



HMSTrust

Helen Macpherson Smith Trust

2020 Annual Report CONCISE VERSION

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



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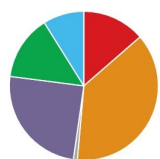
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What Defines Us

Helen Macpherson Smith Trust is an independent philanthropic trust established by Helen Macpherson Schutt (née Smith) in 1951. Since HMSTrust was established, \$129 million has been distributed in grants to a wide range of Victorian charitable institutions to initiatives that address our purpose of equity of opportunity, and 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, which is recognised by an ongoing commitment to 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 relieving 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 who sought no fuss or fanfare. Her choice in establishing a trust in perpetuity for the benefit of Victoria reflects a bold and visionary woman for her time.

Helen Macpherson Smith - Philanthropist



Helen Macpherson Smith was a very private woman who left few insights into the type of person she was. Her close friends and relatives described her as thoughtful, kind and caring, and there would be little doubt that this spirit of generosity was central to her interest in philanthropy.

While the founding of the Helen Macpherson Smith Trust in 1951 remains her towering philanthropic achievement, she had been a generous supporter of many causes throughout her life. She was one of the first Life Members of the Lost Dogs Home and gave financial support to the Royal District Nursing Service for 28 years.

Helen Macpherson Smith was born in Scotland on 17 April 1874 and moved to Melbourne with her family when she was 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, but 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, but there were no children from the marriage. 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, inexplicably 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 prime 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 2020, 69 years after her death, the value of HMSTrust's corpus is \$118 million and \$129 million of grants have been approved. Though she lived a very private life, the legacy of Helen Macpherson Smith's spirit of generosity will echo through the State of Victoria forever.

Our Team

The HMSTrust management structure is centred around the Board of Trustees, who are responsible for overarching governance and decision-making across the Trust's three key areas of operations: grantmaking, investment, and finance and compliance. In addition to attendance at Trustees' Meetings, Trustees elect to sit on the Investment Committee and the Grants Advisory Committee.

Each area of the Trust's operations are staffed with skilled professionals who are responsible for delivering on HMSTrust's vision, mission and strategic aims.



Our Trustees. L-R (top) Philip Moors, Alex Gartmann, Claire Higgins, Rod Kemp, Bruce Parncutt, (lower) Jan Robins, Andrew Sisson, Keith Smith, Danille Toon, Catherine Walter.

Trustees

Dr Philip Moors AO *Chair (retired 26 November 2020)*
Catherine Walter AM *(appointed Chair 26 November 2020)*
Alexandra Gartmann
Claire Higgins
The Hon Rod Kemp AM
Bruce Parncutt AO
Jan Robins *(from 11 May 2020)*
Andrew Sisson AO *(from 16 March 2020)*
Keith Smith *(UK-based - retired 27 November 2019)*
Danielle Toon *(from 11 May 2020)*



The only way we saw each other for most of the year - via Zoom! Clockwise from top left: Glen Thomson, Michelle Springall, Amber Moore, Sarah Bartak, and Lin Bender with Ryley, our four-legged Chief Morale Officer, reclining on the couch.

Staff

Lin Bender AM *Chief Executive*
Glen Thomson *Finance Executive*
Lea-Anne Bradley *Grants Manager (to 14 February 2020)*
Sarah Bartak *Grants Advisor*
Amber Moore *Grants Advisor (from 10 March 2020)*
Michelle Springall *Grants Support and Executive Assistant*

Grants Advisory Committee

Claire Higgins *Committee Chair*
Lin Bender AM
Alexandra Gartmann
Dr Philip Moors AO
Jan Robins *(from 11 May 2020)*
Keith Smith *(to 27 November 2019)*
Danielle Toon *(from 11 May 2020)*

Investment Committee

Catherine Walter AM *Committee Chair*
Lin Bender AM
Dr Philip Moors AO
The Hon Rod Kemp AM
Bruce Parncutt AO
Andrew Sisson AO *(from 16 March 2020)*
Glen Thomson

Independent asset consultant: Frontier Advisors

From the Chair & Chief Executive



2020 has been a year like no other at a personal, local, national and global level. As a funder working towards advancing equity of opportunity for all Victorians, the year that started with the devastating Black Summer bushfires leading into the overwhelming impacts of COVID-19, has forced us to embrace change in a way that was previously unimaginable.

The upside of this disruption is that many of the changes we implemented in order to respond to urgent need have now been adopted into standard practice. Working remotely was managed effectively and efficiently. Our staff remained connected and supported as we continued to work across every aspect of our operations without missing a beat and without compromise. As restrictions ease, we will transition to a more flexible work model.

We have adopted greater levels of flexibility across our granting procedures that have resulted in a more streamlined approval process; our technology platforms and IT security have been improved; and, although we have missed face-to-face meetings and we all feel ‘zoomed out’, virtual meetings have their place and are a simple and effective option when travel is difficult.

One priority of our work that will never change is our commitment to personal site visits to grantees. Meeting grantees and engaging with the communities they support are a highlight for Trustees and staff alike. We always leave with a deeper understanding of the purposes we seek to support and the value of the work we fund.

Investment and finance

COVID-19 has impacted every aspect of HMSTrust operations, and our corpus has not been immune. From an all-time high of \$136m in February 2020, our corpus ended the financial year at \$118m. As a Trust in perpetuity, we are continually balancing our stewardship responsibilities of building the corpus over the long-term, with the need to generate sufficient income to maintain our granting and operational capabilities. Despite the drop in corpus value due to COVID-19, the corpus continues to outpace inflation over the longer-term. COVID-19 also impacted the ability of companies to pay dividends, with the result that revenue was down 27% in FY20 and is likely to be even lower in FY21. Fortunately, our long-standing strategy of building up income reserves will enable HMSTrust to maintain our granting capacity despite the drop in income. We commend the work of the Investment Committee and our Finance Executive in achieving these goals in challenging times.

In 2016 HMSTrust adopted a principles-based responsible investment policy that aims to balance responsible investment with the need to maintain our granting capacity. This policy makes provision for investing in mission-aligned impact investments. As at 30 June 2020, we have invested in the Murray-Darling Basin Balanced Water Fund and the COMPASS social impact bond, a program delivered by VincentCare and Anglicare, supporting 200 young people leaving out-of-home care. Post year end, HMSTrust has committed to investing in two new social impact bonds, the Living Learning social impact bond, delivered by Melbourne City Mission, and the Side by Side social impact bond, delivered by Berry Street.

From the Chair & Chief Executive *continued*

Grantmaking

The impact of COVID-19 on our grantmaking has been significant. We cancelled our normal Multi-year Grants round and introduced Rapid Response Grants to focus on meeting immediate community need arising as a direct result of the Black Summer Bushfires and COVID-19.

In FY20, 54 grants were approved for a total of \$3,477,303. Twelve were Rapid Response Grants totaling \$596,031, in addition to the redirection of three existing grants towards emergency response. We are especially proud of these Rapid Response Grants for their immediate impact on communities in dire need. These grants were made possible by the efforts of the Grants team who worked tirelessly to identify, evaluate and present applications for consideration by Trustees, and to the Grants Advisory Committee, who reviewed and approved grants by circular resolution within record time. COVID-19 has exposed the vulnerability of many for-purpose organisations, and our focus on building the capacity of organisations to enable them to better serve their communities has never been more important.

