

35 Bedford Court · Concord, MA 01742 · Tel: (617) 661-4200 · www.radius-capital.com

Why Invest with Radius Capital Management?



- I. Your money is accessible and liquid
- II. "Boutique" firm with individualized attention
- III. Broad Portfolio Offerings
- IV. Strong Track Record

Cumulative Performance from Inception (1/1/2001) to 2/29/2024:

Radius 100 Portfolio* +469% (net)

Index 100 Portfolio^a +472% (net)

Balanced Risk^a +423% (net)

S&P 500 Stock Index +488%

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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014, and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.



I. Your money is accessible and liquid



No minimum holding period – you have access to your money whenever you need it.

We only invest in highly-liquid, well-diversified mutual funds and Exchange Traded Funds (ETFs) with no sales fee (no load)

II. How is Radius Capital Management Different from Other Firms?





III. Portfolio Offerings

Radius Capital Management offers 3 primary investment strategies

	Radius Strategy	Index Strategy	Balanced Risk	
Investment Style	Market-Correlated Momentum	Market-Correlated Momentum	Multi-Asset Risk Parity	
Active vs. Passive	Active	Passive	Semi-Passive	
Style Description	Seeks to invest in mutual funds that have the best risk-adjusted returns over the past year.	Invests in broad-based passive market indices and holds them for at least one year to avoid short-term capital gains.	Seeks to balance the portfolio risk exposure to generate more stable portfolio returns in all market/economic environments.	
Fund Types	Primarily actively managed funds	Primarily passive index ETFs	Primarily passive index ETFs	
Average Fund Turnover	Nine months to one year	A minimum of one year	Buy and Hold with rebalance every six months	
Tax Efficiency	Fair (many capital gains are short-term)	Good (all capital gains are long-term)	Moderate (short-term gains, but on a smaller percentage of the portfolio)	
Stock Fund Categories	Large/Mid/Small Value, Blend & Growth, Diversified Intl. and Global	Large/Mid/Small Value, Blend & Growth	Large Blend, Small Blend	
Bond Fund Categories	Long-Term and Intermediate-Term Corporate, Blend, and Government High Yield, Intl. and InflProtected	Long-Term and Intermediate-Term Corporate, Blend, and Government High Yield, Intl. and InflProtected	Long Term Government, Government Inflation Protected, Emerging Market	
"Hard Asset" Categories	None	None	Gold, Commodities, Real Estate	
Invested Since	January 2001	July 2014	April 2015	



III. Portfolio Offerings

For the Radius and Index strategies, Radius Capital Management offers five portfolio configurations to meet the diverse risk tolerance and time horizon needs of our clients.

	Radius & Index 100	Radius & Index 80	Radius & Index 60	Radius & Index 40	Radius & Index 20
Risk Profile	Aggressive	Moderately Aggressive	Moderate	Moderately Conservative	Conservative
Time Horizon	20+ years	15-20 years	10-15 years	5-10 years	2-5 years
% of Portfolio Value in Stocks	99%	80%	60%	40%	20%
% of Portfolio <mark>Value</mark> in Bonds	0%	19%	39%	59%	79%
% of Portfolio Value in "Cash" (money market, T-Bills, etc.)	1%	1%	1%	1%	1%



III. Portfolio Offerings

For the Balanced Risk strategy, Radius Capital Management offers one portfolio configuration.

	Balanced Risk
Risk Profile	Moderately Conservative
Time Horizon	4-10 Years
Target Portfolio Risk/Volatility vs. S&P 500	50%
% of Portfolio Risk in Stocks	33%
% of Portfolio <mark>Risk</mark> in "Hard Assets" (gold, commodities, and real estate)	34%
% of Portfolio Risk in Bonds	33%



IV. Track Record: Growth of \$100K

Growth (net of fees) of \$100,000 from 1/1/2001 to 2/29/2024 for Radius 100, Index 100, and S&P 500



Dec-00 Dec-02 Dec-04 Dec-06 Dec-08 Dec-10 Dec-12 Dec-14 Dec-16 Dec-18 Dec-20 Dec-22

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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

3/5/2024



IV. Track Record: Growth of \$100K

Growth (net of fees) of \$100,000 from 1/1/2001 to 2/29/2024 for Radius 100, Index 100, and S&P 500





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.

