



QSI

Quantitative Strategies, Inc.

A REGISTERED INVESTMENT ADVISOR

Quarterly Update- for the Period ended June 30, 2015

Stock and bond markets were mixed for the quarter, with the Standard & Poors 500 (S & P 500) up about 1/3 of 1% and the Barclays Aggregate Bond Index down about 1.7%. Although equity markets were generally mixed, this makes the tenth consecutive positive quarter for the S & P 500.

QSI portfolio performance was in-line with benchmark performance. Equity portions benefited from allocations to healthcare, up about 2.4% for the quarter. Consumer staples underperformed, declining 1.65% for the same period. In spite of turmoil overseas, international equities were generally flat.

Higher long-term interest rates reduced bond values, with longer-term bond values hurt more than bonds with shorter maturities. QSI has allocated fixed income assets to shorter term bonds and lower credit qualities, which are less sensitive to changes in interest rates. REITs were the worst performing sector for the quarter, down about 10%. QSI portfolios have approximately 5% allocated to this sector and will likely maintain these allocations at least through 2015 as valuations and yields are still attractive.

Geopolitical risk has been one of the main contributors to volatility and we expect this to continue. We are still in a favorable economic environment with low interest rates and slow growth. Interest rates may move higher, which could stall markets, but it would likely come in the face of higher growth, which is positive for the long-term.

26135 Mureau Rd., #201 * Calabasas, CA 91302-3101

Tel- (888) 774-1563 * Fax- (818) 466-6774

www.qstrategiesinc.com * email- info@qstrategiesinc.com