

TAILORED  
INVESTMENT  
SOLUTIONS



**Tailored Investment Solutions  
Berkshire Hathaway Units  
Series 4**

**Fourth Supplementary Product Disclosure Statement  
Dated 30 August 2022**

# ABOUT THIS SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

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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, AFSL 485760). This Supplementary Product Disclosure Statement (the **SPDS**) supplements the Product Disclosure Statement dated 1 August 2017 and Supplementary Product Disclosure Statements dated 26 June 2019, 6 April 2020, and 20 August 2020 (together, the **PDS**) in respect of the Tailored Investment Solutions Berkshire Hathaway Series 4 Units (**Units**).

The purpose of the amendments contained in this SPDS are to provide Investors with a way to extend the Maturity Date of their current investment in the Units. The Final Value per Unit as at the date of this SPDS is \$0.38 (subject to currency conversion and Performance Fee). The Issuer is seeking to give Investors the opportunity to either:

- (a) extend the Maturity Date of their Units by acquiring Extension Units, and to receive a potential Bonus Coupon, which, as at the date of this SPDS, is estimated to be \$0.123 per Extension Unit; or
- (b) stay invested in their existing Units on the terms of the PDS in force prior to the issue 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 retain this document with the PDS. You should read all parts of the PDS and 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.

In this SPDS a reference to "Units" is a reference to the previous extension units acquired under the Supplementary Product Disclosure Statement dated 20 August 2020 and a reference to "Extension Units" is a reference to the extension units offered under this SPDS.

Investors who convert Units to Extension Units have the option to continue with the same number of Extension Units as the number of Units which they currently hold, and receive the Bonus Coupon paid in cash into their nominated bank account, or continue with additional Extension Units by reinvesting the Bonus Coupon in Extension Units. As at the date of this SPDS the Bonus Coupon would be \$0.123 per Unit. There is no guarantee an Investor will receive a Bonus Coupon. The Bonus Coupon depends on the performance of the Units at maturity. The value quoted in respect of the Bonus Coupon is indicative only and subject to change.

If you elect the option of reinvesting the Bonus Coupon the formula for calculating the final number of Extension Units which you will receive is as follows, rounded down to the nearest whole number:

$$= \text{Number of Units held} + ((\text{Bonus Coupon}/\text{Extension Units Issue Price}) * \text{Number of Units held})$$

If you do not elect to reinvest the Bonus Coupon, the number of Extension Units you will receive is equal to the number of Units currently held.

As at the date of this SPDS, Investors that elect to use the Bonus Coupon to reinvest in additional Extension Units would increase their holding by approximately 56%. For example, as at the date of this SPDS, an Investor with 100,000 Units would be allocated 156,164 Extension Units if they elected to reinvest the Bonus Coupon or 100,000 Units and a cash payment of \$12,300 if they did not elect to reinvest the Bonus Coupon (assuming the final amount of the Bonus Coupon was \$0.123 per Unit).

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, 28 September 2022.

# AMENDMENTS TO THE PDS

## A) TERMS FOR THE NEW EXTENSION UNITS

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

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

### 1. Coupons.

Other than the Bonus Coupon, there are no Coupons payable in respect of Extension Units. Investors receive a single payoff at Maturity (subject to the performance of the Reference Asset) in the form of the Extension Final Value.

The Bonus Coupon per Extension Unit becomes payable on the Extension Bonus Coupon Determination Date and is calculated as the Final Value per Unit payable in respect of the Units (if any, and after currency conversion and the Performance Fee) less the Extension Unit Issue Price. No Bonus Coupon is payable if this amount is less than or equal to zero. As at the date of this SPDS the Bonus Coupon is estimated to be \$0.123 per Extension Unit. The value quoted in respect of the Bonus Coupon is indicative only and subject to change.

### 2. No Foreign Exchange Exposure

The Extension Final Value in respect of the Extension Units will not include an adjustment for changes in the AUD/USD foreign exchange rate or any other foreign exchange rate. All references in the PDS to the Extension Final Value being subject to changes in the AUD/USD foreign exchange rate are deleted accordingly, with respect to the Extension Units only.

### 3. No Initial Averaging and Initial Reference Asset Value.

Averaging of the Initial Reference Asset Value will not be applicable to Extension Units. The Initial Extension Reference Asset Value will be set at 100 on the Extension Commencement Date.

All references to averaging of the Initial Reference Asset Value during the first two months of the Investment Term in the PDS are deleted accordingly, and any description of the Initial Reference Asset Value is amended accordingly, with respect to the Extension Units only.

For the avoidance of doubt, averaging will be applicable to the Extension Final Reference Asset Value, over the final 5 months of the Extension Unit's Investment Term.

