

Investors Speak Their Mind on Jack Bogle's Legacy

January 16, 2020

Purpose & Approach

- In the finance and mutual fund industry, Vanguard founder John C. (Jack) Bogle, who passed away January 16, 2019, was well known. He was highly respected by many business and political leaders. What is not known is how widely known and well regarded among investors -- 19 years after stepping down from Vanguard.
- The Institute for the Fiduciary Standard seeks to document the legacy of Jack Bogle through the eyes of those he sought to serve – ordinary investors. This survey of both Vanguard investors and the investing public set out to do so. This survey sought to measure investor attitudes regarding: Jack Bogle and other successful leaders in finance and business; Vanguard and other financial services firms; and their awareness of and respect for the basic investment tenets on which Jack Bogle built Vanguard and espoused throughout his life.
- Rockland Dutton Research & Consulting fielded an online survey among investors in the United States. The survey was completed by 500 Vanguard investors and 500 investors among the general public, all ages 25 and older, with at least \$100k in invested assets, in the first two weeks of October 2019. Vanguard investors who participated in the survey were pre-screened on the basis that Vanguard is one of their primary funds. It should be noted that with the general public investors, some have or do hold Vanguard funds consistent with their prevalence among investors throughout the U.S.
 - The data collection was subcontracted to Research Now/SSI, now called Dynata.

What This Study Found About Jack Bogle's Legacy

1. Jack Bogle is not, as Bloomberg noted, a household name by the investing public. However, to those who do know him, his reputation is stellar, consistent with the country's better known and hugely successful investor, Warren Buffett, and Bill Gates, arguably the most successful and prominent business executive of the past 40 years. In comparison, both Steve Jobs and Chuck Schwab lag behind Bogle, Buffett and Gates.
2. The investing public views the reputations of Apple and Vanguard similarly -- at about 41% in this survey in terms of being very high. Microsoft, Schwab, Merrill Lynch follow at 36%, 32% and 25% respectively.
3. The investing public hears and understands the principles Jack Bogle espoused. This survey finds that investors value low cost and diversified index mutual funds for the long term. Index funds are widely seen as very positive. They offer lower costs, eliminate certain risks, improve returns, and enhance transparency. While the investing public values Jack Bogle's investing principles, Vanguard investors do so even more.
4. For the investing public, Bogle's legacy is best described as, "Investing in the entire market with low cost index funds is better than stock picking." The second place legacy theme speaks to Jack Bogle's passion to help investors make better decisions. Investors return the compliment saying, he "Made investing understandable."

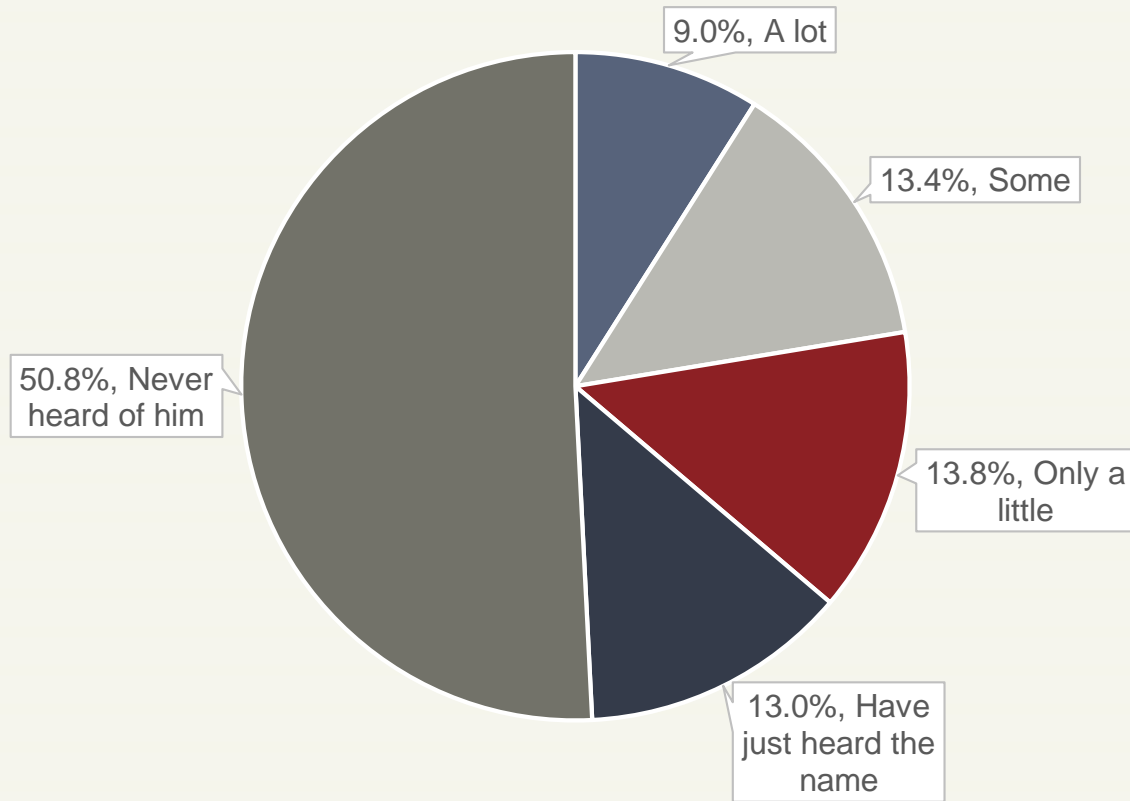
The Reputation of Jack Bogle

Among the General Investing Public more than 35% Know Jack Bogle

- Nineteen years after exiting Vanguard, half of the investing public has heard of Jack Bogle; this compares with 76% of Vanguard investors

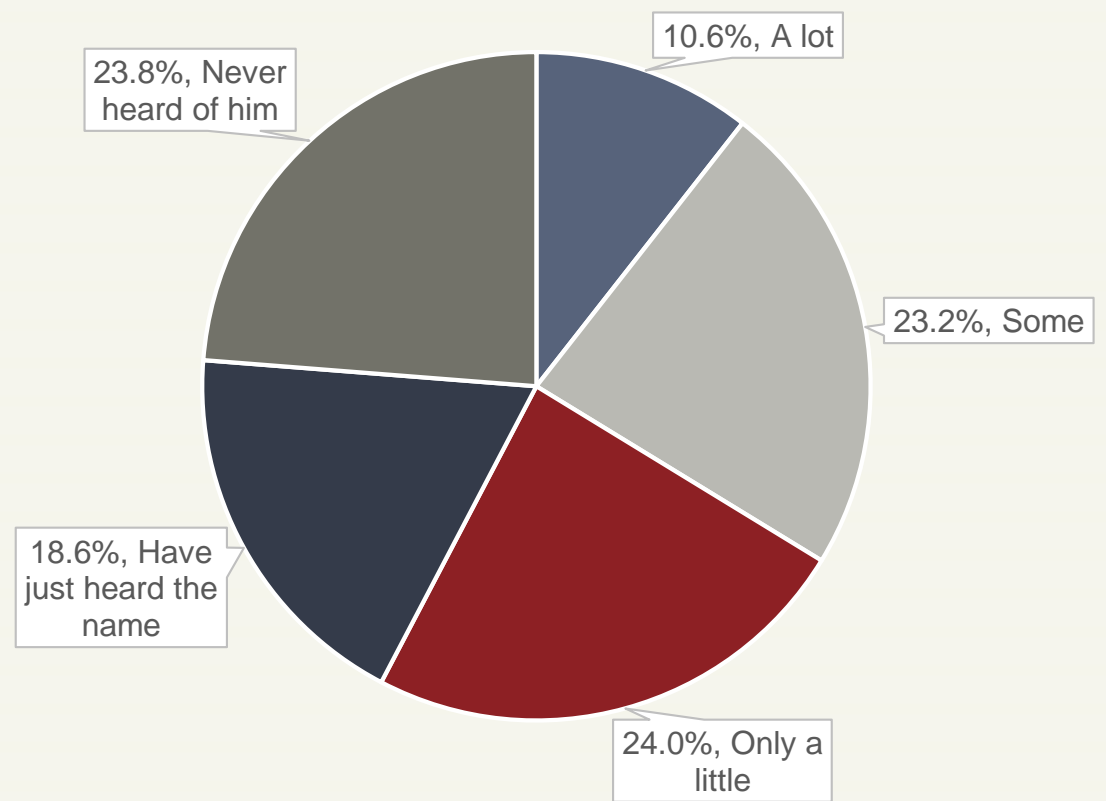
General Investing Public

Knowledge of Jack Bogle



Vanguard Investors

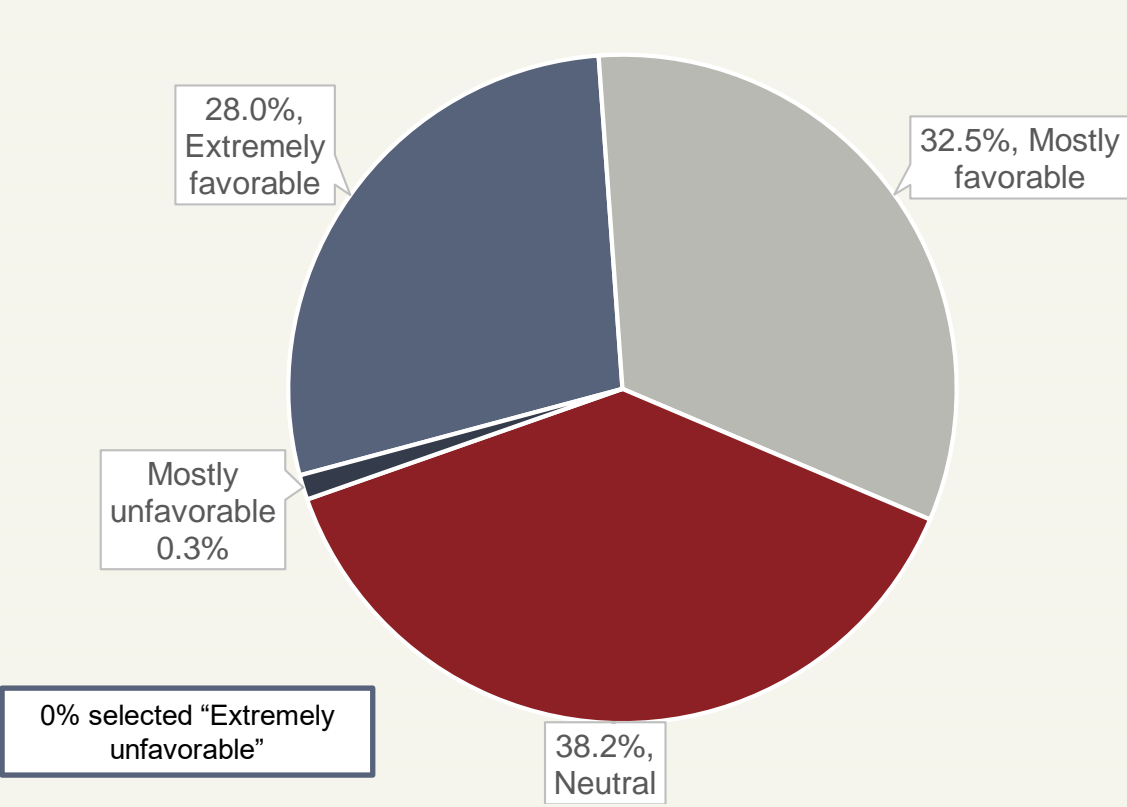
Knowledge of Jack Bogle



Of Those Who Know of Him Among the Public, Views of Jack Bogle are Widely Favorable, 60.5% to 0.3% -- and 38% Neutral

