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Q3 2026

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THE ECONOMY

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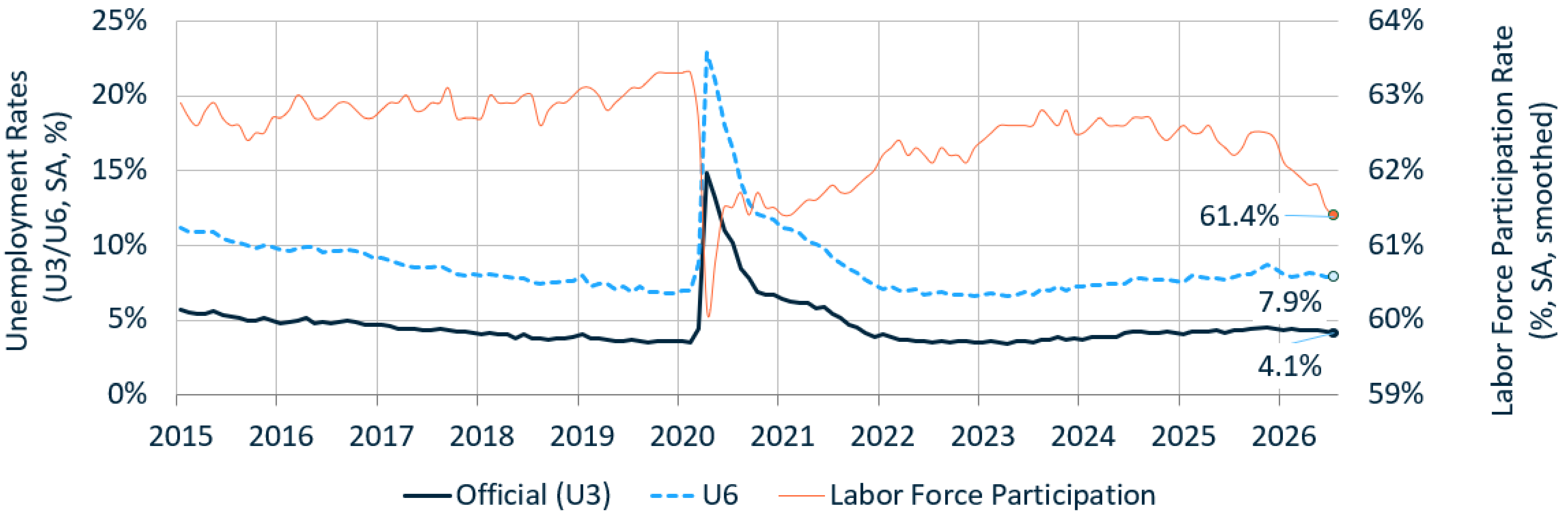
U.S. LABOR MARKETS



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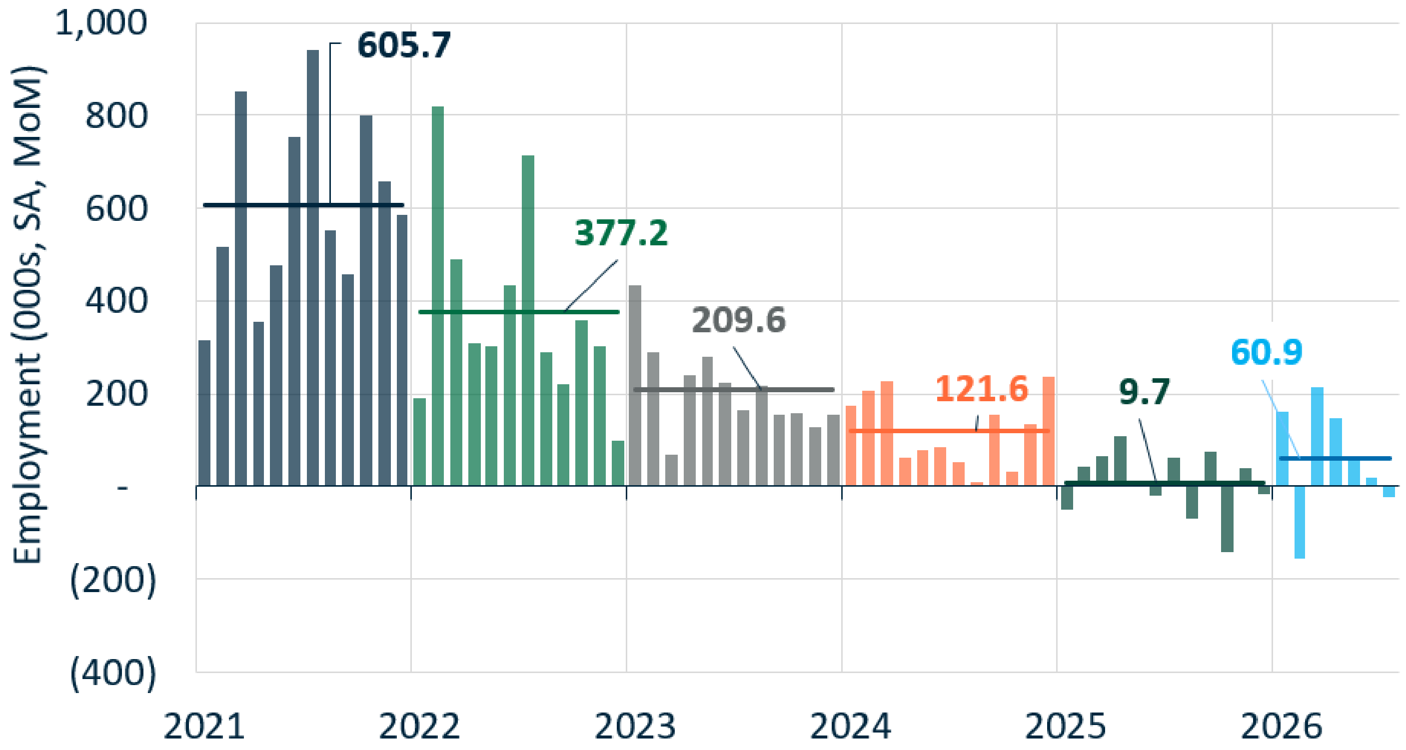
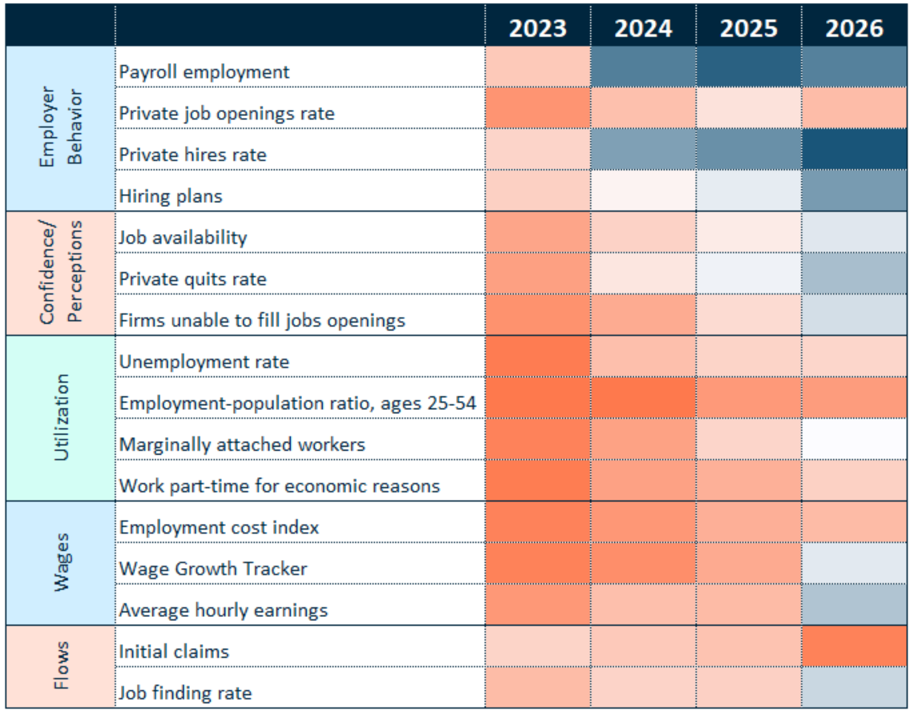
Source: Bureau of Labor Statistics; Trimont Research

U.S. EMPLOYMENT TRENDS



Labor Market Heat Map



Orange = hotter; blue = cooler

Note: July data (3M MA)

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Source: Bureau of Labor Statistics; Federal Reserve Bank of Atlanta; Trimont Research

THE LABOR MARKET: SLOW, SLOWING….?

July Job Gains:
-23,000k
Consensus:
+80,000k

- Unemployment Rate: 4.1% (U3), 7.9% (U6)
- Total unemployment remains virtually flat on a year-ago basis. (12 mo. Avg. +34,000)
- Net revisions for May (-66,000) to 63,000 and June (-37,000) to 20,000
- Marginally attached workers who want a job was little changed little at 1.8MM
- Long term unemployed (27+ weeks) remained virtually unchanged at 1.8MM (25.5% of all unemployed)
- Declines in local government education, retail trade
- Local government education (-50,000)
- Financial activities (-14,000) continuing a downward trend
- Health care (+22,000) but at a slower pace (12 mo. Avg. 36,000)

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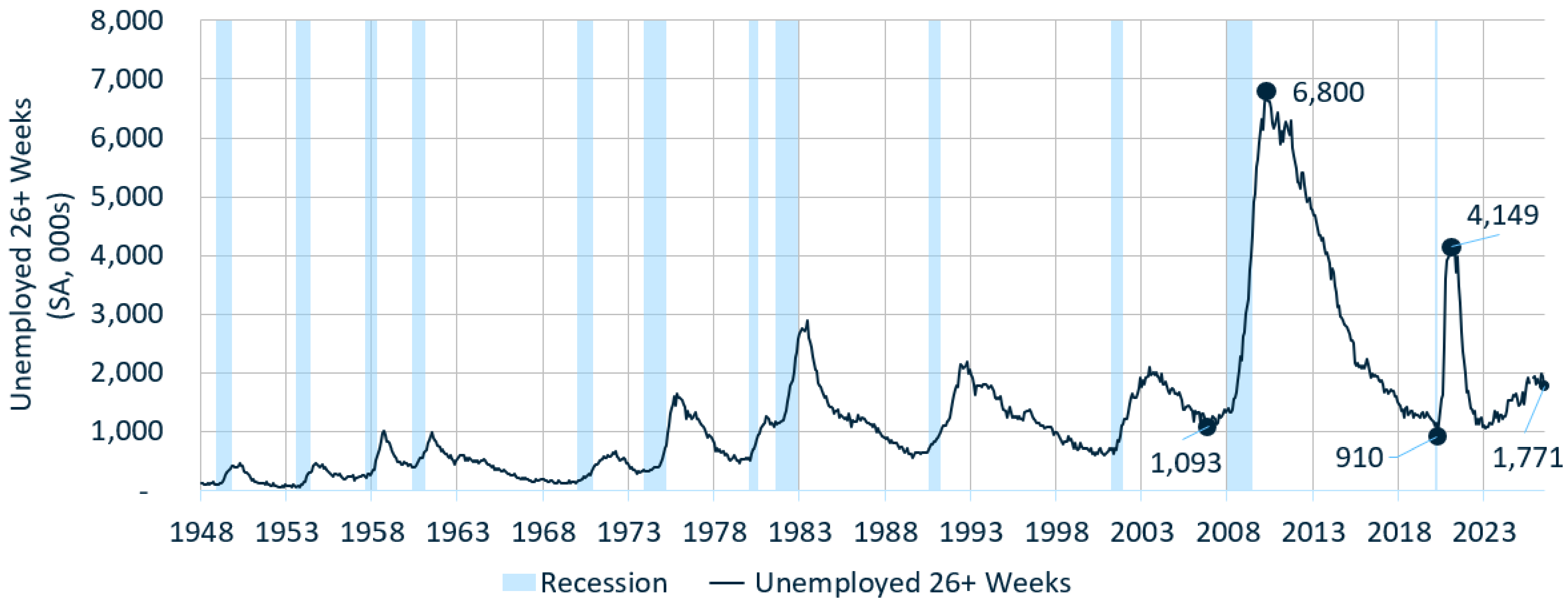
Source: Bureau of Labor Statistics; layoffhedge. (2026). Trimont Research

U.S. LONG-TERM UNEMPLOYMENT



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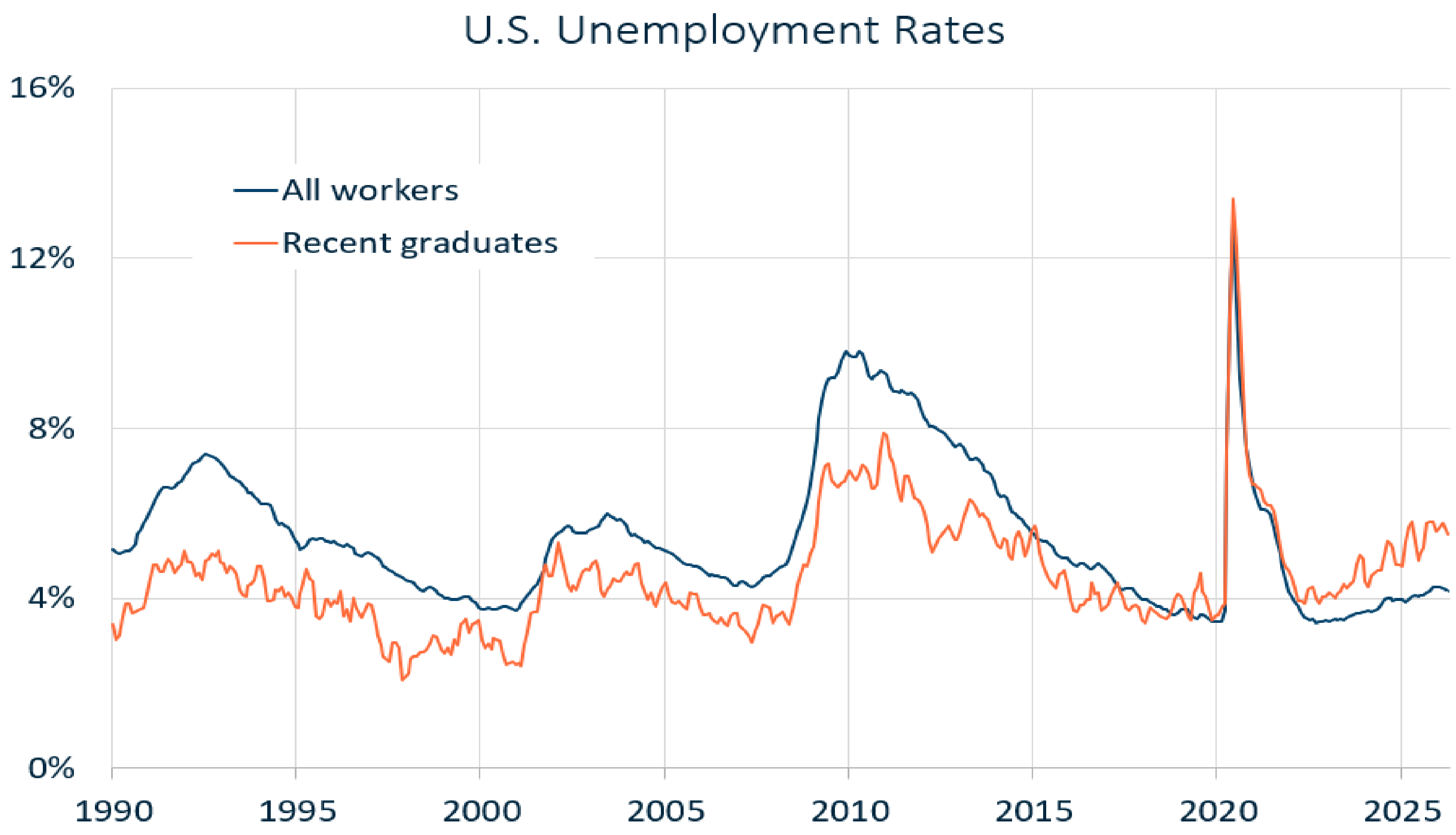
Source: Bureau of Labor Statistics; Trimont Research

RECENT GRADUATE BLUES



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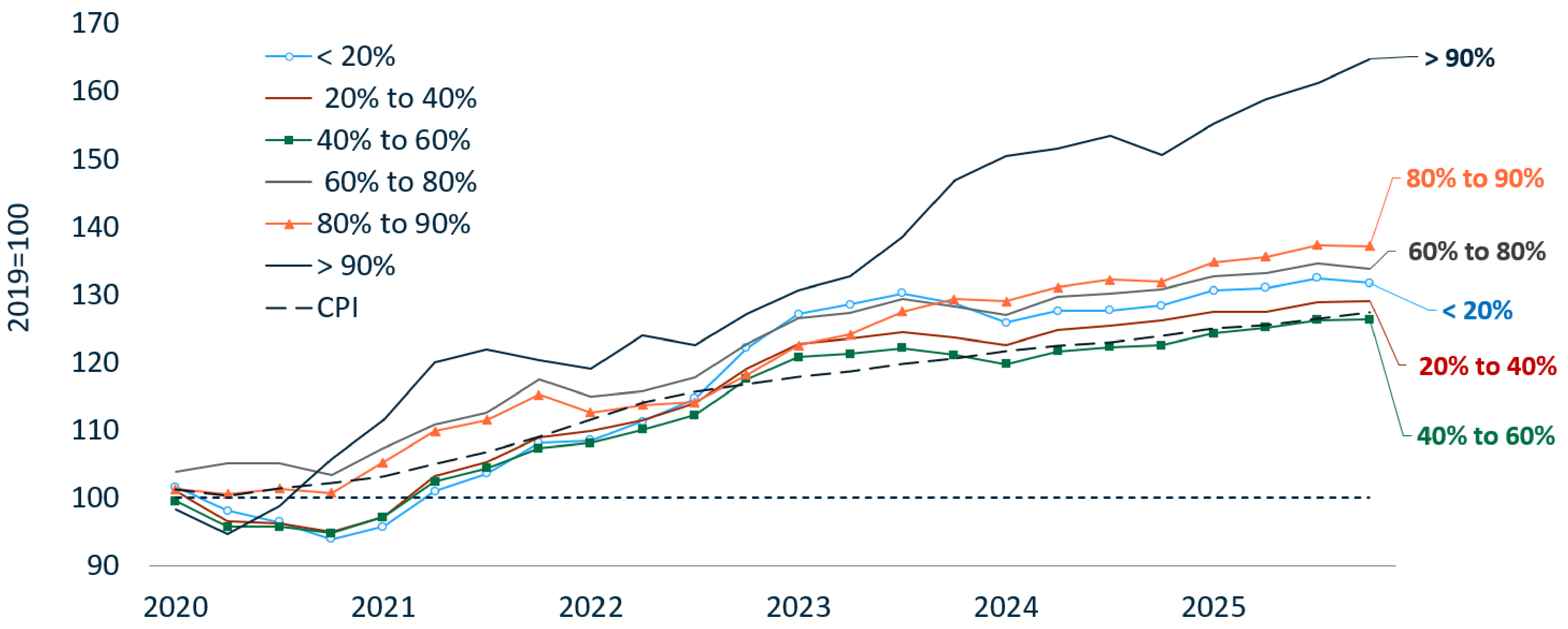
Source: U.S. Census Bureau and U.S. Bureau of Labor Statistics, Current Population Survey (IPUMS)/Federal Reserve Bank of New York; Trimont Research

INCOME GROWTH: K-SHAPED RECOVERY?



