



Monthly Economic Indicators February 2026

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RFA
RCLCO FUND ADVISORS

Contents

3	Summary
4	Inflation
11	Interest Rates
17	Employment
24	Sentiment & Retail Sales
29	Housing

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 – February 2026

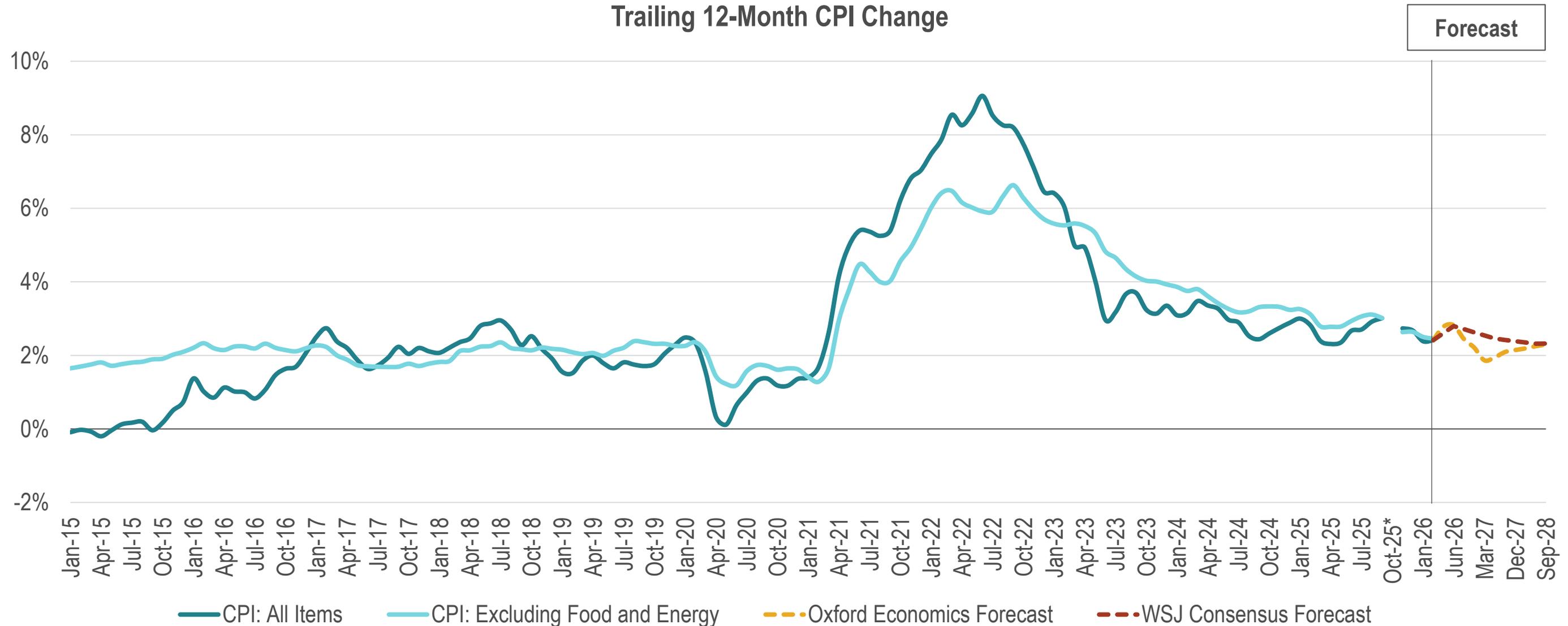
Inflation	<ul style="list-style-type: none"> Annual headline and core CPI inflation both held steady in February at 2.4% and 2.5%, respectively. Final Demand PPI rose 2.9% YoY and by 0.8% MoM in January*. Construction materials PPI rose a sharp 6.6% YoY. Annual total PCE fell 10 bps to 2.8% and core PCE rose 10 bps to 3.1% in January*, accelerating above the Fed’s 2% target rate. The 5-year TIPS-implied inflation rate rose 6 bps to 2.5% in February. Consumer expectations for 5-year inflation fell 10 bps to 3.2% in March.
Interest Rates	<ul style="list-style-type: none"> The 10-Year UST ended February at 3.97%, 29 bps below its January-end level. The yield has since increased to ~4.2% in mid-March. Average commercial real estate mortgage rates fell 10 bps to 6.3% in December*. The spread to the UST is close to the long-term average. The Federal Reserve is expected to hold rates steady at its March meeting. The current target range stands at 3.5-3.75%.
Employment	<ul style="list-style-type: none"> Employment fell by 92K in February, following a strong January jobs report. Over the past year, the greatest gains were in Education and Health Services and Other Services, while job losses were highest in Information, Government and Manufacturing The unemployment rate rose 10 bps MoM to 4.4% in February. The labor force participation fell 10 bps to 62%. Annual wage growth rose by 10 bps in February to 3.8%. Over the last three months, wages grew by 3.5% (annualized).
Sentiment & Retail Sales	<ul style="list-style-type: none"> Consumer sentiment fell slightly in March due to concerns about rising gasoline prices. Views of current conditions rose while consumer expectations fell. The ISM Purchasing Managers’ Index (PMI) for services rose and remained in expansion. Manufacturing PMI fell slightly but also remained in expansion. Total retail sales fell 0.2% MoM and 3.2% YoY in January*. Core retail sales rose 0.4% MoM and grew 2.9% for the year.
Housing	<ul style="list-style-type: none"> Trailing-year median existing home prices rose 1.3% YoY in February and annual average new home prices fell 1.6% in December*. Existing home sales fell 4.2% YoY in February while new home sales rose 3.8% YoY in December*. The 30-year fixed mortgage briefly fell below 6% at the end of February before increasing back to 6.1% in mid-March.

Inflation

Annual Headline and Core Inflation Held Steady at 2.4% and 2.5%, Respectively

Inflation Is Forecast to Remain Slightly Elevated in the Near Term

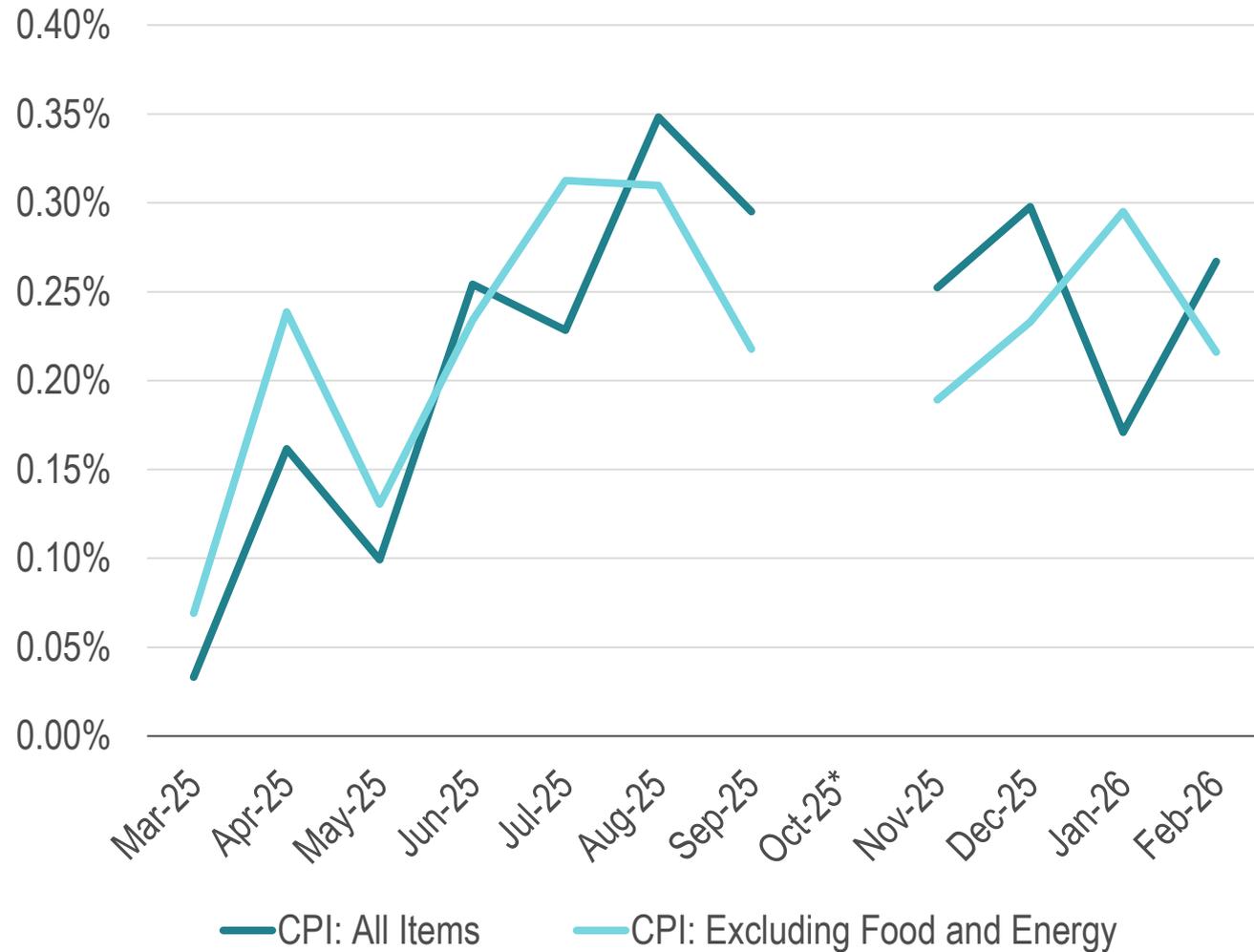
Trailing 12-Month CPI Change



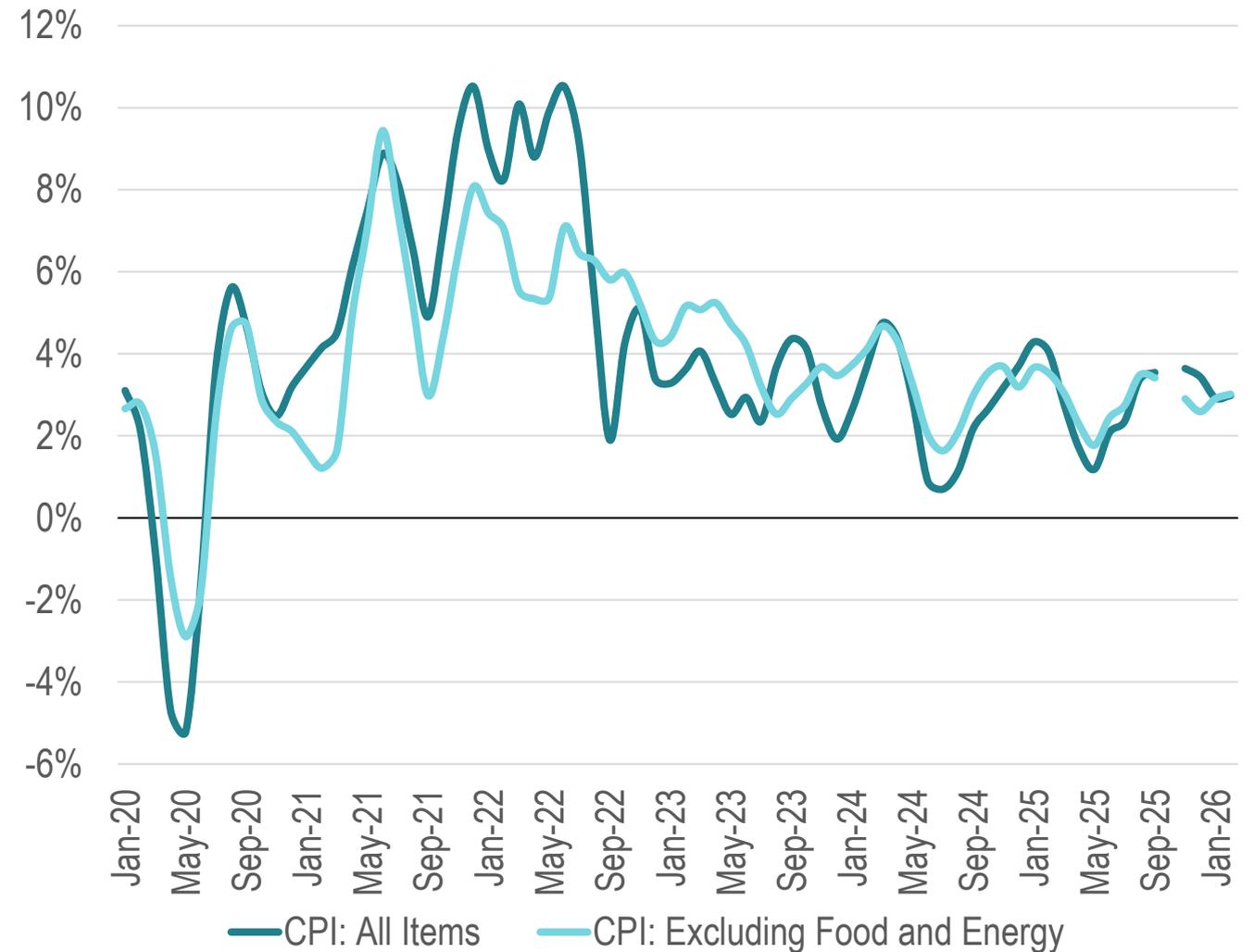
All Items CPI Accelerated to 0.3% MoM while Core Inflation Decelerated to 0.2%

3-Month Annualized All Items and Core CPI Both Accelerated by 10 bps to 3% in February

Month-over-Month CPI Change



Trailing 3-Month CPI Change (Annualized)



