



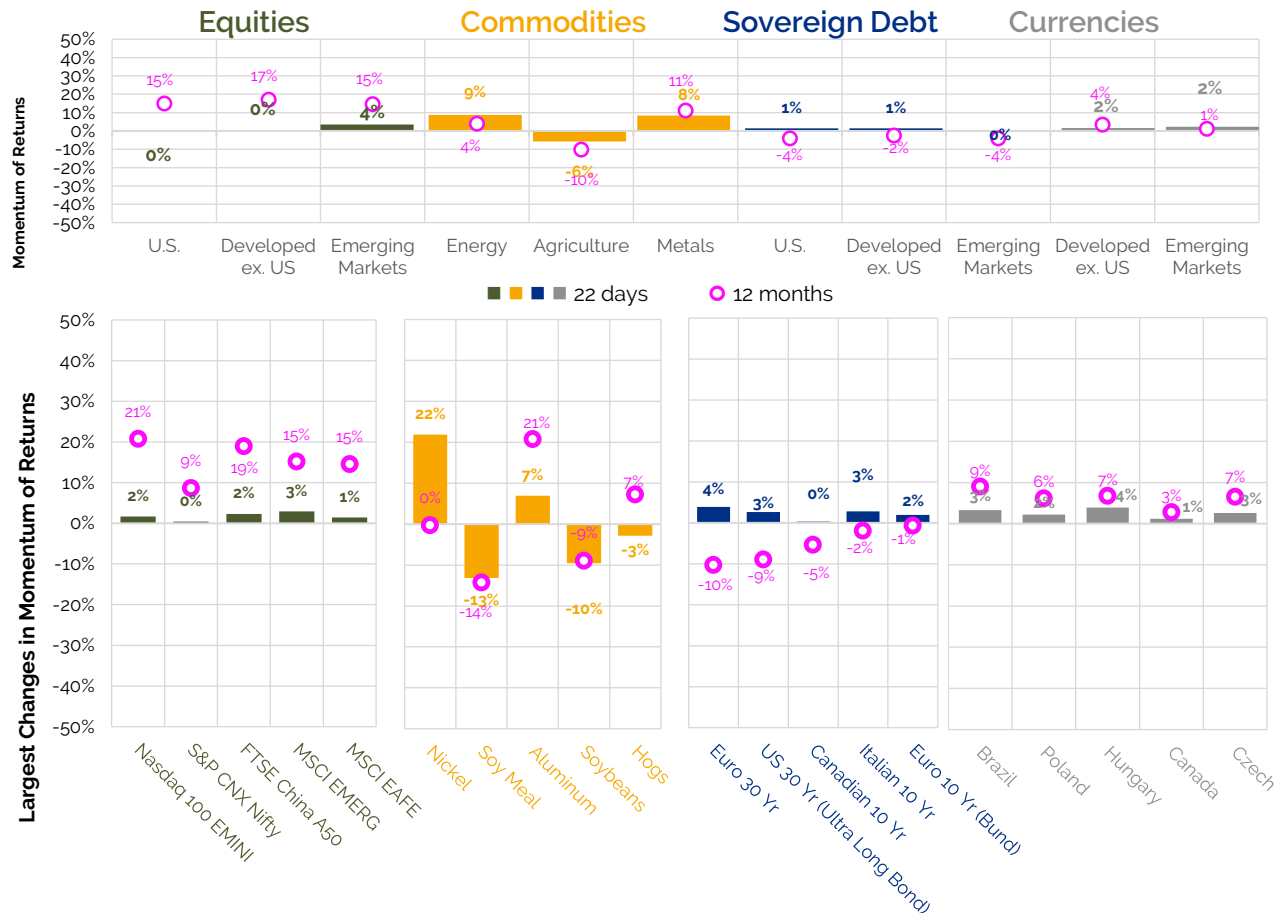
Epsilon Theory

QUANTITATIVE INSIGHTS

Examining Short-Term and Long-Term Momentum

As of August 11, 2017

Momentum measures the rate of acceleration, either positive or negative, in a security's price and may indicate which markets are positioned for gains or losses. Investing based on momentum entails establishing long positions in securities with positive recent returns and short positions in those with negative recent returns. Momentum in asset classes may illustrate the development of trends in the market.



Source: Salient Partners, L.P.

*Sub-asset classes in the top chart are based on an average of underlying assets within the category, as in the Asset Class Key listed below.

For illustrative purposes only. Sub-asset classes in the top chart are based on an average of underlying assets within the category, as in the Asset Class Key listed below. Certain performance information is shown is compared to broad-based securities market indices. Broad-based securities indices are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Past performance is no guarantee of future results. The returns presented are unaudited, as of the date(s) shown and are subject to change. Epsilon Theory is under no obligation to update recipients. Returns are based on daily inputs.

