Monthly Economic Indicators
June 2026

Bill Maher | Director, Strategy & Research
Scot Bommarito | Vice President, Research
Nolan Eyre | Research Associate

July 15, 2026

RFA
RCLCO FUND ADVISORS

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 – June 2026

Inflation	• Annual headline CPI inflation fell 70 bps to 3.5% in June, driven by a 5.7% monthly decline in energy costs. Annual core inflation fell 30 bps to 2.6%. • Producer prices moderated in June with Final Demand PPI falling 100 bps to 5.5% YoY. • Annual total PCE accelerated 30 bps to 4.1% and core PCE rose 10 bps to 3.4% in May*, well above the Fed's 2% target rate. • Expected inflation has also moderated. The 5-year TIPS-implied inflation rate fell to 2.4% in June, while consumer expectations fell 60 bps to 3.3%.
Interest Rates	• The 10-Year UST ended June at 4.44%, 1 bp below its May-end level. The yield has risen to the 4.5–4.6% range in mid-July. • Average commercial real estate mortgage rates rose to 6.4% in April*. The spread to the UST remained below the long-term average. • The Federal Reserve held rates steady for a fourth consecutive meeting in June. The current target range stands at 3.5–3.75%.
Employment	• US job growth slowed to 57K in June. Despite downward revisions, three-month average job growth was more robust at 111K. • The unemployment rate fell 10 bps to 4.2% in June. The labor force participation rate also fell 30 bps to 61.5%. • Annual wage growth rose 10 bps to 3.5% in June. Over the last three months, wages rose 3.1% (annualized).
Sentiment & Retail Sales	• Consumer sentiment rose in June but remained near record lows amid the Iran conflict. Views of current conditions and future expectations both improved. • The ISM Purchasing Managers' Index (PMI) for manufacturing and services both fell but remained in expansion in June. • Total retail sales rose 0.9% MoM and 6.9% YoY in May*. Core retail sales rose 0.8% MoM and grew 6.4% for the year.
Housing	• Average 30-year mortgage rates hovered near 6.5% in June, with the spread to the 10-Year UST remaining near the long-term average. • For existing homes, trailing-year average median home prices rose 1.2% YoY in June while monthly home sales fell. • For new homes, trailing-year average median home prices fell 1.5% YoY in May*, and monthly home sales fell.

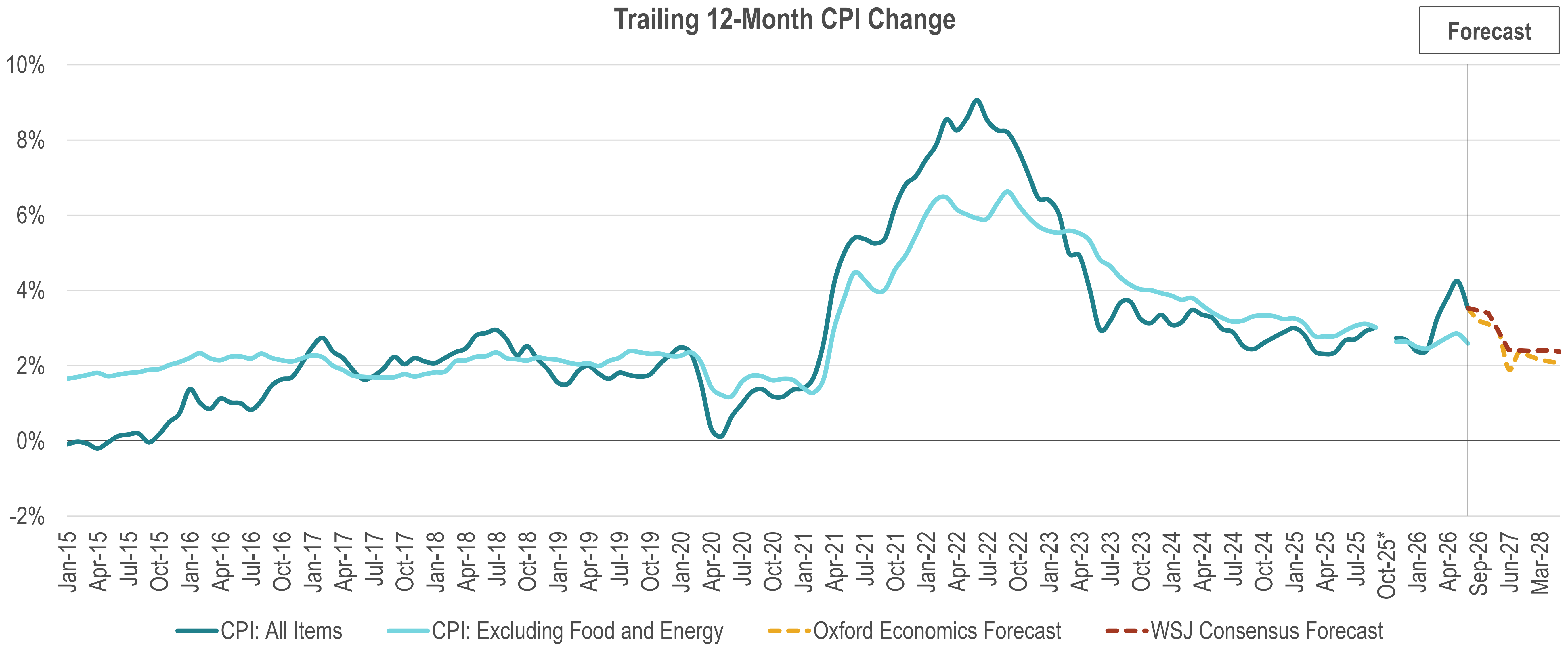
** Latest available data.*

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 3.5% and 2.6%, Respectively

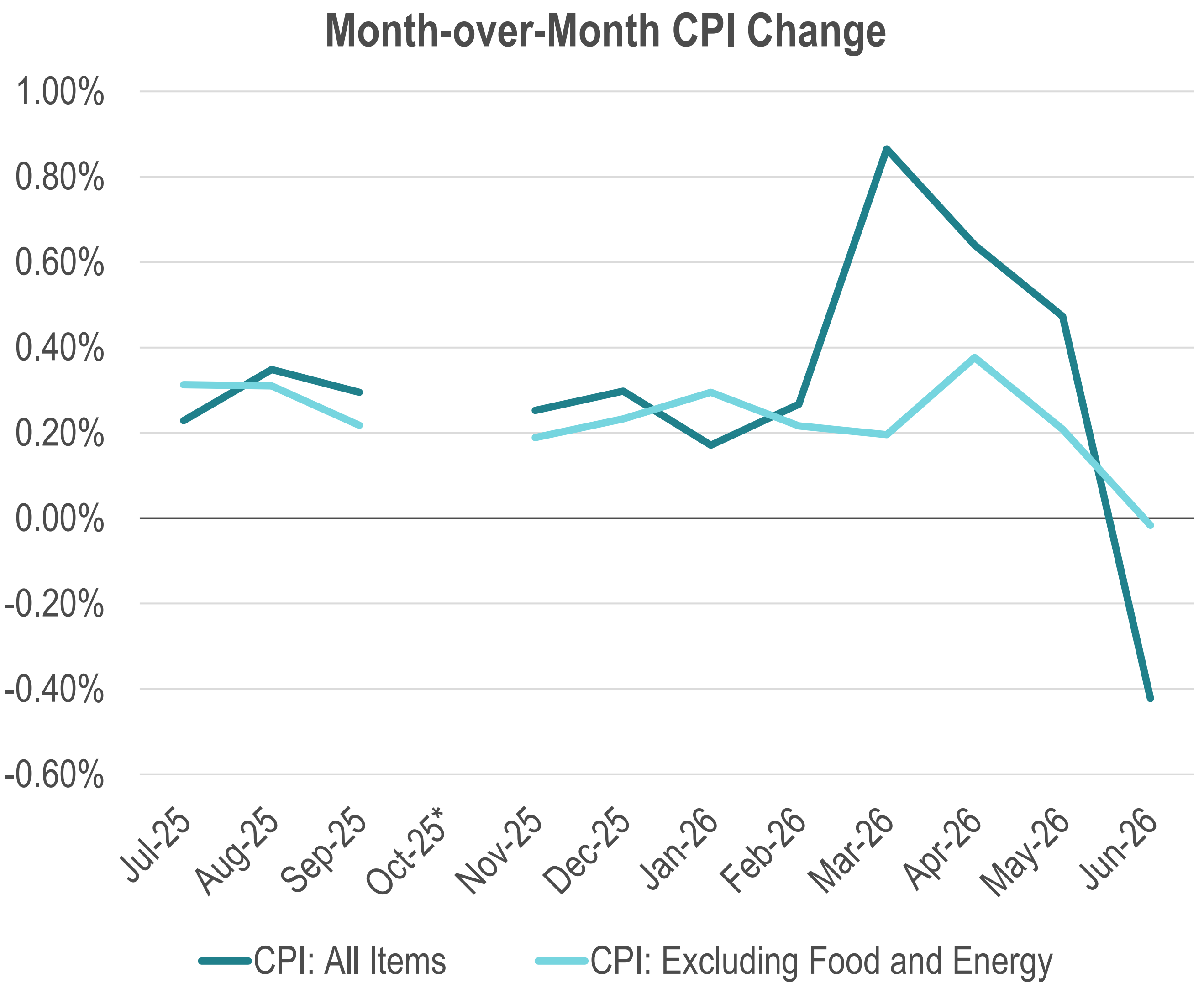
Inflation Is Forecast to Moderate Further, Although Uncertainty Remains Elevated Due to the Iran Conflict

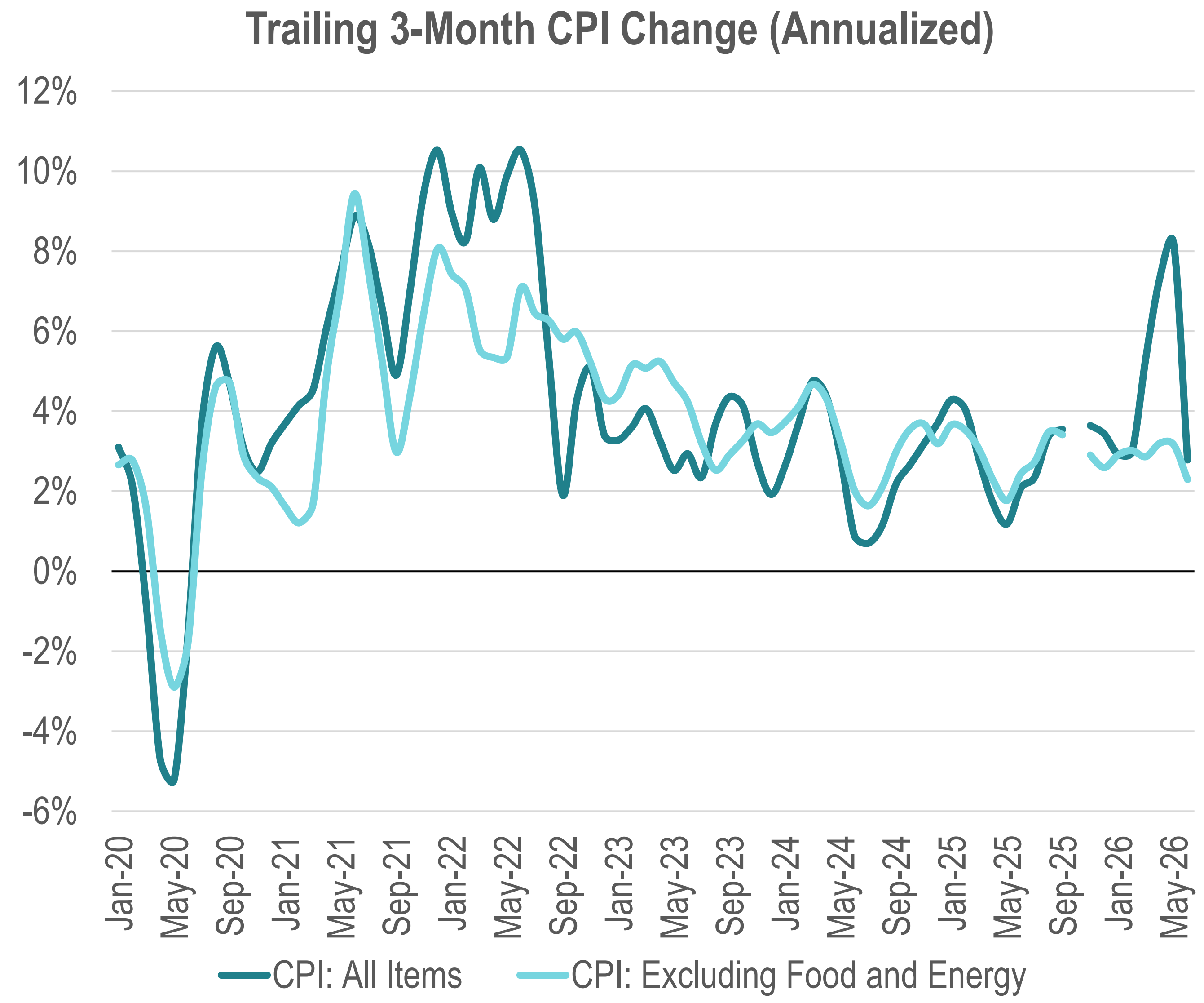


Data are as of June 2026.
**October CPI data were not released due to the government shutdown.*
Note: Figures represent seasonally adjusted CPI.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics; WSJ Consensus Forecasts

Monthly All Items CPI Fell 0.4%; Core CPI Was Flat MoM

3-Month Annualized All Items CPI Decelerated to 2.8%; 3-Month Core CPI Fell to 2.3%

