

**Research Papers and Articles**

This report lists selected research papers and articles published over the past 3 months, in academic journals and periodicals, industry publications, as well as popular magazines and newspapers, that may be of interest to trustees and staff of large institutional funds in North America.

AUTHOR(S)	TITLE	PUBLICATION	DATE
<b>Alternative Investments</b>			
<p>C. Mitchell Conover , Gerald R. Jensen , Robert R. Johnson , and Jeffrey M. Mercer</p>	<p><b>Is Now the Time to Add Commodities to Your Portfolio?</b></p> <p><b>Summary or Abstract:</b> With the recent increase in equity volatility, commodity investments have garnered significant attention from investors. Previous research has found substantial benefits associated with commodity investments, but there remains considerable uncertainty regarding the consistency and general applicability of those benefits for equity investors. This article provides evidence that helps to resolve some of the uncertainty with regard to commodity investments. Specifically, based on a sample period of 36 years, it shows substantial benefits to commodity investments regardless of the equity style an investor pursues. Obtaining a significant benefit, however, requires a commodity allocation greater than 5%. Interestingly, adding a commodity exposure enhances an equity portfolio's return only during periods when the Federal Reserve is increasing interest rates, which is consistent with the belief that a major attraction of commodities is that they serve as an inflation hedge. Furthermore, an allocation to commodities in a tactical asset allocation using monetary conditions consistently outperforms both a strategic commodities allocation and an all-equity portfolio.</p> <p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/joi.2010.19.3.010">http://www.ijournals.com/doi/abs/10.3905/joi.2010.19.3.010</a></p>	<p>Journal of Investing</p>	<p>Fall 2010</p>
<p>Jason Hsu, Feifei Li, and Vitali Kalesnik</p>	<p><b>Does Valuation-Indifferent Indexing Work for the Real Estate Market?</b></p> <p><b>Summary or Abstract:</b> The concept of valuation-indifferent indexing was examined by Arnott, Hsu and Moore in their 2005 article "Fundamental Indexation". They showed that an index with weights based on company financial fundamentals outperformed corresponding capitalization weighted indexes for the period 1962-2004. This article extends this concept to real estate. It examines the performance of the concept when applied to listed commercial real estate holding and investment companies and real estate investment trusts (REITs)</p> <p><b>Web link:</b> <a href="http://www.iinews.com/site/pdfs/JOI_Fall_2010_RALLC.pdf">http://www.iinews.com/site/pdfs/JOI_Fall_2010_RALLC.pdf</a></p>	<p>Journal of Investing</p>	<p>Fall 2010</p>
<p>Michael C. Hudgins</p>	<p><b>Why Real Estate Now</b></p> <p><b>Summary or Abstract:</b> While the fixed income market and to a more limited extent the equity market rebounded dramatically over mid to late 2009, the commercial real estate market failed to spring back. If public concern with the availability of debt and possible foreclosures wasn't enough, the fact that leading commercial real estate price indices continued to decline over all of 2009 eliminated any rationale for considering an investment in real estate. However, the commercial real estate market now finds itself at its cyclical trough, and while the trajectory of the economic recovery can be debated, a recovery is what lies ahead, even if only "L+ shaped."</p> <p><b>Web link:</b> <a href="http://www.jpmorgan.com/cm/Satellite/Why_Real_Estate_Now.pdf?blobcol=urldata&amp;blobheader=application%2Fpdf&amp;blobkey=id&amp;blobtable=MungoBlobs&amp;blobwhere=1158607455042&amp;ssbinary=true">http://www.jpmorgan.com/cm/Satellite/Why_Real_Estate_Now.pdf?blobcol=urldata&amp;blobheader=application%2Fpdf&amp;blobkey=id&amp;blobtable=MungoBlobs&amp;blobwhere=1158607455042&amp;ssbinary=true</a></p>	<p>J.P. Morgan</p>	<p>October 2010</p>

AUTHOR(S)	TITLE	PUBLICATION	DATE
John Casano	Global Macro Hedge Fund Investing: An Overview of the Strategy	New England Pension Consultants (NEPC)	October 2010
	<p><b>Summary or Abstract:</b> Since the latter half of 2007, a number of significant macroeconomic factors have dominated the global investment landscape. What started out as a bursting of the housing bubble in the United States turned into a cascading series of events that eventually threatened the entire global financial system in 2008 and 2009. The following issues lay at the heart of the financial crisis: ill-conceived and poorly constructed financial derivatives products, an overleveraging of consumer and financial institutions, the collapse of the housing market, a slowdown in consumer spending and, consequently, a precipitous fall in employment. As a result, many fundamental investment strategies based on micro-level analysis of company-specific situations have had their difficulties. During this time, however, an investment strategy that has differentiated itself — both in terms of producing positive absolute returns and in assisting to diversify the risks of institutional portfolios — has been global macro.</p>		
	<p><b>Web link:</b> <a href="http://www.nepc.com/research/70-global-macro-hedge-fund-investing-an-overview-of-the-strategy">http://www.nepc.com/research/70-global-macro-hedge-fund-investing-an-overview-of-the-strategy</a></p>		
Juan Carlos Artigas	Rediscovering Gold As An Asset Class	Journal of Indexes	November / December 2010
	<p><b>Summary or Abstract:</b> In recent years, investors have become more aware of the value gold can add to their portfolio. However, many do not realize that all the characteristics gold brings to an investor's portfolio (diversification, risk management, and store of wealth) are underpinned by supply and demand dynamics that have undergone important developments in recent years. The global nature of the gold market and its diverse uses make it a unique asset. Here, we discuss the role that investment, jewelry, technology and official sector purchases play in the gold market.</p>		
	<p><b>Web link:</b> <a href="http://www.indexuniverse.com/publications/journalofindexes/joi-articles/8239-rediscovering-gold-as-an-asset-class.html">http://www.indexuniverse.com/publications/journalofindexes/joi-articles/8239-rediscovering-gold-as-an-asset-class.html</a></p>		
<b>Asset Allocation</b>			
Laurence B. Siegel	First, Let's Kill All the Liabilities	Journal of Portfolio Management	Fall 2010
	<p><b>Summary or Abstract:</b> Shouldn't we all be liability-driven investors? The answer is yes, but that answer is incomplete. Portfolios should be invested 100% in the riskless asset, and should, in addition, be invested in risky assets to the extent the sponsor has the risk tolerance and cash flow to support such risk taking. Investors who choose to take this advice will probably hold risky assets directly, while synthesizing the liability hedging dual duration exposures using interest rate futures.</p>		
	<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.001">http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.001</a></p>		
Susan Gosling	A Scenarios Approach to Asset Allocation	Journal of Portfolio Management	Fall 2010
	<p><b>Summary or Abstract:</b> A number of different approaches to asset allocation are used by practitioners, including purely qualitative assessment, simple mean-variance analysis, and more complex multifactor modeling. Since Markowitz published his seminal paper in 1952, however, approaches that rely on the selection of particular parametric return distributions, on summary measures of risk, and on historical data as an indicator of the future still remain widespread. Little doubt exists that such reliance has resulted in serious mismeasurement of risk and misallocation of assets. In this article, Gosling proposes an alternative approach that makes more complete use of the information available about the future and virtually forces serious consideration of different time frames, alternate outcomes, and tail risk. The depth of information provided about risk and diversification is also a principal benefit of the approach. The information is not provided by forecasting the future, but by describing what could happen. These changes have the potential to make a significant difference to long-term investment outcomes.</p>		
	<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.053">http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.053</a></p>		

