



The Volatility Watch

A Weekly Commentary On The Volatility Marketplace
Free weekly delivery

For Week Ending 9/23/2022:

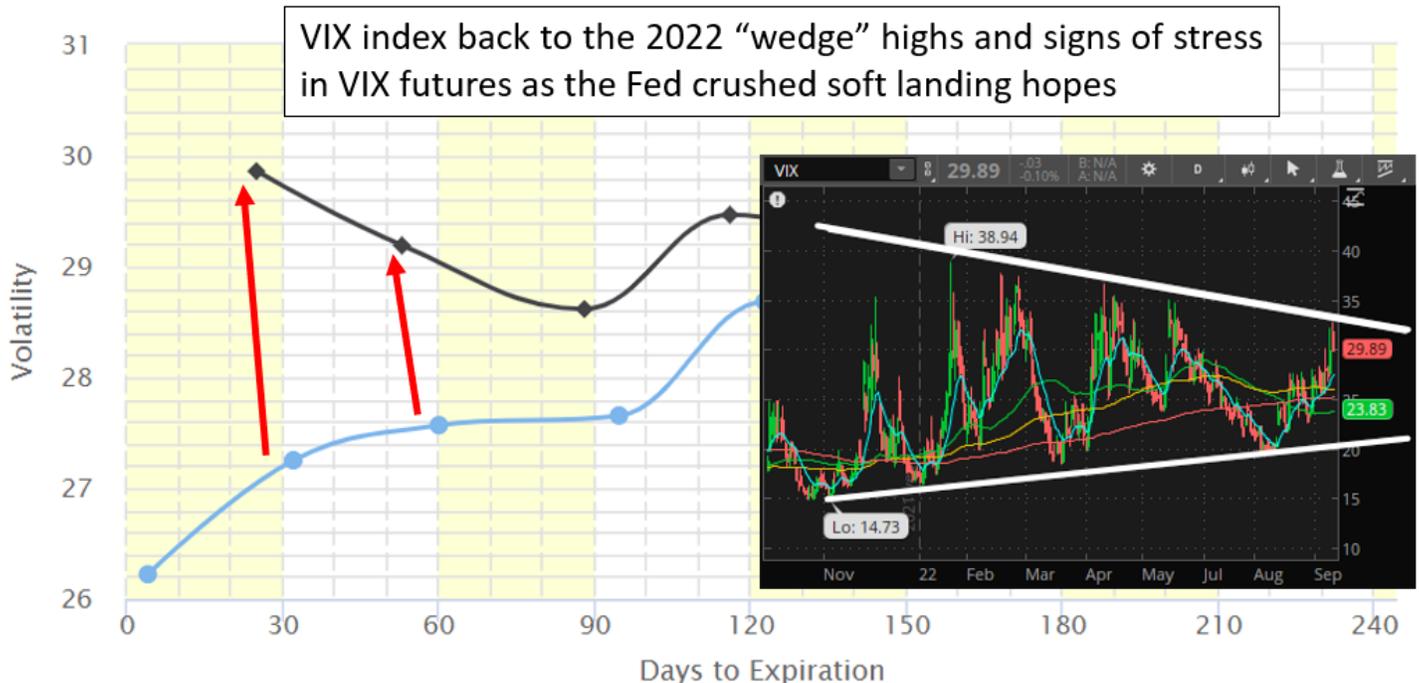
The VIX moved back to the top end of its 2022 "wedge" formation† last week after the Fed once again poured cold water on hopes for an economic soft landing by signaling no change from interest rate increases through 2023. With a recession now the base case as VIX tests pre-crisis levels for the 5th time in 2022, we are in near-maximum defensive mode waiting for the next shoe to drop.

After wild moves in the British currency and funding markets over the weekend a possible indicator of broader funding stress, the "shoe" may be European. In any case, it bears repeating that market crises are processes, not events. We will continue to proceed day by day, leaving all the predictions to the VIX marketplace.

VIX Futures Historical Prices

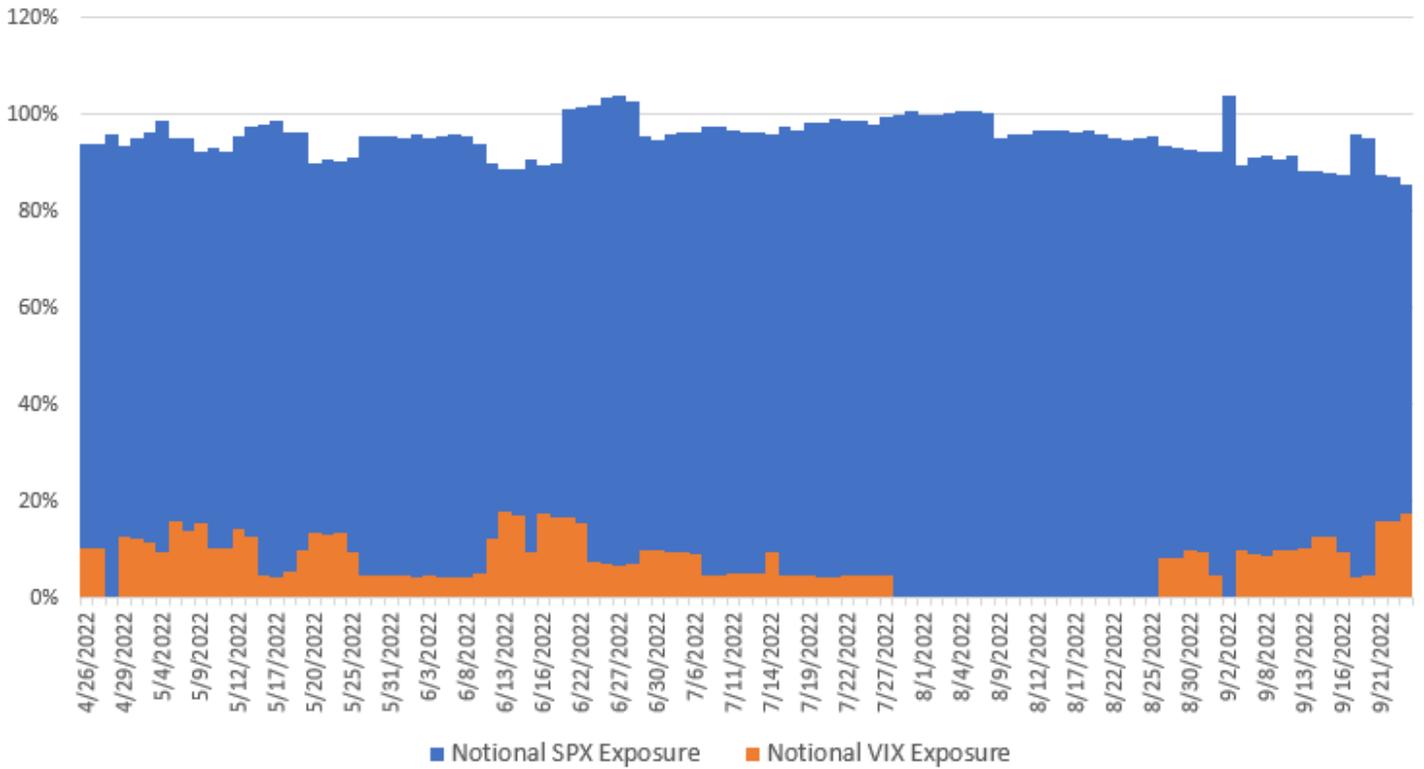
● September 16, 2022
◆ September 23, 2022

