

March 2025



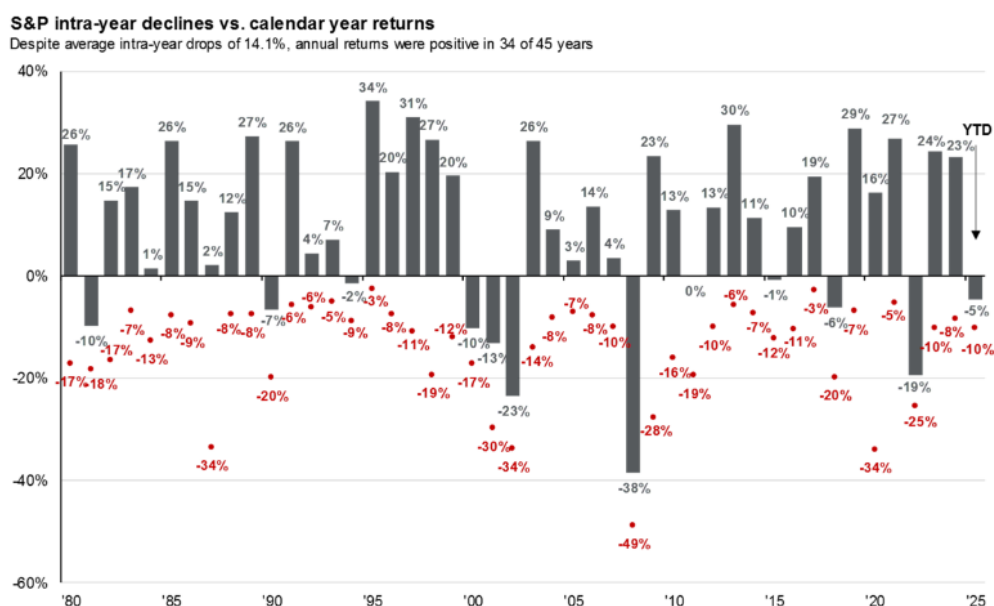
First Quarter 2025 Overview and Results: The U.S. economy entered 2025 with solid momentum. However, tariff whiplash, an equity market drop, and softening growth data have sparked fears of an economic slowdown, higher prices, or both. At writing, stocks just finished their worst week since the global pandemic of early 2020.

Against this challenging backdrop, Zuma Wealth client accounts generally declined less than 3% during the first quarter. As reference, the S&P 500 fell 4.6%, the tech-heavy NASDAQ Composite dropped over 10% while the "Magnificent 7" stocks shed 14.8% during the first quarter.

Until policy uncertainty gives way to policy consistency, risks to both the economy and markets persist. At times like these, we believe it is important to remember the basics: right-size away from the most concentrated and vulnerable parts of the US market and include investments with low or no correlation to the US stock market. Here are some examples in your portfolio:

- **Medium-term Treasury investments**, as falling interest rates are pushing prices up.
- **International stock market holdings**, where structural factors and shifts in fiscal policy are driving growth despite mounting trade tensions.
- **Alternative investments**, including a gold ETF, tend to be driven by unique factors unrelated to the drivers of US stocks.

For additional perspective, we would like to share the following chart that shows intra-year S&P 500 declines (red dot) as well as the full year (gray bar). This chart makes it clear that double digit intra-year declines are typical, and that more often than not, the market still finishes in positive territory, encouraging investors to stay the course.



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. Thank you for your loyalty to Zuma Wealth.



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