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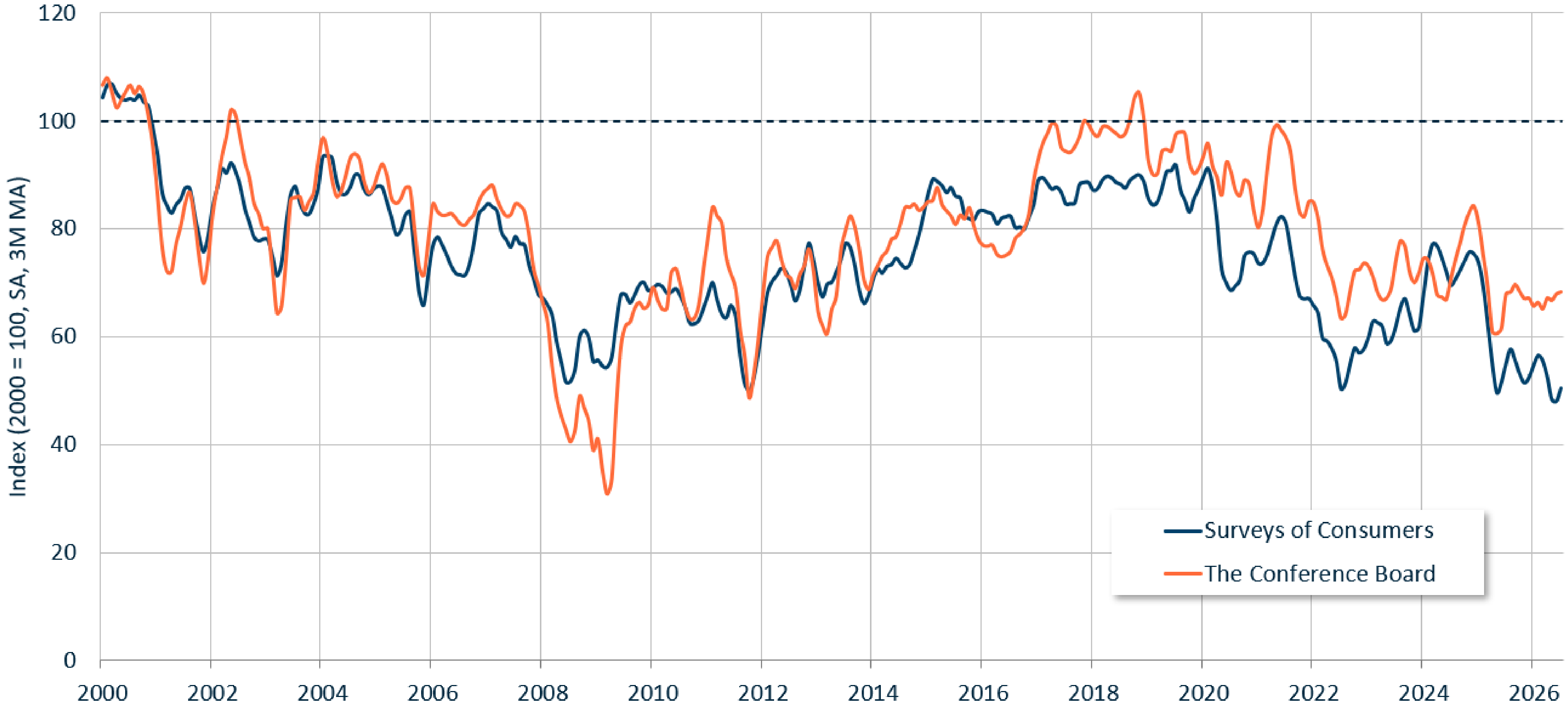
Source: Moody's Analytics; Bureau of Labor Statistics, Trimont Research

CONSUMER EXPECTATIONS



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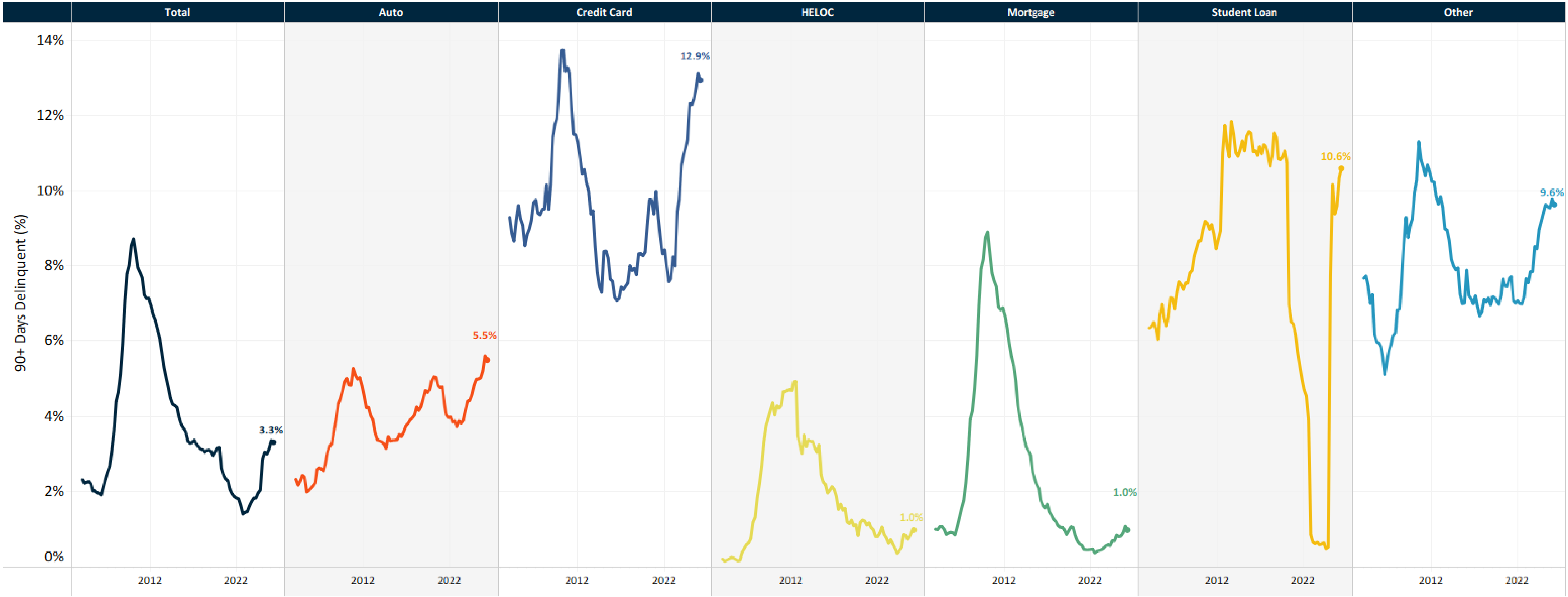
Source: Surveys of Consumers/University of Michigan; The Conference Board; Trimont Research

CONSUMER LOANS 90+ DAYS DELINQUENT (%)



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*Includes Consumer Finance (sales financing [BNPL], personal loans) and Retail (clothing, grocery, department stores, home furnishings, gas, etc.) loans
Source: New York Fed Consumer Credit Panel / Equifax; Trimont Research

AI-DYNAMISM

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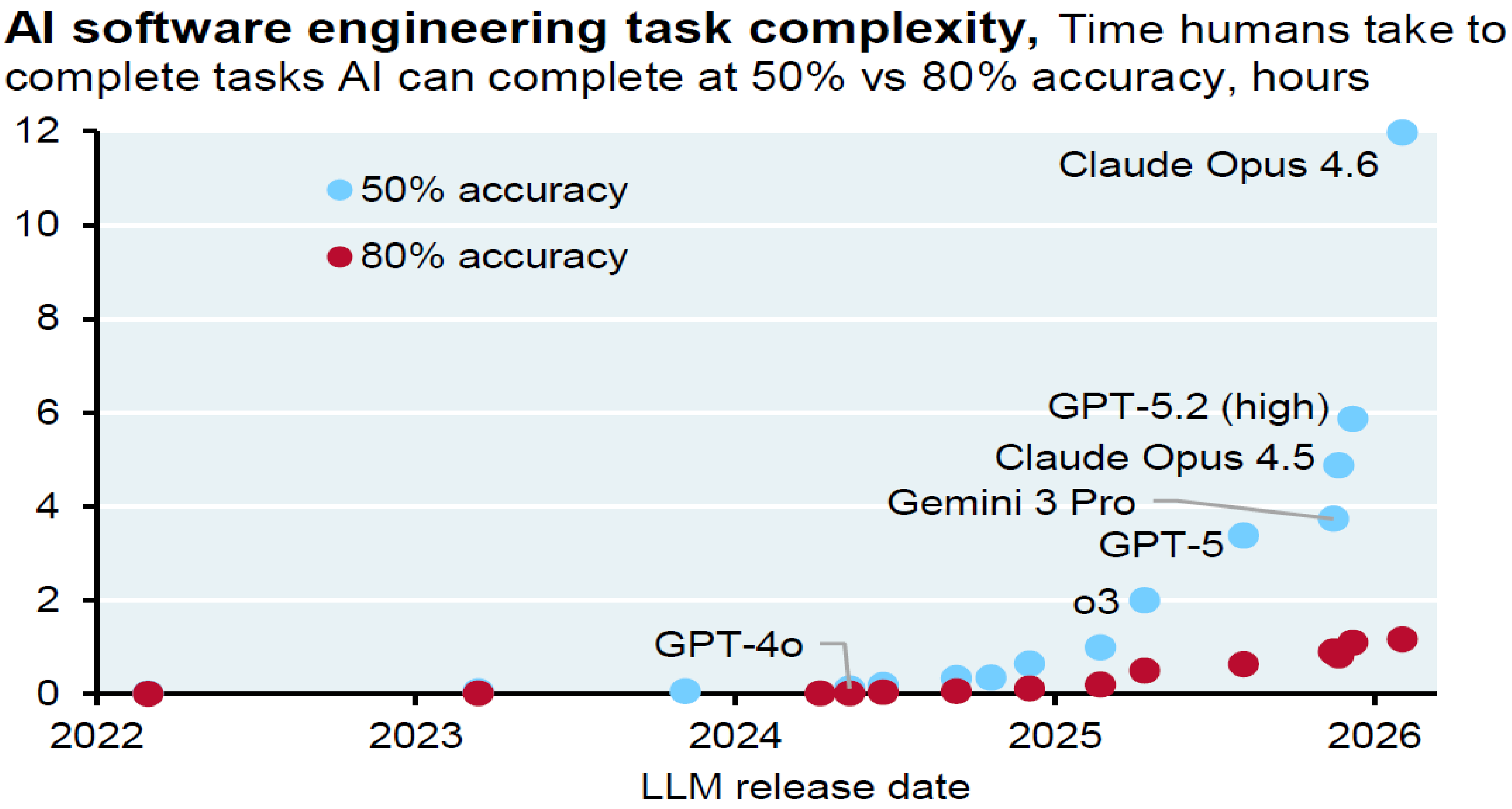
AI INVESTMENT

DRIVING MARKET RETURNS

Source: Bank of America Global Research; Trimont Research

AI: LLM



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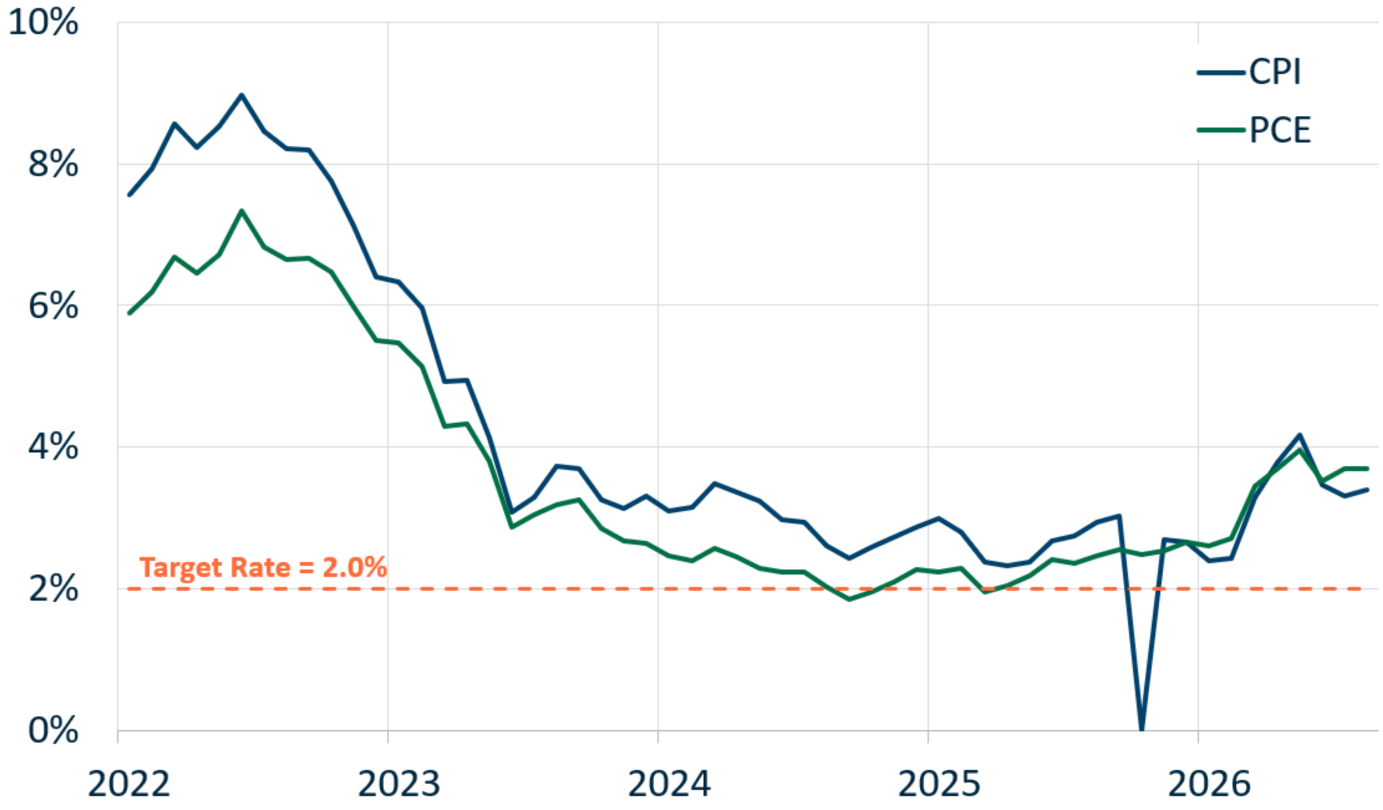
Source: METR

CPI AND PCE INFLATION



	CPI	PCE	
Jan-2026	2.4%	2.6%	
Feb-2026	2.4%	2.7%	
Mar-2026	3.3%	3.4%	
Apr-2026	3.8%	3.7%	
May-2026	4.2%	4.0%	
Jun-2026	3.5%	3.5%	
Jul-2026	3.3%	3.7%	Nowcast
Aug-2026	3.4%	3.7%	Nowcast

