

# **Quantitative Strategies, Inc.**

## **Firm ADV Part 2A Brochure**

### **Item 1 - Cover page**

This brochure provides information about the qualifications and business practices of Quantitative Strategies, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number or website below.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Quantitative Strategies, Inc. is also available on the SEC's website at <http://www.sec.gov/answers/iapd.htm>

Quantitative Strategies, Inc. (QSI) is a registered investment advisor. Registration does not imply a certain level of skill or training.

27001 Agoura Road, Suite 150  
Calabasas, CA 91301  
[www.qstrategiesinc.com](http://www.qstrategiesinc.com)  
Tel. (888) 774-1563 Fax (818) 466-6774

The date of this brochure is March 31, 2023

## **Item 2 - Material Changes**

Pursuant to SEC rules, Quantitative Strategies, Inc. will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the Firm's fiscal year end, December 31. This means that if there were any material changes over the past year, clients will receive a summary of those changes no later than April 30. At that time, Quantitative Strategies, Inc. will also offer a copy of its most current disclosure brochure and may also provide other ongoing disclosure information about material changes as necessary. If there are no material changes over the past year, no notices will be sent.

Clients and prospective clients can always receive the most current disclosure brochure for Quantitative Strategies, Inc. at any time by contacting their investment advisor representative.

This is a new brochure as of 3/31/2023.

Since our last filing in 2022, the following material changes have been made:

### **Item 4 – Advisory Business:**

- Removal of \$400,000 minimum
- Addition of language stating that accounts with AUM under \$100,000 may be invested in the same investment strategies but may have fewer or different holdings that are more suitable for a smaller sized portfolio.
- Addition of Wrap Fee section stating that the firm does not offer Wrap Fee programs.

### **Item 5 – Fees and Compensation**

- Removal of \$400,000 minimum

### **Item 7 – Types of Clients**

- Change types of clients to state that the firm only offers sub-advisory services for clients of other RIAs.
- Removal of \$400,000 minimum
- Addition of language stating that accounts with AUM under \$100,000 may be invested in the same investment strategies but may have fewer or different holdings that are more suitable for a smaller sized portfolio.

### **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

- Addition of Methods of Analysis section
- Addition of Risk of Loss section

### **Item 10 – Other Financial Industry Activities and Affiliations**

- Addition of disclosure stating certain IARs of QSI may be licensed insurance agents who can earn commission-based compensation.
- Addition of disclosure that certain IAR's of QSI may also be registered representatives of M.S. Howells & Co.
- Addition of disclosure on Morrie's other business activity, BR & Co, and the related additional compensation.

Item 11 – Code of Ethics

- Addition of language stating the firm does not provide principal transactions for clients nor does it allow for cross trades.

Item 12 – Brokerage Practices

- Addition of trade error policy.

Item 15 – Custody

- Addition of language stating that the firm does not maintain custody of client accounts and that clients will receive statements through their qualified custodians. QSI may also provide clients with quarterly reports.

### **Item 3 - Table of Contents**

<b>Item 1 - Cover page.....</b>	<b>1</b>
<b>Item 2 - Material Changes.....</b>	<b>2</b>
<b>Item 3 - Table of Contents.....</b>	<b>4</b>
<b>Item 4 - Advisory Business.....</b>	<b>5</b>
<b>Item 5 - Fees and Compensation.....</b>	<b>5</b>
<b>Item 6 - Performance-Based Fees.....</b>	<b>6</b>
<b>Item 7 - Types of Clients.....</b>	<b>6</b>
<b>Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss .....</b>	<b>6</b>
<b>Item 9 - Disciplinary Information .....</b>	<b>11</b>
<b>Item 10 - Other Financial Industry Activities and Affiliations.....</b>	<b>11</b>
<b>Item 11 - Code of Ethics .....</b>	<b>12</b>
<b>Item 12 - Brokerage Practices.....</b>	<b>13</b>
<b>Item 13 - Review of Accounts.....</b>	<b>13</b>
<b>Item 14 - Client Referrals and Other Compensation .....</b>	<b>13</b>
<b>Item 15 - Custody .....</b>	<b>13</b>
<b>Item 16 - Investment Discretion.....</b>	<b>14</b>
<b>Item 17 - Voting Client Securities.....</b>	<b>14</b>
<b>Item 18 - Financial Information .....</b>	<b>14</b>
<b>Item 19 – Management and Personnel Profiles.....</b>	<b>14</b>

