

August 2023 update for Radius Capital Management

PERFORMANCE AT A GLANCE

| Portfolio/Index | August Return | YTD Return To 8/31/2023 |
|--|---------------|-------------------------|
| Radius 100 (100% stock mutual funds) | -1.0% | 8.7% |
| Radius Index 100 (100% stock ETFs) | -1.2% | 13.0% |
| U.S. Stock Benchmark (Vanguard S&P 500 Index Fund) | -1.6% | 18.7% |
| Balanced Risk (multi-asset risk parity portfolio)* | -1.7% | 7.7% |
| Radius Bond (100% bond mutual funds) | 0.0% | 0.8% |
| Radius Index Bond (100% bond ETFs) | -0.1% | 1.9% |
| Bond Benchmark (Vanguard Total Bond Index Fund) | -0.6% | 1.6% |

* This strategy invests in “hard” assets (commodities, gold, and real estate) as well as stocks and bonds. It is designed to be an alternative to the common 60% stock, 40% bond portfolio.

Markets pulled back slightly in August. This is not unusual, as many investors tend to be on vacation leading to lower trading volumes. According to Morningstar, August has on average been the worst-performing month for stocks since 1986. The S&P 500 fell 1.6% during the month while the stock portions of both the Radius and Index portfolios fell only 1% and 1.2% respectively. Economic data during the month was mostly positive, with improving retail sales numbers and a lower unemployment rate. While inflation was relatively flat, the minutes of the Federal Reserve (Fed)’s July meeting revealed that most officials remain concerned about inflation. Market pricing suggests the Fed could deliver one final rate hike before year-end, followed by four or five rate cuts in 2024. As a result, bond yields rose, and bond prices fell during the month. The Bond benchmark fell 0.6% during the month while the bond portions of both the Radius and Index were both relatively flat.

We continue to remain somewhat circumspect regarding our approach to investing at this time but are cautiously optimistic. We recommend that investors remain prudent. Attempting to “time the market” is seldom a successful strategy and we would not recommend you do so. The best way to protect from long-term investment declines is to diversify one’s investments across multiple, uncorrelated asset classes and investment strategies.

MARKET CHARACTERISTICS

| | |
|--|---|
| Stock market volatility [§] | Below Average (monthly avg. = 16, month end = 14) |
| Business Cycle Phase | Late Cycle |
| Dominant Investment Style (active vs. passive) | Passive |

[§] In general, the higher the market volatility (as measured by the CBOE Volatility Index or VIX), the more the market is driven by investor emotions (greed and fear). Lower market volatility indicates a market environment based on fundamentals (economic growth, corporate earnings, etc.). The long-term average for the VIX is 20, 30 is considered high, 40 very high, and 50+ extreme.

CURRENT RISK-ADJUSTED RETURN (RAR) RANKINGS OF MARKET SEGMENTS

| RAR Rank | Stock Market Segments | 1-Mo. Return | 8/31/23 RAR | Bond Market Segments | 1-Mo. Return | 8/31/23 RAR |
|----------|-----------------------|---------------|-------------|-------------------------|---------------|-------------|
| 1 | Large Growth | (1.1%) | 21% | High Yield Bond | 0.1% | 3% |
| 2 | S&P 500 | (1.6%) | 18% | Short-Term Corp Bond | 0.1% | (2%) |
| 3 | Foreign Large Value | (3.9%) | 14% | Long Corporate Bond | (2.0%) | (2%) |
| 4 | Large Value | (2.4%) | 7% | Intermediate Corporate | (0.6%) | (2%) |
| 5 | Mid-Cap Growth | (3.3%) | 7% | Worldwide Bond | 0.1% | (2%) |
| 6 | Foreign Large Growth | (5.1%) | 6% | Short Government | 0.4% | (3%) |
| 7 | Small Value | (3.4%) | 5% | Total Bond Index | (0.6%) | (5%) |
| 8 | Small Growth | (4.1%) | 5% | Intermediate Government | (0.2%) | (5%) |
| 9 | Mid-Cap Value | (3.9%) | 2% | Long Government Bond | (2.8%) | (6%) |

LONG-TERM PERFORMANCE THROUGH 8/31/2023

The longer-term performance of the Radius portfolios continues to be strong. Since inception (1/1/2001), the Radius 100 portfolio has generated a **net** cumulative return of +417% (7.5% annualized) vs. a cumulative return of +416% (7.5% annualized) for the benchmark S&P 500 – with a comparable level of risk (i.e., standard deviation of monthly returns, maximum drawdown, and beta). Over the same time period, the more conservative Radius 60 (60% stock mutual fund, 40% bond mutual fund) portfolio grew +292% (6.2% annualized) vs. a +289% return (6.2% annualized) for its benchmark (60% S&P 500 Stock Index and 40% Total Bond Index).

