Jack Bogle was the founder and chief executive of The Vanguard Group, one of the world’s largest investment companies and he is also regarded as the father of index funds. Below are the principles given by Jack in his book Common Sense on Mutual Funds.

**Invest you must**. The biggest risk is the long-term risk of not putting your money to work at a generous return, not the short-term but real risk of price volatility.

**Time is your friend**. Give yourself all the time you can. Begin to invest in your 20s, even if it’s only a small amount, and never stop. Even modest investments in tough times will help you sustain the pace and will become a habit. Compound interest is a miracle.

**Impulse is your enemy**. Eliminate emotion from your investment program. Have rational expectations about future returns, and avoid changing those expectations as the seasons change. Cold, dark winters will give way to bright, bountiful springs.

**Basic arithmetic works**. Keep your investment expenses under control. Your net return is simply the gross return of your investment portfolio, less the costs you incur (sales commissions, advisory fees, transaction costs). Low costs make your task easier.

**Stick to simplicity**. Don’t complicate the process. Basic investing is simple — a sensible asset allocation to stocks, bonds, and cash reserves; a selection of middle-of-the-road funds that emphasize high-grade securities; a careful balancing of risk, return, and (lest we forget) cost.

**Stay the course**. No matter what happens, stick to your program. Jack regarded it as the single most important piece of investment wisdom.