#### **Item 4 - Advisory Business**

Quantitative Strategies, Inc. (“QSI” or the “Firm”) is an SEC registered investment advisor. QSI was formed in 2001, and is a wholly owned subsidiary of, Planned Asset Management, LLC (“PAM”). PAM is owned and operated by Morrie W. Reiff, 50% shareholder. Joni L. Reiff is also a 50% shareholder. QSI is managed by Mr. Reiff and Paul Okawa. The Firm’s Chief Compliance Officer is Paul S. Okawa

Based on studies indicating that long-term performance of actively managed mutual funds rarely outperforms their benchmarks, QSI has developed portfolios consisting of low-cost, passively managed funds, which represent different "benchmarks" or asset categories. QSI acts as a sub-advisor. All clients will have a primary relationship with an investment advisor. Portfolio's range in risk and return, from a "Fixed Plus" 10% equity, 90% fixed income allocation, to an "aggressive" 95% equity, 5% fixed income allocation. Portfolios are managed in an effort to maintain risk/return characteristics consistent with a given strategy, at the lowest possible cost.

QSI will match strategy to client based on financial objectives, risk tolerance, and client's overall financial position as indicated by the client’s investment advisor. Investments will consist primarily of no-load mutual funds, exchange traded funds, or other low-cost alternatives.

Smaller accounts, with AUM under \$100,000, will be invested in the QSI Connect platform. This platform offers the same low-cost, passively managed funds, which represent different “benchmarks” or asset categories. However, certain investment strategies will have fewer or different holdings to construct a portfolio that is more suitable for the smaller accounts size. Please see “Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss” for more details.

Clients will receive additional services through their primary Advisor, which may include reporting and on-line access to account performance/holdings.

#### **Wrap Fee Program versus Portfolio Management Program**

QSI does not offer a Wrap Fee Program.

#### **Assets Under Management**

As of December 31, 2022, Adviser has the following assets under management:

Discretionary assets:	\$137,863,800
Non-discretionary assets:	\$0

#### **Item 5 - Fees and Compensation**

QSI will charge an annual fee of .45% of assets under management. This amount may be negotiated lower for larger accounts. Prior to 2008, QSI charged .30% for all accounts, and these accounts continue to be billed at the same rate. In addition, the primary investment advisor or solicitor will charge a fee, not to exceed 2.5% all in. This amount will be determined by a separate agreement between the investment advisor and the client. QSI will bill accounts for all fees, with the investment advisor's portion sent to the advisor or broker, per separate written instructions. Fees are billed quarterly, in advance, and are deducted from client accounts. Advisor may direct QSI to charge other fees or fixed expenses, per the ADV Brochure and/or Investment Management agreement. If

contracts are terminated within 60 days of a new quarter, a pro rata refund of the fees paid in advance will be made available to the client on request.

Accounts will be subject to trading and other potential maintenance costs, subject to the custodian. Currently, trades are implemented at no cost through TD Ameritrade. However, it is not certain if or when this may change.

### **Item 6 - Performance-Based Fees**

QSI does not have any clients that pay fees based on performance.

### **Item 7 - Types of Clients**

QSI provides investment advisory/management sub-advisory services for client of other RIAs.

QSI does not have a required minimum asset level for accounts. However smaller accounts, with AUM under \$100,000, will be invested in the QSI Connect platform, which may use fewer or different holdings, in certain investment strategies, which are more suitable for a smaller portfolio. Please see “Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss” for more details.

### **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**

QSI uses its own securities analysis, in addition to research and analysis from various companies.

QSI employs modern portfolio management techniques to develop model portfolios. These include the following principals:

1. Asset Allocation (diversifying asset classes within a portfolio) can improve the risk/return characteristics of a portfolio.
2. Portfolios must include equities to minimize losses due to inflation and taxes, which can greatly erode the return on fixed income securities.
3. Attempting to time the market is impossible on a consistent basis. To capture long-term returns, it is necessary to maintain a disciplined strategy and stay invested in the market.
4. Since small companies (companies with less than \$1.5 billion in market capitalization) have historically outperformed large companies (companies with \$5.5 billion plus in capitalization), investing in small companies can improve a portfolio's performance.