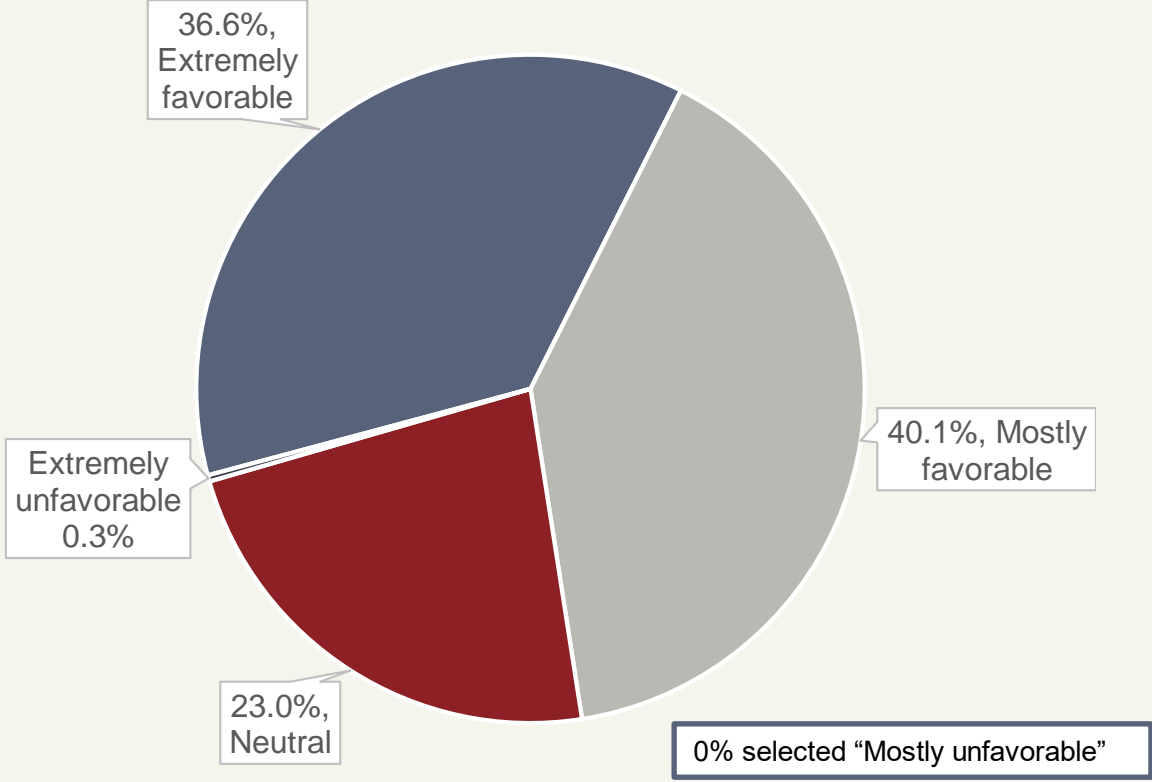
General Investing Public

View of Jack Bogle



Vanguard Investors

View of Jack Bogle



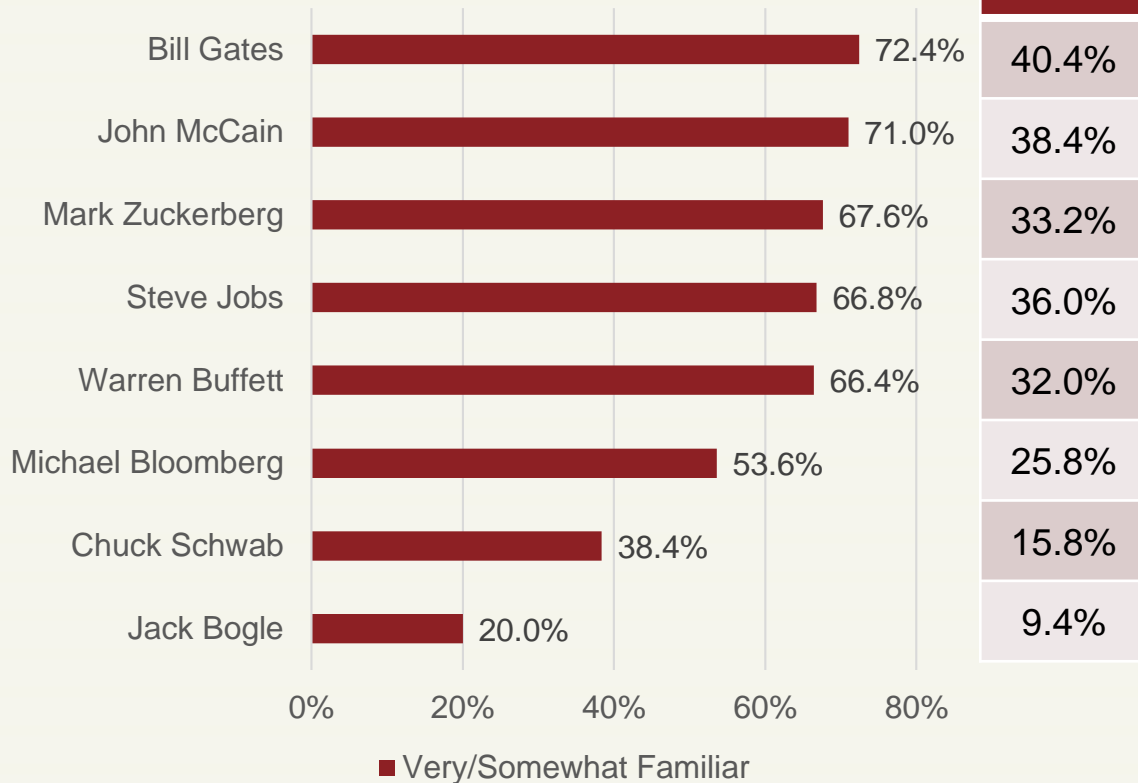
Among the Investing Public, Jack Bogle's General Familiarity is Far Lower Than Luminaries such as Warren Buffett and Bill Gates

General Investing Public

Vanguard Investors

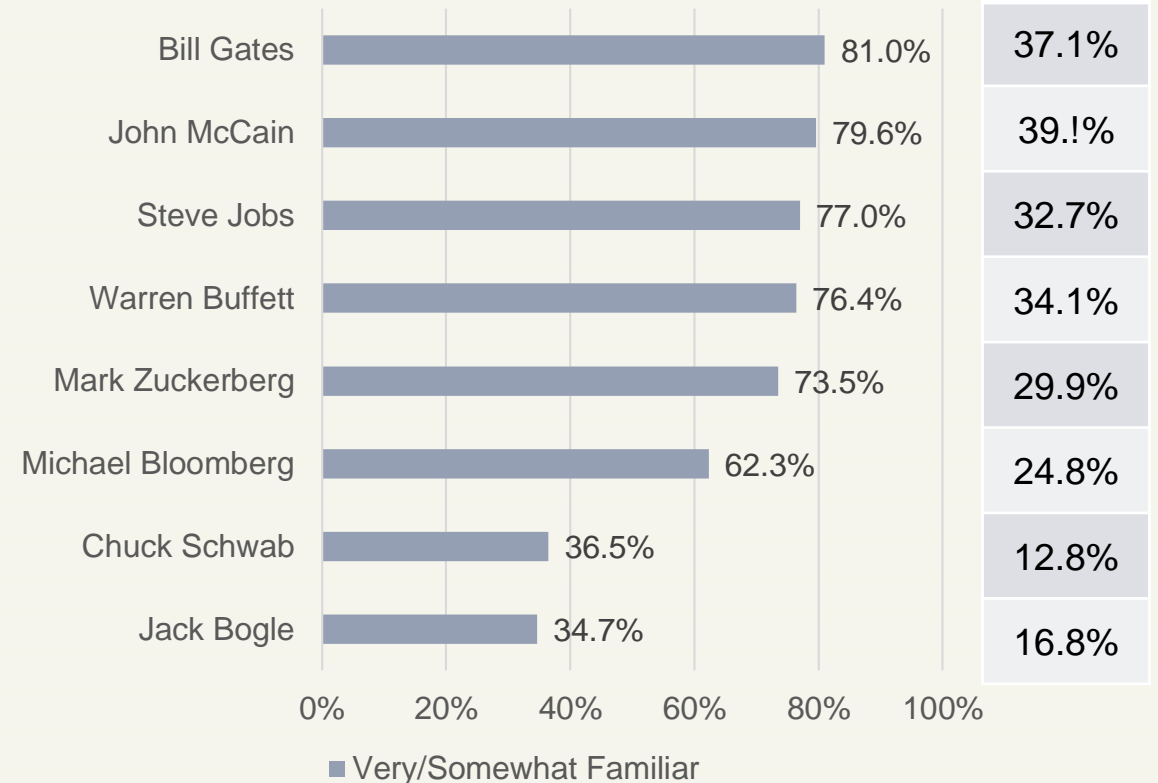
Very/Somewhat Familiar

Very



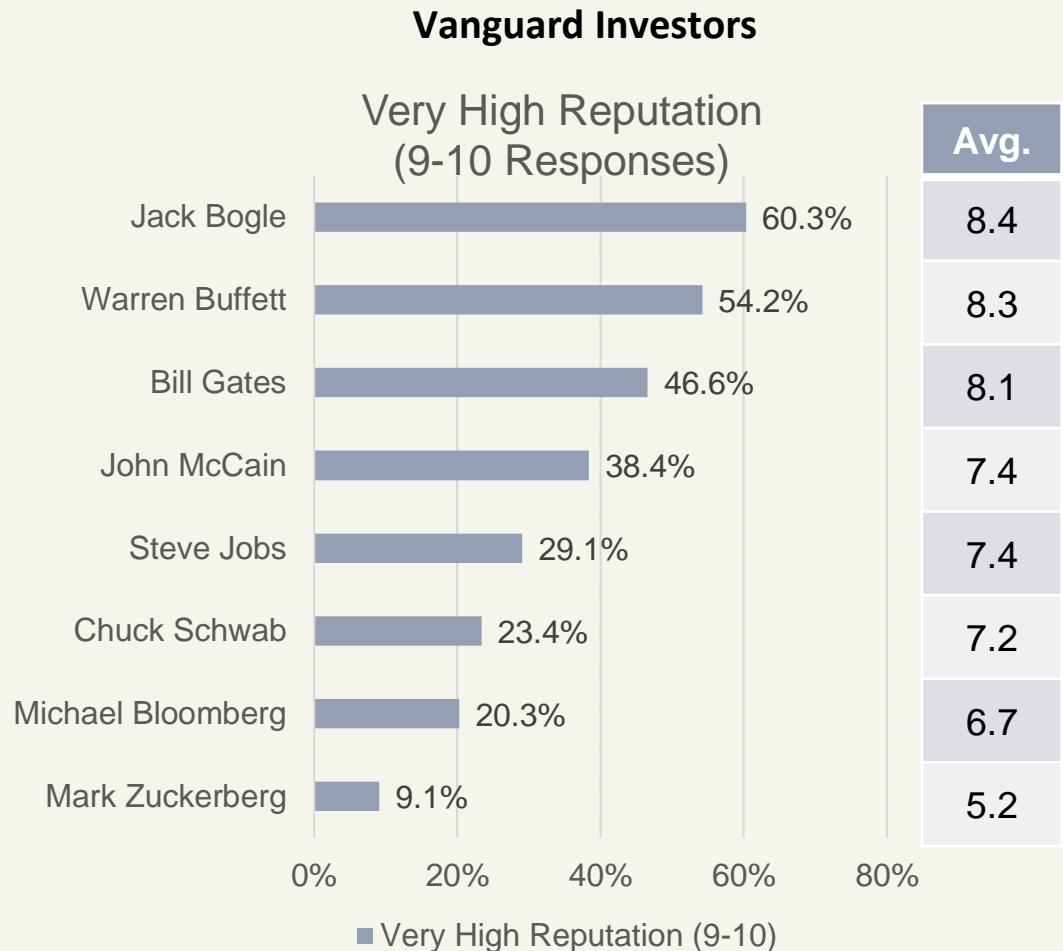
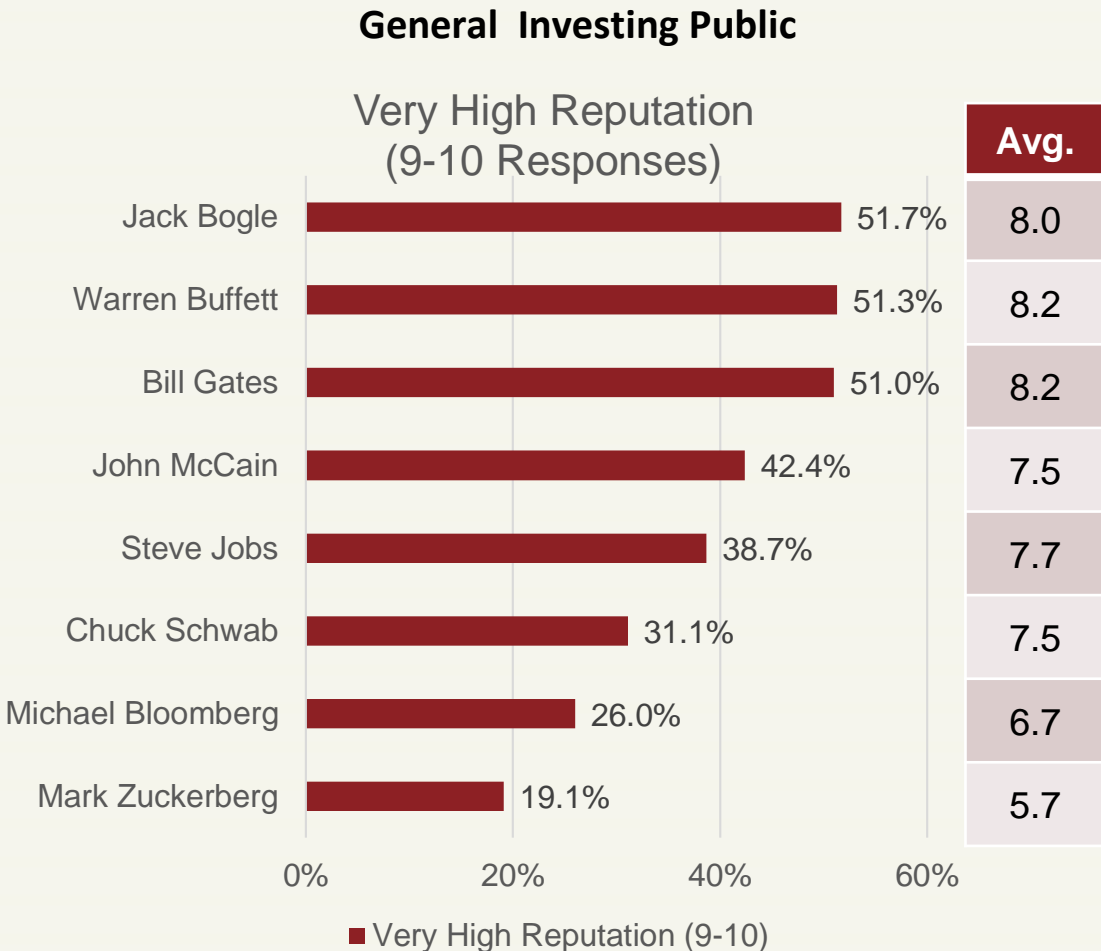
Very/Somewhat Familiar

