

Sequoia Launch Units

Sequoia Launch Units give Investors with a positive view, the ability to make a leveraged investment with exposure to a choice of either:

- **Series 7:** the Australian share market as measured by the S&P/ASX 200 Price Return Index; or
- **Series 8:** the US share market as measured by the S&P500 Price Return Index;

and the benefit of a 100% Limited Recourse Loan with Prepaid Interest for the 3 year Investment Term of \$0.162 (5.40% p.a. per Unit).

Sequoia Launch Units work like this

Investors apply for the Sequoia Launch Units via the Application Form that can be found at the back of the Product Disclosure Statement dated 24 October 2014. Upon successful application and payment of the Prepaid Interest, Application Fee, Currency Management Fee (for Series 8 only) and Adviser Fee (if any) investors will be issued Units at \$1.00 per unit.

At the Maturity Date, Investors may receive a Final Coupon dependant on the performance of the Australian share market as measured by the S&P/ASX200 Price Return Index (Series 7), and/or the US share market as measured by the S&P500 Price Return Index (Series 8) (each of these is the "Reference Asset" for the relevant Series). The Final Coupon return will be calculated based on these movements

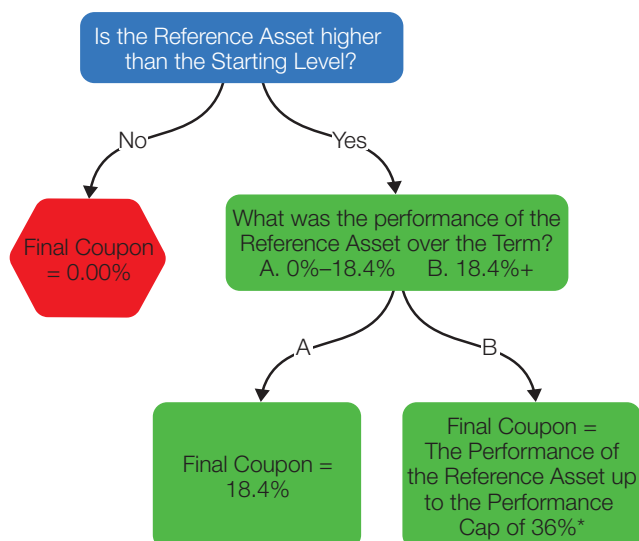
How is the Final Coupon Calculated?

If the Reference Asset Ending Level is above the Reference Asset Starting Level, the Final Coupon per Unit will be \$1.00 multiplied by the **greater** of:

- 18.4%; and
- the performance of the Reference Asset during the Investment Term subject to a Performance Cap of 36%*.

(*For Series 8, these amounts will be adjusted for the AUD/USD exchange rate movement.)

The payment of the Final Value and the Final Coupon at Maturity is summarised in the diagram below:



*The Final Coupon for Series 8 will be adjusted for the AUD/USD exchange rate movement.

If the Reference Asset Ending Level is at or below the Reference Asset Starting Level, no Final Coupon will be paid.

Performance of the Reference Asset over the Investment Term is zero or negative	<ul style="list-style-type: none"> • Final Value of \$1.00 • No Final Coupon
Performance of the Reference Asset over the Investment Term is less than or equal to 18.4%	<ul style="list-style-type: none"> • Final Value of \$1.00 • Final Coupon of 18.4% of the Issue Price (\$0.184 per Unit). For Series 8, this will be adjusted for the AUD/USD exchange rate movement. • Amount of Final Coupon is equal to Prepaid Interest and Application Fee (Series 8, will be adjusted for the AUD/USD exchange rate movement.)
Performance of the Reference Asset is greater than 18.4%	<ul style="list-style-type: none"> • Final Value of \$1.00 • Final Coupon equal to the % increase in the Reference Asset Ending Level above the Reference Asset Starting Level, subject to the Performance Cap of 36% (Series 8 will be adjusted for the AUD/USD exchange rate movement).

Investment Example

John and Mary Smith are interested in gaining exposure to the Australian share market. They are interested in Sequoia Launch – Series 7 as it provides exposure to the S&P/ASX200 Price Return Index. Due to the structure of the investment, by holding their Units for the entire 3 year Investment Term, John and Mary may benefit from:

- A compulsory limited recourse Loan for 100% of the Investment Amount with a fixed interest rate of 5.40% p.a. payable for the full 3 year Investment Term in advance.
- If the Reference Asset Ending Level is above the Reference Asset Starting Level, the Final Coupon per Unit will be \$1.00 multiplied by the **GREATER** of:
 - 18.4%; and
 - the performance of the Reference Asset during the Investment Term subject to a Performance Cap of 36%
- At Maturity and provided that John and Mary have repaid their Loan, a Delivery Parcel equal in value to the Final Value per Unit of \$1.00 containing ordinary shares in Telstra Corporation or Sale Monies (if John and Mary elect to use the Agency Sale Option).

John and Mary decide to invest \$200,000 in Sequoia Launch – Series 7 Units. When submitting an Application Form, they automatically apply for a \$200,000 limited recourse Loan. They are required to pre-pay the interest for the 3 years term at 5.4% p.a and pay a one-off Application Fee of 2.2%, all calculated by reference to their total Investment Amount at the time of their Application.

Investment Amount	\$200,000
Loan	(\$200,000)
Interest for 3 year Investment Term at 5.4%p.a	(\$32,400)
Application Fee (2.2%)	(\$4,400)
Total maximum outlay over the Investment Term	(\$36,800)

Note that if you invest in Sequoia Launch – Series 8 Units you will also be required to pay the Currency Management Fee of 1.5% (0.5% p.a. per Unit), which, for an Investment Amount of \$200,000, will be \$3,000 (0.5% x 3 x \$200,000).

