

Monthly Economic Indicators
August 2026

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September 15, 2026

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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.

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Monthly Highlights – August 2026

Inflation	• Annual headline CPI inflation held steady at 3.4% while core inflation fell 10 bps to 2.4%. • Annual Final Demand PPI and All Commodities PPI rose by 5.4% and 9.9%, respectively. Construction materials prices rose more than 10%. • Annual total and core PCE both held steady at 3.7% and 3.3%, respectively, in July*. • The 5-year TIPS-implied inflation rate held steady at 2.3% in August, while consumer expectations of 5-year inflation rose 10 bps to 3.4% in September.
Interest Rates	• The 10-Year UST yield ended August at 4.75% and rose to 5.0% in mid-September for the first time since 2023. • Average commercial real estate mortgage rates rose to 6.5% in June*. The spread to the UST remained below the long-term average. • The Federal Reserve is expected to increase rates at its September meeting. The current rate target range is 3.5-3.75%.
Employment	• Employment grew by 162K in August, well above the trailing-year average. Three-month average job growth stood at 71K. • The unemployment rate held steady at 4.1% in August while the labor force participation rate rose 20 bps to 61.6%. • Annual wage growth fell 10 bps to 3.1% in August, below inflation. Over the last three months, wage growth accelerated to 2.8% (annualized).
Sentiment & Retail Sales	• Consumer sentiment fell in September, remaining near record lows due to increasing energy prices. Current conditions and future expectations both fell. • The ISM Purchasing Managers' Index (PMI) for manufacturing fell but rose for services in August. Both remained in expansion.
Housing	• Average 30-year mortgage rates climbed in August and exceeded 6.7% in early September. • For existing homes, trailing-year average median home prices rose 1.4% YoY in August while monthly home sales fell. • For new homes, trailing-year average median home prices fell 1.0% YoY in July* and monthly home sales fell.

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** 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.

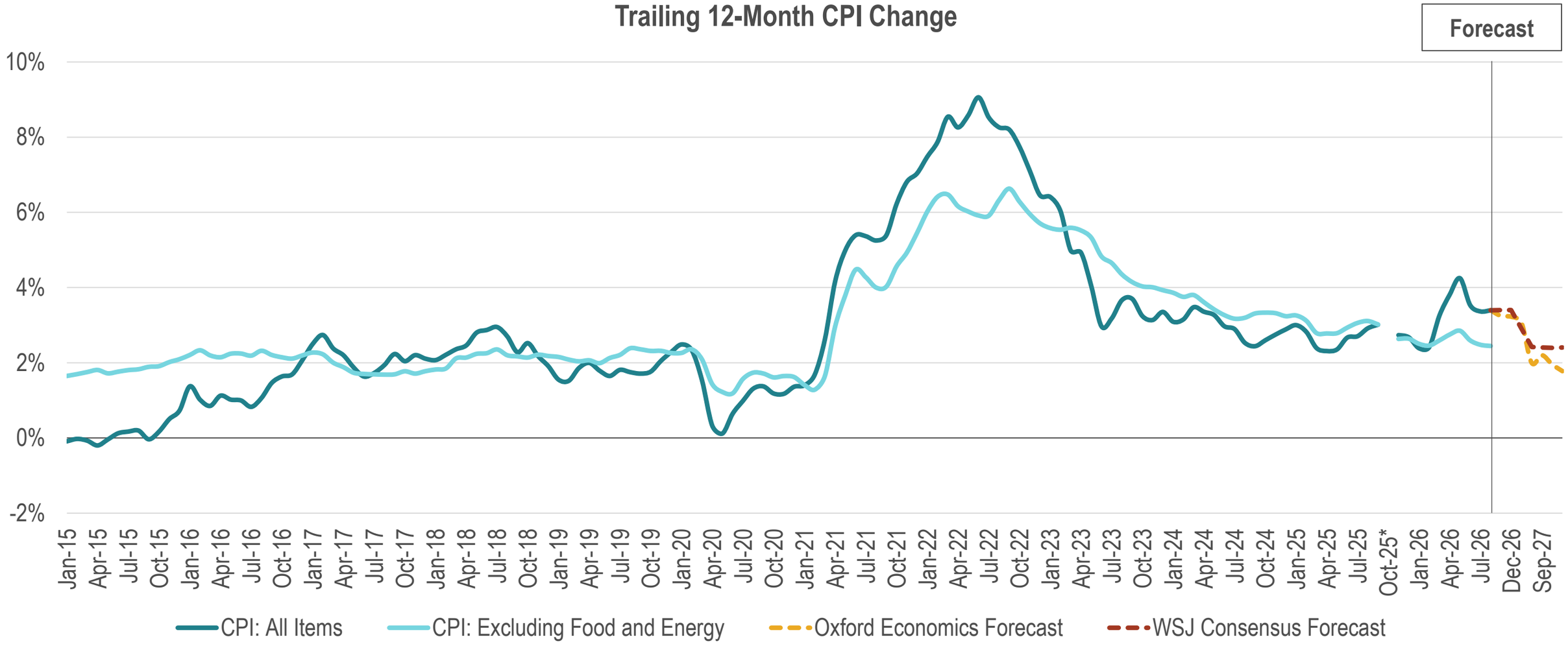
Inflation

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Annual Headline Inflation Held Steady at 3.4%; Core CPI Fell 10 bps to 2.4%

Inflation Is Forecast to Remain High in the Near Term, Driven by Energy Prices



Data are as of August 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

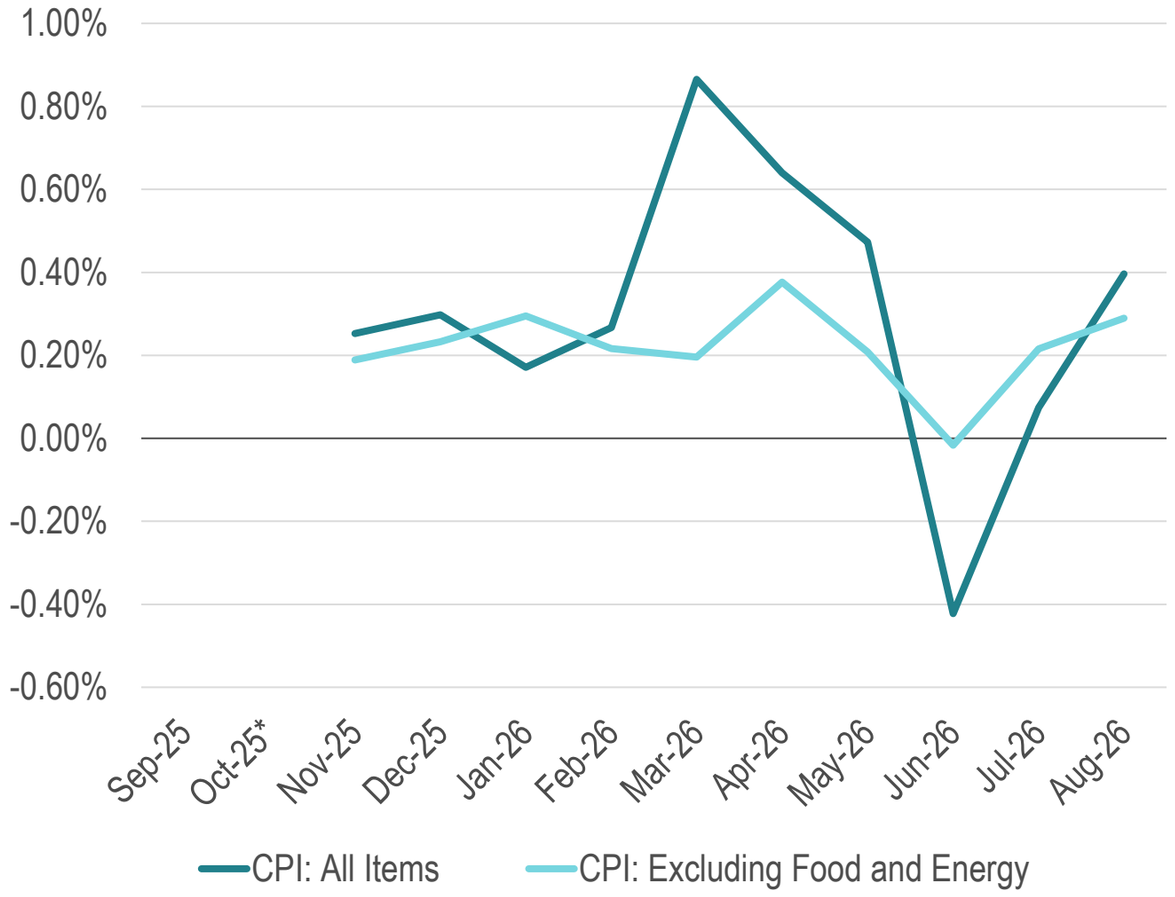
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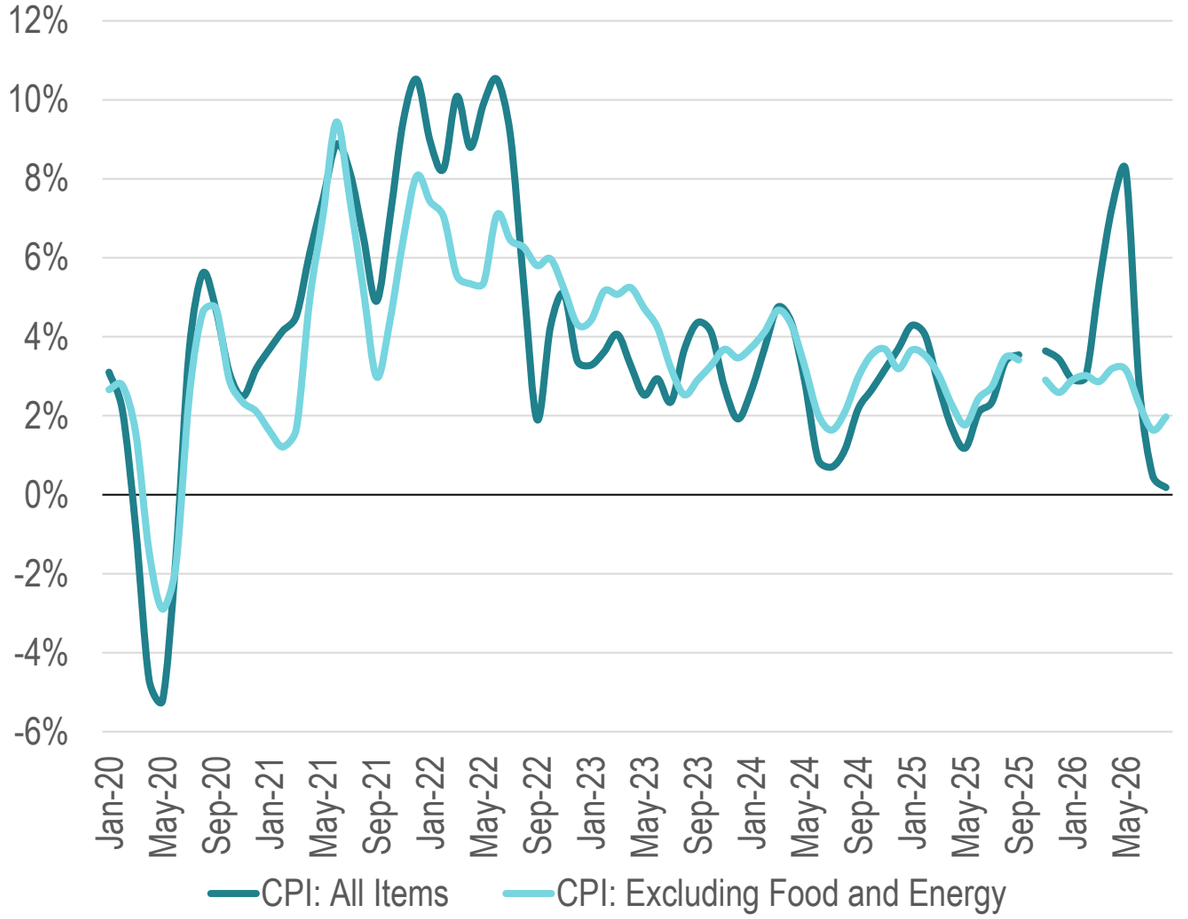
Monthly All Items and Core CPI Rose by 0.4% and 0.3%, Respectively

3-Month Annualized All Items CPI Decelerated to 0.2% but 3-Month Annualized Core CPI Rose to 2.0%

Month-over-Month CPI Change



Trailing 3-Month CPI Change (Annualized)



