



HMSTrust

Helen Macpherson Smith Trust

2021 Annual Report CONCISE VERSION

Our Annual Report is an online report. For the full report, please visit our website



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What Defines Us

Helen Macpherson Smith Trust is an independent philanthropic trust established by Helen Macpherson Schutt (née Smith) in 1951. Since HMSTrust was established, \$132.8 million has been distributed to a wide range of Victorian charitable initiatives that deliver on our vision for a strong, just and sustainable Victoria.

Our Vision

A strong, just and sustainable Victoria.

Balit, noogee ba kangooeit biik.

We proudly feature our vision in Woiwurrung language as a sign of respect.

Our Purpose

HMSTrust works to advance equity of opportunity for all Victorians.

Our Values

Respect. Integrity. Stewardship. Collaboration. Accountability.

Our Guiding Principles

HMSTrust's grantmaking is based on Helen's Will which defines our legal remit and provides an insight into Helen's legacy. The Trust's legal remit is to fund charitable institutions and purposes in Victoria only.

The original corpus was largely built on the landholdings of Helen's pioneering forebears. This is recognised by an ongoing commitment to support rural and regional Victoria.

Our grantmaking is informed by Helen's own philanthropy, which remained largely unchanged until her death in 1951. She was committed to addressing disadvantage through her annual support of: children's health and wellbeing; disability; access to health care; welcoming strangers to our shores; animal welfare; and communities impacted by natural disasters.

Helen's philanthropy reflects a generous, determined and committed woman. Her establishment of a trust in perpetuity, to benefit Victoria and Victorians, reflects a bold and visionary woman. ■

Helen Macpherson Smith - Philanthropist



While the founding of the Helen Macpherson Smith Trust in 1951 remains Helen's greatest philanthropic achievement, in her lifetime, Helen was a generous supporter of many causes.

Helen Macpherson Smith was born in Scotland on 17 April 1874 and moved to Melbourne with her family aged six months. Her extended family prospered in Australia; the Macphersons in grazing and the Smiths as timber merchants. Her grandfather, John Macpherson, was one of the pioneers of the Canberra district. His property, 'Springbank', now lies largely under the waters of Lake Burley Griffin. Her uncle, John Macpherson, was briefly the Premier of Victoria in 1869.

In 1901, at the age of 27, Helen married barrister William John Schutt. Schutt was a successful lawyer and was appointed to the bench of the Victorian Supreme Court in 1919. Helen left Australia for Europe in 1923 and never returned. William remained in Melbourne but made several trips to Europe over the following decade and travelled extensively with Helen. On a return voyage in 1933 he suffered a fatal fall and was given a ship's burial in the Red Sea.

After William's death Helen divided her time between Switzerland and southern France. She died from pneumonia on 19 April 1951 at the Hotel Majestic in Cannes, aged 77. Despite being a woman of means, she was buried in a pauper's grave in Marseilles. Her body was later cremated and her ashes scattered to the winds of the Mediterranean coast, as was her wish. In 2001 an obelisk was erected in the family plot at the Melbourne General Cemetery as a permanent memorial.

On her passing Helen left £275,000, the majority of her wealth, to establish a perpetual philanthropic trust to benefit Victorian charitable institutions. Launched as the Helen M. Schutt Trust, the name was changed to the Helen Macpherson Smith Trust in 2001 to acknowledge the Macpherson and Smith families as the source of her legacy.

Wisely, Helen's will instructed her trustees to accumulate the major portion of HMSTrust's income for the first 21 years. By 1972, her original bequest had grown to \$3.9 million, providing a much stronger base from which larger and more effective grants could be made in the future.

In 2021, 70 years after her death, the value of HMSTrust's corpus is \$140 million and \$132.8 million of grants have been approved. Though she lived a private life, the legacy of Helen Macpherson Smith's generosity will mark the lives of Victorians in perpetuity. ■

Our Team

The HMSTrust is governed by a Board of Trustees, responsible for governance and decision-making across the Trust's grant making, investment, and finance and compliance. In addition to attendance at Trustees' Meetings, Trustees may sit on the Investment Committee and the Grants Advisory Committee.

Trustees

Catherine Walter AM (*appointed Chair 26 November 2020*) Dr

Philip Moors AO *Chair (retired 26 November 2020)*

Alexandra Gartmann

Claire Higgins

The Hon Rod Kemp AM (*retired 26 November 2020*)

Bruce Parncutt AO

Jan Robins

Andrew Sisson AO

Danielle Toon

Staff

Debra Morgan *Chief Executive (from 4 October 2021)*

Lin Bender AM *Chief Executive (to 23 August 2021)*

Glen Thomson *Finance Executive*

Sarah Bartak *Grants Advisor (to 20 January 2022)*

Amber Moore *Grants Advisor (to 17 December 2021)*

Michelle Springall *Grants Support and Executive Assistant (to 15 October 2021)*

Grants Advisory Committee

Claire Higgins (*Committee Chair*)

Alexandra Gartmann

Dr Philip Moors AO (*to 26 November 2020*)

Jan Robins

Danielle Toon

Debra Morgan (*ex-officio member from 4 October 2021*)

Lin Bender AM (*ex-officio member to 23 August 2021*)

Investment Committee

Andrew Sisson AO *Committee Chair (from 26 November 2020)*

Catherine Walter AM *Committee Chair (to 26 November 2020)*

The Hon Rod Kemp AM (*to 26 November 2020*)

Dr Philip Moors AO (*to 26 November 2020*)

Bruce Parncutt AO

Jan Robins (*from 26 November 2020*)

Debra Morgan (*ex-officio member from 4 October 2021*)

Lin Bender AM (*ex-officio member to 23 August 2021*)

Glen Thomson (*ex-officio member*)

Independent asset consultant: Frontier ■

From the Chair & the Chief Executive



On behalf of the board of Helen Macpherson Smith Trust, it is our pleasure to present the HMSTrust FY21 Annual Report.

