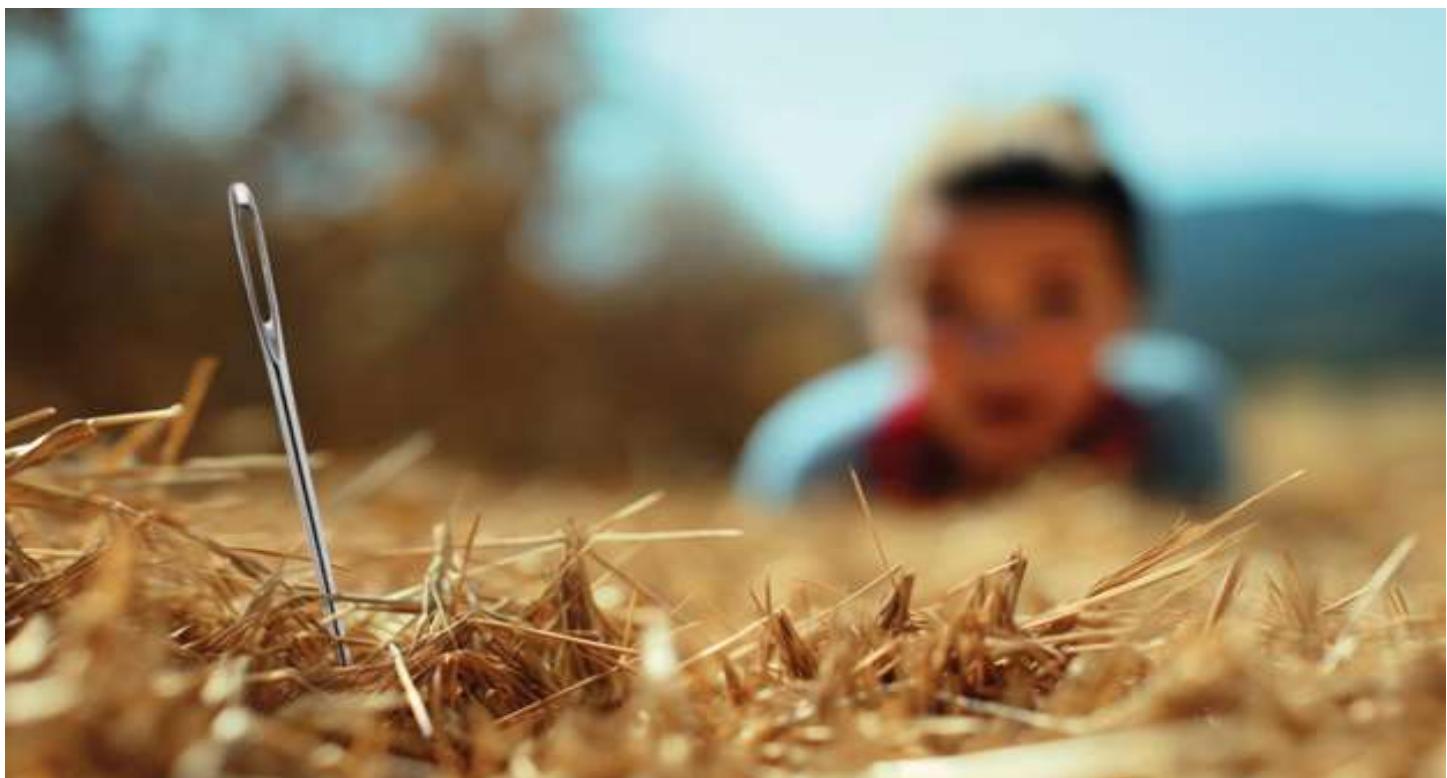


Survive and Thrive August 2025: Bogle: “Just Buy the Haystack”



By CARLOS CAIRO @ADOBE STOCK

Dear Survivor,

When legendary Vanguard founder Jack Bogle established the Vanguard Group in 1975, he famously said, “Don’t look for the needle in the haystack. Just buy the haystack.” Turns out he was on to something, as Vanguard today has \$10 trillion in assets and serves 50 million individual customers.

But toward the end of his life, Bogle voiced concern about all the money piling up in Vanguard’s Index 500 and other funds mimicking the S&P 500. Turns out the haystack wasn’t as diversified as it was when he originally created the fund. As a market-cap-weighted index, the largest companies steer the ship. Today, seven or so needles comprise over a third of the haystack.