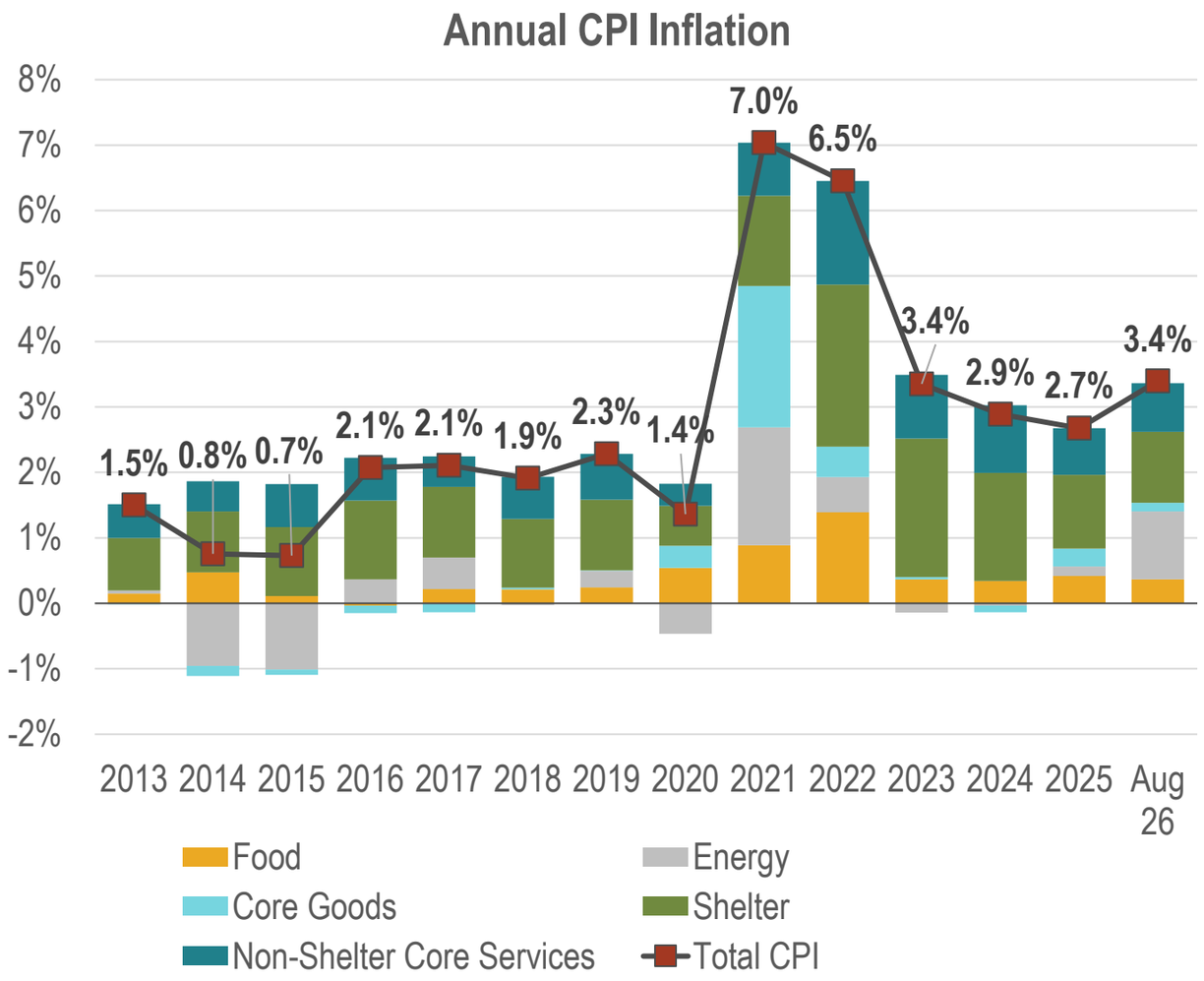
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**October CPI data were not released due to the government shutdown.*
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Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

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Monthly Energy Prices Increased by 2.1% in August and 16.3% for the Year

Annual Core Services CPI Rose 3.0% and Core Goods Prices Rose 0.7%



August 2026 Inflation			
	Monthly	Trailing 12-Month	Weights
Apparel	0.0%	3.6%	2.4%
Education and Communication	1.6%	2.1%	5.8%
Food and Beverages	0.1%	2.6%	14.5%
Other Goods and Services	0.2%	4.2%	2.9%
Housing	0.2%	3.1%	44.5%
*Shelter**	*0.3%*	*3.0%*	*35.6%*
Medical Care	-0.2%	1.6%	8.4%
Recreation	0.0%	2.7%	5.1%
Transportation	1.2%	6.2%	16.3%
Food	0.1%	2.7%	13.7%
Energy	2.1%	16.3%	6.2%
Core Goods	0.1%	0.7%	19.4%
Core Services	0.3%	3.0%	60.7%
Total Core	**0.3%**	**2.4%**	**80.1%**
All Items	**0.4%**	**3.4%**	**100.0%**

Data are as of August 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

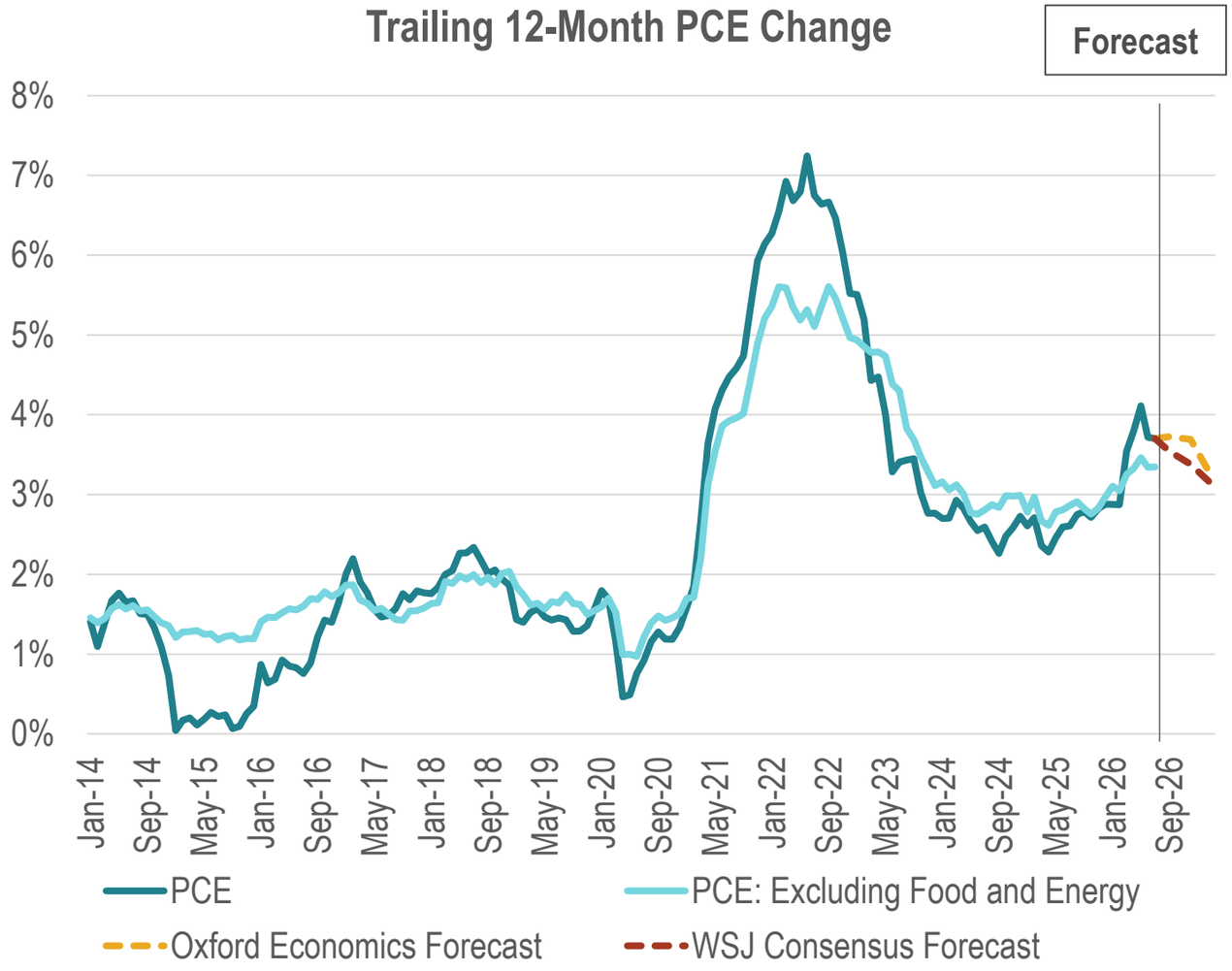
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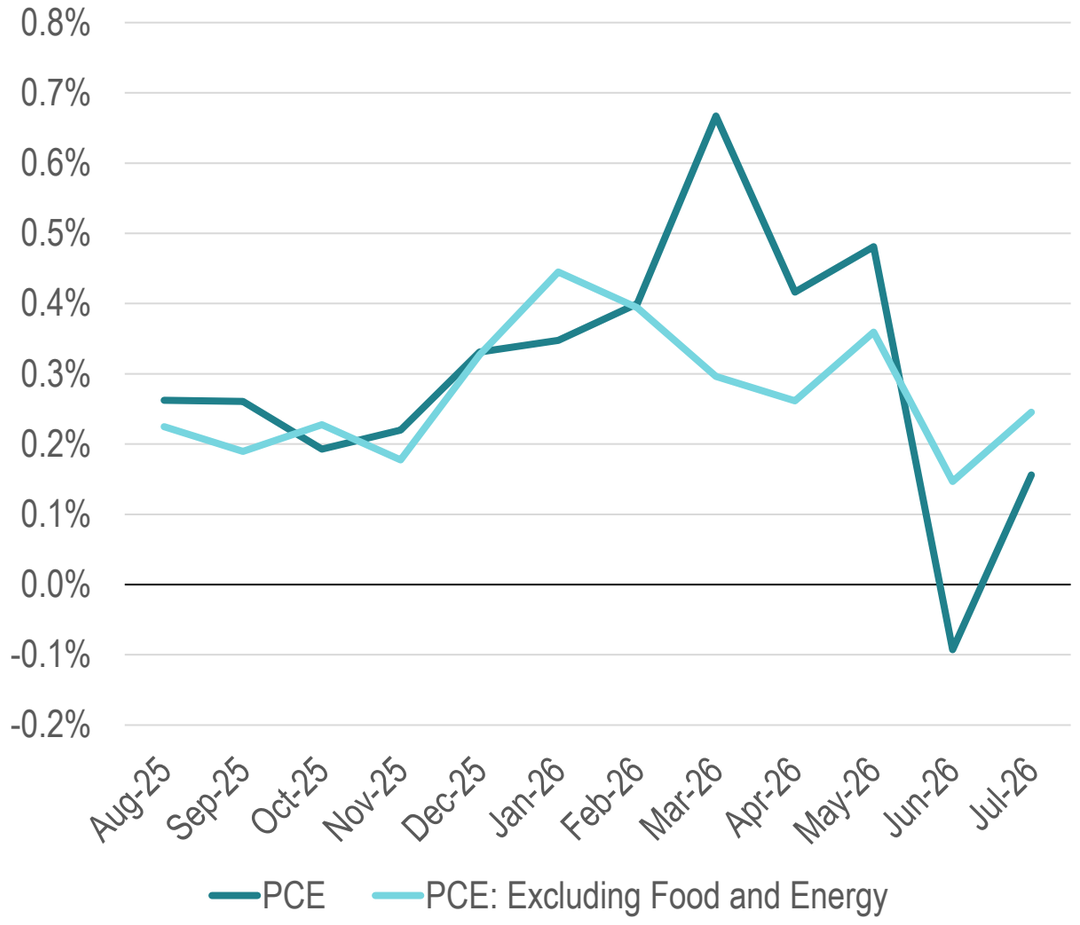
Annual Headline and Core PCE Both Held Steady at 3.7% and 3.3%, Respectively

