

A financial candlestick chart is displayed on the left side of the page. The chart features several vertical bars, some filled with light blue and others with light grey, representing price movements. Overlaid on the chart are three distinct lines: a solid white line, a dashed white line, and a dotted white line, all showing an overall upward trend. The background of the chart area is a blurred image of a modern city skyline with tall buildings.

Monthly Economic Indicators January 2026

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February 20, 2026

RFA
RCLCO FUND ADVISORS

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About RCLCO Fund Advisors

RCLCO Institutional Advisory Services, the predecessor to RCLCO Fund Advisors, LLC (RFA), was formed in 2011. RFA was incorporated in 2013 and registered with the SEC as a registered investment advisor (RIA) in 2014. RFA specifically addresses the complex global investment environment facing pension funds and similar institutional investors. Our broad background across a wide variety of disciplines—including portfolio analysis, development feasibility, and urban planning—makes us uniquely adept at navigating property markets from both a “bottom-up” and “top-down” approach. The team is comprised of more than 30 members with diverse and relevant experience in research, consulting, investment management, property operations, and lending.

RFA is improving the traditional institutional real estate investment model by: providing customized and aligned advisory and investment management solutions to LPs; facilitating partnerships that generate greater LP control and transparency; and driving and achieving long-term objectives in allocation, access, diversification, and performance with greater fee effectiveness.

Monthly Highlights – January 2026

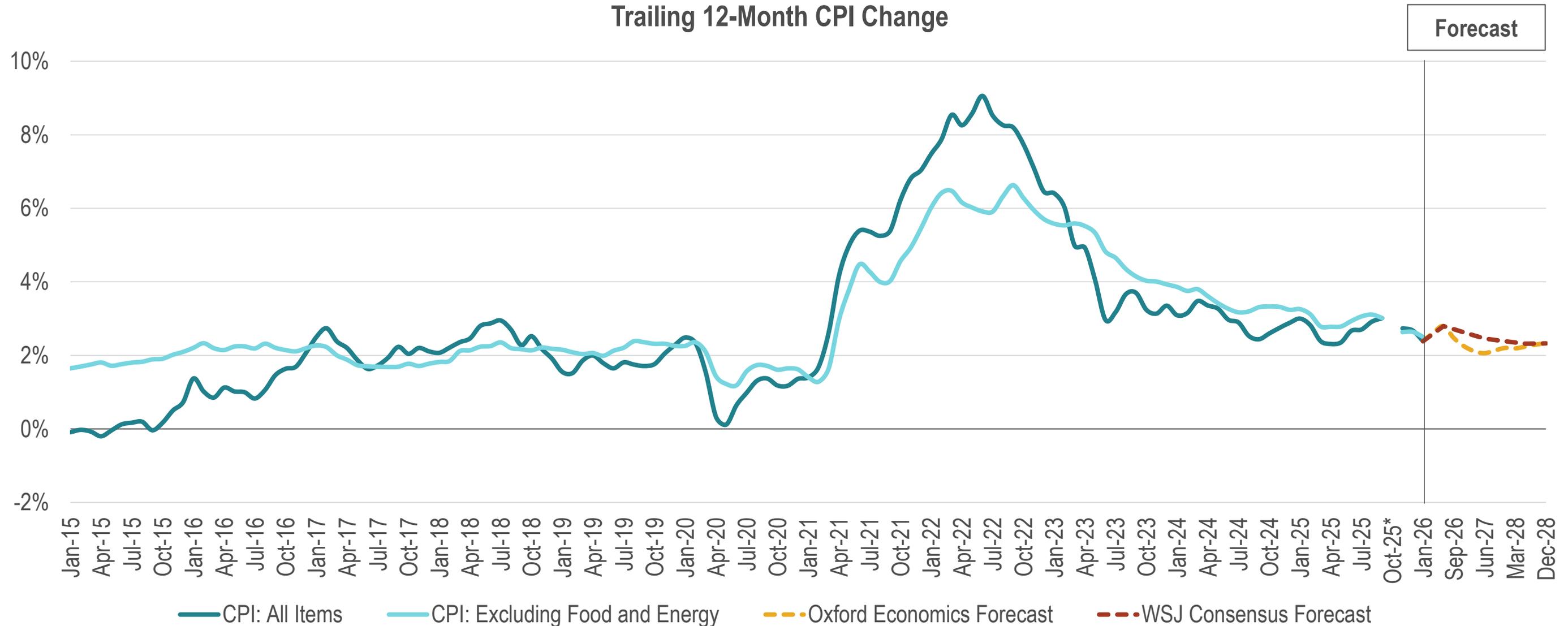
Inflation	<ul style="list-style-type: none"> • Annual headline and core CPI inflation both moderated in January to 2.4% and 2.5%, respectively. • Final Demand PPI rose 3.0% in 2025 and by 0.1% MoM in December*. Construction materials PPI rose a sharp 6.2% YoY. • Annual total and core PCE both rose 10 bps to 2.8% in November*, above the Fed’s 2% target rate. • The 5-year TIPS-implied inflation rate rose 10 bps to 2.4% in January. Consumer expectations for 5-year inflation fell 50 bps to 3.5% in February.
Interest Rates	<ul style="list-style-type: none"> • The 10-Year UST ended January at 4.26%, 8 bps above its December-end level. The yield was slightly above 4% in mid-February. • Average commercial real estate mortgage rates held steady at 6.4% in November*. The spread to the UST was near its long-term average. • The Federal Reserve held the fed funds rate steady in January. The current target range stands at 3.5-3.75%.
Employment	<ul style="list-style-type: none"> • Job growth surprised to the upside at 130K in January, but total 2025 employment was revised down to 180K. Education and health services dominated annual employment growth, while information, government, trade and transportation, and manufacturing lost jobs. • The unemployment rate fell 10 bps MoM to 4.3% in January. The labor force participation rose 10 bps to 62.5%. • Annual wage growth was unchanged in January at 3.7%. Over the last three months, wages grew by 3.5% (annualized).
Sentiment & Retail Sales	<ul style="list-style-type: none"> • Consumer sentiment improved for a third consecutive month in February but remained very low. Views of current conditions rose while consumer expectations fell slightly. • The ISM Purchasing Managers’ Index (PMI) for services cooled but remained in expansion. Manufacturing PMI rose into expansion for the first time in a year. • Total retail sales were flat MoM and rose 2.4% YoY in December*. Core retail sales fell 0.1% MoM but grew 3.5% for the year.
Housing	<ul style="list-style-type: none"> • Trailing-year median existing home prices rose 1.6% YoY in January and annual average new home prices fell 1.6% in 2025*. Existing home sales fell 4.4% YoY in January while new home sales rose 3.8% YoY in December*. • The 30-year fixed mortgage rate has remained near 6.1% over the past month, nearly 80 basis points lower than a year ago.

Inflation

Annual Headline and Core Inflation Moderated to 2.4% and 2.5%, Respectively

Inflation Is Forecast to Remain Slightly Elevated in the Near Term

Trailing 12-Month CPI Change



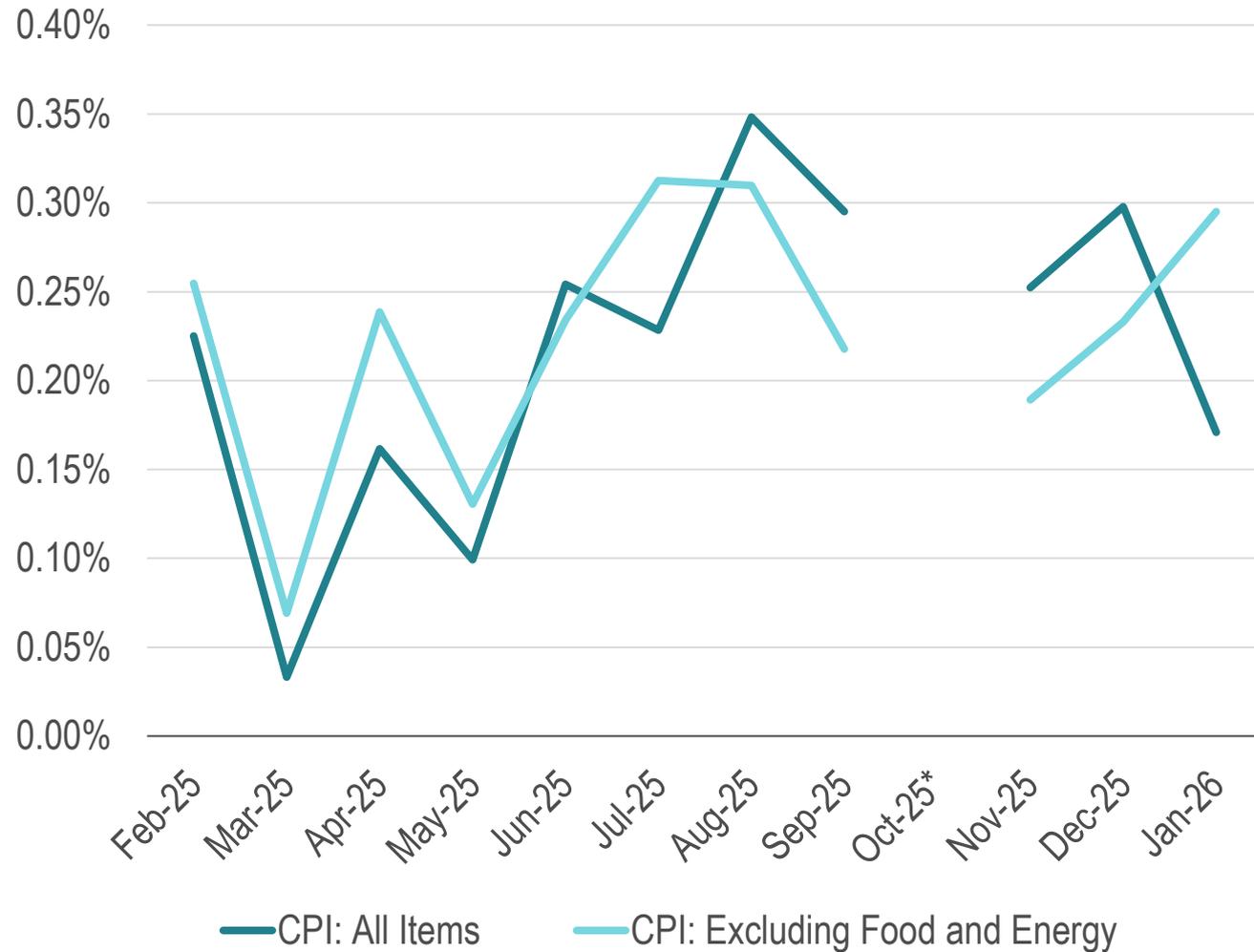
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Data are as of January 2026.
 * October CPI data were not released due to the government shutdown.
 Note: Figures represent seasonally adjusted CPI; October data were not released.
 Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics; WSJ Consensus Forecasts

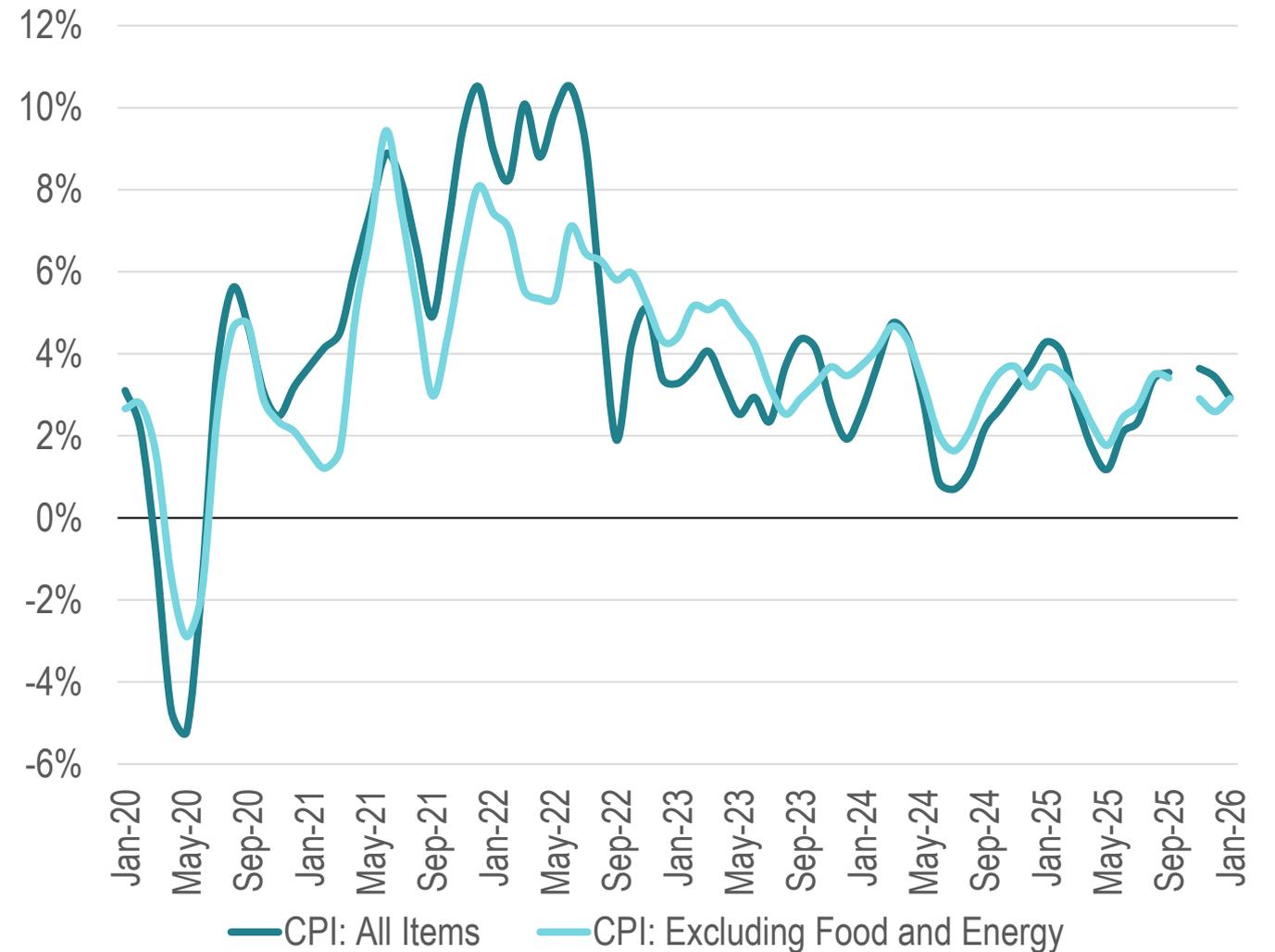
All Items CPI Decelerated to 0.2% MoM while Core Inflation Accelerated to 0.3%