Very



Jack Bogle's familiarity with the public is overshadowed by business leaders whose name is inseparable from their firm's name

Yet, Jack Bogle Ranks at the Very Top with Warren Buffett and Bill Gates for his Excellent Reputation among the General Investing Public who are Familiar with his Name



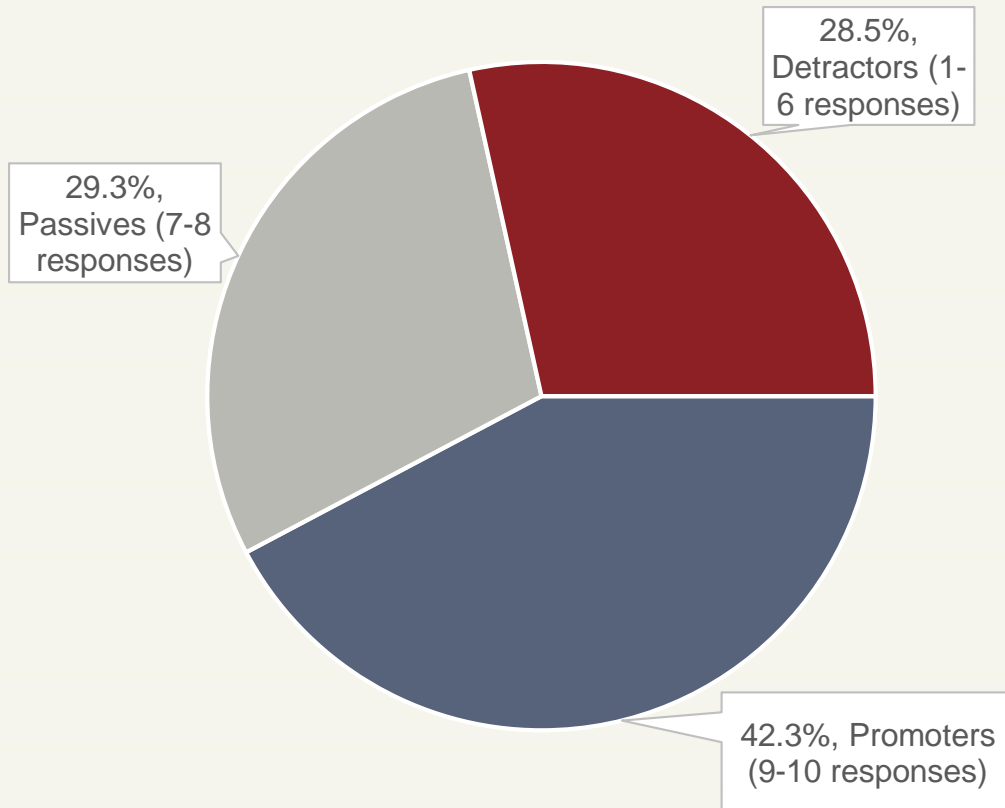
Q9. On a scale of 1 to 10, where 1 is poor and 10 is excellent, to the best of your knowledge how would you rate the reputation of each of these individuals? Asked of those very, somewhat or a little familiar with Jack Bogle.

The More Familiar Investors are With Jack Bogle, The More They Respect Him

This question differs slightly from Question 8 which is about familiarity, but the results are highly comparable

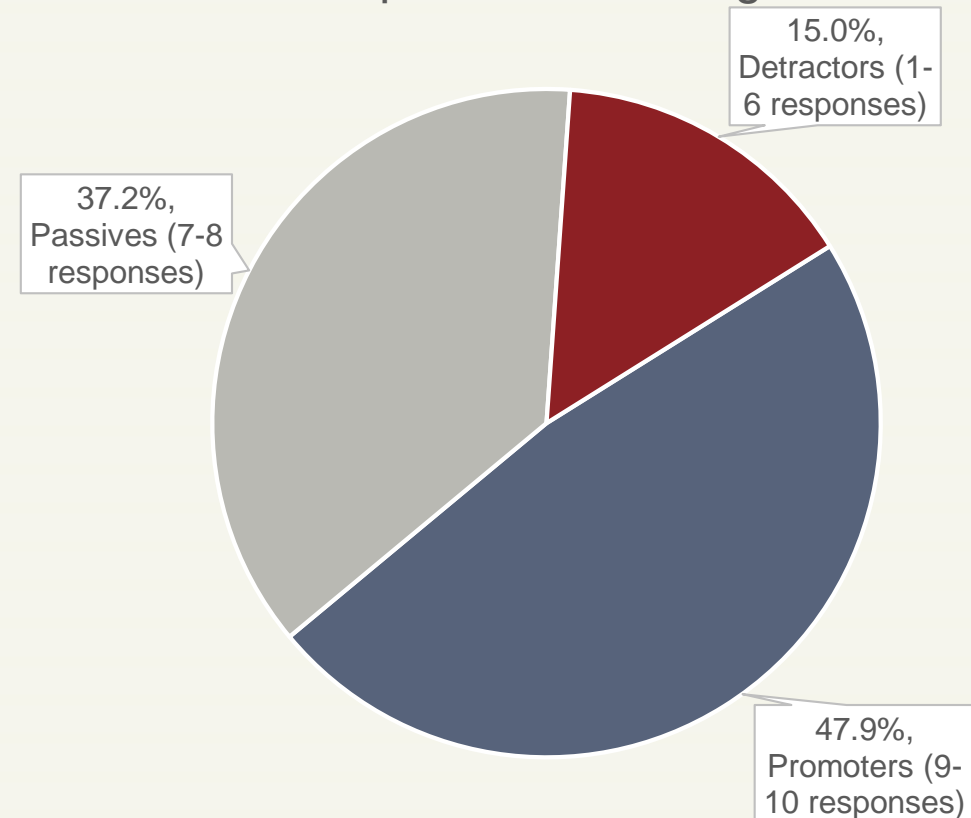
General Investing Public

Respect for Jack Bogle



Vanguard Investors

Respect for Jack Bogle

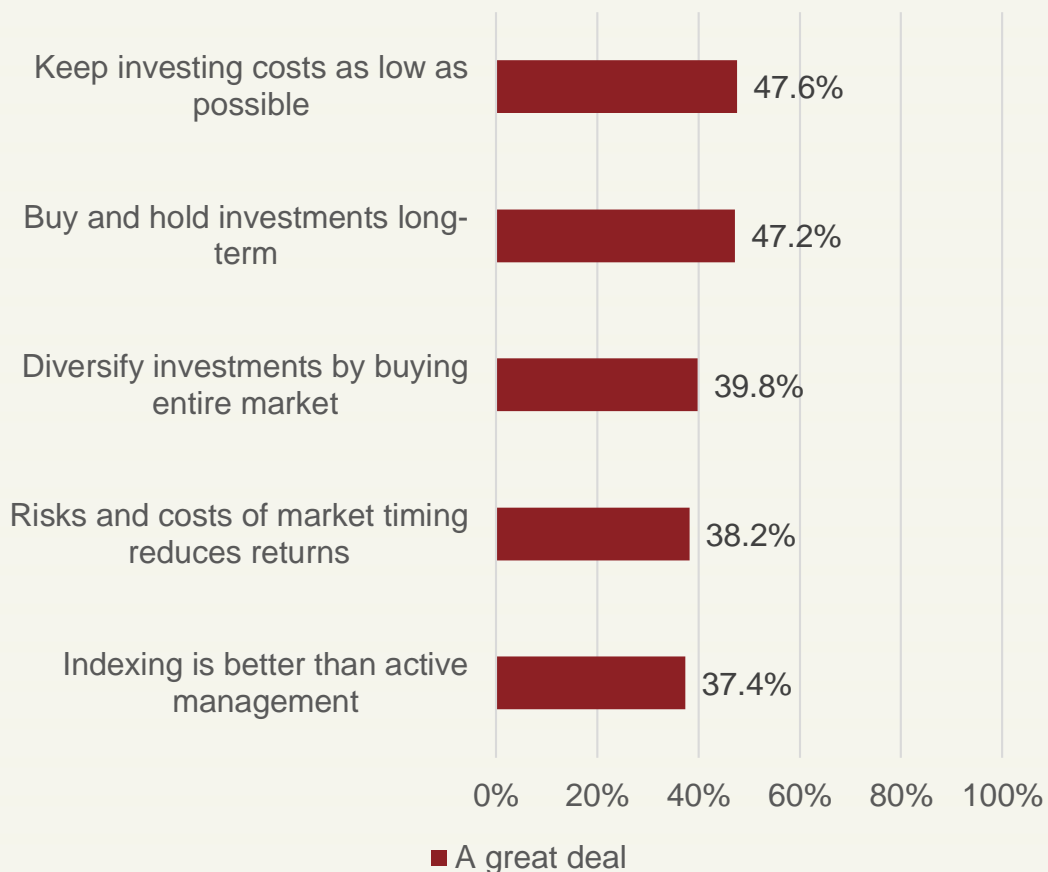


For Those Who Know Jack Bogle, Keeping Investment Costs Low and Long Term Investing are The Most Important Principles He Advanced:

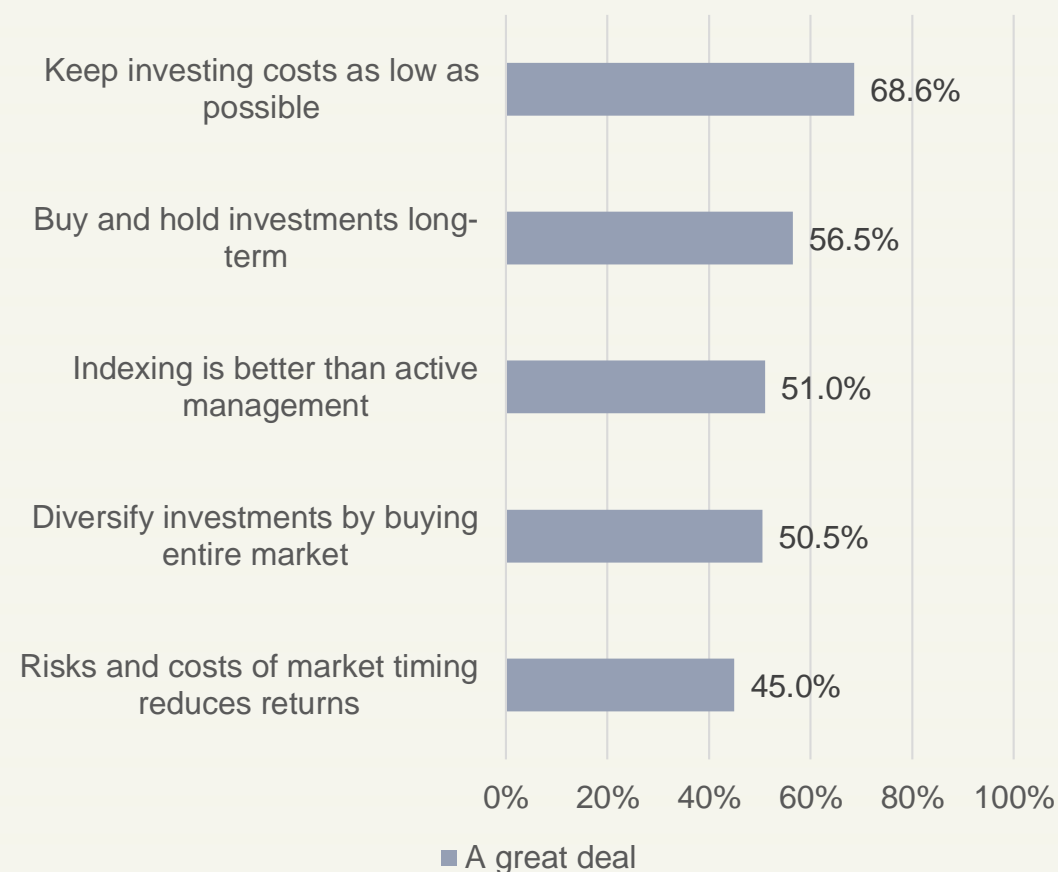
Vanguard Investors See all His Principles Even More Favorably