PCE Is Predicted to Remain Elevated Through the End of 2026

Trailing 12-Month PCE Change



Month-over-Month PCE Change



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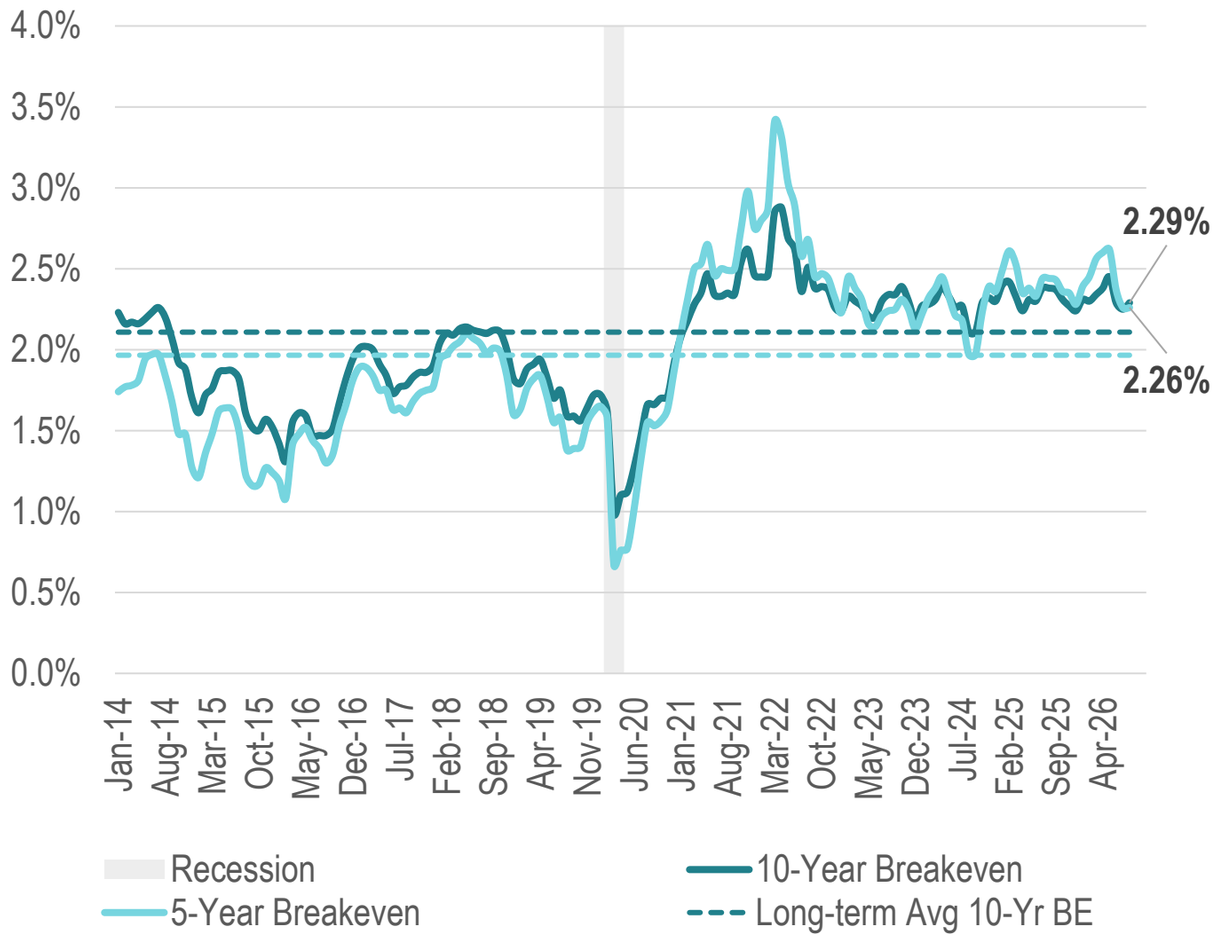
Data are as of July 2026.

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

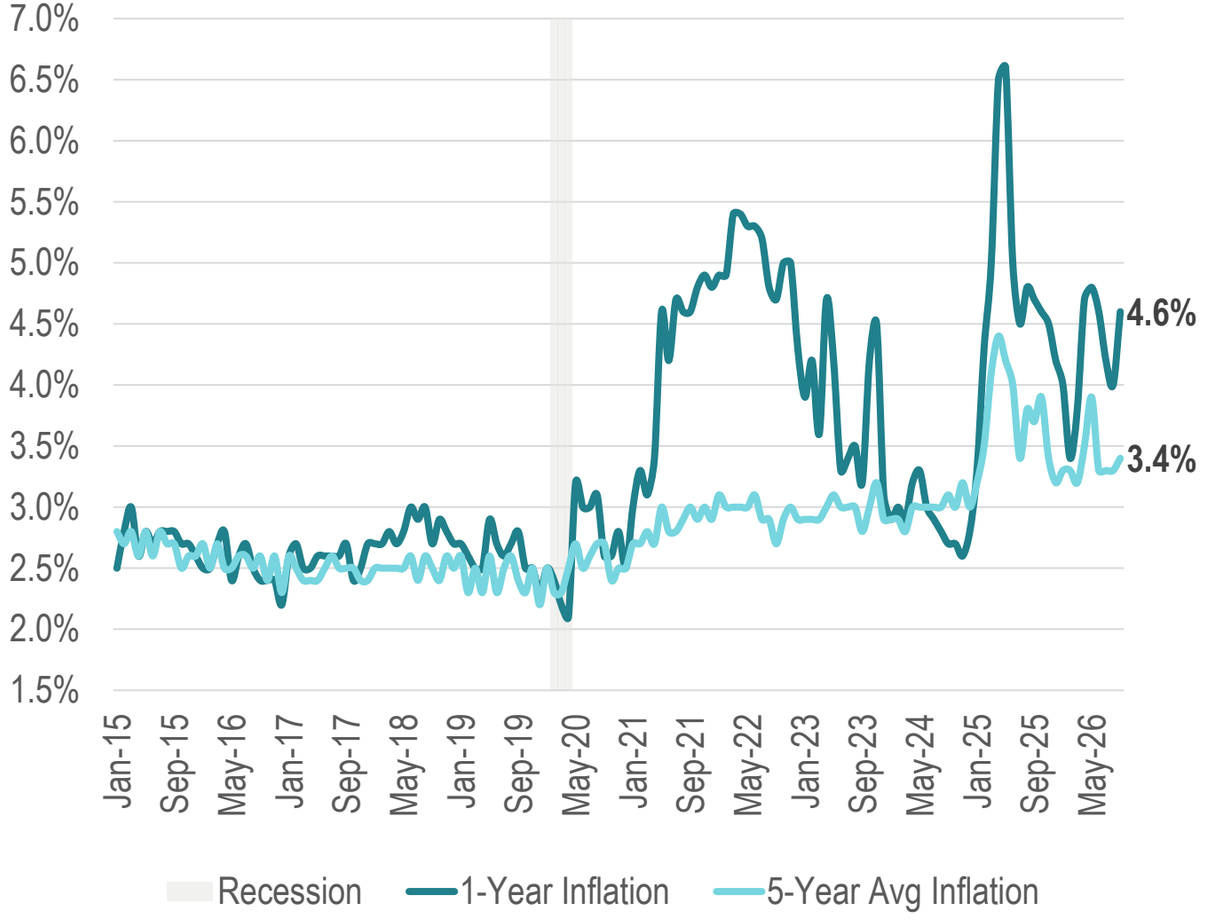
10-Year TIPS Breakeven Rates Ticked Up; 5-Year Rates Held Steady

Consumer Expectations of Year-Ahead Inflation Rose 60 bps to 4.6% in Sept.; 5-Year Expectations Ticked Up to 3.4%

TIPS-Implied Breakeven Inflation Rate



University of Michigan Inflation Expectations



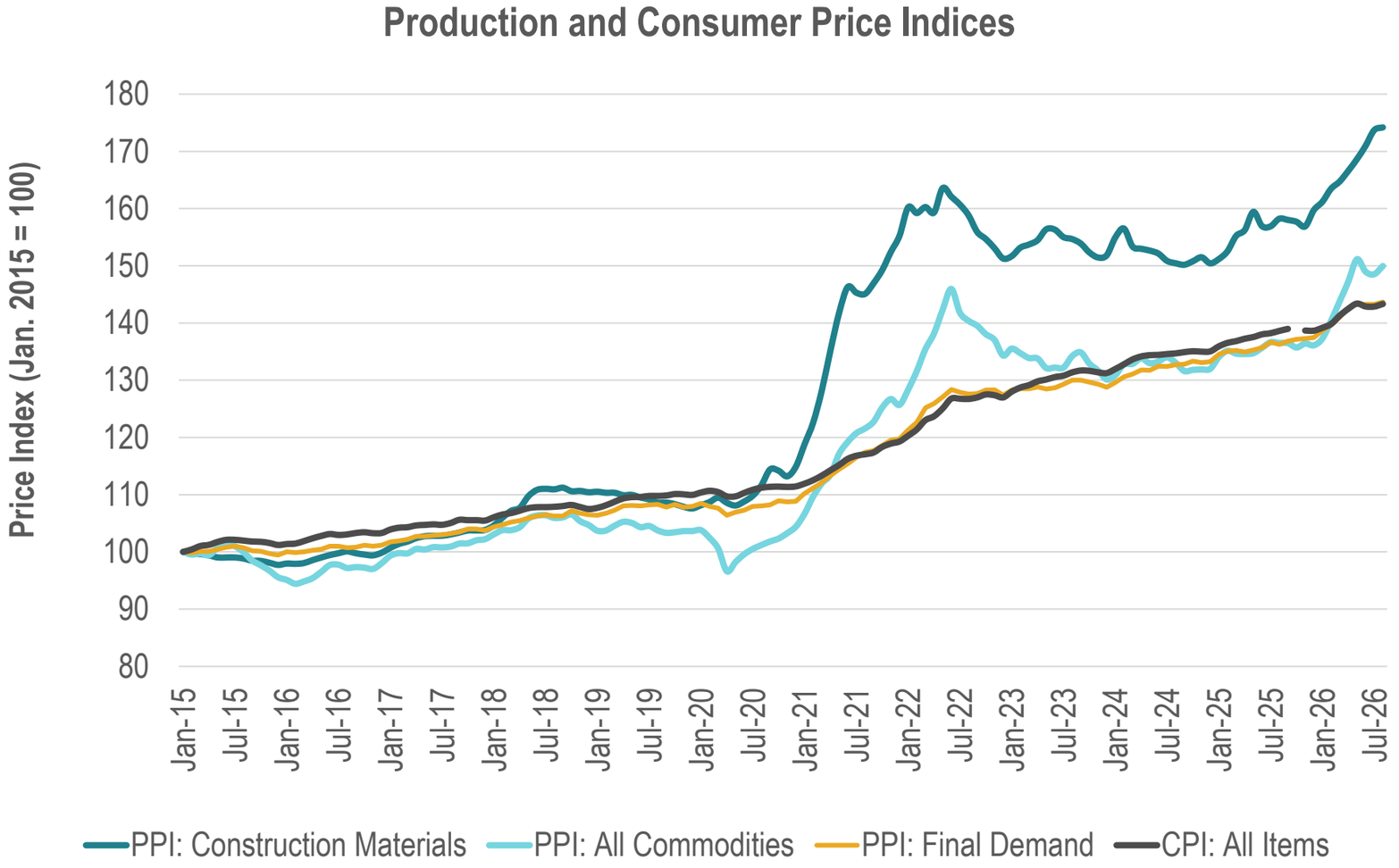
Breakeven inflation data are as of August 2026; U Mich data are as of September 2026.
Note: The breakeven inflation rate is calculated by subtracting the yield on treasury inflation-protected securities (TIPS) from the yield on non-protected securities; inflation at this rate equalizes real yields on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

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Monthly Final Demand and All Commodities PPI Rose 0.3% and 1.0%, Respectively

Construction Materials PPI Rose by 0.3% MoM and 10.1% Over the Past Year



August 2026 Producer Price Index	Monthly	Trailing 12-Month	10-Yr Annual Avg
PPI: Construction Materials	0.3%	10.1%	5.7%
PPI: All Commodities	1.0%	9.9%	4.4%
PPI: Final Demand	0.3%	5.4%	3.6%
CPI: All Items	0.3%	3.4%	3.4%

