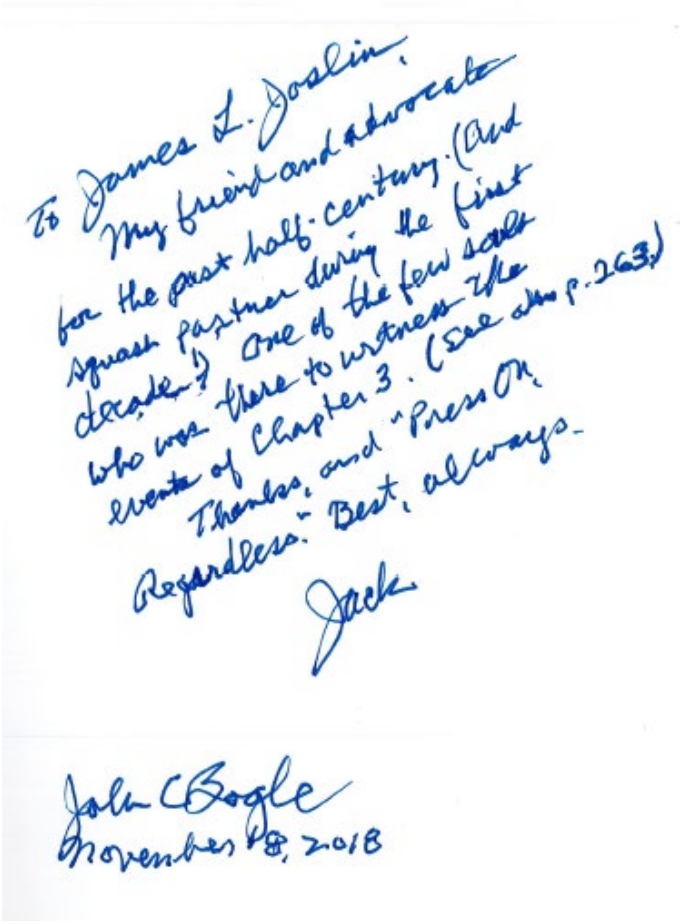
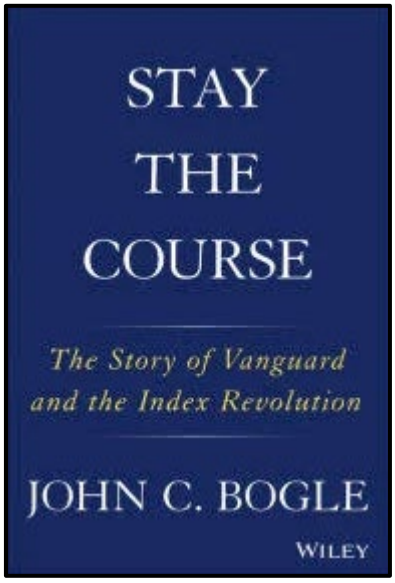
A Personal Remembrance
March 8, 2019

OUR VIEW

Remembering Jack Bogle





"To James L. Joslin: My friend and advocate for the past half-century. (And squash partner during the first decade!) One of the few souls who was there to witness the events of Chapter 3. (See also p. 263).

Thanks, and "Press On Regardless." Best, always,

Jack

John C. Bogle

November 8, 2018

In early January, a book in a padded envelope arrived via USPS at TFC's offices addressed to the writer. It was Jack Bogle's just off the press 14th publication, Stay the Course. On the blank inside-the-cover-facing page was the note in the author's hand that appears above.

Typically, Jack had set all this in motion in early November and with the mailing expense in mind had chosen "Book Rate," the least costly mode. As I thought about it, his often-quoted assertion that "investing is a discipline where you get what you don't pay for," resonated.

A week later the news of Jack's death took on an eerie sense of déjà vu. The many times our paths had crossed, either by chance or as intended, the many acts of kindness extended on his part, the time he seemed to pay attention to the inquiries of someone outside his wide circle of highly recognized celebrities, acquaintances, all seemed so extraordinary. If one can be so presumptuous as to make the claim, Jack (although I never had a chance to tell him so explicitly) was a mentor in many ways.

It all began some fifty-five years ago. In 1968, a phone call from a friend who had earlier joined the Boston investment firm of Thorndike, Doran, Paine and Lewis (T D P & L) in so many words said, "You had better get over here, there are some very exciting developments ahead."

IVEST Fund, the firm's flagship mutual fund, was the hot performer of the day, at the top of every broker's list, and very much in the financial press headlines. It was in the heady days of "performance" investing (e.g., Peter Lynch of Fidelity's Magellan Fund, and Jerry Tsai and the Manhattan Fund after he left Fidelity), and Nick, Bob, Steve, and George were at the forefront of this "new" approach. Walter Morgan, founder and early value-oriented manager of the Wellington Management Company and his in-the-wings successor, Jack Bogle, sought out Messrs. T D P & L and worked out an acquisition which caught the media's attention, and was consummated just as my employment started at the old office One State Street address.



In 1969, the T D P & L (1 State Street, Boston) part of the Wellington-Invest merger. Jack Bogle (center) is number 6 in the photo, Jim Joslin number 14, Bob Doran number 9, George Lewis number 11, Steve Paine number 5, and Nick Thorndike number 16.