3-Month Annualized All Items CPI Decelerated to 2.9%; Core CPI Accelerated 30 bps, Also to 2.9%

Month-over-Month CPI Change



Trailing 3-Month CPI Change (Annualized)



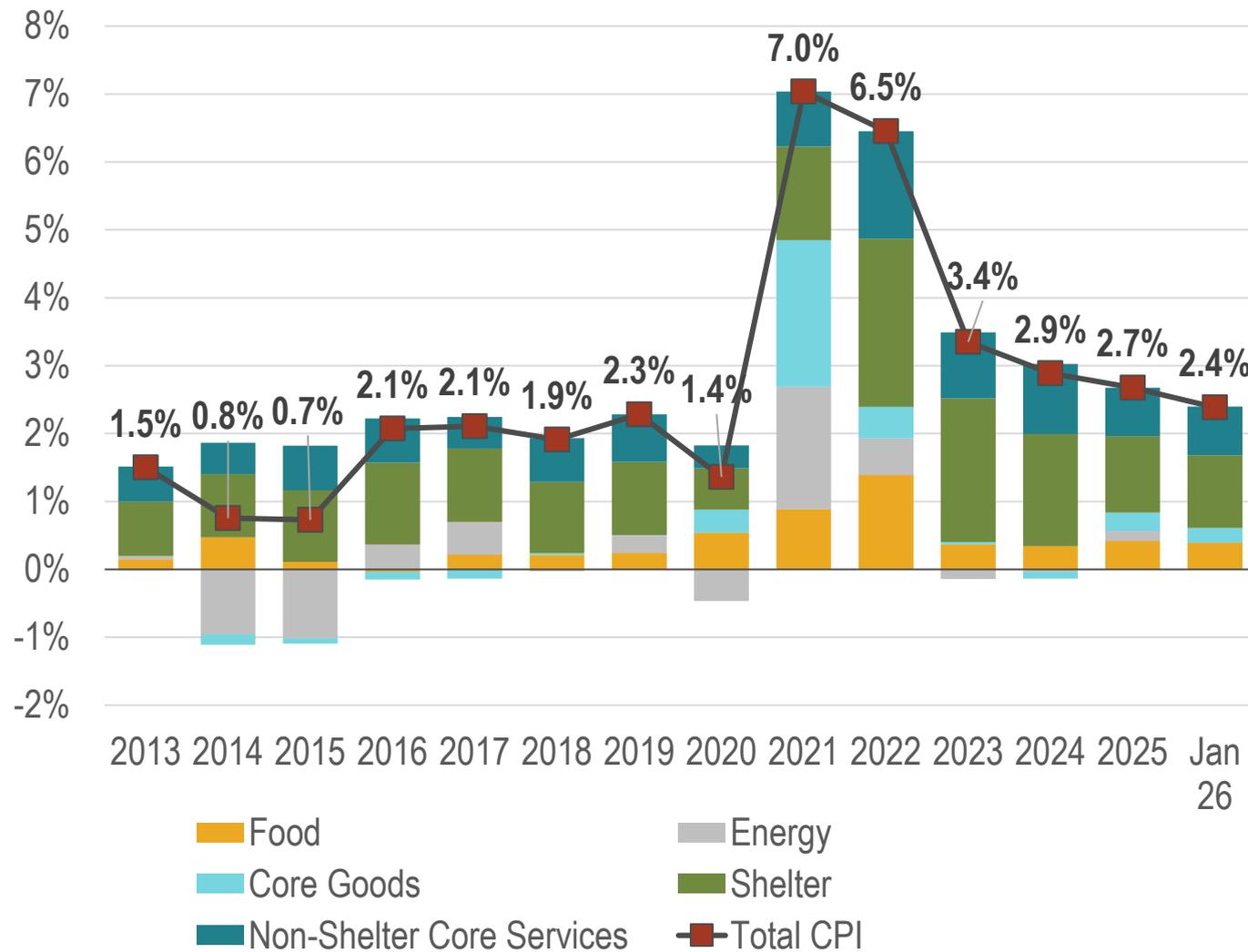
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 Note: Figures represent seasonally adjusted CPI; October data were not released.
 Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Annual Core Services CPI Rose 2.9% and Core Goods Prices Rose 1.1%

Energy Prices Fell 1.5% MoM and 0.1% Over the Past Year

Annual CPI Inflation



January 2026 Inflation

	Monthly	Trailing 12-Month	Weights
Apparel	0.3%	1.7%	2.5%
Education & Communication	0.4%	0.5%	5.7%
Food & Beverages	0.2%	2.8%	14.5%
Other Goods & Services	1.3%	5.9%	2.9%
Housing	0.2%	3.4%	44.2%
<i>Shelter*</i>	0.2%	3.0%	35.5%
Medical Care	0.3%	3.2%	8.3%
Recreation	0.5%	2.5%	5.3%
Transportation	-0.3%	-1.1%	16.6%
Food	0.2%	2.9%	13.7%
Energy	-1.5%	-0.1%	6.2%
Core Goods	0.0%	1.1%	19.4%
Core Services	0.4%	2.9%	60.7%
Total Core	0.3%	2.5%	80.1%
All Items	0.2%	2.4%	100.0%

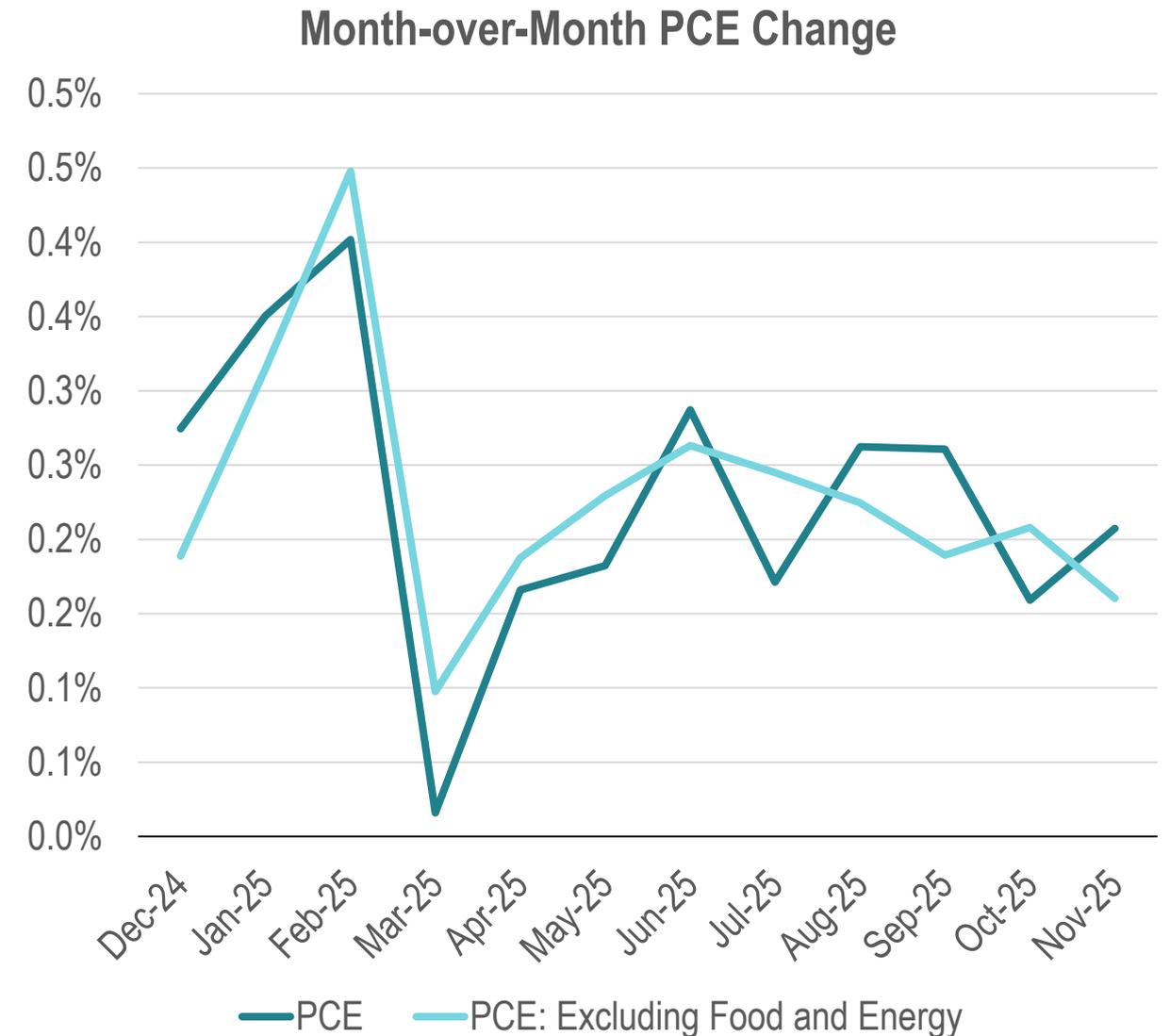
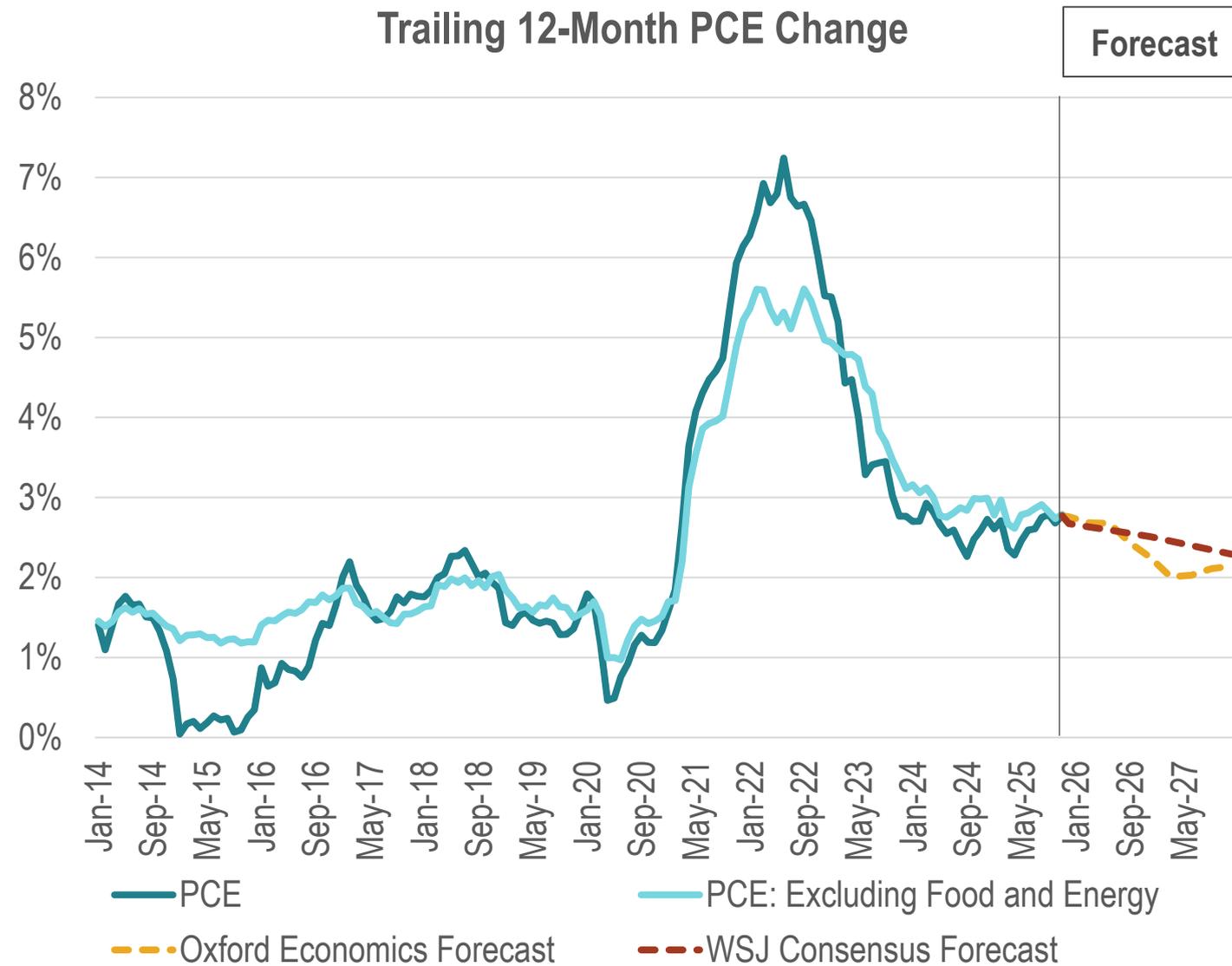


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Data are as of January 2026.
**Shelter is the main component of Housing; other components are Fuels & Utilities and Household Furnishings Operations.*
Note: Annual inflation refers to year-end figures; trailing 12-month figures are not seasonally adjusted; monthly figures are seasonally adjusted.
Source: U.S. Bureau of Labor Statistics

