

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

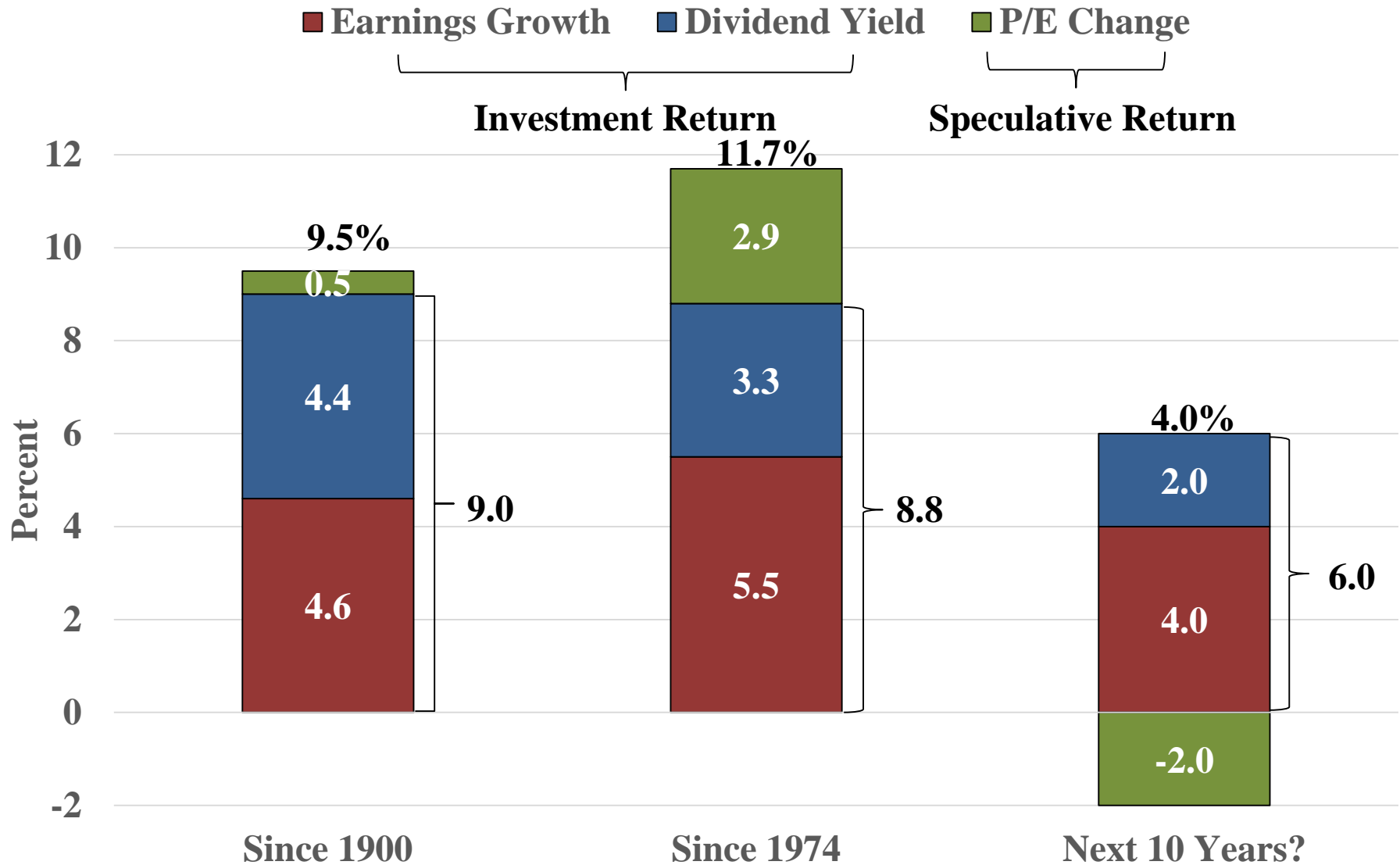
Philadelphia, PA

October 19, 2017

IX. Future Returns on Financial Assets

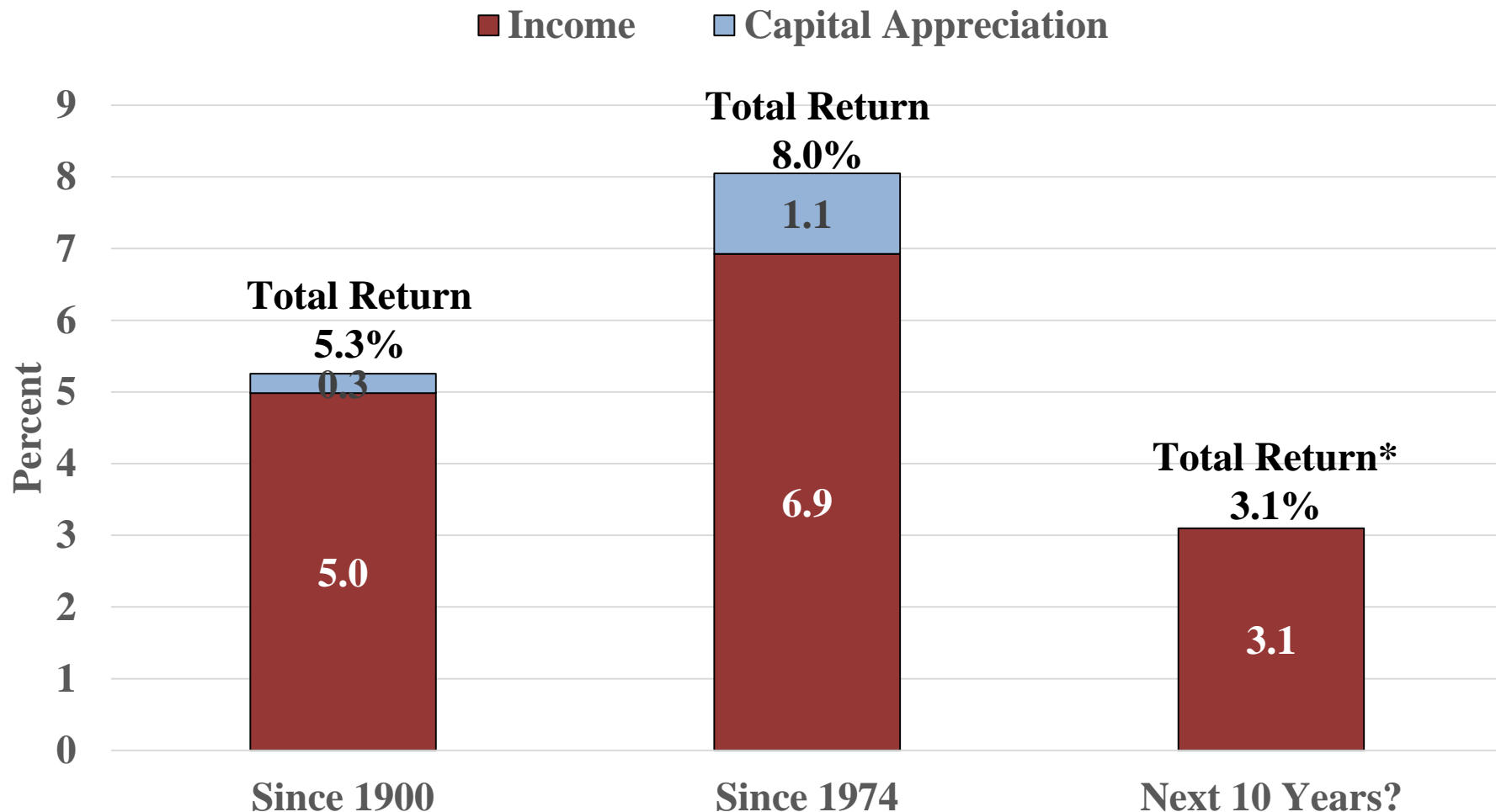
Reasonable Expectations for Stocks— Below Long-Term Norms

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WHAT ABOUT BONDS? ...

Reasonable Expectations for Bond Returns— Below Long-Term Norms



***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

*** * ***

And Don't Forget:

-2% Excess Taxes and

Investor Behavior for Active Funds

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