



## Newsletter

January 21, 2010

Dear Clients,

Year-end 2009 finished on a positive note, with the exception of the bond index. Some optimism sent interest rates higher, thus prices down, as investors begin to see signs of economic recovery.

The year concluded one of the most volatile two year periods in our history.

Bond yields going to zero, stock prices fluctuating significantly, the real estate market collapsing and the dollar diminishing. By year end the equity markets recovered significantly off their lows, albeit off of a base that reached levels well below where they were two years ago. Relief and a reprieve from all the panic is welcomed.

Going forward we will still need to deal with longer term economic issues. The equity market will be tested and returns over the next few years in percentage terms, will be tough to replicate versus last years' performance.

Interest rates will likely stay low until the world economies can handle a period of rising rates. The Federal Reserve will at some point need to raise interest rates to combat the negative future effects from our governments' current stimulative and inflationary policies.

Long term investing disciplines will be required to get us through what will be a prolonged period of uncertainty. Those disciplines should allow us to achieve real returns, after adjusting for the dilutive effects of income taxes and inflation.

Quarter Ending December 31, 2009		
Year to Date Performance	YTD	Last Full Quarter
Dow Jones Industrial Averages	22.69%	8.10%
NASDAQ Composite Price	43.89%	6.91%
Standard & Poor's Averages	26.46%	6.04%
Barclay's Capital Bond Index	4.53%	(0.21%)
EAFE-Global Markets	32.43%	2.21%

Thank you for your confidence and we at Quantitative Asset Management will continue to work diligently to help you accomplish your goals.

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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