13. The Administration of Trusts

The Principles of Equity & Trusts (4th edn)
Graham Virgo

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Author(s): Graham Virgo

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This chapter examines the natures of trustees’ duties and power related to the administration of trusts. It considers the sources of these duties and powers, the function of the trust instrument in the interpretation of these duties and powers, and the issue of breach of trust. It describes the trustees’ power to compound liabilities, to settle claims and accumulate income. This chapter also discusses some of the main duties of trustees which include the duty of care, the duty to safeguard the trust property, and the duty to maintain a fair balance between the beneficiaries. The duty to invest property is considered in some detail, with particular reference to the need to manage risk through a diverse portfolio and consideration of whether ethical considerations can be taken into account when selecting investments.