

# AI-03634 VGT or FTEC Strategy For Life

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What is 1352% gain looks like in real life say I started \$10000 2004. Tell more about the story of VGT ETF.

A 1,352% gain means your money grew by 13.52x.

If you started with \$10,000, here's what that looks like:

- Final value =  $\$10,000 \times (1 + 13.52) = \$145,200$
- Total gain =  $\$135,200$

## What that feels like in real life

A gain of this size doesn't feel like a straight line—it feels like slow, boring growth followed by explosive compounding.

If we imagine a rough path from 2004:

### 1. Early years:

- Portfolio grows, but not dramatically
- You might see \$10K → \$15K → \$20K over several years
- Feels underwhelming, even "meh"

### 2. Mid-cycle:

- Growth accelerates as tech starts compounding
- Maybe \$20K → \$40K → \$70K
- Now it starts to feel meaningful

### 3. Late cycle (the magic phase):

- Big gains happen when the base is large
- \$70K → \$100K → \$145K
- Most of the gains happen here, not at the beginning

That's the essence of compounding:

The biggest gains happen when you already have money working hard for you.

## The story behind Vanguard Information Technology ETF

The VGT ETF is a fund from Vanguard that tracks U.S. technology companies. It gives exposure to giants like:

- Apple Inc.
- Microsoft Corporation
- NVIDIA Corporation
- Broadcom Inc.

## Why VGT could deliver a 1,352% gain over time

From the early 2000s onward, several forces drove technology stocks:

1. The Internet expansion (2004–2010)
  - Broadband adoption, search, e-commerce
  - Companies like Apple and Microsoft evolved into platform giants
2. Mobile revolution (2010–2018)
  - Smartphones turned tech into a daily necessity
  - Apple became one of the most valuable companies in history
3. Cloud computing (2015–present)

- Microsoft, Amazon, and others shifted to recurring revenue models
4. AI and semiconductor boom (2020–present)
- NVIDIA and chipmakers became critical to global infrastructure
  - AI demand accelerated valuations

## The hidden driver: earnings growth + reinvestment

VGT isn't about hype—it's about:

- Real earnings growth
- Reinvestment of profits
- Moats (competitive advantages)
- Compounding dominance of winners

When top companies grow earnings consistently for 20+ years, the stock price eventually reflects that.

## What a \$10,000 investment in VGT teaches you

1. Time is the real engine
2. Volatility is the price of admission
3. The biggest returns come from holding, not timing
4. Tech concentration = higher risk, higher reward
5. Most gains come late in the cycle, not early

## The psychological reality

If you owned this from 2004:

- You would have had:

- 2008 financial crisis (sharp drop)
- 2018 tech selloff
- 2020 COVID crash
- You would need to stay invested through fear

Most people don't. That's why they don't capture 1,352%—they exit early.

## The core insight

A 1,352% gain is not:

- A lucky trade
- A single event
- A straight upward climb

It is:

A long story of surviving downturns while letting powerful companies compound over time.

If you want, I can break this down into a year-by-year growth simulation or compare VGT vs S&P 500 over the same period so you can see how much of that return came specifically from tech concentration.

Let's turn that into something you can see and feel—a simple year-by-year style simulation of how a \$10,000 investment in the Vanguard Information Technology ETF might grow from 2004 to today.

I'll keep it realistic: growth is uneven, with big jumps in certain eras and painful drawdowns in between.



## A simplified growth path (illustrative, not exact market data)

### Phase 1 — Early compounding (2004–2009)

- 2004: \$10,000
- 2005: \$12,000

- 2006: \$14,500
- 2007: \$16,000
- 2008: \$11,000 (financial crisis hit)
- 2009: \$15,500

Reality check:

This is where most people quit. You saw growth, then a deep drop.

### **Phase 2 — Recovery & acceleration (2010–2015)**

- 2010: \$20,000
- 2011: \$22,000
- 2012: \$26,000
- 2013: \$34,000
- 2014: \$40,000
- 2015: \$45,000

What's happening here:

- Cloud computing begins to dominate
- Companies like Microsoft Corporation and Apple Inc. start compounding at scale

### **Phase 3 — Tech dominance (2016–2019)**

- 2016: \$55,000
- 2017: \$70,000
- 2018: \$62,000 (market correction)
- 2019: \$85,000

Insight:

Even strong periods have setbacks. The key is staying invested.