Note: Nowcast as of 12-August-2026

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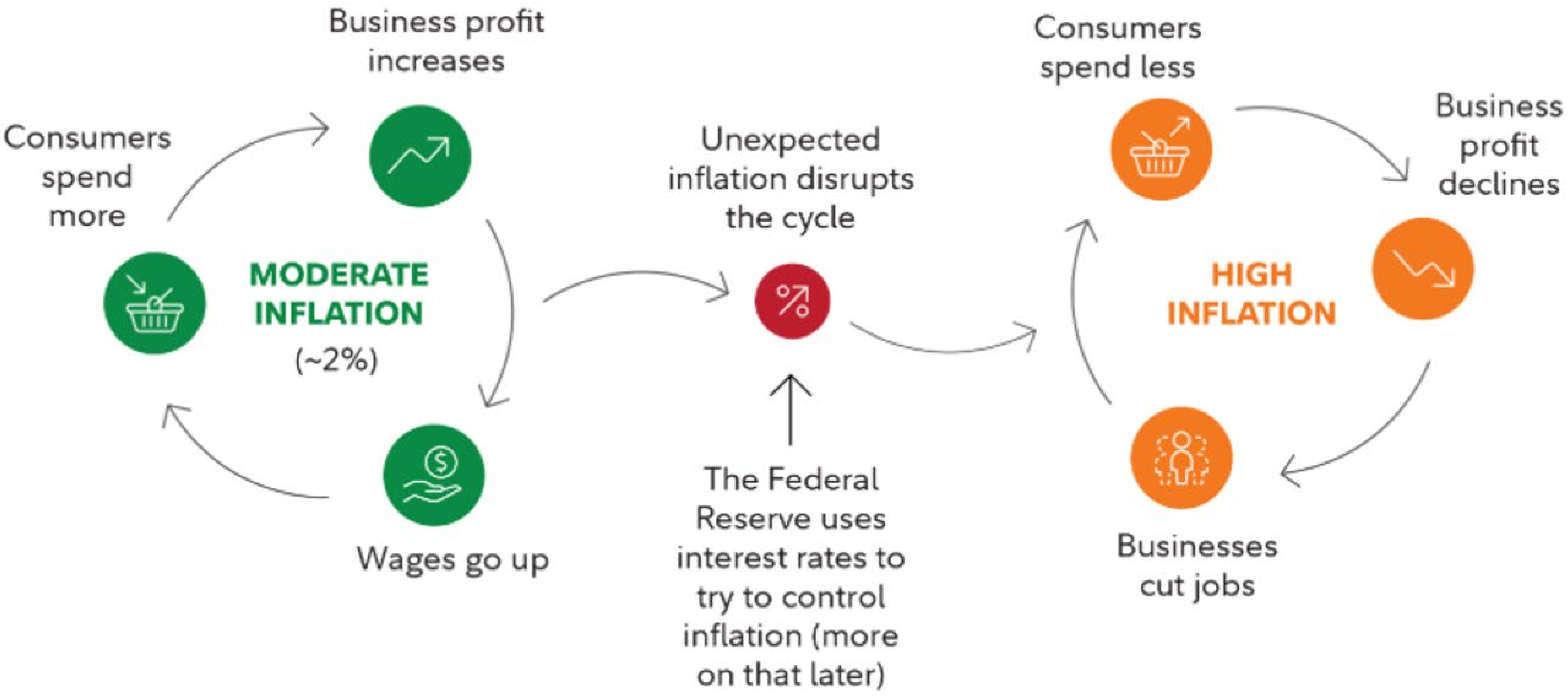
Note: June and July 2026 data points are from FRB-Cleveland's Inflation Nowcast
Source: Bureau of Labor Statistics; Bureau of Economic Analysis; Federal Reserve Bank of Cleveland; Trimont Research

INFLATION TRANSMISSION MECHANISMS



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Source: Fidelity Investments; Trimont Research

CPI INFLATION BY SECTOR

Sector	YE2019	YE2020	YE2021	YE2022	YE2023	YE2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
All items	2.3%	1.3%	7.2%	6.4%	3.3%	2.9%	3.0%	2.8%	2.4%	2.3%	2.4%	2.7%	2.7%	2.9%	3.0%		2.7%	2.7%	2.4%	2.4%	3.3%	3.8%	4.2%	3.5%	3.3%
All items less food; shelter; and energy	1.6%	1.5%	6.4%	4.4%	2.2%	2.1%	2.3%	2.2%	1.8%	1.8%	1.9%	2.2%	2.5%	2.7%	2.6%		2.2%	2.2%	2.1%	2.1%	2.3%	2.3%	2.4%	2.0%	1.9%
Food and beverages	1.7%	3.9%	6.0%	10.1%	2.7%	2.4%	2.4%	2.5%	2.9%	2.7%	2.8%	2.9%	2.8%	3.1%	3.0%		2.6%	3.0%	2.9%	3.1%	2.7%	3.1%	3.0%	2.9%	2.9%
Food at home	0.7%	4.0%	6.5%	11.7%	1.3%	1.7%	1.8%	1.8%	2.3%	2.0%	2.3%	2.4%	2.2%	2.7%	2.7%		1.9%	2.3%	2.2%	2.6%	2.0%	3.0%	2.7%	2.7%	2.6%
Food away from home	3.1%	3.9%	6.0%	8.3%	5.2%	3.6%	3.4%	3.7%	3.8%	3.9%	3.8%	3.8%	3.9%	3.9%	3.7%		3.7%	4.1%	4.0%	3.9%	3.8%	3.6%	3.5%	3.4%	3.4%
Energy	3.5%	-7.0%	30.3%	6.9%	-1.9%	-0.3%	0.8%	-0.4%	-3.4%	-3.6%	-3.1%	-0.6%	-1.2%	0.4%	2.9%		4.2%	2.1%	-0.3%	0.4%	12.6%	17.5%	23.0%	15.5%	14.4%
Gasoline	8.5%	-14.5%	50.2%	-1.4%	-1.9%	-3.4%	-0.1%	-3.3%	-9.9%	-11.9%	-11.9%	-8.3%	-9.3%	-6.7%	-0.5%	-1.6%	0.9%	-3.3%	-7.5%	-5.6%	18.9%	28.4%	40.5%	26.7%	24.6%
Electricity	-0.4%	2.2%	6.3%	14.3%	3.3%	2.8%	1.9%	2.5%	2.8%	3.6%	4.5%	5.8%	5.5%	6.2%	5.1%		6.9%	6.7%	6.3%	4.8%	4.6%	6.1%	5.9%	4.0%	4.2%
Utility (piped) gas service	-3.5%	4.1%	24.1%	19.3%	-13.8%	4.9%	4.9%	6.0%	9.4%	15.7%	15.3%	14.2%	13.8%	13.8%	11.7%		9.1%	10.8%	9.8%	10.9%	6.4%	3.0%	[illegible]	3.0%	4.3%
Housing	2.6%	2.0%	5.1%	8.0%	4.8%	4.1%	3.9%	3.8%	3.7%	4.0%	4.0%	4.1%	3.9%	4.0%	[illegible]		3.5%	3.6%	3.4%	3.3%	3.4%	3.6%	3.6%	3.3%	3.2%
Shelter	3.2%	1.9%	4.2%	7.5%	6.2%	4.6%	4.4%	4.2%	4.0%	4.0%	3.9%	3.8%	3.7%	3.6%	[illegible]		3.0%	3.2%	3.0%	3.0%	3.0%	3.3%	[illegible]	3.3%	3.2%
Rent of primary residence	3.7%	2.3%	3.3%	8.3%	6.5%	4.3%	4.2%	4.1%	4.0%	4.0%	3.8%	3.8%	3.5%	3.5%	3.4%		3.0%	2.9%	2.8%	2.7%	2.6%	2.8%	2.9%	2.8%	2.9%
Hotels & motels	-0.6%	-10.9%	27.1%	3.2%	-0.6%	2.2%	1.9%	1.5%	-3.8%	-2.4%	-1.8%	-3.7%	-4.7%	-3.6%	-0.7%		-5.6%	-1.7%	-3.2%	-2.2%	2.1%	4.3%	5.1%	4.8%	2.6%
Owners' equivalent rent of residences	3.3%	2.2%	3.8%	7.5%	6.3%	4.8%	4.6%	4.4%	4.4%	4.3%	4.2%	4.2%	4.1%	4.0%	3.8%		3.4%	3.4%	3.3%	3.2%	3.1%	3.3%	3.3%	3.3%	3.2%
Water and sewer and trash collection services	2.3%	3.4%	3.5%	4.9%	5.2%	5.2%	4.4%	4.9%	4.9%	4.9%	5.2%	5.4%	5.3%	5.3%	4.8%		4.3%	4.7%	4.7%	4.4%	4.7%	4.7%	4.7%	4.6%	4.6%
Household furnishings and operations	1.0%	3.2%	7.4%	6.8%	0.5%	0.7%	0.5%	1.0%	1.0%	2.3%	2.7%	3.2%	3.4%	3.8%	4.1%		4.5%	4.0%	3.9%	3.9%	4.0%	3.9%	3.0%	2.5%	2.2%
Tenants' and household insurance	0.1%	0.1%	-0.9%	0.4%	3.6%	1.7%	2.1%	3.0%	2.2%	2.6%	2.9%	4.8%	5.8%	5.7%	7.5%		7.0%	8.2%	6.9%	6.2%	7.4%	7.2%	6.9%	5.9%	4.8%
Apparel	-1.2%	-4.0%	5.8%	3.0%	1.1%	1.3%	0.6%	0.6%	0.3%	-0.8%	-0.9%	-0.6%	-0.2%	0.2%	-0.1%		0.1%	0.6%	1.8%	2.5%	3.4%	4.2%	4.8%	3.9%	3.9%
New vehicles	0.0%	1.9%	11.7%	5.9%	1.0%	-0.4%	-0.3%	-0.3%	-0.1%	0.3%	0.4%	0.3%	0.4%	0.7%	0.7%	0.9%	0.6%	0.3%	0.4%	0.5%	0.5%	0.2%	0.2%	0.5%	0.5%
Used cars and trucks	-0.1%	10.1%	37.3%	-8.8%	-1.3%	-4.7%	0.9%	0.7%	0.6%	1.5%	1.7%	2.7%	4.8%	[illegible]	5.1%	4.7%	3.6%	1.6%	-2.0%	-3.2%	-3.2%	-2.7%	-2.0%	-1.8%	-1.9%
Airline fare	3.0%	-19.1%	0.6%	28.3%	-9.6%	7.7%	6.9%	-0.8%	-5.4%	-8.0%	-7.4%	-3.2%	1.0%	3.4%	3.0%		-5.1%	-3.4%	2.2%	7.1%	14.9%	[illegible]	26.7%	26.5%	25.5%
Medical care	4.5%	1.8%	2.2%	3.9%	0.4%	2.8%	2.6%	2.9%	2.6%	2.7%	2.5%	2.7%	3.5%	3.5%	3.3%		2.9%	3.2%	3.2%	3.4%	3.1%	2.5%	2.6%	2.0%	1.7%
Recreation	1.5%	0.9%	3.3%	5.2%	2.7%	1.1%	1.6%	1.8%	1.8%	1.6%	1.8%	2.0%	2.4%	[illegible]	3.1%		1.8%	3.0%	2.5%	[illegible]	2.3%	[illegible]	2.6%	2.8%	2.6%
Admissions	1.4%	-0.9%	4.4%	5.7%	8.4%	0.6%	3.3%	3.4%	6.4%	5.9%	3.9%	3.2%	4.4%	4.6%	4.3%		2.7%	5.7%	3.9%	4.0%	2.0%	2.2%	5.0%	5.6%	3.0%
Education	2.1%	1.4%	2.0%	3.3%	2.4%	4.0%	3.8%	3.7%	3.9%	3.8%	3.7%	3.7%	3.7%	3.5%	3.1%		2.9%	2.9%	2.9%	[illegible]	2.8%	2.8%	2.6%	[illegible]	2.7%
College tuition and fees	1.8%	0.8%	1.8%	2.3%	1.2%	2.6%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.4%	2.2%	1.4%		1.7%	1.5%	2.1%	2.0%	2.0%	2.0%	1.9%	[illegible]	2.2%
Technical and business school tuition and fees	0.6%	2.8%	1.1%	1.5%	2.0%	1.1%	1.1%	1.0%	1.1%	1.0%	1.1%	1.0%	1.8%	2.2%	2.0%		2.1%	2.1%	2.1%	2.1%	1.9%	1.9%	1.8%	1.8%	1.4%
Child care and nursery school	3.3%	2.2%	2.7%	5.5%	4.6%	6.0%	5.9%	5.4%	5.6%	5.4%	5.6%	5.6%	5.6%	5.0%	5.2%		4.7%	4.8%	3.8%	3.7%	4.0%	4.0%	3.5%	3.5%	3.4%
Communication	0.7%	2.4%	1.3%	-1.1%	-1.6%	-1.8%	-1.9%	-2.1%	-1.9%	-2.3%	-2.1%	-1.9%	-2.2%	-2.1%	-1.7%		0.3%	-1.5%	-1.4%	-2.2%	-2.2%	-2.0%	-0.6%	-2.1%	-1.2%

Elevated Inflation

Natural Gas

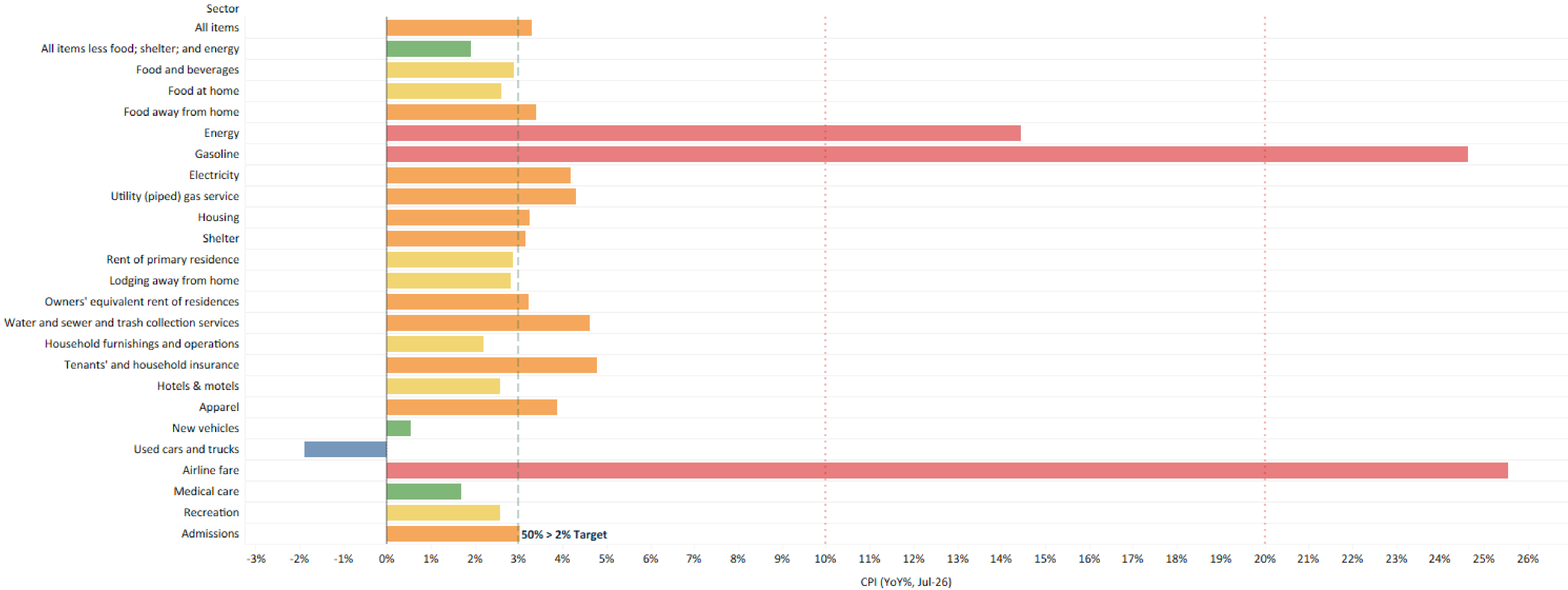
Insurance

Gasoline

Air

Source: Bureau of Labor Statistics; Trimont Research

CPI INFLATION SNAPSHOT BY SECTOR, JULY 2026



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Source: Bureau of Labor Statistics; Trimont Research