- Among the general public, those who responded not much or not at all ranged from 9-13% and for Vanguard investors 3-7%

General Investing Public



Vanguard Investors

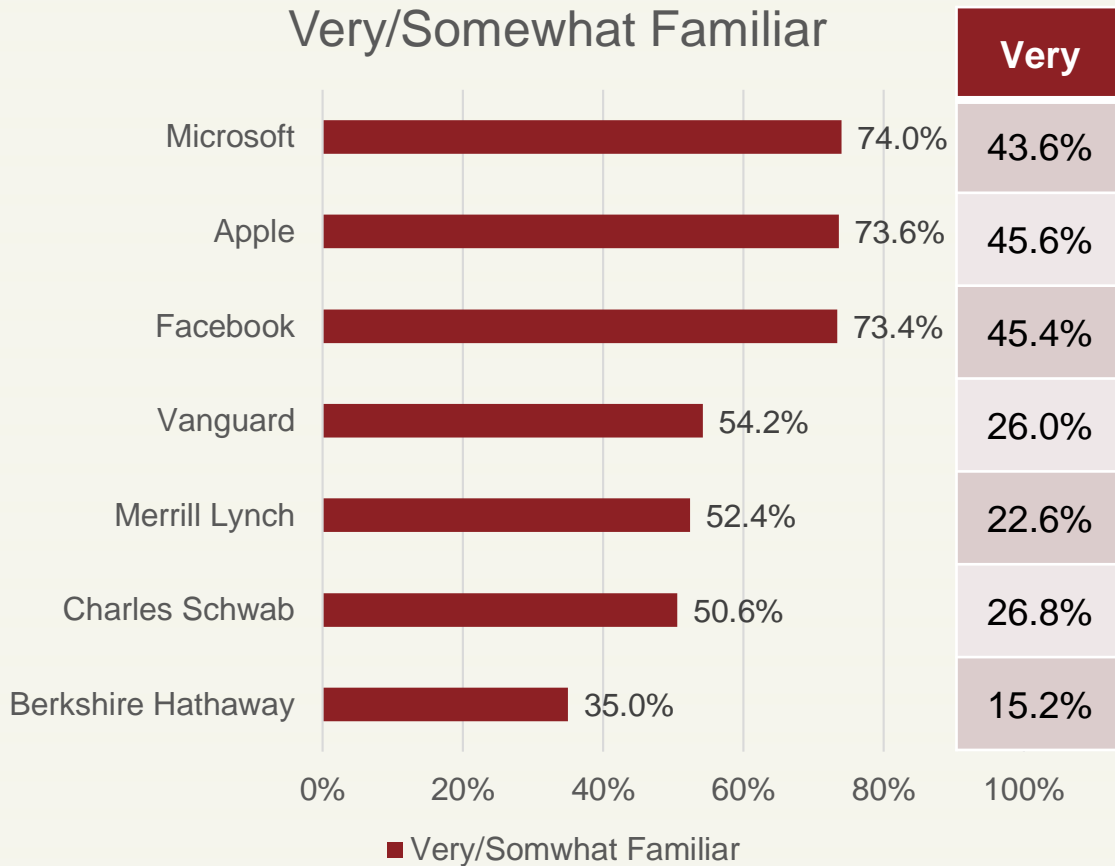


Q23. How much was Jack Bogle a leader in the mutual fund industry for advancing these principles? – a great deal, some, not much or not at all.

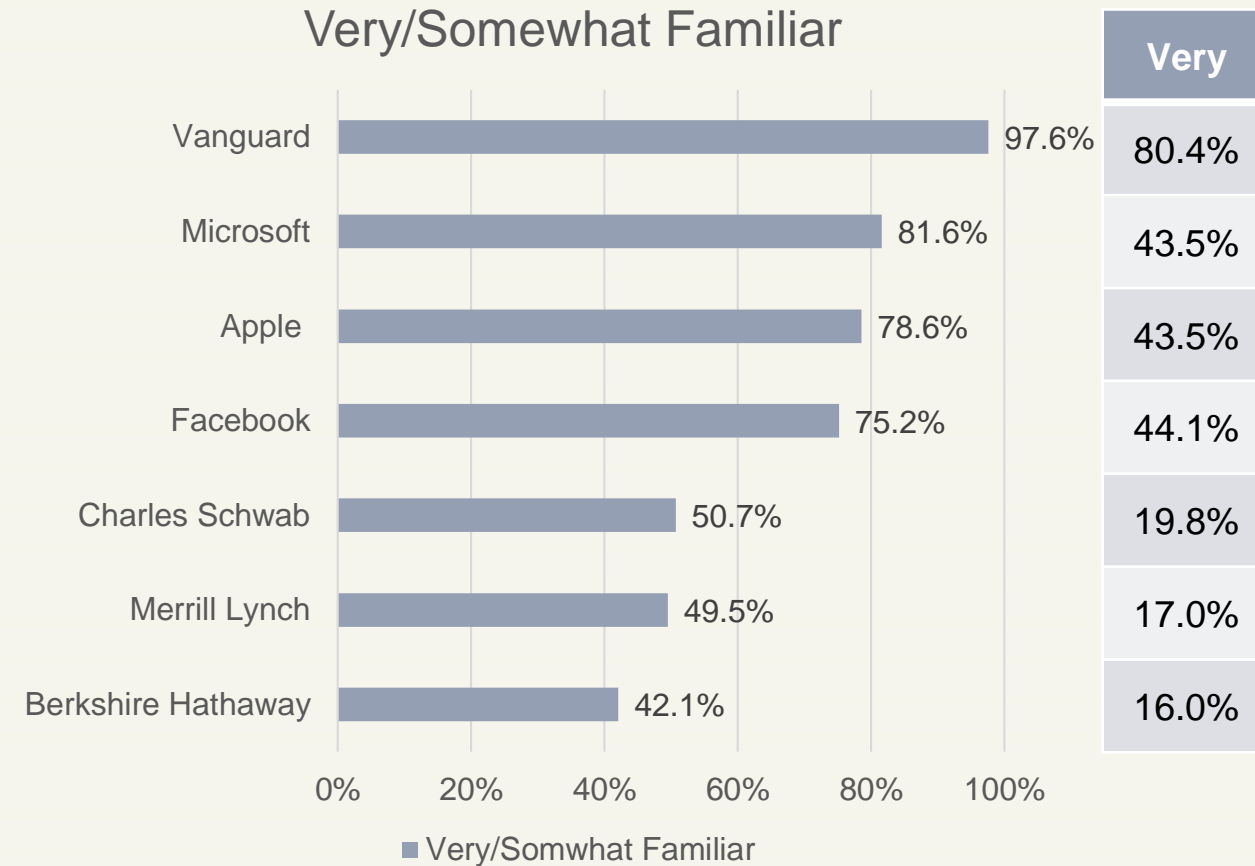
Company Reputations

Familiarity with Vanguard Similar to Schwab and Merrill Lynch Among the Investing Public

