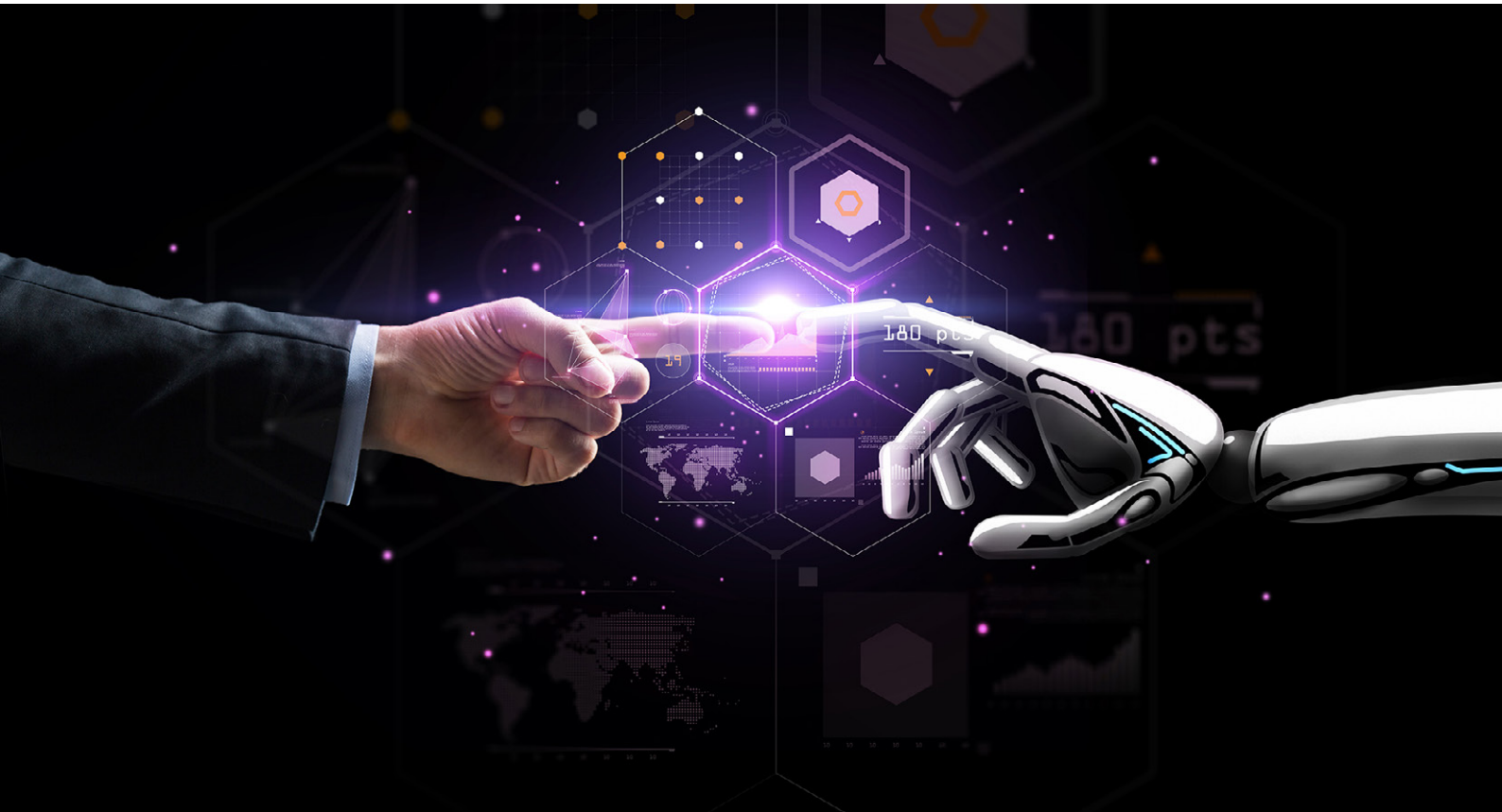


## Sequoia Future Tech – Series 1

Nasdaq Yewno Global Innovative Technologies ER Index<sup>SM</sup>



**Offer Close Date – 22 March 2019<sup>1</sup>**

Sequoia has just launched a new investment enabling investors to gain exposure to an internationally diversified portfolio of companies leading the commercialization of new technological trends as they emerge across various sectors around the world.<sup>1</sup>

<sup>1</sup>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.

