

# Capital Protected - Series 1 & 2

Capital Protected Investments linked to the performance of the Macquarie MQCP900F Index



10 September 2024

## Information Memorandum For Wholesale Investors ONLY



This Term Sheet IM supplements the Master IM (No Loan) dated 14 March 2024 (“**Master IM**”) issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (“**the Issuer**”). This Term Sheet IM together with the Master IM constitutes the IM for the Offer of Capital Protected – Series 1 & 2.

This IM is for the offer of an agreement to purchase the shares (“**Delivery Assets**”) specified in Section 5 of this Term Sheet Information Memorandum (“**Term Sheet IM**”) on certain terms including deferred delivery in return for the Investment Amount (“**the Offer**”). This Term Sheet IM is dated 10 September 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 IM has not been lodged, and is not required to be lodged with the Australian Securities and Investments Commission (“**ASIC**”).

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

All monetary amounts referred to in this IM are given in Australian dollars (unless stated otherwise). All references to legislation in this IM 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 IM (including the Master IM) is an important document which should be read before making a decision to acquire the Units. The information in this IM 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 IM 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 IM 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 Investment Amount 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 IM

This IM and the Offer are available only to Australian resident investors who qualify as a wholesale client under section 761G of the Corporations Act and are receiving this IM (including electronically) in Australia. Applications from outside Australia will not be accepted. If anyone prints an electronic copy of this IM they must print all pages including the Application Form. If anyone makes this IM 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 IM 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 IM. Investors can find this updated information at any time at [www.sequoiasi.com.au](http://www.sequoiasi.com.au).

A paper copy of this IM (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 IM.

## Returns not guaranteed

Returns on the Units are not guaranteed. The Issuer, the Security Trustee, the Custodian, the Arranger, the Lead Distributor 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 IM.

## 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 in Section 6 “Terms of the Deferred Purchase Agreement” in the Master IM.

## Definitions

Capitalised terms used in this IM have the meaning given in Section 8 “Definitions” of the Master IM, and as defined in this Term Sheet IM.



## 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 IM, 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.

## Reference Asset Disclaimers

Neither Macquarie Bank Limited ("**MB Ltd**") nor any of its affiliates (collectively "**Macquarie**") is the issuer or producer of Capital Protected Series 1 & 2 and Macquarie has no responsibilities, obligations or duties to investors in the Units. The Macquarie MQCP900F Index together with any Macquarie indices that are components of the Macquarie MQCP900F Index, is a trademark owned by Macquarie and, together with any component indices and index data, is being referenced (whether directly or indirectly) in the Units. Macquarie's only relationship with the Issuer in respect of the Index is the referencing of the Index (whether directly or indirectly) in the Units, which is administered, compiled and published by MB Ltd in its role as the index sponsor (the "**Index Sponsor**") without regard to the Issuer, the Units or investors in the Units. Additionally, the Issuer may for itself execute transaction(s) with Macquarie in or relating to the Index in connection with the Units. Investors acquire the Units from the Issuer and investors neither acquire any interest in the Index nor enter into any relationship of any kind whatsoever with Macquarie upon making an investment in the Units. The Units are not sponsored, endorsed, sold or promoted by Macquarie and Macquarie makes no representation regarding the advisability of the Macquarie MQCP900F Index or use of the Index or any data included therein. Macquarie shall not be liable in any way to the Issuer, investors or to other third parties in respect of the use or accuracy of the Index or any data included therein.

Each index administered by Macquarie Bank Limited (London Branch) (together with its affiliates, the "Index Administrator") and referred to in this document (a "Macquarie Index") has been licensed for use for certain purposes by the Issuer. The Index Administrator is not affiliated with the Issuer and the Index Administrator does not approve, endorse, review, or recommend this financial product. The Index Administrator expressly disclaims (to the fullest extent permitted by applicable law) all warranties (express, statutory or implied) regarding this document and Macquarie Index, including but not limited to, all warranties of merchantability, fitness for a particular purpose (including investment by regulated funds) and all warranties arising from course of performance, course of dealing or usage of trade and their equivalents under applicable laws of any jurisdiction. In particular, the Index Administrator does not warrant or guarantee the completeness or accuracy of, the timeliness of calculations of any level of, or the availability of the Index on any particular date or at any particular time of any level of any Macquarie Index. The Index Administrator shall have no liability to any person for delays, omissions or interruptions in the delivery of any Macquarie Index. No representation, warranty or undertaking (express or implied) is made by the Index Administrator as to the accuracy and completeness of information herein concerning any Macquarie Index. The Index Administrator has no liability to the Issuer or to third parties for the quality, accuracy or completeness of the Macquarie Index or related materials or any data included in the Macquarie Index, or for interruptions in the delivery of the Macquarie Index. The Index Administrator makes no warranty

