



CHAPTER 32.

An Act to amend the Law relating to the Investment of Trust Funds. A.D. 1889.
[12th August 1889.]

BE it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Trust Investment Act, 1889. Short title.
2. This Act shall not extend to Scotland. Extent of Act.
3. It shall be lawful for a trustee, unless expressly forbidden by the instrument (if any) creating the trust, to invest any trust funds in his hands in manner following, that is to say;—
 - (a.) In any of the Parliamentary Stocks or Public Funds or Government Securities of the United Kingdom :
 - (b.) On Real or heritable Securities in Great Britain or Ireland :
 - (c.) In the Stock of the Bank of England or the Bank of Ireland :
 - (d.) In India Three-and-a-half per Cent. Stock and India Three per Cent. Stock, or in any other Capital Stock which may at any time hereafter be issued by the Secretary of State in Council of India, under the authority of Act of Parliament, and charged on the revenues of India :
 - (e.) In any securities the interest of which is or shall be guaranteed by Parliament :
 - (f.) In Consolidated Stock created by the Metropolitan Board of Works, or which may at any time hereafter be created by the London County Council, or in Debenture Stock created by the Receiver for the Metropolitan Police District :
 - (g.) In the Debenture or Rentcharge or Guaranteed or Preference Stock of any railway company in Great Britain or Ireland incorporated by special Act of Parliament, and having during each of the ten years last past before the date of investment paid a dividend at the rate of not less than three per centum per annum on its ordinary stock :
 - (h.) In the stock of any railway or canal company in Great Britain or Ireland whose undertaking is leased in perpetuity or for a term of not less than two hundred years at a fixed rental to any such railway company as is mentioned in sub-

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section (g) either alone or jointly with any other railway company :

- (i.) In the Debenture Stock of any railway company in India the interest on which is paid or guaranteed by the Secretary of State in Council of India :
 - (j.) In the "B" Annuities of the Eastern Bengal, the East Indian and the Scinde Punjaub and Delhi Railways, and any like annuities which may at any time hereafter be created on the purchase of any other railway by the Secretary of State in Council of India, and charged on the revenues of India, and which may be authorised by Act of Parliament to be accepted by trustees in lieu of any stock held by them in the purchased railway :
 - (k.) In the stock of any railway company in India upon which a fixed or minimum dividend in sterling is paid or guaranteed by the Secretary of State in Council of India :
 - (l.) In the Debenture or Guaranteed or Preference Stock of any company in Great Britain or Ireland, established for the supply of water for profit, and incorporated by special Act of Parliament or by Royal Charter, and having during each of the ten years last past before the date of investment paid a dividend of not less than five pounds per centum on its Ordinary Stock :
 - (m.) In nominal or inscribed stock issued, or to be issued, by the corporation of any municipal borough, having according to the returns of the last census prior to the date of investment a population exceeding fifty thousand, or by any county council, under the authority of any Act of Parliament or Provisional Order :
 - (n.) In nominal or inscribed stock issued or to be issued by any Commissioners incorporated by Act of Parliament for the purpose of supplying water, and having a compulsory power of levying rates over an area having, according to the returns of the last census prior to the date of investment, a population exceeding fifty thousand, provided that during each of the ten years last past before the date of investment the rates levied by such Commissioners shall not have exceeded eighty per centum of the amount authorised by law to be levied :
 - (o.) In any of the stocks, funds, or securities, for the time being authorised for the investment of cash under the control or subject to the order of the Court :
- and also from time to time to vary any such investment.

Purchase at a premium of redeemable stocks.

4.—(1.) It shall be lawful for a trustee under the powers of this Act to invest in any of the stocks funds shares or securities mentioned or referred to in section three of this Act, notwithstanding that the same may be redeemable, and that the price exceeds the redemption value.

(2.) Provided that it shall not be lawful for a trustee under the powers of this Act to purchase at a price exceeding its redemption value, any stock mentioned or referred to in sub-sections (g), (i),

(k), (l), and (m), which is liable to be redeemed within fifteen years of the date of purchase at par or at some other fixed rate, or to purchase any such stock as is mentioned or referred to in the sub-sections aforesaid, which is liable to be redeemed at par or at some other fixed rate, at a price exceeding fifteen per centum above par or such other fixed rate. A.D. 1889.

(3.) It shall be lawful for a trustee to retain until redemption any redeemable stock fund or security which may have been purchased in accordance with the powers of this Act.

5. Every power conferred by this Act shall be exercised according to the discretion of the trustee, but subject to any consent required by the instrument (if any) creating the trust with respect to the investment of the trust funds. Discretion of trustees.

6. This Act shall apply as well to trusts created before as to trusts created after the passing of this Act, and the powers hereby conferred shall be in addition to the powers conferred by the instrument, if any, creating the trust. Application of Act.

7. Where the council of any county or borough or any urban or rural sanitary authority are authorised or required to invest any money for the purpose of a loans fund or a sinking fund, any enactment relating to such investment shall be modified so far as to allow such money to be invested in any of the stocks, funds, shares, or securities in which trustees are authorised by this Act to invest, except that such council or authority shall not by virtue of this section invest in any stocks, funds, shares, or securities issued or created by themselves, nor in real or heritable securities. Investments of sinking fund by local authorities.

Provided that it shall not be lawful for any such council or authority to retain any securities which are liable to be redeemed at a fixed time at par or at any other fixed rate and are at a price exceeding their redemption value, unless more than fifteen years will elapse before the time fixed for redemption.

8. The enactments specified in the schedule to this Act are hereby repealed to the extent in the third column of that schedule mentioned, but without prejudice to the validity of any act done under any enactment so repealed. Repeal of enactments in schedule.

9. For the purposes of this Act the following terms have the meanings herein-after respectively assigned to them, that is to say:— Interpretation.

The expression "trustee" shall include an executor or administrator and a trustee whose trust arises by construction or implication of law as well as an express trustee.

The expression "stock" shall include fully paid-up shares.

The expression "instrument" shall include a Private Act of Parliament.

The expression "the court" shall mean (except as to Irish trusts) the High Court of Justice in England, and as to Irish trusts, the High Court of Justice in Ireland.

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SCHEDULE.

Section 8.

ENACTMENTS REPEALED.

Session and Chapter.	Title.	Extent of Repeal.
4 & 5 Will. 4. c. 29.	An Act for facilitating the loan of money upon landed securities in Ireland.	The whole Act.
22 & 23 Vict. c. 35. -	An Act to further amend the law of property and to relieve trustees.	Section thirty-two.
23 & 24 Vict. c. 38. -	An Act to further amend the law of property.	Section eleven.
30 & 31 Vict. c. 132.	An Act to remove doubts as to the power of trustees, executors, and administrators to invest trust funds in certain securities, and to declare and amend the law relating to such investments.	The whole Act.
34 & 35 Vict. c. 47. -	The Metropolitan Board of Works (Loans) Act, 1871.	Section thirteen.

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FOR

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