In 2020, outgoing Chair Dr Philip Moors AO described that year as having been like no other. We didn't anticipate at the time that 2021 would provide challenges of the same scale and complexity. At the start of the financial year, we were eager to move on from the memories of the Black Summer bushfires and the onset of the global COVID-19 pandemic; nonetheless, while the uncertain times continued, our commitment to advancing equity of opportunity for all Victorians was steadfast.

Grantmaking

Throughout the year, we maintained the Trust's flexible and responsive grantmaking, initiated in response to the twin disasters of bushfire and pandemic, and played our part to help bring about an equitable, inclusive recovery, working with those most affected to determine priorities and what is best for the communities seeking to recover. In FY21, the team successfully delivered \$4.5m in funding to 61 grants across Victoria.

We continued with our rapid Response & Recovery Grants which focused on meeting immediate emergency needs arising as a result of natural disaster and COVID-19. The Grants team worked hard to tap into the community, identify and respond quickly to a variety of needs. \$2.4m across 33 grants was approved for recovery projects arising from the Black Summer bushfires, COVID-19, and lastly the Gippsland storm and floods, which hit the region in early June 2021.

Of particular note, through the Response & Recovery Grants program, and in partnership with the Sidney Myer Fund, the Trust provided a grant of \$600,000 to the Foundation for Rural and Regional Renewal (FRRR). This multi-year collaboration aims to build the capacity of those community organisations across Victoria playing a central, coordinating or networking role in the recovery of communities impacted by the bushfires of 2019 and 2020.

In August, we resumed our regular fixed grant rounds as we introduced a revised grant strategy. COVID-19 provided an extra lens to apply across our grantmaking, and we expect it will continue to do so in the next few years. An additional 28 grants totalling \$2.1m were made across our target areas of support.

The full list of approved grants appears in the Grants section of this Annual Report, as well as a range of case studies that showcase the breadth of the Trust's grantmaking across programs and grant levels.

Investment and finance

We are pleased to report that our corpus has recovered from the COVID-19 induced market correction that occurred during March 2020. The corpus generated a total return of 23.2% in FY21, significantly outperforming our investment objective of CPI+5.5% over rolling 20 year periods. The corpus finished

From the Chair & the Chief Executive *continued*

the year at \$140m, an all-time high for a 30 June reporting date. HMSTrust invested in two further social impact bonds during FY21, the Side by Side SIB by Berry Street and the Living Learning SIB by Melbourne City Mission.

COVID-19 continued to impact the ability of companies to pay dividends, resulting in revenue being depressed for the second year in a row.

To maintain our granting capacity, we used some of our reserves which had been built up for to cater for both emergencies and for those years in which revenue generation is lower than normal.

While operating expenses remained constant at \$1.3m, due to the fall in revenue, our operating expense ratio rose to 21.7%. This is expected to fall back below 20% in FY22.

Our People

Change is the order of our times and it is no different here at the Trust. In November 2020, we said farewell to outgoing Chair, Dr Philip Moors AO, and Trustee, The Hon. Rod Kemp AM, after 10 years each as Trustees. We thank them each for their dedicated service to Helen's Trust and her legacy.

In what was a challenging year, we thank the staff, Lin, Glen, Michelle, Sarah and Amber for their dedication and commitment to the Trust, delivering exemplary outcomes while working remotely. Additionally, our thanks to the Trustees for the rigour and dedication with which they apply themselves to upholding the legacy of Helen Macpherson Smith. Special thanks to Andrew Sisson and Claire Higgins for the way in which each has respectively chaired the Investment Committee and Grants Advisory Committee.

In August 2021, Lin Bender concluded her significant eight year phase of leadership of the Trust during which period the corpus grew from \$95m to more than \$140m and more than 500 grants exceeding \$37m were made, addressing needs in the education, community, arts and culture, environment and health sectors. Michelle Springall, Executive Assistant and Grant Support, also left to take up a role at the Australian Conservation Foundation ending a more than nine years' contribution to HMSTrust as a loyal and committed EA to the Chair and CEO, and valued member of the Grants Team. In December 2021, Amber Moore, Grants Advisor, concluded her nearly two years at the Trust, taking up a position at Australian Progress.

Trustees were delighted to welcome Debra Morgan as CEO from 4 October bringing her rich experience from The Myer Foundation and Aesop Foundation. Debra has quickly settled into the work of HMSTrust with significant outreach to Trustees, staff and key stakeholders in the sector.

After a year of change and with uncertain times ahead, the Trustees and staff at Helen Macpherson Smith Trust remain committed to ensuring Helen's legacy continues. ■

Catherine Walter AM
Chair

Debra Morgan
Chief Executive Officer

A 70 year legacy



2021 marked 70 years since the death of our benefactor, Helen Macpherson Smith in 1951. In her lifetime, Helen's own philanthropy specifically supported disadvantage and equity. It is also recorded that Helen regularly donated to Victorian bushfire appeals, until her death in 1951.

HMSTrust has been making grants since 1955. Throughout the Trust's existence, the Trustees of Helen's estate have reflected Helen's philanthropic philosophy and applied an equity lens across the social and environmental issues of the day. Today, our Trustees maintain this tradition with an ongoing commitment to the key programs that have defined the Trust, including support for rural and regional Victoria, women and girls, Indigenous communities and migrants and refugees. As at 30 June 2021, the Trust has made 4,908 grants totalling \$132,843,048. All grants are listed in a [searchable database](#) on our website.

In 2021, a revised granting strategy came into effect, representing outcomes of a review by the Trust. The granting strategy addresses some of the key issues of today, including climate change and the devastating impact of COVID-19.

The strategy addresses five beneficiaries groups, six focus areas and five levers for change, in order to address three long-term impact goals.

Our Impact Goals:

- build **sustainable and capable organisations** that are well-positioned to respond to the needs of Victorians;
- support solutions that have the potential to **change sector practice** across the Trust's areas of interest; and
- address the root causes of the social problems that impact the communities we choose to support, by focusing our resources on the components and structures of the **systems that drive social change**.

