

The background is a vibrant blue gradient. On the left side, there are several overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in shades of light blue and white. A series of small, bright blue dots or particles form a curved, upward-sweeping trail that starts from the bottom left and extends towards the top right, adding a sense of motion and energy to the design.

Annual Report 2018

L.E.W. Carty Charitable Fund

L.E.W. Carty Charitable Fund

L.E.W. Carty Charitable Fund is a perpetual philanthropic trust established in 1977 under the Will of the late Olive Muriel Carty to honour the memory of her late husband Leslie Ernest William Carty, and commenced grantgiving in 1980.

It provides grants to selected charities within the State of Victoria to assist or promote research into the diagnosis, prevention, or treatment of physical or mental disorders of humans. Grants to appropriate charities are determined at the absolute discretion of the Trustees.

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Dr Susan M. Forrest

Sally R. Wood

Staff

Sarah Bartak, Grants Officer

Glen Thomson, Finance Executive

L.E.W. CARTY
CHARITABLE FUND

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Olive Muriel Carty

The L.E.W. Carty Charitable Fund was established in 1977 as part of the Will of Olive Muriel Carty.

Olive bequeathed the inheritance left to her by her late husband, Leslie Ernest William Carty, to assist or promote medical research within Victoria. Olive determined the philanthropic fund be named the 'L.E.W. Carty Charitable Fund', in honour of her late husband.

Olive's early years

Olive was born in Brighton, Melbourne in 1904, to John Bishop and Jemima (nee Macvean).

The Bishop family lived in Brighton, from where Olive attended school at Toorak College, then in Mayfield Avenue, Toorak. The school today is in Mt Eliza having been relocated in 1928. The family lived in Brighton until 1928 when they moved to "Sherwood" at 8 Glenbervie Road, Toorak.



Olive Muriel Carty

Married life

Olive married Leslie Ernest William Carty on 21st March 1935. Known by most as 'Lew', an acronym of his initials, Leslie Carty was a sheep grazier in Hamilton in the Western District of Victoria. He was born in Melbourne in 1885 to Richard Thomas Carty and Lucy (nee Hawkins).

In 1931 Lew's first wife, Elsie Marion Armstrong, died leaving Lew widowed at 46. They had no children.

When Lew married Olive at St John's Church Toorak The Argus newspaper of 22 March 1935 reported Olive wore 'a charming gown of magnolia-white crepe satin... a loose cowl drapery softened the bodice of the bride's frock'. Her father gave her away, her brother, Rex Bishop, was the groomsman, and her two bridesmaids were her sisters Ivie and Mary. After the wedding ceremony a reception was held at the Bishop family home in Toorak.

Olive Muriel Carty *continued*

Following their marriage, Olive joined her husband at his grazing property 'Brisbane Hill' in Hamilton. She was 30 years old.

Olive had a strong, direct personality and a great sense of humour. Tall in stature, Olive spoke her mind in a forthright manner and willingly expressed her views. She is remembered fondly by her extended family as being generous and funny with a zest for life.

These qualities stood her in good stead with the vast change in lifestyle, moving from city life in Melbourne to country life at 'Brisbane Hill' with her new husband.

Lew and Olive worked the property themselves, as many did through the Great Depression era. Olive loved cooking and at her new home she tended a large garden that supplied their needs of vegetables and herbs. She also raised turkeys and chickens. Together, the couple had a strong network of friends in the Hamilton District.

They were married for 26 years before Lew died in 1961 aged 76 from congestive heart failure. They also had no children.



Leslie Earnest
William (Lew) Carty

Olive's later years

When Lew died, Olive returned to Melbourne and lived a further sixteen years before she died at Frankston Hospital from a heart attack aged 72.

Although Lew, and eventually Olive herself, died from heart related illnesses, Olive directed her Will to a broader range of medical research. She specifically included consideration for Walter and Eliza Hall Institute of Research.

Olive's direct and clear vision for the use of the inheritance left to her by her husband has seen the L.E.W. Carty Charitable Fund contribute over \$7.7 million to medical research to date.

