THE JOURNAL OF

INVESTING

VOLUME 23, NUMBER 4 WINTER 2014

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

HARRY KATZ Content Production Director
DEBORAH BROUWER Production/Design

CATHY SCOTT Content Director

SHARON CHIEN Marketing Manager

DAVID MARKS Account Manager

DENISE ALIVIZATOS Account Manager
WILLIAM LAW Regional Sales Manager

DEWEY PALMIERI Reprints Manager

VINCENT YESENOSKY Head of U.S. Fulfillment
CHERLY BONNY Customer Service Manager

BEN CASTLE Finance Manager
SEAN CASEMENT Business Manager

DAVE BLIDE Associate Publisher
BHUVNA DOSHI Digital Advertising Operations

DAVID ANTIN CEO
ALLISON ADAMS Group Publisher

Our Winter issue opens with Minahan's suggestion that pension liability valuation rules are inconsistent with the principles of economics. He discusses the decision environment that hinders the consideration of economics by pension decision makers and makes suggestions for action. Israel and Maloney discuss risk and style premia, focusing on reliable sources of long-run investment returns. This is followed by Griffith's examination of the fundamental quality of companies with listed equities in the frontier markets versus the emerging markets. Okunev investigates whether lifestyle and lifecycle products offered by the mutual fund industry are designed to maximize terminal wealth of investors. This is followed by Slivka and Zhang, who discuss a practical comprehensive survey of derivatives presently trading within frontier markets, assessing the array of derivative types and their uses by money managers. Palkar, Stimes, and Wilcox present a mathematical model for explaining the premiums and discounts to net asset value for closed-end funds.

Our special section in this issue is on global modeling. Guerard's study shows that global composite stock selection models and earnings forecasting can be effectively implemented using fundamental and statistical risk models and traditional mean-variance portfolios, enhanced index-tracking portfolios, and tracking error at risk portfolios. This is followed by Lim and Tower's examination of fundamental index funds and traditional index funds to determine which offered better returns. Gadzinski and Moscato assess investors' risk and loss aversion and conclude by recommending that financial institutions quantitatively formalize the assessment of risk aversion in order to match their offers with their clients' individual characteristics. Next, Miller, Xu, and Guerard demonstrate the effectiveness of the Barra Aegis system and Barra factor model to construct portfolios representing popular and well-established investment management strategies and attribute the performance of these portfolios to the Barra factors. Drewes and Pokutta examine the maximization of the expected logarithmic utility, or equivalently, the geometric mean of a portfolio. We conclude this issue with Beheshti's presentation of an earnings forecasting model that employs forecasted earnings yield, earnings per share forecast revisions, and breadth of earnings per share forecasts to serve as a stock selection model.

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

Brian Bruce
Editor-in-Chief

Downloaded from https://joi.pm-research.com by guest on April 20, 2021. Copyright 2014 Pageant Media Ltd.