

Portfolio Investments.

During the second quarter of 2025, Zuma Wealth client accounts recovered from the broad market declines in April to deliver strong first-half total returns. The next section gives more detail on highs and low of the first half of 2025, and how Zuma Wealth delivered a smoother upward ride.

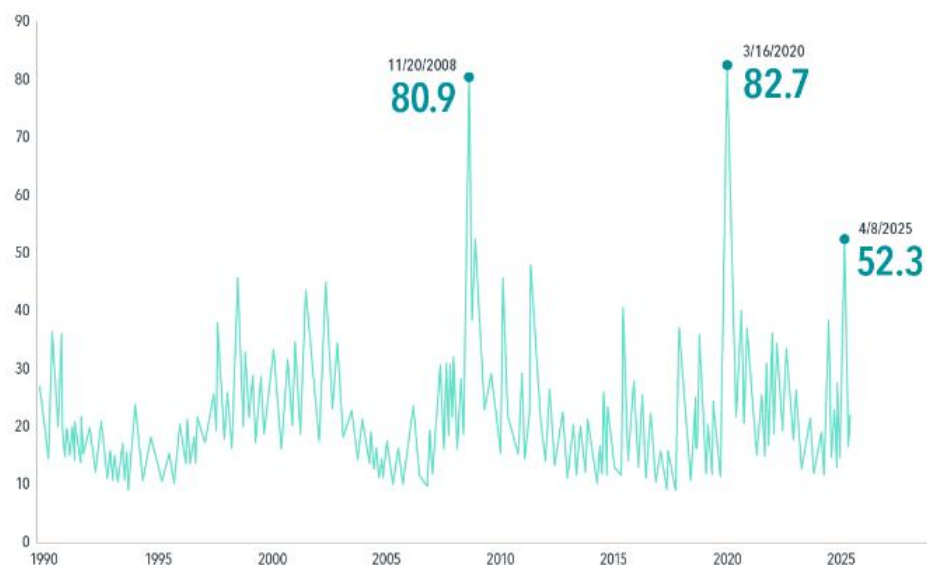
A Roller-Coaster First Half of 2025: How We Stayed on Track.

The first half of 2025 was marked by significant market volatility. The S&P 500 reached new highs in February but saw sharp declines in April before rebounding in May. The tech-heavy Nasdaq experienced even more dramatic swings. At one point, both indices had dropped 20% from previous highs—a notable correction driven largely by the new presidential administration's threats and imposition of tariffs on various imports.

Volatility spiked sharply in April, with the S&P 500 moving by 2% or more on eight different days. The VIX, a common measure of market turbulence, surged to 52.3 on April 8—levels last seen during the early COVID-19 crisis (March 2020) and the 2008 financial crisis (see chart).

Rocky Road

Closing level for VIX Index, January 1, 1990–June 20, 2025



Staying on track during this ride, your portfolio benefited from buffered ETF holdings that provide guardrails during market drops. Also, and in a reversal of trends over the past years, international stocks outpaced the U.S. Trade decisions coming out of the U.S. prompted many other countries to accelerate government spending and that could push growth higher outside the U.S. Holdings in your portfolio experienced gains as a result. We also allocated to gold via an ETF that tracks the price of that commodity. This is not a typical long-term holding, but a useful hedge when markets decline and has been a productive investment.

In the bond market, the Federal Reserve kept interest rates unchanged. Bonds performed well overall, with your portfolio holding a mix of safe Treasuries and higher-yielding corporate bond funds for income

June 2025



and total return. Interest rates have drifted lower since the highs at the start of the year, but high-quality bonds continue to offer a predictable return and act as a stabilizer for your overall portfolio.

Fundamentals, Technicals and Philosophy: Fundamentally, we continue to see a steadily growing economy, solid corporate profits and the potential for interest rate cuts by the Federal Reserve by the end of the year. Technically, U.S. stocks began an uptrend in mid-June, joining the strength observed in both global equities and high-yield corporate bonds.

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.



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