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## Human Financial Managed Portfolios – Class H Target Market Determination

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a product disclosure statement (**PDS**) and is **not** a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for the product before making a decision whether to buy this product.

Important terms used in this TMD are defined in the TMD Definitions which appear at the end of this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained by visiting our website at [humanfinancial.com.au/documents](https://humanfinancial.com.au/documents) or by contacting the Service Centre on **1300 048 135**.

## Target Market Summary

This product is intended for use by consumers:

- seeking a professionally managed portfolio with visibility of the underlying holdings;
- with a range of investment objectives, including capital growth, capital preservation and income;
- intending to use it as a solution/standalone, major, core, minor or satellite allocation within their investment portfolio;
- wanting access to investment options that suit a range of risk and return profiles;
- with an investment timeframe of three to nine or more years; and
- who are unlikely to need to access their capital on less than 10 business days' notice.

This product is not intended for investors who need the ability to customise the managed portfolio or transfer existing holdings into the managed portfolio.

## Product and Issuer Identifiers

<b>Issuer</b>	Human Financial Management Limited
<b>Issuer ABN</b>	99 067 544 549
<b>Issuer AFSL</b>	227677
<b>TMD contact details</b>	info@humanfinancial.com.au
<b>Product name</b>	Human Financial Managed Portfolios
<b>Fund name</b>	Human Financial Separately Managed Account
<b>ARSN</b>	607 782 187
<b>APIR Code</b>	CVW0034AU
<b>ISIN Code</b>	AU60CVW00342
<b>TMD issue date</b>	1 December 2024
<b>TMD version</b>	5
<b>Distribution status of fund</b>	Available

# Description of Target Market

## TMD Indicator Key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red and green rating methodology:

**In target market**

**Not in target market**

## Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for this product.

Generally, a consumer is unlikely to be in the target market for the product if one or more of their attributes correspond to a red rating.

Important terms used in this TMD are defined in the Definitions section at the end of this document.

## Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as the features of this product in Column 3 in the tables below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

## Investment Products and Diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (for example, with an intended product use of *minor allocation*). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole.

For example, a consumer may seek to construct a balanced or moderate portfolio with a minor allocation to growth assets. In this case, a product with a *High* risk/return profile may be consistent with the consumer's objectives for that *minor allocation* notwithstanding that the risk/return profile of the consumer as a whole is *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).

The Financial Services Council (**FSC**) has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the [FSC website](#).



# Managed Portfolio Dynamic Series

Consumer Attributes	TMD indicator				Product description including key attributes
	HF Dynamic 30	HF Dynamic 50	HF Dynamic 70	HF Dynamic 85	
<b>Consumer's investment objective</b>					
Capital Growth					The Dynamic series invests mainly in actively managed underlying investments with the ability for the Portfolio Manager to adjust the split between growth and defensive assets (as well as within each individual asset class) to take advantage of market opportunities or minimise risk.
Capital Preservation					
Income Distribution					
<b>Consumer's intended product use</b>					
Solution/Standalone (up to 100%)					Each model portfolio option invests in a range of asset classes across a number of investment holdings.
Major allocation (up to 75%)					
Core component (up to 50%)					
Minor allocation (up to 25%)					
Satellite allocation (up to 10%)					
<b>Consumer's investment timeframe</b>					
Minimum investment timeframe for each	3 years	5 years	7 years	9 years	The suggested minimum model portfolio option varies depending upon the mix of growth and defensive assets.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>					
Low					The risk-and-return profile varies with the mix of growth and defensive assets.
Medium					
High					Standard Risk Measure: Dynamic 30 - 2 (low); Dynamic 50 - 4 (medium); Dynamic 70 - 5 (medium to high); Dynamic 85 - 6 (high to very high).
Very high					
Extremely high					
<b>Consumer's need to access capital</b>					
Within one week of request					Withdrawal requests can be made on any business day. Proceeds normally paid within ten business days via your eligible platform.
Within one month of request					
Within three months of request					
Within one year of request					
Within 5 years of request					
Within 10 years of request					
10 years or more					