Our target beneficiaries:

- Women and Girls
- Indigenous Peoples
- Migrants and Refugees
- Communities experiencing inadequate resources and opportunities
- Future generations impacted by current social, economic and environmental practices.

Our focus areas:

- *Education* – Engaging and retaining P-12 students
- *Community* – Advancing early childhood development
- *Community* – Building community financial resilience
- *Arts & Culture* – Supporting the sustainability of the arts sector
- *Environment* – Supporting restoration and protection of sustainable environments
- *Health* – Improving access to affordable mental health care

Our levers for change:

- **Capacity building** – *Projects that develop and strengthen the skills, processes and resources required by an organisation to deliver its mission effectively now and in the future.*
- **Innovation** – *Projects that prototype, develop and/or pilot smart ideas to solve challenging and often systemic social and environmental issues.*
- **Delivery** – *Projects delivering quality programs to address unmet or under-served community needs. Ongoing programs are not eligible for funding.*
- **Scaling** – *Strategic expansion of a proven project or program, to increase social impact outcomes and contributes to long-term community benefit.*
- **Advocacy** – *Research and dissemination; Raising awareness, Community organising, and Policy development.* ■

The year in review



In a year of challenge and change, our grant recipients have proven their resilience, tenacity and agility in responding to community need.

Across the year we worked with our grantees with openness and flexibility to ensure they were best able to serve their beneficiary groups in the rapidly evolving context of the global pandemic.

The Response and Recovery grants program continued in FY21, an initiative of FY20 in response to the Black Summer bushfires and onset of the COVID-19 pandemic. The program supported organisations responding to the immediate needs posed by the pandemic, and to the longer-term needs of communities supporting bushfire recovery. 33 grants totalling \$2.4m were contributed through the Response and Recovery grants program.

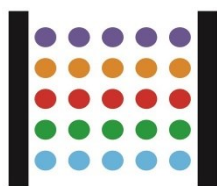
Through our general grants rounds we provided just over \$2m across 28 projects. Organisations were supported to develop their capacity across a range of areas.

As we continue along the journey of delivering on Helen's legacy, we listen to sector leaders, our peers, and grantees to inform our grant making, and best deliver the Trust's vision of *Balit, noogee ba kangooeit biik* - A strong, just and sustainable Victoria. ■



Western Edge Youth Arts' Professional Development Program offers an alternative training pathway for young artists from Melbourne's west to increase their artistic agency within the company, develop their own practices, and take up new opportunities in the creative industries.

2021 Grants at a Glance



Total grants: \$4,471,380 across our five Programs

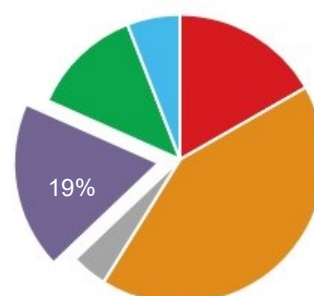
Education

GOAL: To improve access to quality, relevant and supportive education through initiatives that provide disadvantaged Victorians with the opportunity to reach their full potential.

Focus areas:

- **Engaging and retaining P-12 students**
Initiatives that target students at risk of disengaging from school.
- **Creating vocational pathways**
Certified education and training pathways that lead to meaningful work.
- **Transitioning migrants and refugees**
Education and training opportunities that will enable migrants and refugees to transition into Victoria's culturally diverse communities.

Education
13 grants: \$837,880



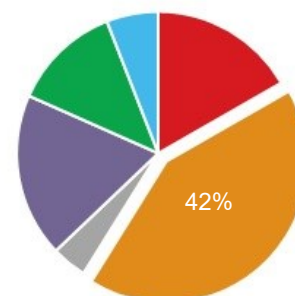
Community

GOAL: To improve the outcomes of all Victorians by building their capabilities and resilience.

Focus areas:

- **Strengthening family cohesion**
Programs and services that build parenting skills and improve long-term outcomes for children.
- **Advancing early childhood development**
Initiatives that focus on the social, emotional and cognitive development of disadvantaged pre-school children.
- **Building financial resilience**
Programs that improve the financial knowledge and behaviour of Victorians exposed to risk.

Community
19 grants: \$1,884,647



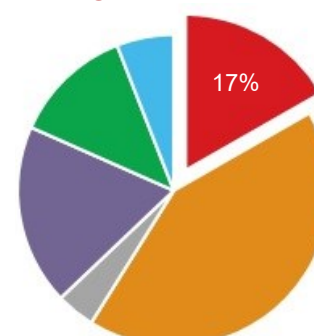
Arts and Culture

GOAL: To increase local participation, encourage public engagement and develop a sense of place through the arts.

Focus areas:

- **Building social inclusion and access**
Arts projects that facilitate diverse representation, participation and engagement to build understanding and respect.
- **Developing digital capability**
Strategic adoption of digital solutions, resources and tools that enable arts organisations to be more effective and sustainable.
- **Supporting arts workers and artists**
Supporting organisations to build the business skills and financial independence of Victorian arts workers and artists to support viable careers.

Arts and Culture
15 grants: \$748,000



Grants at a Glance *continued*

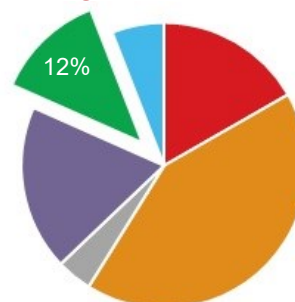
Environment

GOAL: To protect and improve Victoria's natural environments through responsible conservation projects that advance cooperative and sustainable practices.

Focus areas:

- **Conserving and restoring biodiversity**
Projects that benefit at-risk habitats and species indigenous to Victoria.
- **Protecting natural systems**
Projects that protect and improve land and water systems to meet the environmental and economic needs of current and future generations.
- **Nurturing sustainable landscapes**
Initiatives that encourage sustainable land practices and improve connectivity across landscapes.

