QUANTITATIVE ASSET MANAGEMENT, LLC
Investment & Advisory Services

Newsletter

April 16, 2008

Dear Clients,

Quarter Ending March 31, 2008		
Year to Date Performance	**YTD**	**Last Full Quarter**
Dow Jones Industrial Averages	(7.00%)	(7.00%)
NASDAQ Composite Price	(14.06%)	(14.06%)
Standard & Poor's Averages	(9.44%)	(9.44%)
Barclay's Capital Muni Bond Index	0.62%	0.62%
Barclay's Capital Bond Index	2.53%	2.53%
EAFE-Global Markets	(8.82%)	(8.82%)

It is hard for me to believe that a whole year has passed since the founding of Quantitative Asset Management. As I reflect upon the events of the past year, I can say it was one of the most interesting and painful of my thirty-six years in this business.

Our quarterly letters over the past year have stressed the many issues within our financial markets. Little did I expect the "Perfect Storm" effect to create so many issues so quickly. We do live in the age of instantaneous communication and information disclosure which leads to greater volatility, therefore risk, and often disintermediation within our financial markets.

Our current problems may have started with the "subprime mortgages", but in reality this is only one of many financial issues we face today. Today's financial problems are the result of too much leverage brought on by easy to get and inexpensive credit, e.g. subprime and bigger mortgages, credit cards, auction rate preferreds, hedge funds, etc.

Wall Street's investment companies have always found ways of creating new investment products that attempt to satisfy investor demands and needs. This time new investment products were created outside of the normal banking channels (therefore unregulated) and their fee revenue soared and so did company profits and their executive compensation. This also created excesses. Only time, the Fed's diligence and the market's repricing will effectuate the painful rebalancing necessary to bring our financial markets back into equilibrium.

These past few quarters have made it clear there was no practical safe haven. Yes, cash reserves can help, but cash has its own inherent risks, and market timing has never enhanced returns or

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diminished risk over time. Investors will need to be patient and stay the course of prudent portfolio management to find success.

The Federal Reserve has recognized, perhaps a little late, that our markets are in a precarious state. The Fed's actions will help create a cure in time, but not without consequences of their own such as inflation and a weaker dollar.

Today the global markets will continue to provide our corporations growth opportunities. Their balance sheets by enlarge part are in excellent shape. Also, investor's current negative sentiment has pushed up cash reserves to record levels. It is only a matter of time before today's low yields create enough pain to get those reserves reinvested longer term.

We at Quantitative Asset Management will continue to look beyond today's challenges which should provide many good investment opportunities. Thank you for your continued trust and commitment.

Sincerely,

Jeffrey L. Farni Sr.

**As required by Advisors Act Rule 204-3 advisory disclosure documents (ADV Part 2A) are available upon request.*

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