



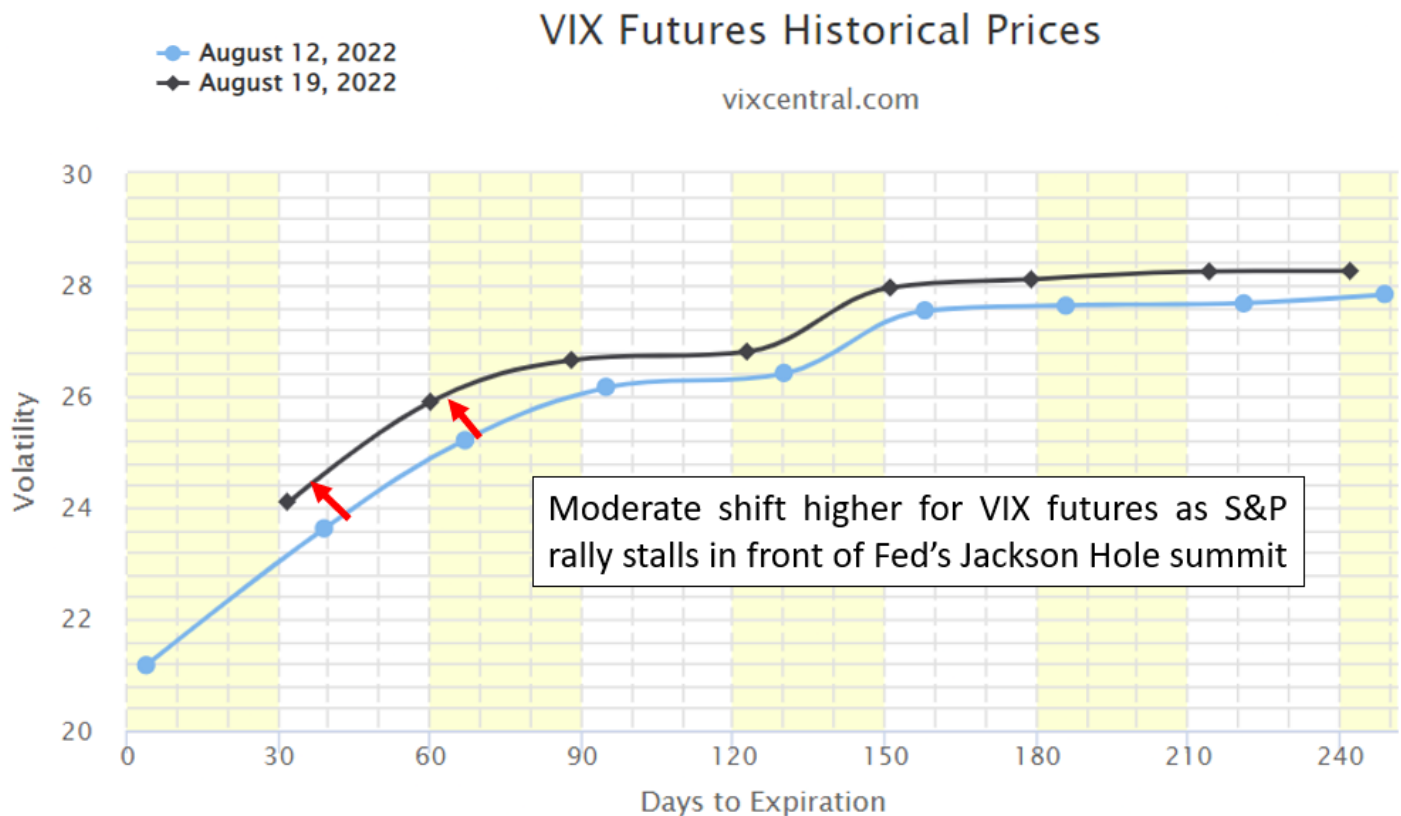
## The Volatility Watch

A Weekly Commentary On The Volatility Marketplace  
Free weekly delivery

### For Week Ending 8/19/2022:

VIX futures rose modestly last week as stocks stalled ahead of Friday's Jackson Hole symposium that could either nurture or smother the Fed "pivot" hope that sparked this summer's sharp equity rally. For now, there has been no flattening in the VIX futures term structure to indicate acute panic, only a modest parallel shift as demand for protection has risen evenly across time.