Chairman's Report

I am delighted to present the 2018 Annual Report for the L.E.W. Carty Charitable Fund ("the Carty Fund").

The Carty Fund achieved a steady successful year in 2018, even though investment earnings were lower than last year, and accordingly, total grants approved for the year were also lower.

Economy

The 2018 financial year was again a year of varied volatility in the Australian market. Our investment portfolio mainly comprises Australian domestic listed companies, and sharp reactions within a volatile market can suddenly impact upon our earnings yields and capital growth prospects. Today, global market predictions are uncertain. The current early days of trade wars between the world's two largest economies – USA and China – make it difficult to predict what long-term effect it may have on the Australian economy.

Operations

The Carty Fund achieved another steady year in 2018 at slightly lower levels than last year.

Revenue from investments was lower at \$426,311 (last year \$473,232).

Our Operating Expenses were static, totalling \$70,178 (\$70,084). Part of these expenses were, like last year, preliminary costs in relation to our proposed application to the Supreme Court of Victoria for variations to Olive's Will to enlarge the scope of medical research institutes for grantgiving within Victoria. Further legal costs for this important application were incurred subsequent to balance date, when the application successfully became a Court Order dated 27 April 2018.

Pending the conclusion of this Court application, our grantgiving for the year was lower at \$250,000 (last year \$350,000).

Operating surplus for 2018 therefore was \$106,133 (last year \$53,148).

Our investments each balance date are shown at market value, which saw the value of the portfolio increase to \$8,959,653 (last year \$7,637,075).

So overall, it means that the Net Worth of the Carty Fund increased in 2018 to \$9,340,354 compared to \$8,173,330 last year.

Chairman's Report *continued*

Grantgiving

Our philanthropic grants to the medical research sector, although small in number, are carefully assessed to ensure the grants will assist meaningful projects.

Two grants, each of \$125,000 were approved in 2018, and details are provided in this report.

The Trustees' policy is to continue to retain a reasonable level of unapplied income to provide promptly for special grant applications that may arise. The total of retained income available for distribution to eligible charities is \$286,276.

Trustees and Management

I sincerely thank my co-Trustees Dr Sue Forrest and Sally Wood for their creativity and continual dedication to the advancement of the L.E.W. Carty Charitable Fund, and also to the management team of Glen Thomson and Sarah Bartak for their professional guidance.

The Future

The Carty Fund, although a small player in the philanthropic landscape of Victoria, is assured of a positive future in the decades that lie ahead.

Its founding benefaction of \$200,000 by Olive Carty grew to \$9.3 million at 30 June 2018 and has resulted in medical science grants totalling \$7.7 million being distributed to research institutes in Victoria.

Trustees are delighted that in April 2018 the Supreme Court of Victoria approved our variations to Olive's Will, which now extends the number of medical research institutes that would be eligible for future grants. However, our availability of funds for grantgiving remains relatively small, and hence will be more competitive. Consequently, Trustees are currently reviewing our Grantgiving Policy for the future.



Darvell M. Hutchinson AM
Chairman

2018 Grants: 2 grants totalling \$250,000

How We Grant

The L.E.W. Carty Charitable Fund is a perpetual charitable trust and its grants strategy reflects the legal parameters of Olive Carty's Will. Within these boundaries, our grants strategy continuously responds to changes and developments in the field of medical research. For further information visit our website www.carty.org.au

Our Grantmaking Charter

To distribute grants in accordance with the terms of the Will of the late Olive Muriel Carty to honour the memory of her late husband Leslie Ernest William Carty. The L.E.W. Carty Charitable Fund makes grants to authorised charities within the State of Victoria, being a hospital, institution, society, organisation, body or fund, that are in need of funds to assist or promote research into the diagnosis, prevention or treatment of physical or mental disorders of human beings.

To select grants to appropriate charities at the absolute discretion of the Board of Trustees.

To act in all of its dealings as an independent, non-politically aligned entity.