PPI: ENERGY-RELATED INFLATION ALREADY IN THE PIPELINE

	Dec-23	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Liquefied petroleum gas	-13.6%	3.7%	15.8%	9.6%	1.9%	-13.1%	-14.5%	-13.7%	-11.1%	-11.5%	-5.1%	-17.2%	-18.0%	-18.0%	-31.8%	-26.2%	5.3%	18.7%	33.7%	25.8%	15.0%
Commercial electric power	4.0%	1.9%	2.7%	3.9%	2.0%	2.9%	2.7%	1.4%	3.3%	4.7%	3.5%	5.4%	6.3%	6.6%	4.8%	4.0%	3.9%	3.1%	3.6%	3.2%	3.1%
Industrial electric power	5.4%	-0.3%	0.0%	-1.3%	0.8%	1.8%	1.3%	0.3%	5.5%	7.0%	3.5%	5.0%	5.7%	5.6%	4.3%	3.3%	1.4%	0.7%	2.0%	4.4%	1.2%
Commercial natural gas	-16.1%	-0.1%	2.7%	3.7%	8.5%	14.8%	14.5%	11.7%	11.9%	12.4%	11.3%	8.1%	10.9%	10.9%	7.4%	10.8%	3.9%	1.3%	0.3%	2.8%	4.0%
Industrial natural gas	-19.6%	-1.0%	1.8%	0.5%	5.4%	13.9%	11.5%	9.9%	9.5%	11.1%	15.6%	11.0%	10.9%	9.5%	8.6%	17.2%	6.4%	2.1%	2.2%	5.7%	4.2%
Natural gas to electric power	-12.8%	0.8%	1.7%	0.5%	4.0%	7.6%	6.1%	0.4%	-0.7%	0.3%	0.6%	0.8%	5.4%	9.1%	9.1%	25.8%	15.8%	8.8%	10.5%	12.0%	13.1%
Gasoline	-4.9%	-2.9%	-0.1%	-8.4%	-16.0%	-20.1%	-15.0%	-9.9%	-13.2%	-11.7%	-1.0%	-9.2%	-1.7%	-9.9%	-14.4%	-9.1%	17.8%	38.0%	64.6%	42.7%	36.9%
Jet fuel	-12.4%	-15.9%	-8.8%	-15.3%	-17.8%	-17.4%	-19.9%	-16.2%	-13.1%	-2.9%	3.1%	4.5%	10.4%	-0.6%	-10.1%	-1.5%	52.2%	88.2%	103.6%	68.1%	28.0%
No. 2 diesel fuel	-18.2%	-13.6%	-6.4%	-18.6%	-24.6%	-27.4%	-9.5%	-6.4%	-7.5%	-8.3%	8.4%	-6.1%	6.4%	-7.0%	-12.7%	1.0%	50.6%	72.3%	102.1%	66.3%	44.2%
Residual fuels (heavy fuel oils)	-3.0%	-4.2%	-4.7%	-1.5%	-3.9%	-5.1%	-22.2%	-16.0%	-11.3%	-14.3%	-17.5%	-8.6%	-17.5%	-20.1%	-20.1%	-20.1%	3.2%	28.5%	61.6%	65.2%	27.4%
Finished lubricants	-0.4%	-0.7%	-1.3%	-1.3%	-0.1%	-0.4%	-0.5%	-0.4%	-0.2%	-0.3%	-0.3%	-0.4%	-0.3%	-0.4%	-0.7%	-0.9%	-1.1%	1.2%	7.8%	10.6%	15.0%
Asphalt felts and coatings	2.5%	0.9%	1.0%	0.0%	-0.3%	1.0%	1.9%	2.7%	2.3%	3.6%	1.9%	0.1%	1.5%	0.9%	-0.8%	1.3%	-0.1%	0.8%	0.0%	3.3%	4.6%
Nitrogenates	-35.8%	-2.6%	-1.6%	5.6%	5.7%	5.2%	11.8%	13.1%	13.7%	16.7%	19.8%	18.8%	25.5%	17.9%	25.0%	27.4%	27.5%	39.3%	46.0%	48.1%	47.3%
Phosphates	-11.6%	5.3%	2.9%	1.4%	2.0%	4.2%	10.6%	16.0%	22.7%	27.6%	25.3%	23.1%	19.6%	8.7%	7.8%	8.2%	6.9%	14.4%	16.8%	12.9%	8.2%
Other agricultural chemicals	-16.1%	0.8%	1.1%	1.1%	0.7%	0.4%	-0.5%	-0.2%	-0.1%	-0.1%	-0.5%	-7.2%	-7.2%	-7.2%	-6.1%	-6.3%	-5.8%	-5.1%	-4.3%	-4.9%	-4.5%
Plastic resins and materials	-5.4%	-0.7%	0.1%	0.7%	2.6%	0.9%	-0.2%	-0.8%	-2.5%	-2.8%	-1.7%	-2.9%	-3.0%	-3.8%	-3.7%	-4.2%	-3.3%	3.2%	19.2%	16.8%	10.7%
Industrial gases	4.9%	-0.9%	6.5%	13.1%	7.7%	12.6%	12.3%	14.8%	16.8%	15.3%	10.8%	10.5%	10.8%	18.8%	13.9%	10.5%	12.8%	4.3%	5.9%	4.2%	4.4%
Adhesives and sealants	1.5%	1.8%	1.7%	2.7%	2.9%	2.9%	3.2%	4.0%	3.6%	2.7%	3.1%	3.2%	3.0%	3.1%	3.5%	2.8%	2.5%	3.0%	4.2%	4.7%	5.2%
Synthetic rubber	-7.4%	10.0%	12.1%	11.3%	15.7%	7.8%	4.8%	2.4%	2.0%	2.4%	1.9%	0.1%	-0.4%	0.3%	1.1%	2.4%	-3.0%	6.9%	12.5%	12.8%	10.2%
Tires & repair materials	2.1%	-0.9%	-0.3%	-0.1%	0.1%	0.1%	0.8%	0.9%	1.7%	2.6%	2.2%	2.5%	2.9%	3.0%	3.7%	3.1%	2.4%	2.9%	2.9%	2.5%	2.7%
Plastic construction products	-3.5%	-0.7%	-1.1%	-1.7%	-1.7%	-1.8%	-1.0%	-1.0%	-1.1%	-1.4%	-1.1%	-1.1%	-0.7%	-0.6%	0.0%	0.8%	1.3%	1.4%	3.2%	4.3%	5.0%
Unsupported plastics film	-6.6%	1.4%	3.0%	2.2%	2.0%	1.1%	0.5%	1.0%	1.3%	1.3%	1.4%	0.9%	1.2%	1.5%	1.8%	1.4%	4.3%	9.9%	13.9%	15.0%	14.1%
Parts for manufacturing from plastics	-4.1%	1.5%	1.7%	1.0%	0.5%	0.5%	0.5%	-0.4%	-0.1%	-1.0%	-1.0%	-0.2%	-0.6%	-0.5%	-1.3%	-0.6%	-0.5%	-0.4%	2.7%	4.3%	4.7%
Plastic packaging products	-4.7%	0.6%	0.8%	1.0%	0.9%	0.5%	0.6%	0.6%	0.8%	1.3%	1.1%	0.5%	0.6%	0.7%	0.1%	0.7%	0.4%	1.0%	3.1%	6.7%	7.5%

Influence of Middle East Conflict

TRIMONT

Source: Bureau of Labor Statistics; Trimont Research

MONETARY POLICY

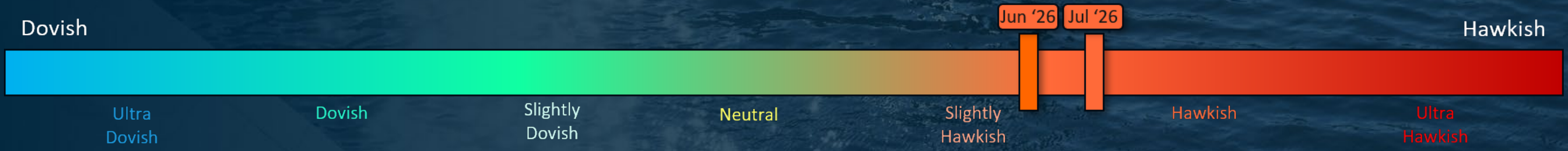
- The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate.
- Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East.
- Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little.
- Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy.
- The Committee will deliver price stability.

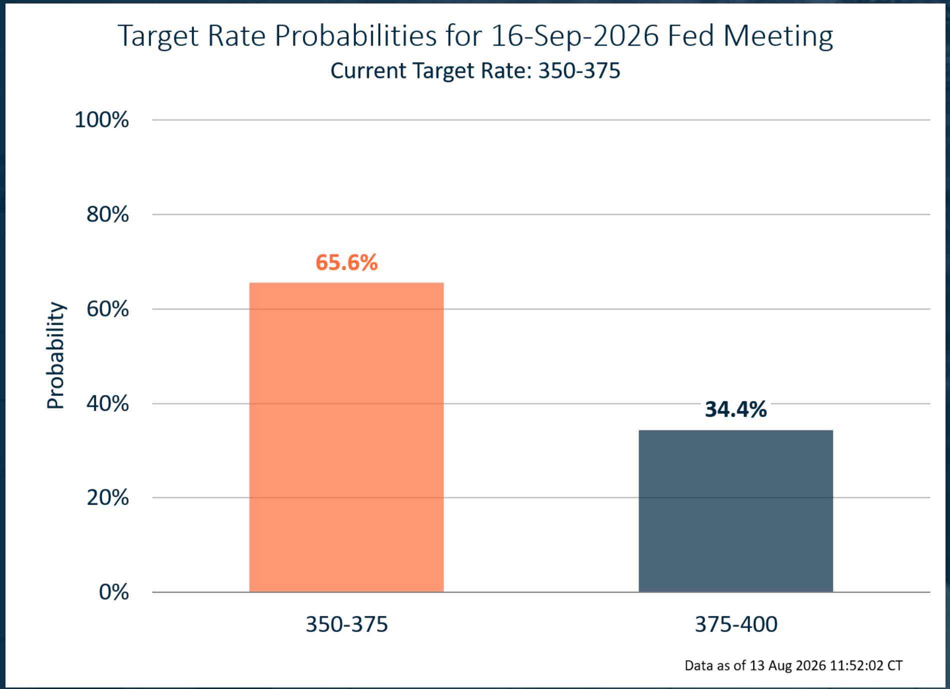
- Voting against the monetary policy action were **Beth M. Hammack**, **Neel Kashkari**, and **Lorie K. Logan**, who preferred to raise the target range for the federal funds rate by 1/4 percentage point at this meeting.

Excerpts from FOMC Statement, 29-July-2026

MONETARY POLICY: HAWKS AND DOVES

Current FOMC Policy Stance





Most Dovish >>>

Name	Position	Hawk Scale	Voter? 2026	2027	2028
Bowman	Board		✓	✓	✓
Jefferson	Vice Chairman		✓	✓	✓
Cook	Board		✓	✓	✓
Powell	Board		✓	✓	✓
Williams	New York		✓	✓	✓
Paulson	Philadelphia		✓	×	×
Daly	San Francisco		×	✓	×
Warsh	**Chair**		✓	✓	✓
Barr	Board		✓	✓	✓
Venable	Atlanta		×	✓	✓
Waller	Board		×	✓	✓
Goolsbee	Chicago		×	✓	✓
Barking	Richmond		×	✓	✓
Collins	Boston		×	×	✓
Musalem	St. Louis		×	×	✓
Kashkari	Minneapolis		✓	×	✓
Logan	Dallas		✓	×	✓
Schmid	Kansas City		✓	×	✓
Hammack	Cleveland		✓	×	✓

<<< Most Hawkish

TRIMONT

Source: CME Fed Watch; Yardeni Research; InTouch Capital Markets; Trimont Research

COMMERCIAL REAL ESTATE

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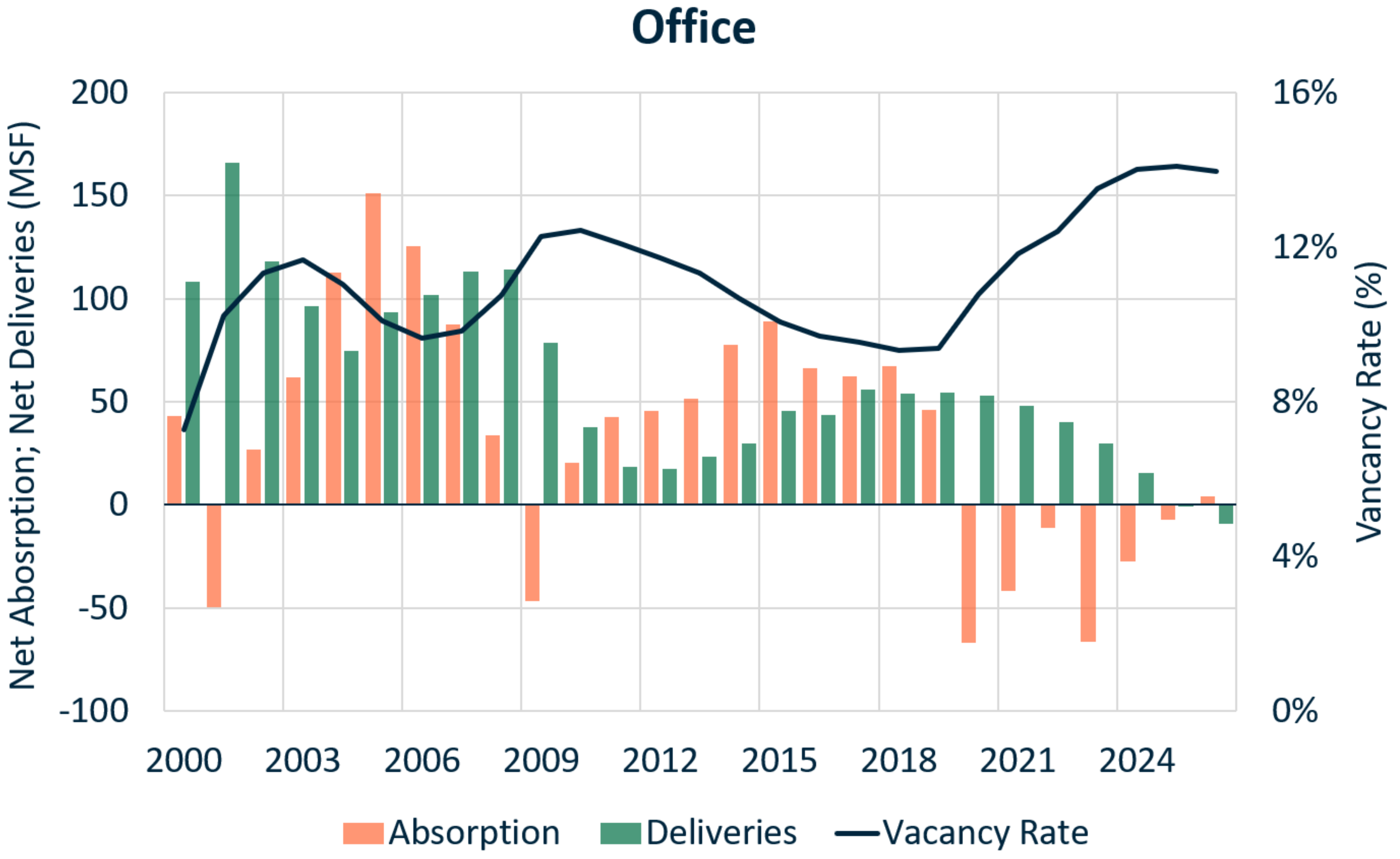
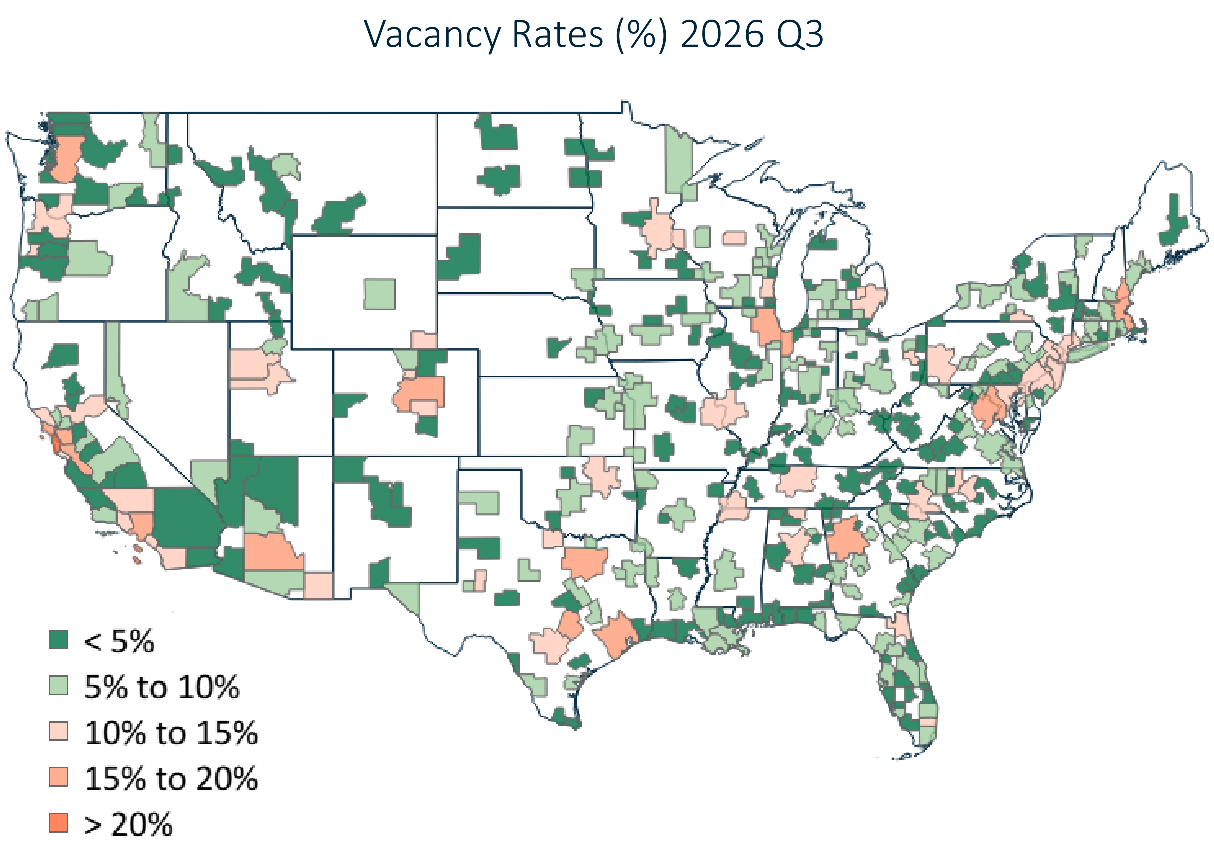
U.S. OFFICE MARKET METRICS

