

## Sequoia Future Tech – Series 4



### **Nasdaq Yewno Global Innovative Technologies ER Index 12 May 2022 Offer Close Date**

Sequoia has just launched a new investment enabling investors to gain 100% leveraged exposure to the Nasdaq Yewno Global Innovative Technologies ER Index with minimal upfront capital and limited downside risk

## Sequoia Future Tech – Series 4

Sequoia Future Tech – Series 4 aims to provide investors with the opportunity to take advantage of numerous emerging trends developing across a variety of technology sectors. It achieves this by delivering exposure to a widely diversified portfolio of global companies which are in the process of commercializing new innovative technologies as they arise around the world.

The Units in Sequoia Future Tech – Series 4 offer investors the ability to gain 100% leveraged exposure to the Nasdaq Yewno Global Innovative Technologies ER Index (“**Nasdaq Yewno Index** or **Index**”) over a 2 year period. The Units have the potential to pay an uncapped Performance Coupon at Maturity dependant on the Index Performance adjusted for changes in the AUD/USD exchange rate during the Investment Term (“the **Series Performance**”).

### Summary of the key features

Future Tech Series 4	
Reference Asset/Index	Nasdaq Yewno Global Innovative Technologies ER Index (Nasdaq: NYGITE Index) Please refer to the following link: <a href="https://indexes.nasdaqomx.com/Index/History/NYGITE">https://indexes.nasdaqomx.com/Index/History/NYGITE</a>
Performance Coupon	Yes, there is the potential for an uncapped Performance Coupon payable at Maturity based on the Index Performance adjusted for changes in the AUD/USD exchange rate during the Investment Term
Currency Exposure	Yes, any Performance Coupon payable at Maturity is adjusted for changes in the AUD/USD exchange rate during the Investment Term. In addition, the Index Performance is impacted by underlying changes in various global currencies versus USD
Limited recourse Loan	Yes. Investors borrow 100% of the Investment Amount on a limited recourse basis.
Investment Term	2 years
Annual Interest Rate on Loan	7.45% p.a.
Application Fee	1.65% including GST
Total Investment Cost	16.55% (payable upfront)
Break-Even Point	The Performance Coupon received at Maturity needs to be equal to or greater than 16.55% in order for investors to at least break-even (excluding any Upfront Adviser fee and any external costs). Refer to section 4 for more information.
Maximum Loss	Due to the limited recourse nature of the Loan the maximum loss that can be ever incurred is the Total Investment Cost plus any Upfront Adviser Fee. There is no additional risk of loss in relation to the Loan Amount.
Margin Calls	No
SMSF Eligibility	Yes

### Hypothetical Scenario Outcomes

Assuming you wish to get exposure to the Nasdaq Yewno Index with minimal upfront capital and limited downside risk for a 2 year period, you decide to take out a limited recourse loan of \$100,000 and invest the proceeds into Sequoia Future Tech Series 4. The cashflow scenarios are below:

Future Tech Series 4	
Investment Amount	\$100,000
Loan	(\$100,000)
Prepaid Interest for 2 year Investment Term (7.45% p.a.) payable upfront	(\$14,900)
Application Fee including GST (1.65%)	(\$1,650)
<b>Total Investment Cost* (payable upfront)</b>	<b>(\$16,550)</b>

\*This excludes any Upfront Adviser Fee

## Nasdaq Yewno Global Innovative Technologies ER Index

The Nasdaq Yewno Global Innovative Technologies ER Index is designed to track a portfolio of global stocks across 6 key sectors and 25 subsectors that are expected to drive technological advancement and economic growth in the years to come. This is illustrated below:

