Terri Spath, CFA, CFP®

Terri's investment experience spans a quarter-century earning top performance marks stewarding billions of dollars at some of the largest investment shops. She brings the expertise that comes with managing money through the late '90s tech boom and bust, the 2007 recession, and the longest bull market on record that ran from 2009 to 2020.

A renowned expert, Terri is a regular guest on CNBC and Bloomberg TV and a sought-after industry speaker. She was named a "Top 10 Inspiring Women of 2022" by Industry Era Magazine and was shortlisted by the Women in Asset Management awards in 2019. Terri has been interviewed and quoted in hundreds of publications and lauded for making complex concepts simple.

Prior to forming Zuma Wealth, Terri was Chief Investment Officer at two large RIAs, including Mercer Advisors. She spent a dozen years at Franklin Templeton as a portfolio manager and analyst. Terri launched her career with roles at one of the largest investment banks on Wall Street in New York and at Fidelity Investments in Boston.

Terri's real-world expertise is rooted in a suite of top financial credentials: the CFA charter, the CFP® certification, an MBA in Finance from Columbia University, and an AB in Economics with Honors from the University of Michigan.

Terri started investing when her father introduced her to the concept of compound interest and she learned she could make money in her sleep.

How to Make Money in Bonds (regardless)

February 2024

Terri Spath, CFA, CFP®
Chief Investment Officer & Founder
Zuma Wealth, LLC

AGENDA

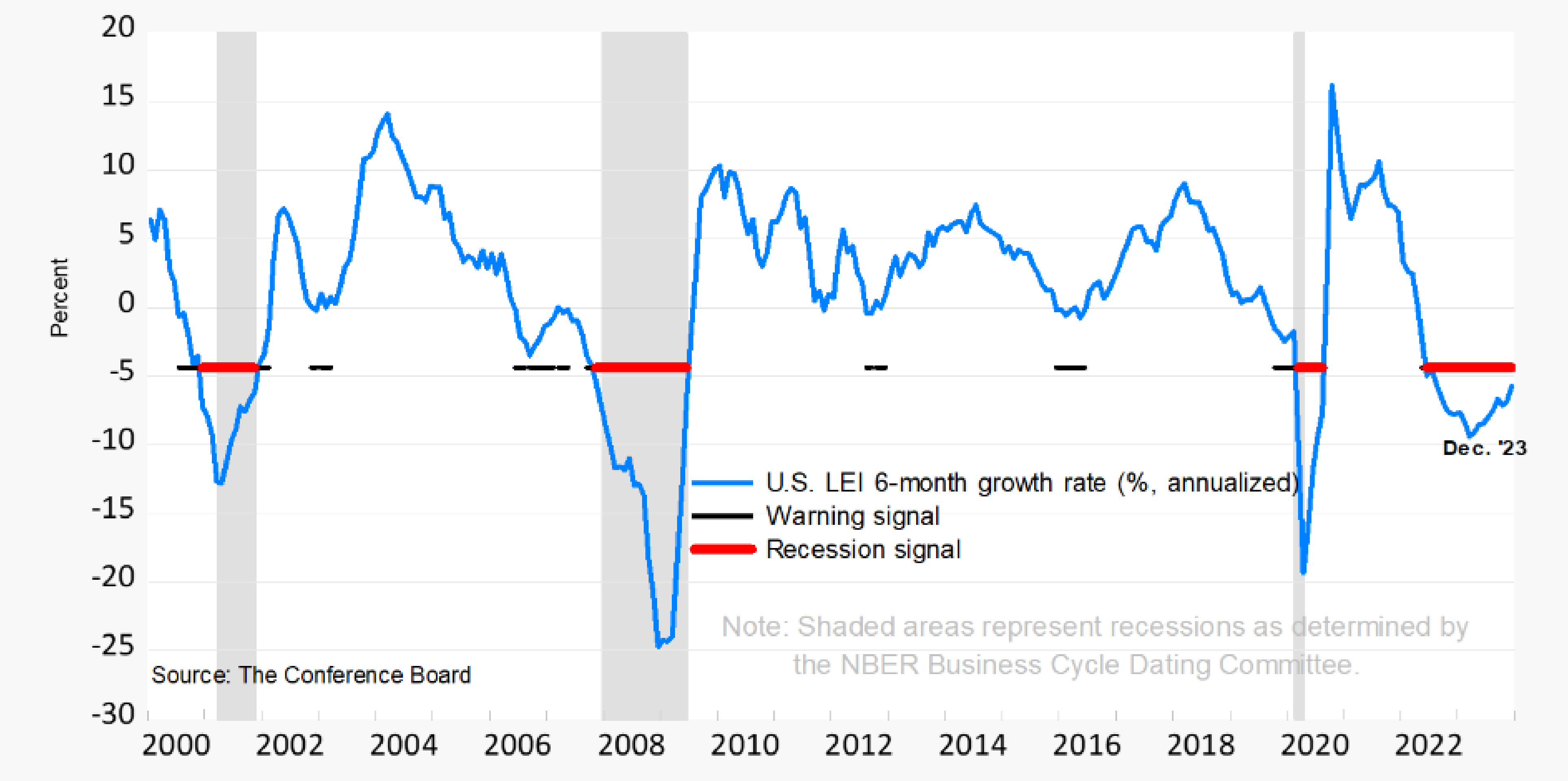
1. What most economists got wrong for 2023 (and why)
2. Why the Fed Will Still Cut Rates in 2024, (no recession required)
3. How to Make Money in Bonds in 2024, in any environment
4. A Rules-based Approach to Owning Bonds Anytime

