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We open our Summer 2003 issue with an analysis by Jha, Lichtblau, and Mozes of the usefulness of buy recommendations in investment decisions. The article sheds light on why investors respond to analysts' recommendations despite the potential for conflicts of interest or poor stock-picking methodologies. In the next article Arak and Foster discuss price-earnings growth ratios and why they are not a constant that can be used to decide whether a stock is cheap.

Jones and Walker describe the enhancement of corporate earnings through pension fund accounting. They conclude that the earnings of many companies with defined-benefit plans may be significantly adversely affected in the coming few years. Arnott and Darnell demonstrate sleight of hand in the use of performance numbers in investment manager selection, and offer some suggestions to improve evaluation. Ennis and Sebastian offer a case study on when and when not to use performance-based fees. Raj, Forsyth, and Tomini demonstrate a risk-adjusted performance measure focusing on downside risk and compare it to other risk-adjusted measures.

Next, Chen and Pinsky analyze direct energy investments as a separate asset class in a long-term allocation policy. Wrolstad and Krueger examine the way markets react to catastrophic events. Curcio, Kyaw, and Thornton discuss the capital asset pricing model in the context of mutual funds, where the effect of firm size and book-to-market factors is found to be reversed.

To conclude the issue, Atkinson and Sturm discuss the worth of the *USA Today* all-star mutual fund choices.

We look forward to your feedback. Please send to journals@investmentresearch.org.

Brian Bruce, Editor-in-Chief
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