

Sequoia India – Series 1

Supplementary Term Sheet PDS



28 August 2024



This Supplementary Term Sheet PDS (“**SPDS**”) sets out material changes to the Term Sheet PDS dated 3 August 2024 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (“**the Issuer**”). This Supplementary Term Sheet PDS together with the Term Sheet PDS and the Master PDS dated 14 August 2017 constitutes the PDS for the Offer of the Sequoia India-Series 1 Units.

This PDS is for the offer of an agreement to purchase the shares (“**Delivery Assets**”) specified in Section 9 “Term Sheet” of the 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 Supplementary Term Sheet PDS is dated 28 August 2024 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 SPDS, Term Sheet PDS and 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 SPDS.

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.



Due to an issue with the Hedge Counterparty, we have been forced to replace the Reference Asset for Sequoia India – Series 1 with a new Reference Asset. The changes made by this SPDS in relation to the Term Sheet PDS are set out below.

Key Change:

- Original Reference Asset:
Barclays India ER Tracker Index (BXIIINER)
- Updated Reference Asset:
MSCI India Excess Return 0.90% Decrement Index (Bloomberg Code: MXINER9D Index)

All references in the Term Sheet PDS to the Original Reference Asset are replaced with the Updated Reference Asset as described below. The following sections of the Term Sheet PDS are affected by the change in Reference Asset:

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There is no change made to any section of the Term Sheet PDS not listed above, including there is no change to the cost for investors to acquire Units in Sequoia India-Series 1.

Amendments to Term Sheet PDS:

Reference Asset Disclaimers

The Reference Asset disclaimer on page 3 of the Term Sheet PDS relating to the Barclays India ER Tracker Index (BXIIINER) is deleted from the Term Sheet PDS.

Term Sheet PDS Section 1 – Overview

The second paragraph of Section 1 of the Term Sheet PDS is replaced as follows:

The Units in India Series 1 (“Series 1”) offer investors the ability to gain 100% leveraged exposure to the performance of the MSCI India Excess Return 0.90% Decrement Index. This index tracks the performance of the large and mid-cap segment of the India equity market, containing 146 stocks and covering 85% of the Indian equity universe as described in section 3.

Term Sheet PDS Section 2 – A summary of the key features

The row in the table in Section 2 of the Term Sheet PDS relating to the Reference Asset / Index is replaced as follows:

India Series 1	
Reference Asset / Index	MSCI India Excess Return 0.90% Decrement Index (Bloomberg code: MXINER9D Index)

Term Sheet PDS Section 3 – Barclays India ER Tracker Index: India Series 1

Section 3 of the Term Sheet PDS is replaced in its entirety as follows:

MSCI India Excess Return 0.90% Decrement Index: India Series 1

The MSCI India Excess Return 0.90% Decrement Index (Bloomberg code: MXINER9D Index) is an excess return index designed to track

the extent to which the performance of the underlying MSCI India Index (Bloomberg code: M1IN Index) exceeds the USD secured overnight financing rate (Bloomberg code: SOFRRATE) rate after deducting a fee of 0.9% p.a.

The underlying MSCI India Index (M1IN Index) is a market cap weighted index designed to measure the performance of the large and mid cap segments of the Indian equity market. At the time of writing this PDS, it covers approximately 85% of the Indian equity universe, containing 146 stocks. It is denominated in USD and is calculated on a net total return basis i.e. it includes dividends after deducting any withholding taxes. There is no currency hedging included which means that it’s performance is impacted not just by stock price movements but also movements in the USD/INR exchange rate.