What the economists got wrong

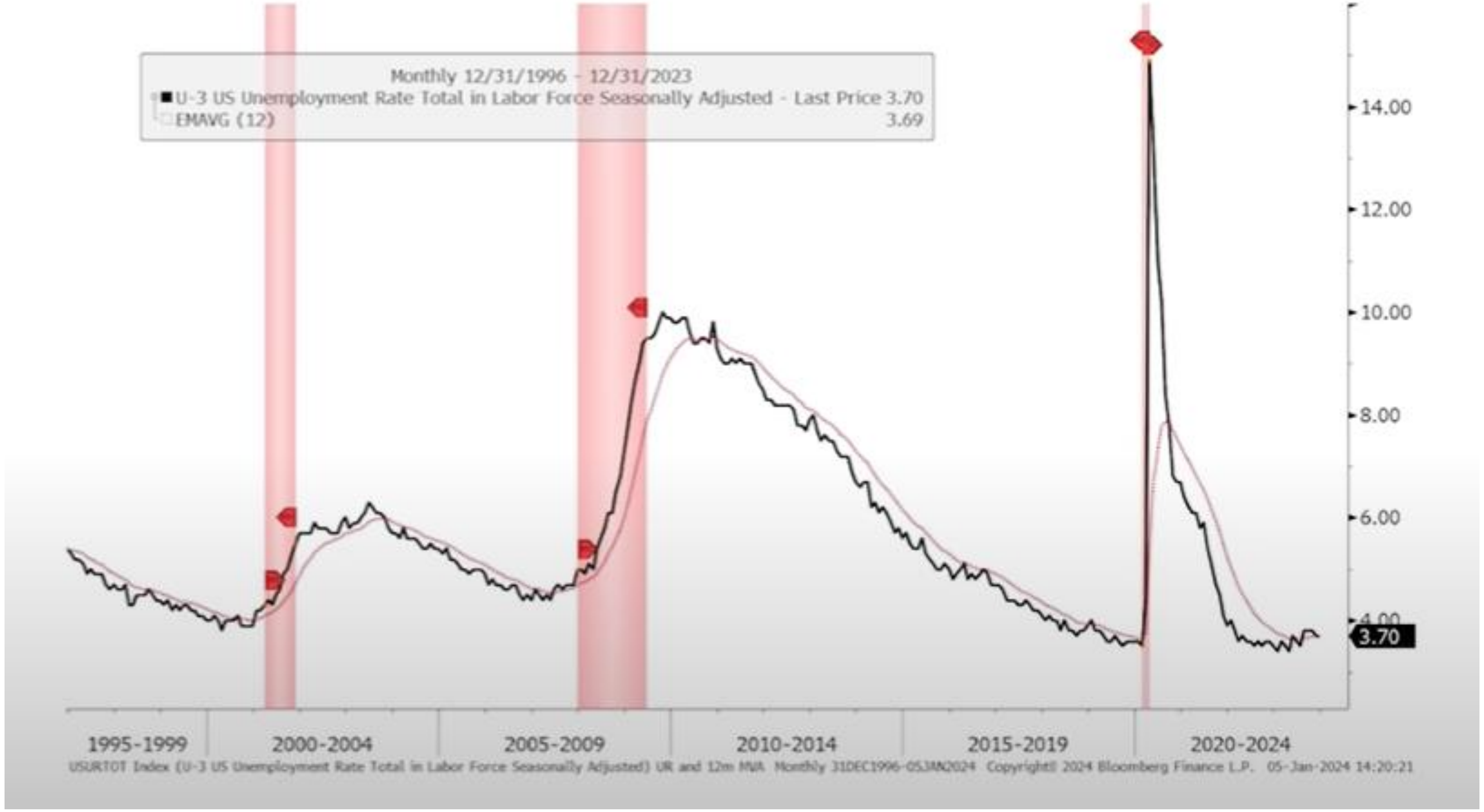
4 Horsemen of the Apocalypse

Recession Indicator: Leading Economic Indicators

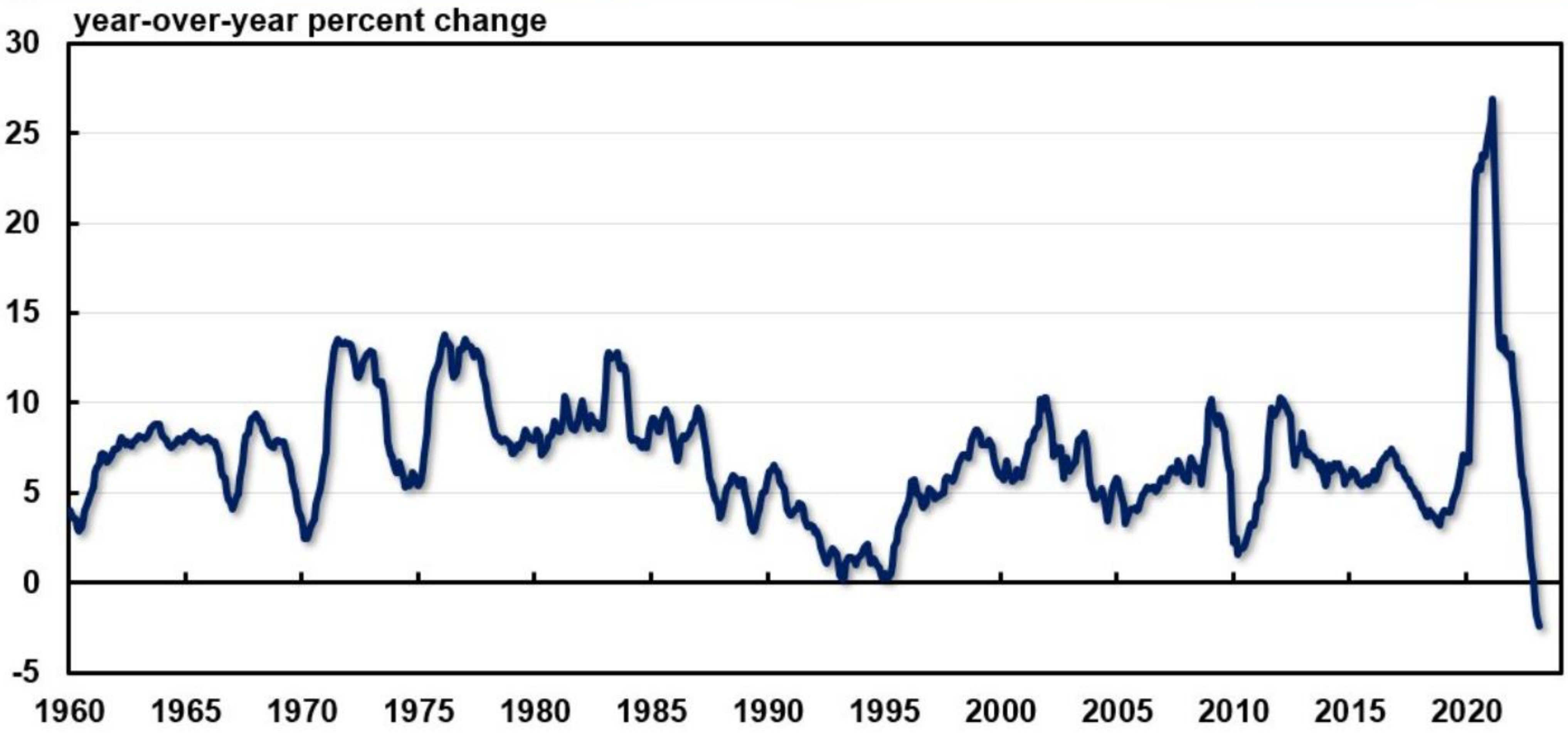
6-month annual change (blue line)



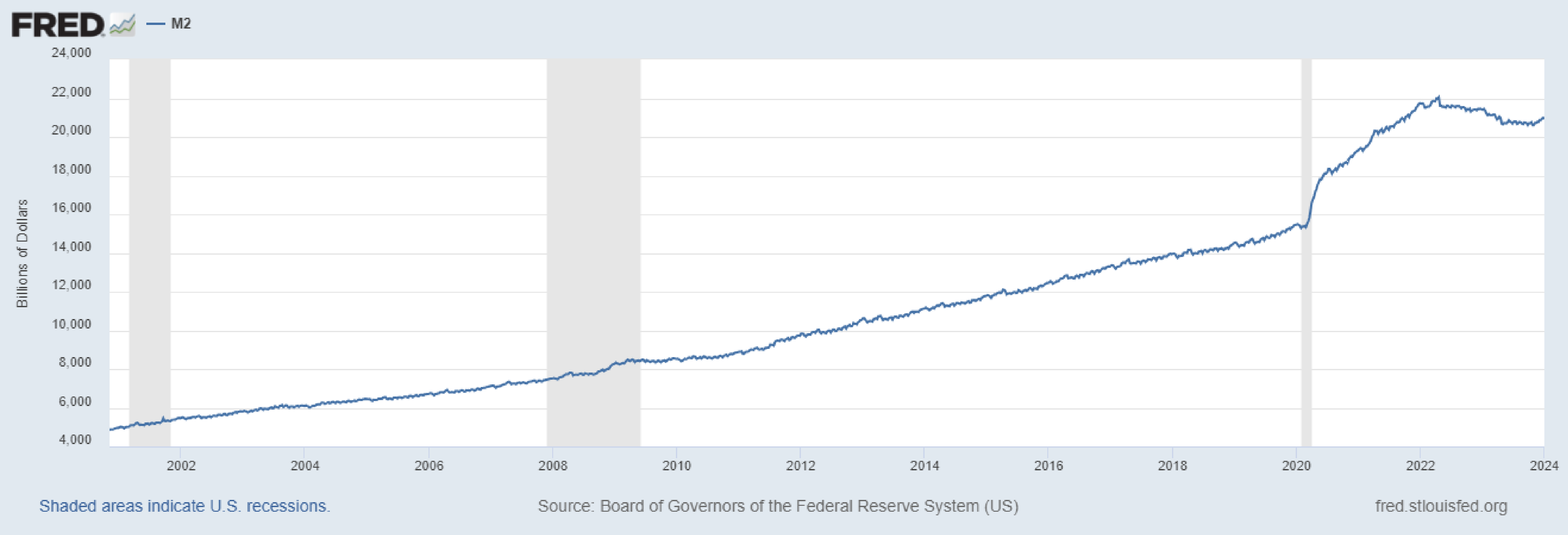
Recession Indicator: US Unemployment versus 12-month moving average



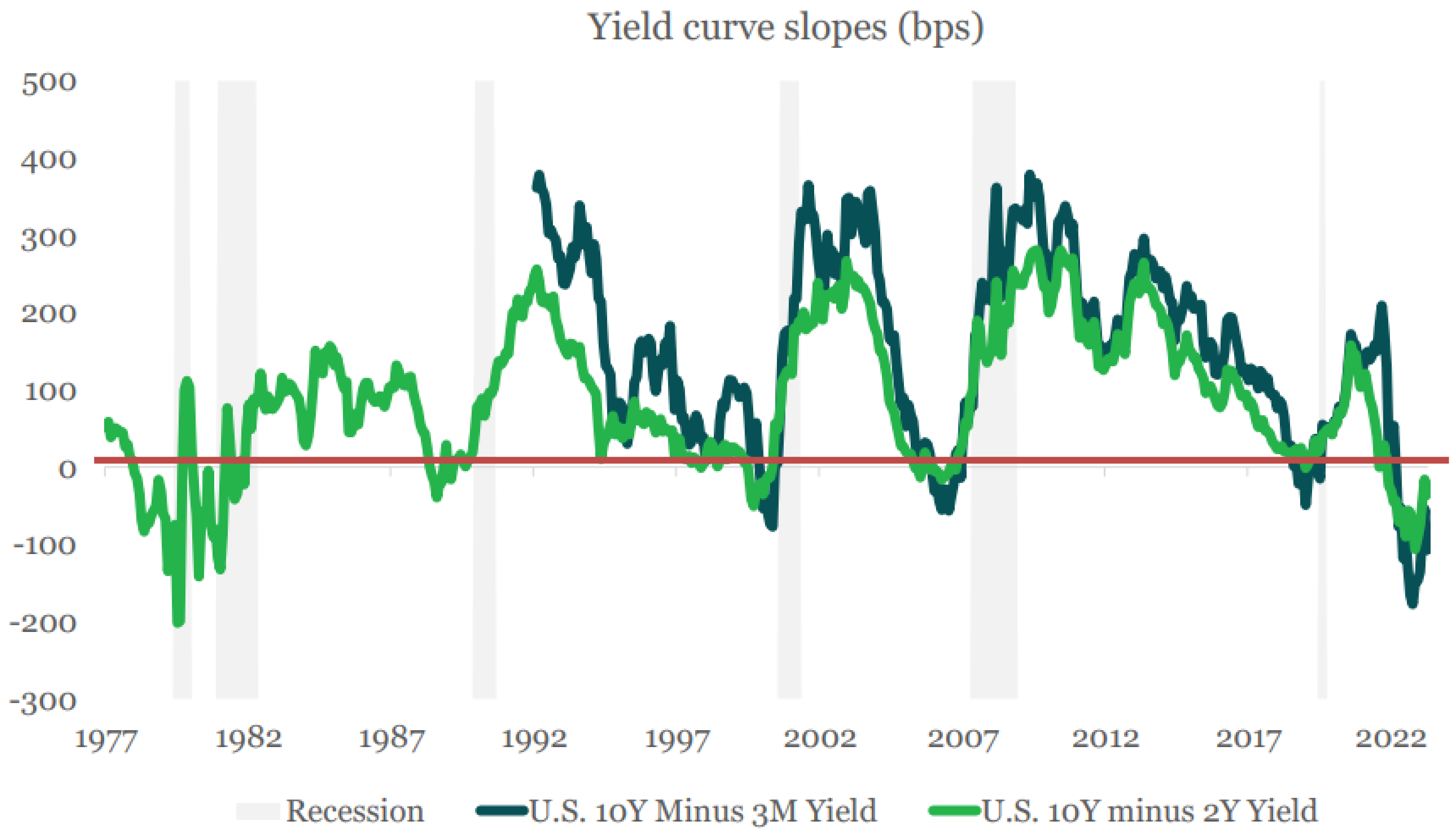
Recession Indicator: Contracting Money Supply (M2)