Annual Headline and Core PCE Both Rose 10 bps to 2.8% in November

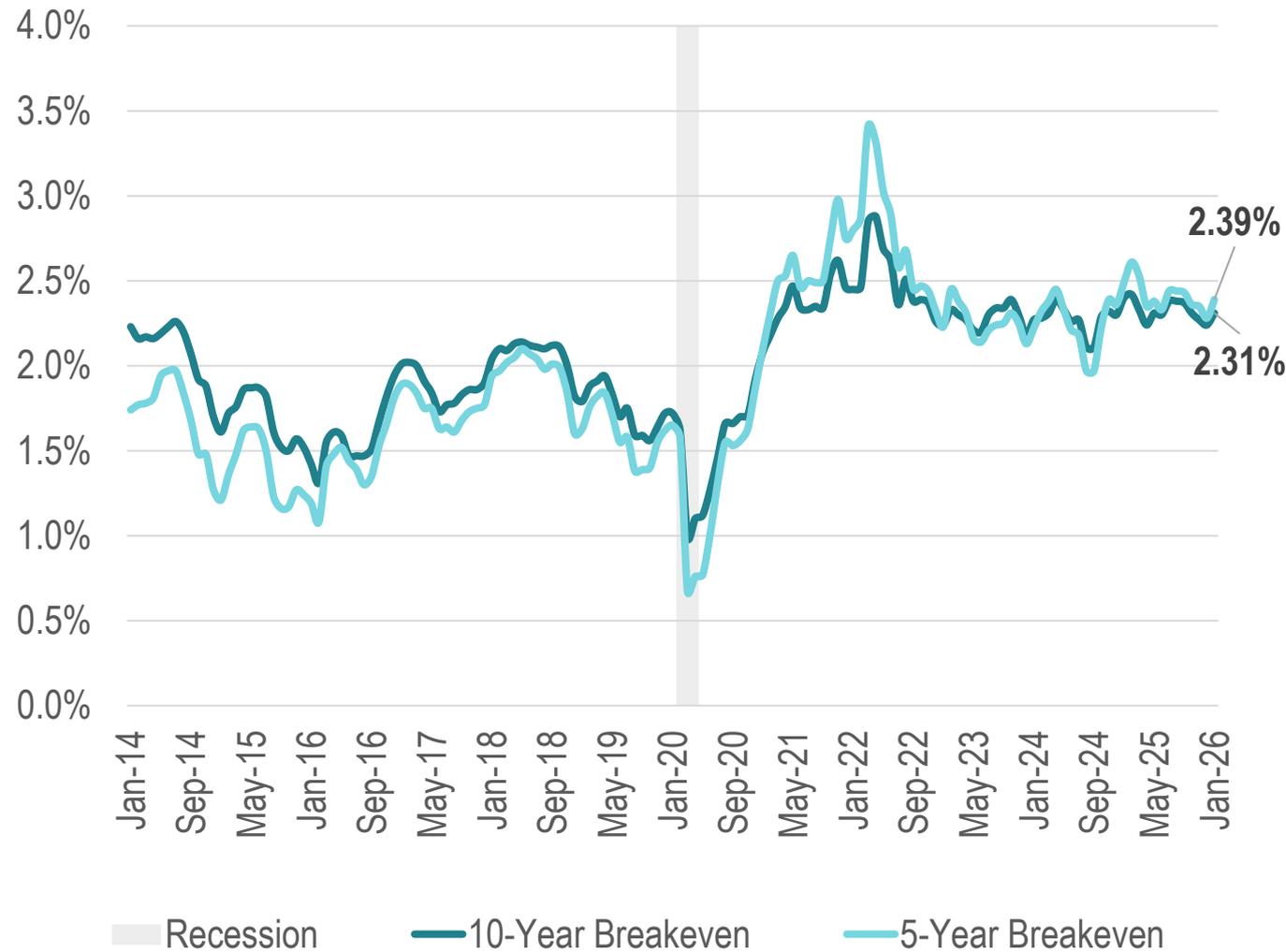
PCE Is Predicted to Remain Elevated in 2026 Before Moderating



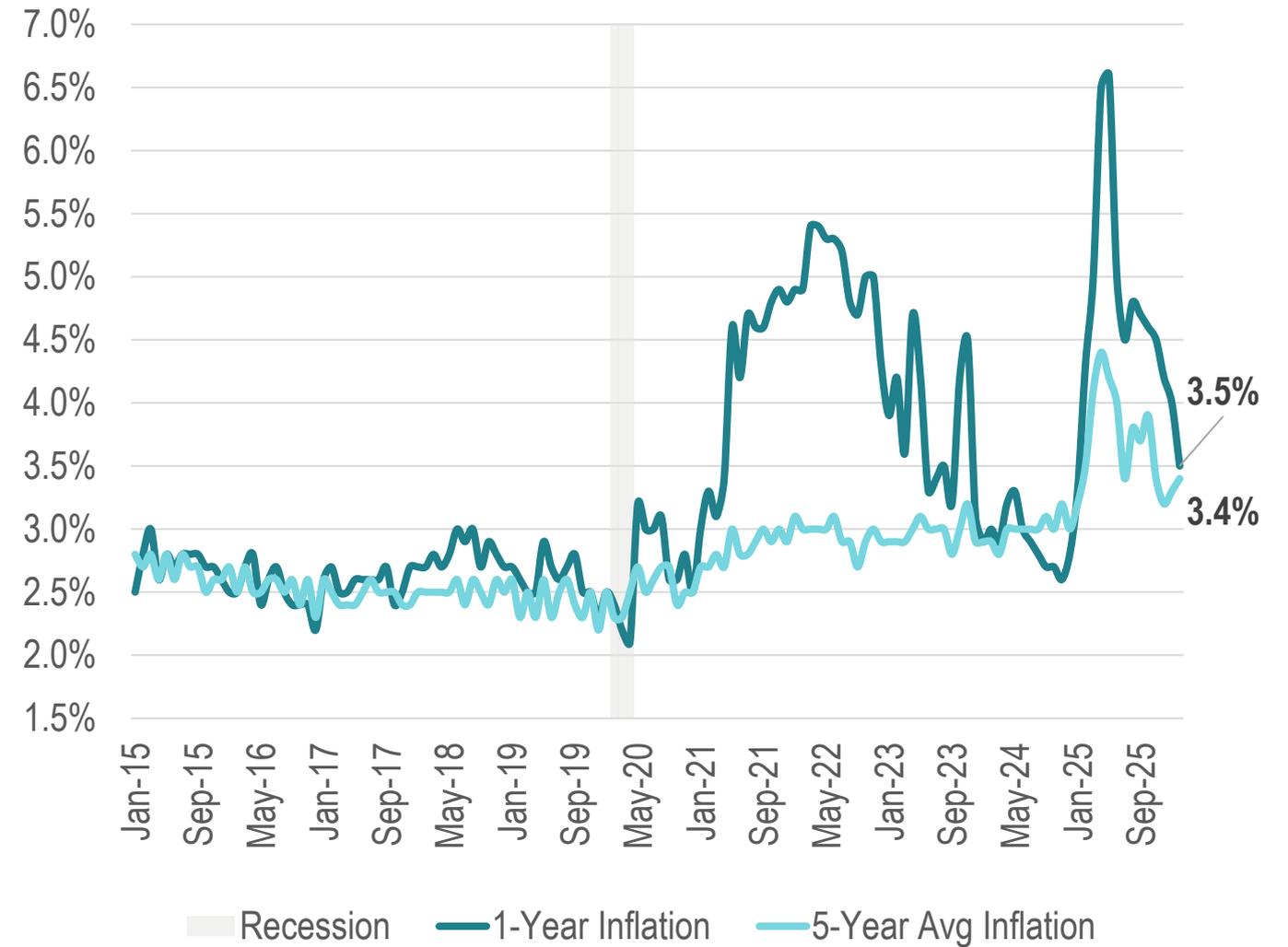
5- and 10-Year TIPS Breakeven Rates Both Ticked Up 10 bps in January

Consumer Expectations of Year-Ahead Inflation Fell Sharply to 3.5%; 5-Year Expectations Ticked Up 10 bps to 3.4%

TIPS-Implied Breakeven Inflation Rate



University of Michigan Inflation Expectations



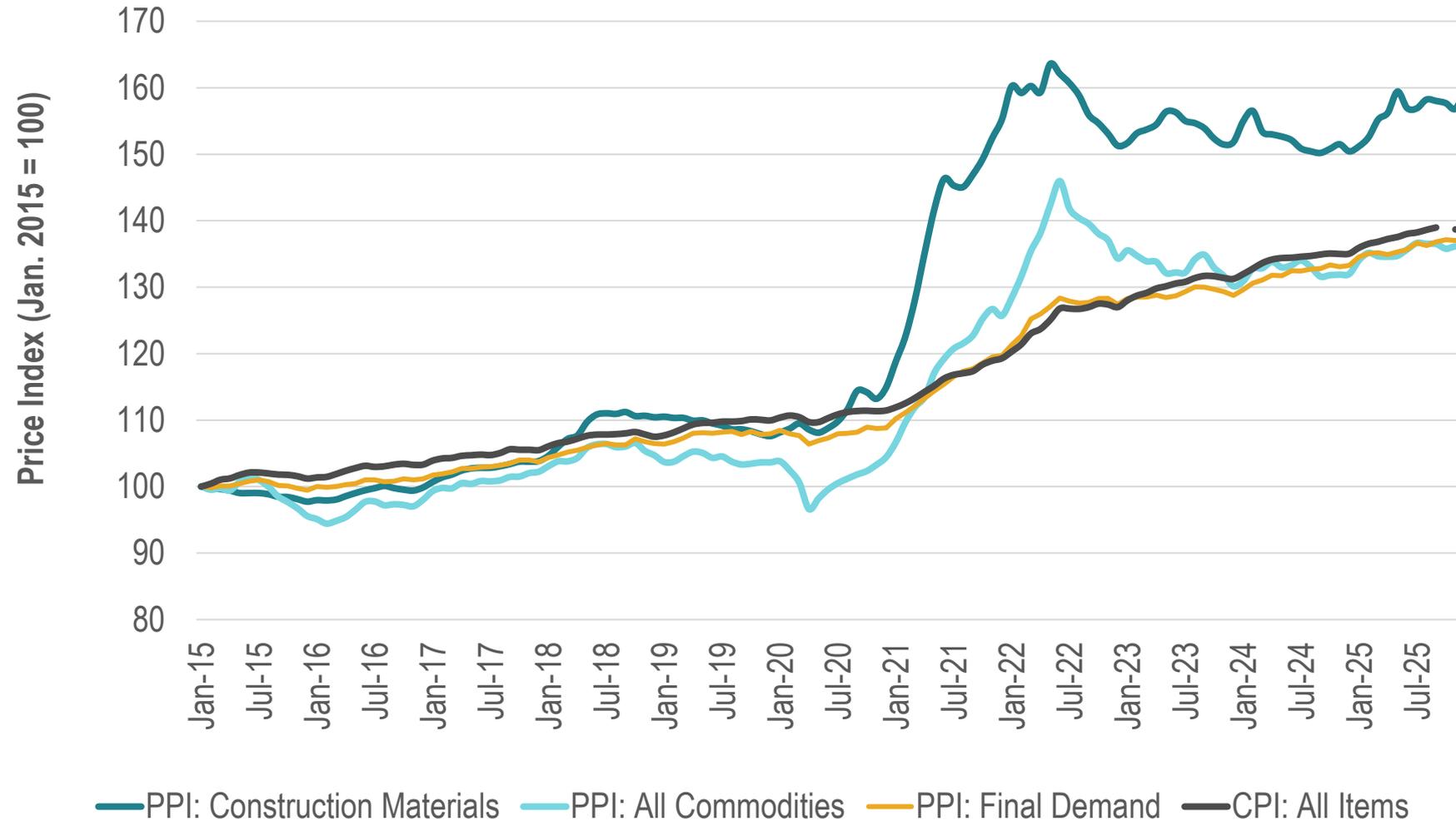
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Breakeven inflation data are as of January 2026; U Mich data are as of February 2026.
 Note: The breakeven inflation rate is calculated by subtracting the yield on treasury inflation-protected securities (TIPS) from the yield on non-protected securities; inflation at this rate equalizes real yields on the two securities.
 Source: Federal Reserve Bank of St. Louis; University of Michigan

Final Demand and All Commodities PPI Rose 3.0% and 2.9%, Respectively, in 2025

Construction Materials PPI Rose A Sharp 6.2% Over the Past Year

Production and Consumer Price Indices



December 2025 Producer Price Index

	Monthly	Trailing 12-Month	10-Yr Annual Avg
PPI: Construction Materials	1.9%	6.2%	5.0%
PPI: All Commodities	-0.3%	2.9%	3.6%
PPI: Final Demand	0.1%	3.0%	3.3%
CPI: All Items	0.3%	2.7%	3.2%



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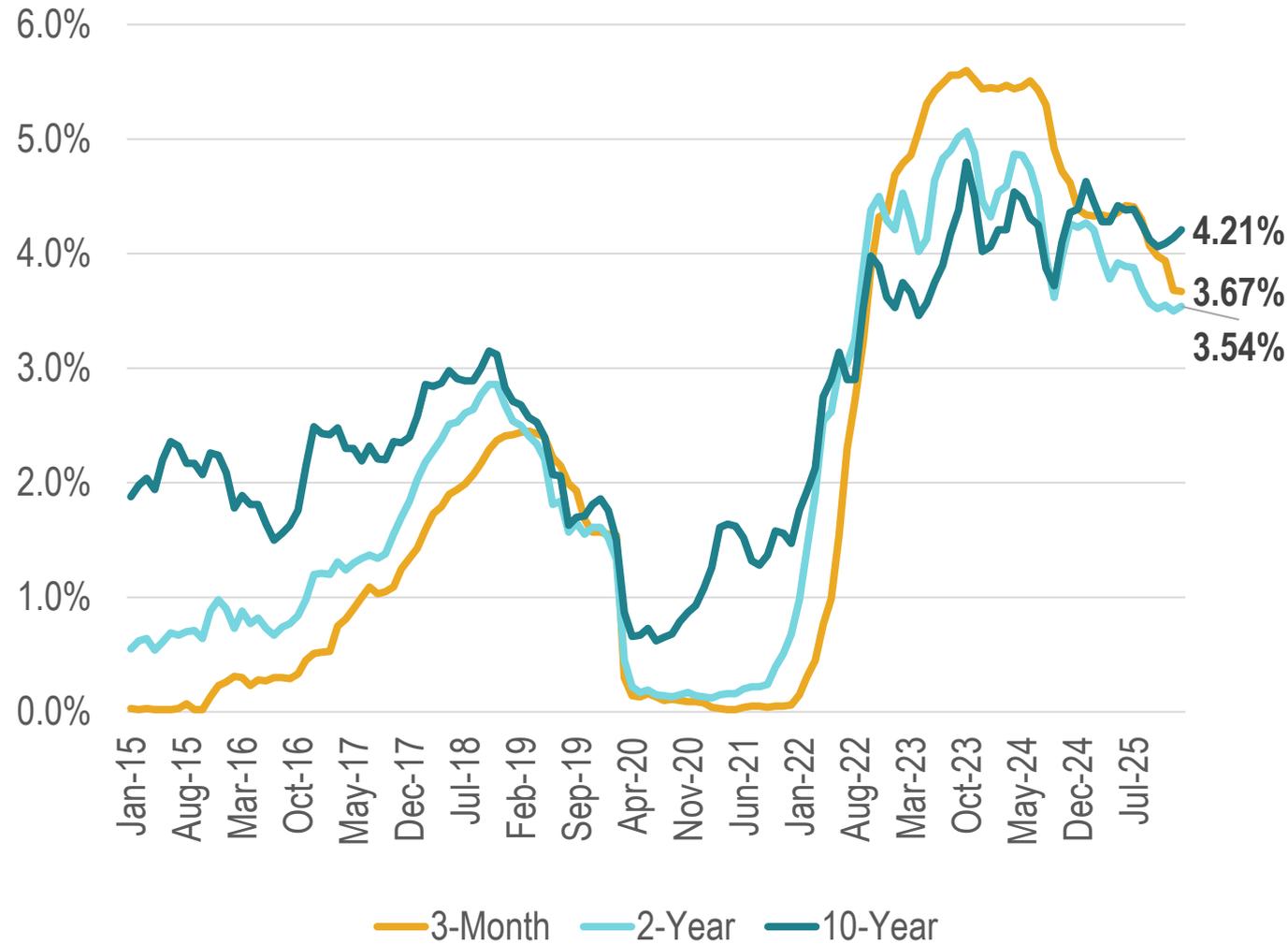
Data are as of December 2025.
 Note: Monthly figures represent seasonally adjusted CPI; trailing 12-month and index figures represent not seasonally adjusted CPI. Monthly and trailing 12-month PPI data are not seasonally adjusted.
 Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Interest Rates

