



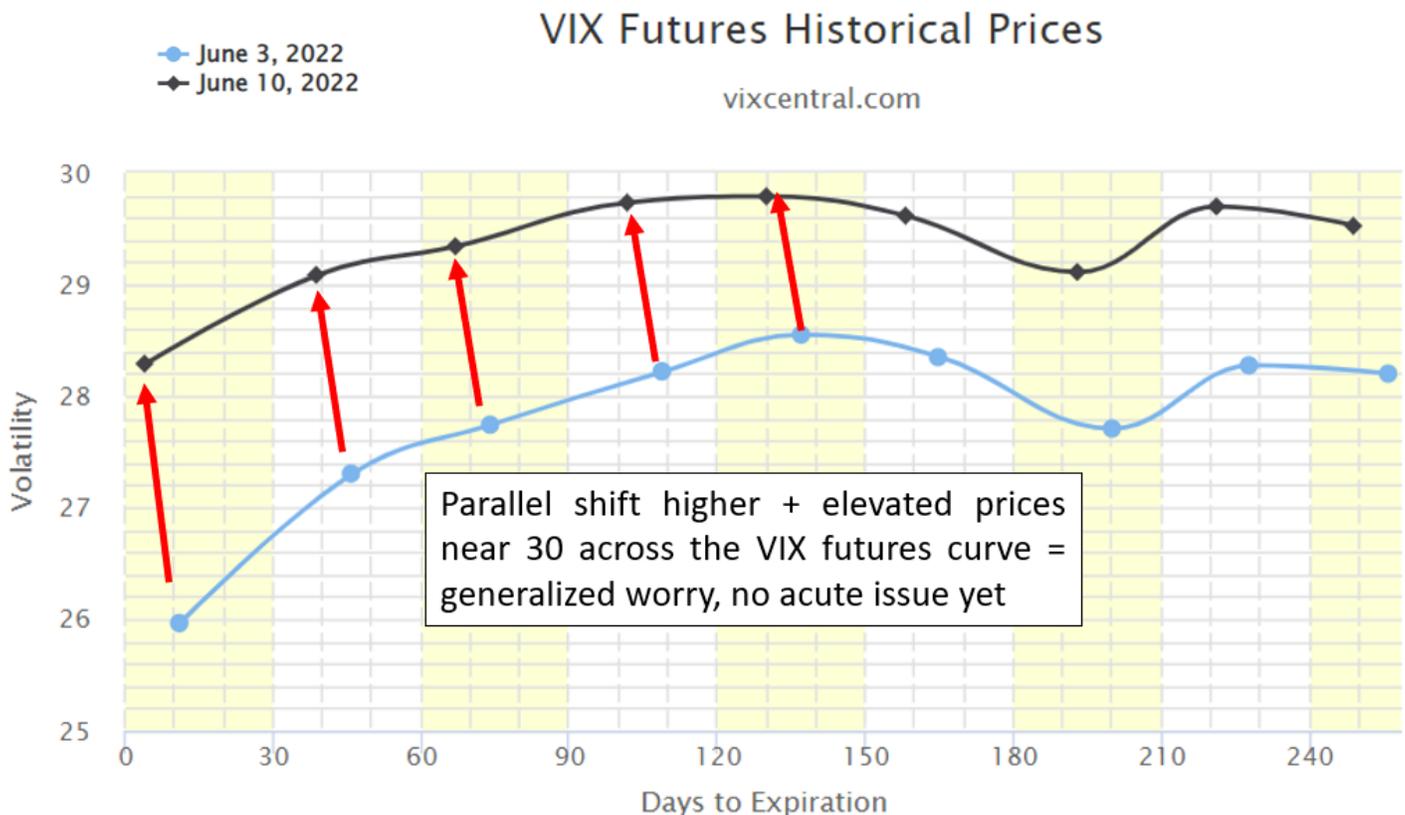
## The Volatility Watch

A Weekly Commentary On The Volatility Marketplace  
Free weekly delivery

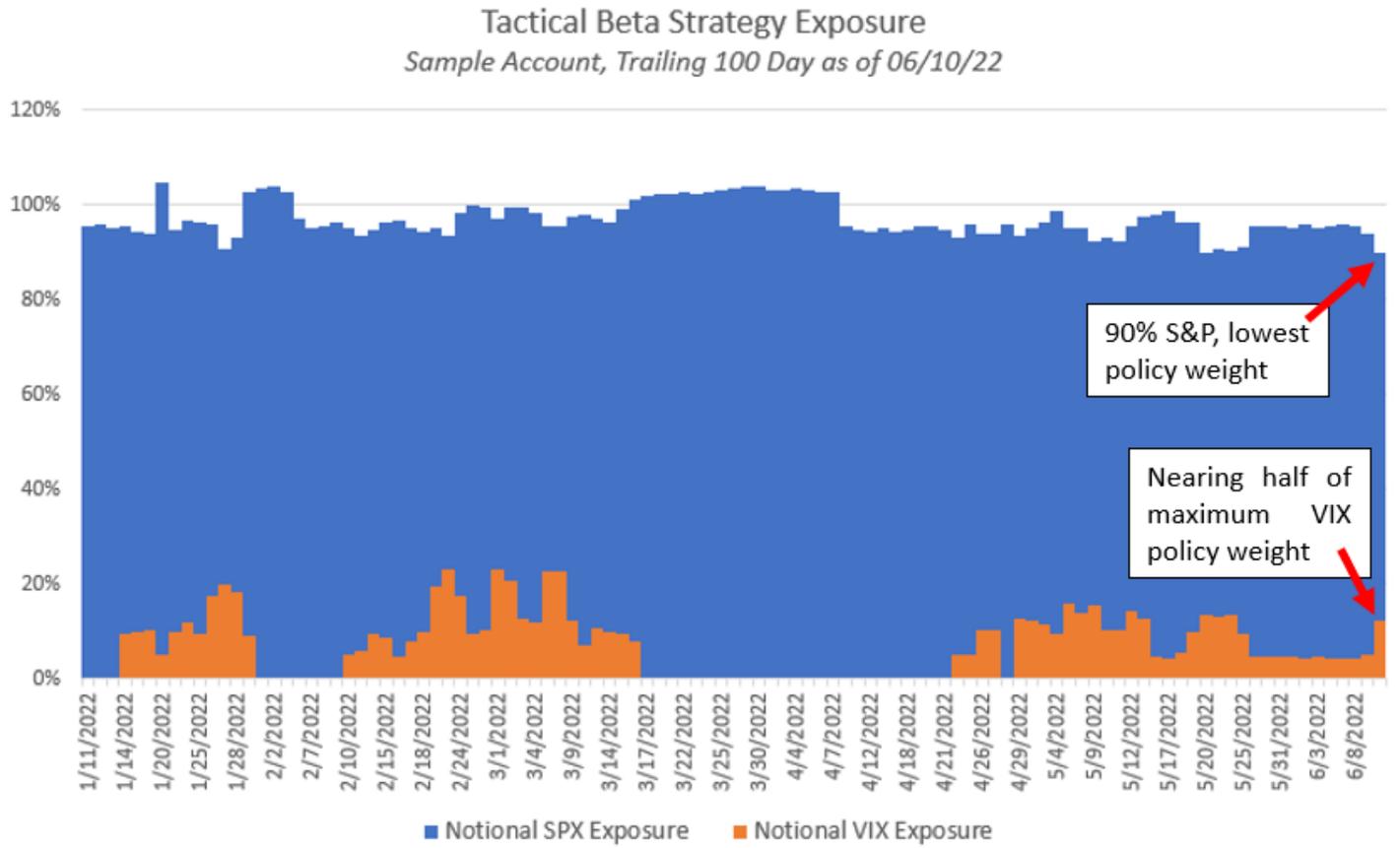
### For Week Ending 6/10/2022:

Record low consumer confidence and a 40-year high for inflation last week battered the tech and consumer discretionary sectors that make up a large portion of market-cap weighted equity indexes, resulting in further sector dispersion on the week (Energy (XLE) -0.9%, Tech (XLK) -6.4%) that tends to suppress index volatility and the VIX index even as the S&P 500 falls.

