CanterburyConsulting

Quarterly Asset Class Report
Real Assets

June 30, 2026

canterburyconsulting.com

Role in the Portfolio

Canterbury Consulting recommends and communicates asset-class strategy with the objective of constructing a diversified portfolio of real asset strategies designed to (in aggregate):

— Preserve purchasing power

— Generate uncorrelated returns to other asset classes

— Manage the volatility profile of the segment

Role	Asset Categories	Risks
Growth	Public and Private Equity	Market Decline
Capital Preservation	Fixed Income, Hedge Funds	Rising Interest Rates, Highly Correlated Markets
Inflation Protection	**Real Assets: Real Estate, Commodities**	**Deflation**

— Real assets are appropriate for investors with long time horizons (10+ years) and inflation-linked liabilities.

— Real asset portfolios should aim to maximize high inflation sensitivity and high inflation reliability, while limiting volatility.

— Portfolio allocations will differ depending on the client’s risk tolerance.

Asset Class Indicators

Real Assets

Indicator	10-Year Low	Current	10-Year High
CPI (YoY)	0.10	3.50	9.10
ISM Services PMI	41.70	54.00	67.50
Forward 5-Year Breakeven Inflation	0.49	2.26	3.34
U.S. Employee Hourly Wage (YoY)	0.60	3.50	8.10
Velocity of M2[1]	1.13	1.41	1.46
Bloomberg Commodity Index (YoY)	-27.88	19.71	64.20
Capacity Utilization	64.08	76.10	79.93
Case-Shiller Home Price (YoY)[1]	-1.70	0.83	21.23
ISM Manufacturing PMI	41.80	53.30	63.80
Baltic Dry Index (YoY)	-76.65	67.97	415.08