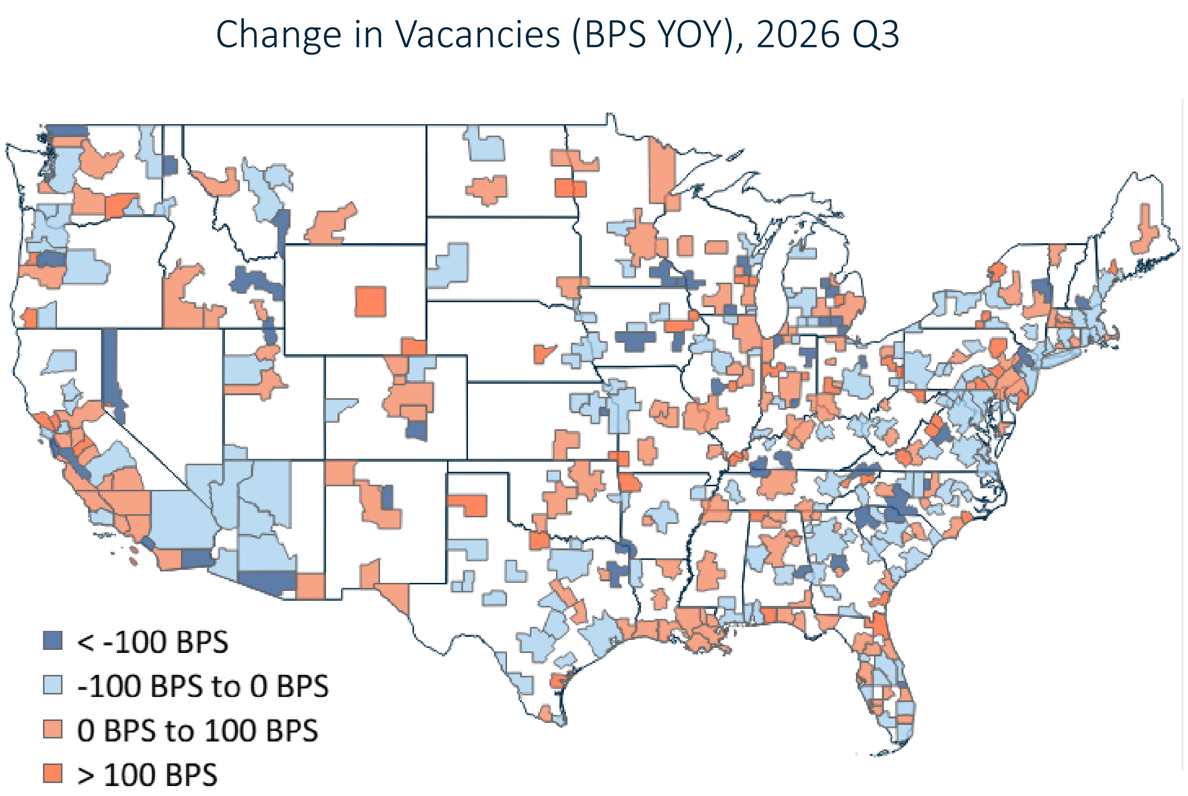


TRIMONT

Note: 2026 data are YTD 2026Q3
Source: CoStar; Trimont Research

OFFICE VACANCY RATES

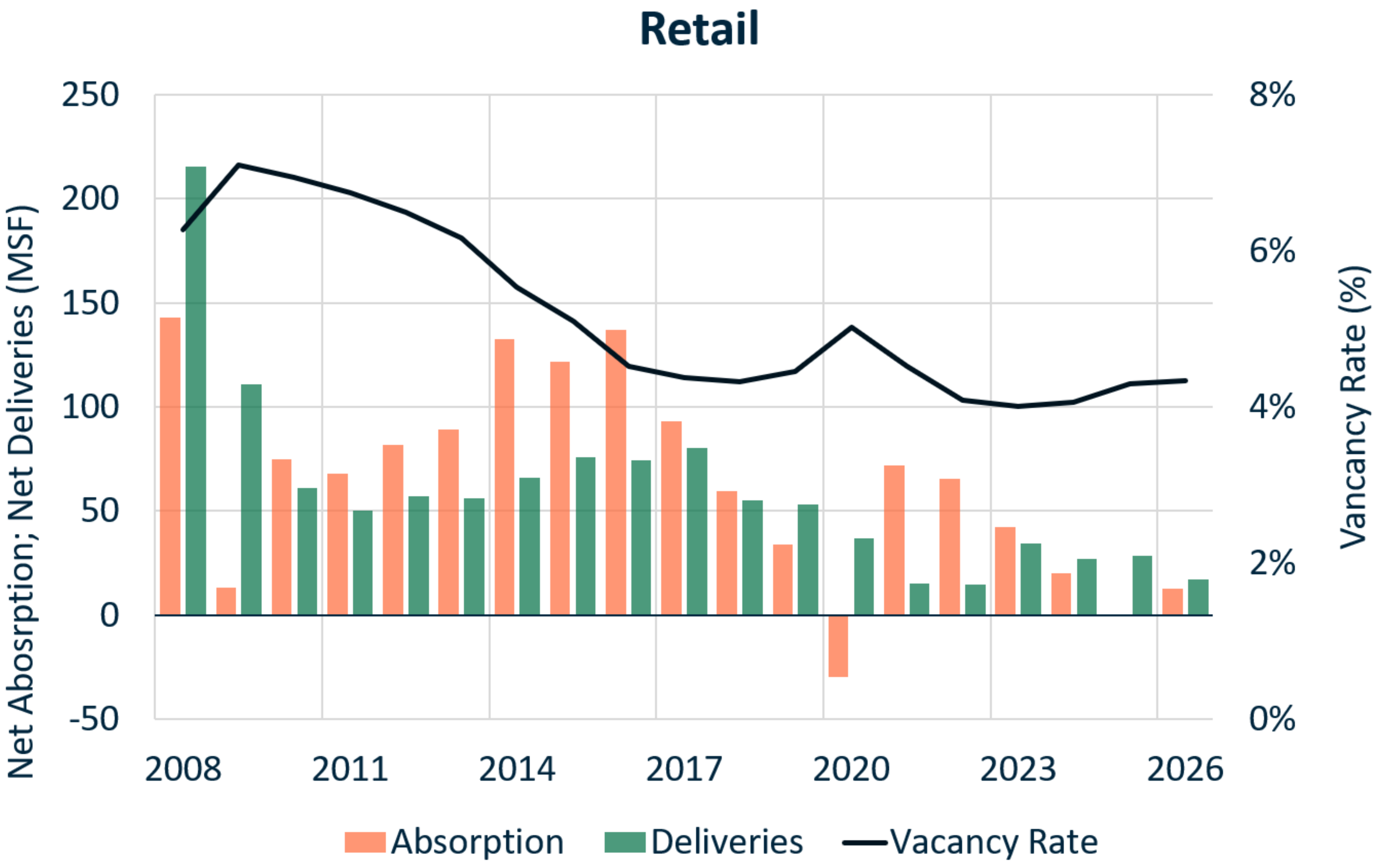




TRIMONT

Source: CoStar Trimont Research

U.S. RETAIL MARKET METRICS

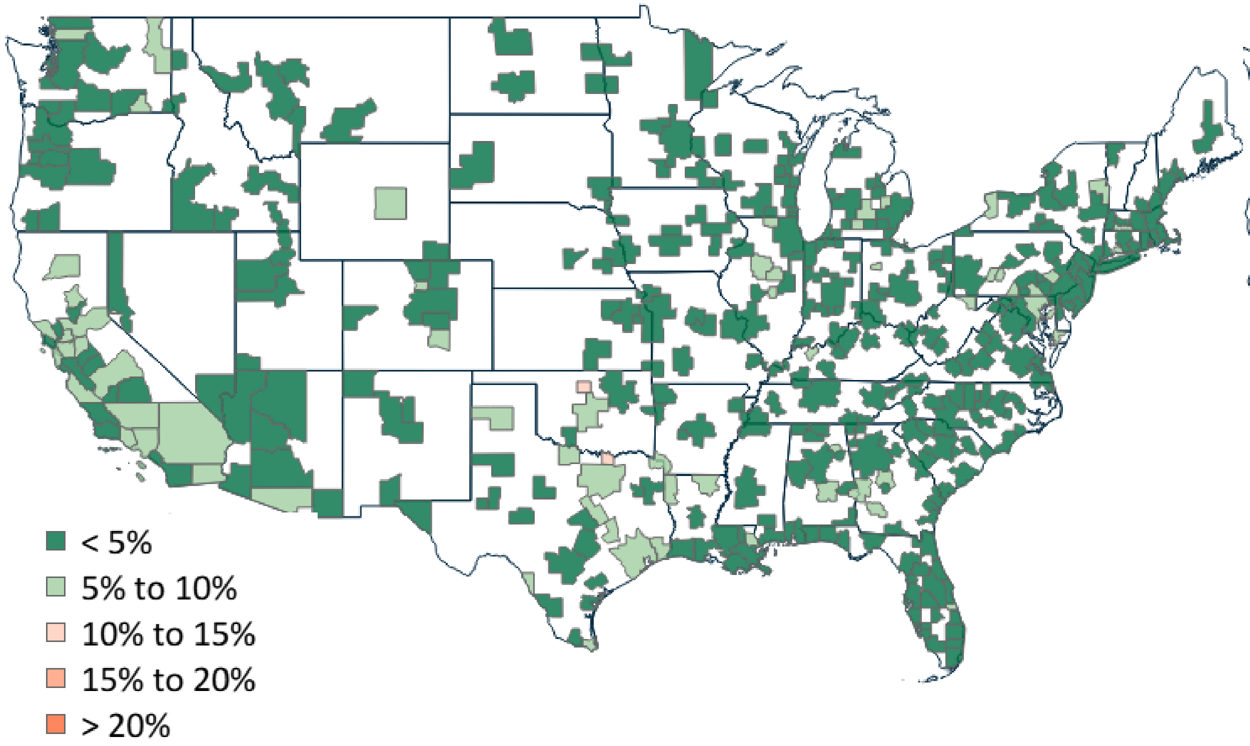


TRIMONT

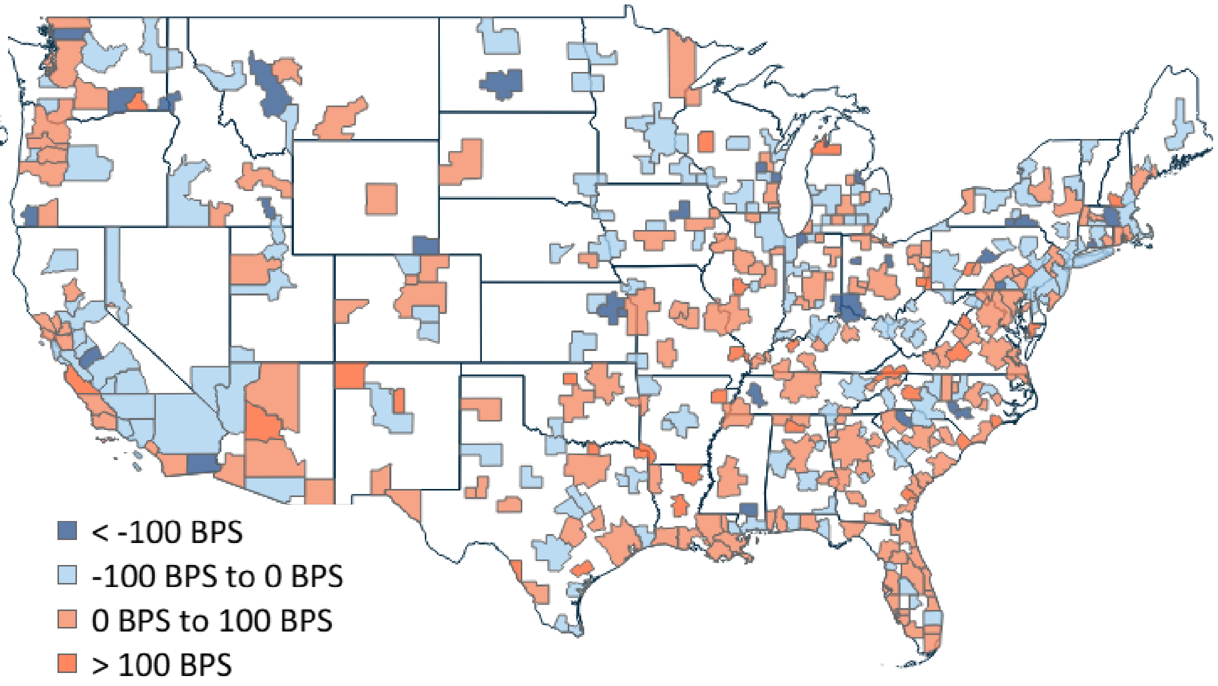
Note: 2026 data are YTD 2026Q3
Source: CoStar; Trimont Research

