



The Volatility Watch

A Weekly Commentary On The Volatility Marketplace

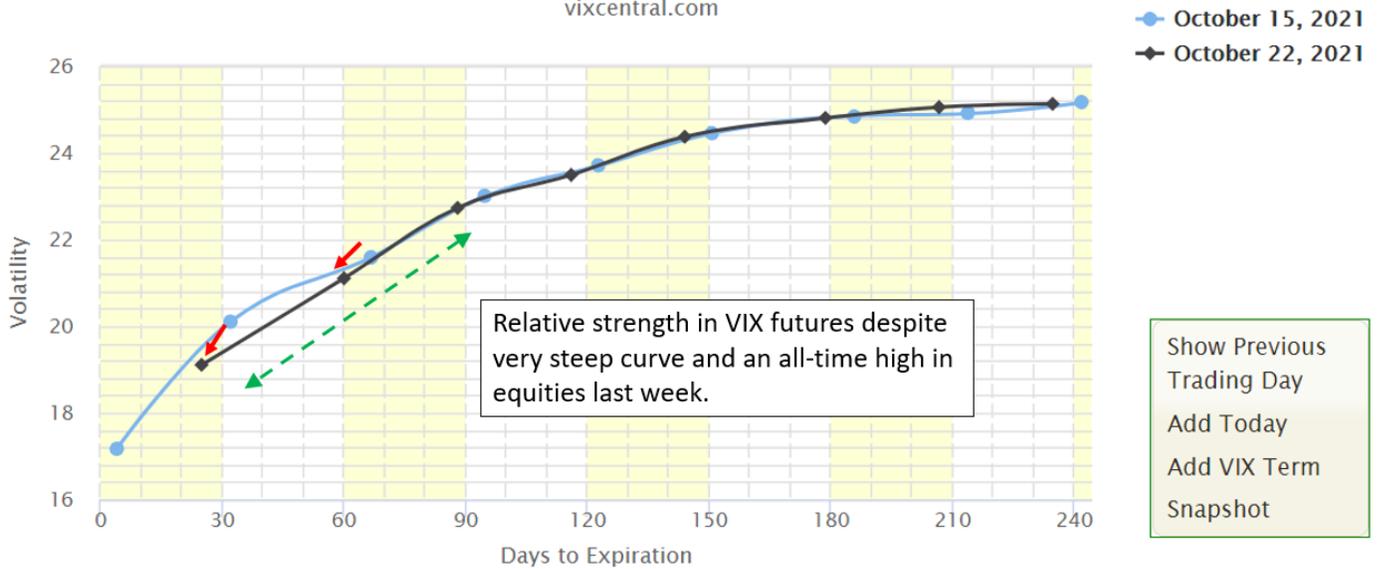
Free weekly delivery

For Week Ending 10/22/2021:

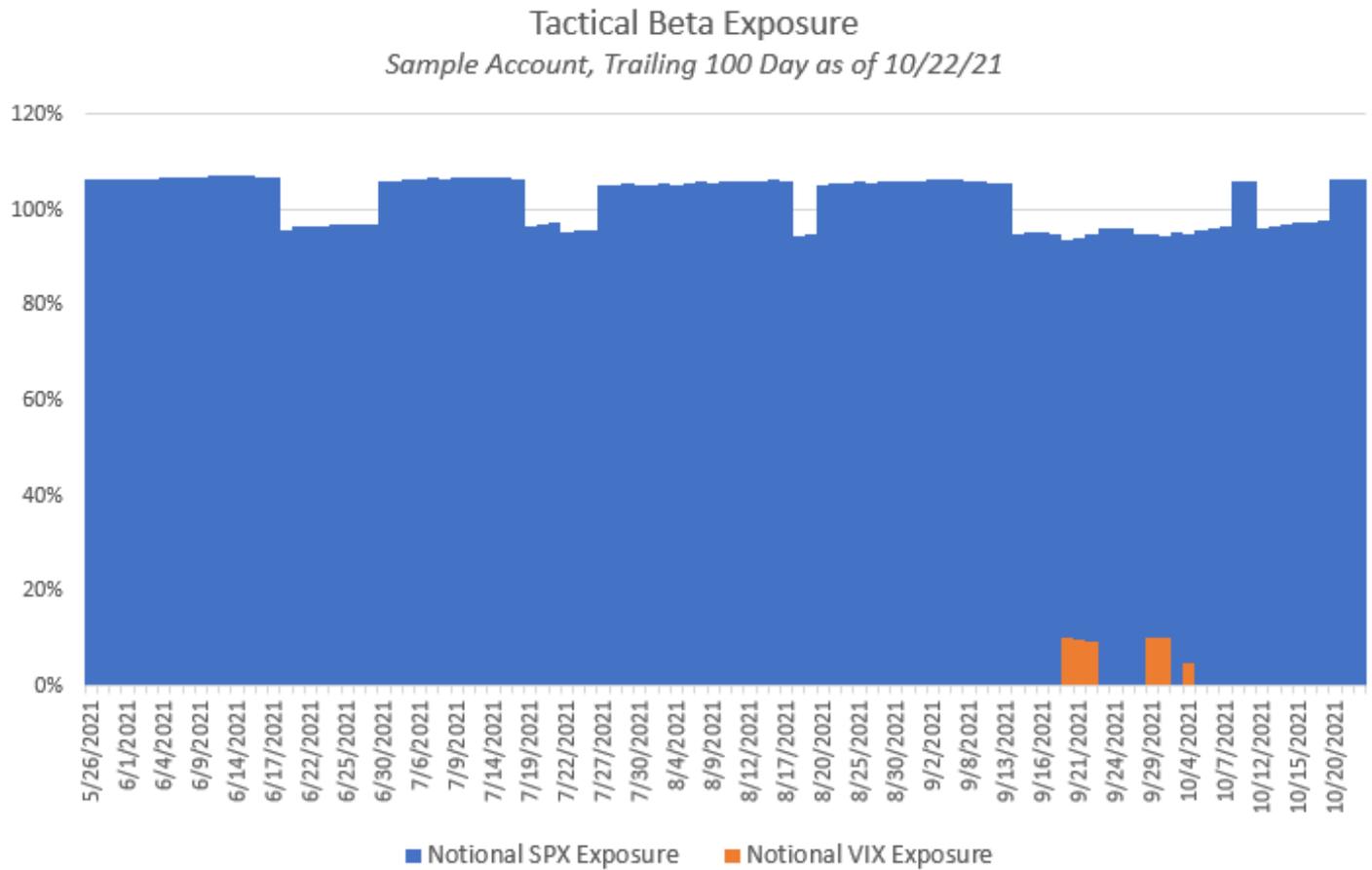
Turns out VIX was right to call the S&P's bluff in September. New all-time highs for the S&P 500 on Friday and a quiet week for VIX futures which had already moved lower the week prior in anticipation of this move. The VIX futures curve remains very steep with fairly elevated levels across the board revealing some tension between stocks and VIX. For example, by our estimation the November VIX future should be trading about 14% lower given current conditions. One side or the other would need to trade lower to restore a more normal relationship, and we will eventually have our answer.

