# Key Design Choices in Long/Short Equity

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The aim of a long/short equity strategy is to convert a set of stock selection views into an efficient and diversifying source of returns. In this short article, we review the case for allocating to long/short equity and address several key choices faced by investors and by managers. Systematic or discretionary? Single-name shorts or index hedging? And how should managers combine many different views or "signals" into a single long/short portfolio? Finally, we argue that long/short equity strategies have a proven track record of delivering "cash-plus" returns in higher interest rate environments.

Investors are looking for resilient sources of return in the face of mounting headwinds for equity markets. Long/short and market-neutral equity strategies deserve consideration, and this paper highlights a few of the key decision points when navigating the asset class.

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