AUTHOR(S)	TITLE	PUBLICATION	DATE
Frederick E. Dopfel	<b>Designing the New Policy Portfolio: A Smart, but Humble Approach</b>	<b>Journal of Portfolio Management</b>	<b>Fall 2010</b>
<p><b>Summary or Abstract:</b> Is the policy portfolio dead? Should investors replace strategic policy with tactical portfolios? These challenging questions have arisen lately as investors have suffered rare downside events and are facing a more uncertain future. In this article, Dopfel attributes the recently experienced, surprisingly wide dispersion of investment returns to the presence of economic and financial market regimes—both good and bad. A regime framework, though, presents new challenges for a strategic policy portfolio because optimal portfolios vary greatly depending on the presumed regime and its underlying investment assumptions. In this setting, the investment performances of two strategic investors—“Naive” and “Smart, but Humble”—are compared with the performances of two tactical investors—“Myopic” and “Prophetic.” As their nicknames suggest, the hypothetical investors possess differing levels of skill in their abilities to forecast regimes. The Smart, but Humble investor provides a model for the new policy portfolio by setting a strategic policy that accounts for the additional uncertainty associated with regime shifts (i.e., smart), while declining to time the market (i.e., humble).</p>			
<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.043">http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.043</a></p>			
Ronald J. Ryan	<b>Liability Index Fund: The Beta Portfolio for LDI</b>	<b>Journal of Index Investing</b>	<b>Fall 2010</b>
<p><b>Summary or Abstract:</b> This article deals with a Custom Liability Index (CLI) as the best representation of the client objective when it is a liability-driven objective. Once installed, all asset functions should be in harmony with the true objective, unlike tradition where the objective is market driven, leading to an asset-only operation. Asset allocation should focus on the funded ratio (market value of assets and liabilities), and alpha and beta need to be redefined with a liability objective. The core portfolio should be a Liability Index Fund (beta portfolio). Alpha is the excess return versus liabilities, and performance measurement should be the risk–reward comparison of asset growth versus liability growth. All of these asset functions require a CLI to measure and manage.</p>			
<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jii.2010.1.2.044">http://www.ijournals.com/doi/abs/10.3905/jii.2010.1.2.044</a></p>			
<b>Currency Management</b>			
Gavin Francis	<b>New Approaches to Global Currency Management</b>	<b>BNY Mellon</b>	<b>October 2010</b>
<p><b>Summary or Abstract:</b> With the rise of global investing, we believe that a well-defined currency hedging policy at the total portfolio level is more important than ever. In particular, we think it is critical for investors to distinguish between currency translation risk that comes with investing abroad and the currency alpha risk that results from positions taken by managers of absolute return currency strategies and global macro mandates.</p>			
<p><b>Web link:</b>  <a href="http://us.bnymellon.com/core/library/documents/knowledge/AssetAllocation/sPareto_GblCurrency.pdf">http://us.bnymellon.com/core/library/documents/knowledge/AssetAllocation/sPareto_GblCurrency.pdf</a></p>			
<b>Defined Contribution &amp; 401(k) Plans</b>			
McKinsey & Company	<b>Winning in the Defined Contribution Market of 2015</b>	<b>McKinsey &amp; Company</b>	<b>September 2010</b>
<p><b>Summary or Abstract:</b> Despite a trillion-dollar decline in assets during the recent financial crisis, DC has surpassed private defined benefit (DB) as the major pool of retirement funds with \$4 trillion in assets. Although faced with the prospect of \$2 trillion in outflows over the next five years due to retiring baby boomers, DC will continue to thrive, with an equal level of new contributions. However, the basis for competition in DC is shifting. The precipitous decline in participants’ assets at the height of the financial crisis raised awareness of U.S. retirement readiness, which fell to 63 percent in 2009/10, and elevated DC to an even more prominent position on employer, participant and government agendas. The resulting changes in priorities and preferences among these groups have profound implications for industry players and will reshape the competitive environment.</p>			
<p><b>Web link:</b>  <a href="http://www.mckinsey.com/client/service/Financial_Services/Knowledge_Highlights/~media/Reports/Financial_Services/DC_2010_Final.ashx">http://www.mckinsey.com/client/service/Financial_Services/Knowledge_Highlights/~media/Reports/Financial_Services/DC_2010_Final.ashx</a></p>			

