ISSUED ON AUGUST 24, 2026

BRG CORPORATE FINANCE

Key Economic Data

July 2026

INTELLIGENCE THAT WORKS

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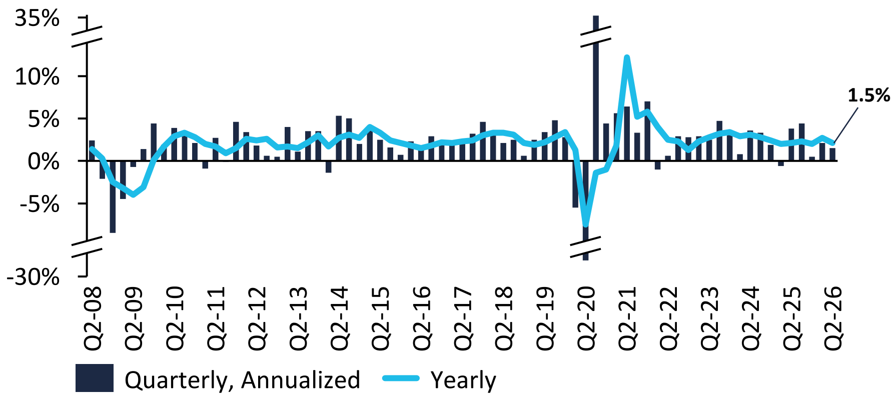
GDP AND CONSUMER CONFIDENCE

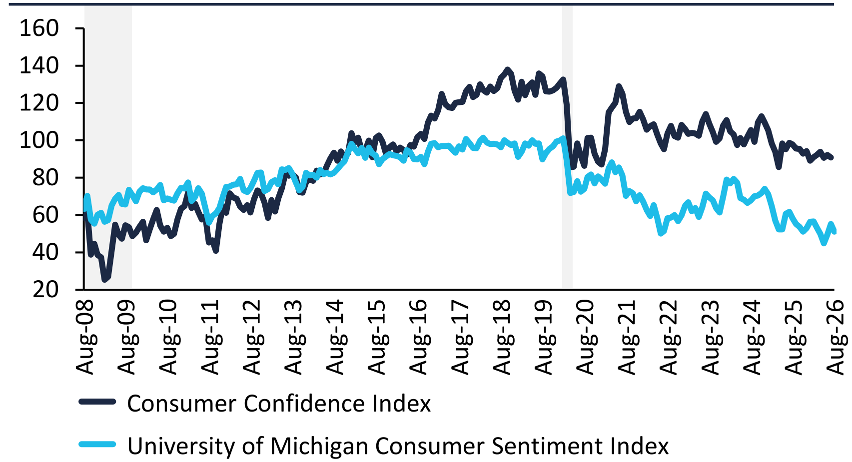
REAL GDP GROWTH



Source: US Department of Commerce

- Q2 ’26 GDP growth slowed in the first estimate, below expectations for acceleration
  - Consumer spending accelerated sharply, the primary driver of growth
  - Trade deficit widened on higher imports driven by AI boom and demand for imported equipment
  - Gross investment decelerated on slowdown to non-residential investment, while residential investment rebounded after five consecutive quarters of declines
  - Government spending declined
- The GDPNow estimate for Q3 ’26 points to a significant rebound to GDP growth

CONSUMER CONFIDENCE



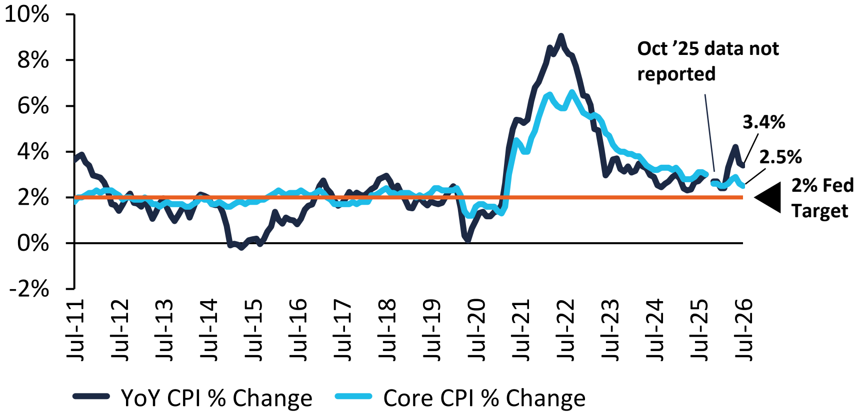
Shaded areas represent periods of recession
Source: Bloomberg Finance L.P., The Regents of the University of Michigan

- Consumer Confidence Index fell in Jul ’26, after an upward revision to Jun ’26, and finished below expectations
  - Assessments of the present situation declined for the third straight month on deteriorating views of business and employment conditions
  - Expectations for business fell, while expectations for labor market conditions improved, but remained low
- Consumer Sentiment Index[1] fell sharply in Aug ’26, below consensus, ending two consecutive months of improvement
  - Only 8% of consumers expect their income growth to beat inflation over the year ahead, down from 18% in Dec ’24
  - 1-year inflation expectations rose slightly, while 5-year expectations were unchanged; both remain elevated

(1) *Thomson Reuters/Univ. of Michigan Consumer Sentiment Index*

INFLATION AND REAL EARNINGS

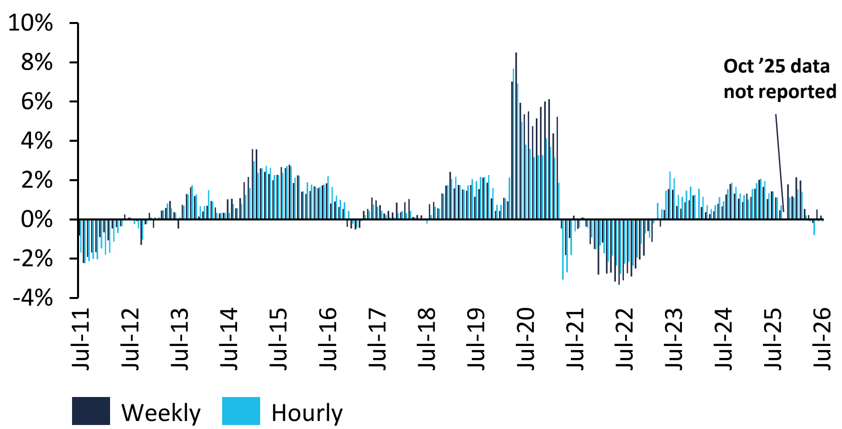
INFLATION (CPI % CHANGE YOY)



Source: Bureau of Labor Statistics

- Jul ’26 US consumer prices rebounded MoM, while YoY price growth eased, both in-line with consensus
  - Energy prices declined MoM, but less than in Jun ’26; YoY energy price growth eased, but remained high
  - Food price growth eased MoM, but was unchanged YoY
- Core CPI price growth accelerated MoM, but eased YoY; both MoM and YoY results in-line with expectations
  - Shelter price growth was unchanged MoM, but eased YoY; aside from Jun ’26, smallest MoM change since Jan ’21
  - Apparel prices rebounded MoM, YoY growth unchanged

YOY CHANGE IN REAL EARNINGS*



*For production and nonsupervisory employees
Source: Bureau of Labor Statistics

- Real average weekly earnings growth for production and nonsupervisory employees eased MoM in Jul ’26 due to slowing real average hourly earnings and no change to the average workweek
- Real average weekly earnings growth slowed YoY as the easing to nominal earnings outweighed slowing to inflation