General Investing Public



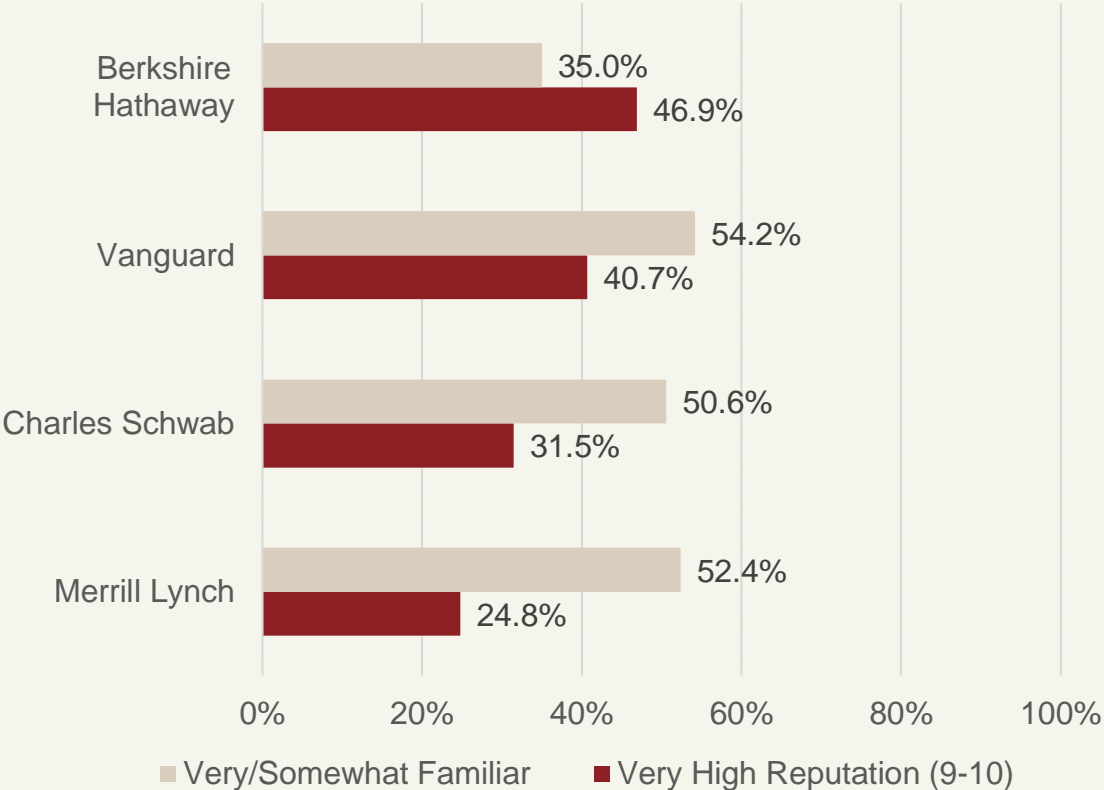
Vanguard Investors



High Familiarity and High Reputation Ratings Are Not Always Related

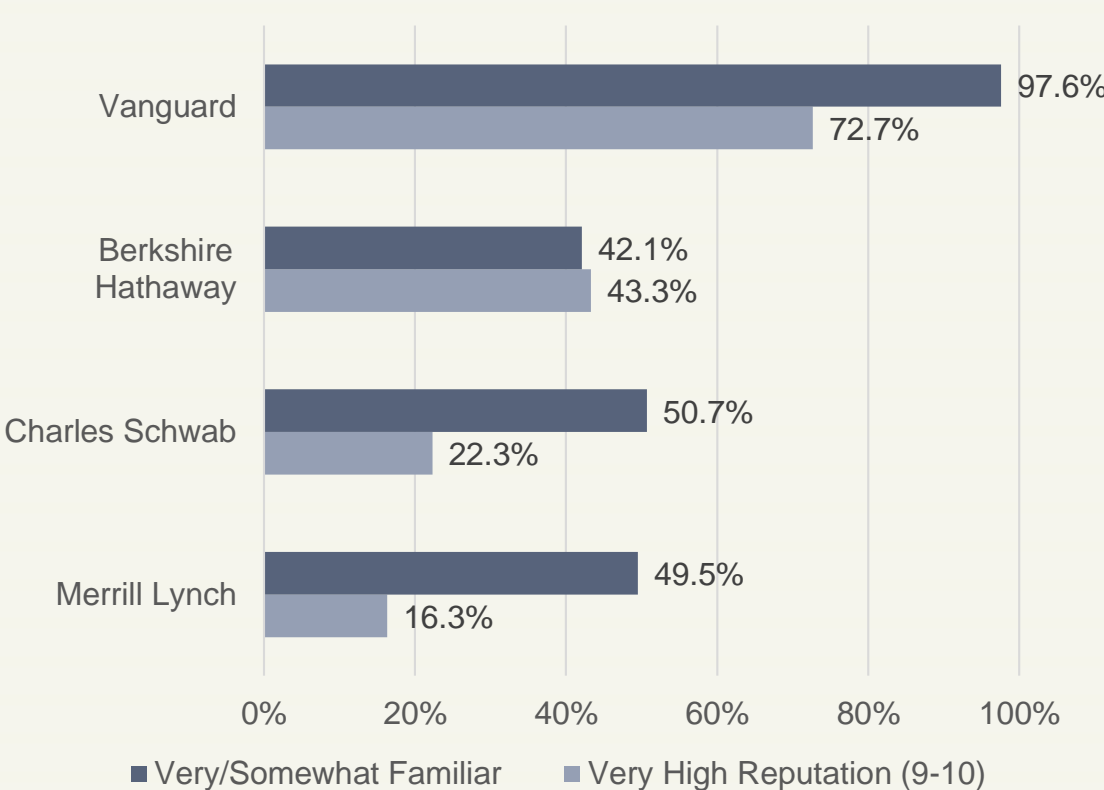
General Investing Public

Reputation vs. Awareness



Vanguard Investors

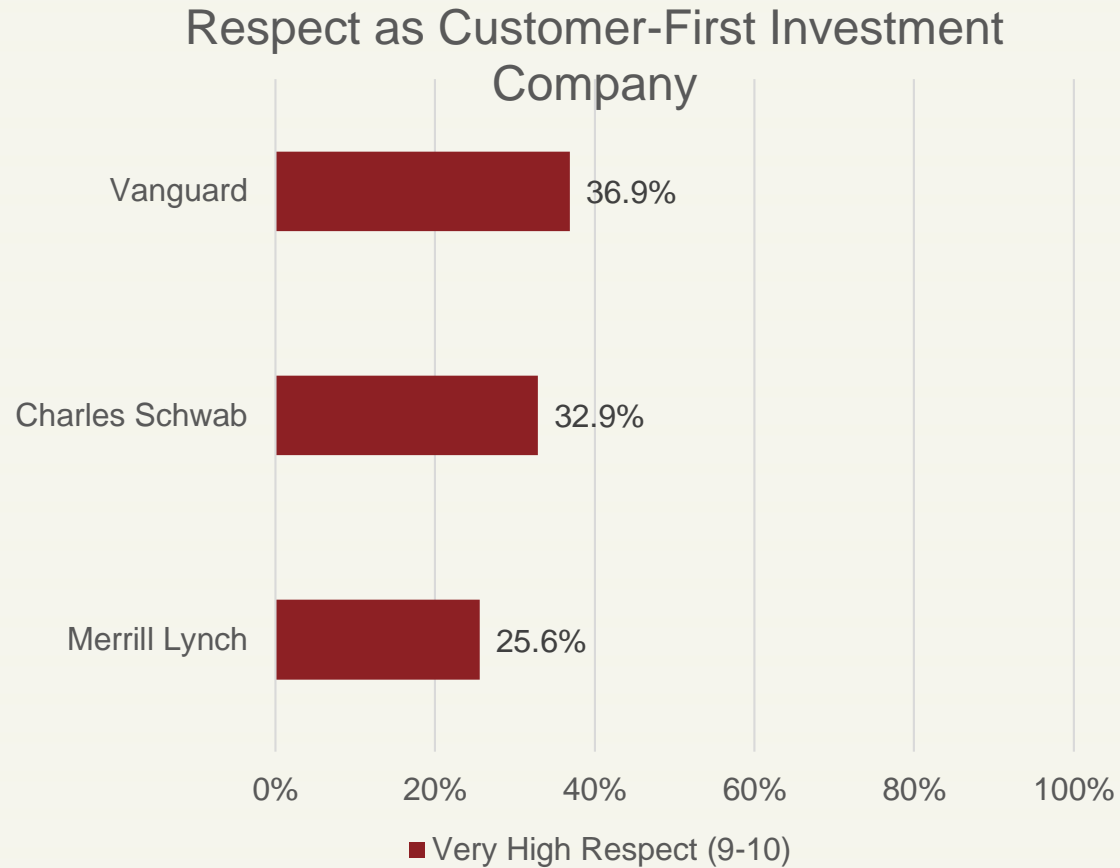
Reputation vs. Awareness



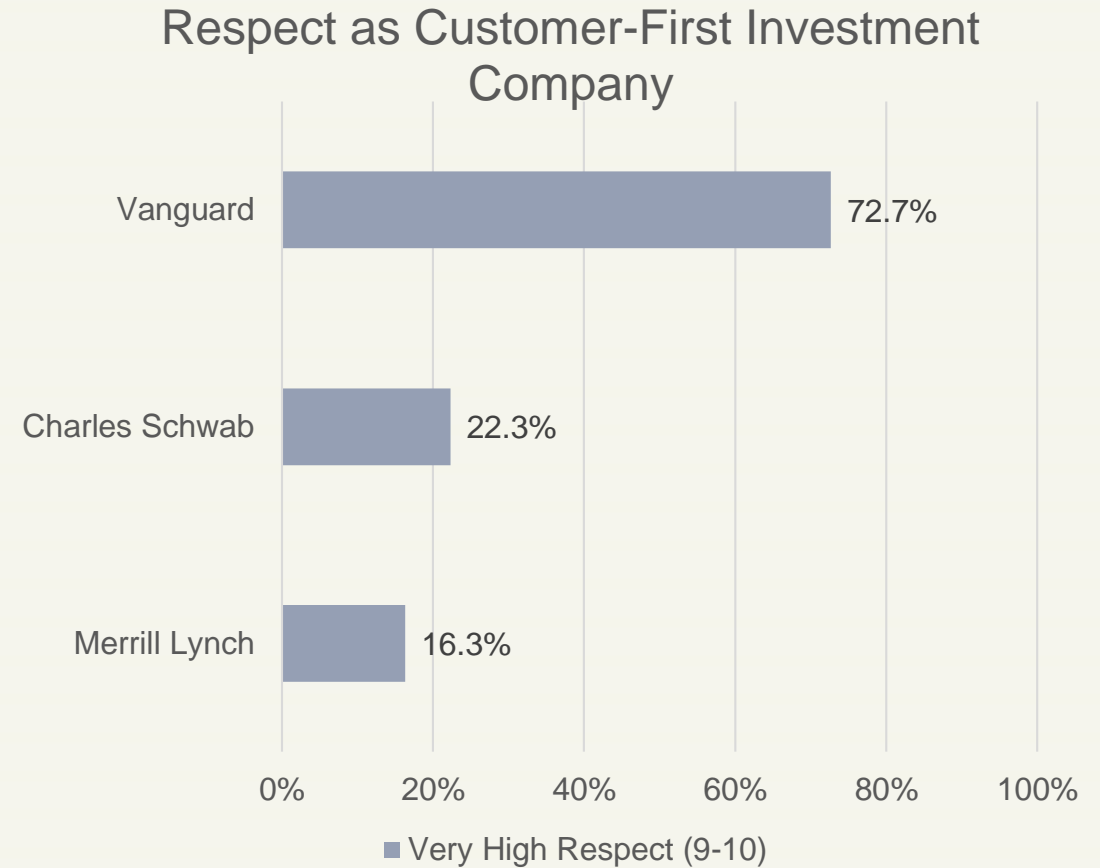
Q5. On a scale of 1 to 10, where 1 is poor and 10 is excellent, to the best of your knowledge how would you rate the reputation of each of the following companies?

For the Investing Public, When It Comes to Putting Customer Interests First Vanguard is at the Top while Merrill Lags Behind

General Investing Public

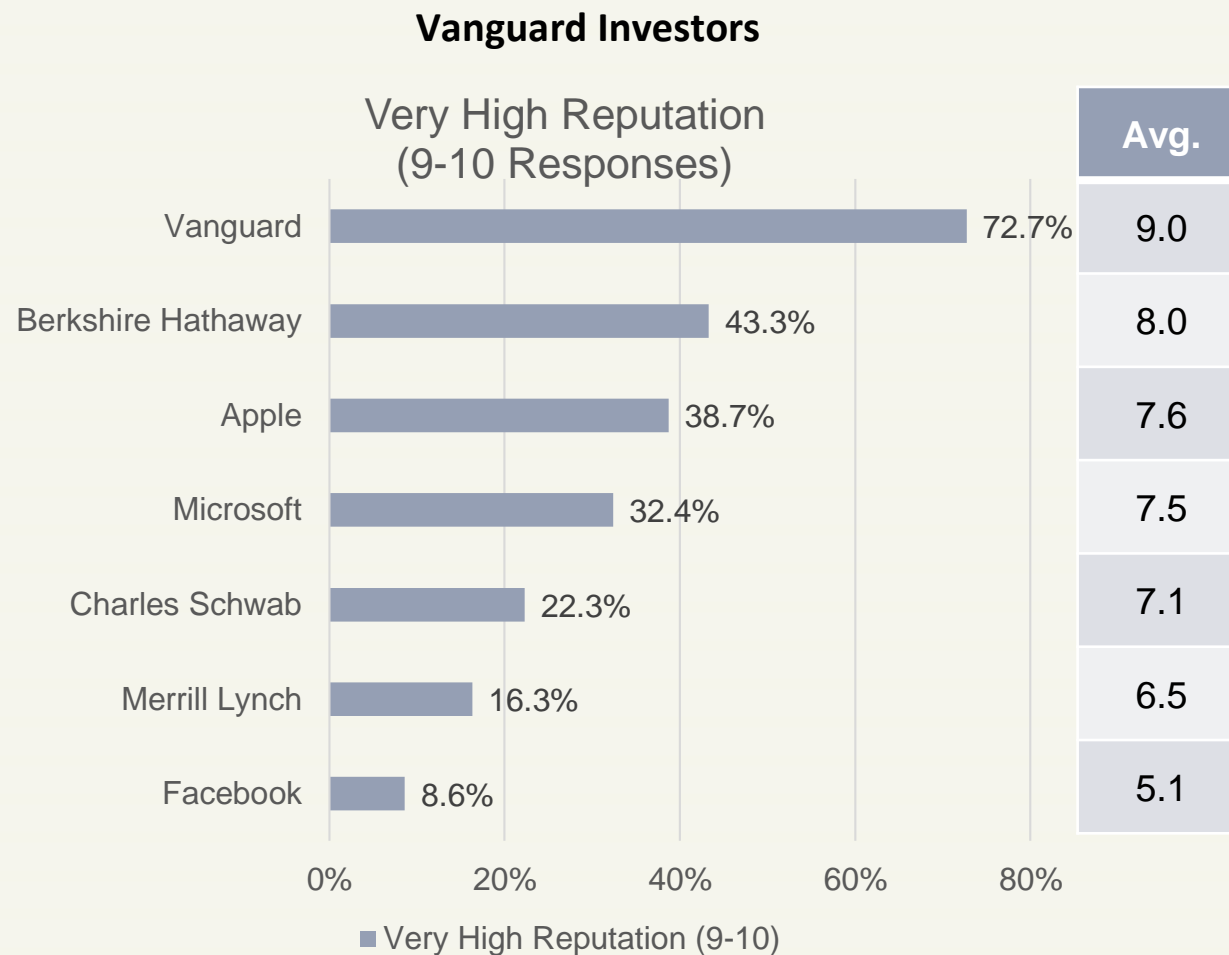
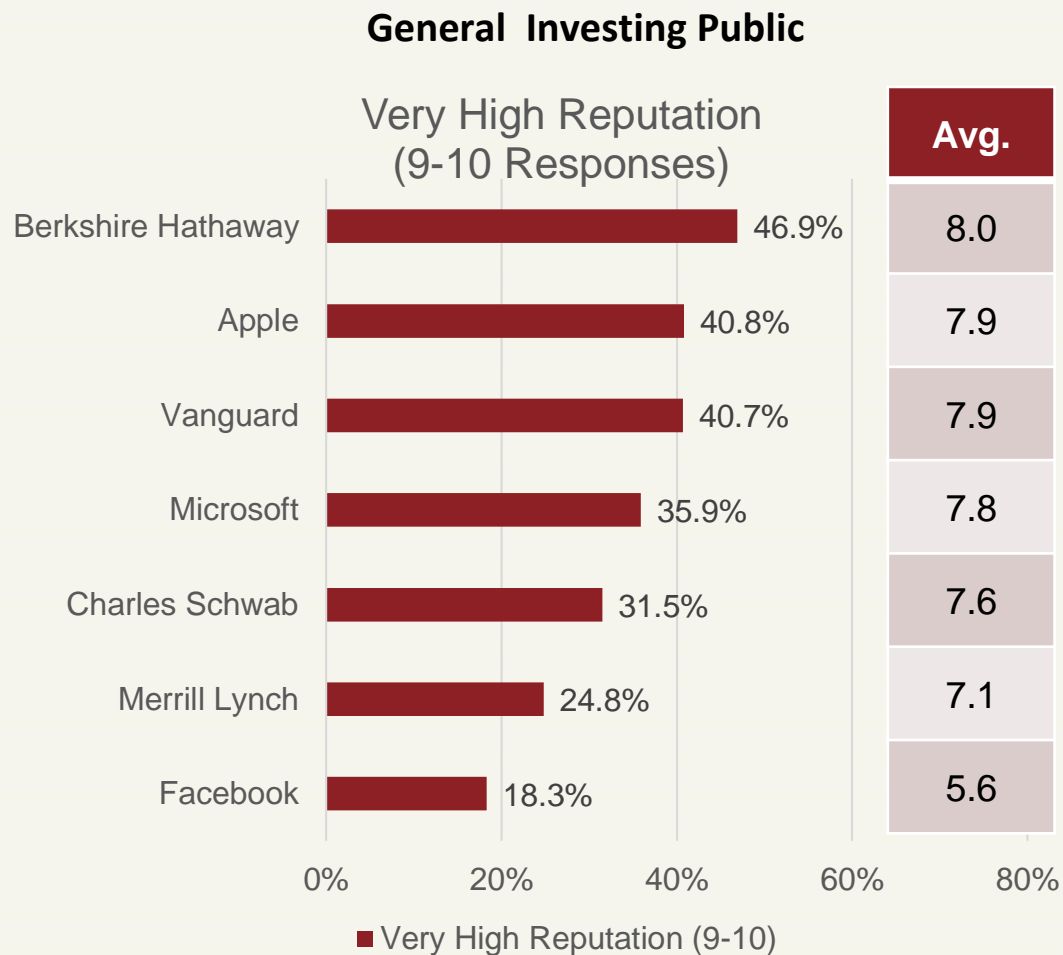


