

## September 2024 update for Radius Capital Management

### Economic Update:

Economic data released in September continue to point to a gradual economic downshift, with consumers and businesses still spending but doing so with more prudence. Payrolls data declined slightly while job growth grew at a positive but slower pace. Inflation remains above the Federal Reserve's 2% target, but continues to tick downwards. Headline CPI inflation eased 0.4 percentage points to 2.5% year over year (y/y) — the lowest since February 2021. The big economic news of the month was the Federal Reserve Bank's 50 basis points (0.50%) interest rate cut – the first rate cut since 2020. Federal Reserve Chair, Jerome Powell, stressed that policy moves going forward will be aimed at both bringing inflation closer to their 2% target and at preventing an excessive deterioration in labor market conditions. The general market expectation is for two additional (smaller) rate cuts in 2024, and more into 2025 and 2026. Despite the volatility and mixed economic data, September was overall a good month for investors as both stocks and bonds provided positive returns.

### Financial Markets Updates:

Markets had a rough start to what is historically the weakest month of the year for the stock market, but rebounded as the Federal Reserve cut interest rates by a supersized half point. The S&P500 continued its upward trajectory and is now up 22% year to date. The shift in investors' expectations for interest rates also resulted in positive returns across the bond market. Long Term Bonds gained 2.2% for the month while the short end of the curve posted a smaller 1% gain. Although investors are broadly optimistic heading into the final stretch of the year, October has a troubling history for markets. It is known as a time of extreme volatility, with some of the more notable Wall Street drawdowns occurring during the month.

Stock/Bond	September Return	YTD Return
S&P 500 (~30% Technology)	2.1%	22.0%
Dow Jones Industrial Average	1.8%	12.3%
Nasdaq (~55% Technology)	2.7%	21.2%
Russell 2000 (Small Cap stocks)	0.6%	10.0%
Total Bond Index	1.3%	4.4%

### 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 September with the Radius Stock Strategy up 1.9% and the Index Stock Strategy up 1.6% for the month. The two bond strategies returned 1% and 1.2% respectively. The Balanced Risk portfolio added 2.5% in September. Our Cash Management Strategy continues to outperform the short-term interest rates seen in the market and has a current annual yield of 4.5%.

**Note: 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.

### Additional Comments

We remain generally positive but cautious regarding the broader economy as a whole and in our approach to investing. At Radius, we favor diversification, 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 long-term targeted investment allocations.

## Financial Planning Spotlight: Keeping your Identity Safe by Locking your Credit

It is a good idea to think about how your personal information is kept secure. As individuals, we often aren't as on top of viewing our credit card statements as much as we should be - making it easier for thieves to open accounts in our name. Below is a quick note on how to lock/freeze your credit. It is a simple, free, easily reversible step you can take to proactively protect your financial assets. In general, I choose to lock/freeze my credit on the web or using an app, but if you prefer, you can also do so via telephone. When speaking to the agent, it is important to make sure that you are not paying them for the service. There is a government-mandated free service, but the agent will almost always try to have you sign up for the paid service.

There are three credit agencies – Experian, TransUnion, and Equifax. You can lock your credit with Equifax and TransUnion for free. For the third one (Experian), only a credit freeze is free.

### 1. Transunion

To freeze your credit with Transunion you need to go to <https://www.transunion.com/credit-freeze> and click on the yellow “Add A Freeze” Follow the steps to open an account and freeze your credit (they will ask you for your social security number). You can easily log back in at any time and immediately unfreeze your credit again. You can also call them on [888-909-8872](tel:888-909-8872) to freeze/unfreeze if you prefer.

### 2. Equifax

To lock your credit with Equifax you need to go to <https://www.equifax.com/personal/products/credit/credit-lock-alert/> and click on the red button “Sign Up” Follow the steps to open an account and lock your credit (they will ask you for your social security number). You can easily log back in at any time and immediately unlock your credit again. Once you have set up your account you can also download an app called “Lock & Alert” to your phone to lock and unlock your credit with a single swipe. (Note that there are some bad reviews of the app in terms of logging in but I personally have never had any issues with the app and have installed it on various phones)

### 3. Experian

To freeze your credit with Experian you need to go to <https://www.experian.com/freeze/center.html> and click on the purple button “Create a free account” Complete the initial information form (they will ask for your SSN) and then create a Free Membership account with a username, password, security question and pin code. Complete the security questions and the click the “Frozen” tab to freeze your credit. Note that Experian will try to make you pay for a credit lock. You do NOT need to agree to this. A credit FREEZE is free. You can easily log back in at any time and thaw (unfreeze) your credit either permanently or temporarily. You can also call [888-EXPERIAN \(888-397-3742\)](tel:888-EXPERIAN) at any time.

Now is an excellent opportunity to strategically maximize your investments. With inflation cooling and central banks cutting rates, the options available for investors to build diversified portfolios are stronger than they have been for much of the post-Covid period. I'm here to help, so let me know if you have any questions or want to discuss this further.

Warm regards,

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