These principals are used to develop and maintain six investment strategies:

<u>Strategy Name</u>	<u>Equity Allocation</u>	<u>Fixed Income Allocation</u>
Fixed Plus	10%	90%
Defensive	20%	80%
Conservative*	40%	60%
Balanced*	60%	40%
Growth*	80%	20%
Aggressive	95%	5%

\*These allocations will be available to the QSI Connect platform for smaller account sizes, but will have fewer and different holdings.

Allocations to equities and fixed income will remain stable. However, the underlying asset mix within equities, or within fixed income, is subject to change, based on directors' opinions, market conditions, and economic environment.

## **Methods of Analysis**

The Firm may use the following methods when considering investment strategies and recommendations.

### Charting Review

Charting is a technical analysis that charts the patterns of stocks, bonds, and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time, and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

### Fundamental Review

A fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysis attempts to determine the true value of a company or security by looking at all aspects of the company or security, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price with the aim of determining what sort of position to take with that security (e.g., if underpriced, the security should be bought; if overpriced the security should be sold). Fundamental analysis uses real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for many types of securities.

### Technical Review

A technical analysis is a method of evaluating securities that analyzes statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses past market data and statistical tools to identify patterns that can suggest future activity. Historical performance of securities and the markets can indicate future performance.

## Cyclical Review

A cyclical analysis assumes the market reacts in reoccurring patterns that can be identified and leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these reoccurring patterns, or cycles, affect the returns of a given investment, asset, or company. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical analyses exist because the broad economy has been shown to move in cycles, from periods of peak performance to periods of low performance. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

## Economic Review

An economic analysis determines the economic environment over a certain time horizon. This involves following and updating historic economic data such as U.S. gross domestic product and consumer price index as well as monitoring key economic drivers such as employment, inflation, and money supply for the world's major economies.

## **Risk of Loss**

Investing inherently involves risk up to and including loss of the principal sum. Further, past performance of any security is not necessarily indicative of future results. Therefore, future performance of any specific investment or investment strategy based on past performance should not be assumed as a guarantee. QSI does not provide any representation or guarantee that the financial goals of clients will be achieved.

The potential return or gain and potential risk or loss of an investment varies, generally speaking, with the type of product invested in. Below is an overview of the types of products available on the market and the associated risks of each:

General Risks. Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

General Market Risk. Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

Common Stocks. Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.



Portfolio Turnover Risk. High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

Non-Diversified Strategy Risk. Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

Model Risk. Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions.

There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process, but we often weigh professional judgment more heavily in making trades or asset allocations.

ETF Risks, including Net Asset Valuations and Tracking Error. An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

**Legislative and Tax Risk.** Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/Securities. We do not engage in tax planning, and in certain circumstances a client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

**Foreign Investing and Emerging Markets Risk.** Foreign investing involves risks not typically associated with U.S. investments, and the risks maybe exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries.

In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors do not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

**Information Security Risk.** We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

**Tax Risks.** Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early

assignment of options purchased for a customer's account. Customers should consult their own tax advisers and counsel to determine the potential tax-related consequences of investing.

Advisory Risk. There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

Dependence on Key Employees. An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

### **Item 9 - Disciplinary Information**

QSI is required to disclose all material facts in any legal or disciplinary event that is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

There is one disclosure item from 2010 related to suitability, which was dismissed by the customer in the same year.

Details of these claims can be found on Mr. Reiff's public disclosure report at the SEC's Investment Adviser public disclosure site: <https://adviserinfo.sec.gov/individual/summary/1317814>.

