

**197—10.5(534) Investment of funds held as fiduciary.**

**10.5(1)** *Private trusts.* Funds held by an association in a fiduciary capacity shall be invested in accordance with the instrument establishing the fiduciary relationship and local law. When such instrument does not specify the character or class of investments to be made and does not vest in the association, its directors, or its officers investment discretion in the matter, funds held pursuant to such instrument shall be invested in any investment in which state-chartered corporate fiduciaries may invest under local law.

**10.5(2)** *Court trusts.* If, under local law, corporate fiduciaries appointed by a court are permitted to exercise discretion in investments, or if an association acting as fiduciary under appointment by a court is vested with discretion in investments by an order of the court, funds of the accounts may be invested in any investments which are permitted by local law. Otherwise, an association acting as fiduciary under appointment by a court shall make all investments of funds in accounts under an order of that court. Orders in either case shall be preserved with the fiduciary records of the association.

**10.5(3)** *Collective investment of trust funds.* The collective investment of funds received or held by an association as fiduciary is governed by rule 10.9(534).