### 4. 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	1 September 2022
Extension Offer Closing Date	28 September 2022
Application Payment Date	28 September 2022 Payment is via set off against proceeds due from the current Units. Investors are not required to outlay additional funds to acquire Extension Units.
Extension Commencement Date	28 September 2022
Extension Bonus Coupon Determination Date	28 September 2022
Extension Maturity Averaging Dates	30 April 2024, 30 May 2024, 28 June 2024, 29 July 2024, 28 August 2024, 27 September 2024
Extension Maturity Date	27 September 2024
Investment Term	2 years
Buy-Back Dates for Extension Units	Quarterly, on the last Business Day of each month beginning December 2022. 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.

## 5. Issue Price.

The Issue Price of the Extension Units is \$0.219

The Notional Exposure per Extension Unit is \$1.00

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.

## 6. Break Even and Sensitivity Analysis.

The tables setting out the Break Even and Sensitivity Analysis in section 5 of the PDS are replaced as follows, with respect to the Extension Units only. The following examples are limited to the Extension Units and do not take into account any costs incurred in acquiring the Extension Units and do not take into account any uninvested Bonus Coupon.

Units	Total Investment Amount*	Increase in Reference Asset Value required to break even over 2 years.
50,000	\$10,950	24.33%

## 7. Final Value, Final Reference Asset Value, Reference Asset Value and Maturity Averaging Mechanism.

The Final Value per Extension Unit will be calculated using an averaging mechanism over the final 5 months of the investment.

References to Extension Final Averaging Dates are replaced with those as set out in the table above, with respect to the Extension Units only.

The Final Value at Maturity will be calculated 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:

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

The Extension Final Reference Asset Value will be calculated over the six Extension Maturity Averaging Dates set out in the Timeline above, with respect to the Extension Units only.

The formula and definition for the Reference Asset Value will be as follows with respect to the Extension Units only:

The Extension Reference Asset Value is used when calculating the Extension Final Value of the Units. The Extension Reference Asset Value is calculated as follows:

$$\text{Extension Reference Asset Value}_t = \left( 1 + \frac{\text{Extension Reference Asset Level}_t - \text{Extension Reference Asset Level}_0}{\text{Extension Reference Asset Level}_0} \right) \times 100$$

Where:

Extension Reference Asset Value<sub>t</sub> means the Reference Asset Value on Scheduled Business Day t

Extension Reference Asset Level<sub>t</sub> means the Reference Asset Closing Price on Scheduled Business Day t

Extension Reference Asset Level<sub>0</sub> means the Reference Asset Closing Price on the Commencement Date

## 8. Key Risks

### Extension Risk

There is no guarantee that the performance of the Extension Units will exceed that of the Units. The Issuer in no way suggests or guarantees that the Extension Units will experience a higher return than the Units, and it is possible that investors may lose any gains accrued by the Units altogether. An investment in the Extension Units may reduce exposure to short term volatility however there is no guarantee that this volatility will not continue in the long term. Investors will also have a further two year exposure to all other risks described in the original PDS (excluding foreign exchange risks at Maturity).

## 9. Worked Examples.

In Section 7, pages 21-24 worked examples showing the calculations for the Coupons and 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 (for Scenario 1, with Scenario 2 and 3 being calculated in the same manner), with respect to Extension Units only. The calculation of the Delivery Parcel is calculated in the same manner as for the original Units.

Date	Reference Asset Value		
	Scenario 1	Scenario 2	Scenario 3
Extension Commencement Date	100	100	100
Extension Maturity Averaging Date 1	135	98	100
Extension Maturity Averaging Date 2	140	90	103
Extension Maturity Averaging Date 3	145	85	101
Extension Maturity Averaging Date 4	150	82	102
Extension Maturity Averaging Date 5	160	78	100
Extension Maturity Averaging Date 6	170	77	102

### Step 1 Calculate the Initial Reference Asset Value

The Extension Initial Reference Asset Value is set at 100 on the Commencement Date.

### 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 three Extension Maturity Averaging Dates.

$$\begin{aligned} \text{Extension Final Reference Asset Value} &= (135 + 140 + 145 + 150 + 160 + 170)/6 \\ &= 150 \end{aligned}$$

### 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:

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

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:

$$\begin{aligned} \text{Unit} &= 90\% \times [\text{Max} (0, (\text{Notional Exposure} \times (150/100 - 1)))] \\ &= 90\% \times [\text{Max} (0, \$1.00 \times (150/100 - 1))] \\ &= 90\% \times [\text{Max} (0, \$0.50)] \\ &= 90\% \times \$0.50 \\ &= \$0.45 \text{ per Unit} \end{aligned}$$

For a holding of 50,000 Units, this would be \$22,500.00.

