Helen Macpherson Smith Trust

A remarkable growth story

June 2025

Creating a legacy

On her death in 1951, the late Helen Macpherson Schutt (née Smith) left a bequest of £275,000 ($550,000) for the establishment of a charitable trust to benefit Victorian charities in perpetuity.

From that original bequest, $197m income has been generated, with $151m distributed to Victorian charities, while the corpus has grown to $180m.

This outcome reflects an annual compound return of 13.0% p.a. over 74 years (1951-2025), split into capital growth of 7.0% p.a. and an average income return of 6.0% p.a. These returns compare favourably to the All-Ordinaries Accumulation Index which averaged 11.0% p.a. and inflation which averaged 4.4% p.a. over the 74-year period. Expressed another way, the return achieved by the Trust over 74 years has exceeded inflation by 8.6% p.a.

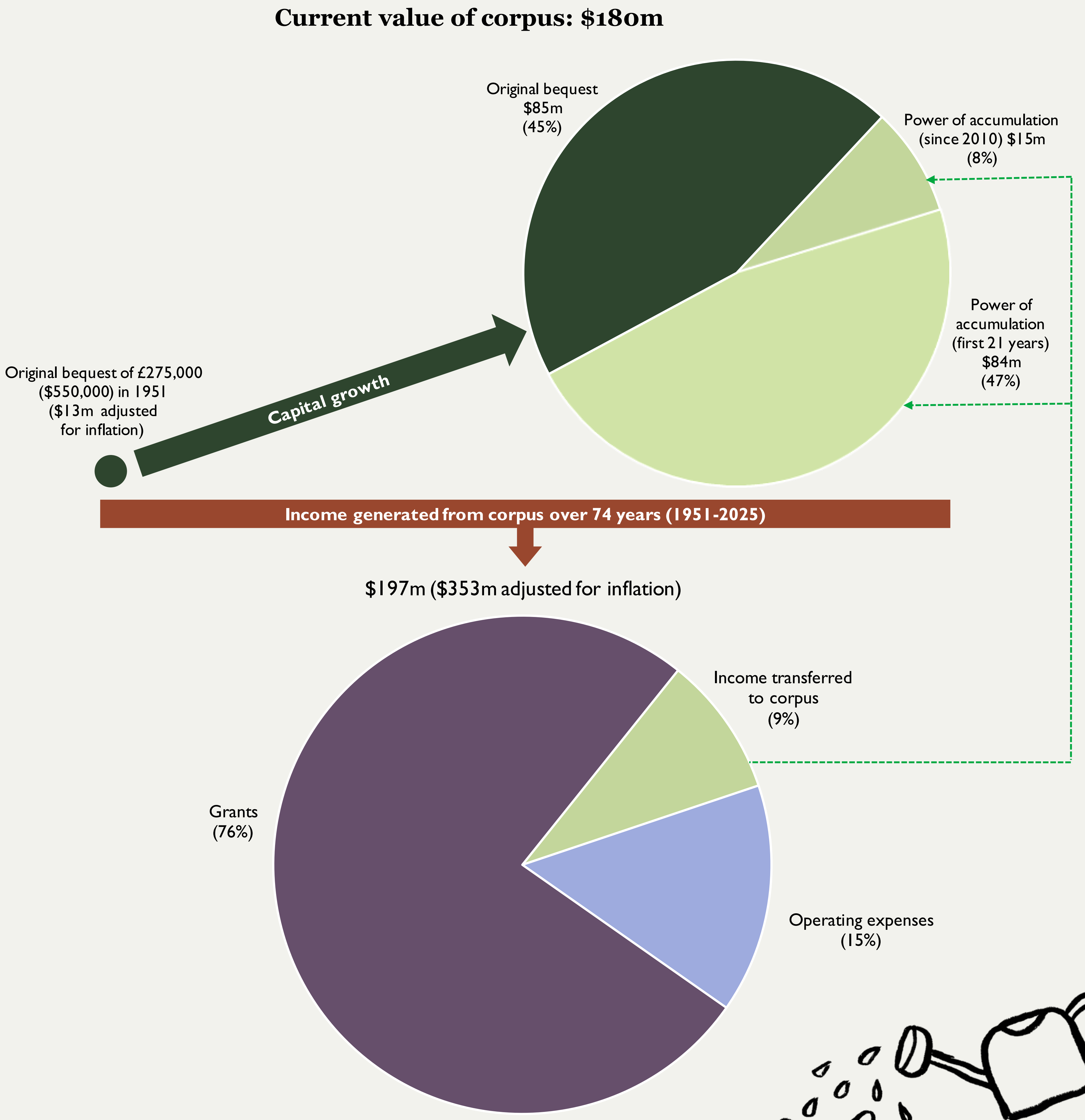
This investment performance did not happen by chance.