The full listing of grants is in the Grants section of this Annual Report, along with twelve case studies that showcase the breadth of the year's grants across programs and grant levels. Our commitment to rural and regional Victoria remains strong, with 33% of grants directly benefiting communities in regional areas, and we continue to support capacity building and initiatives that focus on early stage development work. Every one of the 54 grants represents a trusting relationship with a grantee, based on a shared vision for a stronger, more just and more sustainable Victoria.

Adapting to change...

We always knew that 2020 would represent a year of major change for the Trust: three new Trustees, a new Grants Advisor, a new grants management system and a new strategic plan. We were also planning for the retirement of two Trustees, and the appointment of our new Chair, Catherine Walter AM. We commenced the year with the first sessions for our 2020 strategic review. It was inconceivable in January that a global pandemic would disrupt our private and working lives so completely, however, the need to work through the strategic review was more important than ever.

The new HMSTrust 2021-2025 Strategic Plan was approved by the Board of Trustees in October 2020, providing sufficient time for rollout in FY22. This five-year Strategic Plan represents the outcome of the Trust's review into our grantmaking, our place in the funding ecosystem, our strengths and weaknesses, and what we need to change to be a better funder. The result is a plan that honours the principles that have guided over six decades of proud grantmaking, responds to the escalating social, economic and environmental challenges of today, and provides the flexibility necessary for the Trust to remain relevant in an uncertain future.

Our people

Although the rhythm of Trustee tenures is predictable, it is always sad when terms end and we farewell colleagues who have contributed so much of their time, wisdom and guidance over the years. In FY20, our UK-based Trustee, Keith Smith retired after almost 13 years. A descendant of Helen Macpherson Smith's great-grandfather, Keith will maintain his connection to HMSTrust as a link to the Helen's paternal family.

From the Chair & Chief Executive *continued*

In preparation for the scheduled retirement of Dr Philip Moors AO and The Hon. Rod Kemp AM, after 10 years each of service as Trustees, we welcomed Andrew Sisson AO, Danielle Toon and Jan Robins. Andrew, Danielle and Jan have each brought extensive governance and practical experience across finance, investment and a broad range of corporate and social service sectors.

Throughout the year, our committed staff have delivered exemplary outcomes under challenging circumstances. Lea-Anne Bradley left the Trust after six years in the role as Grants Manager, and we welcomed Amber Moore in the new role of Grants Advisor in March, a week before we all started working remotely.

As we look back at the year that was, we thank our Trustees and staff for their commitment to, and continued support of, Helen's legacy.

Dr Philip Moors AO **&** **Lin Bender AM**
Chair *Chief Executive*

Passing the baton



I write this reflection in early December, following the recent Annual Meeting at which I formally retired from the Helen Macpherson Smith Trust. It has been a special privilege and honour to be a Trustee and, for six years, Chairman of Trustees.

Together with my fellow Trustees, I have sought to fulfil Helen Macpherson Smith's philanthropic vision to make a positive difference to Victoria's communities.

Helen was herself a generous donor at a time when female philanthropy was uncommon, and her example and the causes she supported have been guiding lights for her Trust. The need and opportunity for philanthropy have changed greatly since Helen's death in 1951, and HMSTrust has changed accordingly to stay responsive to current social, economic and environmental challenges. Flexibility and speed of response have been especially vital during this disastrous year of Black Summer bushfires and COVID-19.

In the ten years since my appointment I have seen many changes to philanthropic practice and the areas of greatest need. The sector's peak body, Philanthropy Australia, has been rejuvenated and is closely engaged with advancing philanthropy nationally. Trusts have become more focused in their grantmaking priorities, keener to understand the impacts they are having, more collaborative in their funding, more closely engaged with the organisations and people they support, and more open to making grants which enable recipients to build their capabilities. These and other important aspects of grantmaking have been much in the minds of Trustees and staff as we recently completed our new Strategic Plan for 2021-25.

Passing the baton *continued*

I was appointed to the Trust in 2010 at the same time as the Hon Rod Kemp AM – and now we have both retired on the same day! I have thoroughly appreciated working with Rod for the past decade and thank him most warmly for his insight, keen views, humour and the wealth of experience he's brought to our deliberations and his membership of the Investment Committee. During our ten years, HMSTrust has approved 764 grants totaling \$45.6 million.

In 'passing the baton', I acknowledge and warmly congratulate my successor as Chair, Cathy Walter AM. Cathy has been a Trustee and Chair of the Investment Committee since 2014. It is pleasing and entirely appropriate that for the first time Helen's Trust now has a female Chair to guide its activities in the years ahead.

I have greatly appreciated the friendship, support and advice over the years from the continuing Trustees Claire Higgins, Alex Gartmann and Bruce Parncutt AO, each of whom has brought vital experience and knowledge to the activities of HMSTrust. And I welcome the three Trustees appointed in 2020 – Andrew Sisson AO, Jan Robins and Danielle Toon. I know that all the Trustees will be enthusiastically maintaining Helen's vision and values.

Throughout my time the staff have been outstanding in their commitment, energy and passion for the Trust and for philanthropy. Without the expertise of past staff and current members - Glen Thomson, Sarah Bartak, Michelle Springall and Amber Moore - the Trust simply could not have achieved our desire to advance equity of opportunity for all Victorians. They have been led with high distinction by our CEO Lin Bender AM. She and I have worked closely together for the past seven years, in that time dealing with a range of challenges. HMSTrust has been admirably served by Lin's loyal leadership, her personal standing in the philanthropic community, and her complete dedication to the vision and values of the Trust.

It is a pleasure to thank the Trustees, Lin and all the staff most sincerely for their enthusiasm and achievements. I have been fortunate indeed to have served with them, and I wish the HMSTrust and each of them every success for the future.

Dr Philip Moors AO

Chairman 2014 - 2020

A legacy of profound good work...



Surely there can be no greater testament to a chair of a philanthropic trust than an absolute cavalcade of commendation from its grantees. Their range is far reaching across: education, digital mental health, citizen scientists, biotech researchers, indigenous gathering places, entrepreneurship capability building, hospitality social enterprise, rural leaders, tenant legal resources, flora and fauna conservation, ancestor resting place restoration and women's leadership education.

It is gratifying to us, as Phil's co-trustees, to see him acknowledged in testimonials for his vision, leadership, expertise, thirst for learning, sheer hard work and commitment. And for his personal attributes of being generous, respectful, thoughtful, warm and authentic.

Phil retires from the Trust after 10 industrious and productive years as a trustee including six years as chair, succeeding the inaugural multi-decadal chair, Darvell Hutchinson and the marvellous benefactress, Helen Macpherson Smith.

Phil leaves a legacy of profound good works of which he should deservedly be proud. We will all strive to continue his, Darvell's and Helen's visionary work.

Catherine Walter AM

Chair, HMSTrust (appointed 26 November 2020)

The following quotes are extracts from notes of appreciation received from colleagues and grantees. The full testimonials are available [here](#).

