

John C. Bogle

1929–2019

John C. Bogle was one of the most influential and outspoken figures in the investment management industry over the past half century.

Born in Montclair, N.J., in 1929, Mr. Bogle graduated from Princeton University in 1951 before joining Wellington Management Company. He rose through the ranks, eventually becoming Wellington's chief executive. But in 1974, he was, in his words, "fired with enthusiasm" from Wellington after a merger with another firm went sour.

Mr. Bogle then came up with a novel idea. He proposed a new kind of mutual fund company, one owned by the funds it would serve so it could be entirely client-focused.

Mr. Bogle: "I decided that there ought to be a better way to run a fund business and persuaded the directors of the Wellington Fund and the Windsor Fund and the other funds to start a new structure in which the funds were in the driver's seat and not the management company."

Wellington's funds agreed to the arrangement, and the result was the formation of The Vanguard Group, a company that dramatically altered the investment landscape. With Mr. Bogle at the helm, Vanguard opened for business in 1975 with only \$1.8 billion in assets under management. A year later, Vanguard launched the first index mutual fund. Ridiculed at first for trying only to track the market instead of beating it, Vanguard 500 Index Fund proved to be a landmark offering. It took several decades, but the fund demonstrated the merits of indexing and unleashed a tidal wave of money into low-cost index funds.

Vanguard's zeal for lowering the cost of investing—a cause that Mr. Bogle promoted relentlessly for the rest of his life—has been reflected in all its funds, both index and actively managed. From the start, Vanguard funds had costs that were among the lowest in the business—a feature that steadily attracted new investors and helped make Vanguard one of the largest asset managers in the world. Such cost-consciousness had a profound impact as competitors scrambled to lower their costs and offer their own index funds.

(continued on next page)



Mr. Bogle: "I hope I'm going to be around here for another 30 years, because they're going to write books about Vanguard 30 years from now saying, 'Here's the company that changed the industry and made it a better place to invest.' Of that I have no doubt."

John Bogle was also a fierce and lifelong advocate for the average investor. He promoted the highest standards of ethics, especially as scandals and market crises periodically rocked Wall Street. His unrelenting criticism of profiteering, self-dealing, and poor stewardship eventually earned him the admiration and praise of investors around the world. He received a long list of honors, including Fortune magazine's naming him one of the investment industry's four "Giants of the 20th Century."

Mr. Bogle: "Idealism is everything. Sure, it's difficult to measure up to high ideals, but just to have them there as your goal, knowing that you can never measure up to them, is worthwhile."

After leading Vanguard for more than two decades, Mr. Bogle retired from the Vanguard board of directors in 1999. He then formed the Bogle Financial Markets Research Center. A prolific writer and an eloquent speaker, Mr. Bogle wrote numerous books and scores of articles and speeches. Despite having survived multiple heart attacks and a heart transplant, he kept up a busy schedule of public appearances. Mr. Bogle also continued his lifelong commitment to philanthropy and served in a variety of civic roles, including as the first chairman of the National Constitution Center.

Mr. Bogle: "I don't know what the future holds. I'm going to guess now, I won't be around then, but the people will really be saying, 'He made a difference in this industry.' This one man, one person—this one person made a difference. Even one person can make a difference."

Close with music:

"Bogle does the American investor a real service by carrying on his crusade."

Warren E. Buffett

Chairman, Berkshire Hathaway Inc.

"John Bogle has changed a basic industry in the optimal direction. Of very few can this be said."

Paul A. Samuelson

Nobel Laureate, Economics

"John Bogle's basic conviction that the mutual fund investor is entitled, in his words, to a 'fair shake' should serve as the motto of every mutual fund."

Paul A. Volcker

Former Chairman, Federal Reserve Board

"Jack Bogle has given investors throughout the world more wisdom and good financial judgment than any person in the history of markets."

Arthur Levitt Jr.

Former Chairman, U.S. Securities and Exchange Commission

"The very best friend the investor has ever had."

Ben Stein

Columnist and author