QUANTITATIVE ASSET MANAGEMENT, LLC
Investment & Advisory Services

Newsletter

April 16, 2015

Dear Clients,

The first quarter 2015 stock indexes produced mixed results. The NASDAQ finished up 3.5%, the S&P up less than one percent, the Dow was up just slightly and in Europe stocks were up an adjusted 6%. The Euro experienced one of its worst quarterly declines versus the dollar since its inception down about 9% vs. U.S. dollar. The strength in our dollar is the result of a global flight of investment dollars to a safe currency.

Quarter Ending March 31, 2015		
Year to Date Performance	**Last Full Quarter**	**Index Close**
Dow Jones Industrial Averages	0.33%	17,776.12
NASDAQ Composite Price	3.48%	4,900.88
Standard & Poor's Averages	0.95%	2,067.89
EAFE-Global Markets	5.97%	

Treasury bond yields continued to decline despite the talk of the Fed raising rates sometime this year. Given the tenuous state of corporate earnings, I predict any rate increases will occur later rather than sooner. When rate increases do come, I feel they will be very gradual given the huge negative impact on our Government's budget and the fragile state of our global economic recovery.

The cost of a barrel of oil continued to decline to $45 early in the quarter, and although many predicted it would continue to fall to $30, prices recovered to the low $50s by the end of the quarter. The collapse in oil prices from one year ago when they reached $ 110/ barrel is bringing supply down and increasing demand, which will eventually lead to higher prices. The shock to the industry is still being played out presently but the oil dividend to consumers takes much longer to show up in the economic numbers. The Saudis are the largest cheap oil provider and have made it clear they are not going to lose market share, forcing out weak and costly new supplies of oil into the markets. Those companies that survive will reap the rewards of fewer players and higher prices. There are real investment opportunities ahead in this industry. Needless to say the industry is still susceptible to wild pricing swings as we get through this cycle.

The general economic conditions are challenging. Geo-political issues remain - whether it's Greece, Russia or the Middle East - and when we throw in a slowing economy in China, it's a

Telephone: 952.476.7855 Facsimile: 952.476.7856 641 East Lake Street, Suite 216
Toll Free: 866.916.7855 karen@QAMgmt.com Wayzata, MN 55391

wonder our stock markets haven't seen a major correction recently. Market corrections will occur, but as I look to the future those corrections should be short-lived. Global economies will continue to heal and the oil dividend should begin to stimulate economic growth. Corporations continue to improve the management of their balance sheets. With low interest rates they will continue to invest in their business and look to provide investors better returns than any current investment alternative.

Sincerely,

Jeffrey L. Farni Sr.

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

Telephone: 952.476.7855
Toll Free: 866.916.7855

Facsimile: 952.476.7856
karen@QAMgmt.com

641 East Lake Street, Suite 216
Wayzata, MN 55391