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Northern Trust	The Path Forward: Designing the Ideal Defined Contribution Plan	Northern Trust	October 2010
	<p><b>Summary or Abstract:</b> This study represents the first in an annual series that will examine candid perspectives of leading industry practitioners regarding DC challenges and potential solutions. This research initiative translates the insights from these plan sponsor and consultant conversations into:</p> <ul style="list-style-type: none"> <li>▪ Key characteristics of the ideal DC plan;</li> <li>▪ Practical solutions that can be applied now; and</li> <li>▪ Thought-provoking ideas for DC plans in the future.</li> </ul>		
	<p><b>Web link:</b> <a href="http://www.northerntrust.com/popups/popup_noprint.html?http://www-ac.northerntrust.com/content//media/attachment/data/reports/1010/document/PathForward.pdf">http://www.northerntrust.com/popups/popup_noprint.html?http://www-ac.northerntrust.com/content//media/attachment/data/reports/1010/document/PathForward.pdf</a></p>		
<b>Equity Management</b>			
Stan Beckers and Jolly Ann Thomas	On the Persistence of Style Returns	Journal of Portfolio Management	Fall 2010
	<p><b>Summary or Abstract:</b> Most actively managed portfolios have either a transient or a permanent style bias. The question of whether style returns can be forecasted or timed is therefore intriguing. In this study, Beckers and Thomas focus on the persistence and predictability of the Barra style returns in the U.S., Europe, and Japan. Most of these style factors have, at times, been rewarded with significant risk premia. The authors show that actively betting on the persistence of historically significant style returns leads to noticeable outperformance as demonstrated by high information ratios. Exactly capturing the style returns is not straightforward, however. The authors thus analyze whether long-only and 130/30 style-tilted portfolios can approximate the desired style effects. Although these portfolios cannot fully replicate the pure style return, they are still extremely useful as part of a diversified style overlay strategy. The authors' results indicate that style-tilted overlays can enhance the arsenal of active portfolio managers and that a judiciously diversified exposure to style-tilted overlays would have added significant value in the past.</p>		
	<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.015">http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.015</a></p>		
Jason Hsu, Vitali Kalesnik, and Himanshu Surti	An Examination of Traditional Style Indices	Journal of Index Investing	Fall 2010
	<p><b>Summary or Abstract:</b> For investors using a core-satellite approach to strategic asset allocation, traditional style indices, such as value and small cap indices, represent convenient passive vehicles for achieving strategic or even tactical portfolio tilts. In this article, the authors examine traditional style indices using the Fama-French three-factor analysis. They find that most of the style indices exhibit a negative Fama-French alpha and statistically conclude that traditional style indices are suboptimal means for creating style tilts in portfolios. They posit that the source of the sub-optimality comes from the cap-weighted construction methodology, which these indices are rooted in and demonstrate that using a simple non-price-weighted approach for creating the style indices would result in more efficient exposures.</p>		
	<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jii.2010.1.2.014">http://www.ijournals.com/doi/abs/10.3905/jii.2010.1.2.014</a></p>		
Edward F. McQuarrie	The Chimera of Small Stock Outperformance: Market Anomaly or Investor Self-Deception?	Journal of Investing	Fall 2010
	<p><b>Summary or Abstract:</b> Many investors suppose the outperformance of small stocks to be settled knowledge backed up by academic research. This article shows that the historical evidence for small stock outperformance is much more ambiguous than conventionally understood. Based on truncated views of the historical record and a misinterpretation of what the academic research shows, investors appear to have deceived themselves about the performance boost to be expected from owning smaller stocks.</p>		
	<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/joi.2010.19.3.050">http://www.ijournals.com/doi/abs/10.3905/joi.2010.19.3.050</a></p>		

AUTHOR(S)	TITLE	PUBLICATION	DATE
Xiaowei Kang, Frank Nielsen and Giacomo Fachinotti	The “New Classic” Equity Allocation?	MSCI	October 2010
<p><b>Summary or Abstract:</b> The recent financial crisis led many institutional investors to review their asset allocation policies and explore alternative approaches to implementation. MSCI recently held discussions around the world with major pension plans, asset managers, and investment consultants to understand different approaches to implementing equity allocation. Based on these consultations and our own research, this research insight provides a framework for the implementation of global equity allocation. In summary, our findings suggest that global equity mandates, often complemented by dedicated emerging market and small cap specialist mandates, may be emerging as the “new classic” structure for implementing equity allocation.</p>			
<p><b>Web link:</b>  <a href="http://www.msibarra.com/research/articles/2010/The_New_Classic_Equity_Allocation%28Oct%202010%29.pdf">http://www.msibarra.com/research/articles/2010/The_New_Classic_Equity_Allocation%28Oct%202010%29.pdf</a></p>			
Timothy Bruce and Kristin Reynolds	Improving Equity Portfolio Efficiency: The Case for Long/Short Equity	New England Pension Consultants (NEPC)	November 2010
<p><b>Summary or Abstract:</b> In this paper, we focus on complementing long-only equity programs with long/short equity. We discuss how long/short hedge funds seek to achieve a more efficient return, or higher Sharpe ratio, than traditional long-only managers.</p>			
<p><b>Web link:</b> <a href="http://www.nepc.com/research/68-improving-equity-portfolio-efficiency-the-case-for-long-short">http://www.nepc.com/research/68-improving-equity-portfolio-efficiency-the-case-for-long-short</a></p>			
<b>Fixed Income Management</b>			
Hayden Briscoe and Phillip Gould	Investing in an Era of Uncertainty	AllianceBernstein	September 2010
<p><b>Summary or Abstract:</b> The 2008–2009 global recession marks, in our view, a turning point from an era of prolonged, moderate economic growth and inflation to one of increased volatility. This has profound implications for portfolio returns and investment strategies. In this paper, we outline the changes and the risks as we see them, and present a bond strategy that we regard as right for the times—defensive, while seeking to deliver a competitive return above cash.</p>			
<p><b>Web link:</b> <a href="https://www.alliancebernstein.com/Research-Publications/White-Papers/Bond-Strategy/Stories/Investing-in-a-New-Era_WP.htm">https://www.alliancebernstein.com/Research-Publications/White-Papers/Bond-Strategy/Stories/Investing-in-a-New-Era_WP.htm</a></p>			
Gershon Distenfeld and Ashish Shah	High Yield: Equity-Like Returns... with Half the Risk?	AllianceBernstein	October 2010
<p><b>Summary or Abstract:</b> Investors often think of high-yield bonds as simply another component within a fixed-income allocation. But strong risk-adjusted return potential and a low correlation to other investments may argue for giving high yield its own seat at the asset-allocation table. Instead of stereotyping high-yield bonds because they “look like bonds,” our research suggests that investors should consider high-yield bonds as a worthy replacement for part of a portfolio’s equity exposure—or even as a standalone allocation distinct from stock and bond exposure.</p>			
<p><b>Web link:</b> <a href="https://www.alliancebernstein.com/Research-Publications/Research-Articles/Whats-in-a-Name/Stories/Contents-Text-HighYield-EqLkRet.htm">https://www.alliancebernstein.com/Research-Publications/Research-Articles/Whats-in-a-Name/Stories/Contents-Text-HighYield-EqLkRet.htm</a></p>			
Rob Arnott	Debt Be Not Proud	Journal of Indexes	November / December 2010
<p><b>Summary or Abstract:</b> If we do not believe that prices are always and everywhere correct, then we should be curious about debt levels, as measured against a borrower’s ability to meet their debt obligations. In other work, we’ve examined this very question. We find that a Fundamental Index methodology applied to bonds—weighting companies according to the size of their business, or weighting countries according to the size of their economy—adds considerable value, relative to cap weighting.</p>			
<p><b>Web link:</b> <a href="http://www.indexuniverse.com/publications/journalofindexes/joi-articles/8237-debt-be-not-proud.html">http://www.indexuniverse.com/publications/journalofindexes/joi-articles/8237-debt-be-not-proud.html</a></p>			

