



The Volatility Watch

A Weekly Commentary On The Volatility Marketplace

Free weekly delivery

For Week Ending 9/3/2021

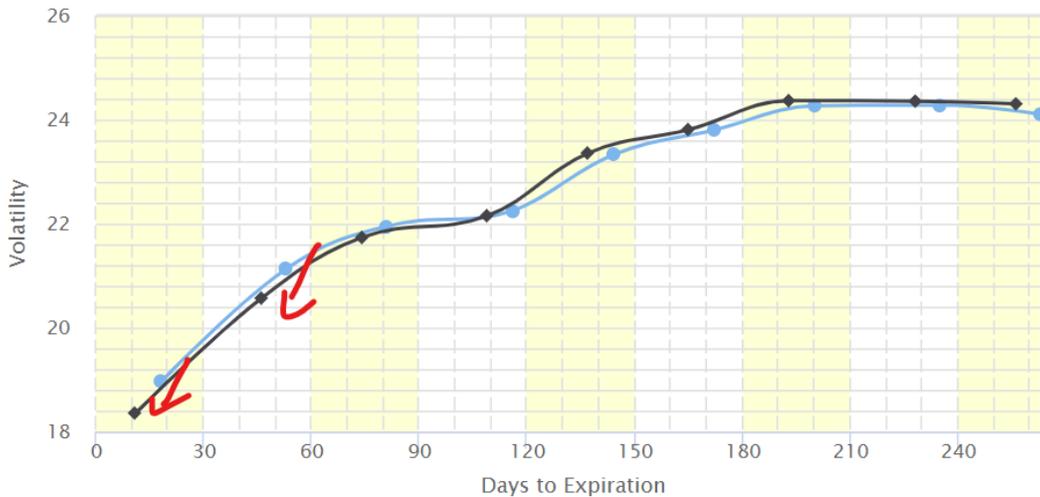
Sleepy pre-holiday action in U.S. equities and an unchanged VIX index last week. Non-farm payrolls missed by a wide margin on Friday¹, perhaps pushing out the Fed's timeline for tapering its bond purchases and providing some near-term support for equities. With the VIX futures curve this steep (see chart below), a flat VIX index usually means decay lower in the price of VIX futures and a grind higher in positions like SVXY (ProShares Short VIX Short-Term Futures ETF +1.6% last week). No substantial change in the VIX marketplace for now, so portfolios continue to be long beta (i.e., positively correlated with U.S. stock markets).

VIX Futures Historical Prices



vixcentral.com

● August 27, 2021
◆ September 3, 2021

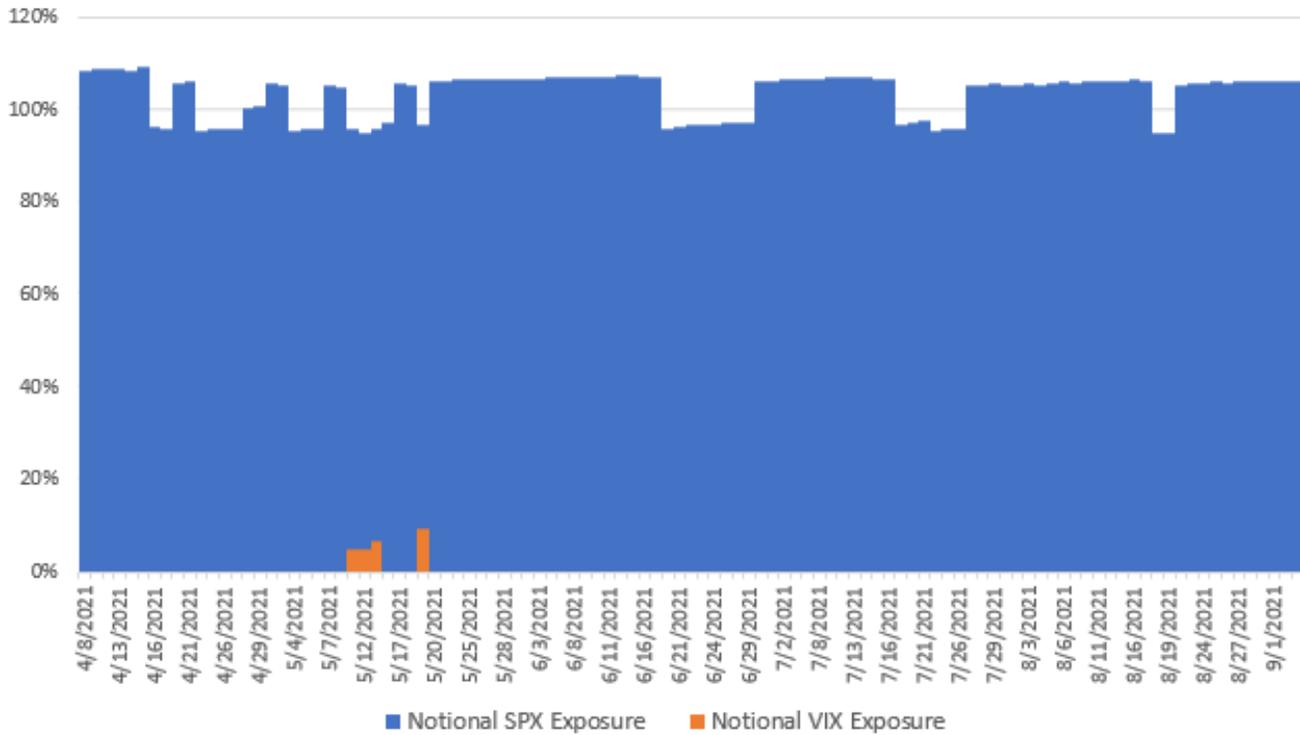


- Show Previous Trading Day
- Add Today
- Add VIX Term
- Snapshot

Tactical Beta Strategy has drifted to 106% long exposure to the S&P 500®, no VIX.*