Vanguard Investors



Among the Investing Public, Vanguard's Reputation Parallels that of Apple and is Higher than Charles Schwab and Merrill Lynch

For the general public investors, Berkshire Hathaway is on top; Vanguard's reputation outranks Charles Schwab and Merrill Lynch



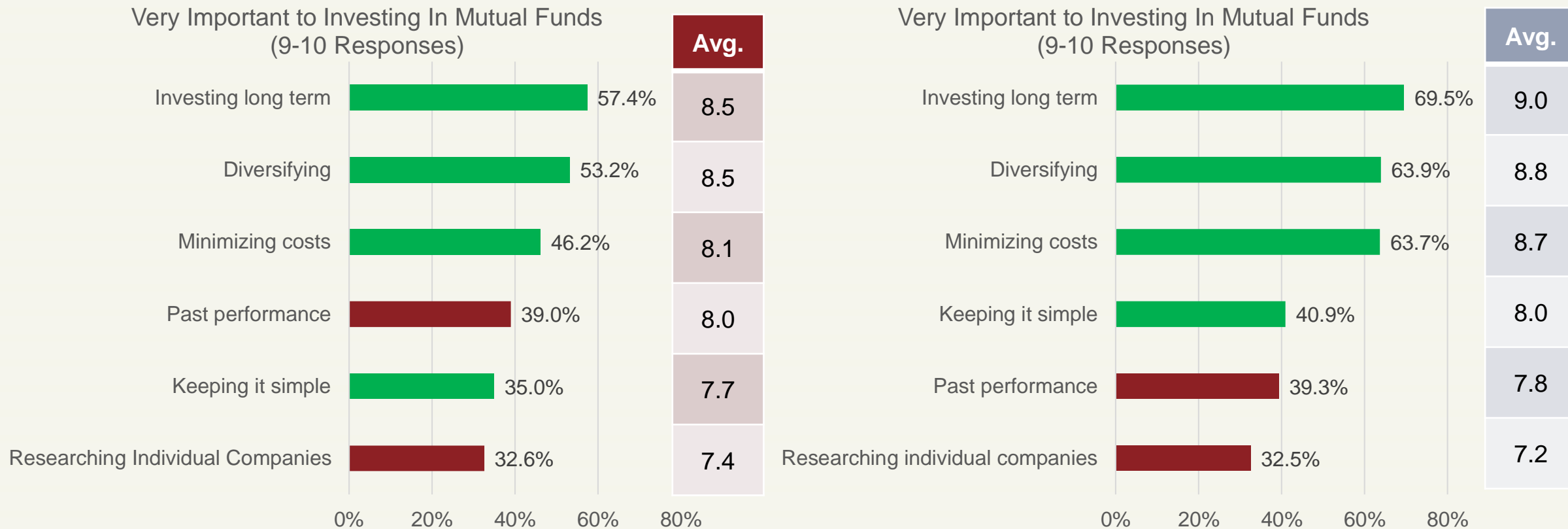
Principles Jack Bogle Espoused

Importance of Jack Bogle's Investment Principles are Ranked High*

General Investing Public

Vanguard Investors

*Green refers to what Jack Bogle encouraged, Red are things he discouraged



Investment Priorities Ranked by Those Who Are Knowledgeable About Jack Bogle

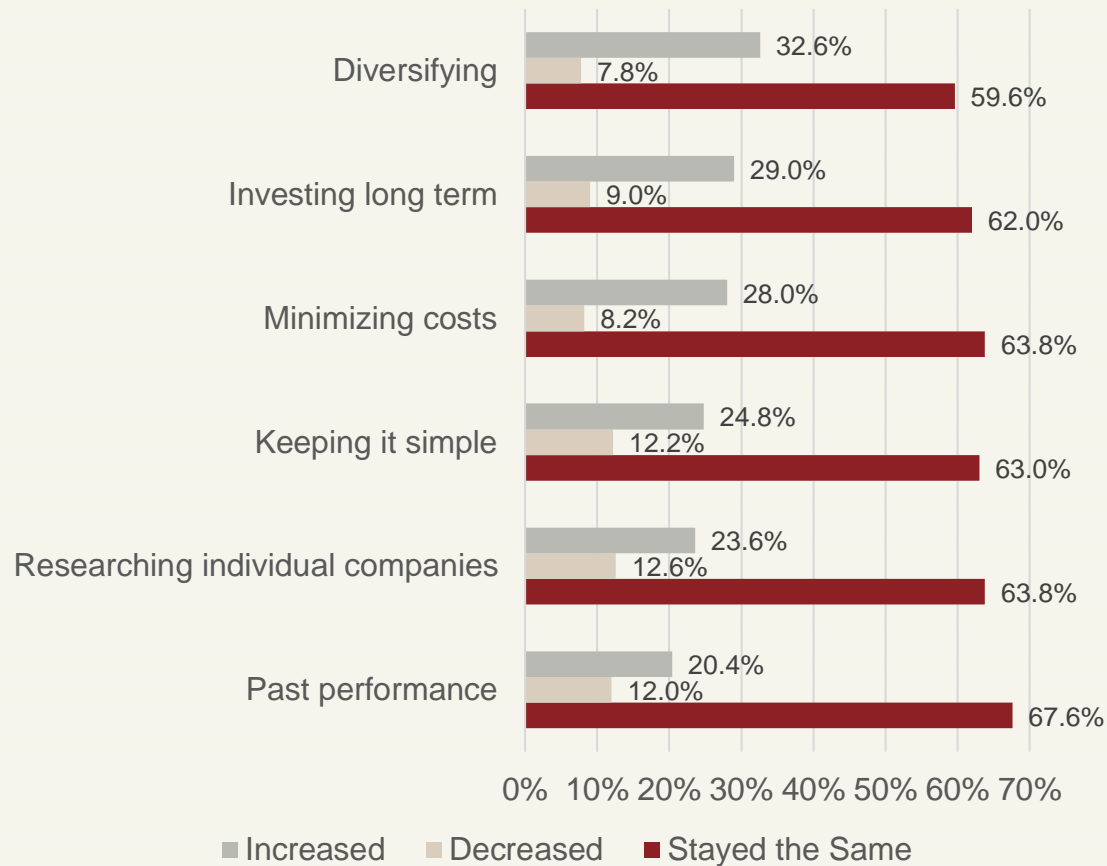
- Vanguard Investors More Knowledgeable And More Correct About Ignoring Past Performance

	General Investing Public			Vanguard Investors		
	Overall	Know A lot/Some About Jack Bogle	Know a little/only heard name/never heard of	Overall	Know A lot/Some About Jack Bogle	Know a little/only heard name/never heard of
Investing long term	57.4%	70.5%	53.6%	69.5%	72.2%	68.1%
Diversifying	53.2%	62.5%	50.5%	63.9%	69.2%	61.1%
Minimizing costs	46.2%	67.0%	40.2%	63.7%	71.6%	59.6%
Keeping it simple	35.0%	64.3%	26.5%	40.9%	47.9%	37.3%
Past performance	39.0%	52.7%	35.1%	39.3%	30.2%	44.0%
Researching individual companies	32.6%	58.0%	25.3%	32.5%	37.3%	30.1%

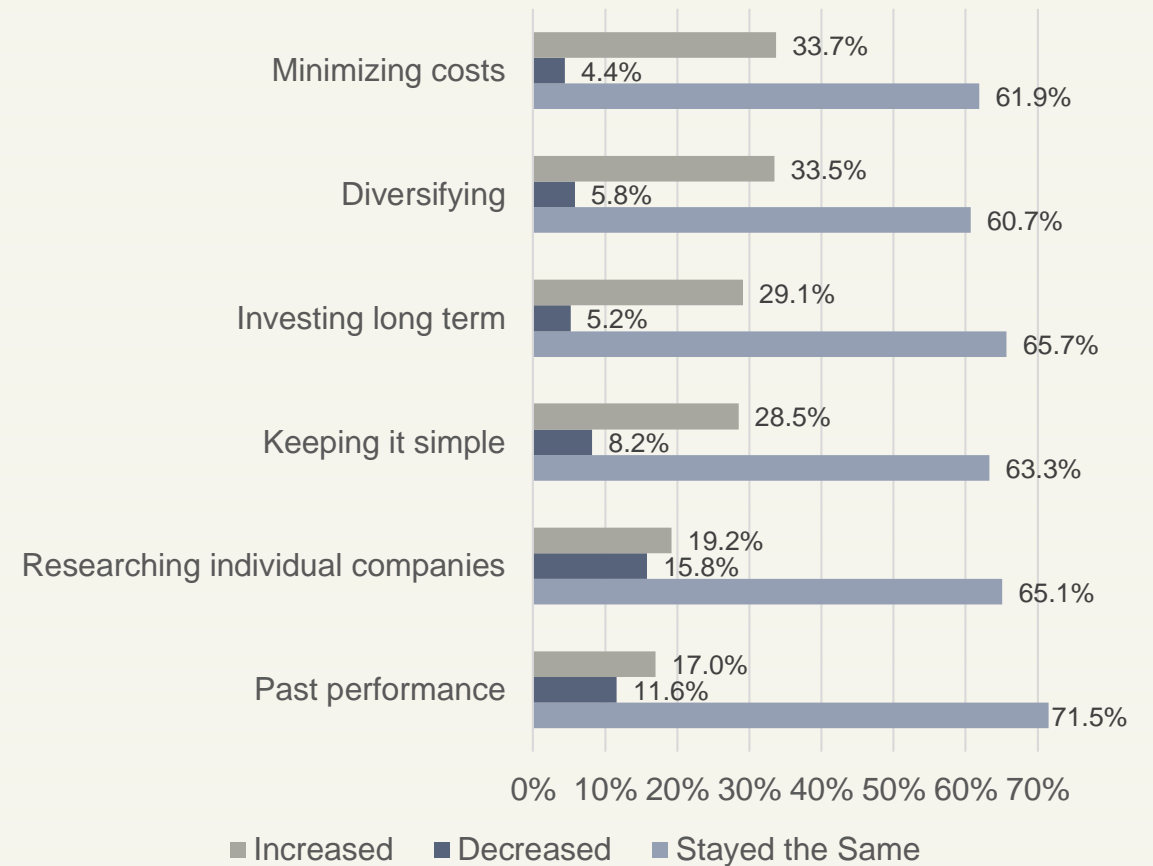
Q11. Now, using a scale of 1 to 10, where 1 is not important at all and 10 is very important please rank the importance of each of these factors to you when it comes to investing in mutual funds. If you don't know enough to say, please indicate that by checking N/A.

