

Bogleheads XVI!

“The most visible advocate of
index investing as a winning strategy.”

—Laurence B. Siegel, CFA

“What Gutenberg was to the printing press, Henry Ford to the automobile, and Shakespeare to the English language, Jack Bogle is to finance.”

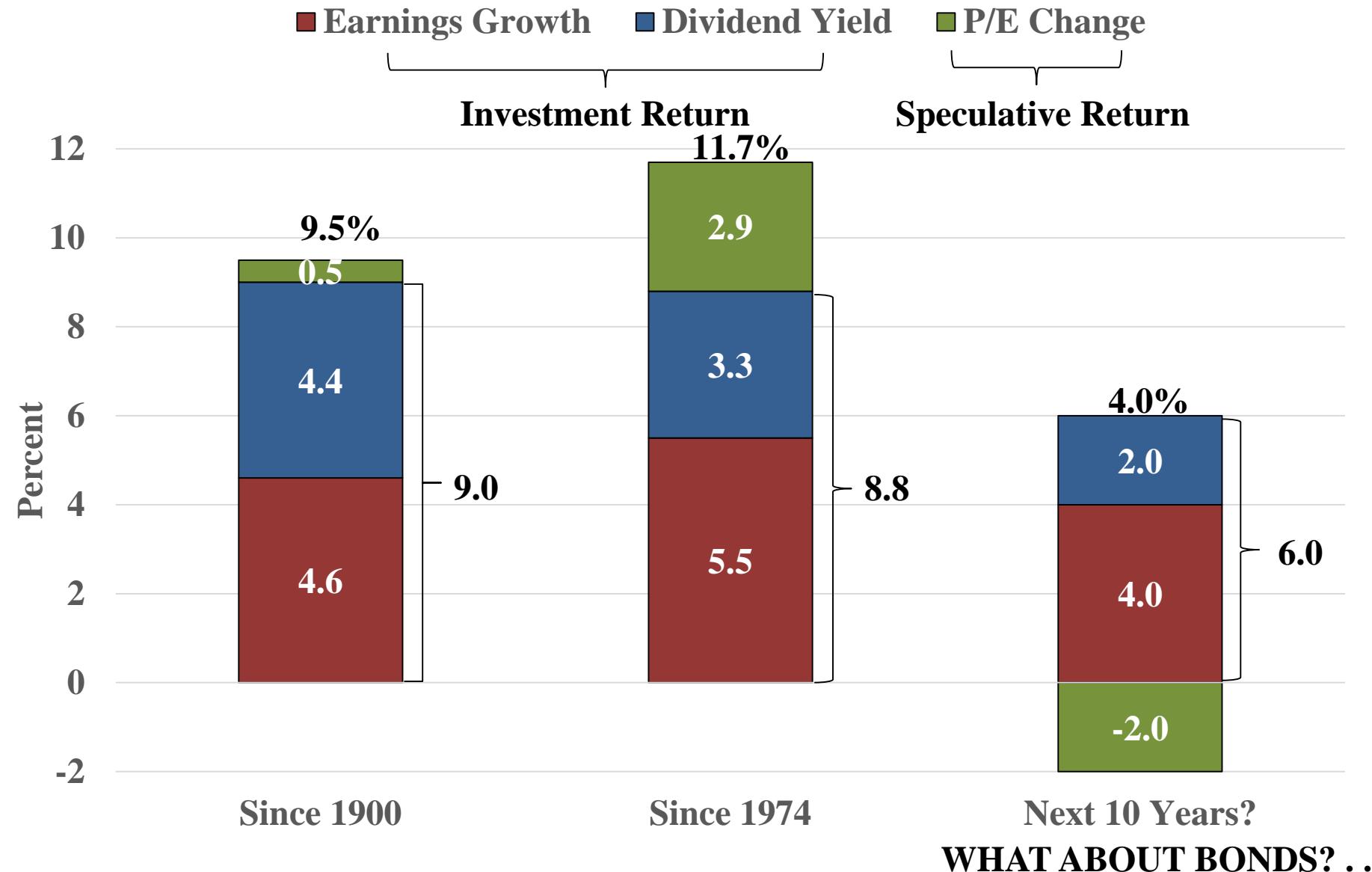
—William J. Bernstein

John C. Bogle
Philadelphia, PA
October 19, 2017

IX. Future Returns on Financial Assets

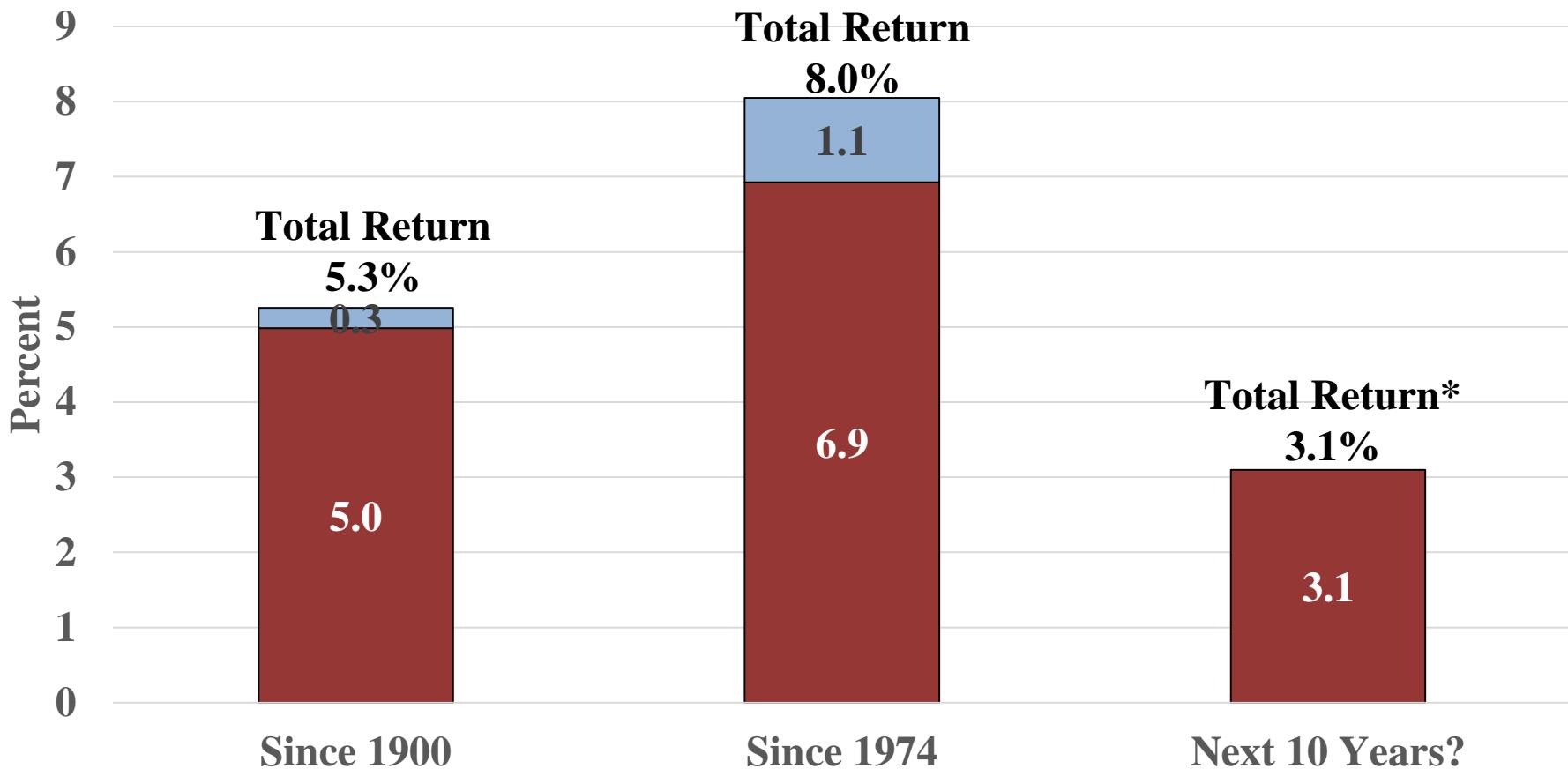
Reasonable Expectations for Stocks— Below Long-Term Norms

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Reasonable Expectations for Bond Returns— Below Long-Term Norms

■ Income □ Capital Appreciation



*Assumes accepting moderate additional credit risk and significant interest rate risk vs. the U.S. Treasury 10-year note

AND A BALANCED PORTFOLIO...

Expectations for Balanced Portfolio Returns Below Long-Term Norm of 7.4% Nominal; 4.4% Real

**Reasonable Expectations: Gross Returns
(50/50 Stock/Bond):**

3.6% Nominal; 1.6% Real

Don't Forget These Deductions
-1.5% Active Fund Costs*

or

-0.05% Index Fund Costs

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And Don't Forget:
-2% Excess Taxes and
Investor Behavior for Active Funds

***Includes expense ratios and transaction costs but not sales loads.**