



# The Volatility Watch

A Weekly Commentary On The Volatility Marketplace

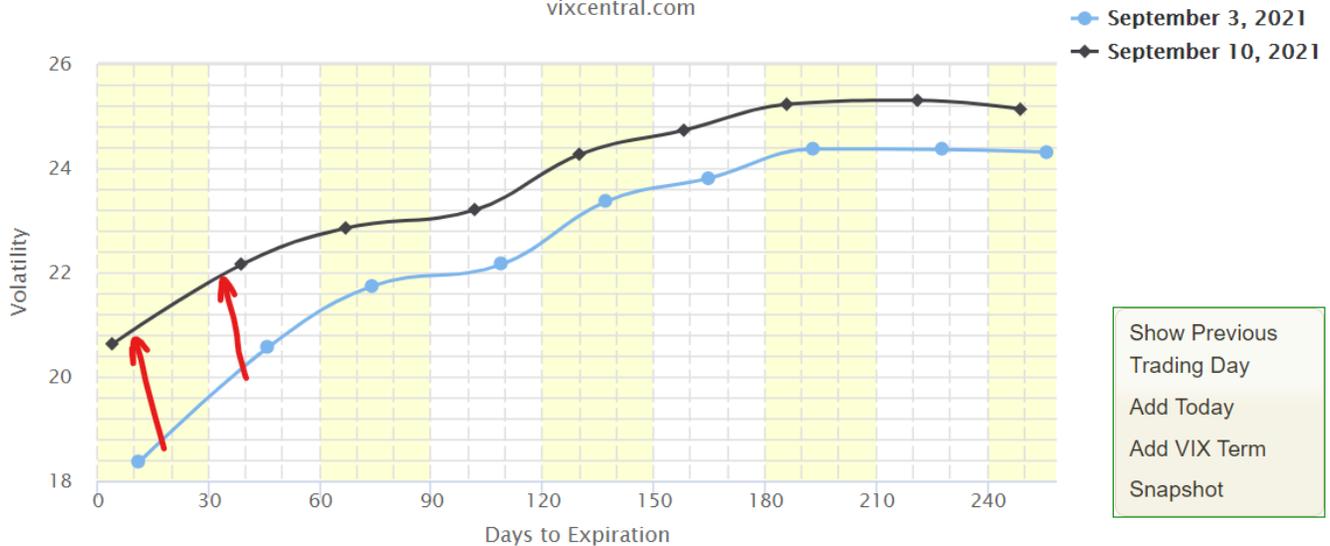
Free weekly delivery

For Week Ending 9/10/2021

Relative to a mild -1.7% drop in U.S. equities, the VIX futures term structure had a fairly substantial shift higher last week. Like the last correction in mid-August, this was mostly a parallel shift for VIX with only mild flattening in the Sep / Oct pair, not yet indicative of any acute catalyst. For now, this has the signature of a normal equity correction that we believe does not warrant VIX hedging positions. After 5 consecutive down days for stocks and a quick move toward 20 in VIX, this would be a logical spot for a pause in the weakness (i.e., rally in stocks). The VIX reaction to a rally may give some clues as to the next potential larger move for U.S. markets. Stay tuned.