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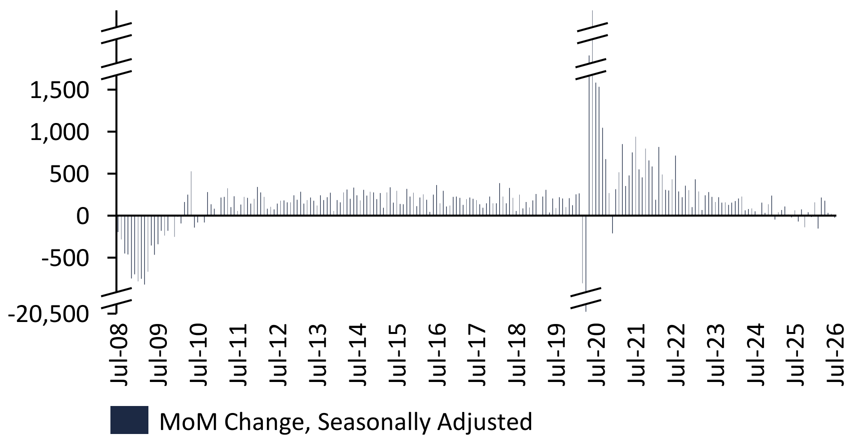
EMPLOYMENT

NONFARM PAYROLL EMPLOYMENT

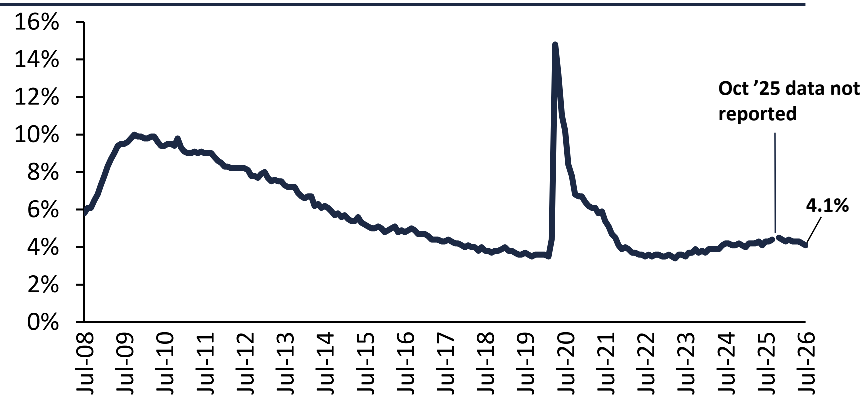
(in thousands)



Source: Bureau of Labor Statistics

- Jul ’26 nonfarm payrolls fell, significantly below expectations for accelerated growth, following another large net downward revision to the prior two months
- Private sector payrolls increased but fell well short of consensus
  - Service provider payroll growth decelerated, as healthcare growth slowed sharply, and leisure / hospitality, retail, and financial sectors shed jobs
  - Goods producer payrolls accelerated as construction grew faster, partially offset by manufacturing easing and mining declining
- Jul ’26 government payrolls plummeted, driven by a significant decline to local education, while federal also declined and state rebounded

UNEMPLOYMENT RATE



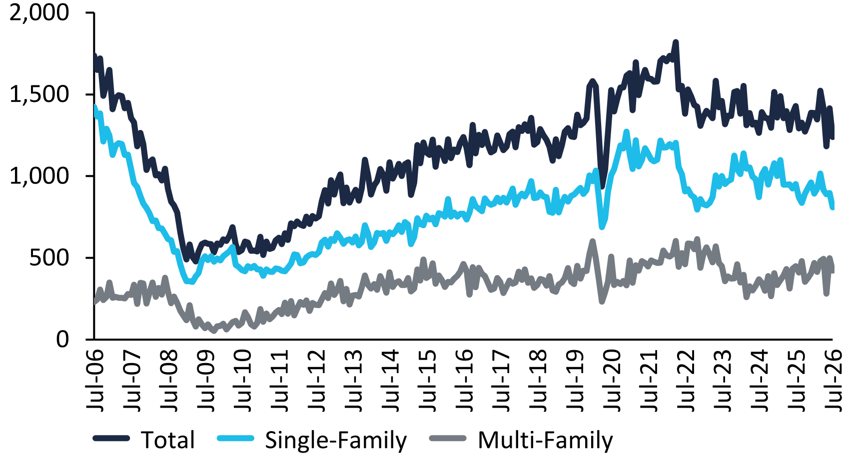
Source: Bureau of Labor Statistics

- The unemployment rate fell in Jul ’26, below consensus as more people left the workforce
- Participation rate fell further to 61.4%, lowest level since Feb ’21

HOUSING

HOUSING STARTS (SAAR)

(in thousands)

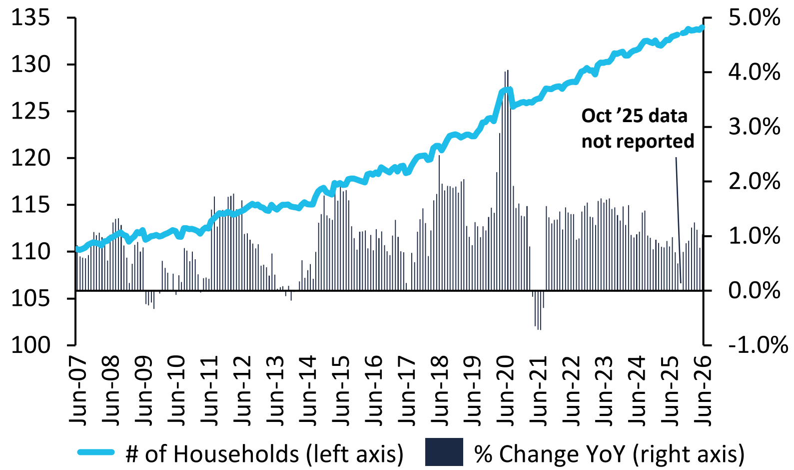


Source: US Department of Housing and Urban Development

- Housing Starts SAAR fell both MoM and YoY in Jul ’26, well below consensus as both single- and multi-family starts declined
  - Starts fell across all regions except the Northeast
  - Builder sentiment remains weak amid high mortgage rates, rising construction costs, and affordability concerns
- Case-Shiller 20-City Index[1] accelerated slightly MoM in May ’26, above expectations for no change
  - YoY growth accelerated, beating consensus
  - Despite this month’s gains, affordability remains a headwind, and home values are declining in real terms for existing homeowners

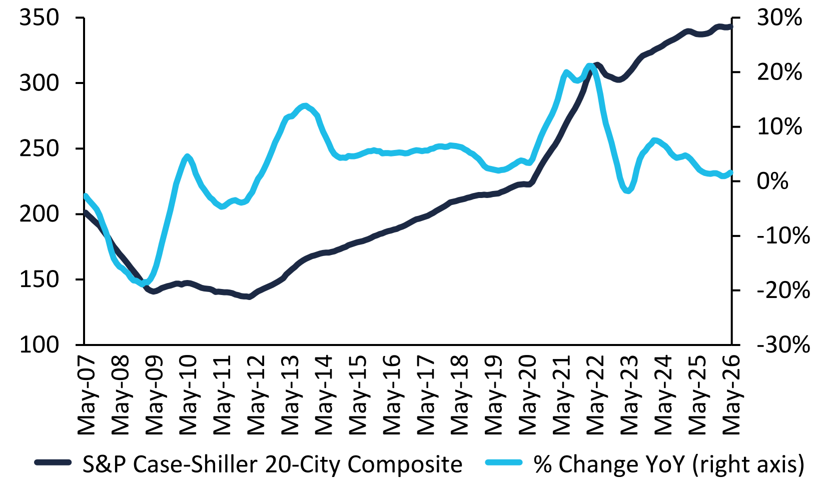
HOUSEHOLD FORMATION

(in millions)