With so many 401(k)s on autopilot, the big tend to get bigger as loads of passengers or cash come aboard regularly in the form of paycheck contributions. Even the total stock market index, which is also cap weighted, is a titanic overloaded with large companies. Yes, it’s been smooth sailing of late, and then some, but good things don’t always last forever.

In times like these, it's not a bad idea to make sure your margin of safety matches your risk tolerance. It's been my experience that investors realize their risk tolerance was an intolerance, and it happens after the fact. If you've ever been seasick, you know you would do anything to get off the ship. But that ship has already set sail.

Your Survival Guy: The \$29 Trillion Opportunity

Your Survival Guy has warned you about the \$29 trillion opportunity coming to a retirement account near you. As I've explained to you before, this so-called "opportunity"—where private equity and credit firms sell their goods to retirement savings 401(k)s and IRAs—the cheerleaders are selling this as good news. It is not good news.

"The \$29 Trillion Opportunity" headlines *Forbes*, and an article in *The WSJ* wonders if Vanguard will usher in low-fee PE and credit investing to the individual investors, democratizing the category for the masses. Maybe lower fees, but I'm not buying it.

Simply stated, this is an easy exit plan for wealthy investors to sell an overpriced "asset" to the masses. And it's a way to charge higher fees. Vanguard founder Jack Bogle would be rolling in his grave. As you read above, before his death, Bogle openly expressed his concern about the success of his Index 500 fund, where over a third of its direction was dependent on a handful of companies. This was not his idea of diversification.

Private equity and credit are getting the green light to sell to a group of investors who may not have a choice of what they own. Plan sponsors offering target-dated funds are going to stuff the funds with this crap. Are you or someone you know a participant in such a retirement plan? Make sure you spread the word.

Your Survival Guy: IRAs and 401(k) Being Targeted

That's why I've been writing to you recently about how major firms, including, surprisingly or not surprisingly, the Vanguard Group and Wellington Management, are teaming up with private equity behemoth Blackstone to stuff IRAs and 401(k)s with non-publicly traded assets.

In an excellent piece by financial columnist Jason Zweig in *The WSJ* titled, "The Ivy League Keeps Failing This Basic Investing Test: Elite universities are again stuck with illiquid assets just when they badly need cash," the so called smart money is looking for an exit from private investments or alternatives just as this stuff is being offered to Mom and Pop and young savers.

Taking a trip down memory lane, during the market crash of 2008-2009, endowments were selling stocks at the worst time just to meet costs. The same rush for liquidity is happening today, in a major bull market, with endowments offering to sell non-publicly traded assets at a discount. Imagine how this will look in a bear market? And they want to sell to Mom and Pop, and young savers right now? No, thank you.

The allure of outsized returns was too tempting, especially so for the so-called "smart money." And they paid the price, but are still loaded up with this crap, with two-thirds of their endowments in these non-liquid assets. Let your loved ones know, or have them email me at ejsmith@yoursurvivalguy.com to review this ticking time bomb.

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. Your Survival Guy and Son hit the links recently at Sunday River Golf Club in Newry, Maine, about an hour north of our cabin in Bartlett, New Hampshire. We departed at 6 am on a chilly mid-50s morning, especially so riding in an open Jeep.



I would love to show you pictures of driving north through Pinkham Notch when no one was on the road, but we were too cold.

Sunday River Golf Club is one of the steepest courses I've played, which I recall from the last time we were there a couple of years ago. Back then, some of the fairways and greens had been washed out by a major flood. As an aside, that time we were joined by a gentleman who was on a mission to play a golf course in all 50 states.

On our recent trip, we were paired with a husband and wife who, thankfully, were generous with their member's knowledge at each tee box.

As the website explains, "One of the most spectacular and scenic courses in New England, the Sunday River Golf Club is a [Robert Trent Jones, Jr.](#) design featuring an 18-hole championship course that winds through the Maine woods and over dramatic elevation changes in a stunning mountainside setting."

About those elevation changes. They're dramatic and can be brutal if you happen to miss your mark. Out of bounds is more like a search and rescue mission with drop-offs so steep you may want a harness and rope. "Do you ever walk?" I asked our friends.

"No, it's not allowed," he said. "Cart fees are included in the membership," she said. "Too steep, and the distance from one hole to the next is too far to walk."

"Makes sense," I said.

As the website continues, "Overlooking the Sunday River Valley with the Mahoosuc range towering above, the course follows the natural topography of the landscape while striking the perfect balance between challenge and playability."