Our Grantmaking Goals

Immediate Research Needs

Immediate research needs of research institutions in relation to essential items of equipment and areas of research into the diagnosis, prevention, or treatment of physical or mental disorders of human beings.

Longer-term Research Needs

Supporting future world-class research in Victoria through the nurturing and retention of key researchers situated in Victoria.

The Extent and Range of Grants

Grantmaking amongst a range of Victorian health and medical research projects/programs, of differing size, scope and complexity, including but not limited to:

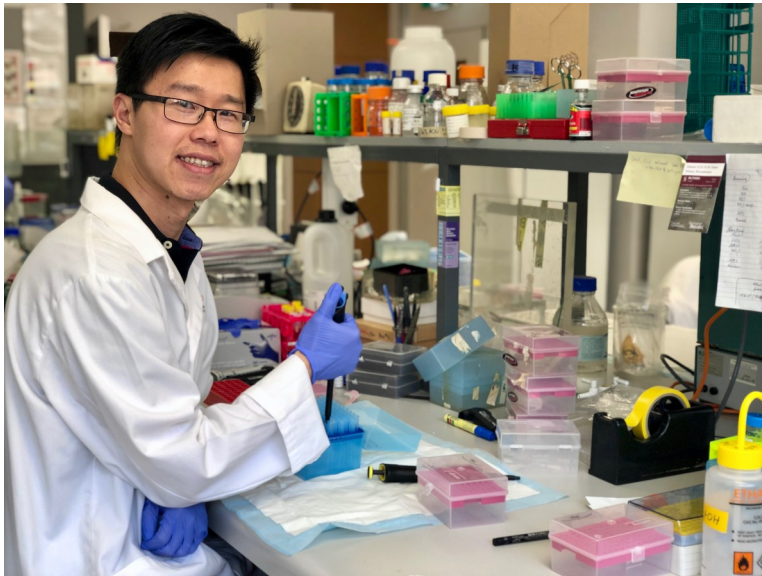
- pilots and novel research initiatives;
- projects in Victoria that involve collaborations with other research institutions.

The Effectiveness of Outcomes

Sound evaluation and monitoring procedures to assess the effectiveness and outcomes from our grants.

St Vincent's Institute of Medical Research

For more than 60 years, research at St Vincent's Institute of Medical Research (SVI) has been focussed on improving the outcomes of Australians affected by disease. Researchers at SVI are working to identify new treatments, prevention and cures for diseases including type 1 diabetes, osteoporosis, cancer, heart disease, Alzheimer's disease and type 2 diabetes.



Dr Kim Loh, PhD is a young and promising researcher.

In December 2018, he was awarded two NHMRC grants, one of which is related to the body of work funded by L.E.W. Carty Charitable Fund.

A novel therapeutic approach for lowering cholesterol and suppressing atherosclerosis

\$125,000 over two years

Heart disease is the leading cause of death in Australian adults. It is primarily caused by a process called atherosclerosis, which is the build-up of cholesterol within the walls of important blood vessels throughout the body. Left untreated, atherosclerosis may lead to heart attack, stroke, or heart failure.

A large body of evidence suggests that specialised immune cells called macrophages are major contributors to the development of atherosclerosis and associated heart disease due to accumulation within the cells of high levels of cholesterol. This project aims to understand the cause of this accumulation in order to develop more effective therapeutic approaches for heart disease.

In particular, Dr Loh is studying how a regulatory enzyme found within the cell, AMP-activated kinase (AMPK), controls cholesterol production in macrophages. AMPK's activation in response to exercise is thought to be part of the protective mechanism against the development of heart disease. The research is investigating whether by changing the activity of AMPK, using drugs that have been developed exclusively by the SVI laboratory, it is possible to augment the body's natural control mechanisms and significantly reduce the development of atherosclerosis.

Walter and Eliza Hall Institute of Medical Research

The Walter and Eliza Hall Institute of Medical Research (WEHI) is Australia's oldest medical research institute. Established in 1915, its scientists have been making significant discoveries in immunity, cancer, and infectious diseases. These discoveries have advanced understanding of human biology and resulted in new and more effective treatments for patients worldwide.



