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## Human Financial Managed Funds Additional Information Brochure

This Additional Information Brochure (**AIB**) forms part of the Product Disclosure Statement (**PDS**) for the Human Financial Managed Funds listed below and is issued by Human Financial Management Limited (**HFML**) ABN 99 067 544 549 AFSL 227677.

Product Disclosure Statement	Dated	ARSN	ABN	APIR Code
HF Aoris International SRI Fund	1 December 2024	154 059 211	61 064 134 220	NRM0032AU
HF Australian Shares Fund	1 December 2024	154 057 173	25 423 543 424	NRM0028AU
HF Emerging Markets Fund	1 December 2024	154 059 033	83 878 736 398	NRM0038AU
HF Fairlight Global Fund	1 December 2024	653 190 446	36 263 535 350	CVW1586AU
HF Fixed Interest Fund	1 December 2024	154 058 670	30 161 933 879	NRM0030AU
HF Infrastructure Fund	1 December 2024	154 057 011	93 095 376 619	NRM0036AU
HF Money Market Fund	1 December 2024	154 059 275	16 970 407 022	NRM0026AU
HF Australian Shares Index Fund	21 February 2025	683 078 748	63 874 432 061	CVW6546AU
HF Emerging Markets Index Fund	21 February 2025	683 079 245	90 767 881 768	CVW0262AU
HF Fixed Interest Index Fund	21 February 2025	683 080 097	58 356 460 576	CVW0524AU
HF Infrastructure and Property Index Fund	21 February 2025	683 080 891	69 768 487 478	CVW2499AU
HF International Shares Index Fund	21 February 2025	683 081 450	49 934 789 298	CVW9133AU

Information in the PDS and this AIB is subject to change from time to time. Updated information can be obtained by contacting your financial adviser and online at the website of your Eligible Platform provider or at [humanfinancial.com.au/documents](https://humanfinancial.com.au/documents). If any change to the information is materially adverse or significant we will notify you (including by electronic means) as required by law.

The information provided in this AIB is general information only and does not take account of your personal objectives, financial situation or needs. You should consider the appropriateness of the information in this AIB having regard to your personal circumstances, and obtain advice from a licensed financial adviser, before making a decision to invest in the Fund.

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## Terms used in this AIB

**'Business Day'** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Australia.

**'Eligible Platform'** means an Investor Directed Portfolio Service (**IDPS**), IDPS-like scheme, a nominee or custody service, a managed account, a superannuation fund or any other service approved by us.

'Fund', 'Funds', or 'HF Funds' means the funds listed above and will be referred to individually as 'Fund' or collectively as HF Funds or Funds.

'Indirect investor' means an investor that accesses the Funds indirectly via an Eligible Platform.

'Investment Manager' means Human Financial Management Limited.

'Responsible Entity', 'RE', 'we', 'our', 'us', or 'HF' means Human Financial Management Limited, the Responsible Entity of the Fund.

## 1. How the Funds work

### Indirect investors

The following section contains additional information about how the HF Funds work and should be read in conjunction with the PDS for each Fund.

The HF Funds are not open to applications by direct investors. You can access the Funds indirectly through an Eligible Platform.

When you invest in the HF Funds indirectly, the rights that apply to someone who invests directly in the Funds are not available to you, but rather to your Eligible Platform. The Eligible Platform will be recorded in the register as the investor who holds the assets on your behalf (or on behalf of the trustee when investing via a superannuation fund).

People who invest through an Eligible Platform may be subject to different rules from those of direct investors, particularly in regard to:

- how to transact on your investment; cooling-off period and rights;
- timing of distributions, withdrawals and the processing of transactions;
- attending meetings of unit holders;
- cut-off times for transacting (e.g. applications and withdrawals);
- Fund reporting and other documentation; and
- fees and other costs (additional fees and expenses may be charged to your account by your Eligible Platform).

You should refer to the disclosure documents of your Eligible Platform to understand the rules that may apply.

### Applications

You can only apply to invest in the Fund, or make additional investments, via your Eligible Platform.

If we receive your application request via your Eligible Platform by 1pm on a Business Day, we will process the transaction using that day's unit price. Requests received on or after the cut-off time of 1pm on a Business Day or on a non-Business Day will generally be treated as having been received before the cut-off time on the next Business Day.

