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Reichenstein's groundbreaking study leads off our Winter 1999 issue. His amazing work suggests that the main difference in performance among various bond funds is the investment management fees charged. If this finding is correct, it suggests that no skill is exhibited on the part of the bond managers and that buyers should simply shop for the fund with the lowest fees.

Our next article by Waring and Attwood, significantly expanding on an earlier work published in this journal by Bruce and Eisenberg, examines whether to invest internationally using stocks or futures. Their conclusion suggests futures may play a long-term role in a portfolio.

This is followed by Ryan's discussion of the need for accurate liability term structure definition and measurement to eliminate ambiguity in plan sponsors' asset allocation and performance measurement. Next, we have Rajan and Tamimi who examine the results of investing in companies who have adopted total quality management, followed by Chieffe who suggests that retirement portfolios should be rebalanced based on a change in risk aversion rather than conditions in the financial markets.

In our next article, Collins makes the point that it is just as important for advisors to monitor passive mutual funds as actively managed investments. Lamm brings us an interesting discussion of the use of hedge funds to significantly improve performance. We conclude the issue with our continued coverage of Social Security privatization. Shipman examines the transition costs associated with conversion to a private system.

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