### **Item 10 - Other Financial Industry Activities and Affiliations**

QSI is owned by Planned Asset Management, LLC ("PAM"), an independent Registered Investment Advisor both entities are under common ownership of Morrie W. Reiff and Joni Lynn Reiff. QSI is a third-party money manager, and manages assets for Planned Asset Management, clients, as well as other unaffiliated organizations. This may represent a conflict of interest, as there may be an incentive to use QSI over other investment strategies since Planned Asset Management and Mr. Reiff has the potential to receive distributions from QSI. Conflict is reduced through objective review of each client circumstance and the disclosure and explanation of fees, costs, and benefits that would apply to the client.

IARs of QSI may also be registered representatives of M.S. Howells & Co. ("MSH"), a registered broker/dealer. As a registered representative, IAR will receive customary compensation from MSH for brokerage activities and any financial planning recommendations implemented in their separate capacity as an MSH representative will result in additional compensation, thereby resulting in a conflict. Please see "Fees and Compensation" for disclosure and conflict of interest.

QSI Investment Advisor Representatives may also be licensed as an independent insurance agent. They will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to advisory fees, thereby resulting in a conflict. See the "Fees and Compensation" section in

this brochure for more information on the compensation received by independent insurance agents who are affiliated with QSI.

Morrie W. Reiff is also owner a firm doing business as BR & Co which receives insurance commissions for advanced estate planning, long-term care, disability, and medical coverage for both individuals and business. Morrie may receive additional compensation and commission compensation for providing these services, thereby resulting in a conflict. Please see “Fees and Compensation” for disclosure and conflict of interest.

Morrie W. Reiff, Director and owner of PAM and QSI, has 50% ownership in AFA Financial Group, LLC, and Accountants Financial Alliance Insurance Services, Inc., a California licensed Insurance Agency. Both entities have been inactive since 2010 with no new business and no employees.

### **Item 11 - Code of Ethics**

QSI has adopted a written code of ethics covering all supervised persons. The code of ethics consists of the following core principles:

- 1) The interests of clients will be placed ahead of the firm’s or any employee’s own investment interests.
- 2) Employees are expected to conduct their personal securities transactions in accordance with the firm’s trading policy and will strive to avoid any actual or perceived conflict of interest with the client. Employees will consult with the CCO before taking any action that may result in conflict.
- 3) Employees will not take inappropriate advantage of their position with the firm.
- 4) Employees are expected to act in the best interest of each of our clients.
- 5) Employees are expected to comply with federal securities laws.

Employees must agree and comply with this code in connection with the annual policy manual acknowledgement process. A copy of the code of ethics is available to any client or prospective client on request.

QSI or a related person may purchase the same mutual fund/ETF owned by clients. Based on the dollar amounts of the purchases, the size of the funds, and long-term nature of these investments, we do not feel it represents a conflict of interest.

Since we do not recommend individual stocks, QSI or related persons will not purchase the same stock recommended to a client. However, it is possible that QSI or related persons will own the same stock that a client owns. If this occurs, trading will be monitored to avoid any conflict, or the appearance of a conflict of interest, with client trades having priority and executed separately and independently from any QSI trades.

QSI does not offer or provide principal transactions for client accounts, nor does it cross trades between an account of one client with an account of another client.

## **Item 12 - Brokerage Practices**

In reviewing custodians for client assets (broker-dealers), QSI will look at costs to open, maintain, and close the account. Trading costs are typically an integral part of this, and Applicant does not participate in trading costs or commissions and does not receive research or soft dollar benefits.

Trading costs are subject to change by the custodian and will generally represent less than 1/4 of 1% of assets. For accounts managed under the simplified models these costs will be significantly higher. The operational support and technology provided by the custodian is also important, as higher efficiencies allow for faster, more accurate reporting and allow for focus on research and other client services.

We do not receive client referrals for brokerage, and we do not direct brokerage. Since we do not recommend individual stocks, the aggregation of orders is not applicable to us.

### **Trade Error Policy**

QSI maintains a record of any trading errors that occur in connection with investment activities of its clients. Both gains and losses that result from a trading error made by QSI will be borne or realized by QSI.

## **Item 13 - Review of Accounts**

Portfolios under the main QSI platform are reviewed no less than quarterly to determine if reallocation is necessary. Portfolio review includes analysis of various economic factors, including but not limited to - interest rates, valuations (p/e ratios, p/cf ratios) inflation/deflation, unemployment, gross domestic product, and world events. Individual assets will be reviewed periodically for standard deviation, correlation internal costs, and performance to ensure against style drift or other deviation from their sector.