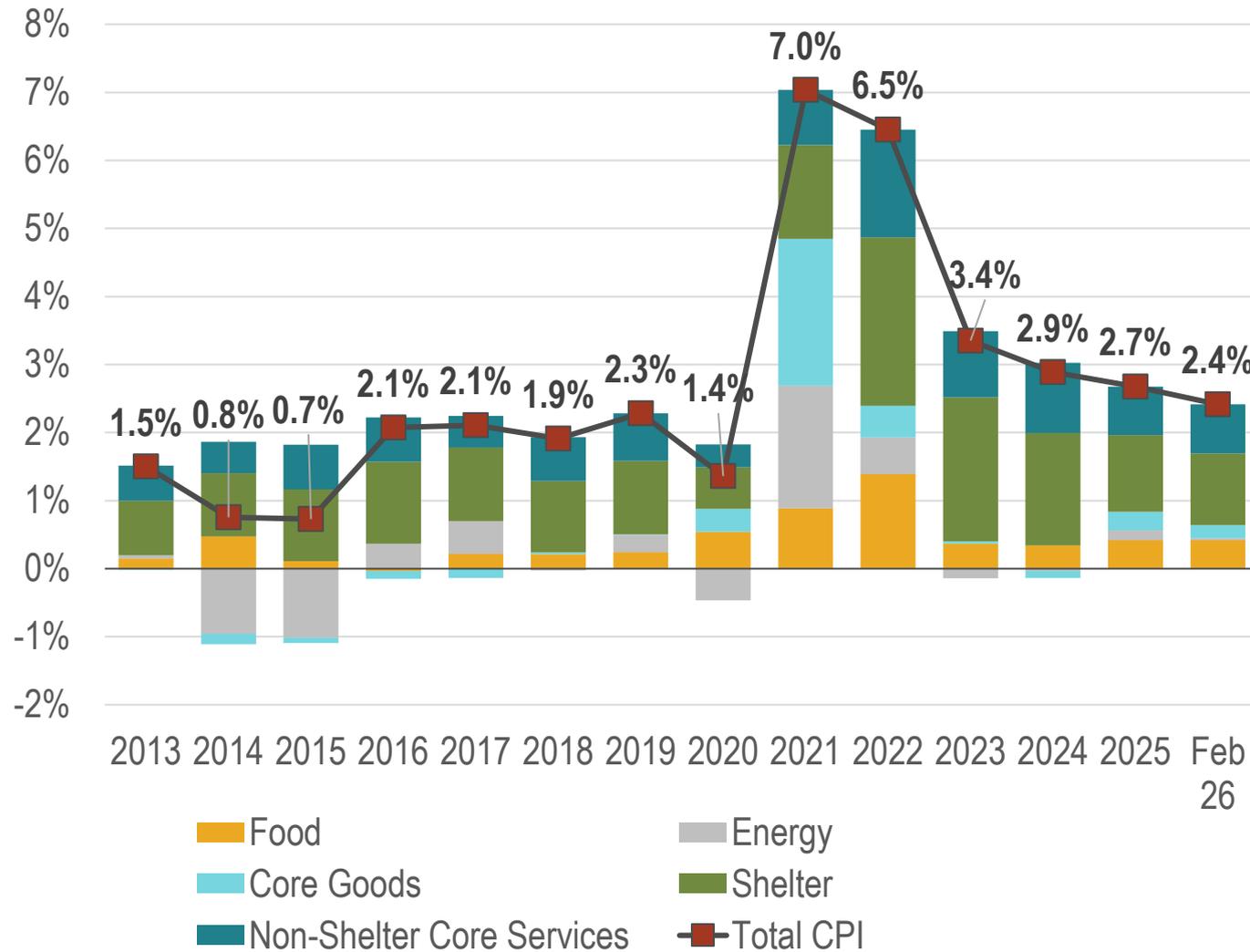
The information contained in this report is confidential, may be legally privileged, and is intended only for the use of select clients of RCLCO Fund Advisors.

Data are as of February 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

Annual Core Services CPI Rose 2.9% and Core Goods Prices Rose 1.0%

Energy Prices Rose 0.6% MoM and 0.5% Over the Past Year

Annual CPI Inflation



February 2026 Inflation

	Monthly	Trailing 12-Month	Weights
Apparel	1.3%	2.5%	2.4%
Education and Communication	-0.2%	0.1%	5.8%
Food and Beverages	0.4%	3.0%	14.5%
Other Goods and Services	-0.1%	5.1%	2.9%
Housing	0.3%	3.3%	44.5%
Shelter*	0.2%	3.0%	35.6%
Medical Care	0.5%	3.4%	8.4%
Recreation	0.0%	2.3%	5.1%
Transportation	0.2%	-0.5%	16.3%
Food	0.4%	3.1%	13.7%
Energy	0.6%	0.5%	6.2%
Core Goods	0.1%	1.0%	19.4%
Core Services	0.3%	2.9%	60.7%
Total Core	0.2%	2.5%	80.1%
All Items	0.3%	2.4%	100.0%



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Data are as of February 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

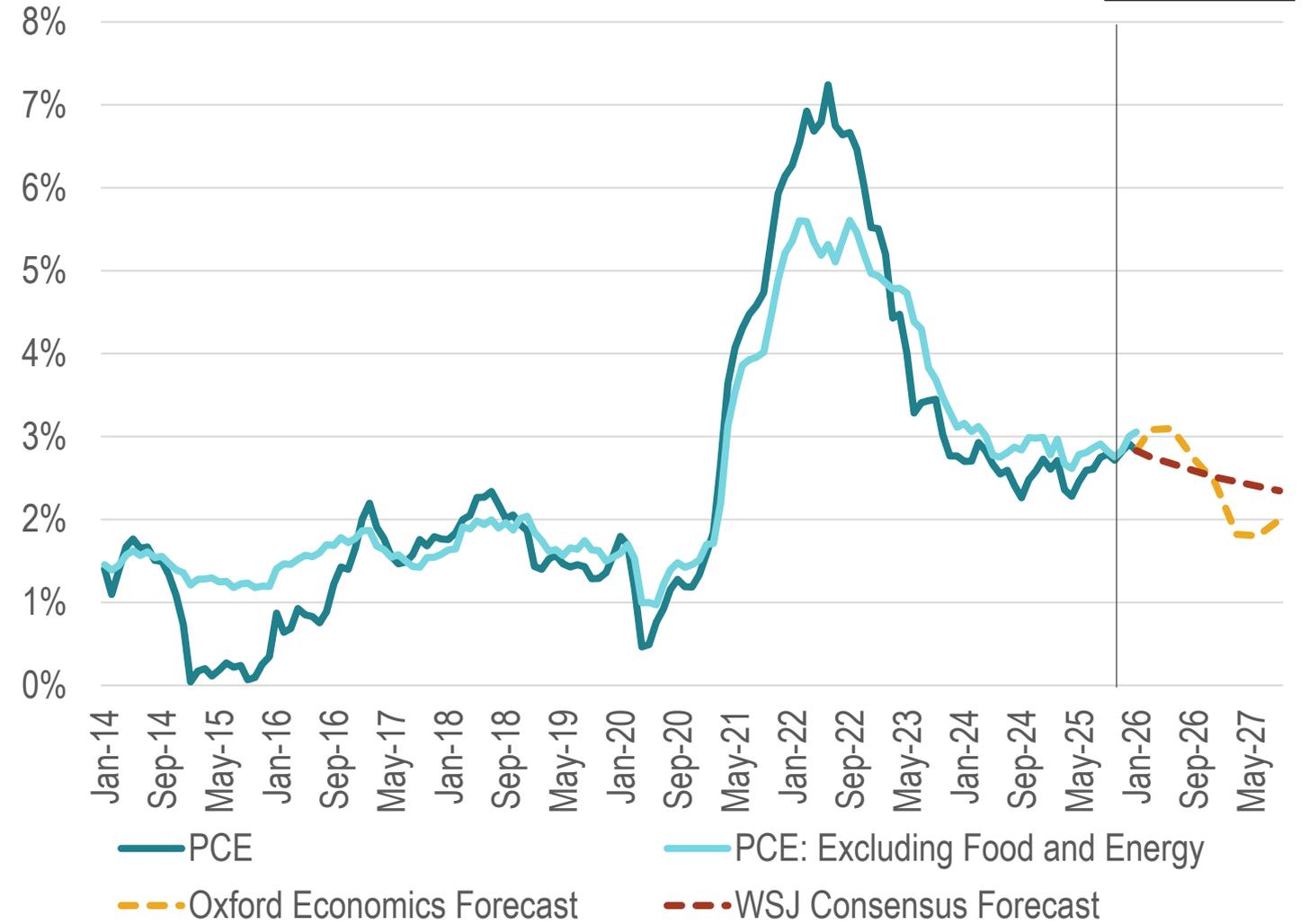
Annual Headline PCE Fell by 10 bps to 2.8% and Core PCE Rose by 10 bps to 3.1%

PCE Is Predicted to Remain Elevated in 2026 Before Moderating

Month-over-Month PCE Change



Trailing 12-Month PCE Change



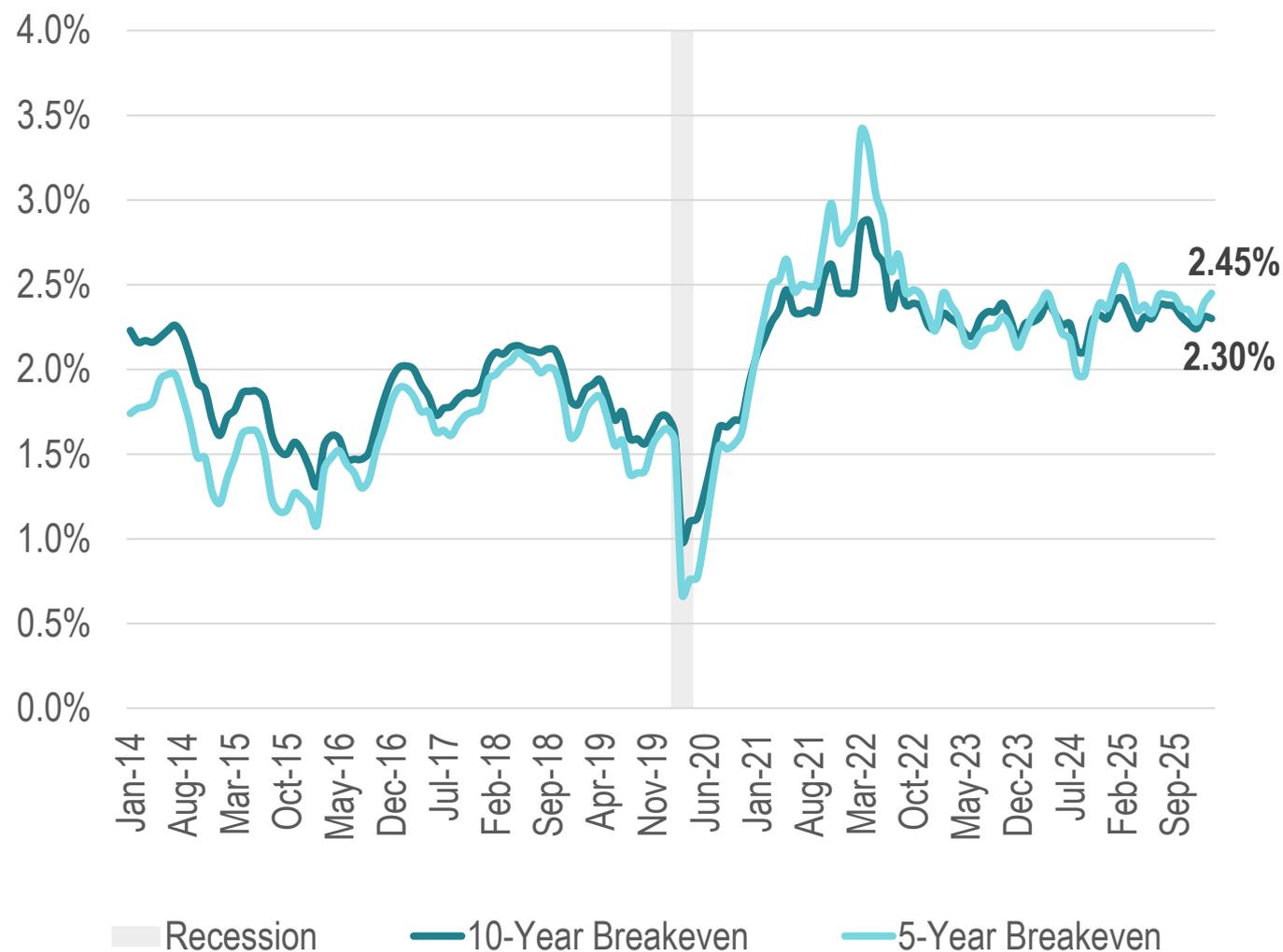
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Data are as of January 2026.
 Note: Figures represent seasonally adjusted Personal Consumption Expenditures (PCE) Price Index; PCE data release one month in arrears.
 Source: U.S. Bureau of Economic Analysis; Federal Reserve Bank of St. Louis; Oxford Economics; WSJ Consensus Forecasts

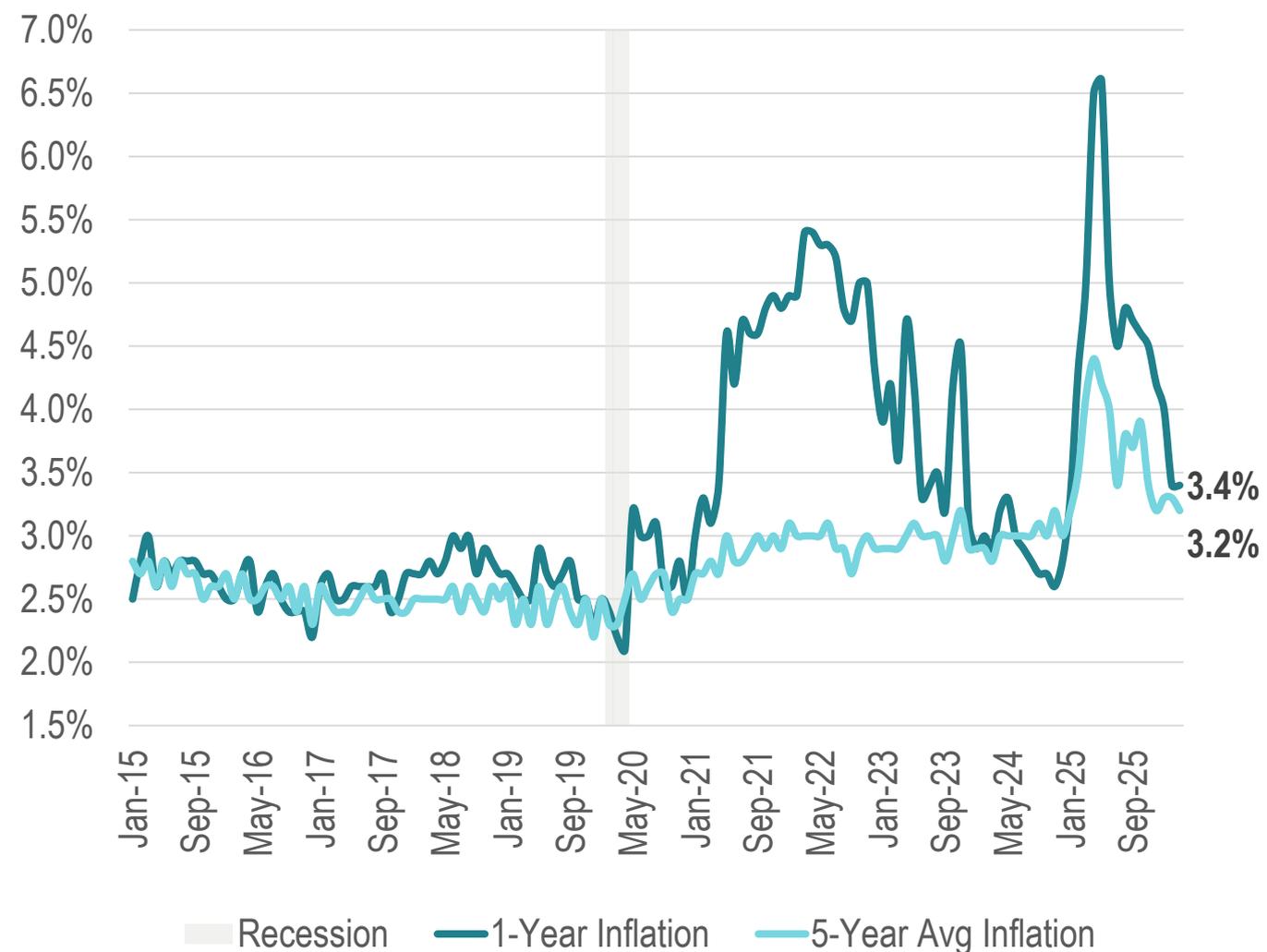
5-Year TIPS Breakeven Rate Rose in Feb; 10-Year Rate Held Steady