AUTHOR(S)	TITLE	PUBLICATION	DATE
<b>Governance</b>			
Brian Golob	<b>Due Care – the Forgotten Fiduciary Duty</b>	Russell Investments	September 2010
<p><b>Summary or Abstract:</b> The fiduciary standard of conduct is generally considered the highest standard of conduct under the law. So much is made of independence and conflicts analysis (based on the duty of loyalty) that we often forget the real value of an advisor. Beyond the need for disclosure, transparency, and management of conflicts of interest, due care is the need for seasoned expertise. This research explains why due care is a higher standard of care that investors should demand from their advisors.</p>			
<p><b>Web link:</b>  <a href="http://www.russell.com/institutional/research_commentary/PDF/Due_care_forgetting_fiduciary_duty.pdf">http://www.russell.com/institutional/research_commentary/PDF/Due_care_forgetting_fiduciary_duty.pdf</a></p>			
Tony Arnerich, et al	<b>Investment Committees: More than the Sum of the Parts</b>	Pension & Investments	November 2010
<p><b>Summary or Abstract:</b> Common wisdom is that decisions made by a group of people are better than individual decisions, particularly when facing the complexities of investing and asset management. In a group, multiple opinions and perspectives, as well as a potentially broad base of knowledge and varied experiences, can be brought to bear on any given issue. Thus it seems only natural to form an investment committee to take on the decision-making responsibility involved in overseeing assets. But research shows that it takes more than a collection of people to make an effective committee.</p>			
<p><b>Web link:</b> <a href="http://www.pionline.com/assets/docs/CO71455113.PDF">http://www.pionline.com/assets/docs/CO71455113.PDF</a></p>			
<b>Inflation Protection</b>			
Michelle L. Barnes, Zvi Bodie, Robert K. Triest, and J. Christina Wang	<b>A TIPS Scorecard: Are They Accomplishing Their Objectives?</b>	Financial Analysts Journal	September/October 2010
<p><b>Summary or Abstract:</b> Treasury Inflation-Protected Securities were developed to provide (1) consumers with assets that permit hedging against real interest rate risk, (2) nominal contract holders a means of hedging against inflation risk, and (3) everyone with an indicator of the term structure of expected inflation. This article evaluates progress toward these objectives.</p>			
<p><b>Web link:</b> <a href="http://www.cfapubs.org/doi/abs/10.2469/faj.v66.n5.4">http://www.cfapubs.org/doi/abs/10.2469/faj.v66.n5.4</a></p>			
Anand S. Iyer and Jennifer C. Bender	<b>Investing in Inflation Protection</b>	MSCI	November 2010
<p><b>Summary or Abstract:</b> Both inflationary and deflationary concerns have emerged as global economies continue to struggle with recovery. In this confusing environment, inflation-protected bonds (IPBs) can play an important role in plan sponsors' asset allocation dilemma especially in light of yesterday's Fed announcement of Quantitative Easing (QE) implementation plan. We find that IPBs have exhibited some distinct differences from other asset classes during the past decade.</p>			
<p><b>Web link:</b>  <a href="http://www.msibarra.com/research/articles/2010/Investing_in_Inflation_Protection_Nov_2010.pdf">http://www.msibarra.com/research/articles/2010/Investing_in_Inflation_Protection_Nov_2010.pdf</a></p>			
Aleksandar Andonov, Florian Bardong, and Thorsten Lehnert	<b>TIPS, Inflation Expectations, and the Financial Crisis</b>	Financial Analysts Journal	November / December 2010
<p><b>Summary or Abstract:</b> The authors show that inefficiencies in the U.S. market for inflation-linked bonds can be exploited by informed traders who include survey estimates or inflation model forecasts in trades on breakeven inflation. The Treasury Inflation-Protected Securities market has yet to fulfill investors' expectations as a low-risk, efficient, and liquid financial instrument.</p>			
<p><b>Web link:</b> <a href="http://www.cfapubs.org/doi/abs/10.2469/faj.v66.n6.1">http://www.cfapubs.org/doi/abs/10.2469/faj.v66.n6.1</a></p>			

AUTHOR(S)	TITLE	PUBLICATION	DATE
<b>International Investments</b>			
Rob Balkema	Globalization, Equity Markets Evolution and the Perils of Home Country Bias	Russell Investments	September 2010
<p><b>Summary or Abstract:</b> Globalization has created dramatic changes in the world's equity landscape. Beyond economic advances, a number of important factors in equity markets have increased the integration of global markets. Part one of the Global Equity Series explores the evolution of markets and economies over the past 25 years, cites many of the forces that set globalization in motion and looks closely at what this has meant for investors in equity markets.</p>			
<p><b>Web link:</b>  <a href="http://www.russell.com/institutional/research_commentary/PDF/Part_1_Global_Equity.pdf">http://www.russell.com/institutional/research_commentary/PDF/Part_1_Global_Equity.pdf</a></p>			
Rob Balkema	The New Face of Global Equity Asset Management	Russell Investments	October 2010
<p><b>Summary or Abstract:</b> This research explores the evolution of global equity strategies within the Russell global equity universe and what it has meant for our clients. In the second part of the four-part Global Equity Series, the three major changes within the Russell global equity manager universe are discussed: product and style proliferation, the sophistication and nature of processes, and the ages and sizes of firms that comprise the asset class.</p>			
<p><b>Web link:</b>  <a href="http://www.russell.com/institutional/research_commentary/PDF/Part_2_new_face_global_equity.pdf">http://www.russell.com/institutional/research_commentary/PDF/Part_2_new_face_global_equity.pdf</a></p>			
<b>Investment Banking</b>			
John Cassidy	What Good Is Wall Street?	The New Yorker	November 2010
<p><b>Summary or Abstract:</b> The author argues that much of what investment bankers do is socially worthless.</p>			
<p><b>Web link:</b>  <a href="http://www.newyorker.com/reporting/2010/11/29/101129fa_fact_cassidy?currentPage=all">http://www.newyorker.com/reporting/2010/11/29/101129fa_fact_cassidy?currentPage=all</a></p>			
<b>Investment Management &amp; Portfolio Strategy</b>			
Alessandro Santoni and Arun R. Kelshiker	Behavioral Finance: An Analysis of the Performance of Behavioral Finance Funds	Journal of Index Investing	Fall 2010
<p><b>Summary or Abstract:</b> This article analyzes 31 mutual funds whose portfolio construction methodologies employ aspects of behavioral finance. The assets of the mutual funds in the study were valued at approximately US\$ 16 billion as of August 2009. Major findings of the authors include the following. First, evidence exists of a strong seasonality effect among behavioral funds. Second, behavioral fund managers exhibit an inability to predict equity market reversals due, in large part, to their willingness to attempt to benefit from trend momentum. Third, they have superior performance during bull market periods vis-à-vis bear market periods, notably with small-cap behavioral funds generally outperforming their large-cap peers. When examining the outperformance of behavioral funds against a respective benchmark, there is no conclusive evidence to suggest that these strategies outperform. The most common observations that behavioral funds attempt to exploit include the momentum effect, winner-loser effect, post-earnings-announcement drift, and prospect theory. Insider buying was also observed as a key signal used by behavioral fund managers to anticipate future market trends.</p>			
<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jii.2010.1.2.056">http://www.ijournals.com/doi/abs/10.3905/jii.2010.1.2.056</a></p>			
Cameron Hight	8 Mistakes Most Money Managers Make	Institutional Investor	September 2010
<p><b>Summary or Abstract:</b> In portfolio construction, downside risk is more important than potential gain. Here are 8 common mistakes money managers make and simple solutions to fix them.</p>			
<p><b>Web link:</b> <a href="http://www.institutionalinvestor.com/asset_management/Articles/2660484/8-Mistakes-Most-Money-Managers-Make.html">http://www.institutionalinvestor.com/asset_management/Articles/2660484/8-Mistakes-Most-Money-Managers-Make.html</a></p>			

