Monthly Economic Indicators
July 2026

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Contents

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 – July 2026

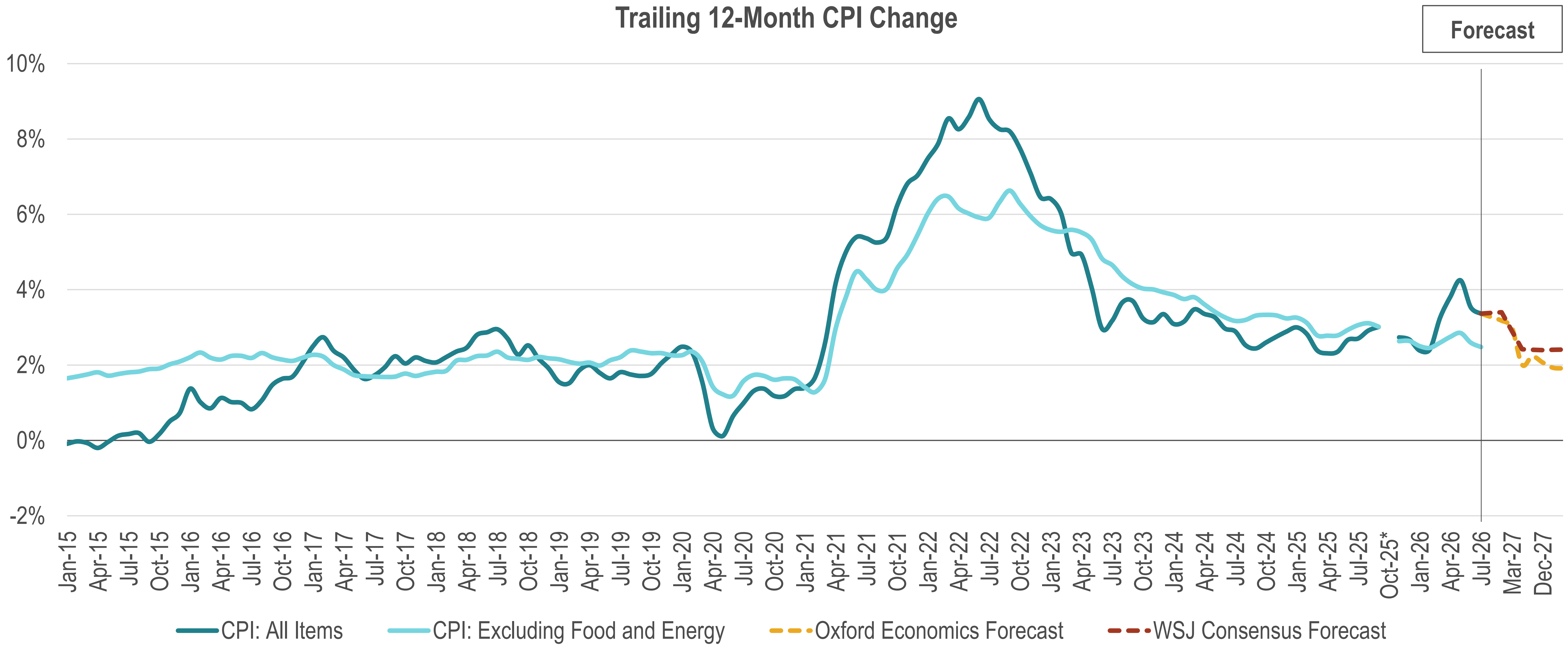
Inflation	• Annual headline CPI inflation fell 10 bps to 3.4% as energy costs moderated in July. Annual core inflation also fell 10 bps to 2.5%. • Annual Final Demand PPI and All Commodities PPI rose by 4.7% and 8.3%, respectively. Construction materials prices rose more than 10%. • Annual total PCE fell 40 bps to 3.7% and core PCE declined 10 bps to 3.3% in June*, both down from prior month. • The 5-year TIPS-implied inflation rate fell to 2.3% in July, while consumer expectations of inflation held steady for a third consecutive month at 3.3% in August.
Interest Rates	• The 10-Year UST ended July at 4.75%, 31 bps above its June-end level. The yield remained elevated at ~4.7% in mid-August. • Average commercial real estate mortgage rates rose to 6.4% in May*. The spread to the UST remained below the long-term average. • The Federal Reserve held rates steady at 3.5-3.75% for a fifth consecutive meeting in July, with three dissenters voting to raise rates.
Employment	• Employment declined by 23K in July, and job growth for the prior two months was revised down by 103K. Three-month average job growth stands at just 20K. • The unemployment rate fell 10 bps to 4.1% in July despite job losses. The labor force participation rate also fell 10 bps to 61.4%, led by the 55+ cohort. • Annual wage growth fell 20 bps to 3.2% in July. Over the last three months, wage growth decelerated to 2.3% (annualized).
Sentiment & Retail Sales	• Consumer sentiment fell in August, remaining near record lows due to high prices. Views of current conditions and future expectations both fell. • The ISM Purchasing Managers' Index (PMI) for manufacturing and services both improved and remained in expansion in July. • Total retail sales fell 0.6% MoM but rose 5.0% YoY in July. Core retail sales fell 0.5% MoM but grew 4.5% for the year. Nonstore retailers saw a 2.2% monthly decline in sales but continued to lead annual growth at 7.7%.
Housing	• Average 30-year mortgage rates climbed in July, approaching 6.7% in early August. • For existing homes, trailing-year average median home prices rose 1.4% YoY in July while monthly home sales fell. • For new homes, trailing-year average median home prices fell 1.7% YoY in June* and monthly home sales rose.

** Latest available data.*
Note: Annual inflation figures are not seasonally adjusted; monthly inflation figures are seasonally adjusted; core retail sales exclude motor vehicles, gas stations, building materials, and food services.

Inflation

Annual Headline and Core Inflation Decelerated to 3.4% and 2.5%, Respectively

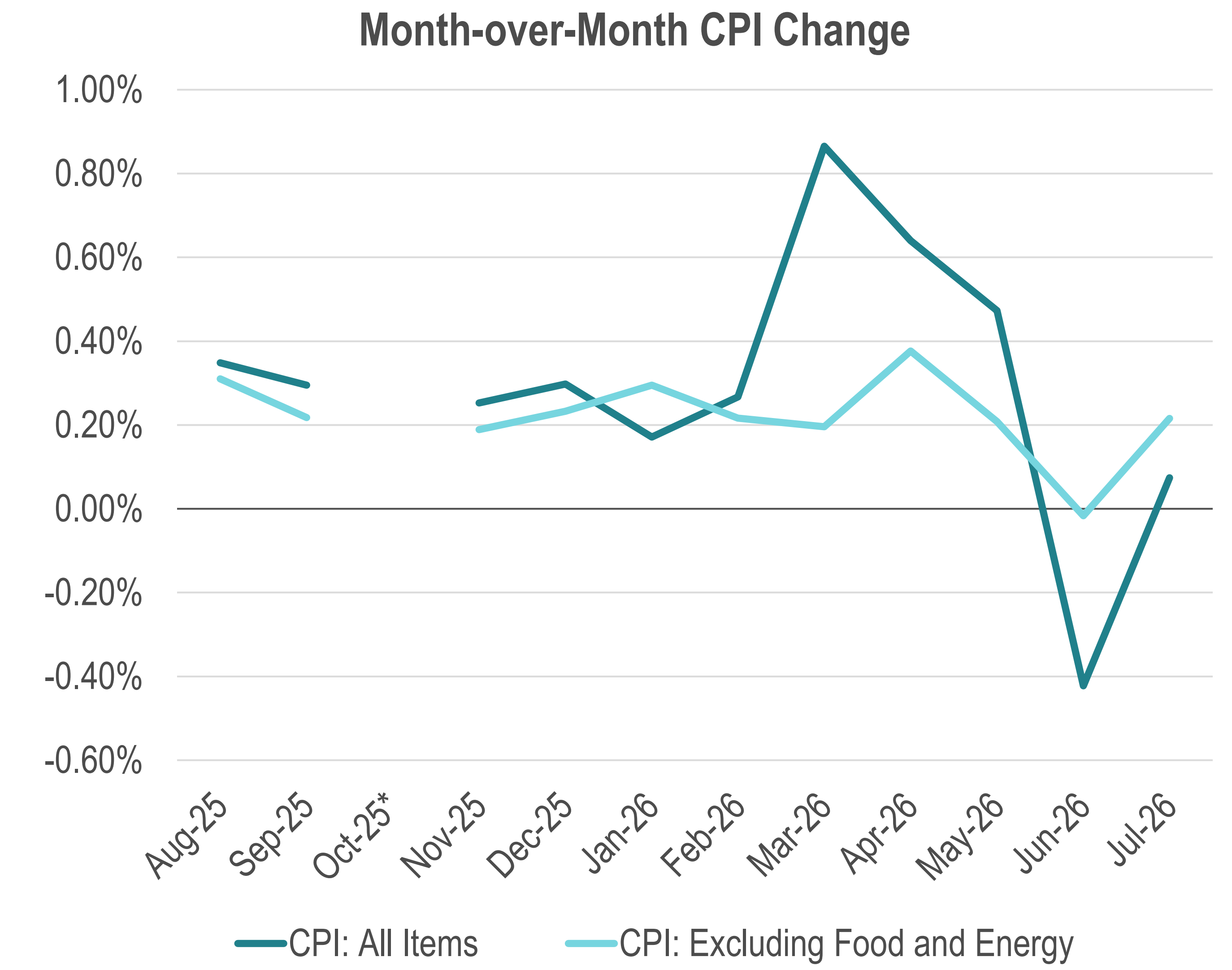
Inflation Is Forecast to Remain High through 2026 then Moderate but Uncertainty Remains Elevated

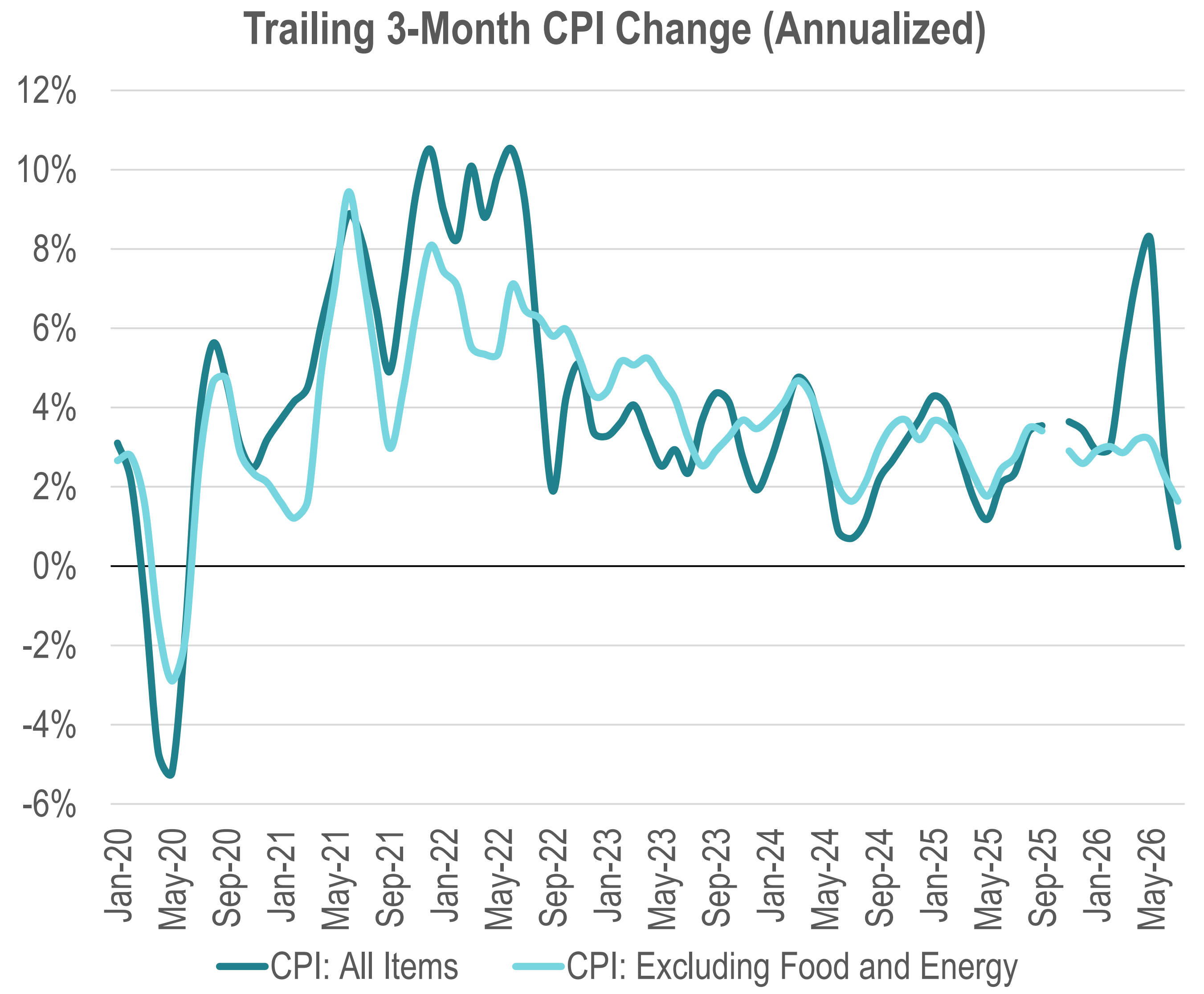


Data are as of July 2026.
**October CPI data were not released due to the government shutdown.*
Note: Figures represent seasonally adjusted CPI.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics; WSJ Consensus Forecasts

Monthly All Items and Core CPI Rose by 0.1% and 0.2%, Respectively

3-Month Annualized All Items CPI Decelerated to Just 0.5% and 3-Month Annualized Core CPI Fell to 1.6%

