

# THE JOHN C. BOGLE LEGACY FORUM

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

**Lynn E. Turner**, Former Chief Accountant, U.S. Securities and Exchange Commission (SEC)

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)

**David S. Ruder**, William W. Gurley Memorial Professor of Law Emeritus, Northwestern University School of Law; Former Chairman, U.S. Securities and Exchange Commission (1987-1989)

**T. Timothy Ryan, Jr.**, President and CEO, Securities Industry and Financial Markets Association (SIFMA); CEO, Global Financial Markets Association (GFMA)

Moderator:

**Arthur Levitt, Jr.**, Former Chairman, U.S. Securities and Exchange Commission (1993-2001)

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

**12:45**                **RECONVENE FOR LUNCH**

**1:00 – 1:05**        **WELCOME BACK REMARKS**

**Arthur Levitt, Jr.**, Former Chairman, U.S. Securities and Exchange Commission (1993-2001)

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**