

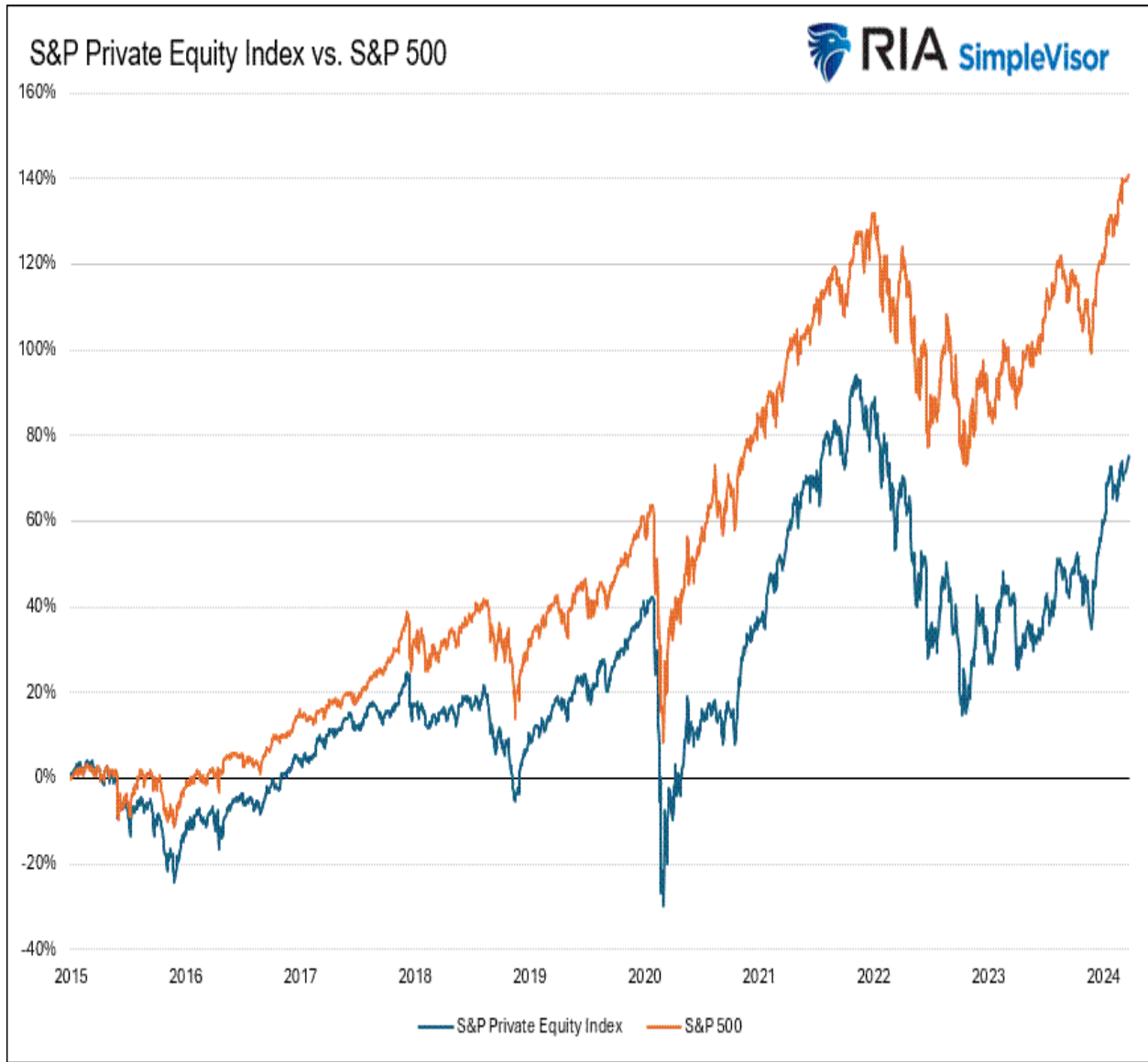
Yale To Trim Billions Of Private Equity Holdings

According to Bloomberg, Yale University could sell as much as \$6 billion of its private equity investments. Such a sale would represent about 15% of its total endowment fund and a third of its private equity holdings. Yale was a frontrunner among endowment funds investing in private equity. Its well-known ex-investment manager, David Swensen, believed that less liquid alternatives like private equity, compared to liquid market assets, provide investors with more compelling return possibilities that more than offset the liquidity constraints.

