

Survive and Thrive May 2024: Richard C. Young's Intelligence Report: Beat Inertia

Dear Survivor,

OK, imagine you have a pile of cash. What are you going to invest in today? What are your objectives with this money? Will you need it for the purchase of a home down the road? Or for living expenses? Are you in debt?

These are just a few questions to get you thinking about investing your cash. As you know from *Richard C. Young's Intelligence Report*, inertia is a mighty foe. You don't want to be in the business of saying to yourself or, worse, to your spouse, "I should have done that." By that time, it's too late.



By SULAIMAN @ ADOBE STOCK

On the flip side, once you're invested and have set sail with your plan, it's hard to do nothing as waves crash over the bow. As Dick Young would write, successful investing is about diversification and patience, built on a foundation of value and compound interest. Two of those four, patience and compound interest, require t-i-m-e. If you're not in the boat, so to speak, you're wasting time on the beach.

But can you handle the storms? Are you the character sailing the boat, wind and rain beating down on you? Are you getting through tough times—getting through the challenging times that life throws at you, or are you giving up? Because character separates the good investors from the bad. It's less about price moves in markets. It's more about how they move you.

Beat inertia, put time on your side, and stand up straight. Easy to write. Harder to do.

Does Anyone Remember Jack Bogle?

From what's going on at Vanguard these days, you might wonder if anyone remembers the company's famous [founder and investment legend, Jack Bogle](#). Vanguard has strayed from [Bogle's original thinking](#).

What this means to you if you're at Vanguard is that you should be paying close attention. Are you being emailed about new products or advice? Understand that the index fund industry's race to zero fees has turned the product into a commodity. For Vanguard, new products are about finding other streams of revenue, not fulfilling Bogle's vision.

Your Survival Guy thinks the push for other streams of revenue has clouded the mission at Vanguard, [and it spells trouble](#).

Management at Vanguard is trying to do too much. Bogle told investors, “[Don't just do something, stand there.](#)” And he meant it. Trying to do too much can kill a company. It can also kill a good investment portfolio.

Beware of companies trying to do too much. You want to work with someone focused entirely on you.

Intelligence Report: Regime Change at Vanguard Spells Trouble

You'll want to pay attention to your money if you're still with Vanguard, because times are changing with the announcement of new CEO Salim Ramji. As a BlackRock alum, Ramji will be the first outsider in Vanguard's roughly 50-year history. It's another shot across the bow for acolytes of founder Jack Bogle. The godfather of low fees must be turning in his grave. Because let's be clear about this move: It's about finding more streams of revenue from you.

You've already seen Vanguard move in this direction. It's blown off course by selling fee-based advice, stuffing investors into their low-cost (in other words, no revenue) index funds. There was a time when Vanguard, a shareholder-owned company, sought to strip away bells and whistles in a crusade toward lower and lower fees. But that ship has sailed. Now, when you go to Vanguard's website, it's like entering a department store. Simple, it is not.

The success of index funds has resulted in a race to zero fees. The success of other firms offering the same product has turned index funds into commodities. Now, the index fund business is stepping up the pace, looking for new channels of growth. The game is about charging for advice and then putting investors in these no-cost funds or ETFs. They created a middleman to generate cash and upsell from there.

The original gangsters like Jack Bogle and my father-in-law Dick Young, through his *Intelligence Report* newsletter, helped put Vanguard on the map. Both guided investors into low expense, low turnover, no 12b-1 fee, and no front or back-end loaded products. Vanguard happened to be the belle of the ball. All to your benefit. They understood this is a relationship business built on trust. And so many trusted Vanguard.

Unfortunately, now we're too many CEOs removed from Bogle. The divergence began when they parked Bogle's office in some annex far from the C suites. You could see the changes taking place. Now, we have something that is far from the original Vanguard brand. That's too bad.

Good news. There's a way forward. If you miss the old Vanguard and *Intelligence Report*, find a greener pasture with Your Survival Guy's favored Fidelity Investments. Allow me to help you curate a portfolio of individual stocks and bonds that you own where you're not grouped in with others like you are in a mutual fund or ETF.

Paris Olympics: The Hardest Reservations in the World

OK, a word or two about the Paris Olympics. One fact of life in Paris in August is this: It's holiday season. In other words, vacation time. In my conversation with one of my contacts at the most controversial restaurant in Paris, he said, “I'll watch the Olympics. But I'll watch them on TV while on vacation relaxing on the beach in southern France.”

I heard the same refrain about not working during the Olympics during several conversations with servers and contacts. Which makes me wonder, who will feed everyone?

I think, by this point, it's clear that you go to the Olympics to watch the events, not necessarily to experience the

essence of a city. Yes, there will be plenty of touristy places to eat, and those traveling with private chefs won't starve, thank goodness. But with the expected crowds, heat, and traffic, what can be a hot-tempered experience may be scalding.