Money Supply (M2): since 2000

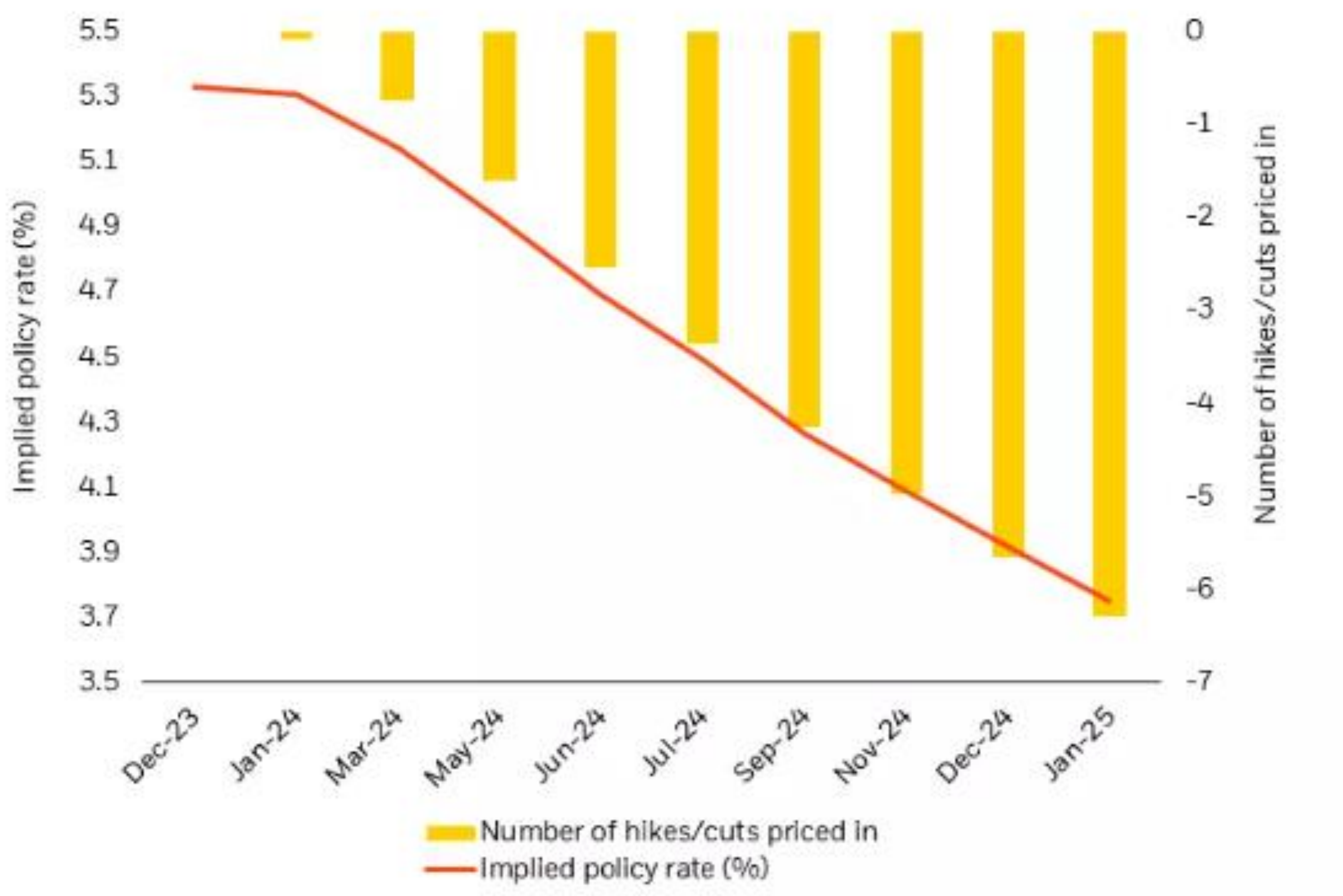


Yield Curve: Inversions and Recessions

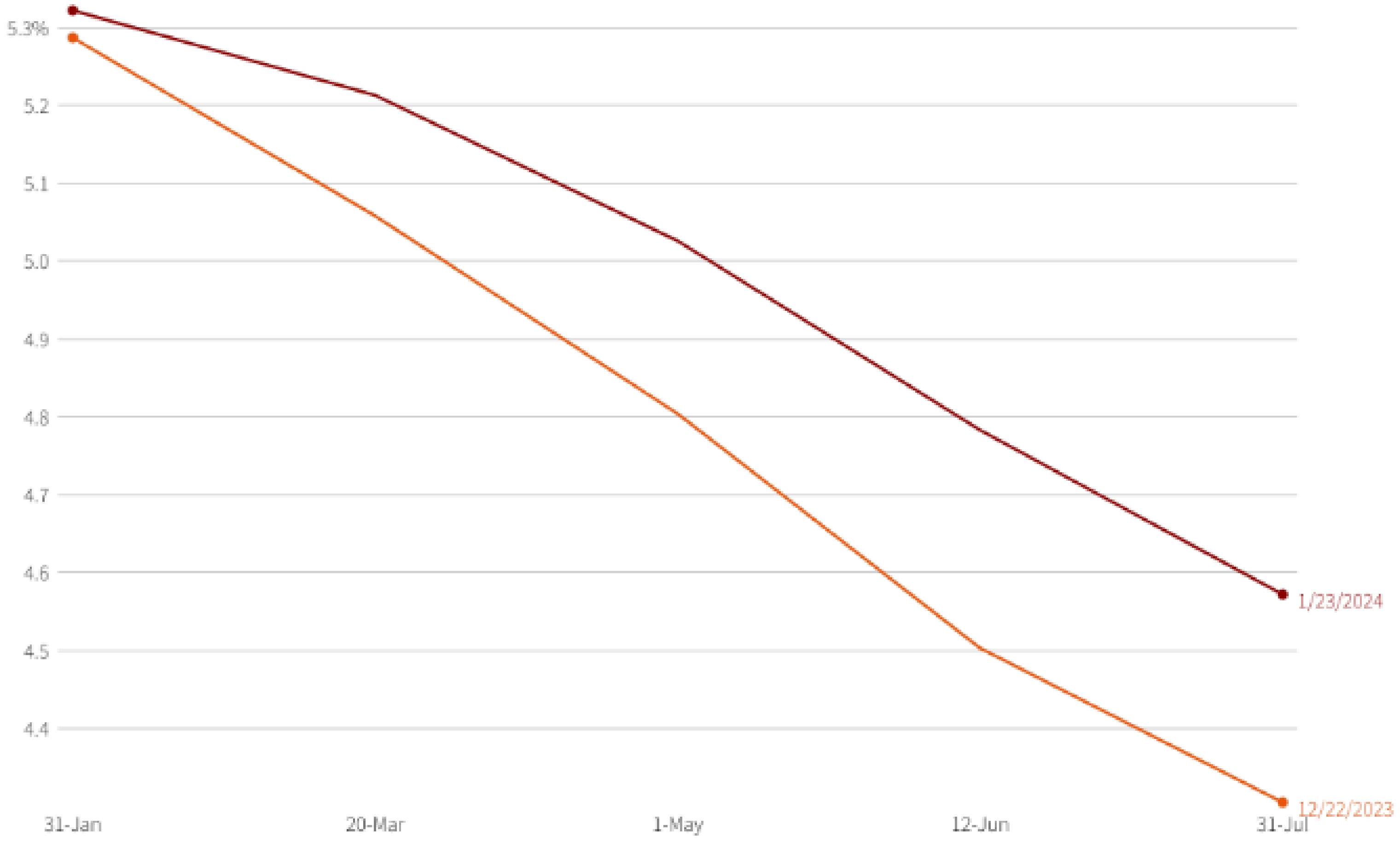


Why the Fed Will Cut Rates in 2024 (no recession required)

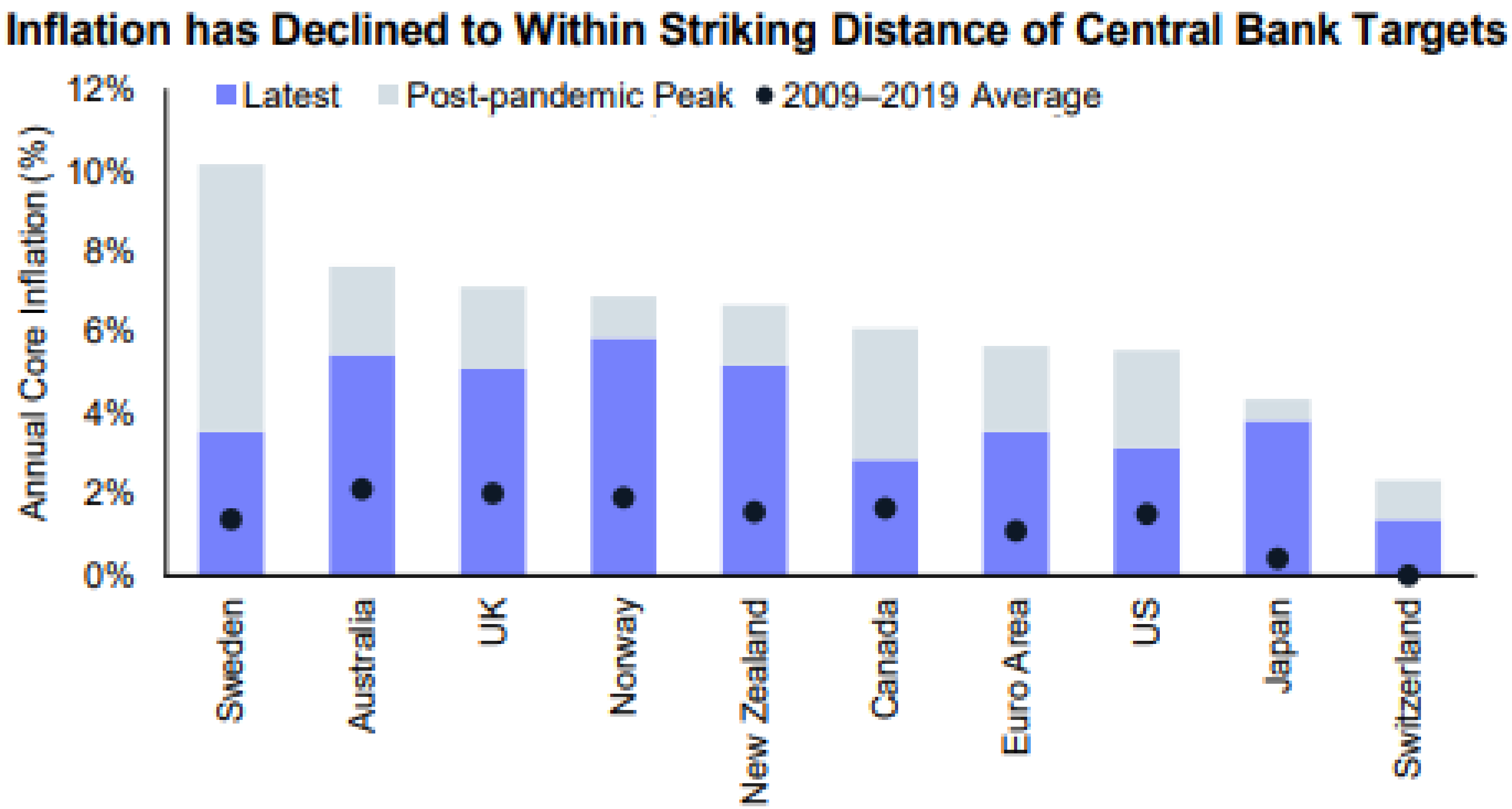
Implied Policy Rate and Number of Cuts Priced In