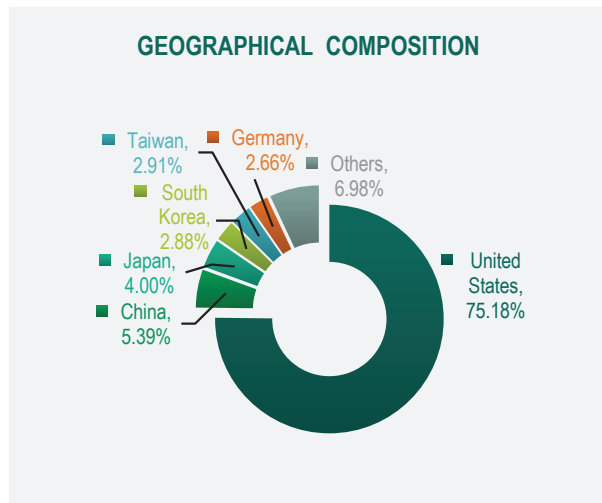
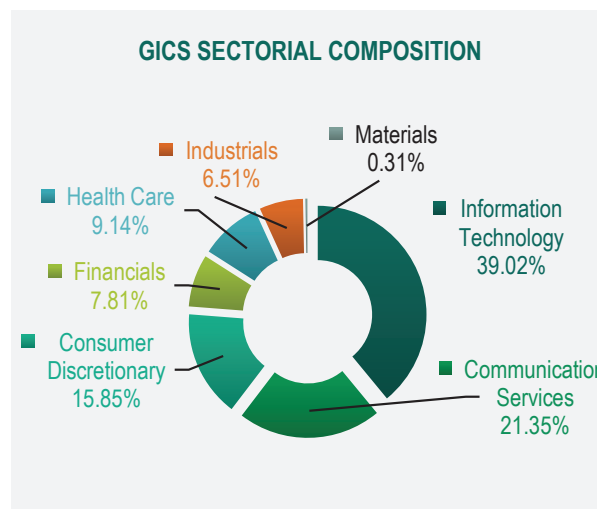
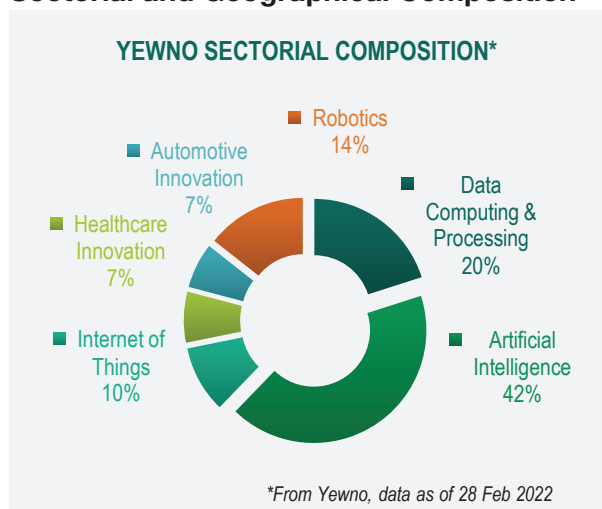
Artificial Intelligence	Automotive Innovation	Data Computing & Processing	Healthcare Innovation	IoT	Robotics
Deep Learning	Autonomous Vehicles	3D Graphics	Bioinformatics	Digital Currency	3D Printing
NLP	Electric Vehicles	Big Data	Human Augmentation	Internet of Things	Drones
Image Recognition	Hybrid Vehicles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

## Other Characteristics of the Index

Other characteristics of the Index include:

- **Market Cap weighted:** The weightings given to each stock in the Index is by reference to their market capitalization, with a minimum weight of 0.25% per stock;
- **Quarterly rebalancing;** The stocks comprising the Index are rebalanced on a quarterly basis on the third Friday of January, April, July and October;
- **Adjusted Return:** A synthetic dividend of 3% is subtracted from the net return.
- **Foreign exchange:** The Index is expressed in USD but can be composed of stocks denominated in other currencies. Consequently, there is a risk linked to the evolution of these currencies against USD which can influence the performance of the Index;

## Sectorial and Geographical Composition



Source: Bloomberg as of 19 April 2022.

## Hypothetical Examples in relation to the potential Performance Coupon at Maturity

In the example below we look at various potential hypothetical scenarios in relation to the Series Performance, Performance Coupon and Profit or Loss at Maturity. Please note that these are theoretical scenarios only and are provided for illustrative purposes only and are not intended to be a forecast. They do not indicate past performance and are not an indication or guarantee that similar returns will be achieved in the future.

