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We open our Winter issue with Gander, Leveau and Pfiffner's discussion of categorization of indices in order to help investors more clearly decipher indexing methods. This was based upon their observation of the debate on labeling certain investments. Next, Thatcher reviews the Purity Hypothesis looking at the effects of managers straying from their size and valuation style boxes. Haslem presents a Total Cost Construct designed to provide normative transparency of disclosure to fund shareholders. This is followed by Deng, McCann and Wang study the effectiveness of VIX ETPs to hedge against stock market losses. In addition, they examine the effectiveness of VIX ETPs in hedging Leveraged ETFs.

Shum and Chen examine the unique qualities of Exchange Traded Funds focusing on the drivers of asset growth in both the individual and institutional marketplaces. This is followed by Soe's analysis of low volatility strategies focusing on mean variance optimization and rankings-based approaches. The analysis is applied to both U.S. equity and international and emerging markets. We conclude this issue with Curcio, Anderson and Guirguis who examine the effect of tracking error with leveraged ETFs in real estate portfolios concluding that leveraged ETFs can be a valuable tool when properly and judiciously monitored.

We welcome your submissions. Please encourage those you know who have good papers or have made good presentations on indexing, ETFs, mutual funds or related subjects to submit them to us. We value your comments and suggestions so please email us at journals@investmentresearch.org

Brian R. Bruce
Editor-in-Chief

Note:

Referring to Terrance Jalbert's article, "The Performance of Currency Value-Adjusted Stock Indices," Fall 2012 (pp. 34-48), there was a formatting issue with one of the formulas. The formula presented in Exhibit 6 should be: $ACHG = \ln \frac{P_{12/31,t}}{P_{12/31,t-1}}$. $P_{12/31,t}$ is the price on December 31, of year t. $P_{12/31,t-1}$ equals the price on December 31 of the previous year. We apologize for any confusion.

Publisher's Note:

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