



The Volatility Watch

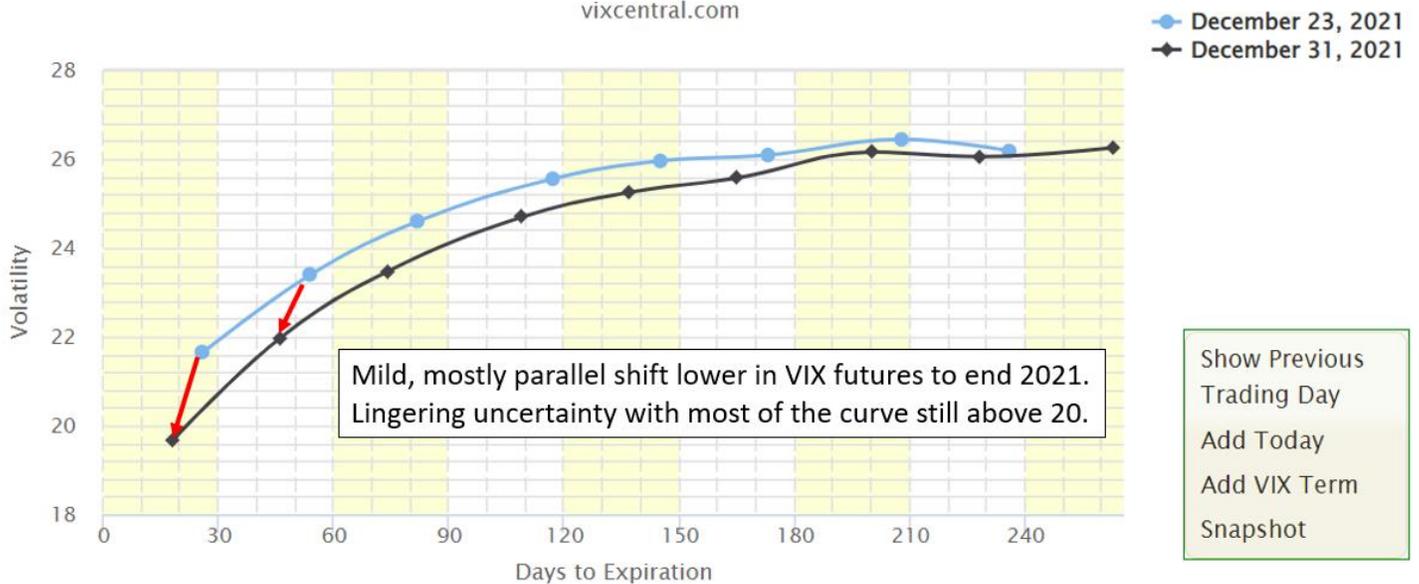
A Weekly Commentary On The Volatility Marketplace
Free weekly delivery

For Week Ending 12/31/2021:

S&P up, VIX futures down in a quiet week to end a quiet year. We head into 2022 with a steep upward-sloping VIX futures curve but with most contracts still above 20 which seems a bit rich relative to a calm S&P at near all-time highs. This could signal some trepidation about the Fed's "tapering" of bond purchases and potential rate hikes this year, moves which have previously been negative for equities.