### **Phase 4 — Explosive growth (2020–2021)**

- 2020: \$110,000

- 2021: \$135,000

What changed:

- COVID accelerated digital transformation
- Massive gains in cloud + chips + software
- NVIDIA Corporation became a major driver of returns

### **Phase 5 — Recent volatility + continuation (2022–2024+)**

- 2022: \$105,000 (tech selloff + rate hikes)
- 2023: \$125,000
- 2024: \$145,000

## **What this story really shows**

### **1. Gains are “lumpy”**

Most of the \$135K gain didn’t happen evenly—it came from:

- A few explosive years
- One or two mega trends (cloud, AI, mobile)

### **2. Drawdowns are part of the journey**

You experienced:

- 2008 crash
- 2018 correction
- 2022 tech selloff

If you panic-sold during any of these, the story ends early.

### **3. The final number hides the emotional journey**

Seeing \$145K from \$10K looks clean.

Living through it looks like:

- Doubt
- Fear

- Boredom
- Regret (on down years)
- Excitement (on up years)

## **Why VGT is so powerful**

The Vanguard Information Technology ETF benefits from:

1. Concentration in winners
  - Apple, Microsoft, NVIDIA, etc.
- 2.
3. Global tech dominance
  - U.S. tech leads in innovation and profits
- 4.
5. Reinvestment effect
  - Earnings get reinvested into growth
- 6.
7. Network effects
  - Tech companies scale better than most industries
- 8.

## **The deeper lesson (this is the real takeaway)**

A 1,352% return is not about:

- Timing the market
- Picking the perfect entry point

It's about:

1. Buying a strong trend early

2. Holding through multiple crashes
3. Letting winners compound over decades

## Quick comparison insight

- A broad market like the S&P 500 might give you ~5–10x over long periods
- VGT can outperform because:
  - It's more concentrated
  - It rides higher growth sectors
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But:

Higher upside = higher volatility

## If you apply this mindset

You start to think like this:

- "Can I tolerate a 30–50% drop without selling?"
- "Am I invested in long-term trends?"
- "Am I letting compounding actually work?"

If you want, I can:

- Compare VGT vs S&P 500 vs Nasdaq-100 over the same \$10K
- Show a monthly compounding simulation
- Or break down how many years it took to reach each milestone (2x, 5x, 10x, etc.)

**From this conversation, create an index card strategy for investing in just VGT, adding principal every month without fail and not getting out even if the world is in panic.**

Here's a disciplined index card strategy you can keep simple, visible, and hard to overthink—focused on investing only in the Vanguard Information Technology

ETF, adding principal monthly, and staying invested through panic.



## **INDEX CARD STRATEGY: VGT (CORE RULES)**

### **1) Identity (write this first)**

- I am a long-term owner of technology compounding, not a trader
- I accept volatility as the price of high growth
- I invest in decades, not headlines

### **2) The One-Asset Rule**

- I only invest in VGT ETF
- I do not chase:
  - Hot stocks
  - Market timing
  - Sector rotation
- 
- I trust the long-term trend of companies like:
  - Apple Inc.
  - Microsoft Corporation
  - NVIDIA Corporation
- 

### **3) Monthly Contribution Rule (non-negotiable)**

- I invest every month without fail

- I invest:
  - Same day each month
  - Same amount (or increase if income rises)
- 
- I never “wait for a dip”

## 4) Panic Protocol (this is critical)

When markets crash or fear is high:

1. I do nothing different
2. I continue buying VGT
3. I remember:
  - Crashes are normal
  - Volatility is temporary
  - Compounding is permanent
- 4.

Rule:

“If it feels scary, I am probably doing the right thing.”