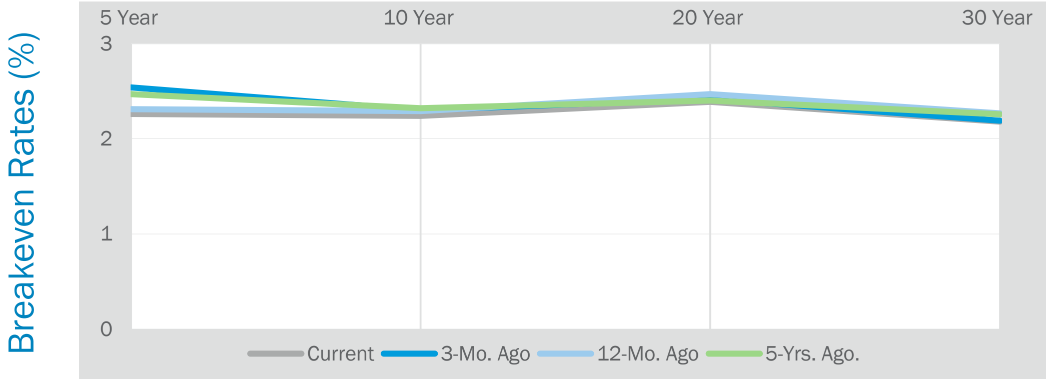
Current

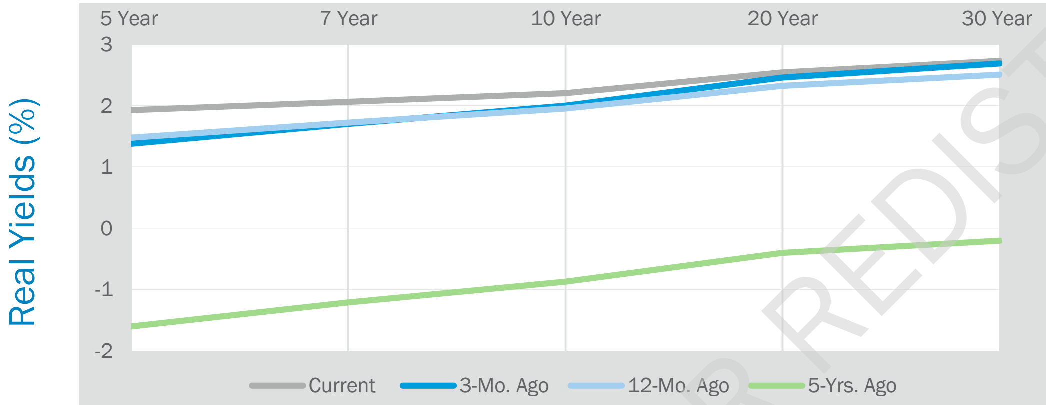
+- 1 Standard Deviation From the Mean

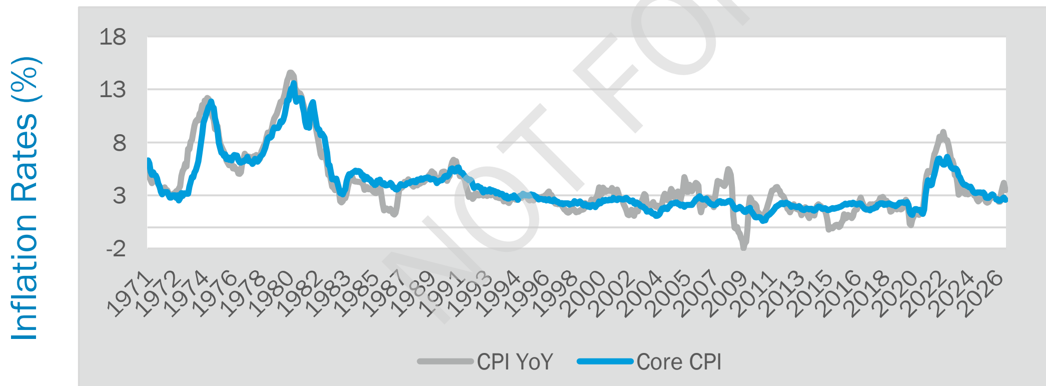
10-Year High and Low

- Canterbury monitors several inflation and real asset indicators to help detect imbalances that could lead to price pressures.
- The June Consumer Price Index (CPI) report came in cooler than expected, though inflation remained elevated. Easing energy and services price pressures contributed to the 3.5% year-over-year headline inflation rate. On a seasonally adjusted basis, CPI declined 0.4% in June, marking the largest monthly decrease since April 2020. Core CPI also came in below expectations and was unchanged from the prior month, bringing the year-over-year core inflation rate to 2.6%.
- U.S. residential housing prices, as measured by the Case-Shiller Home Price Index, showed signs of a slowdown in appreciation in the first quarter. Price appreciation was concentrated in metropolitan areas across the Midwest and Northeast.
- The Bloomberg Commodity Index halted its run of meaningful gains in the second quarter, falling approximately -8.1%, largely driven by a sharp selloff in energy prices (particularly crude oil) as geopolitical tensions appeared to ease.

Source: Institute for Supply Management. Federal Reserve Bank of St. Louis. Bureau of Labor Statistics. U.S. Department of the Treasury. Data as of 6/30/2026.
[1]Values rolled forward from previous quarter-end.





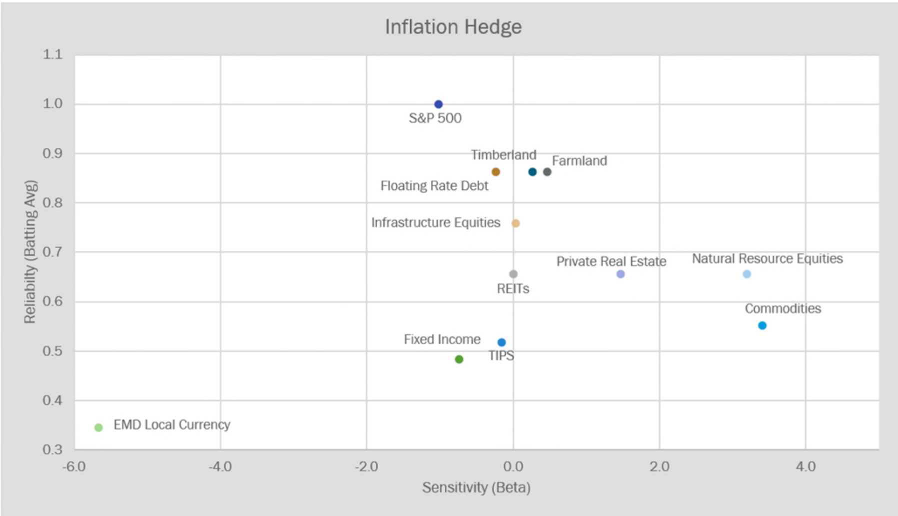


- The breakeven rate yield curve flattened in the second quarter, with intermediate term breakeven rates (specifically the 5-year) decreasing meaningfully, while long-term breakeven rates decreased moderately.
- The breakeven rate is the implied inflation rate for a given maturity and is calculated by subtracting the real yield of a Treasury bond from the nominal yield.
- Current breakeven rates suggest that intermediate-term inflation is expected to remain elevated, likely in the 2.2 - 2.3% range, relative to longer-term inflation.
- Real yields increased materially across the curve given elevated near and intermediate-term inflation expectations, with 5-year real yields increasing by nearly 40% from the prior quarter.
- The June Consumer Price Index (CPI) report came in cooler than expected, though inflation remained elevated. Easing energy and services price pressures contributed to the 3.5% year-over-year headline inflation rate. On a seasonally adjusted basis, CPI declined 0.4% in June, marking the largest monthly decrease since April 2020. Core CPI also came in below expectations and was unchanged from the prior month, bringing the year-over-year core inflation rate to 2.6%.