Data are as of August 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

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Interest Rates

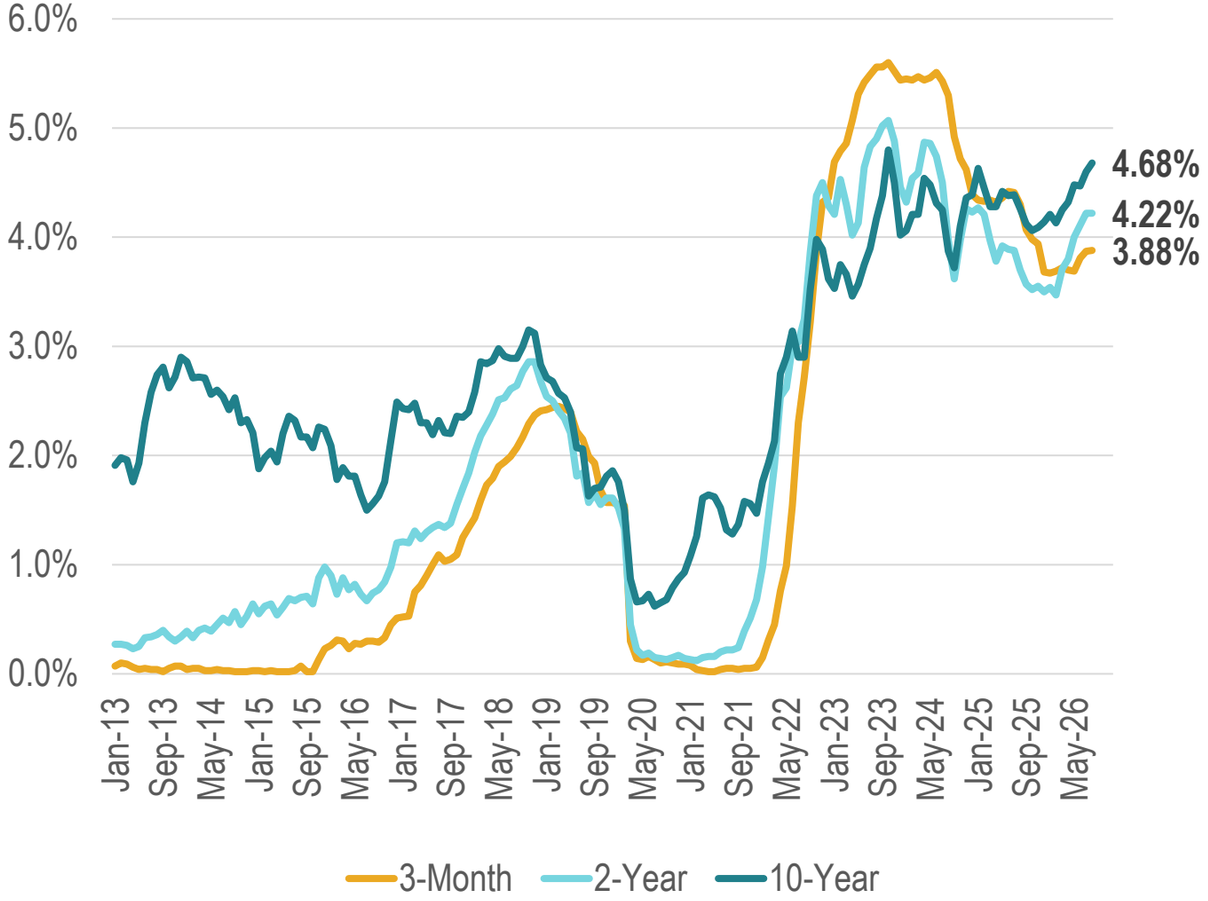
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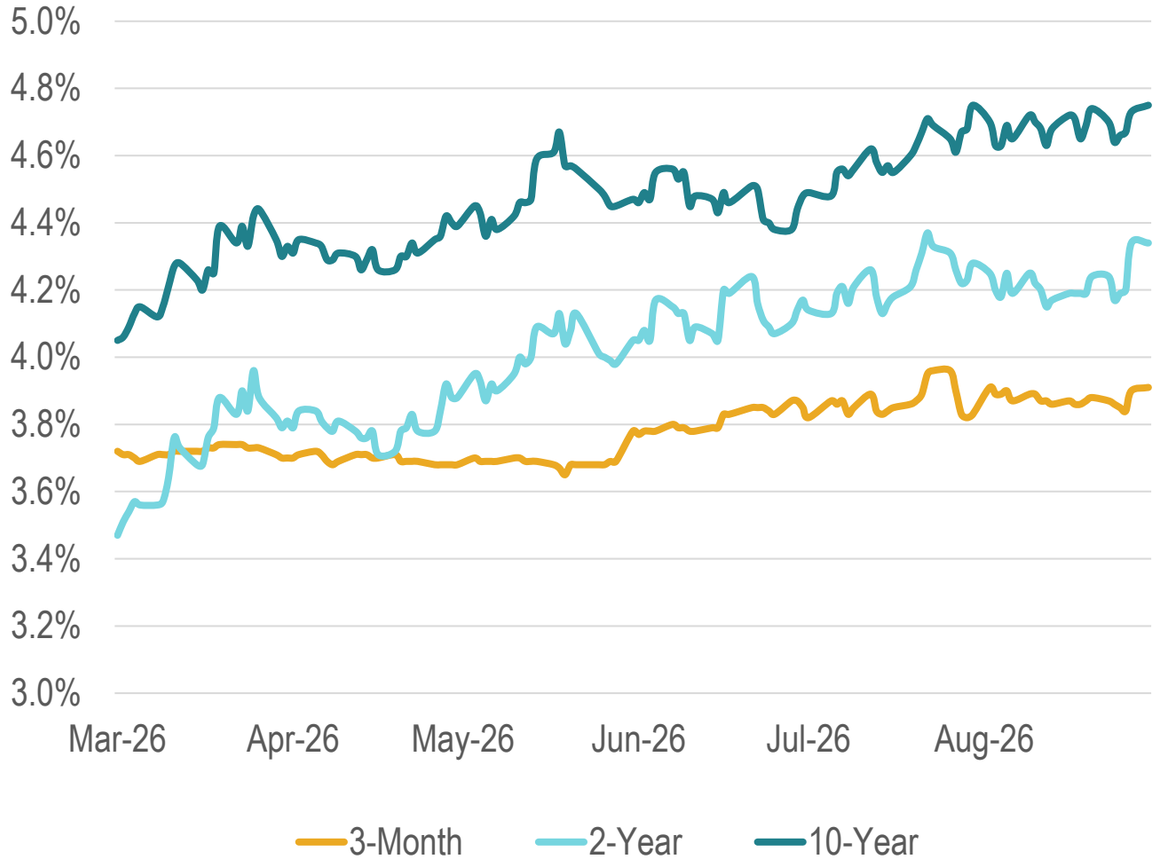
Monthly Average 10-Year US Treasury Yields Continued Rising in August

2-Year and 3-Month Yields Remained More Stable

US Treasury Yields (Monthly Averages)



US Treasury Yields (Daily)



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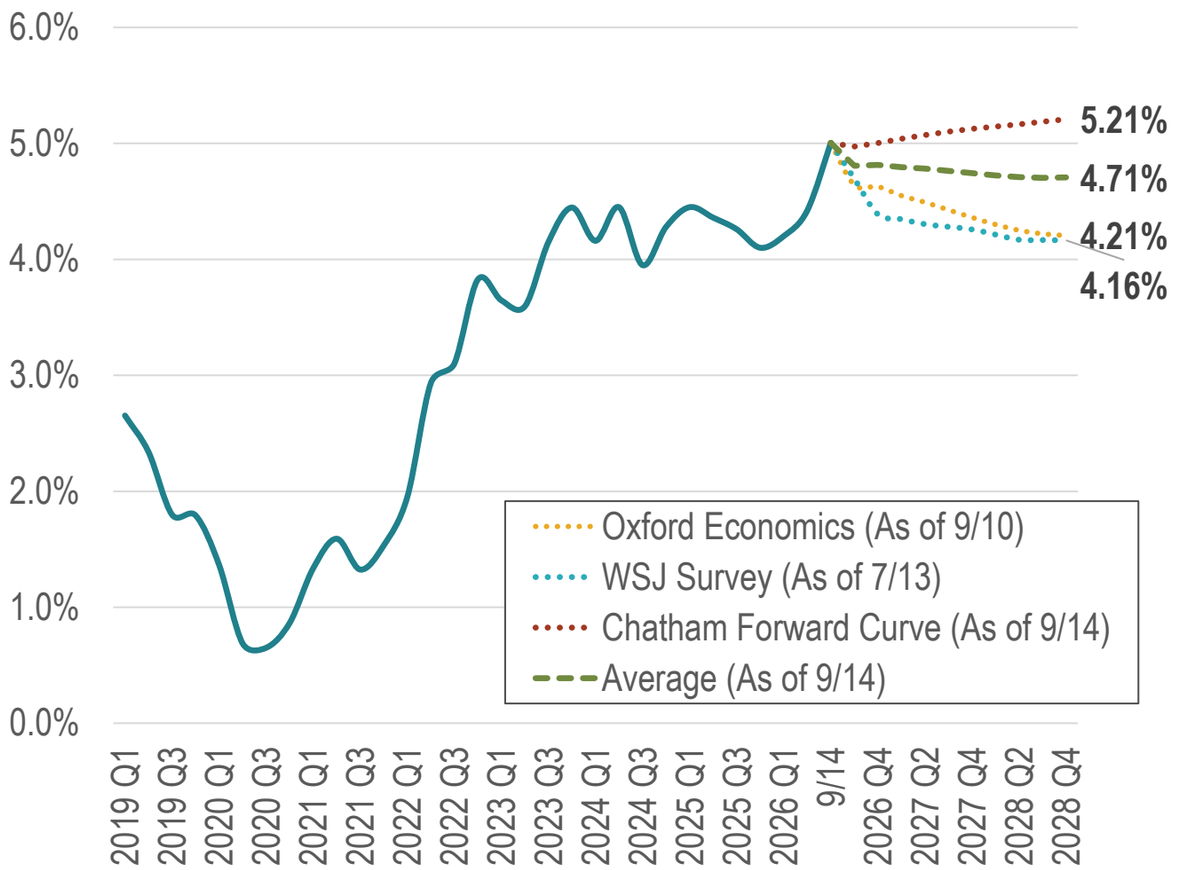
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Data are as of August 31, 2026.
Source: The Federal Reserve

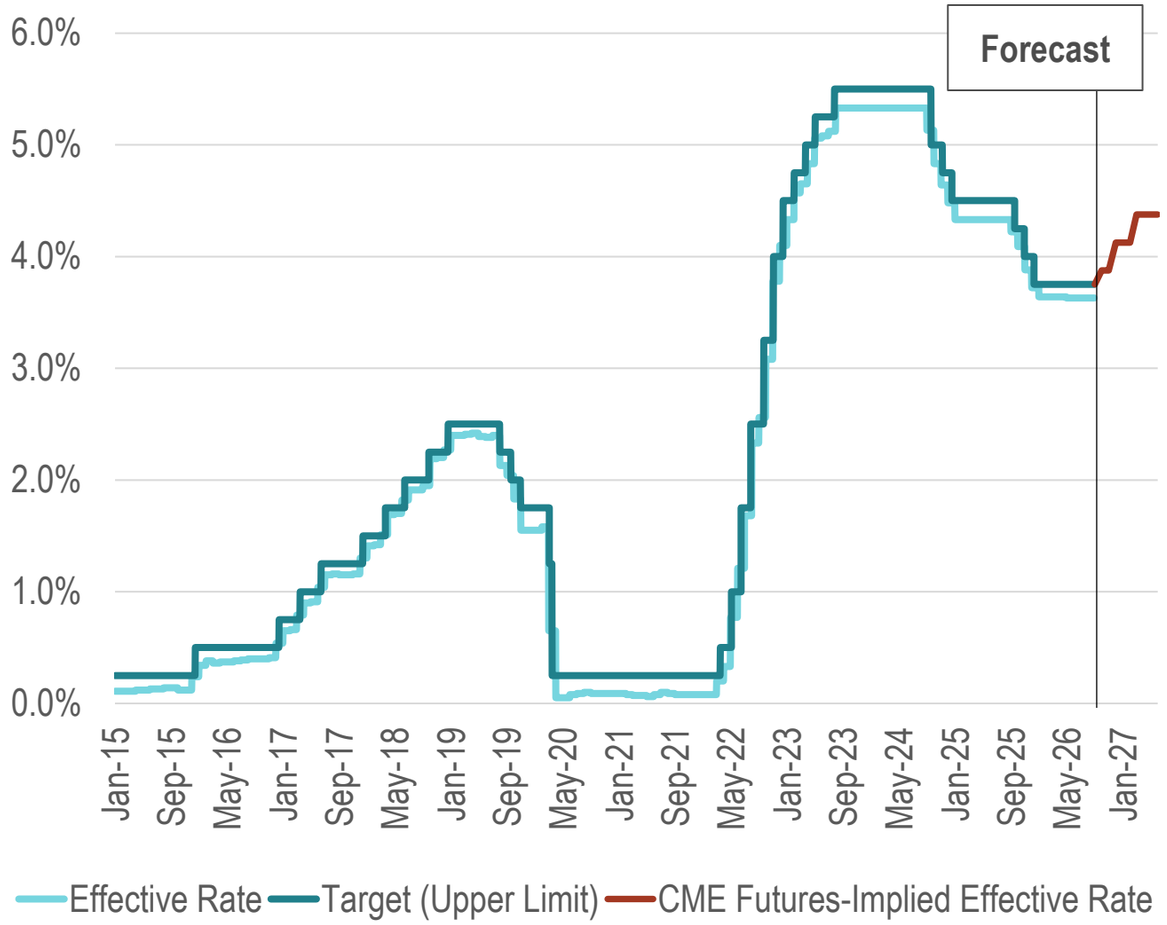
10-Year UST Yields Are Forecast to Remain Elevated Through 2028