Source: US Census Bureau

HOUSING PRICES (SEASONALLY ADJUSTED)



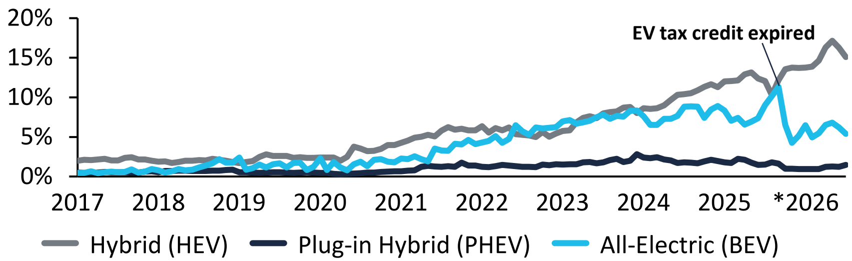
Source: S&P Global Market Intelligence

(1) *S&P Cotality Case-Shiller 20-City Composite Home Price Index, Seasonally Adjusted*

AUTO SALES AND PRODUCTION

- Jul '26 US Light-Vehicle Sales (SAAR) fell both MoM and YoY, in-line with consensus; unit sales declined both MoM and YoY
  - YoY results reflect boost to sales last year in response to an announcement of EV credits expiration
- Manufacturers' incentives remain up significantly YoY when OEMs pulled back on discounts to offset tariff costs
- Average monthly finance payments reached the record for July
- EV retail share fell to 6.8% in Jul '26

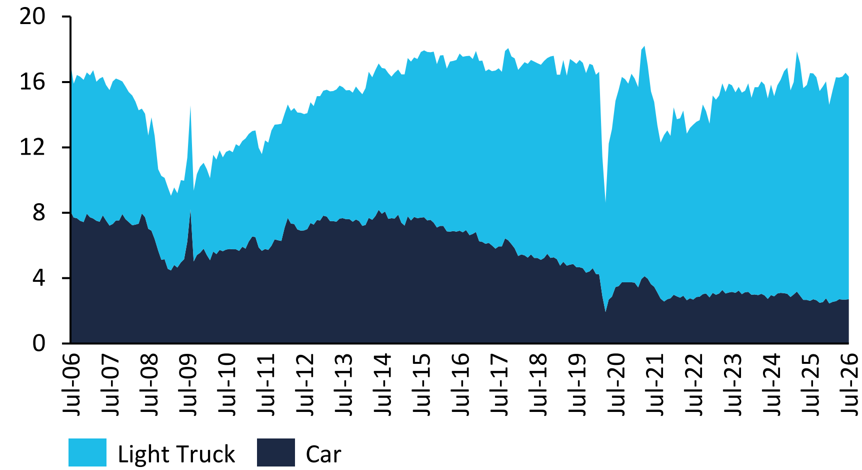
EVs AS % OF US AUTO SALES



Source: Argonne National Laboratory, Bureau of Economic Analysis *Through July 31, 2026

US LIGHT VEHICLE SALES (SAAR)

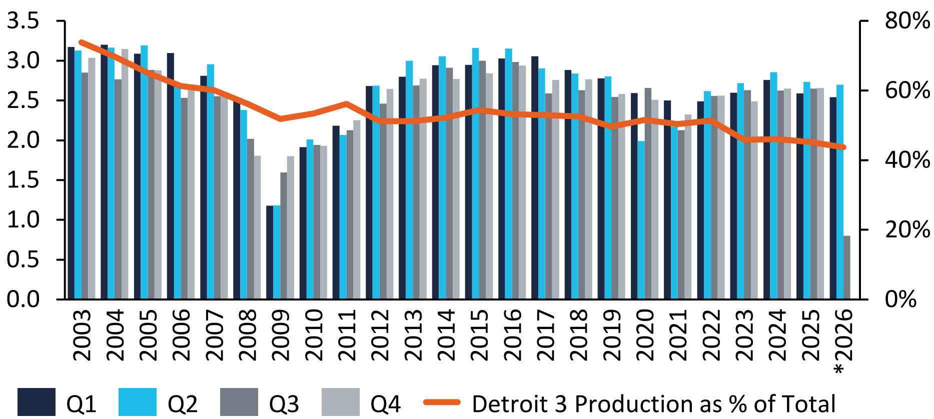
(in millions)



Source: Bureau of Economic Analysis

US AUTO PRODUCTION

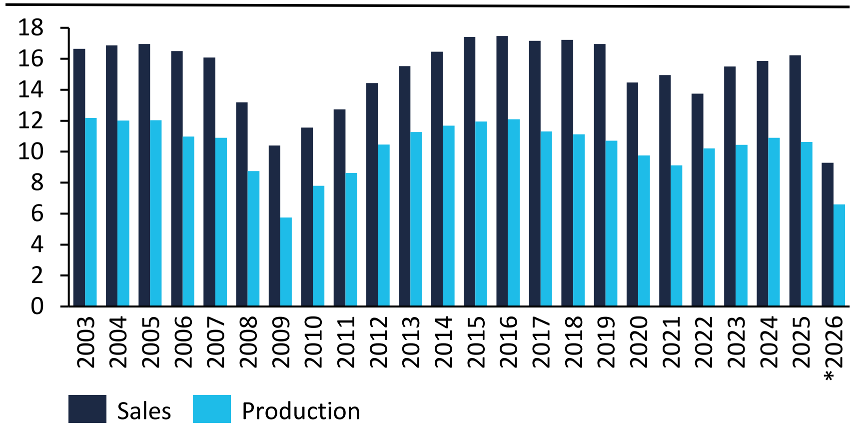
(in millions)



*Through July 31, 2026
Source: Automotive News

US AUTO SALES AND PRODUCTION

(in millions)