Consumer Expectations of Year-Ahead Inflation Held Steady at 3.4%; 5-Year Expectations Fell 10 bps to 3.2%

TIPS-Implied Breakeven Inflation Rate



University of Michigan Inflation Expectations



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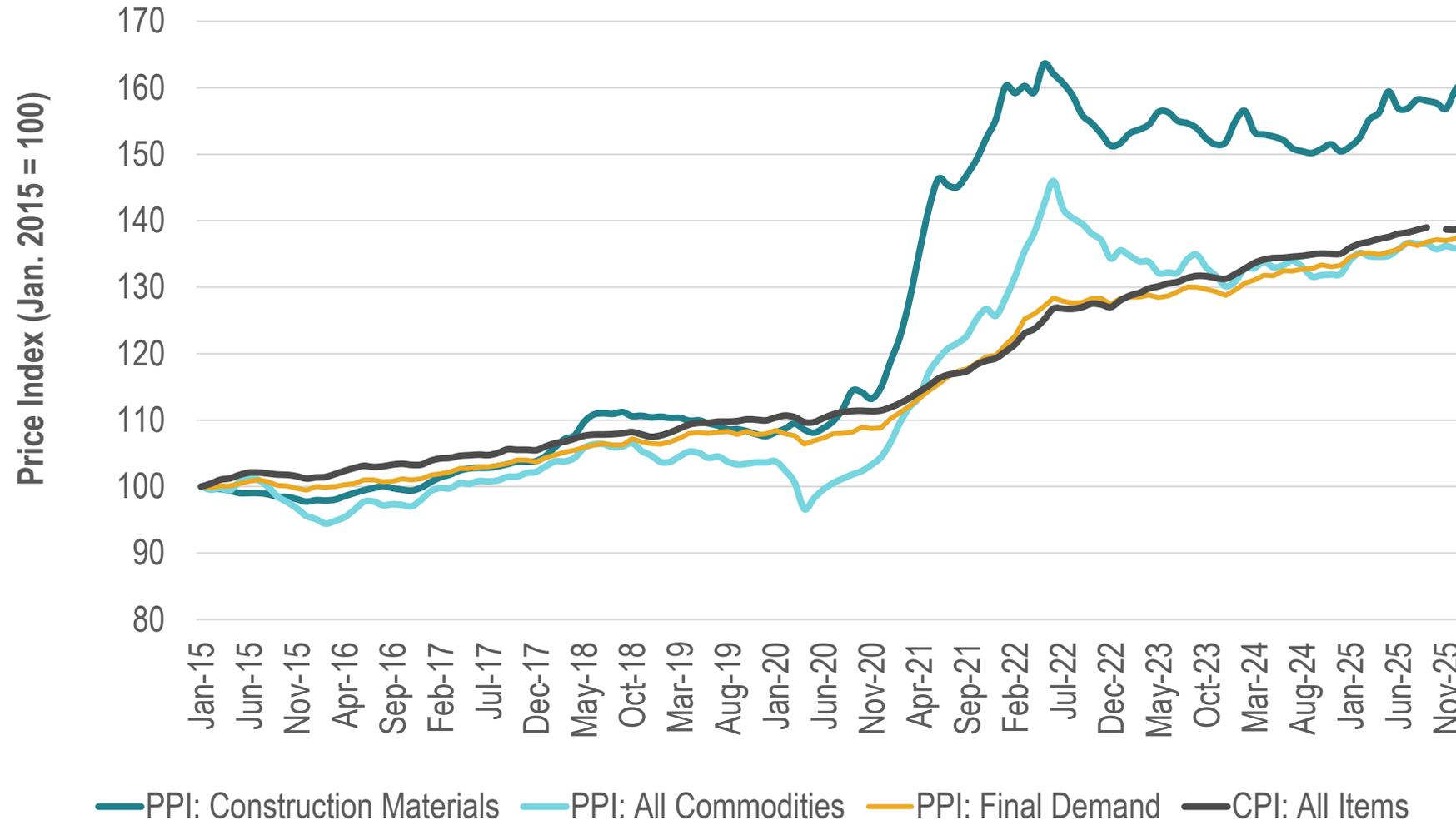
Breakeven inflation data are as of February 2026; U Mich data are as of March 2026.
 Note: The breakeven inflation rate is calculated by subtracting the yield on treasury inflation-protected securities (TIPS) from the yield on non-protected securities; inflation at this rate equalizes real yields on the two securities.

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

Annual Final Demand and All Commodities PPI Rose 2.9% and 1.6%, Respectively

Construction Materials PPI Rose A Sharp 6.6% Over the Past Year in January

Production and Consumer Price Indices



January 2026 Producer Price Index

	Monthly	Trailing 12-Month	10-Yr Annual Avg
PPI: Construction Materials	0.9%	6.6%	5.1%
PPI: All Commodities	0.3%	1.6%	3.7%
PPI: Final Demand	0.8%	2.9%	3.3%
CPI: All Items	0.2%	2.4%	3.2%



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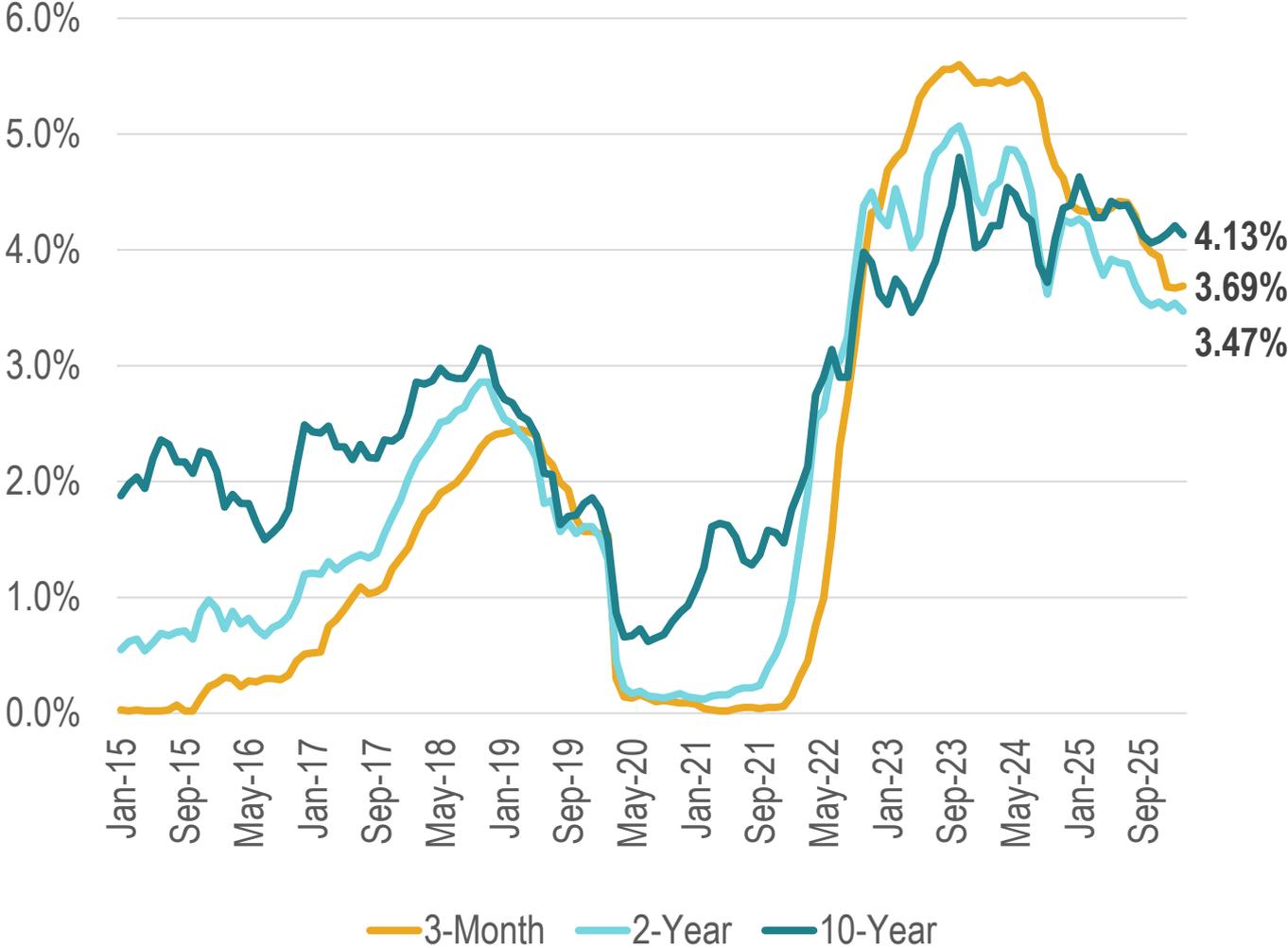
Data are as of January 2026.
 Note: Monthly figures represent seasonally adjusted CPI; trailing 12-month and index figures represent not seasonally adjusted CPI. Monthly and trailing 12-month PPI data are not seasonally adjusted.
 Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Interest Rates

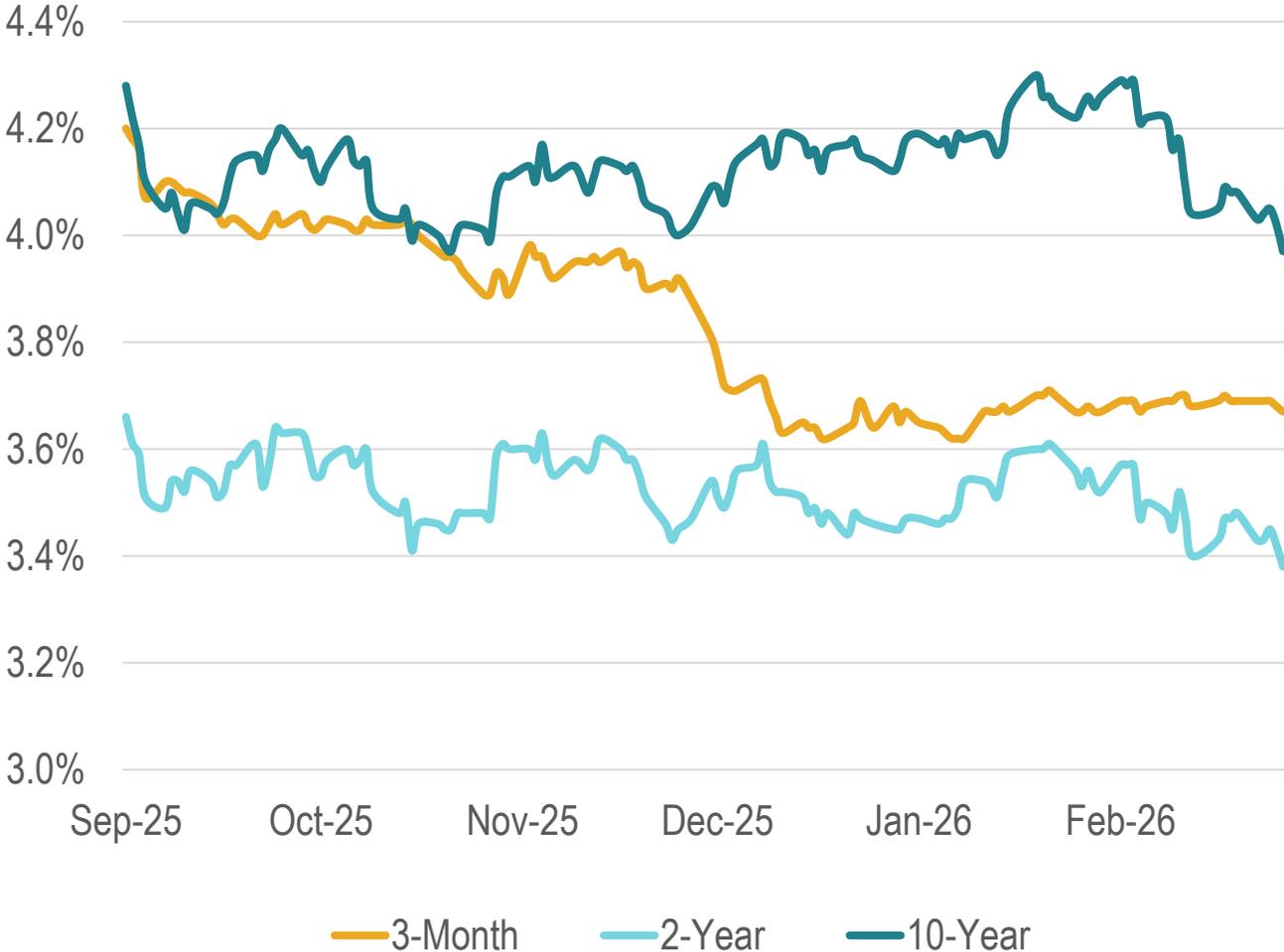
10-Year and 2-Year UST Yields Were Trending Lower Prior to Iran Events

3-Month US Treasury Rates Have Held Steady in Early 2026

US Treasury Yields (Monthly Averages)



US Treasury Yields (Daily)