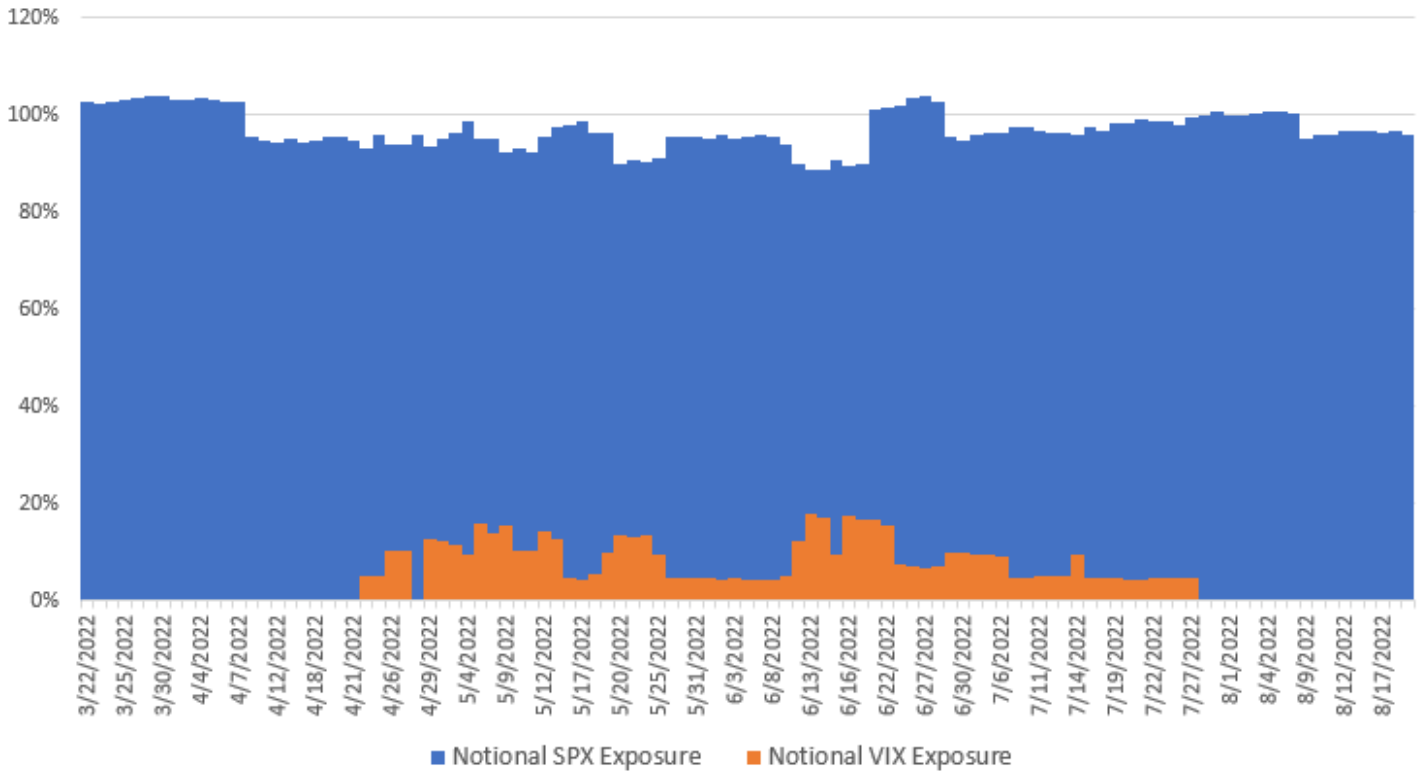
With elevated levels approaching 30 in many contracts, VIX futures are already priced for large daily swings. From these prices, a profitable VIX position will likely require a crisis to invert the curve and cause a multi-day move higher in VIX futures. With monetary policy front and center heading into the historically volatile fall months, the rest of the year could be interesting.



