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We open our Summer issue with McQuarrie's discussion of the current state of the stock market versus that of the crash of 1929. He argues that the decline beginning in 1929 in conjunction with the recovery that followed is closer to a best case then a worst case scenario, particularly with respect to small monthly investments made over a lengthy period. This is followed by Thiagarajan's evaluation of the current economic situation and its implications for equity portfolios and asset allocation. He outlines some signals that investors should look out for which may indicate a return to calmer markets. Poutsiaka, Pohlman, and Pollard examine the perceived advantages and disadvantages for U.S. property and casualty companies to invest in equities and how these trade-offs are evaluated and reflected in asset allocation decisions. After studying whether analysts have difficulty forecasting the earnings of diversified companies, Dunn and Nathan predict that higher levels of industry diversification by a company will result in higher analyst forecast error and higher inter-analyst forecast disagreement.

Gwilyn, Clare, Seaton, and Thomas investigate the relationship between dividend yield and momentum strategies. After examining emerging equity markets, Estrada concludes that a few outliers have a massive impact on long term performance. Haslem discusses frequent trading and late trading arbitrage in mutual funds and examines the implications to shareholders. Garcia presents a simple to precisely quantify arguments for and against the shorting of stocks and discusses the results. Ferguson, Leistikow, Rentzler, and Yu analyze the impact of value estimation errors on portfolios' growth rates and relative growth rates for several portfolio weighting methods addressing the effect of estimation errors on portfolio growth rates due to increased return volatility. Capelle-Blancard and Courcec examine the impact of Socially Responsible Investing (SRI) on stock prices, and thus the pressure exerted on firms. We conclude this issue with Muhtaseb's opinion on the benefits of professional designations.

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.

Brian R. Bruce
Editor-in-Chief

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Dear Reader,

It is my pleasure to announce that the winners of the inaugural Progress Investment Management Company Emerging Manager Research Award Best Research Prize are Rajesh Aggarwal (Carlson School of Management at the University of Minnesota) and Philippe Jorion (Paul Merge School of Business at the University of California–Irvine) for their article "The Risk of Emerging Hedge Fund Managers." This article, along with other articles accepted for publication, appear in this issue of *The Journal of Investing.* I congratulate them on winning the first annual Progress Emerging Manager Award.

I would very much like to thank everyone who submitted papers in pursuit of the award and congratulate those whose papers were accepted for publication in *The Journal of Investing.* Although only one article can earn the award and not all submissions could be published, the committee and I were pleased with the work we received in this very important and growing area of inquiry. We hope and trust that both academics and practitioners will continue with research on emerging managers and will submit such work in future years to be considered for this award.

I would like to formally thank the members of the Judges Committee, who include Dan diBartolomeo (Northfield Information Services, Inc.), Alex Hsiao (Progress Investment Management Company), David Musto (The Wharton School), and Mansco Perry III (Maryland State Retirement System), for their service in examining submitted work. In addition, I would like to thank Brian Bruce, the editor of *The Journal of Investing,* and Allison Adams, the journal's publisher at Institutional Investor Journals, for providing a venue for the publication of the selected papers. Finally, I would like to thank Thurman V. White, Jr. and his colleagues at Progress Investment Management Company for establishing and funding this award and the competition. It is our shared and realized hope that the Progress Emerging Manager Award would support rigorous research on the quality and characteristics of emerging investment managers now and in the future.

With best regards,

Christopher C. Geczy
Academic Director, Wharton Wealth Management Initiative
Special Section Editor, *The Journal of Investing*

Call for Papers: *Call for Papers: we are accepting article submissions for the next Emerging Manager Research Award. All accepted submissions will be eligible to win the Best Research Award Prize, and for publication in* The Journal of Investing*'s Special Section dedicated to EmergingManager Investing. For more information please email: Deborah Trask, Managing Editor, journals@investmentresearch.org, and Cc: Chris Geczy, Special Section Editor, geczy@wharton.upenn.edu, Subject line: EmergingManager Research.*

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