

Address	Level 24, 68 Pitt St Sydney NSW 2000
Email	<a href="mailto:info@humanfinancial.com.au">info@humanfinancial.com.au</a>
Website	<a href="http://humanfinancial.com.au">humanfinancial.com.au</a>

20 June 2025

## Proposed constitution amendments to allow for adoption of the Attribution Managed Investment Trust regime

Human Financial Management Limited ACN 067 544 549 (**HFML**) is the responsible entity of each of the following registered management investments schemes (together, the **Funds**):

1. HF Antipodes Global Fund ARSN 618 214 243;
2. HF Aoris International SRI Fund ARSN 154 059 211;
3. HF Fixed Interest Fund ARSN 154 058 670;
4. HF Money Market Fund ARSN 154 059 275;
5. HF Australian Shares Fund ARSN 154 057 173;
6. HF Infrastructure Fund ARSN 154 057 011;
7. HF Emerging Markets Fund ARSN 154 059 033;
8. HF Cautious 30 ARSN 092 262 765;
9. HF Prudent 50 ARSN 092 261 740;
10. HF Assertive 70 ARSN 092 261 946; and
11. HF Aggressive 95 ARSN 092 259 259;

Each Fund is eligible to be an attribution managed investment trust (**AMIT**) and apply the new tax system for managed investment trusts established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016* and additional supplemental legislation (**AMIT Regime**).

This notice is published by HFML under section 601GCA of the *Corporations Act 2001* as modified by *ASIC Corporations (Attribution Managed Investment Trusts) Instrument 2016/489* (**ASIC Instrument**). This notice is to inform unit holders in each Fund that HFML proposes to make amendments to the Constitution for each Fund (**Constitutions**) that are necessary for or incidental for the Fund to be effectively operated as an AMIT under the AMIT Regime.

As at the date of this notice HFML intends to make an election for each of the Funds to operate as an AMIT under the AMIT Regime effective the financial year ending 30 June 2025. The decision of HFML to adopt the AMIT Regime for each of the Funds will be based on the best interest of unit holders in the applicable Fund as a whole.

The proposed AMIT Regime changes to a Constitution will only apply from the date on which the relevant Fund's deed is lodged with the Australian Securities and Investment Commission under section 601GC(2) of the Corporations Act.

## Reasons for the proposed amendments to the Constitutions

HFML considers that there may be the following potential benefits to unit holders from operating a Fund as an AMIT under the AMIT Regime:

- certainty as to the tax status of a Fund and its entitlement to certain tax concessions, including a deemed 'fixed trust' status for tax purposes;
- flexibility in attributing and determining, on a fair and reasonable basis, the amount and character of the taxable income of each unit holder in a Fund;
- the ability to attribute taxable income to unit holders on a 'flow through' basis while retaining the character of the income for tax purposes in the hands of unit holders as if they had received that income directly;
- the ability to quarantine and treat each different class of units within a Fund separately for tax purposes so as to ensure distribution entitlements unit holders receive properly reflect the units they hold;
- flexibility for reconciling under-estimations or over-estimations of net income for a Fund ("unders" or "overs"), including through adjustments to unit holder entitlements to trust income in the year of discovery, rather than requiring amendments to unit holder tax returns previously lodged (as is currently the case); and
- the ability to minimise the potential for double taxation for unit holders where there are disparities between the amounts distributed to unit holders and the taxable income of the Fund assessed to unit holders. This may be achieved under the AMIT Regime by allowing for cost base adjustments to be made where the amount distributed to a unit holder is greater or less than the taxable income assessed to that unit holder.

## Effect of the changes to the Constitutions

HFML is proposing to amend the Constitutions by inserting new provisions which:

Description of amendment	
<b>Application of the AMIT Regime</b>	Provide the responsible entity power to make a choice for the relevant Fund to be an AMIT.
<b>Holders' clearly defined interests</b>	Provide limitations to the responsible entity's powers to ensure as far as possible that members continue to have "clearly defined rights", a necessary requirement for the relevant Fund to be able to apply the AMIT Regime.
<b>Responsible Entity powers under the AMIT Regime</b>	Specifically address the powers required by the responsible entity to effectively operate the relevant Fund under the AMIT Regime.  Limit the responsible entity's liability to members in relation to adjustments it makes in applying the "Unders and Overs Rules" under the AMIT Regime.
<b>Attribution of Trust Components</b>	Confirm that the responsible entity must attribute all of the "trust components" and "determined trust components" of the relevant Fund (or a class of units) under the AMIT Regime  Provide the principles and mechanism for the responsible entity to undertake such an attribution in accordance with the AMIT Regime.

<b>Determined Member Component Choice</b>	Provide the mechanics for any member to make a "determined member component choice" for the purposes of the AMIT Regime.
<b>Indemnity</b>	<p>Provide the responsible entity with an indemnity out of the assets of the relevant Fund in relation to any liability incurred in properly performing its duties and relates to either an "attribution tax liability" of the responsible entity or the liability resulting from a member making a claim against the responsible entity in relation to an "attribution income tax liability".</p> <p>Provide for each member to indemnify the responsible entity against all costs and liabilities incurred by the responsible entity as a result of an objection or proposed objection to the basis of an attribution of a "determined member component" in relation to the relevant Fund under the AMIT Regime.</p>
<b>Trust ceases to be an AMIT</b>	Address situations where the relevant Fund (or a class of units of the relevant Fund) ceases to be an AMIT in respect of an accounting period.
<b>Incidental changes</b>	Facilitate the proposed amendments referred to above, for example to include definitions referable to the AMIT Regime and other ancillary provisions.

## Responding to this notice

HFML will proceed to amend the Constitution of each Fund as proposed in this notice after the day which is 7 days from the date of this notice, unless HFML receives requests in writing to call and arrange to hold a meeting of a Fund's unit holders to consider and vote on a special resolution to modify the Constitution as proposed from unit holders with at least 5% of the votes that may be cast on the resolution.

You do not need to respond to this notice. If you wish to request a meeting of unit holders of a Fund to vote on the amendments to the Constitution of the Fund as proposed in this notice, please send a request in writing to [info@humanfinancial.com.au](mailto:info@humanfinancial.com.au) by 5pm 27 June 2025.