Philanthropy Australia

"...Congratulations on a decade of stellar leadership of the Helen Macpherson Smith Trust. I'd also like to add a personal thank you for your invaluable support and encouragement of me, my colleagues and of Philanthropy Australia. You have inspired us, supported us, encouraged us - and we have all truly loved and appreciated working with you – thank you."

Sarah Davies AM

CEO

People and Parks Foundation

"...You and your HMSTrust colleagues have walked with us on Country to visit the Ancestors' Resting Places, and have seen the new growth blossoming there. Our three-way partnership and the capacity of the First People of the Millewa Mallee Aboriginal Corporation is stronger as a result of your involvement. Thank you to HMSTrust for being a key part of Healing Country Together with us."

Alison Hill

Managing Director, People and Parks Foundation

Uncle Tinawin Nukkun

Chair, First People of the Millewa Mallee Aboriginal Corporation, Ponnun Pulgi Coordinator

Matthew Jackson

CEO, Parks Victoria

A legacy of profound good work... *continued*

Melbourne Business School

"...At a time in Australia's history when the demands on the for-purpose sector have never been greater, Philip Moors' legacy will see the HMSTrust and the School rise to meet this challenge, as they have done before, at the very establishment of the School and in inspiring talented women to pursue careers in leadership and management."

Ian Harper AO

Dean & Director

Biolinks Alliance

"...We are ever grateful for Philip Moors, and the Board he led, for their clever investment in building our operational capacity."

Sophie Bickford

Executive Director

Justice Connect

"...Thanks to the visionary support of the Helen Macpherson Smith Trust, Justice Connect has developed [Dear Landlord](#), which is our first interactive digital self-help tool to prevent homelessness."

Chris Povey

CEO

Shepparton Community Share

"...We are not the first funding recipients to acknowledge the relationship with the HMSTrust is a special and unique experience. As a Trustee for the last decade and Chair since 2014, Phil Moors has played a central role in enhancing the reputation of HMSTrust to deliver exciting opportunities and sustainable change."

David Tennant

CEO, FamilyCare

WEstjustice

"...Over the years, WEstjustice has enjoyed a wonderful relationship with Helen Macpherson Smith Trust under the leadership of Philip Moors. In 2017, HMSTrust agreed to fund the development of the School Lawyer Program Framework, which led to the codification and expansions of the concept nationally."

Melissa Hardham

CEO

STREAT

"...Our sincerest thanks to Phil and the whole HMSTrust team for backing our vision and also helping grow the social enterprise sector in Victoria. As we now enter our second decade with increasing need, we thank you for helping us build a solid foundation for the unprecedented challenges ahead of us. Thank you for helping us make meals that matter. They'll always be a place for you at our table, please come and share some deliciousness with us soon."

Rebecca Scott

Co-founder and CEO

Youthrive Victoria

"...Phil's leadership was a guiding light through Youthrive Victoria's move to independence from HMSTrust and the renaming/rebranding which has been critical to our success."

Bruce Anderson

Chair

A legacy of profound good work... *continued*

Australian Centre for Rural Entrepreneurship (ACRE)

"...As early pioneers of entrepreneurship education in Victoria, ACRE would like to commend the leadership of Phil Moors and the role HMST has played to build the case for young Victorians learning entrepreneurship capabilities through social enterprise."

Matt Pfahlert

Co-founder and CEO

Orygen DIGITAL

"...Without the support of Helen Macpherson Smith Trust and the dedicated and inspiring work of Trustees like Phil Moors, Orygen Digital wouldn't be what it is today."

Professor Mario Alvarez-Jimenez

Director, Orygen DIGITAL

Western Chances

"...The Helen Macpherson Smith Trust has been a strong supporter of Western Chances since 2012, not only financially but for additional support. We know if we call on the Trust for help, we will be given generously of time and wise advice. This doesn't just happen; it's due to the culture created at the organisation and the leadership example set by Phil as a Trustee and then Chair."

Terry Bracks

Founding Chair

Oonah Belonging Place

"...Without your belief in our Belonging Place dreams and the generosity that allowed us to pursue them, I firmly believe we would not be where we are today. Words cannot express how we appreciate the support and friendships you have shown us over the years."

Anne Jenkins

CEO

Connecting Country

"...HMSTrust's funding and input into Connecting Country's 'Stewards for Woodland Birds' and 'Habitat Health Check' projects (2017-2020) provided essential support for our long-term biodiversity monitoring. Our monitoring programs simply would not have continued without HMSTrust, and we are most grateful for their support."

Frances Howe

Director

Monash Institute of Pharmaceutical Sciences

"...Monash University was honoured to be the first recipient of an HMSTrust Social Impact grant in 2014. The \$1.2M grant established an open-access analytical facility to support local researchers from universities, research institutes and start-up biotechnology companies. The investment in 2014 has benefited hundreds of researchers, dozens of companies, created jobs and saved the life of at least one Victorian."

Michelle McIntosh,

Professor of Pharmaceutical Sciences

Director Medicines Manufacturing Innovation Centre

Director HMSTrust Analytical Laboratory

A legacy of profound good work... *continued*

River Nile Learning Centre

"...We're immensely appreciative of HMSTrust's support of River Nile since our early beginnings. Of note was a 2016 grant giving us capacity to achieve specific needs, essential to our successfully gaining registration to become a school. We appreciated Dr Phil Moors leadership of HMSTrust and investment in our relationship including through bringing the HMSTrust Board to our centre in 2017 to gain insight to their grant impacts in transforming the lives of the young women we support."

Lisa Wilson

Principal – River Nile School

Director – River Nile Learning Centre

HMSTrust Grants Advisory Committee

"It has been a privilege on both a personal and professional basis to have had the chance to work with you over the past almost 4 years. I have truly appreciated your support and friendship throughout that time. On taking up the role of GAC Chair, I have been particularly impressed with how you have built an interested, caring relationship with grantees, with a genuine aspiration to see our grantees being successful – it is something that I hope to be able to emulate! I have also had the opportunity to witness your leadership of HMSTrust in the broader philanthropic community and have seen at first hand, the deep respect that the industry has for you and therefore, the HMSTrust. Congratulations on your 10 years with HMSTrust, thank you for the encouragement and support you have given me – a philanthropic newbie!!"

Claire Higgins

Chair, HMSTrust Grants Advisory Committee

HMSTrust Staff

"The past six years under your leadership have been transformative. Taking over from Darvell Hutchinson after his 50 years at the helm of HMSTrust required a special kind of leadership. You brought to the role a patient strength of purpose that, together with your respect for the history of the Trust, your commitment to a civil society, a deep empathy for people, and care for the environment, ensured that Helen's legacy remained secure and relevant. Under your leadership, HMSTrust has adapted to the social, economic and environmental changes that impact our work, and you leave us with a clear roadmap for the next five years of grantmaking, our 2021-2025 Strategic Plan.

On behalf of Glen, Sarah, Amber and Michelle, thank you for your support, friendship and guidance. Tea and conversation is always on the other side of the green door at Windsor Place."

