



## The Volatility Watch

A Weekly Commentary On The Volatility Marketplace  
Free weekly delivery

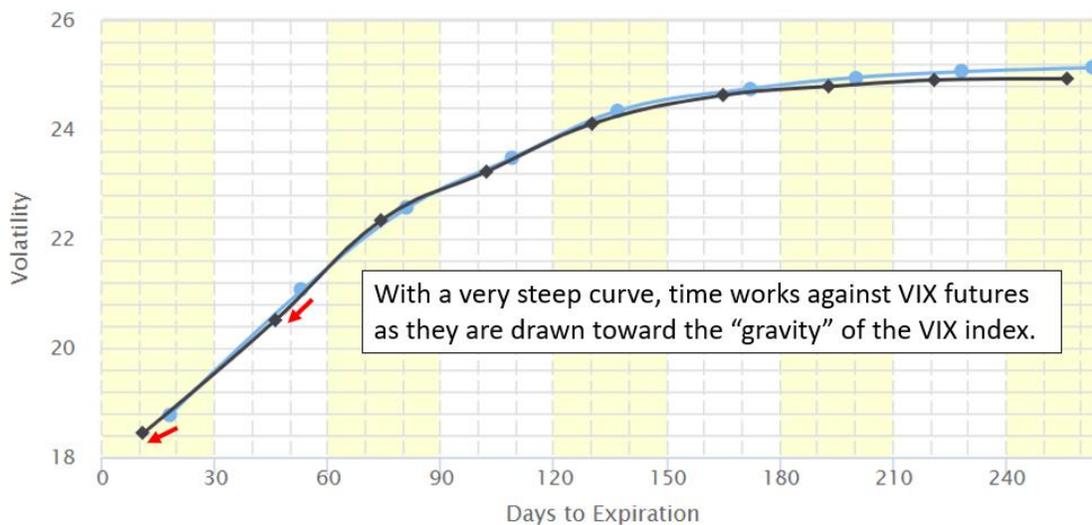
For Week Ending 11/5/2021:

More new highs for U.S. equities last week while VIX futures barely budged. The spread between the first two VIX futures contracts (Dec and Nov contracts) is now near a record at 11%, indicating continued interest in protection through the balance of the year. VIX futures are also all trading substantially higher than the VIX index, with the December contract at a massive 24% premium that must be closed by settlement next month. In other words, VIX futures are furiously swimming upstream for some reason. As traders are fond of saying, "what's unsustainable won't be sustained"- the resolution of this tension ultimately entails some pain, either for equities or hedging positions.