* Total return numbers for the Radius 60 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 60 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

3/5/2024

V. General Company Information (as of 3/2024)

- Registered investment advisory firm
- Founded in April 2004
- Minimum Initial Investment: \$250,000
- Total assets under management: \$38M



- For the past 11 years (since 2012), Radius has been featured in *Boston Magazine* as a "Five Star Wealth Manager" – Boston wealth managers selected for having the best client satisfaction in an independent survey of consumers and financial service professionals
- Clients include high net worth individuals, foundations, trusts, and retirement plans (profit sharing, defined benefit, 401k, and 403b)

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V. Company Information: Investment Team



- President and Portfolio Manager Kimball Halsey
 - Developed the analytical tools behind the Radius Risk-Adjusted Return Strategy, Index Strategy, and Balanced Risk Strategy.
 - Has been tracking the market and developing and refining quantitative investment strategies since 1984
 - M.B.A. in Finance, The Wharton School, University of Pennsylvania
 - » Palmer Scholar: graduated in top 5% of class
 - M.A. in International Studies, University of Pennsylvania
 - B.A. in Mathematics and Economics, Dartmouth College
- Vice President Helen Jamieson, CFA FRM
 - Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM)
 - Has been investing in the market and managing multi-asset class portfolios since 2002
 - B.Com. Honors in Financial Analysis and Portfolio Management, University of Cape Town, South Africa
 - B.Sc. Mathematics and Statistical Sciences, University of Cape Town, South Africa



Appendices

Appendix 1: How much should I invest in Stocks, Bonds, and Cash?

- 100-Year Historical Returns for Stocks, Bonds, and Cash
- Two Ways of Thinking About Investment Risk
- Choosing the Correct Portfolio Allocation

Appendix 2: What are the differences between the 3 Radius Strategies?

- Active vs. Passive Investment Management
- Strategy Detail Radius, Index, and Balanced Risk
- Recommended Allocations to Each of the Radius Strategies

Appendix 3: Radius Performance Data

- Portfolio Returns: Calendar Year & Annualized for Different Time Periods
- Returns During Stock Market Corrections
- Returns vs. Risk: Modern Portfolio Theory Statistics

Appendix 4: Company Information

- Company Fee Structure
- Assets Under Management
- Disclosures and Risks



Definitions: Stocks, Bonds, & Cash

- Stocks Buying a piece (albeit rather small) of a company. Note: Other similar long-term assets include real estate, gold, commodities
- Bonds Lending money to a company, government, or municipality
- Cash Lending money, but where the principal is guaranteed over the short as well as long term (e.g., checking or savings accounts, CDs, money market mutual funds, T-bills)

Appendix 1: Historical Total

Nominal Growth of \$1 from 12/31/1923 to 12/31/2023 (not adjusted for inflation)



Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981 onwards

• Cash – 3-month treasury bills.

Appendix 1: Historical Total Real Returns for Past 100 Years



Real Growth of \$1 from 12/31/1923 to 12/31/2023 (adjusted for inflation)



Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

• Cash – 3-month treasury bills.

Appendix 1: Worst Historical Returns for Different Holding Periods

Minimum Total Returns (not adjusted for inflation) for Stocks, Bonds, and Cash, 1924 through 2023



Data Sources:

Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

• Cash – 3-month treasury bills.

Appendix 1: Worst Hist. Real Returns for Different Holding Periods

Minimum Total Real Returns (adjusted for inflation) for Stocks, Bonds, and Cash, 1924 through 2023



Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2018

• Cash – 3-month treasury bills.

Appendix 1: Two Definitions of Risk



- Volatility: How much does the value of my portfolio fluctuate from month to month?
 - Focused on Emotions
 - Easy to quantify (standard deviation of monthly returns)
- Value at Risk: What is the maximum (*real*) percentage I can expect to lose over a given period of time (e.g., 1 year, 10 years, etc.)?
 - Focused on Results
 - Dependent on holding period
 - Can only be estimated based on historical data

Appendix 1:



Determining Investment Time Horizon

The primary factor in determining how much you should invest in Long-Term (e.g., stocks), Intermediate-Term (e.g., bonds), and Short-Term (e.g., cash) assets is your Investment Time Horizon (i.e., the amount of time your account will be invested). It is calculated as follows:

Time Horizon = Investment Period + $\frac{1}{2}$ Withdrawal Period

- Example 1: You open an account today for a down payment on a house in five years. Time Horizon = 5 since all of the money will be withdrawn at the end of the five years.
- Example 2: You set up an investment account to pay for your eight-year-old daughter's four years of college. She will start college at age 18.
 Time Horizon = 10 years (Investment Period before withdrawal starts) + 1/2 x 4 years (Withdrawal Period during college) = 12 years
- Example 3: You set up an IRA from which you will withdraw throughout your retirement years. You are currently 45 years old (with a life expectancy of 79) and plan to retire at 65. Time Horizon = 20 (Investment Period = 65-45) + $\frac{1}{2}$ x 14 (Withdrawal Period = 79-65) = 27 years.

