# Twitter Thread by Abhishek Kar

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**[redacted]**

**This thread will help you to understand the index funds really well. If you want more of such threads in future,do comment the topic you want me to cover and don't forget to RETWEET! Let's start :**

Who started it?
John Bogle, commonly referred to as Jack, is known as The Father of Index Investing and The Father of Index Funds. Bogle was born in Montclair, New Jersey on May 8, 1929.

What was the first index fund?
After graduation, Bogle went to work for Wellington Management from 1951 to 1974, but was fired because of a merger decision he made. In 1974, he found the Vanguard Group Inc., and in 1976 he introduced the first retail index fund the Vanguard 500

Why should we trust Bogle and not telegram rockets?
Although Bogle was initially mocked for his introduction of the index fund, he proved to be a true visionary and was even

named as one of the “World’s 100 Most Powerful and Influential People” by Time Magazine in 2004

What is Vanguard's position right now?
Vanguard has grown to become one of the world’s largest investment management companies, with more than five trillion in global assets under management. Although Mr. Bogle died in January of 2019, his philosophy of index investing is ALIVE.

But what are index funds?
An index fund is a type of mutual fund with a portfolio constructed to match or track the components of a financial market index,such as SENSEX , NIFTY 50 etc!Most index funds are greatly diversified that could only be matched by a few investors

Before we move ahead,Can you please explain me about index funds in Hindi too as my English is not that good?
No worries,had put up 2 videos on index funds in hindi which you can check out :
1-https://t.co/mtcy2dLPek
2-https://t.co/r7dEy5Cb9a
Let's move ahead to know more...

Why should we invest into index funds?
1-Index funds outperform the vast majority of actively managed funds. Two-thirds of actively managed mutual funds have failed to beat their relevant index in a typical year, and over 80 percent

2-Investing in index funds provides simplicity and transparency to an investment portfolio. Individual investors pay unprecedented attention to their investment portfolios and abandon during financial crisis.Index funds are secured so you can hold onto it.

3-Investing in index funds serves to counteract several harmful biases in behavior. You are your worst enemy when it comes to investing! Overconfidence, aversion to loss, and herding are just some that can prevent you from making the right investment decisions.

4-Index funds are extremely tax efficient, since they have very low turnover rates. The turnover rate is the percentage of a fund’s holdings that are exchanged (sold and replaced) in a given year.

5-Since index funds are passive investments, they incur much lower expenses to manage. Actively managed funds charge higher fees that may be the result of research by analyst, transaction fees and numerous other fees or expenses which simply are non-existent with index funds.

But there must be some disadvantage right? Yes there is!
When you invest in an invest index fund, you will not outperform its benchmark index. Since index funds are designed to mimic their benchmark, that’s to be expected. So you basically are going to match benchmark only.

So you see in a small thread made you understand the index fund concept! Want more on interesting finance topics? Just go and RETWEET the first tweet of this thread which will give an indication that you want more. LIKE AND SHARE.
Keep learning
Keep growing