as to the results obtained by the Issuer, the relevant investors or any other person or entity from the use of the Macquarie Index. Macquarie shall not be liable for any damages, including any indirect or consequential damages, resulting from the use of the Macquarie Index or any data included in the Macquarie Index.

The information is intended solely for the use of wholesale clients as defined under the Corporations Act 2001 (Cth). Macquarie Bank Limited ("MBL") ABN 46 008 583 542 Australian Financial Services Licence ("AFSL") and Australian Credit Licence 237502. MBL (including its branches) is authorised by the Australian Prudential Regulation Authority ("APRA"). Details of the extent of our regulation by APRA and the Australian Securities & Investment Commission ("ASIC") are available from us on request. Macquarie Securities (Australia) Limited ABN 58 002 832 126 AFSL 238947 ("MSAL"). Details of the extent of our regulation by the Australian Securities and Investment Commission (ASIC) and the relevant exchanges are available from us on request.



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# 1. Overview



Capital Protected Series 1 & 2 are 2 year investments offering investors capital protected exposure to the performance the Macquarie MQCP900F Index ("**the Reference Asset or Index**") during the Investment Term, fully currency hedged into AUD.

**Capital Protected Series 1 ("Series 1")** offers 100% capital protection at Maturity with the potential to receive an Uncapped Performance Coupon at Maturity dependent on a 130% Internal Gearing Rate applied to the performance of the Macquarie MQCP900F Index adjusted for changes in the AUD/USD exchange rate during the Investment Term.

**Capital Protected Series 2 ("Series 2")** offers 95% capital protection at Maturity with the potential to receive an Uncapped Performance Coupon at Maturity dependent on a 200% Internal Gearing Rate applied to the performance of the Macquarie MQCP900F Index adjusted for changes in the AUD/USD exchange rate during the Investment Term. The index performance for Series 2, multiplied by the Internal Gearing Rate and adjusted for changes in the AUD/USD exchange rate, needs to be at least +5% by maturity in order for investors to receive at least 100% return of capital at maturity.

Capital protection for each Series assumes the Units will mature on the Maturity Date listed in this Term Sheet IM. Capital protection may not apply if the Units terminate early for any reason. Please read this Term Sheet IM in full for more information on risks applicable to capital protection.

The Index is comprised of a basket of diversified commodity carry strategies, incorporating 10 strategies across four risk premia factors. The Index utilises a static weighting scheme based on the inverse volatility of each factor, consistently targeting 5% volatility over the long term.

The key features of the Index include:

- **Alternative source of return:** The Index captures the investment return of 10 strategies across four risk premia factors;
- **Long/Short:** The component indices have a combination of both long and short exposures. As such, they have the ability to generate positive returns irrespective of the direction of the relevant underlying market (however this does not mean that the Index return will be positive);
- **Low Correlation to Global Equities:** As at 31 July 2024 the Index has exhibited a low correlation to global equities; and
- **Pricing efficiency:** The Index has been designed to allow efficient pricing of structured products such as Sequoia Capital Protected Series 1 & 2.

## Potential uncapped Performance Coupon at Maturity

Any potential return on this investment will be received in the form of an Uncapped Performance Coupon payable at Maturity subject to Index Performance at Maturity applied to the full leveraged Investment Amount.

