

May 2024 update for Radius Capital Management

PERFORMANCE AT A GLANCE

Portfolio/Index	May Return	YTD Return To 5/31/2024
Radius 100 (100% stock ETFs)	5.2%	6.3%
Radius Index 100 (100% stock ETFs)	4.9%	9.4%
U.S. Stock Benchmark (Vanguard S&P 500 Index Fund)	5.0%	11.3%
Balanced Risk (multi-asset risk parity portfolio) *	2.7%	4.8%
Radius Bond (100% bond ETFs)	1.2%	0.6%
Radius Index Bond (100% bond ETFs)	1.5%	-0.2%
Bond Benchmark (Vanguard Total Bond Index Fund)	1.7%	-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.

May was a good month for investors. Ongoing optimism about the US’s economic outlook as well as better-than-expected first quarter earnings results across a number of sectors supported stocks, with the S&P500 gaining 5.0% during the month. The passive Index 100 strategy performed in line with the stock benchmark, returning 4.9% whereas the actively managed Radius 100 outperformed and returned 5.2%. Bonds also rose in May, returning 1.7%, while both the Radius Bond and Index Bond portfolios slightly underperformed their benchmark due to their underweight positions in higher-risk long-term bonds. Although the latest inflation release showed a modest decline in the annual inflation rate (currently 3.4%), the Fed (Federal Reserve Bank) minutes noted they remain concerned regarding the lack of progress on bringing the rate down to the 2.0% target. Given this uncertainty in the interest rate trajectory, we currently prefer lower-risk short- and intermediate-term bonds. The Balanced Risk Portfolio returned 2.7% in May due to weakness in commodities and gold.

We remain generally cautious in our approach to investing and favor solid fundamentals and quality assets when looking at investment opportunities for our clients. We advise investors to remain prudent and maintain their targeted investment allocations.

MARKET CHARACTERISTICS

Stock market volatility [§]	Low (monthly avg. = 13, month end = 13)
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	May RAR	Bond Market Segments	1-Mo. Return	May RAR
1	S&P 500	5.0%	24%	High Yield Bond	1.3%	5%
2	Large Growth	6.4%	24%	Intermediate Corporate	1.9%	1%
3	Foreign Large Value	3.2%	22%	Short-Term Corp Bond	1.1%	0%
4	Large Value	2.9%	19%	Long Corporate Bond	2.9%	0%
5	Mid-Cap Value	3.2%	16%	Short Government	0.7%	-2%
6	Small Value	4.3%	16%	Worldwide Bond	0.2%	-2%
7	Foreign Large Growth	2.6%	12%	Total Bond Index	1.7%	-2%
8	Mid-Cap Growth	2.2%	11%	Long Government Bond	2.8%	-3%
9	Small Growth	3.6%	9%	Intermediate Government	1.4%	-4%

LONG-TERM PERFORMANCE THROUGH 5/31/2024

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 +488% (7.9% annualized) vs. a cumulative return of +511% (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 +331% (6.4% annualized) vs. a +335% return (6.5% 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 5/31/2024

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	30	-	-	-
% Bond Funds	-	-	-	35	100	100	100
% Real Estate				2			
% Commodities				11			
% Gold				22			
Recent Performance							
3-Month	4%	3%	3%	4%	1%	1%	0%
6-Month	16%	13%	15%	9%	3%	2%	2%
1-Year	28%	22%	26%	12%	5%	3%	1%
Performance since Inception (1/1/2001)							
Cumulative	511%	488%	490%	445%	121%	132%	120%
Annualized	8.0%	7.9%	7.9%	7.5%	3.4%	3.7%	3.4%
Risk Measures since Inception							
Beta	1.00	0.95	1.03	0.34	0.09	0.05	0.04
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	0.15	0.12

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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 ETF and mutual fund 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 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 index funds 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.

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