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In Spring 1995 *The Journal of Investing* published a white paper entitled ''The Performance Advantage of Small Portfolio Management Firms.'' This groundbreaking paper described, analyzed and summarized data regarding the performance of U.S. equity managers. It has been quoted numerous times since its publication. The article concluded that a large percentage of managers in the top performance quartile were with firms managing less than $2.3 billion. In addition, it concluded that the smallest firms deliver their best performance in down markets. Ted Krum, the author of the 1995 paper, starts this issue with a new offering that updates the data of the earlier article and indicates that the conclusions of the first continue to be valid.

We follow this with Leinweber, who examines data mining and presents some ideas for mitigating the risks involved. Analyst factors are discussed by Au, whose findings have important implications on how to capitalize on analyst factor changes. Brush provides a flexible theory for price momentum that proposes that it is cultural. Xu examines the impact of relaxing the long-only constraint on the characteristics of portfolio alphas of a P/E strategy and concludes that it does not cause a higher downside risk. Using a recently developed variance decomposition method and a high frequency return dataset, Chiang and Leonhard examine international diversification. Anderson and Brooks show how the value premium can be significantly enhanced by measuring P/E ratios in a slightly different way and by choosing only stocks that are at the very ends of the value-glamour scale. Smith and Gould discuss the tradeoff between shortfall probability (risk) and the median value of terminal wealth (return) for retirement. We conclude this issue with Girard, Rahman, and Stone, who present a study that seeks to determine the 'true' or 'total' cost of the social constraint in Socially Responsible Mutual Funds and to ascertain whether or not a component of this cost stems specifically from poor portfolio management skills.

As always, we hope you find the articles presented useful and thought-provoking. You can e-mail comments or suggestions to us at journals@investmentresearch.org.

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