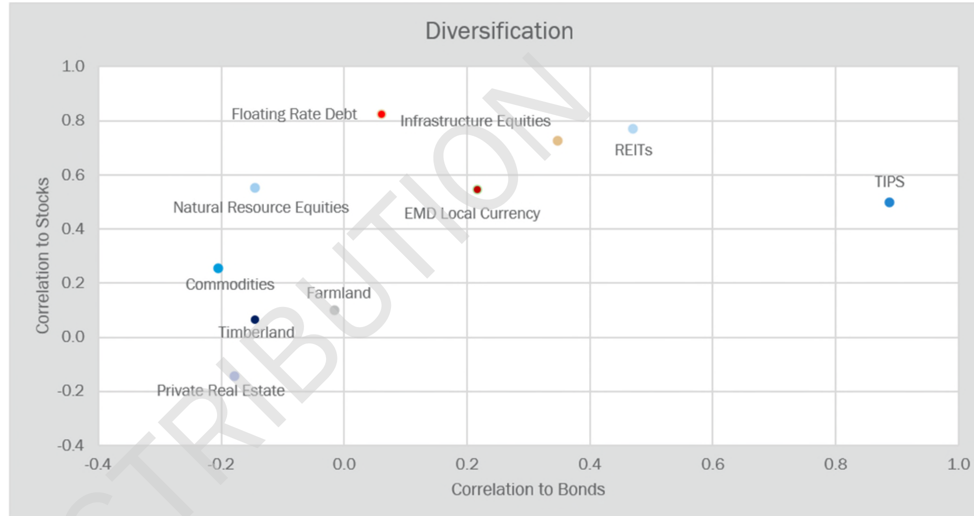
Source: Federal Reserve Bank of St. Louis, Bureau of Labor Statistics CPI & PCE Data, U.S. Treasury Department, U.S. Treasury Inflation-Indexed Rates. Data as of 6/30/2026.

Sub-Asset Class Statistics

Real Assets



Charts are based on 10-yr rolling data since inception, take average from 10-yr rolling data



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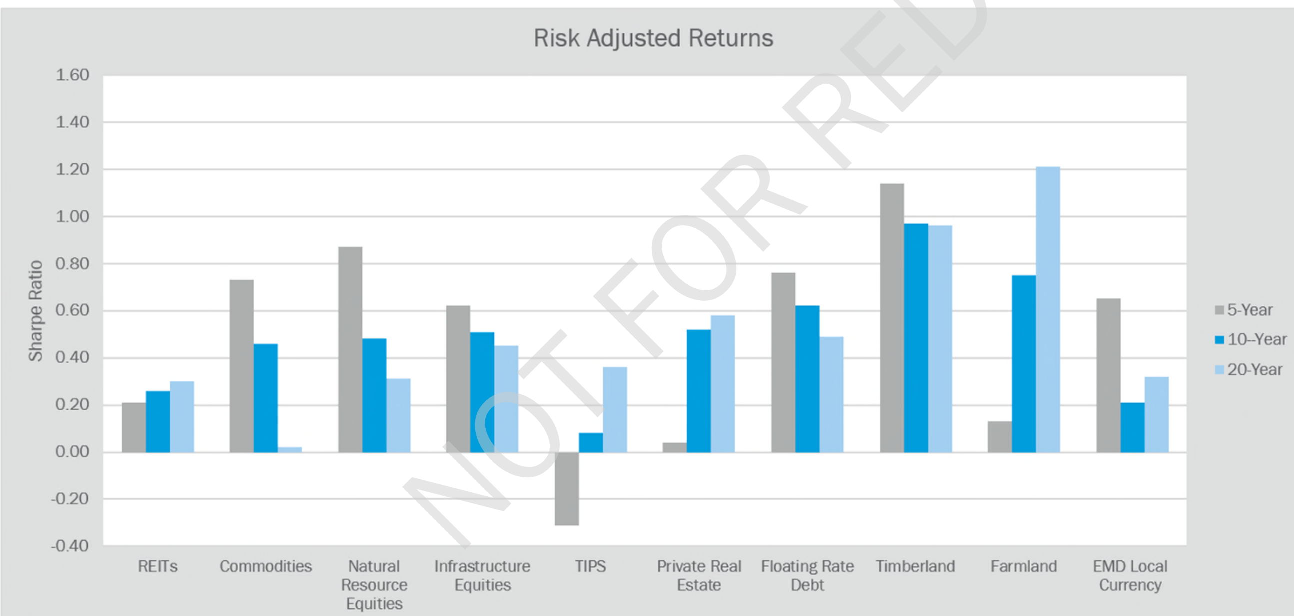

- Inflation Reliability (% of time an asset's performance is positive when inflation is positive)
- Inflation Sensitivity (rate of change, i.e. how many units the price of an asset moves given a 1 unit change in inflation)
- Risk-adjusted returns of the sub-asset classes are used to help optimize real asset portfolios. Risk-free rate used in Sharpe calculation defined as yield on 3-month U.S. Treasury Bill.

Source: Morningstar
Charts are based on 10-yr rolling data since inception, take average from 10-yr rolling data

All charts as of June 30, 2026; Reporting is one-quarter lagged, therefore data as of March 31, 2026. “Floating Rate Debt”, represented by the Morningstar LSTA US Leveraged Loan Index, as of March 31, 2026.