February 1, 2012

To Principals and Veterans,

Yesterday, a star-studded group of our nation’s investment leaders celebrated my 60th anniversary in the financial field. “The John C. Bogle Legacy Forum” took place at the Museum of American Finance on Wall Street, and I must tell you that this recognition delighted my soul (even as I was embarrassed that, despite my good intentions, my pride sometimes peeped out).

I’m pleased to attach a few items that you might enjoy:

- **Pages 1-4 – The Forum program.**
- **Page 5 – President Clinton’s welcome.**
- **Page 6-8 – My opening remarks.**

You should know that I had to overcome my extreme reluctance to circulate this summary of a true “red-letter” day in my life and career. But there’s no other way to inform the many of you who care, and for that I am in your eternal debt.

“Stay the Course,” and best, always

Jack
RESTORING INVESTOR TRUST IN FINANCIAL MARKETS: 
DOES JACK BOGLE OFFER A PRESCRIPTION?

Jack Bogle's legacy is rooted in the concept that investing should be conducted solely in the interest of shareholders and investors. Bogle's single mindedness on fiduciary stewardship finds its meaning in the company he founded, the (low cost and simple) product strategies and corporate governance reforms he champions, and the nine books he wrote.

This program explores whether Bogle offers a prescription that can help restore trust.
TUESDAY, JANUARY 31, 2012
MUSEUM OF AMERICAN FINANCE | 48 WALL STREET | NEW YORK, NY

Restoring Investor Trust in Financial Markets: Does Jack Bogle Offer a Prescription?

Jack Bogle’s legacy is rooted in the concept that investing should be conducted solely in the interest of shareholders and investors. Bogle’s single-mindedness on fiduciary stewardship finds its meaning in the company he founded, the (low cost and simple) product strategies and corporate governance reforms he champions, and the nine books he wrote.

AGENDA:

8:00 – 8:45 PARTICIPANT CHECK-IN & BREAKFAST

8:45 – 9:00 OPENING REMARKS

David J. Cowen, President and CEO, Museum of American Finance; Founder and Managing Member, Quasar Capital Partners

Knut A. Rostad, President, Institute for the Fiduciary Standard

Jack Bogle, Founder, The Vanguard Group, Inc.; President, Bogle Financial Markets Research Center

Emcee: Stephanie Ruhle, Correspondent, Bloomberg Television

9:00 – 10:00 PRODUCT SIMPLICITY AND LOW COST: IS THE INDEXING MODEL THE WAY FORWARD?

Investors want to understand the costs and attributes associated with their investments. Modern financial instruments and their fixed costs to the investor have become so complex that no matter how savvy the investor, “buyer beware” is not enough. Investors need to believe that the creativity applied to new products is combined with a focus on simplicity in order to encourage smarter decision-making and lower costs. For example, indexing, a simple, but creative tool is a hallmark of Jack’s legacy, representative of both creativity and simplicity. In this discussion, panelists will cover topics such as:

- Indexing versus active investing; short term trading vs. long term investing
- Hedge funds of mutual funds
- The threshold between “creative” and “complex” in today’s securities

Speakers:

Burton G. Malkiel, Chemical Bank Chairman’s Professor of Economics, Emeritus and Senior Economist, Princeton University

George “Gus” U. Sauter, Chief Investment Officer, The Vanguard Group, Inc.

David F. Swensen, Chief Investment Officer, Yale University Investments Office

Moderator:

Roger G. Ibbotson, Chairman and CIO, Zebra Capital
10:00 - 10:10  SESSION BREAK

10:10 - 11:00  EXECUTIVE COMPENSATION AND GOOD CORPORATE GOVERNANCE

Fairly or not, many investors perceive that corporate boards have become too collegial, too supportive of CEOs and less focused on representing shareholders. Investors need to know that their interests are being protected and management compensation is fair and based on performance. This panel will discuss issues such as:

- Is agency control of 70% of shares a problem?
- Executive Compensation: what are the right incentives?
- Board Composition: should the Chairman and CEO role be split? What's the right mixture of background and experience on boards?
- Supporting management versus protecting the shareholder: what's the threshold?
- Should corporate political contributions be curbed?