This raises the question of what portfolio configuration (stocks / bonds / cash) is best for any given time horizon....

Appendix 1: Where to Invest Life Expectancy for U.S. Women



Source: Social Security Administration Actuarial Life Table





Appendix 1: Where to Invest Life Expectancy for U.S. Men

Age	0	5	10	15	20	25	30	35	40	45
Life Expectancy	76	77	77	77	77	77	78	78	79	79
Age	50	52	54	56	58	60	62	64	66	68
Life Expectancy	80	80	80	81	81	82	82	83	83	84
					-			-		
Age	70	71	72	73	74	75	76	77	78	79
Life Expectancy	84	85	85	85	86	86	86	87	87	88
Age	80	81	82	83	84	85	86	87	88	89
Life Expectancy	88	89	89	90	90	91	91	92	93	93
Age	90	91	92	93	94	95	96	97	98	99
Life Expectancy	94	95	95	96	97	98	99	99	100	101

Source: Social Security Administration Actuarial Life Table

Appendix 1: Historical 1-Year Nominal Returns (not adjusted for inflation)

Average and Worst 1-Year Returns (not adjusted for inflation) for Various Stock/Bond/Cash Portfolio Configurations Past 100 Years (1924-2023 calendar years)



Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

• Cash – 3-month treasury bills.

Rebalance Frequency – Annual

Appendix 1: Historical 1-Year (Real Returns (adjusted for inflation)

Average and Worst 1-Year Real (inflation-adjusted) Returns for Various Stock/Bond/Cash Portfolio Configurations Past 100 Years (1924-2023 calendar years)



-50%

Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index - A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

• Cash – 3-month treasury bills.

• Inflation – Consumer Price Index (CPI)

Rebalance Frequency – Annual

3/5/2024

Appendix 1: Historical 3-Year (Real Returns (adjusted for inflation)



Average and Worst 3-Year Real (inflation-adjusted) Returns for Various Stock/Bond/Cash Portfolio Configurations Stock Past 100 Years (1924-2023 calendar years)



-70%

Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

• Cash – 3-month treasury bills.

• Inflation – Consumer Price Index (CPI)

• Rebalance Frequency – Annual

Appendix 1: Historical 5-Year (Real Returns (adjusted for inflation)



Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

- Cash 3-month treasury bills.
- Inflation Consumer Price Index (CPI)

• Rebalance Frequency – Annual

3/5/2024

Appendix 1: Historical 10-Year (Real Returns (adjusted for inflation)



Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

• Cash – 3-month treasury bills.

• Inflation – Consumer Price Index (CPI) 3/5/2024

Rebalance Frequency – Annual

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Appendix 1: Historical 20-Year (Real Returns (adjusted for inflation)



Data Sources:

• Stock Index – Compiled by Professor Jeremy Siegel and presented in his book *Stocks for the Long Run*, the stock data represent a capitalization-weighted index of all New York Stock Exchange (NYSE) stocks prior to 1962 and all NYSE, American, and NASDAQ stocks thereafter. Return numbers include price appreciation plus all dividends.

• Bond Index – A total-return index of 10-year treasury bonds from 1919-1980 and the Barclays U.S. Aggregate (treasury and corporate) Bond Index from 1981-2019

• Cash – 3-month treasury bills.

• Inflation – Consumer Price Index (CPI)

• Rebalance Frequency – Annual

3/5/2024





Appendix 1: Choosing the Correct Portfolio Allocation



Time Horizon = Investment Period + ¹/₂ Withdrawal Period Each investor's tolerance for investment risk is different. An aggressive investor is willing to risk losing money in the short-term to get potentially better long-term results. A conservative investor favors investments that minimize short-term portfolio losses – at the cost of lower long-term returns. Choices:

- Aggressive (top 25%)
- Moderate (middle 50%)
- Conservative (bottom 25%)

Using the table on the next slide, determine which portfolio allocation best corresponds to your time horizon and risk tolerance. Each investment account may have a different time horizon. For example, an account to be used for a down payment on a house will likely have a shorter time horizon than an IRA.