Past performance is no guarantee of future results. It should not be assumed that investment decisions made in the future will be profitable or will equal the performance of the portfolios shown above.

Long-Term Performance (net of fees) to 8/31/2023

For S&P 500*, Radius¹ 100, Index² 100,
Balanced Risk Portfolio²,
Radius¹ Bond, Index² Bond, Bond Index*

| | S&P 500 | Radius 100 | Index 100 | Balanced Risk | Radius Bond | Index Bond | Bond Index |
|---|---------|------------|-----------|---------------|-------------|------------|------------|
| Portfolio Characteristics | | | | | | | |
| Inception Date | | Jan. 2001 | Aug. 2014 | Apr. 2015 | Jan. 2002 | Aug. 2014 | |
| % Stock Funds | 100 | 100 | 100 | 30 | - | - | - |
| % Bond Funds | - | - | - | 35 | 100 | 100 | 100 |
| % Real Estate | | | | 3 | | | |
| % Commodities | | | | 6 | | | |
| % Gold | | | | 26 | | | |
| Recent Performance | | | | | | | |
| 3-Month | 8% | 8% | 8% | 2% | 1% | 0% | -1% |
| 6-Month | 14% | 8% | 9% | 6% | 0% | 2% | 1% |
| 1-Year | 16% | 13% | 13% | 5% | -2% | 0% | -1% |
| Performance since Inception (1/1/2001) | | | | | | | |
| Cumulative | 416% | 417% | 406% | 396% | 111% | 124% | 115% |
| Annualized | 7.5% | 7.5% | 7.4% | 7.3% | 3.4% | 3.6% | 3.4% |
| Risk Measures since Inception | | | | | | | |
| Beta | 1.00 | 0.95 | 1.03 | 0.34 | 0.08 | 0.04 | 0.02 |
| Max Drawdown | -55% | -57% | -52% | -19% | -10% | -14% | -17% |
| Std. Deviation | 15% | 16% | 16% | 8% | 6% | 5% | 4% |
| Correlation to S&P | 1.00 | 0.89 | 0.96 | 0.63 | 0.20 | 0.12 | 0.07 |

Past performance is no guarantee of future results. It should not be assumed that investment decisions made in the future will be profitable or will equal the performance of the portfolios shown above.

* **Benchmarks:** S&P 500 Stock Index = Vanguard S&P 500 Stock Fund (VFINX), Bond Index = Vanguard Total Bond Fund (VBMFX)

Footnotes:

¹ Investment return numbers for the Radius 100 and Radius Bond reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

² Returns for the Index portfolios prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and not actual returns of accounts managed by Radius. Back-tested (simulated) performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results August have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated investment strategies in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown.

Other Notes:

- All performance numbers include dividends and capital gains and are net of all transaction costs and management fees, but do not reflect the impact of taxes.
- Data Sources: Account statements, Vanguard.com

COMPANY OVERVIEW

Radius Capital Management is a registered investment advisory company specializing in diversified mutual fund and ETF portfolios. Radius currently manages assets for individuals, retirement and profit-sharing plans, and trusts.

Investment Strategies

- **Radius Strategy** (Active Market-Correlated Momentum): Seeks to invest in the mutual funds that have the best risk-adjusted returns over the past 1-year.
- **Index Strategy** (Passive Market-Correlated Momentum): Invests in broad-based passive market indices with a focus on tax efficiency and avoiding short-term capital gains.
- **Balanced Risk** (Multi-Asset Risk Parity): Seeks to balance the portfolio risk exposure to generate more stable portfolio returns in all market/economic environments.

ADDITIONAL INFORMATION

If you have any questions about the investment approach or would like to learn more about Radius Capital Management, please visit www.radius-capital.com or send an e-mail to info@radius-capital.com.

DISCLAIMER:

The information provided in this newsletter is not intended as specific investment advice, nor therefore, as a recommendation to buy or sell a specific security or other financial instrument. Investments mentioned in this newsletter January not be suitable for certain investment objectives. For specific investment advice, please contact Kimball Halsey.

Radius Capital Management, LLC only transacts business in states where it is properly registered or notice filed or excluded or exempted from registration requirements. Follow-up and individualized responses that involve either the effecting or attempting to effect transactions in securities, or the rendering of personalized investment advice for compensation, as the case January be, will not be made absent compliance with federal and/or state investment adviser and investment adviser representative registration requirements, or an applicable exemption or exclusion.