Environment
5 grants: \$555,853



Health

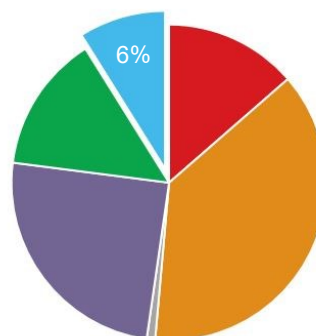
GOAL: To improve affordable access to quality health services in rural and regional Victoria.

Focus area:

- **Improving access to mental health services in rural and regional Victoria**
Projects that provide affordable access to a full range of reliable, quality mental health services for Victorians living in rural and regional Victoria.

This grants program is ONLY available at the Impact Grants level and has one specific focus area.

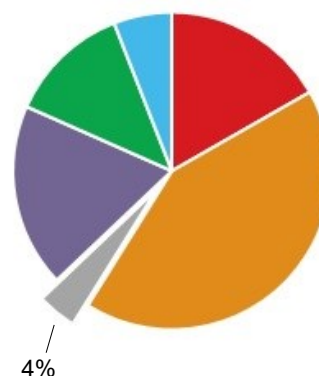
Health
3 grants: \$265,000



Discretionary

From time to time, the Trustees approve grants at their discretion to eligible charities, including those mentioned in Helen's Will. ■

Discretionary
6 grants: \$180,000



2021 Grants



Education

Brophy Family & Youth Services

\$40,000

Get Connected -Safe & Connected Team

To provide targeted support, links to opportunities, services and community for young people aged 12-25 years across the Great South Coast whose lives have been impacted by the pandemic.

www.brophy.org.au

Good Cycles

\$200,000

Better Cities Logistics @ Good Cycles Social Enterprise Hub (The Hub)

To establish Better Cities-Logistics (BCL) within The Hub to provide employment for at-risk youth; drive systems change through collaboration; and support sustainable transport through the use of cargo bikes.

www.goodcycles.org

Greater Shepparton Lighthouse

\$30,000

Supporting School Transitions in Greater Shepparton

To deliver a suite of targeted complementary programs that support and prepare Grade 6 students to successfully transition into Year 7 in Greater Shepparton.

www.gslp.com.au/

Les Twentyman Foundation

\$29,000

Back To School Impact Evaluation

To review and evaluate our Back To School program to articulate outcomes, identify opportunities for improvement and emerging needs, attract investors and supporters and strengthen collaborations.

www.ltfoundation.com.au

Mornington Peninsula Foundation

\$200,000

The Learning Guarantee Project (LGP)

To test if restructuring school and services systems using school-cluster based wellbeing coordination, early identification and individualised responses with evidence based teaching can improve upper-primary engagement and educational attainment.

www.mpf.org.au

North Melbourne Language & Learning

\$33,500

Digital Inclusion for NMLL students and community

To reduce the digital divide brought to light in COVID by responding to the needs of adult learners and local public housing residents..

www.nmll.org.au

Ourschool

\$135,000

Expanding the Ourschool alumni program for students at public high schools

To scale Ourschool, a proven, student-centred alumni program, across public high schools in Victoria. Ourschool helps public schools build alumni networks to benefit students and school communities.

ourschool.net.au/

Refugee Migrant Children Centre

\$30,000

Expanding Sidekicks to kids in need

To provide educational and social support to children from refugee and migrant backgrounds in regional and remote areas who lack access to specialist support.

www.rmccaustralia.org.au

SPELD Victoria

\$20,000

Implementation of Sounds-Write in the new Docklands Primary School
To lead and collaborate on policy and research projects that address how SPELDVic can better serve disadvantaged students dealing with the impacts of undiagnosed and unaddressed learning difficulties.

www.speldvic.org.au

The Huddle

\$30,380

Provision of laptops to families in need during lockdown

To provide laptops to 60 families from multicultural communities to participate in online education, recreational and vocational activities that would otherwise be unavailable to them.

www.nmfc.com.au/huddle

The Song Room

\$30,000

Exploring Deadly Arts in Victorian Schools

Scope the replication of TSR's successful Deadly Arts Program for Victorian schools. The community-led First Nations Arts Learning program is designed with ATSI community members, and local artists/educators.

www.songroom.org.au

Upper Murray Family Care

\$30,000

AMPLIFY - Working together to support students experiencing family violence

To deliver family violence training to teachers across four secondary schools in NE Victoria, and build strong referral pathways between the schools and local family violence services.

www.umfc.com.au/

Victorian Aboriginal Child Care Agency Co Op Ltd

\$30,000

VACCA Education Strategic Plan
To develop VACCA's inaugural education strategy, defining how we build our capacity and work collaboratively to improve school engagement and learning outcomes for Aboriginal children in VACCA's programs across Victoria.

www.vacca.org



Community

Alannah and Madeline Foundation

\$167,797

Building TraCS - Building and piloting a trauma-informed framework for early childhood services

To build a trauma-informed framework for early childhood services to support educators working with children affected by trauma to create supportive learning environments and maximise the learning outcomes for these children.

www.amf.org.au

Australian Multicultural Community Services

\$30,000

Smart Women Smart Money

To develop, in partnership with Financial Counselling Victoria, the financial literacy of women from multicultural backgrounds including newly arrived migrants, to enable their financial empowerment and wellbeing.

www.amcservices.org.au/

Banksia Gardens Community Services

\$45,000

Emergency Community Support during COVID-19

To enable Banksia Gardens Community Services to quickly adapt its mode of operating to ensure our local communities in Broadmeadows and surrounds have access to essential services and support.

www.banksiagardens.org.au

Bendigo Family & Financial Services

\$75,000

BFFS COVID-19 Bendigo and Shepparton Community Financial Resilience Program

To provide two financial capacity workers to support community members to withstand economic uncertainties and enhance financial stability.

www.bffs.org.au

Birchip Cropping Group

\$30,000

Dynamic Diversification - a paradigm shift

To scope opportunities to add value to locally produced agricultural commodities and how these could drive economic diversification and job creation in communities across the Wimmera Mallee region of Victoria.