Over the last decade, the popularity of private equity has grown, resulting in lower potential returns. The risk/reward ratio has changed. Or more simply, investors are not paid as handsomely to take on liquidity risks as they were. This construct helps explain Yale's desire to sell some of its private equity holdings. Per Yale's chief investment officer, Matt Mendelsohn:

While the strategy has worked well to date ? the endowment returned 10.3% per year during the 20 years ending June 30, 2024 ? market conditions are shifting. As Mendelsohn noted, ?success over the next four decades will look different than success over the last four? ? and the allure of private equity may be fading. Bain & Co. noted that while buyout funds still outperform public markets over longer periods, that edge is eroding. With competition keeping acquisition prices high and debt costs elevated, generating alpha has become increasingly difficult. ? [Bloomberg](#)

The graph below highlights that the S&P Private Equity Index has grossly underperformed the S&P 500 since 2015. However, the index only represents listed private equity companies meeting specific requirements.



















































What To Watch Today

Earnings

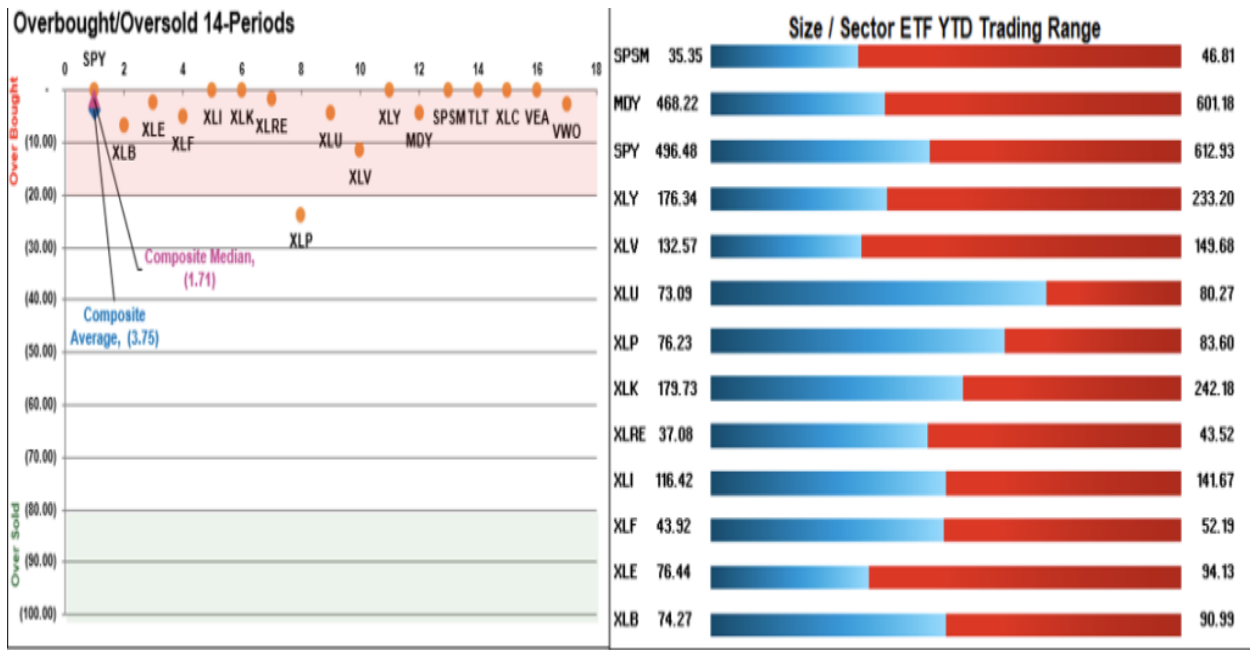
Wednesday Apr 30	EPS	Consensus	Previous	Revenue	Consensus	Previous	MarketCap	Fiscal	Time		
Microsoft MSFT.US		3.16	2.94		69.84B	61.86	\$2.76T	Q3	PM	★	👤
Meta FB.US		5.39	4.71		41.79B	36.46B	\$1.28T	Q1	PM	★	👤
Uber UBER.US		0.5106	-0.32		11.62B	10.13B	\$156.07B	Q1	AM	★	👤
Qualcomm QCOM.US		2.8	2.44		10.55B	9.39B	\$152.02B	Q2	PM	★	👤
