



Newsletter

October 20, 2015

Dear Clients,

The end of the third quarter brought the equity indexes into negative territory for the year, with both August and September being especially bad. The overall year to date performance numbers are even worse when a handful of very large cap stocks are removed from the index. The energy, healthcare, and technology sectors were some of the poorest performing sectors.

In addition, year-end tax selling and institutional rebalancing (institutions don't like to explain to their investors why they own a big loser at the end of their reporting period, so they make them disappear) have accentuated the declines in those sectors. Of note, none of these decisions have anything to do with the fundamentals of each company. Market volatility will be with us for awhile as the global economies around the world continue to slowly improve.

Already, the first half of October has seen the equity indexes recover significantly. October also brought a major change at Quantitative Asset Management, LLC: the hiring of my son John. I hired John to work with me nearly fourteen years ago at RBC Wealth Management after he had spent two years with Fidelity's Wealth Management Group in Boston. When I retired eight years ago to start QAM, he stayed at RBC in order to provide our clients continuity and continued to grow his client base. John will join me as your investment advisor, and will provide much needed support as QAM continues to grow. I will continue to focus my efforts on finding good investment opportunities and portfolio management.

Officially speaking, QAM is a Registered Investment Advisory. As both a fiduciary and your portfolio manager, we do not hold securities nor do we receive brokerage commissions. This means that the RBC's, Charles Schwab's and Morgan Stanley's of the world act as your custodian and broker of record. Needless to say, we have been working very hard at this transition and hope to have it completed with the next few weeks. If we have not yet talked or met with you, we will be in touch with each of you individually to answer any of your questions.

Quarter Ending September 30, 2015		
Year to Date Performance	Last Full Quarter	Index Close
Dow Jones Industrial Averages	-6.98%	16,284.70
NASDAQ Composite Price	-7.35%	4,620.16
Standard & Poor's Averages	-6.44%	1,920.03
EAFE-Global Markets	-10.19%	

As for our markets, they continue to be challenging. However, such conditions also lend themselves to greater opportunities to invest at more attractive valuations which offer greater rewards for the patient investor. As long as interest rates remain benign there should be little long term selling pressure on equities. As always, please feel free to call us if you have any questions.

Sincerely,

Jeffrey L. Farni Sr.

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