

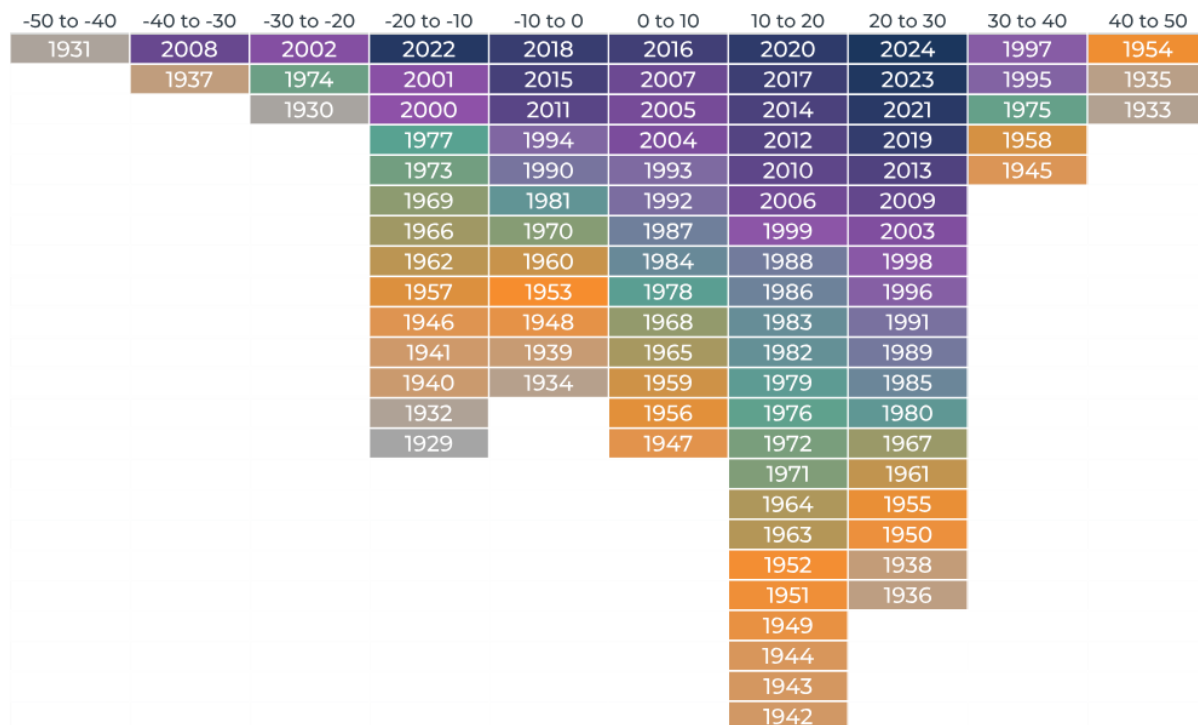


**An Exceptional Year.** It was a strong year for investors (see next section). We are pleased to report that Zuma Wealth client portfolios were positioned to benefit from these trends, resulting in exceptional returns on the year. The chart below is an example of the growth in wealth achieved over the past 12 months. Gains were driven by U.S. stock exposure and cushioned during weaker periods by buffered ETFs and safe Treasury holdings. We remain confident in current allocations, tailored for individual client goals and requirements.



**2024 in Review.** During the final quarter of the year, the November election results sent stocks soaring, but that party ended abruptly in December. Despite a rocky fourth quarter, it was an exceptional year, especially for U.S. stock investors. Stocks rose during 2024 thanks to healthy economic growth, earnings gains and interest rate cuts by the Federal Reserve.

**96 years of S&P500 Returns.** The chart groups annual S&P 500 returns into 10-percentage-point ranges, using nearly a century of data. Notably, 2024's annual return placed it as one of the strongest years on record. (Source: Macrobond).



December 2024

2024 saw U.S. economic performance decouple from the other major regions. Despite concerns over the summer, U.S. growth outpaced the rest of the world, a theme for the year.



*Interest Rates and Bonds.* For bond investors, performance was subdued for the year. Despite interest rate cuts by the Federal Reserve (two in the last quarter of 2025), slowing inflation and the election results pointed to the possibility of more persistent price pressures down the road for bonds.

*What We Are Watching.* While there will be plenty of tailwinds for markets and the economy in 2025, there are also risks. For instance, it would not be out of the question to see a re-acceleration of inflation. Also, valuations (the price that investors will pay for company earnings) are more expensive than average; if valuations were to revert to a more normal level, that would pressure stock prices. While these risks are not our "base case" for the coming year, we are paying close attention to the chances of these hazards.

*Investment Philosophy.* We reiterate our shared goals of growing wealth and guarding the future. We do this by looking at risk and return both strategically and protectively. Strategically, through good offense, we combine different asset classes to create an allocation with great prospects for delivering the growth you seek while guarding against unnecessary risk. Protectively, through great defense, we incorporate data to flexibly respond to market information and to help guard against losses. Thank you for your loyalty to Zuma Wealth.



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