

February 2024 update for Radius Capital Management

PERFORMANCE AT A GLANCE

Portfolio/Index	February Return	YTD Return To 2/29/2024
Radius 100 (100% stock mutual funds)	2.8%	2.9%
Radius Index 100 (100% stock ETFs)	4.4%	6.1%
U.S. Stock Benchmark (Vanguard S&P 500 Index Fund)	5.3%	7.1%
Balanced Risk (multi-asset risk parity portfolio) *	1.2%	0.6%
Radius Bond (100% bond mutual funds)	0.0%	-0.1%
Radius Index Bond (100% bond ETFs)	-0.4%	-1.0%
Bond Benchmark (Vanguard Total Bond Index Fund)	-1.4%	-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.

February was a good month for stock markets, with resilient economic data and relatively strong earnings reports both contributing to strong monthly gains. The S&P 500 was up 5.3% for the month whereas the Dow Jones Industrial Average (a price-weighted index less skewed by the tech heavy “Magnificent Seven” stocks) returned 2.5%. The Magnificent Seven continued their winning streak, although it appears to have become more of a one-company show, with Nvidia (NVDA) gaining 28.6% for the month (up 59.8% YTD and up 441% from the close of 2022) and representing 20% of the February total return for the S&P 500. In contrast, bond markets were broadly lower, with the Vanguard Total Bond Index losing 1.4% in February. The actively managed Radius 100 portfolio held up well during the month returning 2.8% despite its diversifying positions in International and US Small Cap Value Stocks. The passive Index Portfolio continued to perform in line with its target benchmark, the S&P 500, and gained 4.4%.

While economic indicators and company balance sheets look resilient, we are, as a team, cautious in our approach to investing and favor solid fundamentals and quality assets. We recommend that investors remain prudent and maintain their targeted investment allocations. Attempting to “time the market” is seldom a successful strategy and we would not recommend you do so. The best way to protect from investment volatility and potential long-term declines is to diversify one’s investments across multiple, uncorrelated asset classes and investment strategies.

MARKET CHARACTERISTICS

Stock market volatility [§]	Low (monthly avg. = 13, 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	February RAR	Bond Market Segments	1-Mo. Return	February RAR
1	Large Growth	7.0%	35%	High Yield Bond	0.1%	6%
2	S&P 500	5.3%	28%	Worldwide Bond	(0.5%)	1%
3	Mid-Cap Growth	6.1%	16%	Intermediate Corporate	(1.5%)	1%
4	Foreign Large Growth	1.9%	15%	Short-Term Corp Bond	(0.5%)	0%
5	Large Value	3.3%	15%	Long Corporate Bond	(2.7%)	0%
6	Small Growth	8.1%	14%	Short Government	(0.4%)	-1%
7	Small Value	4.1%	9%	Total Bond Index	(1.4%)	-2%
8	Foreign Large Value	0.3%	9%	Intermediate Government	(1.5%)	-3%
9	Mid-Cap Value	4.1%	9%	Long Government Bond	(2.3%)	-3%

LONG-TERM PERFORMANCE THROUGH 2/29/2024

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 +469% (7.8% annualized) vs. a cumulative return of +488% (8.0% 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 +322% (6.4% annualized) vs. a +324% return (6.4% 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 2/29/2024

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	31	-	-	-
% Bond Funds	-	-	-	39	100	100	100
% Real Estate				3			
% Commodities				5			
% Gold				22			
Recent Performance							
3-Month	12%	9%	11%	4%	3%	2%	2%
6-Month	14%	10%	13%	5%	4%	3%	2%
1-Year	30%	19%	24%	11%	4%	4%	3%
Performance since Inception (1/1/2001)							
Cumulative	488%	469%	472%	423%	119%	130%	120%
Annualized	8.0%	7.8%	7.8%	7.4%	3.4%	3.7%	3.5%
Risk Measures since Inception							
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	0.64	0.22	0.14	0.11

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* **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 may 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 may not be suitable for certain investment objectives. For specific investment advice, please contact Kimball Halsey.

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