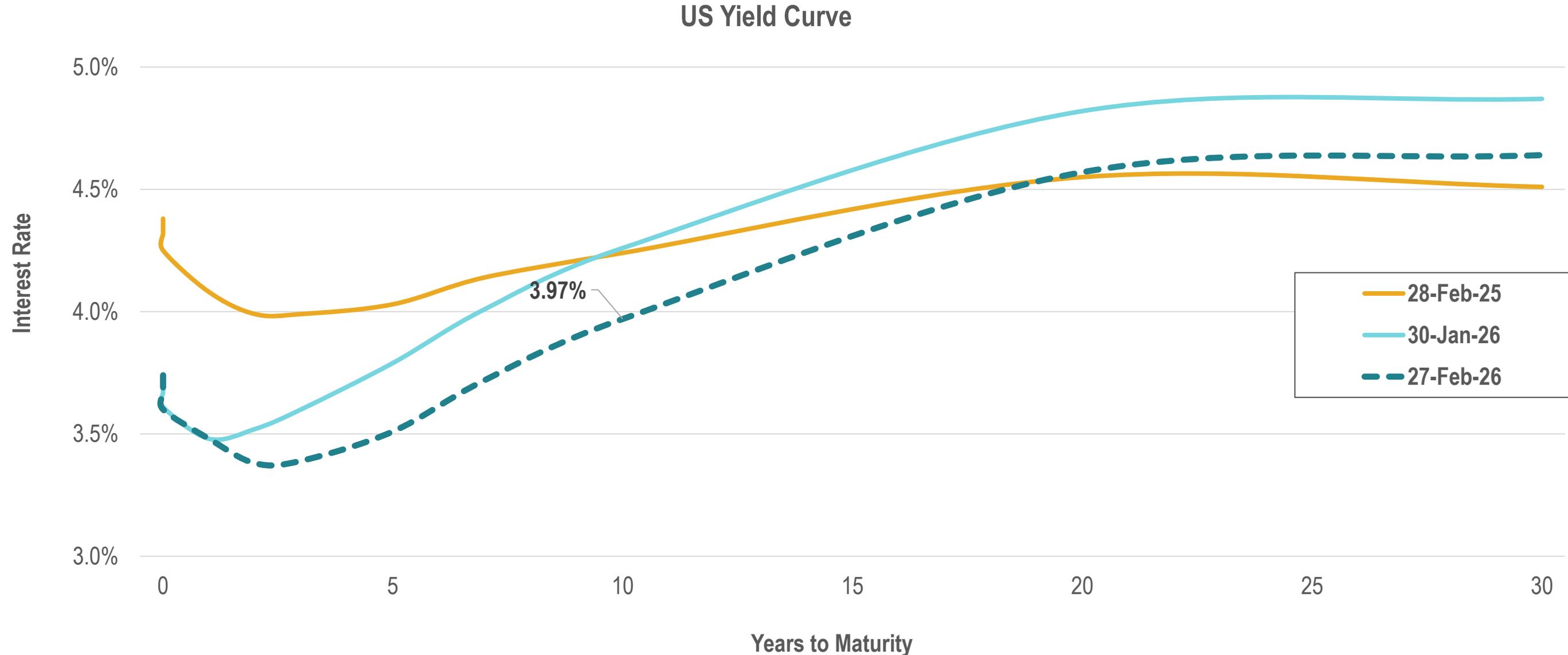


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Data are as of February 27, 2026.
Source: The Federal Reserve

Medium- and Long-term Yields Fell Meaningfully in February

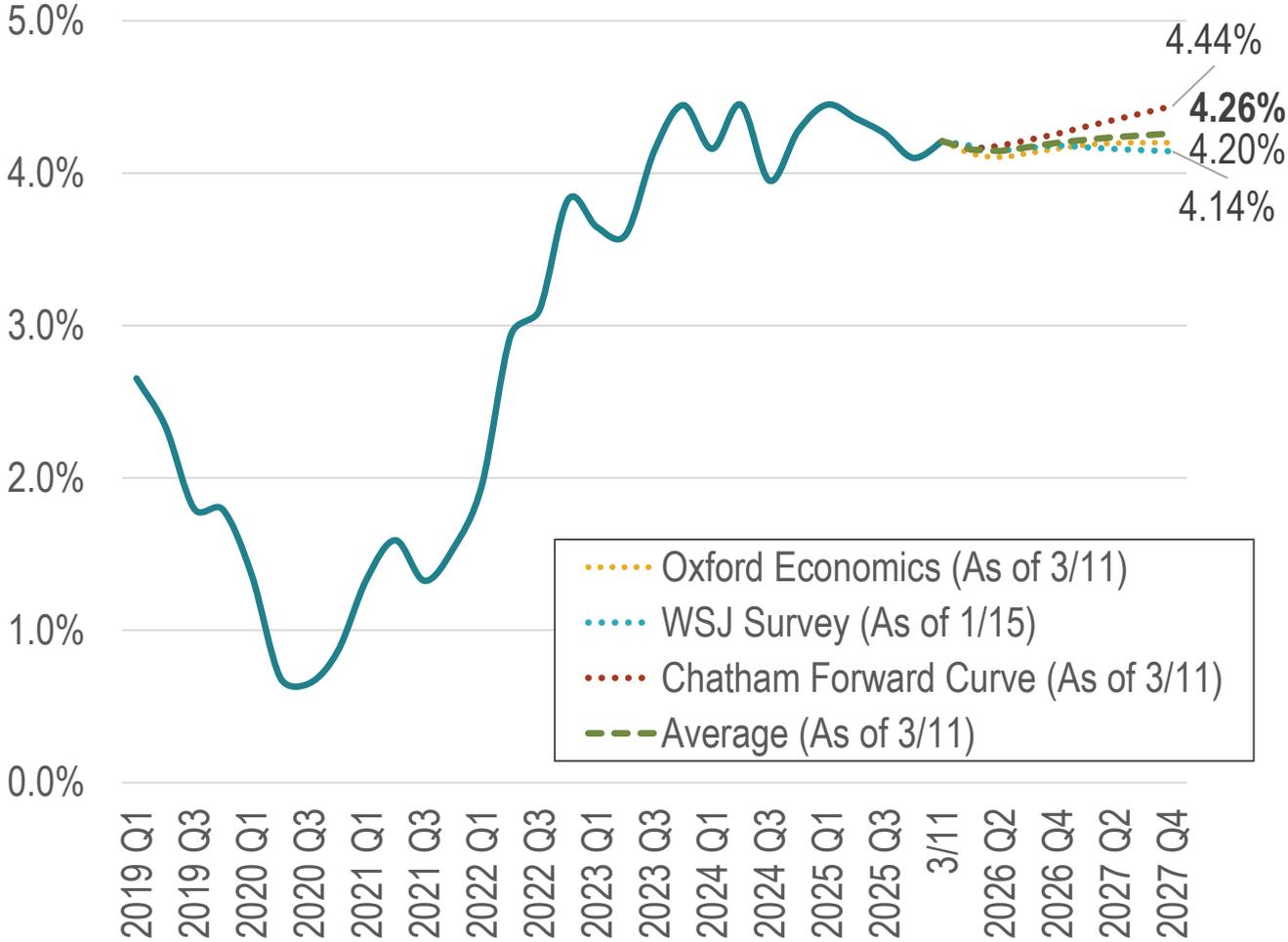
Shorter-term Yields Held Steady MoM



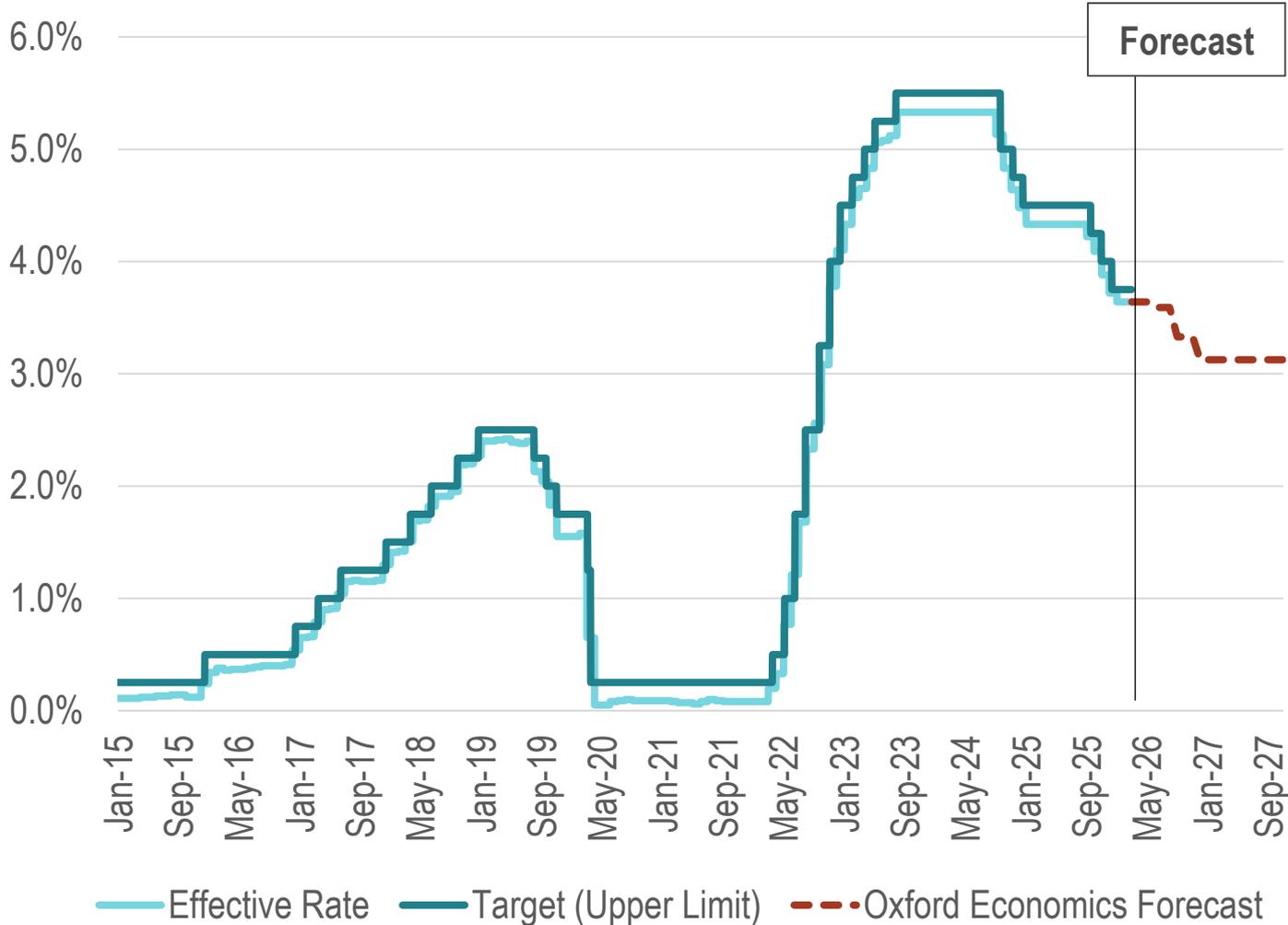
10-Year UST Yields Are Forecast to Remain Near Current Levels

The Fed Is Expected to Hold Rates Steady for A Second Consecutive Meeting in March

10-Year US Treasury Yield and Forecasts



Federal Funds Rate



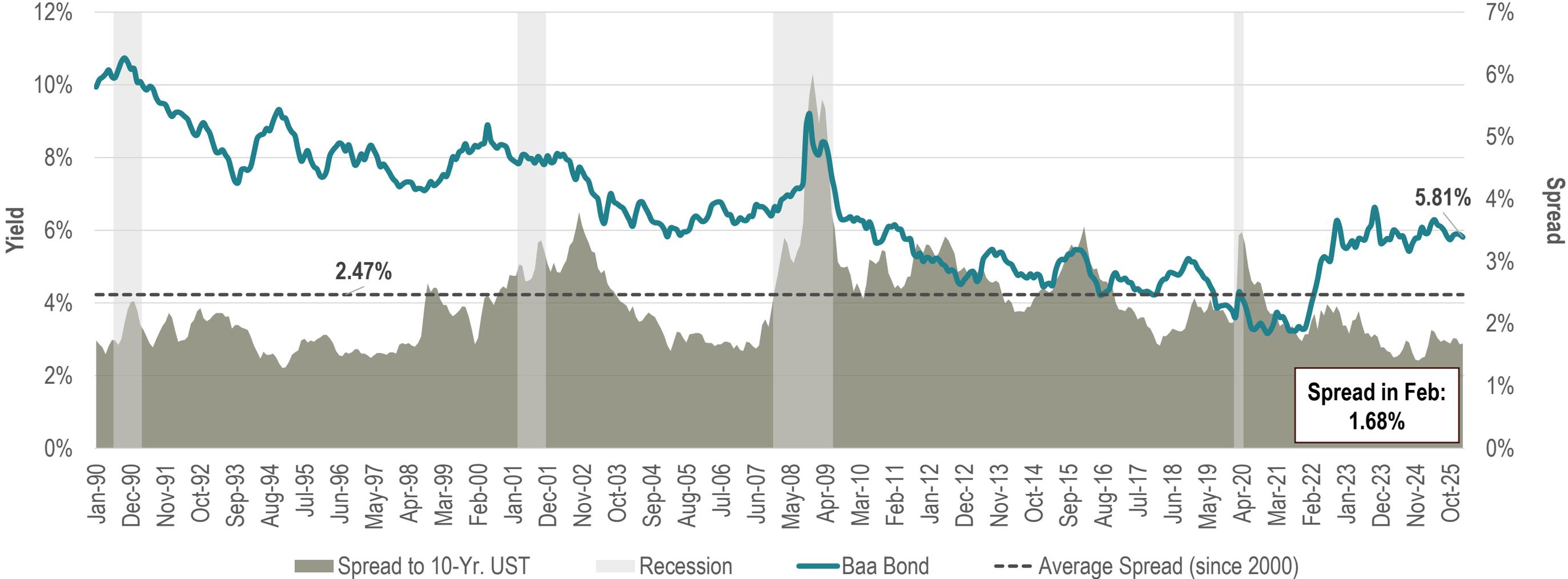
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Data are as of February 28, 2026.
Source: The Federal Reserve; Chatham Financial; Oxford Economics; Yahoo Finance; The Wall Street Journal

