Introduction to Risk Parity and Budgeting

Errata

October 23, 2015

- **Page 101**: [...] the two solutions are $(33.33\%, 66.67\%, 0\%)$ and $(20\%, \underline{40\%}, 40\%)$ (and not $(20\%, 20\%, 40\%)$) if the risk budgets are $(50\%, 50\%, 0\%)$.
- **Page 115**: [...] Using these figures, we deduce that $\phi = \underline{3.44}$ (and not $\phi = 0.58$).
- **Page 170, Example 25**: The cross-correlation between Asset 1 and Asset 4 is 30% and not 50%. In this case, results given in Table 3.5 are correct.

  This error was found by Siew-Phang Ng (October 2015).