www.bcg.org.au

Caroline Chisholm Society

\$30,000

Keeping Families Together

To pilot a community cultural brokerage approach designed to engage local expertise of women from CALD backgrounds bridging the social and economic gap for women impacted by their immigration experiences.

www.caroline.org.au

Community Four

\$45,000

Support CALD Women

Community Leaders to Respond to the Impact of COVID on Their Communities

To demonstrate how CALD women community-led organisations are providing support to their communities during the pandemic, and how they can be better supported to continue their vital work.

www.communityfour.org

Foundation for Rural and Regional Renewal

\$600,000

HMSTrust Bushfire Recovery Fund

To support the recovery of bushfire affected communities in Victoria in partnership with FRRR through the establishment of the 'HMSTrust Bushfire Recovery Fund'.

www.frrr.org.au/

Gippsland Emergency Relief Fund

\$50,000

Response to Gippsland Storm and Flood Impact

To support community recovery from flood damage in Gippsland and create a stronger, more resilient regional community to natural disaster; and to build greater capability within GERF.

www.gerf.org.au

Into Our Hands Community Foundation

\$200,000

Community Capacity, supporting Bushfire and Pandemic Recovery in North East Victoria

To provide technical advice, governance, coordination and infrastructure to support our community to implement successful recovery activities.

intoourhandsfoundation.com.au/

Merri Health

\$200,000

Ready, Set, Prep!

To scale-up Ready, Set, Prep!; a successful place-based, collective impact initiative that aims to improve early childhood development, school readiness and life outcomes for vulnerable children through collaborative partnerships.

www.merrihealth.org.au

Odyssey House

\$30,000

Brokerage to support Family Reunification

To reduce financial hardship for parents seeking to reunify with their children in out-of-home care.

www.odyssey.org.au

Peninsula Community Legal Centre

\$50,000

Debt and Financial Abuse Law Project

To expand PCLC's COVID-related legal services through a specialised debt lawyer to reach vulnerable people who are at risk due to debt they cannot manage or pay back.

pclc.org.au

Playgroup Victoria

\$31,850

Playgroups at Home - Digital and Interactive Playgroup

To initiate daily interactive online playgroup session that families can participate in via Zoom, from their home.

www.playgroup.org.au

Community *continued*

**Relationships Australia
(Victoria)**

\$30,000

Flexible and Accessible Services
To provide accessible and flexible technology based mental health and family relationships services to vulnerable communities in Southern and Eastern Melbourne and adjacent regional areas.
www.relationshipsvictoria.com.au/

RMIT University

\$30,000

Migrant entrepreneurs in post COVID-19 economy: Enabling sustained entrepreneurship through enhanced financial and digital skills
To design and deliver a trial intervention that includes the skills and tools needed to support migrant entrepreneurs in Melbourne, to pivot and sustain their business in post Covid-19 economy.
www.rmit.edu.au

Save the Children Australia

\$150,000

Children's Wellbeing Initiative (CWI) - East Gippsland
To sustain the CWI, East Gippsland's leading community coalition driving improved outcomes for children, as the region seeks to Build Back Better from compounding disasters of drought, bushfire and COVID-19.
www.savethechildren.org.au/

**Tomorrow Today Education
Foundation**

\$50,000

BOOSTER
To ensure that the predicted consequences of COVID-19 are ameliorated, and the trajectory of measured improvement in child development now evidenced in Benalla, is maintained.
www.tomorrowtoday.com.au

Zoe Support Australia

\$40,000

Client-Centered Service Engagement Strategies
To develop successful program engagement strategies in response to decreased attendance and mental health concerns resulting from COVID-19.
www.zoesupport.com.au



Arts and Culture

Community Music Victoria

\$186,000

Growing Community Music in Teams across Victoria (GMC2)
To establish and support regional Networks that invigorate community music-making activity in three regions of Victoria.
cmvic.org.au

Golden Dragon Museum

\$30,000

Collection Redevelopment Project
To undertake a two-year intensive project, improving the ongoing condition and management of the collection of some 30,000 objects ready for the proposed Museum redevelopment.
www.goldendragonmuseum.org

Jewish Holocaust Centre

\$27,000

Developing a Monitoring and Evaluation Framework to ensure future sustainability and growth
To scope and develop a monitoring and evaluation framework to build evidence-based practices and organisational sustainability.
www.jhc.org.au

Jumpleads nfp Limited

\$18,500

ArtsACTION - activating pathways for regional creatives
To deliver a professional development program for creatives in disadvantaged communities of regional Victoria, assisting them to recover and grow their professional capacity in relation to COVID-19 and other identified challenges.
jumpleads.net

Kaiela Arts Shepparton

\$25,000

Portable Screen Printing Studio & Artist Training Project
To equip a fully operational portable screen print studio at the new Kaiela Arts SAM Building and train two key artists to operate it and train others.
kaielaarts.org.au

Melbourne Fringe

\$200,000

Radical Access: realising best practice Deaf and disability accessibility in the Victorian arts sector
To undertake a new sector development project by Melbourne Fringe in partnership with Arts Access Victoria realising best practice Deaf and disability access in the independent arts in Victoria.
www.melbournefringe.com.au

**Melbourne International Jazz
Festival**

\$18,000

Melbourne International Jazz Festival: National Industry Summit
To deliver Australia's first major national industry summit for the jazz and improvised music sector
www.melbournejazz.com

Melbourne Writers Festival

\$30,000

MWF Digital Capacity Building
To increase the capacity of Melbourne Writers Festival to deliver world-class digital events and resources, alongside its well-established and highly acclaimed annual live programming.
mwf.com.au

Outer Urban Projects

\$50,000

Transmission - Urban Studio
To digitally transform OUP's artistic program, ensuring its survival and relevance during and following COVID-19.
www.outerurbanprojects.org/

2021 Grants *continued*

Arts & Culture *continued*

Regional Arts Victoria

\$50,000

Creative Recovery Quick Response Grant Funding

To deliver a creative recovery quick response grant program for creatives impacted by the 2021 storm and flood disaster.