VIX Futures Historical Prices

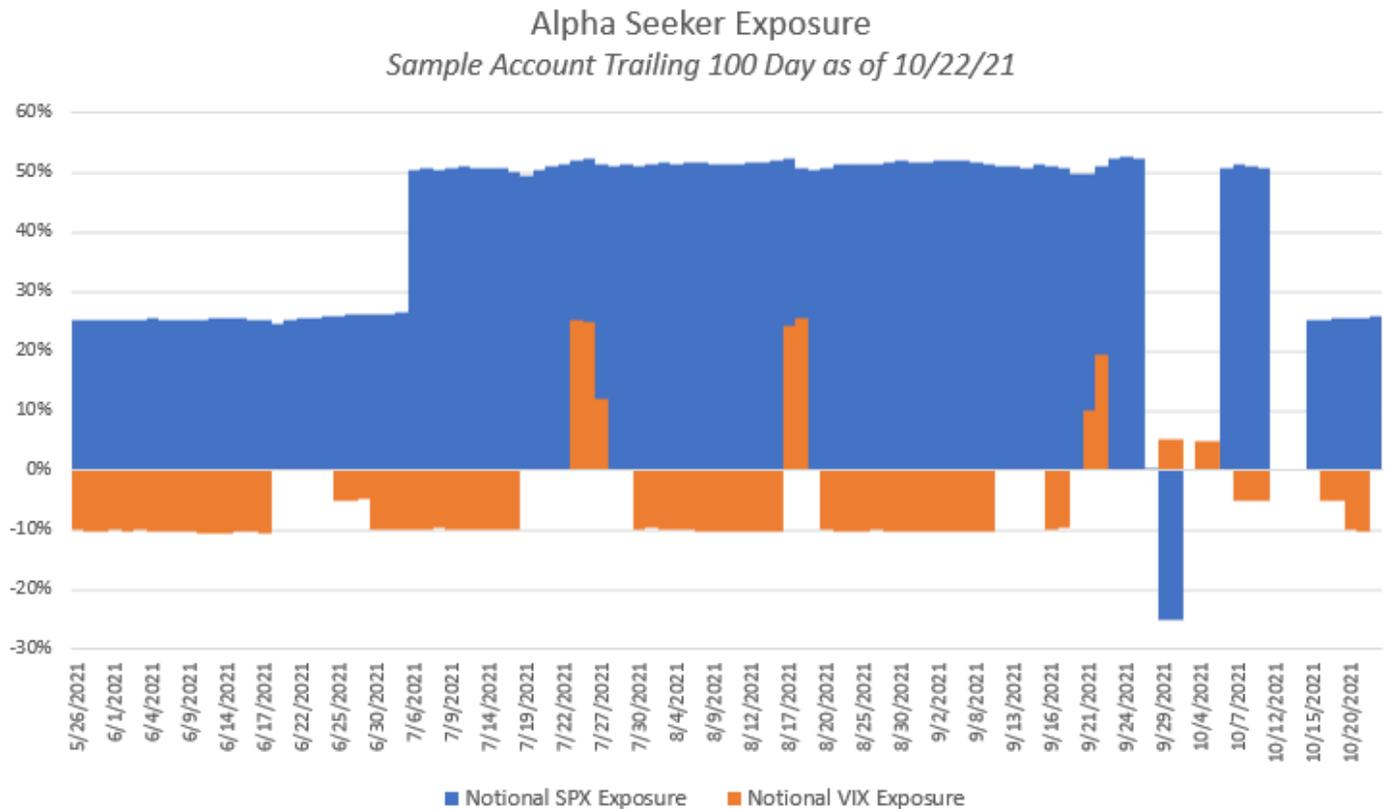
vixcentral.com



The Tactical Beta strategy is back to 105% long SPX



The Alpha Seeker strategy reduced long beta exposure, a small nod towards the possibility that S&P is the one to fall



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 October 22, 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 October 22, 2021 to form one continuous Sample Account. Currently, at Thompson Capital Management LLC a majority-owned affiliate of LHA, the Thompsons manage a composite of separately managed accounts for each strategy which has used substantially the same investment objectives, policies, and principles as 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[®], the S&P, and to the market generally 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.