Baa Corporate Bond Yields Steady at 5.8% in February

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

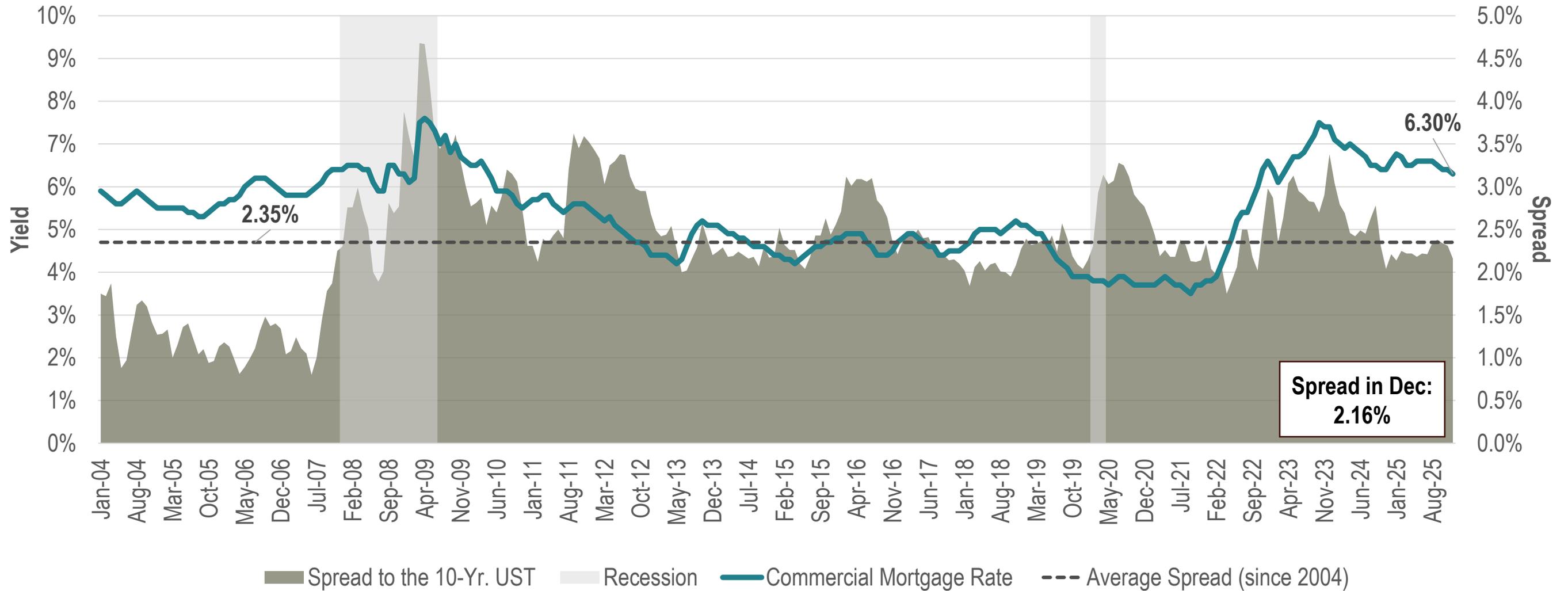
Corporate Bond Yields (Monthly Averages)



Average Commercial Mortgage Rates Fell 10 bps to 6.3% in December

The Spread to the 10-Year UST Yield Fell Below Its Long-term Average

Commercial Mortgage Rates (Monthly Averages)

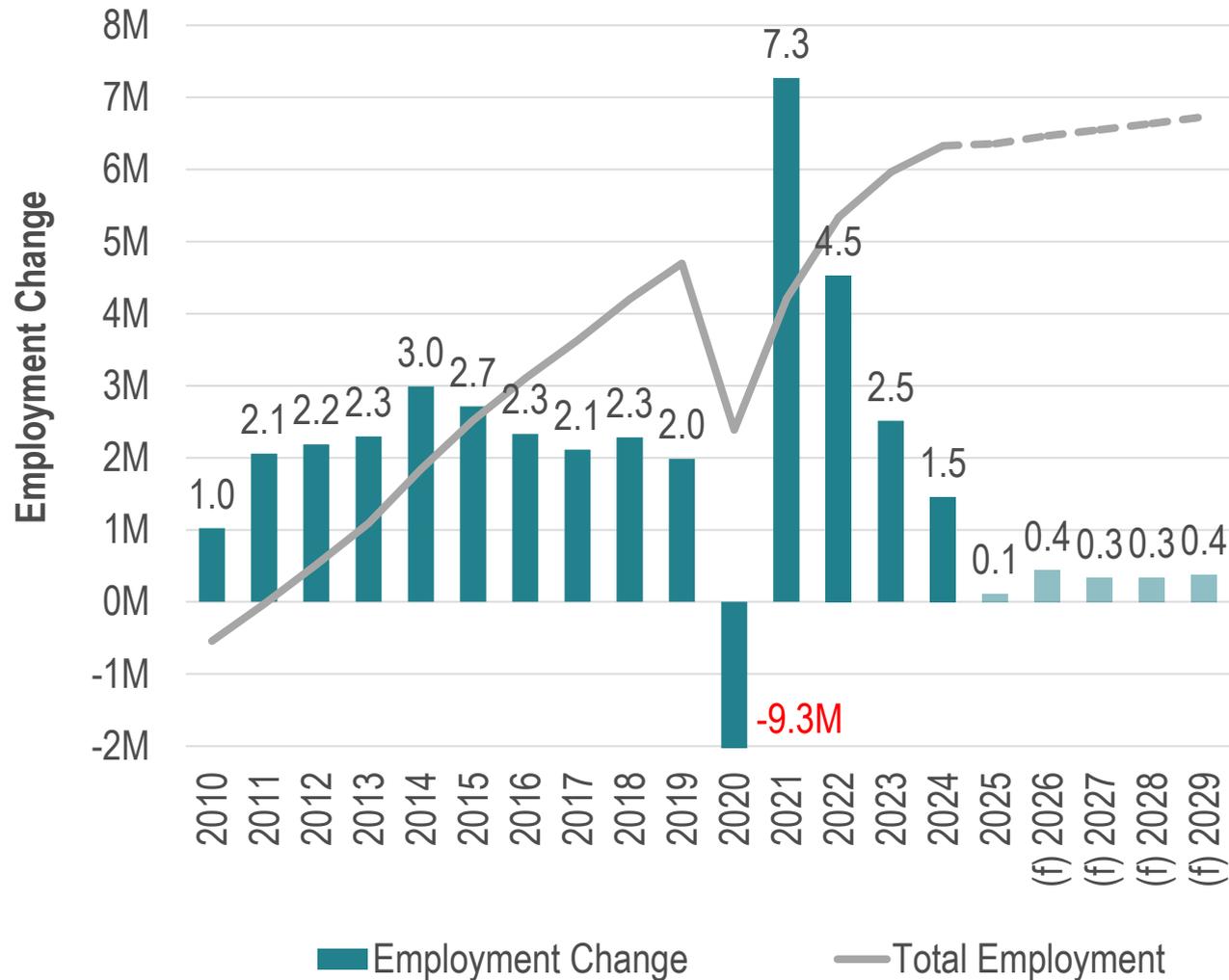


Employment

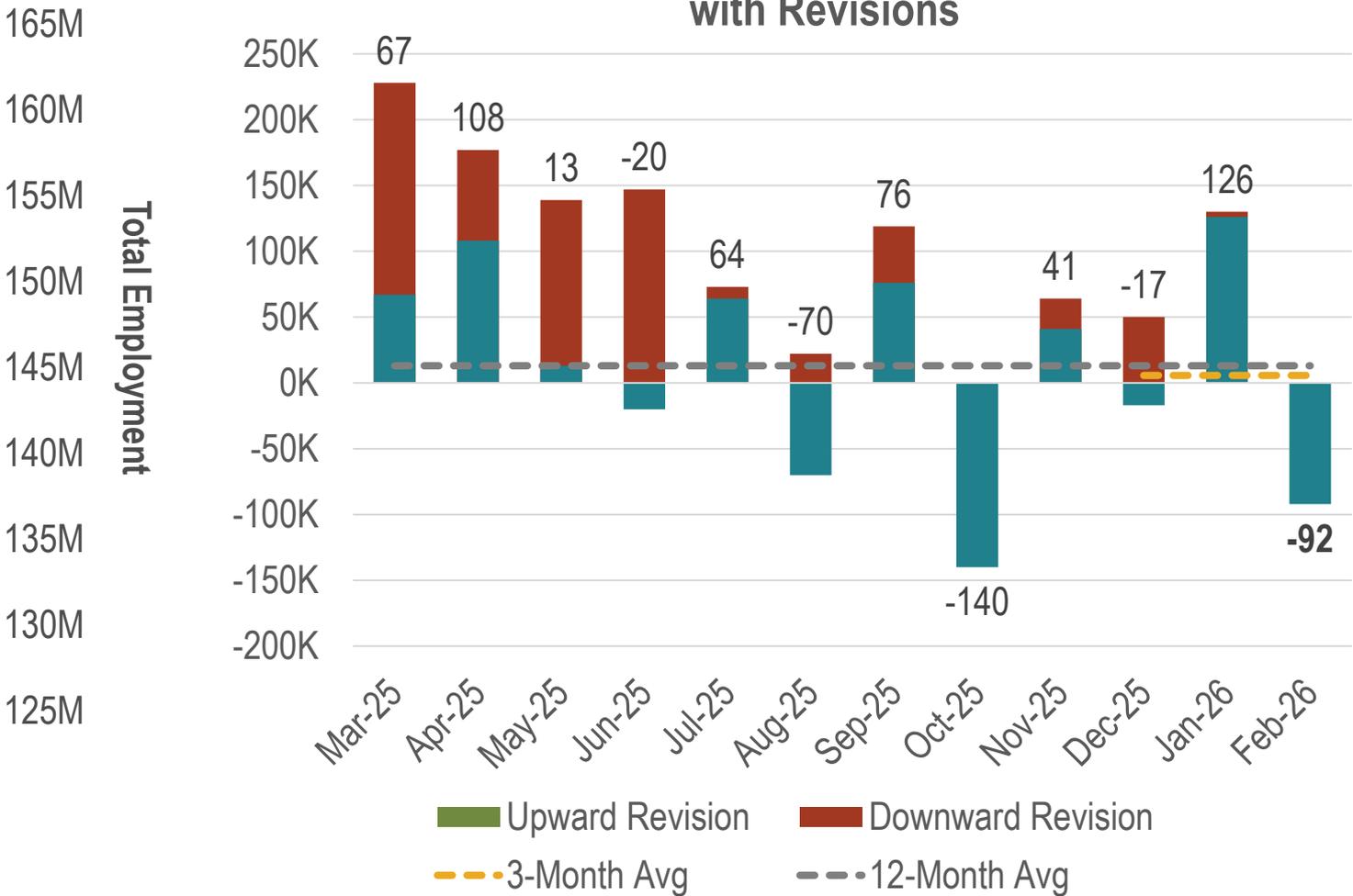
Employment Fell by 92K in February, Following a Stronger Than Expected January

Employment Growth Close to Flat Over the Past Three Months as Labor Market Cools

Total Non-Farm 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 February 2026.

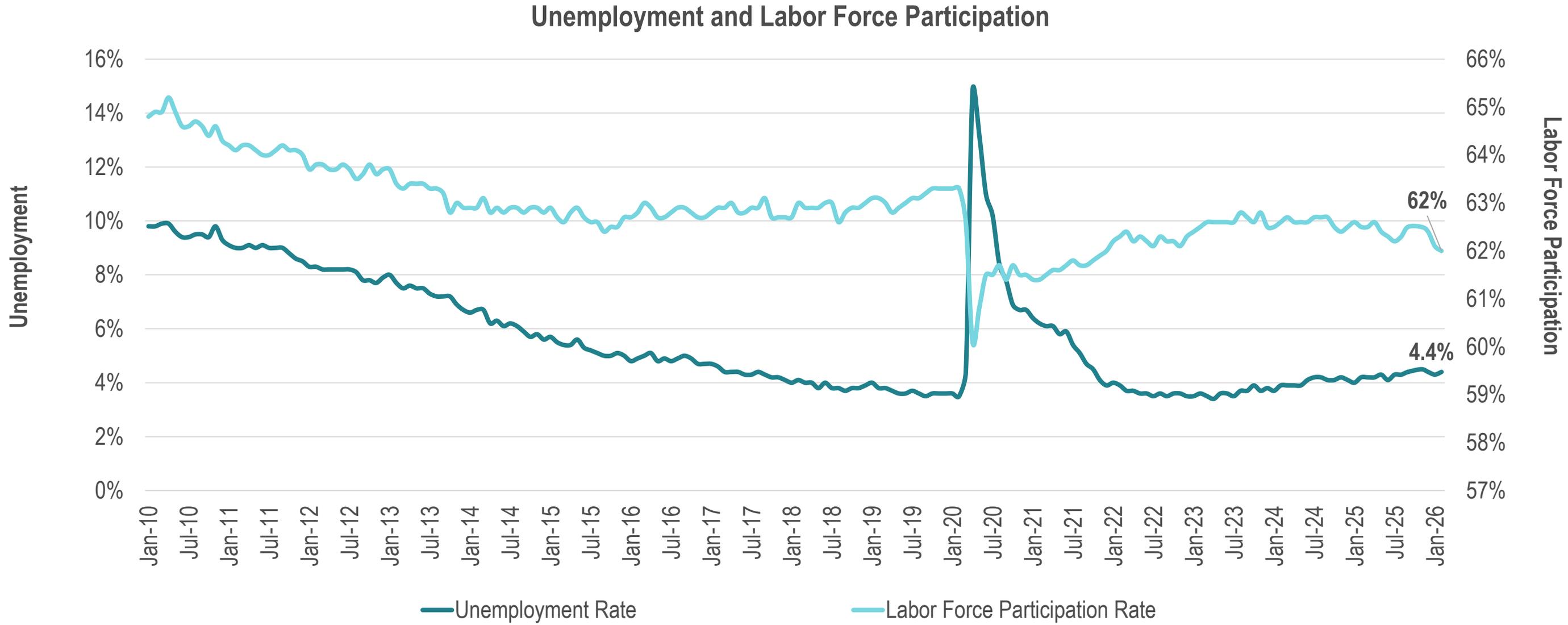
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics



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Unemployment Rate Rose 10 bps to 4.4% in February

