

July 2021



Keep Calm and Carry On

As the global economy moved in fits and starts toward a recovery, stock and bond markets posted gains in the second quarter. “Growth” stocks, those with hot growth potential and more sizzling valuations, outpaced “value” stocks, ones that may grow more slowly, but often with more reasonable valuations. International stocks did not fare as well as the U.S. with China a drag on returns. The Federal Reserve indicating they will keep the current level of interest rates in place into 2023 and plain vanilla bonds exhaled, posting modest gains. High yield corporate bonds, which generally move in the same direction as U.S. stocks, generated the best returns in the fixed-income arena during the quarter.

Asset gains are in large part the result of extraordinary government spending and unprecedented central bank bond purchases. Performance going forward will depend on the rate at which policy support is withdrawn. Even the discussion about that withdrawal, though, has sparked market reaction.

To navigate this, we grow wealth through our disciplined methodology. Our approach to risk is what can keep returns more calm. We look at risk both strategically and protectively. Strategically, through good offense, we combine different types of asset classes to create an allocation with a high probability of 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 guard against losses.

As we move into the second half of 2021, we are pleased with the investment results we have delivered and reiterate one of our favorite quotes coined by the British Ministry of Information under Winston Churchill’s reign: Keep Calm and Carry On.

Progress on investments

Zuma Wealth Growth or Balanced accounts generally posted gains of between 1% and 2.5% during June, led by U.S. growth stocks while Zuma Wealth Bond accounts grew more than 1%, outpacing a plain vanilla bond benchmark and a broad-based high yield corporate bond benchmark.

We thank you for your loyalty and trust. You can contact us anytime.



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