Speakers:
Kenneth Feinberg, Founder and Managing Partner, Feinberg Rozen, LLP

Moderator:
Alan S. Blinder, Gordon S. Rentschler Memorial Professor of Economics, Princeton University

11:00 - 11:10  SESSION BREAK

11:10 - 12:15  FIDUCIARY DUTY: WHAT IS THE FUTURE?

Most will agree that a robust fiduciary duty, putting investors' best interests first, is key to investor trust. Yet, opinions vary widely on how to apply fiduciary duties in different circumstances or business models. Among other topics, panelists will discuss:

- Fiduciary Duty or Caveat Emptor? Can they coexist? If so, how do we draw the line?
- Is the fiduciary duty to serve clients' best interest too stringent regulation?
- What role does the current view of the U.S. financial industry play in the upcoming elections?

Speakers:
Harvey L. Pitt, Chief Executive Officer, Kalorama Partners, LLC; Former Chairman, U.S. Securities and Exchange Commission (2001-2003)
T. Timothy Ryan, Jr., President and CEO, Securities Industry and Financial Markets Association (SIFMA); CEO, Global Financial Markets Association (GFMA)

Moderator:
12:15 – 12:45  NETWORKING AND BOOK SIGNING WITH JACK BOGLE

12:45  RECONVENE FOR LUNCH

1:00 – 1:05  WELCOME BACK REMARKS


Introduction by:
Knut A. Rostad, President, Institute for the Fiduciary Standard

1:05 – 1:30  COMMENTS FROM CFTC CHAIRMAN GARY GENSLER

Gary Gensler, Chairman, U.S. Commodity Futures Trading Commission (CFTC)

Following brief remarks, Mr. Gensler will be interviewed by:
William D. Cohan, Columnist, Bloomberg View; Author, Money and Power: How Goldman Sachs Came to Rule the World

1:30 – 2:15  A CONVERSATION WITH JACK BOGLE AND PAUL VOLCKER: WHERE LIES THE FUTURE?

The day will culminate in a wide-ranging discussion with Jack Bogle and Paul Volcker about the path ahead for U.S. financial markets. The conversation will cover subjects such as:
- What will it take to restore investor confidence?
- Short-term and long-term investment - shall the twain ever meet?
- What is the future: hedge funds or mutual funds?
- What impact has Jack had via the nine books he's written over the years?
- And other ideas central to Jack’s thinking

Speakers:
Jack Bogle, Founder, The Vanguard Group, Inc.; President, Bogle Financial Markets Research Center
Paul A. Volcker, Former Chairman, Board of Governors of the Federal Reserve System

Moderator:
Kathleen Hays, Host, The Hays Advantage, Bloomberg Radio

2:15 – 2:30  SESSION BREAK

2:30 – 3:15  SPECIAL EVENT: DISCUSSION OF JACK BOGLE’S BOOKS

Speakers:
Jeremy Duffield, Chairman, Australian Centre for Financial Studies (ACFS); Director, MLC; Former Chairman and Founding Managing Director, Vanguard Investments Australia
Martin S. Fridson, Global Credit Strategist, BNP Paribas Asset Management, Inc.

Moderator:
James J. Green, Group Editorial Director, Investment Advisor Group, Summit Business Media

3:15  CLOSING REMARKS AND FORUM ADJOURNS

AGENDA AS OF JANUARY 27, 2012
January 30, 2012

John C. Bogle

Dear Jack:

I'm delighted to join all those gathered at the Museum of American Finance in celebrating your longstanding commitment to economic responsibility.

Throughout your celebrated career, you've made it clear that the origins of financial stability lie not within partisanship, but within the people. I continue to be inspired by your common sense solutions for renewing America's trust with a long-term economic vision.

As we focus on putting Americans "back to work" and putting our nation back in the future business, I send my best wishes to you and all your guests for a successful and productive event.

Sincerely,

William Jefferson Clinton
I know of no precedent for Wall Street (as it were) honoring one of its own, marking a legacy of 60 years in the investment profession. (Not so many souls hang around that long!) So I'm greatly honored, truly humbled, and profoundly appreciative that so many industry leaders, financial and academic professionals, friends and colleagues, are joining in this wonderful day of celebration.