Caterpillar CAT.US		5.17	5.60		15.55B	15.8B	\$143.37B	Q1	AM	★	👤
Vertex Pharmaceuticals VRTX		4.27	4.76		2.86B	2.69B	\$125.92B	Q1	PM	★	👤
ADP ADP.US		2.97	2.88		5.49B	5.25B	\$120.17B	Q3	AM	★	👤
KLA-Tencor KLAC.US		7.49	5.26		2.88B	2.36B	\$86.41B	Q3	PM	★	👤
Equinix EQIX.US		3.03	2.43		2.24B	2.14B	\$76.33B	Q1	PM	★	👤
Illinois Tool Works ITW.US		2.35	2.44		3.83B	3.97B	\$69.45B	Q1	AM	★	👤
Marriott International MAR.US		2.27	2.13		6.19B	5.98B	\$63.31B	Q1	AM	★	👤
Aflac AFL.US		1.68	1.66		4.15B	5.4B	\$59.98B	Q1	PM	★	👤
American Electric Power AEP		1.41	1.27		5.61B	5B	\$57.28B	Q1	AM	★	👤
Emerson Electric EMR.US		1.41	1.36		4.4B	4.38B	\$56.87B	Q2	PM	★	👤
Johnson Controls JCI.US		0.7851	0.78		5.64B	6.70B	\$52.9B	Q2	PM	★	👤
MetLife MET.US		2.08	1.83		18.42B	16.06B	\$52.35B	Q1	PM	★	👤
Public Storage PSA.US		2.48	2.60		1.19B	1.16B	\$51.89B	Q1	PM	★	👤
Allstate ALL.US		3.65	5.13		13.94B	15.26B	\$51.84B	Q1	PM	★	👤
Realty Income O.US		0.3526	0.16		1.28B	1.26B	\$49.98B	Q1	PM	★	👤
Crown Castle International C		0.66	0.71		1.6B	1.59B	\$44.53B	Q1	PM	★	👤
Public Service PEG.US		1.38	1.31		3.09B	2.76B	\$41.87B	Q1	AM	★	👤
Corteva CTVA.US		0.8679	0.89		4.53B	4.58B	\$40.69B	Q1	AM	★	👤
Hess HES.US		1.69	3.16		2.85B	3.34B	\$40.5B	Q1	AM	★	👤
Yum Brands YUM.US		1.29	1.15		1.85B	1.6B	\$40.1B	Q1	AM	★	👤
Prudential Financial PRU.US		3.42	3.12		14.27B	13.71B	\$35.73B	Q1	PM	★	👤
Cognizant Technology Solution		1.2	1.12		5.06B	4.76B	\$34.56B	Q1	PM	★	👤
Vici Properties VICI.US		0.6866	0.57		979.37M	951.5M	\$33.95B	Q1	PM	★	👤
Vulcan Materials VMC.US		0.8298	0.80		1.64B	1.55B	\$31.78B	Q1	AM	★	👤