The Labor Force Participation Rate Fell 10 bps to 62%



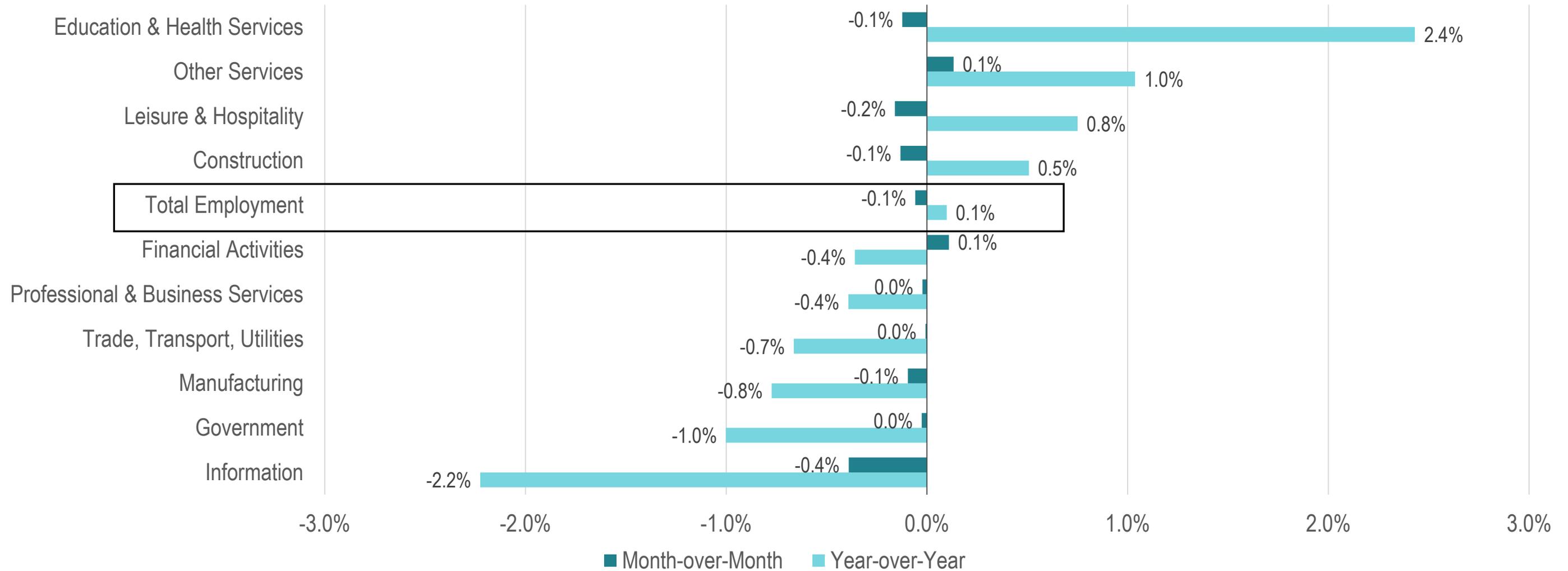
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Data are as of February 2026.
Source: U.S. Bureau of Labor Statistics; U.S. Census Bureau; Federal Reserve Bank of St. Louis

Monthly Employment Declines Recorded Across Many Sectors

The Typically Strong Education & Health Services Sector Lost Employment Due to A Healthcare Strike

US Employment Growth by Sector



Annual Wage Growth Ticked Up 10 bps to 3.8% in February

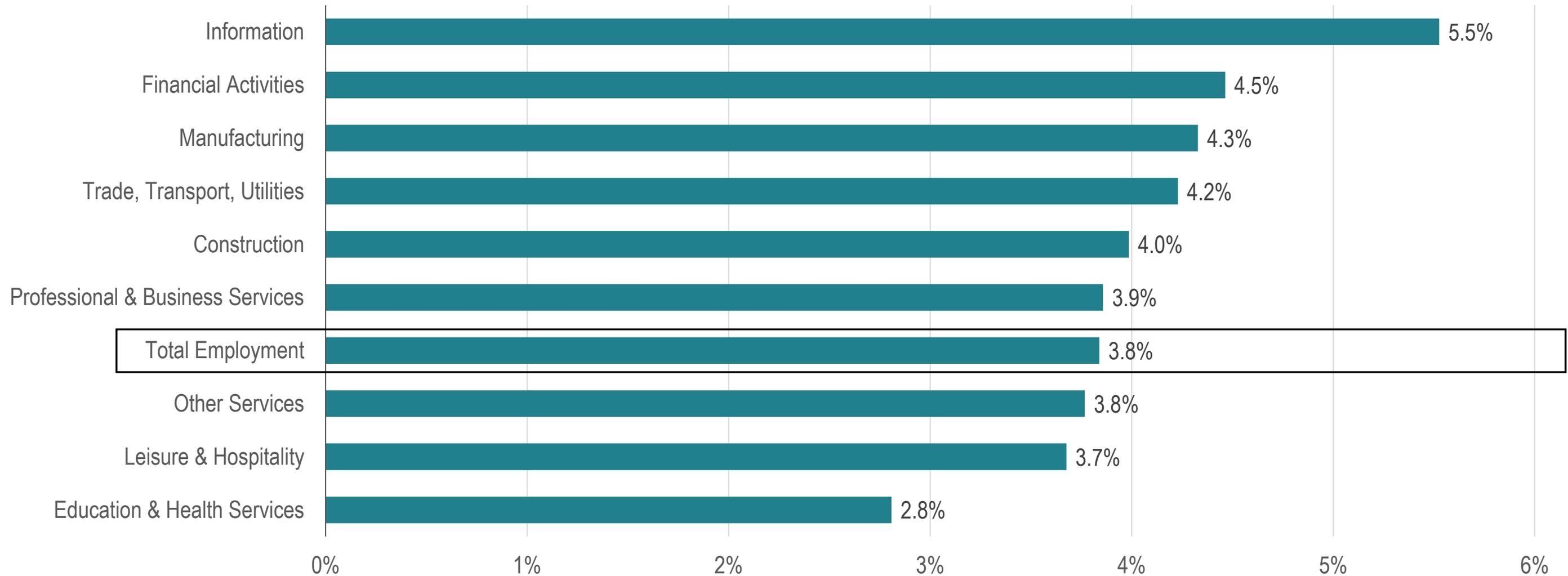
Annualized 3-Month Wage Growth Held Steady at 3.5%



Information Led Annual Wage Growth Despite Job Losses

Education & Health Services Registered Slow Wage Growth Among Sectors

US Wage Growth by Sector



Negative Annual Job Growth Recorded in Most Gateway Markets

Sunbelt Markets Still Growing with Favorable Mid-term Forecasts

30 Largest Employment Markets

Employment Change			Employment Change		
	Dec. 24 - Dec. 25	2025 - 2029 Forecast (CAGR)		Dec. 24 - Dec. 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



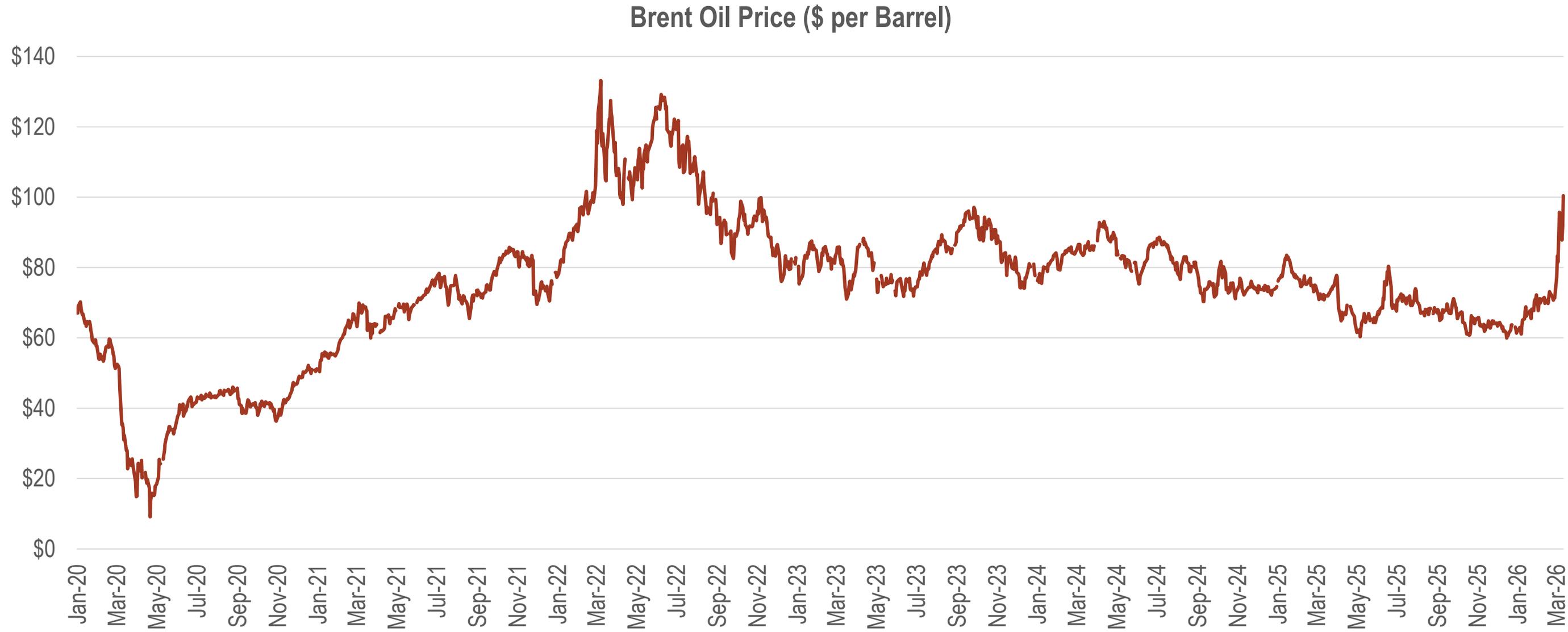
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Data are as of December 2025.
 Note: The table shows the 30 largest markets by nonfarm employment; MSA employment data release one month in arrears.
 Source: U.S. Bureau of Labor Statistics; Oxford Economics

Sentiment & Retail Sales

Oil Prices Have Spiked In Recent Days Due to Iran Conflict

Increasing Prices Will Broadly Impact the US Economy in the Near Term



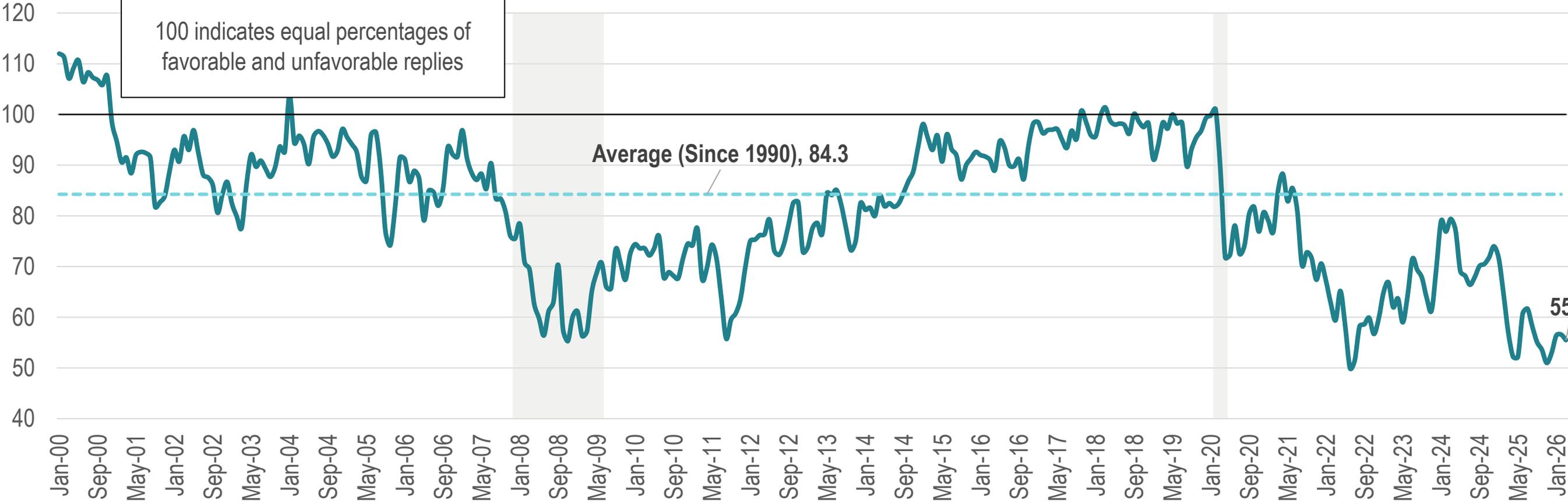
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Data are as of March 12, 2026.
Source: Federal Reserve Bank of St. Louis; MarketWatch
February 2026 | Monthly Economic Indicators | 25

Consumer Sentiment Ticked Down in March Amid Conflict in Iran

Consumers Were Particularly Concerned About Increasing Gasoline Prices

University of Michigan Consumer Sentiment



Recession Consumer Sentiment Average (Since 1990)

Data are as of March 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

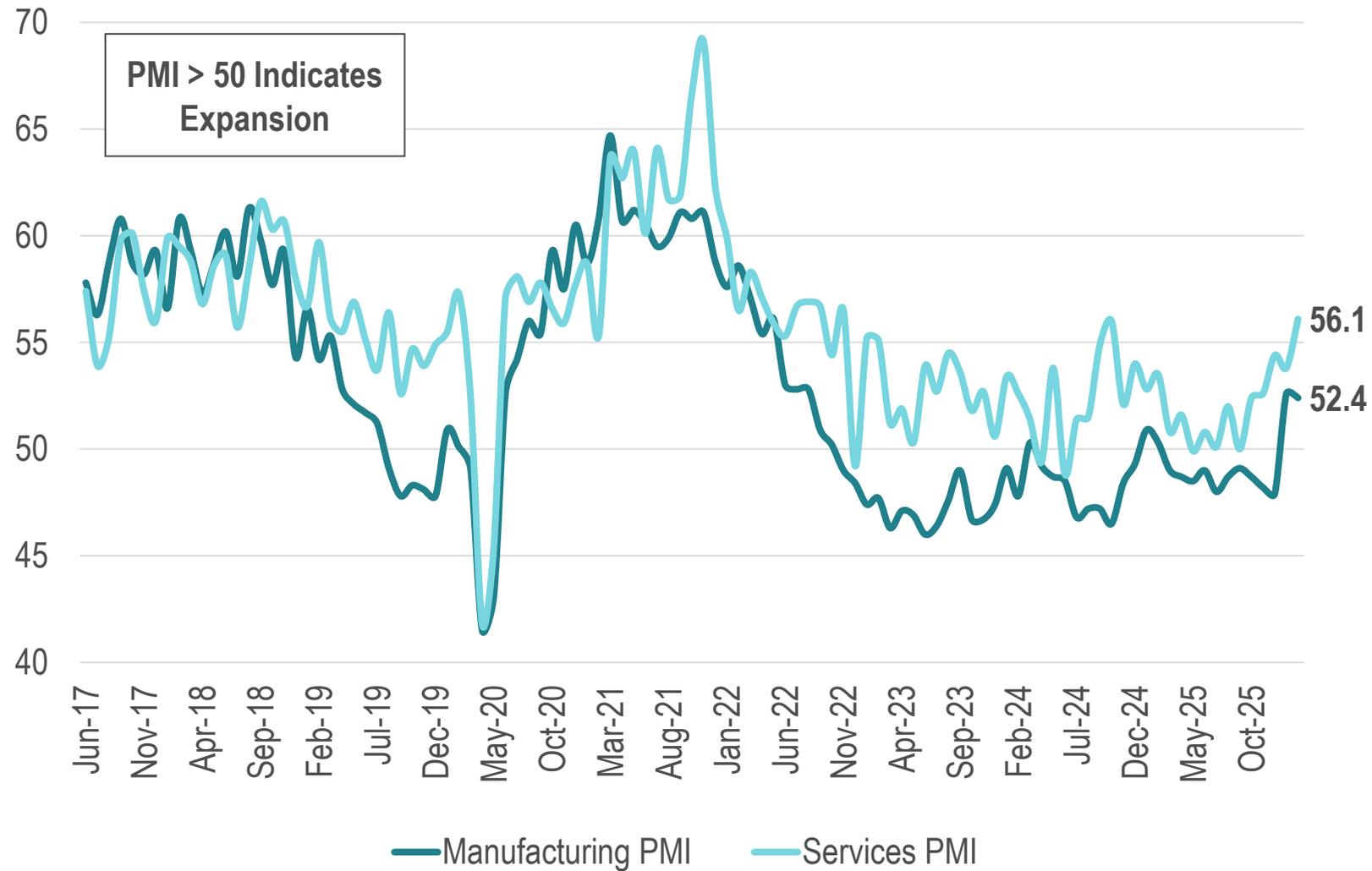


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Manufacturing PMI Fell Slightly in February but Remained in Expansion