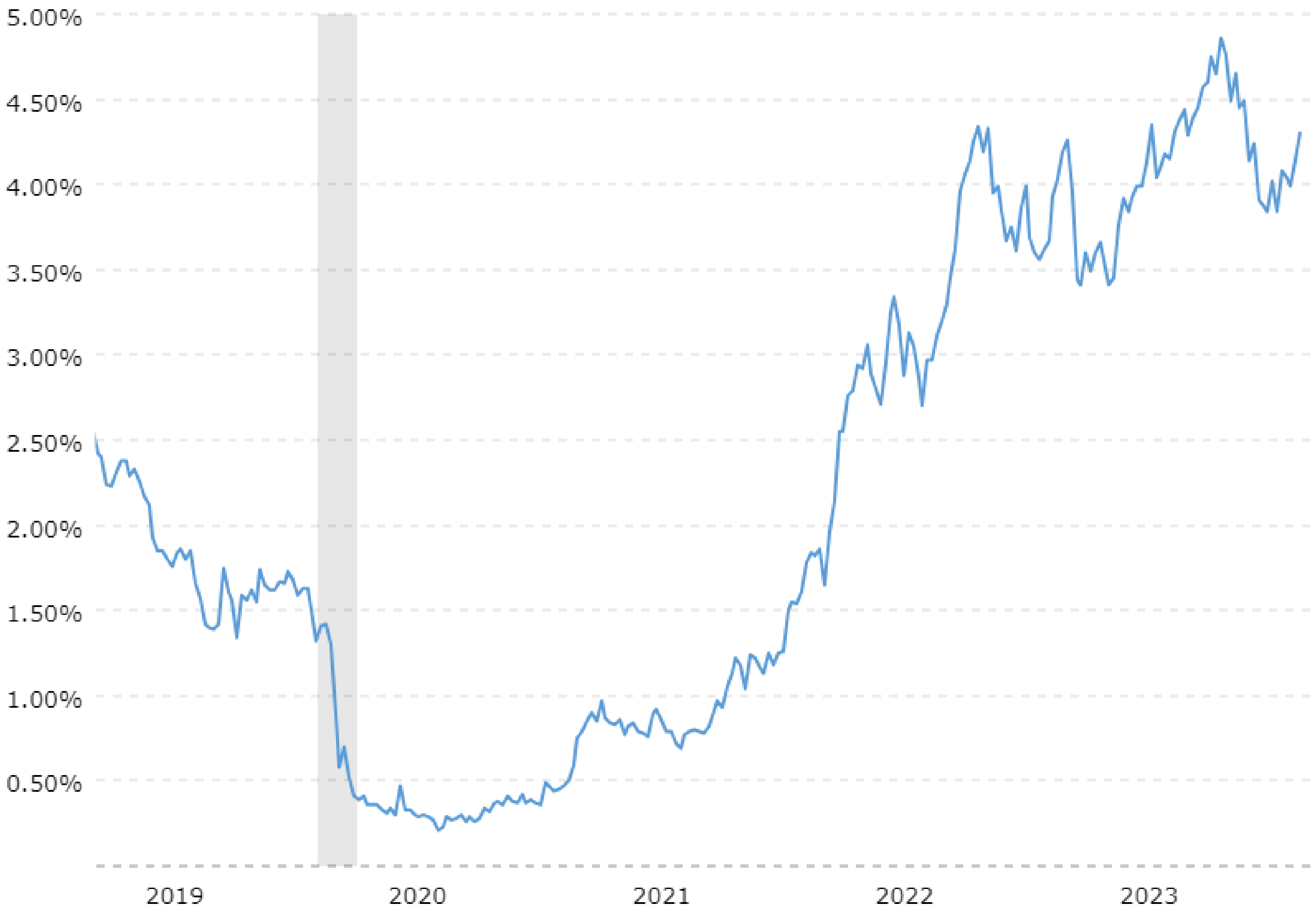
When Will Rates Be Cut?



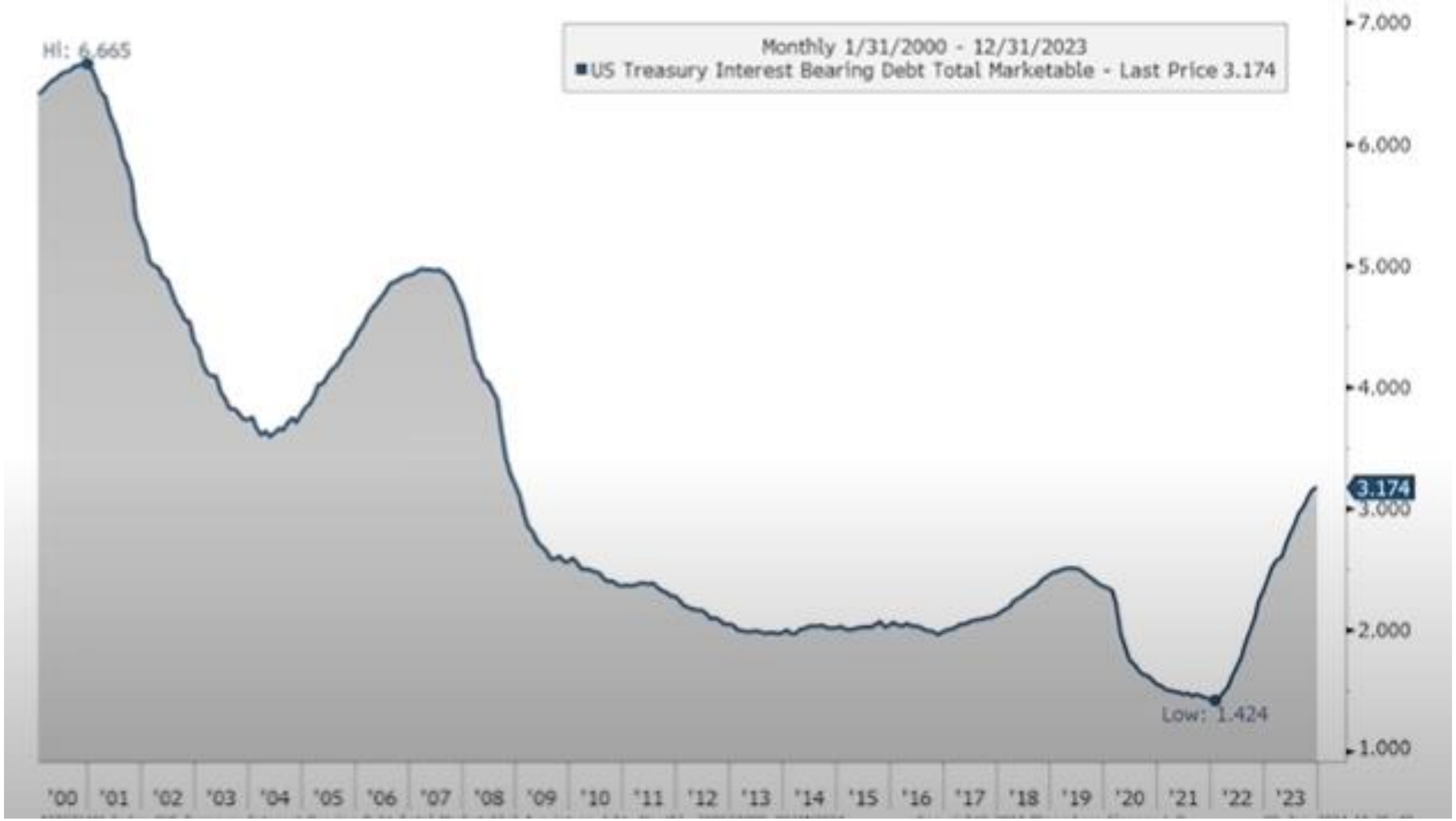
Disinflation and Trend Growth



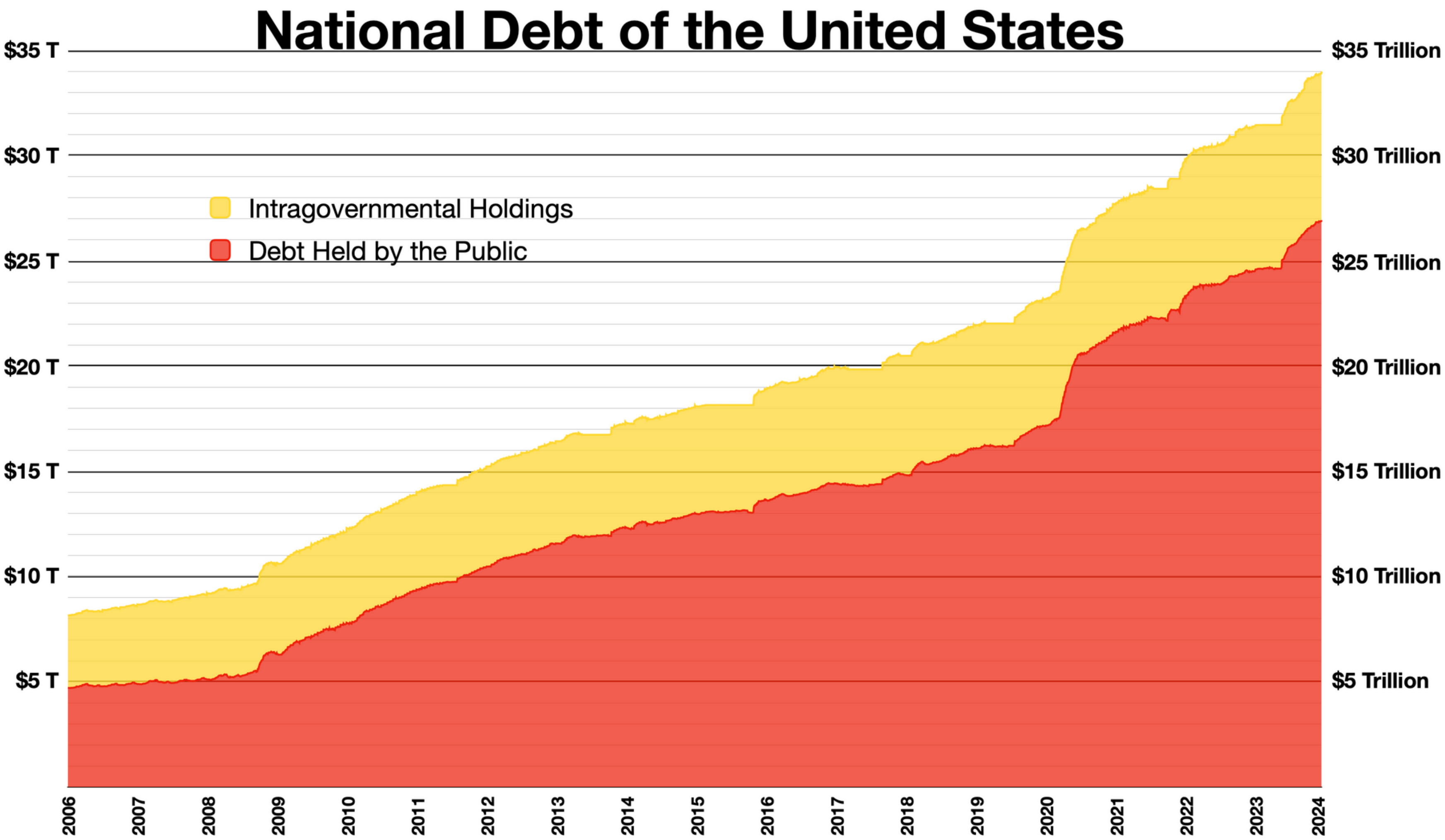
5-Year Treasury Rate over the Past 5 Years