Asset Class Key

Equities:

U.S:

S&P 500
S&P Midcap 400
Russell 2000
EMINI DJIA
Nasdaq 100 EMINI

Developed ex. US:

S&P Toronto 60
FTSE 100
CAC 40
DAX
FTSE MIB
IBEX 35
Stockholm OMX
AEX
Swiss Market
TOPIX
Nikkei 225
MSCI Singapore
ASX SPI
MSCI EAFE

Emerging:

Bovespa
HK Hang Seng
MSCI Taiwan
FTSE/JSE Top 40
HSCEI
FTSE China A50
S&P CNX Nifty
KOSPI 200
MSCI EMERG

Commodities:

Energy:

Brent Oil
Natural Gas
Heating Oil
Gasoline
Gasoil

Agriculture:

Cattle
Hogs
Corn
Soybeans
Soybean Oil
Soy Meal
Sugar
Cotton
Wheat
Wheat (KCB)
Coffee
Cocoa

Metals:

Gold
Copper
LME Copper
Silver
Zinc
Nickel
Lead
Palladium
Aluminum

Sovereign Debt

U.S:

US 2 Yr
US 5 Yr
US 10 Yr (T-Note)
US 15 Yr (Long Bond)
US 30 Yr (Ultra Long Bond)

Developed ex. US:

Canadian 10 Yr
Euro 2 Yr (Schatz)
Euro 5 Yr (Bobl)
Euro 10 Yr (Bund)
Euro 30 Yr
French 10 Yr
UK 10 Yr (Gilt)
Italian 10 Yr
Japanese 10 Yr (JGB)
Australian 3 Yr
Australian 10 Yr

Emerging:

Korean 3 Yr
Korean 10 Yr

Currencies

Developed ex. U.S.

Europe
UK
Japan
Norway
Sweden
Switzerland
Australia
Canada
New Zealand

Emerging:

Hungary
Poland
Czech
Russia
Israel
Turkey
South Africa
Colombia
India
Korea
Singapore
Taiwan
Indonesia
Malaysia
Philippines
Brazil
Mexico
Chile

For definitions, please click [here](#).

These Quantitative Insights are being provided to you by individual personnel of Salient Partners, L.P. and affiliates ("Salient") and is provided as general information only and should not be taken as investment advice. The opinions expressed in these materials represent the personal views of the author(s) and do not necessarily represent the opinions of Salient. It is not investment research or a research recommendation, as it does not constitute substantive research or analysis. Any action that you take as a result of information contained in this document is ultimately your responsibility. Salient will not accept liability for any loss or damage, including without limitation to any loss of profit, which may arise directly or indirectly from use of or reliance on such information. Consult your investment advisor before making any investment decisions. It must be noted, that no one can accurately predict the future of the market with certainty or guarantee future investment performance. Past performance is not a guarantee of future results.

Statements in this communication are forward-looking statements.

The forward-looking statements and other views expressed herein are as of the date of this publication. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and there is no guarantee that any predictions will come to pass. The views expressed herein are subject to change at any time, due to numerous market and other factors. Salient disclaims any obligation to update publicly or revise any forward-looking statements or views expressed herein.

This information is neither an offer to sell nor a solicitation of any offer to buy any securities. Any offering or solicitation will be made only to eligible investors and pursuant to any applicable Private Placement Memorandum and other governing documents, all of which must be read in their entirety.

These Quantitative Insights has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. Salient recommends that investors independently evaluate investments and strategies, and encourage investors to seek the advice of a financial advisor. The appropriateness of an investment or strategy will depend on an investor's individual circumstances and objectives.

Epsilon Theory commentary is a copyright of Salient Partners, L.P., all rights reserved. *Epsilon Theory* commentary is provided by individual personnel of Salient Partners, L.P., and is not a service of, and does not reflect the opinions of, any of Salient Partners, L.P.'s subsidiaries or affiliates.

To subscribe to *Epsilon Theory*:

Sign up here: www.epsilontheory.com/contact

OR send an email to ben.hunt@epsilontheory.com with your name, email address, and company affiliation (optional).

There is no charge to subscribe to *Epsilon Theory* and your email address will not be shared with anyone.

Join the conversation on Twitter and follow me @EpsilonTheory or connect with me on LinkedIn.

Subscribe & listen to *Epsilon Theory* podcasts on iTunes, Stitcher, or stream them from our website.

To unsubscribe from *Epsilon Theory*:

Send an email to ben.hunt@epsilontheory.com with "unsubscribe" in the subject line.