www.rav.net.au

Sovereign Hill Museum Association

\$28,500

Develop an ICT strategy to support the future vision for Sovereign Hill Museums Association (SHMA)
To contract a specialist consultant to develop an overarching strategy for ICT for Sovereign Hill and all its business units, taking into account the recently launched Masterplan 2020-2040.

sovereignhill.com.au/

Stella

\$25,000

Safeguarding Stella's future: improving communications and fundraising capacity

To grow Stella's networks and expand our programs over the next three years by addressing critical capacity issues with our communications platforms and fundraising infrastructure.

www.thestellaprizet.com.au

The Torch Project

\$30,000

Positioning The Torch for Sustainability, Impact and Growth
To develop the social impact measurement framework for The Torch's Indigenous Arts In Prison & Community (IAPC) Program, enhancing and identifying sustainable funding opportunities in preparation for upscaling the program.

thetorch.org.au/

Victorian Opera

\$10,000

Vimeo Digital Access Partnership
To develop and extend Victorian Opera's digital capacity. This innovative request aims to expand Victorian Opera's audience reach across Victoria and make opera more accessible to all Victorians.

www.victorianopera.com.au

Western Edge Youth Arts

\$20,000

WEYA Leading Edge Ensemble - public performance outcome
To create a filmed version of the 2020 work of WEYA's flagship ensemble, the Leading Edge Ensemble

westernedge.org.au



In November 2020, Victorian artist, Glenda Nicholls, was awarded the 2020 Hutchinson Indigenous Fellowship. The Fellowship was established at the University of Melbourne in 2014 in recognition of HMSTrust's then Chair, Darvell Hutchinson AM, following his retirement after 50 years as a trustee. The Fellowship supports the artistic practice of an Indigenous artist based in Victoria. Awarded annually and valued at \$45,000, it includes a one-year residency at the University of Melbourne.



Environment

Connecting Country (Mt Alexander Region) Inc

\$26,000

Rapid Response Landcare Recovery Mount Alexander Region

To re-engage Landcare volunteers with their environmental work, renew group activity, strengthen connections through planting days, and promote storytelling through social media to re-build momentum lost during COVID-19.

www.connectingcountry.org.au

Deakin University

\$199,853

Victorian Coastal Wetland

Restoration Program: restoring wetlands of our past, for our future
To upscale saltmarsh restoration along the Victorian coast using low-cost methods by determining scalability, supporting practitioners with specialist resources, and reviewing financial impetus mechanisms to encourage long term protection.

www.deakin.edu.au

Royal Botanic Gardens Foundation Victoria

\$100,000

Victorian Biodiversity Project - Seedbanking for the future

To address the urgent need to seedbank Victorian rare and threatened native flora following severe damage to entire habitats and ecosystems during the Black Summer bushfires.

www.rbg.vic.gov.au

South Gippsland Landcare Network

\$30,000

Developing a Biodiversity Protection Plan for South Gippsland

To develop a Biodiversity Protection Plan for South Gippsland in collaboration with key stakeholders including government agencies, Traditional Owners and landholders.

www.sglh.net.au

Victorian National Parks Association

\$200,000

Life After Fire: citizen science monitoring of wildlife in bushfire-affected East Gippsland - implementation

To engage the community in monitoring of wildlife and their habitat in bushfire-affected areas of East Gippsland.

www.vnpa.org.au



Health

The Jean Hailes Foundation

\$50,000

Emergency response protocols for women's and girls' healthcare

To develop emergency response protocols for women's healthcare.

jeanhailes.org.au

The Reach Foundation

\$50,000

Future-proofing Reach: investing in our crew to support more young Australians through COVID-19 and beyond.

To support our greatest asset – our crew – the young people who design and deliver Reach's workshops.

www.reach.org.au

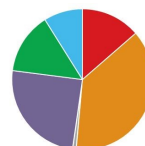
Victorian Women's Trust Ltd

\$165,000

Rural Women Online

To fast-track training and technology support for rural women so that they are skilled in connecting, and re-connecting, to others socially as well as benefitting from online services and supports.

www.vwt.org.au



Discretionary

Bolton Clarke

\$30,000

Trustee discretionary grant for Victorian operations.

www.boltonclarke.com.au

Mission to Seafarers Victoria Inc

\$30,000

Trustee discretionary grant.

www.missiontoseafarers.com.au

Royal Society for the Prevention of Cruelty to Animals

\$30,000

Trustee discretionary grant.

www.rspcavic.org

The Lost Dogs Home

\$30,000

Trustee discretionary grant.

www.dogshome.com

The Royal Children's Hospital Foundation No 2 Trust

\$30,000

Trustee discretionary grant.

www.rchfoundation.org.au

Vision Australia Limited

\$30,000

Trustee discretionary grant.

www.visionaustralia.org ■

HMSTrust Governance



The governing rules of HMSTrust consist of Helen's Will executed in 1936 (and varied by the Supreme Court of Victoria in 1992 and 2015) and the 2009 Administrative Scheme.

HMSTrust is regulated by the Australian Charities and Not-for-profits Commission (ACNC) and is governed by a Board of Trustees which meets regularly throughout the year to consider the three core activities of HMSTrust: grantmaking, investment management, and finance / compliance.

HMSTrust has implemented a risk management plan (reviewed annually by the Board of Trustees) and maintains comprehensive insurance policies. The assets of HMSTrust are held in the name of the custodian trustee, HMS Nominees Ltd. HMS Nominees Ltd is a company limited by guarantee and all HMSTrust Trustees are directors and members of HMS Nominees Ltd.

In accordance with the terms of Helen's Will, HMSTrust maintains both a Capital Account (representing HMSTrust's corpus) and an Income Account (representing the income earned on HMSTrust's corpus and out of which grants and operating expenses are paid). The Trustees have the power to transfer up to 15% of the Income Account's operating surplus each financial year to the Capital Account.

HMSTrust undertakes a comprehensive annual budget process with approval by the Board of Trustees. Quarterly actual results are reported against budget and revised forecasts for the year are prepared regularly.

