

(III) A PERSON WHO MAKES AN ELECTION UNDER SUBSECTION (G) OF THIS SECTION.

(3) "FIDUCIARY ASSETS" MEANS ASSETS HELD BY A FIDUCIARY AS TRUSTEE, GUARDIAN, CONSERVATOR, COMMITTEE, CUSTODIAN UNDER THE MARYLAND UNIFORM TRANSFERS TO MINORS ACT, INVESTMENT MANAGER, OR INVESTMENT ADVISOR.

(4) "INVESTMENT ADVISOR" MEANS ANY COMPANY REGISTERED UNDER THE PROVISIONS OF THE FEDERAL INVESTMENT ADVISERS ACT OF 1940.

(B) A FIDUCIARY SHALL:

(1) INVEST AND MANAGE FIDUCIARY ASSETS AS A PRUDENT INVESTOR WOULD, CONSIDERING THE PURPOSES, TERMS, DISTRIBUTION REQUIREMENTS, AND OTHER CIRCUMSTANCES OF THE GOVERNING INSTRUMENT AND THE NATURE OF THE FIDUCIARY APPOINTMENT;

(2) EXERCISE REASONABLE CARE, SKILL, AND CAUTION REGARDING THE ANTICIPATED EFFECT ON THE FIDUCIARY ASSETS AS A WHOLE UNDER THE FACTS AND CIRCUMSTANCES PREVAILING AT THE TIME OF ANY ACTION BY THE FIDUCIARY;

(3) INVEST AND MANAGE NOT IN ISOLATION, BUT IN THE CONTEXT OF THE FIDUCIARY ASSETS AS A WHOLE AND AS PART OF AN OVERALL INVESTMENT STRATEGY THAT INCORPORATES RISK AND RETURN OBJECTIVES REASONABLY SUITABLE UNDER THE TERMS OF THE GOVERNING INSTRUMENT AND THE NATURE OF THE FIDUCIARY APPOINTMENT;

(4) DIVERSIFY INVESTMENTS UNLESS, UNDER THE CIRCUMSTANCES, THE FIDUCIARY REASONABLY BELIEVES IT IS IN THE BEST INTERESTS OF THE BENEFICIARIES OR FURTHERS THE PURPOSES FOR WHICH THE FIDUCIARY WAS APPOINTED NOT TO DIVERSIFY;

(5) REVIEW FIDUCIARY ASSETS WITHIN A REASONABLE TIME AFTER ACCEPTANCE OF THE FIDUCIARY APPOINTMENT AND MAKE AND IMPLEMENT DECISIONS CONCERNING THE RETENTION OR DISPOSITION OF INVESTMENTS EXISTING PRIOR TO THE APPOINTMENT IN ORDER TO CONFORM WITH THIS SECTION;

(6) PURSUE AN INVESTMENT STRATEGY THAT CONSIDERS BOTH THE REASONABLE PRODUCTION OF INCOME AND SAFETY OF CAPITAL, CONSISTENT WITH THE FIDUCIARY'S DUTY OF LOYALTY AND IMPARTIALITY AND THE PURPOSES FOR WHICH THE FIDUCIARY WAS APPOINTED;

(7) ACT WITH PRUDENCE IN DECIDING WHETHER AND HOW TO DELEGATE AUTHORITY AND IN THE SELECTION AND SUPERVISION OF AGENTS; AND

(8) INCUR ONLY COSTS THAT ARE REASONABLE IN AMOUNT AND APPROPRIATE TO THE INVESTMENT RESPONSIBILITIES OF THE FIDUCIARY APPOINTMENT.