

US Tech Optimiser

9 April 2020



Series 1

**The US Technology Sector as measured
by the Technology Select Sector SPDR® Fund
with a 13% Volatility Target**



This Term Sheet PDS supplements the Master PDS dated 14 August 2017 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (“**the Issuer**”). This Term Sheet PDS together with the Master PDS constitutes the PDS for the Offer of the Series of Optimiser Units described below.

This PDS is for the offer of an agreement to purchase the shares (“**Delivery Assets**”) specified in Section 2 “Term Sheet” of this Term Sheet Product Disclosure Statement (“**Term Sheet PDS**”) on certain terms including deferred delivery and entry into a Loan for the Investment Amount (“**the Offer**”). This Term Sheet PDS is dated 9 April 2020 and is 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**”) pursuant to Section 911A(2)(b) of the Corporations Act. Pursuant to Section 911A(2)(b), the Issuer will issue the Units in accordance with the offer made by the Arranger.

This PDS has not been lodged and is not required to be lodged with the Australian Securities and Investments Commission (“**ASIC**”). The Issuer will notify ASIC that this PDS is in use in accordance with the Corporations Act. ASIC and its officers take no responsibility for the contents of this PDS.

All fees in this PDS are stated inclusive of any GST (unless stated otherwise).

All monetary amounts referred to in this PDS are given in Australian dollars (unless stated otherwise). All references to legislation in this PDS are to Australian legislation. Explanations as to tax treatment and other features of the Offer have been provided for Australian investors.

Investments in the Units

This PDS (including the Master PDS) is an important document which should be read before making a decision to acquire the Units. The information in this PDS is general information only and does not take into account an individual’s investment objectives, financial situation or particular needs or circumstances.

Nothing in this PDS is a recommendation by the Issuer or its related bodies corporate or by any other person concerning investment in the Units or the Reference Asset or any specific taxation consequences arising from an investment in the Units. Potential investors should also obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. No cooling off rights apply to investments in the Units.

Potential Investors should note that the Issuer retains discretion to amend the closing date for the offer for a Series and move the Commencement Date (and all other consequential dates) for a Series, or not to continue with the issue of a Series of Units on the Commencement Date and terminate any Units in that Series already issued, including where there is a significant change in the Issuer’s cost of hedging between the date of this Term Sheet PDS and the Commencement Date. In particular, the Issuer will not continue with the issue of a Series of Units if it considers that it and its affiliates have not completed sufficient arrangements for management of their respective obligations in respect of that Series of Units. If a decision is made not to issue a Series of Units or to terminate Units in a Series that have already been issued, the Issuer will return the Prepaid Interest, and any applicable Fees that have been paid upfront to applicants without interest within 10 Business Days of the scheduled Commencement Date.

Eligible investors and electronic PDS

This PDS and the Offer are available only to Australian resident investors receiving this PDS (including electronically) in Australia. Applications from outside Australia will not be accepted. If anyone prints an electronic copy of this PDS they must print all pages including the Application Form. If anyone makes this PDS available to others, they must give them the entire electronic file or printout, including the Application Form and any additional documents that the Issuer may require such as identification forms for the purpose of satisfying Australian anti-money laundering legislation.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States or to, or for the benefit of U.S. persons unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Updated information

Information set out in this PDS is subject to change from time to time. Information not materially adverse to Investors in the Units may be amended without issuing an updated or supplementary PDS. Investors can find this updated information at any time at www.sequoiasi.com.au.

A paper copy of this PDS (and any supplementary documents) can be obtained free of charge on request by contacting Sequoia Specialist Investments. Sequoia Specialist Investments can be contacted on (02) 8114 2222 or at PO Box R1837 Royal Exchange NSW 1225.

If an Investor establishes that information is not accurate, complete, and up-to-date, the Issuer must take reasonable steps to correct it.

Making an investment

Units can only be issued if potential investors use an Application Form (including relevant attachments) attached to either a paper or electronic copy of this PDS.

Returns not guaranteed

Returns on the Units are not guaranteed. The Issuer, the Security Trustee, the Custodian, the Arranger, the Lead Distributor, the Acceptor nor any of their associates or subsidiaries guarantees the return on an investment in the Units or any gain. Investors may not recoup the total amount of any amounts outlaid as there is no guarantee that returns on the Units will be in excess of these amounts paid by Investors. Please refer to Section 2 “Risks” in the Master PDS.

Superannuation fund investors

Superannuation funds can invest in Units in the Series. Superannuation fund investors should take note of the representations and warranties they make when investing – see clause 13.2 of the Terms in the Master PDS.

Definitions

Capitalised terms used in this PDS have the meaning given in Section 10 “Definitions” of the Master PDS, and as defined in this Term Sheet PDS.

Nature of the Units

The Units are “Securities” for the purposes of Chapter 7 of the Corporations Act.

Please note “Unit” or “Units”, when used in this PDS, means an agreement to buy the Delivery Assets between the Issuer, Custodian and the Investor pursuant to the Deferred Purchase Agreement. The Units are not units in a trust or managed investment scheme.



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1. Investment Objective Overview



The Units in US Tech Optimiser Series 1 are designed to offer investors the ability to gain exposure to the performance of the US technology sector as measured by the Technology Select Sector SPDR® Fund (“**XLK**”) (the “**Reference Asset**”) with a 13% Volatility Target Mechanism (the “**Strategy**”), over a 2 year term and the potential to receive an uncapped Performance Coupon at Maturity dependent on the Strategy Value Performance.

XLK invests in stocks which primarily cover products developed by internet software and service companies, IT consulting services, semiconductor equipment, computers and peripherals.¹

A summary of the key features are as follows

Series 1	
Reference Asset	Technology Select Sector SPDR® Fund (Bloomberg Code: XLK.US)
Strategy	Reference Asset with 13% Volatility Target
Currency Exposure	USD
Optimised Entry Feature	Yes
Potential Performance Coupon	Yes, potential uncapped Performance Coupon* at Maturity subject to changes in the AUD/USD exchange rate
Limited recourse Loan	Yes
Investment Term	2 Years
Annual Interest Rate on Loan (payable for the full 2 years in advance)	5.95% p.a.
Application Fee	1.65%
Total Investment Cost (payable upfront)	13.55%
Volatility Mechanism	Yes
Volatility Target	13%
Maximum Participation Rate	100%
Margin Calls	No
SMSF Eligibility	Yes

Optimised Entry Feature

Series 1 includes an Optimised Entry feature which enables the investor to benefit from a lower starting level for their investment in the event of a pullback in the US technology sector as measured by XLK with a 13% Volatility Target during the first 6 months of the investment term.

The reason the Issuer has decided to include this feature is because the Issuer believes a risk does exist that a further short-term market correction in XLK could occur during the first six months of the Investment Term before a possible rebound into 2022. Whilst there is absolutely no assurance that such a market scenario will actually unfold, Series 1 enables investors to optimise the entry point for their investment in such a case.

This is achieved by observing the Strategy Value at the Commencement Date and each one month anniversary date during the first 6 months of the Investment Term and choosing the lowest of the 7 observed values as the Initial Strategy Value. The Initial Strategy Value is then used as the starting point for calculating the Performance Coupon payable at Maturity.

The Optimised Entry features does not apply to calculations of movements in the AUD/USD exchange rate i.e. the starting value for the AUD/USD exchange rate will always be as at the Commencement Date.

Potential Uncapped Performance Coupon at Maturity

You may also receive an uncapped Final Coupon at Maturity calculated by reference to the performance of the Strategy Value between the Commencement Date and Maturity subject to:

- the application of the Optimized Entry feature to determine the Initial Strategy Value by observing the lowest monthly closing Strategy Value during the first 6 months of the investment term; and
- movements in the AUD/USD exchange rate between the Commencement Date and Maturity².

¹ <http://www.sectorspdr.com/sectorspdr/sector/xlk>

² A decrease in the AUD/USD exchange rate will increase the amount of a Coupon (if any) payable in Australian dollars. An increase in the AUD/USD exchange rate will reduce the amount of a Coupon (if any) payable in Australian dollars.

2. Term Sheet – US Tech Optimiser Series 1



The following Term Sheet is a summary of the key dates and terms of the Units. However, this section is not intended to be a complete summary of this PDS and you should read the entire PDS before deciding whether or not to invest. The information in this section is qualified in its entirety by the more detailed explanations set out elsewhere in this PDS, in particular Section 6 “Terms of the Deferred Purchase Agreement” in the Master PDS.