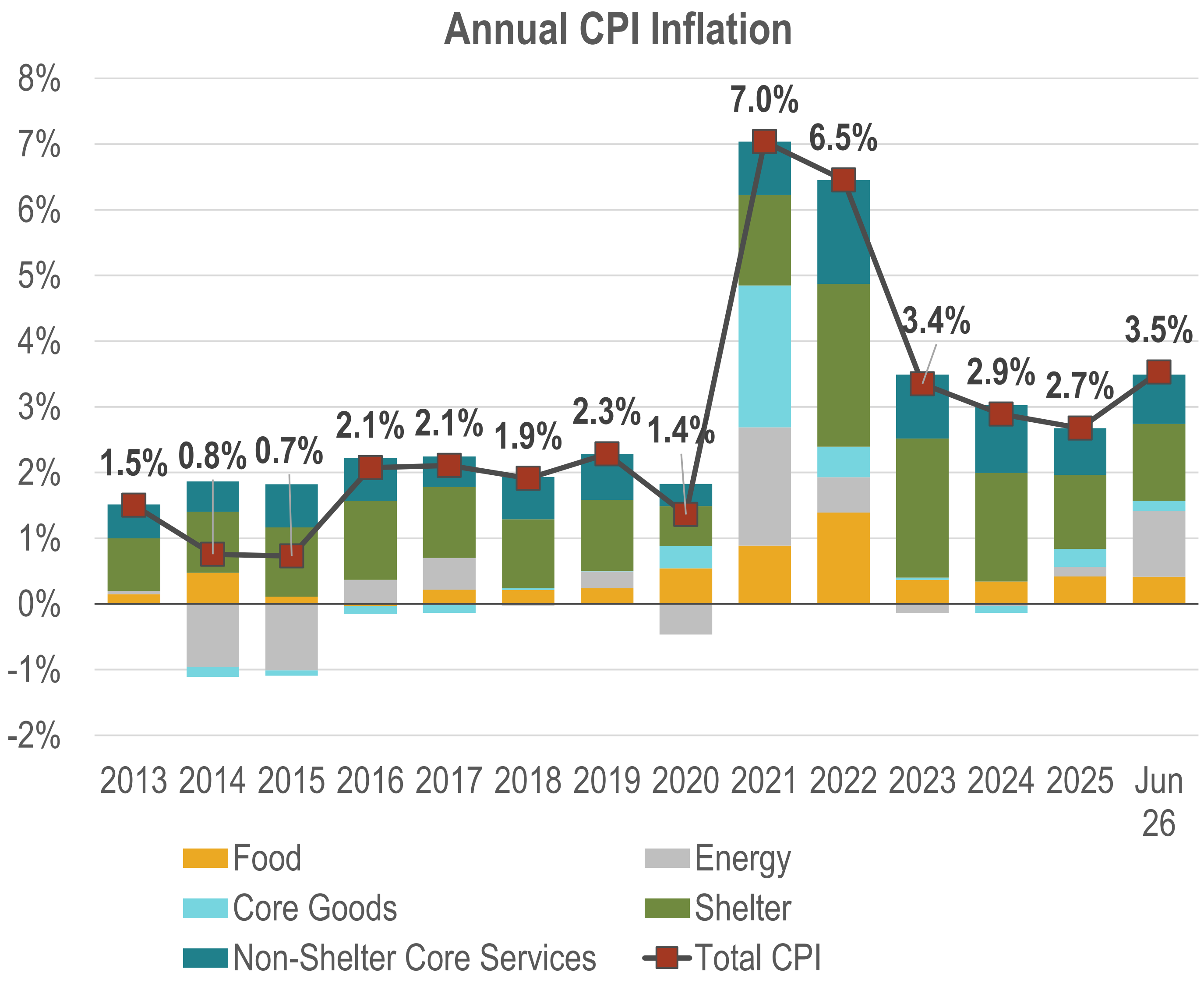




Data are as of June 2026.
** October CPI data were not released due to the government shutdown.*
Note: Figures represent seasonally adjusted CPI; October data were not released.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Monthly Energy Prices Fell 5.7% in June but Were Up 15.7% for the Year

Annual Core Services CPI Rose 3.2% and Core Goods Prices Rose 0.8%

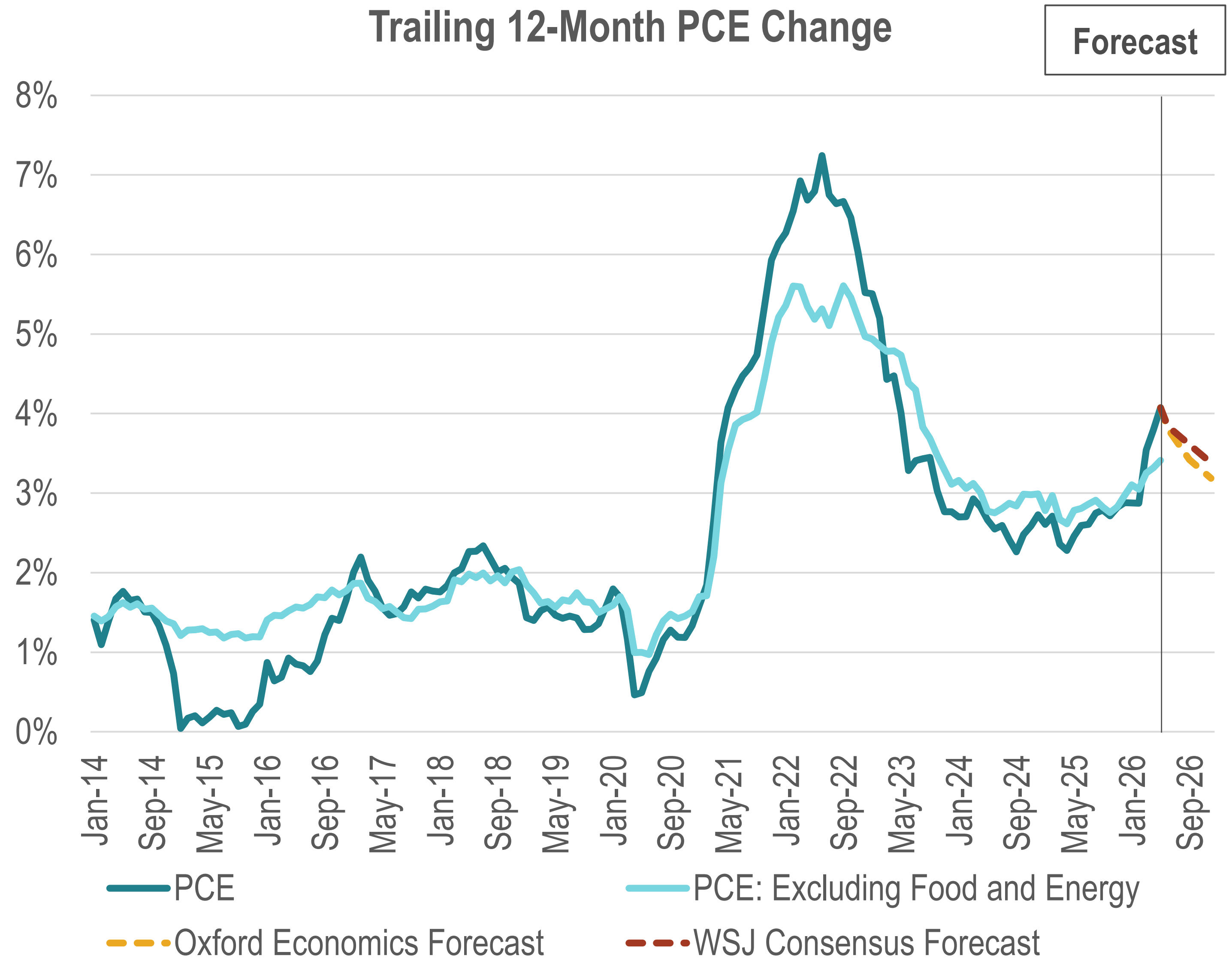


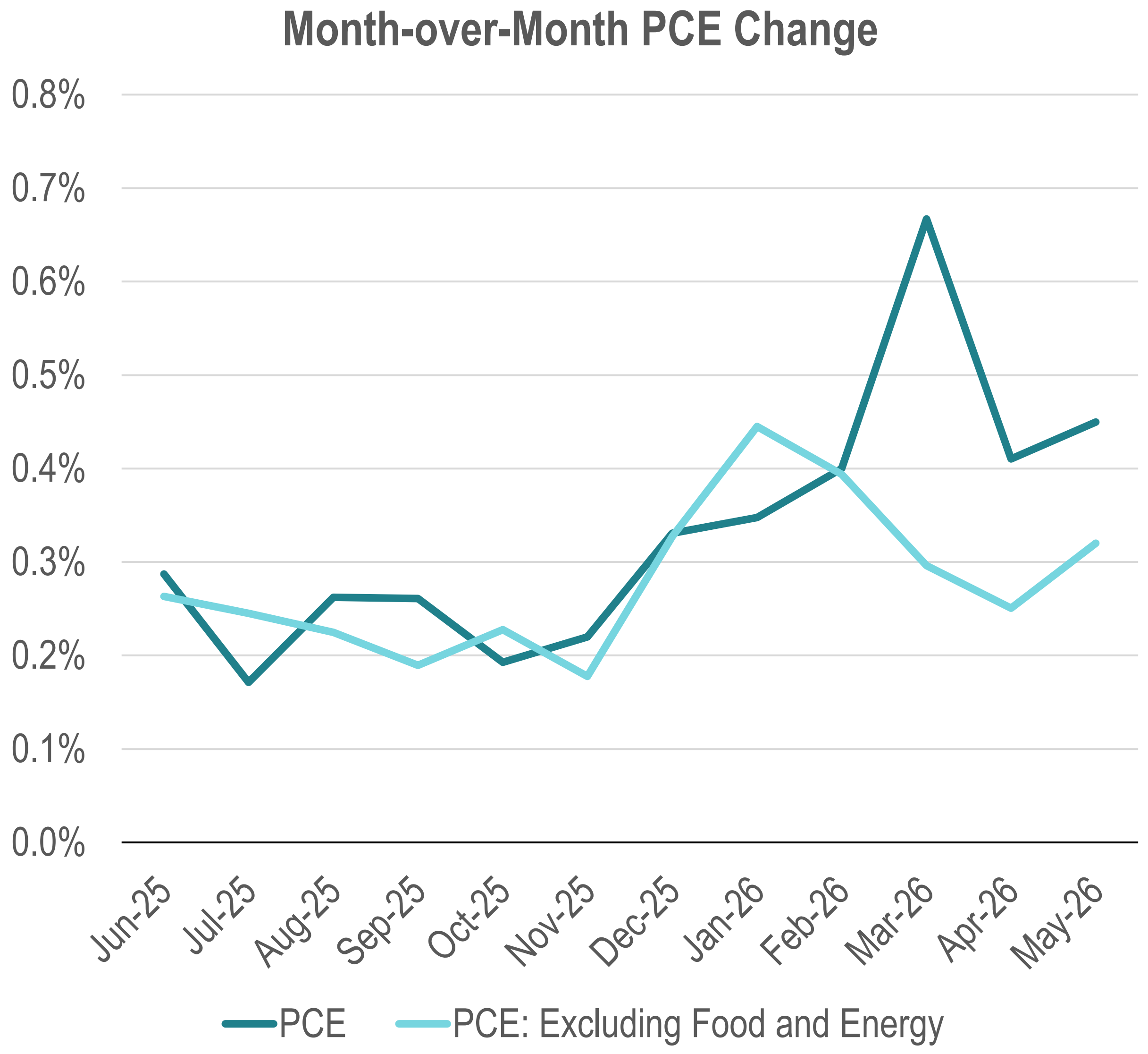
June 2026 Inflation	Monthly	Trailing 12-Month	Weights
Apparel	-0.6%	3.9%	2.4%
Education and Communication	-0.8%	-0.1%	5.8%
Food and Beverages	0.2%	3.0%	14.5%
Other Goods and Services	0.1%	4.6%	2.9%
Housing	0.0%	3.3%	44.5%
*Shelter**	*0.1%*	*3.3%*	*35.6%*
Medical Care	-0.1%	2.0%	8.4%
Recreation	0.5%	2.8%	5.1%
Transportation	-2.5%	6.5%	16.3%
Food	0.2%	3.0%	13.7%
Energy	-5.7%	15.7%	6.2%
Core Goods	-0.1%	0.8%	19.4%
Core Services	0.0%	3.2%	60.7%
Total Core	**0.0%**	**2.6%**	**80.1%**
All Items	**-0.4%**	**3.5%**	**100.0%**

Data are as of June 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 Rose to 4.1% and 3.4%, Respectively, in May