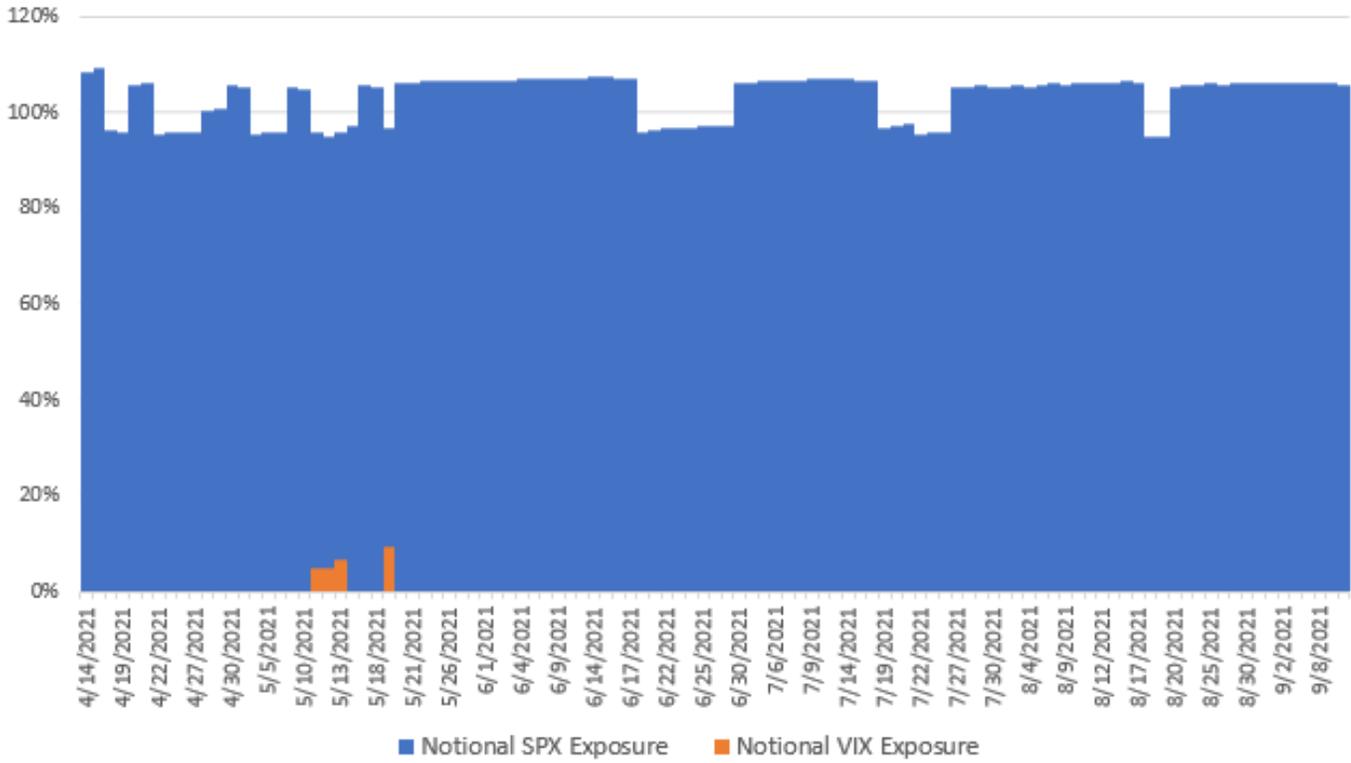
## VIX Futures Historical Prices

vixcentral.com



No changes yet for the Tactical Beta Strategy. 105% long SPX.

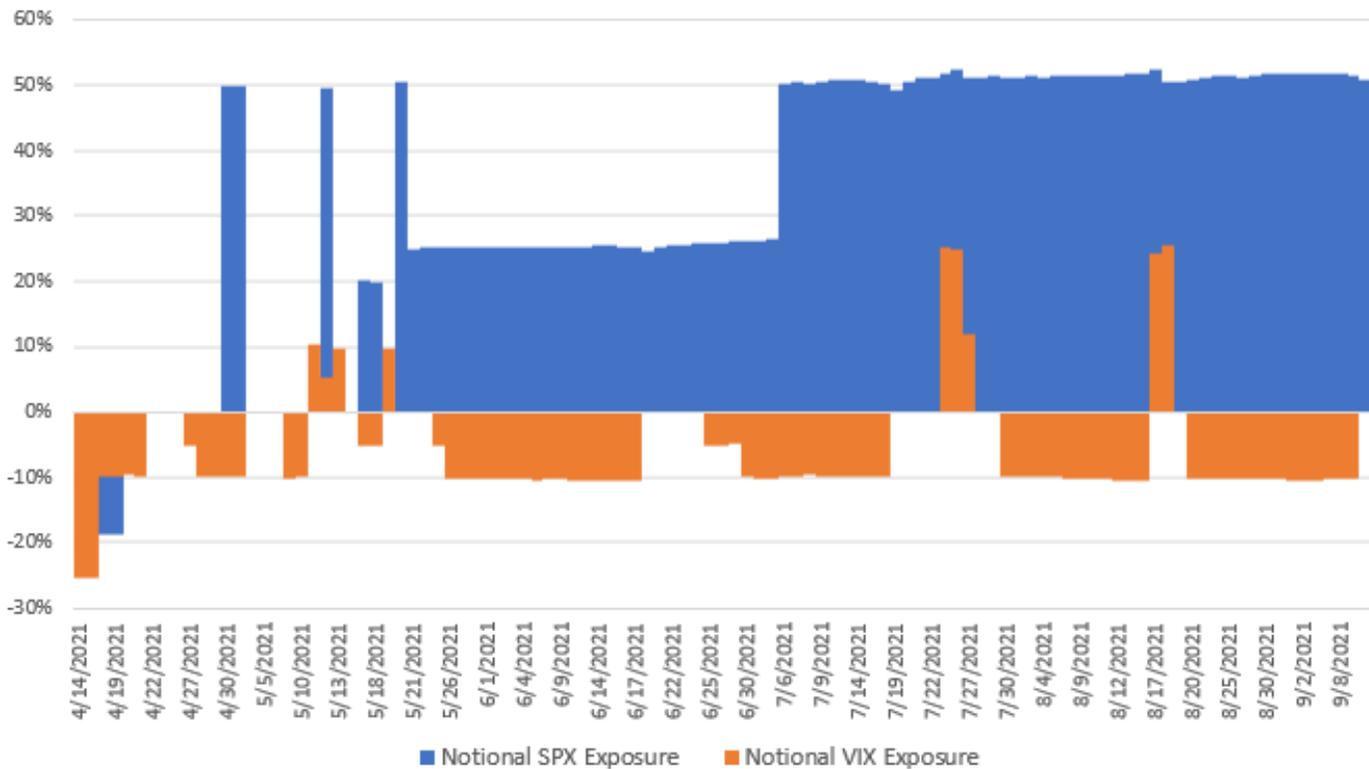
### Tactical Beta Exposure Sample Account, Trailing 100 Day as of 09/10/21



Alpha Seeker Strategy took profits on its VIX position to reduce beta to about 0.5 (i.e., 50% long SPX)

## Alpha Seeker Exposure

### Sample Account Trailing 100 Day as of 09/10/21



### 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 August 27, 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 August 27, 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® 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.*