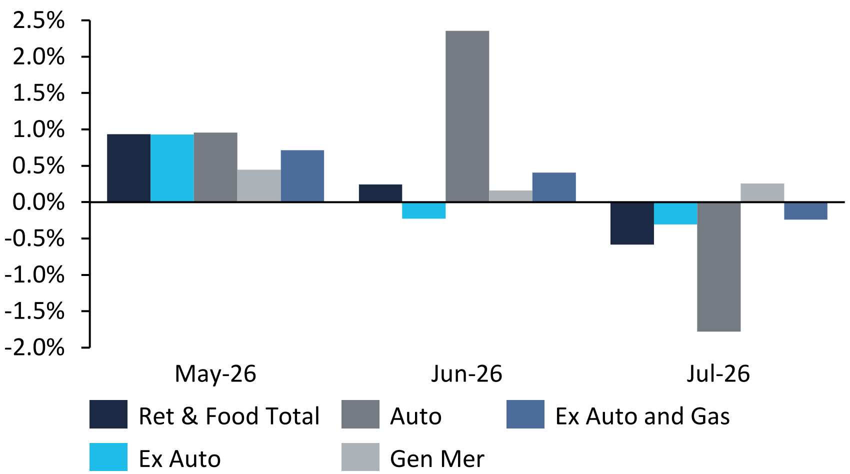


*Through July 31, 2026
Source: Bureau of Economic Analysis, Automotive News

RETAIL SALES

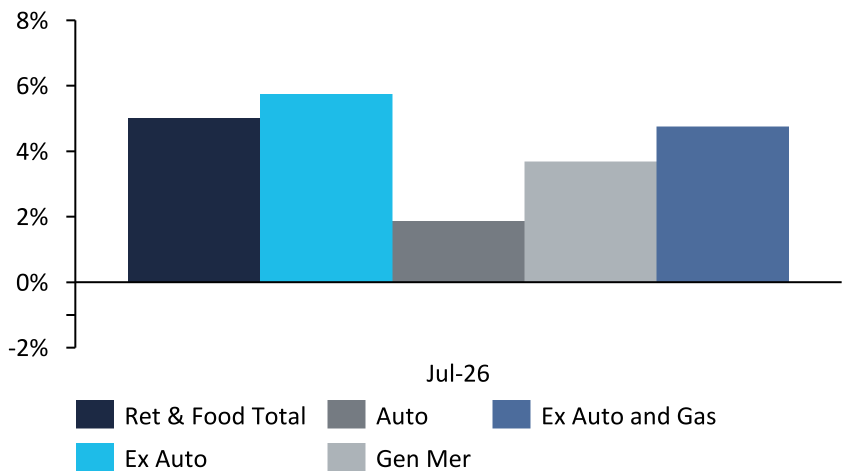
- US retail sales fell MoM in Jul ’26, finishing below consensus of a small increase; first MoM decline since Oct ’25
  - Auto and gas sales led the decline; nonstore retailer sales fell as Amazon’s Prime Day was held in June instead of July
  - Core retail sales fell for the first time this year, after five consecutive MoM increases
- On a year-over-year basis, retail sales growth decelerated to 5.0%
  - Excluding gas and auto, sales growth eased from Jun ’26
  - Nonstore sales growth decelerated significantly from the surge in Jun ’26, likely due to Amazon’s Prime Day taking place in June instead of July

RETAIL AND FOOD SERVICES SALES (% CHANGE MOM)



Source: US Census Bureau

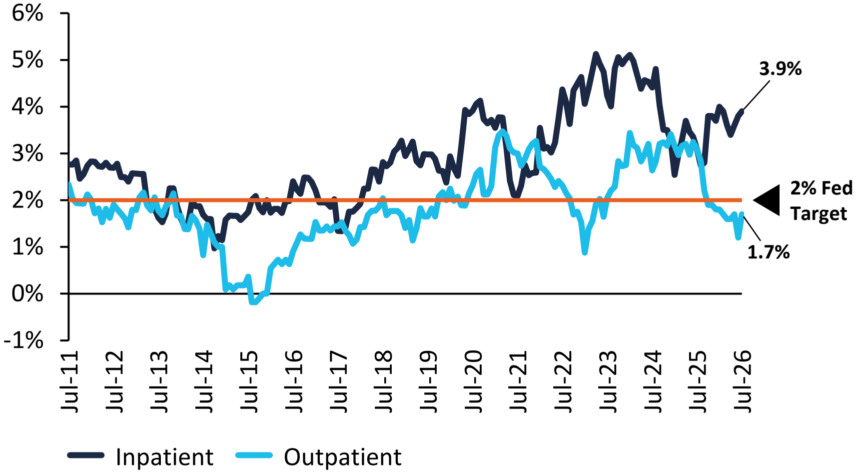
RETAIL AND FOOD SERVICES SALES (% CHANGE YOY)



Source: US Census Bureau

HEALTHCARE

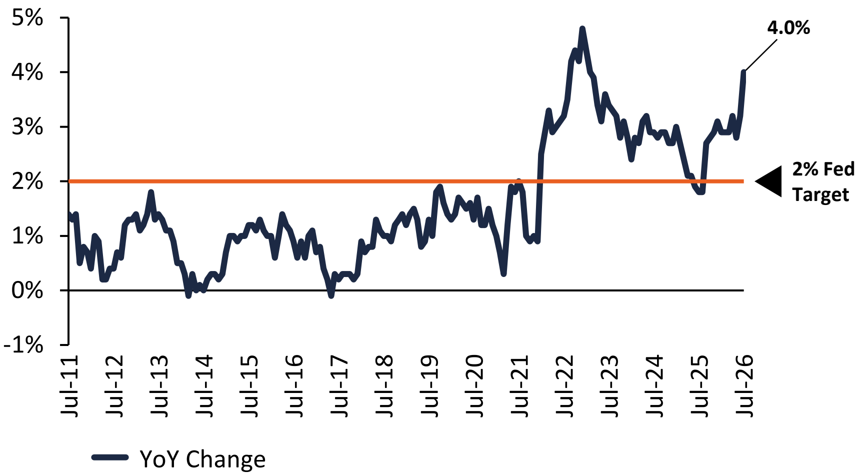
INPATIENT VS OUTPATIENT PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

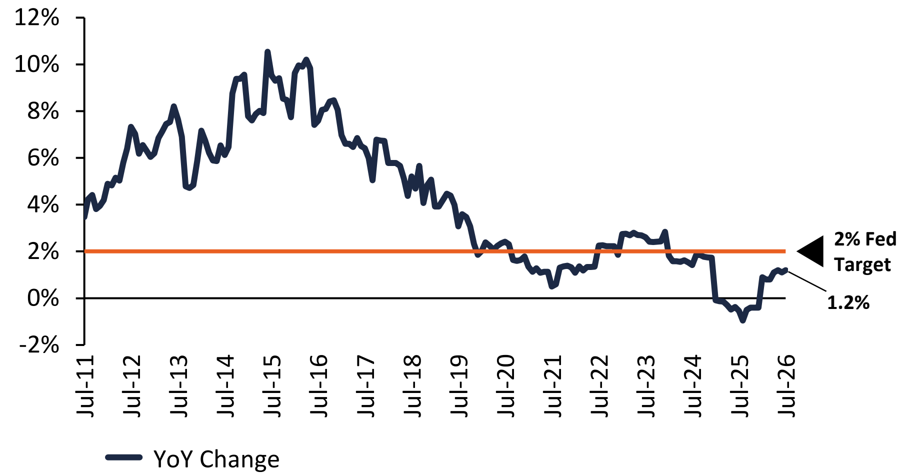
- Jul ’26 PPI growth for inpatient care was unchanged MoM, but accelerated slightly YoY
  - Outpatient care PPI growth accelerated both MoM and YoY
- PPI growth for medical equipment and supplies was unchanged MoM, but accelerated significantly YoY
- Pharmaceutical manufacturing PPI growth rebounded MoM and grew faster YoY

MEDICAL EQUIPMENT / SUPPLIES PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

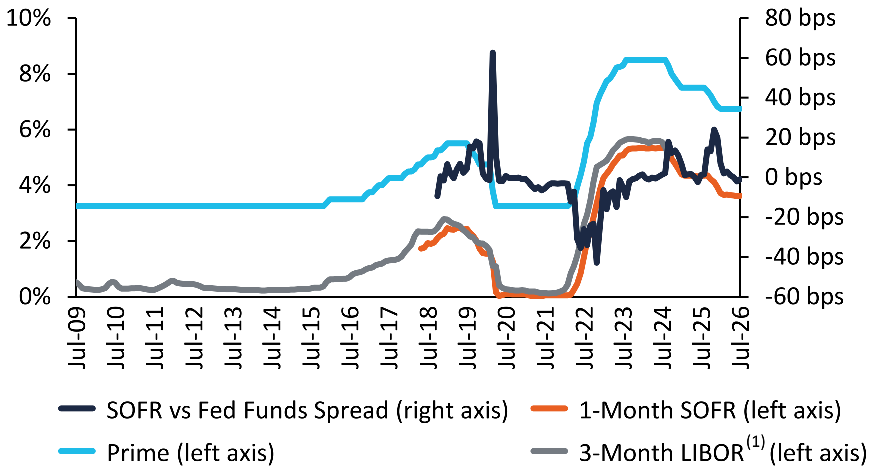
PHARMACEUTICAL AND MEDICINE PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

