



## The Volatility Watch

A Weekly Commentary On The Volatility Marketplace

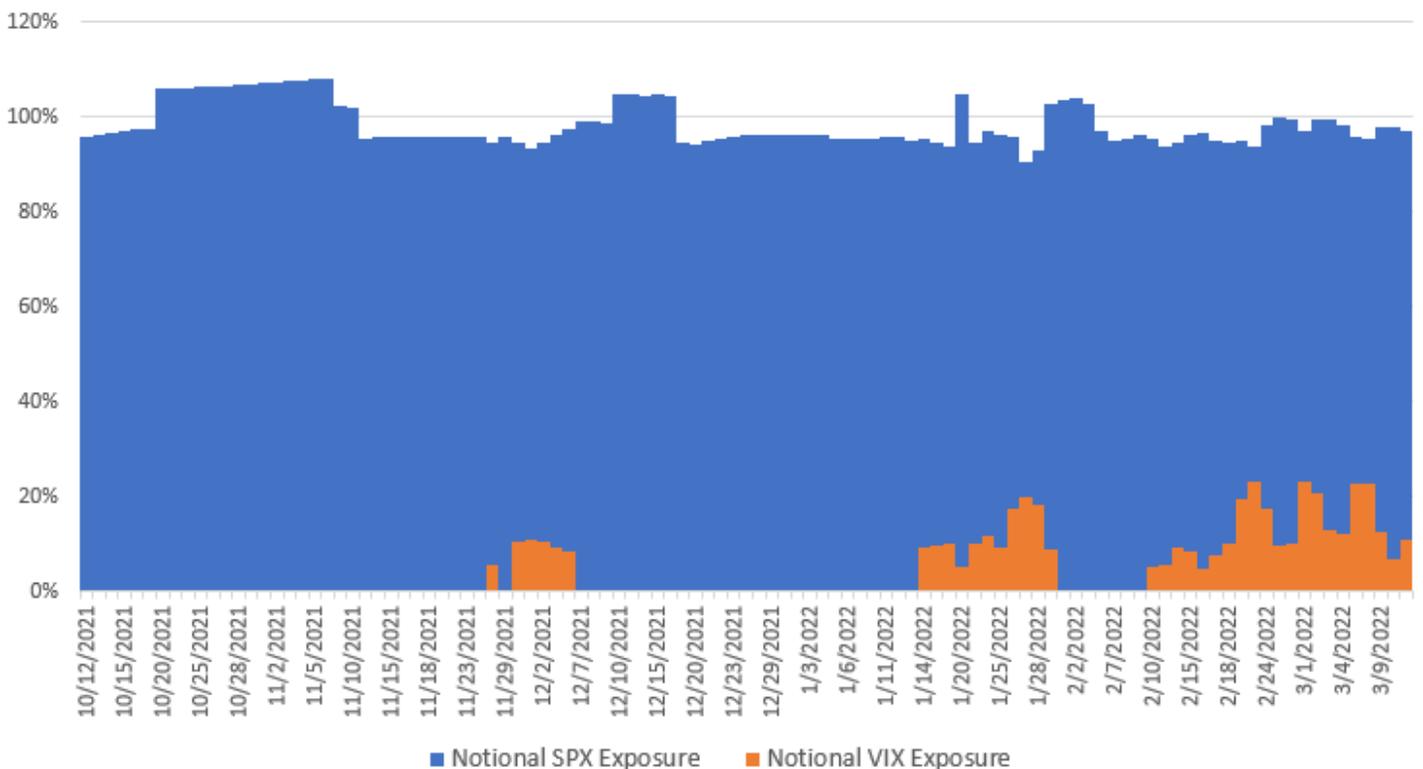
Free weekly delivery

### For Week Ending 3/11/2022:

Hedging markets yawned even as the S&P 500 fell -2.9% last week, with VIX futures (VXX, iPath VIX futures ETN) up a paltry +0.5% on the week. This has been a recurring theme so far in 2022 and suggests that hedging markets are correctly priced for the wide chop of the past several weeks as the S&P 500 fights to remain in "correction" territory. In a toxic environment of inflation, slowing growth and now potential world war, any misstep could quickly turn this tension to panic. On the other hand, a peaceful resolution to the Ukraine situation could be enough for a significant relief rally and fall in volatility. In either case, the collective wisdom of the VIX marketplace will guide our positioning.