Services PMI Rose MoM and Also Remained in Expansion

ISM PMI Indices

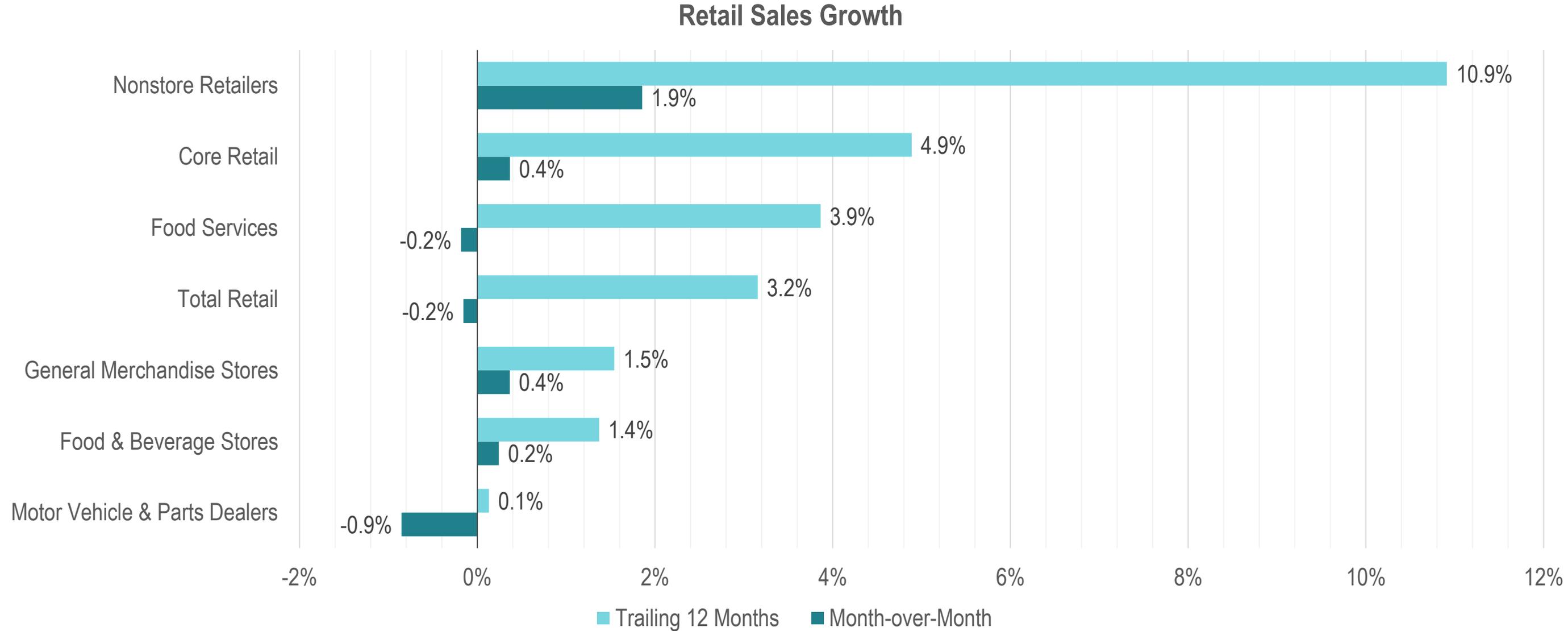


Manufacturing PMI Components	Series Index February	Series Index January	MoM Change	Weight
New Orders	55.8	57.1	-1.3	20%
Production	53.5	55.9	-2.4	20%
Employment	48.8	48.1	0.7	20%
Supplier Deliveries	55.1	54.4	0.7	20%
Inventories	48.8	47.6	1.2	20%

Services PMI Components	Series Index February	Series Index January	MoM Change	Weight
Business Activity	59.9	57.4	2.5	25%
New Orders	58.6	53.1	5.5	25%
Employment	51.8	50.3	1.5	25%
Supplier Deliveries	53.9	54.2	-0.3	25%

Monthly Core Retail Sales Rose 0.4% while Total Retail Sales Fell 0.2% in January

Nonstore Retailers Saw Strong Retail Sales Growth MoM and YoY



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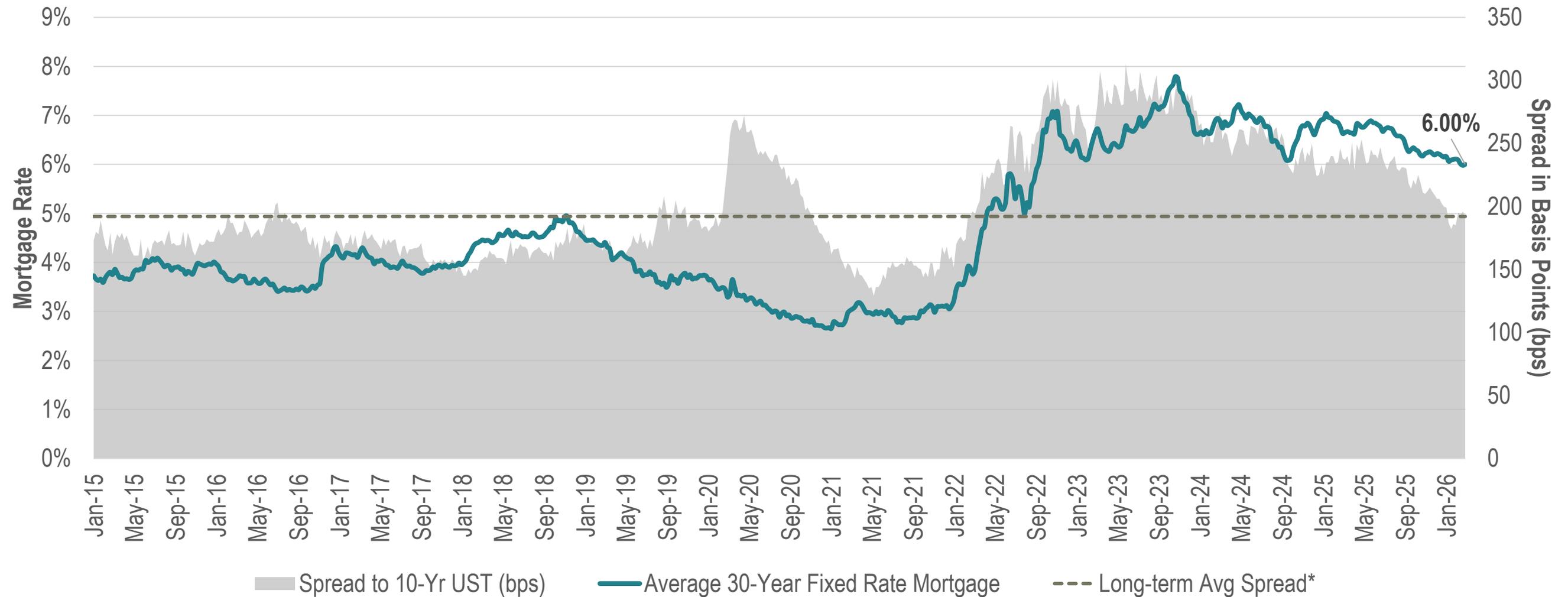
*Data are as of January 2026.
Note: The above chart shows only the five largest retail sectors; core retail sales exclude motor vehicles, gas stations, building materials, and food services.
Source: US Census Bureau; Federal Reserve Bank of St. Louis*

Housing

Average 30-Year Mortgage Rates Fell Slightly Below 6% in Late February

30-Year Mortgage Rates Have Since Risen Due to Conflict in the Middle East

Average 30-Yr Fixed Rate Mortgage



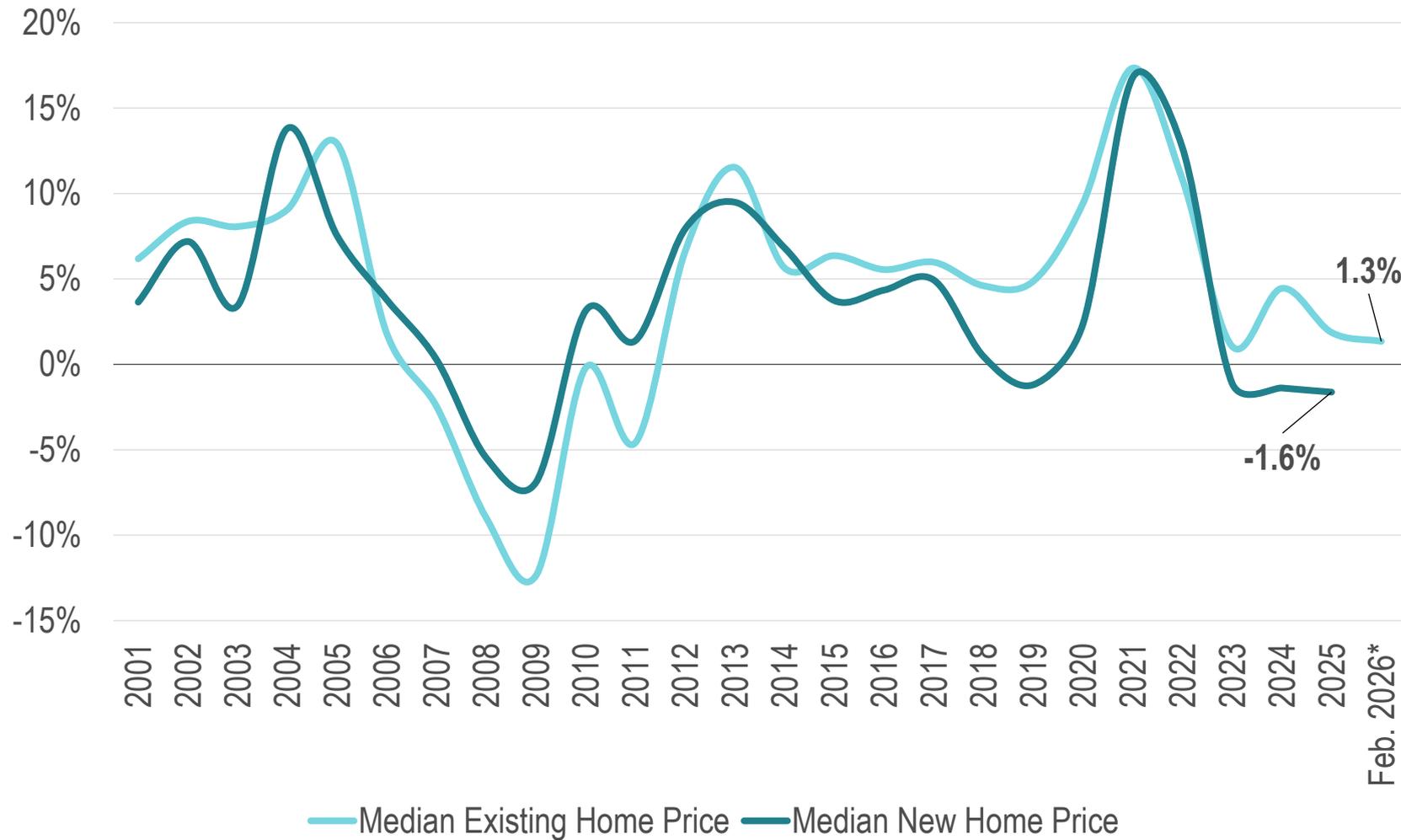
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Data are weekly averages as of March 5, 2026.
*The long-term average spread is based on data from 2007 onward.
Source: Freddie Mac

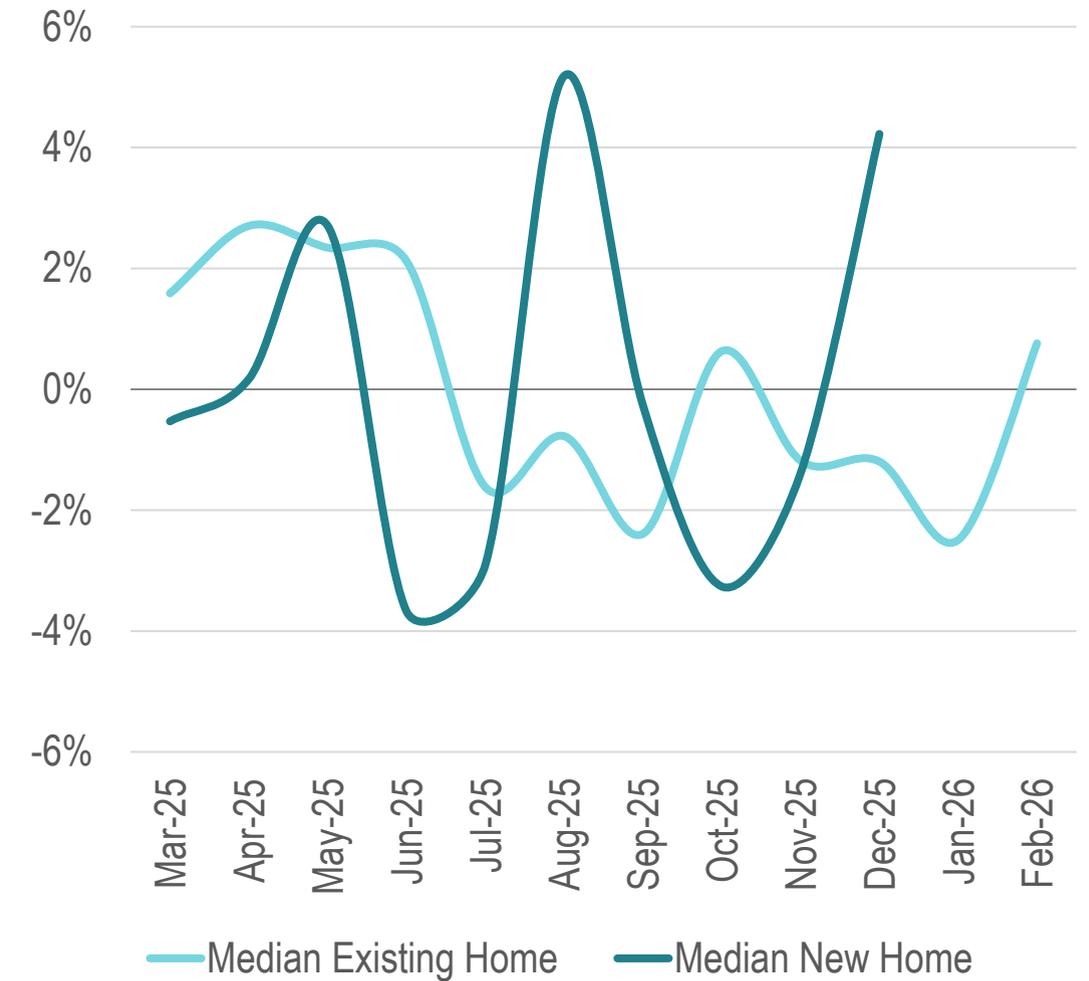
Annual Average Existing Home Prices Rose 1.3% in February