# Managed Portfolio Strategic Series

Consumer Attributes	TMD indicator					Product description including key attributes
	HF Strategic 50	HF Strategic 70	HF Strategic 85	HF Strategic 100	HF International Growth 100	
<b>Consumer's investment objective</b>						
Capital Growth	Green	Green	Green	Green	Green	The Strategic series invests mainly in actively managed underlying investments with the ability for the Portfolio Manager to vary the allocation within each asset class but retaining the same overall split between growth and defensive assets.
Capital Preservation	Green	Red	Red	Red	Red	
Income Distribution	Green	Green	Green	Green	Green	
<b>Consumer's intended product use</b>						
Solution/Standalone (up to 100%)	Green	Green	Green	Red	Red	Each Model Portfolio option invests in a range of asset classes across a number of investment holdings.
Major allocation (up to 75%)	Green	Green	Green	Green	Green	
Core component (up to 50%)	Green	Green	Green	Green	Green	
Minor allocation (up to 25%)	Green	Green	Green	Green	Green	
Satellite allocation (up to 10%)	Red	Red	Red	Green	Green	
<b>Consumer's investment timeframe</b>						
Minimum investment timeframe for each	5 years	7 years	9 years	9 years	9 years	The suggested minimum model portfolio option varies, depending upon the mix of growth and defensive assets.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>						
Low	Red	Red	Red	Red	Red	The risk-and-return profile varies with the mix of growth and defensive assets.
Medium	Green	Green	Red	Red	Red	
High	Red	Green	Green	Green	Green	Standard Risk Measure: Strategic 50 - 4 (medium to high); Strategic 70 - 5 (medium to high); Strategic 85 - 6 (high to very high); Strategic 100 - 6 (high to very high); International Growth 100 - 6 (high to very high).
Very high	Red	Red	Green	Green	Green	
Extremely high	Red	Red	Red	Red	Red	
<b>Consumer's need to access capital</b>						
Within one week of request	Red	Red	Red	Red	Red	Withdrawal requests can be made on any business day. Proceeds normally paid within ten business days via your eligible platform.
Within one month of request	Green	Green	Green	Green	Green	
Within three months of request	Green	Green	Green	Green	Green	
Within one year of request	Green	Green	Green	Green	Green	
Within 5 years of request	Green	Green	Green	Green	Green	
Within 10 years of request	Green	Green	Green	Green	Green	
10 years or more	Green	Green	Green	Green	Green	

# Managed Portfolio Enhanced Index Series

Consumer Attributes	TMD indicator					Product description including key attributes
	HF Enhanced Index 30	HF Enhanced Index 50	HF Enhanced Index 70	HF Enhanced Index 85	HF Enhanced Index 100	
<b>Consumer's investment objective</b>						
Capital Growth						The Enhanced Index series invests mainly in index focused underlying investments with the ability for the Portfolio Manager to vary some allocations to enhance overall performance and risk management.
Capital Preservation						
Income Distribution						
<b>Consumer's intended product use</b>						
Solution/Standalone (up to 100%)						Each model portfolio option invests in a range of asset classes across a number of investment holdings.
Major allocation (up to 75%)						
Core component (up to 50%)						
Minor allocation (up to 25%)						
Satellite allocation (up to 10%)						
<b>Consumer's investment timeframe</b>						
Minimum investment timeframe for each	3 years	5 years	7 years	9 years	9 years	The suggested minimum model portfolio option varies depending upon the mix of growth and defensive assets.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>						
Low						The risk-and-return profile varies, with a mix of growth & defensive assets.
Medium						
High						Standard Risk Measure: Enhanced Index 30 - 3 (low to medium); Enhanced Index 50 - 4 (medium); Enhanced Index 70 - 5 (medium to high); Enhanced Index 85 - 6 (high to very high); Enhanced Index 100 - 6 (high to very high).
Very high						
Extremely high						
<b>Consumer's need to access capital</b>						
Within one week of request						Withdrawal requests can be made on any business day. Proceeds normally paid within ten business days via your eligible platform.
Within one month of request						
Within three months of request						
Within one year of request						
Within 5 years of request						
Within 10 years of request						
10 years or more						

## Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
Only for distribution through dealing if distributor is reasonably satisfied that distribution is necessary to implement <b>personal advice</b> given to the consumer.	Personal advice is likely to result in distribution to consumers within the target market as a licensed financial adviser can assist in identifying a managed portfolio that meets the objectives, financial situation and needs of the consumer. Financial advisers are subject to legislative requirements in relation to the suitability of a financial product.	<ul style="list-style-type: none"> <li>Financial advisers; and</li> <li>Platforms.</li> </ul>
Only for distribution through an investment or superannuation platform or wrap product.	Distribution through a platform is likely to result in distribution to consumers within the target market as platforms support financial advisers to implement personal financial product advice.	<ul style="list-style-type: none"> <li>Financial advisers; and</li> <li>Platforms.</li> </ul>

## Review triggers

A review of the TMD is required where the Issuer has determined that any of the following has occurred:

- Material change to key product attributes, terms and/or conditions, investment objective and/or fees;
- Material deviation from benchmark/objective over sustained period;
- Key attributes have not performed as disclosed by a material degree and for a material period;
- Determination by the Issuer of an ASIC reportable Significant Dealing;
- Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product; or
- The use of Product Intervention Powers, regulator orders or directions that affect the product.

## Mandatory TMD review periods

Review period	Maximum period for review
Initial review	N/A – initial review has already occurred.
Subsequent review	1 March 2026 (1 year, 3 months from last)

## Distribution reporting requirements

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but no later than 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under section 994F(6) of the Act. See Definitions for further detail.	As soon as practicable but no later than 10 business days after distributor becomes aware of significant dealing.	All distributors

Distributors must report to the Issuer by notifying [info@humanfinancial.com.au](mailto:info@humanfinancial.com.au).

## Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
<b>Consumer's investment objective</b>	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Income Distribution	The consumer seeks to invest in a product designed or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite (up to 10%)	The consumer may hold the investment as up to 10% of their total <i>investable assets</i> . The consumer is likely to seek a product with a <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
<b>Portfolio diversification</b>	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
<b>Consumer's intended investment timeframe</b>	
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the <i>Standard Risk Measure Guidance Paper For Trustees</i> (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a	



consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.

A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.

Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a conservative or low risk appetite,</li> <li>• seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and</li> <li>• is comfortable with a low target return profile.</li> </ul> <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a moderate or medium risk appetite,</li> <li>• seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and</li> <li>• is comfortable with a moderate target return profile.</li> </ul> <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a high risk appetite,</li> <li>• can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and</li> <li>• seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a very high risk appetite,</li> <li>• can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and</li> <li>• seeks to maximise returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has an extremely high risk appetite,</li> <li>• can accept significant volatility and losses, and</li> <li>• seeks to obtain accelerated returns (potentially in a short timeframe).</li> </ul> <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>

**Consumer's need to access capital**

This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.

**Distributor Reporting**

<b>Significant dealings</b>	Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.
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The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.

Dealings outside this TMD may be significant because:

- they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or
- they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer).

In each case, the distributor should have regard to:

- the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes),
- the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss), and
- the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red and/or amber ratings attributed to the consumer).

Objectively, a distributor may consider a dealing (or group of dealings) outside the MD to be significant if:

- it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the quarter,
- the consumer's intended product use is *solution/standalone*,
- the consumer's intended product use is *core component* or higher and the consumer's risk/return profile is *low*, or
- the relevant product has a green rating for consumers seeking *extremely high* risk/return.

## Need more information?

Please speak to your financial adviser or contact us.

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This TMD has been prepared by Human Financial Management Limited (ABN 99 067 544 549, AFSL 227677) (**HFML**) without taking account of any individual's objectives, financial situation or needs. Investors should consider the appropriateness of this information for their circumstances, read the product disclosure statement (**PDS**) available at [humanfinancial.com.au/documents](http://humanfinancial.com.au/documents), and obtain advice from a licensed financial adviser before making a financial decision.