3-Month US Treasury Rates Have Fallen as the Fed Eased in Late 2025

Monthly Average 10-Year UST Yields Rose Slightly while Average 3-Month UST Yields Held Steady in January

US Treasury Yields (Monthly Averages)

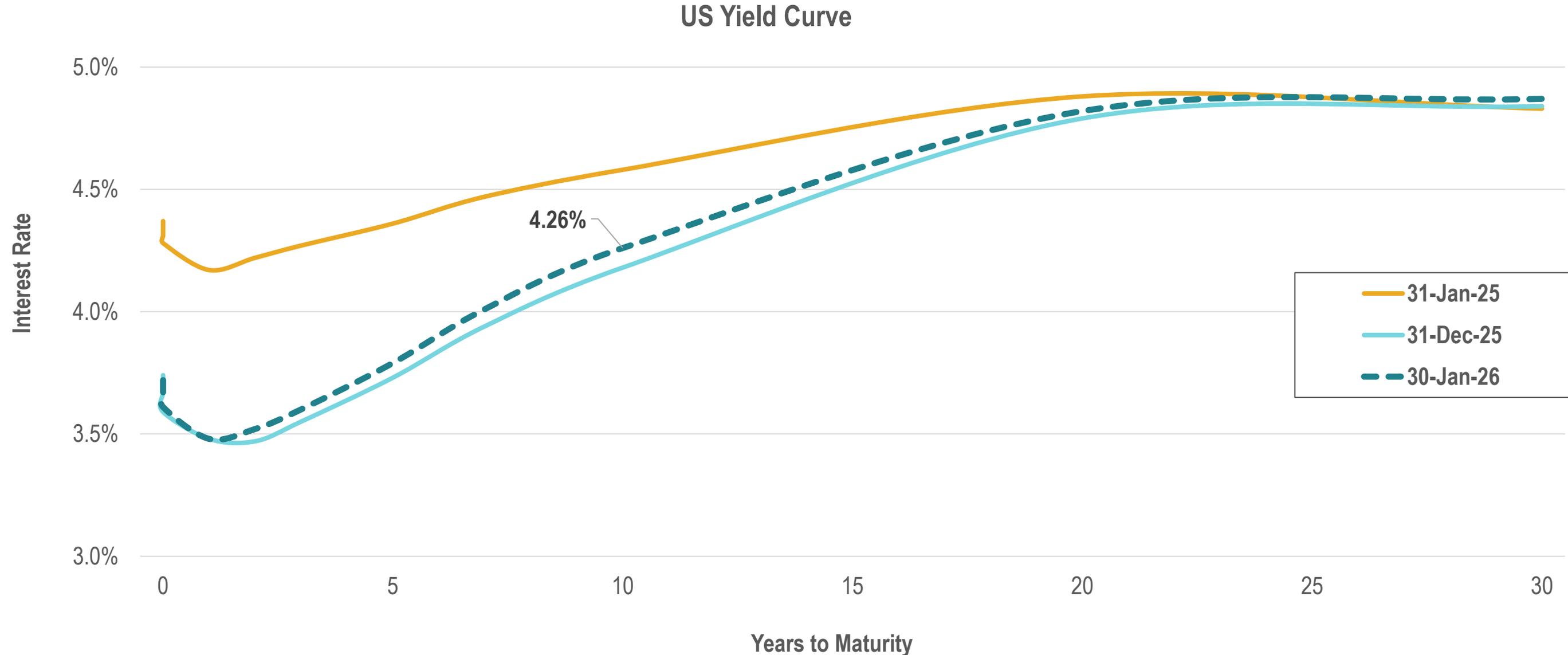


US Treasury Yields (Daily)



Medium-term Yields Rose MoM while Long-term Yields Mostly Held Steady

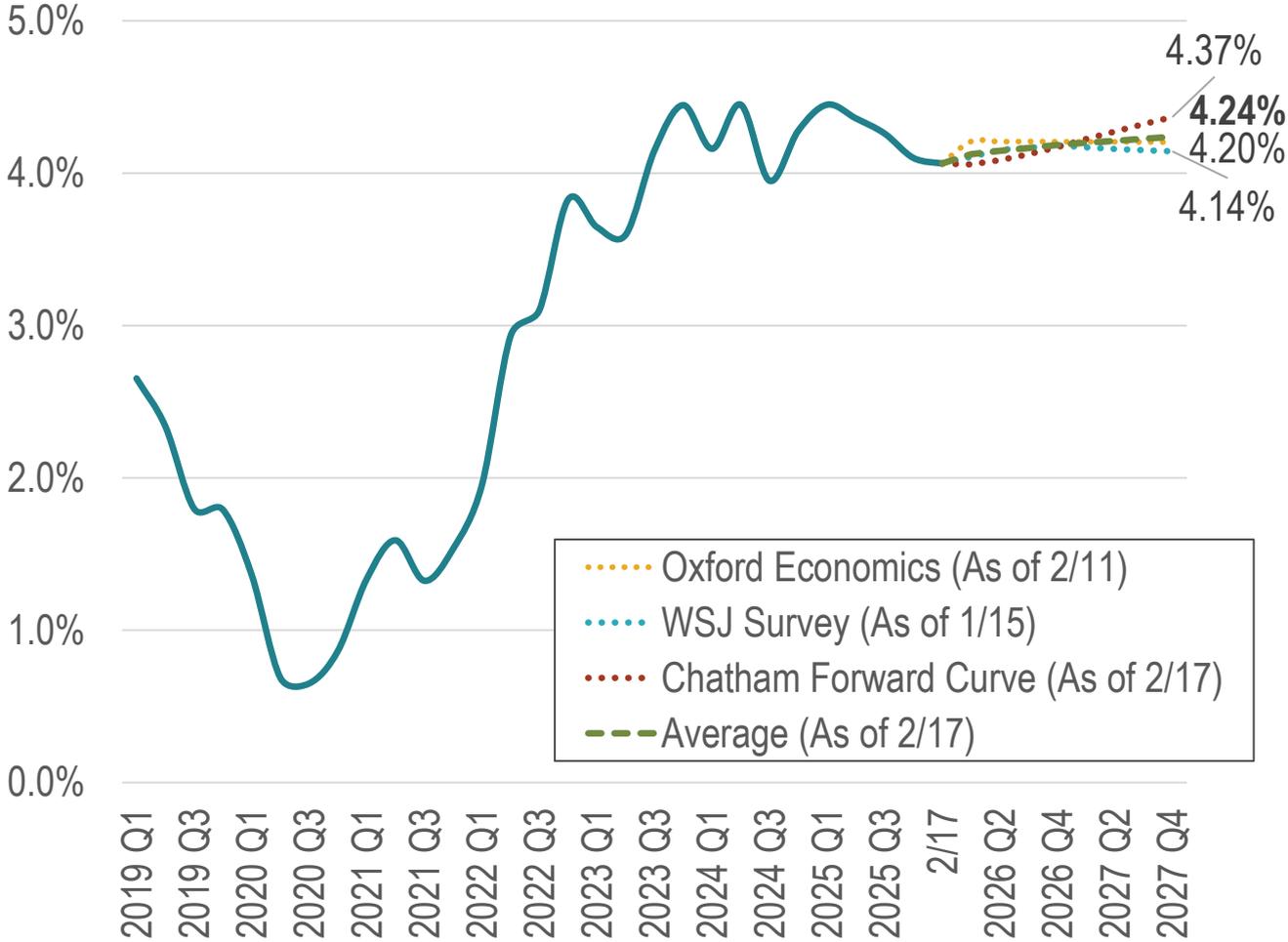
Shorter-term Yields Have Moderated the Most YoY



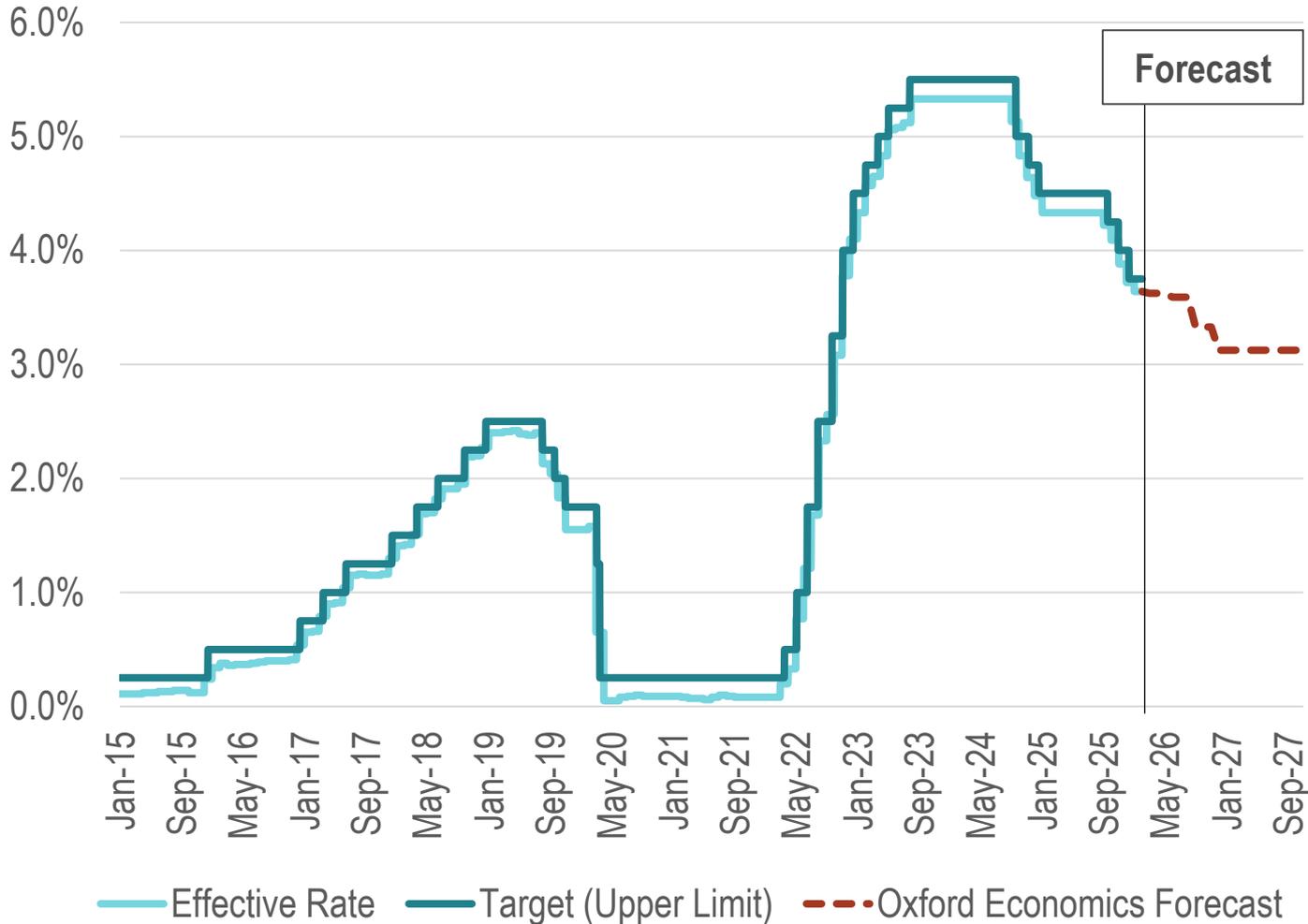
10-Year UST Yields Are Forecast to Hold Steady Over Next Two Years

The Fed Held Rates Steady in January After Three Consecutive Cuts in Late 2025

10-Year US Treasury Yield and Forecasts



Federal Funds Rate



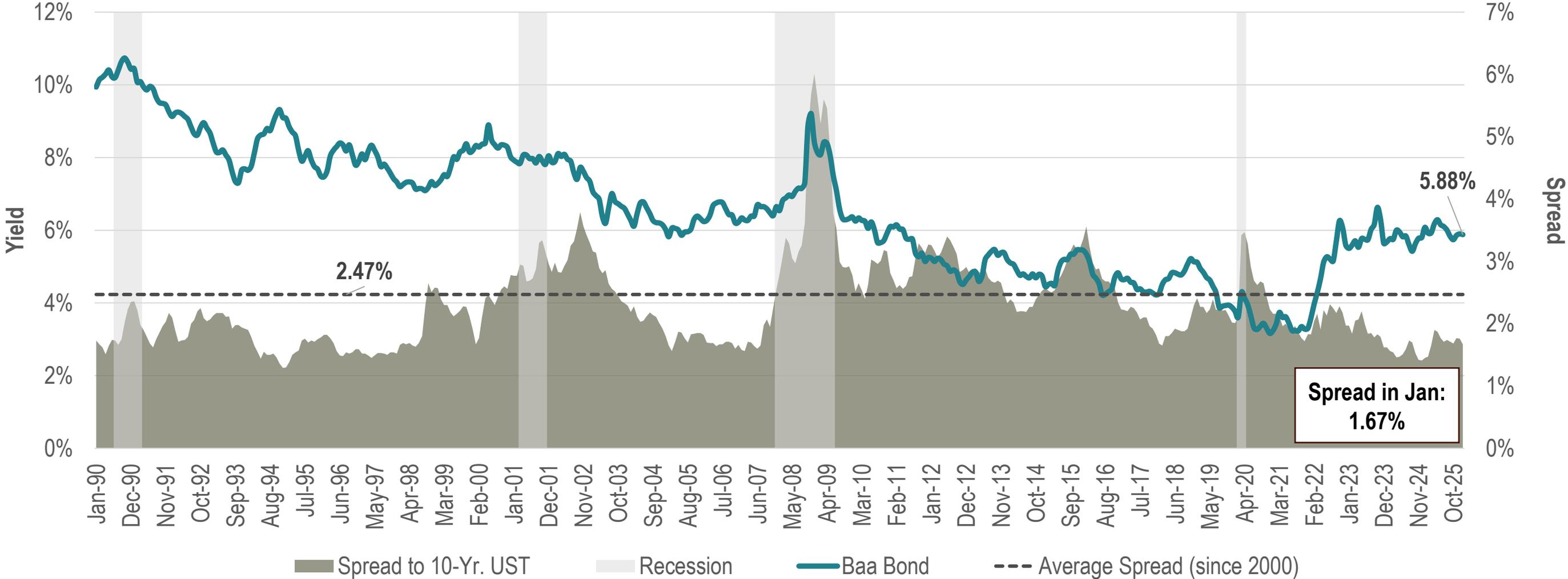
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Data are as of January 31, 2026.
Source: The Federal Reserve; Chatham Financial; Oxford Economics; Yahoo Finance; The Wall Street Journal

