

MEMO# 3217

October 24, 1991

REMARKS OF JACK BOGLE AT NASAA CONFERENCE

October 24, 1991 TO: BOARD OF GOVERNORS NO. 81-91 RE: REMARKS OF JACK BOGLE AT NASAA CONFERENCE _____ Attached for your information is a copy of remarks given by Vanguard Chairman John Bogle before this year's conference of the North American Securities Administrators Association. In his remarks, Mr. Bogle raised concerns that the mutual fund industry may have lost its traditional bearings in a chase for more assets. In particular, he criticized increases in fund expense ratios and advisory fees, the effects of Rule 12b-1 plans, and disclosure by funds in advertising and reports to shareholders. Among his recommendations were increased coverage by the media of advisory fee increases, adoption by the SEC of the proposed "management's discussion and analysis" for mutual funds, and the adoption of a fiduciary standard under federal law for fund directors. He also stated that the elimination of state expense limitations has played a major role in the rise of fund expense ratios. Lawrence A. Rogers General Counsel Attachment

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