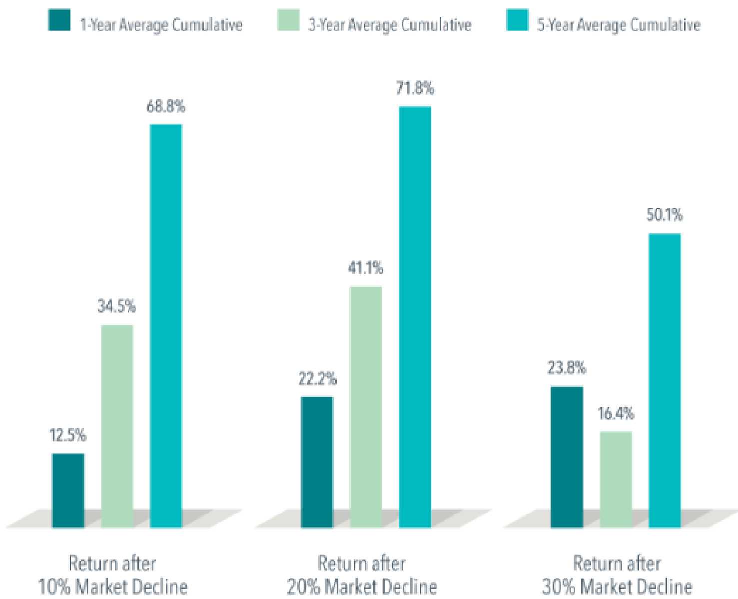
Year End 2022

It was an up-and-down year for market with much more *down* than *up* as both stocks and bonds lost ground during the calendar year of 2022.

Now What? Some Perspective. As we enter 2023, it is helpful to keep history in mind. It can be hard to imagine an upturn when prices have fallen or when there is trepidation about the direction of the economy.

But history argues for persistence and patience. As shown in the chart, US equity returns following sharp declines have, on average, been positive on a one-year, three-year, and five-year periods.[1] The "trampoline" effect after declines can put investors in position to capture the long-term benefits stocks offer. Turning to bonds, higher interest rates are creating new opportunity to earn income on "safe" money. To wit, Treasury bills in your accounts currently generate over 4% (annualized).



Zuma Wealth LLC: Investment Philosophy and Recent Investment Decisions. We look at risk and return both strategically and protectively. Strategically, through good offense, by combining different asset classes we 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.

As we put 2022 to rest and move into 2023, client positions are shifting from underweight international exposure to a more neutral weighting. Also, fixed-income positions are nearly entirely invested in individual Treasury securities that will mature throughout 2023, benefitting from the sharply higher interest rates available in these exceptionally safe vehicles.

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[1] Source: Fama/French Total US Market Research Index Returns, July 1926-December 2021).