Offer Opening Date	9 April 2020																																	
Offer Closing Date	29 April 2020																																	
Commencement Date / Issue Date	6 May 2020 or as soon as reasonably practicable thereafter as determined by the Issuer and as notified to you.																																	
Interest Payment Date (Application Payment Date)	30 April 2020 Investors should note the Interest Payment Date is also the Application Payment Date.																																	
Coupon Determination Date	6 May 2022																																	
Maturity Date	6 May 2022																																	
Coupon Payment Date	10 Business Days after the relevant Coupon Determination Date or as soon as reasonably practicable thereafter as determined by the Issuer.																																	
Buy-Back Dates	<p>Quarterly on the last Business Day of March, June, September and December commencing June 2020 (or otherwise at the Issuer’s discretion). Investors must lodge their Issuer Buy-Back Form no later than 10 Business Days before the relevant Buy-Back Date. Any Issuer Buy-Back Form received after this time will be held over to the next Buy-Back Date.</p> <p>The Buy-Back Price will always be at least \$1.00 per Unit and will be applied to repay your Loan. You will not have to pay any other fees, costs or interest, however, the Units are designed to be held until Maturity, so any Issuer Buy-Back price may not be high enough to recover the Prepaid Interest and Fees following repayment of the Loan.</p>																																	
Settlement Date	10 Business Days after the 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.																																	
Further Information																																		
Reference Asset/Index	Technology Select Sector SPDR® Fund ³																																	
Reference Asset Holdings	<p>Holdings and weightings of all the shares held by XLK can be found at http://www.sectorspdr.com/sectorspdr/sector/xlk/holdings. Holdings and weights are subject to change in accordance with the index rules. The top 10 holdings and weightings as at 7 April 2020 include:</p> <table border="1"> <thead> <tr> <th>Symbol</th> <th>Company Name</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>MSFT</td> <td>Microsoft Corp</td> <td>22.15%</td> </tr> <tr> <td>AAPL</td> <td>Apple Inc.</td> <td>19.25%</td> </tr> <tr> <td>V</td> <td>Visa Inc A</td> <td>5.13%</td> </tr> <tr> <td>INTC</td> <td>Intel Corp</td> <td>4.51%</td> </tr> <tr> <td>MA</td> <td>Mastercard Inc A</td> <td>4.09%</td> </tr> <tr> <td>CSCO</td> <td>Cisco Systems Inc</td> <td>3.06%</td> </tr> <tr> <td>NVDA</td> <td>Nvidia Corp</td> <td>2.82%</td> </tr> <tr> <td>ADBE</td> <td>Adobe Inc.</td> <td>2.66%</td> </tr> <tr> <td>CRM</td> <td>Salesforce.com</td> <td>2.29%</td> </tr> <tr> <td>PYPL</td> <td>PayPal Holdings Inc.</td> <td>2.09%</td> </tr> </tbody> </table>	Symbol	Company Name	Weight	MSFT	Microsoft Corp	22.15%	AAPL	Apple Inc.	19.25%	V	Visa Inc A	5.13%	INTC	Intel Corp	4.51%	MA	Mastercard Inc A	4.09%	CSCO	Cisco Systems Inc	3.06%	NVDA	Nvidia Corp	2.82%	ADBE	Adobe Inc.	2.66%	CRM	Salesforce.com	2.29%	PYPL	PayPal Holdings Inc.	2.09%
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Currency Exposure	USD																																	
Final Value	<p>AUD \$1.00 per Unit on the Maturity Date.</p> <p>The returns on the Units will be made up of the Final Value per Unit and any Performance Coupons payable during the Investment Term (if any) based on the performance of the Reference Asset.</p>																																	
Performance Coupon	<p>An uncapped Performance Coupon, subject to the Strategy Value Performance and any changes in the AUD/USD exchange rate between the Commencement Date and Maturity.</p> <p>Refer to “Section 4: Formulae and Calculations” for Final Coupon formulae</p>																																	

³ <http://www.sectorspdr.com/sectorspdr/sector/xlk>

**Strategy Value Performance**

The percentage amount from the following calculation calculated for the Strategy:

$$\frac{(\text{Final Strategy Value} - \text{Initial Strategy Value})}{\text{Initial Strategy Value}}$$

Strategy	Reference Asset with 13% Volatility Target	
Initial Strategy Value	The lowest Strategy Value observed on each of the Initial Observation Dates	<i>Section 4 Formulae and Calculations</i>
Initial Observation Dates	6 May 2020 6 June 2020 6 July 2020 5 August 2020 6 September 2020 6 October 2020 6 November 2020	
Final Strategy Value	The Strategy Value at Maturity	<i>Master PDS – Section 7 “Loan”</i>

Strategy Value	<p>The Units give varying levels of exposure to the Reference Asset depending on the volatility of the Reference Asset over the previous 20 and 60 Scheduled Business Days. The Strategy Value is used to determine the varying levels of exposure to the Reference Asset.</p> <p>The Strategy Value is calculated each Scheduled Business Day by:</p> <ul style="list-style-type: none"> • taking the change in the level of the Reference Asset from the close of the previous Scheduled Business Day to the close of the current Scheduled Business Day, • multiplying it by the Participation Rate (which determines the exposure to the Reference Asset) from the previous Scheduled Business Day, and • multiplying this amount by the Strategy Value from the previous Scheduled Business Day. • adjusting the Strategy Value by the Index Adjustment Factor that is pro-rated for one Scheduled Business Day. The Index Adjustment Factor reduces the Strategy Value by a percentage of the Strategy Value (2.50% p.a. for Series 1). The Index Adjustment Factor therefore reduces the performance of the Strategy Value and impacts on the returns you receive on your Units. <p>In this way the Strategy Value will vary from one Scheduled Business Day to the next depending on the change in the level of the Reference Asset and the Participation Rate.</p> <p>The Issuer intends to publish the Strategy Value (on a monthly basis) on its website at www.sequoiasi.com.au.</p>	
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Participation Rate and Target Volatility

Volatility is the relative rate at which the price of an asset may move (increasing or decreasing), over a period of time. The greater the amount and frequency of an asset’s relative price changes (either positively or negatively) over a period of time, the higher the volatility. The higher the volatility of an asset the greater the perceived risk.

The Participation Rate is a mechanism designed to manage market risk associated with the performance of the Reference Asset. It operates by varying the exposure that the Units will have to the Reference Asset depending on the volatility of the Reference Asset and the Target Volatility. The higher the volatility, the lower the Participation Rate (and hence the lower the exposure to the Reference Asset) and vice versa.

Target Volatility is the level of volatility that would provide a Participation Rate of 100%. The Units have a maximum Participation Rate of 100%.

Accordingly, Investors will not receive enhanced exposure (above the maximum Participation Rate of 100%) to the Reference Asset even at times of very low volatility. The Participation Rate is determined on each Scheduled Business Day by reference to the higher of the volatility of the Reference Asset over the previous 20 and 60 Scheduled Business Days. The Participation Rate will vary between 0% and 100%.

The Participation Rate is determined using the formula set out below.

Please refer to Section 4 “Formulae and Calculations” for more information.

Realised Volatility

Realised Volatility(t) (“RV”) is the Volatility on day t and is determined by taking the greater of:

- i) the historical volatility of the Reference Asset calculated over the previous 20 Scheduled Business Days (Vol1_t); and
- ii) the historical volatility of the Reference Asset calculated over the previous 60 Scheduled Business Days (Vol2_t).

$$RV_t = \text{Max} (Vol1_t, Vol2_t)$$

Please refer to Section 4 “Formulae and Calculations” for more information.

Participation Rate

The Participation Rate will be calculated by reference to the Target Volatility and the level of realised volatility using the following formula:

$$PR_t = \text{Min} (100\%, \text{Target Volatility/Realised Volatility}_t)$$

Based on this, the Participation Rate (PR_t) would have been 12.95% as at 8 April 2020 for XLK due to the higher of the 20 and 60 day volatility levels being 100.4%;

As an example, for XLK this is calculated as:

$$\begin{aligned}
 RV_t &= \text{Max} (Vol1_t, Vol2_t) \\
 &= \text{Max} (100.4\%, 70.8\%) \\
 &= 100.4\%
 \end{aligned}$$

$$PR_t = \text{Min} (100\%, 13\%/100.4\%)$$

$$PR_t = 12.95\%$$

Investors should note that there may be a risk that the level of volatility will be high throughout the majority or whole of the Investment Term. Should this occur, the Participation Rate may result in less than 100% exposure to the Reference Asset throughout the majority or whole of the Investment Term. The minimum Participation Rate is 0% which means that Investors have no exposure to the Reference Asset.

Please refer to the Formulae and Calculation Table in Section 4 for the formula that shows how measured volatility is calculated.

Loan

100% Limited Recourse Loan.