## 5) Sell Discipline (extreme restriction)

- I do not sell during panic, news cycles, or recessions
- I only consider selling if:
  - My long-term plan changes (not emotions)
  - I need funds for life needs (not speculation)
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## 6) Time Horizon Rule

- Minimum investment horizon: 10–30+ years
- I evaluate results in decades, not years
- I expect:
  - Crashes
  - Flat periods
  - Explosive growth cycles
- 

## 7) Compounding Belief

- I believe:
  - Winners get bigger over time
  - Earnings drive returns
  - Technology compounds faster than most sectors
- 
- I stay invested to capture:
  - Cloud growth
  - AI cycles
  - Future innovations
- 

## 8) Volatility Acceptance Rule

- I accept:
  - Drawdowns of 30–50% are possible
  - Gains come in bursts, not evenly
- 
- I do not interpret volatility as failure

## 9) No Interference Rule

- I do not:
  - Check the portfolio obsessively
  - React to financial news
  - Adjust strategy frequently
- 
- I let time do the work

## 10) Automation Rule

- Contributions are:
  - Automated
  - Scheduled
  - Systematic
- 
- I remove emotion from execution

## 11) Behavior Anchors (what I do when tempted to quit)

When fear or doubt appears, I:

1. Re-read this card
2. Remind myself: "This is the compounding phase"
3. Continue investing as scheduled

## 12) End State Vision

- I aim for:

- Financial independence through compounding
- Income that outpaces my lifestyle
- 
- I let time transform small contributions into large outcomes

## **The Core Loop (what you repeat monthly)**

1. Earn income
2. Invest in VGT
3. Ignore noise
4. Stay the course
5. Repeat for decades

## **The mindset behind this strategy**

This strategy works only if you internalize:

- Discipline > intelligence
- Consistency > timing
- Time in the market > timing the market

## **Reality check (important)**

This approach:

- Works best if you stay invested through fear
- Fails if you:
  - Panic sell
  - Stop contributing during downturns
  - Abandon the plan after losses

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## One-line version (your anchor statement)

"I invest in VGT every month, no matter what, and I never exit during fear—I let time and compounding do the work."

If you want, I can convert this into:

- A printable wallet-sized card
- A monthly checklist tracker
- Or a behavioral scorecard to measure your discipline over time

### Did Fidelity FTEC ETF copied VGT?

Short answer:

No — Fidelity MSCI Information Technology Index ETF didn't copy Vanguard Information Technology ETF, but it replicates a very similar strategy. Both are passive tech-sector ETFs with nearly the same holdings and exposure, so they look alike in practice — but they are distinct funds with slightly different histories and structures.



## What's the relationship between FTEC and VGT?

1)

### Same sector exposure

- Both ETFs are designed to give you broad exposure to the U.S. technology sector.
- They include large tech names like Apple, Microsoft, Nvidia, etc., with very similar sector allocations.

So in that sense, yes — they look extremely similar.

2)

### **Different launch dates**

- VGT launched in 2004.
- FTEC launched later, in 2013.

This means VGT has a longer track record, and it accumulated more assets over time.

### **3)**

#### **Different providers & slight index differences**

- VGT is from Vanguard and tracks the MSCI US Investable Market Information Technology 25/50 Index.
- FTEC is from Fidelity and tracks the MSCI USA IMI Information Technology Index.

Both indexes are extremely similar — that's why the portfolios look nearly identical — but they aren't literally the same index.

### **4)**

#### **Expense ratios & liquidity**

- FTEC often has a slightly lower expense ratio than VGT.
- VGT has much more assets under management and higher trading volume, making it more liquid.

## **So did FTEC "copy" VGT?**

Not technically.

FTEC wasn't created by copying VGT's fund — it was created to track a very similar technology index. But because the tech sector itself has a defined set of big companies, both funds naturally end up looking almost the same in holdings and performance.

In other words:

- They are peers, not clones.
- They track similar tech indexes, so they behave similarly.

- But they are different products from different issuers.

## What investors often say (community view)

- Many ETF investors note that FTEC and VGT overlap heavily and perform similarly over time.
- Some use one or the other for purposes like tax-loss harvesting because they are “different enough” legally, even though the exposure is almost identical.

## Quick comparison (practical takeaway)

Feature	VGT	FTEC
Provider	Vanguard	Fidelity
Launch Year	2004	2013
Sector Exposure	U.S. tech	U.S. tech
Holdings	Very similar	Very similar
Expense Ratio	Slightly higher	Slightly lower
Liquidity / Size	Larger	Smaller
Performance	Nearly identical	Nearly identical
Data based on recent ETF comparisons.		

## Bottom line

FTEC didn't copy VGT, but it tracks a nearly identical tech index and behaves very similarly in practice. If your goal is long-term exposure to the U.S. tech sector, either can work — the choice often comes down to cost, liquidity, and personal preference.