## Sequoia Future Tech – Series 1 Nasdaq Yewno Global Innovative Technologies ER Index<sup>SM</sup>

The Units in Sequoia Future Tech – Series 1 offer investors the ability to gain 100% leveraged exposure to the Nasdaq Yewno Global Innovative Technologies ER Index<sup>SM</sup> (“the Reference Asset or Index”) over a 3 year period. The Units have the potential to pay annual Performance Coupons of up to 10.8% at end of Year 1 and Year 2 and an uncapped Final Performance Coupon at Maturity dependant on the Series Performance (as reduced by a 10% Performance Fee) and adjusted for movements in the AUD/USD exchange rate.

### An Investment in Sequoia Future Tech – Series 1 Units may suit you if:

- You have a positive view of the Yewno Global Innovative Technologies ER Index<sup>SM</sup> over the 3 year Investment Term;
- You wish to obtain 100% leverage with no risk of margin calls
- You wish to obtain leverage via a limited recourse loan within your investment portfolio or SMSF.

### Summary of the key features are as follows

Series 1	
Reference Asset/Index	Nasdaq Yewno Global Innovative Technologies ER Index <sup>SM</sup> (Nasdaq: NYGITE Index)
Currency Exposure	USD Hedged
Minimum Investment Amount	AUD \$50,000
Minimum Total Upfront Cash Cost	AUD \$11,075
The Potential for 3 Performance Coupons	Two potential Performance Coupons of up to 10.8%* each, at the end of Year 1 & Year 2 plus the potential for an uncapped Final Coupon subject to changes in the AUD/USD exchange rate*
Limited recourse Loan	Yes
Annual Interest Rate on Loan	5.95% p.a.
Application Fee	2.2%
Risk Management Fee	0.7% p.a.
Averaging	Yes
Margin Calls	No
SMSF Eligibility	Yes

\*as reduced by a 10% Performance Fee

## Yewno Inc – Using Artificial Intelligence to Identify the Most Innovative Companies

Yewno, Inc. is a Silicon Valley based start up and a leading provider of Computational Linguistics, Network Theory, Machine Learning, and Artificial Intelligence solutions that extracts insights and delivers products and services tailored to a number of industries, including Finance.

Nasdaq Global Indexes has partnered with Yewno Inc. with the aim of “enhancing the benchmarking and classification of companies engaged in emerging and disruptive technologies across all industries”\*.

\*Dave Gedeon, Vice President of Nasdaq Global Indexes

Making use of Yewno Inc’s Artificial Intelligence system, the Index analyses the extent to which a company has intellectual property and invests in research and development through their patent data linked to 6 innovative technologies (See table below). Since research and development spending of a company is not necessarily reflected in its current revenue but is rather more likely realized in its future revenue, the Index relies on Yewno to select companies which are likely to be innovative in their space based on the patent’s they own which are linked to the below 6 sectors and 25 sub-sectors.

Artificial Intelligence	Automotive Innovation	Data Computing & Processing	Healthcare Innovation	IoT	Robotics
Deep Learning	Autonomous Vehicles	3D Graphics	Bioinformatics	Digital Currency	3D Printing
NLP	Electric Vehicles	Big Data	Human Augmentation	Internet of Things	Drones
Image Recognition	Hybrid Vehicles	Blockchain	Robotic Surgery	Mobile Payments	Nanorobotics
Speech Recognition & Chatbots		Cloud Computing		Wearable Technology	Spacecraft & Satellites
		Cyber Security			
		Quantum Information & Optics			
		Virtual Reality & AR			

## Scenario Outcomes:

Assuming you wish to get exposure to Sequoia Future Tech – Series 1 with minimal upfront capital and limited downside risk, you decide to take out a limited recourse loan of \$50,000 and invest the proceeds into Sequoia Future Tech Series 1. The cashflow scenarios are below:

### Cash Outlay for Future Tech – Series 1

Investment Amount	\$50,000
Loan	(\$50,000)
Interest for 3 year Investment Term (5.95% p.a.)	(\$8,925)
Risk Management Fees (0.7% p.a.)	(\$1,050)
Application Fee (2.2%)	(\$1,100)
<b>Total maximum outlay over the Investment Term</b>	<b>(\$11,075)</b>

## Investment cash flow Scenarios during the Investment Term for Future Tech – Series 1

Scenario	Investment Amount	Gross Series Performance over 3 years*	Net Cumulative Performance Coupons over 3 years*
1	\$50,000	-15%	\$0
2	\$50,000	0.00%	\$0
3	\$50,000	15%	\$7,500
4	\$50,000	30%	\$15,000
5	\$50,000	45%	\$22,500
6	\$50,000	60%	\$30,000

\*Includes Performance Coupons paid after Year 1 and Year 2 (if any) and the Final Coupon net of 10% Performance Fee and after the impact of any changes in the AUD/USD exchange rate.

The above scenario outcomes are in no way indicative of future performance of the Sequoia Future Tech – Series 1 product.

## Total Upfront Cash Cost – Examples

Cash Outlay for Future Tech – Series 1	Minimum		
Investment Amount	\$50,000	\$100,000	\$250,000
Loan	(\$50,000)	(\$100,000)	(\$250,000)
Interest for 3 year Investment Term (5.95% p.a.)	(\$8,925)	(\$17,850)	(\$44,625)
Risk Management Fees (0.7% p.a.)	(\$1,050)	(\$2,100)	(\$5,250)
Application Fee (2.2%)	(\$1,100)	(\$2,200)	(\$5,500)
<b>Total Upfront Cash Cost</b>	<b>(\$11,075)</b>	<b>(\$22,150)</b>	<b>(\$55,375)</b>

## Key Risks:

Key risks include:

- Your return (including any Performance Coupons) is affected by the performance of the Reference Asset. There is no guarantee that the Reference Asset will perform well.
- There will be no Performance Coupon payable if the performance of the Reference Asset is negative at the relevant Coupon Determination Date.
- The potential Performance Coupons are determined by reference to the Reference Asset Performance on the relevant Coupon Determination Date and deducting any past Performance Coupons paid.
- Any Performance Coupons payable will be negatively impacted by any increase in the AUD/USD exchange rate between the Commencement Date and the relevant Coupon Determination Date.
- There is no guarantee that the Units will generate returns in excess of the Prepaid Interest and Fees, during the Investment Term. Additionally, in the event of an Investor requested Issuer Buy-Back or Early Maturity Event, you will not receive a refund of your Prepaid Interest or Fees.
- 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 can never lose more than your Prepaid Interest Amount and Fees paid at Commencement.
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty; and
- the Units may mature early following an Early Maturity Event, including an Adjustment Event, Market Disruption Event or if the Issuer accepts your request for an Issuer Buy-Back.

Please refer to Section 2 “Risks” of the Sequoia Future Tech – Series 1 Master PDS for more information.

**To find out more and to download a copy of the relevant  
Product Disclosure Statements, please visit  
Sequoia Specialist Investments at [www.sequoiasi.com.au](http://www.sequoiasi.com.au)**

\*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.sequoia.com.au](http://www.sequoia.com.au)

Units in Sequoia Future Tech – Series 1 are issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936 ) (the “Issuer”) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506)(the “Arranger”). Investments in the Sequoia Future Tech – Series 1 Units can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement (“TSPDS”), after reading the Term Sheet PDS dated 19 December 2018 and the Master PDS dated 14 August 2017 and submitting it to Sequoia. 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 Term Sheet & Master PDS’ before deciding whether to invest in Units in Sequoia Future Tech – Series 1. Capitalised terms on the webpage have the meaning given to them in Section 10 “Definitions” of the Master PDS.

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