*Master PDS –
Section 7 “Loan”*

Loan Amount

AUD \$1.00 per Unit



Interest Rate & Prepaid Interest	<p>The interest rate in respect of the Loan is 5.95% p.a.</p> <p>The Prepaid Interest is paid upfront for the full 2 year Investment Term.</p> <p>Prepaid Interest per Unit = 5.95% p.a. x 2 years x AUD \$1.00 per Unit = AUD \$0.119 per Unit for the Investment Term of 2 years.</p> <p>The Prepaid Interest must be paid to the Issuer by the Application Payment Date.</p>	<i>Interest Rate & Prepaid Interest</i>
Listing	The Units will not be listed or displayed on any securities exchange.	
Currency	Units are denominated in Australian dollars.	
Minimum Investment Amount	\$50,000 per Series at the Issue Price of \$1.00 per Unit.	
Withdrawal of the Units	If the Issuer is unable to achieve the economic exposure described in this PDS on the Commencement Date due to any condition set out in this PDS not being satisfied (e.g. the Issuer being unable to hedge its obligations), or otherwise determines not to proceed with the issue for any reason, then the Issuer will terminate any Units already issued, and return the Prepaid Interest and Fees without interest. The Loan will be terminated and no drawdown will be made.	
Lead Distributor	Reach Markets Pty Ltd (ABN 36 145 312 232), Corporate Authorised Representative (CAR No: 43119) of Reach Financial Group (ABN 17 090 611 680, AFSL 333297)	
Issuer	Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (" Sequoia ")	
Arranger	Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506)	
Security Trustee & Custodian	Sequoia Nominees No 1 Pty Limited (ABN 11 147 097 078)	
Registrar	Registry Direct Pty Limited (ABN 35 160 181 840)	
Minimum Buy-Back Amount	50,000 Units in the Series providing Investors continue to hold at least 50,000 Units in the Series. In the event that an Investor makes an Issuer Buy-Back Request which would result in the Investor holding less than 50,000 Units in a particular Series, then the Issuer will notify the Investor that it will hold less than 50,000 Units and seek the Investor's instruction whether to buy back the Investor's entire holding in that Series or reject the request.	
Minimum Early Maturity Value, Termination Payment and Buy-Back Price	<p>\$1.00</p> <p>If the Units mature early for any reason, you will receive an Early Maturity Value of \$1.00 which will be applied to your Loan. You will not have to pay any other fees, costs or interest.</p> <p>Investors will not be entitled to a refund of any Prepaid Interest or any other Fees paid in relation to the Units and will not be entitled to any Performance Coupons or payment of the Final Value (as the Final Value of \$1.00 will be used to pay off your Loan).</p> <p>Please refer to Section 1.10 "Early Maturity" of the Master PDS for more information on when the Units can mature early.</p>	
Beneficial Interest	The Beneficial Interest in a Portion of the Delivery Asset held for each Unit an Investor holds. The Beneficial Interest will be set out in the Confirmation Notice sent to Investors and is a feature of the product designed to ensure the Units are a "security" under the Corporations Act.	
Delivery Asset	<p>Telstra Corporation (TLS.AU).</p> <p>On Maturity, the Issuer intends to deliver a parcel equal in value to the Final Value per Unit multiplied by the number of Units held by an Investor ("Delivery Parcel") containing ordinary shares in Telstra Corporation (ASX Code: TLS, website: www.telstra.com.au) ("Delivery Asset").</p> <p>You should be aware that the Issuer can change or substitute the Delivery Asset in certain circumstances, and you should take this into account when considering whether to invest in the Units.</p>	
Agency Sale Option	Available. Please refer to Clause 4.4 of Section 6 "Terms of the Deferred Purchase Agreement" in the Master PDS.	



Key Risks

Key risks include:

- Your return (including any Coupons) is affected by the performance of the Reference Asset. There is no guarantee that the Reference Asset will perform well.
- The Units have varying levels of exposure to the Reference Asset 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 the 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 Strategy Value Performance is negative on the Maturity Date.
- The Performance Coupon is determined by reference to the Initial Strategy Value and Final Strategy Value 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.
- 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; 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.

Fees

The following Fees are payable in respect of the Units:

Upfront Adviser Fee (if any): You may nominate an Upfront Adviser Fee to be paid to your Adviser in the Application Form attached to this Term Sheet PDS. The Issuer will deduct any Upfront Adviser Fee from the Total Payment Amount and pay it to your Adviser in accordance with the terms of this PDS.

Application Fee: The Issuer charges an Application Fee of 1.65% of the Issue Price of each Unit, i.e. \$0.0165 per Unit. The Issuer may agree with your Adviser to forgo part or all of the Application Fee at the Issuer's absolute discretion.

Assuming you nominated an Upfront Adviser Fee of \$550, and you applied for 100,000 Units in Series 1, in addition to the Prepaid Interest you would pay fees of:

Application Fee	= 100,000 x \$0.0165	= \$1,650
Upfront Adviser Fee		= \$550
	Total	= \$2,200

**Total Investment Cost**

Type of Cost	Cost per Unit
Prepaid Interest	\$0.1190
Application Fee	\$0.0165
Total:	\$0.1355

Derivatives

The Issuer obtains exposure to the Reference Asset through the use of derivatives rather than a direct investment in the Reference Asset.

Taxation

Please refer to Section 4 "Taxation" of the Master PDS.

Applications and issue of Units

Applications may be accepted or rejected at the discretion of the Issuer. Units will be issued within one month upon receipt of application monies from an Investor. The Unit's economic exposure to the Reference Asset will begin on the Commencement Date. If a Unit is issued prior to the Commencement Date, it will have no economic exposure until the Commencement Date.

The US Tech Optimiser Series 1 Units will only be issued at the discretion of the Issuer, and applications may be accepted or rejected at the discretion of the Issuer. Without limiting its discretion, the Issuer may choose not to proceed with the issue of the Units for a Series and terminate the product for those Units already issued for any reason whatsoever, including (without limitation) if there is a significant change in the Issuer's cost of hedging between the date of this PDS and the Commencement Date. Where the Issuer has not received the Prepaid Interest, Application Fee or Upfront Adviser Fee (if any) in respect of a Unit(s) from the Investor by the Application Payment Date, the Issuer will cancel the Units relating to the unpaid amounts and will arrange for the Investors name to be removed from the register of Unitholders.

If a decision is made for any reason not to issue, or not to proceed with the issue of the Units in Series 1, the Issuer will return the Prepaid Interest, Application Fee and Upfront Adviser Fee (if any) to applicants (without interest) within 10 Business Days of the scheduled Commencement Date and any Units already issued will be terminated.

The Units may mature early in the case of an Early Maturity Event or Issuer Buy-Back, and the Maturity Date may be extended in the case of a Market Disruption Event.

3. Worked Examples



1. Optimised Entry Feature

Series 1 includes an Optimised Entry feature which enables the investor to benefit from a lower starting level for their investment in the event of a pullback in the US Technology Sector as measured by XLK with a 13% Volatility Target during the first 6 months of the investment term.

This is achieved by observing the Strategy Value at the Commencement Date and each one month anniversary date during the first 6 months of the investment term and choosing the lowest of the 7 observed values as the Initial Strategy Value. The Initial Strategy Value is then used as the starting point for calculating the Performance Coupon payable at Maturity.

This has the effect of increasing the potential coupon that could become payable to investors at Maturity than would otherwise be possible without the inclusion of the Optimised Entry feature.

The Optimised Entry features does not apply to calculations of movements in the AUD/USD exchange rate i.e. the starting value for the AUD/USD exchange rate will always be as at the Commencement Date.

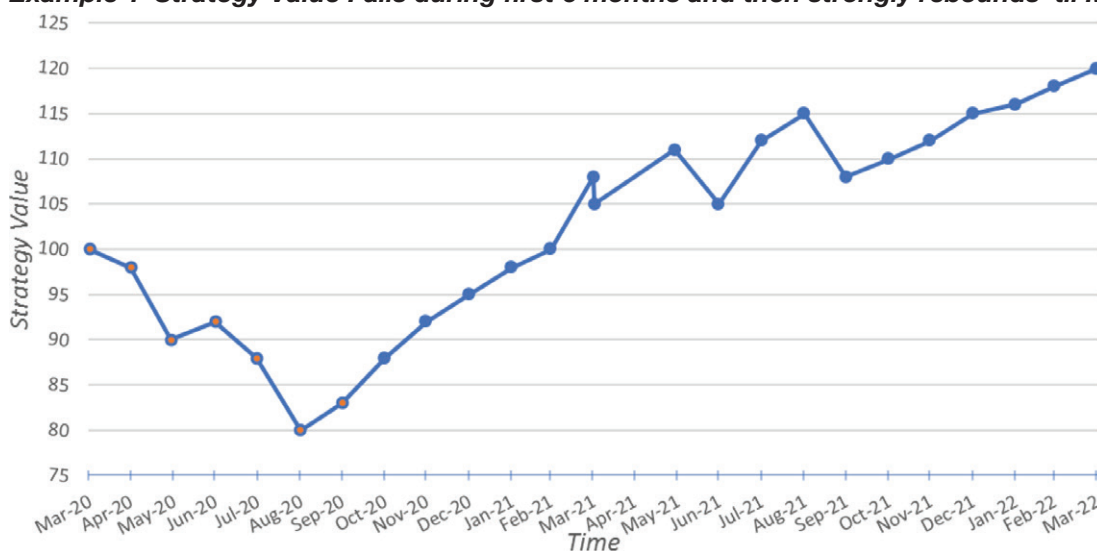
Hypothetical Example for Illustrative Purposes

Here are some examples demonstrating how the Initial Strategy Value is calculated and how it impacts the calculation of the Strategy Value Performance. The examples are hypothetical only and are not forecasts or simulations of Unit returns nor are they a reference to past performance. The actual returns on the Units may be materially different from what is shown in these examples.

