

INTERMARKET FORECASTING

TOP DOWN INSIGHTS...BOTTOM LINE RESULTS

Company Background, Services and Leadership

InterMarket Forecasting, Inc. (IFI) is an independent investment research and forecasting firm that quantifies market-price signals to guide the asset allocation decisions and trading strategies of pension plans, asset managers, financial institutions and hedge funds. We provide objective research and specific, practical advice to help investment managers maximize risk-adjusted returns and outperform benchmarks. IFI's investment advice flows directly from our regression-based proprietary models and a careful scrutiny of market history. Markets are inter-connected and markets prices exhibit forecasting power. IFI identifies the quantitative links and distinct causal patterns of market history so to find reliable signals of future outcomes. Our service addresses the five major asset classes – currencies, commodities, stocks, bonds and bills – as well as sub-classes like large-cap vs. small-cap stocks, value vs. growth stocks, sector rotation, government bonds vs. corporate bonds, credit spreads and shifts in the yield curve. Our time horizon is six-twelve months. Clients receive four reports every month, by e-mail (a web-based archive is also available):

- *The InterMarket Forecaster* – comprehensive forecasts, analyses and AA advice for nearly 100 assets
- *Investment Focus* – in-depth, historical analyses of the factors driving a specific asset or asset class
- *Investor Alert* – brief but timely analyses of recent market developments that might alter our outlook
- *The Capitalist Advisor* – analyses of political-policy factors that might materially influence investments

IFI's research emphasizes the incentives and disincentives faced by producers, savers and investors and how these effect investments – the essence of classical or “supply-side” economics. Recognizing that markets are global, inter-connected and often politicized, we also provide a framework – through our Policy Mix Index – for understanding and predicting how government policies affect future investment performance. IFI has no vested interest in rising or falling markets or in any particular investment style. We offer clients an independent, objective source of investment research, forecasts and advice, in contrast to the bias often exhibited in brokerage firm material and salesmanship.

Richard M. Salsman is founder, President and Chief Market Strategist of (IFI). Prior to founding the firm in early



Richard M. Salsman, CFA

2000 Mr. Salsman did research and advised institutional investors as senior vice president and senior economist at H.C. Wainwright Economics, Inc. (1993 to 1999). From 1981-92 he was a banker and capital markets strategist at The Bank of New York and Citibank. Mr. Salsman is an expert on market history, forecasting techniques, investment strategy and supply-side economics. He has authored numerous articles on forecasting, supply-side economics and investing; his work has appeared in *The Wall Street Journal*, *Investor's Business Daily*, *Barron's*, *Forbes*, *The National Post (Canada)* and *The Economist*. He has spoken before conferences sponsored by the Association for Investment Management and Research and has lectured widely at investment gatherings and universities including Harvard, Chicago and Berkeley. In addition, Mr. Salsman has authored two books: *Gold and Liberty* (1995) and *Breaking the Banks: Central Banking Problems and Free Banking Solutions* (1990). He has contributed chapters to five edited volumes on such wide-ranging topics as antitrust, insider trading and profit theory. In addition to his work at IFI, Mr. Salsman has undertaken graduate studies in political economy at Duke University. He received his B.A. in Law and Economics from Bowdoin College (1981) and his M.B.A. in Economics from the Stern School of

Business at New York University (1988). In 1993 he earned the Chartered Financial Analyst (CFA) designation from the Association for Investment Management and Research. He lives in Durham, N.C. with his wife Lisa.

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