We may at our absolute discretion refuse to accept any applications for units. We reserve the right to withdraw the offer or invitation to subscribe for units and withdraw any of the relevant HF Fund PDSs.

### Withdrawals

You can only request to withdraw from the Fund using the withdrawal process of your Eligible Platform.

If we receive your withdrawal request via your Eligible Platform by 1pm on a Business Day, we will process the transaction using that day's unit price. Requests received on or after the cut-off time of 1pm on a Business Day or on a non-Business Day will generally be treated as having been received before the cut-off time on the next Business Day.

We do not impose minimum withdrawal amounts however you should refer to the disclosure documents of your Eligible Platform to check whether any minimum withdrawal amounts are specified.

### Restrictions on withdrawals

There may be circumstances where your ability to withdraw from a Fund is restricted and you may have to wait a period of time before you can redeem your investment. We may suspend withdrawals in certain circumstances. This section contains further information on restrictions on withdrawals.

We may determine a minimum withdrawal amount. If your withdrawal request is less than this amount we may reject your withdrawal request (unless your withdrawal request is for all your units in the relevant Fund).

We may suspend withdrawal requests at any time and for up to 365 days in certain circumstances under the constitution which include:

- where it is impracticable to calculate the Net Asset Value (**NAV**) of the relevant Fund;
- where redemptions in the underlying fund are suspended;
- where withdrawal requests of greater than 5% of a Fund's assets are received over a short period of time; and
- where we consider it is in the best interests of unit holders.

If we do so withdrawal requests will be processed the day after the suspension period ends using the unit price for that day.

If a Fund is illiquid (as defined in the Corporations Act 2001 (Cth) (Corporations Act)) withdrawals will only be possible if we make a withdrawal offer in accordance with the Corporations Act. We are not obliged to make such an offer. However, if we do you are only able to withdraw your investment in accordance with the terms of the withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy withdrawal requests, the requests will be satisfied proportionately amongst those investors wishing to withdraw from the Fund.

### Valuations

The Net Asset Value or NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities at the valuation time. The NAV is usually calculated every Business Day using the most recent valuations of the Fund's assets and liabilities.

### Unit prices

A unit price is generally calculated each Business Day by dividing the Fund's NAV by the number of units on issue in the Fund at that time. The calculation of both the application unit price and the redemption unit price is based on the NAV adjusted by any buy-sell spread that may apply. For further information refer to the buy-sell spread information in Section 3 'Additional explanation of fees and costs'.

The number of units allocated to your investment on application depends on the size of your investment in the Fund and the application unit price for the Fund on a particular Business Day.

The RE has a formal written policy governing the calculation of unit prices including guidelines and relevant factors that are taken into account when exercising any discretion in calculating unit prices. We reserve the right to suspend the processing of applications and withdrawals for up to 365 days, including where it is impossible or impractical to calculate the current value of a unit in a Fund. This policy and records documenting any exercise of

discretion involving a departure from this policy are available from us free of charge upon request.

### Distributions

We generally calculate distributions annually on or around 30 June each year and pay distributions within 90 days of that date. We may change the timing of distributions, or whether a distribution will be paid for a particular year, at our discretion.

To be eligible for a distribution, you must hold units via your Eligible Platform on the distribution calculation date.

Any income paid from the Funds will be paid out to your Eligible Platform cash account by default. You should refer to the Eligible Platform's disclosure documents for information on your options.

Your distributions may include different tax components such as interest, dividends (franked and unfranked), franking credits, other Australian income, net realised capital gains, foreign income, foreign tax offsets, tax free amounts, tax deferred amounts, and return of capital amounts.

Where the investment activities of a Fund result in a net revenue loss (including any carried forward revenue losses from a prior period), no income distribution will be made in the period. Losses will be carried forward to be offset against future distributable income of the Fund.

Where net capital profits are realised, they may be distributed in each period or alternatively, partly or wholly held over until the period ending 30 June each year. If held over, their value would be reflected in the unit price.

After a distribution is paid, the unit price usually falls by an amount similar to that of the distribution per unit.

