



## Factor/Style Investing

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# The Death of Diversification Has Been Greatly Exaggerated (Supplement)

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Diversification into and across factors has been much more effective in reducing portfolio volatility and market directionality than asset class diversification, according to Antti Ilmanen and Jared Kizer. They make the case in [The Death of Diversification Has Been Greatly Exaggerated](#), which was published in the Spring 2012 issue of *The Journal of Portfolio Management*. The article concludes that benefits are greatest for long/short investing, which requires shorting and leverage, but are also meaningful in a long-only context.

Ilmanen is a Managing Director at AQR Capital Management in London. Kizer is Director of Investment Strategy at Buckingham Asset Management in St. Louis. Their article was awarded Best Article in the 14th Annual Bernstein Fabozzi/Jacobs Levy Awards, having been chosen from all *Journal of Portfolio Management* articles published in the previous 12 months.

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