These examples may help Investors decide if the Units are a suitable investment. No content in this section or elsewhere in the Term Sheet PDS or Master PDS is investment advice and Investors should speak to their financial adviser before investing.

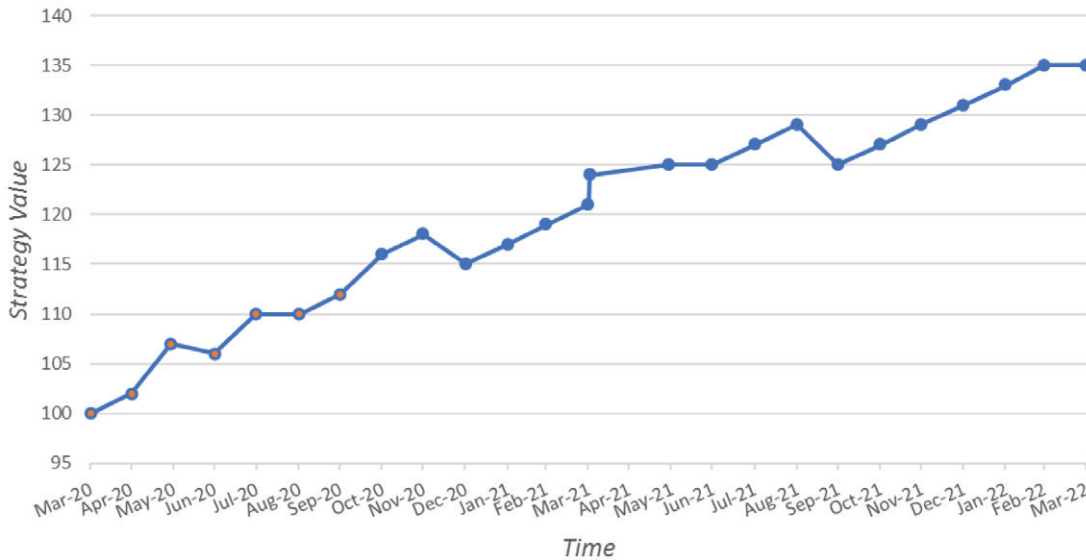
Date	Observed Strategy Values during the first 6 months		
	Example 1	Example 2	Example 3
6 May 2020	100	100	100
6 June 2020	98	102	105
6 July 2020	90	107	111.15
5 August 2020	92	105.5	125
6 September 2020	88	110	115
6 October 2020	80	110	110
6 November 2020	83	112	120
Initial Strategy Value	80	100	100
Final Strategy Value	120	135	85

Example 1—Strategy Value Falls during first 6 months and then strongly rebounds ‘til Maturity

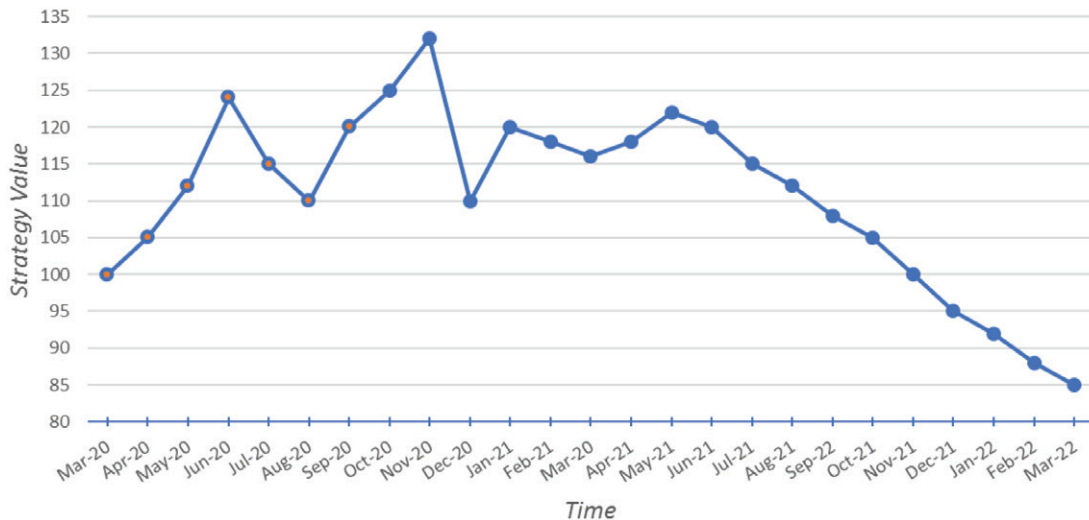




Example 2—Strategy Value increases during the first 6 months and continues to rally into Maturity



Example 3—Strategy Value increases during the first 6 months but then falls into the Maturity Date



Illustrative Examples of Calculating Strategy Value Performance

	Example 1 – Strategy Value Falls during first 6 months and then strongly rebounds ‘til Maturity	Example 2 – Strategy Value increases during the first 6 months and continues to rally into Maturity	Example 3 – Strategy Value increases during the first 6 months but then falls into the Maturity Date
Initial Strategy Value	80	100	100
Final Strategy Value	120	135	85
Strategy Value Performance*	50%	35%	-15%

*The percentage amount from the following calculation calculated on the Strategy:

$$\frac{(\text{Final Strategy Value} - \text{Initial Strategy Value})}{\text{Initial Strategy Value}}$$

Even though the Final Strategy Value under example 1 (120) is lower than the Final Strategy Value for example 2 (135), the Strategy Value Performance is higher (50% as compared to 35%). As such, the Performance Coupon payable under example 1 will be higher since the investor benefits from a lower Initial Strategy Value by essentially “catching a market pullback” during the first 6 months due to the Optimised Entry Feature under this scenario.

The existence of the Optimised Entry Feature makes no difference under Example 2 where the Strategy Value increases during the first 6 months and continues to rally into Maturity. This is because the Initial Strategy Value would be 100 in this case and is the same as it would otherwise be in the absence of this feature (i.e. if there was no Optimised Entry feature, the Strategy Value performance would still be 35% and the Performance Coupon payable would remain unchanged).



Under Example 3, the Optimised Entry Feature makes no difference since the Strategy Value Performance is negative and no Performance Coupon would be payable in any case.

2. Worked Examples of Calculating the Performance Coupon

Here are some examples demonstrating how the Performance Coupon is calculated. The examples are hypothetical only and are not forecasts or simulations of Unit returns nor are they a reference to past performance. The actual returns on the Units may be materially different from what is shown in these examples.

These examples may help Investors decide if the Units are a suitable investment. No content in this section or elsewhere in the Term Sheet PDS or Master PDS is investment advice and Investors should speak to their financial adviser before investing.

How does the investment perform?

Units may entitle Investors to receive a Performance Coupon at Maturity depending on the Strategy Value Performance at Maturity. The examples below demonstrate how the Performance Coupon is calculated depending on whether the Strategy Value Performance over the life of the investment up to the Maturity Date has been negative, positive or neutral.

The examples set out below show the return on an investment in the Units at Maturity.

Rounding:

All calculations made by the Issuer for the purposes of these worked examples will be made to not fewer than two decimal places. Other than as provided in these examples, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers of Delivery Assets are rounded down to the nearest whole number.

Assumptions:

The below examples assume that Investors decide to invest in 100,000 Units with a \$1.00 Issue Price, resulting in an Investment Amount and Loan Amount of \$100,000 in Series 1.

The below examples also assume that there are no Early Maturity Events, Issuer Buy-Backs, Adjustment Events or Market Disruption Events.

Calculation of the Performance Coupon

There is one potential Performance Coupon payable to Investors at Maturity. The Coupon is calculated with reference to the Strategy Value Performance as at the Maturity Date.

The following examples show how the net value of the Performance Coupon would be calculated, based on the assumed Strategy Value levels set out for Scenario 1 in the table below for a hypothetical investment in Series 1 of 100,000 Units at an Issue Price of \$1.00 per Unit.

Date	Strategy Value				AUD/ USD exchange rate (Series Spot rate)
	Scenario 1 Positive Performance	Scenario 2 Moderate Performance	Scenario 3 Mixed Performance	Scenario 4 Negative Performance	
Initial Strategy Value	85	85	90	90	0.67
Final Strategy Value	120	107	105	70	0.60

Calculate the value of the Performance Coupon

For Scenario 1, the Performance Coupon per Unit would be calculated as follows at the Coupon Determination Date:

$$\begin{aligned} \text{Performance Coupon} &= \text{Max}(0, \text{Strategy Value Performance}) \times (\text{Series Spot Rate}_{y_0} / \text{Series Spot Rate}_{y_2}) \\ &= \text{Max}(0, (120 - 85) / 85) \times 0.67 / 0.60 \\ &= 45.98\% \end{aligned}$$

Based on a holding of 100,000 Units, the amount of the Performance Coupon paid to the Investor would be \$45,980.