PCE Is Predicted to Remain Well Above the Fed's 2% Target Through 2026

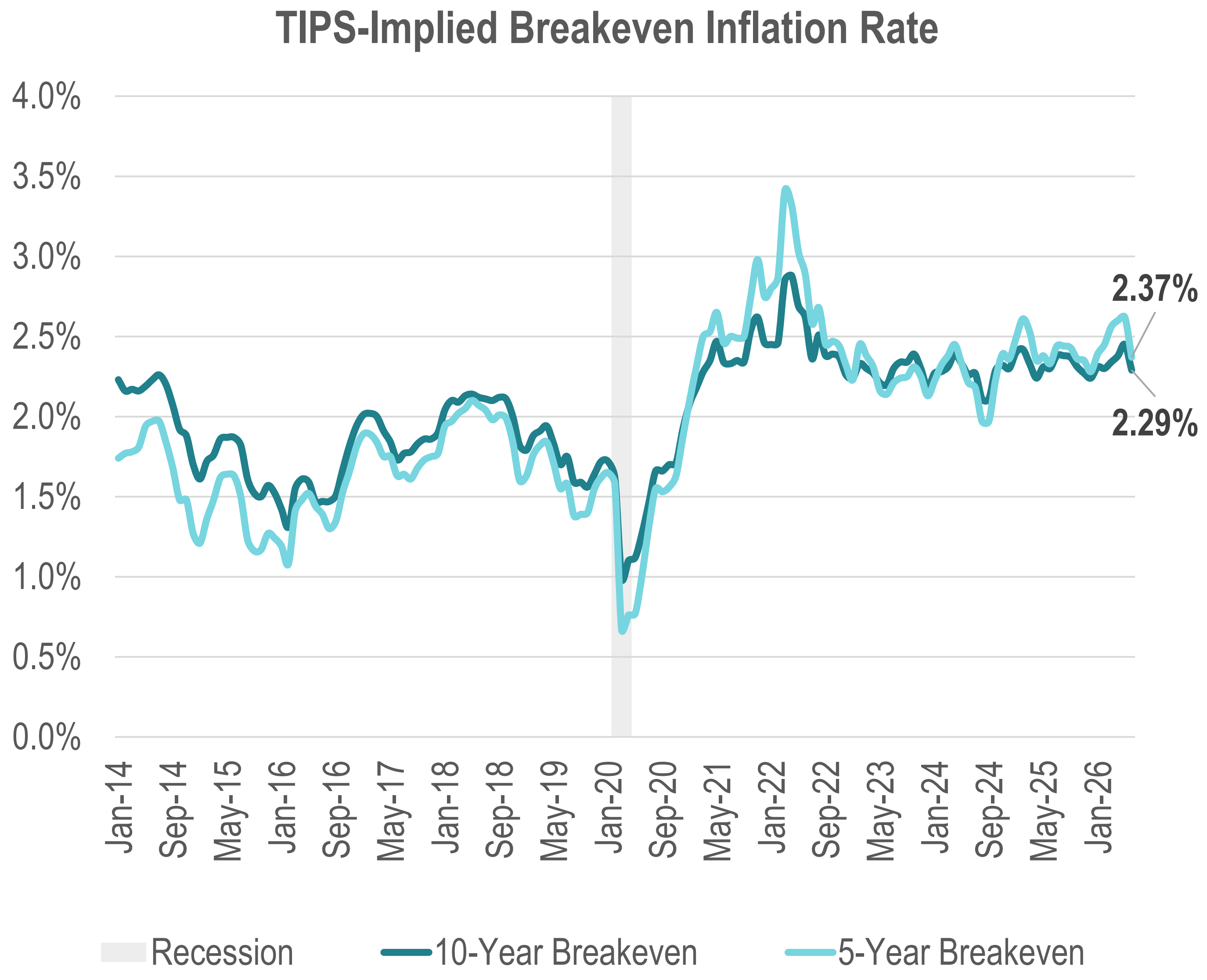


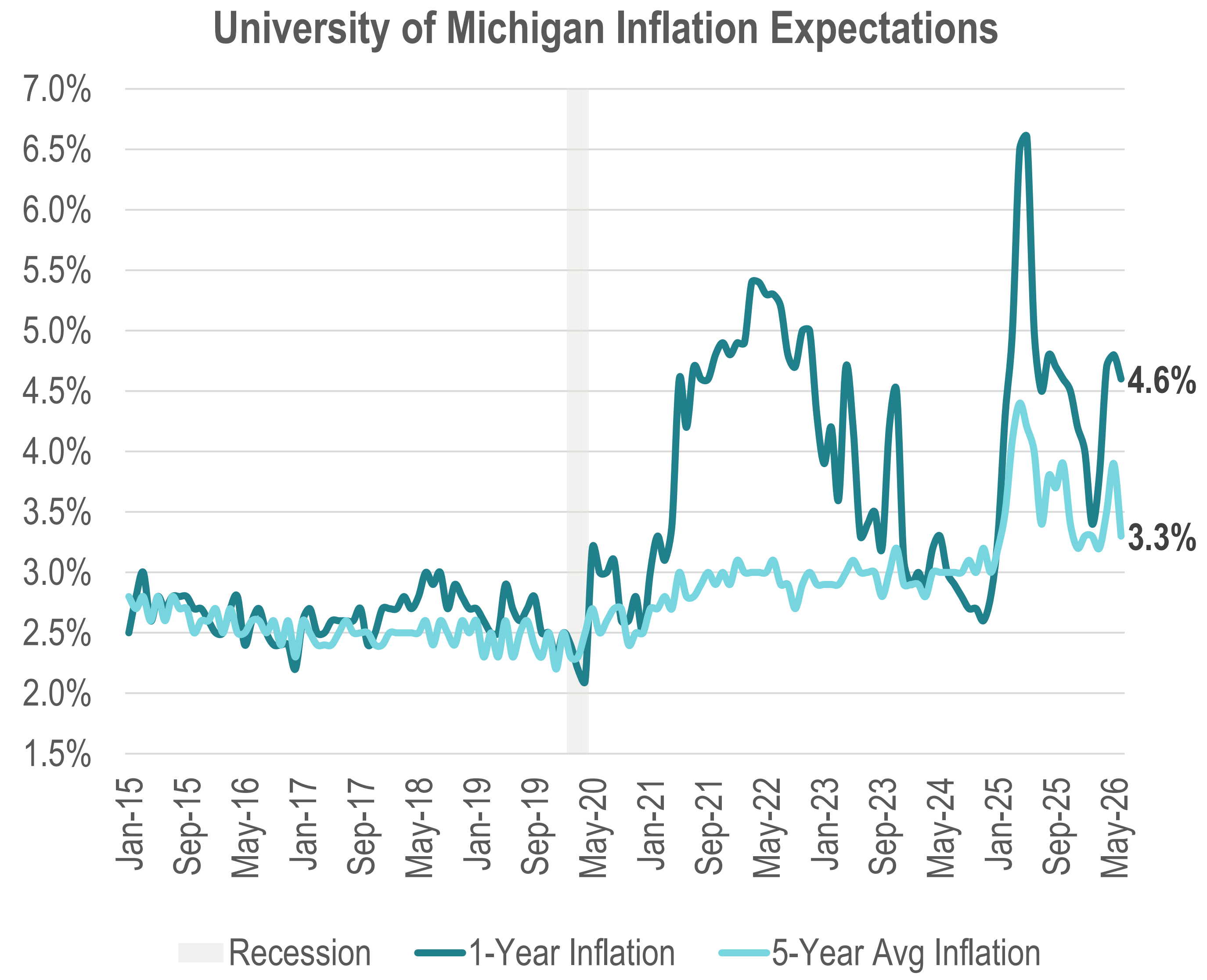


Data are as of May 2026.
Note: Figures represent seasonally adjusted Personal Consumption Expenditures (PCE) Price Index; PCE data release one month in arrears.
Source: U.S. Bureau of Economic Analysis; Federal Reserve Bank of St. Louis; Oxford Economics; WSJ Consensus Forecasts

5-Year and 10-Year TIPS Breakeven Rates Both Moderated

Consumer Expectations of Year-Ahead Inflation Fell 20 bps to 4.6%; 5-Year Expectations Fell 60 bps to 3.3%





Breakeven inflation and U Mich data are as of June 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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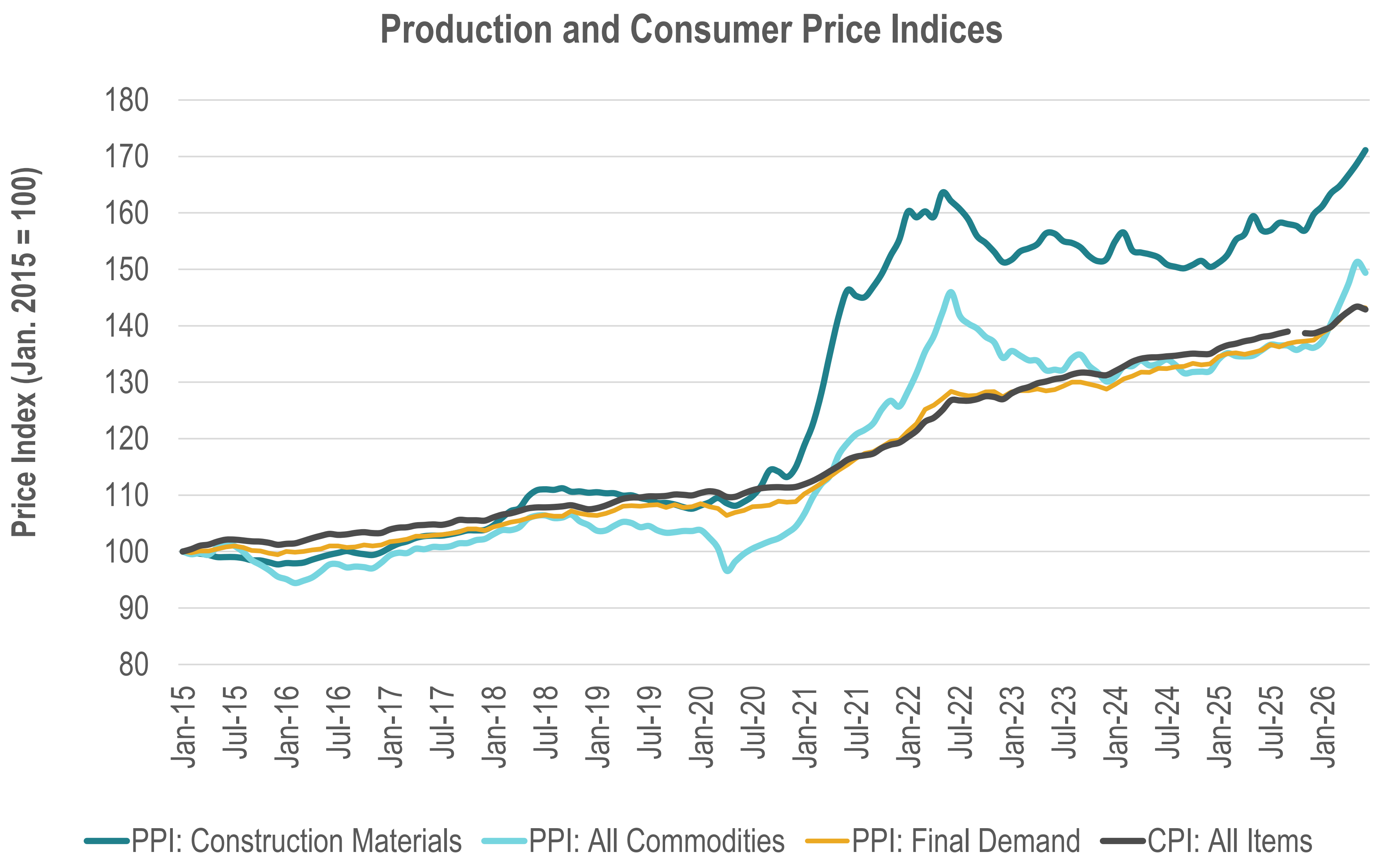
Annual Final Demand and All Commodities PPI Rose 5.5% and 10.1%, Respectively

Construction Materials PPI Also Rose 9% Over the Past Year



June 2026 Producer Price Index			
	Monthly	Trailing 12-Month	10-Yr Annual Avg
PPI: Construction Materials	1.4%	9.0%	5.6%
PPI: All Commodities	-1.3%	10.1%	4.3%
PPI: Final Demand	-0.2%	5.5%	3.5%
CPI: All Items	-0.3%	3.5%	3.3%

Data are as of June 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

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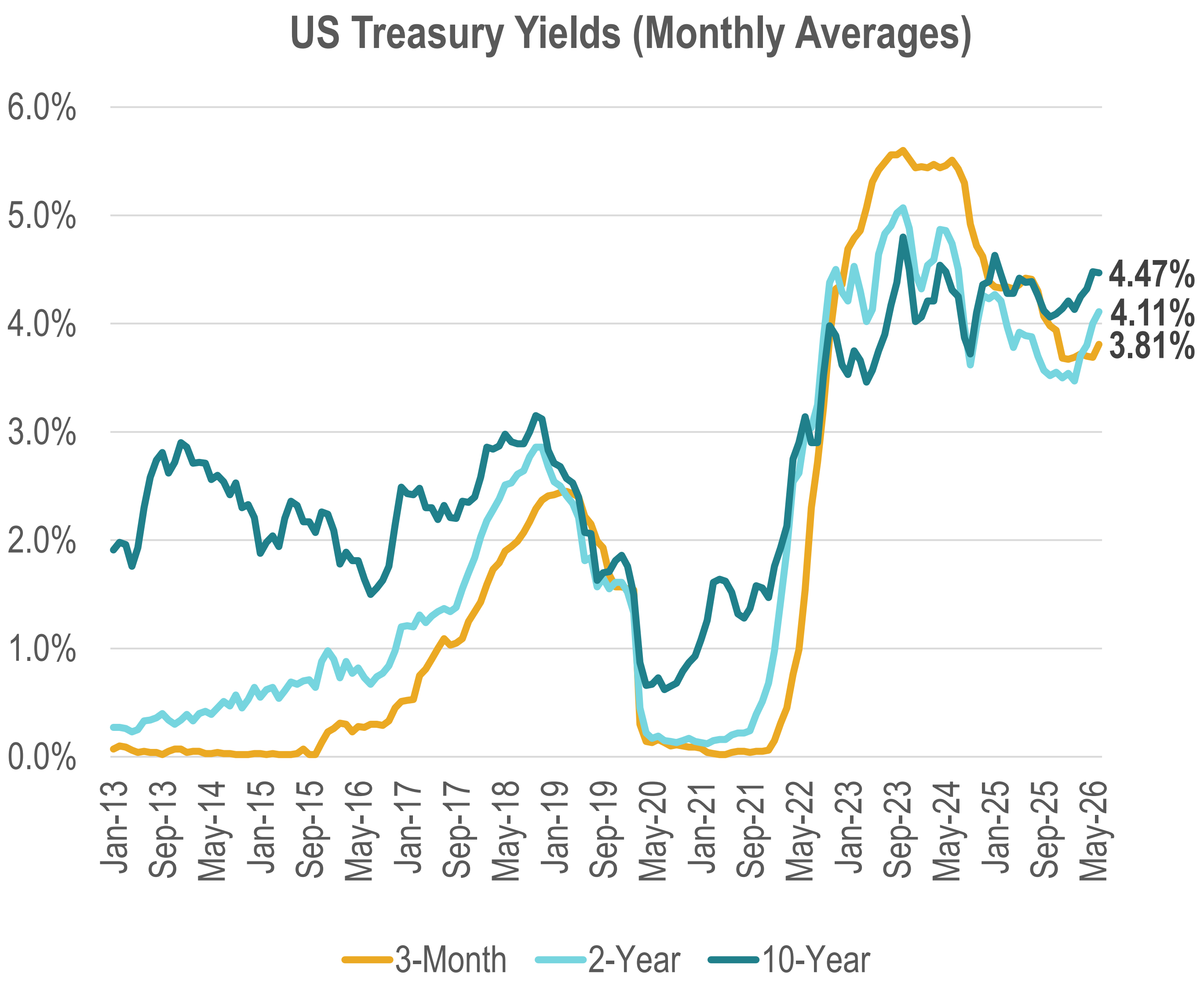
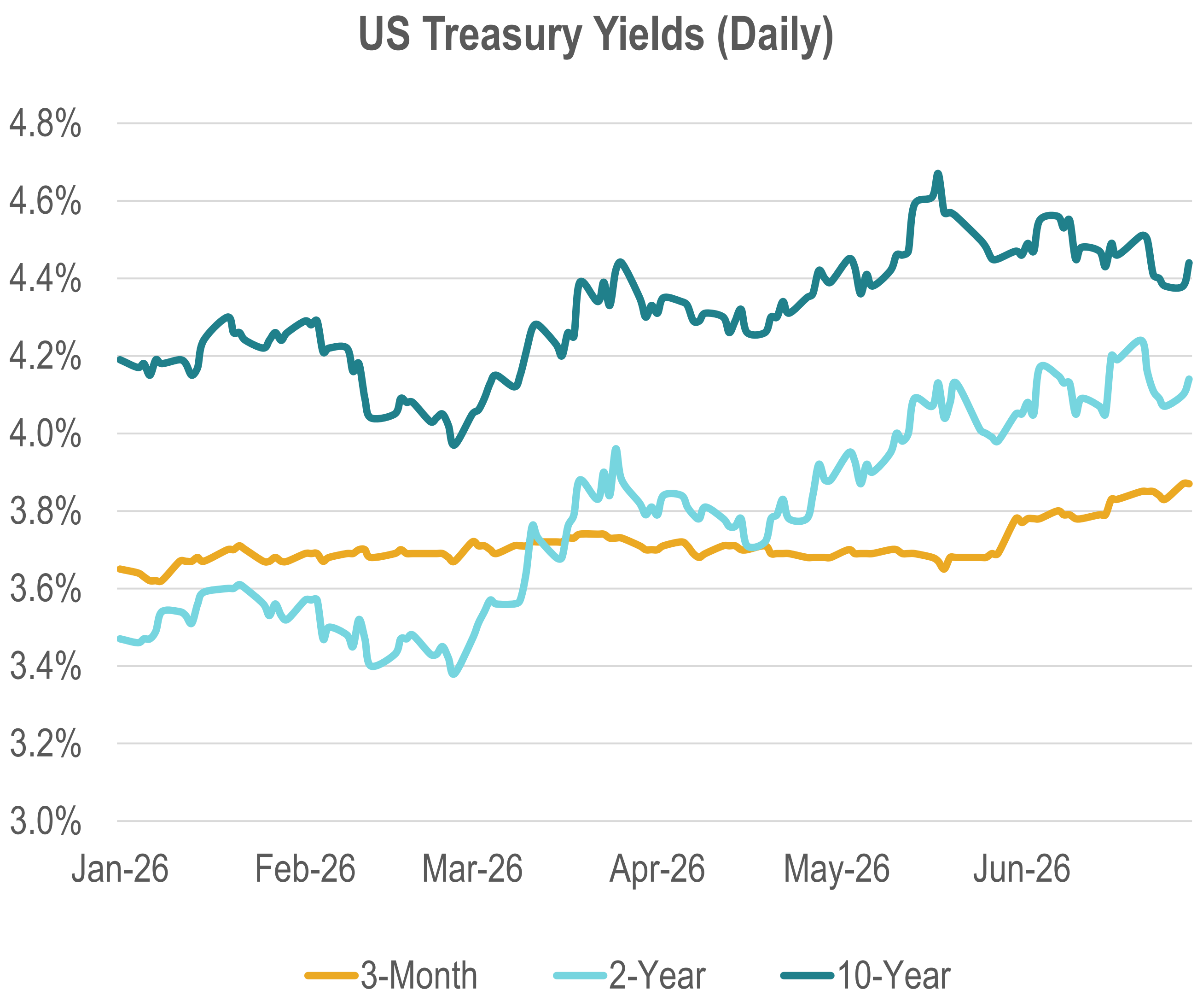
Interest Rates