Appendix 1: Where to Invest Asset Allocation



A diversified investment portfolio contains assets from some or all of the following asset classes:

Long-Term Assets	Intermediate-Term Assets	Short-Term Assets
Stocks (U.S., International),	Bonds (Government, Corporate, High	Bank Accounts (Checking, Savings),
"Hard" Assets (Commodities, Gold,	Yield, Inflation-Protected, Emerging	Certificates of Deposit, Treasury Bills,
Real Estate)	Market, International)	Money Market Funds

Portfolio Asset Allocations based on Investment Risk Tolerance and Time Horizon (Percentages are for Long-Term/Intermediate-Term/Short-Term Assets)						
Investment Time Horizon	Conservative (bottom 25%)	Moderate (middle 50%)	Aggressive (top 25%)			
1 Year	0%/0%/100%	0%/50%/50%	10%/65%/25%			
2 Years	0%/50%/50%	10%/65%/25%	20%/80%/0%			
3 Years	10%/65%/25%	20%/80%/0%	40%/60%/0%			
5 Years	20%/80%/0%	40%/60%/0%	60%/40%/0%			
10 Years	40%/60%/0%	60%/40%/0%	80%/20%/0%			
15 Years	60%/40%/0%	80%/20%/0%	100%/0%/0%			
20+ Years	80%/20%/0%	100%/0%/0%	1001%/0%/0%			

The portfolio allocations given in the table above are similar to – but slightly more aggressive than – Portfolio allocations of the target date mutual funds (also known as life cycle or age-based funds) of companies such as Fidelity, Vanguard, T. Rowe Price, BlackRock, JP Morgan, etc.. 29 ¹ Even more (e.g., 120%) exposure to stocks is possible using leveraged mutual funds and/or Exchange Traded Funds (ETFs).

Appendix 1: Where to Invest Economic Cycle Review





Note: The diagram above is a hypothetical illustration of the business cycle. There is not always a chronological, linear progression among the phases of the business cycle, and there have been cycles when the economy has skipped a phase or retraced an earlier one.

Source: Fidelity Investments Asset Allocation Research Team (AART), as of 12/31/2023.

Appendix 1: Where to Invest Current Market Review and Outlook







Appendix 1: Where to Invest Market Assessment

Fidelity's Business Cycle Board, composed of portfolio managers across a variety of asset-allocation strategies, believes the inflation and monetary backdrop contributes to uncertainty and risks to the capital markets outlook. Diversification is both more important and more difficult to achieve. Members held differing views on some issues but generally held smaller active allocation positions compared with earlier in the cycle.

Business Cycle

- U.S. in late-cycle expansion phase
- Non-U.S. cycles are becoming desynchronized with some countries experiencing better cyclical trends

Risks

- Inflation may remain above the Fed's target over the medium term
- Corporate earnings remain challenged by slowing growth, above-target high inflation, and monetary tightening

Asset Allocation Implications

- The late-cycle phase warrants smaller active allocation positions
- Most members view fixed income assets as attractive
- Security selection may present additional return opportunities

Appendix 2:



Active vs. Passive Investment Management

There are two main approaches to investing in stocks and bonds

1. Passive Investment Strategy

Passive management, or indexing, is an investment management approach based on investing in exactly the same securities, and in the same proportions, as an index such as the S&P 500 or Dow Jones US Total Stock Market Index. The goal of passive investment managers is to replicate the performance of the index as closely as possible.*

2. Active Investment Strategy

Active management, as its name implies, involves actively buying and selling portfolio holdings in order to increase investment returns. By analyzing market trends, the economy, and company-specific factors, active managers are constantly searching out information and gathering insights to help them make their investment decisions. The goal of active investment managers is to outperform the market.*

In addition, there are a number of alternative multi-asset investment strategies that are less correlated to the performance of stock or bond market indices than the active or passive strategies described above. These include Risk Parity (e.g., Radius Balanced Risk strategy), Long-Short, Private Equity, Managed Futures, and hedge funds.

