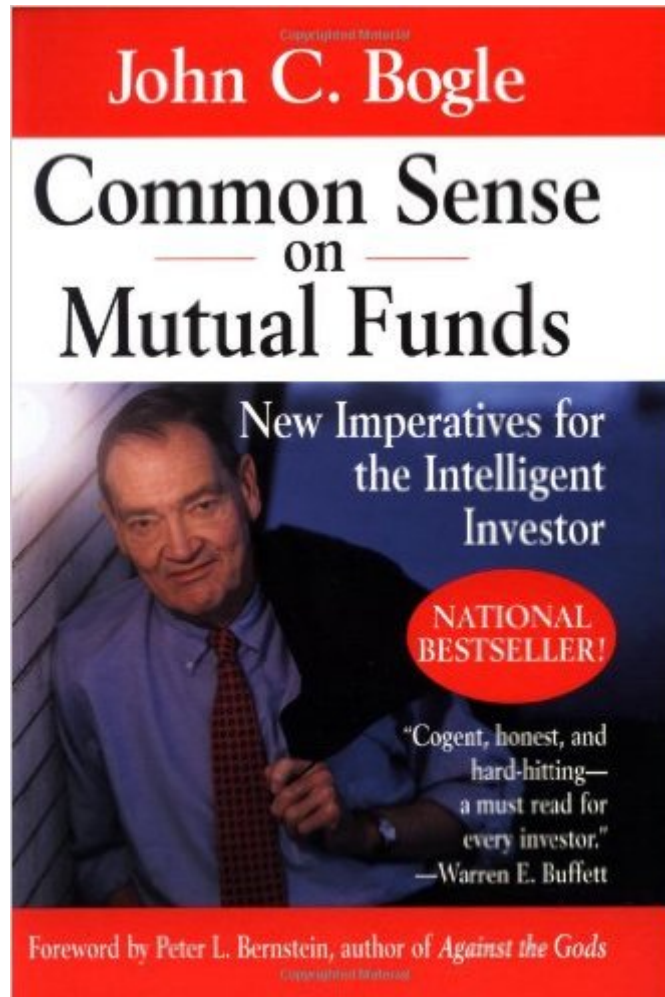


The book was found

# Common Sense On Mutual Funds: New Imperatives For The Intelligent Investor



## Synopsis

NATIONAL BESTSELLER! "Cogent, honest, and hard-hitting-a must read for every investor."

-Warren E. Buffett Praise for Common Sense on Mutual Funds "Invoking both Thomas Paine and Benjamin Graham, Jack Bogle outlines a supremely logical plan not only to better investors' returns, but to improve the whole fund industry. This isn't just the best book yet by Bogle, it may well be the best book ever on mutual funds." -DON PHILLIPS, President & CEO, Morningstar, Inc. "Buffett cannot teach you or me how to become a Warren Buffett. Bogle's reasoned precepts can enable a few million of us savers to become in twenty years the envy of our suburban neighbors-while at the same time we have slept well in these eventful times."-PAUL A. SAMUELSON, Massachusetts Institute of Technology Department of Economics "After a lifetime of picking stocks, I have to admit that Bogle's arguments in favor of the index fund have me thinking of joining him rather than trying to beat him. Bogle's wisdom and his commonsense way of explaining things make this book indispensable reading for anyone trying to figure out how to invest in this crazy stock market."-JAMES J. CRAMER, Money Manager and Senior Columnist for TheStreet.com "Written in his characteristic forthright and visionary style, Bogle penetrates the myths and jargon to shed a powerful light on the central issues that confront every investor, no matter what their level of experience or sophistication." -MARTIN L. LEIBOWITZ, Vice Chairman and Chief Investment Officer, TIAA-CREF "Jack Bogle is one of the great pioneer/visionaries of the investment business. In this book, he shares his knowledge, experience, and judgment to enable us to become better investors. The final philosophical chapters provide insights that may help some of us become better people." -BYRON R. WIEN, Chief U.S. Investment Strategist Morgan Stanley Dean Witter

## Book Information

Paperback: 496 pages

Publisher: Wiley (October 19, 2000)

Language: English

ISBN-10: 0471392286

ISBN-13: 978-0471392286

Product Dimensions: 6 x 1 x 9 inches

Shipping Weight: 1.5 pounds

Average Customer Review: 4.4 out of 5 starsÂ Â See all reviewsÂ (63 customer reviews)

Best Sellers Rank: #494,138 in Books (See Top 100 in Books) #93 inÂ Books > Business & Money > Investing > Mutual Funds #2901 inÂ Books > Business & Money > Finance #9088 inÂ Books >