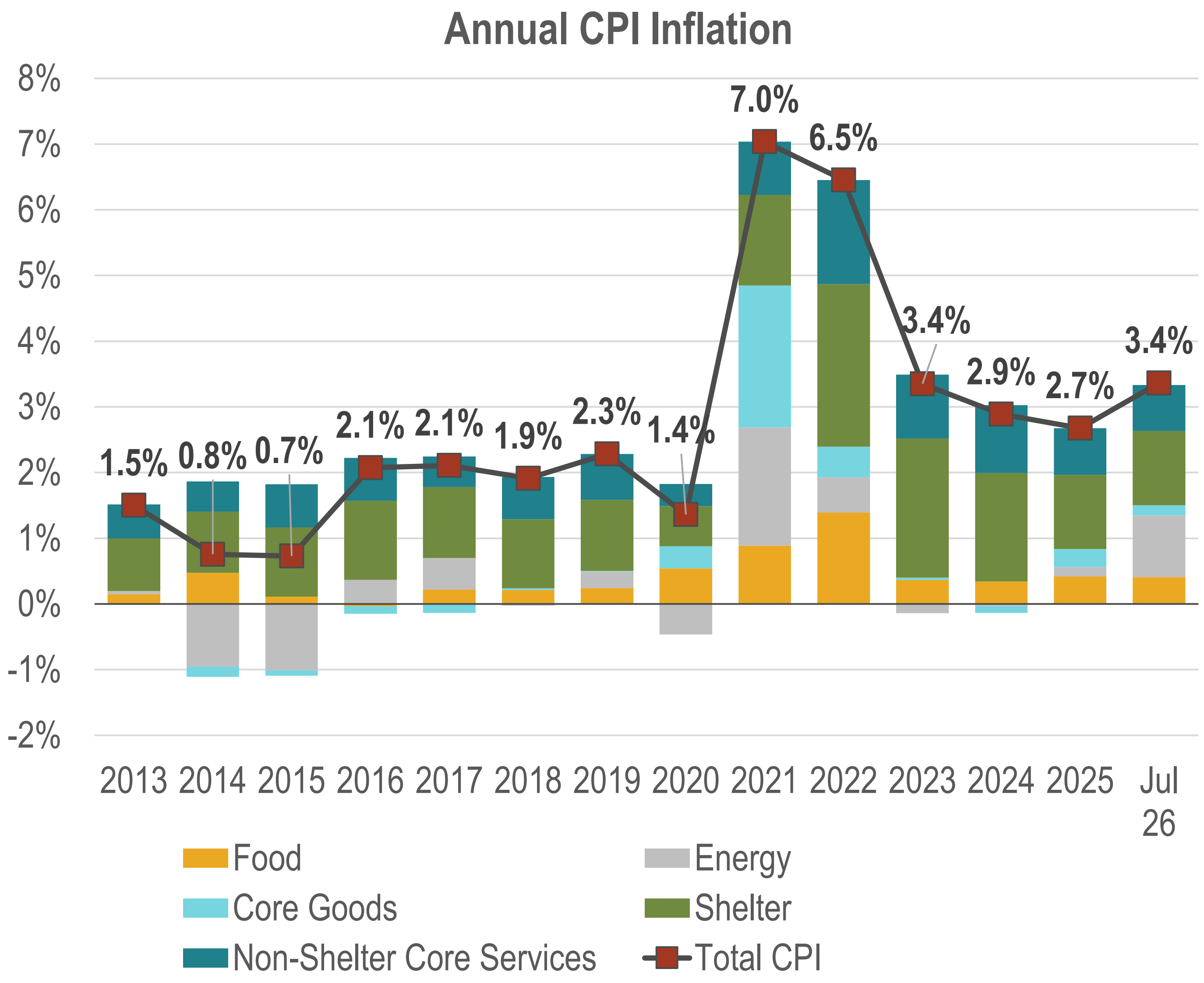




Data are as of July 2026.
**October CPI data were not released due to the government shutdown.*
Note: Figures represent seasonally adjusted CPI.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Monthly Energy Prices Fell 1.5% in July but Remained Up 14.7% for the Year

Annual Core Services CPI Rose 3.0% and Core Goods Prices Rose 0.8%



July 2026 Inflation			
	Monthly	Trailing 12-Month	Weights
Apparel	0.1%	3.9%	2.4%
Education and Communication	0.6%	0.5%	5.8%
Food and Beverages	0.1%	2.9%	14.5%
Other Goods and Services	0.1%	4.3%	2.9%
Housing	0.1%	3.3%	44.5%
*Shelter**	*0.1%*	*3.2%*	*35.6%*
Medical Care	0.4%	1.7%	8.4%
Recreation	0.2%	2.6%	5.1%
Transportation	-0.5%	5.8%	16.3%
Food	0.1%	3.0%	13.7%
Energy	-1.5%	14.7%	6.2%
Core Goods	0.2%	0.8%	19.4%
Core Services	0.2%	3.0%	60.7%
Total Core	**0.2%**	**2.5%**	**80.1%**
All Items	**0.1%**	**3.4%**	**100.0%**

Data are as of July 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

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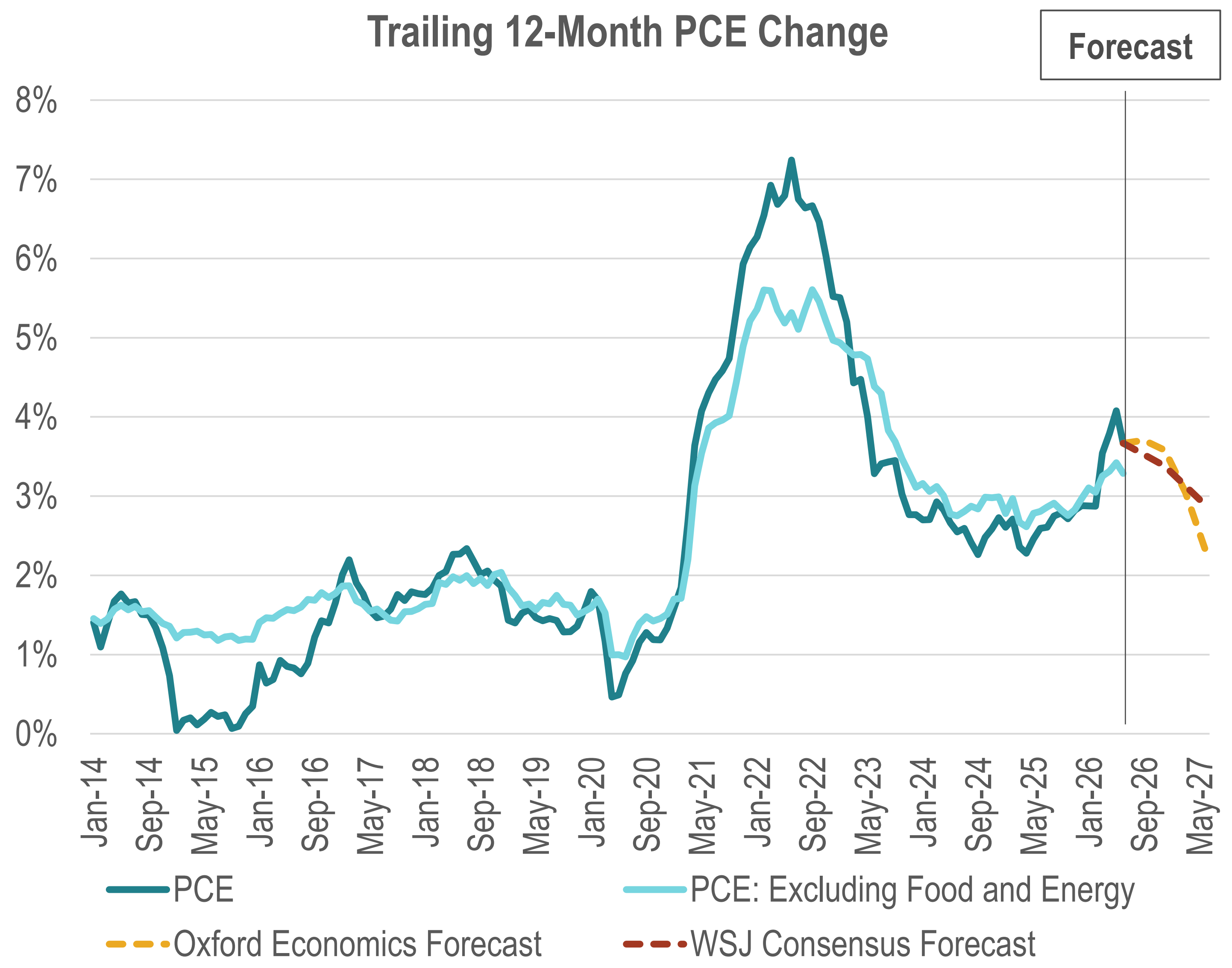
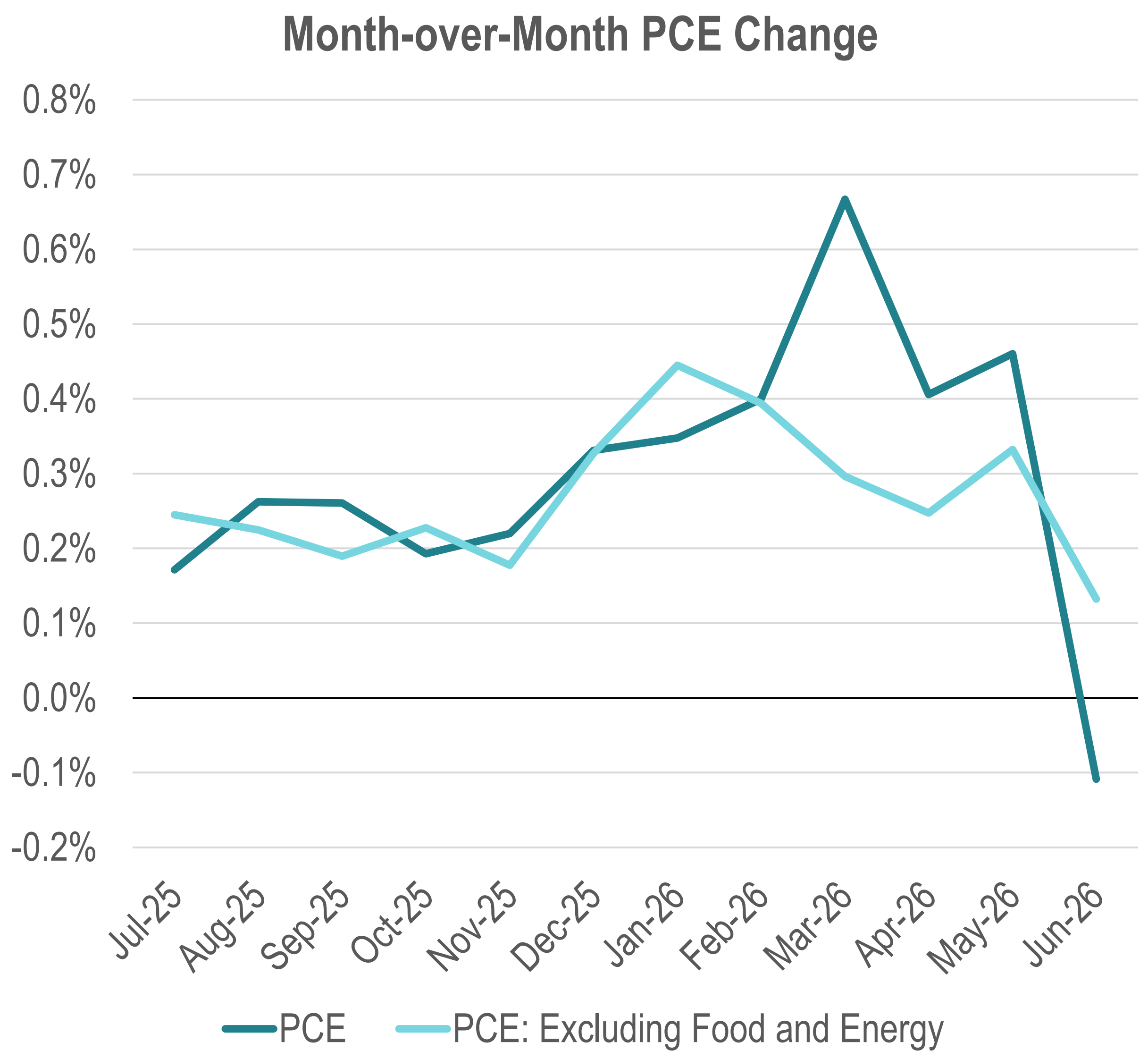
Annual Headline PCE Fell 40 bps to 3.7%; Core PCE Also Fell 10 bps to 3.3%

PCE Is Predicted to Remain Elevated Through the End of 2026





Data are as of June 2026.

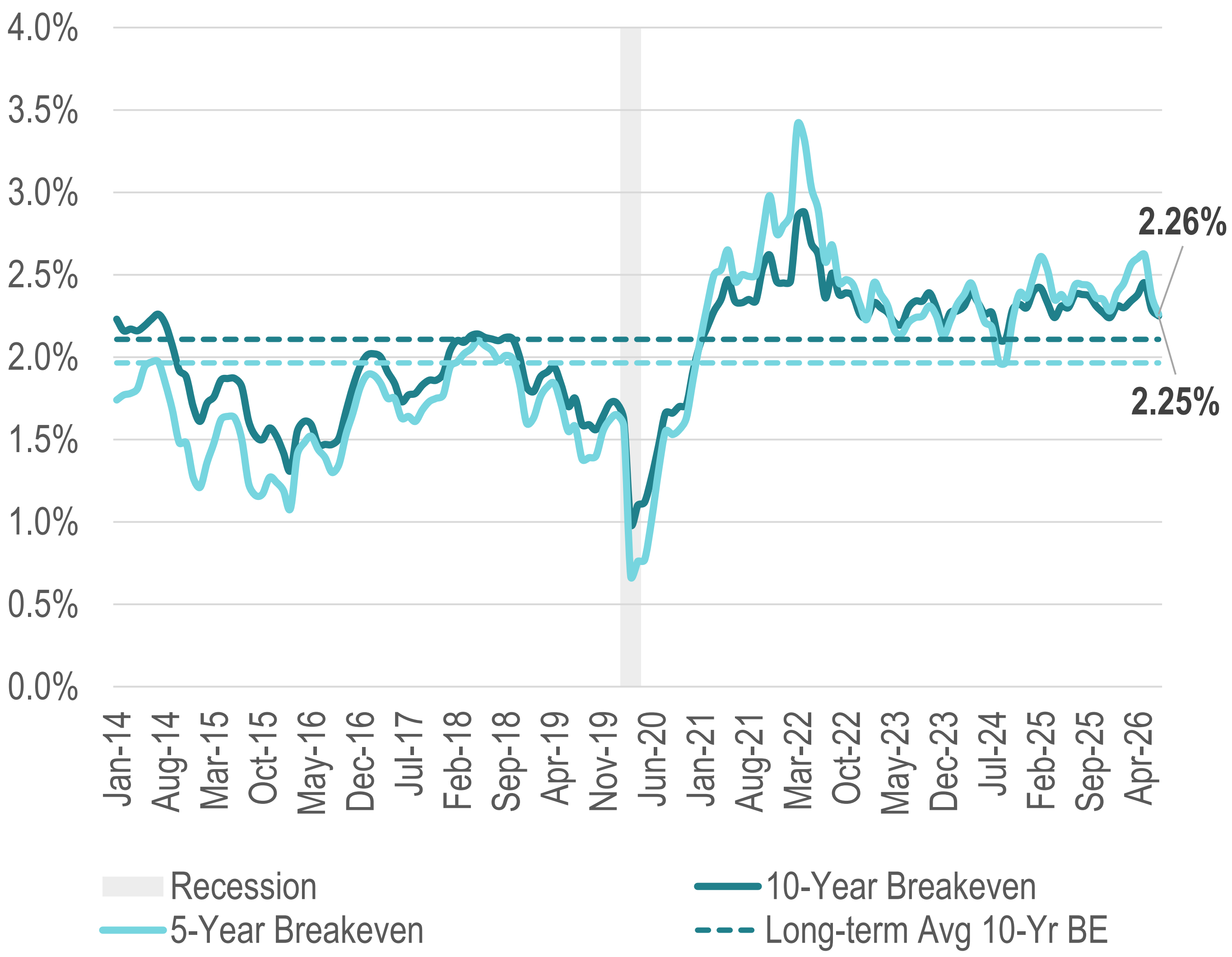
Note: Figures represent seasonally adjusted Personal Consumption Expenditures (PCE) Price Index; PCE data release one month in arrears.