The Fed Is Expected to Raise Rates at Its September Meeting

10-Year US Treasury Yield and Forecasts



Federal Funds Rate



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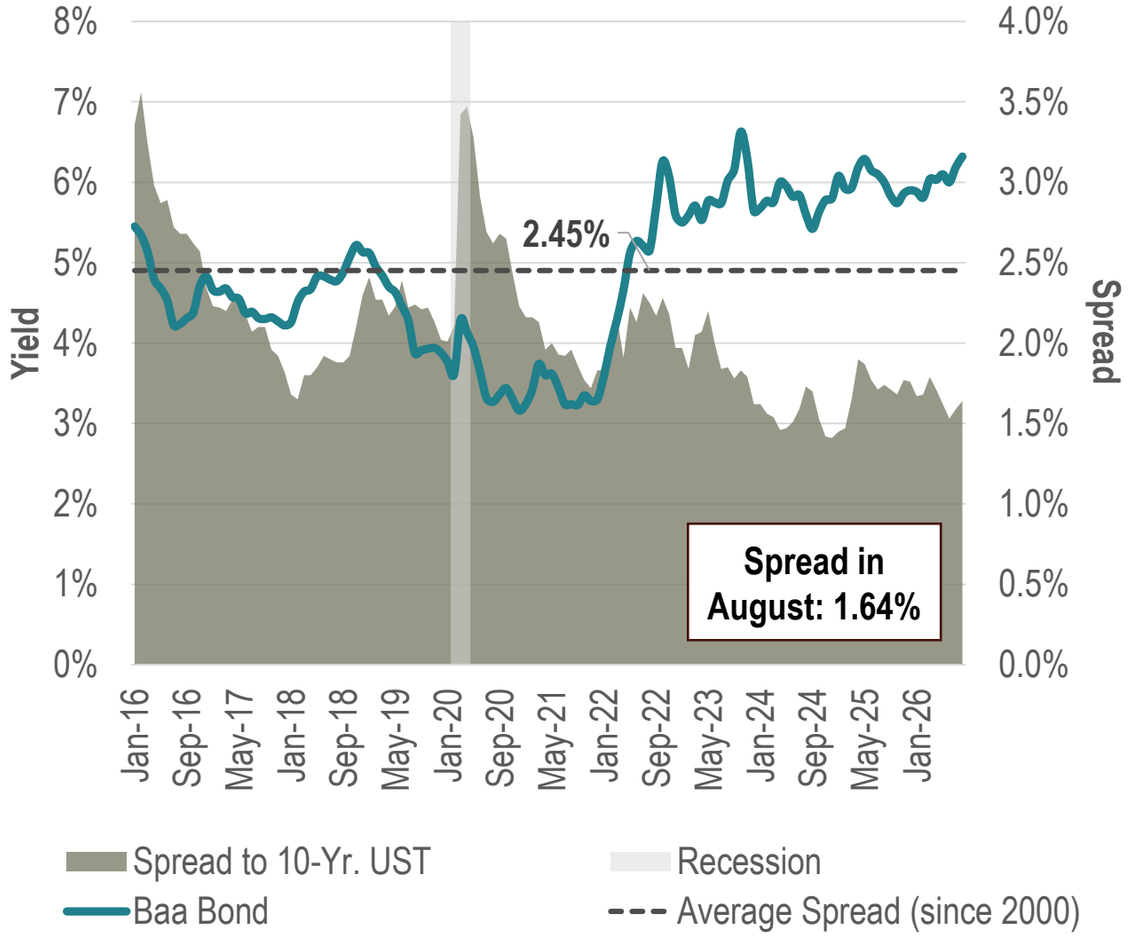
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Source: The Federal Reserve; Chatham Financial; CME Group; Oxford Economics; Yahoo Finance; The Wall Street Journal

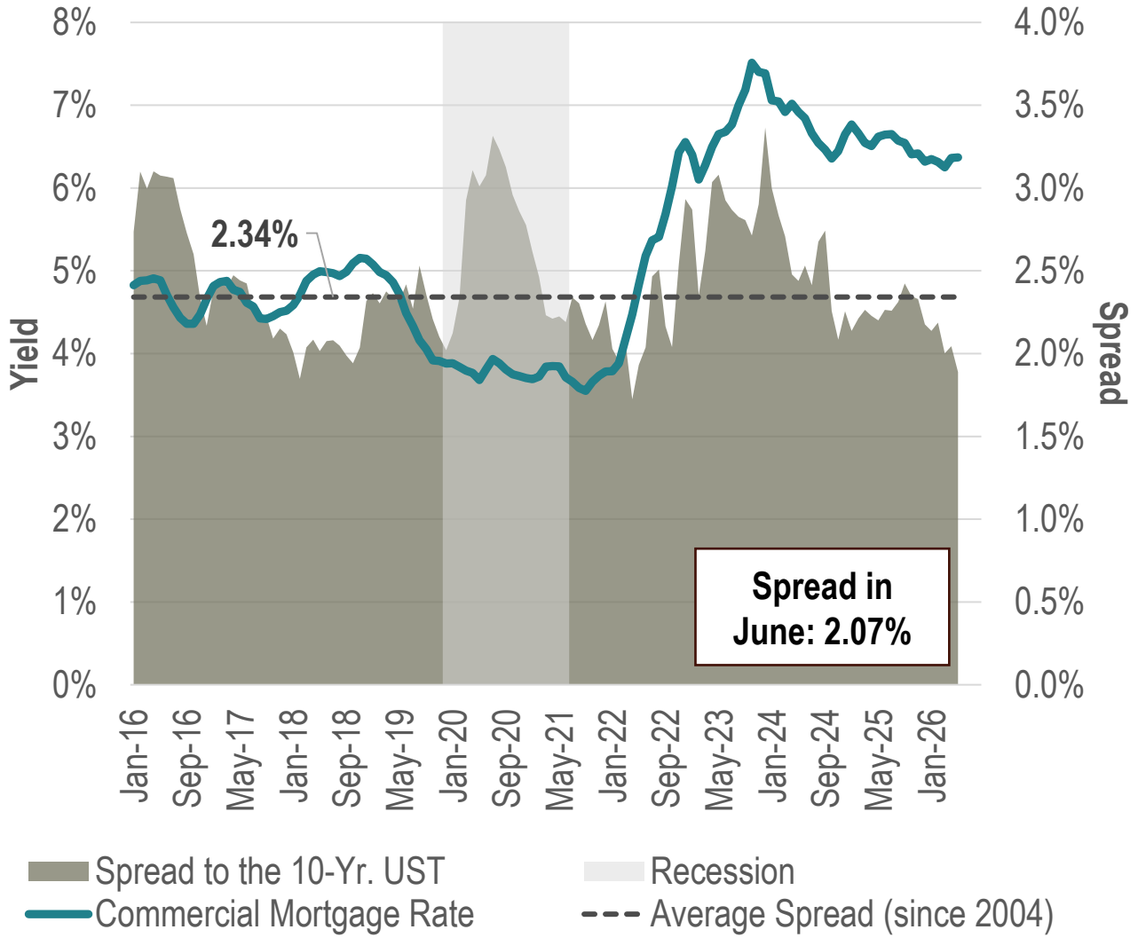
Baa Corporate Bond Yields Rose 13 bps to 6.3% in August

Average Commercial Mortgage Rates Rose 17 bps MoM to 6.5% in June

Corporate Bond Yields (Monthly Averages)



Commercial Mortgage Rates (Monthly Averages)



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

Employment

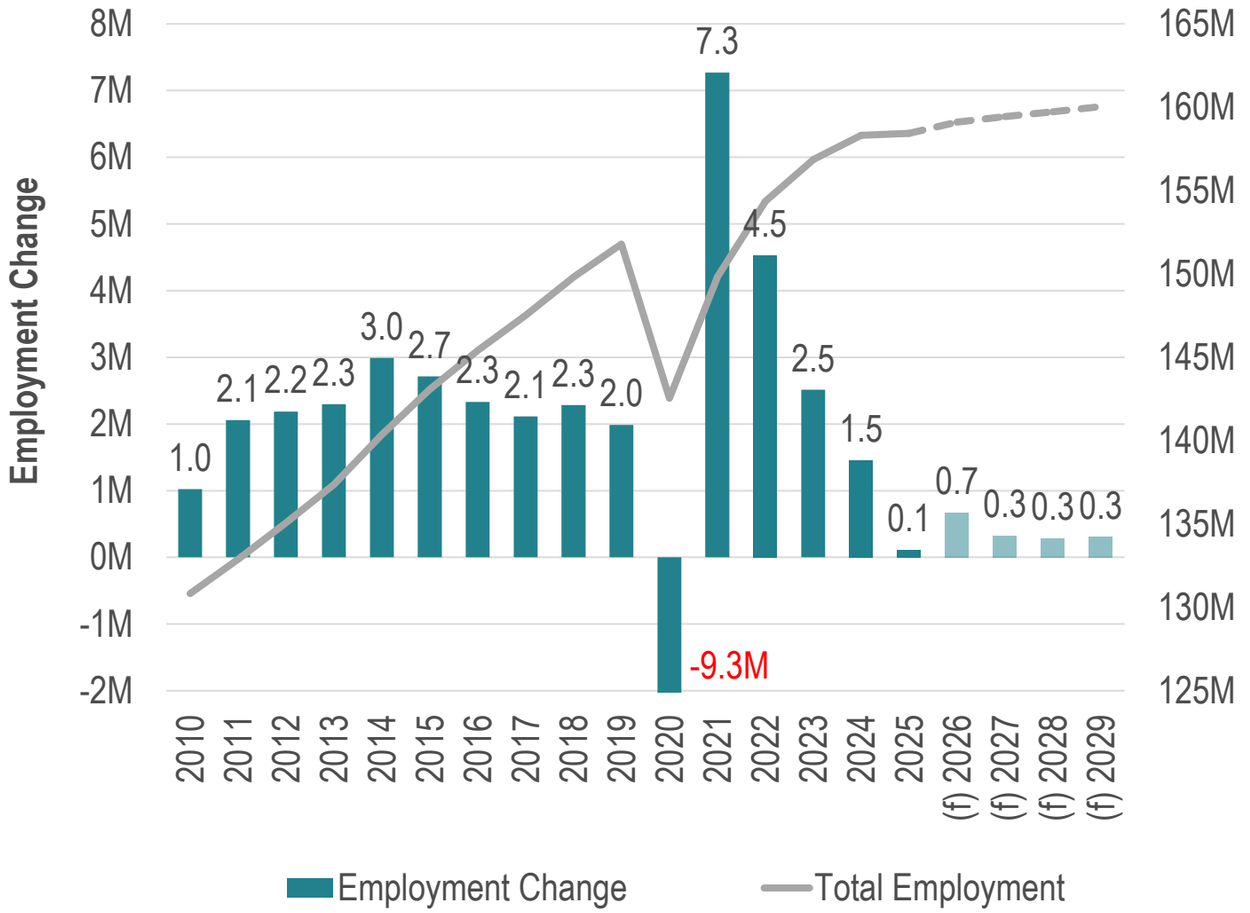
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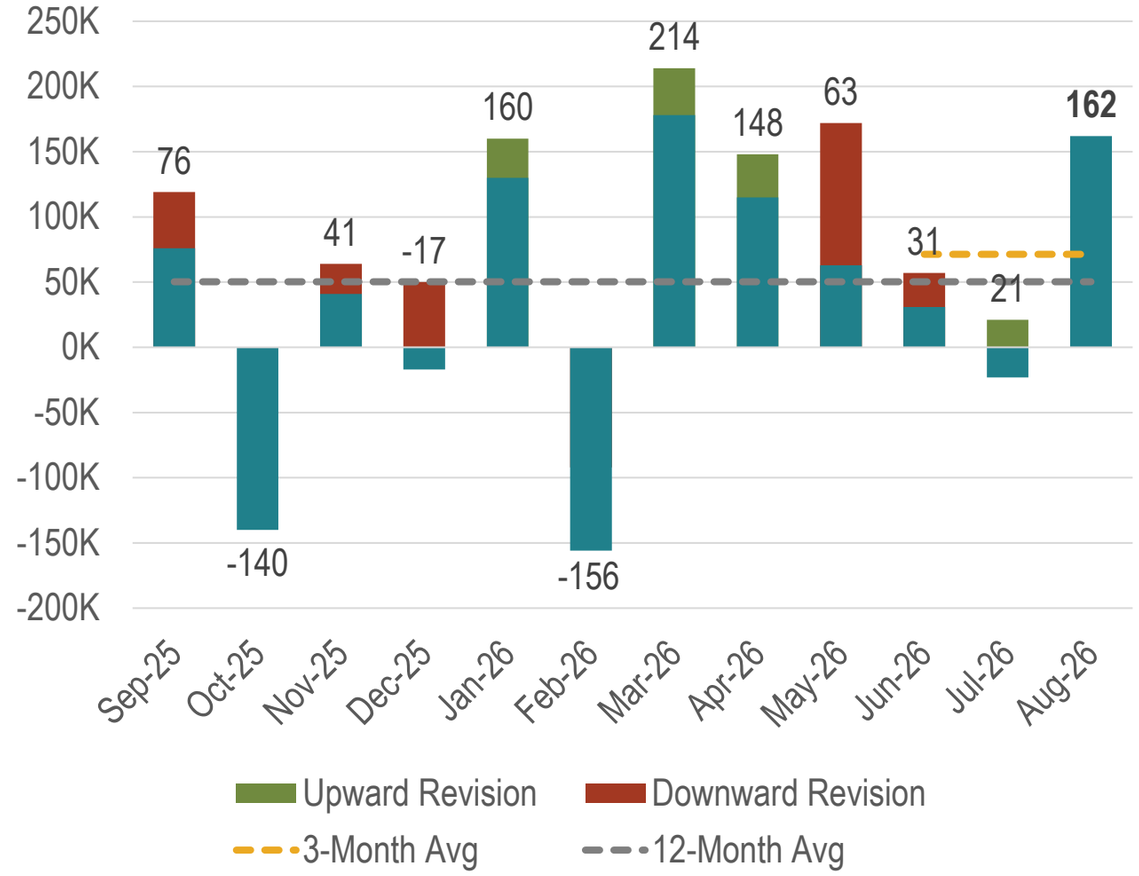
Employment Increased by 162K in August, Well Above the Trailing Year Average