Lin Bender AM

CEO

From the Grants Team



FY20 has taught us that change, whether it be planned or unprecedented, requires flexibility, agility and empathy, in order to build resilience and move forward, all the while supporting those most in need. When we accept change in all of its forms, opportunities to learn and grow are present at every turn.

2020 has been a watershed year that has pushed the boundaries of how we live and how we work. Towards the end of 2019, we upgraded our grants database to a new online version that required us all to get out of our comfort zone. In February, we farewelled Lea-Anne Bradley after six years at HMSTrust, and welcomed Amber Moore onto the team. Within a week of Amber starting, we were all working from home, learning how to work remotely and becoming experts in Zoom meetings. Soon we would discover just how agile the Trust could be with its grantmaking. At the time, we thought we would be back in the office by July - little did we know...



Our regular grants

Although it seems a lifetime ago, we held a successful Impact Grant round in November 2019, with 12 grants approved for almost \$2.2m. While our Impact Grants are highly competitive with only 6-7 grants at this level approved each year, implementation of a new timetable for our 2020 grant rounds meant additional funds were available for Impact Grants and we were able to award a higher number.

In April, 24 new projects received small grants of up to \$30,000 through our One-off Grants. Applications were made prior to the COVID-19 pandemic and accordingly, delivery plans for many of the projects had to be postponed. Again, with so many unknowns at the time, flexibility was key for both us and our grantees.

In June, we were delighted to learn that Victorian master weaver, Glenda Nicholls, was awarded the [2020 Hutchinson Indigenous Fellowship](#). The Fellowship was established at the University of Melbourne in 2014 in honour of our former chairman and trustee, Darvell Hutchinson AM, following his retirement after 50 years. This year's Fellowship aligns with a major commission, *Mimi Milloo (Good spirit of the Murray River)* in 2020 as part of the National Gallery of Victoria's (NGV) Triennial exhibition (Dec 2020-April 2021), where the University of Melbourne is Research Partner. Glenda is a Waddi Waddi, Ngarrindjeri and Yorta Yorta artist based in the Swan Hill region of Victoria.

"This fellowship will help me to keep telling stories of everyday life happenings of mine and my family, friends, work, community and COVID-19. Like so many others I've been affected emotionally and physically by current events and these themes will be intertwined and woven into my artwork," Ms Nicholls said.

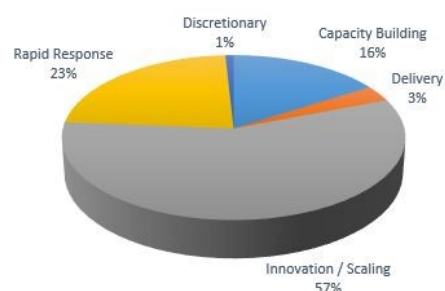
Grant's Team Review *continued*

Shifts in our grantmaking

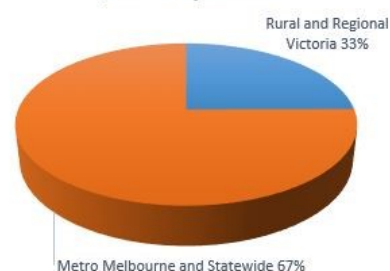
Our grantmaking continues to shift away from project delivery towards early stage support, from the incubation of ideas and prototyping to piloting and scaling, and we continue to support building the capacity of organisations to enable them to better serve their communities and build a sustainable business model.

Rural and regional Victoria remains a priority focus for the Trust, reflecting one of the primary sources of Helen's bequest. 19 grants for a total of \$1.2m were approved for direct benefit of rural and regional Victoria, representing 33% of the year's distributions. Going forward, a minimum 35% annual distribution target, averaged over rolling three-year periods, has been allocated to initiatives that directly benefit rural and regional Victorian communities.

\$ Grants by levers



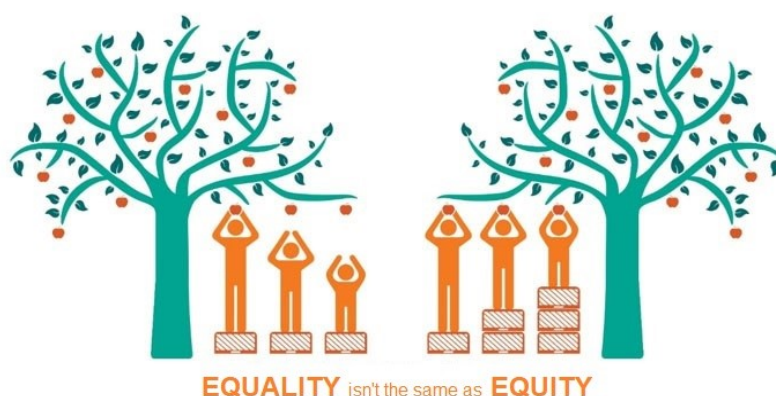
\$ Grants by location



Our 2021-2025 Strategic Review

The second half of FY20 saw the Trust commence preliminary work on our strategic review: a strategy that will guide our grantmaking for the next five years. While undertaking our strategic review, we have been mindful of the long-term impacts that both the bushfires and COVID-19 will have on Victorian communities. We will continue to listen and learn from our grantees, the communities they serve, and our sector peers as we move from emergency to recovery. These insights have informed our 2021-2025 Strategic Plan, which is due for implementation in FY22, and will continue to shape our grantmaking.

In FY21, we plan to continue bringing our newfound flexibility and agility to the ways we work, in our efforts to be better grantmakers, and will maintain our open engagement with our grantees, with grantseekers, and with our sector colleagues. Equity of opportunity remains our core purpose and on that note, we leave you with a little reminder of what it is all about.



Sarah Bartak, *Grants Advisor - responsible for Education, and Arts and Culture*

Amber Moore, *Grants Advisor - responsible for Community, Environment, and Health*

Michelle Springall, *Grants Support and Executive Assistant*

Our response to the Black Summer bushfires and COVID-19

Like many of our sector colleagues, we responded to the Black Summer bushfires and to COVID-19 with Rapid Response Grants.

The Trust's decision to cancel our scheduled Multi-Year Grants round enabled us to quickly consolidate our response to both crises, and pivot to a new style of grantmaking. The combination of flexibility, a streamlined application process, and quick turn-around times for decision were key, with decisions by the Trustees taking as little as a week.

Following the horrific Black Summer fires, the Trust was resolute in its commitment to supporting bushfire recovery, but acknowledged that it takes time to gain a true understanding of what long-term recovery looks like. We put our ear to the ground and reached out to those working alongside bushfire affected communities, to better develop our awareness of what the needs were to support the long term recovery of local communities and the natural environment.

Our emergency response to the bushfires was intensified with the onset of the COVID-19 global pandemic in March 2020. We immediately contacted our current grantees and sought to apply the utmost flexibility possible to support them through the impact on themselves and on their communities. Grants could be repurposed, and reporting and project timeframes extended as needed. This flexibility has enabled our response to be appropriate, informed, strategic and impactful.