Source: U.S. Bureau of Economic Analysis; Federal Reserve Bank of St. Louis; Oxford Economics; WSJ Consensus Forecasts

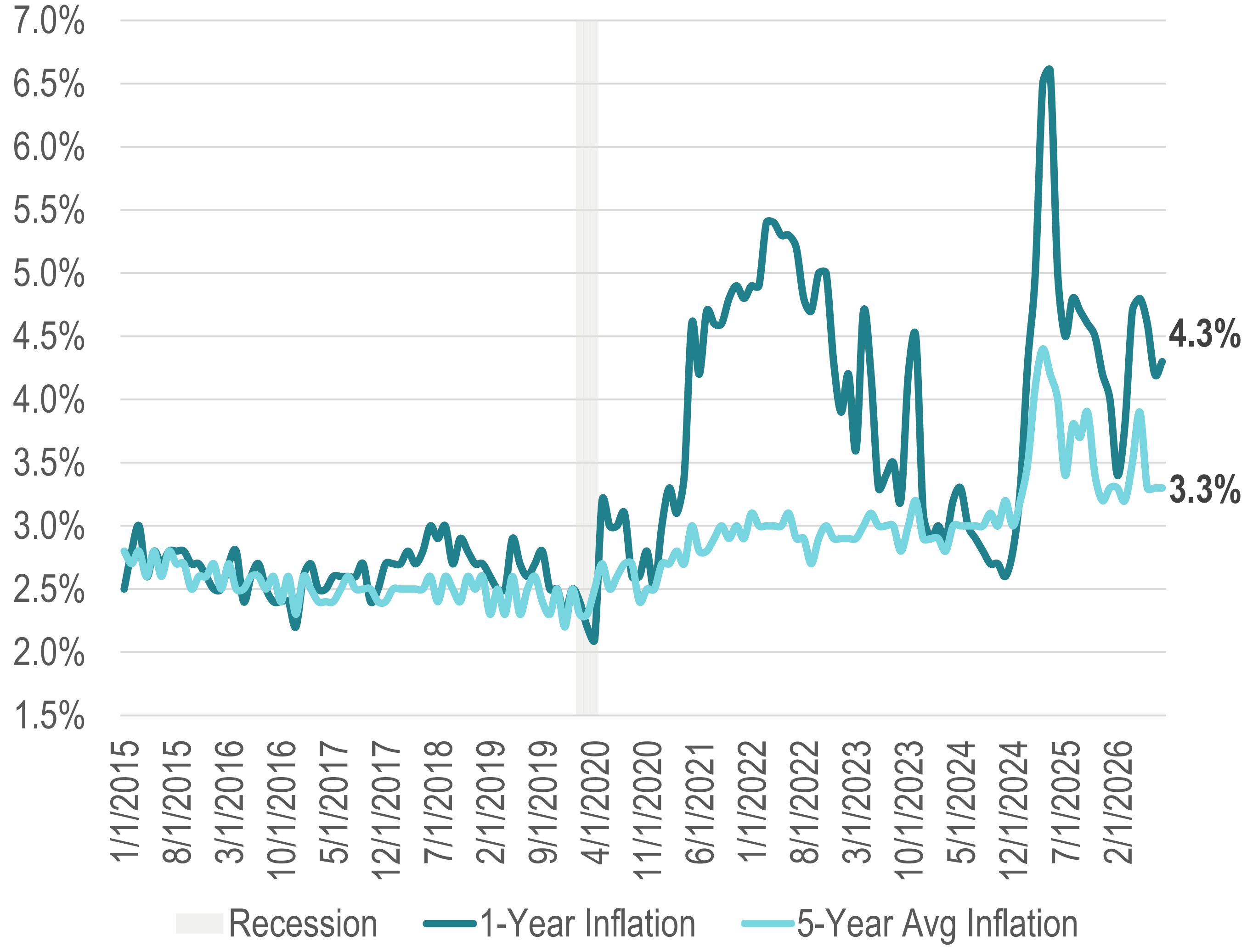
5-Year and 10-Year TIPS Breakeven Rates Both Moderated for a Second Month

Consumer Expectations of Year-Ahead Inflation Rose 10 bps to 4.3% in Aug; 5-Year Expectations Held Steady at 3.3%

TIPS-Implied Breakeven Inflation Rate



University of Michigan Inflation Expectations



Breakeven inflation data are as of July 2026; U Mich data are as of August 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

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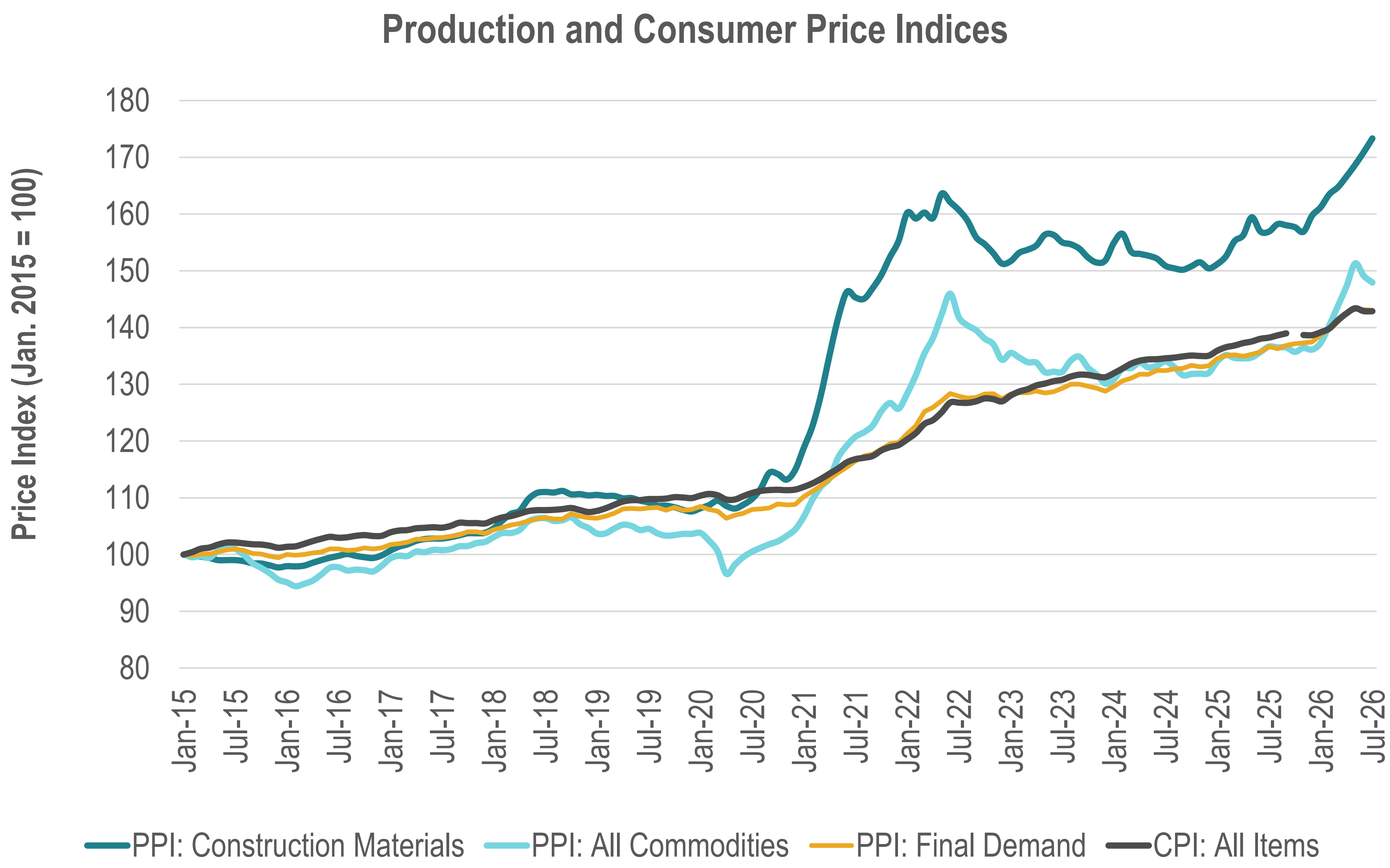
Monthly Final Demand and All Commodities PPI Fell 0.1% and 0.8%, Respectively

Construction Materials PPI Continued to Increase, Rising 1.4% MoM and 10.5% Over the Past Year



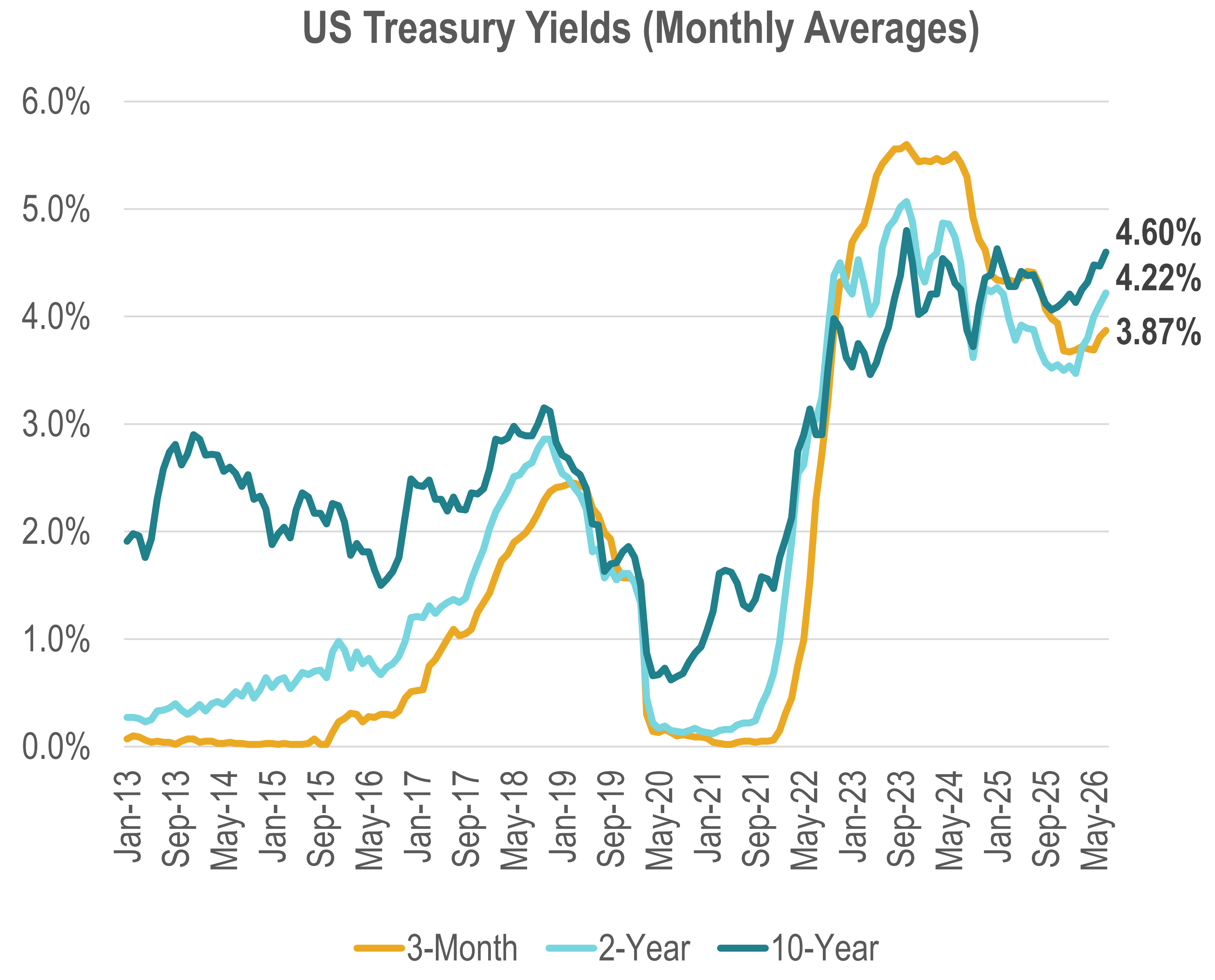
July 2026 Producer Price Index			
	Monthly	Trailing 12-Month	10-Yr Annual Avg
PPI: Construction Materials	1.4%	10.5%	5.7%
PPI: All Commodities	-0.8%	8.3%	4.2%
PPI: Final Demand	-0.1%	4.7%	3.5%
CPI: All Items	0.0%	3.4%	3.3%