Appendix 2:



Active vs. Passive Investment Management

At any given point in time, which investment strategy does better depends on a number of factors. These include:

- a) how focused the market movement is (i.e., is the index moving due to big moves in just a few stocks as was the case during the tech bubble in 1999) and
- b) how correlated the components of the index are (i.e., do most index components move in the same direction, or are their movements independent of each other).

Over the past 25 years, the strategy that was dominant (and had the best returns) for stocks is summarized in the table below*:

1992-1994	1995-2000	2001-2005	2006-2010	2011-2019	2020-2022
Active	Passive	Active	Mixed	Passive	Mixed

Given this back-and-forth between active and passive management styles, a good way to smooth out portfolio returns is to invest a portion of the total in an active strategy (e.g., the Radius strategy), a portion in a passive strategy (e.g., Radius Index or stock index fund), and a portion in a multiasset strategy (e.g., Balanced Risk).

Appendix 2:Active vs. Passive Investment Management

The graph below shows where the Radius investment strategies fall in terms of active vs. passive and how correlated they are to the market (S&P 500).

Market Correlation (r²) and Investment Style of Radius Portfolio Management Strategies



Appendix 2: Radius Investment Process



The result of over 20 years of extensive research and testing, the Radius strategy is a non-traditional quantitative investment model based on the following methodologies...

Portfolio Diversification

- No individual stocks, bonds, or options
- No sector-focused funds (e.g., specialty technology or precious metals fund)
- No country or regionspecific international funds (e.g., Japan or Europe fund)

Focus On Managing Risk

- Based on the Modern Portfolio Theory work of 1990 Nobel Prize winning economists William Sharpe and Harry Markowitz
- Seeks to maximize the Sharpe Ratio of the portfolios:

<u>Return of Portfolio* – Risk Free Return**</u> Risk of Portfolio (std dev of monthly returns)

Dynamic Portfolio Allocation

- Not a market timing tool
- Momentum-based
- Goal is to identify and invest in – the best performing market categories (e.g., large cap growth, small cap value) and the best funds within those categories.

^{*} Total Return = Capital Appreciation plus Interest/Dividends ** 3-Month T-Bills

Appendix 2: Radius Strategy Flow Chart





At the end of each quarter we calculate the individual Risk-Adjusted Return (RAR) for roughly 1,000 diversified noload stock and bond mutual funds and for the five Radius portfolios (Radius 100, 80, 60, 40, and 20) For each Radius portfolio, we use the RAR of the overall portfolio and of the individual funds in the portfolio to determine if a fund should be dropped from the portfolio (i.e., if it is necessary to proceed to Step 3) Using our proprietary investment model, we identify the mutual fund that when added to the funds remaining in the portfolio will deliver the highest risk-adjusted return for the portfolio as a whole. Before any change is made, we perform due diligence on the fund identified in Step 3 (for fiduciary score, stock/ sector diversification, etc.) and repeat Step 3 if the fund identified does not meet selection criteria.

Appendix 2: Index Strategy Flow Chart

Step 1: Calculate

Step 2: Rank

We use the Risk-Adjusted Return numbers to

rank the indices from best to worst in the

following Morningstar[©] categories:

At the end of each quarter we calculate the individual Risk-Adjusted Return (RAR) for roughly150 no-load stock and bond index mutual funds and exchange-traded funds (ETFs).

While we calculate the RAR for all index funds each quarter, only one fund (25%) of the stock or bond holdings is replaced in any given quarter.

Every effort is made to avoid short-term capital gains, although small short-term gains may occur as positions are rebalanced back to 25% in each fund.

Stock Funds

Foreign Stock, Large Blend, Large Growth, Large Value, Mid-Cap Blend, Mid-Cap Growth, Mid-Cap Value, Small Blend, Small Growth, Small Value, World Stock

Bond Funds

Corporate Bond, High Yield Bond, Inflation-Protected Bond, Intermediate Core Bond, Intermediate Core-Plus Bond, Intermediate Government, Intermediate-Term Bond, Long Government, Long-Term Bond, Multisector Bond, Nontraditional Bond, Short Government, Short Term Bond, World Bond, World Bond-USD Hedged Each quarter, 25% of the stock portion of the portfolio is invested in the index mutual fund or ETF with the highest RAR in one of the following four categories (25% in each category):

Step 3:

Invest

- *Large Blend* (e.g., S&P 500)
- *Growth* (Large, Mid, or Small Cap) or *Foreign/World*
- *Blend* (Large, Mid, or Small Cap)
- Value (Large, Mid, or Small Cap)