10-Year UST Yields Held Steady while 2-Year and 3-Month Yields Climbed

Yield Curve Has Normalized as 2-Year Yield Continued to Hold Steady Above the 3-Month Yield





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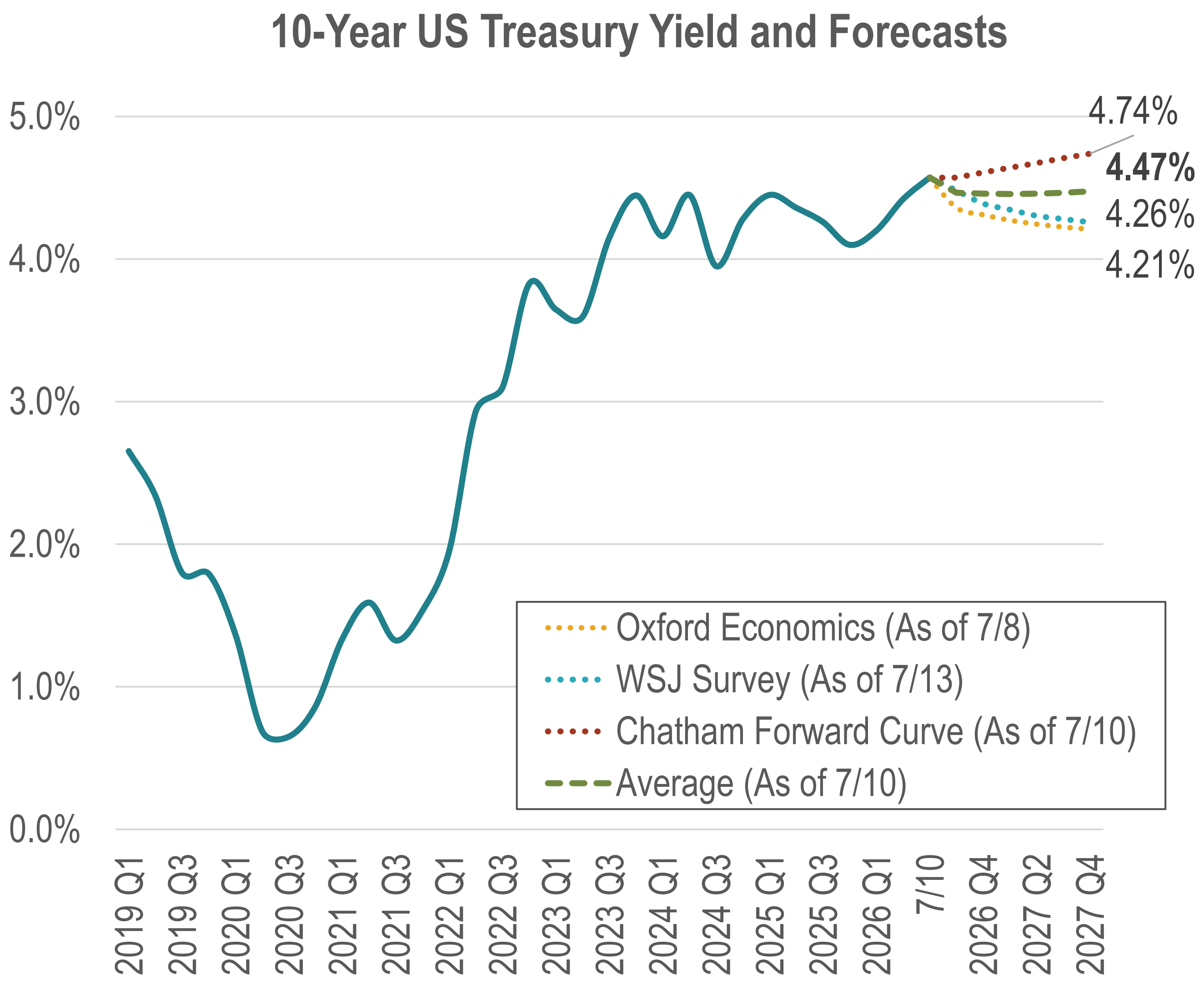
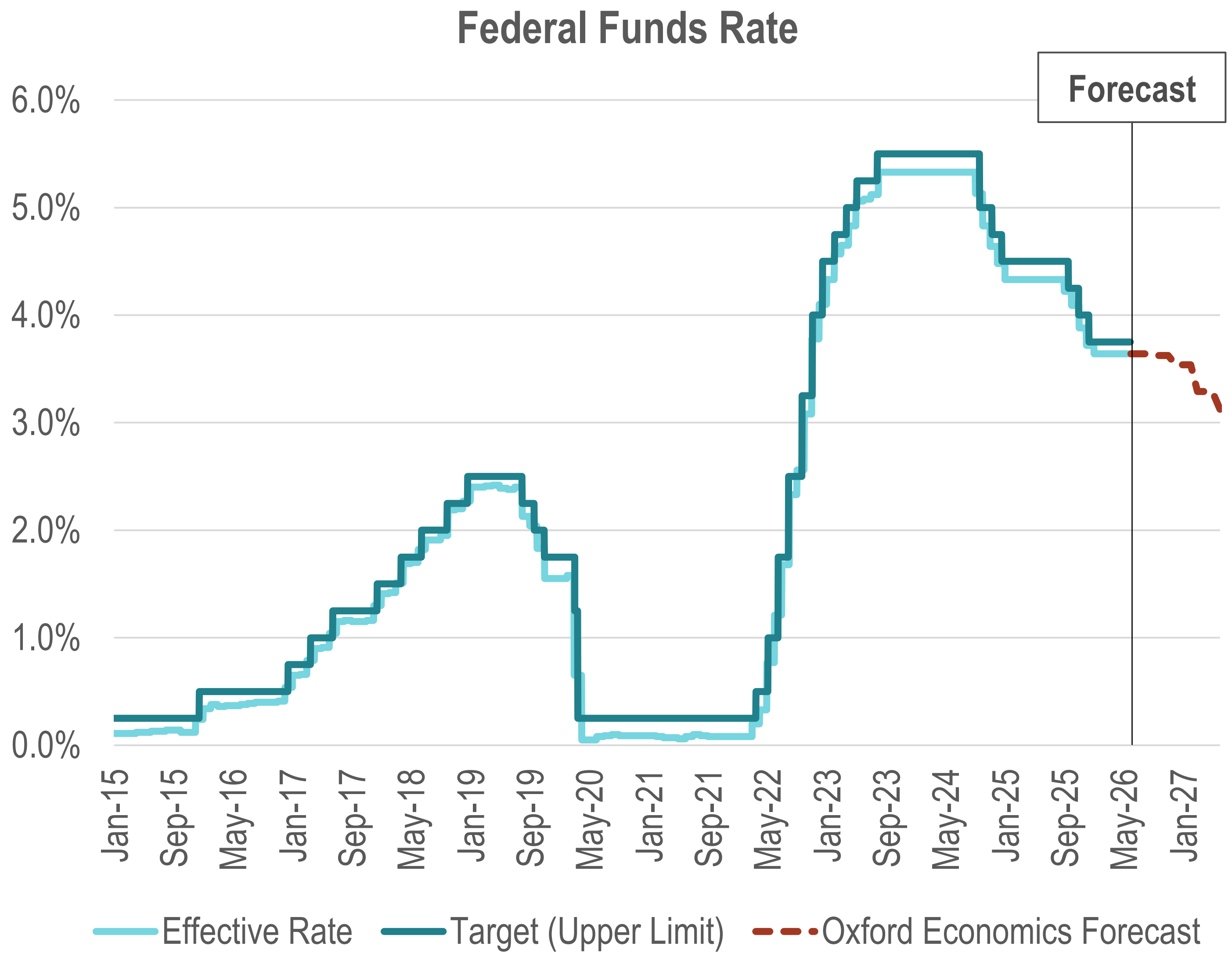
Data are as of June 30, 2026.
Source: The Federal Reserve

10-Year UST Yields Are Forecast to Remain Elevated Through 2026

The Fed Held Rates Steady for a Fourth Consecutive Meeting in June Amid Rising Inflation



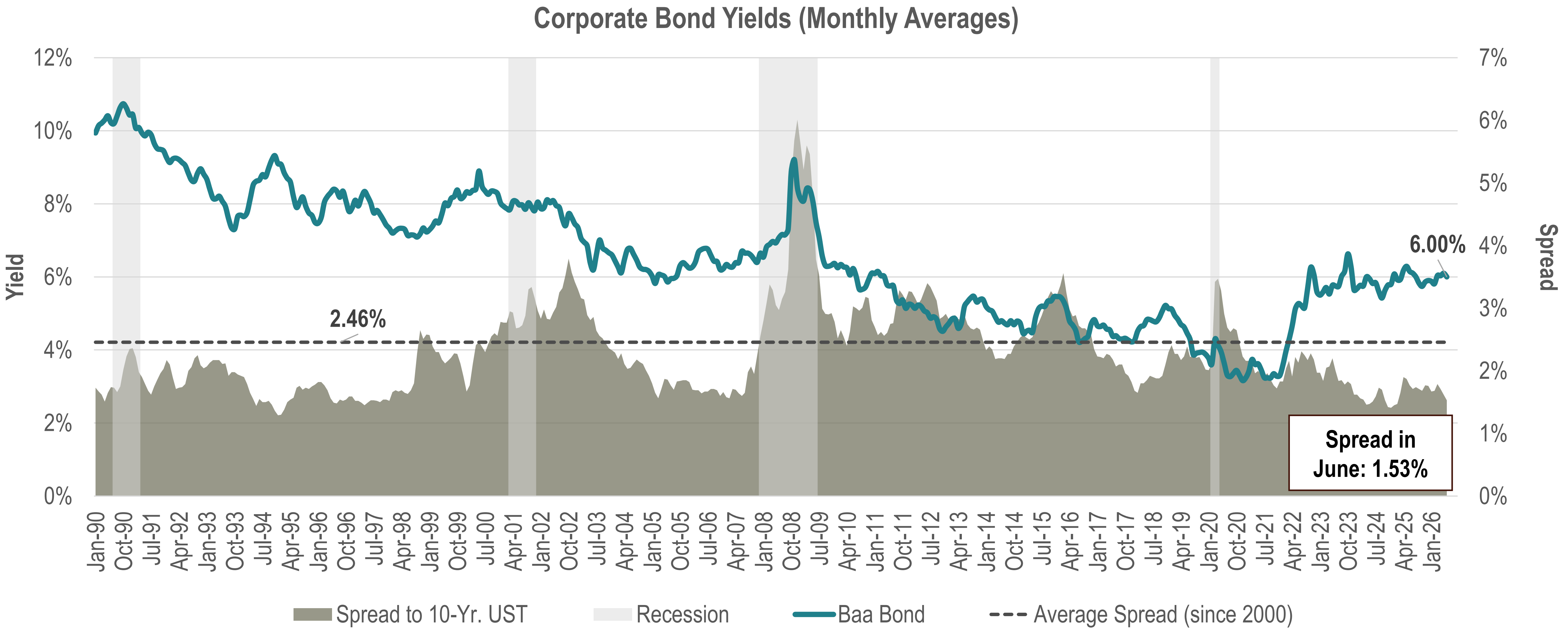


Data are as of June 30, 2026.

Source: The Federal Reserve; Chatham Financial; Oxford Economics; Yahoo Finance; The Wall Street Journal

Baa Corporate Bond Yields Fell 10 bps to 6% in June

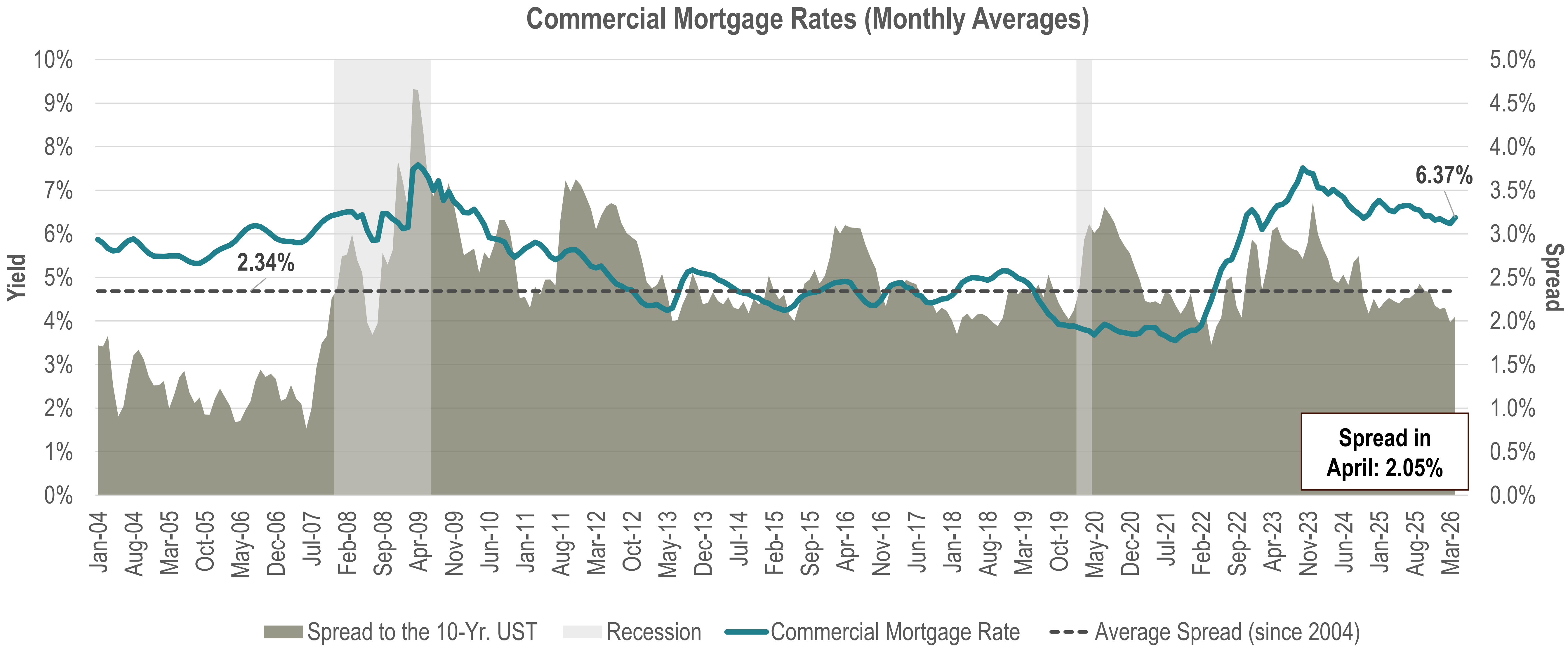
Spread to the 10-Year UST Contracted, Remaining Well Below the Long-term Average