Three existing grants were either wholly or partly redirected towards untied general operating expenses. These included the recent Impact Grant of \$200k to STREAT for [Moving Feast](#), a collaboration of Victorian food social enterprises addressing critical food security issues for vulnerable Victorians, which were intensified by the pandemic. SANE and Westside Circus also requested to repurpose part of their funding as a result of the emergency.



Murdoch Children's Research Institute

A Rapid Response grant is enabling Murdoch Children's Research Institute to develop and demonstrate a practical and accessible online modular mental health training resource for Victorian primary school teachers so they are able to support their students struggling with the impacts of the COVID-19 pandemic.

Our response to the Black Summer bushfires and COVID-19 *continued*

The rolling nature of Rapid Response grants resulted in 12 new grants approved by 30 June for a total of \$596k, representing 17% of our total distribution for the year.

10 Rapid Response grants offered COVID-19 impact support, either directly to organisations in need of funding to cover general expenses, or to organisations developing and implementing specific programs designed to ameliorate and cushion the projected fall-out of COVID-19.

The remaining two Rapid Response grants supported the scoping and development of larger bushfire recovery projects due for implementation in FY21. The Black Summer bushfires were a sobering reminder of how vulnerable our natural landscape is to natural disaster, and the immense impact a disaster of this scale has on rural and regional communities. Over 1.5 million hectares were burnt across Victoria, with Eastern Victorian communities and landscape bearing the brunt.

As we move into FY21, we plan to maintain this flexibility and incorporate key aspects into our future grantmaking.



St Kilda Mums

At the beginning of the COVID-19 crisis, St Kilda Mums was already experiencing a flood of orders from families in need, particularly in Gippsland following the Black Summer bushfires. However, they had to suspend receipt of donated second-hand goods (the main source of goods for redistribution) as well as suspend their volunteer program on which they rely for staffing, to ensure compliance with government COVID-19 guidelines. A \$50k Rapid Response grant enabled St Kilda Mums to purchase much needed goods and employ paid staff so they could continue distribution.

2020 Grants at a Glance



Total grants: \$3,477,303 across our five Programs

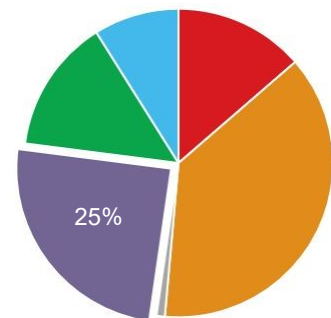
Education

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
16 grants: \$860,613



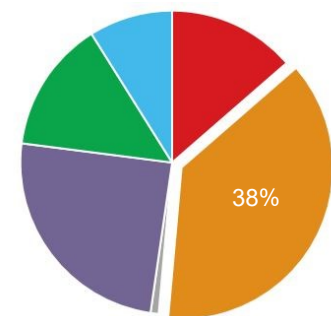
Community

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
12 grants: \$1,314,500



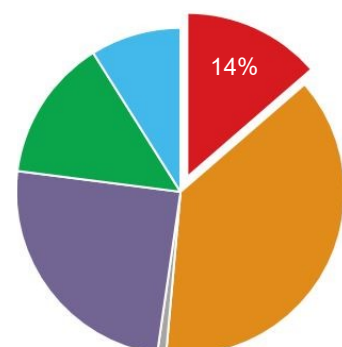
Arts and Culture

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
11 grants: \$473,399



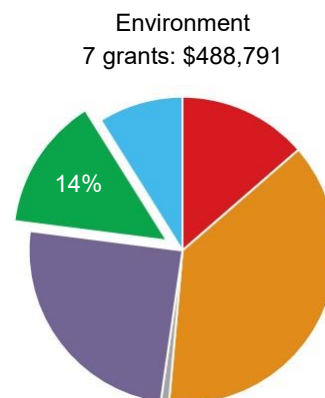
Grants at a Glance *continued*

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.



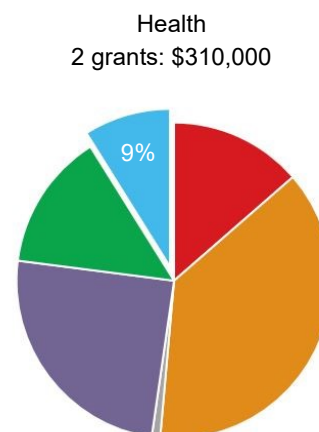
Health

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

Focus area:

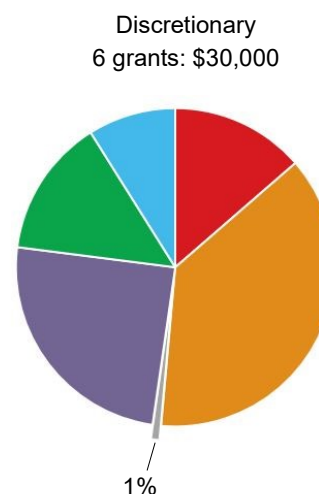
- **Improving access to mental health services in rural and regional Victoria**
Projects that provide affordable access to a full range of reliable, quality mental health services for Victorians living in rural and regional Victoria.

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



Discretionary

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



2020 Grants



Education

Beyond the Bell

\$30,000

BtB 2.0

To undertake a scoping study of current context and future proofing BtB to ensure our young people across the Great South Coast are supported to thrive and succeed in Education.

www.btb.org.au

Carringbush Adult Education

\$22,900

Women's Entrepreneurship: building capacity for pathways and financial empowerment

To consolidate and expand on a pilot partnership project that builds high-needs refugee and migrant women's capacity to participate in the broader Australian community through a multidisciplinary skills-building program.

www.carringbush.org.au

Deakin University

\$199,780

The Deakin Centre for Refugee Employment, Advocacy, Training and Education: Career Clinics and Employment Guide

Its key purpose is to finance the development and evaluation of careers clinics and an employment guide to support job seekers from a refugee background to gain employment.

www.deakin.edu.au

Foundation for Young Australians

\$200,000

Western YLab - Equitable Learning and Employment Model

To convene technical experts, local partners and young people to scale a feasible, equitable learning and employment model in Melbourne's western suburbs that is replicable in other contexts.

ylab.global

Free to Feed

\$30,000

Marketing Capacity Boost

To increase our marketing capacity and reach. Better, broader engagement with communities and collaborators will more effectively broadcast our advocacy, increase revenue and ultimately scale up our social impact

www.freetofeed.org.au

Ganbina

\$46,500

Ganbina Program

To support COVID-19 expenses arising from the significant increase in demand for support activities and services from students and their families, plus unbudgeted equipment and IT expenses relating to creating remote home working environments for Ganbina staff.

www.ganbina.com.au

IELLEN

\$25,000

Work for Tomorrow

To pilot and deliver an innovative work experience program, in a partnership with St Vincent's Hospital, to improve employment experiences and opportunities for young people with a focus on indigenous students

www.iellen.org.au

Intouch Multicultural Centre Against Family Violence

\$21,500

Given the Chance-Employment Pilot Project

To deliver a pilot project that through tailored pathways to employment supports women from a migrant and refugee background, victim survivors of family violence, to enter the Australian job market.