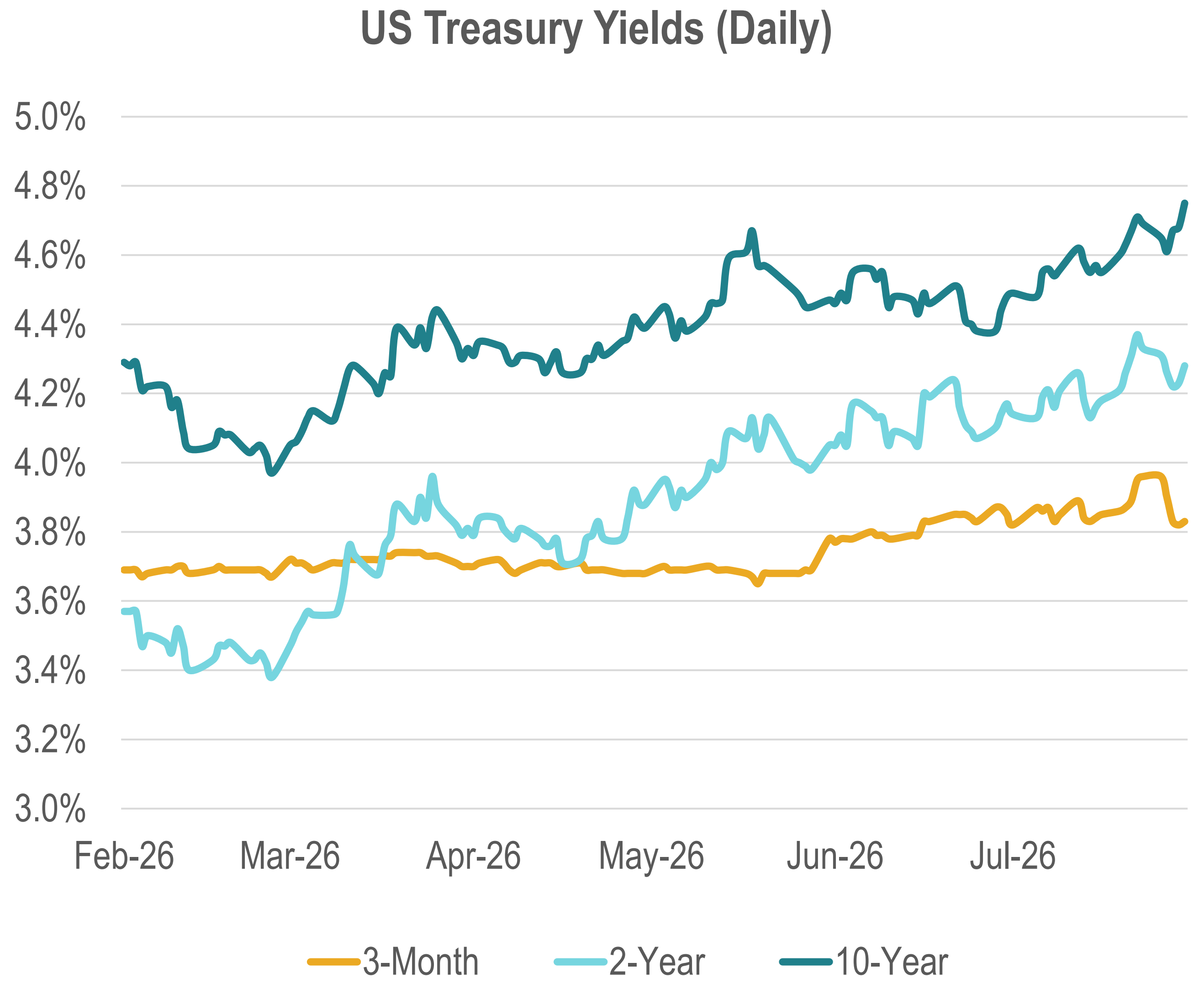
Data are as of July 2026.
Note: Monthly CPI figures are seasonally adjusted; CPI trailing 12-month and index figures are not. All PPI figures are not seasonally adjusted.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Interest Rates

Monthly Average US Treasury Yields Rose in July

10-Year UST Yields Ended July at 4.75%, 31 bps Above the Month Prior; 3-Month Yields Were More Stable





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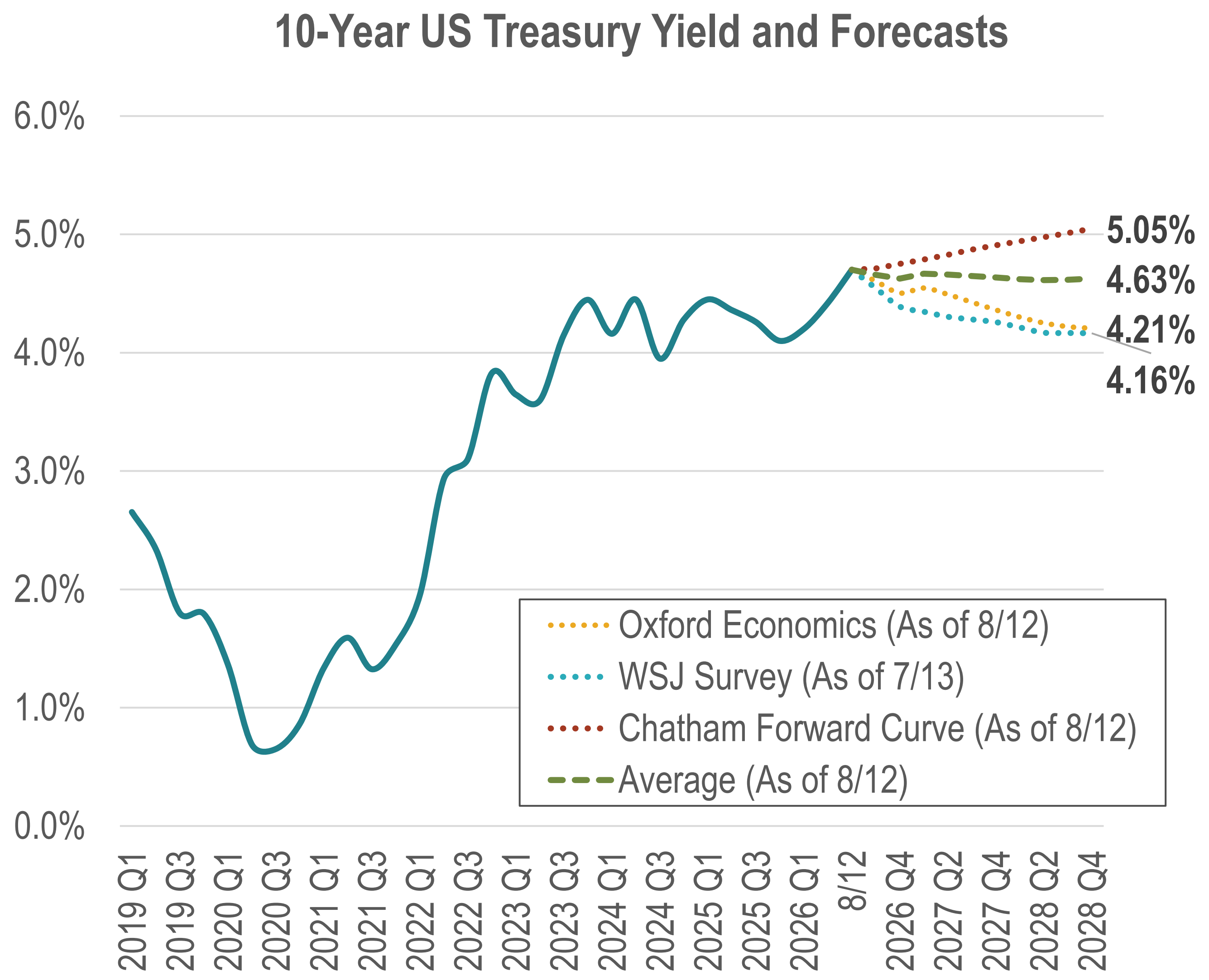
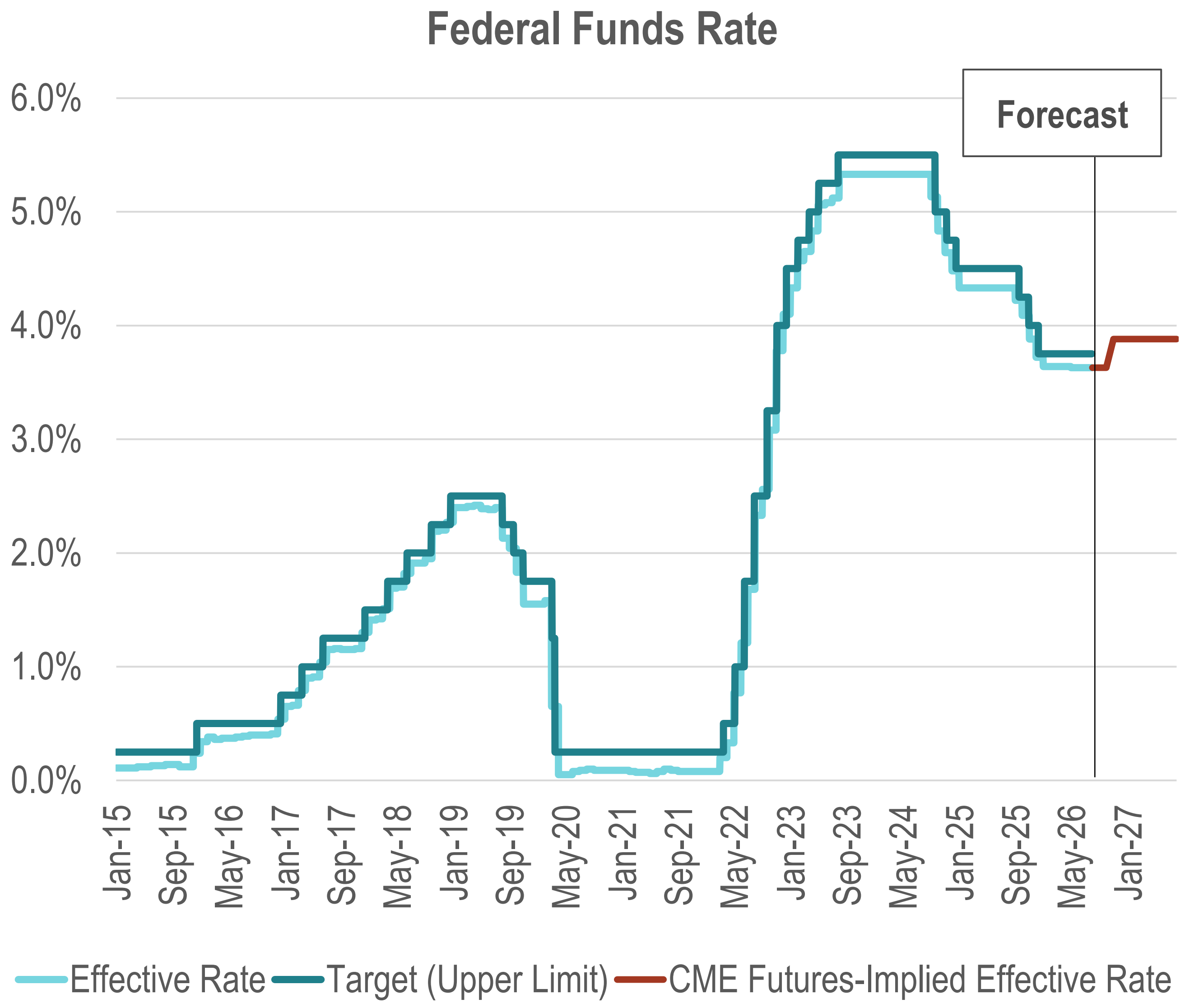
Data are as of July 31, 2026.
Source: The Federal Reserve

10-Year UST Yields Are Forecast to Remain Elevated Through 2028

The Fed Held Rates Steady for a Fifth Consecutive Meeting in July Amid Elevated Inflation

