

INCOME STRATEGY



The Zuma Wealth Income Strategy is an income-driven portfolio designed to provide absolute returns and income in all investment environments.

Quantitative and fundamental methods govern decision tools to regulate when to buy and sell mutual funds and ETFs of high yielding bonds, long-duration Treasuries and cash.

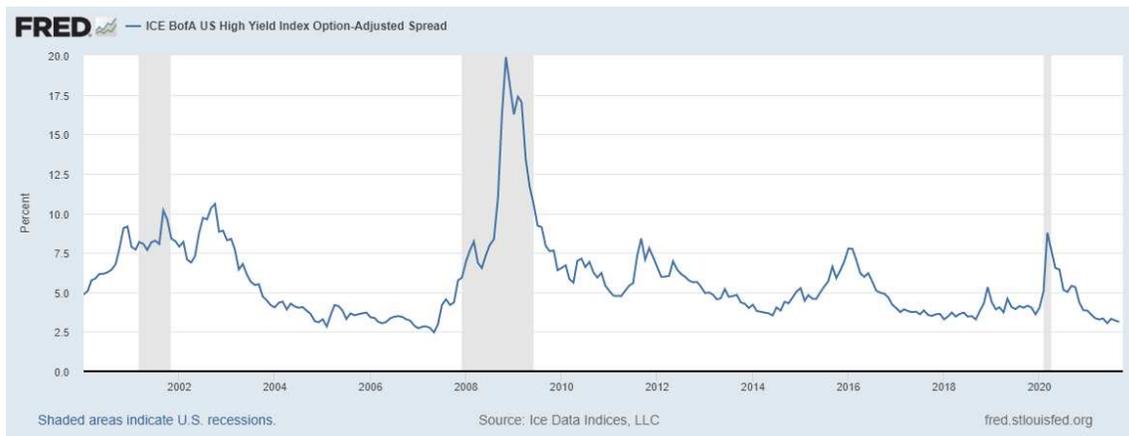
Disciplined rules to deliver absolute return in all investment environments.

Fundamentals of high yield corporate bonds. Drivers of Treasury bonds.

High yield corporate bond fundamentals are best studied by credit spreads: the yield on high yield bonds versus Treasury bonds.

Narrowing credit spreads correlate negatively with expected default rates, generating buy rules for high yield corporate bonds.

Widening credit spreads correspond with **investor flight to safety**, historically presenting buy rules for long-duration Treasury bonds.



Investor Benefits



High yield corporate bond holdings **reduce worries of rising interest rate risk**. Historically, the asset class gains during periods of improving credit quality, which tends to coincide with stable and recovering markets and rising interest rates.



Falling interest rates and narrowing credit spreads tend to present buy rules and **positive total returns in both asset classes** generating **maximum total returns in bull markets**.



Widening credit spreads signal higher expected default rates and investor flight to safety. Historically, this has presented buy rules for long-duration Treasury bonds, **cutting bear market exposure and achieving positive absolute returns**.

INCOME STRATEGY



GUIDE

Guide your financial life and increase confidence during uncertainty by targeting appropriate returns within the current investment environment.

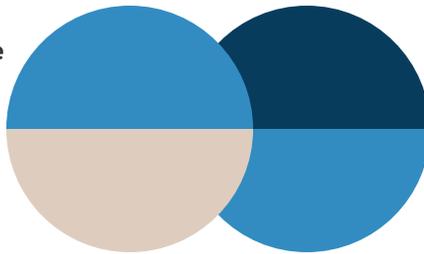
GROW

Grow wealth by holding high yield corporate bonds or long maturity Treasury bonds or both, as governed by fundamental and quantitative methods.

GUARD

Guard your wealth against moderate losses by applying a disciplined price-driven overlay. The absolute return strategy is designed to deliver positive returns in up and down markets.

High yield corporate bond exposure is driven by fundamental and quantitative metrics to range from 0-100% of the strategy. At times the strategy will own both high yield and Treasury bonds.



Treasury bond exposure is driven by fundamental and quantitative metrics to range from 0-100% of the strategy. At times, the strategy will own both Treasury and high yield bonds.

Buy rule components:

Narrowing spreads
Falling default expectations
Rising interest rates

Buy rule components:

Flight to quality
Falling interest rates

Expected risk and return profile



4-6% expected return



Annualized return expectation of 5.8% and standard deviation of 6.1% under neutral scenarios using long-dated historical return, correlation and variance data.

Suitable for investors seeking absolute returns and income.