U.S. RETAIL MARKET VACANCY

Vacancy Rates (%) 2026 Q3



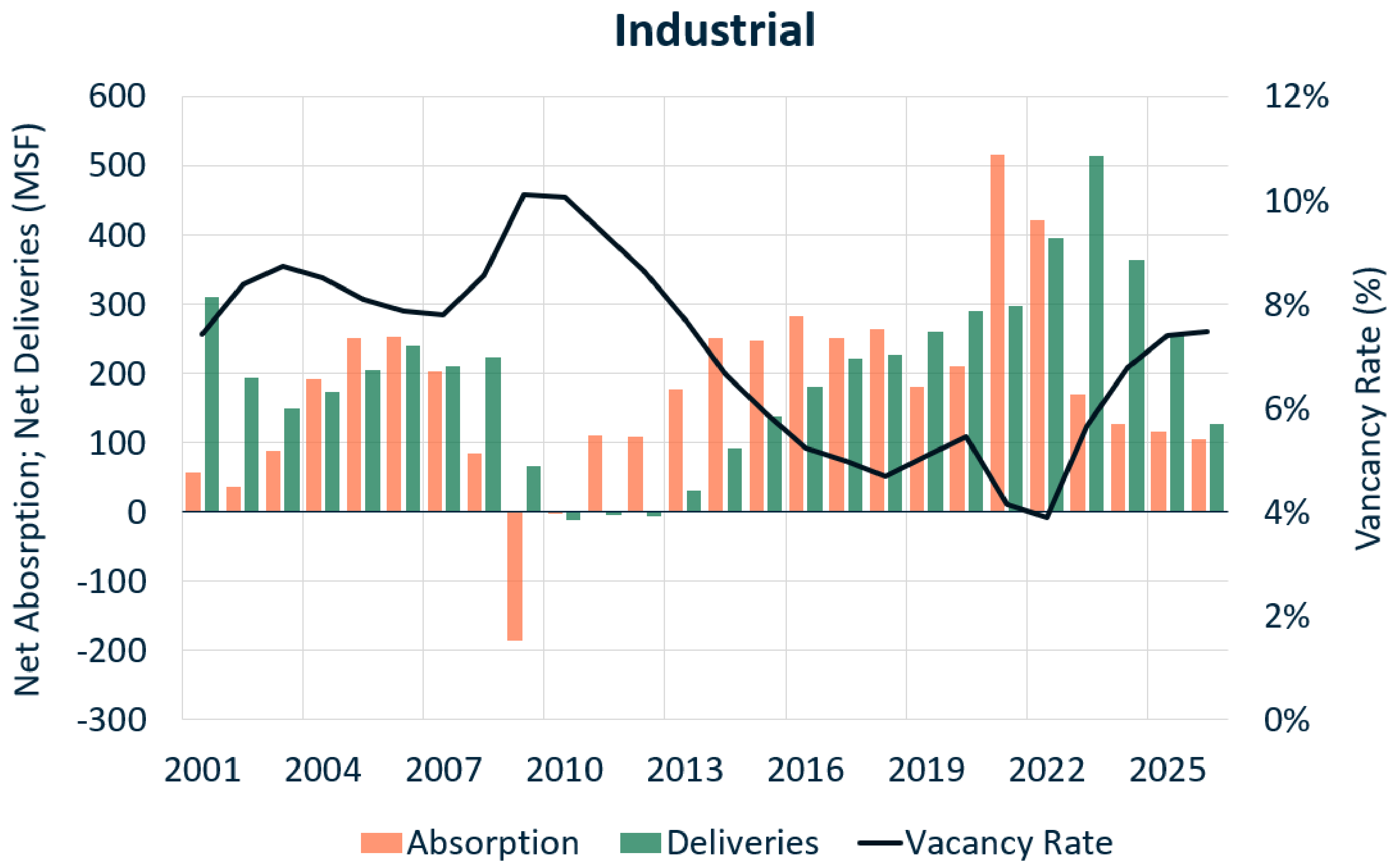
Change in Vacancies (BPS YOY), 2026 Q3



TRIMONT

Source: CoStar; Trimont Research

U.S. INDUSTRIAL MARKET METRICS

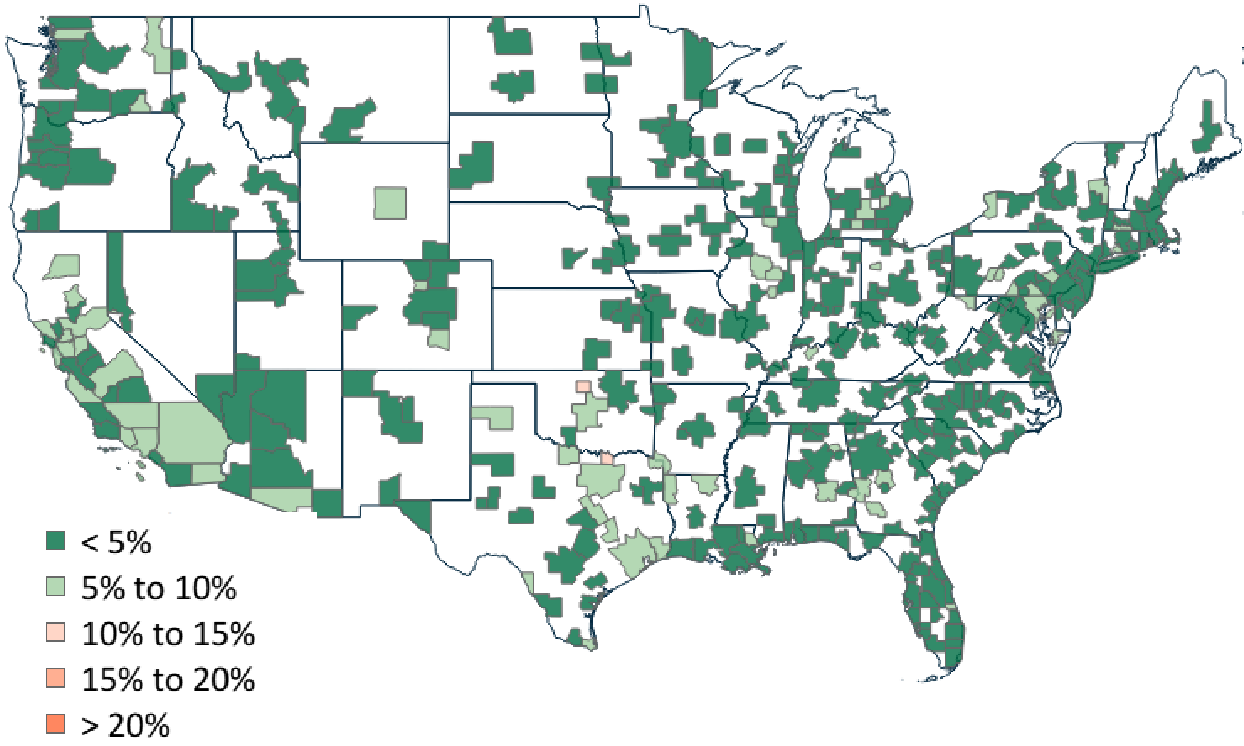


TRIMONT

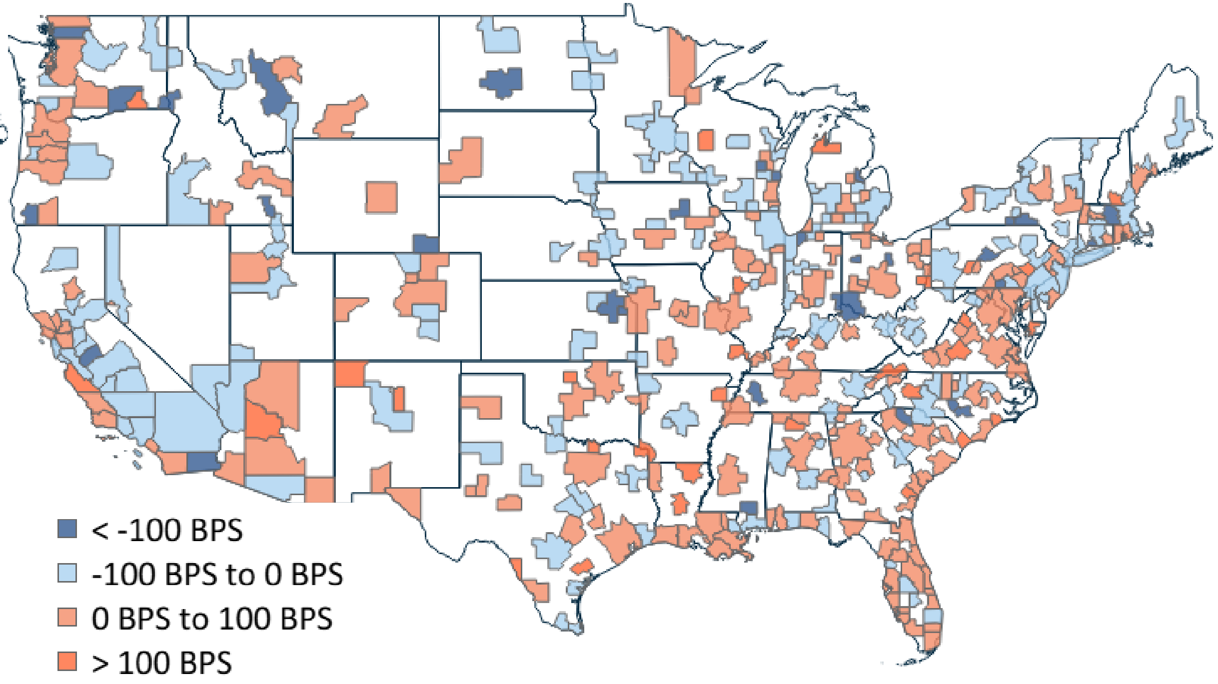
Note: 2026 data are YTD 2026Q3
Source: CoStar; Trimont Research