The portfolio will be compared to the target allocation no less than quarterly. Reallocation of assets will be performed when adjustments to the allocation model are implemented, or when necessary due to shifts in financial markets. In reallocation; consideration will be given to taxes (if applicable), costs, and overall portfolio risk/return characteristics. Advisors will meet on at least a weekly basis to discuss portfolio allocations and other relevant issues. Reviews will be performed by directors.

Portfolios managed under the QSI Connect platform will be reviewed quarterly, but based on the smaller size may not be rebalanced as often.

## **Item 14 - Client Referrals and Other Compensation**

QSI does not receive any economic benefit from non-clients for providing investment advice or advisory services to clients. We do not compensate any non-supervised person for client referrals.

## **Item 15 - Custody**

QSI does not assume or maintain custody of client funds or securities. Custody for managed accounts occurs through a qualified custodian. Client will receive statements directly from the qualified custodian. QSI recommends that clients should review the statements received from the custodian when they are received. QSI may also provide client with a quarterly report. Client is

encouraged to compare the accounts statements received from the qualified custodian with the reports provided by QSI.

#### **Item 16 - Investment Discretion**

QSI has discretion over client accounts. Discretion provides QSI the authority to determine the type and amount of securities that can be bought or sold for client's account, consistent with the client's overall objective or strategy, without obtaining consent prior to each transaction. QSI will generally deduct management fees from client accounts through the custodian. The investment management agreement and custodian account applications contain the authorization for fee deductions and investment discretion.

#### **Item 17 - Voting Client Securities**

QSI does not vote client securities. Proxy information is sent directly to the client by the custodian, or a third-party vendor hired by the custodian. Clients may call QSI for additional information or to ask questions.

#### **Item 18 - Financial Information**

QSI does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do maintain discretion over client accounts. Since our primary contractual commitment to clients is service, it is unlikely that any financial condition would limit our ability to meet these obligations.

#### **Item 19 – Management and Personnel Profiles**

Morrie W. Reiff is co-owner and Chief Executive Officer of Quantitative Strategies Inc. His individual CRD number is 1317814. For additional information about Morrie W. Reiff, please see Form ADV 2B below.

Paul S. Okawa is Chief Compliance Officer of Quantitative Strategies Inc. His CRD number is 2466447 For additional information about Paul S. Okawa, please see Form ADV 2B below.

# Quantitative Strategies Inc.

27001 Agoura Road, Suite 150  
Calabasas, CA 91301  
<https://qstrategiesinc.com/>  
Tel. 888-774-1563.

March 2023

## **Item 1: Brochure Supplement (Form ADV Part 2B)**

# Morrie W. Reiff

This brochure supplement provides information about Morrie W. Reiff that supplements the Quantitative Strategies Inc. brochure. His individual CRD number is 1317814. Please contact Morrie W. Reiff if the Firm brochure was not provided. Additional information about Morrie W. Reiff is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Education Background and Business Experience**

Birth: 1950

### **Education:**

Associate of Arts in Accounting – Valley Junior College, 1971

Bachelor of Science in Accounting – San Diego State University, 1973

### **Business background:**

1985- Present - Planned Asset Management, CEO & Principal

2019 – Present – M.S. Howells & Co., Branch Manager

1978 – Present – BR & Co., Owner

2001 – Present – Quantitative Strategies, CEO & Principal

### **Designations:**

Certified Financial Planner – CFP®

Certified Financial Planner™ (CFP®) and certification marks are financial planning credentials awarded by the Certified Financial Planner Board of Standards Inc. (CFP® Board) to individuals who meet its education, examination, work experience and ethics requirements. Eligible candidates must have at least a bachelor's degree (or its equivalent) in any discipline from an accredited college or university in order to obtain a CFP® certification. The candidate also must pass an examination, have three years of personal financial planning experience, and meet the CFP Board's ethical requirements. To maintain the certification, the CFP® Board requires individuals to complete 30 hours of continuing education every two years and renew an agreement to be bound by its Standards of Professional Conduct.