“Compound interest is the eighth wonder of the world”
- Albert Einstein

Wise instructions…

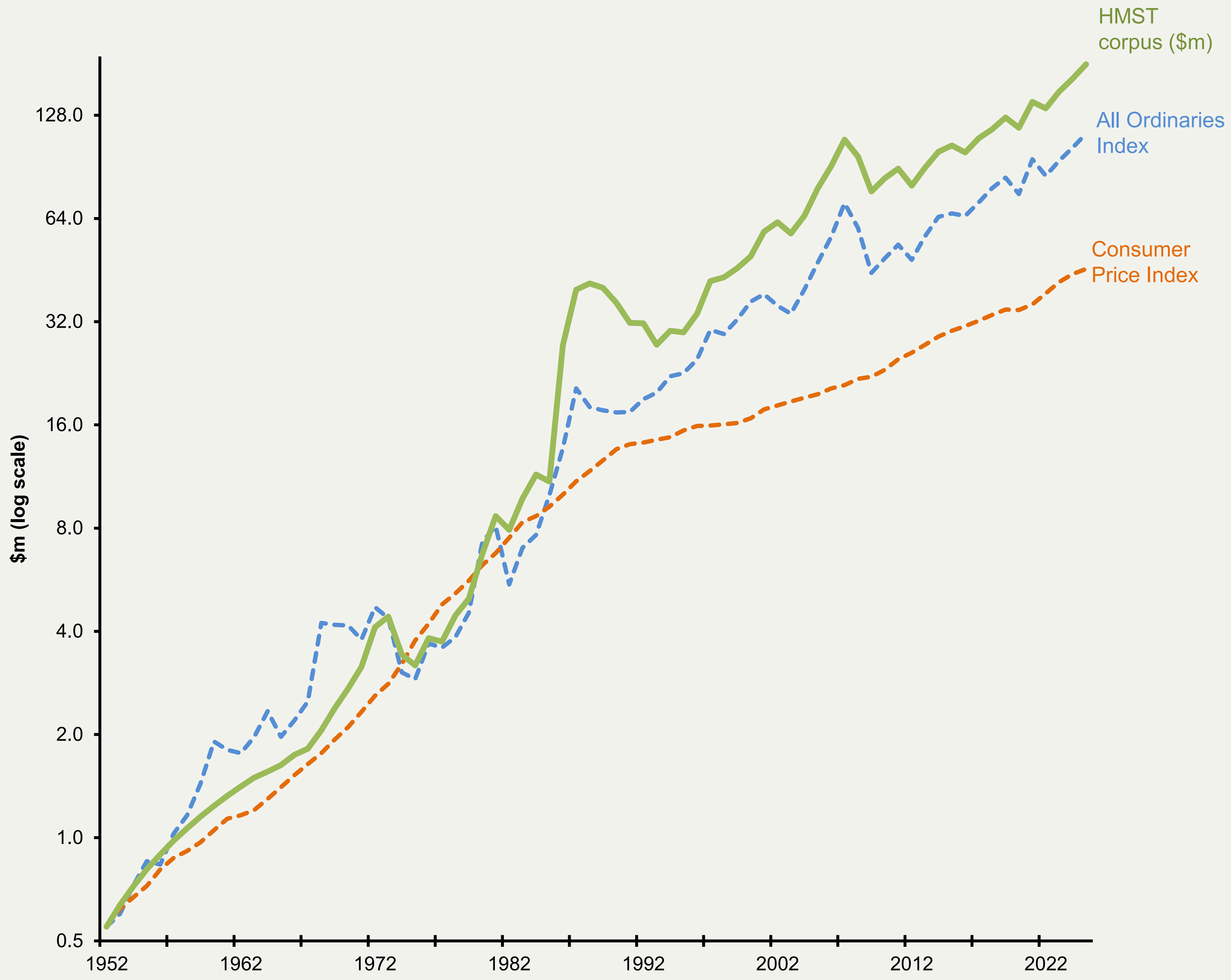
Firstly, Helen wisely instructed her trustees to re-invest two thirds of the income generated over the first 21 years of the Trust. One of the features of compounding is the substantial benefit gained from strong growth early in the life of a fund. This income from the first 21 years of the Trust now accounts for $85m (or 47%) of the $180m corpus.

In 2009 the Supreme Court of Victoria approved an Administrative Scheme which again gave the Trustees limited power to accumulate income to corpus. This power of accumulation activated by the Trustees from FY10, now accounts for $15m (or 8%) of the $180m corpus.



...Wise investments

Secondly, the Trustees made a decision to invest primarily in growth assets (such as Australian equities) which have generated good capital gains (7.0% compound annual growth rate) over the last 74 years. If the $550,000 had only matched inflation over the 74 years, it would be worth as little as $13m today. If the $550,000 had simply matched the growth of the All-Ordinaries Index over the 74 years, the original bequest would only be worth $50m, instead of the $81m it is today.



Benefit to Victorian charities, now and into the future.

At the same time the corpus has generated income of $197m (or $353m adjusted for inflation) over the 74 years which has been allocated as follows:

- grants of $151m ($265m)
- operating expenses of $32m ($53m)
- transfers to corpus of $11m ($32m)
- with the remaining $3m available for future granting.

It is truly a commendable achievement that the original $550,000 bequest 74 years ago is now a $180m corpus which has generated $197m of income, used to benefit the state of Victoria.

CORPUS VALUE	
YEAR ENDED JUNE	**Market Value $ 000's**
1952	550
1965	1,629
1975	3,181
1985	10,932
1995	29,796
2000	49,645
2005	78,263
2010	83,889
2015	104,535
2020	117,694
2021	139,951
2022	134,144
2023	149,964
2024	163,686
2025	180,268

The **impact** of this **lasting legacy** from Helen to the people of **Victoria** is exemplified in a summary of **capital growth** over the now 74 years of the Trust's operations.