



Trustee Investments Act 1961

1961 CHAPTER 62 9 and 10 Eliz 2

[^{F1}6 Duty of trustees in choosing investments.

- (1) In the exercise of his powers of investment a trustee shall have regard—
 - (a) to the need for diversification of investments of the trust, in so far as is appropriate to the circumstances of the trust;
 - (b) to the suitability to the trust of investments of the description of investment proposed and of the investment proposed as an investment of that description.
- (2) Before exercising any power conferred by section one of this Act to invest in a manner specified in Part II or III of the First Schedule to this Act, or before investing in any such manner in the exercise of a power falling within subsection (2) of section three of this Act, a trustee shall obtain and consider proper advice on the question whether the investment is satisfactory having regard to the matters mentioned in paragraphs (a) and (b) of the foregoing subsection.
- (3) A trustee retaining any investment made in the exercise of such a power and in such a manner as aforesaid shall determine at what intervals the circumstances, and in particular the nature of the investment, make it desirable to obtain such advice as aforesaid, and shall obtain and consider such advice accordingly.
- (4) For the purposes of the two foregoing subsections, proper advice is the advice of a person who is reasonably believed by the trustee to be qualified by his ability in and practical experience of financial matters; and such advice may be given by a person notwithstanding that he gives it in the course of his employment as an officer or servant.
- (5) A trustee shall not be treated as having complied with subsection (2) or (3) of this section unless the advice was given or has been subsequently confirmed in writing.
- (6) Subsections (2) and (3) of this section shall not apply to one of two or more trustees where he is the person giving the advice required by this section to his co-trustee or co-trustees, and shall not apply where powers of a trustee are lawfully exercised by an officer or servant competent under subsection (4) of this section to give proper advice.
- (7) Without prejudice to section eight of the ^{M1}Trustee Act, 1925, or section thirty of the ^{M2}Trusts (Scotland) Act, 1921 (which relate to valuation, and the proportion of the

Status: Point in time view as at 01/02/2001. This version of this provision has been superseded.

Changes to legislation: Trustee Investments Act 1961, Section 6 is up to date with all changes known to be in force on or before 31 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

value to be lent, where a trustee lends on the security of property) the advice required by this section shall not include, in the case of a loan on the security of freehold or leasehold property in England and Wales or Northern Ireland or on heritable security in Scotland, advice on the suitability of the particular loan.]

Textual Amendments

F1 S. 6 repealed (with saving) (E.W.) (1.2.2001) by 2000 c. 29, s. 40(1)(3), Sch. 2 Pt. I para. 1(1), **Sch. 4 Pt. I** (with s. 35); S.I. 2001/49, **art. 2**

Modifications etc. (not altering text)

C1 Power to apply s. 6 conferred (1.9.1992) by Charities Act 1992 (c. 41), **s. 39(3)(b)**; S.I. 1992/1900, **art. 2(1)**, **Sch. 1**

S. 6 applied (with modifications) (E.W.S.)(7.2.1995) by S.I. 1995/356, **art. 10(4)**

S. 6 applied (E.W.S.)(11.2.1997) by S.I. 1997/266, **art. 10(4)**

Marginal Citations

M1 1925 c. 19(**98:4**)

M2 1921 c. 58(**128**)

Status:

Point in time view as at 01/02/2001. This version of this provision has been superseded.

Changes to legislation:

Trustee Investments Act 1961, Section 6 is up to date with all changes known to be in force on or before 31 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.