

## September 2023 update for Radius Capital Management

### PERFORMANCE AT A GLANCE

Portfolio/Index	September Return	YTD Return To 9/30/2023
Radius 100 (100% stock mutual funds)	-3.8%	4.6%
Radius Index 100 (100% stock ETFs)	-4.4%	8.0%
U.S. Stock Benchmark (Vanguard S&P 500 Index Fund)	-4.8%	13.0%
Balanced Risk (multi-asset risk parity portfolio)*	-4.3%	3.1%
Radius Bond (100% bond mutual funds)	-1.1%	-0.4%
Radius Index Bond (100% bond ETFs)	-1.4%	0.5%
Bond Benchmark (Vanguard Total Bond Index Fund)	-2.5%	-0.9%

\* 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 continued their decline in September. Treasury yields climbed as investors expect the Federal Reserve (the Fed) will keep interest rates high for longer than previously anticipated in order to combat ongoing high inflation. The Fed's main interest rate is currently at its highest level since 2001. With Treasury bonds seen as some of the safest investments around, their higher yields mean investors are less likely to pay high prices for stocks and other riskier investments.

The S&P 500 fell 4.8% during the month, while the stock portion of both the Radius and Index portfolios outperformed, falling only 3.8% and 4.4% respectively. The benchmark bond index (the Vanguard Total Bond Index) also fell 2.5% (recall bond yields and bond prices move in the opposite direction) while the bond portions of both the Radius and Index portfolios outperformed, falling only 1.1% and 1.4% respectively. The Balanced Risk Strategy declined 4.3% in September.

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 <sup>§</sup>	Below Average (monthly avg. = 15, month end = 18)
Business Cycle Phase	Late Cycle
Dominant Investment Style (active vs. passive)	Passive

<sup>§</sup> 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	September RAR	Bond Market Segments	1-Mo. Return	September RAR
1	Foreign Large Value	(1.0%)	15%	High Yield Bond	(1.4%)	1%
2	Large Growth	(5.8%)	11%	Short-Term Corp Bond	(0.5%)	(2%)
3	<b>S&amp;P 500</b>	<b>(4.8%)</b>	<b>9%</b>	Short Government	(0.1%)	(3%)
4	Large Value	(3.3%)	3%	Worldwide Bond	(1.6%)	(5%)
5	Small Value	(4.9%)	2%	Intermediate Corporate	(2.6%)	(5%)
6	Mid-Cap Growth	(5.2%)	1%	Long Corporate Bond	(5.3%)	(6%)
7	Small Growth	(6.6%)	(2%)	Intermediate Government	(1.7%)	(7%)
8	Foreign Large Growth	(5.3%)	(2%)	<b>Total Bond Index</b>	<b>(2.5%)</b>	<b>(8%)</b>
9	Mid-Cap Value	(4.6%)	(2%)	Long Government Bond	(7.3%)	(10%)

### LONG-TERM PERFORMANCE THROUGH 9/30/2023

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 +397% (7.3% annualized) vs. a cumulative return of +392% (7.3% 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 +281% (6.1% annualized) vs. a +274% return (6.0% 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 9/30/2023

For S&P 500\*, Radius<sup>1</sup> 100, Index<sup>2</sup> 100,  
Balanced Risk Portfolio<sup>2</sup>,  
Radius<sup>1</sup> Bond, Index<sup>2</sup> Bond, Bond Index\*

	S&P 500	Radius 100	Index 100	Balanced Risk	Radius Bond	Index Bond	Bond Index
<b>Portfolio Characteristics</b>							
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			
<b>Recent Performance</b>							
3-Month	-3%	-1%	-2%	-4%	-1%	-1%	-3%
6-Month	5%	2%	4%	-3%	-1%	-2%	-4%
1-Year	22%	17%	18%	8%	0%	2%	1%
<b>Performance since Inception (1/1/2001)</b>							
Cumulative	392%	397%	383%	375%	109%	121%	109%
Annualized	7.3%	7.3%	7.2%	7.1%	3.3%	3.6%	3.3%
<b>Risk Measures since Inception</b>							
Beta	1.00	0.95	1.03	0.34	0.08	0.05	0.03
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	0.13	0.08

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:

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

<sup>2</sup> 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 September 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](http://www.radius-capital.com) or send an e-mail to [info@radius-capital.com](mailto: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 may 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 may 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.