Our Summer issue opens with Sebastian’s discussion of alternative investments like private equity, real estate and hedge funds and their advantage in risk and return over traditional stock and bond investments. Danielsen, Barabanov, Schweers and Sullivan propose a methodology to merge actuarial concepts like mortality probability with traditional portfolio and investment concepts like mean/variance analysis. The increased complexity of financial markets and greater computing power were the impetus of research by Aw, Dominic and Jiang on a means of combining quantitative and fundamental techniques. Gray and Vogel explore the use of net-debt paydown as a way to further enhance shareholder yield. Murphy, Fu and Bensschevel explore the use of information on bond yield spreads for estimating the price of risk in the market.

Fung, Ko and Yau discuss dim sum bonds and the opportunities and risks to investors wanting to diversify their investment with an emerging asset class. Sum analyzes the stock risk premiums and risk adjusted returns of the best companies to work concluding that firms for better when they take care of their employees. Tuesta and Herrera take a long term perspective in their presentation on pension fund investment returns in Chile, Peru and Mexico. Tonca provides a commentary on some of the factors behind IPO’s long run losses.

Our special section this issue is on volatility. Daviou and Paraschiv analyze the reaction of the S&P 500 returns to changes in implied volatility given by the VIX index. Maymin, Maymin and Fisher demonstrate that the profitability of time-series momentum strategies on commodity futures is strongly sensitive to the starting day. Kapoor and Shrivastava examine extreme events in the market to determine which extreme value can be better estimated monthly, quarterly or yearly.

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

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Editor-in-Chief