Average Interest Rate for US Treasury Market Issuance

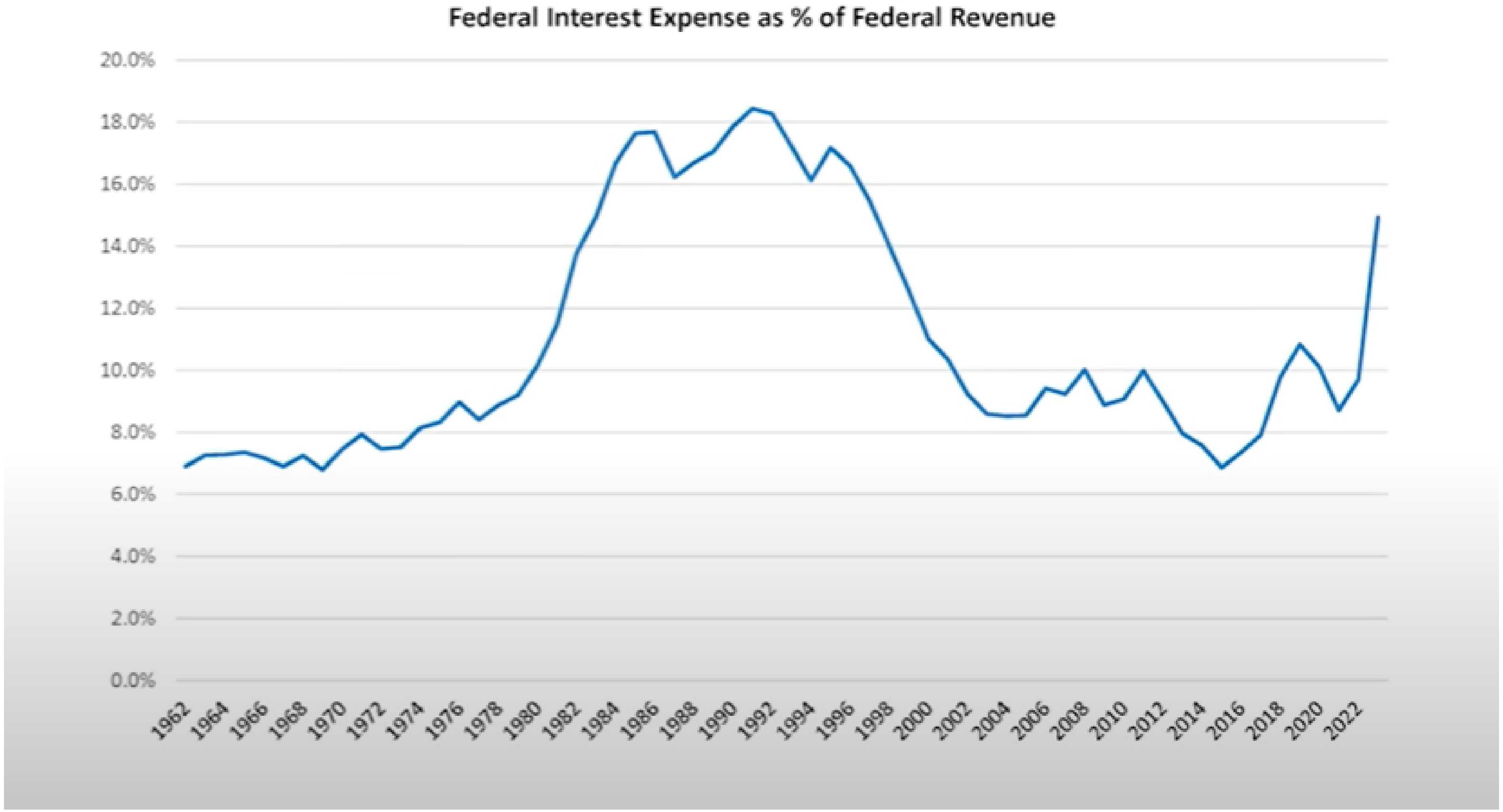


National Debt



Digging Deeper

Federal Interest Expense as a % of Tax Revenues



How to Make Money in Bonds in 2024

Fixed Income Total Returns: Past 3 years

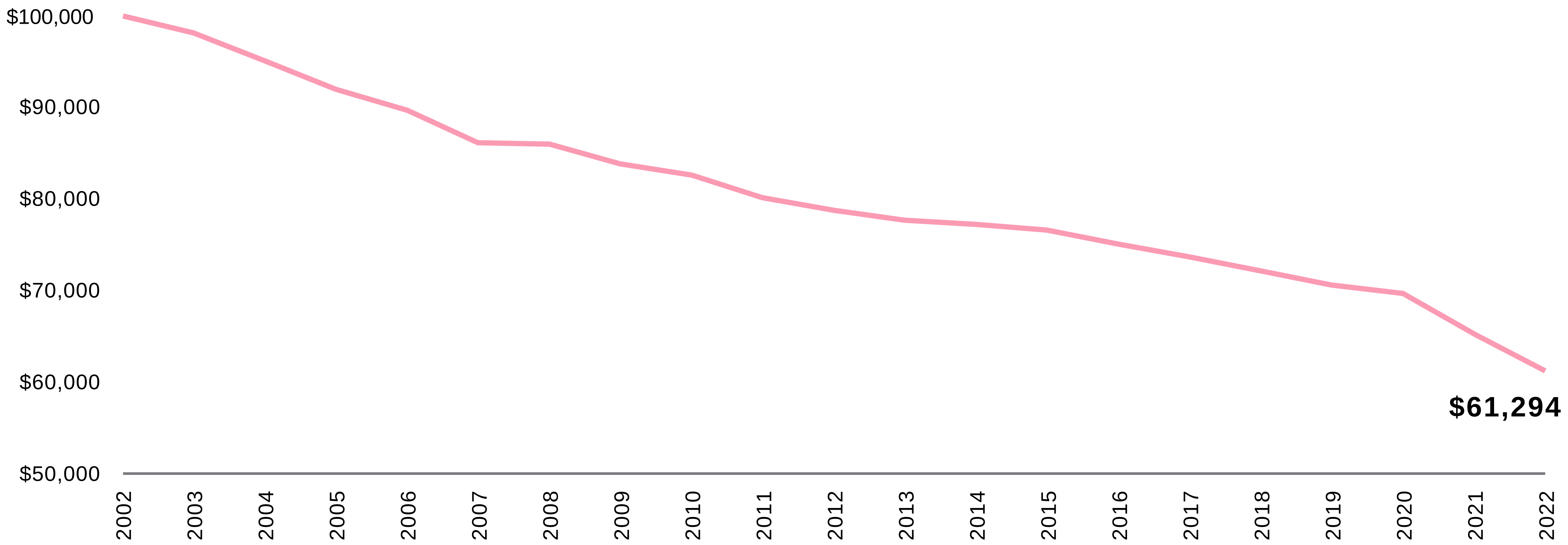
Total Returns (%)	2021	2022	2023
USD HY	5.3	-11.2	13.4%
USD Bank Loans	5.1	-1.3	13.0%
EUR HY	3.3	-11.5	12.0%
EM External Debt	-1.8	-17.8	11.1%
USD IG	-1.0	-15.8	8.5%
EM Corporate Bonds	0.6	-8.0	8.4%
EUR IG	-1.0	-13.9	8.0%
Global Green Bonds	-2.7	-18.1	7.5%
EM Local-Currency Debt	-1.6	-8.4	6.9%
US Municipal Bonds	1.5	-8.5	6.4%
Global Government Bonds	-2.3	-14.7	6.3%
Global Aggregate	-4.7	-16.2	5.7%
US ABS	-0.3	-4.3	5.5%
US Aggregate	-1.5	-13.0	5.5%
German Bunds	-2.6	-17.6	5.1%
US CMBS	-1.5	-10.1	5.1%
US MBS	-1.0	-11.8	5.0%
Cash (3m T-Bills)	0.3	0.3	4.8%
US Treasuries	-2.3	-12.5	4.1%
UK Gilts	-5.3	-25.1	3.6%
Japanese Government Bonds	-0.2	-5.4	0.4%

0.0% 2.0% 4.0% 6.0% 8.0% 10.0% 12.0% 14.0%

Price of Holding Too Much Cash

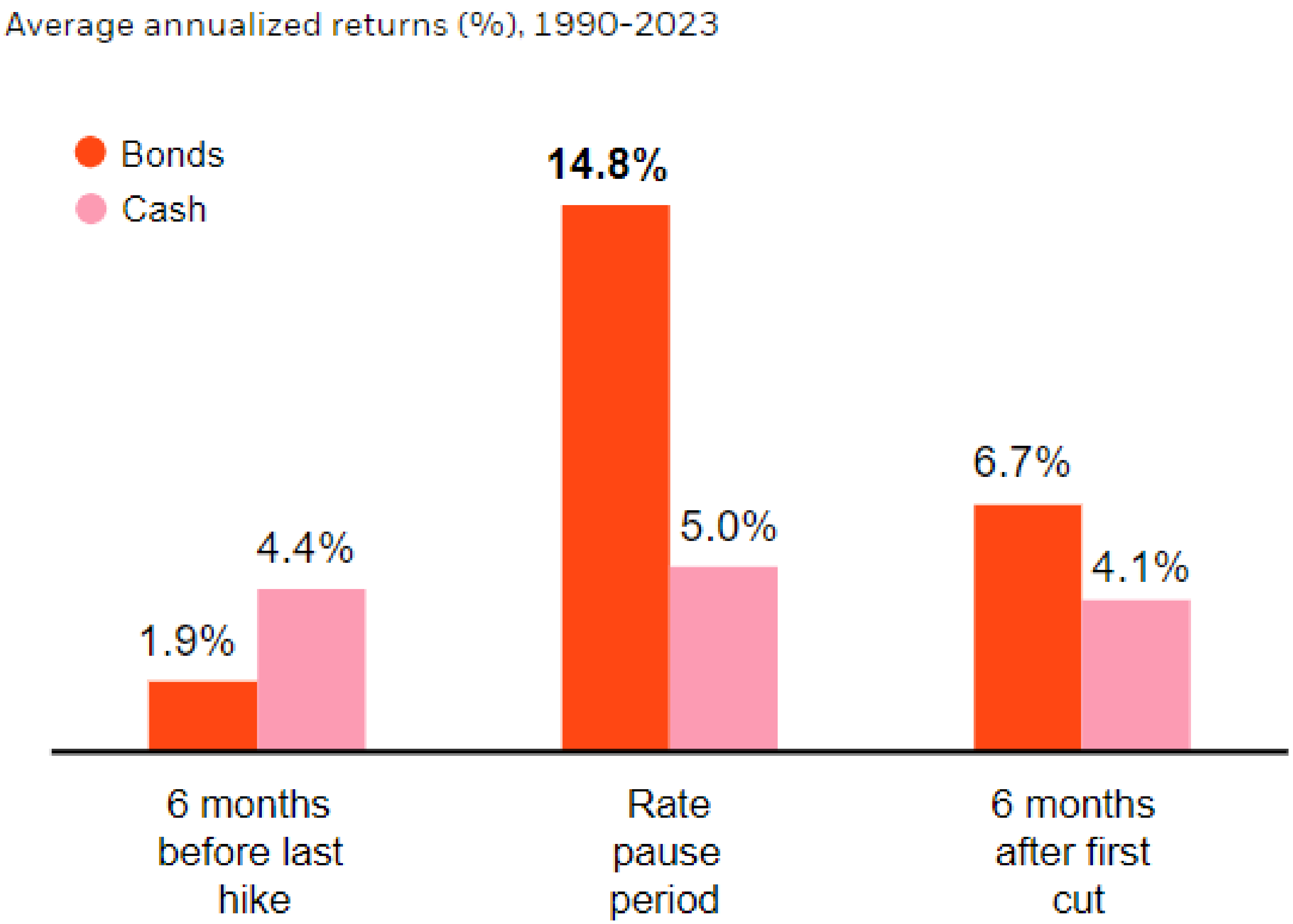
Erosion of purchasing power

Cumulative inflation (12/31/02-12/31/22)