Remember, the shape of Paris is a bowl, which can make it feel like you're cooking or, better yet, cooked when it's steamy outside.

Yes, I'm sure *NBC's* Mike Tirico will be energetic and smiling for the Friday, July 27 opening ceremonies, and I expect it to be a good show for Paris. But a great reason to visit after the games is all the work being put into the city right now. But don't go to see the Olympics and expect it to be the Paris we've come to love. And that's OK. It shouldn't be. This is a chance for Paris to shine brightly and be a host to the world. I'm looking forward to watching the games, like my Parisian friend above, from the comfort of my couch.

Plan your trip to Paris now. Because once "the games begin," it will be the hardest reservation in the world. [Let's talk when you get back.](#)



Survive and Thrive this Month.

Warm regards,

Your Survival Guy

“Your Survival Guy”

- If someone forwarded this to you, and you want to learn more about Your Survival Guy, read about me [here](#).
- If you would like to contact me and receive a response, please email me at ejsmith@yoursurvivalguy.com.
- Would you like to receive an email alert letting you know when *Survive and Thrive* is published each month? You can subscribe to my free email [here](#).

P.S. Well, recently, Your Survival Guy made it to England after a seven-night Atlantic crossing on the QM2 from Brooklyn, NY, to South Hampton, just over two hours away from The Dorchester Hotel.

What can I say about our voyage that you can't already guess? It's a long way on a big ship on a big ocean with plenty of fog, wind, and rain. There may have even been some sun and haze on one of the days.



Starting out, it felt like it was going to be a long week, but as soon as you get into the pace of life aboard ship and of losing an hour a day for five of the seven days, you feel as if you're going straight to lunch after breakfast, then cocktails at six, and not long after that, dinner.

If you want to be treated like a royal, stay in the Queens Grill Suites and dine in the Queen's Grill. Talking with our servers and wine sommeliers at the Grill made all the difference in the world as they introduced us to some of their favorites, encouraging us to venture from French Burgundy and northern Rhône to South African Syrah.

Daily activities included a solid walk around the perimeter of the boat. Three laps around the QM2 is just over a mile. And we got our steps in by walking from our floor, nine, down to two, and back up again.

P.P.S. Are you interested in Burgundy? Burgundy that doesn't break the bank? In a world of haves and have-nots, I want you to be a have. Because enjoying great Burgundy doesn't need to be too exclusive. You can find "value" if you seek it out. One of my go-to sources is Kermit Lynch. His team puts their boots on the ground or, in this case, on the terroir. I subscribe to his monthly newsletter and look forward to every issue and selection, not just the Burgundies.

Another option, one that Your Survival Guy and Gal subscribe to, is *Dry Farm Wines*, whose seal of excellence reads:

A peerless commitment to wine purity. Every bottle of our artisan wine meets these standards:

- SUGAR FREE
- FARMED ORGANICALLY
- NO TOXIC ADDITIVES
- THIRD PARTY TESTED FOR PURITY
- LOWER ALCOHOL
- EUROPEAN HERITAGE PRACTICES
- LOWER SULFITES
- GROWN ON SMALL FAMILY FARMS
- LOW-CARB, KETO, & PALEO
- DRY FARMED (no irrigation)
- VEGAN (animal free)
- CURATED FOR PURE ELEVATED TASTE

Receiving one of their regular shipments is like waking up on Christmas morning, opening the box, and discovering the different selections.

My favorite wines are the ones I enjoy drinking. I recommend the same for you. Now you know what I enjoy. And you? [Let me know here.](#)

P.P.P.S. I've told you we were in Boston recently. What I didn't tell you was how Your Survival Guy, Mr. Prepared, forgot his razor at home and went to CVS to buy one. Not far from where I was shopping, trying to open the locked down razors compartment someone was loading up a sack the size of a hockey bag with stuff to

steal.

She proceeded to zip it up and walk out the front door with the pathetic sounding alarm beeping without a blink of an eye. That's when I sprang into action, tackling her to the ground and returning the goods.—No.—Sorry. I just watched it happen. The same was true for everyone else working in the front of the store. Just business as usual these days. And this was in a fairly nice part of the city.

Which brings us to the future of cities. What will they look like? In Paris, I can tell you there are areas that are protected and areas that are not as protected. A big difference. It doesn't take much to be in an area where bad stuff can happen in the blink of an eye. In my CVS experience, there were no guards or police presence, but go one street over to Newbury, and there are guards at the door at Rolex. Yes, I know that's a little different than CVS, but still it's a different feel. The same for Paris on St. Honoré and Avenue Montaigne vs other areas.

The future of the city? There will be beautiful protected areas and other areas that will not be. The gap is getting larger by the day. Be prepared.

Make sure you know where you're going. Plan your routes, get your training, and remember that you are your first and last line of defense. It's up to you to protect your family by both preventing them from getting into harm's way and by quickly and safely getting them out of it. Tell me about what you've seen in your city. [I'm listening.](#)