Each quarter, 25% of the bond portion of the portfolio is invested in the index mutual fund or ETF with the highest RAR in one of the following four categories (25% in each category):

- Total Bond Index
- *Corporate* (High Yield, Long, Intermediate, or Short Term) or *World Bond*
- *Corporate/Government Blend* (Long, Intermediate, or Short Term)
- *Government* (Inflation-Protected, Long, Intermediate, or Short Term)



Appendix 2:

3/5/2024



Balanced Risk Strategy Overview

- **Origin:** Inspired by the All Weather hedge fund, a risk parity asset allocation strategy developed by Bridgewater Associates*.
- **Balancing Risk:** Whereas most traditional investment strategies allocate the total portfolio *value* (e.g., 60% stock, 40% bond), this strategy seeks to allocate the overall portfolio *risk*.
- **Risk Targets:** Sets specific risk allocation targets for the following diverse asset classes
 - Stocks: US Large Cap Blend, US Small Cap Blend
 - Bonds: Long-Term Government, Inflation-Linked (TIPs), Emerging Markets
 - Hard Assets: Gold, Commodities, Real Estate
- **Rebalancing Risk:** This is not a static "invest and forget" portfolio. As the economic and business environment changes over time, the relative risk of the asset classes also changes. This means that the portfolio must be periodically rebalanced to bring the risk profile back in line with the target percentages given above.
- **Performance:** As a result of the risk targeting/balancing, the Balanced Risk portfolios tend to have lower (stock or bond) market correlation, more stable overall portfolio returns, and the potential to perform well in all economic/market environments.



Appendix 2: Balanced Risk Underlying Economic Assumptions

- Major changes in asset prices occur in each of the following four economic environments:
 - Growth exceeds market expectations
 - Growth falls short of market expectations
 - Inflation exceeds market expectations
 - Inflation falls short of expectations
- It is possible to reduce (but not eliminate) overall portfolio risk by
 - a) balancing the *risk* of assets that do well when growth exceeds expectations with the *risk* of those that do well when growth falls short of expectations and
 - b) balancing the *risk* of assets that do well when inflation exceeds expectations with the *risk* of those that do well when inflation falls short of expectations
- The result is a portfolio that seeks to capture the long-term outperformance of non-cash financial assets without subjecting the investor to the risk normally associated with higher returns.

Appendix 2: Balanced Risk Strategy

Growth	Inflation
50% of Risk	50% of Risk
Stocks Commodities Real Estate Emerging Market Bonds	Commodities Gold Real Estate Inflation-Linked Bonds
50% of Pick	50% of Pisk
Gold Government Bonds Inflation-Linked Bonds	Stocks Government Bonds
	Growth 50% of Risk Stocks Commodities Real Estate Emerging Market Bonds 50% of Risk Gold Government Bonds Inflation-Linked Bonds

Appendix 2: Cash Management Strategy Overview

- Aims to offer better returns than those available from bank savings accounts while still providing the liquidity not available to CD (Certificate of Deposit) holders.
- Savings are invested in liquid, US Treasury bonds that are backed by the US Government.
- Unlike a CD or fixed deposit, there is no holding period on your funds and your money may be withdrawn immediately (if withdrawn early, realized yields may vary depending on market movement)

Appendix 2: Cash Management Strategy Current Yield

10.0% 8.0% 6.0% 5.2% 4.0% 2.7% 2.0% Cash Management Strategies National Average on Savings Fidelity Money Market Cash Account Rate

Yield Comparison (net of fees) as of 2/29/2024

Data Sources:

- Actual rates may vary depending on portfolio size and short-term market movements.
- Cash Management Yields are yield if held to maturity.
- Cash Management Yields based on Quoted YTW of invested portfolio as at 2/1/2024 after fees.
- National Average on Savings Account as per Banknote.com's 2/1/2024 weekly survey of institutions.
- Fidelity Money Market Cash Account Rate (Fidelity's default Money Market Account) from www.fidelity.com as of 2/1/2024

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Appendix 2: Recommended Radius Allocations