Weak Employment Growth Is Forecast Over the Next Several Years

Total Non-Farm Employment



Monthly US Employment Growth with Revisions



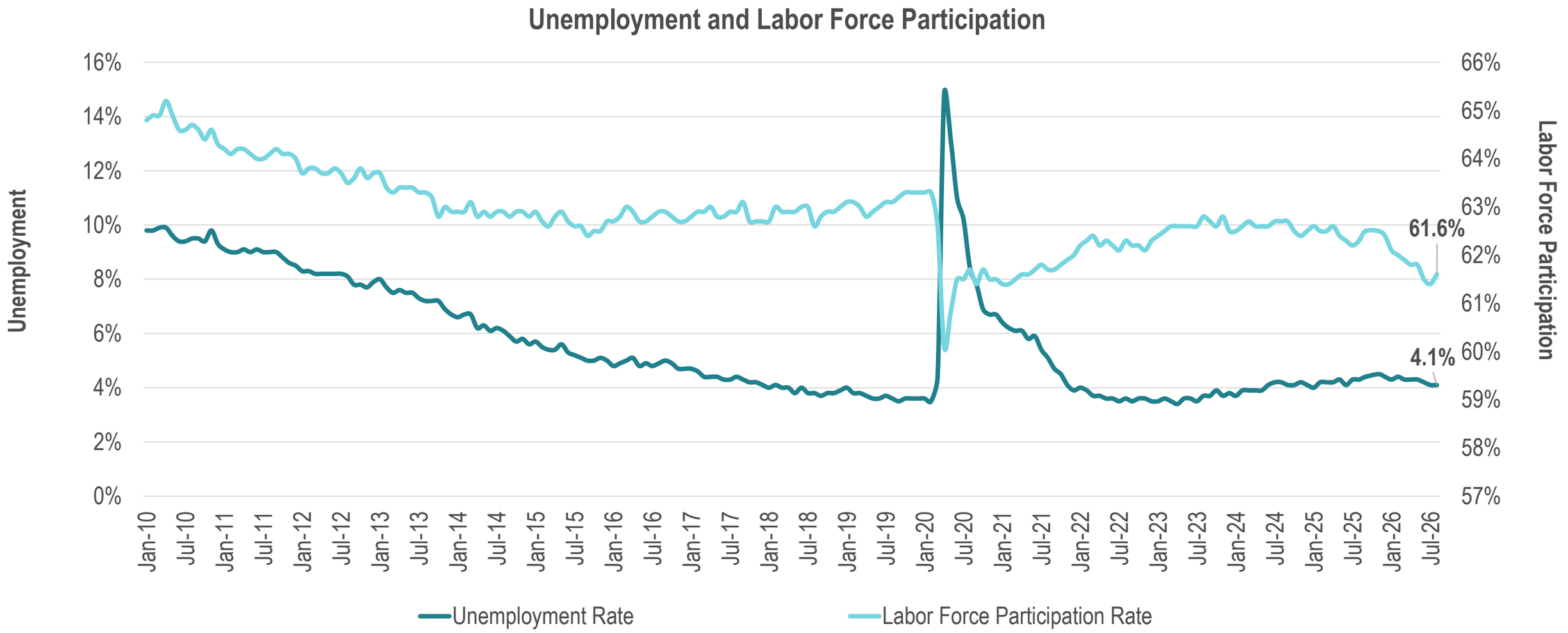
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Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics

The Unemployment Rate Held Steady at 4.1%

The Labor Force Participation Rate Rose 20 bps to 61.6%



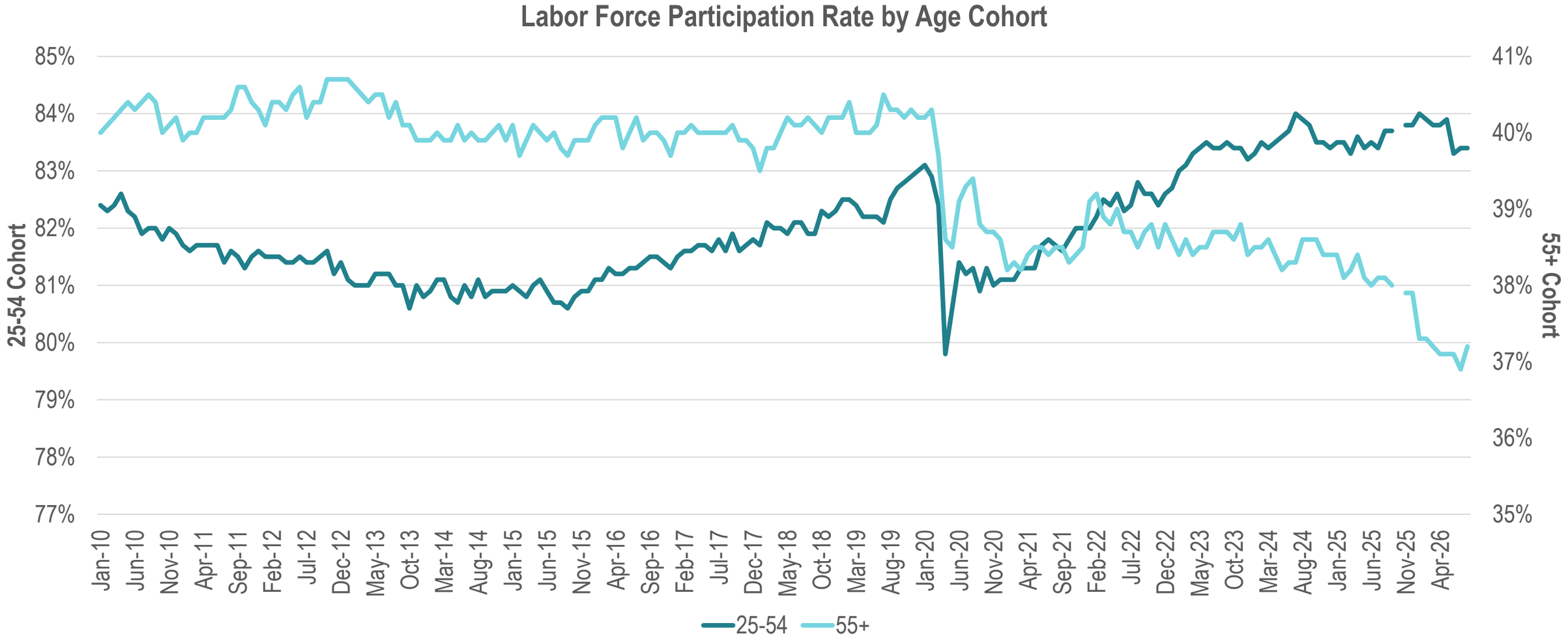
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Source: U.S. Bureau of Labor Statistics; U.S. Census Bureau; Federal Reserve Bank of St. Louis

Labor Force Participation Has Diverged by Age Since COVID

Prime-Age Participation Remains Above Pre-COVID Levels While 55+ Participation Has Declined



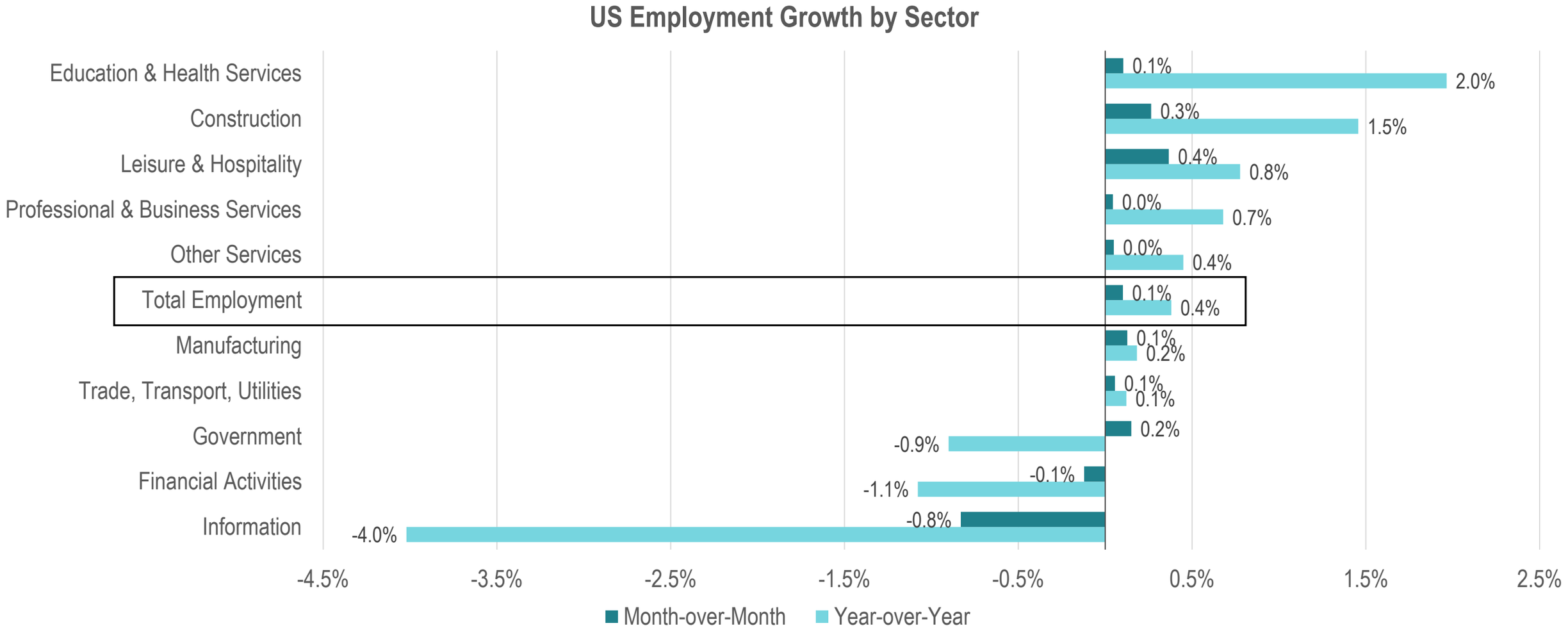
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Data are as of August 2026.
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

Total Employment Growth Rose 0.1% MoM and 0.4% Over the Last Year

Monthly Employment Grew Across Most Sectors, Except for Information and Financial Activities



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

Annual Wage Growth Fell 10 bps to 3.1%, Trailing Annual Inflation

Annualized 3-Month Wage Growth Rose 20 bps to 2.8%



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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 for Midwest Markets

30 Largest Employment Markets

	Employment Change	
	Jul. 25 - Jul. 26	2026 - 2030 Forecast (CAGR)
Austin	1.7%	1.0%
Dallas-Fort Worth	1.3%	0.8%
Orlando	1.1%	0.7%
Phoenix	1.2%	0.7%
Inland Empire	0.8%	0.6%
Nashville	1.6%	0.6%
San Antonio	0.9%	0.6%
Charlotte	1.4%	0.6%
Houston	1.5%	0.6%
Denver	0.3%	0.6%
Seattle	0.8%	0.5%
Atlanta	-0.1%	0.5%
Tampa	0.6%	0.5%
Miami	0.5%	0.4%
SF/Oakland	0.2%	0.4%
San Diego	0.5%	0.3%
Portland	-1.4%	0.3%

	Employment Change	
	Jul. 25 - Jul. 26	2026 - 2030 Forecast (CAGR)
Columbus	-0.8%	0.3%
Washington DC	-2.2%	0.3%
Los Angeles	0.8%	0.2%
New York	1.0%	0.2%
Minneapolis	1.4%	0.2%
Boston	0.4%	0.1%
Cincinnati	1.0%	0.1%
Philadelphia	0.7%	0.1%
Baltimore	-0.1%	0.1%
Saint Louis	0.5%	0.0%
Chicago	0.2%	0.0%
Detroit	0.2%	0.0%
Pittsburgh	0.0%	-0.1%

Midwest Markets
Gateway Markets
Sunbelt Markets

Data are as of July 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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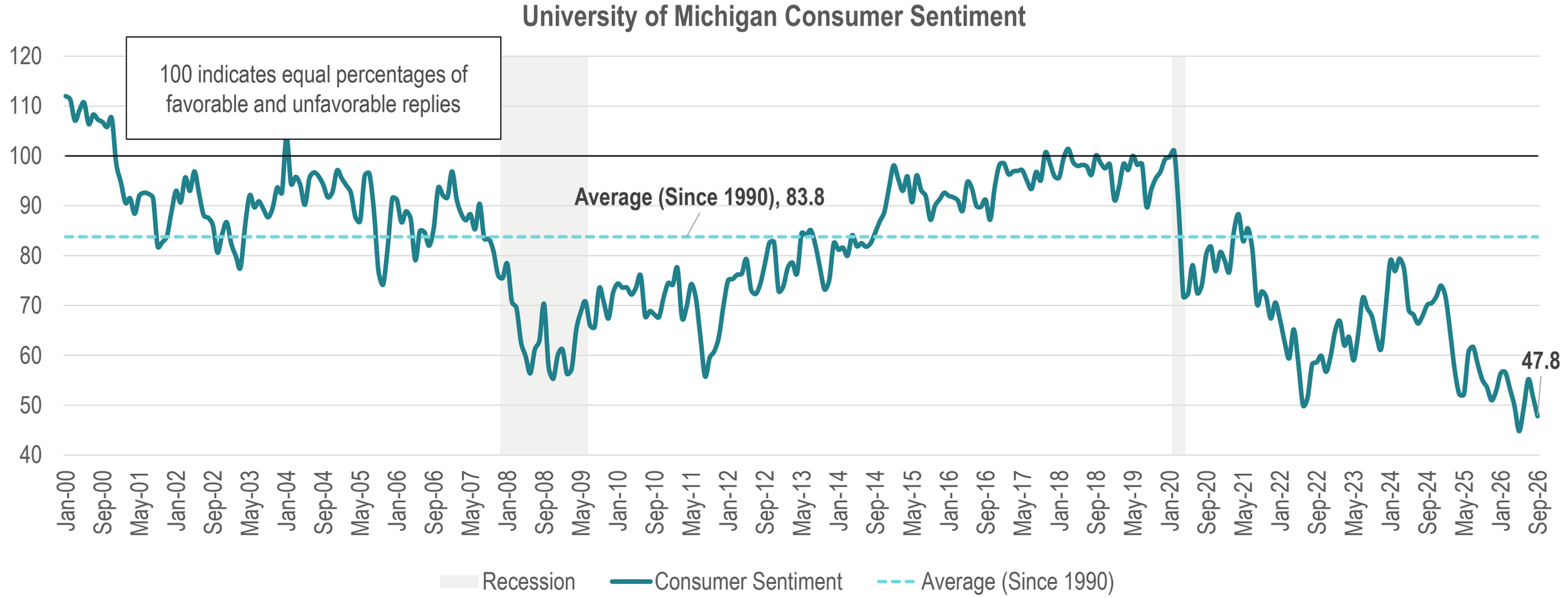
Sentiment & Retail Sales

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Consumer Sentiment Fell to Near the All-Time Low in September

Sentiment Fell Due to the Reacceleration of Fuel Prices and Trade Tensions



Data are as of September 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.

