



The Volatility Watch

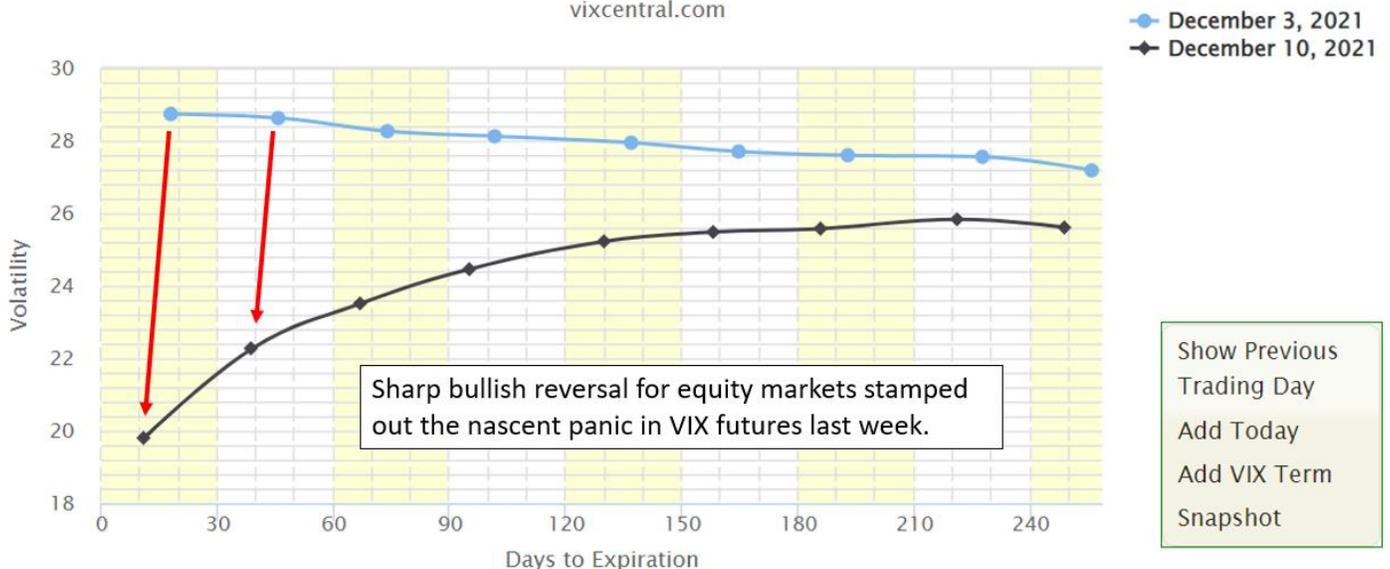
A Weekly Commentary On The Volatility Marketplace
Free weekly delivery

For Week Ending 12/10/2021:

A sharp "V" bounce to a new all-time closing high for the S&P 500 snuffed out the emerging panic in VIX futures last week. A familiar ending to another in the series of 2021's mild corrections. Year to date, only two days have seen the S&P 500 close more than 5% below the most recent peak and corrections in 2021 have lasted less than 7 days on average. *<Supporting spreadsheet is attached for the fact-checkers in the audience>* For an approach that reacts to signs of stress in the VIX marketplace, each dip and reversal brings the potential for hedging expense as defensive positions purchased near the bottom of the "V" are subsequently abandoned. If equity corrections were always mild and brief, this reactive approach (and hedging in general) would not make much sense, but we'll leave it to the readers to judge the validity of that premise.