U.S. RETAIL MARKET VACANCY

Vacancy Rates (%) 2026 Q3

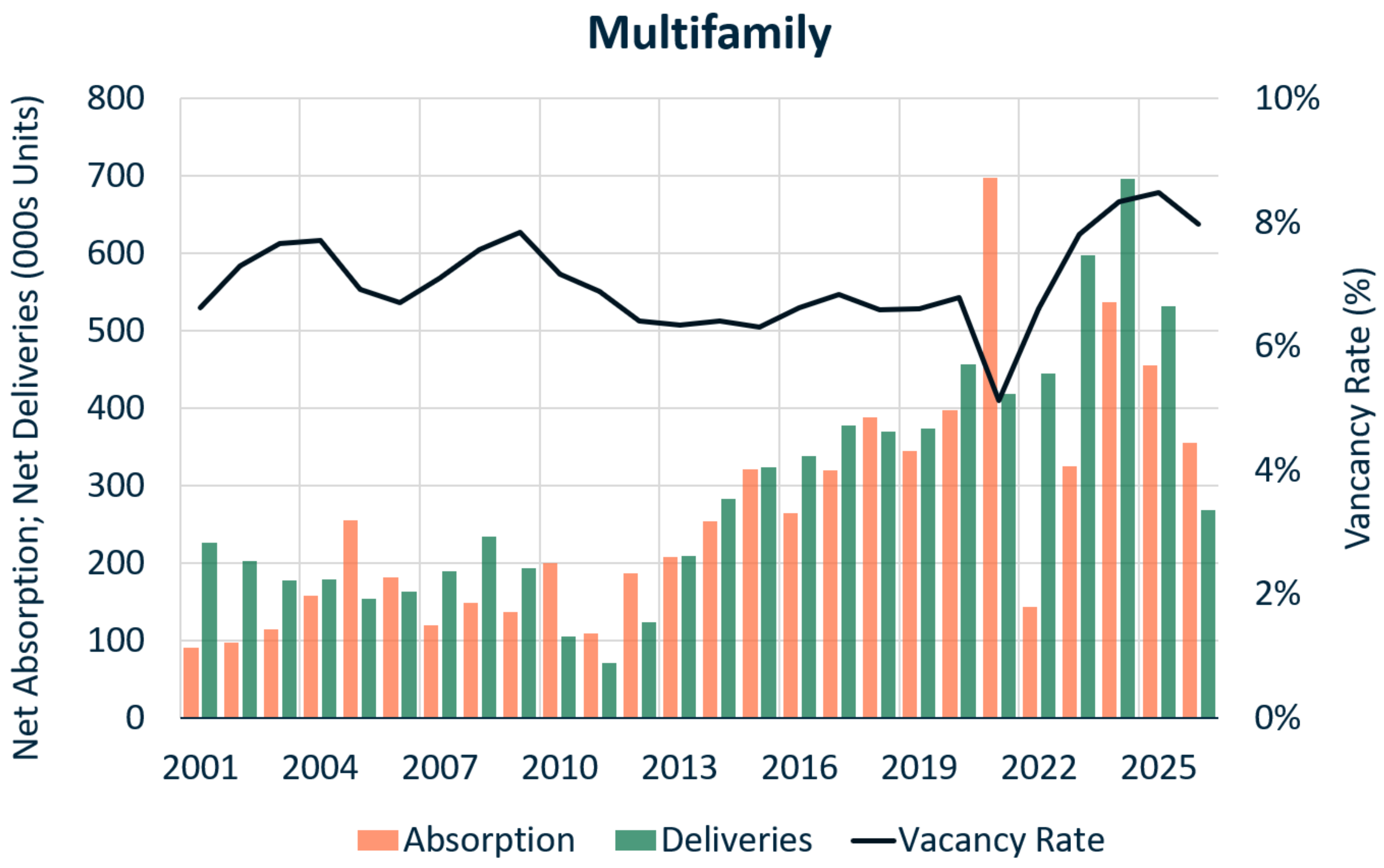


Change in Vacancies (BPS YOY), 2026 Q3



Source: CoStar; Trimont Research

U.S. MULTIFAMILY MARKET METRICS

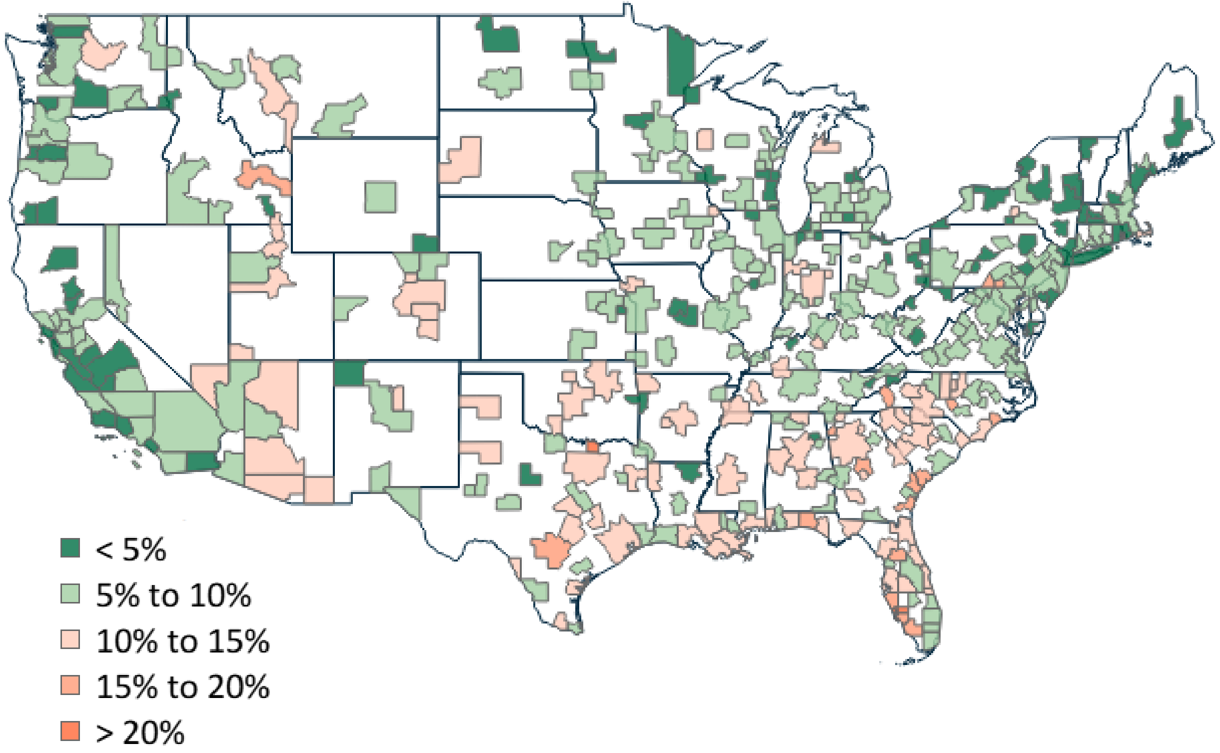


TRIMONT

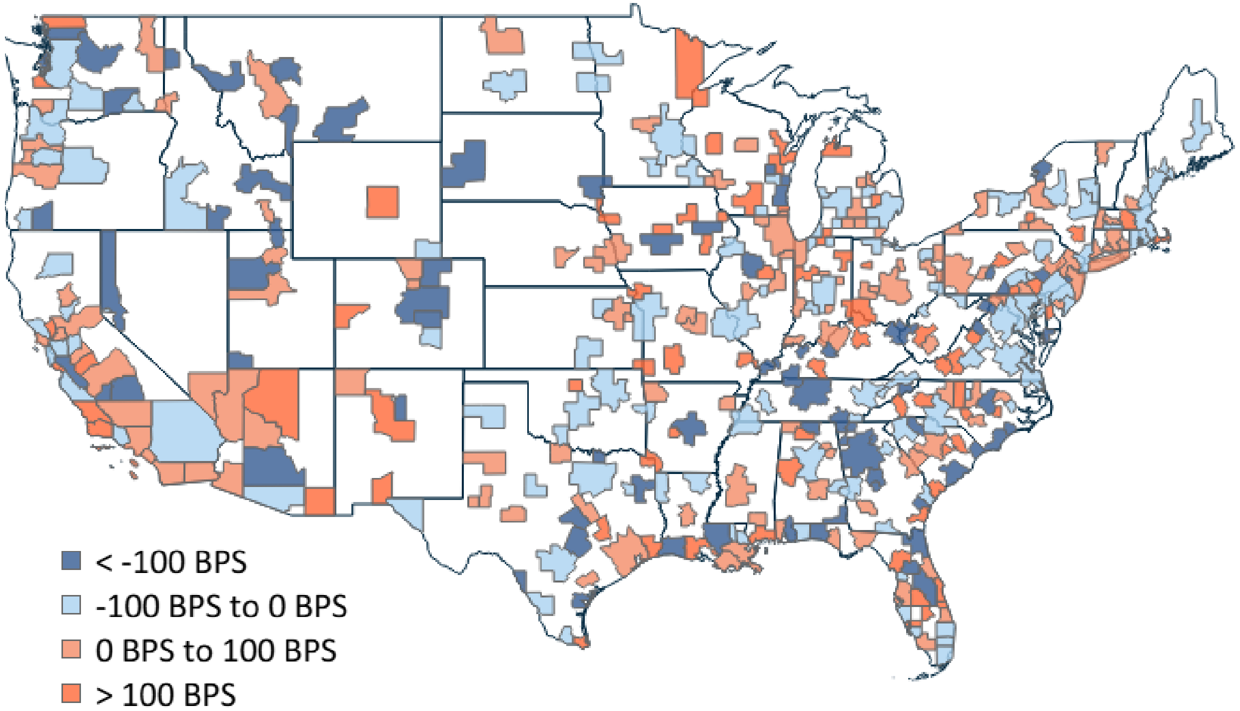
Source: CoStar; Trimont Research

MULTIFAMILY VACANCY RATES

Vacancy Rates (%) 2026 Q3

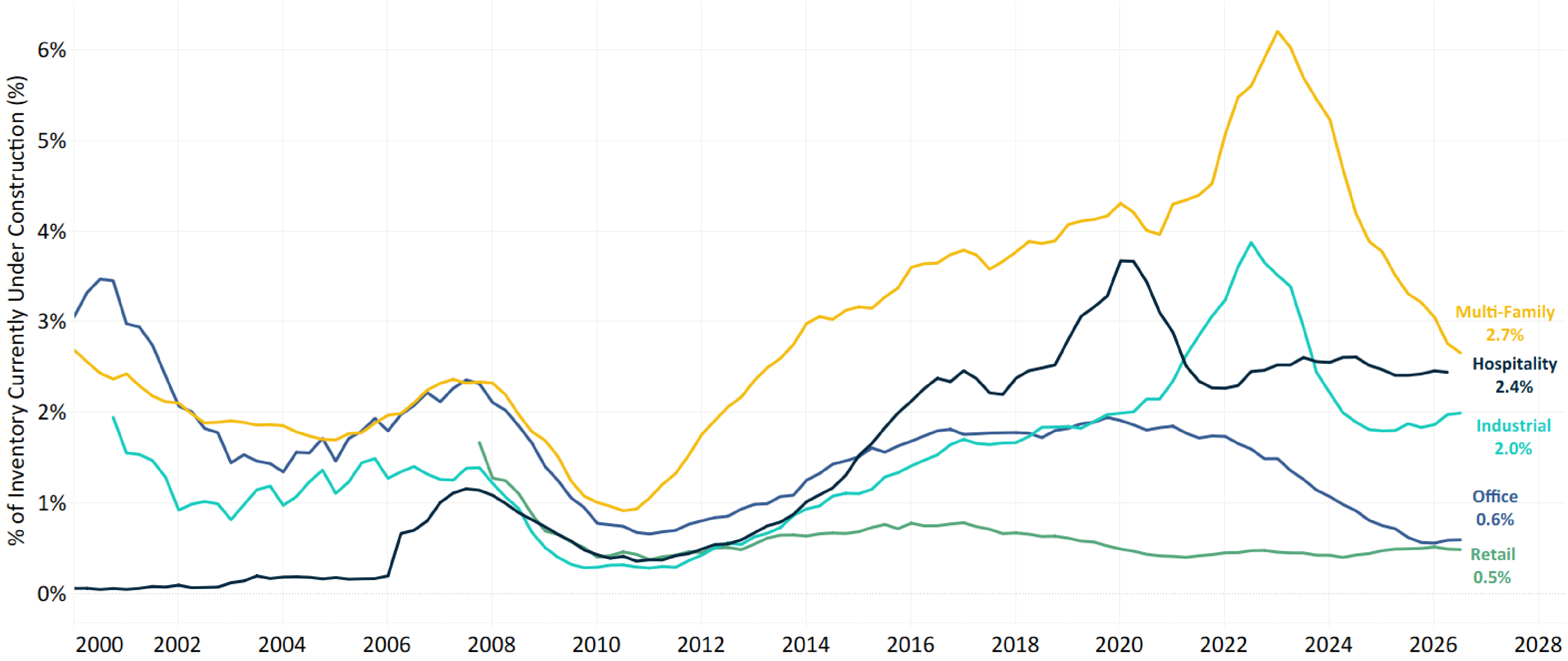


Change in Vacancies (BPS YOY), 2026 Q3



Source: CoStar Trimont Research

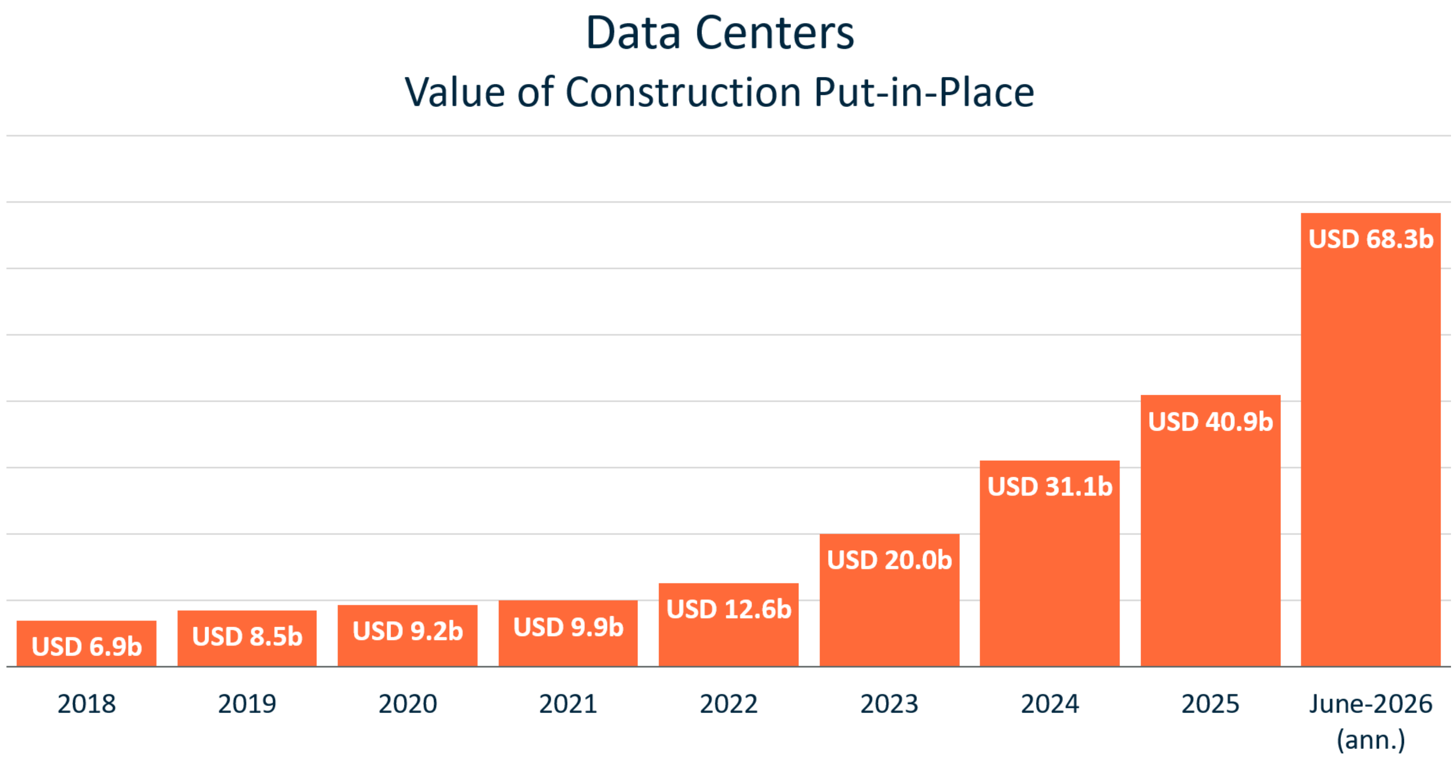
U.S. CRE SUPPLY/PIPELINE

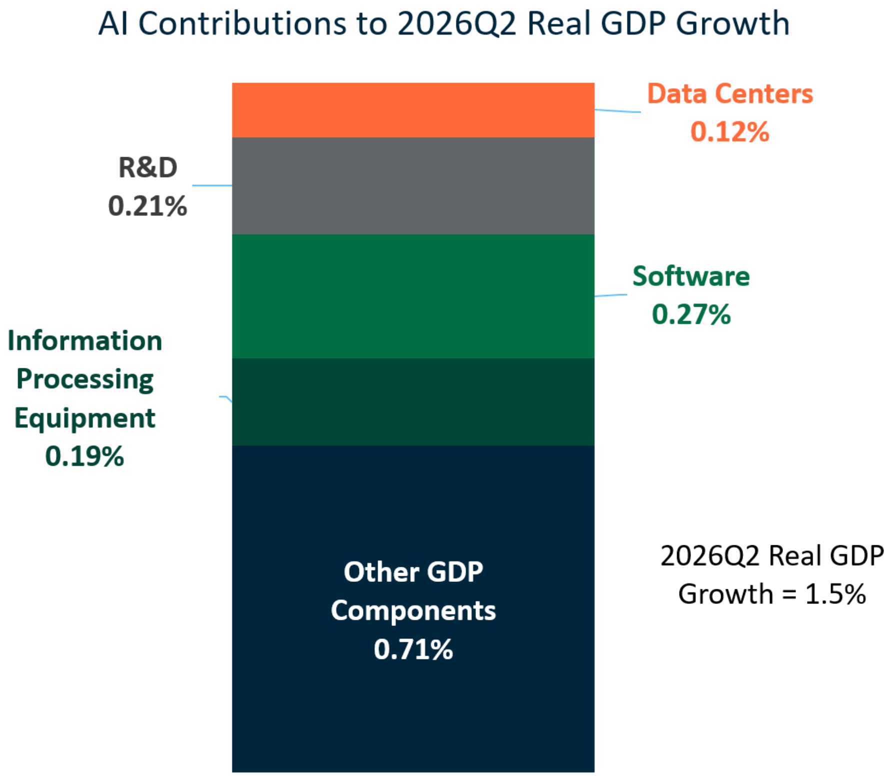


TRIMONT

Source CoStar:; Trimont Research

U.S. AI AND DATA CENTERS

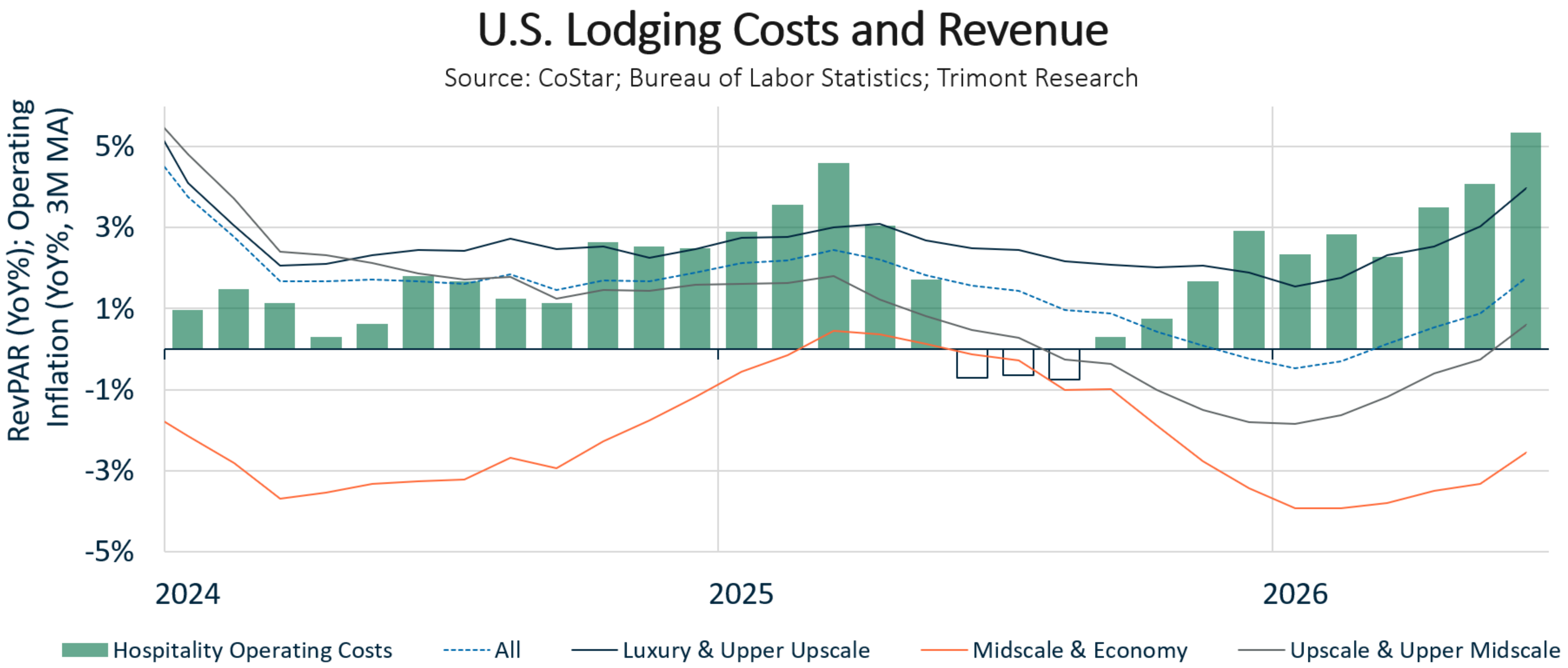




TRIMONT

Source: U.S. Census Bureau; Bureau of Economic Analysis; Trimont Research

U.S. LODGING METRICS

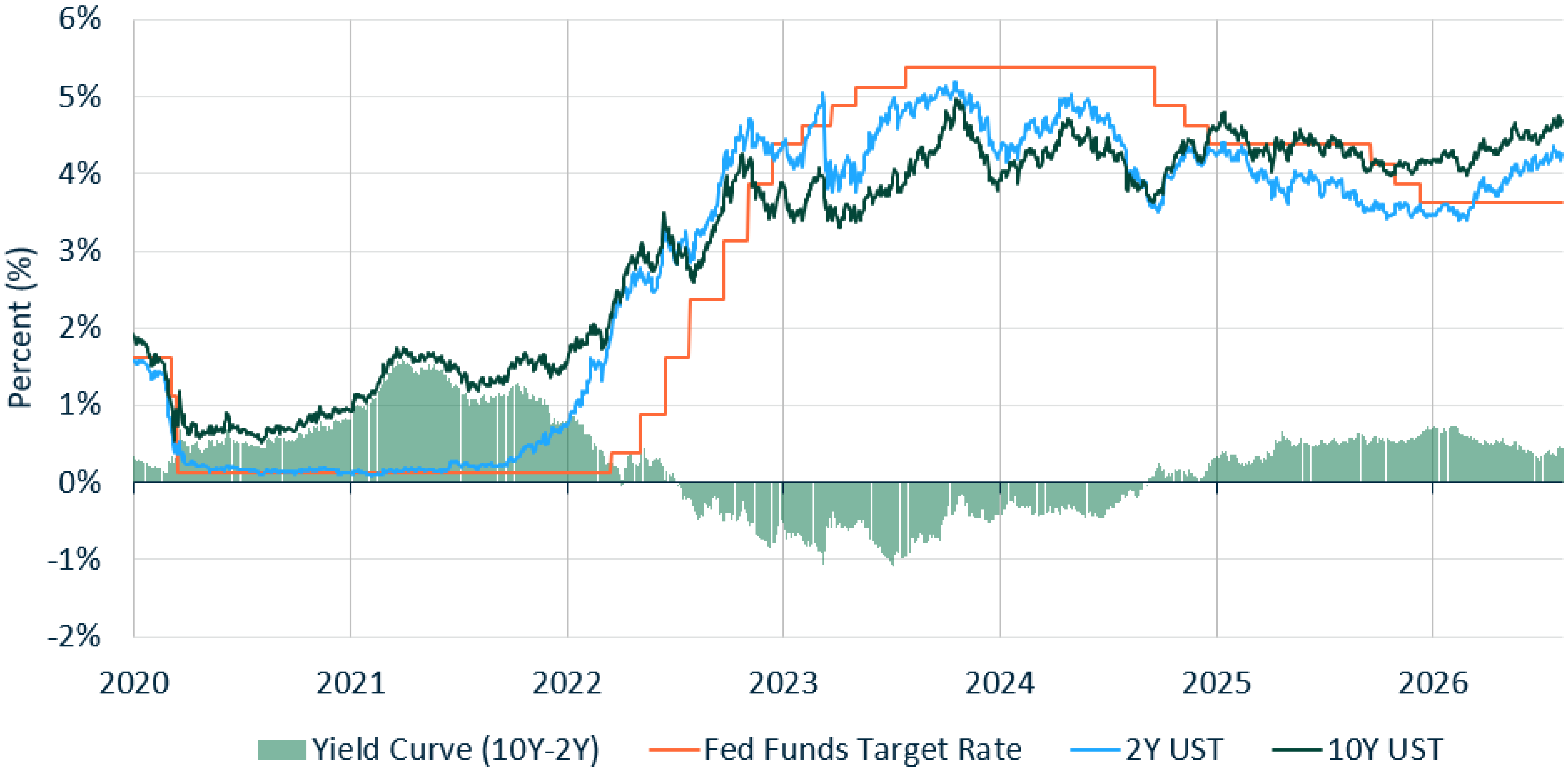


TRIMONT

Source: CoStar; Bureau of Labor Statistics; Trimont Research

FINANCIAL MARKETS

THE INTEREST RATE ENVIRONMENT

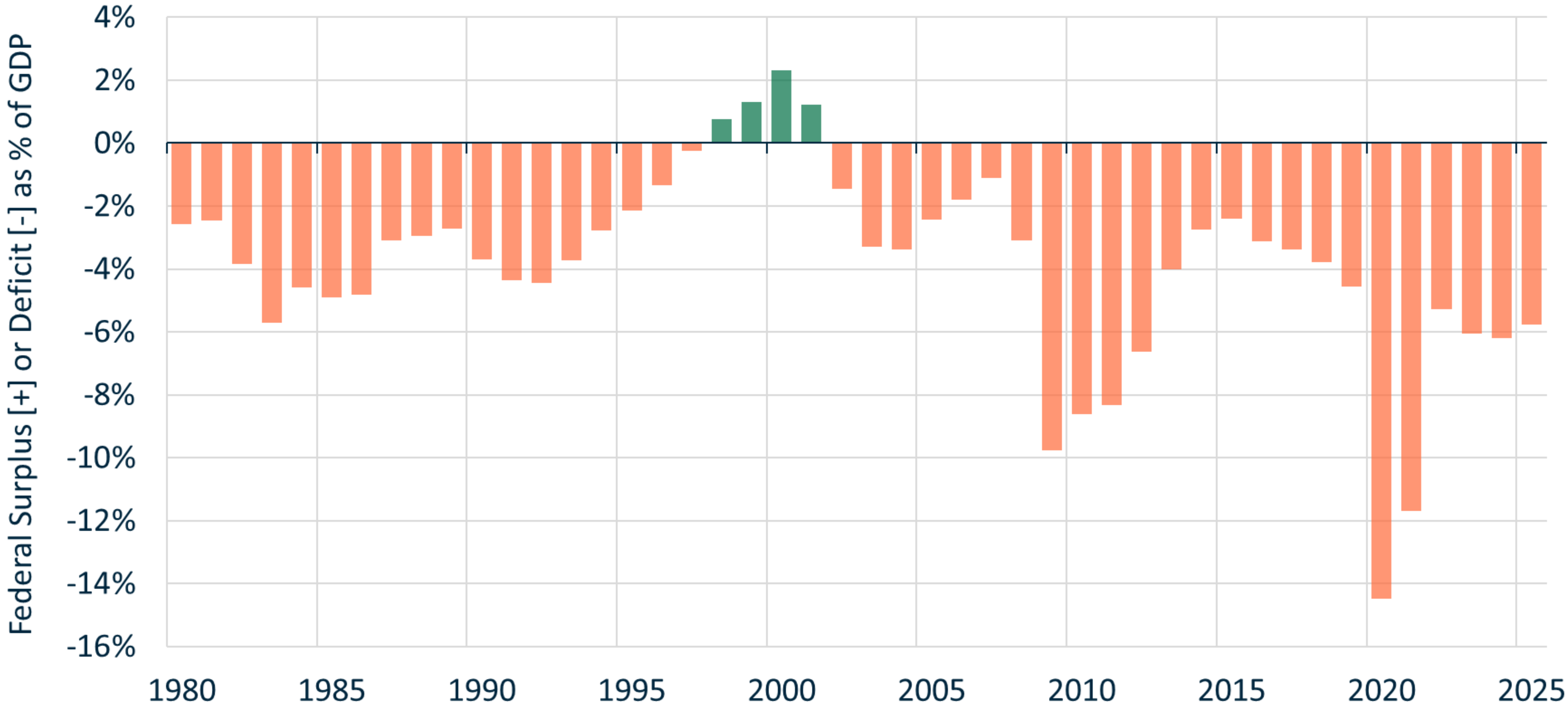


Data through 6-August-2026

TRIMONT

Source: U.S. Board of Governors of the Federal Reserve System (FRB); Trimont Research