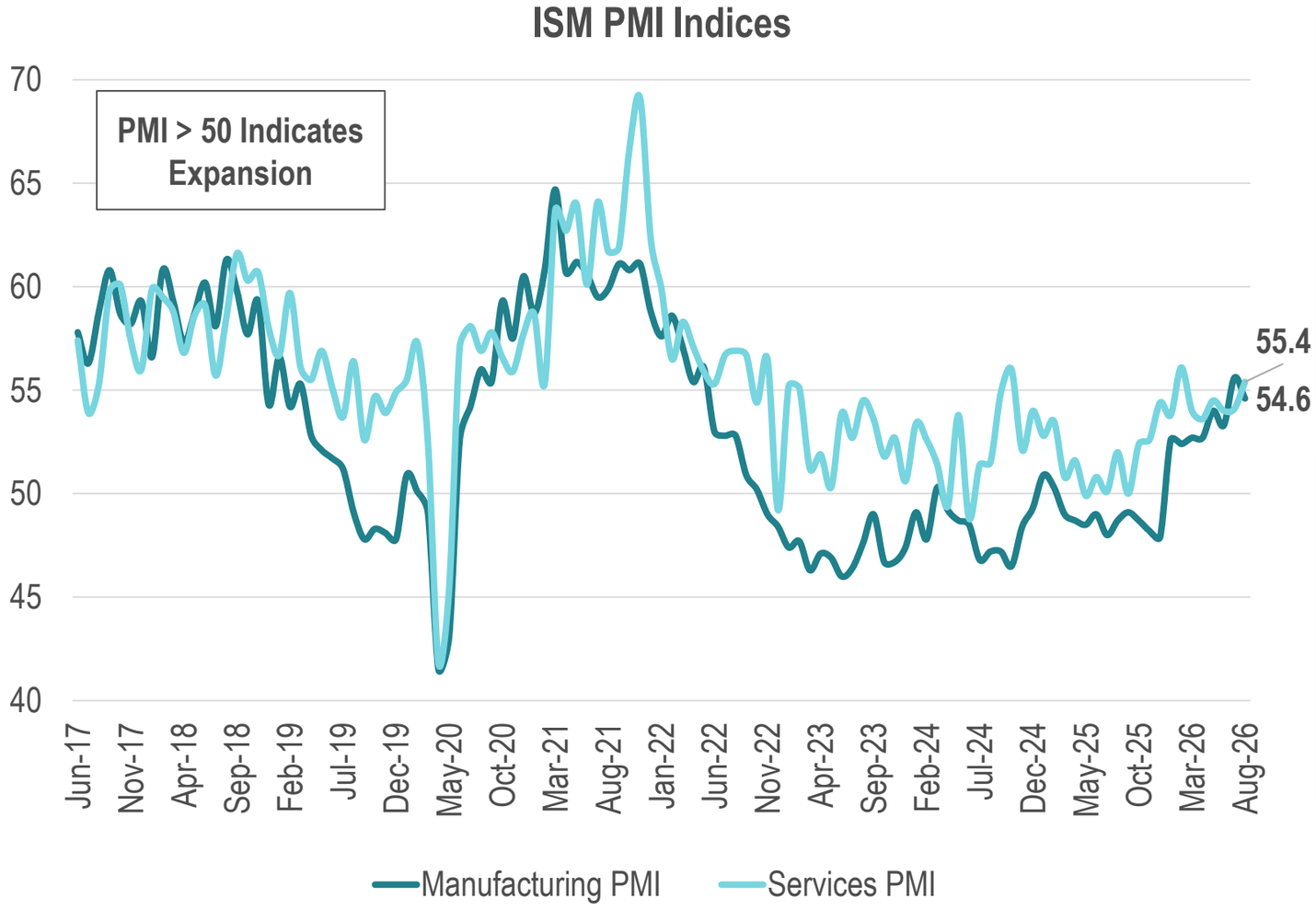
Source: University of Michigan; Federal Reserve Bank of St. Louis

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ISM PMIs Remained in Expansion

Services PMI Rose MoM While Manufacturing PMI Fell Slightly



Manufacturing PMI Components	Series Index August	MoM Change	Weight
New Orders	53.7	-3	20%
Production	58.3	-0.2	20%
Employment	51.2	-1.6	20%
Supplier Deliveries	59.3	0.4	20%
Inventories	50.6	-0.6	20%

Services PMI Components	Series Index August	MoM Change	Weight
Business Activity	61.7	2.6	25%
New Orders	60.9	3.7	25%
Employment	47.8	0.4	25%
Supplier Deliveries	51.3	-1.5	25%

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

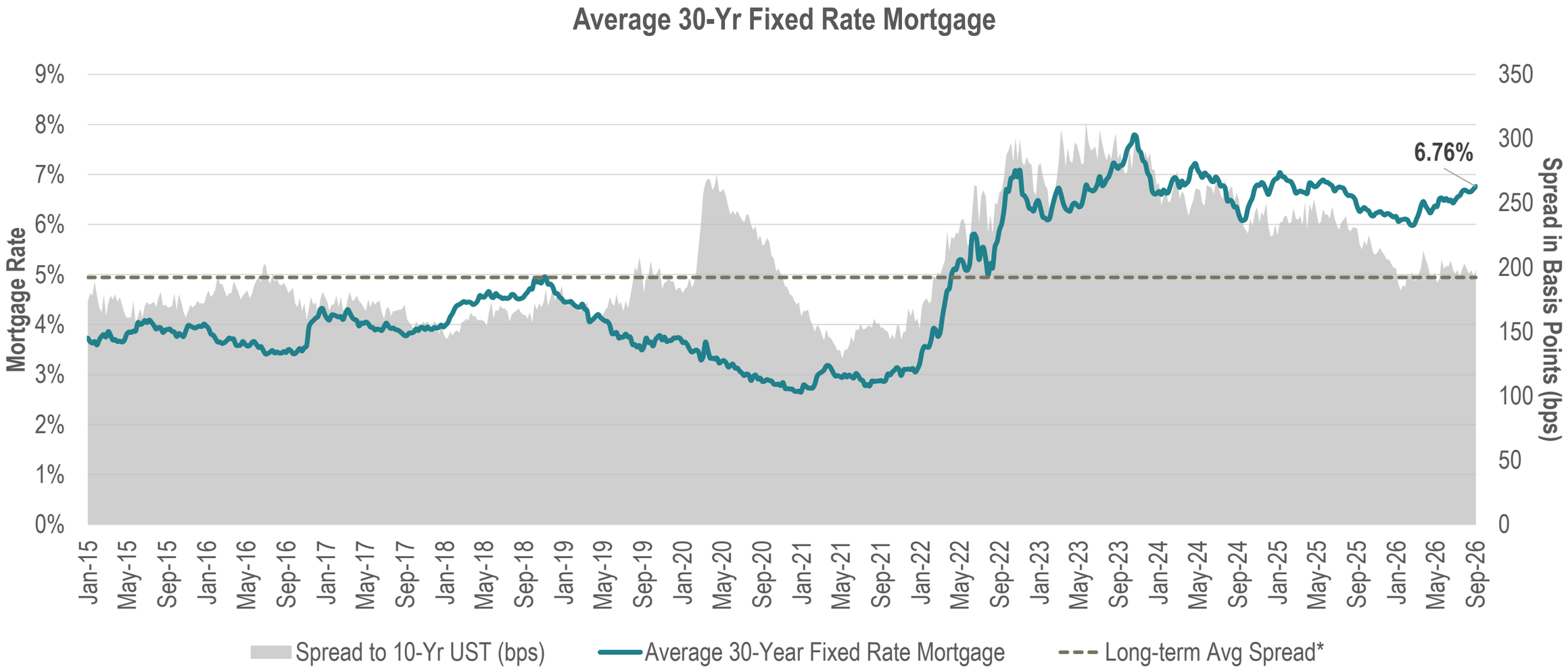
Housing

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Average 30-Year Mortgage Rates Climbed in August and Rose Above 6.7% in Sep.

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



Data are weekly averages as of September 10, 2026.
**The long-term average spread is based on data from 2007 onward.*
Source: Freddie Mac

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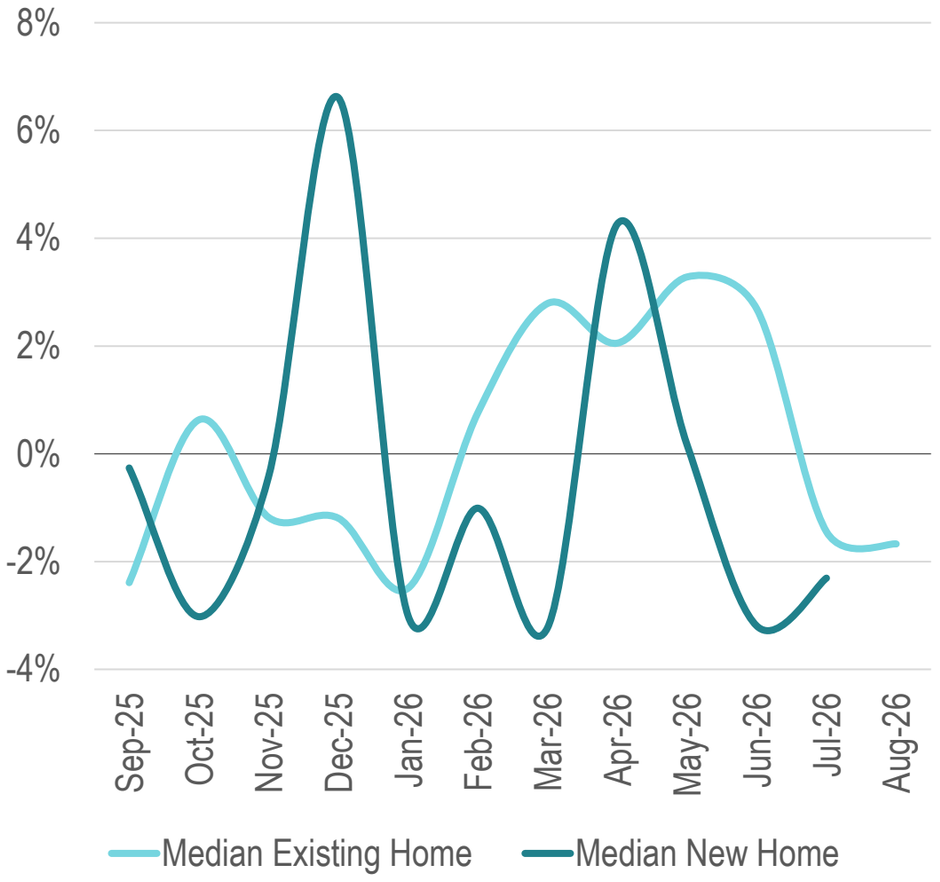
Annual Average Existing Home Prices Rose 1.4% in August