Data are as of June 2026.
Source: Federal Reserve Bank of St. Louis

Average Commercial Mortgage Rates Rose 14 bps MoM to 6.4% in April

Spread to the 10-Year UST Yield Expanded but Remained Below Its Long-term Average

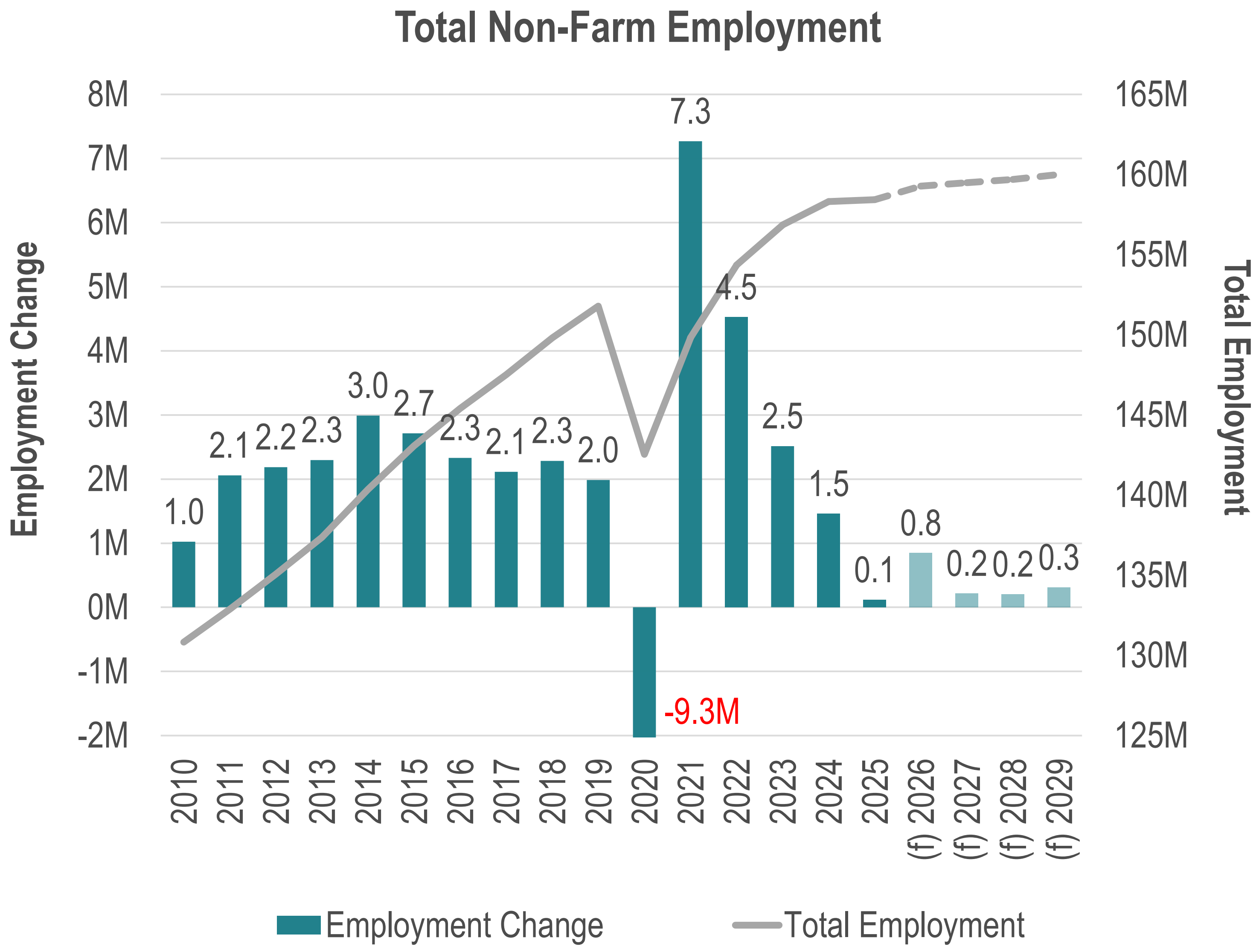


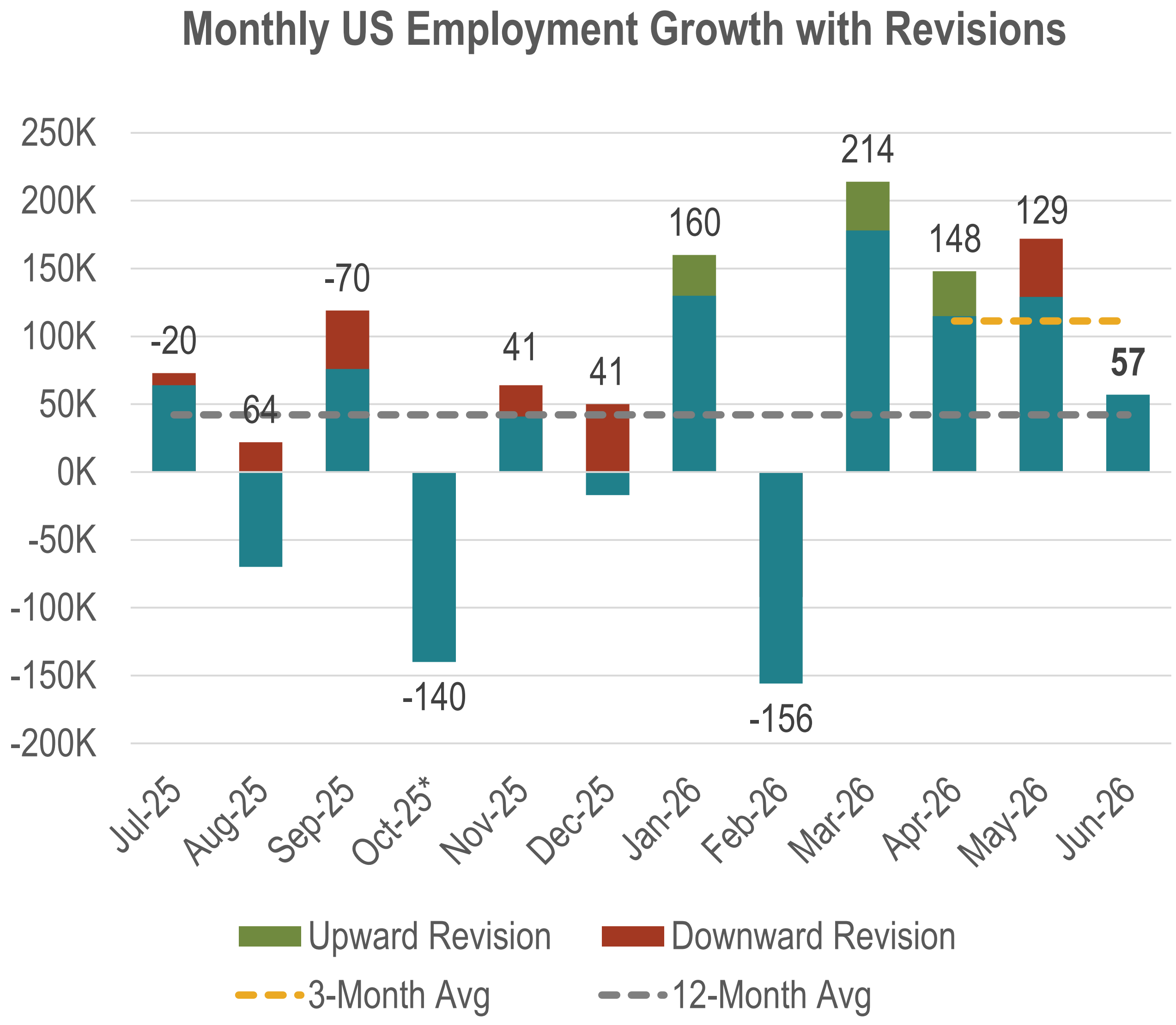
Data are as of April 2026.
Note: MSCI's commercial mortgage rate data release two months in arrears.
Source: Federal Reserve Bank of St. Louis; MSCI RCA

Employment

Job Growth Slowed to 57K in June, Following Three Months of Strong Growth

Three-Month Average Employment Remained Elevated at 111K, Well Above the 12-Month Average

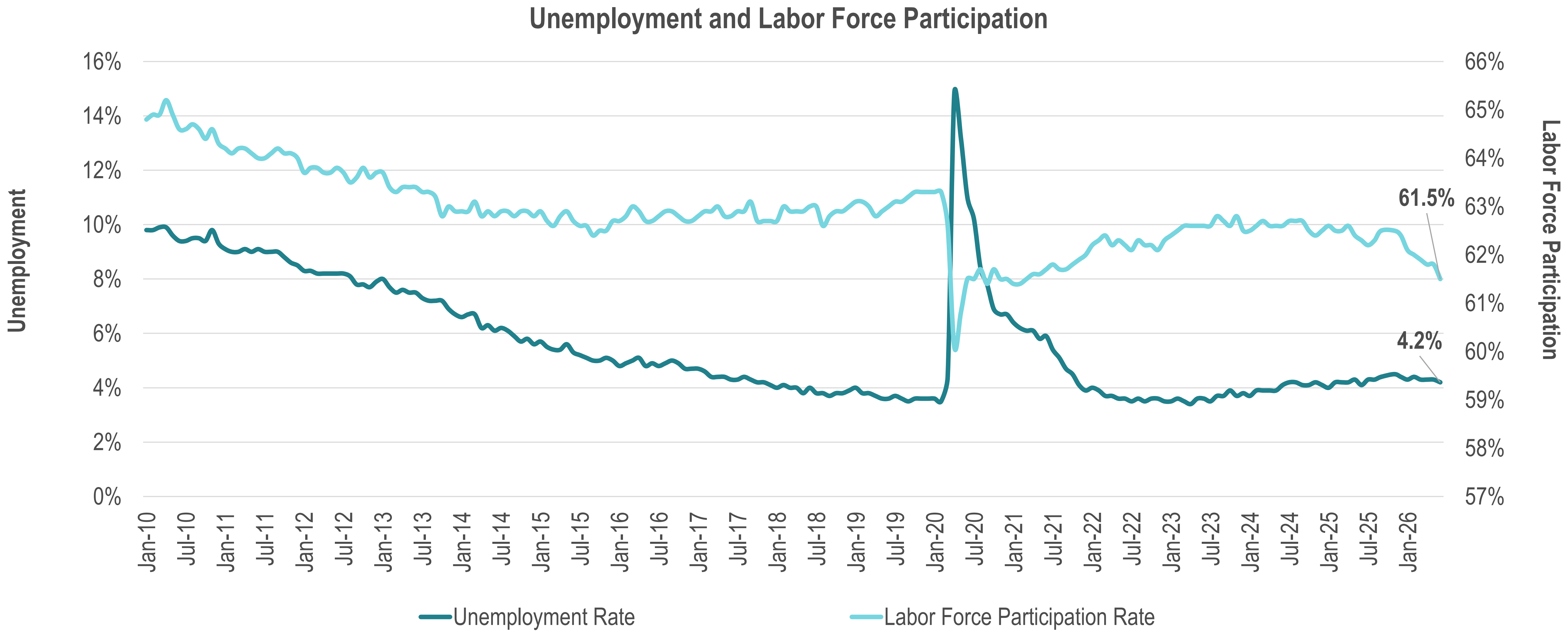




Data are as of June 2026.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics

The Unemployment Rate Fell 10 bps to 4.2%

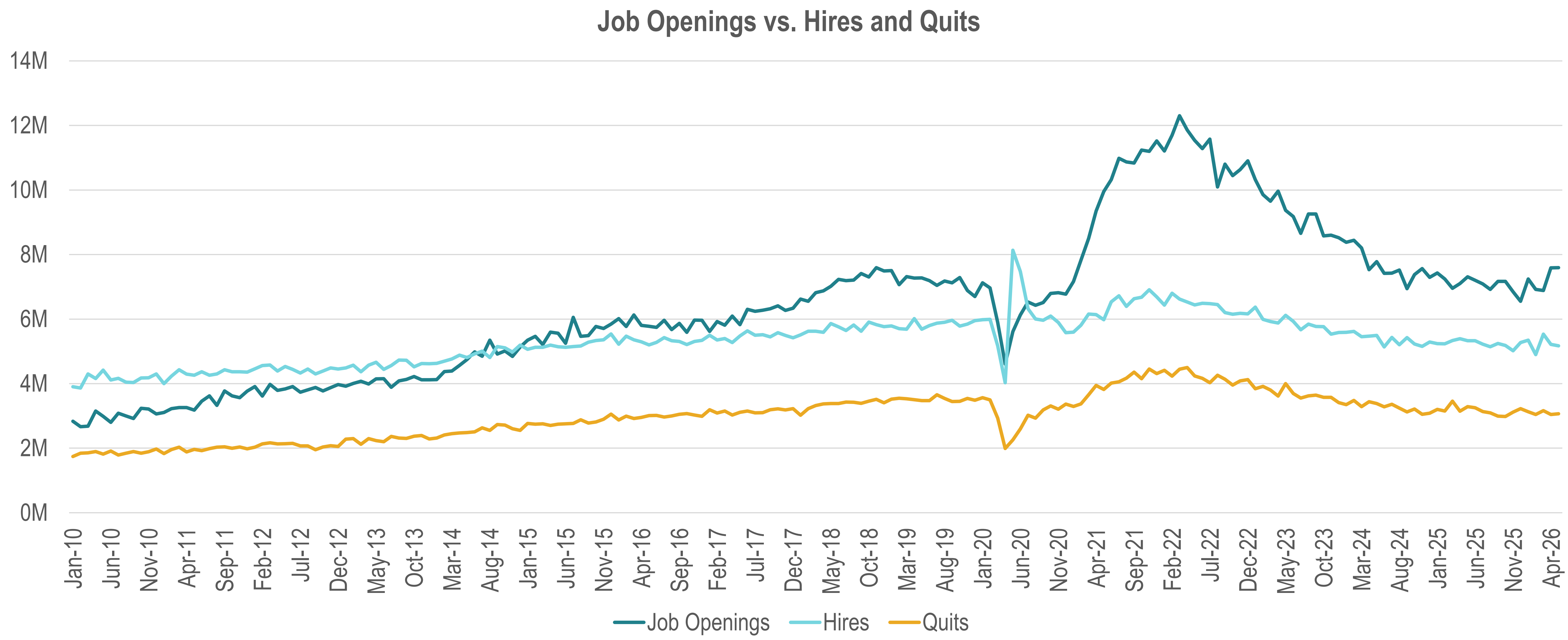
The Labor Force Participation Rate Also Fell by 30 bps to 61.5%



