## '70s
### 1970: Bernie Cornfeld's Investments Company Act of 1940 is amended to limit layering of fees and raise standards for setting net asset value. In September, a "fund of funds" scam unites hot managers like Fred Alger and Fred Carrell, collapses in a wave of lawsuits and financial losses.

### 1971: Henry Brown and Bruce Bent offer the first money-market portfolio, the Reserve Fund.

### 1974: Fidelity Daily Income Trust, the first fund with check writing, is offered. Now funds can earn bank interest at their own rate. Paul Samuelson publishes "Challenger to Judgment" in the Journal of Portfolio Management. Most fund managers, he writes, "should go out of business" — take up plumbing, teach Greek, or help produce the annual GTP by serving as corporate executives.

### 1975: Failed fund manager Charles Schwab fouls discount broker Charles Schwab & Co. Vanguard begins operations. ERISA, the law establishing the 401(k) plan, passes after years of advocacy by Ted Benna.

### 1976: Vanguard offers first index Investment Trust (now Vanguard 500 Index), the first retail index fund.

### 1977: Peter Lynch takes over a dormant fund called Fidelity Magellan.

## '80s
### 1980: The SEC's Rule 12b-1 takes effect, allowing funds to change marketing fees.

### 1981: Congress creates the Individual Retirement Account.

### 1983: Fidelity Select Technology rises 52%, and analysts declare tech "the world's greatest growth industry."

### 1984: Fidelity Select Tech loses 17%, and tech funds lag the market for the next five years.

### 1985: Amid bond market boom, assets of bond funds surpass those of stock funds for the first time.

### 1986: Mortgage funds are hyped as "guaranteed" and "safe" investments, but accounting gimmicks inflate their yields. Option-income funds rake in $9 billion with "enhanced" yields.

### 1987: Bonds suffer their worst crash in years; mortgage and option-income funds begin losing billions of dollars.

### 1987: The October crash. S&P 500 loses 20.5% in one day. Best-performing fund of the year: Fidelity High-Yield, which rises 93.6%.

### 1988: Junk bond funds become enormously popular — shortly before their manager Michael Milken goes bust and junk bond promoter Michael Milken goes to jail.

### 1988: The SEC requires funds to publish a number called "total return"; formerly, fund investors had to calculate the returns themselves. Industry leaders protest that the public will never understand it. The SEC allows "multiclass" shares, enabling funds to charge different prices to different customers.

## '90s
### 1990: Average junk bond fund loses 10.3%.

### 1991: Morningstar introduces its "star ratings." By 1994, 75% of all new investments will go into funds with top ratings of four or five stars.

### 1991: Health-care funds are on fire, with returns of up to 122%. "Short-term world income" funds, investing in European debt, are sold as if they were as safe as CDs.

### 1992: Charles Schwab starts OneSource, the first "fund supermarket." European currencies go haywire; short-term world income funds lose up to 55%.

### 1993: Complex "mortgage derivative" funds earn remarkably high returns at remarkably low risk.

### 1994: Mortgage derivative funds lose up to 20% when interest rates rise. Emerging markets funds fall more than 10%.

### 1995: SEC proposes measuring risk mathematically. Only trouble is, no one (least of all the SEC) knows how to do it.

### 1997: The SEC proposes the "profile" prospectus, urging funds to write in plain English — instead of the languages they had long preferred, Double-think and Middle Slobonian.

### 1998: Emerging markets funds lose 26%, and disgusted investors yank out more than $3 billion in assets.

### 1998: For the fourth year in a row, stocks gain over 20%, and the vast majority of funds log the S&P 500.