VIX Futures Historical Prices

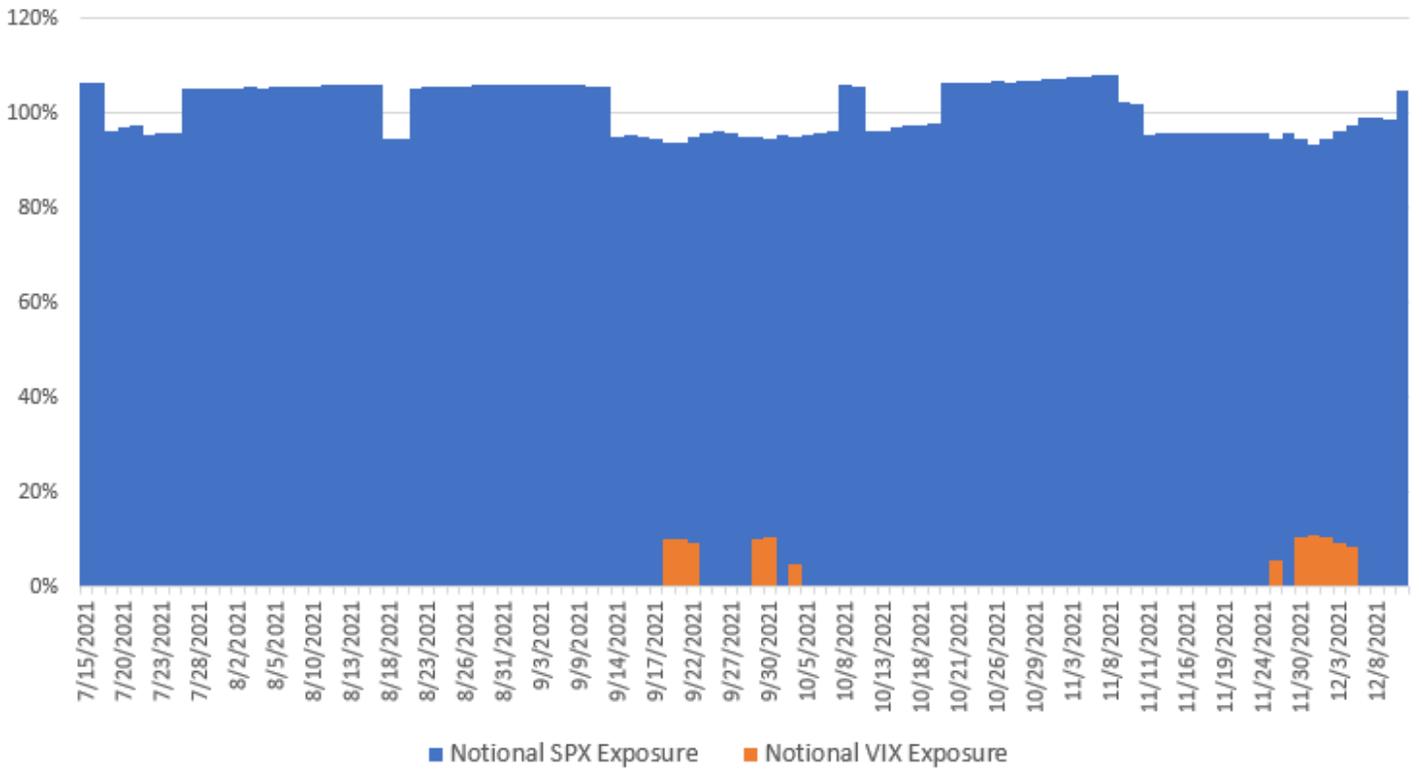
vixcentral.com



The Tactical Beta Strategy back to bullish formation, 105% long SPX with no VIX.*

Tactical Beta Exposure

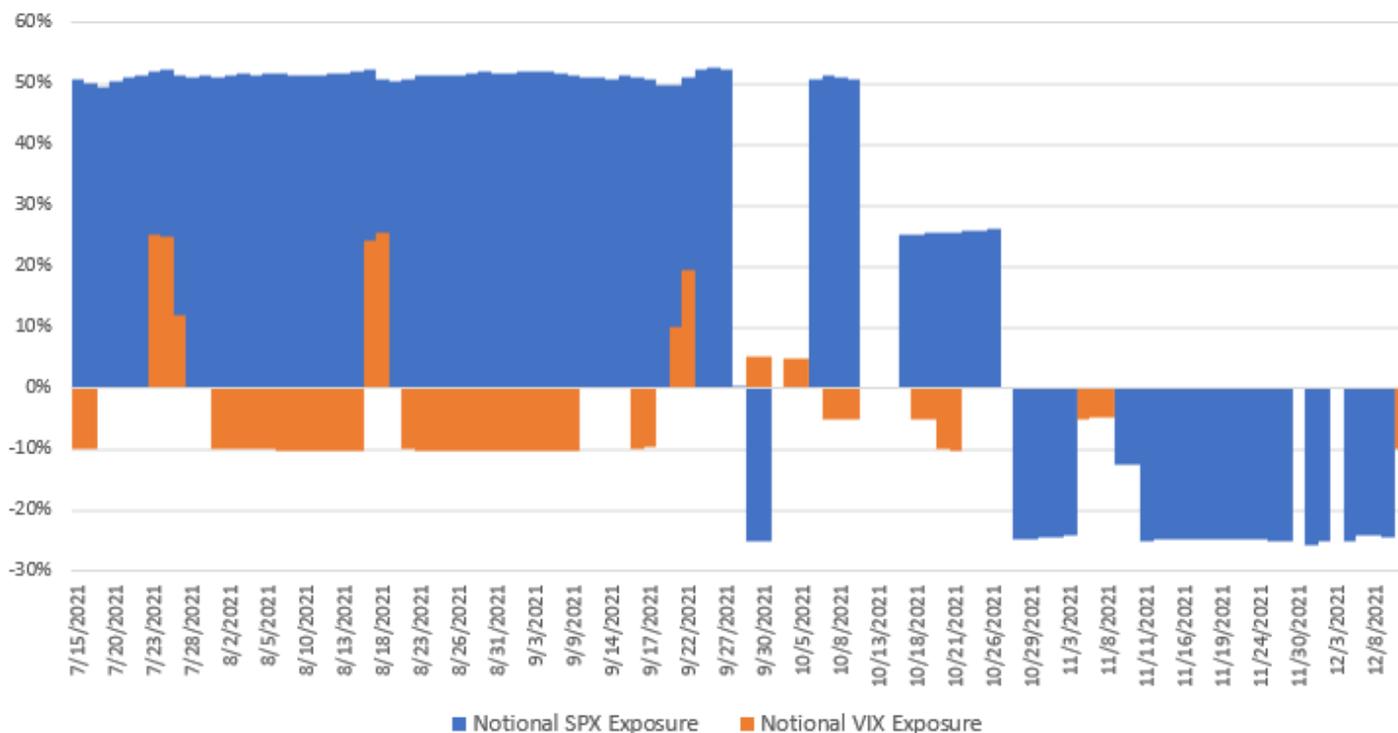
Sample Account, Trailing 100 Day as of 12/10/21



The Alpha Seeker Strategy stayed defensive a little longer than the Tactical Beta Strategy before moving to small long beta by the end of the week.**

Alpha Seeker Exposure

Sample Account Trailing 100 Day as of 12/10/21



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 December 10, 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 December 10, 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.

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