If we assume a \$100,000 Loan Amount and Investment Amount, the hypothetical cash flows will be as follows:

Scenario	Investment Amount	Total Investment Cost	Series Performance at Maturity	Performance Coupon at Maturity	Profit or Loss
1	\$100,000	\$16,550	-10%	\$0	-\$16,550
2	\$100,000	\$16,550	0%	\$0	-\$16,550
3	\$100,000	\$16,550	10%	\$10,000	-\$6,550
<b>4 Breakeven</b>	<b>\$100,000</b>	<b>\$16,550</b>	<b>16.55%</b>	<b>\$16,550</b>	<b>\$0</b>
5	\$100,000	\$16,550	20%	\$20,000	\$3,450
6	\$100,000	\$16,550	30%	\$30,000	\$13,450
7	\$100,000	\$16,550	40%	\$40,000	\$23,450
8	\$100,000	\$16,550	50%	\$50,000	\$33,450
9	\$100,000	\$16,550	60%	\$60,000	\$43,450

\*Excludes any Upfront Adviser Fee, tax, and any other external costs paid by the Investor in connection with investing in Units.

## Total Investment Cost – Examples

	Minimum		
Investment Amount	\$100,000	\$300,000	\$500,000
Loan	(\$100,000)	(\$300,000)	(\$500,000)
Prepaid Interest for 2 year Investment Term (7.45% p.a.) payable upfront	(\$14,900)	(\$44,700)	(\$74,500)
Application Fee including GST (1.65%)	(\$1,650)	(\$4,950)	(\$8,250)
<b>Total Investment Cost*</b>	<b>(\$16,550)</b>	<b>(\$49,650)</b>	<b>(\$82,750)</b>

\*This excludes any Upfront Adviser Fee

## Key risks include:

- Risk of 100% loss in relation to the Total Investment Cost and Upfront Adviser Fee. The Total Investment Cost equals the Prepaid Interest in relation to the Loan and the Application Fee. Investors may also incur an Upfront Adviser Fee in addition. A 100% loss will occur if there is no Performance Coupon paid At Maturity. This will be the case if the Index Performance is zero or negative at Maturity;
- Risk of partial loss (i.e. less than 100% loss) in relation to the Total Investment Cost and Upfront Adviser Fee. The Total Investment Cost equals the Prepaid Interest in relation to the Loan and the Application Fee. Investors may also incur an Upfront Adviser Fee in addition. Investors may incur a partial loss if the Performance Coupon at Maturity is less than the Break-Even Point;
- Timing risks. The timing risk associated with Series 4 is significant. This is because the Investment Term is fixed and the Series Performance needs to exceed the Break-Even Point by the time the Maturity Date arrives in order for the investor to generate a profit from their investment (ignoring any Upfront Adviser Fee and any external costs). If this does not occur then Investors will generate a loss;
- Any Performance Coupon at Maturity is determined by reference to the Index Performance adjusted for changes in the AUD/USD exchange rate during the Investment Term. An increase in the AUD/USD exchange rate between the Commencement Date and the Maturity Date will reduce any Performance Coupon payable whilst a decrease in the AUD/USD rate between the relevant dates will lead to an increase in any Performance Coupon payable. As such, whether or not you break-even depends on both the Index Performance and the AUD/USD exchange rate performance 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 Early Maturity Event, you will not receive a refund of your Prepaid Interest or Fees. The amount received will depend on the market value of the Units which will be determined by many factors before the Maturity Date including prevailing interest rates in Australia and internationally, foreign exchange rates, the remaining time to Maturity, and general market risks and movements including the volatility of the Index. Investors should be aware the Units are designed to be held to Maturity and are not designed to be held as a trading instrument;
- 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 Master PDS for more information.

**To find out more and to download a copy of the relevant  
Termsheet PDS and Master PDS, 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 4 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 4 Units can only be made by completing an Application Form attached to the Term Sheet PDS, after reading the Term Sheet PDS dated 25 April 2022 and the Master PDS dated 14 August 2017 and submitting it to the Issuer. A copy of the PDS can be obtained by contacting Sequoia Asset Management on 02 81 14 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 4. Capitalised terms on the webpage have the meaning given to them in Section 10 “Definitions” of the Master PDS.

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