Economy

Wednesday April 30 2025			Actual	Previous	Consensus	Forecast	
06:00 AM	US	MBA 30-Year Mortgage Rate APR/25		6.9%			 
06:00 AM	US	MBA Mortgage Applications APR/25		-12.7%			 
06:00 AM	US	MBA Mortgage Market Index APR/25		233.5			 
06:00 AM	US	MBA Mortgage Refinance Index APR/25		673.6			 
06:00 AM	US	MBA Purchase Index APR/25		153.4			 
07:15 AM	US	ADP Employment Change APR		155K	108K	110K	 
07:30 AM	US	GDP Growth Rate QoQ Adv Q1		2.4%	0.4%	0.5%	 
07:30 AM	US	Employment Cost - Benefits QoQ Q1		0.8%		0.8%	 
07:30 AM	US	Employment Cost - Wages QoQ Q1		0.9%		0.8%	 
07:30 AM	US	Employment Cost Index QoQ Q1		0.9%	0.9%	0.8%	 
07:30 AM	US	GDP Price Index QoQ Adv Q1		2.3%	3.1%	3.0%	 
07:30 AM	US	Core PCE Prices QoQ Adv Q1		2.6%		2.2%	 
07:30 AM	US	GDP Sales QoQ Adv Q1		3.3%		0.7%	 
07:30 AM	US	PCE Prices QoQ Adv Q1		2.4%		2.1%	 
07:30 AM	US	Real Consumer Spending QoQ Adv Q1		4%		2.2%	 
07:30 AM	US	Treasury Refunding Announcement					
08:45 AM	US	Chicago PMI APR		47.6	45.5	46	 
09:00 AM	US	Core PCE Price Index MoM MAR		0.4%	0.1%	0.1%	 
09:00 AM	US	Personal Income MoM MAR		0.8%	0.4%	0.5%	 
09:00 AM	US	Personal Spending MoM MAR		0.4%	0.6%	0.4%	 
09:00 AM	US	PCE Price Index MoM MAR		0.3%	0%	0.0%	 
09:00 AM	US	PCE Price Index YoY MAR		2.5%	2.2%	2.2%	 
09:00 AM	US	Pending Home Sales MoM MAR		2%	-0.3%	-0.2%	 
09:00 AM	US	Pending Home Sales YoY MAR		-3.6%		-1.5%	 
09:00 AM	US	Core PCE Price Index YoY MAR		2.8%	2.6%	2.5%	 

Market Trading Update

Yesterday, we touched on the recent rally from the lows that reversed the entire *?tariff announcement?* plunge. However, the recent rally, while encouraging, has taken the markets back to near-term overbought conditions as noted in this past weekend's [#BullBearReport](#). In that report, we produce our market/sector relative analysis report, which includes a graph on the current overbought/oversold conditions of major markets and sectors. As shown, everything is overbought currently, which usually precedes a short-term correction.



While the market has recovered the losses following the tariff announcement, it is still struggling within a broad trading range from the summer of last year. Upside remains limited to 5700, and with the markets back to short-term overbought (as noted above), I would be reticent of chasing markets too much further. As we have discussed often, if the sell-off from the February peak was emotionally distressing, or you suffered more severe losses than the market itself, you were carrying too much risk. Use the rally to reduce risk, raise cash, and rebalance exposures. If the market continues to rally in the near term, continue that process.