Assuming a total cash outlay including interest and fees of \$13,550, the net cash profit generated by the investor after receiving the Performance Coupon of \$45,980 would be \$32,430:

$$\begin{aligned} \text{Total Cash Outlay} &= (\$13,550) \\ \text{Net Performance Coupon} &= \$45,980 \\ \text{Net cash Profit} &= \$32,430 \end{aligned}$$



3. Overview of Scenarios 1, 2, 3 and 4

The table below sets out the Performance Coupons per Unit which would apply to Scenario 1, 2, 3 and 4. Each of the values listed below for Scenario 2, 3 & 4 were calculated in the same way as set out in the examples above for Scenario 1.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Net Performance Coupon per Unit	\$0.4598	\$0.2890	\$0.1861	\$0.00
Net Performance Coupon paid on 100,000 Units	\$45,980.39	\$28,901.96	\$18,611.11	\$0.00
Less Total Investment Cost	(\$13,550)	(\$13,550)	(\$13,550)	(\$13,550)
Net Cash Profit/(Loss)	\$32,430	\$15,351.96	\$5,061.11	(\$13,550)
Net Investment Return	239%	113%	37%	-100%

4. Formulae and Calculations



Strategy Value Performance

The percentage amount from the following calculation of the performance of Strategy during the investment term:

$$\frac{(\text{Final Strategy Value} - \text{Initial Strategy Value})}{\text{Initial Strategy Value}}$$

Strategy	Reference Asset with 13% Volatility Target
Initial Strategy Value	The lowest Strategy Value observed on each of the Initial Observation Dates
Initial Observation Dates	6 May 2020 6 June 2020 6 July 2020 5 August 2020 6 September 2020 6 October 2020 6 November 2020

Final Strategy Value The Strategy Value on the Coupon Determination Date

Strategy Value The Strategy Value (“**SV**”) is the value of the Strategy providing exposure to the Reference Asset with a variable exposure (through a variable Participation Rate) depending on the Realised Volatility of the Reference Asset and a Target Volatility of 13%. The Strategy Value will start at 100 on the Commencement Date.

$$SV(t) = SV(t-1) \times [1 + \{\text{Participation Rate}(t-1) \times (\text{Reference Asset}(t)/\text{Reference Asset}(t-1) - 1)\}] - (\text{Strategy Value}_{(t-1)} \times \text{Index Adjustment Factor} \times \text{Act}_t/360)$$

Where:

SV(t) means the Strategy Value on Scheduled Business Day(t)

SV(t-1) means the Strategy Value on Scheduled Business Day before (t)

Participation Rate(t-1) means the Participation Rate on Scheduled Business Day before (t)

Index Adjustment Factor is set at 2.50% p.a.

Act_t is the number of calendar days since the Strategy Value was last calculated which ensures that calculations are on a daily accruals basis

Participation Rate

The Participation Rate (PR) is calculated as:

$$PR = \text{Min}(100\%, \text{Target Volatility}/\text{Realised Volatility}(t)).$$

Where:

Target Volatility is 13%

Realised Volatility(t) (“RV”) is the Volatility on day t and is determined by taking the greater of:

- the historical realised volatility of the Reference Asset calculated over the previous 20 Scheduled Business Days (Vol1_t) and;
- the historical realised volatility of the Reference Asset calculated over the previous 60 Scheduled Business Days (Vol2_t).

The Participation Rate (PR) is calculated as:

$$RV_t = \text{Max}(Vol1_t, Vol2_t)$$

$$Vol1_t = \sqrt{252} \times \left[\sum_{i=t-19}^t \frac{1}{20} \times \ln \left(\frac{\text{Reference Asset}_t}{\text{Reference Asset}_{t-1}} \right)^2 \right]^{0.5}$$

$$Vol2_t = \sqrt{252} \times \left[\sum_{i=t-59}^t \frac{1}{60} \times \ln \left(\frac{\text{Reference Asset}_t}{\text{Reference Asset}_{t-1}} \right)^2 \right]^{0.5}$$

Where i or i-1 is a negative number, this represents a number of Scheduled Business Days prior to the Commencement Date.

Reference Asset_(t)

Reference Asset (t) means the XLK closing level as published on the close of trading on the NYSE on Exchange Business Day (t).

Reference Asset_(t-1)

Reference Asset (t-1) means the XLK closing level as published on the close of trading on the NYSE on the Exchange Business Day before (t).



Coupons

Performance Coupon = Number of Units held x \$1.00 x Strategy Value Performance x (Series Spot Rate_{y₀}/Series Spot Rate_{y₂})

Where:

Series Spot Rate_{y₀} means the relevant AUD/USD spot rate at Commencement Date.

Series Spot Rate_{y₂} means the relevant AUD/USD spot rate at the Maturity Date.

5. Master PDS



This Term Sheet PDS must be read in conjunction with the Master PDS dated 14 August 2017.

Please download the Master PDS at www.sequoiasi.com.au/masterpdswithloanPDS14August2017 or





This is an Application Form for Units in the US Tech Optimiser Units – Series 1 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506). This Application Form accompanies the Term Sheet PDS dated 9 April 2020, the Master PDS dated 14 August 2017 and any supplementary PDS issued for the Units. It is important that you read the Term Sheet PDS and PDS in full and the acknowledgements contained in this Application Form before applying for the Units. The Issuer will provide you with a paper copy of the PDS including the Master PDS, any supplemental PDS and the Application Form, on request without charge.

A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the PDS including any supplemental PDS.

The Minimum Investment is 50,000 Units.

This Application Form and direct debit details must be received by the Registrar by 4:00 pm in order to be processed and Units are only issued on receipt of:

- this Application Form,
- approval of the Application by the Issuer and Lender, and
- verification of the applicant's identity,
- payment in full of the Prepaid Interest and any applicable Fees per the relevant Term sheet PDS.

Potential investors should obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. Nothing in this PDS is a recommendation by the Issuer, the Security Trustee, the Custodian or their related bodies corporate concerning investment in the Units or any specific taxation consequences arising from an investment in the Units.



SECTION A – INVESTOR DETAILS

What type of person or entity is applying? Please tick one box ONLY and complete all the sections indicated.

- Individual or joint– must complete section **A1, B, C, D, E, F, G, H, I and J**
- Australian Company – must complete **A1 (Directors), A2, B, C, D, E, F, G, H, I and J**
- Trust/Super Fund with Individuals as Trustee – must complete **A1 (Trustees), A3, B, C, D, E, F, G, H, I, J and K**
- Trust/Super Fund with Corporate Trustee – must complete **A1 (Directors), A2 (Company), A3, B, C, D, E, F, G, H, I, J and K**

A1 INDIVIDUAL INVESTOR DETAILS (MUST COMPLETE) **(including individuals acting as trustee and corporate directors)**

INVESTOR 1 (Your name MUST match your ID exactly.)

All individuals must provide certified copies of photo identification, such as passports, driver’s licenses or similar government issued photo ID

Title: Given Names (in full) Surname:

Date of Birth (dd/mm/yyyy) Country of Citizenship

Residential Address

City/Suburb/Town State Postcode Country

Email Address

Telephone (home) Area code Number

Telephone (business hours) Area code Number

Mobile

Fax: Area code Number

INVESTOR 2 (Your name MUST match your ID exactly.)

Title: Given Names (in full) Surname:

Date of Birth (dd/mm/yyyy) Country of Citizenship

Residential Address

City/Suburb/Town State Postcode Country

Email Address

Telephone (home) Area code Number

Telephone (business hours) Area code Number

Mobile

Fax: Area code Number



A2 AUSTRALIAN CORPORATIONS & CORPORATE TRUSTEES

Must provide a certified copy of an ASIC search on the company name or certificate of registration

Full name of the company as registered by ASIC

ACN or ABN

Registered Office Address (PO Box is NOT acceptable)

City/Suburb/Town

State

Postcode

Country

Principal Place of Business (if any) (PO Box is NOT acceptable)

City/Suburb/Town

State

Postcode

Country

Main Contact

Email Address

Telephone (business hours)

Area code

Number

Fax:

Area code

Number

Company type

Public – note that at least one Director must also complete A1

Proprietary – complete Director details below for all directors and at least one Director must also complete A1

How many directors are there?

Each Director's name in full (in Capitals)

If the company is a proprietary company and is not a regulated company, the full name and residential address (in capitals) of each individual that who owns, through one or more shareholdings, more than 25% of the issued capital of the Company.

If the company is a majority owned subsidiary of an Australian listed company, the name of the listed company and the relevant exchange.

If the company is regulated, the name of the regulator and details of the relevant license.

A3 TRUSTS or SUPER FUND DETAILS

Must provide certified copy of the first few pages of the Trust deed or ATO website extract or ATO communication

Name of Trust or SMSF

Country of establishment

Date of establishment

ABN

BENEFICIARY 1 – Name

ABN (if applicable)

BENEFICIARY 2 – Name

ABN (if applicable)

BENEFICIARY 3 – Name

ABN (if applicable)



TAX FILE NUMBER

TFN Details for the Entity making the investment (e.g, if investing using a SMSF, please provide TFN details for the SMSF)

Are you an Australian resident for tax purposes? Yes No

If no, please specify your country of tax residence

Australian Tax File Number (This information requested by Sequoia Nominees No. 1 Pty Ltd as Custodian.)

