

## Radius Capital Management November 2024 Update

### Economic and Financial Market Update:

The US election results were the primary driver of market performance in November. Donald Trump’s presidential victory and the Republican party securing a majority in both chambers of Congress fueled expectations that the next government’s policies will bolster the economy and markets.

The prospect of further tax cuts, expansionary fiscal policy, and the implementation of a more nationalist trade policy boosted US stock markets. The US dollar rally also had a significant impact on the relative performance of markets in November. The perception that Trump’s fiscal plans could be inflationary and potentially cut short the Federal Reserve’s (Fed’s) rate-cutting cycle led to the strongest consecutive monthly gains for the dollar in 26 months on a trade-weighted basis.

Central banks continued to lower rates during November. The Fed voted to lower the federal funds rate by 25 basis points to a target range of 4.50%-4.75%. Progress on disinflation and recent employment data supported the decision to move towards a more neutral policy stance.

Stock/Bond	November Return	YTD Return
S&P 500 (~30% Technology)	5.9%	28.0%
Dow Jones Industrial Average	7.5%	19.2%
Nasdaq (~55% Technology)	6.2%	28.0%
Russell 2000 (Small Cap stocks)	10.8%	20.1%
Total Bond Index	1.1%	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 in line with the benchmark during November but were negatively impacted by their relative underweight positive in the heavy weight tech stocks. The Radius Stock Strategy was up 4.8% and the Index Stock Strategy was up 5.5% for the month. The two bond strategies continued to outperform their benchmark and gained 2.1% and 1.7% respectively. The Balanced Risk portfolio gained 1.3% in November. Our Cash Management Strategy continues to outperform the short-term interest rates seen in the market and has a current annual yield of 4.4%. **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 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.

**Below are some year-end tax prep strategies that could save you money at tax time.**

**Check your filing status.** Life changes, such as having a new baby, getting married, or getting divorced, can affect your tax bill. These changes may impact your filing status, which can lead to a bigger refund or tax bill.

**Standard or Itemize Deductions.** Most taxpayers take the standard deduction when filing their taxes. For 2024, the standard deduction is \$14,600 if you file single and \$29,200 for married couples filing jointly. However, if you have significant deductible expenses such as mortgage interest, medical expenses, or charitable contributions, you might realize greater tax benefits if you reach the threshold for itemizing your deductions.

**Max out retirement contributions.** Have you contributed to your retirement plan? Maximizing your pre-tax retirement contributions could lower your tax bill. The IRS sets a contribution limit of \$23,000 in 2024 for 401(k) or 403(b) plan contributions and \$7,000 for an IRA.

**Be charitable.** If you itemize, you can realize tax savings by making charitable contributions in cash or property. For cash donations made to a qualified nonprofit, you can take a tax deduction of up to 60% of your adjusted gross income. If you have clothes or household goods you no longer use, you can deduct their fair market value when you donate them to a qualified charity. You must get a written acknowledgment from the charity for donations valued at \$250 or more.

**Check your capital gains.** Did you make money in the stock market? When you sell stock, you pay taxes on the profit you make. If you're losing money on underperforming stock, consider selling it to offset the other stock gains. Remember, the tax rate you pay on capital gains depends on how long you hold the stock. If you sell stock you've held for less than one year, you pay ordinary income tax rates on the gain. You pay lower capital gains tax rates when you sell stock you've held for over a year.

**Make estimated payments.** If you're self-employed or have a side gig, you can avoid unnecessary penalties and interest by making estimated payments.

**Gather your documents.** Organize important documents, bills, and bank statements now. This will help you keep track of possible deductions and make them easy to find when tax time rolls around.

**What's Next?** As we head toward year-end, exploring tax-saving opportunities can better prepare you for tax time.

Now is an excellent opportunity to strategically maximize your investments. With inflation cooling and central banks cutting rates, there are many options available for investors to build diversified portfolios. 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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President



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