

TAILORED

INVESTMENT

SOLUTIONS

**Tailored Investment Solutions
Berkshire Hathaway
Series Two Units**

Supplementary Product Disclosure Statement

Dated 9 February, 2023

ABOUT THIS SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

This Supplementary Product Disclosure Statement is issued by Tailored Investment Solutions Pty Ltd (ACN 169 320 905) (**Issuer**) and arranged by Finexia Securities Limited (ABN 61 608 667 778, AFS Licence No. 485760). This Supplementary Product Disclosure Statement (the **SPDS**) supplements the Product Disclosure Statement dated 4 May 2015 as amended by the Supplementary Product Disclosure Statement dated 30 January 2018, Supplementary Product Disclosure Statement dated 27 June 2019, Supplementary Product Disclosure Statement dated 6 June 2020, and Supplementary Product Disclosure Statement dated 7 February 2021 (the **PDS**) in respect of the Tailored Investment Solutions Berkshire Hathaway Units Series 2 (**Units**).

The purpose of the amendments contained in this SPDS are to provide existing Investors with a way to extend the Maturity Date of their current investment in the Units. The offer under this SPDS is not open to new investors.

The estimated Final Value per Unit as at the date of this SPDS is \$0.10425. The Issuer is seeking to give Investors the opportunity to either:

- (a) extend the Maturity Date of their Units by acquiring a third series of extension units (Extension Units) at an Issue Price of \$0.2085 per Extension Unit (with payment to occur by way of set off against any Final Value payable on their existing Units); or
- (b) stay invested in their existing Units on the original terms of the PDS (as amended and in force prior to the date of this SPDS), by doing nothing.

Details of the amendments to the PDS are set out below. Please read this SPDS together with the PDS and each previous Supplementary PDS and retain this document with the PDS and each previous Supplementary PDS. You should read all parts of the PDS and each previous Supplementary PDS and this SPDS.

An Election Form is attached to this SPDS which sets out the above two options. If you decide to acquire extension units, and therefore extend the Maturity Date, this Election Form is also an Application Form for the Extension Units.

AMENDMENTS TO THE PDS

THIS SPDS GIVES INVESTORS OF THE TAILORED INVESTMENT SOLUTIONS BERKSHIRE HATHAWAY UNITS SERIES TWO, VARIOUS OPTIONS TO CONSIDER FOR THEIR INVESTMENT;

A) STAY WITH EXISTING UNITS

If an Investor wants to continue their investment in the current Units without change, an Investor can either:

- (a) do nothing; or
- (b) fill in the attached Election Form electing to stay in the existing Units.

In this case, the Investor's Units will be unchanged, and the existing Terms of the PDS dated 4 May 2015 (as amended by the Supplementary Product Disclosure Statement dated 30 January 2018, Supplementary Product Disclosure Statement dated 27 June 2019, Supplementary Product Disclosure Statement dated 6 June 2020, and Supplementary Product Disclosure Statement dated 7 February 2021) will continue to apply.

B) APPLY FOR NEW EXTENSION UNITS

If an Investor wants to extend the Maturity Date of the Investment, the Investor has the option to extend some of their Units. The amount of Units which can be extended depends on the ratio of the Final Value payable in respect of the current Units and the issue price of the Extension Units. As at the date of this SPDS, investors would be able to extend approximately 50% of their Units.

Investors wishing to apply for Extension Units will need to complete the attached Election Form and return the Election Form to the Issuer by no later than 5pm, 5 March 2023.

Investors who apply for Extension Units will have any Final Value payable in respect of their current Units applied to acquire Extension Units. As such, investors who apply for Extension Units should not expect to receive any cash payment from their current Units, rather Investors will receive an amount of Extension Units calculated as: (number of current Units x Final Value from current Units) / Issue Price of Extension Units. This amount will be rounded down to the nearest whole number. For example, as at the date of this SPDS, an investor who currently holds 100,000 Units and elects to convert their Units into Extension Units would receive 50,000 Extension Units. The actual number of Extension Units received will depend on the actual Final Value of the current Units at Maturity.

TERMS FOR THE EXTENSION UNITS

If you wish to extend the Maturity Date of your current Units, please complete the attached Election Form (Application Form) for the Extension Units and return it to the Issuer.

The Terms applicable to the Extension Units are set out below. These Terms apply to the Extension Units only. There is no change to the existing PDS (as amended) or the Terms applicable to the current Units if an Investor elects to stay invested in the current Units on their current Terms.

