# Boston Partners’ Josh Jones Featured in IPE

Boston Partners Portfolio Manager Josh Jones published a contributed article in *Investments & Pensions Europe* (IPE) in November, exploring some of the distinguishing characteristics that speak to why variable long/short funds can differ so markedly from market-neutral strategies. While the differences are often overlooked during extended market expansions, the impact can be quite significant for investors who gravitate to long/short funds for stability during periods of uncertainty.

“While both categories emphasise stock selection as the driver of performance, where market-neutral strategies differ materially is in the structural barriers that impede a manager’s use of judgment,” Jones wrote. “Beyond a mandate to match the net exposure between long and short positions, many market-neutral strategies may also avoid making sector calls or will aim to offset economic factors, such as oil prices or interest rates.”

The effect, as Jones highlighted, is that market neutral funds, seeking ‘zero beta,’ are generally unable to calibrate their positioning based on the nature of the opportunity set. This can make these strategies susceptible during periods of rapid growth or prolonged downturns.

Variable long/short funds, in contrast, have more discretion to move their short exposures from as low as 20% during a cyclical downturn, when shares are undervalued, to as high as 60% (or even higher) when stock prices extend well beyond their intrinsic value.

The full article can be found here.

Josh Jones, based in London, serves as a portfolio manager on Boston Partners Global Equity and International Equity products.

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