

**The “Best Of”:
Accessing the Strongest Performance between
2 strategies providing exposure to
S&P500 and Gold**



**Sequoia Launch Series 53
Offer Close Date – 6 December 2019¹**

Sequoia has just launched a new investment enabling investors to gain exposure to the Best of either Gold or the S&P500 with a 14% Volatility Target, with minimal upfront capital and limited downside risk.

¹ 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 Launch – Series 53

The Units in Sequoia Launch Series 53 offer investors exposure to the Strongest Performing Strategy as measured by the:

- S&P500 Price Return Index subject to a 14% Volatility Target (“S&P500 Strategy”); and
- The London Bullion Market Association (“LBA”) Gold Price PM subject to a 14% Volatility Target (“Gold Strategy”).

The Units offer a potential uncapped Performance Coupon at Maturity dependent on the performance of the Strongest Performing Strategy at Maturity as reduced by a 10% Performance Fee and adjusted for changes in the AUD/USD exchange rate.

An Investment in Sequoia Launch – Series 53 Units may suit you if:

- You have a positive view of either the S&P500 or Gold or both 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 53	
The “Best Of” Series	Provides exposure to the underlying Strategy with the strongest performance selected from 2 Strategies
Strategy (there are 2 Strategies in total)	Each Strategy provides exposure to a single Reference Asset with 14% Volatility Target: 1) S&P500 with 14% Volatility Target (S&P500 Strategy) 2) Gold with 14% Volatility Target (Gold Strategy)
Reference Assets	S&P500 Price Return Index LBA Gold Price PM
Currency Exposure	USD
Limited recourse Loan	Yes
Annual Interest Rate on Loan (payable for the full 3 years in advance)	5.95% p.a.
Application Fee	2.2%
Risk Management Fee (payable for the full 3 years in advance)	0.7% p.a.
Performance Fee	10%
Volatility Mechanism	Yes
Volatility Target	14%
Maximum Participation Rate	100%
Margin Calls	No
SMSF Eligibility	Yes

Scenario Outcomes:

Assuming you wish to get exposure to Best of Gold or the S&P500 with a 14% Volatility Target 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 Launch Series 53. The cashflow scenarios are below:

Cash Outlay for Launch Series 53	
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)
Total maximum outlay over the Investment Term	(\$11,075)

Investment cash flow Scenarios during the Investment Term for Series 53

Scenario	Investment Amount	Gross Series Performance over 3 years*	Gross Performance Coupon at Maturity*
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

*Before adjusting for 10% Performance Fee and 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 Launch Series 53 product.

Total Upfront Cash Cost – Examples

Cash Outlay for Launch Series 53	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)
Total Upfront Cash Cost	(\$11,075)	(\$22,150)	(\$55,375)

Key Risks:

Key risks include:

- Your return (including any Coupons) is affected by the performance of the Reference Assets (S&P500 and Gold). There is no guarantee that the Reference Assets will perform well.
- The Units have varying levels of exposure to the Reference Assets depending on volatility due to the variable Participation Rate. It operates by varying the exposure that the Units will have to the Reference Asset depending on the Realised Volatility of each Reference Asset and the Target Volatility. There is the risk that the Participation Rate could drop to significantly below 100% during the Investment Term in which case Investors will not gain the full benefits of an increase of the value of the Reference Asset.
- Investors should note that there is a lag in measuring the Realised Volatility of the Reference Asset. This means that where there has been a period of high Realised Volatility, the Investor's exposure to the Reference Asset will be low, regardless of whether the Reference Asset is performing positively or negatively.
- There will be no Performance Coupon payable if the Series Performance for each Strategy is negative on the Performance Coupon Determination Date.
- The Performance Coupon is determined by reference to the Initial Strategy Value and Final Strategy Value for the Strongest Performing Strategy at Maturity as well as changes in the AUD/USD exchange rate. An increase in the AUD/USD exchange rate will decrease the Performance Coupon whilst a fall in the AUD/USD exchange rate will increase the Performance Coupon.
- The Initial and Final Strategy Values are subject to averaging. Averaging may decrease the impact of an increase in the relevant Reference Asset during the Investment Term.
- 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 an 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 will never be required to pay more than the Prepaid Interest Amount and Fees at Commencement.
- 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% limited recourse Loan; 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 Master PDS for more information. Please refer to Section 2 "Risks" of the 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**

*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

Units in Sequoia Launch – Series 53 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 Launch – Series 53 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 12 November 2019 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 Launch – Series 53. Capitalised terms on the webpage have the meaning given to them in Section 10 "Definitions" of the Master PDS.

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