1. TIMELINE.

In Section 3.1, page 7 the Timeline, with respect to the Extension Units only, has been amended as follows:

Extension Offer Opening Date	9 February 2023
Extension Offer Closing Date	5 March 2023
Application Payment Date	5 March 2023
Extension Commencement Date	6 March 2023
Strike Date	6 March 2023
Extension Units Initial Averaging Dates	6 March 2023 (there is no initial averaging for the Extension Units offered under this SPDS)
Extension Maturity Averaging Dates	6 October 2024, 6 November 2024, 6 December 2024, 6 January 2025, 4 February 2025, 6 March 2025
Extension Maturity Date	6 March 2025
Investment Term	Approximately 2 years
Buy-Back Dates for Extension Units	The last Business Day of each calendar quarter, beginning from the Extension Commencement Date Investors must lodge their Buy-Back Form no later than 10 Business Days before the relevant Buy-Back Date. Any Buy-Back Form received after this time will be held over to the next Buy-Back Date.
Settlement Date for Extension Units	10 Business Days after the Extension Maturity Date, or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms.

2. EXTENSION UNITS ISSUE PRICE.

The Issue Price of the Extension Units is \$0.2085

The Notional Exposure per Extension Unit is \$1.00AUD

All references to “Issue Price” in the PDS are amended to the above Issue Price with respect to the Extension Units only.

All references to “Notional Exposure per Unit” in the PDS are amended to the above Notional Exposure per Extension Unit, with respect to the Extension Units only.

3. INVESTMENT TERM AND AVERAGING DATES.

These Extension Units will have an Investment Term of 2 years. All references to the Investment Term in the PDS are updated accordingly.

These Extension Units will have one Initial Averaging Date and six Maturity Averaging Dates. The descriptions of averaging in the original PDS are amended to refer to one Initial Averaging Date and six Maturity Averaging Dates accordingly, with respect to the Extension Units only. Please note this means there is no averaging mechanism at the beginning of the investment.

4. COUPONS

There are no Coupons payable during the Investment Term in respect of these Extension Units. Investors receive any returns on the Extension Units in the form of the Extension Final Value at Maturity. All references to Coupons in the PDS are deleted and amended accordingly, with respect to the Extension Units only.

5. FOREIGN EXCHANGE EXPOSURE.

The Extension Units offered under this SPDS will not have any foreign exchange exposure. As such, any references to the Final Value being dependent on the AUD/USD exchange rate are deleted and amended accordingly, with respect to the Extension Units only. In the event that the Extension Units terminate prior to the Extension Maturity Date, there is a risk that the foreign exchange hedge will not apply and investors will be exposed to movements in the AUD/USD exchange rate.

6. FINAL VALUE, FINAL REFERENCE ASSET VALUE, REFERENCE ASSET VALUE.

The Extension Final Value per Extension Unit will be determined on the Extension Maturity Date set out in the Timeline above.

In Section 3, page 10 the formula for the Final Value at Maturity is amended as follows, with respect to the Extension Units only:

The Extension Final Value per Extension Unit is determined on the Extension Maturity Date in accordance with the following formula:

Extension Final Value

$$= 90\% \times \left[\text{Max} \left(0, \left(\text{Notional Exposure} \times \left(\frac{\text{Extension Final Reference Asset Value}}{\text{Extension Initial Reference Asset Value}} - 1 \right) \right) \right) \right]$$

7. KEY RISKS

In Section 8, on page 25 under the heading 8.1 The Units, insert:

Extension Risk

There is no guarantee that the performance of the Extension Units will exceed that of the current Units. The Issuer in no way suggests or guarantees that the Extension Units will experience a higher return than the current Units or experience any positive return at all. It is possible that there will be no return on the Extension Units and Investors may make a loss equal to the Issue Price of the Extension Units and may lose their entire investment. An investment in the Extension Units may reduce exposure to any short term volatility however there is no guarantee that volatility will not continue or occur again in the long term. Investors will also have a further two year exposure to all other risks described in the original PDS.

8. BREAK EVEN AND SENSITIVITY ANALYSIS.

In Section 5, on page 18 under the heading Break Even and Sensitivity Analysis, the calculations showing the increase in Reference Asset Value required to break even over the term of the investment have been updated to reflect a 2 year investment and the Extension Issue Price. The table of calculations are replaced as follows in the order they appear in the PDS, with respect to Extension Units only:

Units	Total Investment Amount	Increase in Reference Asset Value required to break even over 2 years
50,000	\$10,425	23.17%

9. WORKED EXAMPLES.

In Section 7, pages 21-24 worked examples showing the calculations for the Final Value of an investment in the Units have been updated to reflect the terms of the Extension Units as per this SPDS. The calculations are amended as follows, with respect to Extension Units only:

Date	Reference Asset Value		
	Scenario 1	Scenario 2	Scenario 3
Extension Commencement Date (Initial Averaging Date 1)	100	100	100
Maturity Averaging Date 1	249	91	100
Maturity Averaging Date 2	255	90	103
Maturity Averaging Date 3	260	88	101
Maturity Averaging Date 4	265	85	104
Maturity Averaging Date 5	270	85	102
Maturity Averaging Date 6	270	84	101

Step 1 Calculate the Extension Initial Reference Asset Value

The Extension Initial Reference Asset Value is the Extension Reference Asset Value on the Extension Commencement Date.