## 2. A summary of the key features of Capital Protected Series 1 & 2 is as follows



Capital Protected Series 1 & 2	
<b>Investment Term</b>	2 years
<b>Currency</b>	AUD
<b>Capital Protection at Maturity</b>	<p><b>Series 1:</b> Yes, the minimum amount payable by the Issuer at Maturity is equal to 100% of the Investment Amount.</p> <p><b>Series 2:</b> Yes, the minimum amount payable by the Issuer at Maturity is equal to 95% of the Investment Amount. The index performance, multiplied by the Internal Gearing Rate and adjusted for changes in the AUD/USD exchange rate, needs to be at least +5% at Maturity in order for investors to receive a 100% return of capital under Series 2.</p>
<b>Uncapped Performance Coupon at Maturity</b>	Yes, there is the potential to receive an uncapped Performance Coupon at Maturity dependent on the Index Performance multiplied by the Internal Gearing Rate, adjusted for changes in the AUD/USD exchange rate.
<b>Internal Gearing Rate</b>	<p><b>Series 1:</b> 130%</p> <p><b>Series 2:</b> 200%</p> <p>When calculating the Uncapped Performance Coupon payable at Maturity the Units will benefit from an Internal Gearing Rate of 130% for Series 1 and 200% for Series 2.</p>
<b>Reference Asset / Index</b>	<p>Macquarie MQCP900F Index</p> <p>Bloomberg Ticker: MQCP900F &lt;Index&gt;</p> <p>If you would like a copy of the Index Rules specifying exactly how the value of the Index is calculated please contact the Issuer at:</p> <p>Email: <a href="mailto:specialistinvestments@sequoia.com.au">specialistinvestments@sequoia.com.au</a> ; or</p> <p>Phone: 02 8114 2203</p>
<b>Capital Protection before Maturity</b>	No, capital protection does not apply in the case an Investor makes an Issuer Buy-Back Request. The Buy-Back Price in this case will depend on the market value of the underlying Hedge entered into with the Hedge Counterparty by the Issuer and the amount the Issuer receives from unwinding this position. Capital protection may not apply if there is an Early Maturity Event or Adjustment Event. The market value of the underlying Hedge depends upon, amongst other things, changes in interest rates since the Commencement Date, Index performance, the credit risk of the Hedge Counterparty and other general market risks and movements. Capital protection depends on the creditworthiness of both the Issuer and Hedge Counterparty.
<b>Issuer's Hedging Arrangements</b>	In order to hedge its exposure under the Units issued to end investors the Issuer will enter into a Hedge Agreement with Macquarie Bank Limited ("MBL" or "Hedge Counterparty"). The minimum amount payable by Macquarie Bank Limited at Maturity under the Hedge Agreement is equal to 100% of the amount invested by the Issuer for Series 1 and 95% of the amount invested by the Issuer for Series 2.
<b>Rating of Macquarie Bank Limited ("Hedge Counterparty")</b>	The Hedge Counterparty's long term/short term senior debt is currently rated Aa2 (Stable Outlook) / P-1 (Moody's), A+ (Stable Outlook) / A-1 (S&P) and A+ (Stable Outlook) / F-1 (Fitch). The ratings and outlooks are subject to change during the Investment Term. Capital Protected Series 1 & 2 is not rated. Please note that the above ratings only apply to the long term and short term senior debt obligations of the Hedge Counterparty, but not to Capital Protected Series 1 & 2.
<b>Do investors benefit from a Security Interest over the Hedge Agreement entered into with MBL</b>	Yes, the Issuer grants a Security Interest under the Hedge Security Deed over the Hedge Agreement entered into with MBL to Sequoia Nominees Pty Ltd ("the Security Trustee"). This Security Interest is held by the Security Trustee on behalf of end investors to provide investors protection in case of default of the Issuer. Please refer to Section 3 of the Master IM for further information.
<b>Rating of the Issuer of the Units</b>	Sequoia Specialist Investments Pty Ltd is not rated.
<b>Investment Amount</b>	\$1.00 per Unit x number of Units issued to the investor on the Commencement Date
<b>Minimum Investment Amount</b>	\$25,000 for the purchase of 25,000 Units in a Series during the Initial Offer Open Period. The Minimum Investment Amount applies separately to each Series.
<b>SMSF Eligibility</b>	Yes

### 3. The Macquarie MQCP900F Index



The Index is comprised of a basket of diversified commodity carry strategies, incorporating 10 strategies across four risk premia factors. The Index utilises a static weighting scheme based on the inverse volatility of each factor to determine the weight of each component in the basket before applying a 5% volatility control mechanism.

The Macquarie MQCP900F Index is a fixed weight basket tracking the following underlying risk premia strategies.

