

THE JOURNAL OF  
**INVESTING**

VOLUME 19, NUMBER 2

SUMMER 2010

**BRIAN R. BRUCE** Editor-in-Chief  
**NICK MENCHER** Executive Editor  
**DEBORAH TRASK** Managing Editor

**HARRY KATZ** Production and Technology  
Director

**ANDREW O'DONNELL** Director of Marketing  
**JOANN LIN** Associate Marketing Manager

**SEGAL BENGIGI** Global Digital Sales Manager

**PETER JUNCAJ** Head of Subscription Sales  
**TRISTAN EFREMNKO** Account Manager  
**MEAGHAN ANDERSON** Account Manager

**DEWEY PALMIERI** Reprints Manager

**KELVIN LOUIE** Senior Fulfillment Manager  
**EMPERATRIZ MIGNONE** Fulfillment Manager

**STEVE KURTZ** Director, Finance & Operations  
**ALINA LEONOVA** Business Manager

**DAVE BLIDE** Associate Publisher  
**SAMANTHA RALPH** Group Graphic Designer

**ALLISON ADAMS** Group Publisher  
**GARY MUELLER** Chairman & CEO

**W**e lead off our Summer issue with Mozes and Cooks, who examine equity market valuations and the subsequent equity market returns. They determine that the relationship between favorable equity market valuations depends on the extent to which the reasons for the valuations are likely to be observed by investors. Haslem presents a new total expense ratio that is built on the concept of normative transparency disclosure. Following that, Wright, Diavatopoulos, and Felton provide an overview of Exchange-Traded Notes. Blanchett examines Vanguard's actively managed mutual funds to determine if managers with positive attributes generate alpha. Haber, Braunstein, and Mangiero discuss the marketing of a new alternative asset fund during the life of other funds.

Next, Zhou and Shon examine the question of whether divergent opinions explain the value premium, and their examination casts some doubt. Borkovec, Domowitz, Kiernan, and Serbin illustrate the effects of incorporating cost estimates into mean-variance portfolio construction. Lewis examines the expectations for target-date investment funds over the long term. Then follow Bhuyan, Cheshier, and Travis, who discuss the practical use of the predictive power of the options market for the S&P 500 index. Riley examines investment in precious metals and their potential importance in coming years.

With this issue of *Journal of Investing*, we begin having a dedicated topical section in each issue. Following the success of our many Institutional Investor Guides, we believe there are smaller topics that deserve closer examination. You might consider these sections as mini-guides. In this issue, we cover the hot topic of transition management. With all of the restructuring starting to take place in portfolios this year, transition services could not be more needed and relevant as a topic. Going forward we expect to have sections on socially responsible investing and quantitative management. We hope this new focus will continue to provide you with the most usable and cutting-edge institutional investment articles.

As always, we welcome your submissions. We also value your comments and suggestions, so please email us at [journals@investmentresearch.org](mailto:journals@investmentresearch.org).

**Brian R. Bruce**  
Editor-in-Chief

**Publisher's Note:**

*We are listening! The Journal of Investing has a new look, presents even more practical and applicable articles and will include a special section of interest to our readers in every issue. JOI's Editor, Brian Bruce offers that "JOI is a readable journal where you'll find at least one investable idea in every issue." We welcome your feedback and if there is a trend or topic which you feel merits some more depth, please send it along and we will consider it for our special section. We hope that you enjoy both reading JOI and visiting Institutional Investor Journals' research platform at [www.iijournals.com](http://www.iijournals.com) <<http://www.iijournals.com>> or [www.iijoi.com](http://www.iijoi.com) <<http://www.iijoi.com>>. We look forward to hearing from you and thank you for you subscribing to The Journal of Investing.*

**Allison Adams**  
Group Publisher, Institutional Investor Journals, [aadams@iijournals.com](mailto:aadams@iijournals.com)