Diversifying, Investing for the Long-term and Minimizing Costs Increasingly Important to Investors Today

General Investing Public



Vanguard Investors

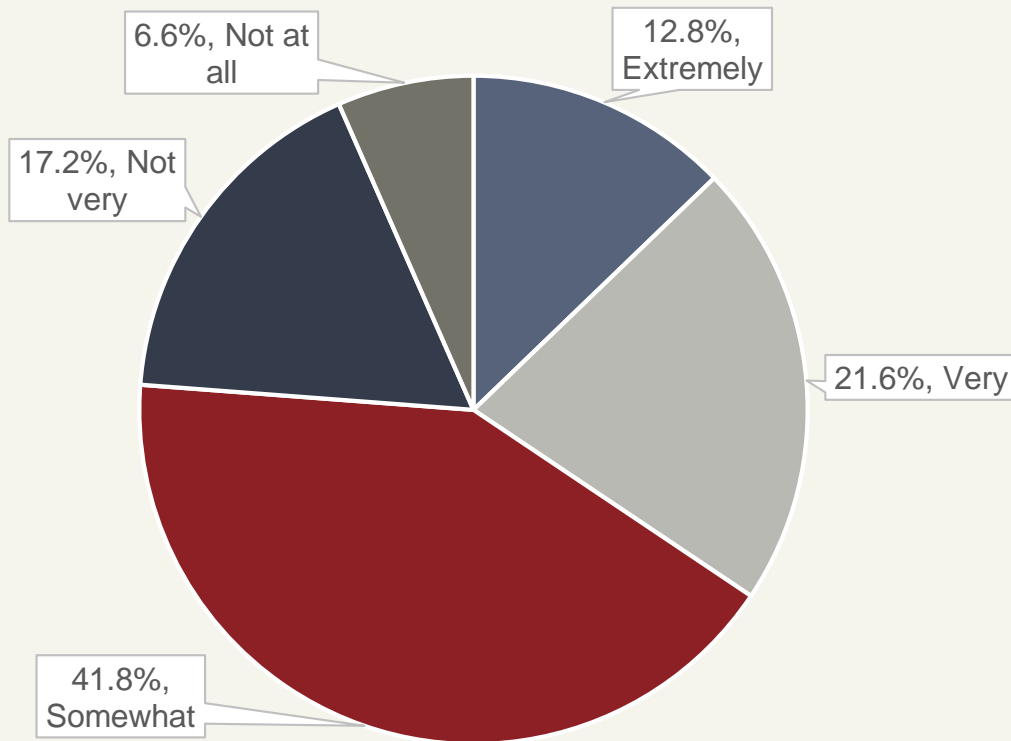


Index Funds

Knowledge of Mutual Funds is High; Higher among Vanguard Investors

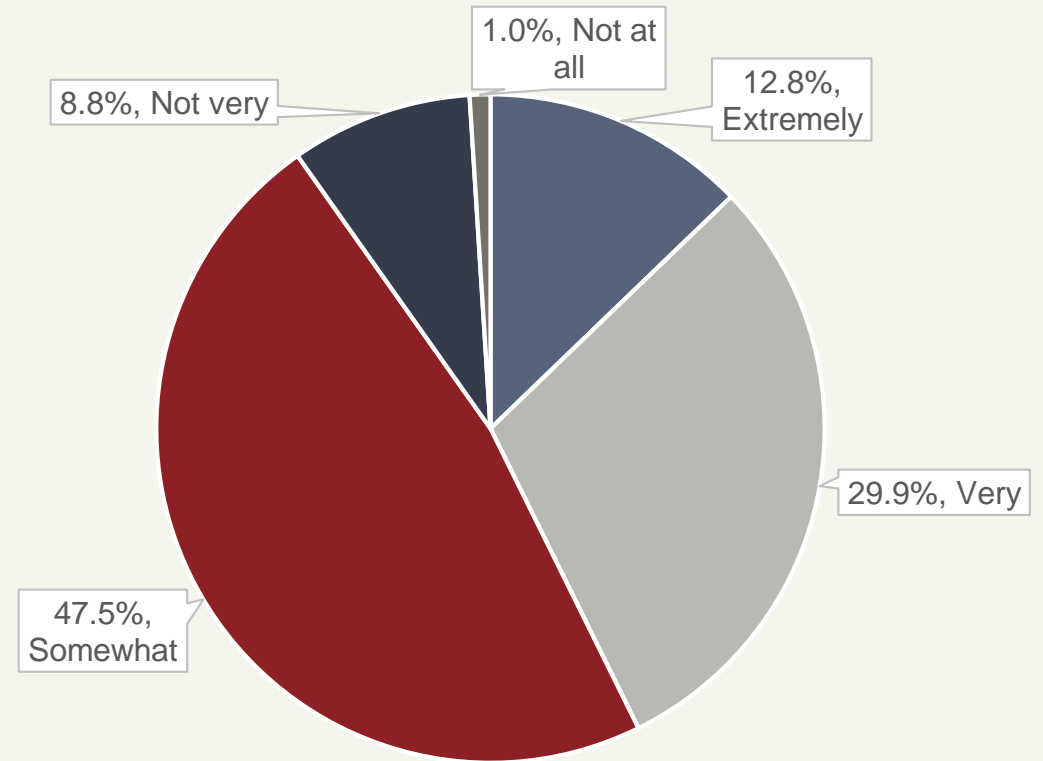
General Investing Public

Knowledge of Mutual Funds



Vanguard Investors

Knowledge of Mutual Funds

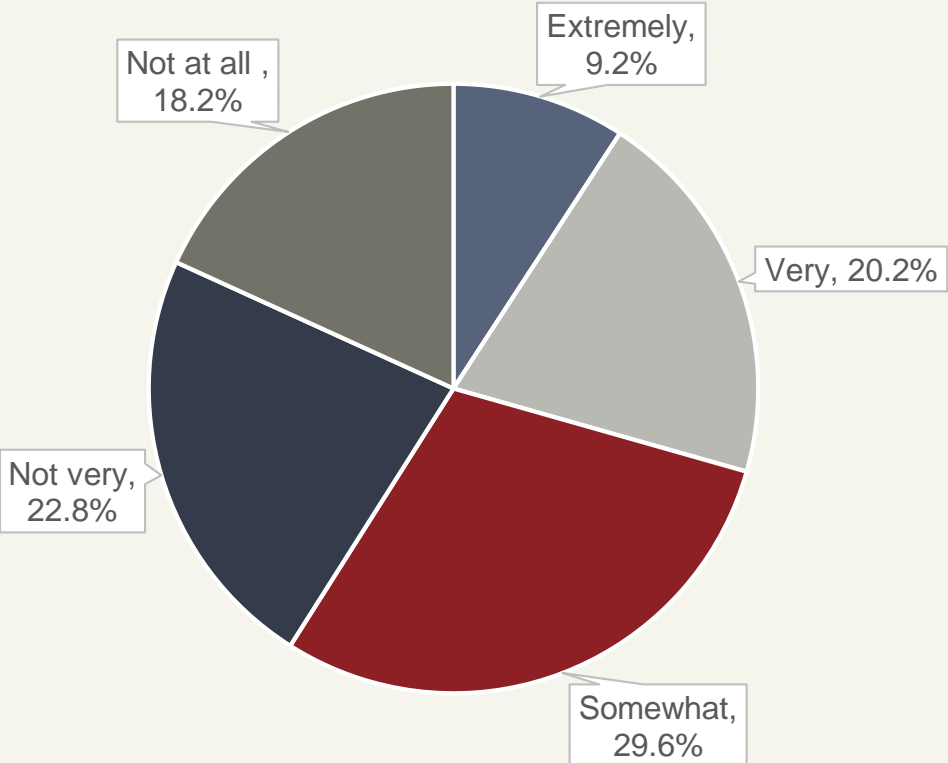


Investing Public and Vanguard Investors Report Being Knowledgeable About Index Funds

- Vanguard Investors say they feel more knowledgeable (somewhat, very, extremely) about index funds (75.3%) as compared to the general investing public (59.0%).

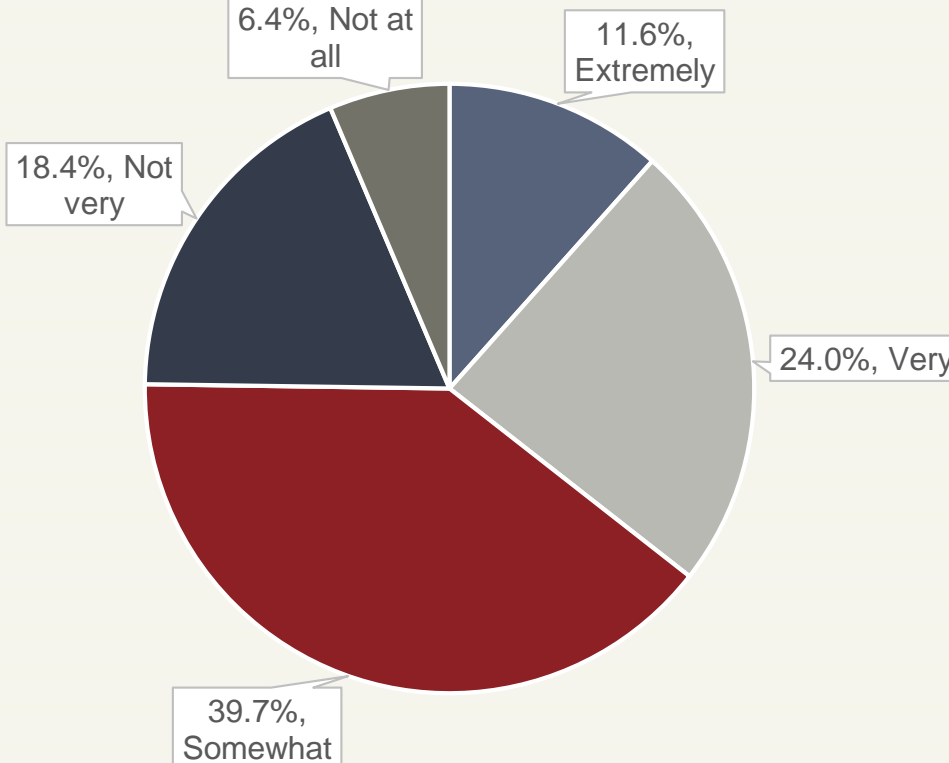
General Investing Public

Knowledge of Index Funds



Vanguard Investors

Knowledge of Index Funds

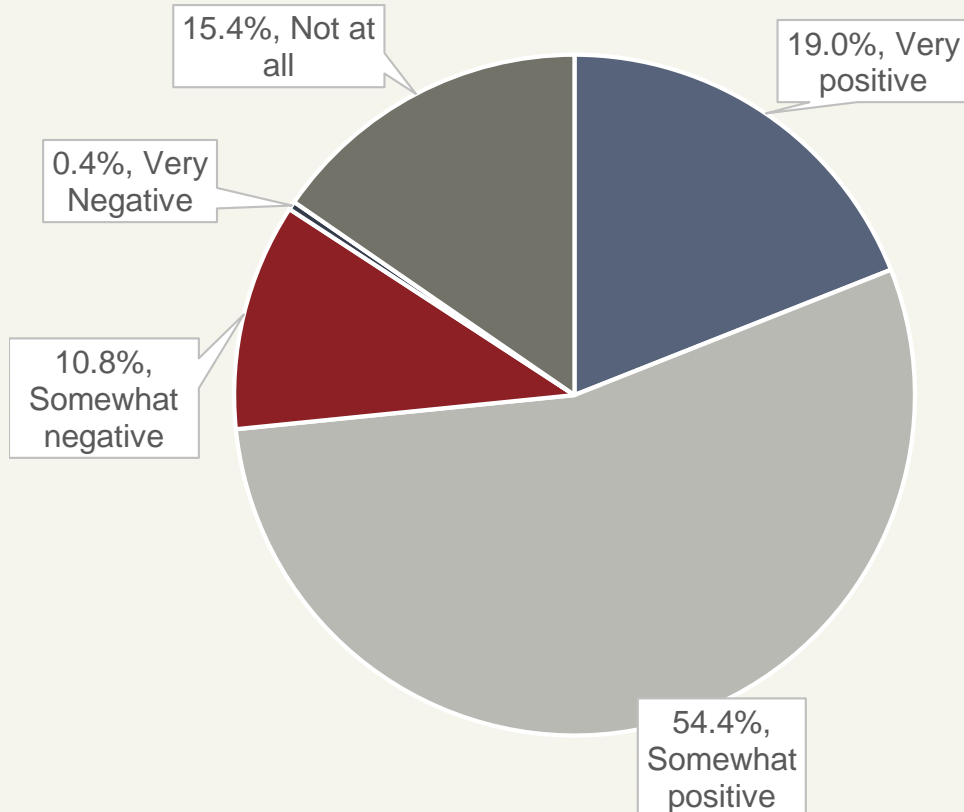


Index Funds Generally Seen as Having a Positive Impact in Investing

Respondents were provided the following statement and then asked the question: *Passively managed index funds are funds that track a group or bucket of stocks and/or bonds. For example, index funds designed to track the Standard and Poor's 500 mirror the risk and return of the entire stock market at a very low cost.*