Tactical Beta Exposure

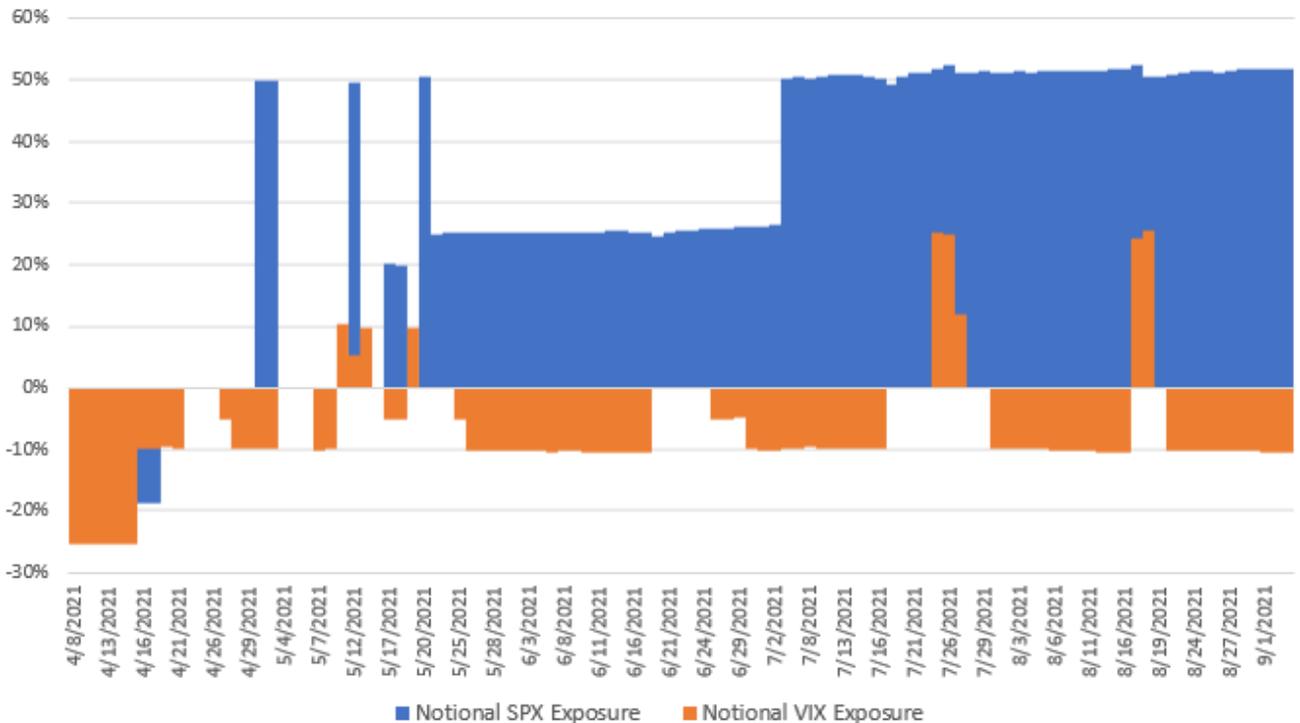
Sample Account, Trailing 100 Day as of 09/3/21



Alpha Seeker Strategy remains positive beta via exposure to the S&P 500® and VIX exposures.**

Alpha Seeker Exposure

Sample Account Trailing 100 Day as of 09/03/21



Disclosure

Investing involves risk, including the possible loss of principal.

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**The Sample Account for the Tactical Beta Strategy (f/k/a U.S. Equity Smart Index strategy) is for the longest tenured account managed by Mike and Matt Thompson from November 1, 2016 through August 27, 2021. **The Sample Account for the Alpha Seeker Strategy consists of three accounts managed by Mike and Matt Thompson for portions of the time period between October 1, 2011 through August 27, 2021 to form one continuous Sample Account. Currently, at Thompson Capital Management LLC, the Thompsons manage a composite of separately managed accounts for each strategy which has used substantially the same investment objectives, policies, and principles while the Thompsons were at prior investment management firms. Mike and Matt Thompson, as employees of LHA, will implement the strategies for LHA clients.*

VIX is the ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. References to the S&P 500® are to the Standard & Poor's 500® Index (SPX) which is the market capitalization-weighted index of 500 leading companies in leading industries of the U.S. economy that does not include re-investment of dividends in the calculation of the index total return.

¹ U.S. Bureau of Labor Statistics report September 3, 2021. <https://www.bls.gov/news.release/empsit.nr0.htm>