

## August 2024 update for Radius Capital Management

### Economic Update:

August was a busy month for investors. We started off the month with disappointing US economic manufacturing data and a weak July jobs report showing the smallest payrolls increase in over three years. The unemployment rate also increased slightly to 4.3%. Later in the month inflation ticked down below 3% for the first time since March 2021 which reassured investors that the Federal Reserve (Fed) will soon begin cutting interest rates. Investors expect the first Fed rate cut this month and are currently pricing in almost three US rate cuts this year, totaling around 150 basis points (1.5%) by June 2025. Despite the volatility and mixed economic data, August was overall a good month for investors as both stocks and bonds provided positive returns.

### Financial Markets Updates:

Globally, stocks were hit hard in the first half of the month. The TOPIX Index (Tokyo Stock Price Index) was the hardest hit, dropping 12% on 5 August, its biggest daily drop since Black Monday in 1987. Spooked investors sold off previously positive stock positions and bought bonds in the hopes of larger than expected rate cuts to come. The Nasdaq dropped almost 8% over the first three days of the month while Long Term Government bonds climbed over 4% over the same period. The stock sell-off was short lived though. Investors took comfort in the lower inflation reading, the prospect of lower interest rates as well as a solid Q2 earnings season that showed few signs of an imminent economic slowdown. This allowed most stock markets to recover their losses by the middle of the month.

Stock/Bond	August Return	YTD Return
S&P 500 (~29% Technology)	2.4%	19.5%
Dow Jones Industrial Average	1.8%	10.3%
Nasdaq (~55% Technology)	0.6%	18.0%
Russell 2000 (Small Cap stocks)	-1.6%	9.4%
Total Bond Index	1.3%	3.0%

### Radius 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.
- **Cash Management Strategy**: Invests in a range of short term (0-12 month maturity) U.S. Treasury securities with the goal of providing safety and liquidity for investors

### Radius Monthly Performance

Both of Radius' two stock portfolios (the Radius 100 and Index 100) performed well in August with the Radius Stock Strategy up 2.4% and the Index Stock Strategy up 2.2% for the month. The two bond strategies returned 1% and 1.2% respectively. The Balanced Risk portfolio added 1.3% in August. Our Cash Management Strategy continues to outperform the short-term interest rates seen in the market and has a current annual yield of 5.1%.

### Additional Comments

We remain generally cautious regarding the broader economy as a whole and in our approach to investing. We favor solid fundamentals and quality assets when looking at investment opportunities for our clients. Our goal continues to be to manage our clients' savings with a focus on minimizing the inherent downside risks in any investment and to diversify assets across multiple asset types and sectors. We advise investors to remain prudent and maintain their targeted investment allocations.

## Financial Planning Spotlight: Protecting Your Child After 18.

Did you know that when a child turns 18, parents and guardians lose access to their medical, financial, and academic records? It's a significant shift that catches many off guard. However, with the right legal documents in place, you can ensure continued access and support for your child in an emergency.

Here are four essential documents to consider:

1. **Durable Power of Attorney:** This allows you to manage your child's financial matters if they cannot do so themselves, ensuring you can pay bills, access bank accounts, and make important financial decisions.
2. **Medical Power of Attorney:** With a medical power of attorney, you can make health care decisions on your child's behalf if they become incapacitated due to illness or injury. It allows you to avoid costly and time-consuming court proceedings in a crisis.
3. **HIPAA Waiver:** By signing a Health Insurance Portability and Accountability Act (HIPAA) waiver, your child gives you access to their medical records and allows you to communicate with their health care providers. This ensures you're informed and involved in their health care decisions.
4. **FERPA Waiver (optional):** A Family Educational Rights and Privacy Act (FERPA) waiver gives you access to your child's educational records, including grades, test results, and disciplinary actions.

Now is an excellent opportunity to strategically maximize your investments. I'm here to help, so let me know if you have any questions or want to discuss this further.

Warm regards,  
Kimball

**Kimball Halsey**  
President



35 Bedford Court  
Concord, MA 01742  
T (617) 661-4200  
F (877) 877-2880

[khalsey@radius-capital.com](mailto:khalsey@radius-capital.com)  
[www.radius-capital.com](http://www.radius-capital.com)

### Footnotes:

1. **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.
2. S&P 500 Stock Index = Vanguard S&P 500 Stock Fund (VFINX), Bond Index = Vanguard Total Bond Fund (VBMFX)
3. 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.
4. Data Sources: Account statements, Vanguard.com, yahoofinance.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.