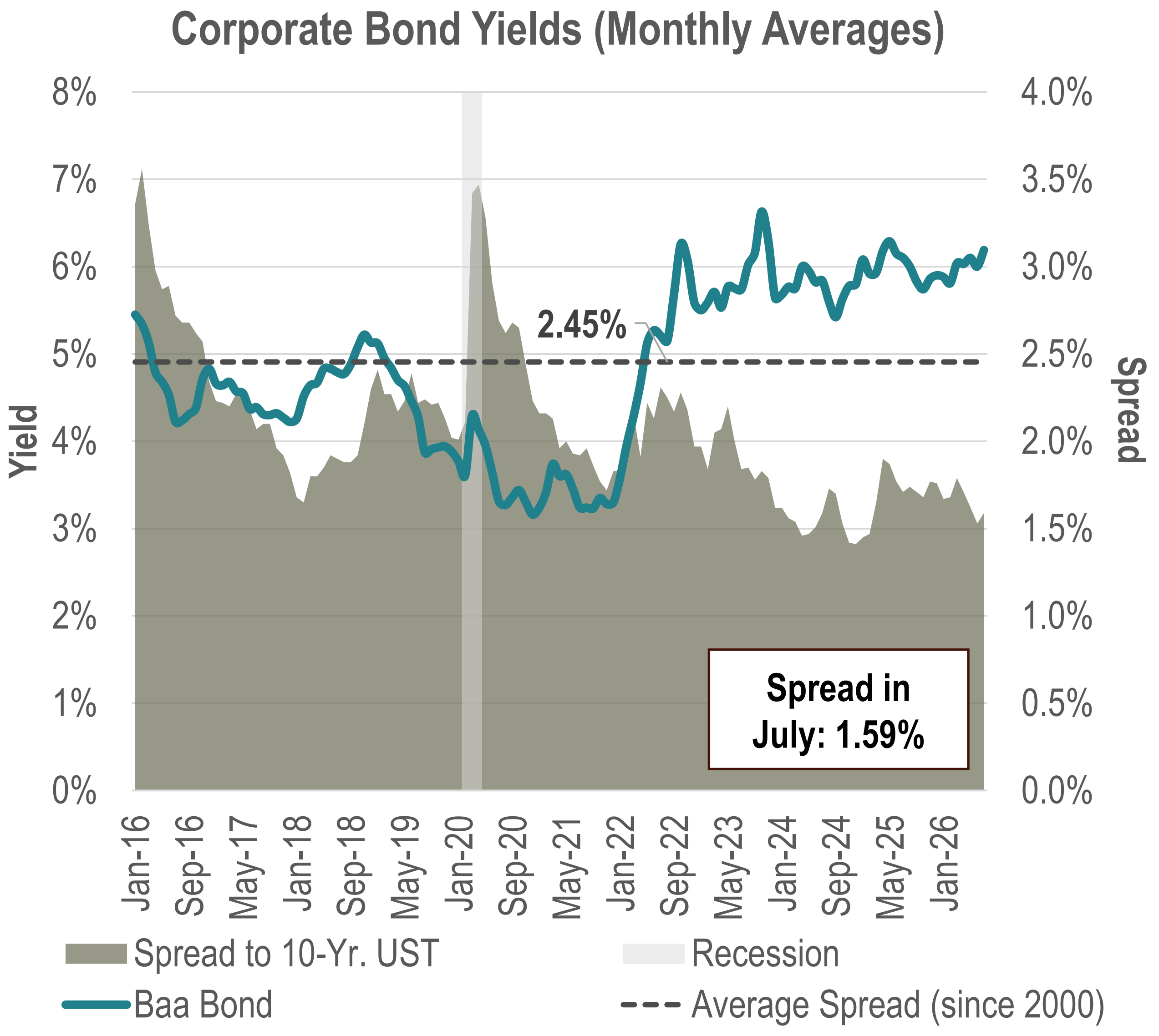


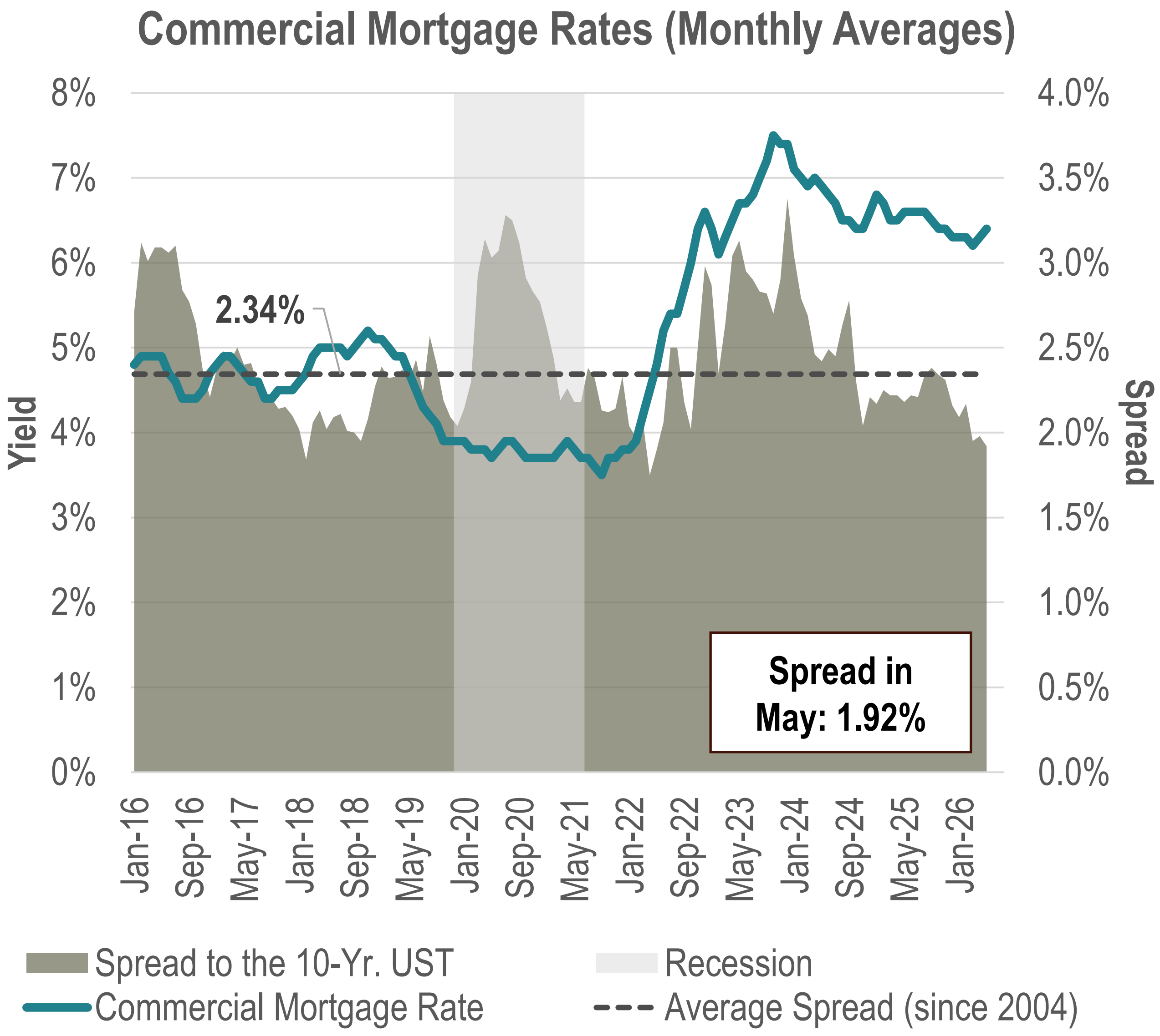


Data are as of July 31, 2026.
Source: The Federal Reserve; Chatham Financial; CME Group; Oxford Economics; Yahoo Finance; The Wall Street Journal

Baa Corporate Bond Yields Rose 19 bps to 6.2% in July

Average Commercial Mortgage Rates Rose 10 bps MoM to 6.4% in May



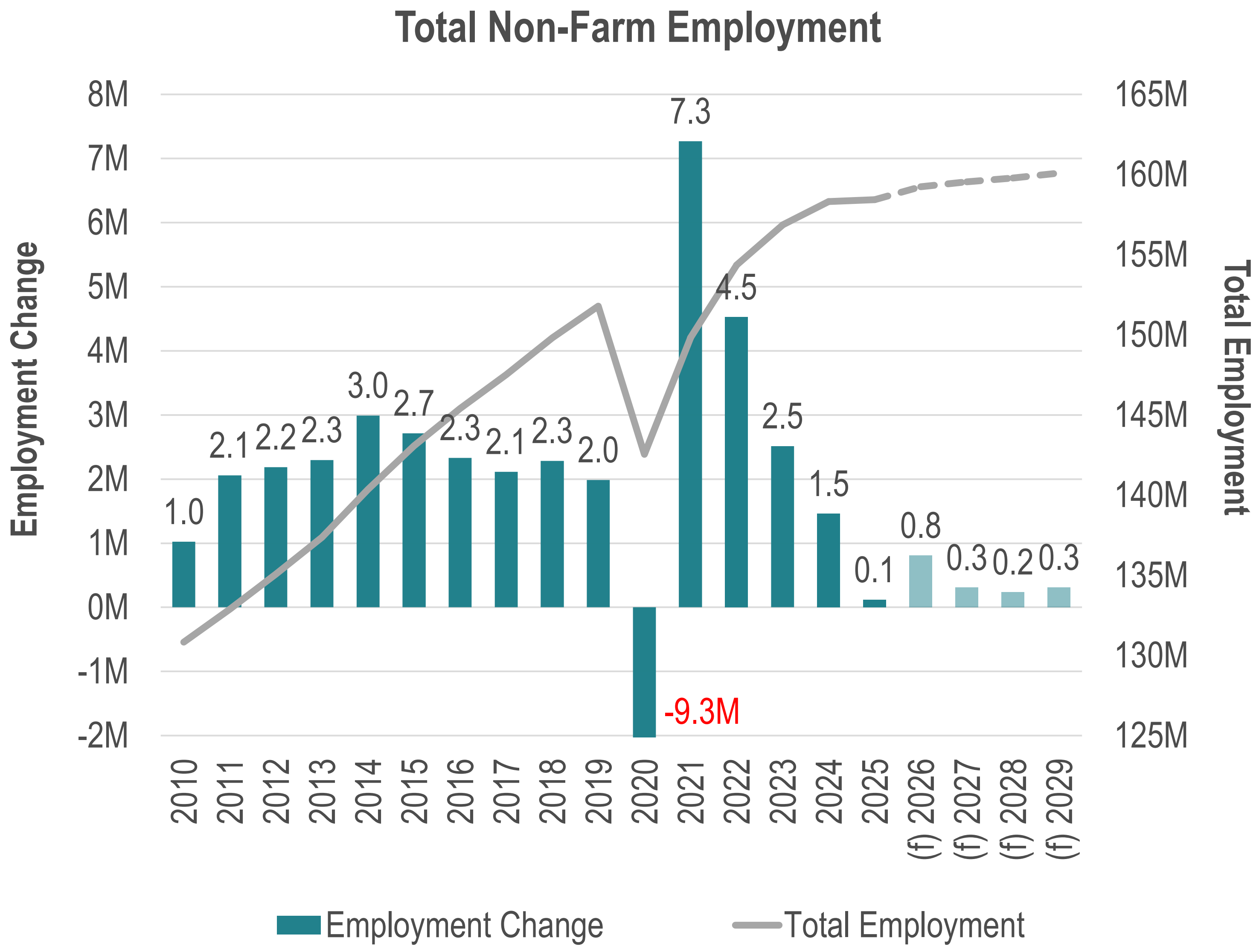


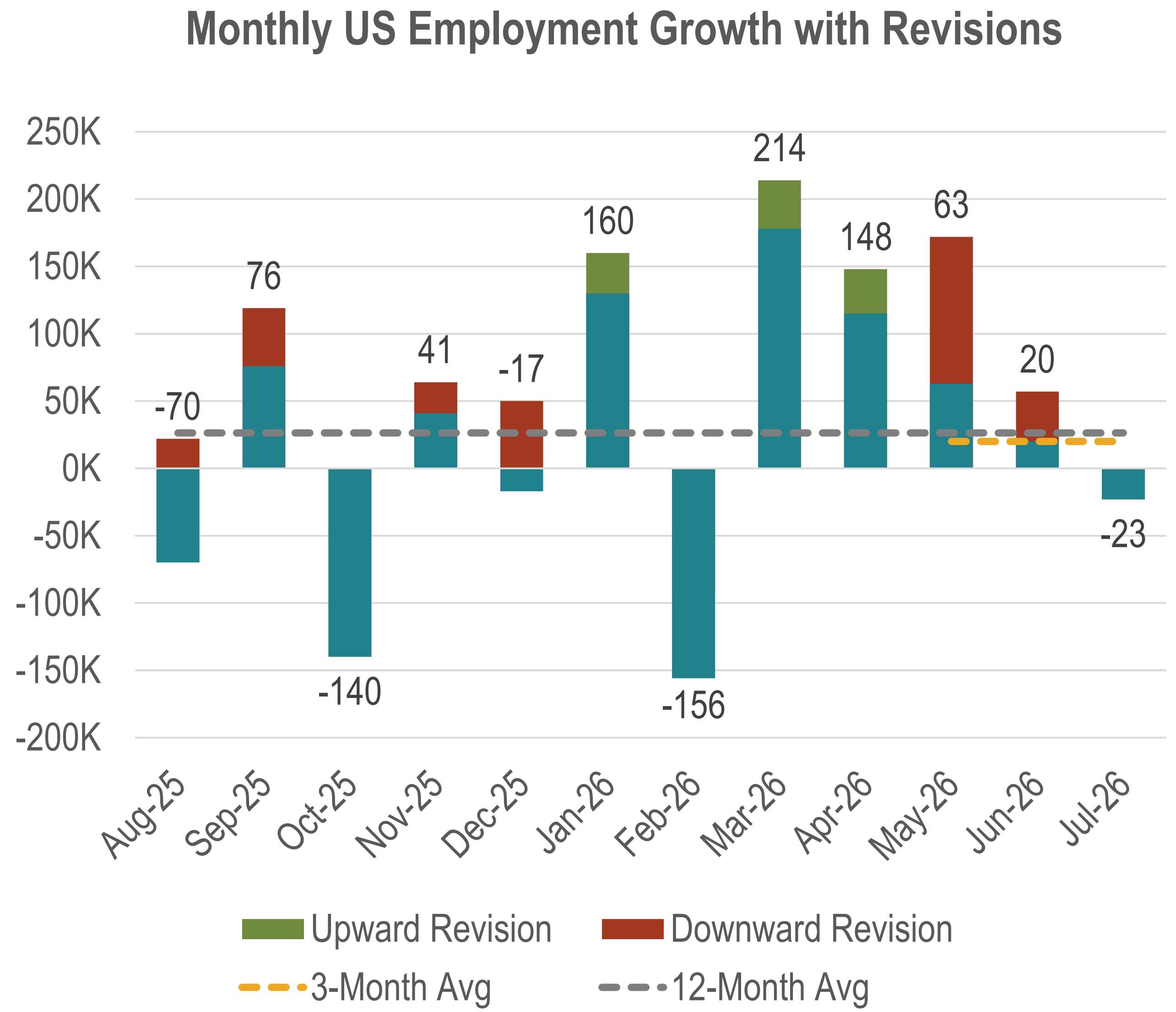
Corporate bond yield data are as of July 2026; commercial mortgage rates are as of May 2026.
Note: MSCI's commercial mortgage rate data release two months in arrears.
Source: Federal Reserve Bank of St. Louis; MSCI

Employment

Employment Unexpectedly Decreased by 23K in July

May and June Employment Were Revised Down by 103K, Suggesting Labor Market May Be Weaker Than Thought





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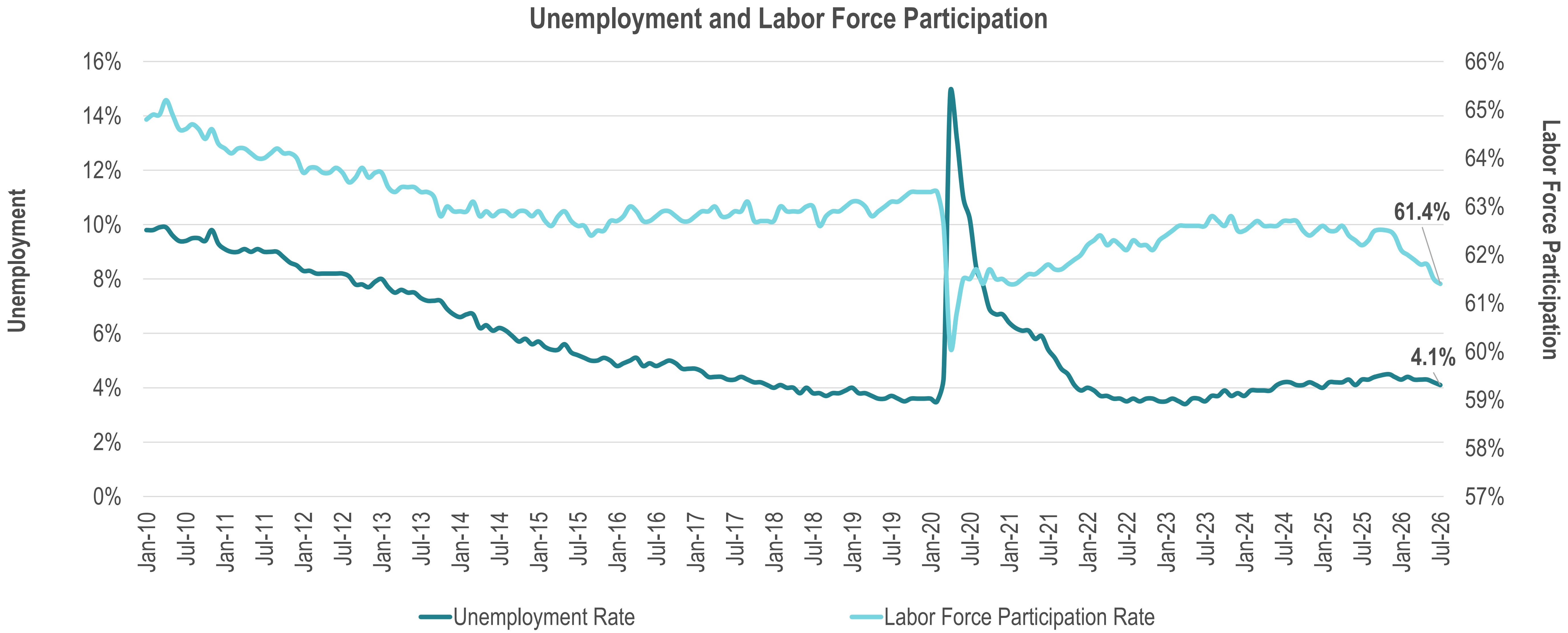
Data are as of July 2026.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics

The Unemployment Rate Fell 10 bps to 4.1% Despite Monthly Job Losses

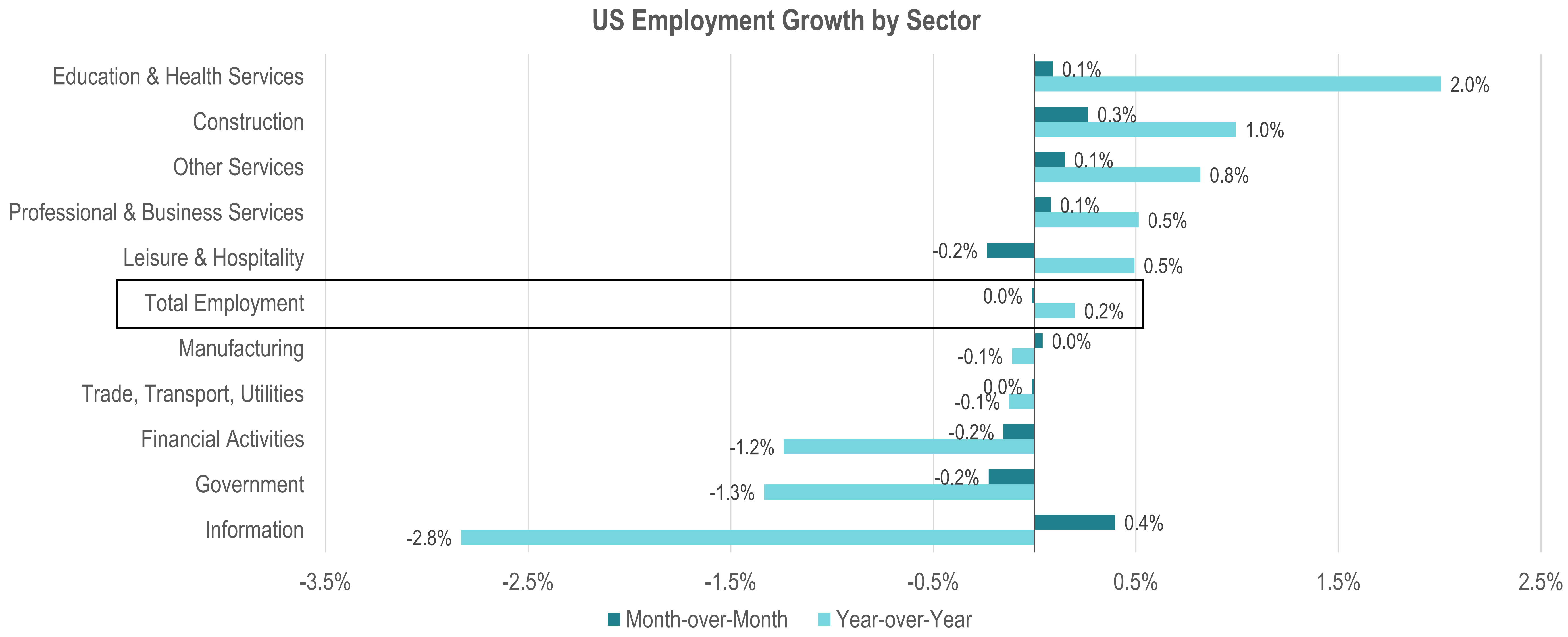
The Labor Force Participation Rate Also Fell by 10 bps to 61.4%, Its Lowest Rate Since Early 2021



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

Total Employment Growth Was Flat MoM and Up 0.2% Over the Past Year

Education & Health Services, Construction, and Other Services Posted Strongest Annual Growth



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

Annual Wage Growth Fell to 3.2%, the Lowest Level Since 2021

Annualized 3-Month Wage Growth Also Fell Even Further to 2.3%

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

Annual Employment Growth Strongest in Sunbelt Markets

Weak Job Growth Forecast Across Markets, Especially Most Gateway and Midwest Markets

30 Largest Employment Markets

	Employment Change	
	Jun. 25 - Jun. 26	2026 - 2030 Forecast (CAGR)
Austin	1.9%	1.0%
Orlando	1.4%	0.7%
Dallas-Fort Worth	1.3%	0.7%
Phoenix	1.4%	0.7%
Inland Empire	0.6%	0.6%
San Antonio	0.6%	0.6%
Nashville	1.6%	0.6%
Charlotte	1.6%	0.6%
Houston	1.1%	0.6%
Denver	0.6%	0.5%
Seattle	0.3%	0.5%
Atlanta	0.4%	0.5%
Tampa	0.2%	0.4%
Miami	0.2%	0.4%
SF/Oakland	0.6%	0.3%
San Diego	1.1%	0.3%
Columbus	-0.1%	0.3%

	Employment Change	
	Jun. 25 - Jun. 26	2026 - 2030 Forecast (CAGR)
Portland	-2.1%	0.3%
Washington DC	-2.4%	0.3%
New York	0.7%	0.2%
Los Angeles	0.6%	0.2%
Minneapolis	1.5%	0.2%
Boston	0.4%	0.1%
Philadelphia	0.6%	0.1%
Cincinnati	1.1%	0.1%
Baltimore	-0.4%	0.1%
Saint Louis	0.4%	0.0%
Detroit	-0.2%	0.0%
Chicago	0.1%	0.0%
Pittsburgh	0.1%	-0.1%

Midwest Markets
Gateway Markets
Sunbelt Markets

Data are as of June 2026.
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

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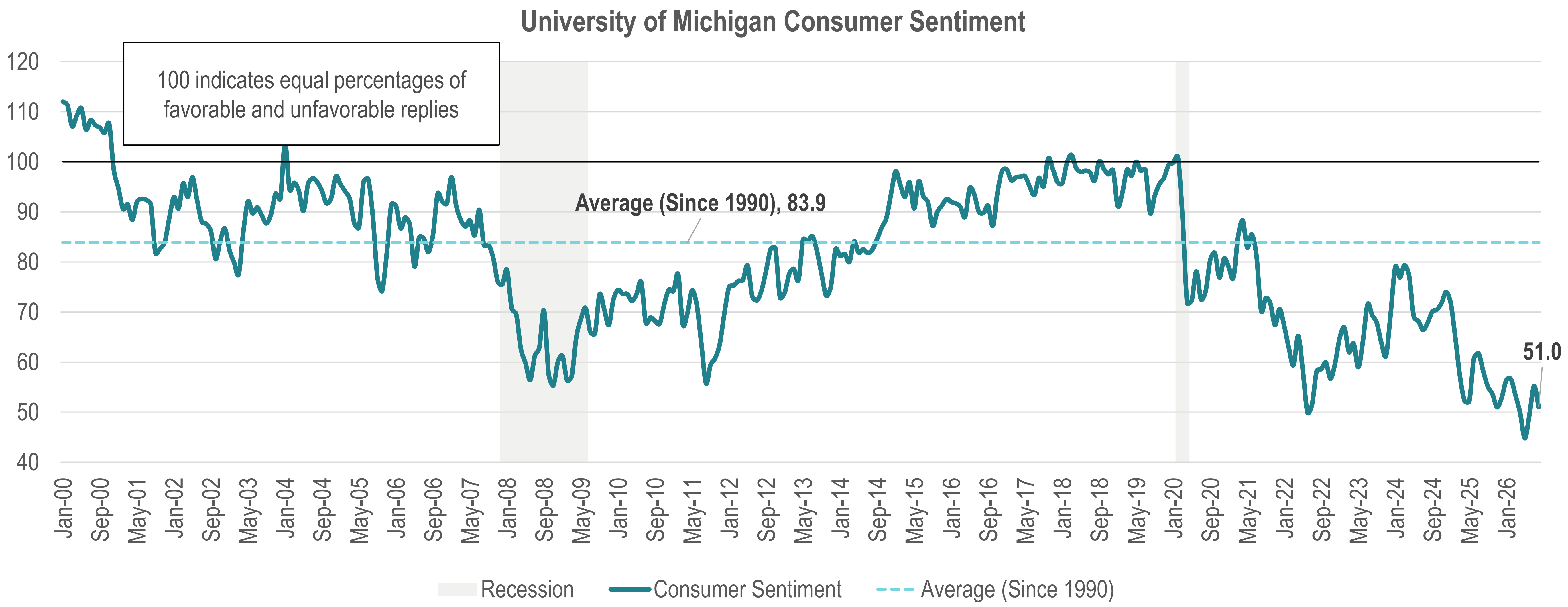
Sentiment & Retail Sales

Consumer Sentiment Fell in August, Remaining Near All-time Lows

Elevated Inflation Continued to Cause Worry for Consumers



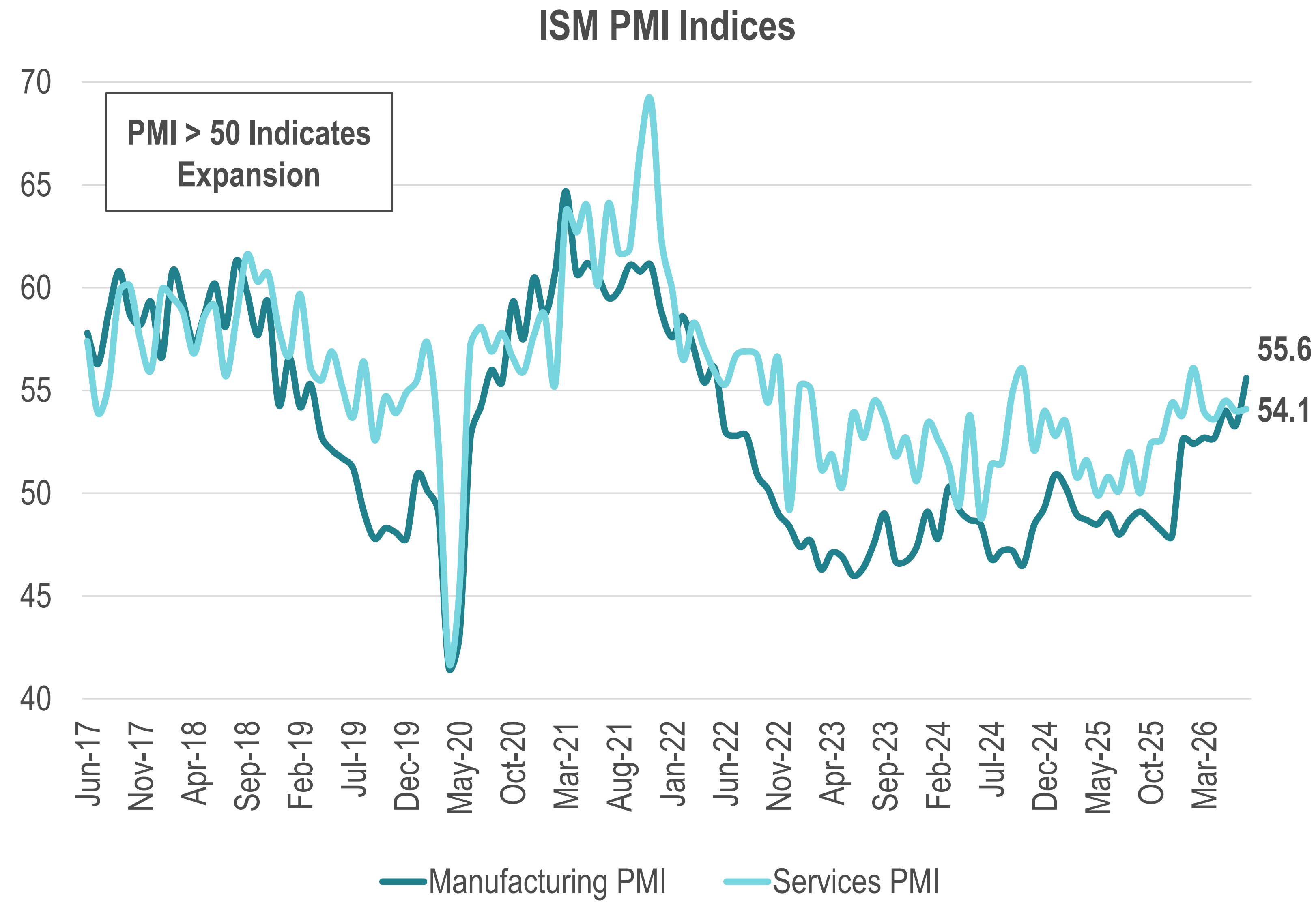
Data are as of August 2026.