www.intouch.org.au

Murdoch Childrens Research Institute

\$94,933

Schools in the time of COVID-19:

A practical training program to support students and teachers To develop an online modular mental health training resource for teachers in primary school

www.mcric.edu.au

River Nile Learning Centre (RNLC)

\$30,000

Managing COVID-19 risks at River Nile Learning Centre

To provide the additional support needed during the Covid19 crisis for our students, who are among the most vulnerable in our community due to their limited English and lack of resources.

www.rnlc.org.au/

Society Melbourne

\$30,000

Hospitality Training Program - Preparing to Scale

To conduct a measurement and evaluation study into our impact model to establish its effectiveness

www.society.melbourne

Sunraysia Community Health Services Limited

\$30,000

Mildura micro-enterprise facilitation centre

To investigate feasibility and develop an initial business design for a micro-enterprise facilitation centre for disadvantaged youth in Mildura

www.schs.com.au

The Placement Circle

\$30,000

The Placement Circle Pilot

To deliver a pilot testing a model that empowers women to find meaningful employment by linking communities of peer support women to place based TAFE and employers

www.womencanaustralia.com

Education continued

The Reach Foundation

\$30,000

Reach in Schools - A three-year strategy to support the wellbeing of Victorian students.

To refine our school workshop program offering to ensure it can support the wellbeing needs of year 5 -12 school students across Victoria, and the adults who support them.

www.reach.org.au

Youth Live4Life

\$10,000

Adaptation of program and materials for digital delivery during COVID-19

To support COVID-19 expenses relating to pivoting activities from face-to-face delivery to virtual delivery

www.live4life.org.au

Youthrive Victoria

\$30,000

Program funding - COVID-19 emergency response

Maintenance of core programs during COVID-19.

www.youthrivevictoria.org.au



Community

Anglicare Victoria

\$200,000

Rapid Response Lead Practitioner

To enable the successful expansion of an evidence-informed family preservation model (Rapid Response) which significantly reduces the numbers of children being removed from families and placed into out-of-home care (OOHC).

www.anglicarevic.org.au

Annie North

\$30,000

Annie North - Independent Evaluation

An independent evaluation to capture and measure the effectiveness of Annie North's new model to attract diverse funding and shape our sector's service providers and policymakers in Australia and internationally.

annienorth.org.au

Justice Connect

\$100,000

Dear Landlord – Preventing Future Homelessness & Financial Insecurity

Scaling up "Dear Landlord" in response to COVID-19 to equip the "future homeless" with responsive & interactive resources to resolve their legal & financial problems, preventing eviction into homelessness, escalating financial crisis & family breakdown.

www.justiceconnect.org.au

Make a Difference Dingley Village

\$25,000

COVID-19 Emergency Relief
To support COVID-19 emergency relief expenses for disadvantaged community members impacted by the pandemic.

www.maddv.com.au

North Central Local Learning and Employment Network

\$200,000

Strong Families Strong Children, Buloke

Scale a successful evidence-based early years initiative into a neighbouring shire to facilitate investment in the earliest years of vulnerable children's lives, break the cycle of disadvantage & change trajectories

ncllen.org.au

Oonah Belonging Place

\$50,000

COVID-19 crisis support for Oonah

To support COVID-19 expenses relating to food security plus the fit-out of new clinical rooms to support the delivery of Stepped Care and other mental health and clinical services as required.

www.hicsa.org.au

Our Place

\$199,500

Early Years Quality Practice Framework for practitioners to improve disadvantaged children's education and life outcomes.

Expand Early Years Quality Practice Framework to individually monitor and support child development and improve quality of educator practice, and to build Our Place's proficiency delivering the tools, PD and evaluation.

www.ourplace.org.au

Royal Women's Hospital Foundation

\$200,000

BEAR in the Community: Building Early Attachment & Resilience for families in regional Victoria
Delivery of high-quality early intervention parenting support for vulnerable families in regional Victoria through upskilling and mentorship of existing local health and welfare workforce.

www.thewomens.org.au

St Kilda Mums

\$50,000

Crisis support for St Kilda Mums
Funding to cover two key expense areas for two months, which have been the result of COVID-19 impacts: material aid and staffing costs.

www.stkildamums.org

STREAT

\$200,000

Moving Feast

Moving Feast: a pandemic food response that creates justice, sustainability and resilience.

www.streat.com.au

WRISC Family Violence Support

\$30,000

Little children, Big outcomes

Research and develop a creative therapies model suitable for children 0-4 years to assist trauma recovery from Family Violence in rural communities.

www.wrisc.org.au

Zoe Support Australia

\$30,000

Accreditation for Zoe Support Australia

To achieve accreditation with DHHS so that we can continue to support young mothers and their children in regional Victoria to reach their potential.

www.zoesupport.com.au



Arts and Culture

Abbotsford Convent Foundation

\$30,000

Heritage Conservation, Restoration and Repurpose Project Scoping Works

To engage heritage consultants and specialists to produce preliminary scoping and costing works necessary to embark on a series of complex conservation, restoration and repurpose projects across Abbotsford Convent precinct.

www.abbotsfordconvent.com.au

Arts and Culture *continued*

Asteria Services

\$23,100

Making Music in Central Goldfields

To deliver a participatory community music program (singing and percussion) for people with disability and community groups/members in the Central Goldfields.

www.asteria.net.au

Bluebird Foundation

\$8,000

North Youth Theatre - a music/theatre performance project for young people from refugee backgrounds

To deliver an eight-month music/theatre project that is youth-led and provides creative opportunities for young people from refugee backgrounds in Corio (Geelong) leading to a unique, high-quality, community performance.

www.bluebirdfoundationinc.org.au

Flinders Quartet

\$25,000

Organisational evaluation to inform future pathways and program focus

To undertake a full organisational evaluation during Flinders Quartet's 20th anniversary year, which will shape the organisation's future direction and future success.

www.flindersquartet.com

Her Place Women's Museum Australia

\$26,000

Her Place-Visible Women

To undertake planning activities to develop a 5 year strategic plan, to support building a sustainable and vibrant future for Her Place at its new home at Clarendon Terrace, Melbourne.

herplacemuseum.com

Melbourne Chamber Orchestra

\$50,000

Pilot program: long-term sustainability of live concert streaming in partnership with Melbourne Digital Concert Hall

To support Victorian musicians during COVID-19 lockdown, improve equity of access for those unable to visit a concert hall, and act as a pilot for the long-term sustainability of live concert streaming.

mco.org.au

Monash University

\$193,309

Inclusive Gallery Experiences: Creating an Accessible Bendigo Art Gallery for Blind and Low Vision Visitors

To develop an evidence-based, technology-driven framework that provides accessible gallery experiences for people in Victoria who are blind or have low vision, and a more inclusive experience for all visitors.

www.monash.edu

Next Wave Festival

\$30,000

The Next Wave School of Artist Led Learning (ALL School)

To establish a school of artist-led learning, which nourishes artists, helps to create viable artistic careers, demonstrates economic self-sufficiency, and contributes broadly to sector development.