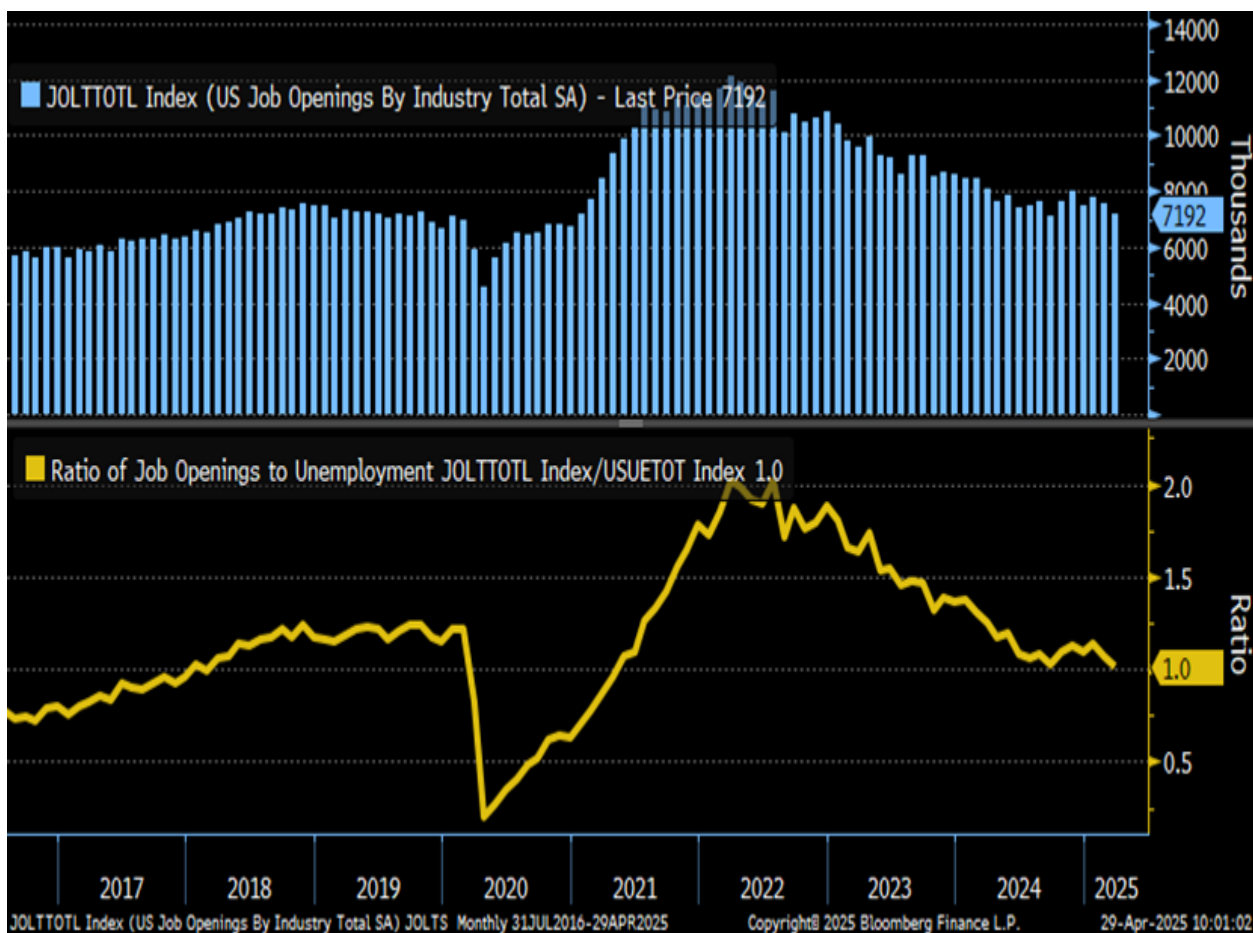
We currently have a short-market hedge in our portfolio, along with elevated cash levels, which we will add to accordingly. For now, we remain cautious of the market until the technical backdrop improves. As shown in the chart above, the number of stocks trading above their respective 50- and 200-day moving averages has reached very low levels and started to turn higher. That is a good sign that the recent correction lows are possibly the bottom of this cycle. However, there is enough technical damage to the markets to suggest that we will likely see another decline before this correction process is complete.

Continue to manage risk and remain cautious for now.

JOLTS

According to the BLS JOLTS report, the number of job openings fell to 7.192 million, down from 7.48 million. The ratio of job openings to those unemployed fell to 1.0, matching its four-year low and below the levels preceding the pandemic. Despite fewer companies looking for employees, layoffs declined from 1.79 million to 1.56 million.

