



Ohio Revised Code

Section 1111.14 Collective investments.

Effective: January 1, 2007

Legislation: House Bill 416 - 126th General Assembly

A trust company may do any of the following:

(A) Collectively invest assets it holds in any fiduciary capacity in any investment authorized by the superintendent of financial institutions, subject to all of the following conditions that apply:

(1) The collective investment is not prohibited by the instrument, judgment, decree, or order creating the fiduciary relationship for any of the following reasons:

(a) The investment is being made collectively;

(b) The character of some or all of the other fiduciary relationships for which assets are also invested;

(c) Any relationship, other than as an investing fiduciary, the trust company or any affiliate of the trust company has to the investment;

(d) Any relationship any other person has to the collective investment.

(2) The collective investment is a proper investment for the assets. In determining whether the collective investment is a proper investment for the assets, the collective investment shall be considered as a whole, with consideration being given to all assets held in the collective investment, and the inclusion of any asset that would not independently be a proper investment shall not be determinative.

(3) If the trust company is not the sole fiduciary of the assets, the trust company has procured the written consent of the cofiduciaries to the investment. Any person serving with a trust company as a cofiduciary of property in this state has the authority to consent to the investment of the property in a collective investment vehicle that either is established or managed by the cofiduciary trust



company or an affiliate of the cofiduciary trust company or in which the cofiduciary participates in the formation, ownership, or operation.

(B) Establish and maintain one or more collective investment funds, consistent with regulations adopted by the comptroller of the currency and rules adopted by the superintendent, for the collective investment of assets held by the trust company or any of its affiliates in any fiduciary capacity, to which funds both of the following apply:

(1) The trust company may charge a reasonable fee for the management of a collective investment fund, provided that the amount of the fee shall not exceed an amount commensurate with the value of legitimate services of tangible benefit to the participant that the participant would not have received if no assets of the participant had been invested in participations in the fund. However, in the case of investments by a collective investment fund in an affiliated investment company, the trust company may charge a fee as provided in division (B)(2) of this section. Any fee received by the trust company may be charged either to the income or principal of the fund or apportioned between them. The trust company may charge a fee for reasonable expenses incurred in the administration of the fund. A trust company shall not charge a fee for expenses incurred in establishing or reorganizing the fund.

(2) A collective investment fund may invest in any affiliated investment company, provided that any fee that is paid to the trust company or person owned or controlled by the bank holding company that owns or controls the trust company is a reasonable fee for the services provided. Any such fee may be in addition to compensation that the trust company is otherwise entitled to receive.

A collective investment fund that invests in an affiliated investment company shall, when providing any periodic account statements to the trust fund, report the net asset value of the shares comprising the investment of the trust fund in the affiliated investment company.

If a collective investment fund invests in an affiliated investment company, the collective investment fund shall disclose, in at least ten-point boldface type, by prospectus, by annual account statement, or by any other written means to all persons entitled to receive statements of account activity, that the affiliated investment company is not insured or guaranteed by the federal deposit insurance corporation or by any other government agency or government-sponsored agency of the



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federal government or of this state.

(C) Participate in the formation, ownership, or operation of one or more fiduciary investment companies established and operated in accordance with rules adopted by the superintendent.