Portfolio Configurations for Different Asset Allocation Levels

	Active	Passive	Multi-Asset (Risk Parity)	Short-Term
0%/0%/100%	-	-	-	100% Cash Management
0%/50%/50%	25% Radius Bond	25% Index Bond	-	50% Cash Management
20%/80%/0%	50% Radius 20	50% Index 20	-	1% Money Market
40%/60%/0%	33% Radius 40	33% Index 40	33% Balanced Risk	1% Money Market
60%/40%/0%	33% Radius 60	33% Index 60	33% Balanced Risk	1% Money Market
80%/20%/0%	33% Radius 80	33% Index 80	33% Balanced Risk	1% Money Market
100%/0%/0%	50% Radius 100	50% Index 100	-	1% Money Market



Calendar Year Investment Returns *(net of fees)* from 2001 to 2005 for Radius 100*, Index 100^a, and S&P 500 Market Environment: Active



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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Calendar Year Investment Returns *(net of fees)* from 2006 to 2010 for Radius 100*, Index 100ª, Balanced Risk^a, and S&P 500 Market Environment: Mixed



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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Calendar Year Investment Returns *(net of fees)* from 2011 to 2015 for Radius 100*, Index 100ª, Balanced Risk^a, and S&P 500 Market Enviroment: Passive



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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Calendar Year Investment Returns *(net of fees)* from 2016 to 2020 for Radius 100*, Index 100ª, Balanced Riskª, and S&P 500 Market Enviroment: Passive



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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Calendar Year Investment Returns *(net of fees)* from 2021 to 2025 for Radius 100*, Index 100ª, Balanced Riskª, and S&P 500 Market Enviroment: Mixed



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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Appendix 3: Portfolio Returns to 2/29/2024



Net Returns for Different Time Periods									
	2024 YTD	1-Year	3-Year (annualized)	5-Year (annualized)	10-Year (annualized)	Since 1/1/2001 (annualized)			
Radius 100 [*]	2.9%	19.2%	2.8%	9.2%	7.2%	7.8%			
Index 100 ^ª	6.1%	23.9%	8.5%	10.6%	8.8%	7.8%			
S&P 500 Index	7.1%	30.4%	11.9%	14.7%	12.6%	8.0%			

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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Appendix 3: Portfolio Returns to 2/29/2024



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.

* Total return numbers for the Radius 60 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 60 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Appendix 3: MPT¹ Statistics



Performance Measures from Inception (1/1/2001) to 2/29/2024								
	Alpha	Beta (vs. S&P 500)	Correlation w/ S&P 500	Standard Deviation	Sharpe Ratio	Maximum Drawdown		
Radius 100 [*]	0.4	0.95	0.89	16%	0.45	-57%		
Index 100 ^ª	-0.2	1.03	0.96	16%	0.45	-52%		
S&P 500 Index	0.0	1.00	1.00	15%	0.49	-55%		

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.

* Total return numbers for the Radius 100 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 100 prior to 8/2014 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Appendix 3: MPT¹ Statistics



Performance Measures from Inception (1/1/2001) to 2/29/2024								
	Alpha	Beta (vs. S&P 500)	Correlation w/ S&P 500	Standard Deviation	Sharpe Ratio	Maximum Drawdown		
Radius 60*	0.8	0.60	0.87	11%	0.56	-38%		
Index 60 ^ª	0.6	0.61	0.94	10%	0.58	-32%		
60/40 Benchmark	0.7	0.61	0.98	10%	0.62	-33%		
Balanced Risk ^a	3.4	0.34	0.64	8%	0.85	-19%		

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.

* Total return numbers for the Radius 60 portfolio reflect the (unaudited) performance of actual portfolios that have been invested since 1/2001.

^a Performance numbers for the Index 60 prior to 8/2014 and Balanced Risk prior to 4/2015 are **back-tested** and do not represent the actual performance of portfolios managed by Radius.

