



NEWS

Michael Mendelson Talks About Risk Parity and Market Volatility

October 9, 2015

Speaking at a JP Morgan Quantitative Conference in London on October 9, AQR Principal Michael A. Mendelson discounted assertions that risk parity investment strategies materially contributed to recent market volatility.

His remarks echoed the thoughts that he and AQR colleagues Brian K. Hurst, John Huss and Yao Hua Ooi expressed in their recent paper [“Dog Bites Man: In August, Equity Selling in Risk Parity Was a Tiny Fraction of Market Volume.”](#)

In essence, he said there are not enough assets invested in risk-parity strategies worldwide to have a material effect on global markets, even in the unlikely event that every risk-parity portfolio manager liquidated all of their assets at the same time.

The information contained herein is only current as of the date indicated, and may be superseded by subsequent market events or for other reasons. This information is not intended to, and does not relate specifically to any investment strategy or product that AQR offers. It is being provided merely to provide a framework to assist in the implementation of an investor's own analysis and an investor's own view on the topic discussed herein. Past performance is not a guarantee of future results.