INTEREST RATES

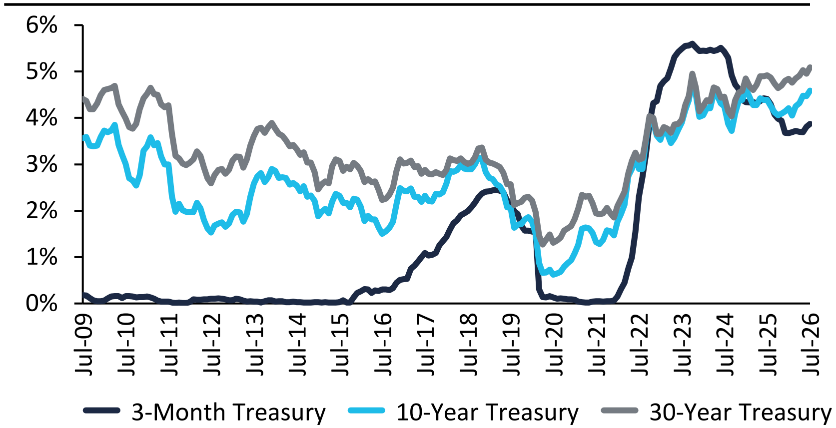
INTEREST RATES



Source: Federal Reserve, Bloomberg Finance L.P.

- At the July meeting, the Fed held rates steady, at 3.50% - 3.75%, in-line with expectations
  - Three officials dissented, instead favoring a rate hike; first time since 2016 that three officials dissented in the same direction
- The statement was largely unchanged aside from the voting
  - The pace of economic expansion is still "solid"
  - Inflation remains "elevated" relative to the 2% target, partially attributed to "supply shocks" to certain sectors, including energy
  - The unemployment rate is still noted to have "changed little"
- According to the meeting minutes, many participants believed that "policy tightening would likely be necessary if inflation did not decline"

TREASURY YIELDS



Source: Federal Reserve, Federal Reserve Bank of St. Louis

				CHANGE FROM	
	JUL-26	JUN-26	JUL-25	PRIOR MON.	YEAR AGO
Fed Funds	3.63%	3.63%	4.33%	0.00%	-0.70%
Prime	6.75%	6.75%	7.50%	0.00%	-0.75%
1-Month SOFR	3.62%	3.61%	4.34%	0.02%	-0.72%
3-Month Treasury	3.87%	3.81%	4.41%	0.06%	-0.54%
10-Yr Treasury	4.59%	4.47%	4.39%	0.12%	0.20%
30-Yr Treasury	5.09%	4.95%	4.92%	0.14%	0.17%

Note: Rates shown as monthly average rates
Source: Federal Reserve, Federal Reserve Bank of St. Louis, Bloomberg Finance L.P.

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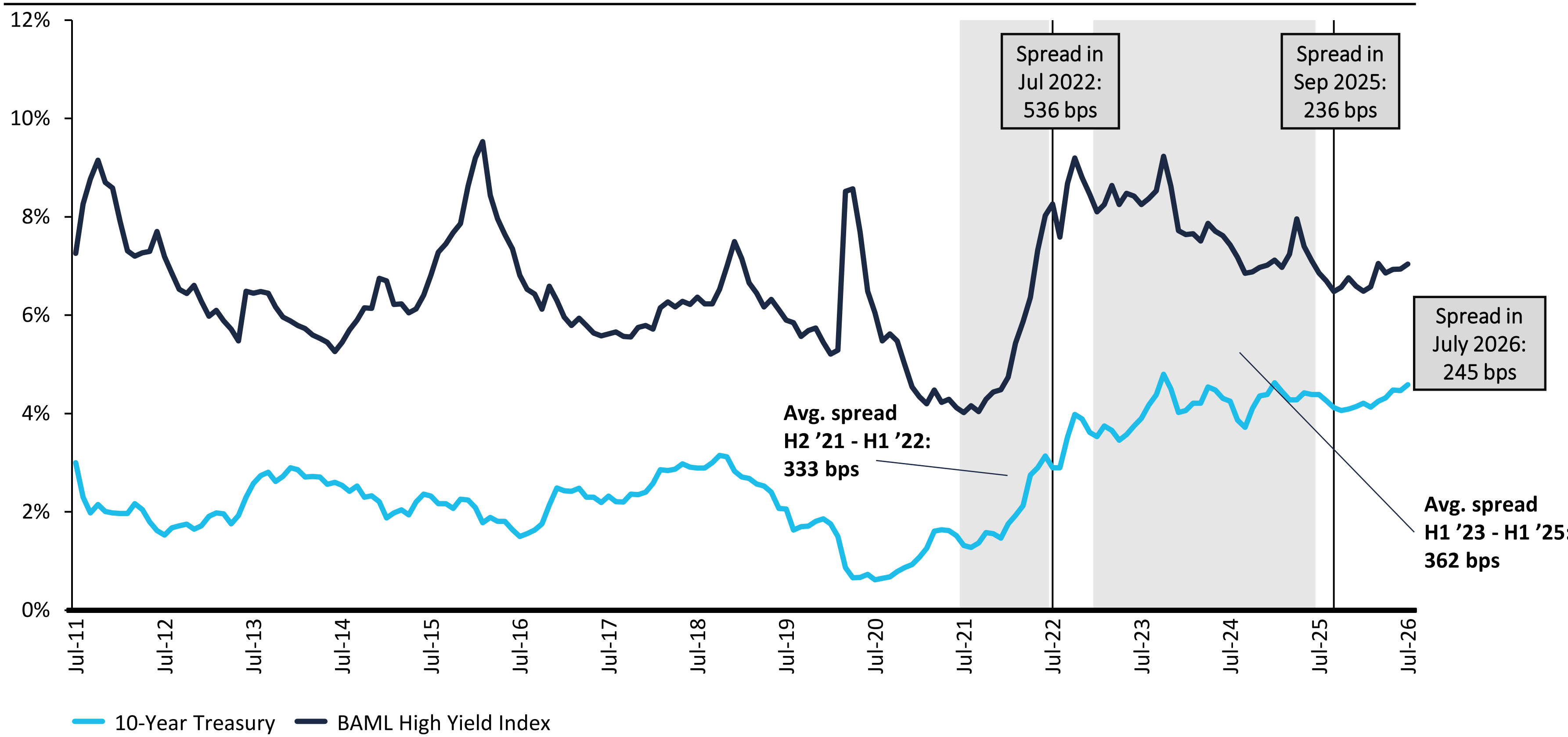
(1) LIBOR rates are no longer published as of September 30, 2024

