

SIGNIFICANT EVENTS IN FUND HISTORY

- 1774 _____
Dutch merchant and broker Adriaan van Ketwich invited subscriptions from investors to form a trust, the *Eendragt Maakt Magt*, with the aim of providing investment diversification opportunities to investors of limited means.
- 1868 _____
The Foreign and Colonial Government Trust, the precursor to the U.S. investment fund model, is formed in London. This trust provides “the investor of moderate means the same advantages as large capitalists”
- 1924 _____
The first mutual funds are established in Boston.
- 1933 _____
The Securities Act of 1933 regulates the registration and offering of new securities, including mutual fund and closed-end fund shares, to the public.
- 1934 _____
The Securities Exchange Act of 1934 authorizes the U.S. Securities and Exchange Commission (SEC) to provide for fair and equitable securities markets.
- 1936 _____
The Revenue Act of 1936 establishes the tax treatment of mutual funds and their shareholders. Closed-end funds were covered by the Act in 1942.
- 1940 _____
The Investment Company Act of 1940 is signed into law, setting the structure and regulatory framework for registered investment companies. The forerunner to the National Association of Investment Companies (NAIC) is formed. The NAIC will later become the Investment Company Institute.
- 1944 _____
The NAIC begins collecting investment company industry statistics.
- 1951 _____
The total number of mutual funds surpasses 100, and the number of shareholder accounts exceeds one million for the first time.
- 1954 _____
Households’ net purchases of fund shares exceed those of corporate stock. NAIC initiates a nationwide public information program emphasizing the role of investors in the U.S. economy and explaining the concept of investment companies.
- 1955 _____
The first U.S.-based international mutual fund is introduced.
- 1961 _____
The first tax-free unit investment trust is offered. The NAIC changes its name to the Investment Company Institute (ICI) and welcomes fund advisers and underwriters as members.
- 1962 _____
The Self-Employed Individuals Tax Retirement Act creates savings opportunities (Keogh plans) for self-employed individuals.
- 1971 _____
Money market mutual funds are introduced.

(continued inside back cover)

(continued from inside front cover)

- 1974** —————
The Employee Retirement Income Security Act (ERISA) creates the Individual Retirement Account (IRA) for workers not covered by employer retirement plans.
- 1976** —————
The Tax Reform Act of 1976 permits the creation of municipal bond funds. The first retail index fund is offered.
- 1978** —————
The Revenue Act of 1978 creates new Section 401(k) retirement plans and simplified employee pensions (SEPs).
- 1981** —————
The Economic Recovery Tax Act establishes “universal” IRAs for all workers. IRS proposes regulations for Section 401(k).
- 1986** —————
The Tax Reform Act of 1986 reduces IRA deductibility.
- 1987** —————
ICI welcomes closed-end funds as members.
- 1989** —————
Mutual fund assets top \$1 trillion.
- 1993** —————
The first exchange-traded fund shares are issued.
- 1996** —————
The Small Business Job Protection Act creates SIMPLE plans for employees of small businesses.
- 1997** —————
The Taxpayer Relief Act of 1997 creates the Roth IRA and eliminates restrictions on portfolio management that disadvantage fund shareholders.
- 1998** —————
The SEC approves the most significant disclosure reforms in the history of U.S. mutual funds, encompassing “plain English,” fund profiles, and improved risk disclosure.
- 1999** —————
The Gramm-Leach-Bliley Act modernizes financial services regulation and enhances financial privacy. ICI publishes *Best Practices for Fund Directors*.
- 2001** —————
The enactment of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 significantly expands retirement savings opportunities for millions of working Americans.
- 2003** —————
The Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) provides mutual fund shareholders with the full benefits of lower tax rates on dividends and capital gains.
- 2004** —————
The Independent Director Council (www.idc1.org) is formed to address the growing complexity of fund governance responsibilities.
- 2006** —————
The enactment of the Pension Protection Act (PPA) and the Tax Increase Prevention and Reconciliation Act provide incentive for investors young and old to save more in tax-deferred and taxable investment accounts. Assets invested in investment companies top \$11 trillion.