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

Job Openings Ticked Up in the First Half of 2026

Despite the Increase in Job Openings, Hiring Activity Has Remained Steady



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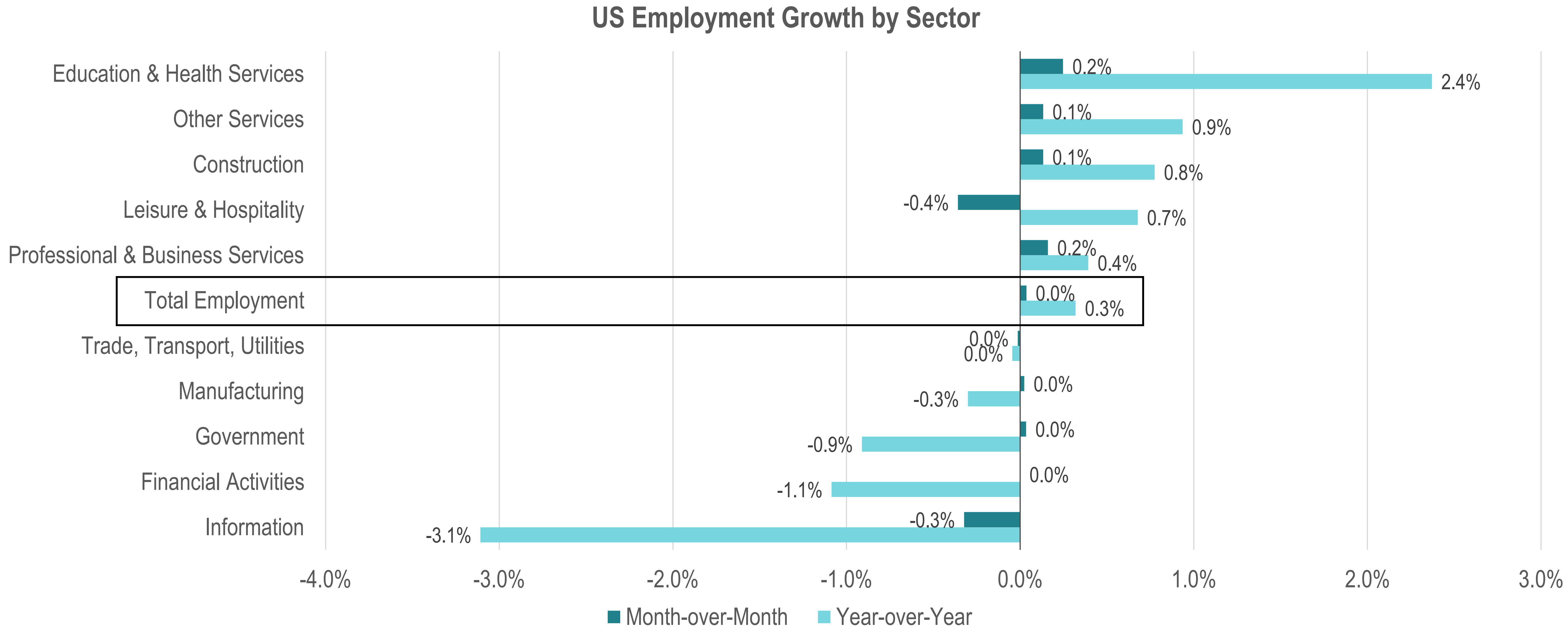
Data are as of May 2026.
Source: Federal Reserve Bank of St. Louis

Total Employment Growth Was Flat MoM and 0.3% Over the Past Year

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



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

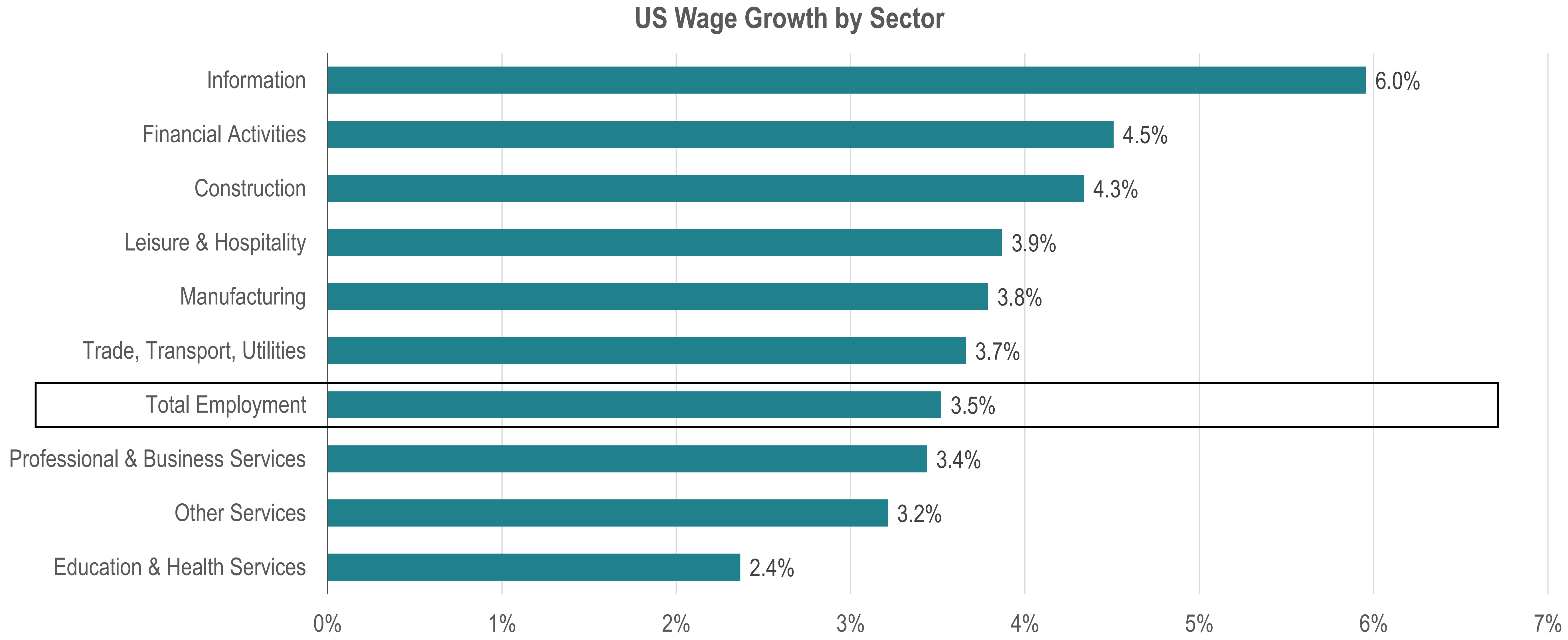
Annual Wage Growth Accelerated 10 bps to 3.5%

Annualized 3-Month Wage Growth Also Rose to 3.1%

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

Information and Financial Activities Sectors Led Annual Wage Growth

Education & Health Services Registered Slowest Wage Growth Among Sectors Despite Strong Job Growth



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

Negative or Flat Annual Job Growth Recorded Across Many Large Markets in May

Most Sunbelt Markets Still Growing with Favorable Mid-term Forecasts

30 Largest Employment Markets

	Employment Change	
	May. 25 – May. 26	2026 - 2030 Forecast (CAGR)
Austin	1.1%	1.0%
Orlando	1.2%	0.7%
Dallas-Fort Worth	0.6%	0.7%
Las Vegas	2.1%	0.7%
Phoenix	1.0%	0.6%
Inland Empire	-0.1%	0.6%
Nashville	0.4%	0.6%
Charlotte	1.4%	0.6%
San Antonio	0.4%	0.6%
Houston	0.6%	0.5%
Denver	-0.6%	0.5%
Seattle	0.0%	0.5%
Atlanta	0.0%	0.5%
Tampa	0.0%	0.4%
Miami	-0.3%	0.4%
SF/Oakland	0.3%	0.3%
San Diego	0.9%	0.3%

	Employment Change	
	May. 25 – May. 26	2026 - 2030 Forecast (CAGR)
Columbus	-0.1%	0.3%
Portland	-2.8%	0.3%
Washington DC	-3.0%	0.2%
New York	0.5%	0.2%
Los Angeles	-0.2%	0.2%
Minneapolis	0.3%	0.2%
Boston	-0.6%	0.1%
Philadelphia	0.2%	0.1%
Baltimore	-0.7%	0.0%
Saint Louis	-0.3%	0.0%
Detroit	-0.7%	-0.1%
Chicago	0.0%	-0.1%
Pittsburgh	-0.5%	-0.2%

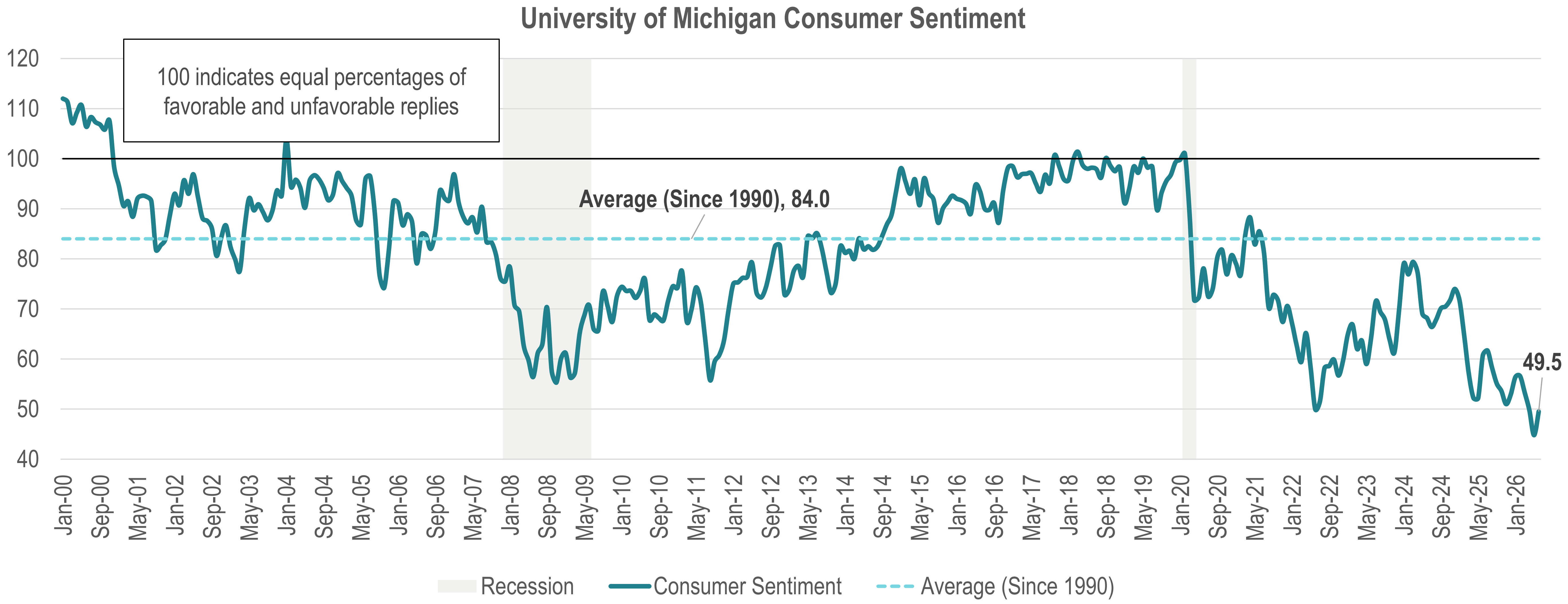
Midwest Markets
Gateway Markets
Sunbelt Markets

Data are as of May 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

Sentiment & Retail Sales

Consumer Sentiment Improved in June but Remained Very Low

Consumers Remained Particularly Concerned About Elevated Energy Prices



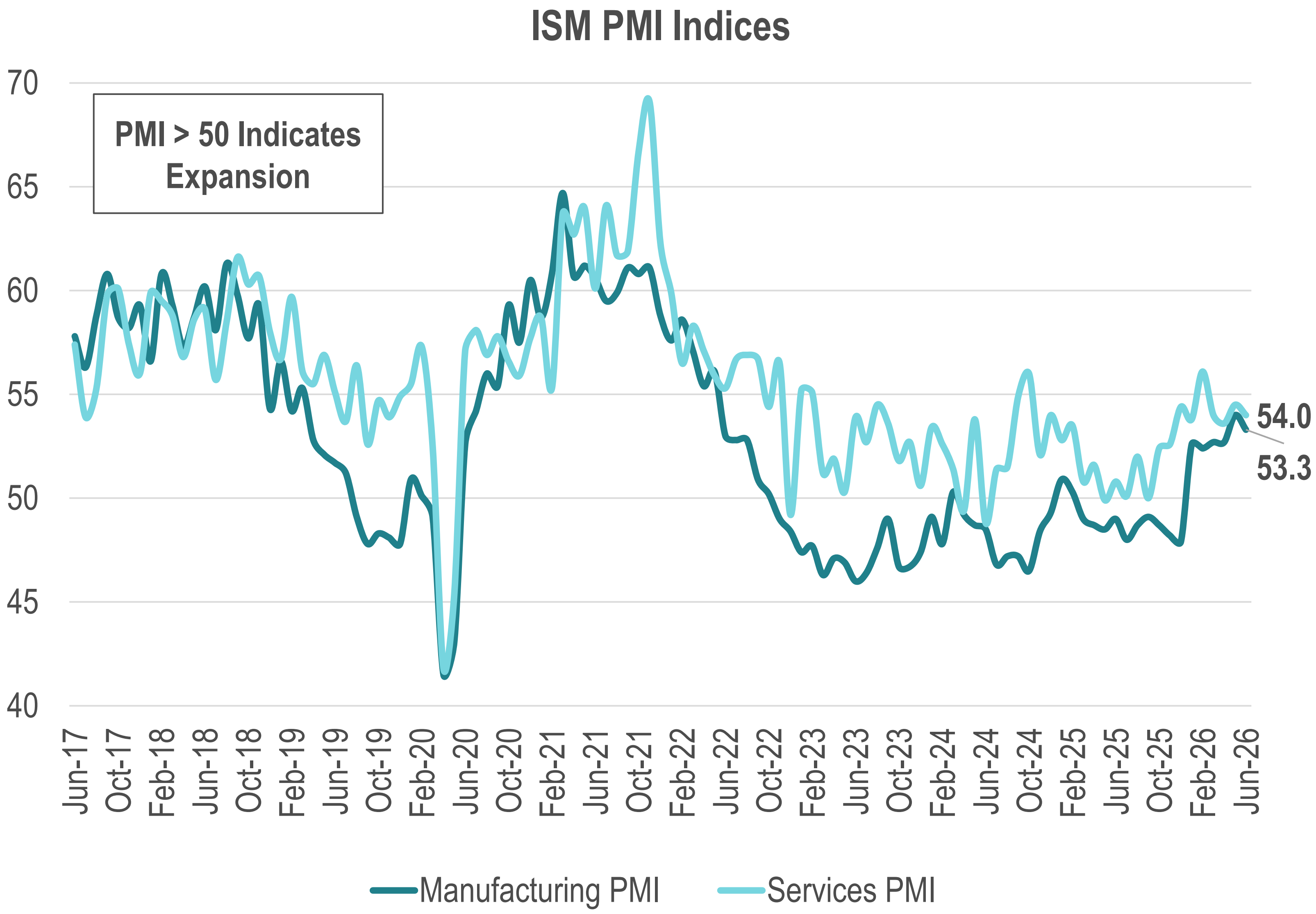
Data are as of June 2026.