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

ISM PMIs Continued to Be a Bright Spot in the US Economy

Services and Manufacturing PMIs Both Ticked Up Slightly, Extending Their Expansion Runs



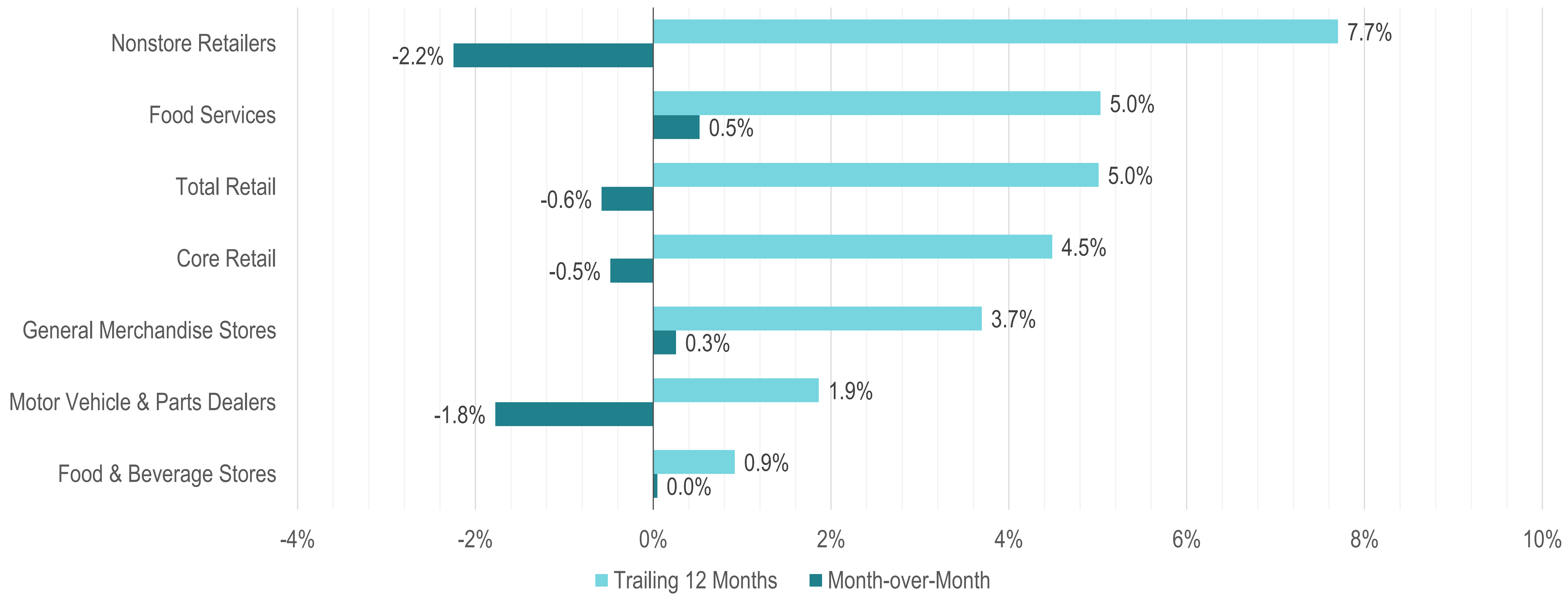
Manufacturing PMI Components	Series Index July	MoM Change	Weight
New Orders	56.7	0.7	20%
Production	58.5	6.3	20%
Employment	52.8	3.1	20%
Supplier Deliveries	58.9	1.5	20%
Inventories	51.2	-0.2	20%

Services PMI Components	Series Index July	MoM Change	Weight
Business Activity	59.1	3.7	25%
New Orders	57.2	2.1	25%
Employment	47.4	-3.8	25%
Supplier Deliveries	52.8	-1.6	25%

Data are as of July 2026.
Source: Institute for Supply Management

Monthly Total and Core Retail Sales Fell 0.6% and 0.5%, Respectively, in July

Nonstore Retailers Also Experienced a MoM Decline in Sales Despite Leading Annual Growth

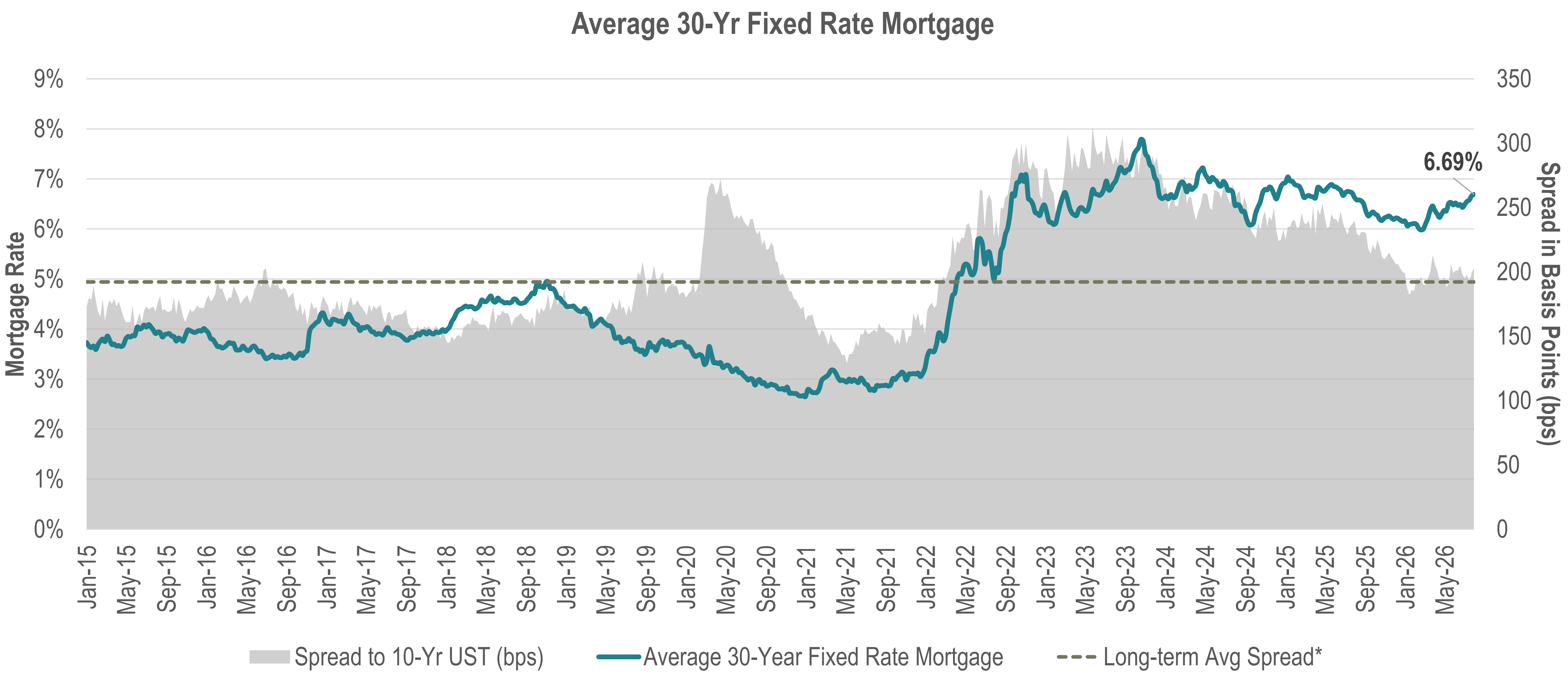


Data are as of July 2026.
Note: The above chart shows only the five largest retail sectors; core retail sales exclude motor vehicles, gas stations, building materials, and food services.
Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis

Housing

Average 30-Year Mortgage Rates Climbed in July, Nearing 6.7% in Early August

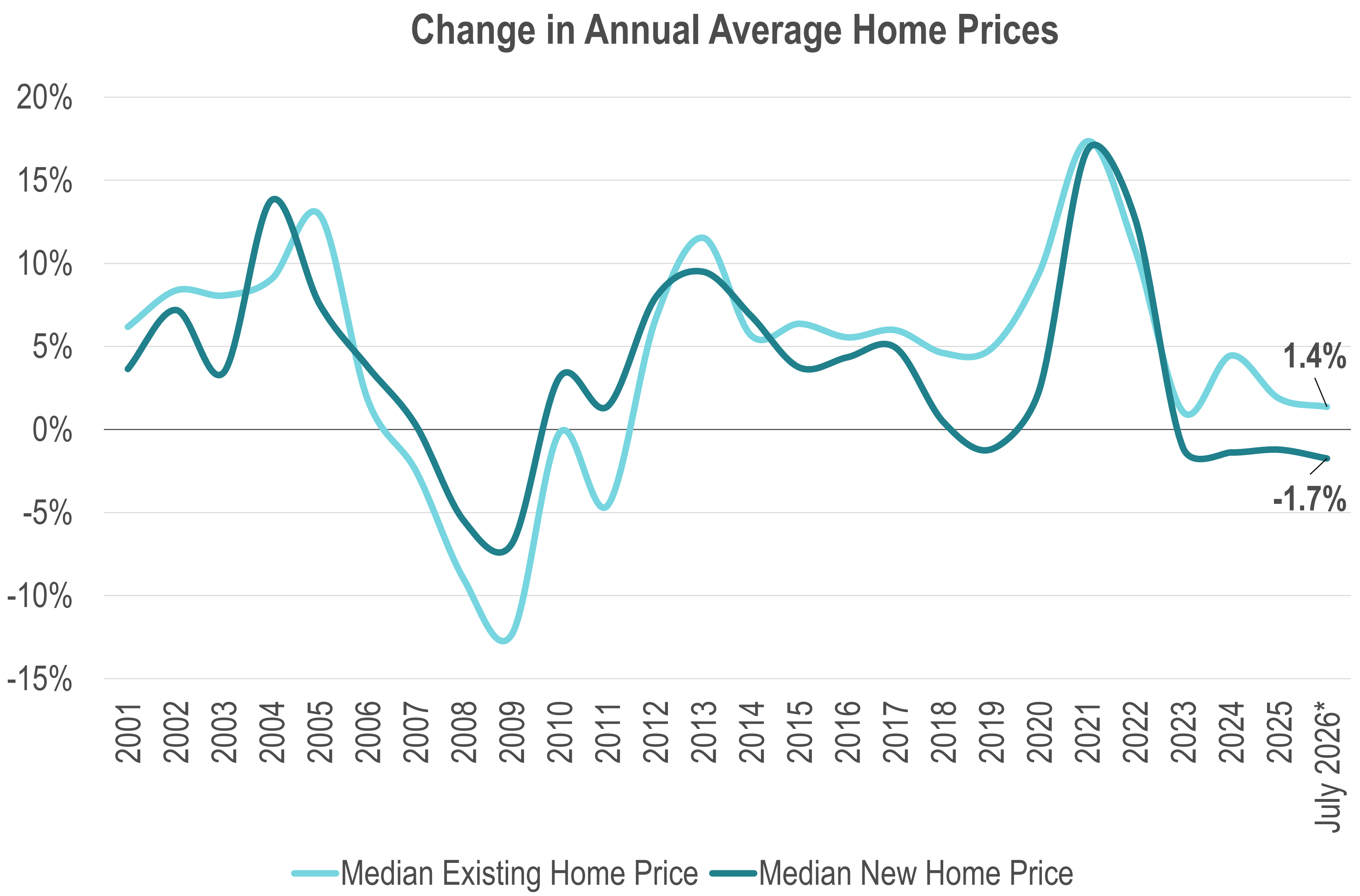
The Spread to the 10-Year UST Yield Held Steady Near the Long-term Average

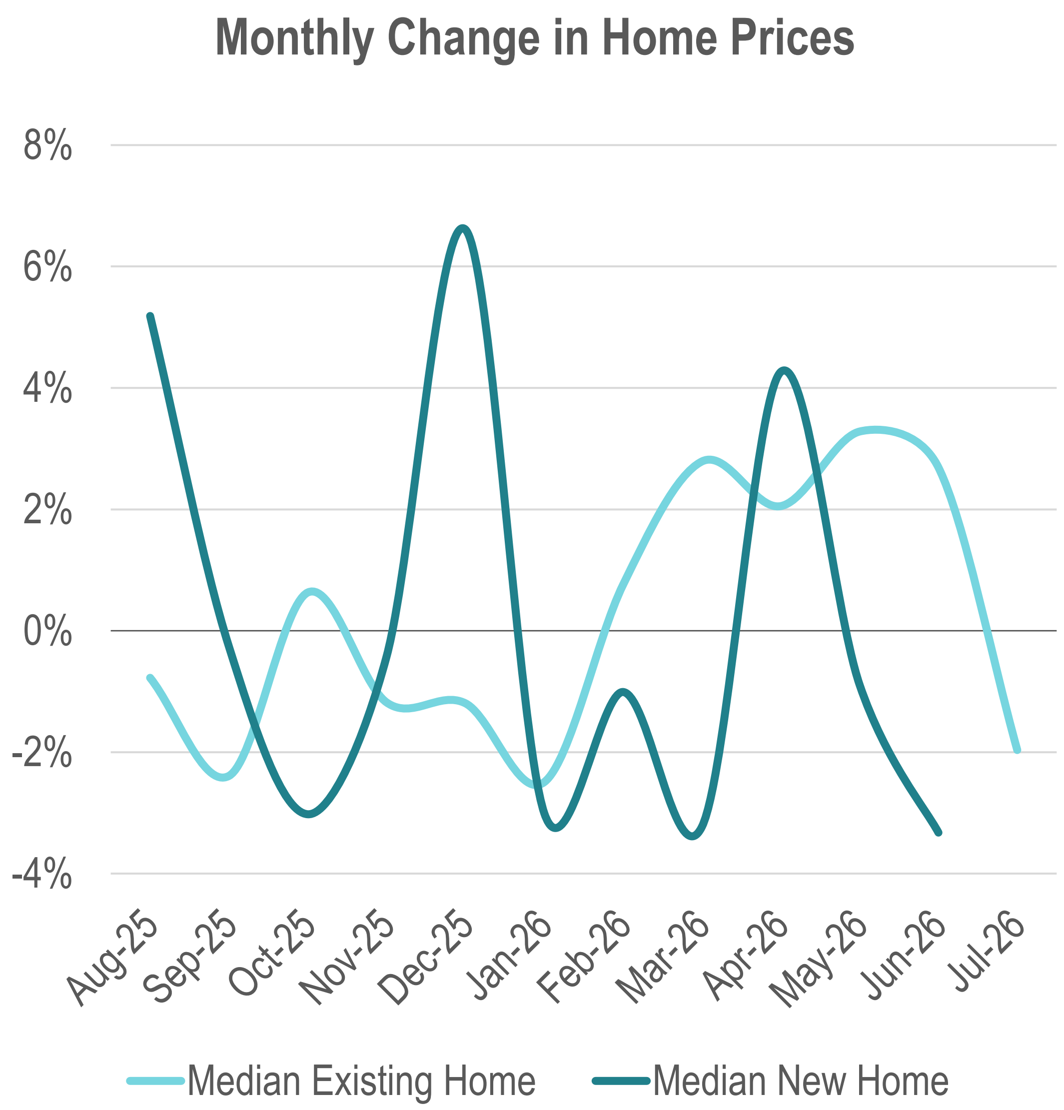


Data are weekly averages as of August 6, 2026.
**The long-term average spread is based on data from 2007 onward.*
Source: Freddie Mac

