



QSI

Quantitative Strategies, Inc.

A REGISTERED INVESTMENT ADVISOR

Quarterly Update- for the Period ended September 30, 2016

Stock markets were up for the quarter with the Standard & Poors 500 (S&P 500) up about 3.85%. Fixed income assets, as measured by the Barclay's Aggregate Bond Index, were up about 1/2 of 1%.

Markets were generally up for the quarter after temporary "Brexit" declines earlier this year. QSI portfolios generally outperformed their benchmarks due to inclusion of small cap and technology sectors. Consumer staples and healthcare generally lagged, but also helped provide some risk reduction. Minor allocation changes were implemented in August, adding slightly to large cap domestic equities.

Long-term U.S. Treasury bond values declined slightly during the quarter, due in part to concerns over rising interest rates, and high yield bonds showed strength. In general, corporate bonds performed better than treasuries, with stronger returns in lower credit ratings.

The election may bring additional volatility with it but we would expect a relatively quick resolution. We remain wary of global risk and the potential for inflation.

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

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

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