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We begin the Winter issue with an investigation by Zaremba and Miziołek of the application of fundamental weighting to enhance the profits from international diversification. Riggs, Chandler, and Finn introduce a new passive weighting methodology for diversifying business risk.

In our special section on smart beta, Ratcliffe, Miranda, and Ang, using a transaction cost model and an assumption for the smart beta premium observed in data, estimate the capacity of a particular implementation of momentum, quality, value, size, minimum volatility, and a multifactor combination. Shulman suggests an alternative weighting mechanism based on specific management characteristics, focusing on publicly traded founder-CEO-led companies.

Next, De Franco, Guidolin, and Monnier investigate the trade-off between an extension of the standard three-factor model including a new volatility factor compared to a parsimonious Markov switching model in the context of performance and risk analysis for a set of popular alternative beta strategies. Bender, Sun, and Wang discuss several ways to integrate environmental, social, and governance (ESG) issues into factor portfolios while considering the investor's investment rationale behind integrating ESG, desired exposure, performance expectations, and preference for conceptual consistency. In his article, Ge argues that one smart beta factor, the low-volatility premium, may be uniquely suitable for retirement investing because retirement investors' main concern is the certainty of investment outcomes.

We conclude the issue with Mazza's comparison of a high-dividend-yield index and a dividend-grower index, demonstrating how different the exposures can be in the various indexes that these products use.

We welcome your submissions. Please encourage those you know who have good articles or have made good presentations on indexing, exchange-traded funds, mutual funds, or related subjects to submit them to us. We value your comments and suggestions, so please email us at: [journals@investmentresearch.org](mailto:journals@investmentresearch.org).

**Brian Bruce**  
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