Average New Home Prices Fell 1.6% in 2025

Change in Annual Average Home Prices



Monthly Change in Home Prices



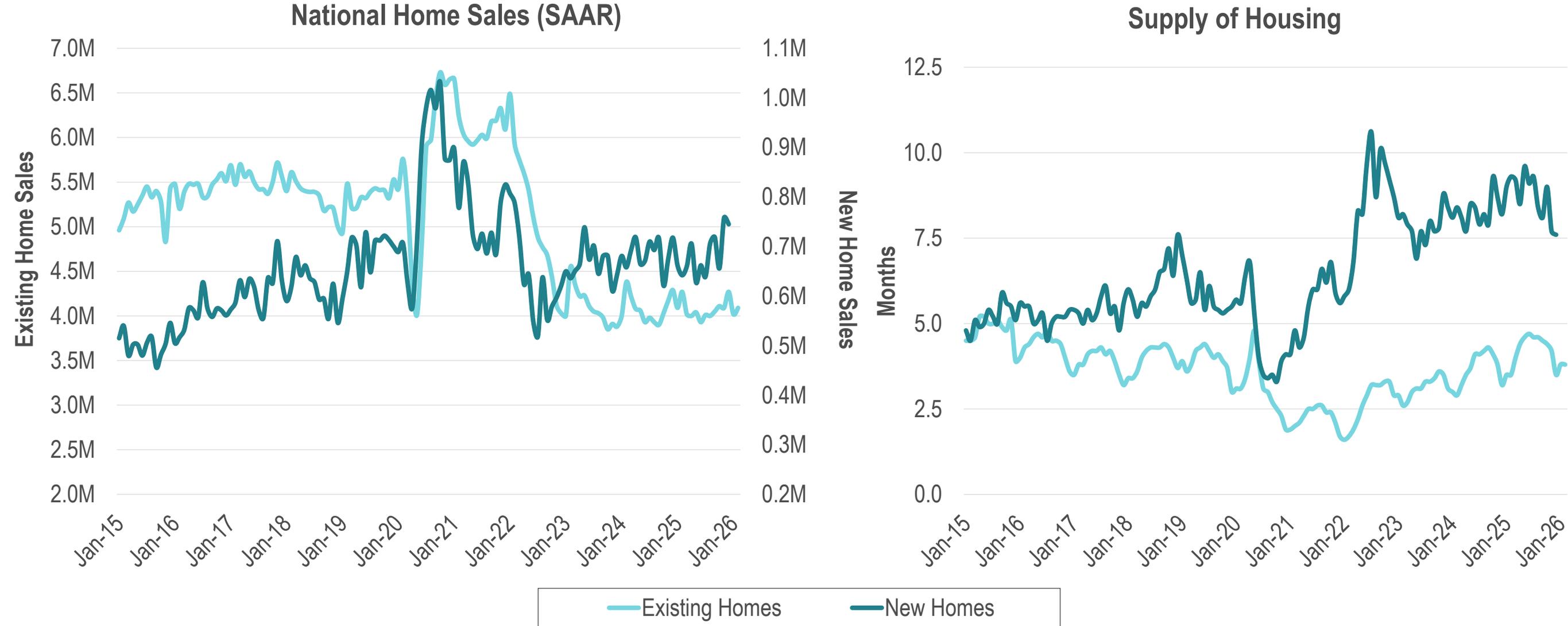
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Existing homes data are as of February; new homes data are as of December.
 *Reflects year-over-year change in trailing 12-month average median home price.
 Note: Housing data release one month in arrears.

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

Monthly Existing Home Sales Rose in February and Supply Held Steady

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



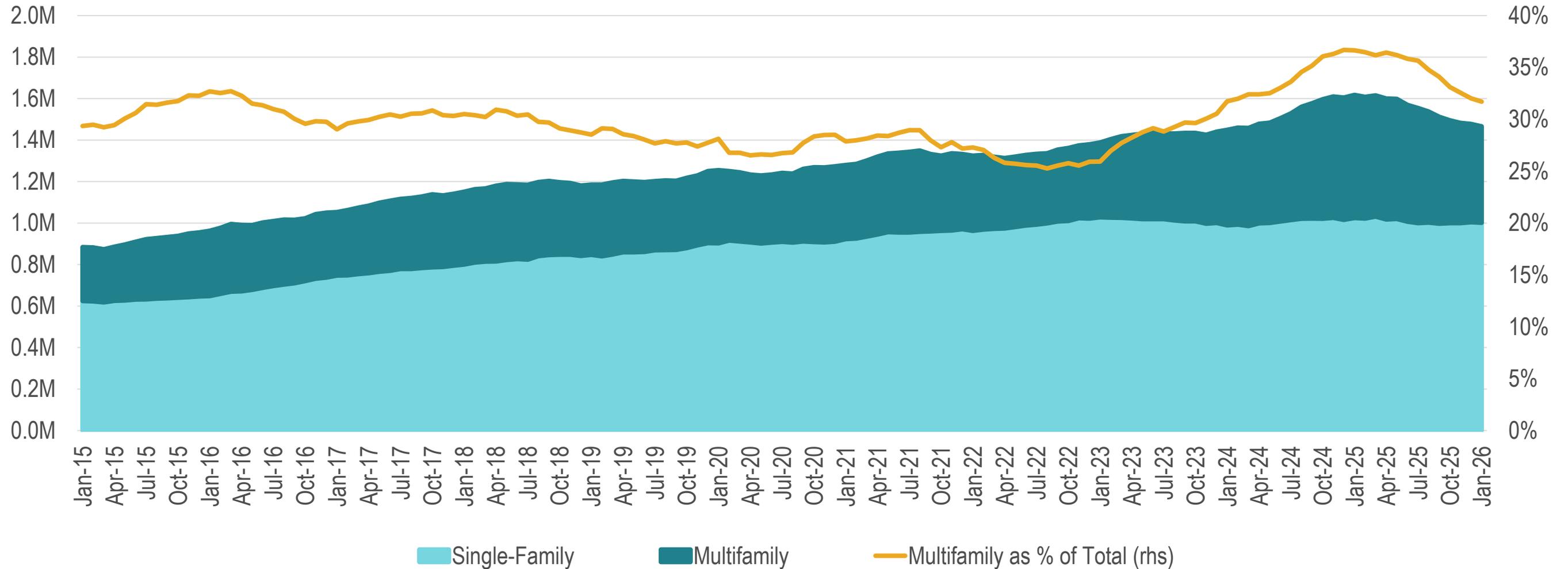
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Existing homes data are as of February; new homes data are as of December.
 Note: Months supply of homes is calculated as the ratio of houses for sale to houses sold. It indicates the number of months it would take for the current inventory in the 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 0.7% MoM and 9.4% YoY in January

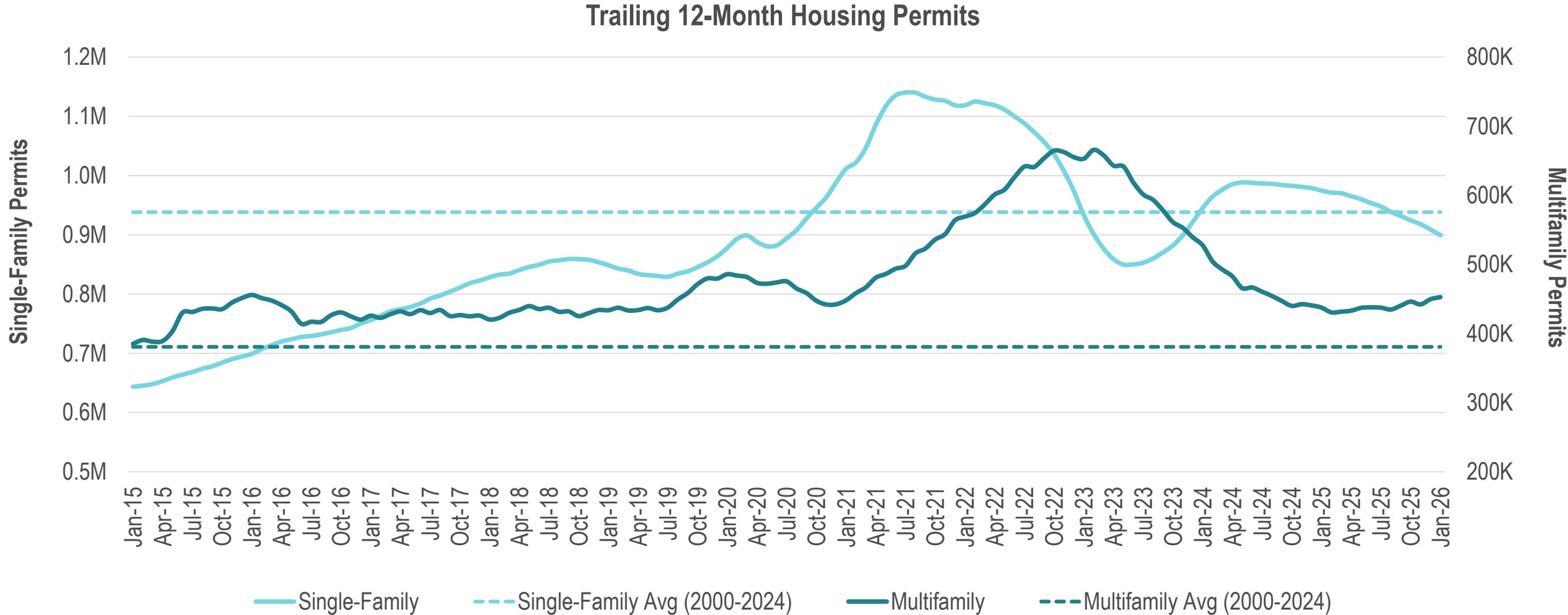
Multifamily's Share of Total Completions Fell Below 32%

Trailing 12-Month Housing Completions



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

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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Disclosures

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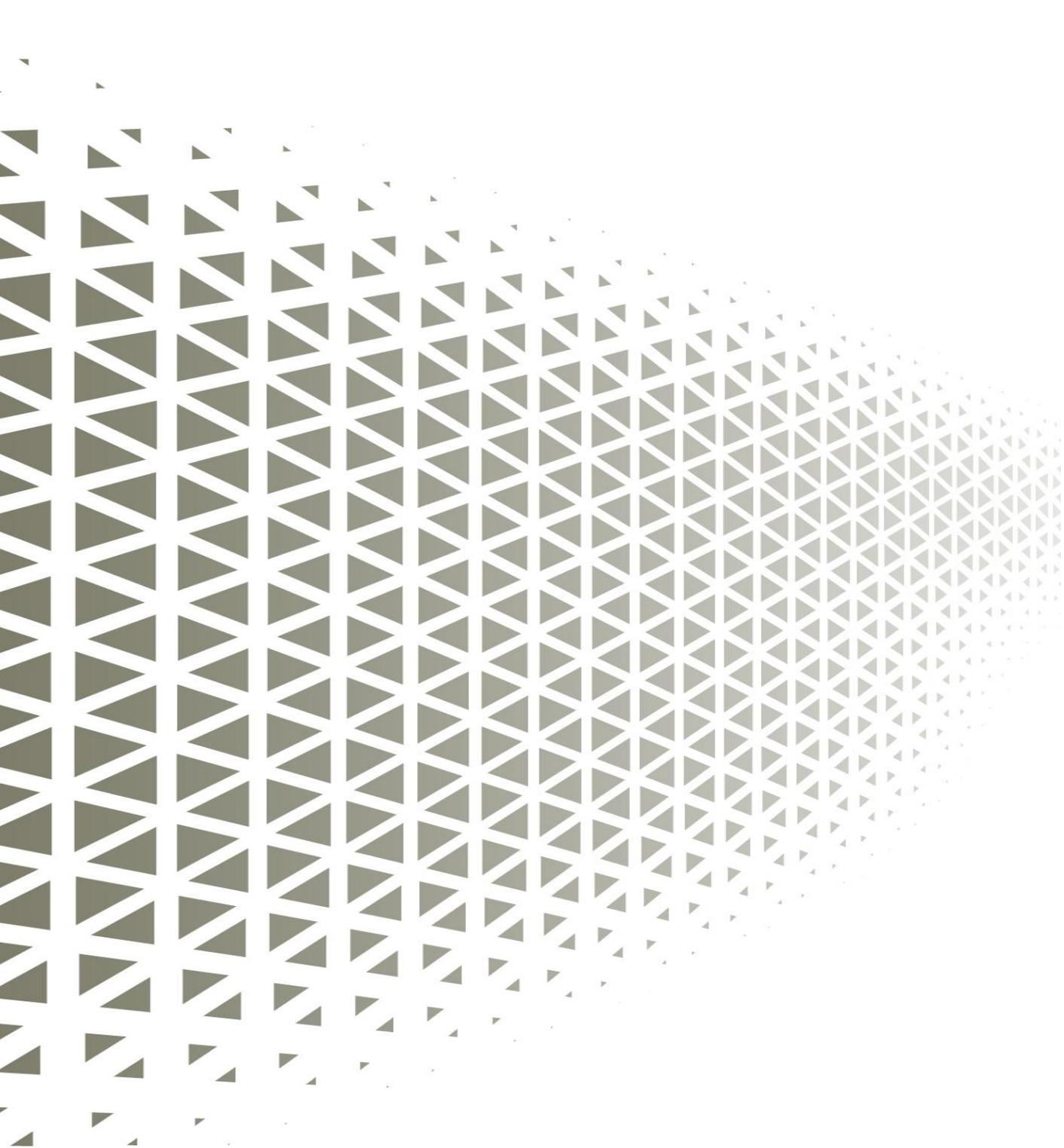
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