With the S&P 500 now -5.6% MTD through 6/10, VIX futures (VIXY: Proshares VIX Short-Term Futures ETF) have returned +4.8% in June, a MTD return ratio of just -0.9x versus readings as strong as -20x in the crisis in March 2020. This implies little scramble yet for the tail or "crash" protection, a phenomenon also recorded by the parallel shift in the VIX futures curve last week. With VIX only near 30 with seemingly everything working against equities and the next rate hike just days away, a capitulation moment may be nearby.



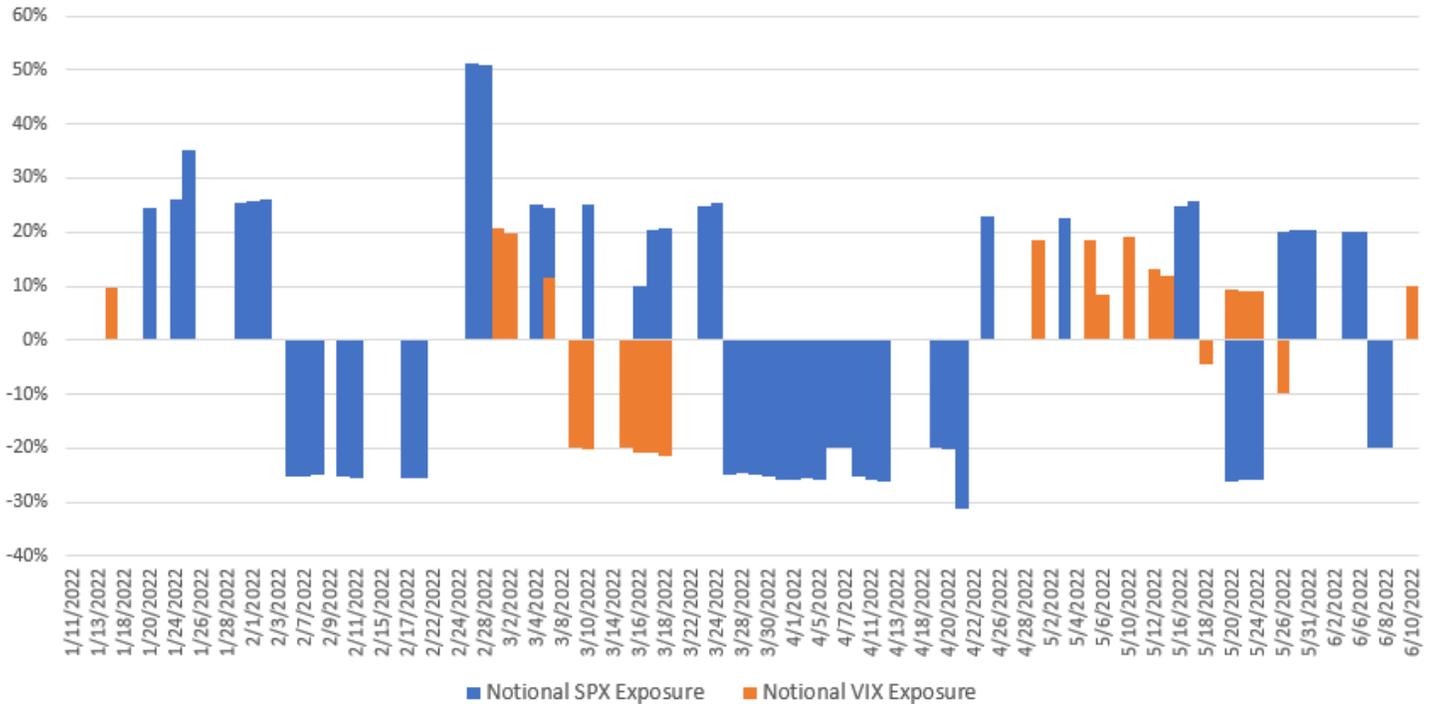
The Tactical Beta strategy is moving quickly to batten down the hatches, at the lowest policy index weight for the strategy (90% long S&P) hedged with 12.5% VIX futures (out of a maximum 30%).\*



The Alpha Seeker strategy is currently playing defense, 10% long VIX futures and 10% short S&P 500.\*\* (The sample account used for the chart below had not yet added the short S&P exposure as of Friday's close)

## Alpha Seeker Strategy Exposure

Sample Account Trailing 100 Day as of 06/10/22



### 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 June 10, 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 June 10, 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>.