AUTHOR(S)	TITLE	PUBLICATION	DATE
Adrian Brown, Josh Lisser and Seth Masters	<b>Betting on the Benchmark - What to Consider When Going Passive</b>	AllianceBernstein	September 2010
	<b>Summary or Abstract:</b> Many investors, seared by the market plunge of 2008, are considering a switch to passive management. Going passive may make sense, but before making the move, investors should ask themselves some challenging questions to ensure they are clear about what they want from the switch, rather than simply going passive by default.		
	<b>Web link:</b> <a href="https://www.alliancebernstein.com/Research-Publications/White-Papers/Betting-on-the-Benchmark/Stories/BettingOnTheBenchmark.htm">https://www.alliancebernstein.com/Research-Publications/White-Papers/Betting-on-the-Benchmark/Stories/BettingOnTheBenchmark.htm</a>		
Eugene F. Fama and Kenneth R. French	<b>Luck versus Skill in the Cross-Section of Mutual Fund Returns</b>	Journal of Finance	October 2010
	<b>Summary or Abstract:</b> The aggregate portfolio of actively managed U.S. equity mutual funds is close to the market portfolio, but the high costs of active management show up intact as lower returns to investors. Bootstrap simulations suggest that few funds produce benchmark-adjusted expected returns sufficient to cover their costs. If we add back the costs in fund expense ratios, there is evidence of inferior and superior performance (nonzero true $\alpha$ ) in the extreme tails of the cross-section of mutual fund $\alpha$ estimates.		
	<b>Web link:</b> <a href="http://www.afajof.org/journal/abstract.asp?ref=0022-1082&amp;vid=65&amp;iid=5&amp;aid=12&amp;s=-9999">http://www.afajof.org/journal/abstract.asp?ref=0022-1082&amp;vid=65&amp;iid=5&amp;aid=12&amp;s=-9999</a>		
Ted Krum	<b>No Contest: Emerging Managers Lap Investment Elephants</b>	Northern Trust	October 2010
	<b>Summary or Abstract:</b> Our most recent study indicates that emerging managers may help investors squeeze more out of their most important, and most challenging, asset class – core large cap U.S. equities. Despite market declines and portfolio reallocations, U.S. equities still make up the largest portion of many institutional client accounts, which makes them a key driver of performance. Consequently, even small improvements in core equity returns can provide greater dollar benefits at the total fund level than bigger wins in peripheral asset classes.		
	<b>Web link:</b> <a href="http://www.northerntrust.com/popups/popup_noprint.html?http://www-ac.northerntrust.com/content//media/attachment/data/reports/1010/document/em_research_2010.pdf">http://www.northerntrust.com/popups/popup_noprint.html?http://www-ac.northerntrust.com/content//media/attachment/data/reports/1010/document/em_research_2010.pdf</a>		
<b>Pension Finance &amp; Funding</b>			
Megan McArdle	<b>The Great Stock Myth</b>	The Atlantic	September 2010
	<b>Summary or Abstract:</b> Over the past decade, equity investing hasn't offered much of a premium. The market went up (the Dow hit another record high in the middle of the decade). But then it went down again. In finance terminology, we experienced a lot of volatility—the major indexes have fluctuated a lot—but not much real growth.... If the future equity premium turns out to be much lower than fund managers are projecting, the funding gap may be too large for companies to make up—particularly since the gap tends to be largest in recessions, when companies are least able to find the money for extra contributions.		
	<b>Web link:</b> <a href="http://www.theatlantic.com/magazine/archive/2010/09/the-great-stock-myth/8178/">http://www.theatlantic.com/magazine/archive/2010/09/the-great-stock-myth/8178/</a>		
John West	<b>Hope Is Not a Strategy</b>	Research Affiliates	October 2010
	<b>Summary or Abstract:</b> Unfortunately, the return assumptions built into pension and retirement plans today depend on everything going right. Hope is now the bedrock of financial planning, discount rates and pension return assumptions, allowing for no disappointments along the way. In this issue we attempt to quantify the hoped-for good luck that is needed for today's retirement assets to fully cover tomorrow's retirement liabilities.		
	<b>Web link:</b> <a href="http://researchaffiliates.com/ideas/pdf/Fundamentals_201010.pdf">http://researchaffiliates.com/ideas/pdf/Fundamentals_201010.pdf</a>		