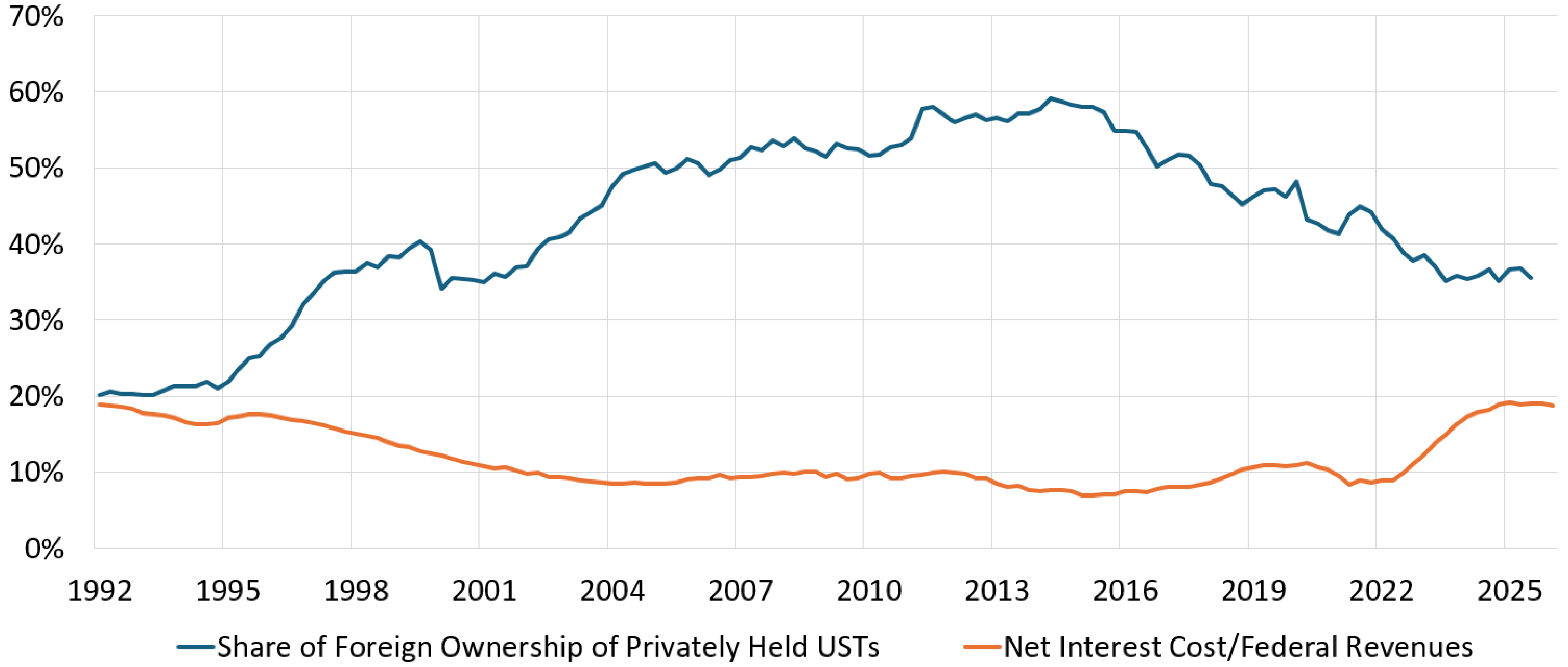
U.S. BUDGET DEFICIT



TRIMONT

Source: Congressional Budget Office; Trimont Research

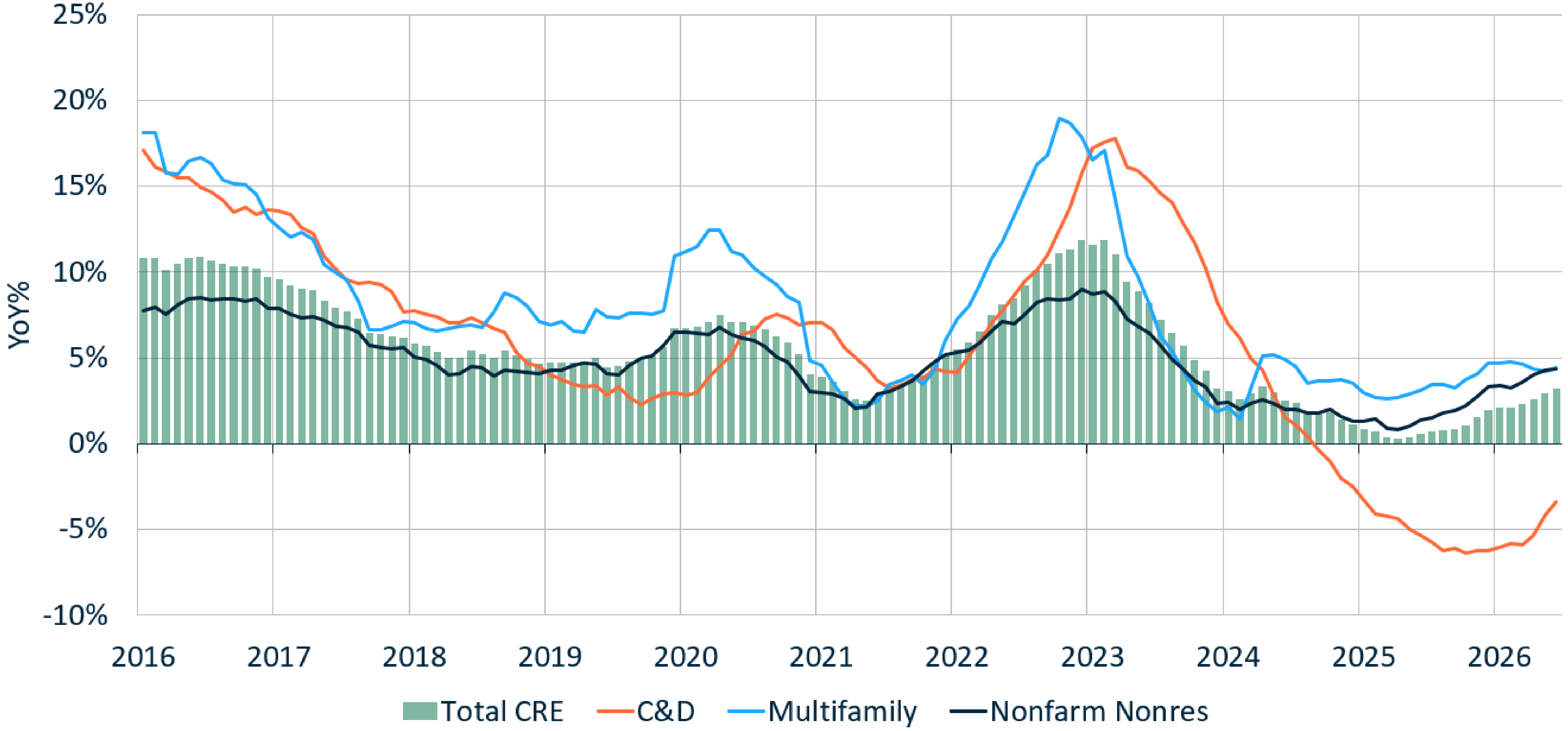
SHIFTING TREASURY OWNERSHIP AND HIGHER INTEREST COSTS



TRIMONT

Source: U.S. Treasury; Trimont Research

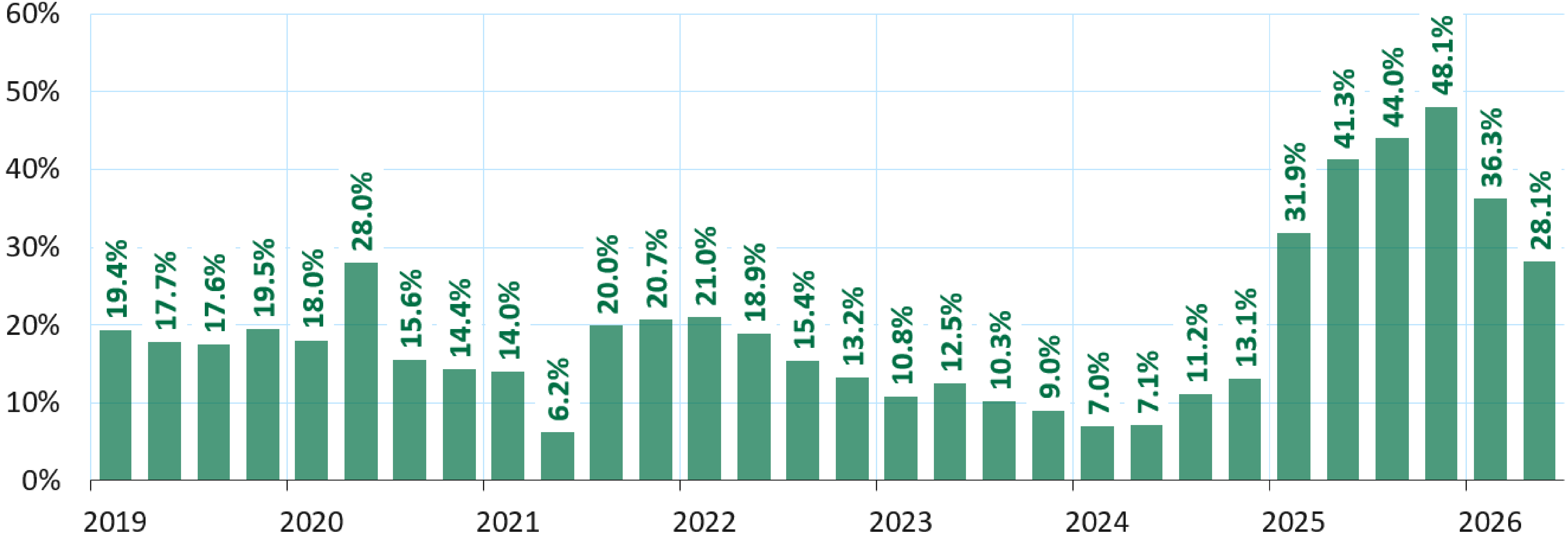
U.S. COMMERCIAL BANK CRE LOAN GROWTH



TRIMONT

Source: H.8 Assets and Liabilities of Commercial Banks in the United States/U.S. Board of Governors of the Federal Reserve System (FRB); Trimont Research

GROWTH IN U.S. BANK LENDING TO NON-DEPOSITORY INSTITUTIONS

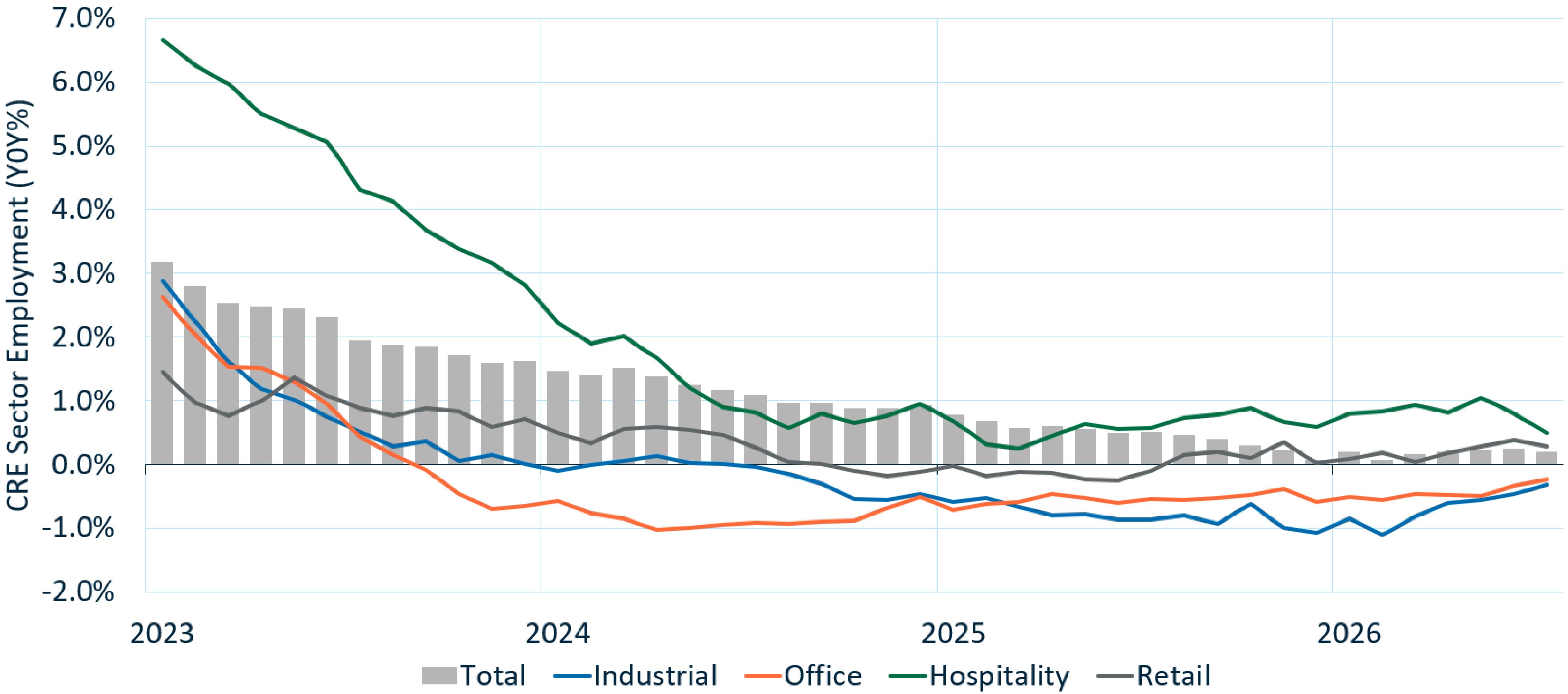


TRIMONT

Source: Bank Call Reports/FDIC; Trimont Research

Source: H.8 Assets and Liabilities of Commercial Banks in the United States/U.S. Board of Governors of the Federal Reserve System (FRB); Trimont Research

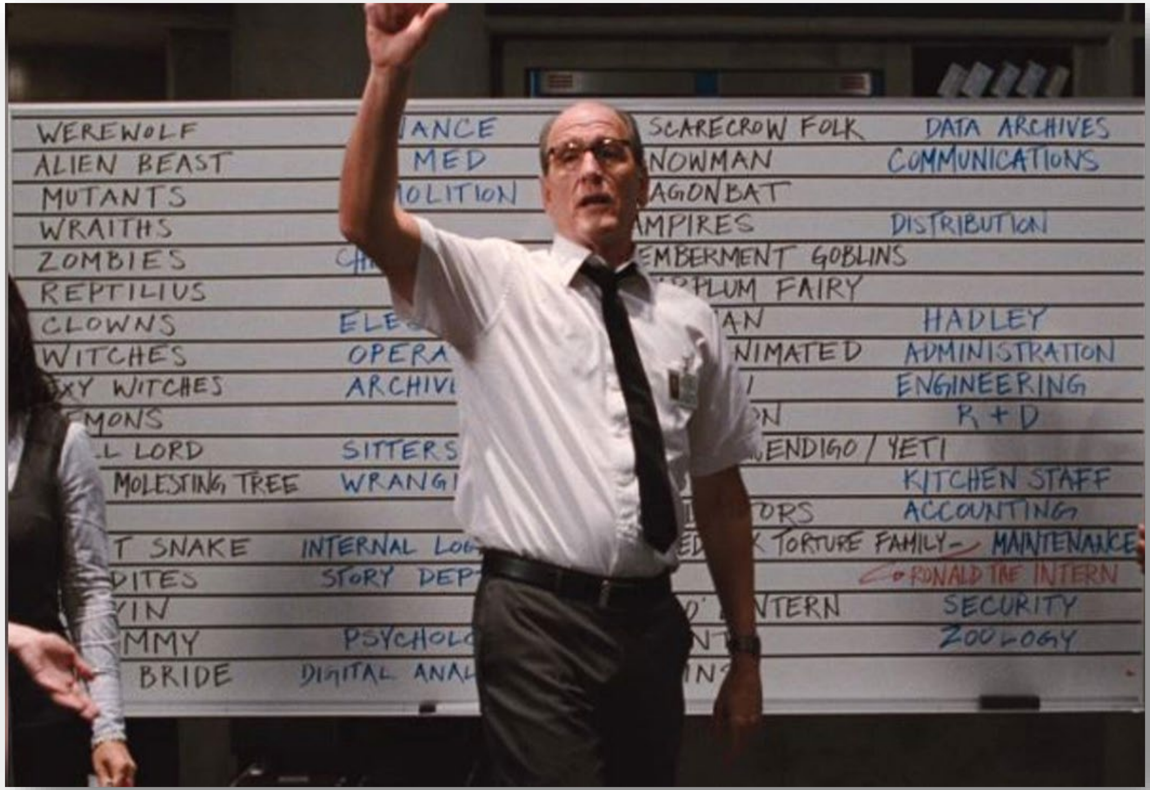
OUTLOOK – SECTOR JOB GROWTH AND UNDERLYING DEMAND



TRIMONT

Source: Bureau of Labor Statistics Trimont Research

WHO HAD 'UNCHARTED TERRITORY' FOR 2026?



2026 Expectations

- Recession Probability ↑
- Job Creation ↔
- Inflation ↔
- U.S. Productivity ↑
- Short Term Rates ↔
- Long Term Rates ↑
- Liquidity ↓

TAKEAWAYS

- If geopolitical risk remains elevated, higher energy prices could push the economy into a shallow recession.
- The potential for higher inflation may stall potential future Fed interest rate cuts.
- CRE fundamentals remain mixed; however, upper end office and industrial are improving. Consumer-related CRE (multifamily, hospitality and retail) continues to experience elevated slowdown risk due to a stressed consumer.
- Expectations are for the yield curve to steepen, as short-term rates remain mostly stable and then decline slightly, and long-term rates increase.
- All markets and real estate will not be impacted equally by changes in the macro environment, this will cause CRE performance to be mixed.

Questions?

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