QUANTITATIVE ASSET MANAGEMENT, LLC
Investment & Advisory Services

Newsletter

April 21, 2010

Dear Clients,

Quarter Ending March 31, 2010		
Year to Date Performance	**YTD**	**Trailing 12 Mths.**
Dow Jones Industrial Averages	4.82%	46.93%
NASDAQ Composite Price	5.66%	56.83%
Standard & Poor's Averages	5.38%	49.74%
Barclay's Capital Bond Index	1.55%	7.53%
EAFE-Global Markets	0.94%	33.71%

What a difference a year makes! The trailing twelve months have seen the Dow, S&P and NASDAQ market indices rise on average about fifty percent, and over seventy percent from last year's March lows. What this tells me is the markets are likely to tread water for a while and I would not be surprised to see a correction at some point.

Also note, not all the indices did as well as the Dow, S&P and NASDAQ. Short term bond yields dropped, and the global flight to safety provided by the US dollar, kept the global stock market index's (EAFE) performance well below the US indices. From the first of December to today the Euro has declined ten percent versus the US dollar, and fifteen percent from its peak in June of '08. This trend is likely to reverse going forward and foreign investments will benefit.

The economy appears to be mending and the Federal Reserve has kept short term interest rates at historic lows. The goal of the Fed is to stimulate economic growth, allow the banking industry an opportunity to strengthen their shaky balance sheets, and to get investors back into the markets. The record amounts of liquidity created last year are finding their way back into longer term investments, as the investors realize riskless investments provide little or no return on their investment.

We will continue to view any pull backs in the market as buying opportunities. We also think at some point before year end the Fed will likely start to raise interest rates to combat the negative ramifications of too much government spending. Therefore, fixed income investments will be of a short duration, and higher liquid reserves will be maintained. Inflation remains benign for now,

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

but at some point today’s economic policies will lead to much higher inflation and thus higher interest rates.

As always our emphasis is on risk management, and finding the right tools to fit your portfolio objectives. These have been trying times, and we are not totally out of the woods yet but much has been done to correct our past mistakes.

Please don’t hesitate to call 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.*

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