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We are pleased to introduce a new section into *The Journal of Investing:* Mutual Funds, beginning in this issue. For many years we have published articles on mutual funds with occasional special editions focused on the topic. We are pleased to have Paul Kaplan, Director of Research at Morningstar as our Mutual Fund Section editor, along with new associate editors William Goetzmann, Yale University; Owen Lamont, University of Chicago; James Peterson, Schwab; and John Rekenthaler, Morningstar. They bring strong mutual fund expertise to our editorial team.

We lead off our Spring 2001 issue with Jeffrey's reflections on portfolio management over the last 25 years. He concludes that portfolio management is an activity that may have gotten unnecessarily complicated. This is followed by Arnott, Berkin, and Ye who examine the mismanagement of taxable assets through unnecessary capital gains realization, neglecting to harvest losses and failure to take the appropriate dividend yield tilt.

Our next article by Bierman suggests a systematic approach for evaluating stocks with extraordinary growth prospects to supplement the conventional valuation of growth companies. The objective is to compute the minimum period of extraordinary growth that justifies the current stock price. Heckman, Narayanan, and Patel follow with an examination of country and industry influences on company returns in 15 European markets. The results suggest that the industry effect is more important for large-cap than small-cap companies.

Van Eaton and Conover discuss the use of Sharpe ratio rankings to draw inferences about asset allocation. This is followed by Morey and Simpson's examination of the inability of fundamentals to predict exchange rates. Next, we have Waggle, Agrrawal, and Johnson's look at Value Line's Timeliness ranks as significant predictors of superior performance over time. Meric and Meric consider six different risk measures to compare the return performance of the world's sixteen major stock markets. Lamdin discusses the idea that repurchasing transmits cash from the corporation to the investors, thus repurchases are, in a sense, no different from the dividends. Galper outlines three business models for strategic planning in the stock exchange industry.

Our mutual fund section begins with Haslem and Scheraga discussing the consistency of Morningstar's classification of the investment styles of large-cap funds as growth, blend, and value with the groups and styles identified by cluster analysis. This is followed by a comment by Gambera, Rekenthaler, and Xia of Morningstar. Haslem and Scheraga then have a final word.

Fortin and Michelson examine whether the addition of a fund to the mutual fund supermarket programs changes the average expense for those funds.

Please provide any feedback on the new mutual fund section to: journals@investmentresearch.org.

Thanks.

Brian Bruce, Editor-in-Chief
Nick Mencher, Executive Editor