VIX Futures Historical Prices

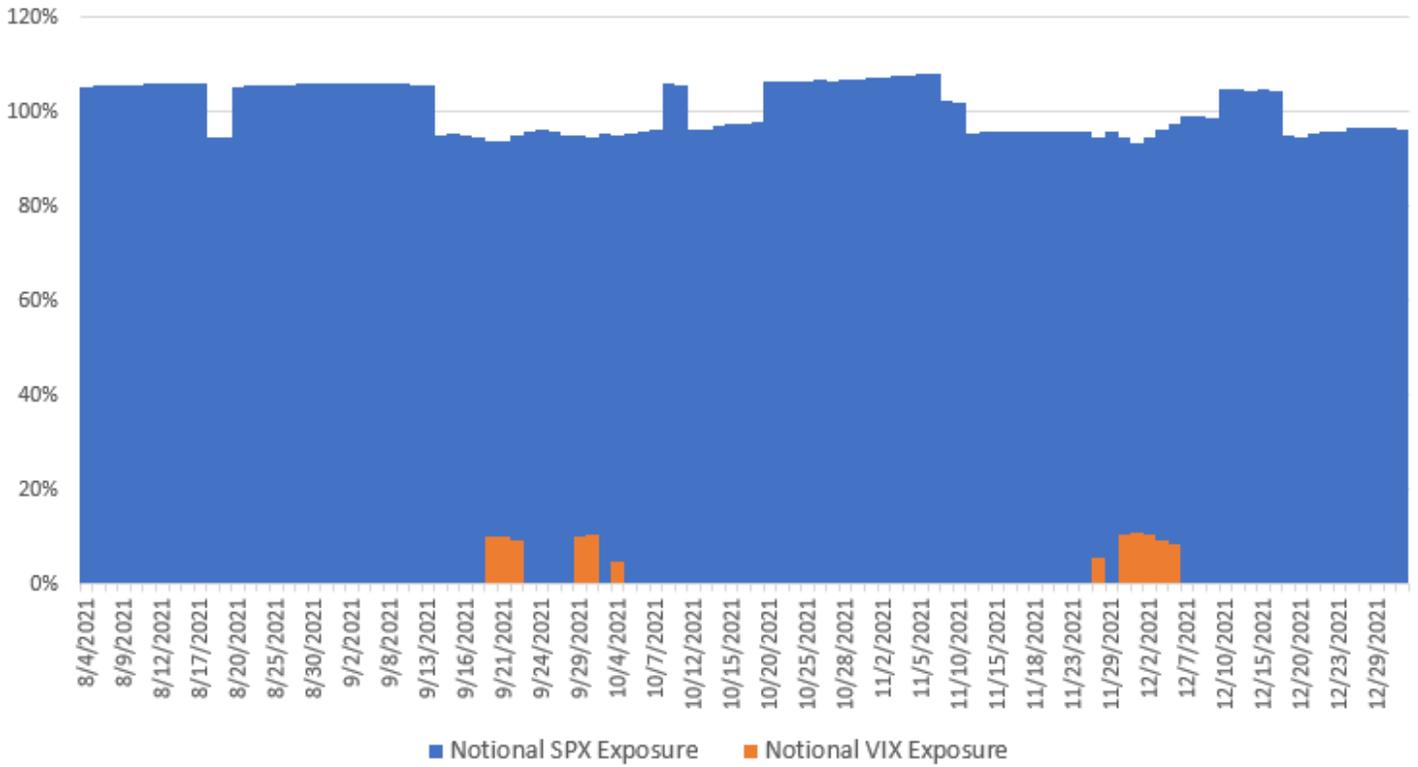
vixcentral.com



The Tactical Beta strategy remains just under 100% long S&P.*

Tactical Beta Exposure

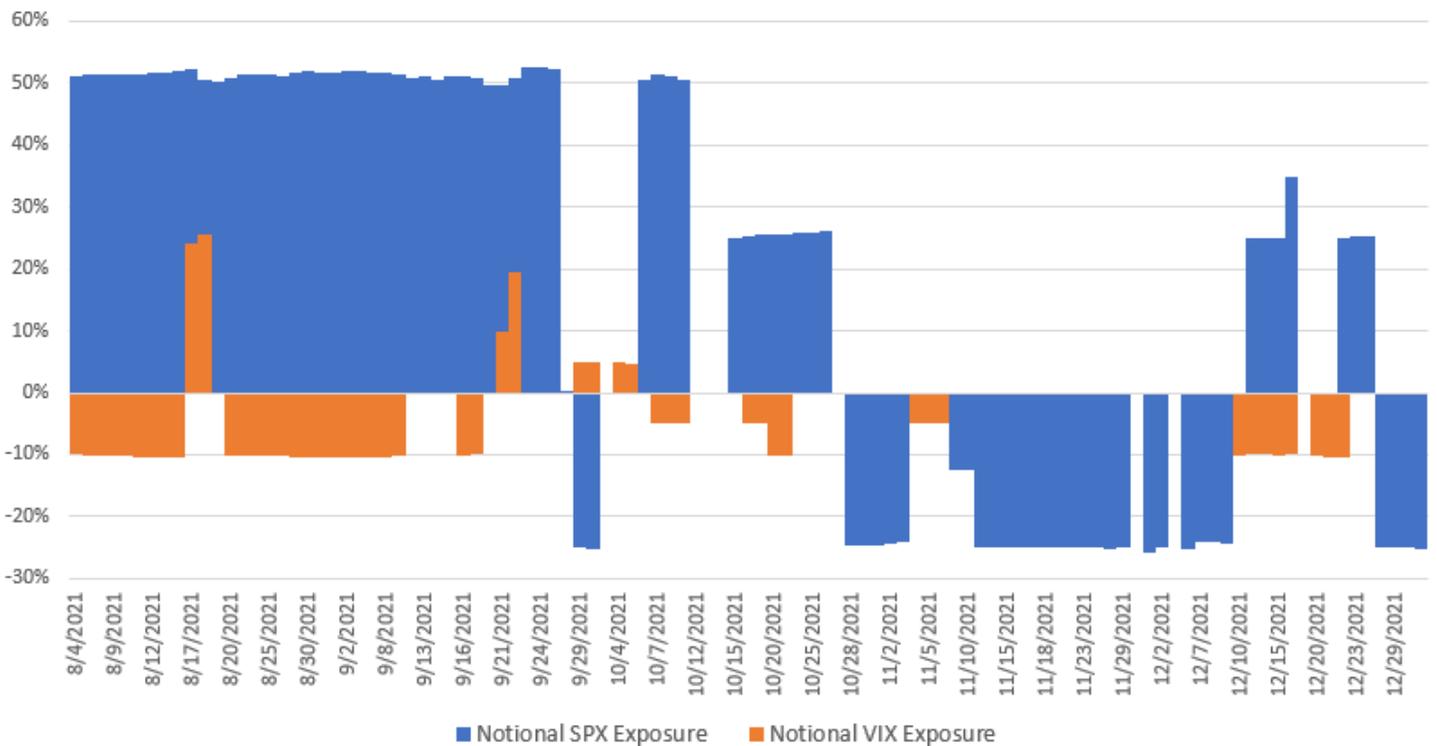
Sample Account, Trailing 100 Day as of 12/31/21



The Alpha Seeker strategy moved to small short beta, looking to capitalize on a correction after U.S. equities and the VIX have become stretched near-term.**

Alpha Seeker Exposure

Sample Account Trailing 100 Day as of 12/31/21



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 31, 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 31, 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 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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