If you want, I can show you a side-by-side performance comparison of VGT vs. FTEC over the last decade (with approximate return figures) so you can see how close they actually are.

Here's a clear, disciplined investment manifesto built from everything we've discussed—focused, repeatable, and designed to survive both euphoria and panic.



# INVESTMENT MANIFESTO

## 1) Identity

1. I am a long-term compounder, not a trader.
2. I invest to build financial independence, not to win short-term debates.
3. I accept that time, not timing, creates wealth.

## 2) Core Asset Belief

1. I commit to investing primarily in the Vanguard Information Technology ETF as my core growth engine.
2. I understand that this ETF is concentrated in leaders like:
  - Apple Inc.
  - Microsoft Corporation
  - NVIDIA Corporation
3. I believe technological progress drives long-term economic growth.

## 3) Contribution Discipline

1. I invest every month without exception.
2. I do not wait for:
  - crashes
  - corrections
  - perfect entry points
3. I treat investing as a non-negotiable bill, not a decision.

## 4) Compounding Philosophy

1. I trust that compounding rewards patience, not activity.
2. I accept that the largest gains happen late in the journey, not early.
3. I understand that small, consistent contributions can become large outcomes over decades.

## 5) Volatility Acceptance

1. I accept that markets will:
  - crash
  - stagnate
  - recover
  - surge
1. I understand that drawdowns are normal, not signals to act.
2. I do not confuse volatility with risk—permanent loss comes from behavior, not markets.

## 6) Panic Protocol

1. When markets panic, I:
  - do nothing different
  - continue investing
  - follow my plan
1. I recognize that fear often creates opportunity, not danger.
2. I remind myself:

“If it feels uncomfortable, I am likely aligned with long-term success.”

## 7) No Interference Principle

1. I do not:

- over-monitor
- overreact
- over-adjust

1. I let my investments grow without interference.

2. I avoid emotional decision-making and noise-driven actions.

## 8) Selling Discipline

1. I do not sell based on:

- fear
- headlines
- short-term losses

1. I only sell if:

- my life circumstances fundamentally change
- my long-term plan changes

1. I understand that selling often destroys compounding.

## 9) Time Horizon

1. I invest with a multi-decade perspective.

2. I measure success in:

- decades
- not months
- not years

## 10) Behavioral Standard

1. I behave like:

- a patient accumulator
  - a consistent contributor
  - a long-term thinker
1. I reject:
    - speculation
    - emotional investing
    - reactionary behavior

## 11) Automation & Simplicity

1. I automate my contributions wherever possible.
2. I keep my strategy simple, repeatable, and durable.
3. I reduce decisions to remove emotional friction.

## 12) End Vision

1. I aim for a portfolio that:
  - outgrows my lifestyle
  - supports my future independence
1. I define success as:

“Freedom to live without financial pressure.”

## The Operating Loop

1. Earn income
2. Invest in VGT
3. Ignore noise
4. Stay invested
5. Repeat for decades

## Core Truths (Read Often)

- Time in the market > timing the market
- Discipline beats intelligence in investing
- Consistency beats intensity
- Compounding rewards patience, not prediction
- The hardest part is staying invested

## One-Line Manifesto

"I invest consistently in VGT, ignore market noise, and let decades of compounding—not emotions—build my wealth."

If you want, I can compress this into a wallet-sized card, a daily affirmation version, or a behavior tracking system to measure how well you're actually following this manifesto.

Compressed

Here's a compressed, wallet-sized version of your investment manifesto:

## INVESTMENT MANIFESTO (VGT)

1. I am a long-term compounder, not a trader.
2. I invest only in the Vanguard Information Technology ETF as my core growth engine.
3. I invest every month without fail—no excuses.
4. I do not wait for dips or try to time the market.
5. I accept volatility, crashes, and uncertainty as normal.
6. I do not sell during fear, panic, or downturns.
7. I stay invested through all market conditions.
8. I trust compounding to do the work over decades.
9. I ignore noise, headlines, and emotional reactions.

10. I keep my strategy simple, consistent, and automated.

11. I measure success in decades, not years.

12. I let time—not emotion—build my wealth.



## Core Loop

Earn → Invest → Ignore → Repeat



## One-Line Anchor

"I invest in VGT every month, stay invested through everything, and let compounding build my future over decades."