

# Volatility Investors Talk Liquidity, Trading Conditions In 2019 - Cboe RMC

by [Elinor Comlay](#), Global Managing Editor

*A panel of volatility investors that included David Burkart of Coloma Capital, Will Bartlett of Parallax Volatility Advisors and Zem Sternberg of Lake Hill took to the stage at Cboe RMC to discuss everything from positioning in 2019 to investor appetite and liquidity issues.*

## **On Conditions In 2018 And Outlook For 2019**

(...) Zem of [Lake Hill](#) said in his view the same thing that worked and didn't work last year is the same thing that worked and didn't work in the last five, 10 or 15 years. It's not about the markets, it has to do with process. "If you have a very disciplined process you can make money being long options or short options," he said (...)

## **Investor Appetite**

(...) Making sure investors really understand volatility strategies is important, the portfolio managers agreed. "We spend an enormous amount of time filtering out who we should be with and who should be with us," Sternberg said. (...)

Volatility is being treated as an asset class by allocators, however, the panelists said. Adding volatility as a diversifying strategy could make up anywhere from five to 15% of an allocator's portfolio, depending on their goals and needs.

## **Market Size**

(...) Sternberg argued that the industry has been growing. "We focus on the big products... Generally, over the last decade, it's been growing," he said, adding that he thinks there is more room to grow. [Lake Hill](#) has not seen any material degradation in liquidity in terms of transaction costs, and it trades millions and millions of contracts, he said.(...)