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Appendix 3: MPT Definitions

- Alpha is a measure of an investment's performance arising from factors other than the volatility of the market. It measures the performance compared with that of the S&P 500. For example, an alpha of 6 indicates that in a year when the S&P 500 has a return of 0%, the investment would be expected to return +6%.
- The **Beta** (β) of a stock or portfolio is a number describing the relation of its returns with those of the financial market as a whole (e.g., S&P 500). An asset has a Beta of zero if its returns change independently of changes in the market's returns. A positive beta means that the asset's returns generally follow the market's returns, in the sense that they both tend to be above their respective averages together, or both tend to be below their respective averages together. A negative beta means that the asset's returns generally move opposite the market's returns: one will tend to be above its average when the other is below its average. By definition, the market itself has a beta of 1.0. A beta of less than 1 implies that the security will be less volatile than the market, and a beta of greater than 1 indicates that the security will likely be more volatile than the market. For example, if a portfolio's beta is 1.2, it is theoretically 20% more volatile than the market.
- **Correlation** is a statistical measure of how two investments move in relation to each other. The "correlation coefficient" ranges between -1 to 1. A correlation of 1, or perfect positive correlation, indicates that whenever one moves, the other will move in the same direction. A correlation of -1 means that if one security moves the other will move in the opposite direction. If the correlation is 0, the two securities are said to have no correlation, and are completely random with respect to one another.
- Standard Deviation is a widely used measure of variability used in statistics. It shows how much variation or "dispersion" exists from the average. In finance, standard deviation is applied to the monthly rate of return of an investment to measure the investment's volatility. For example, a volatile portfolio will have a high standard deviation while the standard deviation of a more stable portfolio will be lower.
- **Drawdown** measures the peak-to-trough decline in the value of a portfolio and is usually quoted as percentage decline. It answers the question: "How much would I have lost if I had invested at the peak, rode the portfolio down, and pulled my money out at the worst possible time?"
- The Sharpe Ratio was developed by Nobel laureate William F. Sharpe to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate such as that of 3-month U.S. Treasury bills from the rate of return for a portfolio and then dividing the result by the standard deviation of the monthly portfolio returns. The Sharpe ratio tells whether a portfolio's returns are due to smart investment decisions or are simply the result of excess risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been.

Appendix 4: Annual Fee Structure



Radius Capital Management, LLC offers the following three (annual) fee structures based on the Assets Under Management (AUM) in each account¹:

For Accounts Managed by Radius

- 0.75% of the account's AUM if the total household AUM is greater than \$5M
- 1.00% of the account's AUM if the total household AUM is between than \$1M and \$5M
- 1.25% of the account's AUM if the total household AUM is between \$200K and \$1M
- 1.50% of the account's AUM if the total household AUM is less than \$200K
- 0.30% of the account's AUM on Managed Cash Accounts

For Non-Discretionary Accounts Managed Collaboratively (Radius & Client)

• 0.10% of the account's AUM

For Non-Discretionary Accounts Managed by Client

• Radius charges no fee

All fees are billed quarterly in arrears.

¹Assets under Management (AUM) are calculated on the last business day of each calendar quarter 3/5/2024



Appendix 4: Assets Under Management

Total Assets by Strategy on 2/29/2024



Appendix 4: Disclosures



- **Returns not Guaranteed**: The Radius strategies have worked well in the past (both in actual and back-tested terms), but as with all investments, past performance is no guarantee of future results. There will be periods when the strategies lose money and/or underperform market benchmarks (S&P 500 for stocks, Barclay Capital Aggregate Bond index for bonds).
- Radius Track Record: The Radius Risk-Adjusted Return investment strategy was developed by the president and founder of Radius Capital Management, Kimball Halsey. Although Mr. Halsey did not start Radius Capital Management until the spring of 2004, he has been investing money (initially his own and that of family members) using his strategy since January 1, 2001. During this time, Mr. Halsey managed the portfolios both independently (1/2001 6/2002) and while affiliated with two investment advisory firms: Halsey Advisory and Management (7/2002 3/2004) and Radius Capital Management (4/2004 present). The initial amounts invested in the strategy were relatively small: \$118K in the Radius 100 and \$16K in the Radius 60.
- **Balanced Risk and Index Strategy Track Records:** The track records for the Balanced Risk Max prior to 11/2019, Balanced Risk and Balanced Risk Plus prior to 4/2015, and Index Strategy prior to 8/2014 are *back-tested* and do not represent the actual performance of portfolios 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.
- **Data Sources:** Account statements (unaudited), Vanguard (S&P 500 Index = Vanguard 500 Index Fund, VFINX)

Appendix 4: Risks



- Focus on Stocks: The focus of the more aggressive Radius Portfolios (Radius 100, Radius 80 and Radius 60) is on investments in equity securities (stock mutual funds). In the short term, the value of equity securities can fluctuate dramatically in response to business, political, market, and economic developments.
- Interest Rate Risk: The Balanced Risk portfolio invest heavily in interest rate sensitive bond ETFs (particularly long-term treasury bond funds). When interest rates rise, these portfolio holdings have the potential to decline significantly.