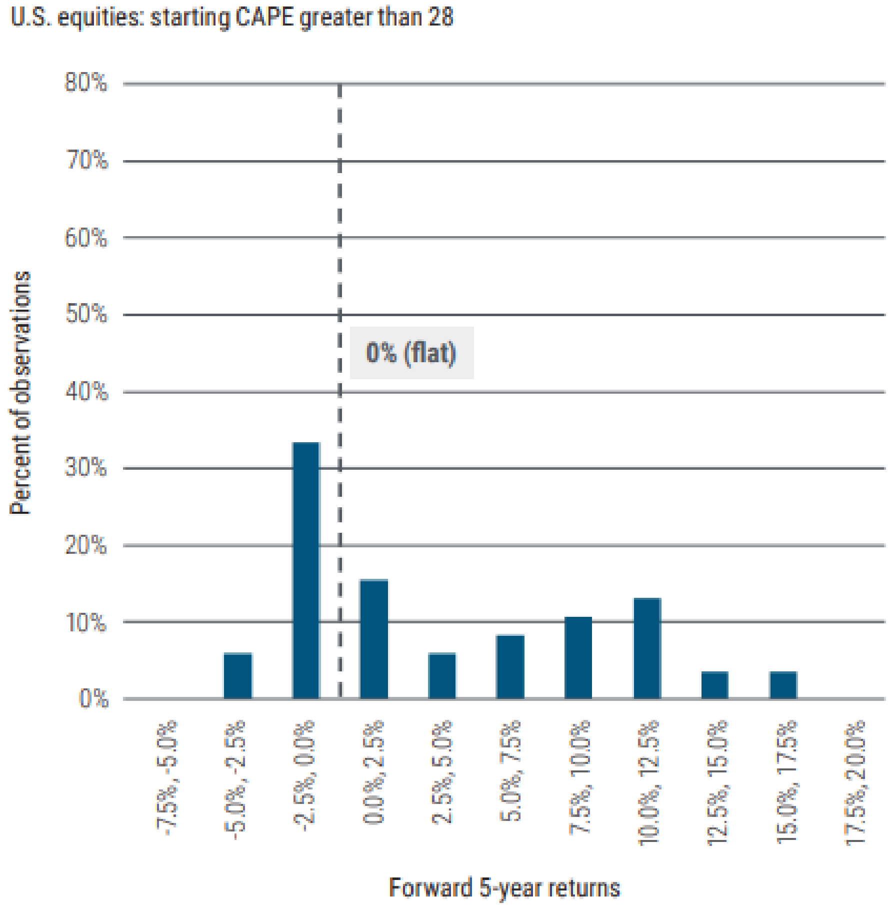
Source: BlackRock, Informa Investment Solutions as of 12/31/22. Inflation represented by the Consumer Price Index. For illustrative purposes only. Past performance does not guarantee or indicate future results. You cannot invest directly in an index.

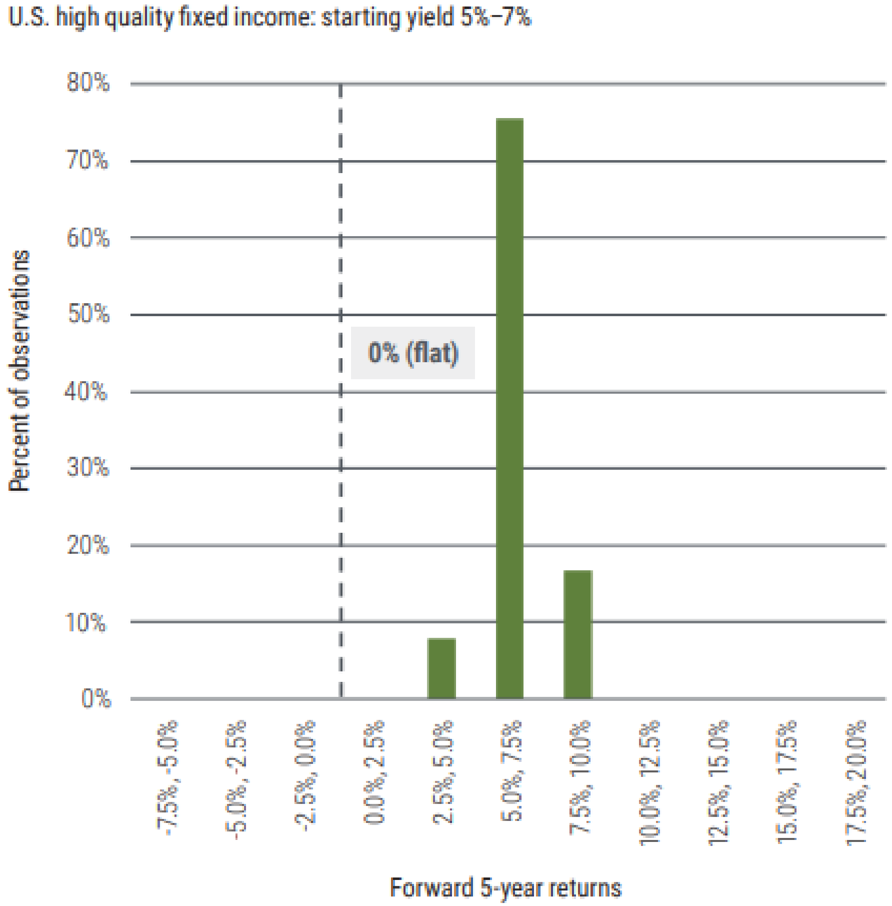
Cash versus Bonds



Valuation: Stocks and Bonds

Historical forward return distribution by asset class for conditions similar to now





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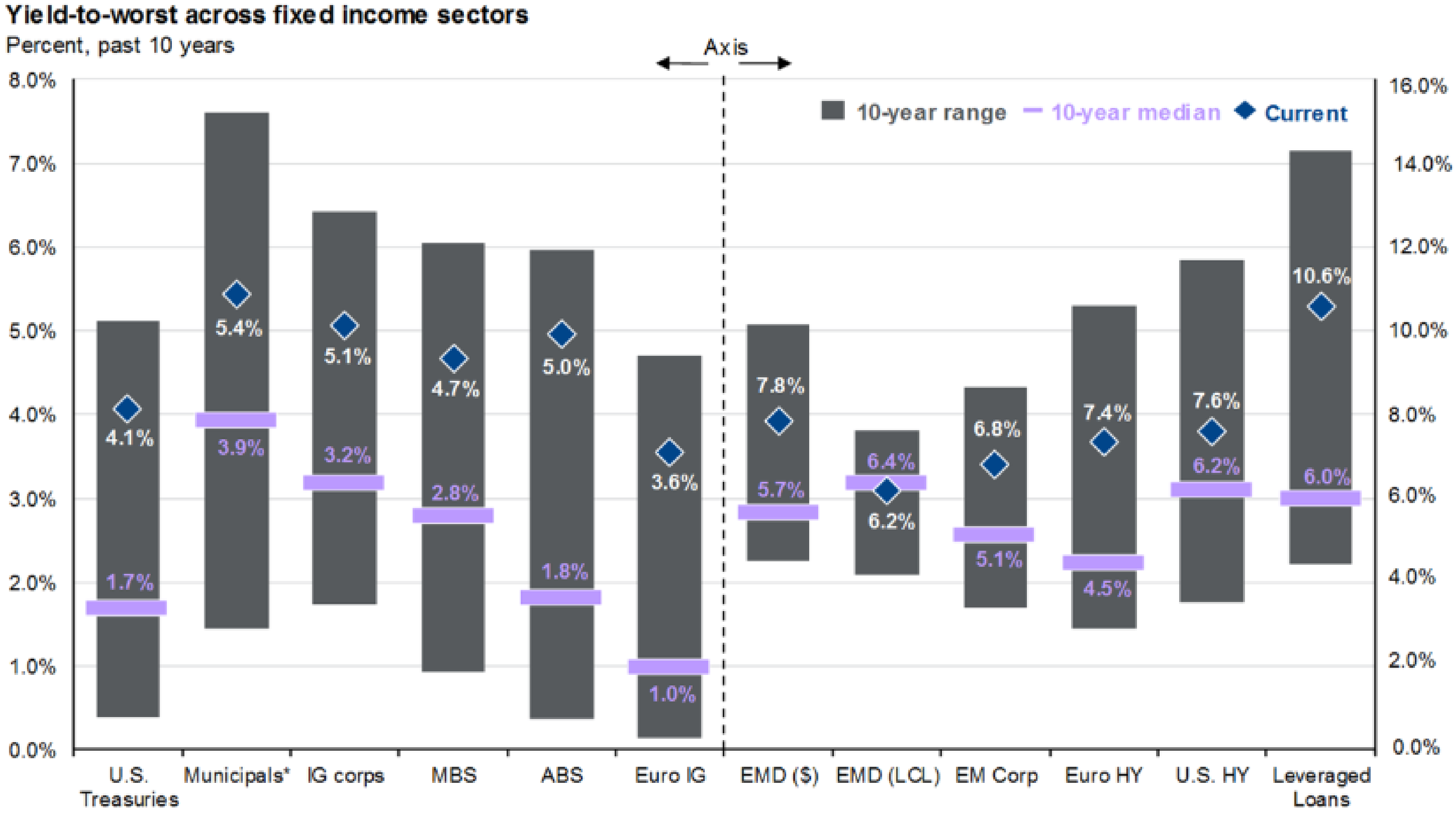
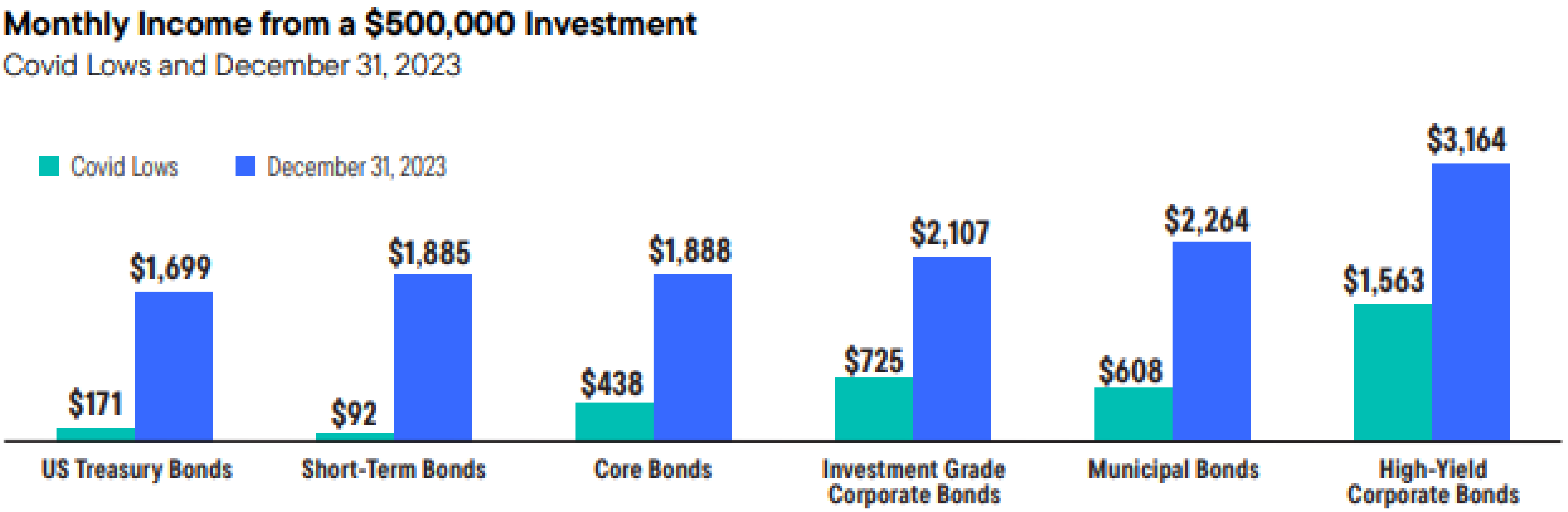
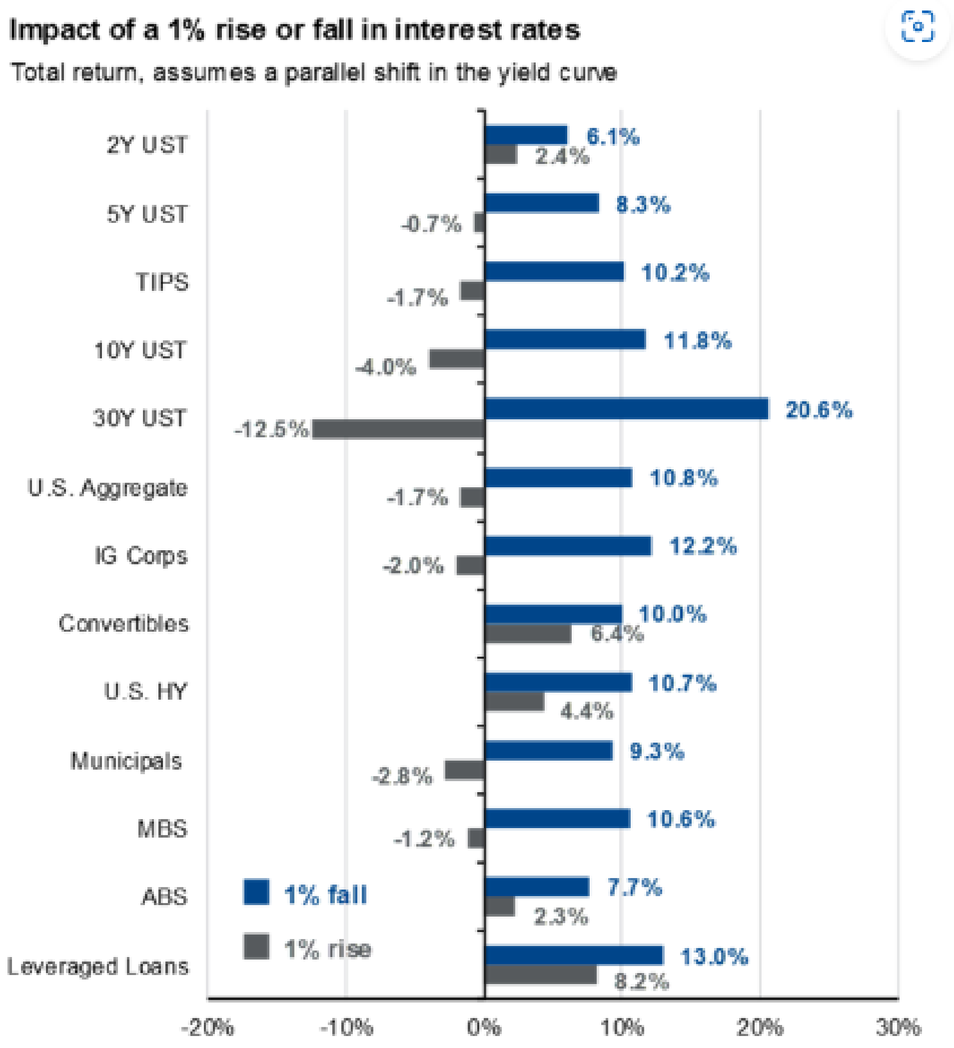
All Flavors of Yield Are Well Above Their 10-Year Averages