This means that if you invest just before a distribution, the unit price may already include income that you would be entitled to receive at the distribution date. Consequently, by investing just before a distribution, you may have some of your capital returned as income. This could affect your taxation position and we recommend you seek professional taxation advice.

## 2. Risk of managed investment schemes

In addition to the significant risks described in the PDS for the relevant Fund, below is a description of risks that may have an impact on your investment in the Funds or managed investment schemes more generally.

### Custodian risk

Custodian risk refers to the potential for loss or negative financial impact that arises when a custodian, a financial institution responsible for holding and safeguarding an investor's assets, fails to fulfill its duties.

### Diversification and Concentration risk

Diversification risk pertains to the potential for reduced returns or increased volatility in a portfolio due to a lack of variety among investments. By spreading investments across different asset classes, sectors, or geographic regions, investors can mitigate risks; when

one investment performs poorly, another may perform well, balancing overall portfolio performance.

Conversely, concentration risk occurs when a portfolio is heavily weighted in a limited number of investments, leading to increased volatility and potential losses. While concentrated portfolios may offer the potential for higher returns, they also carry a higher risk of significant downturns if the selected assets underperform.

### **Environmental, social and governance (ESG) risk**

ESG risk refers to the potential impact of environmental, social, and governance factors on the value of assets within a portfolio. These risks can arise from various sources, such as climate-related events, regulatory changes, or shifts in consumer preferences. For example, extreme weather events like floods or wildfires can disrupt a company's operations, reduce revenue, and negatively affect its market reputation.

### **Implementation risk**

Implementation risk refers to the potential discrepancies between the actual performance of an investment and the expected performance of its investment strategy due to various operational factors. This risk can arise from variations in local market conditions, liquidity constraints, or trading restrictions specific to certain securities. Additionally, differences in buy and sell prices for assets compared to those used in the investment strategy can create performance gaps. Management fees, transaction costs, and other expenses can also affect net returns, while timing issues related to cash flow management can impact decision-making. Changes in financial regulations or taxation policies may impact implementation.

### **Investment risk**

Investment risk refers to the possibility of losing some or all of the invested capital or not achieving the expected returns. It encompasses various factors, including market fluctuations, economic changes, and the performance of individual assets. Investors should be aware that higher potential returns often come with increased risk.

### **Investment manager risk**

Investment manager risk refers to the potential for an investment manager to underperform their benchmark or fail to adhere to their established investment mandates. Factors contributing to this risk include the manager's investment style, decision-making processes, and the potential loss of key personnel. Such changes can significantly impact investment returns.

### **Liquidity risk**

Liquidity risk refers to the potential difficulty of converting an investment into cash within a reasonable time frame without incurring significant losses. Investments that are illiquid may require longer periods to sell, or they may need to be sold at a discount to their market value, leading to capital loss. This risk is particularly relevant in volatile markets, private markets or for assets with fewer buyers.

### **Managed investment scheme risk**

Managed investment scheme risks refer to the potential challenges associated with investing in managed schemes, such as unit trusts. These risks include the possibility of underperformance against stated investment objectives, as well as changes in fees and expenses that can impact net returns. Operational risks may arise from management decisions, including the loss of key personnel or process failures. Regulatory changes can also affect compliance and performance. Additionally, illiquidity may pose challenges for investors seeking to redeem their units, especially in volatile markets.

### **Market risk**

Market risk refers to the potential for fluctuations in the market price of an asset due to a variety of factors, including changes in economic conditions, government regulations, and market sentiment. Local and international political events can create uncertainty that impacts market stability, while environmental and technological developments can also influence asset values.

### **Operational risk**

Operational risk refers to the potential for loss resulting from inadequate or failed processes, controls, people, systems, increased compliance costs, operational disruptions, or restrictions on their activities. Additionally, regulatory risk can influence market conditions and investor sentiment, leading to fluctuations in asset values.

### **Underlying fund risk**

Underlying fund risk refers to the exposure the Fund has when it invests in underlying funds, which may themselves invest in other funds. This means that an investment in the Fund is subject not only to its own risks but also to the risks associated with the underlying fund(s). Additionally, the Fund's performance may be impacted by the liquidity of these underlying fund(s), particularly in situations where they suspend redemptions.