Baa Corporate Bond Yields Unchanged at 5.9% in January

Spread to the 10-Year UST Remains Well Below the Long-term Average

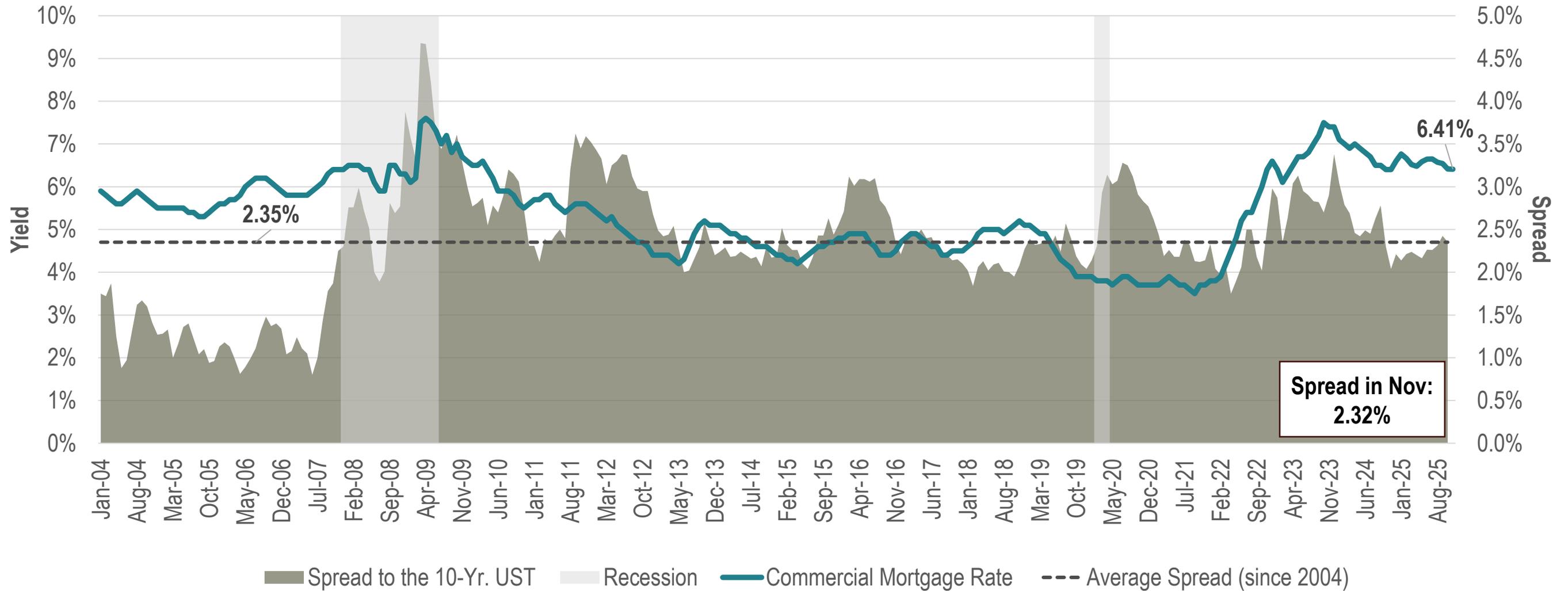
Corporate Bond Yields (Monthly Averages)



Average Commercial Mortgage Rates Held Steady at 6.4% in November

The Spread to the 10-Year UST Yield Remained Near Its Long-term Average

Commercial Mortgage Rates (Monthly Averages)

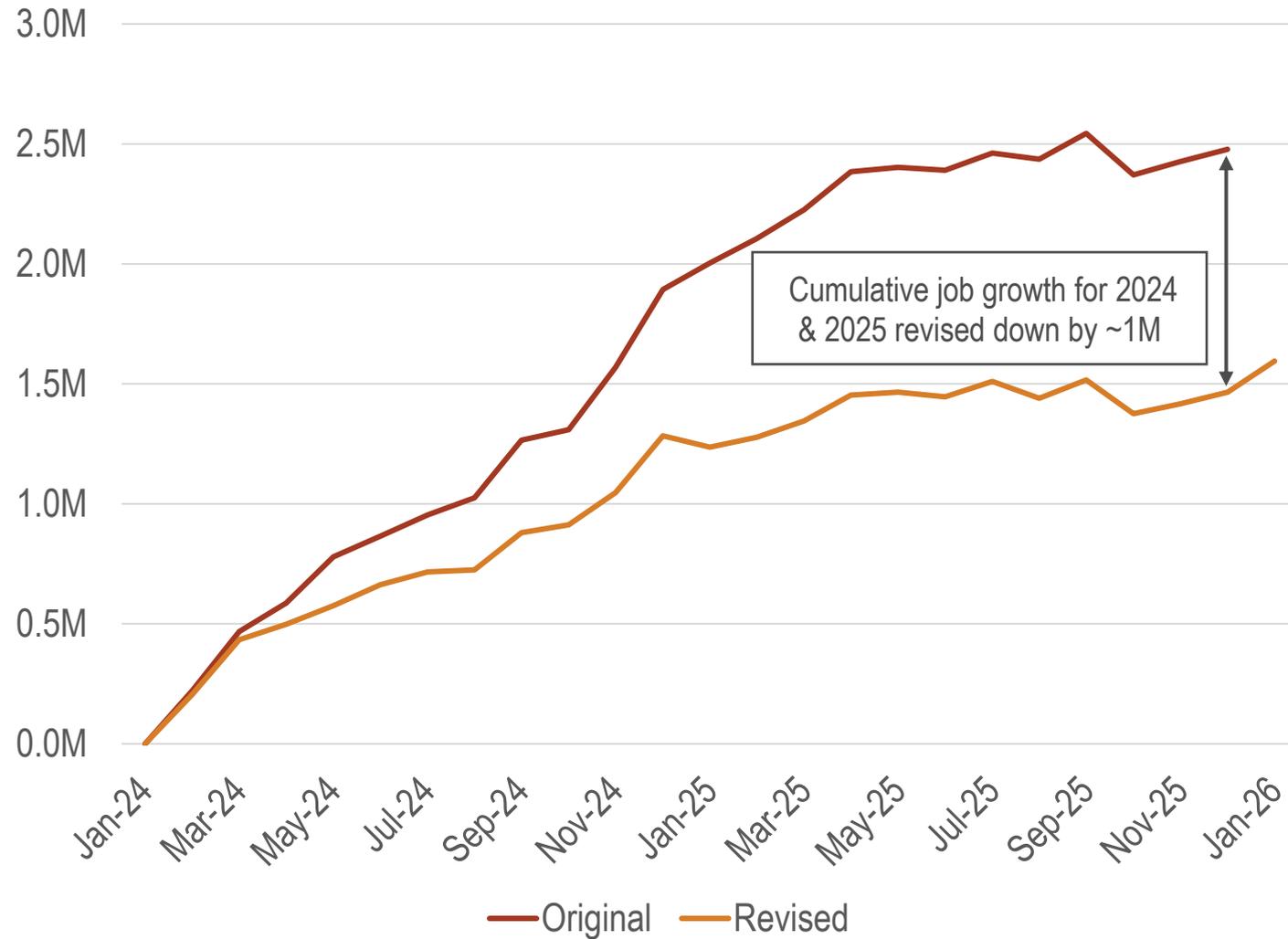


Employment

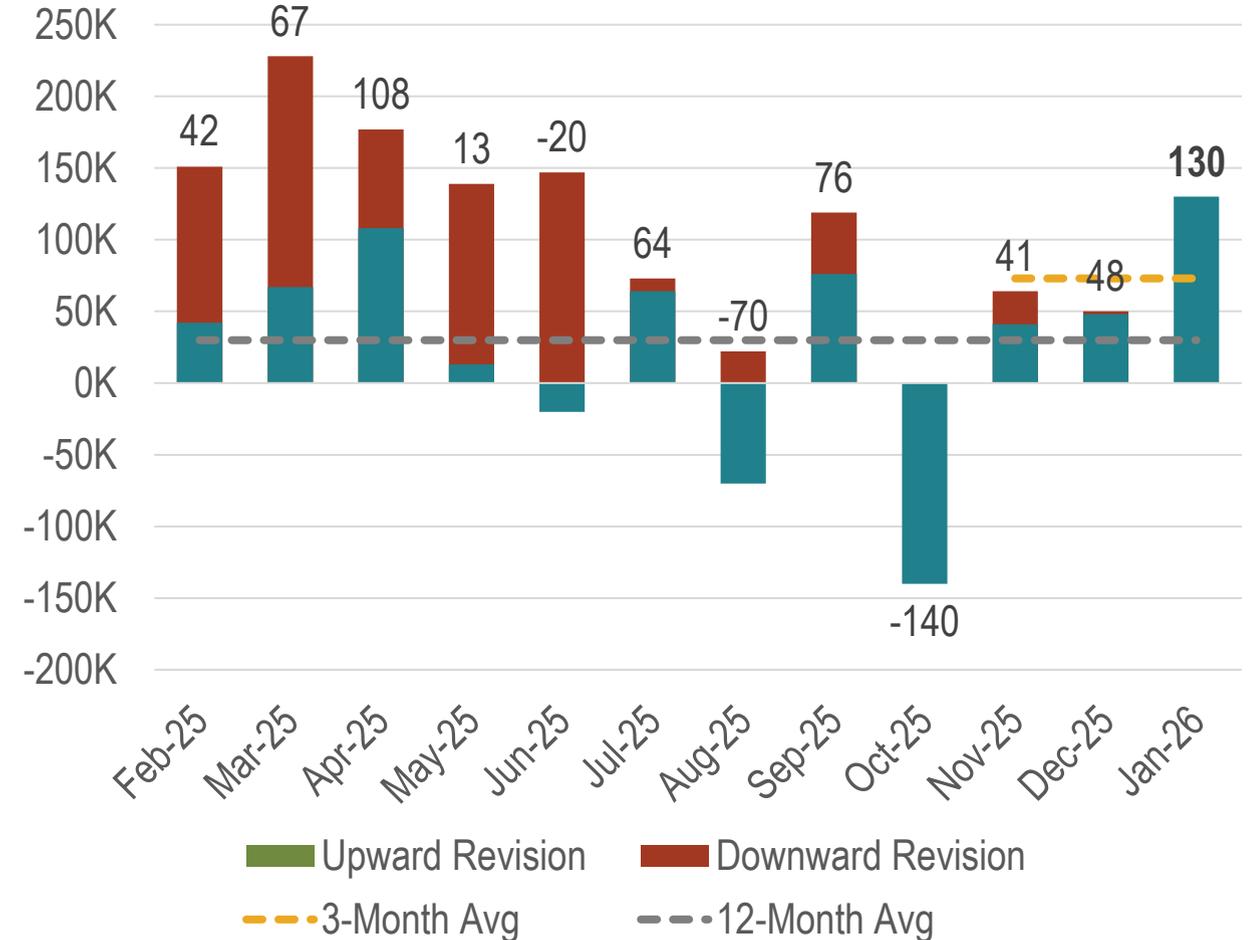
Employment Growth for January Surprised on the Upside, Totaling 130K Jobs

Annual Revisions Brought 2024 and 2025 Job Growth Down by a Cumulative 1M, with Just 180K New Jobs in 2025

Cumulative Change in Total Employment



Monthly US Employment Growth with Revisions

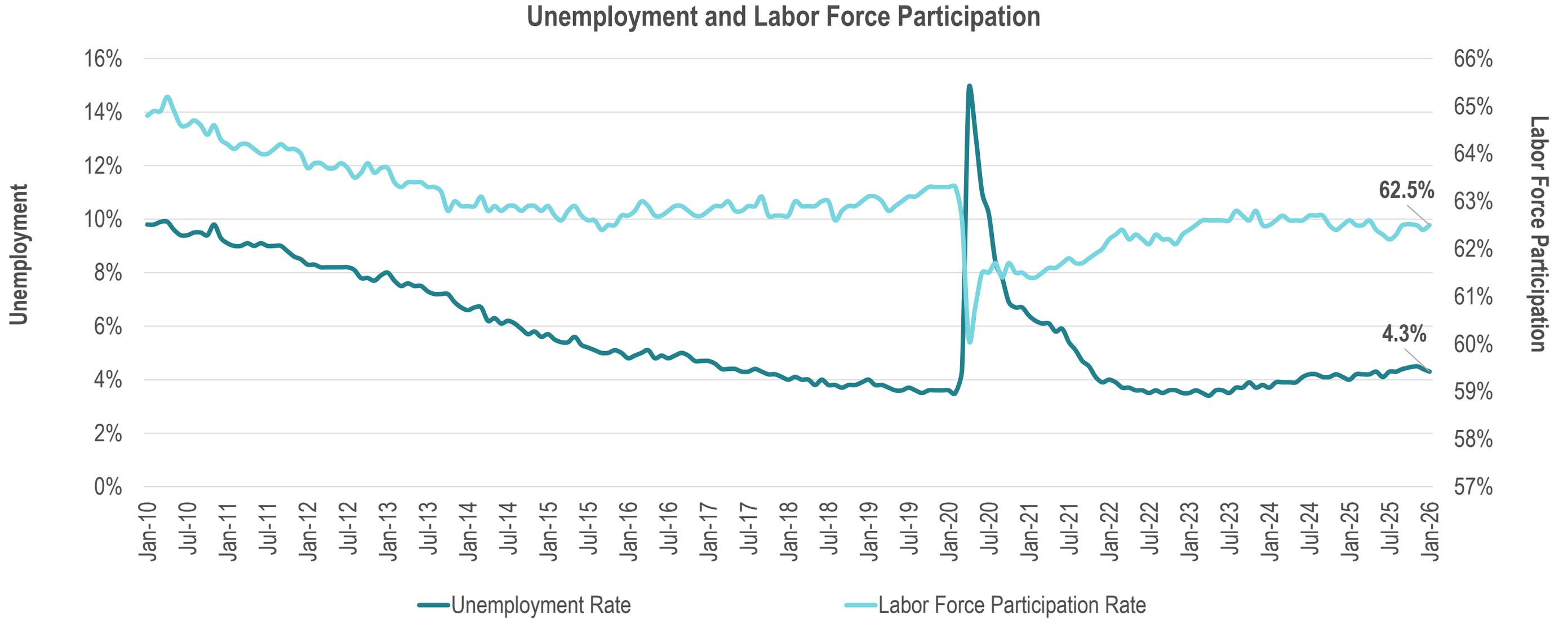


Note: With the January 2026 release, the BLS implemented its annual CES benchmark revision, aligning payrolls to more complete data, which lowered March 2025 employment by 898,000 (-0.6%) and reset subsequent months off the new level. Data are as of January 2026.

Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics

Unemployment Rate Fell 10 bps to 4.3% in January

The Labor Force Participation Rate Rose 10 bps to 62.5%



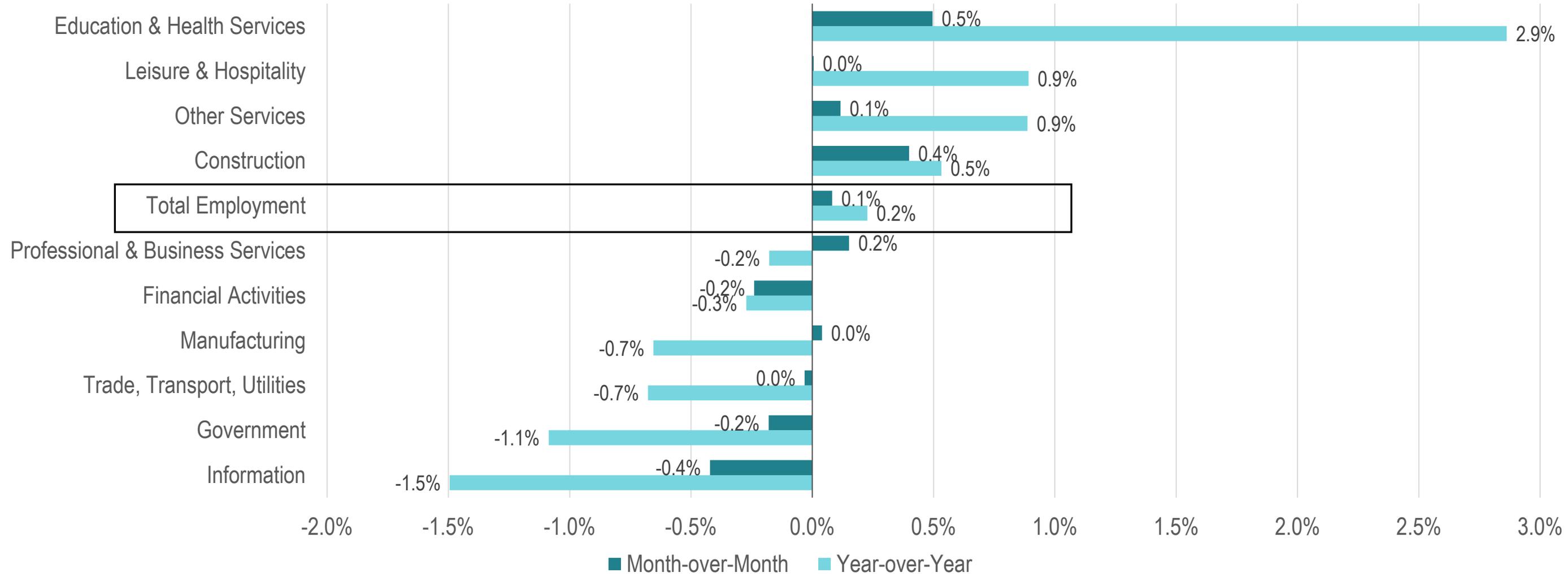
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Data are as of January 2026.
Source: U.S. Bureau of Labor Statistics; U.S. Census Bureau; Federal Reserve Bank of St. Louis

Employment Growth Was Driven by Education & Health Services

Information, Financial Activities, and Government Experienced Employment Declines MoM

US Employment Growth by Sector



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Data are as of January 2026.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Annual Wage Growth Held Steady in January at 3.7%

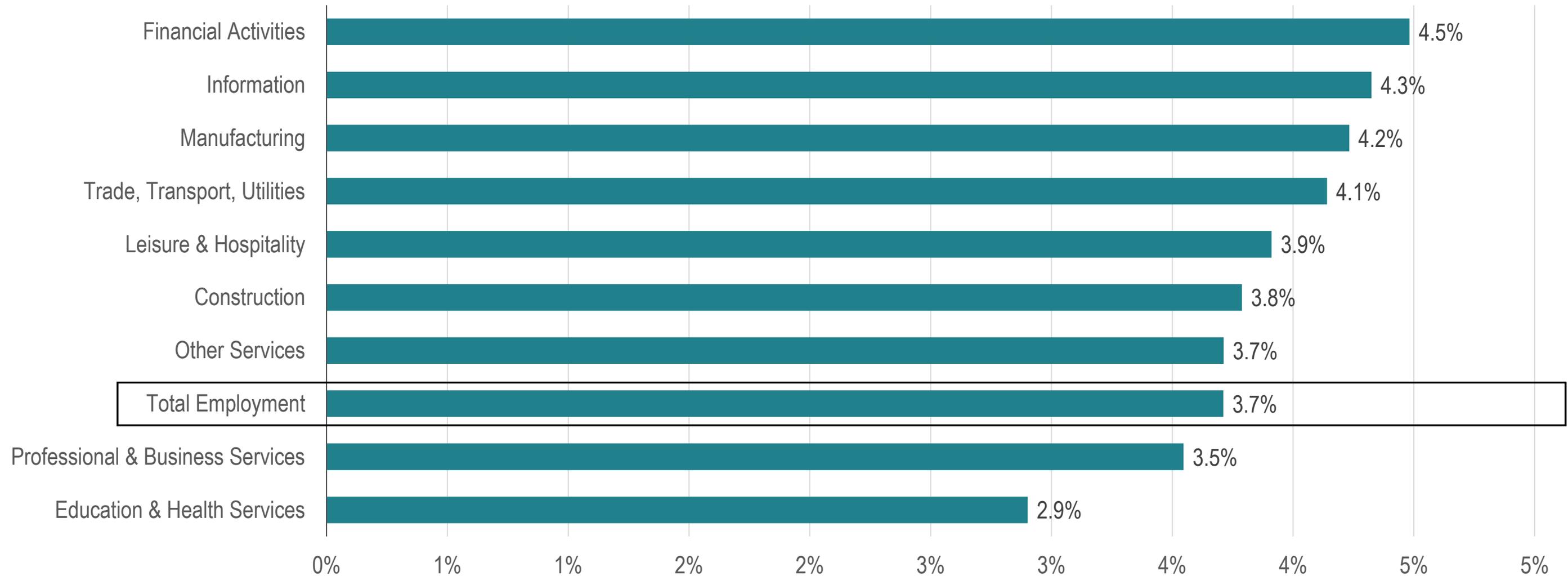
Annualized 3-Month Wage Growth Also Held Steady at 3.5%



Financial Activities and Information Sectors Led Annual Wage Growth

Despite Leading Annual Job Growth, Education & Health Services Registered Slow Wage Growth Among Sectors

US Wage Growth by Sector



Negative Annual Job Growth Recorded in Many Coastal Gateway Markets

Slow Employment Growth Is Forecast in Most Gateway and All Midwest Markets Through 2029

30 Largest Employment Markets

Employment Change			Employment Change		
	Nov. 24 - Nov. 25	2025 - 2029 Forecast (CAGR)		Nov. 24 - Nov. 25	2025 - 2029 Forecast (CAGR)
Austin	0.7%	1.2%	Columbus	0.8%	0.4%
Dallas-Fort Worth	0.3%	0.9%	San Diego	0.3%	0.4%
Orlando	0.2%	0.9%	New York	0.5%	0.3%
Phoenix	0.9%	0.8%	Los Angeles	-0.1%	0.3%
Inland Empire	0.2%	0.8%	Minneapolis	0.6%	0.3%
Charlotte	2.7%	0.7%	Washington DC	-1.6%	0.3%
San Antonio	1.1%	0.7%	Boston	-0.2%	0.3%
Nashville	1.0%	0.7%	Philadelphia	1.2%	0.2%
Denver	0.1%	0.7%	Baltimore	-0.1%	0.2%
Seattle	-0.2%	0.7%	Saint Louis	0.0%	0.1%
Atlanta	0.0%	0.7%	Detroit	0.0%	0.1%
Houston	0.4%	0.6%	Chicago	0.6%	0.1%
Tampa	0.9%	0.5%	Pittsburgh	1.1%	0.0%
Miami	0.3%	0.5%			
Indianapolis	0.1%	0.5%			
SF/Oakland	-0.5%	0.5%			
Portland	-0.7%	0.5%			

Midwest Markets

Gateway Markets

Sunbelt Markets



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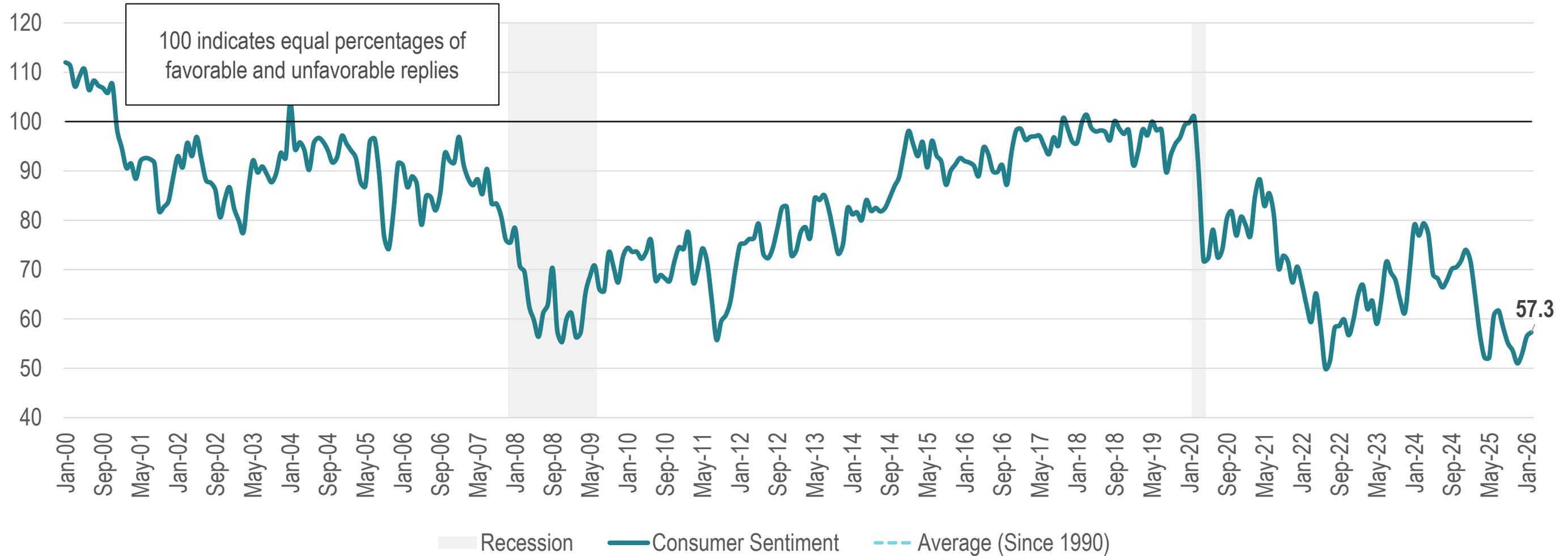
Data are as of November 2025.
 Note: The table shows the 30 largest markets by nonfarm employment; MSA employment data release one month in arrears.
 Source: U.S. Bureau of Labor Statistics; Oxford Economics

Sentiment & Retail Sales

Consumer Sentiment Improved for a Third Consecutive Month in February

Despite the Increase, Sentiment Remained at Low Levels Due Partly to A Cooling Labor Market

University of Michigan Consumer Sentiment



Data are as of February 2026.

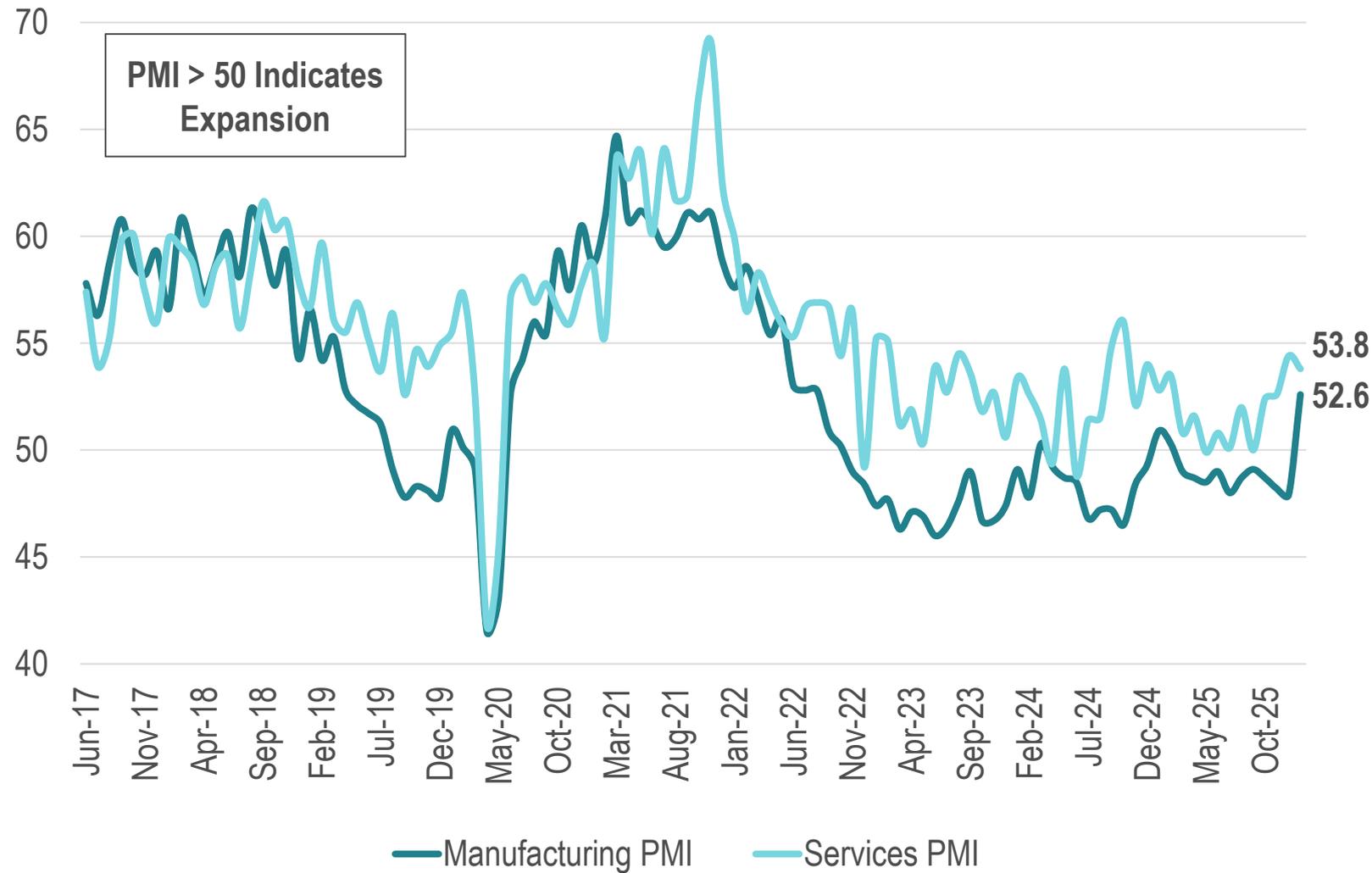
Note: The University of Michigan's Index of Consumer Sentiment is a composite index that measures consumers' outlook on economic and financial conditions; it is based on five survey questions and is calculated by computing the percent of respondents giving favorable replies minus the percent giving unfavorable replies plus 100; scores below 100 indicate that more than 50% of replies were unfavorable while scores above 100 indicate that more than 50% of replies were favorable; the two subindices are the Index of Current Economic Conditions and the Index of Consumer Expectations which measures consumers' expectations for the year ahead.

