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Although studying investor overreaction to economic events has been a popular research topic in finance, far less attention has been given to investor overreaction to certain firm characteristics during economic events. We open our Summer issue with Wang, Meric, Liu, and Meric, who use data from the 2008 stock market crash and demonstrate that large firm returns respond faster after an event but also lead small firm returns in the downward direction. This is followed by Cornell who presents an alternative interpretation of regressions of future returns on dividend-price ratios in predicting expected returns of common stocks. Volpert examines the record of long-term interest rates predicting stock market returns and whether this is just chance. Rao, Tang, and Chandrashekar respond to the question of whether corporate cash holdings predict stock returns concluding that this matters more in dramatic upswings.

In Japan, management forecasts can provide important information about companies' future earnings. Xu discusses investors' reactions to this information. Klonowski examines the public equities markets in Poland in comparison to other emerging markets and concludes it to be an important consideration for investors due to the strong returns and favorable economic conditions. Next, Kaushik analyzes actively managed U.S. domiciled funds that invest in international stocks, focusing on their performance and provide trading strategies for retail investors who would like international fund exposure. McKeon focuses on the actual returns investors receive from trading options.

Our special section in this issue is on quantitative risk management. We feature Melamed, Labuszewski, and Ro's perspective on financial risk in the modern world, Hallerbach and Houweling's discussion of the flaws in the default premium. De Santiago and Estrada's assessment of the effects on expected, observed and simulated performance when maximizing a portfolio's geometric mean and Zhao and Paget-Brown's examination of idiosyncratic risk and hedge fund performance.

As always, we welcome your submissions. We value your comments and suggestions so please email us at journals@investmentresearch.org.

Brian Bruce
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