Income is Back in Fixed-income



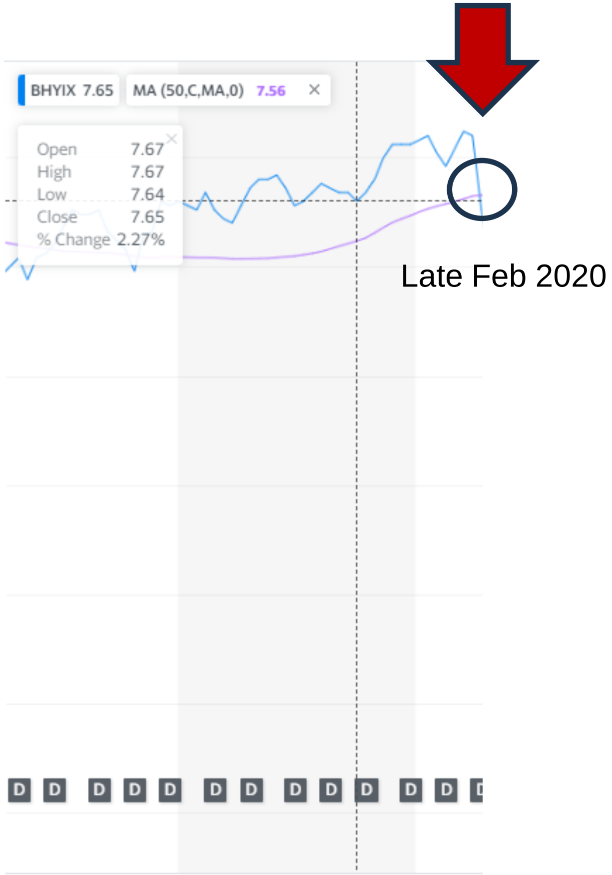
Bond Sensitivities to Interest Rate Moves



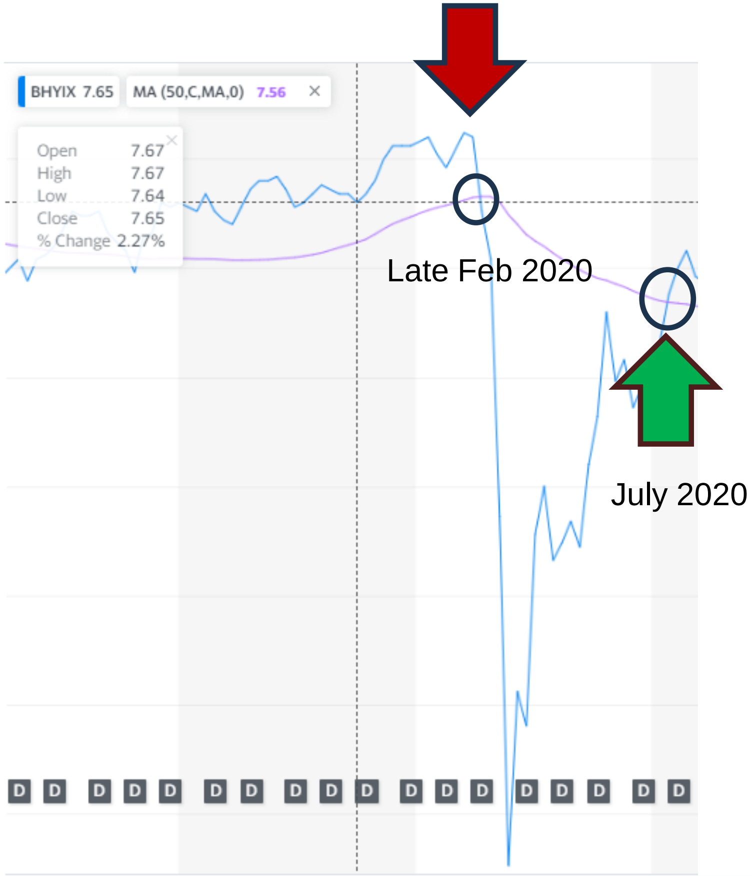
3-month Total Returns
TLT, AGG
9/30/2023-12/31/2023

A Rules-Based Approach to Bond Investing Anytime

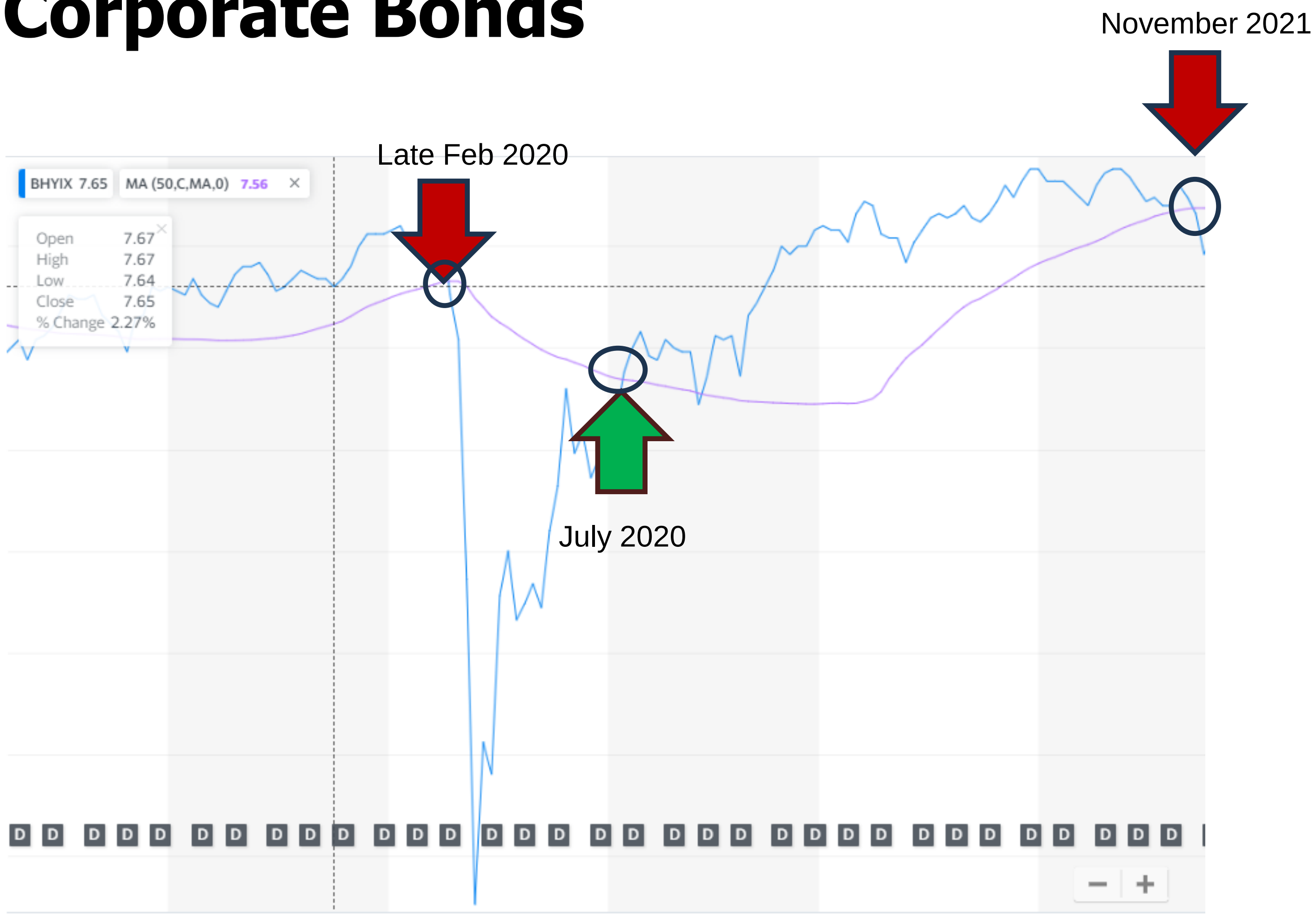
Rules-Based Approach to Owning High-Yield Corporate Bonds