Average New Home Prices Fell 1.0% YoY in July

Change in Annual Average Home Prices



Monthly Change in Home Prices



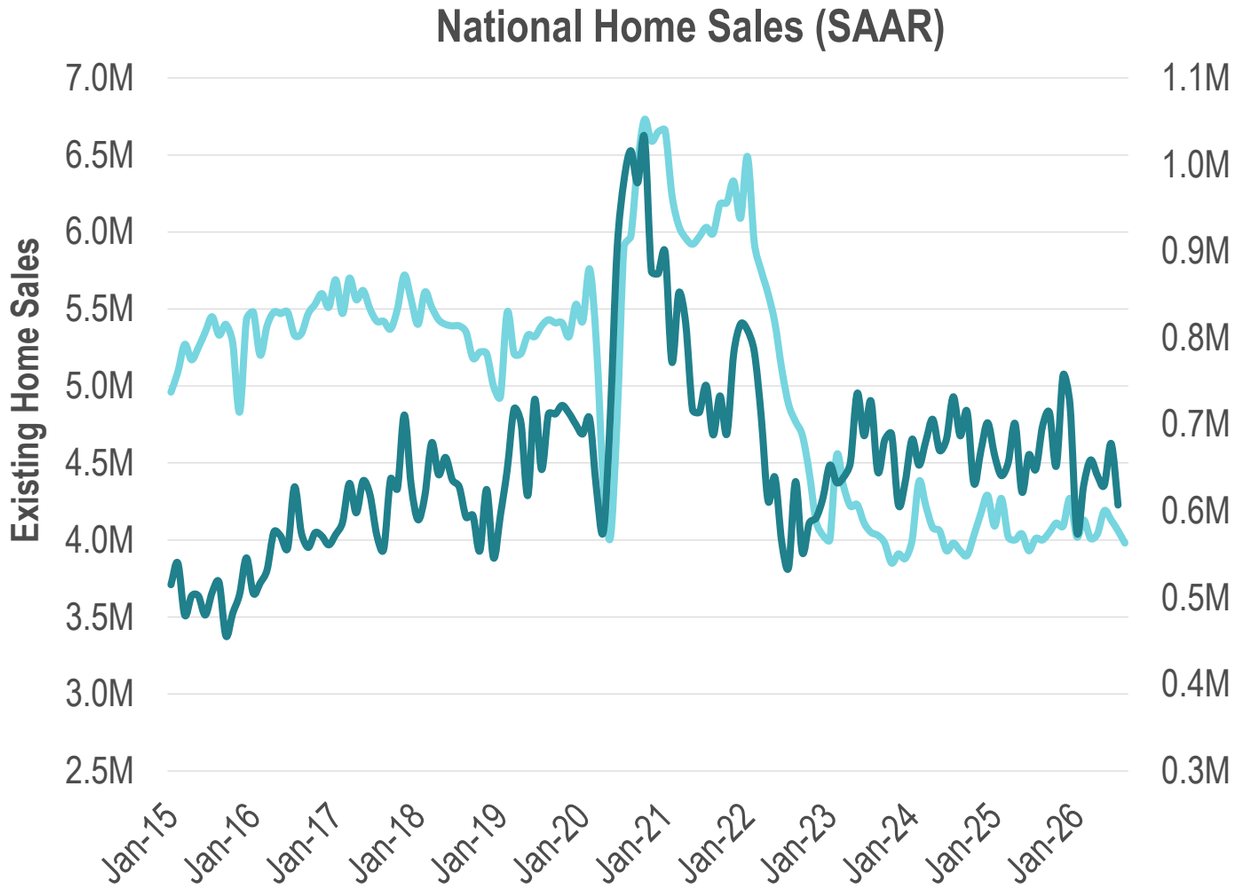
Existing homes data are as of August; new homes data are as of July.
**Reflects year-over-year change in trailing 12-month average median home price.*
Note: Housing data release one month in arrears.
Source: National Association of Realtors; U.S. Census Bureau

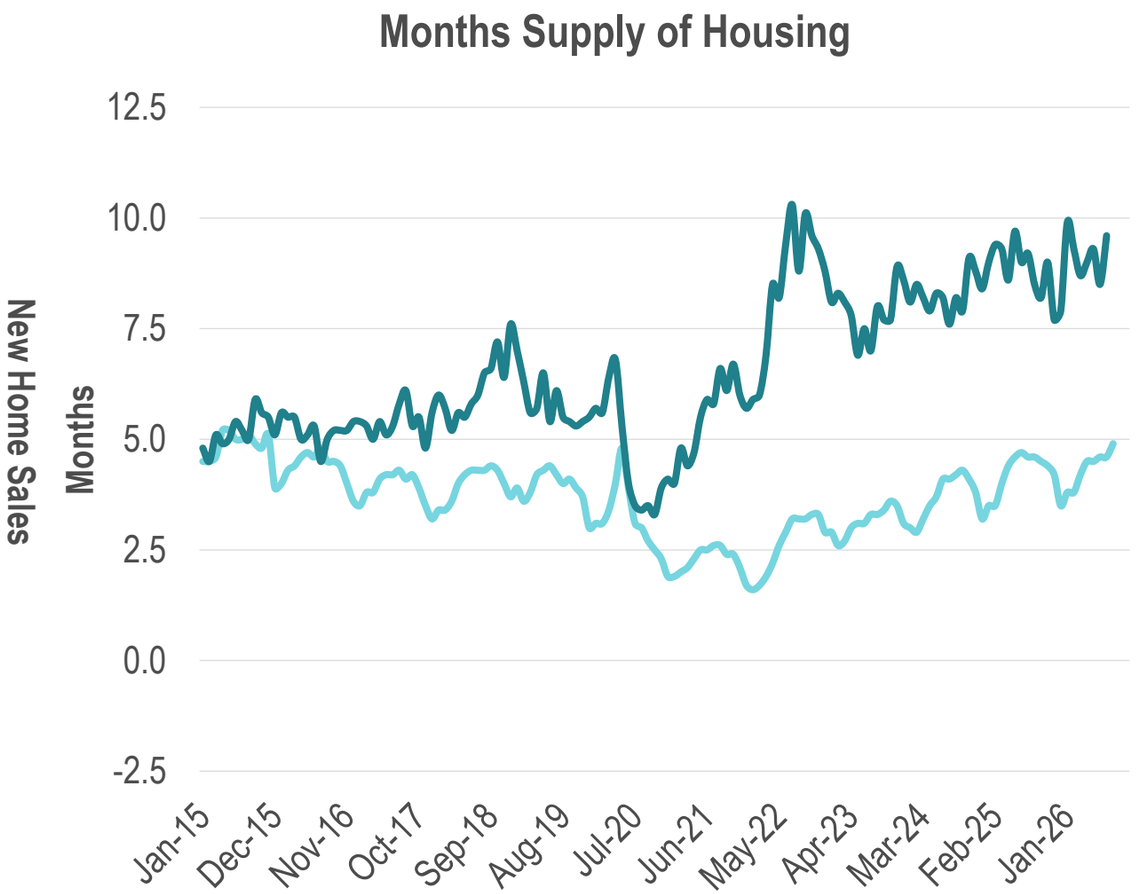
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Monthly Existing Home Sales Fell and Supply Rose in August

New Home Sales Also Fell in July and Inventory Increased







Existing homes data are as of August; new homes data are as of July.

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.

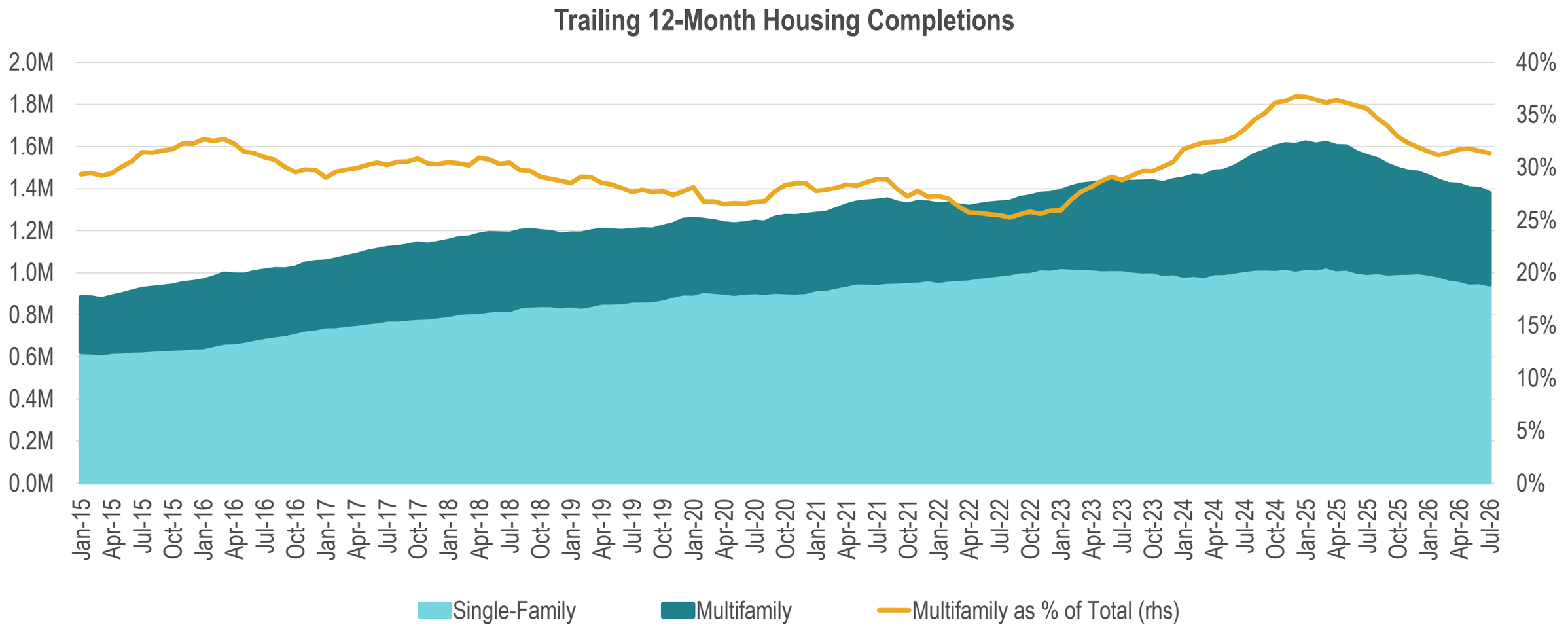
Source: National Association of Realtors; U.S. Census Bureau

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Total Housing Completions Fell 1.4% MoM and 11.3% YoY

Multifamily's Share of Total Completions Fell Slightly to 31%



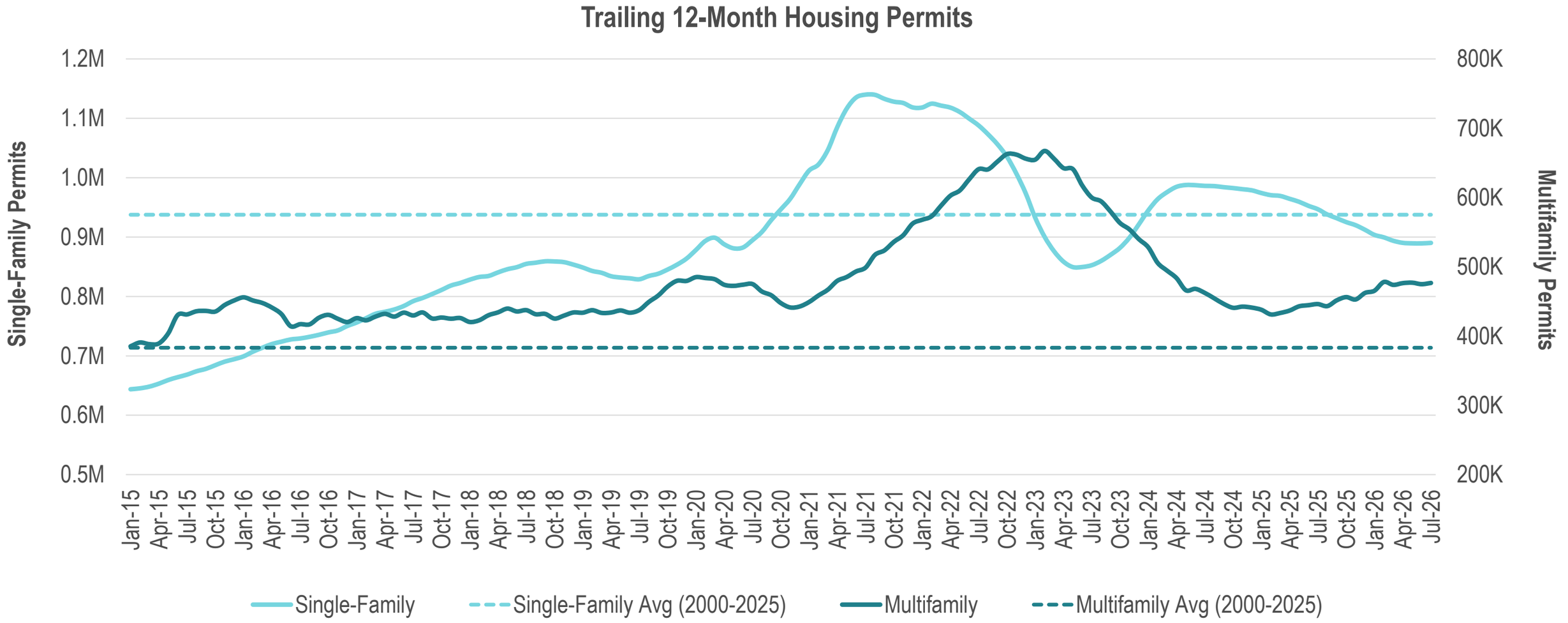
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Data are as of July 2026.
Note: Housing data release one month in arrears.
Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis

Trailing 12-Month Permits Ticked Up for Both Multifamily and Single-Family

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



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Data are as of July 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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