## Customer Reviews

I didn't find the book nearly as repetitive as some other reviewers did. Yes, Bogle continues to point out that cost matters and that you can't predict the winners in advance. But he HAS to keep repeating his point. If he didn't, opponents of indexing would (and do) say, "But cost doesn't matter as much in emerging markets because they are less efficient." So Bogle is forced to remake his point over and over and over again to show the superiority of indexing in every asset class. Bogle has a few hidden gems in here that I haven't come across in my other reading. For instance, he points out that owning S&P 500 companies DOES give you international exposure since almost 25% of the those companies' revenues come from outside the United States. He also makes some very good points about the effectiveness of slice-and-dice efficient frontier asset allocation methodologies and how they tend to reflect the past more than the future. On the other hand, I feel that his dismissal of international investing shows an underlying bias that isn't well founded. He points out that the EAFE failed to perform as well as the S&P 500 over the past 10 years. Yet that is a period he admits is extraordinarily favorable to US-based large-cap firms. Later he does admit that when measured from its inception in the 1960s the EAFE has almost the same returns as the S&P 500 but then dismisses the usefulness of this. Even though it provided the same returns if it has a low correlation to the S&P 500 it can be a good component in a portfolio. It is almost like he doesn't understand the entire point of risk-adjusted returns. Another complaint is that I don't think the book is very suitable as an introduction for novices.

John Bogle, founder of the Vanguard Group which is known for its low cost index funds as well as simply being one of the two largest mutual fund organizations, makes his simple but undeniable argument. 1. The administrative costs of a mutual fund makes a huge impact on returns. For example, a 1% administrative fee eats away at least 10% of the fund's yearly return if it earns 10%. 2. Index funds have consistently outperformed other managed funds. 3. Given #1, the management fees for managed funds are a double burden because they reduce returns that are already typically below what a low cost index fund can offer. Bogle also touches other topics on the mutual fund industry. I found that he hammered the same points home again several different ways. This made some parts of the book drag, but I suppose it is useful for those who may be skeptical about index funds to see the evidence presented in several formats. Bogle also touches upon the (mis?)-management of mutual funds. Fees have gone up despite the proven inability of funds to

beat the market despite the supposed skill of their managers, funds turnover their securities rapidly leaving the unprepared owner (investor) with capital gains nightmares as well as lost returns due to trading costs. Also interesting, Bogle reviews his life in the mutual fund industry. I feel Bogle hits us with a little too much data and not enough of the drama of the industry. For example, does Bogle's fellow fund managers believe they have the skill to beat the market or do they know they are ripping people off by creating and marketing funds with excessive fees and unproductive churning of assets?

[Download to continue reading...](#)

Common Sense on Mutual Funds: New Imperatives for the Intelligent Investor Index Funds: Index Funds Investing Guide To Wealth Building Through Index Funds Investing With Index Funds Investing Strategies For Building Wealth Including ... Guide To Wealth Building With Index Funds) Mutual Funds for Beginners: How to Invest in Mutual Funds for Safe Investing and Great Profits Bogle On Mutual Funds: New Perspectives For The Intelligent Investor (Wiley Investment Classics) Common Sense on Mutual Funds: Fully Updated 10th Anniversary Edition Common Sense on Mutual Funds A Beginner's Guide to Mutual Fund: Everything to Know to Start Investing in Mutual Funds Investing: How to Generate Wealth in Today's Market: An Investor's Guide to: Stocks, Bonds, Commodities, Futures, Mutual Funds, Options and your 401K Smart Investor: Warren Buffett Way: How to know the stock market has bottomed? (Market Crash, Intelligent Investor, Stock Market, Financial Freedom, Stock Valuation, Wealth Creation Book 1) PASSIVE INCOME :MUTUAL FUND (Book #3): Make Your Money Work for you by Mutual Fund (passive income in 90 days, passive income top 7 ways to make \$500-\$10k a month in 70 days) (MONEY IS POWER) Diversify Your Mutual Fund Portfolio : Morningstar Mutual Fund Investing Workbook, Level 2 Investing: DontBeStupid.club Answers to Stocks, Bonds, Mutual Funds, Real Estate and Retirement 401K: How To Ensure The Best Return, Cut Fees & Maximize Your 401k That Most People Don't Know (401K, ETF, Index Fund, Bonds, Mutual Funds) All About Bonds, Bond Mutual Funds, and Bond ETFs, 3rd Edition (All About... (McGraw-Hill)) Investing: Stocks, Options, Gold & Silver - Your Path to Wealth in a Bull or Bear Stock Market (Financial Crisis, Forex, Passive Income, Mutual Funds, Day Trading, Dividends, Penny Stocks) Mutual Funds For Dummies Fund Spy: Morningstar's Inside Secrets to Selecting Mutual Funds that Outperform Mutual Funds For Dummies, 6th edition Morningstar Guide to Mutual Funds: Five-Star Strategies for Success Simple Wealth, Inevitable Wealth: How You and Your Financial Advisor Can Grow Your Fortune in Stock Mutual Funds

[Dmca](#)