I've done the best I could to build a better world for investors. Yes, in Philadelphia the press has described me as an entrepreneur, creator, inventor, and citizen, and even compared me—not unfavorably—with Benjamin Franklin . . . But Walter Isaacson, having completed his biography of Franklin some years back, next turned to Albert Einstein, and then, only a few months ago, to Steve Jobs. I'm not hanging by my thumbs awaiting Mr. Isaacson's phone call (nor his note on my iMac).

Yes, I did start the world's first index mutual fund (though lots of people claim to have thought of it long before I did so). It is now the world's largest equity fund . . . But the index fund concept represents the essence of simplicity, the triumph of Occam's Razor. It required no genius, and so I've never won a MacArthur "Genius" grant (and don't deserve one).

Yes, it took determination (and luck, and timing, and the support of a few key directors of the Wellington Fund) to bring into being the first U.S. mutual mutual fund organization run, not in the interests of its managers but of its fund shareholders . . . But Vanguard (despite the name I chose) remains a leader with no followers. Even 38 years later, our firm's structure has yet to be copied or even emulated, so low in excitement and acclaim that neither Brad Pitt nor Robert Redford have shown any interest in making a Bogle movie. ("Bogleball"? "Bogle-the Sundance Kid"?)
Yes, I’ve tried to create a business with character and class, holding human values high. That’s a task I’ve yet to complete . . . But it’s not the only task before me, for I’ve yet to climb all Seven Summits, host the Oscars; nor (despite my Scots’ heritage) solve the mystery of Loch Ness; nor been a candidate to manage the Phillies (or even the Red Sox); and it’s too late for me to run for President. (Sorry ‘bout that!)

Yes, I’m now writing my tenth book, many of which have been best-sellers . . . But only for a little while. After a single week on the New York Times best-seller list, ENOUGH. was replaced by—I guess it’s okay to say it aloud—Real Sex for Real Women. “Is this a great country or what!”

Yes, I’ve been among the strongest advocates in my field for activism in corporate governance . . . But words aren’t the same as deeds, and I’ve yet to see any tangible results whatsoever. “The Silence of the Funds” remains deafening, but I’m not about to give up the mission.

Yes, I’ve had a few portraits painted . . . But one sits in my office (it’s a long story), not in the Louvre nor even the Philadelphia Museum of Art. I confess too that there is a larger-than-life sculpture of me on the Vanguard campus . . . But its only function seems to be to allow fund industry leaders to describe me (cynically, of course) as “a saint with a statue.”

Yes, I think I’ve played a major role in bringing into the public discourse the importance of long-term investing, of rational expectations for returns in the financial markets, and of the crying need for a fiduciary standard . . . But there’s so much I haven’t done: Walk on water, leap tall buildings at a single bound, publish poetry in Russian, make the cover of TIME, or Fortune, or FORBES, or Bloomberg Business Week.

Despite my infinite failings, however, I’m simply unable to conceal my pride on this great day of celebration. I’m reminded again of Benjamin Franklin, whose character was central to his dedication to the public interest, so easily observable in his entrepreneurship, in the joy he took from his creations, and in his ingenuity, his energy, and his persistence. That trait of character also found its expression in Franklin’s ongoing struggle, not unlike my own, to balance pride with humility—a balance that, in this age of bright lights, celebrity, and money, our society seems to have largely ignored. As Franklin wrote in his autobiography:

_In reality, there is, perhaps, no one of our natural passions so hard to subdue as pride. Disguise it, struggle with it, beat it down, stifle it, mortify it as much as one pleases, it is still_
alive, and will every now and then peep out and show itself; you will see it perhaps often in this history: for even if I could conceive that I had completely overcome it, I should probably be proud of my humility.

In candor, these words serve to remind me that my own pride must be all too evident in the brief history of my career that I’ve recited here, a career focused on the stewardship of the wealth of our nation’s citizens. Too often, I’m sure, my pride has indeed peeped out and shown itself, reminding me that my own humility could doubtless use a little more development.

I must work on that tomorrow . . .

Thank you again.

Note: My focus on what I haven’t done was inspired by Jason Gay’s Wall Street Journal column on what Denver Broncos quarterback Tim Tebow hasn’t done. December 1, 2011.