Challenge would be the key word for Your Survival Guy, but the views are worth it and must be even more so during the foliage season. I hope you get out there and enjoy your retirement life.

P.P.S. On another recent weekend, Your Survival Guy and Gal were in Nantucket, MA, to visit a dear friend from Naples, FL, who was wrapping up a two-week work trip. If you're in high-end retail, this is the place to be, where if you throw a sweater around your shoulders, you might accidentally hit a Hinckley Picnic Boat.

Arriving by boat, the Seastreak ferry out of New Bedford, MA, is a convenient way to get to Nantucket and avoid Cape Cod traffic. Once aboard, we were on island time in about an hour and forty-five minutes. It was a relatively easy walk to our hotel, The Nantucket Hotel, but we chose to get a ride to the ferry when we left a few days later with an extra bag or two.

The Nantucket Hotel is all about location and perfect for families, especially ones with young children who flock to the antique fire engine out front, ringing the bell and sitting behind the wheel. It had been years since we were there with our young family, and I remember it fondly. There's a neat area in the basement with board games and a pool table where dads and grandparents are sent to spend time with the children. Brilliant for moms and parents alike.

On our first night, we went to Cru, the place to be, for a drink on the patio before heading in for dinner. Don't expect to be able to converse with your table as the noise is nightclub level. But you're not there to talk; that's what you did earlier. You're there to see and be seen. We went back for lunch over the weekend, which was a much quieter affair.

Saturday night, we had dinner at Ventuno (Italian). We were seated upstairs. It also has a neat bar and plenty of regulars. Always a good sign. It was buzzing.

On Sunday, we (they) shopped and then we had lunch/snacks at the recently redone outdoor patio at The White Elephant, a very nice setting overlooking the harbor. Earlier in the weekend, Your Survival Guy noticed that Donavon Frankenreiter was playing Sunday night at the infamous Chicken Box. Frankenreiter's son Hendrix was a highlight. As a general admission show, it was standing only, which is a younger man's game.



JIMMY BUFFETT AT THE CHICKEN BOX YEARS AGO.

It's never fun leaving, and Monday came quick; our fast ferry on schedule, even if there was a small craft advisory. Your Survival Guy thought it would be quiet at the departure dock, but I couldn't believe how many passengers disembarked for the last bite of summer. I hope you get some island time. September sounds perfect. Enjoy.

P.P.P.S. From Dick Young:

If you've received a birthday card from Your Survival Guy, then you know how neat the artwork is and how proud I am that it's done in-house by Steve Schneider. Once again, Steve shows his talent here with the wonderful drawing of perhaps the most famous scene in all of Newport, RI. As my son-in-law writes, "When Your Survival Guy and crew get back to Newport, RI on the Tom Sawyer, oftentimes our first piece of business is at the [Clarke Cooke House](#). Cheers!"



While reading the menu at Newport's iconic Clarke Cooke House, I was pleasantly surprised to learn that the restaurant had just earned a spot on Esquire's 2024 list of "The Best Martinis in America" for its expertly crafted Espresso Martini. According to The Providence Journal, it's praised for its frothy top and icy chill, made with Absolut Vanilla, Kahlúa, and freshly brewed espresso, shaken to perfection. The historic waterfront restaurant is one of only two New England spots on the list.

As the founder of [Richard C. Young & Co., Ltd.](#), it was a moment of reflection and pride. Clarke Cooke House and our firm have both been thriving in Newport for over four decades. The Providence Journal writes:

A Newport restaurant's cocktail has made Esquire's list of The Best Martinis in America.

The list features 44 drinks. It was published on Dec. 26, 2024 and names Clarke Cooke House's Espresso Martini among the best.

Located in a Colonial-era house on Bannister's Wharf in the heart of Newport's waterfront, the Clarke Cooke House serves food and drink on two floors including their Candy Store and Bistro.
[...]

In 1780, Clarke Cooke, a well-to-do Newport merchant, had the house built on Thames Street. Nearly two centuries later, David W. Ray bought the house and had it moved in 1973 to its present wharf location.

He remains the owner of the Clarke Cooke House, one of the city's most popular dining spots with locals and tourists.

Read more [here](#).

If you're headed to Newport, email me at ejsmith@yoursurvivalguy.com.



DICK YOUNG IN FORBES MAGAZINE AUGUST 17TH, 1981, WALKING DOWN BANNISTER'S WARE.