

## Vanguard's New CEO: No Surprises

By Kerry Pechter      Thu, Jul 20, 2017

*For at least two decades, it was assumed that Tim Buckley would be Vanguard's CEO someday. And why not? He helped Vanguard grow into the paradoxically transparent yet mysterious \$4 trillion giant it is today.*



Vanguard has a new CEO, Mortimer (Tim) Buckley, 48. Don't expect a break in continuity at Vanguard as he succeeds Bill McNabb. Buckley's ascension has been foreordained since he arrived from Harvard College and Harvard B-school as an assistant to Vanguard founder Jack Bogle in 1991.



Long ago, as a new hire at the firm, I saw Buckley (right) give a presentation to Vanguard "crewmembers." Afterwards, I had to ask who this preternaturally polished, square-jawed young man could be. Buckley often ran five miles at lunchtime with then-CEO Jack Brennan. It was rumored that the two had known each other in Boston since Buckley was a child. Over the years he has served as Vanguard's Chief Information Officer, head of its Retail Investor Group, managing director and Chief Investment Officer.

Buckley can be expected to maintain Vanguard's focus on austere pricing and perfect execution. He inherits a firm whose \$4 trillion+ AUM has grown 16-fold in 20 years; time has vindicated not only its passive investing style but also its ownerless, co-op business model that pays off richly for its leaders, outside fund managers, clients and employees (although the pressure for perfection can make it stressful to work there and a lack of room for internal creativity can leave ambitious young talent frustrated and impatient).

What intense Ivy League distance-runner is Buckley grooming as his own successor? Given the new CEO's youth, that question may be moot until about 2030.

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