

August 2023



Update on Client Accounts

After a weaker backdrop for markets in August, Zuma Wealth client accounts continue to register gains, after fees, for the year. Allocations are generally fully invested to meet risk and return goals. Global stock positions include “buffered” ETFs designed to participate in the general uptrend that has characterized global stock markets year-to-date, while also providing a buffer against high single-digit or low double-digit declines, should they occur over the next 6-12 months.

Bond allocations are primarily populated in safe, individual Treasury bonds maturing over the next 60 days to 12 months and generating north of 5.5% income. Treasury positions are reflected at a “discount” and will mature at face value, higher than is reflected currently. Therefore, we can comfortably state that account balances are modestly higher than shown on client statements. We are confident in your current allocation.

Some accounts hold high-yield corporate bond funds, where there is the opportunity for strong total return along with strict rules for downside risk protection. We are confident in client allocations.

Market Updates

August gave back a little of the recent investment gains, a pattern that is not unusual or cause for concern. Going forward, temperatures cool, days get a little shorter and seasonally, September can be a weaker month for investors. Here are a few reasons we are confident for the rest of the year:

- Calendar year trends: Solid starts to the year, as we have had in 2023, generally continue for the calendar year. To that, October is usually strong with November and December being on average a great time to be sure to be invested.
- The “earnings recession” is ending: Stocks generally rise over expectations for rising earnings and, after weakness over the past few quarters, that is expected to reverse into year-end.
- Warren Buffett reminds us to be “greedy when others are fearful.” As many offer reasons for worry, that can be a time to sharpen the pencil and look for opportunities. We are in that camp.
- The Federal Reserve, led by Chairman Jay Powell, is likely done raising interest rates. This is good for stocks and good for bonds, which continue to offer safe and solid income opportunities.

Closing Thoughts

Zuma Wealth LLC continues to receive favorable attention with interviews on Bloomberg Radio and the chance to lead a Masterclass on the Practice of Wealth Management for the CFA Society of Los Angeles. We have the expertise and perspective to guide your wealth and would love the opportunity to grow the wealth and guard the future of others. Contact us to learn more.



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