

APPENDIX B

Significant Events in Fund History

- 1774** Dutch merchant and broker Adriaan van Ketwisch invites subscriptions from investors to form a trust, the Eendragt Maakt Magt, with the aim of providing investment diversification opportunities to investors of limited means.
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- 1868** The Foreign and Colonial Government Trust, the precursor to the US investment fund model, is formed in London. This trust provides “the investor of moderate means the same advantages as large capitalists.”
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- 1924** The first mutual funds are established in Boston.
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- 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.
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- 1934** The Securities Exchange Act of 1934 authorizes the Securities and Exchange Commission (SEC) to provide for fair and equitable securities markets.
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- 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.
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- 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 become the Investment Company Institute.
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- 1944** The NAIC begins collecting investment company industry statistics.
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- 1951** The total number of mutual funds surpasses 100, and the number of shareholder accounts exceeds one million for the first time.
- The first mutual fund focusing on non-US investments is made available to US investors.
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- 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 US economy and explaining the concept of investment companies.

1961	<p>The first tax-free unit investment trust is offered.</p> <p>The NAIC changes its name to the Investment Company Institute (ICI) and welcomes fund advisers and underwriters as members.</p>
1962	<p>The Self-Employed Individuals Tax Retirement Act creates savings opportunities (Keogh plans) for self-employed individuals.</p>
1971	<p>Money market funds are introduced.</p>
1974	<p>The Employee Retirement Income Security Act of 1974 (ERISA) creates the individual retirement account (IRA).</p>
1976	<p>The Tax Reform Act of 1976 permits the creation of municipal bond funds. The first retail index fund is offered.</p>
1978	<p>The Revenue Act of 1978 creates new Section 401(k) retirement plans and simplified employee pensions (SEPs).</p>
1981	<p>The Economic Recovery Tax Act establishes “universal” IRAs for all workers. The IRS proposes regulations for Section 401(k).</p>
1986	<p>The Tax Reform Act of 1986 reduces IRA deductibility.</p>
1987	<p>ICI welcomes closed-end funds as members.</p>
1990	<p>Mutual fund assets top \$1 trillion.</p>
1993	<p>The first exchange-traded fund (ETF) shares are issued.</p>
1994	<p>Target date (lifecycle) funds are introduced.</p>
1996	<p>Enactment of the National Securities Markets Improvement Act of 1996 (NSMIA) provides a more rational system of state and federal regulation, giving the SEC exclusive jurisdiction for registering and regulating mutual funds, exchange-listed securities, and larger advisers. States retain their antifraud authority and responsibility for regulating non-exchange-listed offerings and smaller advisers.</p> <p>The Small Business Job Protection Act creates SIMPLE plans for employees of small businesses.</p>

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 US 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.
2001	Enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) significantly expands retirement savings opportunities for millions of working Americans.
2003	The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) provides mutual fund shareholders with the full benefits of lower tax rates on dividends and capital gains.
2006	The Pension Protection Act (PPA) and the Tax Increase Prevention and Reconciliation Act provide incentives for investors of all ages to save more in tax-advantaged and taxable investment accounts.
2008	The SEC votes to adopt the Summary Prospectus rule. Reserve Primary Fund fails to maintain \$1.00 NAV, becoming the second money market fund in 25 years to “break the dollar.”
2009	The Money Market Working Group, a task force of senior industry executives, submits its report to the ICI board. The board endorses the working group’s call for immediate implementation of new regulatory and oversight standards for money market funds.
2010	The SEC adopts new rules and amendments to regulations governing money market funds. In <i>Jones v. Harris</i> , the US Supreme Court unanimously upholds the Gartenberg standard under which courts have long considered claims of excessive fund advisory fees. Enactment of the RIC Modernization Act streamlines and updates technical tax rules, benefiting shareholders by making funds more efficient.

2011 In *Business Roundtable et al. v. SEC*, the United States Court of Appeals for the District of Columbia Circuit vacates the SEC’s proxy access rule for failing to adequately evaluate the rule’s costs and benefits.

ICI launches ICI Global to carry out the Institute’s international work by advancing the perspective of regulated investment funds globally.

2014 The SEC adopts sweeping changes to the rules that govern money market funds, building upon the changes to money market fund regulation adopted by the SEC in 2010.

2016 The SEC adopts rules to enhance and modernize portfolio reporting and disclosures for registered funds through new Forms N-PORT and N-CEN.

The SEC adopts Rule 22e-4 (the “liquidity rule”) requiring open-end funds (excluding money market funds) to establish liquidity risk management programs and provide related reporting and disclosure.

2017 Congress passes the most significant tax bill in three decades. Reflecting congressional support for the voluntary, employer-based retirement system, lawmakers reject proposals to raise revenue by limiting retirement savings tax incentives.

2019 The SEC adopts Rule 6c-11, known as the ETF rule, enabling most ETFs to operate without first obtaining exemptive relief.

The SEC adopts: rules to formalize standards of conduct for broker-dealers when they make recommendations to retail investors (“Regulation Best Interest”); new relationship summary disclosures for broker-dealers and investment advisers; and new interpretive guidance about investment advisers’ standard of conduct.

2020 The SEC provides relief to funds to navigate operational challenges during the COVID-19 pandemic.

The SEC adopts Rule 18f-4 and related amendments modernizing regulations governing fund investments in derivatives.

The SEC adopts Rule 2a-5 (the “Fair Value Rule”) to update the regulatory framework around fund valuation practices.

The SEC adopts changes to modernize the marketing rule for investment advisers.

2022 The SEC amends fund shareholder report requirements, dramatically condensing them to highlight key information for investors to assess and monitor their fund investments.

Congress passes the SECURE 2.0 Act, with provisions aimed at supporting retirement security for Americans, including mandatory automatic enrollment in 401(k) plans and increased contribution limits.

2023 The SEC adopts various changes to existing rules, including:

- » Changes to shorten the settlement cycle for securities transactions from two business days (T+2) to one (T+1).
 - » Additional changes to the rules that govern money market funds.
 - » Changes to modernize and enhance the Fund Names rule.
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2025 The SEC begins to provide exemptive relief allowing funds to offer both mutual fund and ETF share classes.

The SEC provides expanded exemptive relief permitting certain business development companies and closed-end funds to co-invest alongside affiliated investment entities.