AUTHOR(S)	TITLE	PUBLICATION	DATE
<b>Pension Fund Management</b>			
Judy Ward	Protection from the Storm	Plan Sponsor	September 2010
	<b>Summary or Abstract:</b> Thinking about investment management outsourcing? Here are seven of the biggest myths and realities.		
	<b>Web link:</b> <a href="http://www.plansponsor.com/MagazineArticle.aspx?id=6442474022&amp;magazine=6442474023">http://www.plansponsor.com/MagazineArticle.aspx?id=6442474022&amp;magazine=6442474023</a>		
Lydia J. Chan and Sunder R. Ramkumar	Efficient Portfolio Rebalancing in Normal and Stressed Markets	BlackRock	September 2010
	<b>Summary or Abstract:</b> Portfolio rebalancing involves a tradeoff between risk and cost. When markets are stressed, the impact of both factors is amplified, as we saw during the credit crisis. Lydia Chan and Sunder Ramkumar identify the most effective approach for rebalancing in normal markets. They also describe an alternative called tracking error rebalancing, which can help reduce risk inexpensively, even in stressed markets.		
	<b>Web link:</b> <a href="https://www2.blackrock.com/webcore/litService/search/getDocument_seam?venue=PUB_INS&amp;source=CONTENT&amp;ServiceName=PublicServiceView&amp;ContentID=1111118944">https://www2.blackrock.com/webcore/litService/search/getDocument_seam?venue=PUB_INS&amp;source=CONTENT&amp;ServiceName=PublicServiceView&amp;ContentID=1111118944</a>		
James E. Reichert	Securities Lending Revisited	New England Pension Consultants (NEPC)	September 2010
	<b>Summary or Abstract:</b> In the fall of 2008 Securities Lending programs came under increased scrutiny from institutional investors. At that time NEPC published our outlook on Securities Lending programs focusing on the factors underpinning the crisis and our future expectations for securities lending in institutional portfolios. In the last two years since the collapse of Lehman Brothers in September 2008 a cascade of events helped illuminate the embedded risks within the majority of securities lending programs. The purpose of this paper is to revisit our original comments, to provide further guidance on securities lending programs and to develop a framework which investors can use to help inform their decisions surrounding securities lending program structure.		
	<b>Web link:</b> <a href="http://www.nepc.com/research/67-securities_lending_revisited">http://www.nepc.com/research/67-securities_lending_revisited</a>		
Andrew Brown	Slow and Steady Wins the Race	Russell Investments	September 2010
	<b>Summary or Abstract:</b> Commission recapture (CR) not only continues to be an effective cost and conflict management tool for the institutional investor community, but has added more value to client portfolios over the past ten years than allocations to U.S. equities. Against a backdrop of restructuring and change in the CR industry, the practice continues to demonstrate a positive contribution to portfolio assets and provides a mechanism for controlling commission costs as trading decisions are made.		
	<b>Web link:</b> <a href="http://www.russell.com/institutional/research_commentary/PDF/Slow_and_steady_wins_race.pdf">http://www.russell.com/institutional/research_commentary/PDF/Slow_and_steady_wins_race.pdf</a>		
<b>Pension Reform</b>			
Peter Brady	A Look at Private-Sector Retirement Plan Income After ERISA	Investment Company Institute	November 2010
	<b>Summary or Abstract:</b> Across all income groups, retirement income from employer-sponsored retirement plans is more prevalent among retirees today than in the mid-1970s, when sweeping new retirement plan regulations were enacted. The study finds that in 2009, 34 percent of retirees received income—either directly or through a spouse—from private-sector retirement plans, compared with 21 percent in 1975. The median income received by those with private-sector pension income increased to \$6,000 in 2009 from about \$4,500 in 1975 (in 2009 dollars). The research examines private-sector retirement income trends since 1975 just after the Employee Retirement Income Security Act (ERISA) was enacted.		
	<b>Web link:</b> <a href="http://www.ici.org/pressroom/news/10_news_erisa">http://www.ici.org/pressroom/news/10_news_erisa</a>		

AUTHOR(S)	TITLE	PUBLICATION	DATE
Tomeka Hill, Gaobo Pang and Mark Warshawsky	Hybrid Pension Plans: A Comprehensive Look at Their History, Economics and Features	Towers Watson	November 2010
<p><b>Summary or Abstract:</b> This comprehensive study provides analysis on hybrid plans that is especially useful in light of the recent hybrid regulations provided by the Treasury Department and IRS. The study also addresses trends in hybrid plan growth, design, benefit levels, average plan costs and average cost volatility.</p>			
<p><b>Web link:</b> <a href="http://www.towerswatson.com/united-states/research/3143">http://www.towerswatson.com/united-states/research/3143</a></p>			
<b>Performance Evaluation</b>			
David L. Donoho, Robert A. Crenian, and Matthew H. Scanlan	Is Patience a Virtue? The Unsentimental Case for the Long View in Evaluating Returns	Journal of Portfolio Management	Fall 2010
<p><b>Summary or Abstract:</b> In this article, Donoho, Crenian, and Scanlan report the results of their study into the cost of institutional investor impatience. Using Monte Carlo simulation techniques, the authors construct an idealized world with a universe of investment managers of precisely quantified skill, with skill levels varying among the managers. Although many institutions base manager hiring decisions heavily on the manager's performance in the most recent months or years, the authors' simulations show that institutions that rely on longer performance horizons of 5–10 years are more likely to find and stick with the better managers. This happens because on shorter time scales, the relatively few highly skilled managers are often temporarily outperformed by one of the many lesser-skilled managers, specifically, unskilled managers who have recently happened to simply be lucky. Hence, if a plan that previously was long-term oriented starts to hire managers based on short-term results, it will often find that the newly chosen manager underperforms both his own previous performance and also the manager previously managing the plan's funds. It can, however, truly take patience to keep a skilled manager in a fund portfolio. In the authors' simulations, skilled managers have deeper, longer, and more frequent drawdowns than many investors would expect.</p>			
<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.105">http://www.ijournals.com/doi/abs/10.3905/jpm.2010.37.1.105</a></p>			
Morningstar	Identifying A Sponsor's Impact on Total Returns	Pension & Investments	September 2010
<p><b>Summary or Abstract:</b> Performance attribution is a well-recognized quantitative approach to identifying the outcome of investment decisions. Sponsors of pensions, endowments, and foundations view performance attribution as an important tool in their investment manager due diligence process. However, an investment manager's decisions are only part of a plan's success; the sponsor's own decisions also weigh heavily, but very few sponsors are able apply performance attribution to their own decisions. Also known as macro or balanced attribution, total portfolio attribution enables sponsors to:</p> <ul style="list-style-type: none"> <li>▪ Identify the performance attributable to the strategic asset allocation policy</li> <li>▪ Examine the outcome of deliberate deviations from policy weights</li> <li>▪ Measure manager-picking skill in aggregate, or by asset class or investment style</li> </ul> <p>This paper will discuss the methodology for conducting total portfolio attribution and outline seven critical challenges sponsors must consider when evaluating their options.</p>			
<p><b>Web link:</b> <a href="http://www.pionline.com/apps/pbcs.dll/article?AID=/20101018/WP/101019913&amp;">http://www.pionline.com/apps/pbcs.dll/article?AID=/20101018/WP/101019913&amp;</a></p>			
Jason C. Hsu, Vitali Kalesnik, and Brett W. Myers	Performance Attribution: Measuring Dynamic Allocation Skill	Financial Analysts Journal	November / December 2010
<p><b>Summary or Abstract:</b> Classical performance attribution methods do not explicitly assess managers' dynamic allocation skill in the factor domain. The authors propose a generalized framework for performance attribution that decomposes the allocation effect into value added from both static and dynamic factor exposures and thus yields additional insight into sources of manager alpha.</p>			
<p><b>Web link:</b> <a href="http://www.cfapubs.org/doi/abs/10.2469/faj.v66.n6.3">http://www.cfapubs.org/doi/abs/10.2469/faj.v66.n6.3</a></p>			