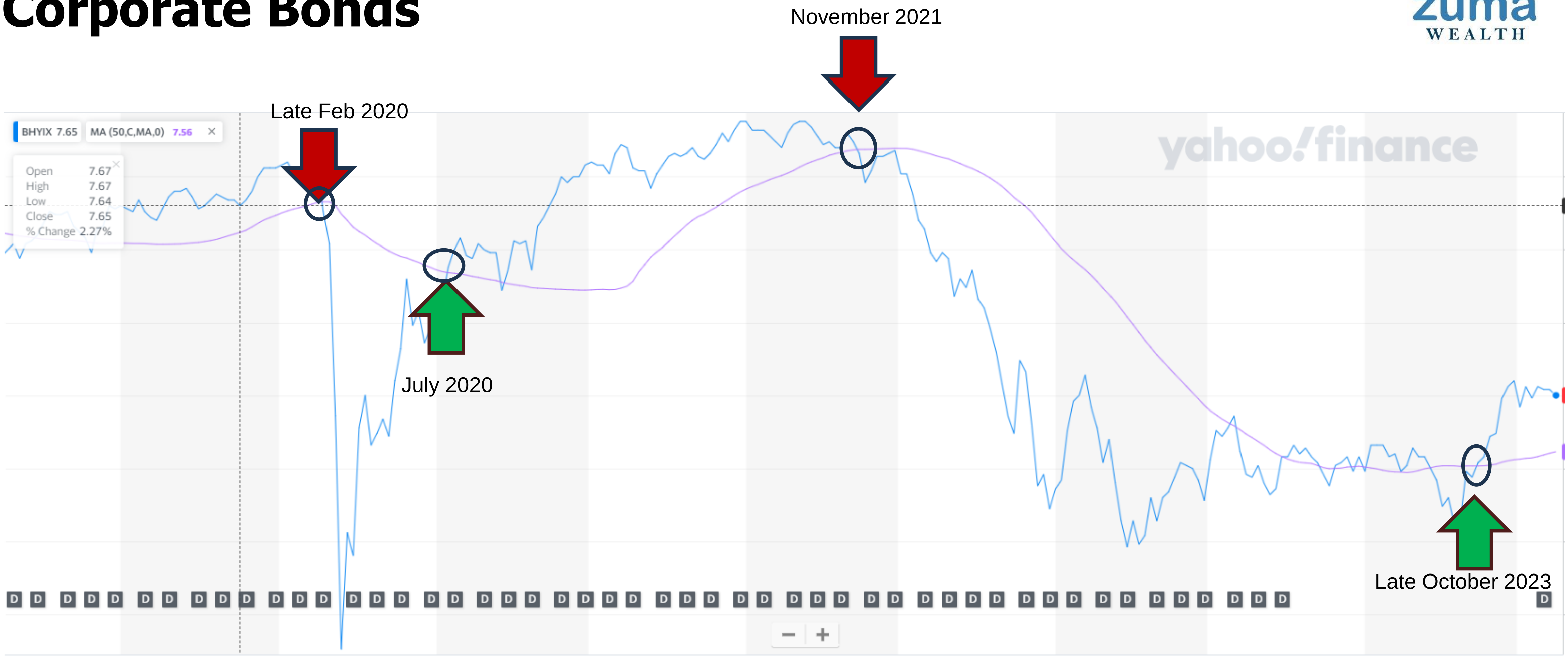
Rules-Based Approach to Owning High-Yield Corporate Bonds



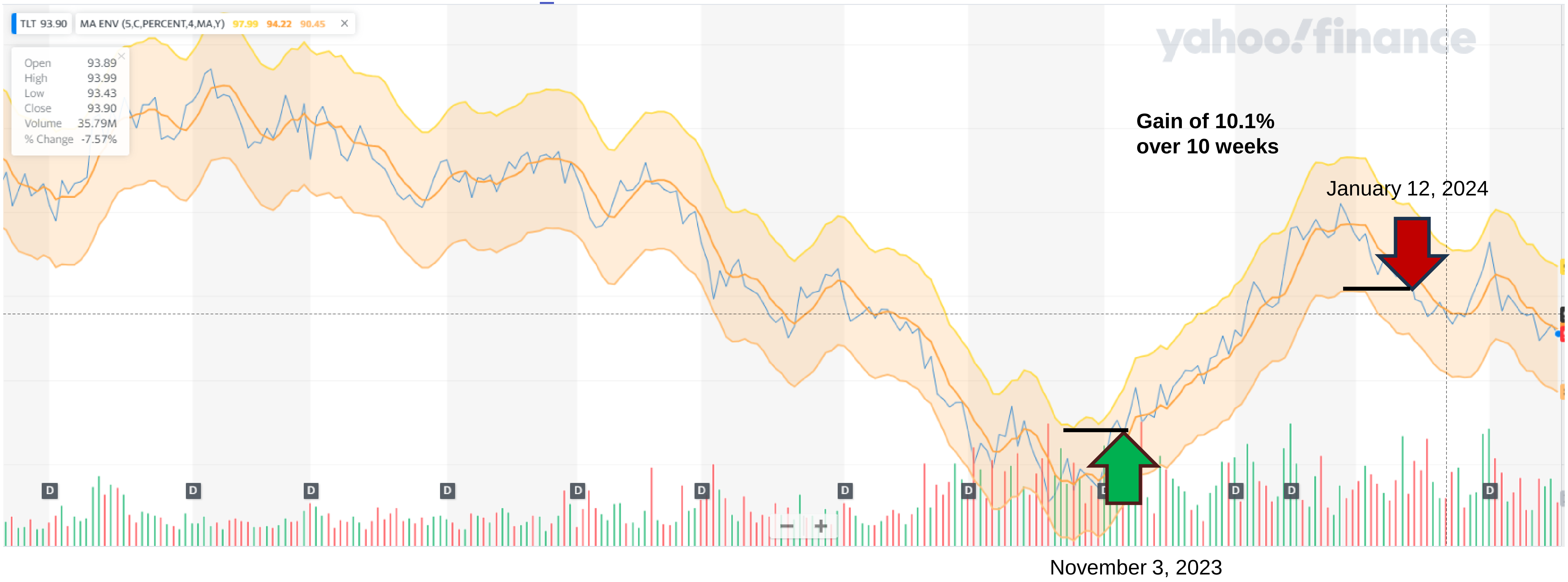
Rules-Based Approach to Owning High-Yield Corporate Bonds

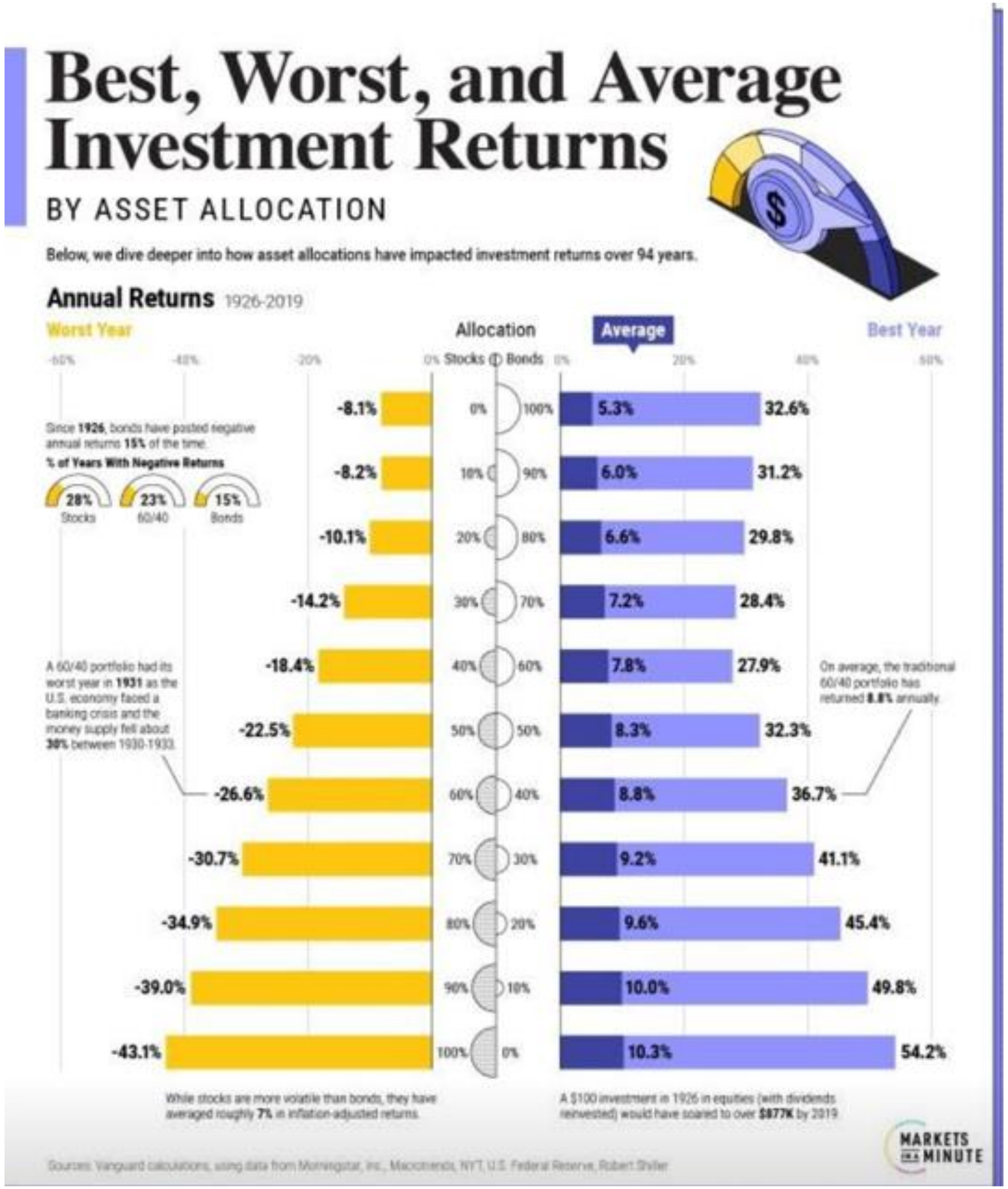


Rules-Based Approach to Owning High-Yield Corporate Bonds



Rules-Based Approach to Owning the Long Treasury Bond ETF <TLT>





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Choose the Allocation Right for You

Thank you.

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Disclosures

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