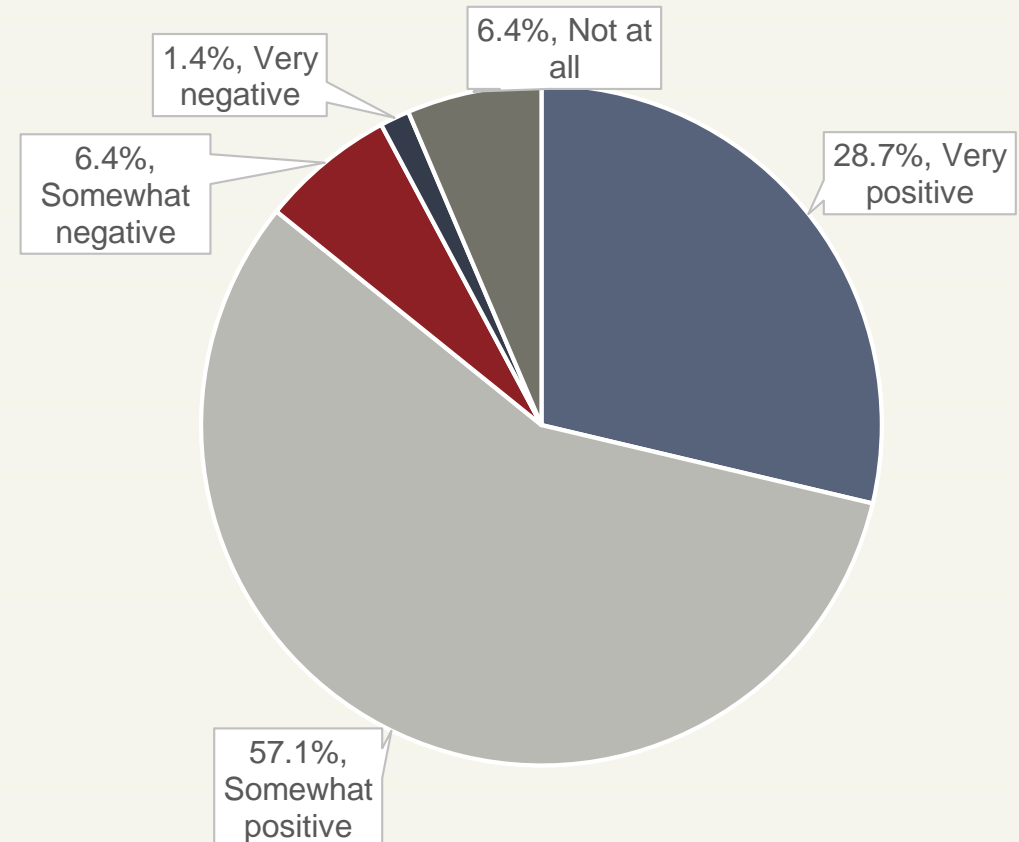
General Investing Public

Impact of Index Funds on an Individual's Investments



Vanguard Investors

Impact of Index Funds on an Individual's Investments



Q14. *Passively managed index funds are funds that track a group or bucket of stocks and/or bonds. For example, index funds designed to track the Standard and Poor's 500 mirror the risk and return of the entire stock market at a very low cost. What kind of impact do you think index funds have had on the way individuals invest, if any?*

Wide Agreement on Views of Index Funds Benefits

	General Investing Public			Vanguard Investors		
	Agree	Neutral	Disagree	Agree	Neutral	Disagree
Index funds are for amateur investors who lack the expertise to beat the market.	40.2%	41.6%	18.2%	32.4%	32.1%	35.6%
Index funds are more transparent about their investing strategy and costs.	46.6%	47.0%	6.4%	57.9%	37.1%	5.0%
Index funds could distort prices and exacerbate market turbulence.	30.0%	52.8%	17.2%	25.6%	42.5%	32.0%
Index funds get better returns than actively managed funds over the long term.	38.4%	52.8%	8.8%	48.5%	44.3%	7.2%
Index funds that represent the entire market eliminate risks associated with individual companies, market sectors and stock picking.	51.8%	38.8%	9.4%	64.5%	26.7%	8.8%
Index funds that represent the entire market have lower costs and less risk than actively managed funds that pick certain stocks.	52.8%	41.8%	5.4%	66.4%	29.5%	4.0%

Describing Jack Bogle's Legacy

How the General Public Remembers Jack Bogle: In Their Own Words

Solid investor looking out for the investor

Worked for the average investor - not greedy

Great man with great vision and financial wisdom

Has done great things for the average investor

He never pretended to know how the market would perform unlike most talking heads on tv

He's the only good investment guy

..Because my investments have done remarkably well with Vanguard

How Vanguard Investors Remember Jack Bogle: In Their Own Words

Founder of Vanguard. Smart. Trustworthy. Visionary

He is a pioneer for the average investor to get into the market

The man seemed to pioneer the industry, while his friends and foes pocketed billions, he put billions into others' hands at the cost of his own wealth

I think Jack Bogle has had a clear vision for Vanguard and has created a company that is innovative, stable, and has an excellent reputation within the investment industry

He has made Vanguard a very reputable company who puts its customers first, long history of transparency, offers a multitude of investment opportunities

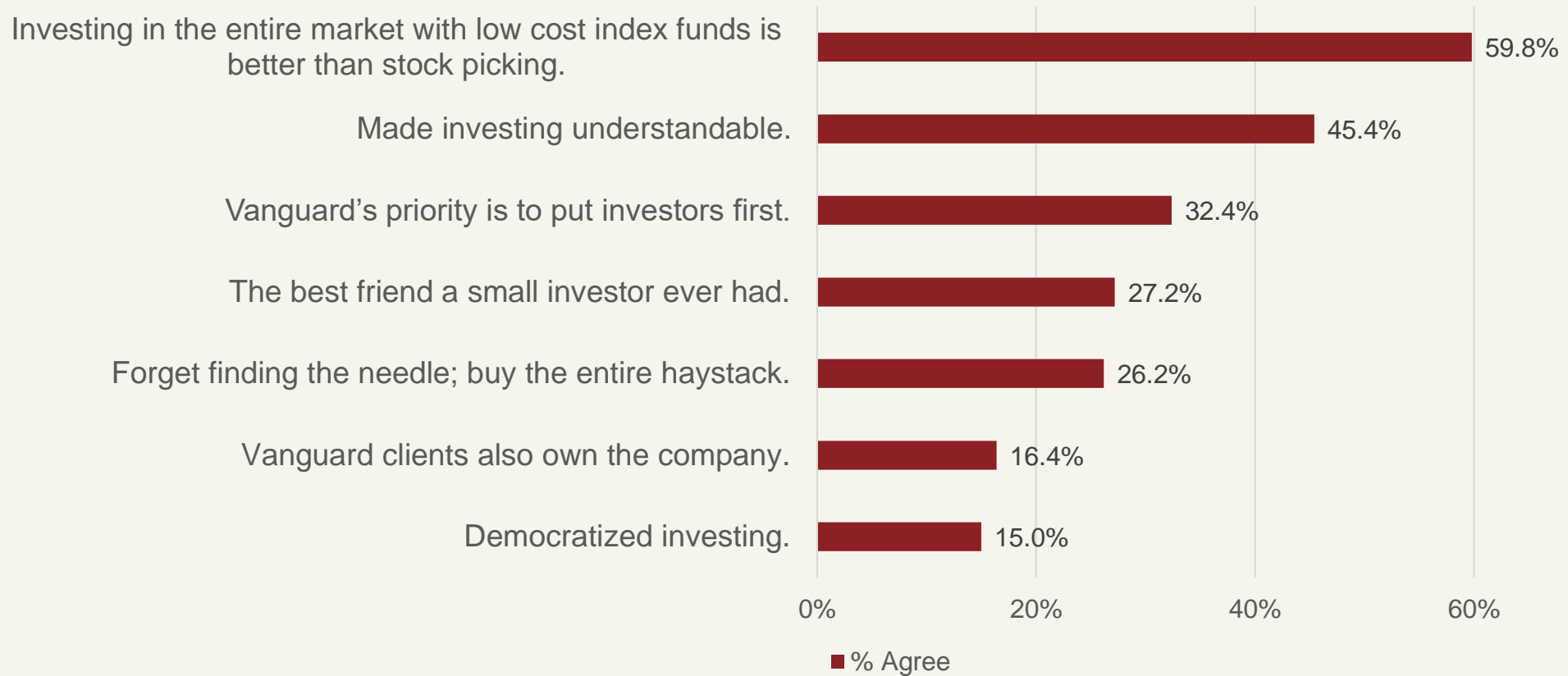
Stellar reputation and a pioneer in Index Funds

He is the pioneer of Indexing and has made Vanguard the great and best investment company it is today

Phrases that Describe Jack Bogle's Legacy: General Investing Public

(Respondents Allowed Three Choices)

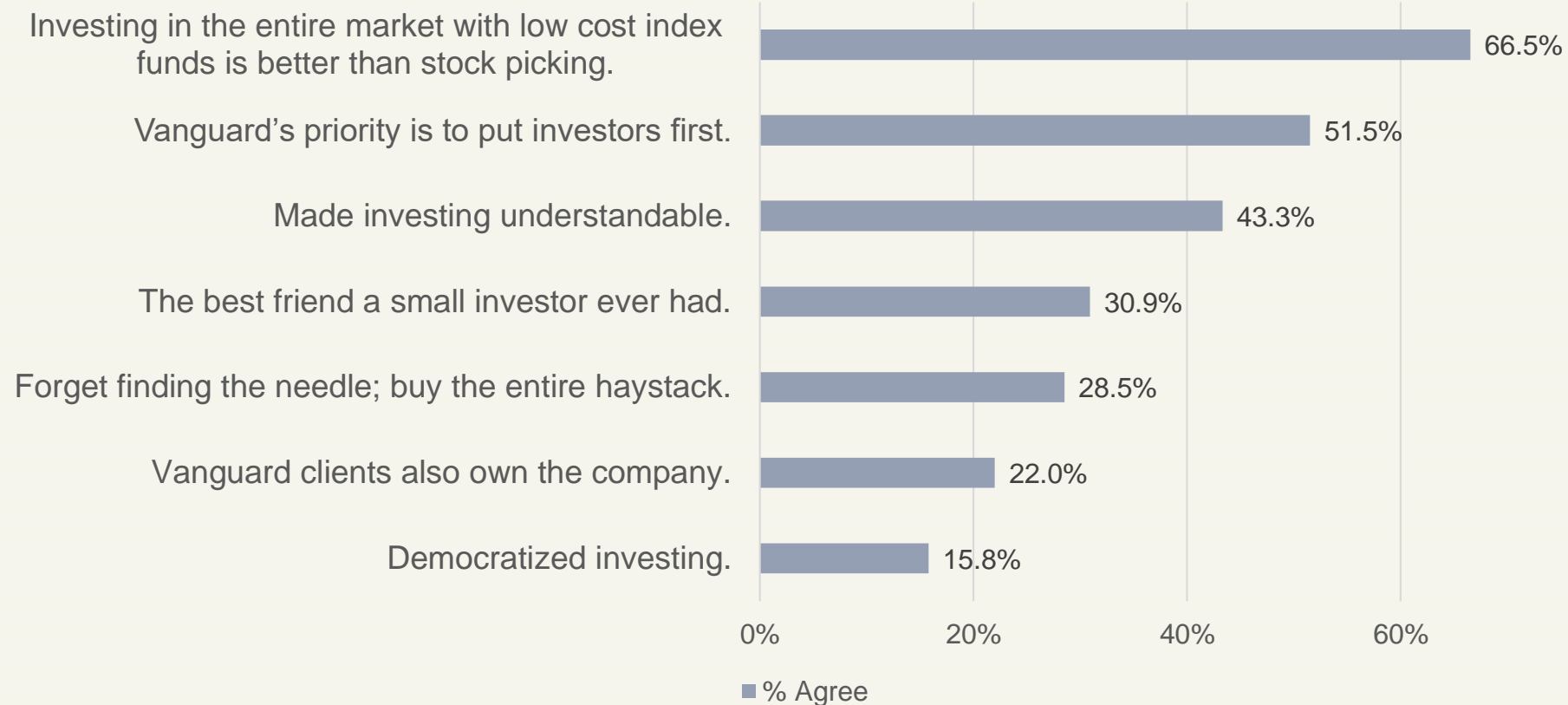
Describing Jack Bogle's Contributions



Phrases that Describe Jack Bogle's Legacy: Vanguard Investors

(Respondents Allowed Three Choices)

Describing Jack Bogle's Contributions



General Public
59.8%
32.4%
45.4%
27.2%
26.2%
16.4%
15.0%

Investors Speak Their Mind on Jack Bogle's Legacy

January 3, 2020