Annual Average Existing Home Prices Rose 1.4% in July

Average New Home Prices Fell 1.7% YoY in June

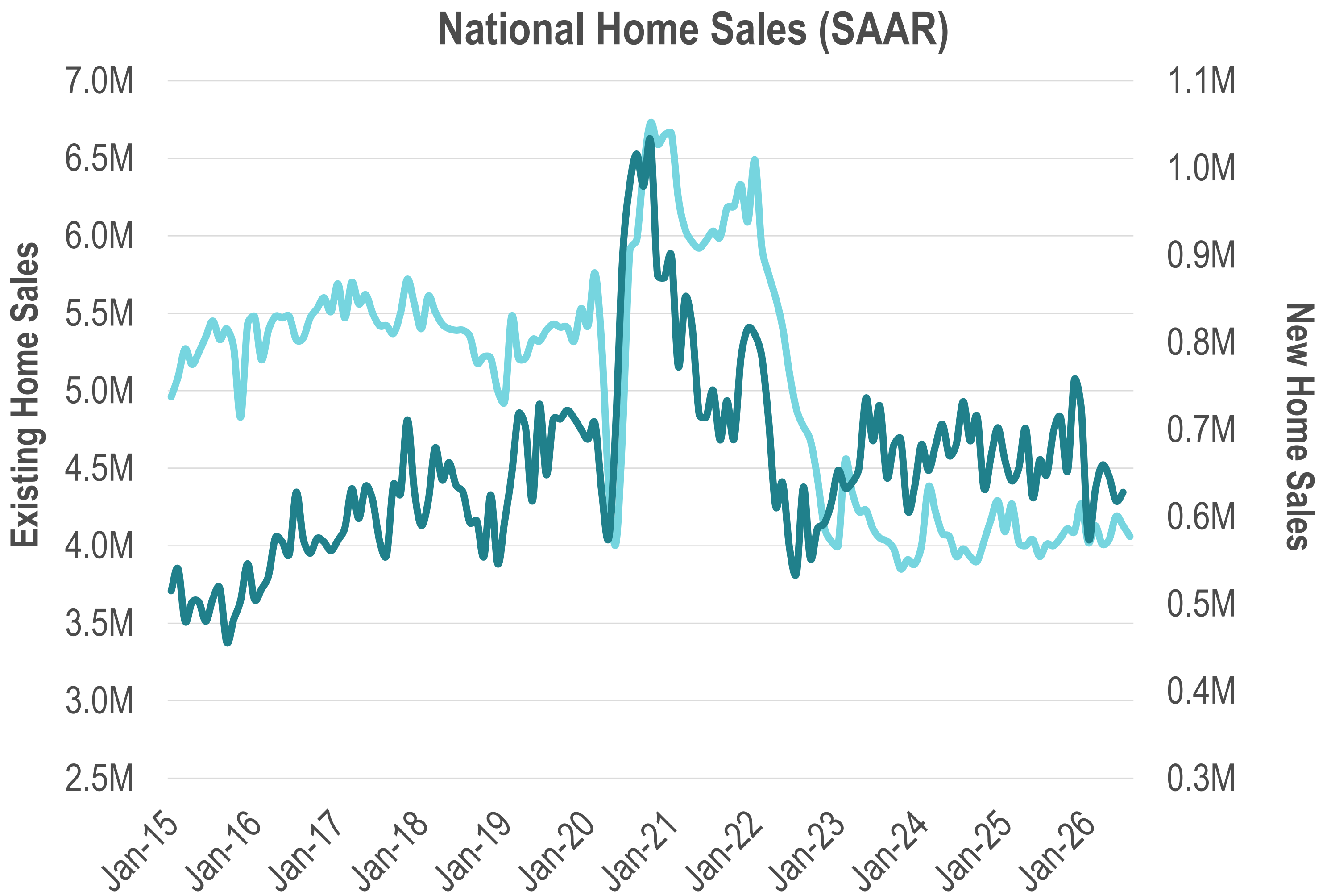


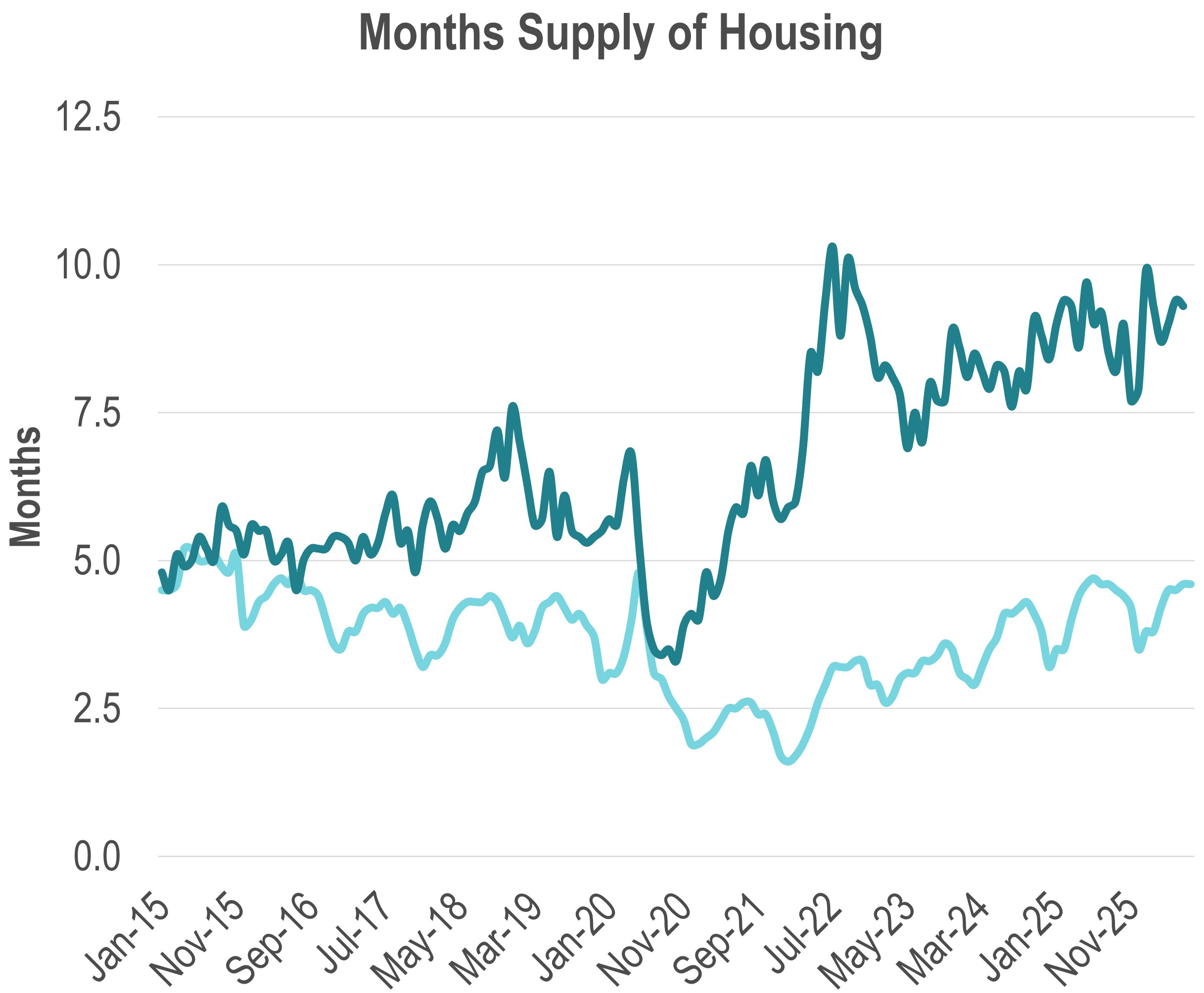


Existing homes data are as of July; new homes data are as of June.
**Reflects year-over-year change in trailing 12-month average median home price.*
Note: Housing data release one month in arrears.
Source: National Association of Realtors; U.S. Census Bureau

Monthly Existing Home Sales Fell and Supply Held Steady in July

New Home Sales Rose in June: Inventory Remained Elevated



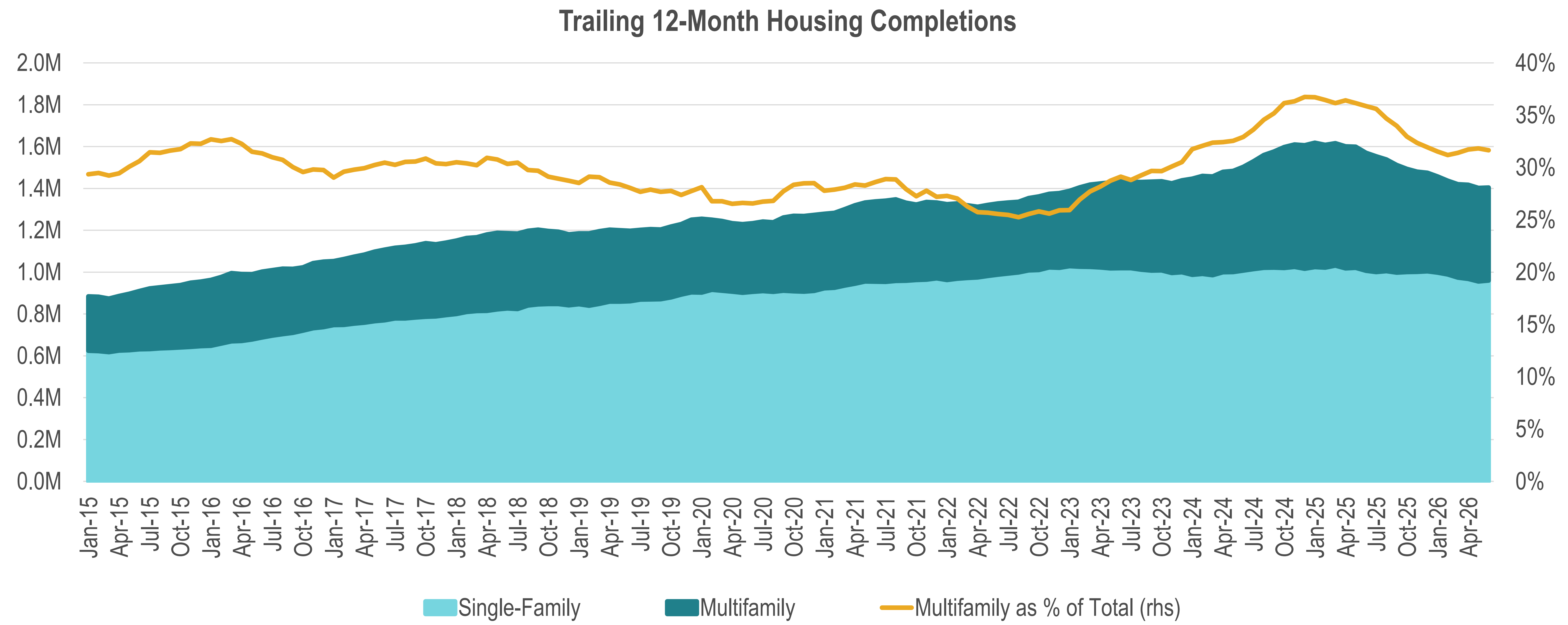


Existing Homes — New Homes

Existing homes data are as of July; new homes data are as of June.
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 Rose 0.2% MoM but Fell 10.6% YoY in June

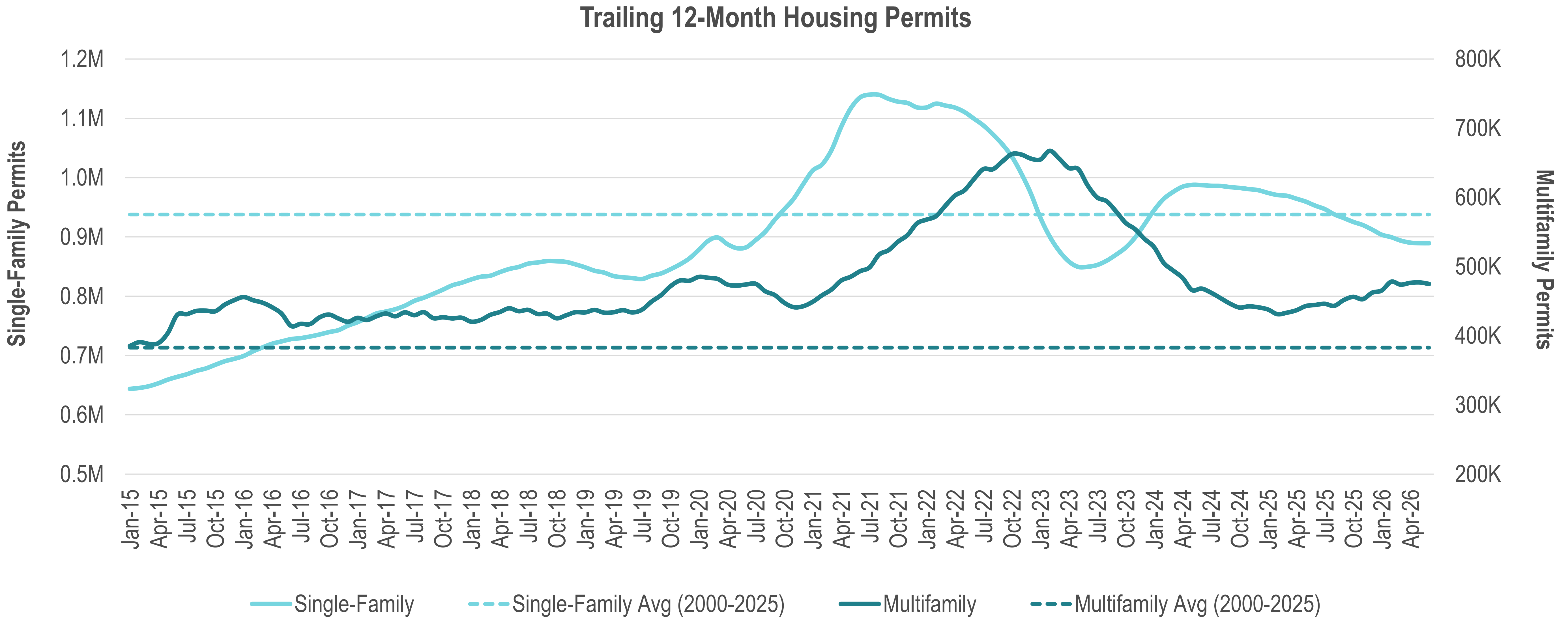
Multifamily's Share of Total Completions Fell Slightly but Constituted Almost 32%



Data are as of June 2026.
Note: Housing data release one month in arrears.
Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis

Trailing 12-Month Permits Cooled for Multifamily, Held Steady for Single Family

Multifamily Permits Remained Above the Long-term Average; Single-Family Permits Were Below Average



Data are as of June 2026.
Note: Housing data release one month in arrears.
Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis

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The charts depicted within this presentation are for illustrative purposes only and are not indicative of future performance.

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