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 Fell but Remained in Expansion

Services PMI Also Fell but Remained in Expansion



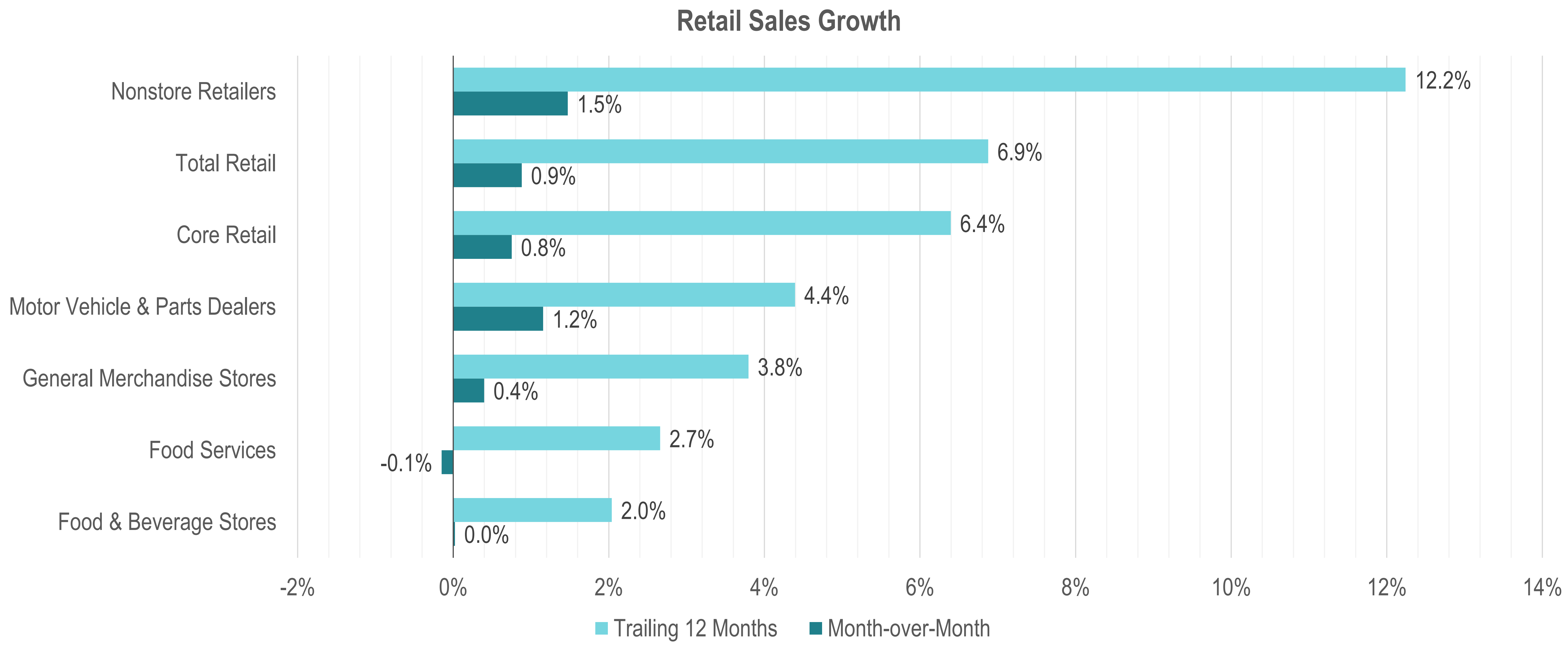
Manufacturing PMI Components	Series Index June	Series Index May	MoM Change	Weight
New Orders	56	56.8	-0.8	20%
Production	52.2	54.3	-2.1	20%
Employment	49.7	48.6	1.1	20%
Supplier Deliveries	57.4	60.6	-3.2	20%
Inventories	51.4	49.9	1.5	20%

Services PMI Components	Series Index June	Series Index May	MoM Change	Weight
Business Activity	55.4	57.7	-2.3	25%
New Orders	55.1	57.3	-2.2	25%
Employment	51.2	47.9	3.3	25%
Supplier Deliveries	54.4	55.2	-0.8	25%

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

Monthly Total and Core Retail Sales Rose 0.9% and 0.8%, Respectively, in May

Non-store Retailers Saw Strong Monthly and Annual Retail Sales Growth

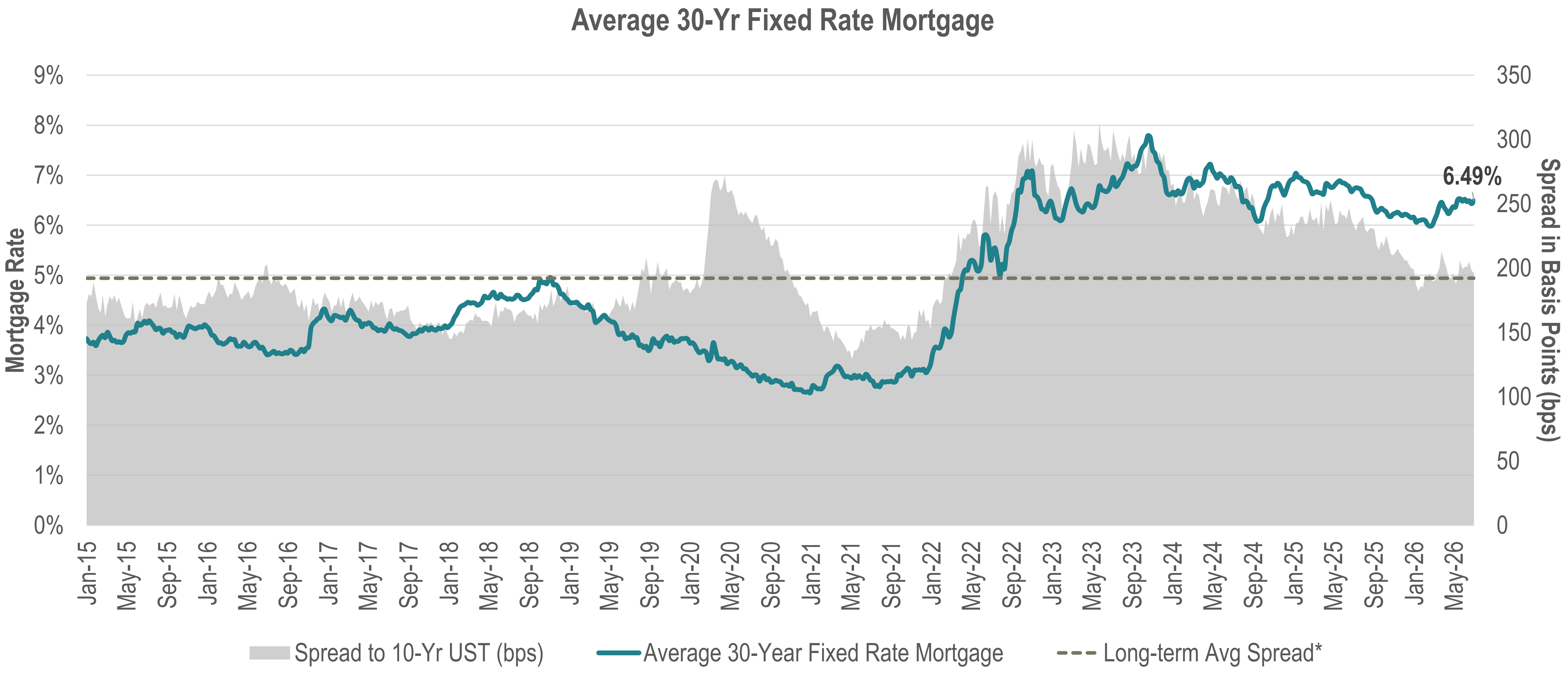


Data are as of May 2026.
Note: The above chart shows only the five largest retail sectors; core retail sales exclude motor vehicles, gas stations, building materials, and food services.
Source: US Census Bureau; Federal Reserve Bank of St. Louis

Housing

Average 30-Year Mortgage Rates Hovered Near 6.5% in June

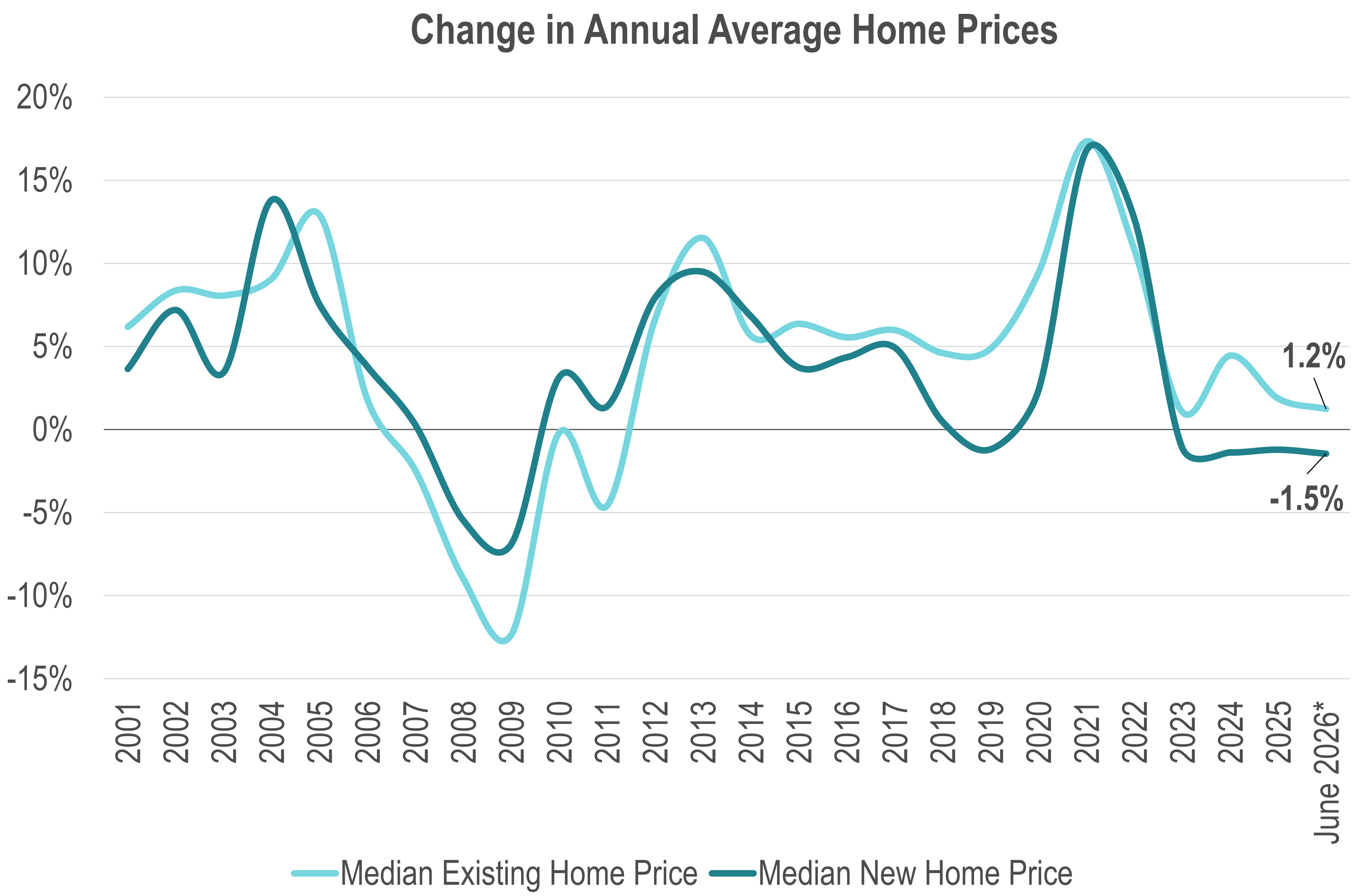
The Spread to the 10-Year UST Yield Was Near the Long-term Average

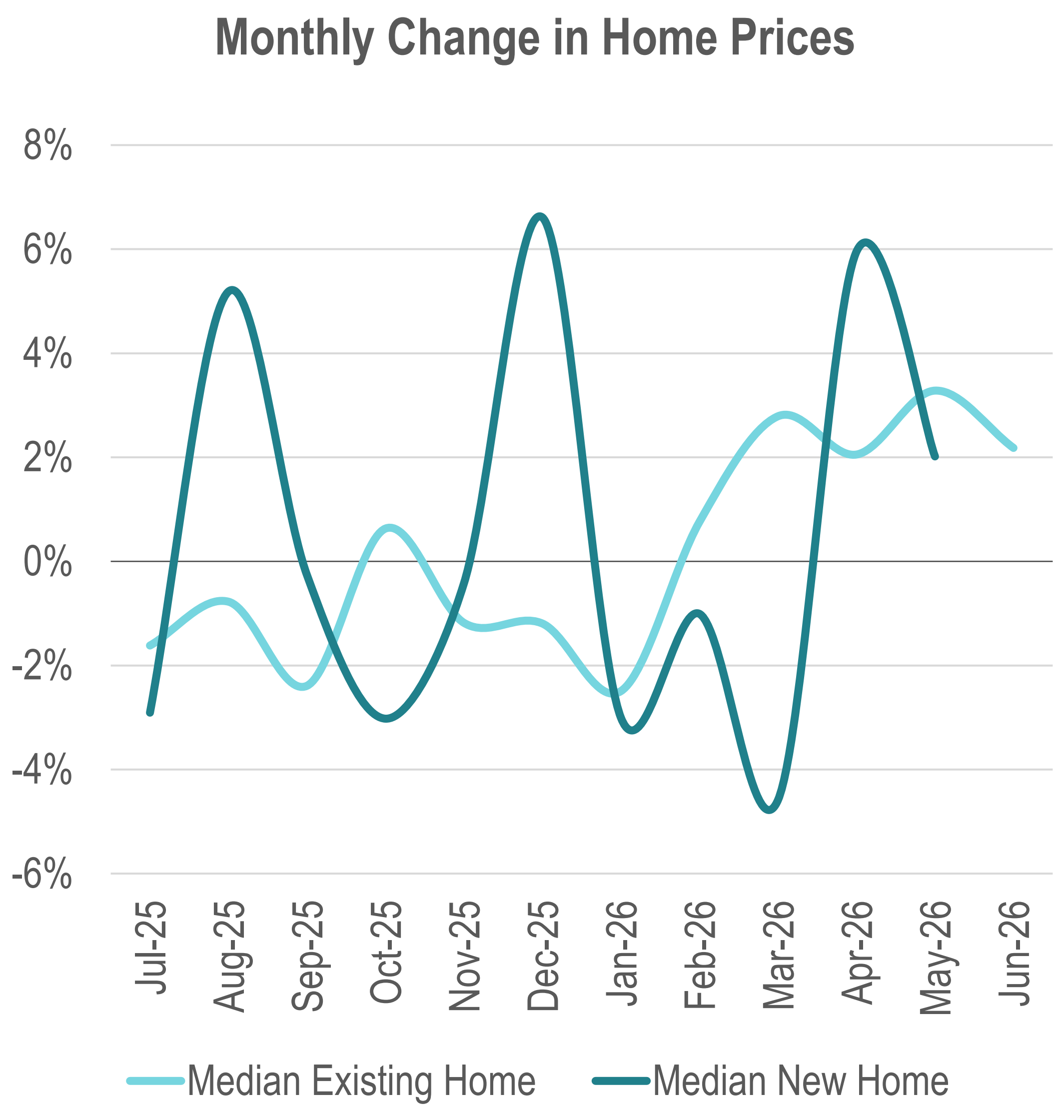


Data are weekly averages as of July 9, 2026.
**The long-term average spread is based on data from 2007 onward.*
Source: Freddie Mac