HIGH YIELD INDEX

- The High Yield vs. 10-Year Treasury spread tightened slightly in Jul ’26

HIGH YIELD VS. 10-YEAR TREASURY



Source: Federal Reserve Bank of St. Louis

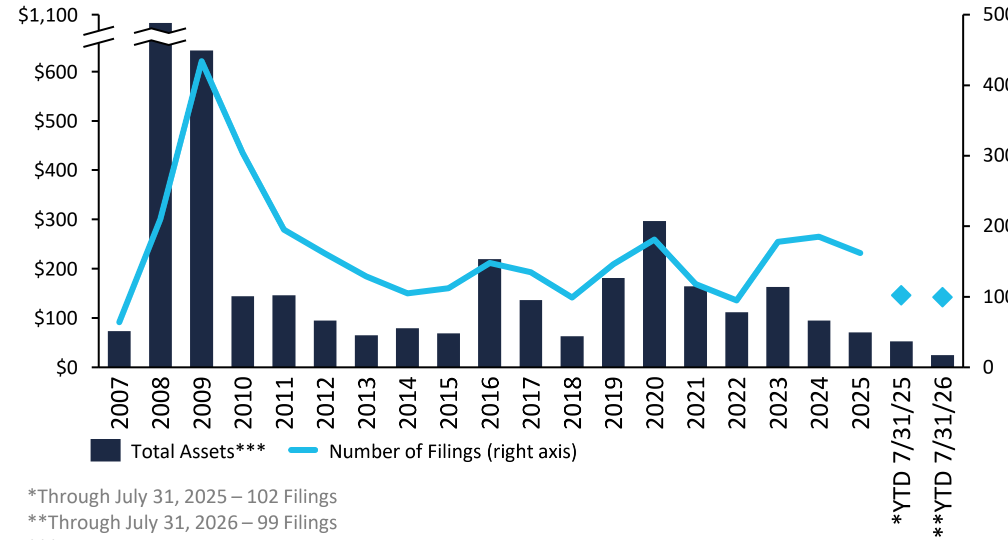
BANKRUPTCIES

US BANKRUPTCY FILINGS WITH ASSETS > $50 MILLION BY INDUSTRY					
INDUSTRY	JUL-26	JUN-26	YTD JUL-26	YTD JUL-25	TOTAL 2025
Real Estate	5	6	30	20	35
Healthcare	2	3	13	15	21
Energy / Coal	2	1	10	6	12
Financial Services	2	-	4	4	8
Consumer / Household Prods	1	2	15	6	14
Food	1	1	6	4	6
Manufacturing	1	-	4	3	5
Services	1	-	1	3	5
Media	-	1	3	2	4
Leisure	-	1	2	3	4
Telecommunication	-	1	1	5	5
Technology	-	-	3	9	11
Transportation	-	-	3	3	5
Chemicals	-	-	2	3	4
Construction	-	-	1	2	4
Education	-	-	1	1	1
Agriculture	-	-	-	6	6
Retail	-	-	-	5	6
Automotive	-	-	-	1	4
Metals	-	-	-	1	2
Non Profit Organizations	-	-	-	-	0
Other	-	-	-	-	0
Total	**15**	**16**	**99**	**102**	**162**

Source: Octus, The Deal®, S&P Global Market Intelligence

US BANKRUPTCIES WITH ASSETS OF $50M+

(USD in billions)



*Through July 31, 2025 – 102 Filings
**Through July 31, 2026 – 99 Filings
***As reported by Octus, The Deal and S&P Global Market Intelligence - may be understated due to the lack of reporting for certain companies and ranges of values provided for others
Source: Octus, The Deal®, S&P Global Market Intelligence

10 LARGEST CHAPTER 11 FILINGS IN JULY 2026*					
COMPANY	FILING DATE	ASSETS ($ IN M)	LIABILITIES ($ IN M)	COURT	INDUSTRY
ASP Unifrax Holdings, Inc.	7/26/2026	$1,000+	$1,000+	NDTX	Materials
Ria R Squared Inc.	7/15/2026	679	199	SDFL	Financial Services
Republic National Distributing Co.	7/26/2026	500+	1,000+	SDTX	Consumer Products
YSA Investments 1 LLC	7/28/2026	500+	500+	DE	Financial Services
Future Legends Files	7/27/2026	100+	100+	CDCA	Consumer Products
600 Spring LLC	7/16/2026	100+	100+	CDCA	Real Estate
Central Falls Detention Facility	7/10/2026	100+	100+	RI	Services
Waikoloa Plaza LLC	7/17/2026	100+	50+	NDGA	Real Estate
SynergenX Legacy Holdings LLC	7/2/2026	100+	50+	SDTX	Healthcare
Montana Tunnels Mining Inc.	7/27/2026	100+	10+	MT	Energy

* By assets reported by Octus, The Deal, and S&P Global Market Intelligence
Source: Octus, The Deal®, S&P Global Market Intelligence

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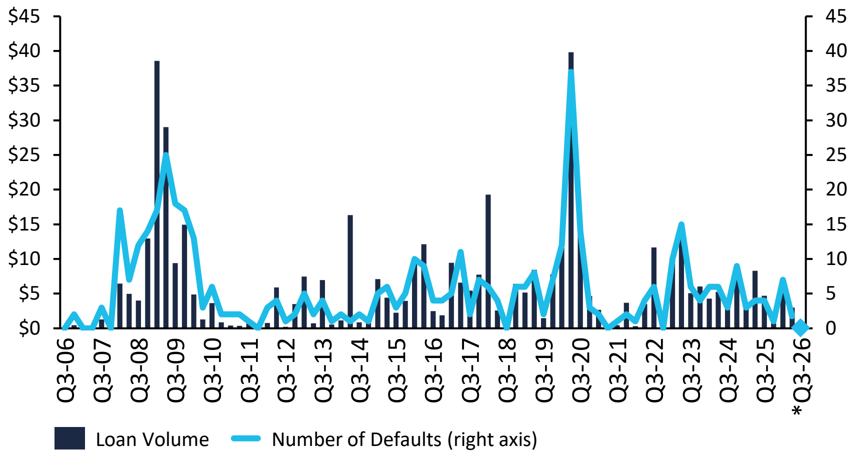
PAYMENT DEFAULTS AND LMES[(1)]

INSTITUTIONAL LOAN DEFAULTS

(USD in billions)



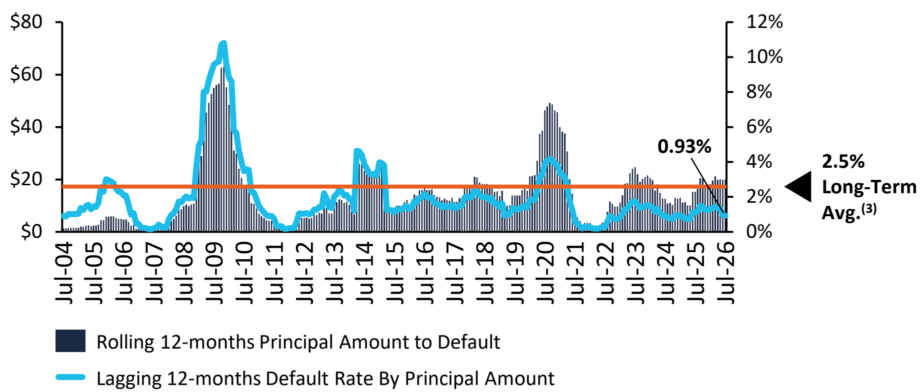
*Through July 31, 2026

Source: PitchBook | LCD

- 10 defaults YTD through Jul '26 ($8.9B in volume) vs. 11 defaults YTD through Jul '25 ($14.4B in volume)
- With no new defaults in the Index[(2)] and one default rolling off the TTM calculation, the default rate:
  - By principal amount dropped to 0.93%
  - By number of issuers fell to 1.25%, and is expected to rise to 1.50% 6 months from now
- The distress ratio of loans priced below 80 rose MoM, nearing Q4 '22 highs
- The three-month rolling downgrade-to-upgrade ratio worsened