### VIX Futures Historical Prices

vixcentral.com

● October 29, 2021  
◆ November 5, 2021

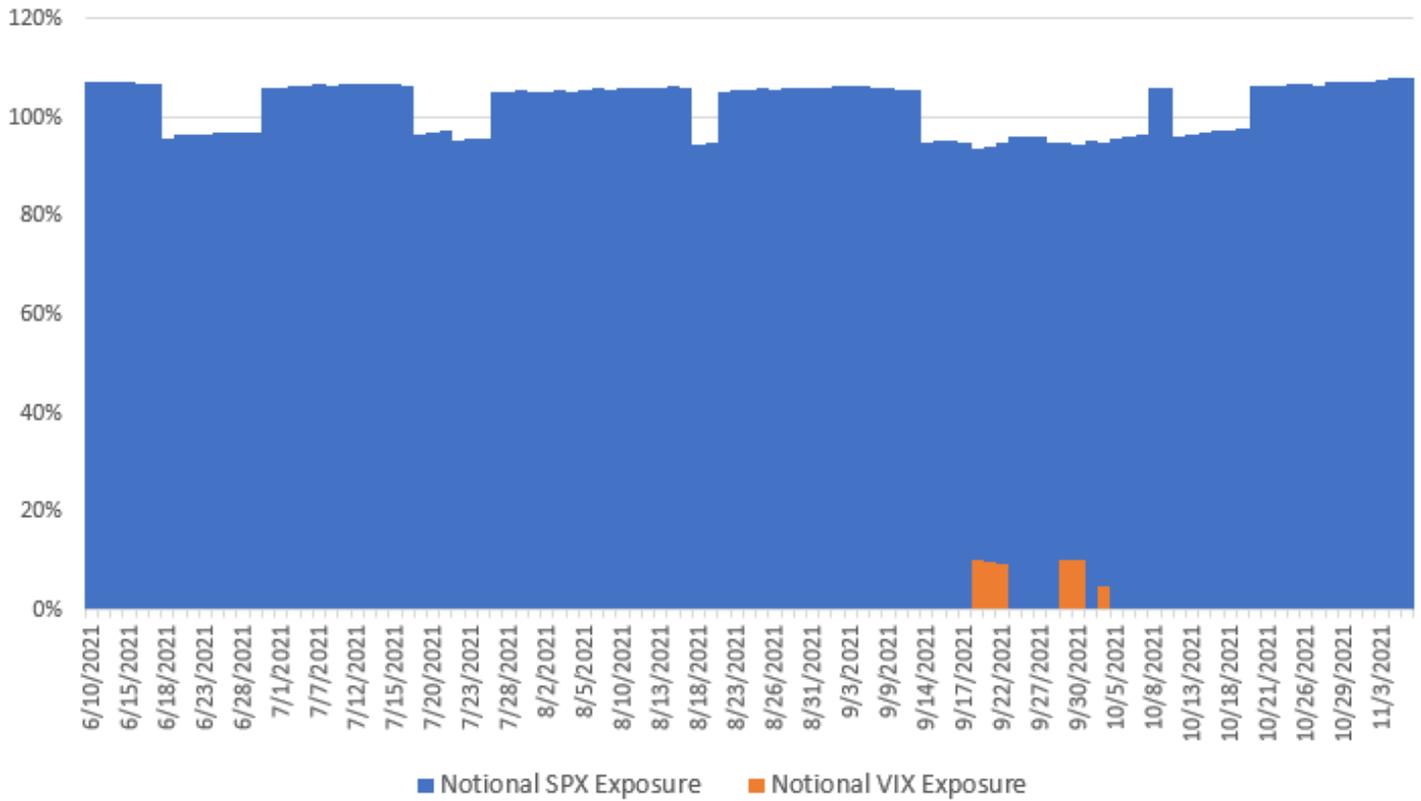


Show Previous Trading Day  
Add Today  
Add VIX Term  
Snapshot

The Tactical Beta strategy is enjoying the ride higher in the S&P 500.\*

## Tactical Beta Exposure

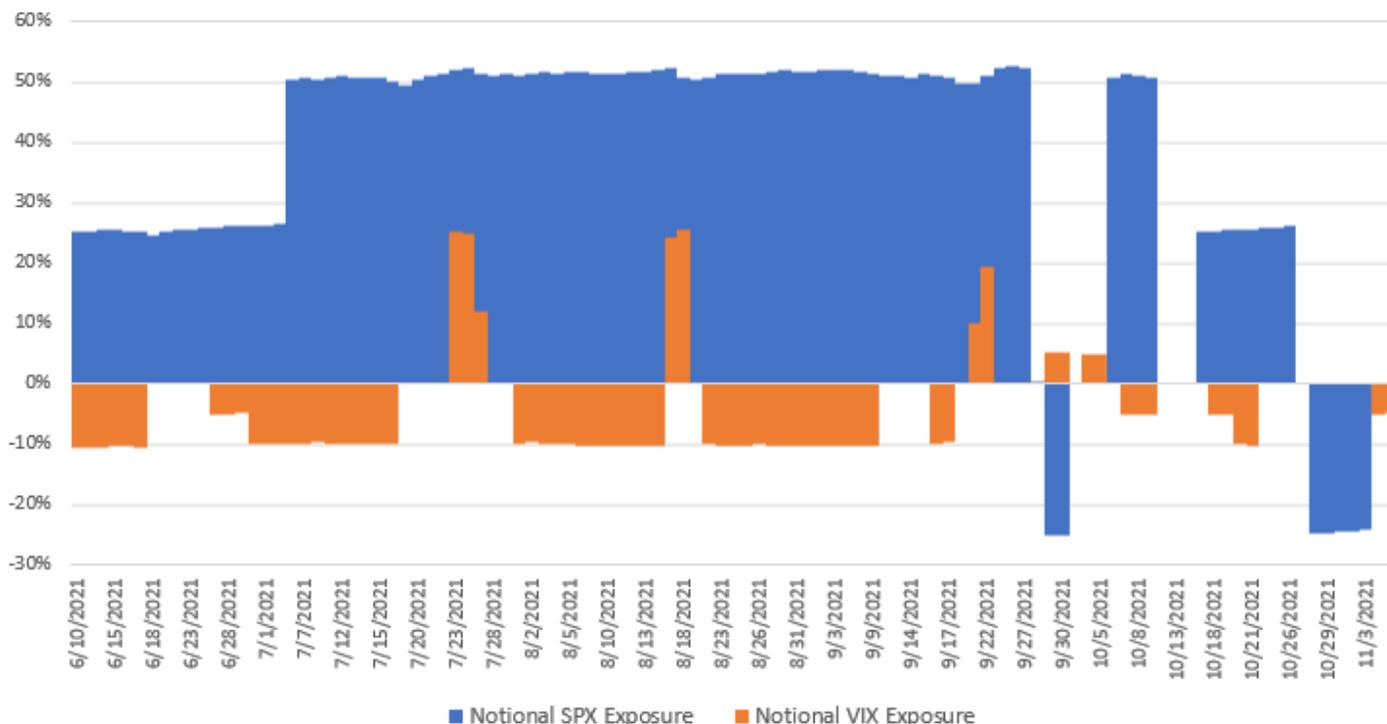
*Sample Account, Trailing 100 Day as of 11/5/21*



With no crack in U.S. equities after last week's "taper" announcement from the Fed, the Alpha Seeker strategy moved from short beta back to long beta.\*\* This "mixed message" environment is a challenging one for a fully tactical strategy, so position sizes will likely remain small until the current tension between VIX futures and equities is resolved.

## Alpha Seeker Exposure

Sample Account Trailing 100 Day as of 11/5/21



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### 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 November 5, 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 November 5, 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.*