vixcentral.com



The Tactical Beta strategy continues to reduce exposure in line with the VIX curve inversion, currently approaching maximum defensive exposure at 85% S&P with 18% VIX.*

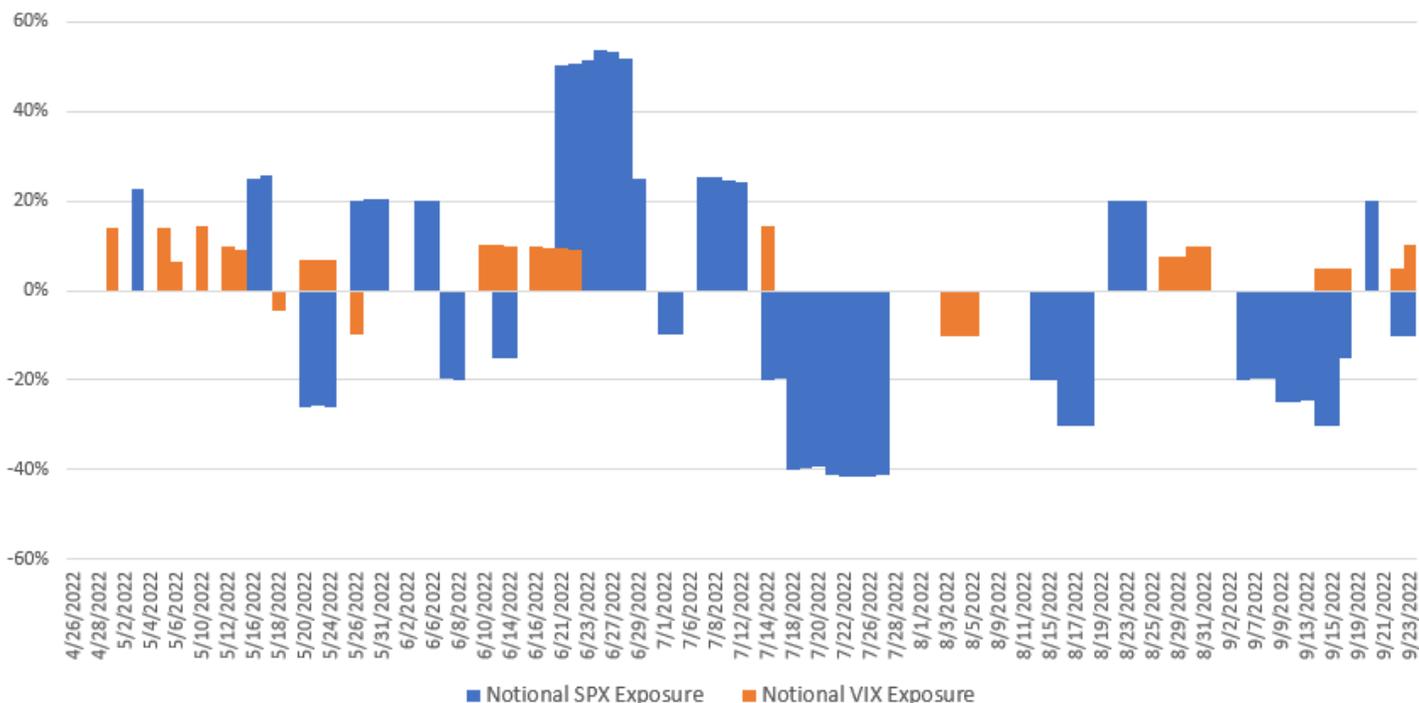
Tactical Beta Strategy Exposure
Sample Account, Trailing 100 Day as of 09/23/22



The Alpha Seeker strategy is 10% short the S&P and 10% long VIX.**

Alpha Seeker Strategy Exposure

Sample Account Trailing 100 Day as of 09/23/22



Disclosure

Investing involves risk, including the possible loss of principal.

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*†VIX chart from TD Ameritrade as of 9/26/2022. *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 September 23, 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 September 23, 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.

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