nextwave.org.au

Space2b Social Design

\$27,990

Launching with Space2b - Beyond the Space2b Experience

'Launching with Space2b' is a springboard to scaffold artistic and entrepreneurial potential of migrant and refugee communities. It embraces inclusivity by fostering understanding & respect across different cultures.

www.space2b.com.au

TarraWarra Museum of Art

\$30,000

Yalingwa Exhibition

To commission emerging Victorian Indigenous artists for exhibition alongside and under mentorship of established Indigenous artists. The funding request will also support public programs to accompany the exhibition.

www.twma.com.au

Western Edge Youth Arts

\$30,000

Community Engagement Program
To deliver a pilot Community Engagement Program that builds organisational capacity by increasing resources and community partnerships to ensure that WEYA has the capacity for sustainable growth.

westernedge.org.au



Environment

Earthwatch Institute

\$89,454

Establishing a Community-Led Bushfire Recovery and Resilience Program in East Gippsland
The Community-led Bushfire Recovery and Resilience program aims to build knowledge and capacity within East Gippsland schools and communities to empower local stewardship of the environment.

earthwatch.org.au

La Trobe University

\$197,668

Fire in the Belly: grassy ecosystem restoration through the cultivation of Aboriginal food and fibre plants
To improve and scale-up the ecological restoration of temperate native grasslands across Victoria, by bringing together Aboriginal, historical and ecological knowledge on the cultivation of Aboriginal food and fibre plants.

www.latrobe.edu.au

National Trust of Australia (Victoria)

\$25,000

Revegetation of the Mackinnon Nature Reserve and restoration of Eastern Barred Bandicoot habitat
Rehabilitation of the threatened Western District Basalt Plains Grassland Community at the Mackinnon Nature Reserve (Mooramong), to provide suitable habitat for a population of endangered Eastern Barred Bandicoots.

www.nattrust.com.au

Port Phillip EcoCentre

\$98,145

Futureproofing Port Phillip Baykeeper: succession planning to protect our Bay through evidence, partnerships and education
To methodically transfer knowledge from current to future Baykeeper staff; ensuring continuity of strategic cross-sector partnerships and citizen science monitoring to understand, celebrate, and protect Port Phillip Bay.

www.ecocentre.com

Environment *continued*

Remember The Wild

\$28,380

Enhancing our storytelling capacity
To improve Remember The Wild's ability to tell stories that matter and enhance the financial security of our charity.

www.rememberthewild.org.au

Threatened Species Conservancy

\$30,000

Rainforest Germplasm
Conservation Program – Pilot
Project

To deliver the pilot phase of the Rainforest Germplasm Conservation Program which will collect and store seeds and tissue of selected plant species to support the rehabilitation of Victorian rainforest.

www.tsconservancy.org

Victorian National Parks Association

\$20,144

Life After Fire: citizen science
monitoring of wildlife in fire-
affected East Gippsland, scoping
and development.

To scope a new citizen science project that engages the community in monitoring the recovery of native wildlife and their habitat in bushfire-affected areas of East Gippsland.

www.vnpa.org.au



Health

SANE Australia

\$200,000

SANE Assist: specialist professional support for rural and regional Victorians affected by complex mental illness

To enhance and scale up the SANE Help Centre's capacity to provide specialised, professional supports to people living with complex mental health issues in rural and regional areas of Victoria.

www.sane.org

Health *continued*

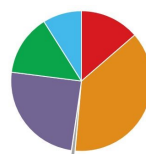
Youth Live4Life

\$110,000

Live4Life Goes Large: Scaling our successful model State-wide, improving youth mental health and reducing suicide.

To enable Live4Life, an award-winning, community-grown, evidence-based rural youth mental health and suicide prevention model to scale-up and work with more communities across rural and regional Victoria, strategically and sustainably.

www.live4life.org.au



Discretionary

Bolton Clarke

\$5,000

Special Consideration by Trustees grant

www.boltonclarke.com.au

Mission to Seafarers Victoria Inc

\$5,000

Special Consideration by Trustees grant

www.missiontoseafarers.com.au

Royal Society for the Prevention of Cruelty to Animals

\$5,000

Special Consideration by Trustees grant

www.rspcavic.org

The Lost Dogs Home

\$5,000

Special Consideration by Trustees grant

www.dogshome.com

The Royal Children's Hospital Foundation No 2 Trust

\$5,000

Special Consideration by Trustees grant

www.rchfoundation.org.au

Vision Australia Limited

\$5,000

*Special Consideration by Trustees grant -
for Victorian Operations*

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 Officer 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.

2020 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.

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 working against 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.

The corpus currently has two impact investments. The investment in the Murray Darling Basin Balanced Water Fund, 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 Social Impact Bond seeks to improve outcomes for young Victorians transitioning from care to independent living.

In FY20, the corpus's large capitalisation developed market exposure was switched into a product that screens out further investments that are not aligned with HMSTrust's vision, purpose and granting strategy. In addition to screening out companies involved in tobacco production and weapon manufacture, companies involved in fossil fuels, alcohol, gambling, adult entertainment, and conduct-related controversies are now also screened out.

HMSTrust continues to manage internally its Australian equities portfolio on a passive basis enabling HMSTrust to take advantage of its 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 in-line with HMSTrust's vision, purpose and granting strategy (two stocks are currently screened out: Aristocrat

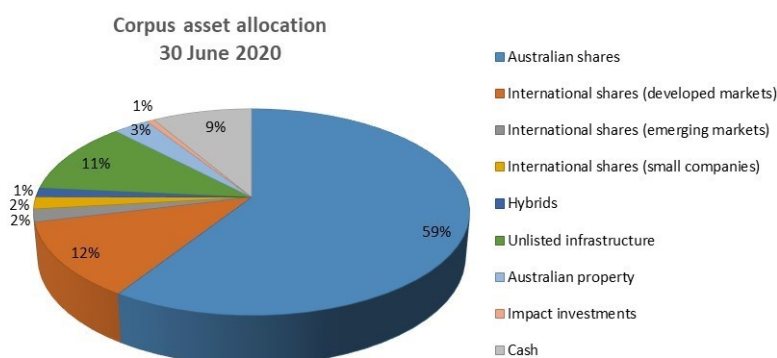
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2020 Investment and Finance Review *continued*

Leisure and Treasury Wine Estates). The benchmark is the S&P/ASX50 Franking Credit Adjusted Daily Total Return (Tax Exempt) Index modified for those exclusions and for FY20, HMSTrust's Australian equities portfolio outperformed the benchmark by 0.12%, mainly as result of participating in placements and the Qantas off-market share buy-back.

Asset allocation

HMSTrust operates in perpetuity and this allows the corpus to have a high allocation to growth assets (84% at 30 June 2020). An allocation to developed markets small companies was included for the first time during FY20.