Based on the values set out in the table above, the Initial Reference Asset Value for Scenario 1 would be:

Extension Initial Reference Asset Value = 100

Step 2 Calculate the Extension Final Reference Asset Value

The Extension Final Reference Asset Value is the average of the Extension Reference Asset Values on each of the six Extension Maturity Averaging Dates.

Based on the values set out in the table above, the Final Reference Asset Value for Scenario 1 would be:

$$\begin{aligned} \text{Final Reference Asset Value} &= (249 + 255 + 260 + 265 + 270 + 270)/6 \\ &= 261.50 \end{aligned}$$

Step 3 Calculate the Extension Final Value of the Units

The Extension Final Value of the Units is calculated in accordance with the following formula:

Extension Final Value

$$= 90\% \times \left[\text{Max} \left(0, \left(\text{Notional Exposure} \times \left(\frac{\text{Extension Final Reference Asset Value}}{\text{Extension Initial Reference Asset Value}} - 1 \right) \right) \right) \right]$$

The 90% in the above formula for Extension Final Value has the effect of reducing the Extension Final Value by the amount of the Performance Fee. The Performance Fee is 10% of the amount that would otherwise be payable.

Based on the values set out in the table above, the Extension Final Value per Unit for Scenario 1 would be:

Extension Final Value

$$\begin{aligned} \text{Unit} &= 90\% \times [\text{Max} (0, (\text{Notional Exposure} \times (261.50/100.00 - 1)))] \\ &= 90\% \times [\text{Max} (0, \$1.00 \times (261.50/100.00 - 1))] \\ &= 90\% \times [\text{Max} (0, \$1.615)] \\ &= 90\% \times \$1.615 \\ &= \$1.4535 \text{ per Extension Unit} \end{aligned}$$

For a holding of 50,000 Units, this would be \$72,675.00.

The amount of this Extension Final Value has been reduced on account of the Performance Fee. The Performance Fee is calculated as follows:

$$\begin{aligned} \text{Performance Fee} &= 10\% \times [\text{Max} (0, (\text{Notional Exposure} \times (\text{Extension Final Reference Asset Value}/\text{Extension Initial Reference Asset Value} - 1)))] \\ &= 10\% \times \text{Max} (0, \$1.00 \times (261.50/100.00 - 1)) \\ &= 10\% \times \text{Max} (0, \$1.615) \\ &= 10\% \times \$1.615 \\ &= \$0.1615 \text{ per Extension Unit} \end{aligned}$$

Therefore, the Issuer will receive a Performance Fee of \$0.1615 per Extension Unit. For a holding of 50,000 Units, this would be a fee of \$8,075.00.

Note that the calculation of the Extension Final Value set out above already takes into account the amount of the Performance Fee.

Step 6 Calculate the number of Delivery Assets comprising your Delivery Parcel

Once the Extension Final Value per Extension Unit has been ascertained, the number of Delivery Assets that comprise your Delivery Parcel will be determined as follows. Final Value is \$1.4535 per Extension Unit and you hold 50,000 Extension Units, so that the Extension Final Value per Extension Unit multiplied by the number of Extension Units held by you is \$72,675.00. The value of the Delivery Parcel you receive will be \$72,673.02 less any Delivery Costs (as at the date of this SPDS, the Issuer does not expect there to be any Delivery Costs on the Delivery Parcel).

The number of each type of Delivery Asset that would be received by an Investor (i.e. the Delivery Parcel) is calculated as follows:
[(Extension Final Value x Number of Extension Units held by Investor) – Delivery Costs]/Delivery Asset Price

Delivery Asset	Delivery Asset Price	Number of Delivery Assets
Telstra Corporation	\$4.11	17,682

The Delivery Asset Price used for the purpose of this example is indicative and is provided for illustrative purposes only. The above figures were calculated on the assumption that there were no Delivery Costs applicable (as at the date of this SPDS, it is not anticipated that the Delivery Costs will apply). The number of Delivery Assets has been rounded down to the nearest whole number and is valued at \$72,673.02. Therefore there is a difference of \$1.98 (i.e. \$72,675.00 less \$72,673.02). As this amount is less than \$20, you will not receive this amount.

Overview of Scenarios 1, 2 and 3

The table below sets out the Extension Final Value per Unit and the value of the Delivery Parcel per Unit which would apply to Scenario 1, 2 and 3. Each of the values listed below for Scenario 2 and 3 were calculated in the same way as set out in the examples above for Scenario 1.

