

I think indexing is a wiser choice for the average foundation than what it is now doing in unleveraged equity investment—and particularly so as its present total croupier costs exceed one percent of principal per annum. Indexing can't work well forever if almost everybody turns to it. But it will work all right for a long time.



The Mutual Fund Scandal

The business of selecting investment managers was recently shown to be even harder by the revelation that a significant fraction of mutual fund managers took bribes to betray their own shareholders.

It was as if a man came up and said, “Why don’t we kill your mother, and we’ll split the insurance money?” And many people said, “Why, yes, I’d like some of that insurance money.”

And many of them think what happened to them was unjust.

If mutual fund directors are independent, then I'm the lead character in the Bolshoi Ballet.