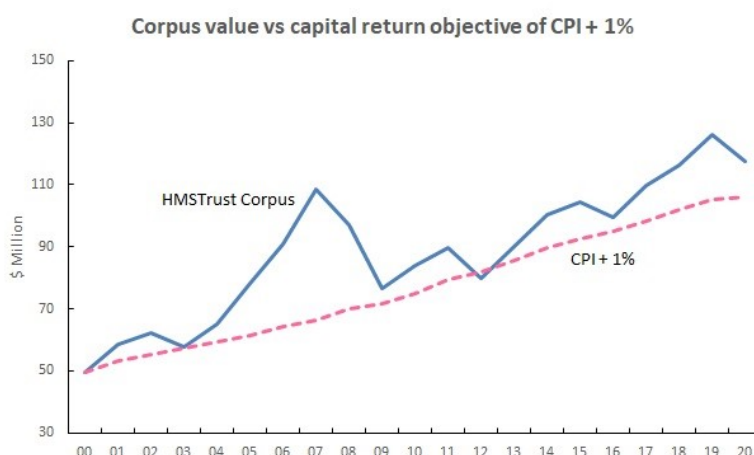


Investment performance

As at 30 June 2020	1 year	3 years	5 years	7 years
Capital Account total return	-3.2%	6.8%	7.0%	8.8%
Objective: CPI+5.5% pa	5.2%	6.6%	6.8%	7.0%
Over/(under) performance	-8.4%	0.2%	0.2%	1.8%

The value of the corpus has had a roller coaster ride during FY20 due to the impact COVID-19 had on world markets. From a value of \$126m at the end of FY19, the corpus reached an all-time high of \$136m on 20 February 2020, before COVID-19 caused world markets to tumble, resulting in HMSTrust's corpus dropping to a low of \$102m on 23 March 2020. We used the opportunity of depressed prices to invest a further \$2.5m in Australian equities. By the end of FY20, the corpus had recovered in value to \$118m.

While the total return on the corpus for FY20 was -3.2% due to impact of COVID-19, over the longer-term, 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 which excludes income earned). Over that period the corpus has remained ahead of inflation, achieving our capital return investment objective.



Investment management expenses

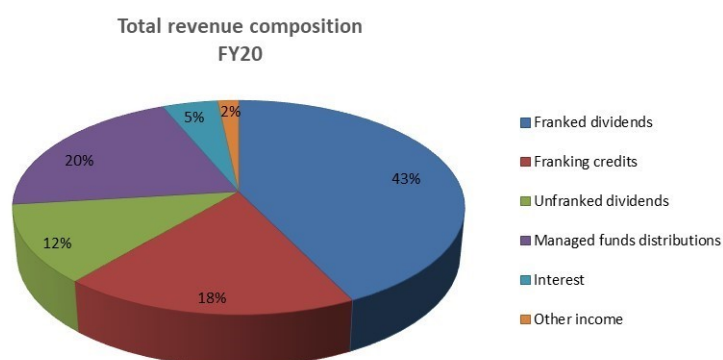
In addition to managing Australian equities internally, investment operations are also undertaken internally to maximise control and minimise costs. During FY20, the total investment costs amounted to 0.32% of the corpus, including direct investment costs incurred internally, investment consultant fees 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 \$5.5m was earned on the corpus during FY20, down 49% on the \$10.9m earned in FY19. Capital Account revenue decreased by \$3.7m from \$4.6m in FY19 to \$0.9m in FY20 as there were fewer off-market share buy-backs offered in FY20. Income Account revenue dropped by \$1.7m from \$6.3m in FY19 to \$4.6m in FY20. While FY19 was a bumper year for special dividends (from the likes of BHP and Wesfarmers), income in FY20 was subdued due to the effect COVID-19 had on the ability of companies to pay distributions.

Operating expenses of \$1.3m were incurred during FY20 in administering HMSTrust to achieve its objectives and were in-line with those incurred in FY19.

An operating surplus of \$4.2m was generated in FY20, a 56% decrease over the \$9.6m generated in FY19. \$0.9m of the operating surplus was capital in nature and remains in the Capital Account. The operating surplus on the Income Account of \$3.3m allowed for a total of \$3.2m net grants to be approved during FY20, resulting in a small \$0.1m surplus on the Income Account. The balance on the Income Account of \$3.7m at 30 June 2020 will be used to maintain HMSTrust's granting capacity during this continued period of low income returns.



Glen Thomson

Finance Executive

Helen Macpherson Smith Trust

Financial Summary

Statement of surplus or deficit and other comprehensive income for the year ended 30 June 2020

		2020 \$	2019 \$
REVENUE			
	Franked dividends	2,369,178	5,953,900
	Unfranked dividends	656,649	616,204
	Managed fund distributions	1,141,474	1,397,085
	Imputation credits	1,028,233	2,577,049
	Interest income	255,086	338,565
	Other income	95,000	45,000
		5,545,620	10,927,803
EXPENSES			
	Depreciation and amortisation	(68,716)	(79,029)
	Employee benefits	(811,279)	(783,142)
	Investment expenses	(100,122)	(96,385)
	Legal expenses	-	(16,531)
	Loss on scrapping of plant and equipment	(275)	(8,119)
	Other operating expenses	(238,814)	(168,312)
	Trustees' commission	(109,383)	(126,089)
		(1,328,589)	(1,277,607)
OPERATING SURPLUS		4,217,031	9,650,196
	Net grants approved during year ¹	(3,247,543)	(4,481,536)
SURPLUS FOR THE YEAR		969,488	5,168,660
Other comprehensive income	Change in fair value of investments	(9,418,708)	4,381,364
TOTAL COMPREHENSIVE INCOME		(8,449,220)	9,550,024
	Attributable to Capital Account	(8,486,924)	8,866,339
	Attributable to Income Account	37,704	683,685
		(8,449,220)	9,550,024

¹ Net of withdrawn grants amounting to \$229,760 (2019: \$103,000).

Helen Macpherson Smith Trust

Statement of financial position as at 30 June 2020

		2020 \$	2019 \$
CURRENT ASSETS	Cash and cash equivalents	13,973,048	12,583,213
	Trade and other receivables	1,461,831	3,703,096
		15,434,879	16,286,309
NON-CURRENT ASSETS	Investments in financial assets	106,027,630	114,055,685
	Property plant and equipment	2,559,777	2,622,880
	Intangibles	-	788
		108,587,407	116,679,353
TOTAL ASSETS		124,022,286	132,965,662
CURRENT LIABILITIES	Trade and other payables	61,850	57,156
	Grants approved but unpaid	3,073,279	2,761,005
	Employee benefits	117,302	58,386
		3,252,431	2,876,547
NON-CURRENT LIABILITIES	Grants approved but unpaid	406,027	1,239,205
	Employee benefits	33,506	70,368
		439,533	1,309,573
TOTAL LIABILITIES		3,691,964	4,186,120
NET ASSETS		120,330,322	128,779,542
ATTRIBUTABLE TO:			
CAPITAL ACCOUNT²	Capital reserve	111,464,906	108,110,295
	Investments revaluation reserve	5,137,264	16,978,799
		116,602,170	125,089,094
INCOME ACCOUNT	Retained surplus	3,702,385	3,608,356
	Investments revaluation reserve	25,767	82,092
		3,728,152	3,690,448
TOTAL ACCUMULATED FUNDS		120,330,322	128,779,542

² The Capital Account value, including the land and building at market value, as at 30 June 2020 is \$117,694,400 (2019: \$126,132,254).