HMSTrust is not a reporting entity. Accordingly, special purpose annual financial statements are prepared to satisfy its reporting obligations under its governing rules and the ACNC Act. These annual financial statements are audited by an external auditor. The key financial summary presented here is an extract of the audited annual financial statements which are available for download from the ACNC website.

Trustees have delegated management of the Trust's investments to an Investment Committee made up of four Trustees, the Chief Executive and the Finance Executive. The Committee has engaged Frontier, one of Australia's leading independent asset consultants, to provide investment advice. Guiding the Committee's activities is a detailed Investment Policy Statement which sets out the asset allocation for the portfolio and various risk control measures. ■

2021 Investment and Finance Review



The Helen Macpherson Smith Trust is a perpetual charitable trust whose principal activities are to hold Helen's residuary estate (corpus) in trust, to invest the corpus to grow its real value, to earn income from the corpus and to distribute that income to charitable institutions and purposes situated in Victoria.

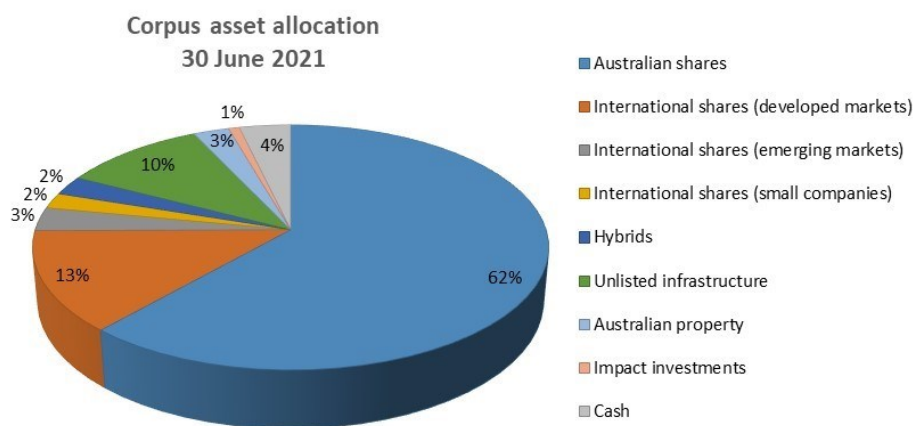
Investment Objective

The objectives of HMSTrust's investment mission are twofold: firstly to achieve long-term appreciation of the value of the corpus, ahead of inflation, and secondly to generate sufficient income to fund the annual grant giving program and operating expenses. Long-term growth in the value of the corpus is essential if HMSTrust is to continue to serve Victoria's communities in perpetuity.

HMSTrust's overall investment objective is to achieve a total investment return of Consumer Price Index (CPI) + 5.5% over rolling 20-year periods. Of the total expected annual investment return, long term capital returns are targeted at CPI + 1.0% p.a. and income returns are targeted at 4.5% p.a. to cover granting and operating expenses.

Asset allocation

HMSTrust operates in perpetuity and is not able to grant out of capital. These two features allow the corpus to have a high allocation to growth assets. During FY21, our allocation to growth assets increased from 84% at 30 June 2020 to 88% at 30 June 2021. Additional investments were made in Australian equities, developed market equities and emerging market equities, all funded from cash. HMSTrust maintains a high allocation to Australian equities due to the attractiveness of refundable franking credits.



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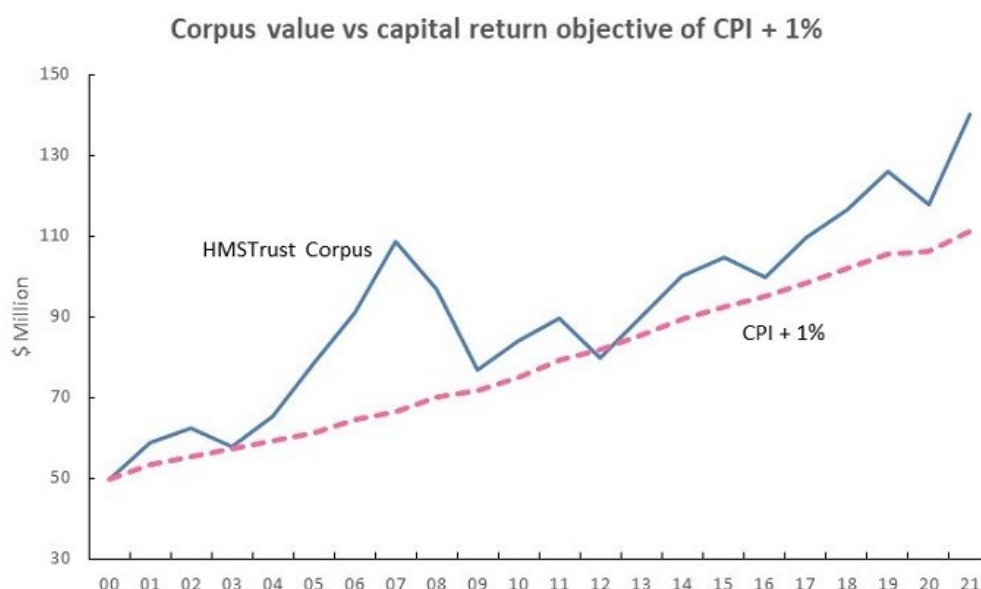
Investment performance

Compared to FY20 when the total return on the corpus was -3.2% due to the COVID-induced market correction, FY21 was an outstanding year, with the corpus generating a total return of 23.2%. This return significantly outperformed our objective of 9.3% (CPI+5.5%).

As at 30 June 2021	1 year	3 years	5 years	8 years
Capital Account total return including franking, net of fees	23.2%	10.6%	11.5%	10.5%
Objective: CPI+5.5% pa	9.3%	7.2%	7.3%	7.3%
Over/(under) performance	13.8%	3.5%	4.2%	3.2%

It is pleasing to note that the total return on the corpus has outperformed its objective by 3.2%pa over the past 8 years. This is no mean feat considering that our total return objective of CPI+5.5% can be considered an aggressive objective, albeit appropriate for a fund in perpetuity like HMSTrust.