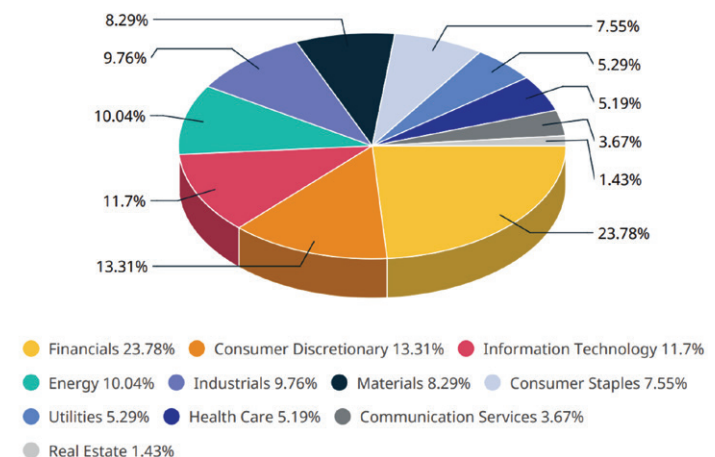
The 0.9% p.a. fee is included in the calculation of the MXINER9D Index as an estimate of the implied repo rate included in the pricing of the Indian equity futures market such as NIFTY 50 futures (Bloomberg ticker: “JGSA Index”). This is included on a best efforts basis to align the economic exposure of the MSCI India Excess Return 0.90% Decrement Index as closely as possible with the original Reference Asset (The Barclays India ER Tracker Index (“BXIIINER Index”)) where this fee was effectively included.

Investors should be aware that the interest cost on a limited recourse loan provided for an investment linked directly to the MSCI India Index (M1IN Index) would be approximately 13.1% p.a. or 4.5% p.a. higher than the interest payable under Sequoia India Series 1 (linked to the MSCI India Excess Return 0.90% Decrement Index (Bloomberg code: MXINER9D Index)). This is because the hedge cost obtained from the Hedge Counterparty is significantly lower due to the fact that Series 1 is referencing an index which is an excess return index and its calculation includes a deduction for the USD secured overnight financing rate and an estimate of the implied repo rate. As such, Series 1 is a lot more cost efficient for end investors.

TOP 10 CONSTITUENTS

	Float Adj Mkt Cap (USD Billions)	Index Wt. (%)	Sector
RELIANCE INDUSTRIES	109.48	7.26	Energy
ICICI BANK	75.41	5.00	Financials
INFOSYS	74.10	4.91	Info Tech
HDFC BANK	54.24	3.60	Financials
TATA CONSULTANCY	47.37	3.14	Info Tech
BHARTI AIRTEL	40.39	2.68	Comm Svcs
MAHINDRA & MAHINDRA	32.39	2.15	Cons Discr
AXIS BANK	31.81	2.11	Financials
LARSEN & TOUBRO	30.69	2.03	Industrials
HINDUSTAN UNILEVER	26.57	1.76	Cons Staples

SECTOR WEIGHTS



Specialist Investments

ABN 69 145 459 936



Term Sheet PDS Section 4 – Roll Feature

Each reference to “BXIIINER Index” in Section 4 of the Term Sheet PDS is replaced with “MXINER9D Index”.

Term Sheet PDS Section 9 – Term Sheet – India Series 1

The following rows located in the table in Section 9 of the Term Sheet PDS are replaced as follows:

Reference Asset / Index	India Series 1: MSCI India Excess Return 0.90% Decrement Index Bloomberg code: MXINER9D Index Type of Index: USD, Excess Return
Index Closing Level	The level of the MSCI India Excess Return 0.90% Decrement Index (MXINER9D Index) published on a monthly basis at: https://www.sequoiasi.com.au/india-series/sequoia-India-series-1/

Term Sheet PDS Section 10 – Key Risks

The following additional key risk applies to the new Reference Asset (in addition to the other key risks described in Section 10 of the Term Sheet PDS):

- The performance of the MSCI India Excess Return 0.90% Decrement Index is also impacted by change of the USD/INR exchange rate. An increase in the USD/INR exchange rate between the Commencement Date and the Maturity Date will reduce Index Performance, whilst a decrease in the USD/INR rate between the Commencement Date and the Maturity Date will lead to an increase in Index Performance.