If you agree to pay an upfront fee to your adviser for financial product advice given by them to you in relation to your investment in the Units (“Adviser Fee”), you will also be required to pay this amount.

Potential Returns

The performance of the Reference Asset during the Investment Term will be calculated as:

$$\frac{(\text{Reference Asset Ending Level} - \text{Reference Asset Starting Level})}{\text{Reference Asset Starting Level}}$$

If the Reference Asset Ending Level is at or below the Reference Asset Starting Level at Maturity, no Final Coupon will be paid.

Scenario outcomes:

Scenario		S&P/ ASX200 Starting Level	S&P/ ASX200 Ending Level (3yrs)	Performance	Final Coupon \$ & (%)
Scenario 1	Market Down	5,400	4,860	-10%	\$0.00 (0%)
Scenario 2	Market Up very slightly	5,400	5,401	.02%	\$36,800 (18.4%)
Scenario 3	Market Up marginally	5,400	5,940	10%	\$36,800 (18.4%)
Scenario 4	Market Up Strongly	5,400	6,480	20%	\$40,000 (20.0%)
Scenario 5	Market Up Strongly	5,400	7,020	30%	\$60,000 (30.0%)

An Investment in Sequoia Launch Units may suit you if you are seeking:

- You have a positive view of the Australian share market as measured by the S&P/ASX 200 Price Return Index (Series 7) or the US share market as measured by the S&P500 Price Return Index (Series 8) over the 3 year Investment Term and are comfortable the returns are subject to a Performance Cap of 36%.
- Are seeking exposure to the AUD/USD exchange rate (Series 8 only).

- You want an investment that will pay a minimum return of at least 18.4%¹, as long as the Reference Asset performance is positive during the Investment Term.
- Leverage via a limited recourse loan within your investment portfolio or SMSF.
- Possible diversification in your investment portfolio or SMSF.

¹ Series 8, the Final Coupon will be adjusted for the AUD/USD exchange rate movement

Key Risks:

- Your return is affected by the performance of the Reference Asset. There is no guarantee that the Reference Asset will perform well.
- There is no guarantee that the Units will generate returns in excess of the Prepaid Interest, Application Fee, Currency Management Fee (Series 8 only) and Adviser Fee (if any) during the Investment Term. Additionally, in the event of an Investor requested Issuer Buy-Back, Early Maturity Event or if you elect to repay your Loan before the Maturity Date, you will not receive a refund on Prepaid Interest, Application Fee, Currency Management Fee (Series 8 only) and Adviser Fee (if any).
- There will be no Final Coupon payable at Maturity if the Reference Asset Ending Level is the same or less than the Reference Asset Starting Level (i.e. the performance of the Reference Asset is flat or negative).
- Payment of the Final Coupon and the Final Value depends on the Issuer meeting its obligations and the Hedge Counterparty's ability to meet their obligations under the Hedge. Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty.
- Gains (and losses) may be magnified by the use of a 100% Loan. However, note that the Loan is a limited recourse Loan, so you will never be required to pay more than the Prepaid Interest, Application Fee, Currency Management Fee (Series 8 only) and Adviser Fee (if any).
- The Units may mature early following an Early Maturity Event, including as a result of an Adjustment Event or Market Disruption Event or, if your request for an Issuer Buy-Back is accepted. If the Units are subject to Early Maturity for any reason, you will not be entitled to a refund of any Prepaid Interest, Application Fee, Currency Management Fee (Series 8 only) or Adviser Fee (if any) paid in relation to the Units.

To find out more, contact your adviser or call Sequoia Asset Management on 1300 522 644

Closes 12 December 2014*

* The Issuer may, in its discretion, extend or shorten the Offer Period for the Units without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Units may vary. The Issuer may also defer the Commencement Date for the Units, in which case the Maturity Dates and other consequential dates for the Units may vary. If the Issuer varies the Offer Period or the Commencement Date for the Units it will post a notice on the website informing applicants of the change at www.sequoiasi.com.au.

Units in Sequoia Launch Units – Series 7 & 8 are issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (the “Issuer”) and arranged by Valuestream Investment Management Ltd (ACN 094 107 034, AFSL 246621). Investments in the Sequoia Launch Units – Series 7 & 8 can only be made by completing an Application Form attached to the Product Disclosure Statement dated [23 October 2014] (“PDS”) and submitting it to Sequoia Specialist Investments Pty Ltd (ABN 67 145 459 936). A copy of the PDS can be obtained by contacting Sequoia Asset Management on 02 8114 2222 or contacting your financial adviser. You should consider the PDS before deciding whether to invest in Units in Sequoia Launch Units – Series 7 & 8.

Capitalised terms in this flyer have the meaning given to them in Section 15 “Definitions” of the PDS.

This flyer has been prepared by the Issuer for general promotional purposes only and is not an offer to sell or solicitation to buy any financial products. This flyer does not constitute personal advice and has been prepared without taking into account your objectives, financial situation or needs. You should consider obtaining professional advice as to whether this financial product suits your objectives, financial situation or needs before investing.

You should seek independent advice in relation to the tax implications of your investment. You should note that the ATO is currently considering the tax treatment of products such as the Launch Units, including the availability of deductions for any interest incurred on the Loan, and may take the view that interest deductions are limited or not available. As a result, you should ensure that you are comfortable making an investment in the Units on the basis that a deduction (or capital loss) may not be available in respect of interest incurred on the Loan if the ATO seeks to deny such deduction.