The bottom line is that this report shows no sign of significant weakening in the labor markets. However, JOLTS lags other labor market data by a month. ADP, Jobless Claims, and Friday's BLS report will provide a more up-to-date assessment.



Understanding The Benefits And Risks Of Annuities

When [planning for retirement](#), securing a reliable income stream is a top priority. Many retirees turn to annuities for retirement income as a way to guarantee financial stability. Guaranteed income strategies help retirees maintain cash flow throughout their lives, reducing the risk of outliving their savings.

However, while annuities offer security and predictability, they also come with limitations, fees, and liquidity restrictions that should be carefully considered. In this guide, we'll explore what annuities

are, the different types available, their benefits and risks, and when they make sense in a retirement income plan.

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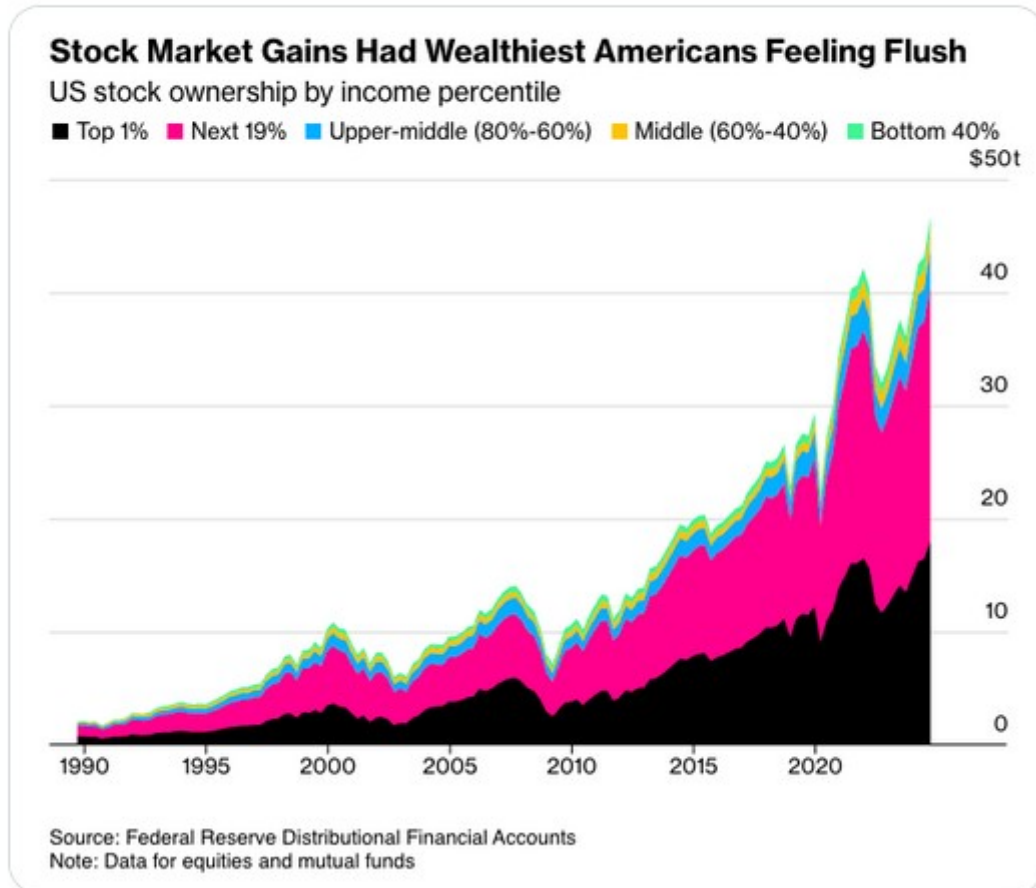
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US stock ownership by income percentile, per Bloomberg:



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