OR Exempt from quoting a tax file number

Exemption details (if applicable)

SECTION B – ACCOUNT CONTACT DETAILS (MUST COMPLETE)

Please indicate your preferred account contact details:

Same as Section A

Please use the following address for correspondence

Main Contact

Postal Address

City/Suburb/Town

State

Postcode

Country

Email Address

Telephone (home)

Area code

Number

Telephone (business hours)

Area code

Number

Mobile

Fax:

Area code

Number

SECTION C – INVESTMENT DETAILS (MUST COMPLETE)

Details of the Units to be purchased:

	US Tech Optimiser Series 1
Number of Units	
Issue Price	\$1.00 per Unit
Investment Amount (\$)	\$ _____
Prepaid Interest (A) (5.95% p.a. x 2 years)	\$ _____ (Investment Amount x 11.90%)
Application Fee (B) (1.65%)	\$ _____ (Investment Amount x 1.65%)
Upfront Adviser Fee* (C)	\$ _____
Total Amount Payable* (A) + (B) + (C)	\$ _____

*Adviser Fees are collected by the Issuer and paid to your advisers dealer group. Please discuss and agree with your adviser the total amount that you will pay (if any) for financial product advice given by your adviser to you in relation to your investment in the Units.

By signing the Application Form you irrevocably authorise the Issuer to collect the Adviser Fee (if any) specified on this Application Form at the same time as the other payments are direct debited and irrevocably direct the Issuer to pay these amounts to your adviser on your behalf.



SECTION D – OPERATING AUTHORITY (MUST COMPLETE)

When giving instructions to us about your investment please indicate who has authority to operate your account:

INDIVIDUAL/JOINT ACCOUNTS (if no box is ticked we will assume all can sign)

any one applicant to sign both applicants to sign

COMPANY, TRUST, SUPER FUND ACCOUNTS (if no box is ticked all future written instructions must be signed by two directors/trustees, director and secretary, or the sole director)

any one applicant to sign any two applicants to sign all applicants to sign Other

SECTION E – PRIVACY

Sequoia Specialist Investments Pty Ltd may wish to contact you about future investment opportunities that may be of interest. Please tick the box if you do NOT wish to be contacted for this purpose.

I/We do not wish to receive information from Sequoia Specialist Investments regarding future investment opportunities.

SECTION F – PROVIDING IDENTIFICATION

I/We confirm I/we have ATTACHED CERTIFIED COPIES of the required proof of identification with this Application Form for each investor/applicant.

Persons authorised to certify a copy of the documents used to verify individual's identity can be found in Section 19.

SECTION G – DECLARATIONS & SIGNATURES

YOU SHOULD READ THE PDS IN FULL BEFORE SIGNING THIS APPLICATION FORM

By completing this Application Form you:

1. declare that you have read and understood this Term Sheet PDS and the Master PDS.
2. declare that you have read and understood Section 6 "Terms of the Deferred Purchase Agreement" of the Master PDS.
3. declare that you have read and agree to the terms of Section 8 "Loan Agreement" of the Master PDS.
4. agree to the collection, use and disclosure of your personal information provided in this Application Form.
5. declare that you have received this Term Sheet PDS and the Master PDS personally, electronically or a print-out of it, accompanied by or attached to this Application Form before signing the form.
6. declare that all information provided in the Application Form or any other information provided in support of the Application is true and correct.
7. acknowledge that none of Issuer, Custodian or any member of their respective groups or any of their directors or associates or any other entity guarantees the performance of or the repayment of capital invested in, or income from the Units.
8. declare that if the Execution Page of this Application Form is signed under power of attorney, you have no knowledge of the revocation of that power of attorney.
9. declare that you have the power to make an investment in accordance with this application, including the Application for the Loan in accordance with the Loan Agreement and the Units in accordance with the terms of this PDS.
10. declare that you have read and understood the Direct Debit Request Service Agreement.
11. confirm and make the declarations set out in the Direct Debit Authority.
12. declare that sole signatories signing on behalf of a company are signing as sole director or as a sole director/secretary of the company.
13. acknowledge that an investment in the Units is subject to risks including possible delays in repayment and possible loss of capital invested.
14. agree to be bound by the provisions of the terms and conditions of the Units set out in the PDS, specifically those contained in Section 6 "Terms of the Deferred Purchase Agreement" and Section 8 "Loan Agreement" of the Master PDS, and as amended from time to time.
15. acknowledge that the terms and conditions of the Units are an agreement between the Issuer, the Custodian and the Investor arising on the terms and conditions set out in Section 6 "Terms of the Deferred Purchase Agreement" of the Master PDS.
16. acknowledge that you give the indemnities in clause 12 of Section 6 "Terms of the Deferred Purchase Agreement" and clause of Section 8 "Loan Agreement" of the Master PDS for the benefit of the Issuer and the Custodian.
17. acknowledge that this PDS does not constitute an offer in any jurisdiction in which, or to any person of whom, it would be unlawful to make the offer.
18. declare that if investing as a trustee of a trust ("**Trust**") (including acting as trustee for a superannuation fund) you are acting in accordance with your designated powers and authority under the Trust Deed. In the case of Superannuation Funds, you also confirm that the funds are complying funds under the Superannuation Industry (Supervision) Act.
19. declare that if investing as a trustee of a trust (Trust) (including acting as trustee for a superannuation fund), you are familiar with the documents constituting the trust (the Trust Documents) (and as amended, if applicable) purporting to establish, and relating to, the Trust and hereby declare and confirm that:
 - a) the Trust and the Trust Documents have been validly constituted and is subsisting at the date of this declaration;
 - b) you will be and are empowered and authorised by the terms of the Trust Documents examined by you to enter into and bind the Trust to the transactions completed by the Terms and this Term Sheet PDS and the Master PDS;
 - c) the transactions completed by the Terms and this Term Sheet PDS and Master PDS do or will benefit the beneficiaries of the Trust; and
 - d) you have all the power, authority and discretion vested as trustee to apply for and hold the Units.
20. acknowledge that there is a Security Interest over the Hedge, known as the Hedge Security Deed (described in Section 3 "Security Arrangements" of the Master PDS) and you are entitled to the benefit of the Hedge Security Deed, bound by the terms of the Hedge Security Deed and must perform all of the obligations and comply with all restrictions and limitations applicable to you under the Hedge Security Deed. You also acknowledge that the benefit of the Hedge Security Deed is



- held by the Security Trustee on trust for you in accordance with the Security Trust Deed (described in Section 3 "Security Arrangements" of the Master PDS).
21. acknowledge that all information relating to this Application Form for investment or any subsequent information relating to this investment may be disclosed to any service provider and to your adviser. This authority will continue unless revoked in writing by you.
 22. if you use the facsimile or email facility you:
 - a) release, discharge and agree to indemnify the Issuer and their agents, including the registrar and their respective officers from and against all losses, liabilities, actions, proceedings, accounts, claims and demand arising from instructions received under the facility;
 - b) agree that a payment made in accordance with the conditions of the facility shall be in complete satisfaction of all obligations to you for a payment, notwithstanding it was requested, made or received without your knowledge or authority.
 23. acknowledge the Issuer has entered into custodial arrangements with Sequoia Nominees No. 1 Pty Ltd ("**Custodian**").
 24. acknowledge that your Units will be issued to the Custodian on your behalf and the Custodian will hold your Units subject to the Investor Security Deed in accordance with the terms of the Loan Agreement and the Custody Deed.
 25. irrevocably direct and authorise the Lender to draw down the Loan Amount and pay the amount directly to the Issuer in satisfaction of your obligation to pay your Investment Amount.
 26. acknowledge that if the Units are subject to Early Maturity for any reason, you will not be entitled to any Performance Coupons payable or the Delivery Parcel on or after the occurrence of the relevant Early Maturity Event.
 27. irrevocably direct and authorise the payment of the Performance Coupons, Buy-Back Price, Termination Payment, Early Maturity Value and Sale Monies to be paid firstly to the Lender in repayment of the Loan Amount. However, the Lender does not intend to apply the Performance Coupons (if any) to the Loan Amount during the Investment Term unless there is an Event of Default under the Investor Security Deed.
 28. if you fail to pay the Loan Amount, you assign all of your rights under the Loan Agreement to the Acceptor and the Acceptor will assume all of your obligations under the Loan Agreement on your behalf. You will be deemed to direct the Custodian to hold the Delivery Parcel on your behalf, and to authorise and direct the Issuer (or its nominees) to sell or procure the sale of the Delivery Parcel and to apply the resulting Sale Monies (which includes a deduction for Delivery Costs) to pay the Lender an amount equal to the Loan Amount when the Acceptor assumed your obligations under the Loan.
 29. agree and acknowledge that their recourse against the Issuer is limited to the Secured Property only and otherwise they can take no action against the Issuer.
 30. irrevocably appoint for valuable consideration the Issuer, its related bodies corporate and each of their respective employees whose title includes the word "director" jointly, and each of them severally as my/our true and lawful agent to do all acts and things:
 - a) necessary to bind you to the Terms, give effect to the Terms, including without limitation, completing or amending any Application Forms (if the Issuer, in its absolute discretion, has accepted the Application Form);
 - b) necessary to give effect to, amend, execute, register or enforce the Custody Deed or Investor Security Deed and bind you to the terms of the Custody Deed;
 - c) that the Investor is obliged to do under the Terms;
 - d) which, in the opinion of the Issuer are necessary in connection with:
 - i. payment of any moneys to the Investor;
 - ii. the Maturity process, including without limitation, if an Early Maturity Event occurs;
 - iii. any Issuer Buy-Back;
 - iv. the Delivery Assets, including without limitation the delivery or sale of the Delivery Assets;
 - v. the repayment of the Loan Amount;
 - vi. the Investor Security Deed, including without limitation the perfection and enforcement of the Investor Security Deed.
 31. indemnify the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.
 32. agree to give further information or personal details to the issuer if it reasonably believes that it is required to meet its obligations under anti-money laundering counterterrorism or taxation legislation. By making this application, you represent and covenant that the funds you are investing are not the proceeds of crime or money laundering, nor connected with the financing of terrorism. You agree that the Issuer may in its absolute discretion determine not to issue units to you, may cancel any units that have been issued to you or may redeem any units issued to you if the Issuer believes that such action is necessary or desirable in light of its obligations under the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 or any related legislation.
 33. Have read and understand the Privacy Policy for the Issuer and the Security Trustee as described in detail in Section 5 "Additional Information" of the Master PDS.