With no signals yet to suggest a VIX hedge, the Tactical Beta strategy remains in its first-line defensive position of 95% long S&P.\*

### Tactical Beta Strategy Exposure

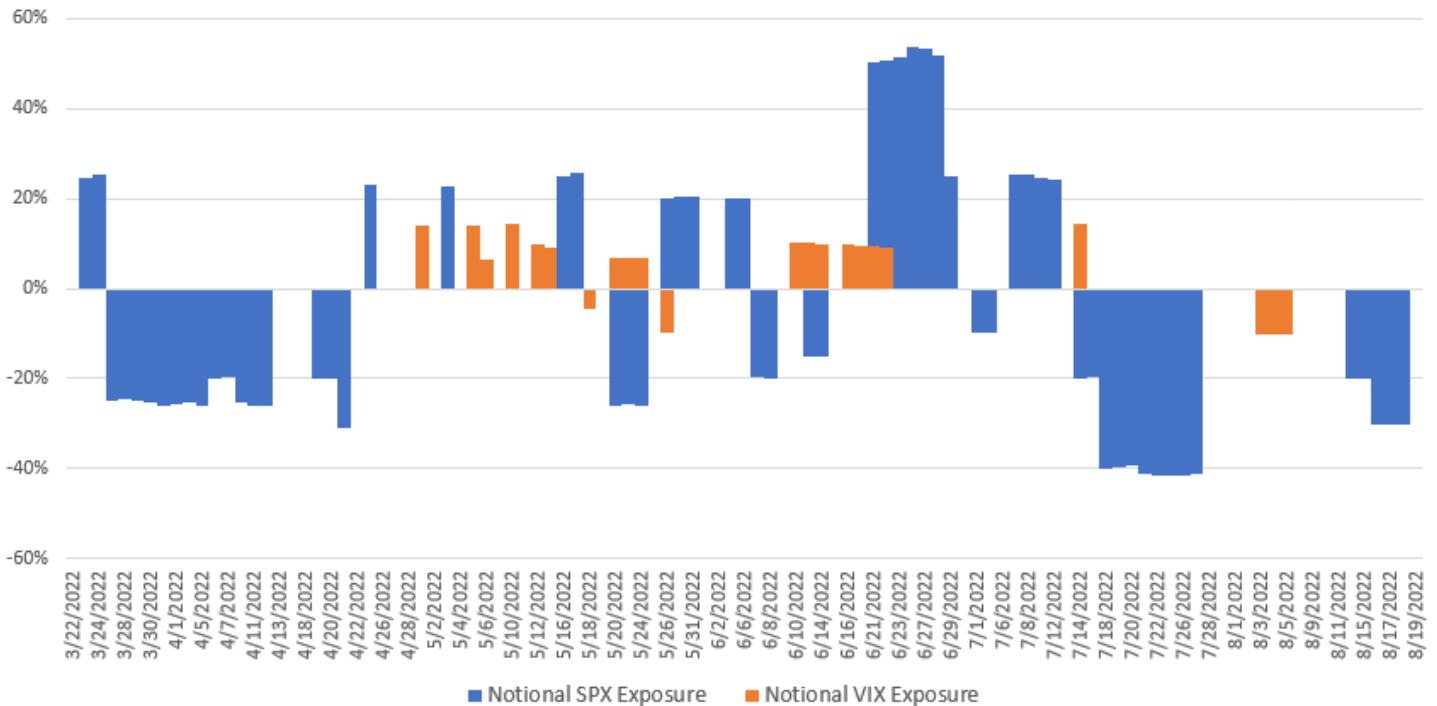
*Sample Account, Trailing 100 Day as of 08/19/22*



Continuing to trade the "edges" of Dashboard signals as a recognition of 2022's back and forth markets, the Alpha Seeker strategy closed its short S&P position last week at a profit.\*\*

### Alpha Seeker Strategy Exposure

*Sample Account Trailing 100 Day as of 08/19/22*



## 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 August 19, 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 August 19, 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<sup>®</sup>, the S&P, and to the market generally are to the Standard & Poor's 500<sup>®</sup> 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.*

*"Hedged Equity Peers" is an equally-weighted composite of popular hedged equity funds: JP Morgan Hedged Equity Fund-Class I (JHEQX), Swan Defined Risk Fund-Class I (SDRIX) and Gateway Fund Class A (GATEX), rebalanced monthly.*

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