## **Item 3 Disciplinary Information**

As disclosed in Item 9, there is one disclosure item from 2010 related to suitability, which was dismissed by the customer in the same year.

Details of claims can be found on Mr. Reiff's public disclosure report at the SEC's Investment Adviser public disclosure site: <https://adviserinfo.sec.gov/individual/summary/1317814>.



## **Item 4 Other Business Activities**

Morrie W. Reiff is a registered representative of M.S. Howells & Co. (“MSH”), a registered broker/dealer. As a registered representative, Morrie will receive customary compensation from MSH for brokerage activities and any financial planning recommendations implemented in his separate capacity as an MSH representative will result in additional compensation, thereby resulting in a conflict. Please see “Fees and Compensation” for disclosure and conflict of interest.

Morrie W. Reiff is licensed as an independent insurance agent. He will earn commission-based compensation for selling insurance products, including insurance products he sells to you. Insurance commissions earned by Morrie are separate and in addition to advisory fees, thereby resulting in a conflict. All insurance commissions will be received through a separate entity, BR & Co. for accounting purposes. See the “Fees and Compensation” section in this brochure for more information on the compensation received by independent insurance agents who are affiliated with QSI.

Morrie W. Reiff is also owner a firm doing business as BR & Co which receives insurance commissions for advanced estate planning, long-term care, disability, and medical coverage for both individuals and business. Morrie may receive additional compensation and commission compensation for providing these services, thereby resulting in a conflict. Please see “Fees and Compensation” for disclosure and conflict of interest.

Morrie W. Reiff is part owner of both Planned Asset Management (PAM) and Quantitative Strategies, Inc. (QSI). PAM is also the Parent entity and owner of QSI. QSI is a third-party money manager, and manages assets for Planned Asset Management, clients, as well as other unaffiliated organizations. This may represent a conflict of interest, as there may be an incentive to use QSI over other investment strategies since Planned Asset Management and Mr. Reiff has the potential to receive distributions from QSI. Conflict is reduced through objective review of each client circumstance and the disclosure and explanation of fees, costs, and benefits that would apply to the client.

Morrie W. Reiff, Director and owner of PAM and QSI, has 50% ownership in AFA Financial Group, LLC, and Accountants Financial Alliance Insurance Services, Inc., a California licensed Insurance Agency. Both entities have been inactive since 2010 with no new business and no employees.

## **Item 5 Additional Compensation**

As mentioned above, Morrie is a registered representative of M.S. Howells & Co. (“MSH”), a registered broker/dealer. In his capacity as a registered representative, Morrie may receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding of mutual funds. Compensation earned by Morrie in his capacity as registered representative is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm, who are registered representatives, have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

Morrie is also a licensed insurance agent and can receive insurance commissions for selling insurance products, including insurance products he sells to you. Insurance commissions earned by Morrie are separate and in addition to your advisory fees. All insurance commissions will be received through a separate entity, BR & Co. for accounting purposes. This creates a conflict of interest because persons providing investments advice on behalf of QSI, who are insurance agents, have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. No QSI client is obligated to implement any recommendation to purchase insurance products through Morrie in his capacity as an insurance agent.

Morrie W. Reiff is also owner a firm doing business as BR & Co which receives insurance commissions for advanced estate planning, long-term care, disability, and medical coverage for both individuals and business. Morrie may receive additional compensation and commission compensation for providing these services, thereby resulting in a conflict. No QSI client is obligated to implement any recommendation to engage in services provided by BR & Co.

Morrie W. Reiff is part owner of both Planned Asset Management (PAM) and Quantitative Strategies, Inc. (QSI). PAM is also the Parent entity and owner of QSI. QSI is a third-party money manager, and manages assets for Planned Asset Management, clients, as well as other unaffiliated organizations. This may represent a conflict of interest, as there may be an incentive to use QSI over other investment strategies since Planned Asset Management and Mr. Reiff has the potential to receive distributions from QSI. Conflict is reduced through objective review of each client circumstance and the disclosure and explanation of fees, costs, and benefits that would apply to the client.