Excluding income returns, the value of the corpus continues to outpace inflation. The chart below shows how the value of the corpus (which excludes income earned) has changed since 2000, and compares that with the increase in CPI + 1% (our capital return objective). Over that period the corpus has remained ahead of inflation, exceeding our capital return investment objective. The value of the corpus at 30 June 2021 was \$140m, an all-time year end high.



Responsible investment

HMSTrust aims to support positive social and environmental long-term outcomes in the state of Victoria. To avoid circumstances where HMSTrust's investment activities are inconsistent with the objectives of HMSTrust's granting activities, HMSTrust has a principles-based responsible investment policy that aims to balance responsible investment with the need to maintain its granting capacity.

2021 Investment and Finance Review *continued*

HMSTrust internally manages its Australian equities portfolio on a passive basis, enabling us to take advantage of our tax-exempt status (particularly franking credits and participation in off-market shares buy-backs) and also giving us the flexibility to screen out stocks not inline with HMSTrust's vision, purpose and granting strategy. The benchmark tracked is the S&P/ASX50 Franking Credit Adjusted Daily Total Return (Tax Exempt) Index modified for negatively screened stocks. When Afterpay entered the index during FY21, HMSTrust made the decision to negatively screen Afterpay out of our Australian equities portfolio due to concerns that its business model may have a damaging effect on disadvantaged people and encourage consumerism. As at 30 June 2021, three stocks were screened out: Aristocrat Leisure, Afterpay and Treasury Wine Estates. For FY21, HMSTrust's Australian equities portfolio outperformed the benchmark, mainly as result of participating in placements and the Ampol off-market share buy-back.

HMSTrust's developed market equity exposure is invested in the Vanguard Ethically Conscious International Shares Index Fund. This fund tracks the FTSE Developed ex Australia Choice Index which excludes companies with significant business activities involving fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons, adult entertainment and conduct-related controversies.

HMSTrust is invested in two unlisted infrastructure funds: the Utilities Trust of Australian (UTA) and the IFM International Wholesale Infrastructure Fund. Both funds have responsible investment strategies and climate change policies which embed Environmental, Social and Governance (ESG) factors into their respective investment processes. In 2021, the UTA fund was rated 8 out of 106 global infrastructure funds by GRESB (an organization that produces internationally-recognized benchmarks to track ESG performance of commercial real estate and infrastructure).

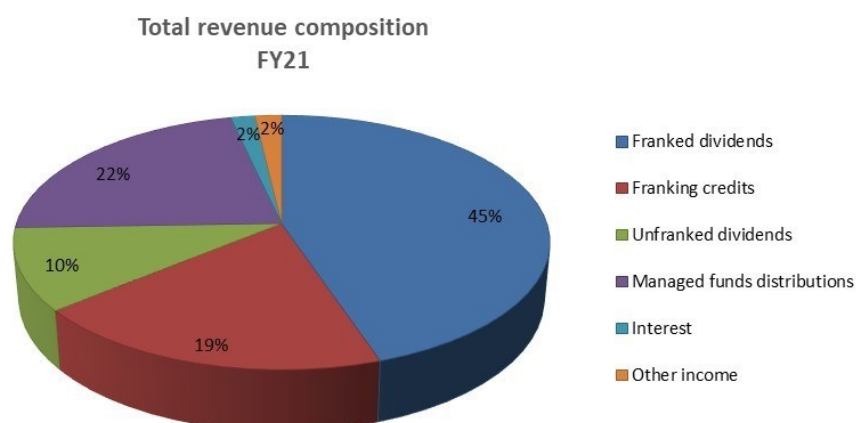
During the year, HMSTrust invested in two further social impact bonds (SIB), the Side by Side SIB by Berry Street and the Living Learning SIB by Melbourne City Mission. The Side by Side Program aims to help students (prioritising Aboriginal students) in Years 1 to 4 who are chronically absent from school. The Living Learning Program provides support to 15-21 year olds persistently not engaged in education or training and who have a mental health condition to facilitate higher levels of engagement in secondary education. The Living Learning SIB is unique in that it leverages off both HMSTrust's Capital and Income Portfolios. Existing impact investments comprise our investment in the Murray Darling Basin Balanced Water Fund, which in addition to earning financial returns, also undertakes watering events across wetlands and funds the development of infrastructure which enables the sustainability of water delivery to wetlands. Our investment in the COMPASS SIB seeks to improve outcomes for young Victorians transitioning from care to independent living.

Investment management expenses

In addition to managing Australian equities internally, investment operations are also undertaken internally to maximise control and minimise costs. During FY21, the total investment costs amounted to 0.31% of the corpus, including direct investment costs incurred internally, investment consultant fees paid to Frontier and investment management fees paid to external managers of international shares and unlisted infrastructure funds.

Operating results

Revenue (excluding realised and unrealised gains on investments) of \$5.1m was earned on the corpus during FY21, down 7% on the \$5.5m earned in FY20. Capital Account revenue decreased by \$0.3m from \$0.9m in FY20 to \$0.6m in FY21 mainly due to lower capital distributions received from international shares. Income Account revenue remained consistent at a subdued \$4.6m due to the continued effect COVID-19 had on the ability of companies to pay distributions.



Operating expenses of \$1.3m were incurred during FY21 in administering HMSTrust to achieve its objectives and were in line with those incurred in FY20.

An operating surplus of \$3.9m was generated in FY21, an 8% decrease over the \$4.2m generated in FY20. \$0.5m of the operating surplus was capital in nature and remains in the Capital Account. The operating surplus on the Income Account of \$3.4m together with retained surpluses from prior years enabled a total of \$4.0m net grants to be approved during FY21. The balance on the Income Account of \$2.8m at 30 June 2021 is reserved for emergency granting and also to maintain HMSTrust's granting capacity should income levels decline. ■

Glen Thomson

Finance Executive