



THE STELLA FOREVER FUND

THE ENDOWMENT FUND OF THE STELLA PRIZE INC
ABN 15 021 275 082

ANNUAL FUND REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. Objectives

The Stella Forever Fund (the Fund) was established in 2016. The purpose of the Fund is to fund the annual Stella Prize in perpetuity. The original purpose of the Fund was to raise \$AUD3m over a ten year period and this was achieved in May 2022, when paid and pledged donations and accumulated earnings of the fund reached the target.

2. Principal Activities

During 2022-23, the Fund continued to receive donations. Some donors have pledged to make donations totalling \$230k in later years. The Fund contributed to the prize money for the first time this year. \$10,000 was contributed to the 2023 prize, to increase it to \$60,000.

3. Operating Results

The Fund's surplus for the year ended 30 June 2023 was \$575,559. This was made up of:

	2023	2022
Donations – Public	332,173	1,826,164
Investment Income	83,174	55,822
Market movement	166,449	(292,235)
Franking credits	3,803	0
Contribution to prize money	(10,000)	0
Total	\$575,599	\$1,589,751

4. Financial Position

The Fund has retained earnings of \$3,037,680 as at 30 June 2023.

	2023	2022
Opening balance	2,462,081	872,330
Plus current year surplus	575,599	1,589,751
Closing balance	\$3,037,680	\$2,462,081

The net assets of the Fund as at 30 June 2023 were invested as follows:

	2023	2022
Cash on deposit	471,411	601,620
Share investments	2,562,466	1,860,461
Franking credits owed	3,803	0
	\$3,037,680	\$2,462,081

5. Investment Policy and Returns

Pitcher Partners acted as Investment Manager throughout the financial year. Their services were provided on a pro-bono basis. Funds are invested by Pitcher Partners in accordance with the Fund's Investment Strategy.

Pitcher Partners gave notice that they would no longer be able to provide this pro-bono service. In response, the Finance, Audit, Investment and Risk Committee undertook a search for a new Investment Manager. Perpetual Trustees have been appointed in the 2024 financial year.

For the year ended 30 June 2023 the annualised internal rate of return on the Fund's invested assets was 9.81% (2022: -11.61%). This was a pleasing result after the negative returns experienced in the prior year. The annualised internal rate of return for the 3 years to 30 June 2023 was 3.78% (2022: -3.62%). The Finance, Audit, Investment and Risk Committee continues to monitor investment performance closely.

The Fund has a long-term investment objective which is to preserve the real value of contributions to the Fund and to generate annual income ultimately for funding the annual Stella Prize. The Fund will accept short-term and medium-term volatility provided that long-term returns meet or exceed investment objectives. The strategic asset allocation is:

- Growth assets – 70%
- Defensive assets – 30%

The Fund is committed to investing responsibly, having regard to environmental, social and governance risks and opportunities. This is achieved by applying both positive and negative social screens to avoid investing in business activities that are not socially or environmentally responsible. Investments are preferably placed only with investment managers that are signatories to the United Nations Principles of Responsible Investing and/or members of the Responsible Investment Association of Australia.

Both the strategic asset allocation and the responsible investment principles have been considered as part of the appointment of Perpetual Trustees as Investment manager.

6. Committee Members

The Finance, Audit, Investment and Risk Committee members are:

- Chair – Keren Murray
- Deputy Chair – Claire Wivell Plater
- Treasurer – Mary Latham (Committee Chair)
- Secretary – Abbey Burns