SECTION H – Bank Account Details for direct debit purposes and/or paying potential future Performance Coupons

How will you pay for your investment

I will pay directly via **Electronic Funds Transfer (EFT)** to the following account:

BSB: 032-002

AC: 744 480

Name: Sequoia Specialist Investment Pty Ltd <Investor Trust AC>

Please **Direct Debit** my Nominated Account

This Direct Debit Request includes this page and the next section entitled "Section J – Execution Page".

Important Note: Bank account name(s) must match the Applicant name(s) in the Application Form and be signed by that person(s). If a company or corporate Trust is applying, this form must be signed by either the sole director (if there is only one) OR two directors or a director and secretary (if there are two or more).

In the case of a joint account, both signatures are required in Section J.

Surname or Company Name

Given Name or ABN

Surname or Company Name

Given Name or ABN

authorise and request Sequoia Specialist Investments Pty Ltd ACN 145 459 936, (or its nominee, related entity assignee, transferee, participant or sub-participant as required), until further notice in writing, to arrange, through its own Financial Institution, for any amount that Sequoia Specialist Investments Pty Ltd may properly charge me/us to be debited from my/our Nominated Account via the Bulk Electronic Clearing System at the financial institution shown below and paid to Sequoia Specialist Investments Pty Ltd subject to the terms and conditions of the Direct Debit Request Service Agreement in the Master PDS. Investors should ensure sufficient funds are in the Nominated Account from this date to prevent any dishonour fees.

Account Details

Bank Name/Institution

Branch name and address

City/Suburb/Town

State

Postcode

Country

BSB

Account Number

Account Name



SECTION I – FATCA STATUS

The Foreign Account Tax Compliance Act (FATCA) is a US law, effective 1 July 2014, which impacts investors worldwide. FATCA attempts to minimise US income tax avoidance by US persons investing in assets outside the US, including through their investments in Foreign Financial Institutions. FATCA requires reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service (IRS).

The Custodian is required to provide information about the following investors to the ATO:

- Investors identified as US citizens or tax residents (information about corporations and trusts with US substantial owners or controlling persons will also be reported).
- Investors who do not confirm their FATCA status.
- Certain Financial Institutions that do not meet their FATCA obligations (Non-participating Foreign Financial Institutions).

Note: This section is part of the identification requirements relating to FATCA. If you do not provide the information about your FATCA status, we will not be able to process your application.

Are any named applicants in this application:

- a US Person, being either:
 - a US citizen or US resident individual;
 - a partnership or corporation organized in the US or under the laws of the US;
 - a trust where:
 - a US court would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust; and
 - one or more US Persons having the authority to control all substantial decisions of the trust; or
 - an estate of a deceased person who was a citizen or resident of the US; or
- an entity (other than an individual) that is not a US Person and has individual beneficial owners who are US Persons who own at least 25% of the interests in the entity through direct or indirect interests or otherwise control the entity;
- a trust that has a settlor, a trustee or beneficiaries or other individuals that control the trust and are US citizen or US resident individuals;
- a financial institution (e.g. custodial or depository institution, investment entity or insurance company) that has a global intermediary identification number (GIIN); or
- a trust with a trustee that is a financial institution (e.g. custodial or depository institution, investment entity or insurance company) that has a GIIN.

No. Please go to next Section. Nothing further required.

Yes Please provide the name(s), address and US Tax Payer Identification Number (TIN) of you and each relevant US person mentioned above.

Name (in full)	Indicate if an individual, partnership, company, trust, trustee, settlor, beneficial owner or financial institution	US TIN and GIIN (if any)	Address (if not already provided in this application form)



SECTION J – EXECUTION PAGE

This execution page forms part of the Application Form and Direct Debit Request

Acknowledgments

I/We understand and acknowledge that by signing below:

- I/We have read and understood, and agree to, the terms and conditions governing the direct debit arrangements between me/us and Sequoia Specialist Investments Pty Ltd as set out in the Direct Debit Request Service Agreement of this PDS; and
- I/We make the declarations set out in Section H of this Application Form.

Business/Investment Purpose Declaration

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

IMPORTANT

You should only sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

By signing this declaration you may lose your protection under the National Credit Code.

I/We irrevocably authorise the Issuer to collect the Upfront Adviser Fee (if any) specified on our Application Form at the same time as the other payments are direct debited and irrevocably direct the Issuer to pay these amounts to your adviser on our behalf.

I/We indemnify the Issuer against any claim from an adviser to recover the Adviser Fee once the investment has commenced and Units have been issued.

Director/Trustee 1 (Print Name)

Signature (Director/Trustee 1)

Date

Tick capacity – mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner

Director/Trustee 2 (Print Name)

Signature (Director/Trustee 2)

Date

Tick capacity – mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner



DIRECT DEBIT REQUEST SERVICE AGREEMENT

Between the Investor and Sequoia Specialist Investments Pty Ltd ACN 145 459 936.

This debit or charge will be made through the Bulk Electronic Clearing System (BECS) from your account held at the financial institution you have nominated below and will be subject to the terms and conditions of the Direct Debit Request Service Agreement.

1. Definitions

The following definitions apply in this agreement.

“Account” means the account held at Your Financial Institution from which We are authorised to arrange for funds to be debited.

“Agreement” means this Direct Debit Request Service Agreement between You and Us.

“Banking Day” means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

“Debit Day” means the day that payment by You to Us is due.

“Debit Payment” means a particular transaction where a debit is made.

“Direct Debit Request” means the Direct Debit Request between Us and You.

“Our, Us or We” means Sequoia Specialist Investments Pty Ltd (**“Sequoia”**) which You have authorised by signing a Direct Debit Request.

“Term Sheet PDS” means the document to which this Agreement was attached and which sets out the terms of the offer of the US Tech Optimiser Units – Series 1 Deferred Purchase Agreements.

“You or Your” means the person(s) who has signed or authorised by other means the Direct Debit Request.

“Your Financial Institution” is the financial institution where You hold the Account that You have authorized Us to arrange to debit.

2. Debiting Your account

2.1 By signing an Application Form that contains the Direct Debit Request, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between Us and You.

2.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.

2.3 If the Debit Day falls on a day that is not a Banking Day, We may direct Your Financial Institution to debit Your Account on the following Banking Day.

2.4 If You are unsure about which day Your Account has or will be debited You should ask Your Financial Institution.

3. Amendments by Us

3.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least fourteen (14) days written notice.

4. Amendments by You

4.1 You may change, stop or defer a debit payment, or terminate this agreement by providing Us with at least fourteen (14) days notification by writing to:

Sequoia Specialist Investments Pty Ltd
PO Box R1837
Royal Exchange NSW 1225

or

by telephoning Us on 02 8114 2222 during business hours;

or

arranging it through Your own financial institution.

5. Your obligations

5.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

5.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:

(a) You may be charged a fee and/or interest by Your Financial Institution;

(b) You may also incur fees or charges imposed or incurred by Us; and

(c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

5.3 You should check Your account statement to verify that the amounts debited from Your Account are correct

5.4 If We are liable to pay goods and services tax (“GST”) on a supply made in connection with this Agreement, then You agree to pay Us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

6. Dispute

6.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly. Alternatively You can take it up with Your Financial Institution direct.