Source: University of Michigan; Federal Reserve Bank of St. Louis

Manufacturing PMI Rose Sharply in January Into Expansion for First Time in a Year

Services PMI Fell MoM but Remained in Expansion

ISM PMI Indices

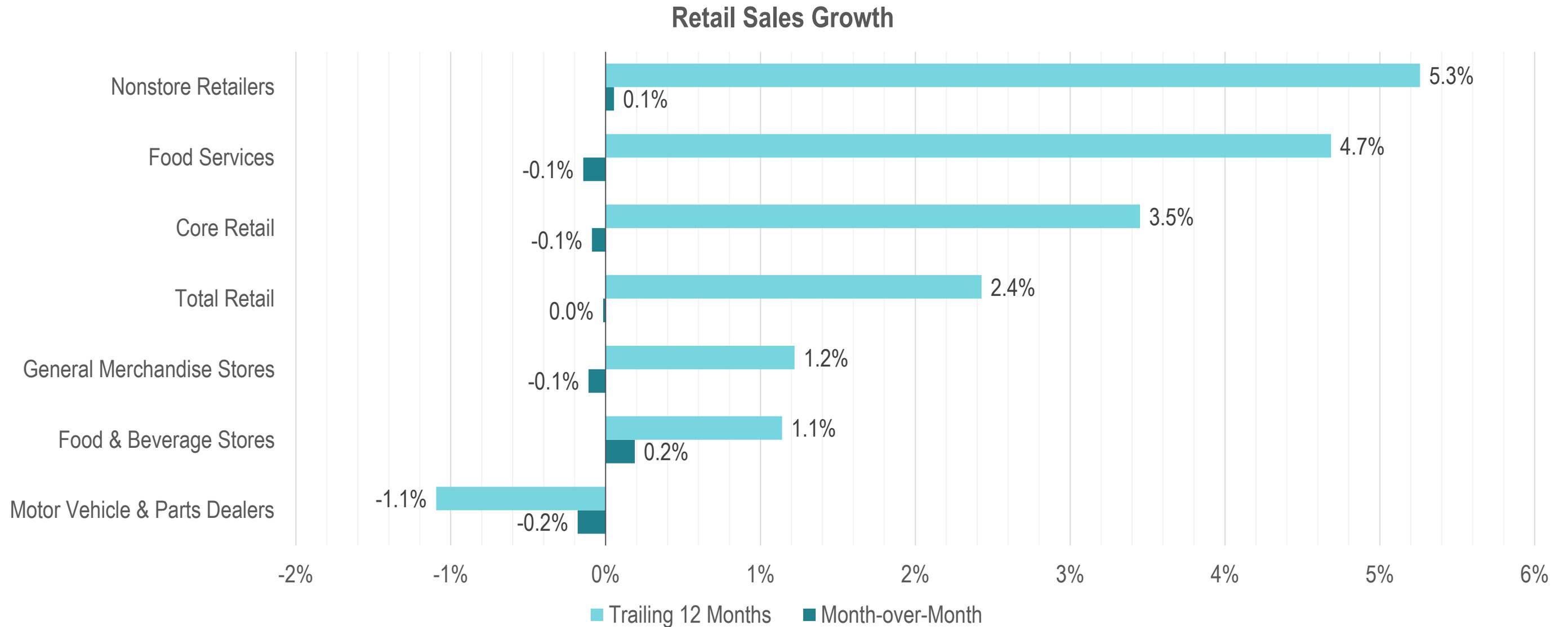


Manufacturing PMI Components	Series Index January	Series Index December	MoM Change	Weight
New Orders	57.1	47.4	9.7	20%
Production	55.9	50.7	5.2	20%
Employment	48.1	44.8	3.3	20%
Supplier Deliveries	54.4	50.8	3.6	20%
Inventories	47.6	45.7	1.9	20%

Services PMI Components	Series Index January	Series Index December	MoM Change	Weight
Business Activity	57.4	55.2	2.2	25%
New Orders	53.1	56.5	-3.4	25%
Employment	50.3	51.7	-1.4	25%
Supplier Deliveries	54.2	51.8	2.4	25%

Annual Total and Core Retail Sales Rose 2.4% and 3.5%, Respectively, in 2025

Total Retail Sales Was Flat MoM in December; Nonstore Retailers Saw Strong Retail Sales Growth YoY

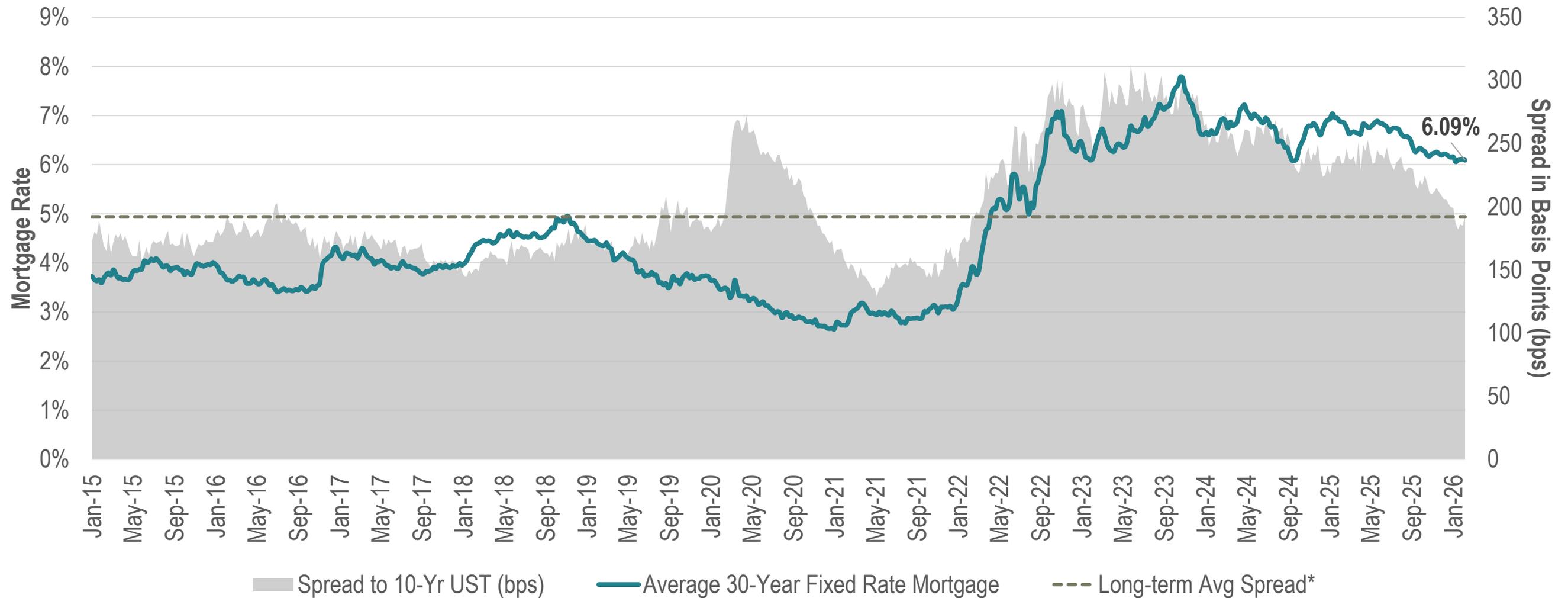


Housing

Average 30-Year Mortgage Rates Hovered Near 6.1% Over Past Month

The Spread to the 10-Year UST Yield Has Settled Near the Long-term Average

Average 30-Yr Fixed Rate Mortgage



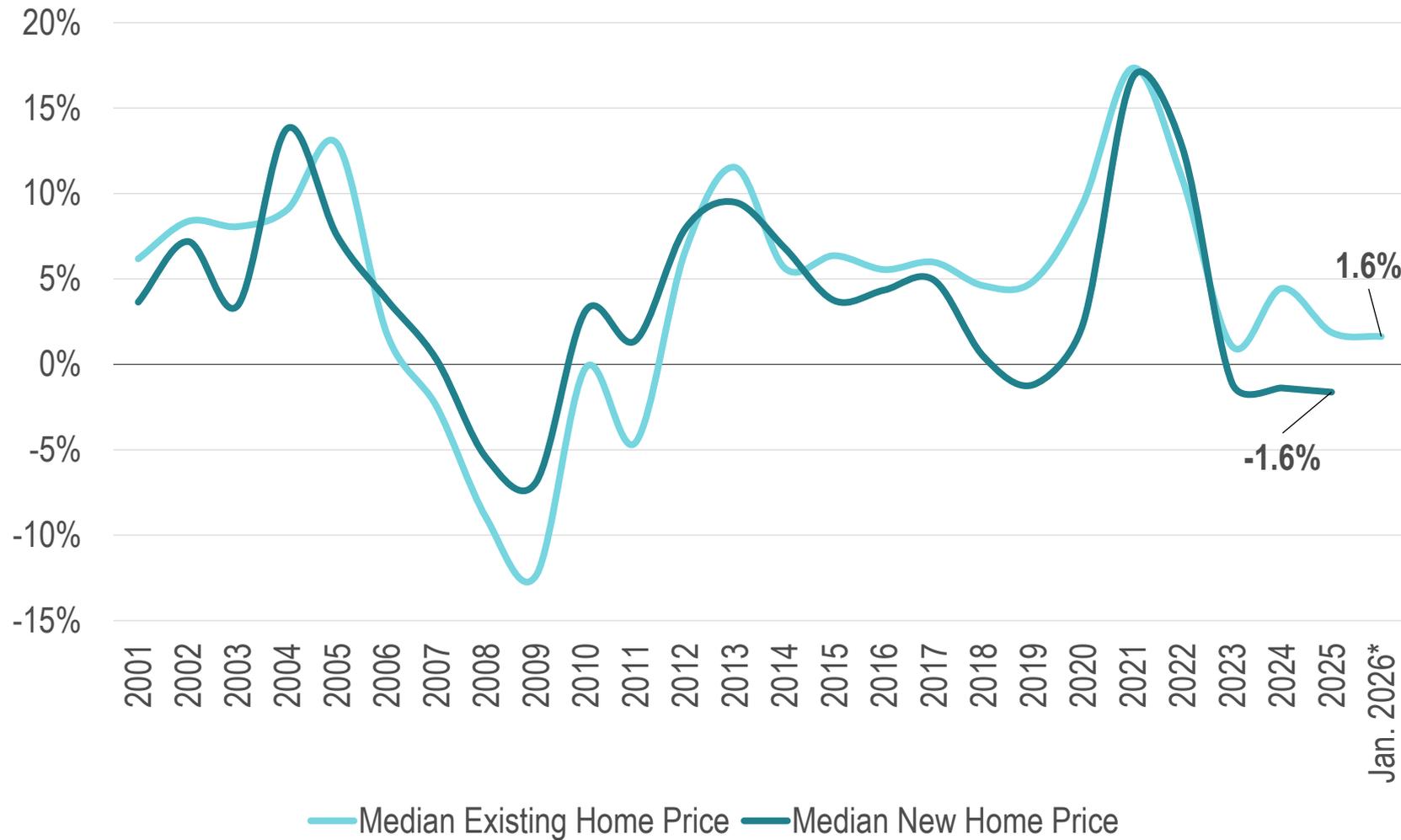
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Data are weekly averages as of February 12, 2026.
*The long-term average spread is based on data from 2007 onward.
Source: Freddie Mac

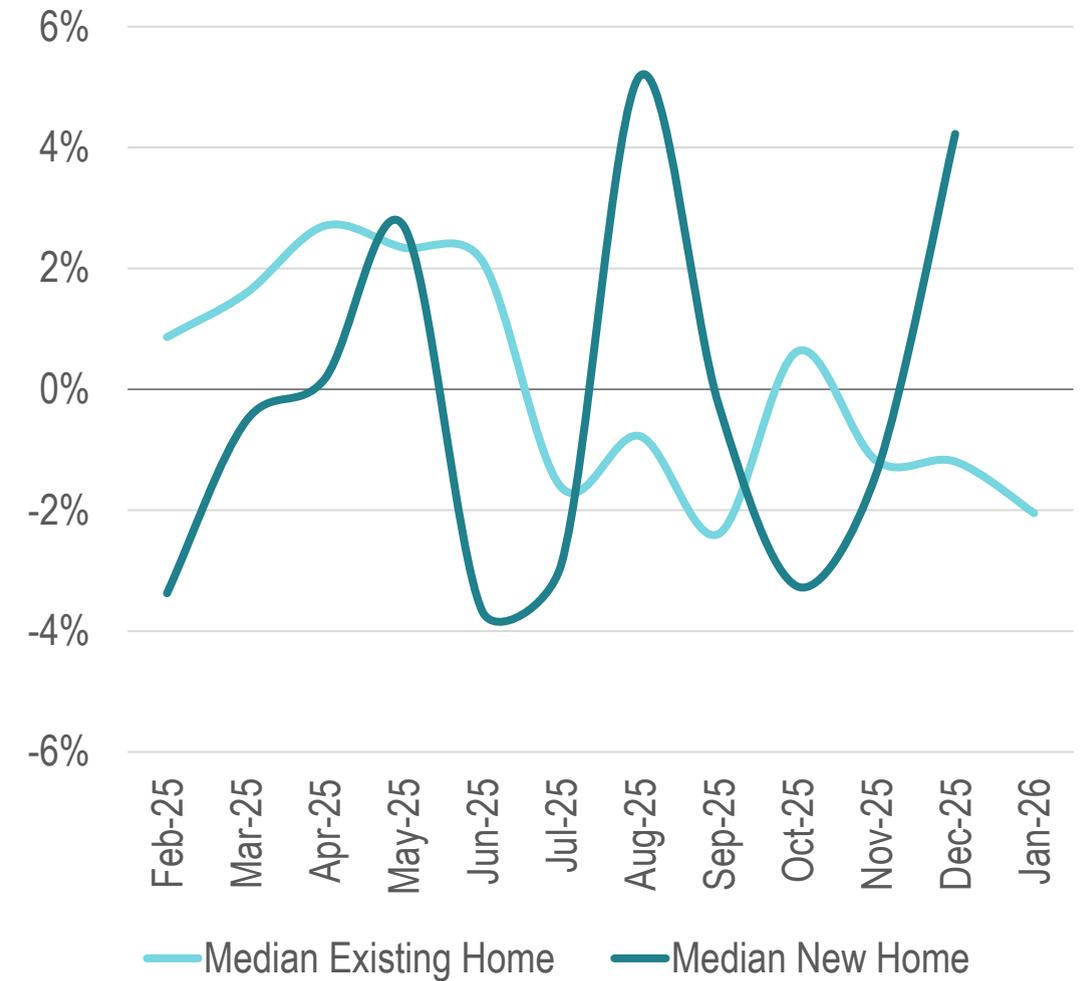
Annual Average Existing Home Prices Rose 1.6% in January