DEFAULTS BY PRINCIPAL AMOUNT

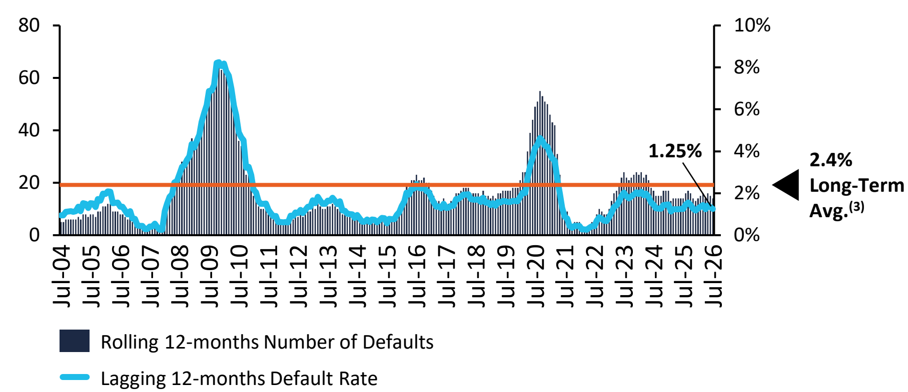
(USD in billions)



Default rate is calculated as the amount defaulted over the last twelve months divided by the amount outstanding at the beginning of the twelve-month period

Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

DEFAULTS BY NUMBER OF ISSUERS



Default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period

Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

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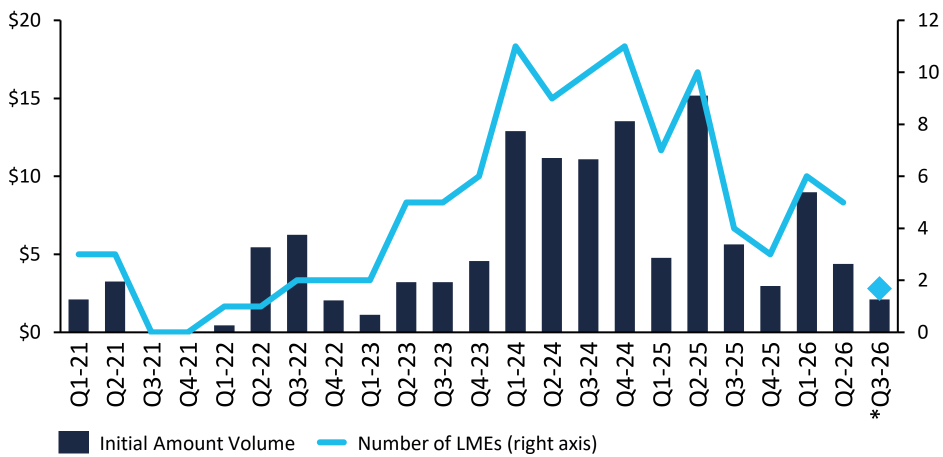
(1) Liability management exercise
(2) Morningstar LSTA US Leveraged Loan Index
(3) Since 1998

PAYMENT DEFAULTS AND LMES (CONT'D)

LMES

(USD in billions)

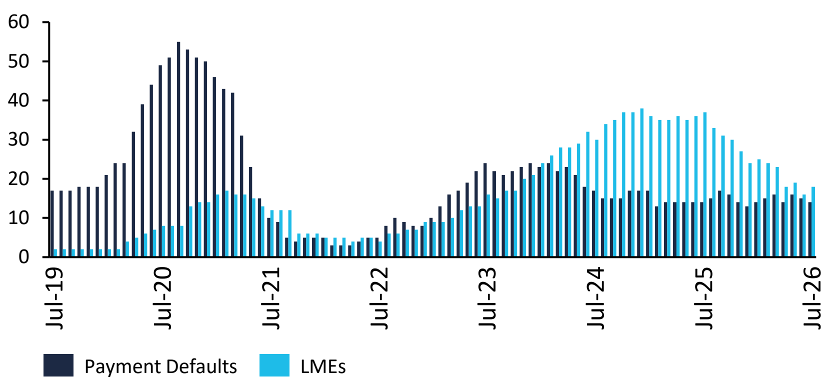


*Through July 31, 2026

Source: PitchBook | LCD

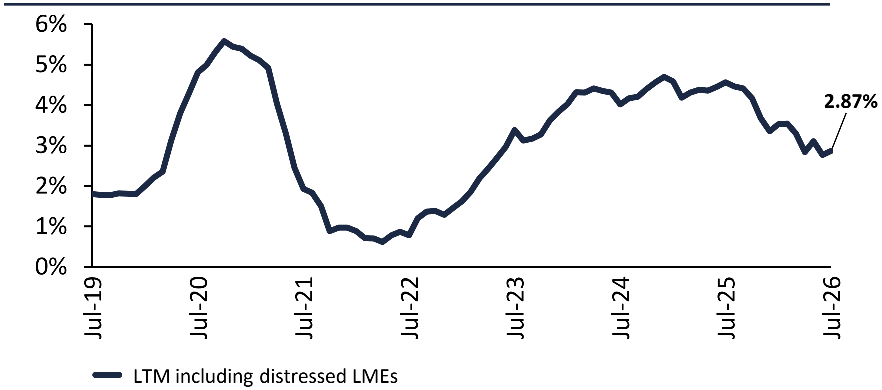
- 14 LMEs YTD through Jul '26 ($15.2B in volume) vs. 19 LMEs YTD through Jul '25 ($24.4B in volume)
- On a trailing 12-month basis:
  - LMEs outpaced payment defaults 18 to 14 in July
  - LMEs outpaced defaults in every month since Jan '24
- The dual track default rate[1] by issuer count rose to 2.87%

PAYMENT DEFAULTS VS LMES: TTM COUNT



Source: PitchBook | LCD

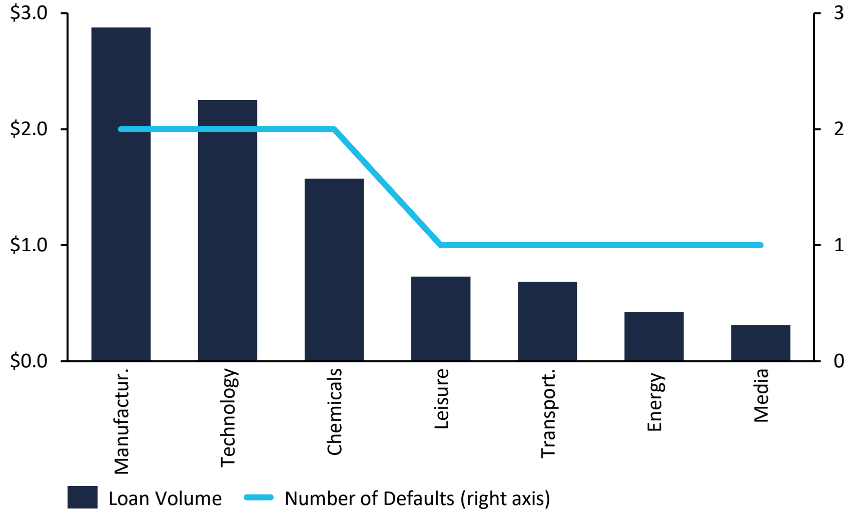
DUAL TRACK DEFAULT RATE BY ISSUER COUNT



Source: PitchBook | LCD

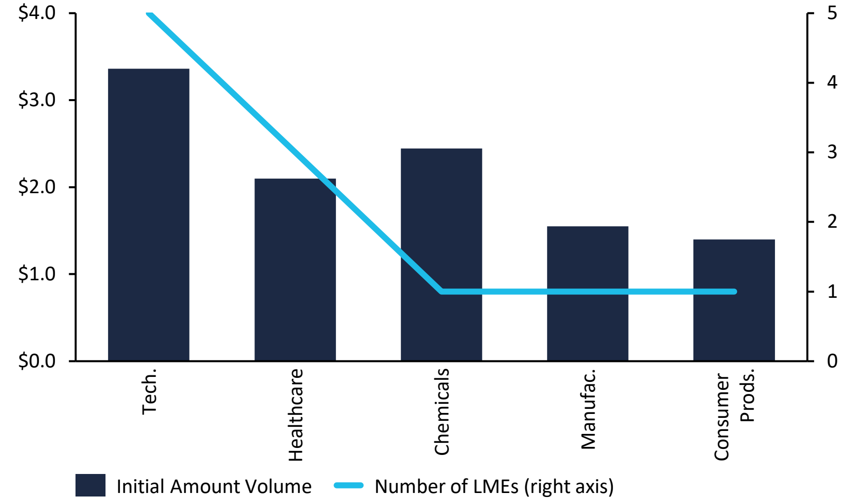
(1) *Includes distressed liability management transactions that prompted a downgrade to 'D' or 'SD'*

