



# QSI

## Quantitative Strategies, Inc.

A REGISTERED INVESTMENT ADVISOR

### **Quarterly Update- for the Period ended June 30, 2016**

Stock markets were mixed for the quarter with the Standard & Poors 500 (S&P 500) up about 2.46%, and the Nasdaq Composite (heavier in technology) down about 6/10ths of 1%. Fixed income assets, as measured by the Barclay's Aggregate Bond Index, were up about 2.21%.

Markets saw volatility during the quarter, due in part to concerns over global growth, energy prices, and "Brexit." Brexit was the cause of significant movement at the end of June, though markets generally rebounded quickly.

QSI performance was relatively consistent with benchmark performance. Equity allocations were hurt by the inclusion of international stocks, but this was offset by holdings in healthcare and consumer staples. Healthcare has helped offset risk from technology holdings, which underperformed for the quarter.

Fixed income sectors were mostly positive with the strongest performance from REIT and high yield holdings. Reduced concerns over inflation, along with continued domestic growth, helped most private sector holdings, while U.S. Treasuries were lifted by strong global demand. The specter of rising interest rates is fading, so portfolios may be adjusted to increase interest sensitive holdings.

So far, damage from Brexit seems to be relatively contained and domestic equity markets should continue to see growth. We remain wary, however, of increased global risk.

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