Annual Average Existing Home Prices Rose 1.2% in June

Average New Home Prices Fell 1.5% YoY in May

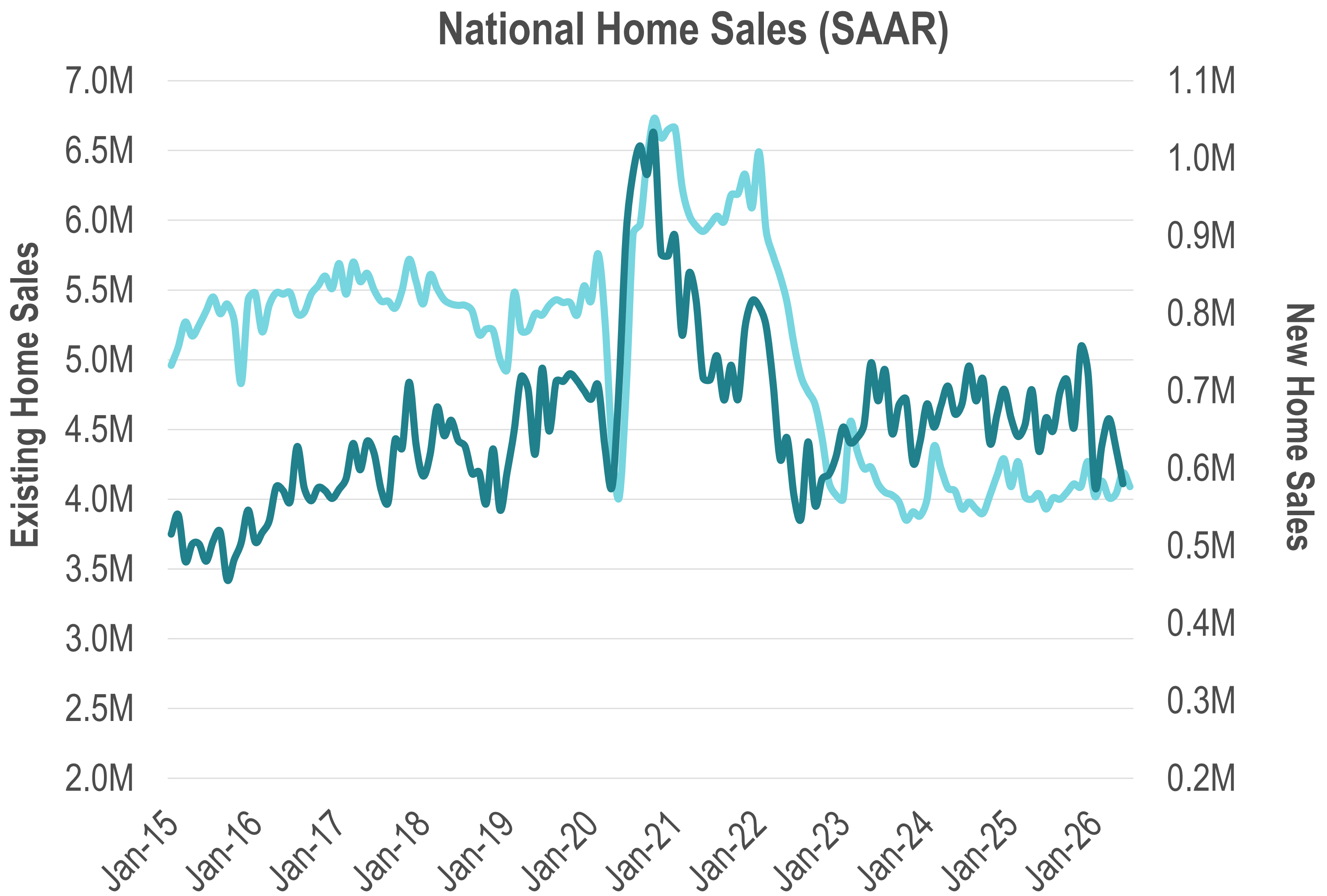


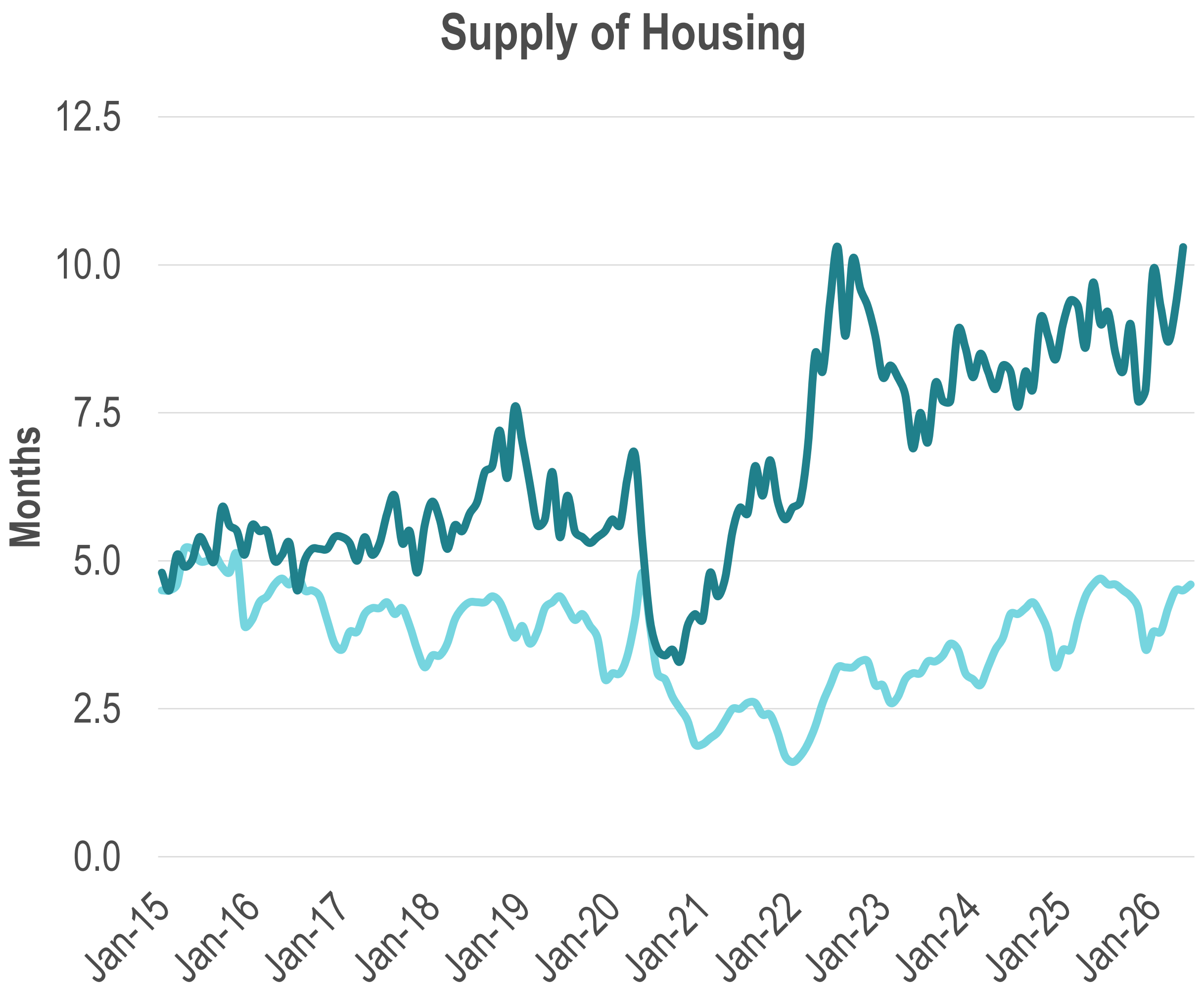


Existing homes data are as of June; new homes data are as of May.
**Reflects year-over-year change in trailing 12-month average median home price.*
Note: Housing data release one month in arrears.
Source: National Association of Realtors; U.S. Census Bureau

Monthly Existing Home Sales Fell and Supply Ticked Up in June

New Home Sales Fell in May, Driving an Increase in Supply

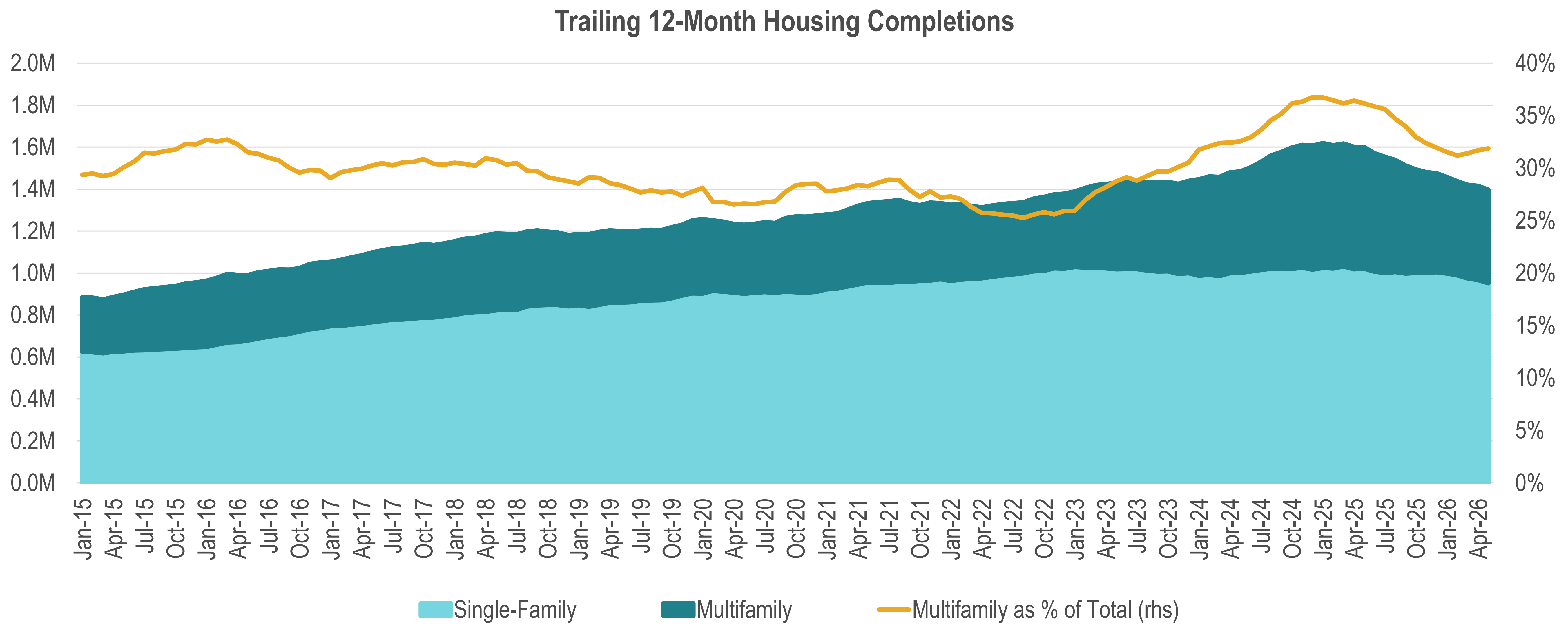




Existing homes data are as of June; new homes data are as of May.
Note: Months supply of homes is calculated as the ratio of houses for sale to houses sold. It indicates the number of months it would take for the current inventory in the housing market to sell given the current sales pace; housing data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

Total Housing Completions Fell 1.3% MoM and 12.6% YoY in May

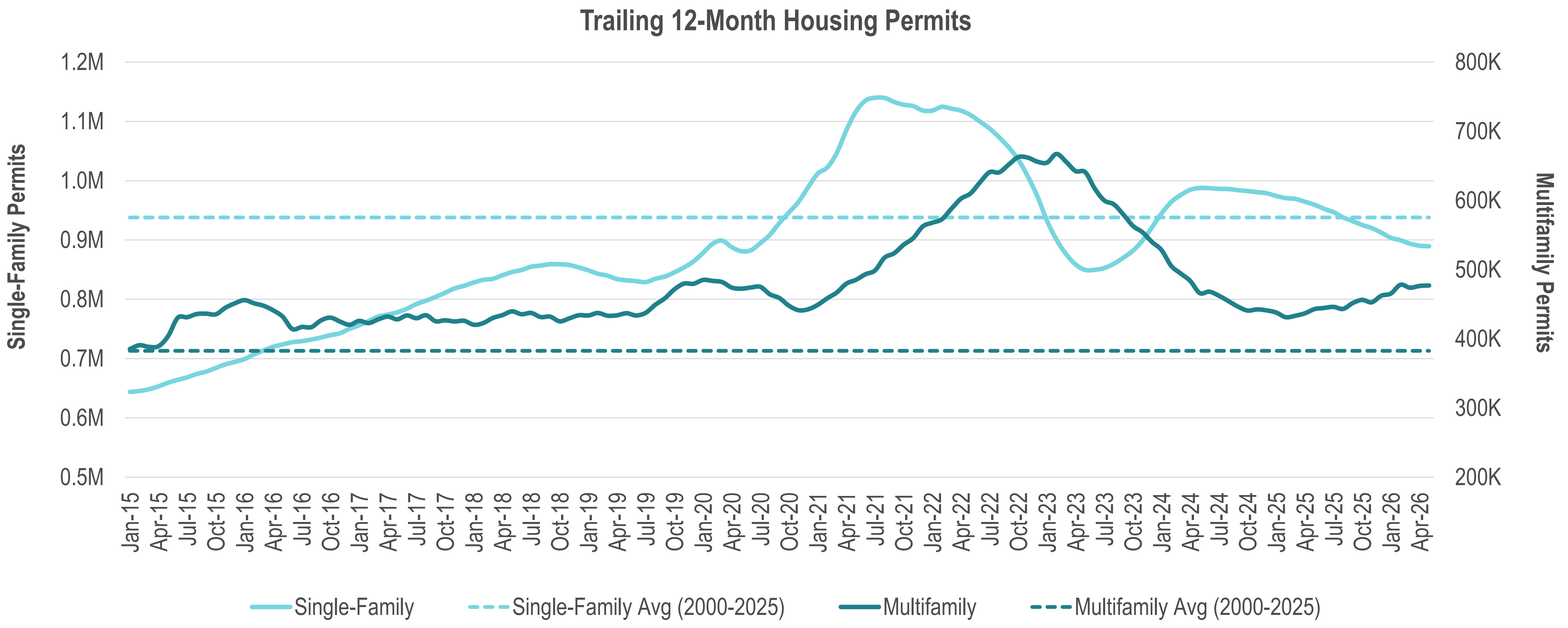
Multifamily's Share of Total Completions Constituted 32%



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

Trailing 12-Month Permits Held Steady For Multifamily and Single Family

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



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

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Contacts

Bill Maher
Director, Strategy & Research
P: (301) 455-5295
E: WMAHER@RCLCO.COM

Scot Bommarito
Vice President, Research
P: (323) 489-3264
E: SBOMMARITO@RCLCO.COM

Nolan Eyre
Research Associate
P: (618) 944-1163
E: NEYRE@RCLCO.COM

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RCLCO FUND ADVISORS