## 3. Additional explanation of fees and costs

### Increases, alterations or the introduction of new fees and charges

The Constitution for the Fund(s) allows an increase in fees and charges and also the introduction of new fees or charges without your consent. We will give you at least 30 days notice via your Eligible Platform of any materially adverse or significant increase in fees and charges or the introduction of any new fees or charges.

Any change to fees and charges for the Fund are subject to the limits in the Constitution.

### Differential fees

We may, from time to time, agree with wholesale clients to rebate some or all of the management fees and costs. The amount of fee reduction is provided at our discretion.

### Ongoing annual fees and costs

#### Management fees and costs

The management fees and costs for managing your investment are reflected in the daily unit price of the Fund and are not a specific deduction from your Eligible Platform account. The management fees and costs include any costs paid to by us for managing your investment in the Fund.

We are also entitled to be reimbursed for expenses we incur in the proper performance of our duties and in connection with the day-to-day operation of the Fund. Currently, these expenses are paid by us directly and are not recovered from the HF Funds. We will give you at least 30 days notice via your Eligible Platform of any materially adverse or significant increase in the management fees and costs.

Abnormal costs (such as the costs associated with unit holder meetings, changes to the constitution and defending legal proceedings) are paid out of the assets of the Fund. These costs are normally incurred infrequently. At the date of this PDS we do not expect to incur any abnormal costs in the current financial year and have estimated the recoverable expenses of the Fund for the current financial year to be nil.

You should refer to the PDS for the relevant HF Fund(s) for specific management fees and costs.

#### Performance fees

Some underlying managers for the HF Funds charge a performance fee when investment performance exceeds relevant performance hurdles. HF, does not retain the performance fee, instead the performance fee is paid to the underlying fund manager in one of two ways:

- Either directly, where the performance fee is included in the Fund daily unit price and HF passes the performance fee onto the underlying fund manager based on their performance compared to a relative benchmark; or
- Indirectly, where the performance fee is charged within an underlying fund's daily unit price and retained by the fund manager of the underlying fund.

Please refer to the PDS of the relevant HF Fund(s) for additional information on performance fees.

#### Member activity related fees and costs (fees for services or when your money moves in or out of the product)

We do not currently charge an establishment fee, contribution fee, withdrawal fee, exit fee or switching fee.

#### Transaction costs

The Funds may incur transaction costs when buying or selling assets. Transaction costs can include brokerage, settlement costs, clearing costs, stamp duty and the transaction costs of the underlying fund (where applicable). Transaction costs borne by the Funds are deducted from time to time as they are incurred and are reflected in the unit price.

Each year we will recalculate the approximate transaction costs of the Funds (based on the prior year and where it is materially higher to the year prior, we will issue a new PDS and AIB). The transaction costs outlined in the relevant HF Fund PDS(s) are net transaction costs (the gross transaction costs less the buy-sell recovery). The estimated transaction costs for the financial year ending 30 June 2025 are shown in the table below.

## Buy-sell spread

The buy-sell spread represents the estimated transaction costs incurred from buying or selling assets of the Fund when you make an investment or withdrawal and is designed to ensure that all investors are treated fairly.

The buy-sell spreads can be altered by us at any time to reflect the actual or estimated transaction costs incurred by the Fund and we will not ordinarily provide prior notice. The buy-sell spreads may change without notice, for example, if it is necessary to protect the interests of existing investors and if permitted by law. Any updates to the buy-sell spread will be made available on [humanfinancial.com.au/documents](https://humanfinancial.com.au/documents).

### Total transaction costs borne by the Funds or recouped via buy-sell spreads

Fund name	Estimated total transaction costs per annum (p.a.)	Estimated transaction costs recouped via buy-sell spreads	Estimated transaction costs borne by the Funds
HF Aoris International SRI Fund	0.15%	0.15%	0.00%
HF Australian Shares Fund	0.09%	0.09%	0.00%
HF Emerging Markets Fund	0.18%	0.09%	0.09%
HF Fairlight Global Fund	0.20%	0.12%	0.08%
HF Fixed Interest Fund	0.06%	0.05%	0.01%
HF Infrastructure Fund	0.10%	0.10%	0.00%
HF Money Market Fund	0.00%	0.00%	0.00%
HF Australian Shares Index Fund	0.03%	0.03%	0.00%
HF Emerging Markets Index Fund	0.17%	0.17%	0.00%
HF Fixed Interest Index Fund	0.03%	0.03%	0.00%
HF Infrastructure and Property Index Fund	0.04%	0.04%	0.00%
HF International Shares Index Fund	0.04%	0.04%	0.00%

<sup>1</sup>All figures shown include the current net effect of Goods and Services Tax (GST) and Reduced Input Tax Credit (RITC).