## **Item 6 Supervision**

Paul Okawa, Chief Compliance Officer of Quantitative Strategies Inc. supervises and monitors Mr. Morrie W. Reiff's activities on a regular basis to ensure compliance with our firm's compliance procedures and code of ethics. Please contact Paul Okawa if you have any questions about Morrie's brochure supplement at 888-774-1563.

## **Item 7**

Morrie W. Reiff has not been involved with any arbitration or administrative proceeding events. Morrie W. Reiff has not been the subject of a bankruptcy petition.

# Quantitative Strategies Inc.

27001 Agoura Road, Suite 150  
Calabasas, CA 91301  
<https://qstrategiesinc.com/>  
Tel. 888-774-1563

March 2023

## **Item 1: Brochure Supplement (Form ADV Part 2B)**

# Paul S. Okawa

This brochure supplement provides information about Paul S. Okawa that supplements the Quantitative Strategies Inc. brochure. His individual CRD number is 2466447. Please contact Paul S. Okawa if the Firm brochure was not provided. Additional information about Paul S. Okawa is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Education Background and Business Experience**

Birth: 1968

### **Education:**

Bachelor of Science in Business, Finance – California State University Northridge, 1991

### **Business background:**

1991 - Present - Planned Asset Management, CCO

2001 – Present – Quantitative Strategies, CCO and Asset Manager

2019 – Present – M.S. Howells & Co, Administrative Representative

### **Designations:**

Chartered Financial Analyst – CFA

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute - the largest global association of investment professionals.

There are currently more than 150,000 CFA Charterholders working in 165 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA Charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA Charterholders-often making the charter a prerequisite for employment.

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **Item 3 Disciplinary Information**

Adviser has nothing to report under this section.

### **Item 4 Other Business Activities**

Paul S. Okawa is licensed as an independent insurance agent. He will earn commission-based compensation for selling insurance products, including insurance products he sells to you. Insurance commissions earned by Paul are separate and in addition to advisory fees, thereby resulting in a conflict. See the “Fees and Compensation” section in this brochure for more information on the compensation received by independent insurance agents who are affiliated with QSI.

Paul S. Okawa is an investment advisor representative of both Planned Asset Management (PAM) and Quantitative Strategies, Inc. (QSI). PAM is also the Parent entity and owner of QSI. QSI is a third-party money manager, and manages assets for Planned Asset Management, clients, as well as other unaffiliated organizations. This may represent a conflict of interest, as there may be an incentive to use QSI over other investment strategies since Planned Asset Management and Mr. Okawa has the potential to receive compensation from QSI. Conflict is reduced through objective review of each client circumstance and the disclosure and explanation of fees, costs, and benefits that would apply to the client.

### **Item 5 Additional Compensation**

Paul is also a licensed insurance agent and can receive insurance commissions for selling insurance products, including insurance products he sells to you. Insurance commissions earned by Paul are separate and in addition to your advisory fees. This creates a conflict of interest because persons providing investments advice on behalf of QSI, who are insurance agents, have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. No QSI client is obligated to implement any recommendation to purchase insurance products through Paul in his capacity as an insurance agent.

Paul S. Okawa is an investment advisor representative of both Planned Asset Management (PAM) and Quantitative Strategies, Inc. (QSI). PAM is also the Parent entity and owner of QSI. QSI is a third-party money manager, and manages assets for Planned Asset Management, clients, as well as other unaffiliated organizations. This may represent a conflict of interest, as there may be an incentive to use QSI over other investment strategies since Planned Asset Management and Mr. Okawa has the potential to receive compensation from QSI. Conflict is reduced through objective review of each client circumstance and the disclosure and explanation of fees, costs, and benefits that would apply to the client.

## **Item 6 Supervision**

Morrie W. Reiff, Owner and Chief Executive Officer of Quantitative Strategies Inc. supervises and monitors Mr. Paul S. Okawa's activities on a regular basis to ensure compliance with our firm's compliance procedures and code of ethics. Please contact Morrie Reiff if you have any questions about Paul's brochure supplement at 888-774-1563.

## **Item 7**

Paul S. Okawa has not been involved with any arbitration or administrative proceeding events. Paul S. Okawa has not been the subject of a bankruptcy petition.