DEFAULTS BY INDUSTRY FOR PAST SIX MONTHS *(USD in billions)*



Source: PitchBook | LCD

LME BY INDUSTRY FOR PAST SIX MONTHS *(USD in billions)*



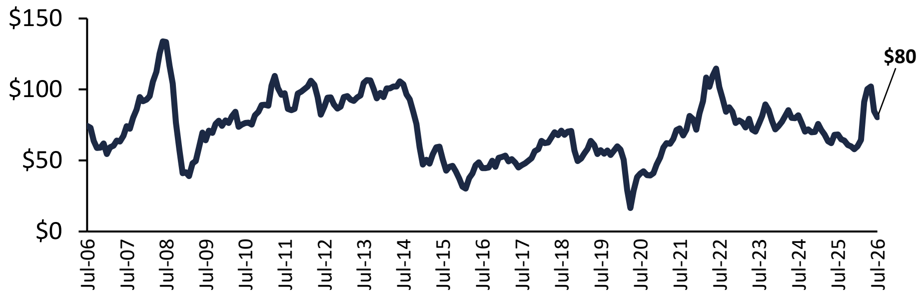
Source: PitchBook | LCD

- **There were no new institutional defaults and three new LMEs in Jul '26**

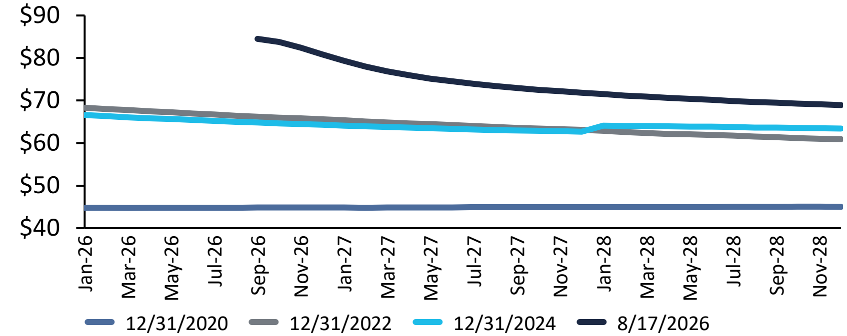
LMES IN THE PAST MONTH COMPANY	INDUSTRY	DEAL DATE	LME DATE	INITIAL AMOUNT ($ IN MM)
Medical Solutions	Healthcare	11/1/21	7/1/26	$ 1,050.0
SonicWall International LLC	Technology	8/16/23	7/21/26	650.0
System1 Group Inc	Technology	1/27/22	7/24/26	400.0

COMMODITY PRICES

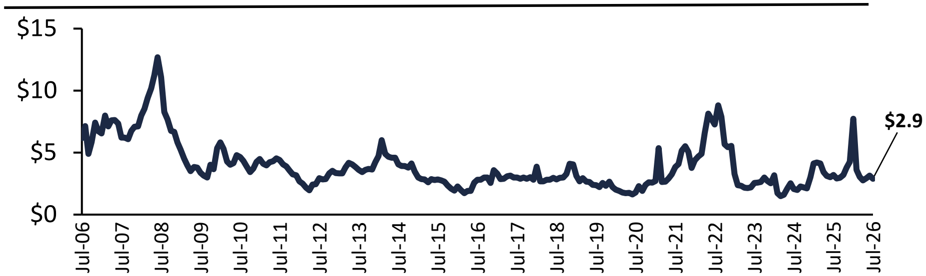
WTI CRUDE OIL PRICES(1)
(USD per barrel)



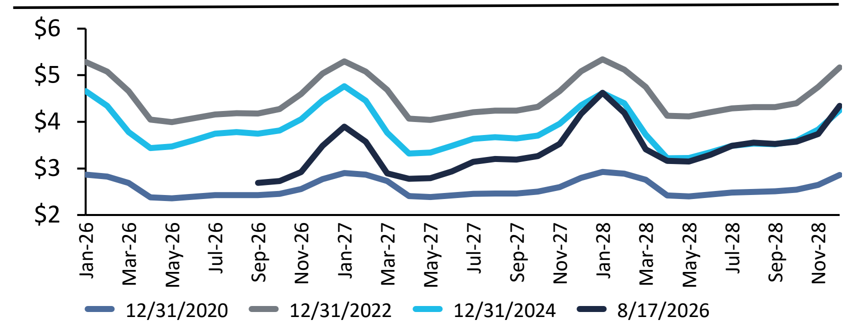
WTI CRUDE OIL FUTURES
(USD per barrel)



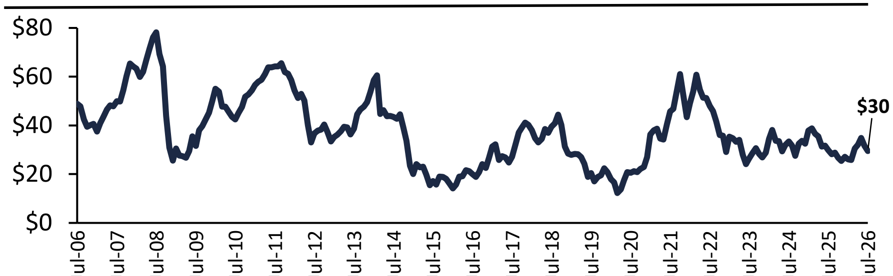
HENRY HUB NATURAL GAS PRICES(1)
(USD per MMBTU)



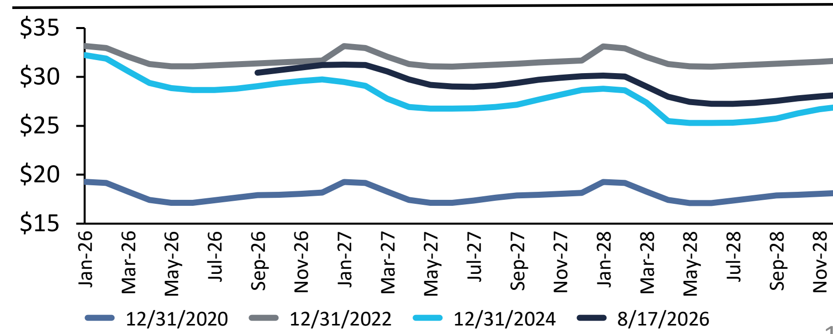
NYMEX NATURAL GAS FUTURES
(USD per MMBTU)



MONT BELVIEU NGL PRICES(1)
(USD per barrel)



MONT BELVIEU NGL FUTURES
(USD per barrel)



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Source: Bloomberg Finance L.P.

(1) *Monthly Averages*

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