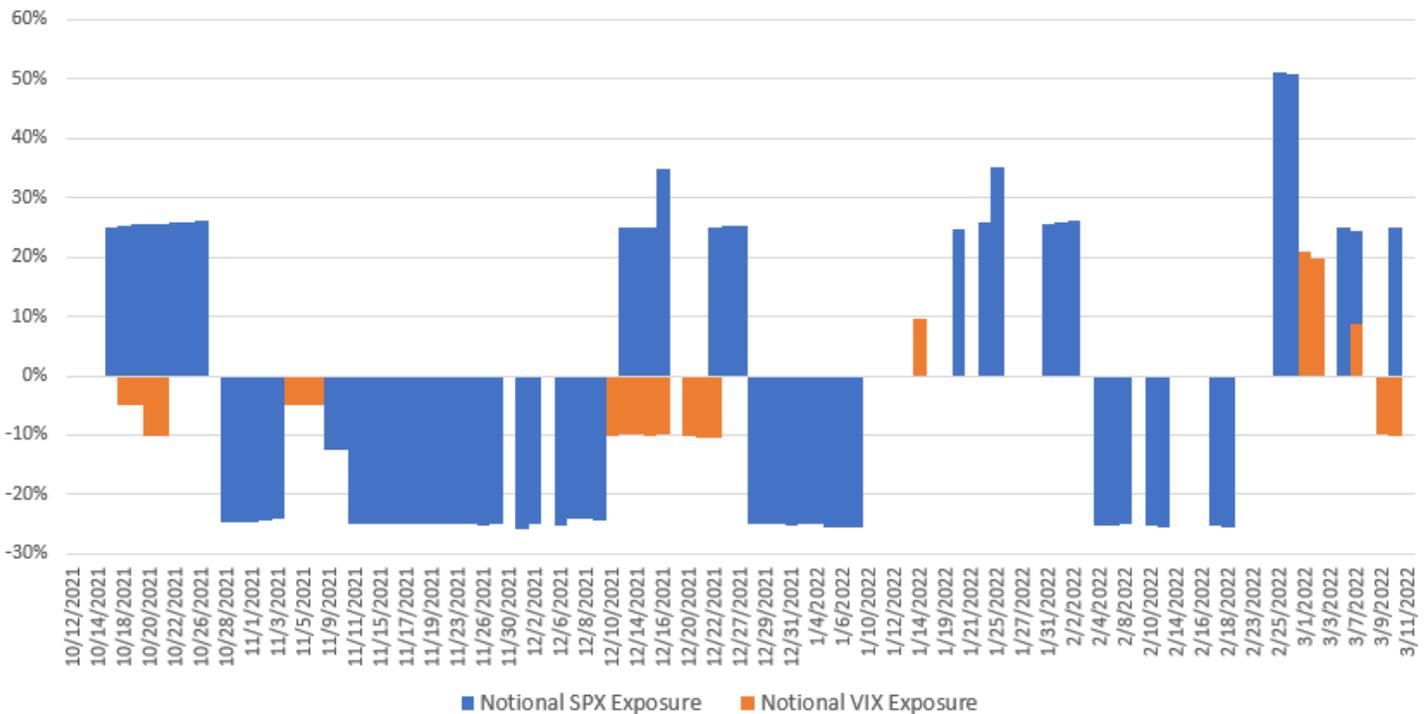
Reflecting the elevated but sluggish pricing in VIX futures, the Tactical Beta strategy has remained partially hedged since Feb 10, ending Friday at 11% VIX exposure (out of a maximum 30%) against its 97% S&P 500 exposure.\*

Tactical Beta Exposure  
Sample Account, Trailing 100 Day as of 03/11/22



The Alpha Seeker strategy took profits on a quick long-beta trade to end the week with no positions.\*\* Based on historical precedent, trades in this strategy will likely continue to be small and frequent while heightened volatility persists, increasing in size and decreasing in frequency once a firmer trend asserts itself in either direction.

Alpha Seeker Strategy Exposure  
Sample Account Trailing 100 Day as of 03/11/22



**Disclosure**

**Investing involves risk, including the possible loss of principal.**

*This information is provided for informational purposes only and does not involve the rendering of investment advice. This is not an offer to sell or a solicitation of an offer to buy an interest in any investment fund, instrument, or financial product, or for the provision of any investment management or advisory services. Recipients should not rely on this material in making any future investment decision. This Commentary should not be regarded as a complete analysis of the subjects discussed. Little Harbor Advisors, LLC (LHA) makes no representation that any strategy would be appropriate for any particular investor. All expressions of opinion reflect the current view of LHA as of the date of the original use of this information and are subject to change. While LHA uses reasonable efforts to obtain information from reliable sources, it makes no representation or warranty as to the accuracy, reliability, or completeness of any information prepared by another party. There can be no assurance that either strategy will continue to hold the same positions or percentage of instruments described herein and each strategy may change any position at any time.*

*\*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 March 11, 2022. \*\*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 March 11, 2022 to form one continuous Sample Account. Currently, at Thompson Capital Management LLC (TCM), 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. LHA has an exclusive license from TCM to employ and market the TCM LHA Tactical Beta strategy and the Alpha Seeker strategy referred to herein.*

*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.*

*Little Harbor Advisors, LLC at 781.639.3000 (ext.147) and <http://www.littleharboradvisors.com>.*