

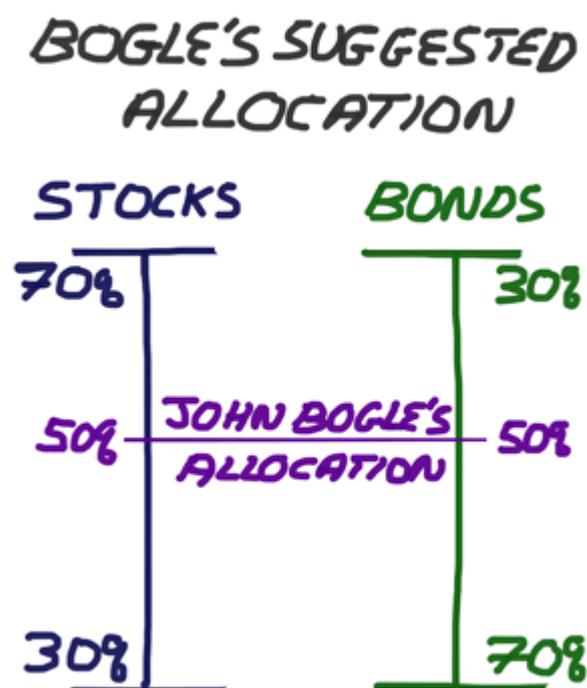
AAll Members Share Their Memories of John Bogle



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Last week, in addition to sharing a few of my **personal thoughts about John Bogle**, I asked those of you who either met or were otherwise influenced by Bogle to share your remembrances. We received many responses with praises and personal experiences. (Thank you. If you have remembrances of Bogle you'd like to share, **let us know**.)

Below is a sample of the responses. Keeping with the Bogle theme, I'm also including links to *AAll Journal* interviews with two proponents of index investing: Charles ("Charley") Ellis and Burton Malkiel. The doodle on the right is a graphical representation of a response Bogle gave to a question about his personal portfolio allocation at the 2017 Morningstar Investor Conference. He said that while he had a 50% stock/50% bond allocation, a good allocation range for most investors lies somewhere between 70% stocks/30% bonds and 30% stocks/70% bonds. Now, onto the emails we received.



"From my point of view as an individual investor, John Bogle's greatest achievement by far was his structuring and running of the Vanguard group of funds in a way that gives its funds' shareholders a fair deal. The business model of quite a lot of mutual fund management companies is that we

investors are ripe oranges, and the fund management companies and their distribution networks are juice machines. They squeeze [juice] out of our bank accounts with sales commissions followed by the highest expense ratio that the market will bear. Then to squeeze out some more juice, they create fad-stock specialty mutual funds, just when the market for the underlying securities is at its top. And an alarming number of well-known fund companies have gone one step further, to squeeze out the last few drops of juice. They allowed big-time sharpies to skim some of the profits from individual investors in exchange for management fees. Bogle created the very opposite type of mutual fund management company. He designed and ran Vanguard in a way that minimized expenses.”

—Gerald Levin, AAI Philadelphia Chapter secretary, introducing Bogle before he spoke to the chapter in 1999

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More on AAI.com

- [Competition Has Made Indexing a Winner's Game](#) - Charley Ellis explained why better security analysis, more trading and more professional investors have made it even easier to lose at active investing and win by indexing.
 - [Stock Price Movements Are Unpredictable](#) - Burton Malkiel presented his argument for why investors should put at least the core of their portfolios in index funds.
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Highlights from this month's *AAI Journal*

- [Mighty Minis: Tiny Titans Stand Tall in 2018](#) - One year made a big difference for this AAI screening strategy, which went from being among the worst performers to being the best in terms of calendar-year performance.
 - [Active Traders, Not Novices, Fall for Scams](#) - Experienced and affluent investors tend to be the most likely to participate in pump-and-dump schemes, with some even seeking these scams out.
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AII Sentiment Survey

Pessimism stayed above its historical average for the 18th time in 20 weeks. Plus, this week's special question asked AII members what impact Brexit is having on their outlook for the financial markets. [More about this week's results.](#)

This week's results:

- Bullish: 37.7%, up 4.1 points
- Neutral: 30%, down 0.2 points
- Bearish: 32.3%, down 3.9 points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Take the [Sentiment Survey](#).

What's Trending on AII

1. [The Mathematics of Retirement Portfolios](#)
 2. [Six Questions With John Bogle](#)
 3. [A Do-It-Yourself Approach to Target Date Retirement Investing](#)
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The Week Ahead

Fourth-quarter earnings season will start to hit full stride with 127 S&P 500 index companies scheduled to report. Included in this group are Dow Jones industrial average components Caterpillar Inc. ([CAT](#)) on Monday; 3M Co. ([MMM](#)) and Apple Inc. ([AAPL](#)) on Tuesday; and Boeing Co. ([BA](#)) and

McDonald's Corp. ([MCD](#)) on Wednesday.

The Federal Open Market Committee (FOMC) will hold its first meeting of the year starting on Tuesday. The meeting statement will be released at 2:00 p.m. Eastern Time on Wednesday, followed by a press conference with chairman Jerome Powell at 2:30 p.m. No change in interest rates is expected.

The week's first economic reports will be the November Case-Shiller home price index and the Conference Board's January consumer confidence survey, which will be released Tuesday. Wednesday will feature the January ADP employment report and the December pending home sales index. The January Chicago Purchasing Managers' Index (PMI) will be released on Thursday. Friday will feature January employment data—including the change in nonfarm payrolls and unemployment—the January PMI manufacturing index, the January Institute for Supply Management (ISM) manufacturing index and the University of Michigan's final January consumer sentiment report.

Reports potentially delayed because of the ongoing government shutdown include December international trade (scheduled for Tuesday), fourth-quarter gross domestic product (Wednesday), December personal income and spending (Thursday) and December construction spending (Friday).

The Treasury Department will auction \$40 billion of two-year notes and \$41 billion of five-year notes on Monday and \$32 billion of seven-year notes and \$20 billion of two-year floating rate notes on Tuesday.

Local Chapter Meetings

AII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AII members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you!

[Upcoming Meetings »](#)