



Pacific Law Journal Review of Selected Nevada Legislative

Volume 1989 | Issue 1

Article 154

1-1-1989

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The University of the Pacific, McGeorge School of Law

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Recommended Citation

The University of the Pacific, McGeorge School of Law, *Trusts; fiduciary standard of care*, 1989 U. PAC. L. REV. (2019).

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Trusts

Trusts; fiduciary standard of care

NEV. REV. STAT. § 164.050 (amended).
AB 357 (Committee on Judiciary); 1989 STAT. Ch. 71

Under existing law, the fiduciary of a trust must exercise the standard of care of a prudent person when making investment decisions.¹ The fiduciary must make these decisions in light of the potential income from the investment and the security of the capital.² Chapter 71 requires that the fiduciary base an investment decision on the nature and potential of the investment, the characteristics of the whole portfolio, and the economic situation and goals of the beneficiary.³

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1. NEV. REV. STAT. § 164.050 (amended by 1989 Nev. Stat. ch. 71, sec. 1, at ___).

2. *Id.*

3. 1989 Nev. Stat. ch. 71, sec. 1 at ___ (amending NEV. REV. STAT. § 164.050). The portfolio approach of Chapter 71 is similar to the approach taken by the Employment Retirement Income Security Act's regulation on the investment duties of a fiduciary of an employee benefit plan. *Compare* 1989 Nev. Stat. ch. 71, sec. 1, at ___ (amending NEV. REV. STAT. § 164.050) with 44 Fed. Reg. 37,222 (1979) (codified at 29 CFR § 2550.404a-1).

