

July 2024

Allocation and Update on Performance.

We are pleased to report that Zuma Wealth clients continue to benefit from the bull market for U.S. stocks and the stability of Treasury bonds. Year-to-date, investments have posted impressive gains and are reflective of the growth characterizing the current domestic equity market. Bonds are in safe Treasury securities delivering consistent returns over 5%. We remain optimistic and confident in allocations.

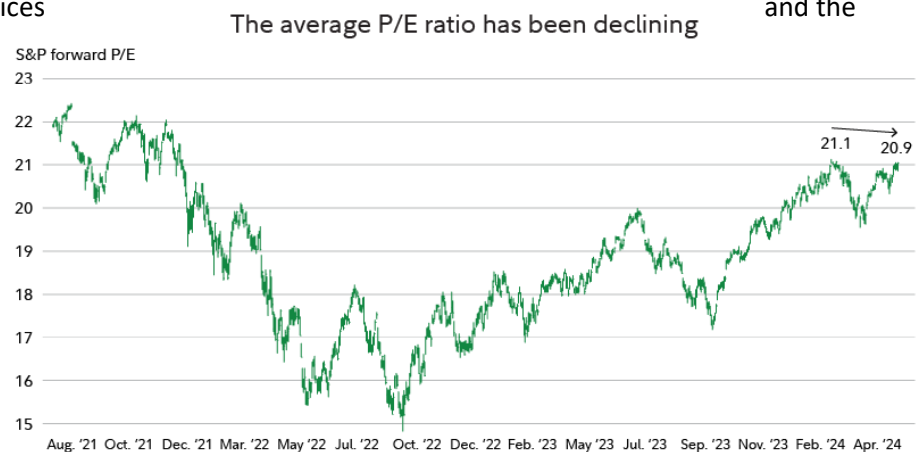


MID-YEAR OUTLOOK: Room to Run - Rising earnings. Falling rates.

The U.S. equity market is entering the second half with impressive momentum. The S&P 500 remains in a bull market, maintaining its long-term uptrend. The current bull market, now 20 months old, has gained about 50% since the S&P 500's October 2022 low. Historically, the average bull market lasts 30 months and gains around 90%, indicating there could be more growth ahead.

For markets to keep rising, we need either higher valuations, higher earnings, or both. So far, this bull market has been driven largely by rising valuations. Now, it appears the focus is shifting to rising earnings, driven by higher prices ongoing technological revolution, especially in artificial intelligence (AI).

As earnings estimates increase, the market's price-to-earnings (P/E) ratio is decreasing, as shown in the chart, which is a positive sign for continued stock market gains.



From a technical standpoint, the S&P 500 is still in a bull market and above its long-term trend. Historically, a strong first half of the year often leads to above-average returns in the second half.

Bonds are also presenting attractive opportunities. As long as economic growth continues, bonds should offer good returns in the second half of 2024. The high coupon rates (the income paid on the bond) currently available can help offset any price declines, providing a stable return for investors.

The upcoming U.S. presidential election provides a somewhat predictable backdrop for markets. Regardless of who wins, neither candidate is expected to significantly cut government spending, which could pose longer-term economic challenges due to the deficit.

In summary, we are happy to say that the investment landscape for the rest of the year looks promising as solid economic activity and manageable price increases present a favorable investment environment.

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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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