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In response to the financial crisis, standards for risk taking by the global banking system are under careful scrutiny. In this issue of *The Journal of Fixed Income*, we begin with an article by Kilian Plank that provides an analytical calibration procedure for structured finance securities that appropriately captures the risk profile of their tranches.

The construction of a corporate bond portfolio requires assessments of compensation for risk bearing and risk management. The next article provides an example of determining the risk premium in covered bonds. Marcel Prokopczuk and Volker Vonhoff find that developments in the real estate market have high importance for explaining risk premia only during times of economic distress. In the next article, Burcu Kapar, Ricardo Laborda, and Jose Olmo divide the determinants of credit default swap (CDS) spreads into systematic and idiosyncratic factors. They provide a model that accommodates the occurrence of structural breaks in the long-run relationship between the variables. Crisis shocks are persistent and have the potential to change long-run equilibrium dynamics. Then, Jow-Ran Chang, Mao-Wei Hung, and Feng-Tse Tsai explore strategies used for hedging the risk in CDSs. They demonstrate how the correlation between CDS and stock returns can be used to adjust hedge ratios based on different regimes.

The bottom line for the clients of fixed-income portfolio managers is always investment performance. In the next article, Zan Li, Jing Zhang, and Christopher Crossen propose a model-based approach for constructing investment-grade and high-yield corporate bond portfolios that outperform their respective benchmark indices. In the last article, Bac Van Luu and Peiyi Yu find that simple trend-following investment rules with government bonds can be used to generate positive information ratios.

We hope you enjoy this issue of *The Journal of Fixed Income*. Your continued support of the Journal is greatly appreciated.

Stanley J. Kon
Editor