AUTHOR(S)	TITLE	PUBLICATION	DATE
<b>Public Pension Plans</b>			
Richard Riordan and Alexander Rubalcava	How Pensions Can Get Out of the Red	New York Times	September 15, 2010
<p><b>Summary or Abstract:</b> Public pensions at the state and local level are underfunded by more than \$1 trillion; in many cities, pension obligations will soon consume a quarter or more of the annual budget — money that will be unavailable for parks, libraries, street maintenance and public safety. Part of the problem is that pension funds need significant new financing to cover the growing number of retirees. But the real issue is the lack of incentive to improve pension performance. What we need, then, is a federal program that combines stimulus with serious fund reform.</p>			
<p><b>Web link:</b> <a href="http://www.nytimes.com/2010/09/16/opinion/16riordan.html?_r=1&amp;th&amp;emc=th">http://www.nytimes.com/2010/09/16/opinion/16riordan.html?_r=1&amp;th&amp;emc=th</a></p>			
Alicia H. Munnell, Jean-Pierre Aubry, and Laura Quinby	The Impact of Public Pensions on State and Local Budgets	Center for Retirement Research	October 2010
<p><b>Summary or Abstract:</b> State and local pensions have been headline news since the financial collapse reduced the value of their assets, leaving a substantial unfunded liability. The magnitude of that liability depends on the interest rate used to discount future benefit promises but, regardless of the assumptions, states and localities are going to have to come up with more money. This brief looks at the size of the additional funding relative to state budgets.</p>			
<p><b>Web link:</b> <a href="http://crr.bc.edu/briefs/the_impact_of_public_pensions_on_state_and_local_budgets.html">http://crr.bc.edu/briefs/the_impact_of_public_pensions_on_state_and_local_budgets.html</a></p>			
Perry Wong and I-Ling Shen	Addressing California's Pension Shortfalls: The Role of Demographics in Designing Solutions	Milken Institute	October 2010
<p><b>Summary or Abstract:</b> Concurrently raising the retirement age and increasing employee contributions is only the first step in addressing California's looming public pension liabilities, according to this report. The situation will eventually call for even bolder action, such as shifting to hybrid plans with only a partial defined-benefit component. The report notes that kicking the can down the road only allows the problem to grow in magnitude. Swift action is the best way to ensure that California has a stable and sustainable economic future.</p>			
<p><b>Web link:</b> <a href="http://www.milkeninstitute.org/publications/publications.taf?function=detail&amp;ID=38801252&amp;cat=report">http://www.milkeninstitute.org/publications/publications.taf?function=detail&amp;ID=38801252&amp;cat=report</a></p>			
Robert Novy-Marx and Joshua Rauh	Public Pension Promises: How Big Are They and What Are They Worth?	Journal of Finance	Forthcoming
<p><b>Summary or Abstract:</b> We calculate the present value of state employee pension liabilities as of June 2009 using discount rates that reflect the risk of the payments from a taxpayer perspective. If benefits have the same default and recovery characteristics as state general obligation debt, the national total of promised liabilities based on current salary and service is \$3.20 trillion. If pensions have higher priority than state debt, the present value of liabilities is much larger. Using zero-coupon Treasury yields, which are default-free but contain other priced risks, promised liabilities are \$4.43 trillion. Liabilities are even larger under broader concepts that account for projected salary growth and future service.</p>			
<p><b>Web link:</b> <a href="http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1352608">http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1352608</a></p>			
<b>Retirement Planning</b>			
Mercer	Spend Down: Post-Retirement Strategies Around the Globe	Mercer	October 2010
<p><b>Summary or Abstract:</b> In this issue, we focus on post-retirement spend-down strategies around the globe. This segment of retirement planning is experiencing a wave of innovations, as governments, providers, social partners and plan sponsors scramble to meet the needs of the first cohort of retirees who will rely primarily on defined contribution (DC) plans for retirement income.</p>			
<p><b>Web link:</b> <a href="http://www.mercer.com/dconnections5">http://www.mercer.com/dconnections5</a></p>			