<sup>2</sup>These figures are calculated based on the year ending 30 June 2024, and any updated information received up until the date of this document. The costs you will incur in subsequent financial years will depend on the actual fees, costs and taxes incurred.

## 4. Tax information

The taxation information in the PDS and this section is general information only for individuals who are residents of Australia for tax purposes. You should seek professional taxation advice in relation to your investment in the Fund. You should also refer to the Eligible Platform's disclosure documents for further information on the tax treatment of your platform account.

Tax outcomes will vary depending on whether your investment in the Fund is held in an Investor Directed Portfolio Service (**IDPS**) or a superannuation fund.

### Buying or selling investments

Capital gains tax (**CGT**) liability may arise from the sale of your units in the Fund.

### Goods and services tax (GST)

The Funds are registered for GST. This means, for both resident and non-residents investors, GST will be payable on most expenses incurred by HFML in respect of the Funds (such as management fees). The Funds may be entitled to claim a Reduced Input Tax Credit (RITC) of between 55% and 75% of the GST depending on the types of services the fees are attributable to. All fees and costs disclosed in the PDS and this AIB are inclusive of GST, net of RITC and have been calculated on a reasonable estimate of the RITC that each Fund is expected to be able to claim.

## 5. Other information

### How we keep you informed

The Funds are disclosing entities and subject to regular reporting and disclosure obligations under the Corporations Act.

Copies of documents we lodge with ASIC to fulfil these obligations may be obtained from, or inspected at, an Australian Securities and Investments Commission (**ASIC**) office.

You also have a right to request a copy of the annual financial report most recently lodged with ASIC from us when they become available (free of charge).

For the most up to date information on the Funds visit [humanfinancial.com.au](http://humanfinancial.com.au). On our website you will be able to:

- access the latest version of the PDS and this AIB;
- access any non-material updates to the PDS;
- download annual financial reports for the Funds;
- monitor investment performance and changes to the Funds; and
- download the latest monthly Fund profiles.

## The HF Fund Constitutions

When discussing the constitution, when we use the term 'investor' we are referring to the Eligible Platform provider through whom you have invested. Indirect investors do not have rights or liabilities under the Fund(s) constitution.

The Funds are each governed by a constitution. Together with the Corporations Act and relevant laws, the constitution sets out the terms and conditions under which the Fund operates and the rights, responsibilities, powers, discretions and duties of the responsible entity and investors.

The constitution for each Fund deals with a number of issues including:

- Investors' rights to absolute entitlement to the assets of the Fund;
- termination of the Fund; and
- our broad powers to invest, borrow, receive fees and other payments and generally manage the Fund.

We may retire or be required to retire as responsible entity in accordance with the Corporations Act. Rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

### Related party transactions and conflicts of interest

The Funds may, without limit, invest in other funds of which we are trustee, RE or manager (related funds). We may appoint any of our related entities to provide services or perform functions in relation to the HF Funds, including acting as our delegate. We may also enter into financial or other transactions with related entities in relation to the assets of the HF Funds and may sell assets to, or purchase assets from, a related entity. A related entity is entitled to earn fees or other benefits in relation to any such appointment or transaction and to retain them for its own account. Such arrangements will be based on arm's length commercial terms.

We have policies and procedures in place to manage and conflicts of interest in relation to our role as RE or manager of the Funds. Any identified conflicts will be managed in accordance with the law, relevant regulation and our policies.

### Privacy and your personal information

We are committed to respecting your privacy. The Privacy Act 1988 (Cth) regulates how we handle your personal information, including how we collect, use, disclose and secure it. By investing in the Funds, you consent and agree to your personal information being collected and used by us as explained in our Privacy Policy available at [humanfinancial.com.au/privacy](http://humanfinancial.com.au/privacy).