Dr Rhys Allan heads up the Allan Laboratory at WEHI which is focused on understanding what goes wrong in white blood cells to cause allergic diseases such as asthma and food allergy, and autoimmune conditions such as lupus.

This project represents a multi-disciplinary collaboration between the Molecular Immunology Division of Dr Allan and the Chemical Biology and Screening Divisions at WEHI

Developing a Novel Asthma Treatment

\$125,000 over two years

Asthma is a disease that adversely affects the lives of over 300 million people worldwide. The rising incidence of this disease, particularly in children is cause for great concern. Unfortunately to date, little progress has been made to improve treatment, understand the causes, preventing or finding a cure.

The major instigators of allergic asthma are the white blood cells of our immune system called T cells. Normally, these cells protect us against infection but in the case of asthma they over-react when exposed to environmental allergens - such as house-dust mites and pollens - to illicit an immune reaction that results in airway restriction. By understanding what leads to the generation of such harmful cells the potential is there to find a cure for this disease.

Dr Allan and his team are focused on understanding the genes that control T cell behaviour. The nucleus of a cell contain a complex network of genes termed a "circuitry" which dictate whether a T cell will cause harm, such as in asthma. Dr Allan's team have revealed a specific circuitry that causes asthma, and have also identified an enzyme called SUV39H1 that is central to this harmful circuitry. By interfering with this enzyme, they can "rewire" the cells so they cannot cause disease. This represents a novel and exciting strategy to treat allergic asthma. However, at present there are no drugs available that can specifically interfere with SUV39H1. This project aims to develop drugs that will selectively target the SUV39H1 enzyme, re-wiring the circuitry of these asthma-promoting T cells so that they cannot cause disease. The overall goal of the research is to develop potent SUV39HI-targeting drugs to effectively treat patients suffering from allergic asthma.

Financial Summary

Statement of surplus or deficit and other comprehensive income
for the year ended 30 June 2018

		2018 \$	2017 \$
REVENUE	Dividends	308,168	332,166
	Imputation credits	103,000	125,014
	Interest income	15,143	16,052
		426,311	473,232
EXPENSES	Administrative expenses	(46,554)	(46,851)
	Audit review fees	(4,900)	(4,900)
	Legal expenses	(9,649)	(9,258)
	Trustee benefits	(9,075)	(9,075)
		(70,178)	(70,084)
OPERATING SURPLUS		356,133	403,148
Grants approved during year		(250,000)	(350,000)
SURPLUS FOR THE YEAR		106,133	53,148
Other comprehensive income	Change in fair value of investments	1,060,891	796,471
TOTAL COMPREHENSIVE INCOME		1,167,024	849,619
	Attributable to Capital Account	1,067,757	856,312
	Attributable to Income Account	99,267	(6,693)
		1,167,024	849,619

Financial Summary *continued*

Statement of financial position as at 30 June 2018

		2018 \$	2017 \$
CURRENT ASSETS	Cash and cash equivalents	668,709	815,734
	Trade and other receivables	176,892	195,421
		845,601	1,011,155
NON-CURRENT ASSETS	Investments in financial assets	8,959,653	7,637,075
		8,959,653	7,637,075
TOTAL ASSETS		9,805,254	8,648,230
CURRENT LIABILITIES	Trade and other payables	4,900	4,900
	Grants approved but unpaid	410,000	260,000
		414,900	264,900
NON-CURRENT LIABILITIES	Grants approved but unpaid	50,000	210,000
		50,000	210,000
TOTAL LIABILITIES		464,900	474,900
NET ASSETS		9,340,354	8,173,330
ATTRIBUTABLE TO:			
CAPITAL ACCOUNT	Settlement sum	200,000	200,000
	Capital reserve	4,291,616	4,193,512
	Investments revaluation reserve	4,562,462	3,552,809
		9,054,078	7,946,321
INCOME ACCOUNT	Retained surplus	286,276	227,009
		286,276	227,009
TOTAL ACCUMULATED FUNDS		9,340,354	8,173,330