For this naïve bank trust officer suddenly thrust into the world of Boston-New York-Philadelphia finance, these were exciting times in which the "Nifty Fifty" growth stocks, "one-decision" performance investing game was just unfolding. The possibilities seemed unfettered. The Boston IVEST Group were the go-to money managers of that era, and the invitations from prospective clients cascaded in from up and down the East coast, as well as out into the Midwest. We picked up accounts from Chicago, Madison, Philadelphia, New York, even from Alaska (the Alaskan Native Claims Settlement Act). I was charged with marketing the firm's separate account investment counselling services. We added some $1.8 billion in new accounts onto a base of $1.0 billion during the exhilarating days of the merger.

But, the merger outcome was unfortunate. The challenge was to combine an old-line conservative value-oriented approach with the new world of growth-at-almost-any-price. When the break-up started, acrimonious media gleanings, most inaccurate as usual, sensationalized the proceedings. The separation was difficult for all. Jack has since written some on the subject (The Clash of the Cultures and again, recently in Stay the Course), but Bob, Nick, and George have remained, by mutual agreement, silent. I had then only an employee's view of the break-up.

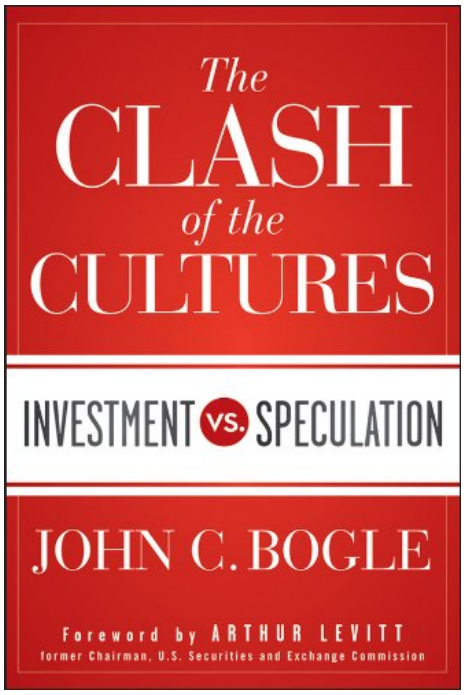
The split took place in 1973, and both parties went their separate ways without seeing each other for 35 plus years (i.e., until in 2012 a series of symbiotic events transpired). But, of course, it set in motion the chain of events which spawned the Vanguard Group of passive funds and the separate Wellington Management partnership, both today dominant firms in their markets.

I stayed in touch with Jack over the years; and like others followed the growth of his Vanguard offerings throughout. Passive investing, or index-tracking as Vanguard initially pursued it, became the early core of TFC's client portfolio management strategy. One day in 2011, anticipating Jack was to be in Boston speaking at a national CFA Conference later in the month, I called and asked if he might have time after his talk to stop by the firm's offices, then at 30 Federal Street, and meet with a group of our clients. A few weeks later, after his scheduled conference speaking engagement, he joined us for an afternoon reception.



Jack Bogle and myself at a TFC client reception in 2011…

A year or so later Jack called and asked if I would serve, with Jeremey Grantham, as Co-Chairman of a dinner to be held in his (Jack's) honor, sponsored by the Lown Institute. The occasion at the Mandarin Hotel, turned out to be a great success; Jack seemed pleased with the outcome, as did Nobel Laureate Dr. Bernard Lown, whose Institute bestowed its "Humanitarian of the Year Award" upon Jack.



Following this, it struck me that perhaps a book-signing event featuring Jack at The Brookline Country Club might be something others would find of interest. Long story shortened, 120 people showed up for Jack's talk, book signing (sponsored by TFC), followed by a private reunion dinner with Messrs. TD&L, the writer and a few other mutual friends.

The post script to this is that we later arranged for Jack to present his next book, The Clash of the Cultures at a Boston Security Analysts Society luncheon at the Avery Street Ritz Carlton in May of 2013.

The morning of his presentation he called and asked if I might give him a ride from his hotel on my way to the Ritz. My first reaction was that surely, he would have been staying at the Ritz on our expense sharing agreement, but of course "you get to keep what you don't pay for" was always his approach, so he had stayed overnight at the SwissHotel. It has also been rumored that Jack once talked the front desk clerk at the Waldorf Astoria into providing him with a room there at an overnight cost of less than $100.

The Ritz Carlton session was a standing-room-only turnout, and TFC provided all (250 attendees) with a copy of the book. Jack's speech, which he had spent a great deal of time crafting for the occasion (click the following link to be directed to the PDF White Paper: Jack Bogle's Remarks at BSAS - May 17, 2013), was a tour de force tracking the history of the mutual fund business nationally, as well as its origins in Boston. It was for Jack a kind of Boston valedictory, and selfishly for the firm, a chance to identify with an industry icon in a very favorable setting.

Perhaps an interesting side-bar: While introducing Jack to the CFA assembly at the Ritz that day, it struck me it might be interesting to learn how this representative group of Boston's active portfolio management community invested its personal financial resources. So just before turning the microphone over to Vanguard's founder, I asked for a show of hands from those who had personal Vanguard accounts. Hands went up throughout the audience. Virtually all 250 attendees confessed to some form of relationship with Vanguard, and almost all remained after lunch, standing in line with their free (TFC-provided) book awaiting the chance for Jack to sign it.

Jack raised and carried the banner for the individual investor. He often preached the uncomfortable inconvenient statistical doctrine of reversion to the mean as it affected individual and professional portfolio management return results. It's a conclusion for the most part based on the realization that, as is also the case in life's ever shifting unfolding personal events, ***reversion to the mean*** (less fees) is a virtual certainty and an important precept to keep in mind when managing one's own as well as other people's money.

Sincerely,

Jain

James L. Joslin, CFP®
Chairman

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