AUTHOR(S)	TITLE	PUBLICATION	DATE
<b>Risk Management</b>			
Rob Brown	<b>Twenty Questions to Ask Before Instituting a Tail-Risk Protection Program</b>	Pensions & Investments	November 2010
<p><b>Summary or Abstract:</b> Calendar year 2008 reminded us that tail-risk does exist and can result from either disastrous returns to broad-based markets (the S&amp;P 500 fell -37.00%) and/or from disappointing returns to active management. i.e., alpha (the HFRI Relative Value Total Index of hedge funds returned -18.04%). Often extreme negative underperformance by active managers is related to their embedded exposure to short-volatility. In response to the events of 2008 and early 2009, investors and the organizations who design and manage investment products for use by these investors have embarked on an exploration of tail-risk and/or short-volatility management solutions.</p>			
<p><b>Web link:</b>  <a href="http://www.pionline.com/apps/pbcs.dll/dcce?Site=CO&amp;Date=20101105&amp;Module=4&amp;Kategori=International&amp;Class=5&amp;Type=EDITORIAL&amp;ID=2527052&amp;Selected=1&amp;file=%2Fassets%2Fdocs%2FCO71480115.PDF%20">http://www.pionline.com/apps/pbcs.dll/dcce?Site=CO&amp;Date=20101105&amp;Module=4&amp;Kategori=International&amp;Class=5&amp;Type=EDITORIAL&amp;ID=2527052&amp;Selected=1&amp;file=%2Fassets%2Fdocs%2FCO71480115.PDF%20</a></p>			
<b>Socially Responsible Investment</b>			
Dinusha Peiris and John Evans	<b>The Relationship Between Environmental Social Governance Factors and U.S. Stock Performance</b>	Journal of Investing	Fall 2010
<p><b>Summary or Abstract:</b> The focus by investment practitioners on the impacts of non-traditional environmental and governance issues has intensified in recent times as a result of global events. Most studies examine the relationship between environmental social governance (ESG) factors and portfolio returns. This article extends those studies by analyzing the impacts on stock valuation and operating performance of U.S. listed companies. Using a multifactor framework, the article provides evidence of a significant positive relationship between particular ESG rating criteria and both return on assets and market-to-book-value measures, supporting the theory that Corporate Social Performance is positive for Corporate Financial Performance. Analysis also shows that employment conditions are a more relevant influence than other stakeholder criteria and that a company's involvement in more general non-stakeholder-related social issues contributes negatively to both operating performance and stock return.</p>			
<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/joi.2010.19.3.104">http://www.ijournals.com/doi/abs/10.3905/joi.2010.19.3.104</a></p>			
<b>The Financial Crisis of 2008</b>			
Kenneth French, Martin Baily, John Campbell, John Cochrane, Douglas Diamond, Darrell Duffie, Anil Kashyap, Frederic Mishkin, Raghuram Rajan, David Scharfstein, Robert Shiller, Hyun Song Shin, Matthew Slaughter, Jeremy Stein, René Stulz	<b>The Squam Lake Report: Fixing the Financial System</b>	Journal of Applied Corporate Finance	Summer 2010
<p><b>Summary or Abstract:</b> In these excerpts from The Squam Lake Report, fifteen distinguished economists analyze where the global financial system failed, and how such failures might be prevented (or at least their damage better contained) in the future. Although there were many contributing factors to the crisis—including “agency” problems throughout the financial system and a bankruptcy code poorly suited for reorganizing financial firms—at the core of the problem is a potential conflict between the risk-taking proclivity of financial institutions and the interests of the economy at large that must be managed at least in part through more effective regulation. The Squam Lake Report provides a nonpartisan plan to transform the regulation of financial markets in ways designed to limit systemic risk while preserving—to the extent possible and prudent—the economies of scale and scope that justify the existence of today's large financial institutions.</p>			
<p><b>Web link:</b> <a href="http://onlinelibrary.wiley.com/doi/10.1111/j.1745-6622.2010.00284.x/abstract">http://onlinelibrary.wiley.com/doi/10.1111/j.1745-6622.2010.00284.x/abstract</a></p>			

AUTHOR(S)	TITLE	PUBLICATION	DATE
Kenneth E. Scott	The Financial Crisis: Causes and Lessons	Journal of Applied Corporate Finance	Summer 2010
<p><b>Summary or Abstract:</b> The author argues that the root cause of the recent crisis was a housing bubble whose origins can be traced to loose monetary policy and a government housing policy that continually pushed for lower lending standards to increase home ownership. The negative consequences of such policies were amplified when transmitted throughout the financial system by financial institutions through the process of securitization. In attempting to assess culpability for the crisis and identify possible reforms, the author focuses on three categories:</p> <ol style="list-style-type: none"> <li>1. Defects in Financial Products: The author identifies the sheer complexity of the securities as a major source of the problem—for which the solution is a simpler security design combined with greater disclosure.</li> <li>2. Defects in Risk Management: There was universal underestimation of risks by mortgage originators and financial institutions throughout the securitization chain. Changing incentive pay structures is part of the solution, and so are better accounting rules for SPEs. But more effective regulatory oversight and ending “too big to fail” may well be the only way to curb excessive private risk-taking.</li> <li>3. Defects in Government Policy and Regulation: Lack of power and authority to regulate was not at the heart of the problem—the real problem was lack of foresight and judgment about the unexpected. The author recommends greater attention to devising better methods of resolving such failures when they occur. One of the main goals is to ensure that losses are borne not by taxpayers but by private investors in a way that maintains incentives for market discipline while limiting spillover costs to the entire system</li> </ol>			
<p><b>Web link:</b> <a href="http://onlinelibrary.wiley.com/doi/10.1111/j.1745-6622.2010.00285.x/abstract">http://onlinelibrary.wiley.com/doi/10.1111/j.1745-6622.2010.00285.x/abstract</a></p>			
Jennifer Bender , Frank Nielsen , & Madhusudan Subramanian	Emerging Markets During the Crisis	Journal of Alternative Investments	Fall 2010
<p><b>Summary or Abstract:</b> The 2008 economic crisis has offered another look at how emerging-market stocks have behaved relative to developed markets. In the aftermath of the crisis, the authors of this article take a fresh look at emerging markets to explore these questions: Have emerging markets matched growth forecasts? Which segments have performed well? How have emerging markets behaved relative to developed markets? While in the aggregate emerging market stocks were not immune to the crisis, there were some clear differences between emerging and developed markets in the performance of particular sectors and styles.</p>			
<p><b>Web link:</b> <a href="http://www.ijournals.com/doi/abs/10.3905/jai.2010.13.2.104">http://www.ijournals.com/doi/abs/10.3905/jai.2010.13.2.104</a></p>			
Michael Lewis	Beware of Greeks Bearing Bonds	Vanity Fair	October 2010
<p><b>Summary or Abstract:</b> As Wall Street hangs on the question “Will Greece default?,” the author heads for riot-stricken Athens, and for the mysterious Vatopaidi monastery, which brought down the last government, laying bare the country’s economic insanity. But beyond a \$1.2 trillion debt (roughly a quarter-million dollars for each working adult), there is a more frightening deficit. After systematically looting their own treasury, in a breathtaking binge of tax evasion, bribery, and creative accounting spurred on by Goldman Sachs, Greeks are sure of one thing: they can’t trust their fellow Greeks.</p>			
<p><b>Web link:</b> <a href="http://www.vanityfair.com/business/features/2010/10/greeks-bearing-bonds-201010?printable=true#ixzz0yxRDmVb7">http://www.vanityfair.com/business/features/2010/10/greeks-bearing-bonds-201010?printable=true#ixzz0yxRDmVb7</a></p>			

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