6.2 If We conclude as a result of Our investigations that Your Account has been incorrectly debited We will respond to Your query by arranging for Your Financial Institution to adjust Your account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

6.3 If We conclude as a result of Our investigations that Your Account has not been incorrectly debited We will respond to Your query by writing You with reasons and any evidence for this finding in writing.

7. Accounts

You should check:

(a) with Your Financial Institution whether direct debiting is available from Your account as direct debiting is not available on all accounts offered by financial institutions;

(b) Your account details which You have provided to Us are correct by checking them against a recent account statement; and

(c) with Your Financial Institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

8. Confidentiality

8.1 We will keep any information (including Your account details) in Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of our employees or agents who have access to information about You do not make any unauthorised use, modification, reproduction or disclosure of that information.

8.2 We will only disclose information that We have about You:

(a) to the extent specifically required by law; or

(b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

9. Notice

9.1 If You wish to notify Us in writing about anything relating to this agreement, You should write to Your Account Manager.

9.2 We will notify You by sending a notice in the ordinary post to the address You have given Us in the Application Form to the PDS.

9.3 Any notice will be deemed to have been received on the third banking day after posting. Execution by You of the Application Form that contains the Direct Debit Request deems You to have read and understood the terms of this Direct Debit Request Service Agreement.



Section K – Trustee Declaration (Trusts & SMSFs to complete)

This form must be provided to the Issuer by you, as Trustee of the Trust named in the Application Form (the “Trust”), if you are applying for the US Tech Optimiser Units – Series 1

Dear Sir/Madam

This Trustee’s Declaration is provided to the Issuer (and each of its related bodies corporate) in connection with the issue of the US Tech Optimiser Units – Series 1

I am the Trustee of the Trust and am familiar with the documents constituting the Trust (the “Trust Documents”) (and as amended if applicable) purporting to establish, and relating to, the Trust.

I hereby declare and confirm that:

- 1. The Trust and Trust Documents to have been validly constituted and is subsisting at the date of this declaration
- 2. I am empowered and authorised by the terms of the Trust Documents examined by me to enter into and bind the Trust to the transactions contemplated by the Terms of the US Tech Optimiser Units – Series 1 Term Sheet PDS dated 9 April 2020 (as relevant) and the Master PDS dated 14 August 2017.

Director/Trustee 1 (Print Name)

Signature (Director/Trustee 1)

Date

Tick capacity – mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner

Director/Trustee 2 (Print Name)

Signature (Director/Trustee 2)

Date

Tick capacity – mandatory for companies Sole Director Director Secretary

Tick capacity if appropriate: Individual Trustee Corporate Trustee Partner



ADVISER USE ONLY

Adviser Name (in full)

Adviser Postal Residential Address

City/Suburb/Town

State

Postcode

Country

Adviser Phone (business hours) Area code

Number

Adviser Email

Adviser Stamp

Dealer Group name

Dealer Phone (business hours) Area code

Number

Dealer Group AFS License Number

Dealer Group ABN

IMPORTANT – MUST BE COMPLETED FOR EACH APPLICATION

The following must be completed in order to fulfil the legislative requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 as amended from time to time (“AML/CTF”). Please refer to Section 12 of the Master PDS for a guide to acceptable identification documentation.

ID Document Details

Applicant 1

Applicant 2

Verified From

Original

Certified Copy

Original

Certified Copy

Document Issuer

Issue Date

Expiry Date

Document Number

Applicant Information

I confirm the following:

- I confirm that I have sighted original or certified copies of the Applicants identity documents.
- I will hold the material from which I have verified the information for 7 years from the date of this investment.
- I have attached identity documents for this Application and will provide any available information about that client, if requested by the Issuer, its Agent or AUSTRAC.
- I acknowledge that it may be a criminal offence to knowingly provide false, forged, altered or falsified documents or misleading information or documents when completing this Application form.

- consent to the collection of the Upfront Adviser Fee and Ongoing Adviser Fee by the Issuer;
- agree that the Issuer has no liability to us for the amount of the Upfront Adviser Fee and Ongoing Adviser Fee or the collection or remittance of the Upfront Adviser Fee and Ongoing Adviser Fee to us;
- agree and acknowledge that if the Issuer decides not to proceed with the issue of the Units for any reason then the Upfront Adviser Fee or Ongoing Adviser Fee will not be collected (or, if collected, will be returned to applicants without interest), the Upfront Adviser Fee and Ongoing Adviser Fee will not be payable to us and we will have no action against the Issuer in respect of the Adviser Fee;
- agree and acknowledge that if the Unitholder(s) investment in the Units is terminated for any reason, the Upfront Adviser Fee and Ongoing Adviser Fee will not be collected and we will have no action against the Issuer in respect of any unpaid Adviser Fee; and
- agree to indemnify and hold the Issuer harmless against any damage, loss, cost, liability or expense of any kind (including without limitation penalties, fines and interest) incurred by the Issuer arising from or connecting in any way with the collection and remittance of the Upfront Adviser Fee or Ongoing Adviser Fee.

Payment of the Adviser Fee – consent to fee payment arrangements

By signing this Application Form, we:

- agree that our fee for the provision of financial product advice to the Investors(s) (i.e. the Adviser Fee made up of the Upfront Adviser Fee (if any)) is as specified in Section C of the Application Form;

Authorised Investment Adviser Signature

Authorised Representative Number

Date

sequoia

Specialist Investments

ABN 69 145 459 936

US Tech Optimiser Units – Series 1



ISSUER BUY-BACK FORM

This is an Issuer Buy-Back Form for Units in the US Tech Optimiser Units – Series 1 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506). This Issuer Buy-Back Form accompanies the Term Sheet PDS dated 9 April 2020, Master PDS dated 14 August 2017 and any supplementary PDS issued for the Units (PDS). This form is to be used if you are an investor in the Units and wish to request an Issuer Buy-Back prior to Maturity. Please see the instructions on how to complete this Form in the PDS. This Buy-Back Request Form must be received by the Registrar by 2:00 pm in order to be processed that day.

SECTION A – INVESTOR DETAILS

I/We hereby apply for the following Units issued by Sequoia Specialist Investments Pty Ltd pursuant to the Term Sheet PDS dated 9 April 2020 and Master PDS dated 14 August 2017 to be transferred from me/us to the Issuer.

Name of Seller (if a company, please provide full name and ABN/ACN/ARBN):

Address

City/Suburb/Town

State

Postcode

Country

Telephone

Area code

Number

SECTION B – DETAILS OF THE UNITS TO BE SOLD

Investment:

US Tech Optimiser Units – Series 1

Total Number of Units to be Sold (this must be greater than or equal to the Minimum Buy-Back Amount)*

* The Minimum Buy-Back Amount is 50,000 Units in a particular Series, provided Investors continue to hold at least 50,000 Units in that Series.

SECTION C – DECLARATIONS & SIGNATURES

I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the Term Sheet PDS and Master PDS on which I/we held those Units at the time of signing of this form.

1. I/We have full legal power to request this Issuer Buy-Back and do so free of any encumbrance or security (whether registered or not).
2. I/We understand I/We will have no further exposure to the Reference Asset after the Units are bought back.
3. I/We understand that there may be significant Break Costs (including Loan Break Costs) for the Issuer Buy-Back.
4. I/We understand that the Buy-Back Price (if any) may differ significantly from the quoted value provided by Sequoia Specialist Investments and/or the Hedge Provider.
5. I/We understand that the Buy-Back Price will first be applied against my outstanding Loan Amount and only the surplus (if any) will be paid to me/us.
6. I/We understand that the tax outcome may differ from the Term Sheet PDS and Master PDS by participating in an Issuer Buy-Back.
7. The Issuer strongly recommends you seek independent expert tax advice before submitting this request.
8. I/We understand by submitting the Issuer Buy-Back request, that it is irrevocable.

9. Signature of Unitholder 1

Signature of Unitholder 1

Name of Unitholder 1

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity (if applicable)

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


sequoia

Specialist Investments

ABN 69 145 459 936

**Lead Distributor**

Sequoia Asset Management
Level 7, 7 Macquarie Place
Sydney NSW 2000
PO Box R1837
Royal Exchange NSW 1225
P: 1300 522 644

Issuer:

Sequoia Specialist Investments
Level 7, 7 Macquarie Place
Sydney NSW 2000
PO Box R1837
Royal Exchange NSW 1225
P: 02 8114 2222

Registrar:

Registry Direct Pty Ltd
Level 6, 2 Russel Street
Melbourne VIC 3000
P: 1300 55 66 35

Issuer's Solicitors:

Baker & McKenzie
Tower One – International Towers Sydney
Level 46
100 Barangaroo Avenue
Sydney NSW 2000

Custodian & Security Trustee:

Sequoia Nominees No. 1 Pty Ltd
Level 7, 7 Macquarie Place
Sydney NSW 2000
PO Box R1837
Royal Exchange NSW 1225

All Application Forms and Correspondence to:

Sequoia Asset Management
PO Box R1837
Royal Exchange
NSW 1225