Average New Home Prices Fell 1.6% in 2025

Change in Annual Average Home Prices



Monthly Change in Home Prices



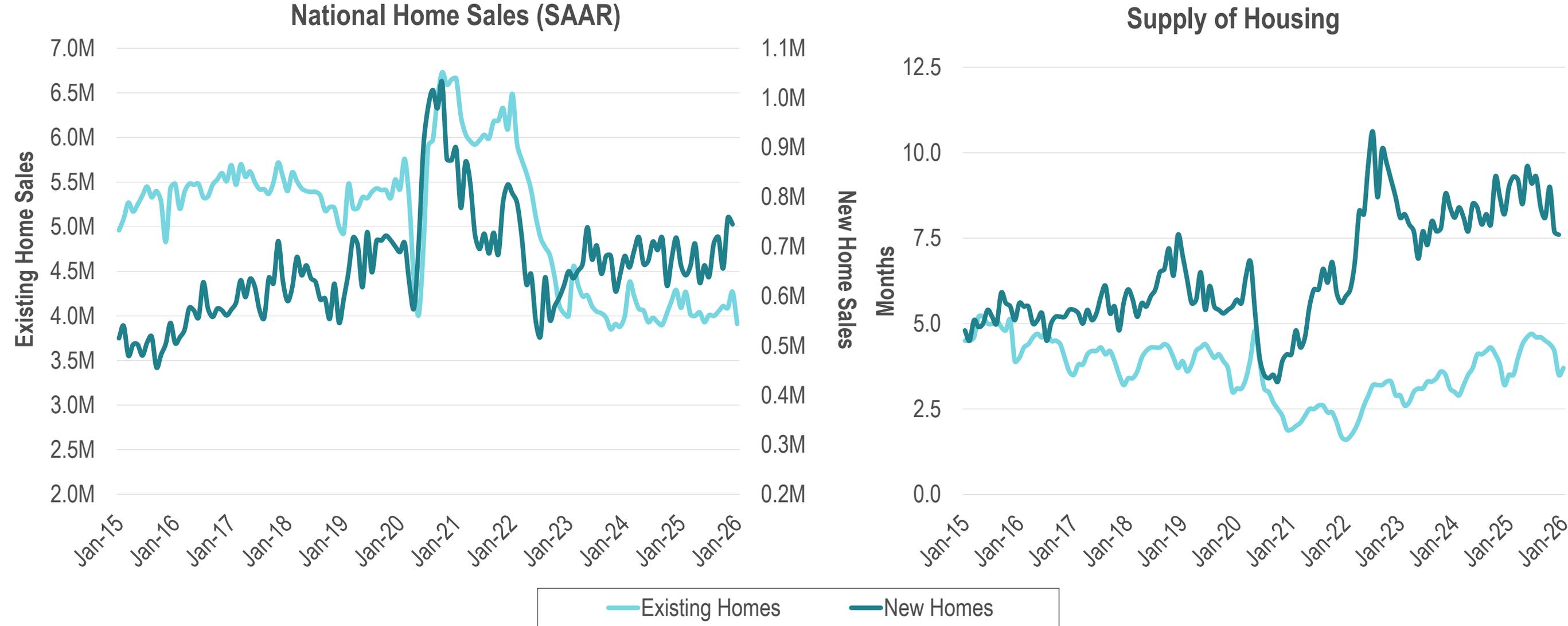
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Existing homes data are as of January; new homes data are as of December.
 *Reflects year-over-year change in trailing 12-month average median home price.
 Note: Housing data release one month in arrears.

Source: National Association of Realtors; U.S. Census Bureau

Monthly Existing Home Sales Fell in January and Supply Rose

New Home Sales Fell Slightly MoM in December and Supply Also Fell



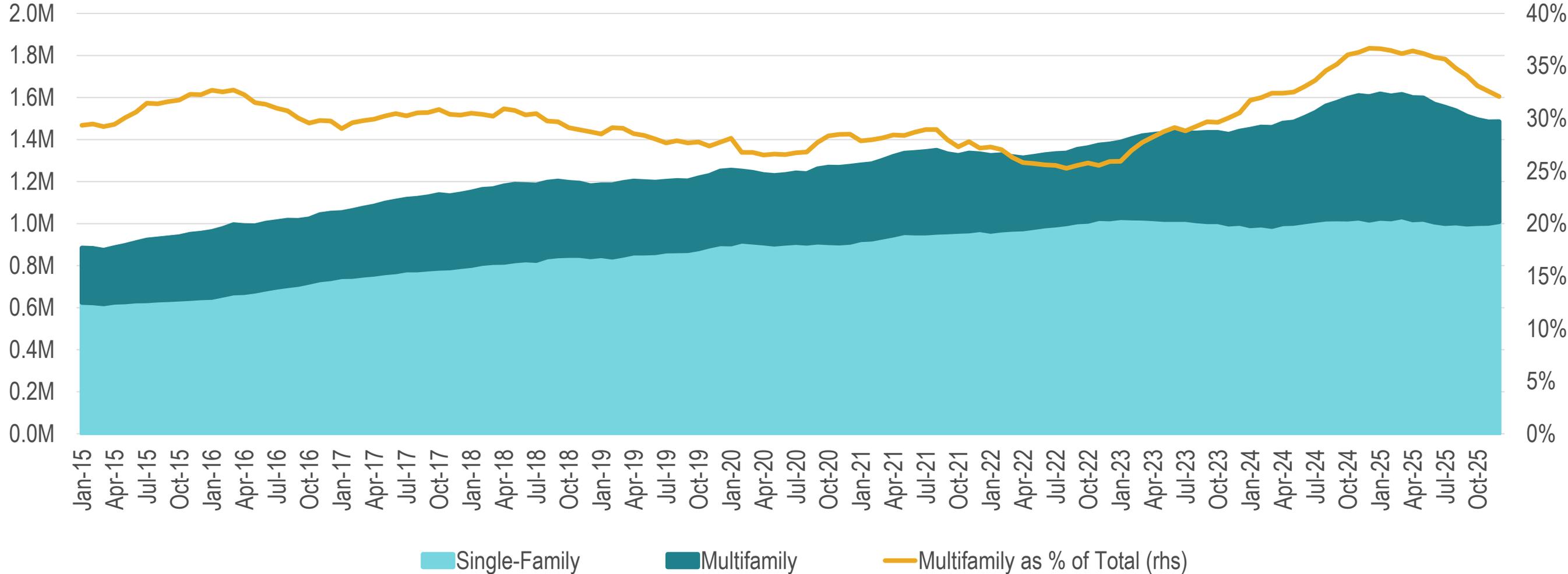
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Existing homes data are as of January; new homes data are as of December.
 Note: Months supply of homes is calculated as the ratio of houses for sale to houses sold. It indicates the number of months it would take for the current inventory in the housing market to sell given the current sales pace; housing data release one month in arrears.
 Source: National Association of Realtors; U.S. Census Bureau

Total Housing Completions Fell by 7.5% in 2025

Multifamily's Share of Total Completions Fell Throughout the Year

Trailing 12-Month Housing Completions

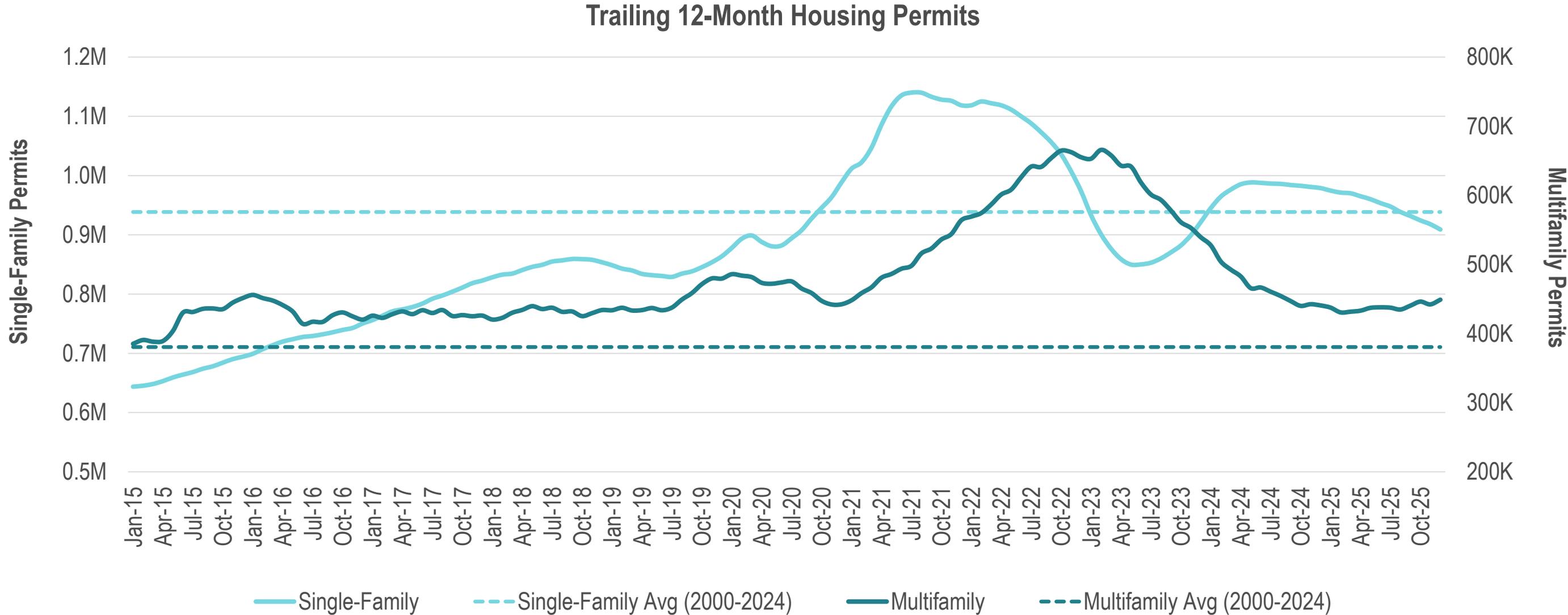


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 Note: Housing data release one month in arrears.
 Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis

Trailing 12-Month Permits Fell for Single-Family but Rose for Multifamily in 2025

Multifamily Permits Have Trended Up and Remained Above the Average; Single-Family Permits Continued Decline



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 Note: Housing data release one month in arrears.
 Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis

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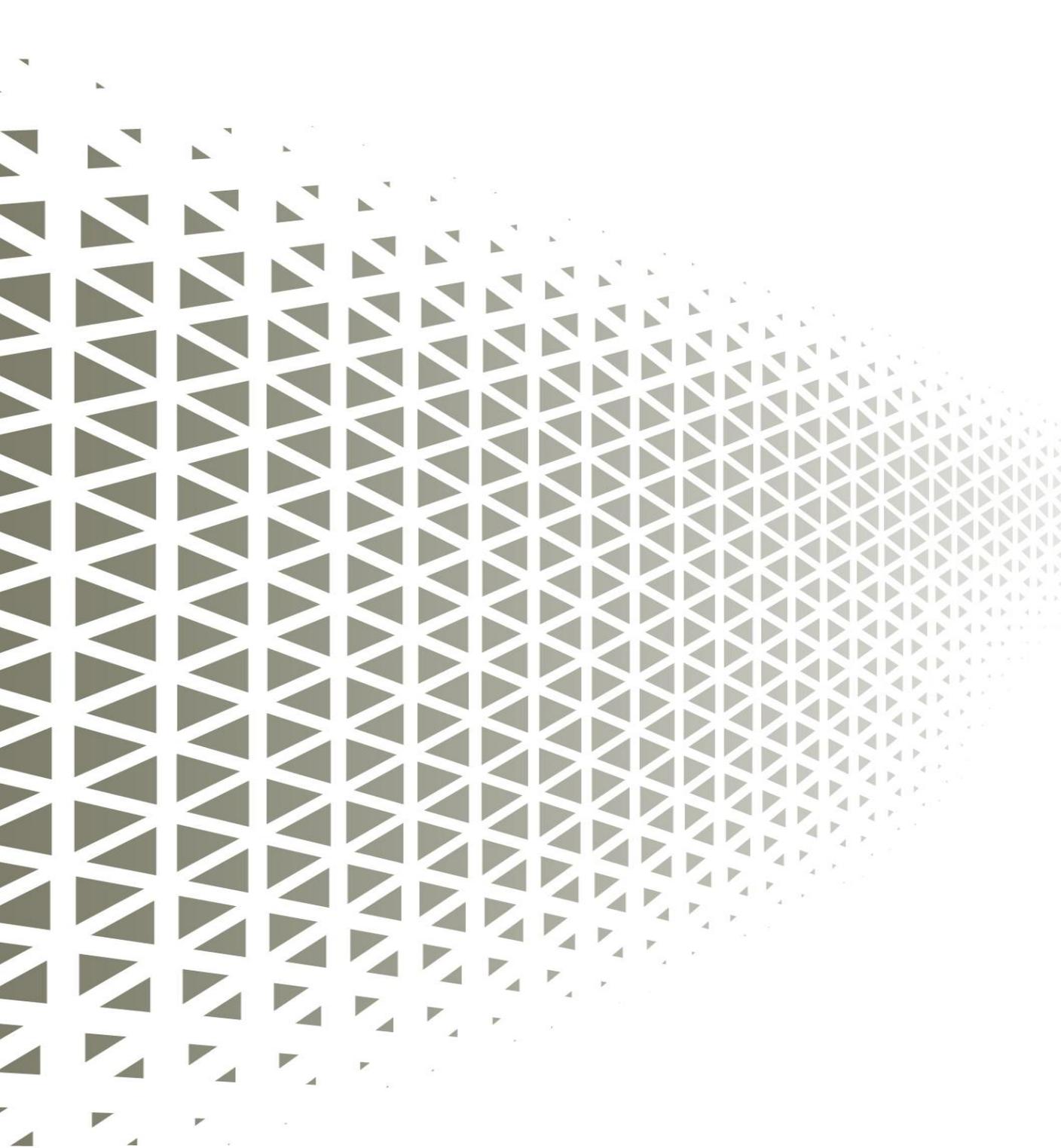
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