	Scenario 1	Scenario 2	Scenario 3
Extension Initial Reference Asset Value	100.00	100.00	100.00
Extension Final Reference Asset Value	261.50	87.17	101.83
Extension Final Value per Unit	\$1.4535	\$0.00	\$0.01647
Performance Fee on Extension Final Value*	\$0.1615	\$0.00	\$0.00183
Value of Delivery Parcel received by Investor who holds 50,000 Units[^]	\$72,673.02	\$0	\$822.00

9. CHANGE OF DEFINITIONS.

In Section 13, pages 46-51 of the PDS are amended as follows, with respect to the Extension Units only. In relation to existing Units, no change is made to the PDS:

- i. "Extension Commencement Date" is as set out above in this SPDS;
- ii. "Extension Units" means the units issued by the Issuer to an Investor who elects to extend their Maturity Date on the attached Election Form (Application Form) and which are subject to the revised Terms set out in this SPDS;
- iii. "Extension Final Reference Asset Value", is as set out above in this SPDS;
- iv. "Extension Final Value", is as set out above in this SPDS;
- v. "Extension Initial Averaging Dates" are as set out above in this SPDS;
- vi. "Extension Initial Reference Asset Value" is as described in this SPDS;
- vii. "Extension Closing Date" is as defined in this SPDS;
- viii. "Extension Opening Date" is as defined in this SPDS;
- ix. "Extension Maturity Averaging Dates" as defined in this SPDS;
- x. "Extension Maturity Date" is as defined in this SPDS;
- xi. "Extension Reference Asset Value" is as defined in this SPDS.

These terms replace the old terms throughout the PDS.

ELECTION FORM (APPLICATION FOR EXTENSION UNITS)

This is an Election Form for Units in the Tailored Investment Solutions Berkshire Hathaway Series 2 Extension Units (the first extension units) and an Application Form for second Extension Units issued by Tailored Investment Solutions Pty Ltd (ACN 169 320 905) and arranged by Finexia Securities Limited (ABN 61 608 667 778, AFSL 485760) This Election Form/Application Form accompanies the Supplementary Product Disclosure Statement (**SPDS**) dated 9 February 2023. This form is to be used to indicate your decision regarding continuing with your current investment in the Units, or electing to opt in to the Extension Units, as described in the SPDS. Please see the instructions on how to complete this Form in the SPDS. This Election Form/Application Form must be received by the Issuer by 5pm on 5 March 2023 in order to be processed. If the Issuer does not receive a completed form by the given date and time, you will be deemed to have elected to continue your current investment in the Units unchanged. If you decide to convert your existing Units to Extension Units the Issuer will use the proceeds from the unwinding of the original Units as payment of the Issue Price for your Extension Units.

SECTION A – INVESTOR DETAILS

I/We hereby direct Tailored Investment Solutions Pty Ltd to do everything necessary to comply with my investment decision as indicated in Section B of this Election Form.

Investor Name*:

*Name of entity/capacity invested through. Includes name(s) of (Corporate) Trustee and/or Trust if Applicable.

SECTION B – EXISTING INVESTORS INVESTMENT DECISION

Please indicate your investment decision by ticking the appropriate box:

- Continue with my investment in my current Units, unchanged
 Convert my current Units to Extension Units at a conversion rate calculated as described in the SPDS

SECTION C – DECLARATIONS & SIGNATURES

I/We the registered Unitholder(s) request the Issuer to enact our investment decision as specified in Section B above, subject to the conditions contained in this SPDS and in the PDS on which I/we held those Units at the time of signing of this form.

I/We have full legal power to complete this Election Form and do so free of any encumbrance or security (whether registered or not).

I/We agree to be bound by the terms contained in this SPDS, the original PDS, including the Application Form in the original PDS, as applicable, when electing to continue with my/our current investment in the Units or when electing to have my/our Units converted to Extension Units.

I/We represent that all the instructions, directions and representations made in the original Application Form in the original PDS remain true and accurate as at the date of this Form.

If I/we have elected to apply for Extension Units, I/we hereby irrevocably direct and instruct the Issuer to apply the Final Value per Unit we are entitled to receive on unwind of our existing Units to full and final satisfaction of the Issue Price for the Extension Units we have applied for. I/we agree and acknowledge that the entire Final Value for the Units we currently hold will be applied to acquire new Extension Units.

I/We understand by submitting the Election Form, that it is irrevocable.

Signature of Unitholder 1

Name of Unitholder 1 Date

Tick capacity – mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner in Partnership

Signature of Unitholder 2

Name of Unitholder 2 Date

Tick capacity – mandatory for companies Sole Director Director Secretary