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

$$\begin{aligned} \text{Performance Fee} &= 10\% \times [\text{Max} (0, (\text{Notional Exposure} \times (\text{Extension Final Reference Asset Value}/\text{Extension Initial Reference Asset Value} - 1)))] \\ &= \$0.05 \text{ per Unit} \end{aligned}$$

Therefore, the Issuer will receive a Performance Fee of \$0.05 per Unit.

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

### 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	100	100
Extension Final Reference Asset Value	150	85	101.33
Extension Final Value per Unit	\$0.45	\$0.00	\$0.01197
Performance Fee on Extension Final Value*	\$0.05	\$0.00	\$0.00133
Value of Delivery Parcel received by Investor who holds 50,000 Units^	\$22,500.00	\$0	\$598.50

\*This is the Performance Fee.

^ This value of the Delivery Parcel may be less where there are Delivery Costs. As at the date of this PDS, the Issuer does not expect there to be any Delivery Costs on the Delivery Parcel.

Where the relevant calculation produces a negative result, no Final Value will be payable.

In Scenario 2 the Final Value is \$0.00 therefore Investors will not receive a Delivery Parcel on Maturity. Therefore, Investors would have lost their entire Total Investment Amount.

### 10. Issuer Does Not Intend to Accept New Investors.

The Issuer does not intend to accept applications from investors who do not already hold Tailored Investment Solutions Berkshire Hathaway Series 4 Units. Other than in relation to a reinvestment of the Bonus Coupon, the Issuer will also not accept applications from current Unit holders for an amount of Extension Units which is higher than the amount of Units they currently hold. Investors must either convert all their current Units to Extension Units or continue with the current Units – partial conversions are not available.

### 11. Change of Terminology.

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. “**Bonus Coupon**” has the meaning described in this SPDS;
- ii. “**Extension Bonus Coupon Determination Date**” is defined in the above Timeline;
- iii. “**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.
- iv. “**Extension Final Reference Asset Value**”, is as set out above in this SPDS.
- v. “**Extension Final Value**”, is as set out above in this SPDS.
- vi. “**Extension Closing Date**” is defined in the above Timeline;
- vii. “**Extension Opening Date**” is defined in the above Timeline;
- viii. “**Extension Maturity Averaging Dates**” are defined in the above Timeline;
- ix. “**Extension Maturity Date**” is defined in the above Timeline;
- x. “**Extension Reference Asset Value**” is as set out above in this SPDS;

### B) STAY WITH EXISTING UNITS

If an Investor wants to continue their investment in the current Units without change, and 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 in force prior to the issue of this SPDS will continue to apply and the Investor’s Units will mature on 28 September 2022.

# ELECTION FORM (APPLICATION FOR EXTENSION UNITS)

This is an Election Form for Units in the Tailored Investment Solutions Berkshire Hathaway Inc. Class B Units Series 4 and an Application Form for 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 30 August 2022. 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 Registrar by close of business on 28 September 2022 in order to be processed. If the Registrar 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 with a Maturity Date of 28 September 2022.

## SECTION A – INVESTMENT DECISION

Please indicate your investment decision by ticking the appropriate box:

- Convert my existing Units by applying for Extension Units, *with reinvestment* of the Bonus Coupon (if any).
- Convert my existing Units by applying for Extension Units, *without reinvestment* of the Bonus Coupon (if any).
- Continue with my investment in the original Units unchanged. I/We understand by electing this option I/we will not be paid the Bonus Coupon.

## SECTION B – 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 A of this Election Form.

Investor Portfolio Number\*:

Investor Portfolio Name\*:

\*These are unique identifiers assigned to you by the Registrar.

## SECTION C – DECLARATIONS & SIGNATURES

- I/We the registered Unitholder(s) request the Issuer to enact our investment decision as specified in Section A 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 / Application 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 (as modified by this SPDS, in respect of investors applying for Extension Units), 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 (if any) to full and final satisfaction of the Issue Price for the Extension Units we have applied for.
- I/we agree and acknowledge that if I / we elect to reinvest the Bonus Coupon then the entire Final Value for the Units we currently hold (if any), including the amount of the Bonus Coupon, will be applied to acquire Extension Units.
- I/we agree and acknowledge that if I / we do not elect to reinvest the Bonus Coupon then the Bonus Coupon will be paid to my / our bank account as currently recorded with the registry.
- I/we acknowledge that the amount of the Final Coupon and Bonus Coupon in respect of the current Units as described in this SPDS is an estimate only and is subject to change depending on the performance of the Reference Asset at the Maturity of the current 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

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