

Hey, 5MT attendees!
If you have questions,
feel free to reach out.
I love talking about this and
other investing topics.

Index Investing

You Can't Beat the Market

This is not financial advice! Do your own research.

Index Investing

Low Cost Investing

Index Investing

It's the Simpler, Easier Way to Make More Money

Index Investing

You Suck At Investing

Index Investing

Like a Coupon for your 401k



*There is no investment strategy
that will reliably generate
market beating returns.*

What Should You Do?

1. Bigger Returns
2. Lower Costs



1. Bigger Returns



Buy the market

If you could simply invest in the entire market, then your returns will match the market.

Stock Indices

- NASDAQ Composite
- S&P 500
- Dow Jones Industrial Average

- CRSP U.S. Total Market Index
- FTSE All-World ex-US

Index Funds

- Mutual Fund whose rules of construction are
 - based on the rule for an index, and
 - followed regardless of market conditions

Index Fund Example

Vanguard Total Stock Market Index Fund

- Tracks CRSP U.S. Total Market Index
 - represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq
- Holds shares in 3791 companies

Vanguard Total Stock Market Index Fund

Compare: INDEXNASDAQ:CRSPTM1

Zoom: [1m](#) [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)

Jan 06, 2012 - Dec 01, 2015

● VTSMX +68.20% ● INDEXNASDAQ:CRSPTM1 +67.23%



2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015



2. Lower Cost

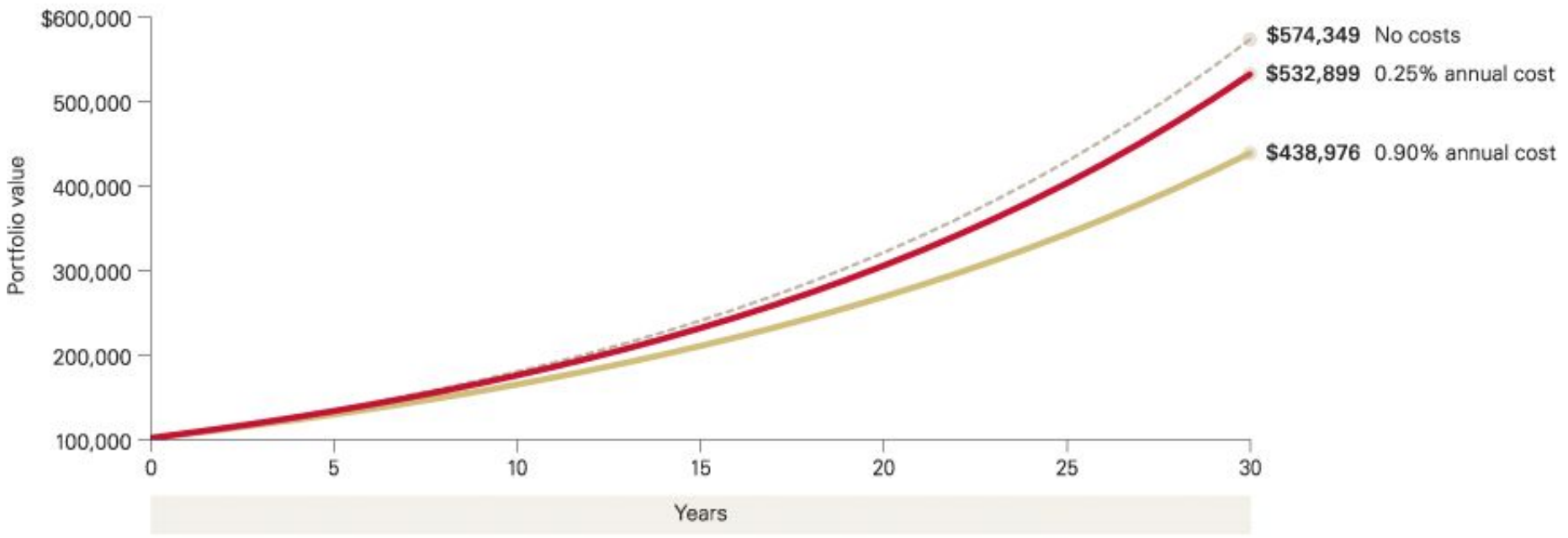
Compounding Goes Both Ways

Interest on your interest.

Fees on your principal, fees on your gains.



Fees

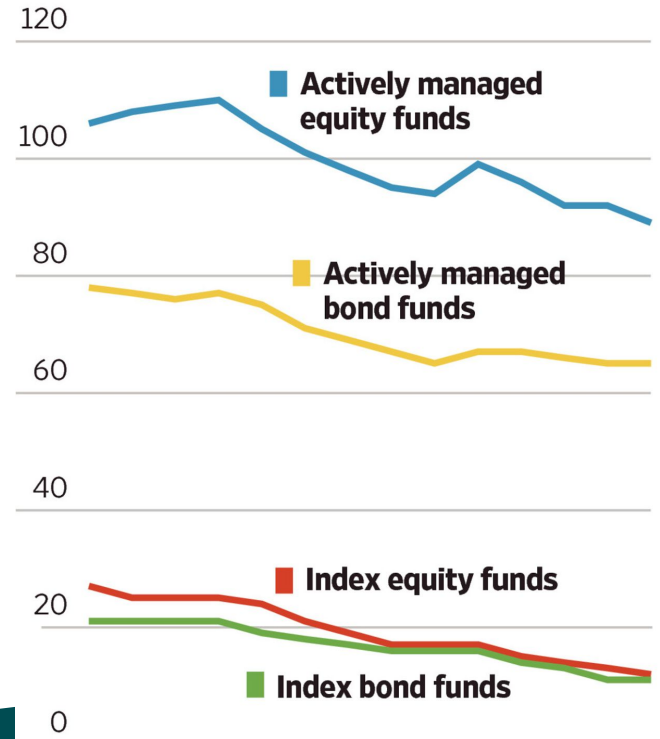


Why Index Funds?

- ◇ Bigger Returns
- ◇ Lower Fees

Actively Managed vs. Index Funds

Comparison of expense ratios, in basis points



The background features a central teal-colored area with the word 'Resources' in white. This teal area is framed by dark teal and lime green geometric shapes that create a layered, mountain-like effect. The overall design is modern and minimalist.

Resources

Features a Postscript on the Economic Collapse

“A TRIUMPHANT RETURN!

This new edition of *Four Pillars* reaffirms the vital, but simple, message of its predecessor. Reading it is like meeting an old friend who brings new wisdom into your life.”

—JOHN C. BOGLE, Founder and Former Chief of Vanguard

The Four Pillars of Investing

LESSONS FOR BUILDING
A WINNING PORTFOLIO

WILLIAM J.
BERNSTEIN

bestselling author of *The Investor's Manifesto*

“The *Bogleheads' Guide* is both a textbook for beginners and a refresher course for old hands.” —Bloomberg.com

The **Bogleheads'** *Guide to Investing*

FULLY
UPDATED!



TAYLOR LARIMORE | MEL LINDAUER | MICHAEL LeBOEUF

Foreword by John C. Bogle

bogleheads
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The background consists of several overlapping, semi-transparent geometric shapes. A large, central lime green shape is the most prominent, with a white text element centered within it. This central shape is surrounded by larger, darker teal shapes that create a layered, 3D effect. The overall composition is clean and modern.

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