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Active management theory suggests that breadth is the key to success in active management through a high information ratio, but Siegel and Scanlan demonstrate that high conviction is another route to a high information rate. They open the Fall 2014 issue with a discussion of how one might conduct the fundamental analysis leading to high-conviction portfolios. Pyles and Wang study the effects of such factors as top executives' compensation and firm earnings management on the recovery of an underperforming firm. This is followed by the Yin, Peasnell, Lubberink, and Hunt article examining how sell-side analysts select the price–earnings multiples for the firms they follow. Domian and Nanigian use a variety of risk metrics and evaluate the benefits of diversification among funds based on their quintile rank of R^2. Next Chaudhury investigates the effect of the recent financial crisis on the behavior of stock prices.

Our special section this issue is on style investing. Howell and Krishnan test their belief that the prevailing Treasury term structure gives important information about the desired investment time horizon of investors. Next Feldman discusses the relative ability of the Russell Stability Style Indexes to identify company risk. Meziani studies whether investing with environmental, social, and governance (ESG) issues in mind has turned into a compelling investment premise for fund managers. This is followed by Schwartz and Gannatti's presentation of the three most common myths as to why investors fail to hedge their currency exposure. Efremidze, DiLellio, and Stanley examine the feasibility of market timing between large-capitalization value and growth portfolios.

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

Brian Bruce
Editor-in-Chief

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