Factor	Strategy	Ticker	Weights	Sub-Factor Weights	When it is likely to perform
Curve Carry	Roll-Yield Enhanced Curve Carry	MQCP780E	7.50%	62.50%	When commodity futures curves are in contango and exhibit convexity – i.e., when further-dated contracts have more positive (less negative) roll-yields than nearer-dated contracts, in the absence of upside price shocks at the front-end of the curve.
	Convexity Alpha	MQCP806E	20.00%		
	Dynamic Carry	MQCP710N	5.00%		
	Seasonally Adjusted F3vsF0 Curve Carry	MQCP584E	10.00%		
	Vol Matched Seasonally Adjusted F3vF0 Curve Carry	MQCP821E	10.00%		
	Vol Matched Seasonally Adjusted F6vF0 Curve Carry	MQCP823E	10.00%		
Curve Rotations	Curve Navigator	MQCP860E	22.50%	22.50%	When commodity futures curve steepness changes (e.g., shift from regime of contango to backwardation or vice-versa). Also helps during times when commodities experience extreme price moves as the strategy can respond rapidly to changes in curve shape.
Cross-Sectional Carry	Backwardation vs Contango	MQCP725E	2.50%	7.50%	When there are large differences in curve shapes across commodities. E.g., in times when futures curves move from contango to backwardation, the strategies can adapt by allocating long exposure to backwardated commodities (that are expected to perform positively / have positive carry) and short exposure to those that are in contango.
	Backwardation vs BCOM	MQCP792E	5.00%		
Vol Carry	Volatility Carry	VMACBKCP	7.50%	7.50%	When implied volatility is trading at a premium to realised volatility. E.g., in times when oil markets are trending up slowly or when geo-political / macro risk is priced in the options market and the extent of those risks do not materialise.

For further details on how this is calculated, please contact the Issuer at Email: [specialistinvestments@sequoia.com.au](mailto:specialistinvestments@sequoia.com.au).

The 5% volatility control mechanism is a technique which dynamically adjusts exposure to the underlying 10 strategies based on the prevailing level of volatility. This potentially provides investors with more stable performance and reduced drawdowns whilst enabling a lower cost of hedging for the Issuer thereby enabling a lower interest rate.

If the recent volatility of the underlying portfolio exceeds 5%, the target exposure will be less than 100%, and the residual weight will be uninvested. If the recent volatility of the underlying portfolio of strategies is below 5%, the target exposure to underlying portfolio of strategies will be more than 100%, subject to max. leverage level of 400%. The weightings listed above are applicable to the invested portion of the Index. The index also includes a fee of 2% p.a. which is deducted from the performance of the underlying 10 strategies, after applying the internal leverage inside the index (max 400%), when calculating the index returns.

# 4. Historical Index Performance



The following section has been provided to give investors further information regarding the Index for Series 1 & 2. Historical information for the Index has been provided by the Issuer to potential investors for educational purposes only, to show investors the history of the Index. The following past performance is as of 20 August 2024. The Index is expected to be launched mid September. Therefore, simulated back-tested data is used for the period between 30 January 2008 to 20 August 2024. The reference to VT leverage is a reference to the level of exposure to the underlying 10 strategies with a maximum leverage of 400%. This is separate to the Internal Gearing Rate which is applied to the index performance when calculating the Performance Coupons. The Index performance is shown in USD. Investors should take into account that the performance of the Units will also depend on the performance of the AUD/USD exchange rate between the Commencement Date and Maturity.

MQCP900F



Past performance is not indicative of future performance. Period from 30 January 2008 to 20 August 2024. Hypothetical simulated performance from 30 January 2008 to 20 August 2024.

MQCP900F	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	returns
2008		0.06%	0.98%	1.56%	2.63%	1.10%	0.76%	1.18%	-2.44%	-0.41%	1.38%	1.37%	9.14%
2009	0.15%	0.61%	1.71%	1.38%	1.03%	1.72%	2.75%	2.92%	0.21%	1.63%	1.77%	1.13%	18.37%
2010	2.21%	0.73%	4.52%	2.75%	-1.44%	-0.64%	-0.19%	1.46%	1.16%	2.50%	-0.10%	2.07%	15.94%
2011	2.50%	2.95%	0.82%	1.65%	-0.39%	2.21%	2.47%	-1.90%	-0.63%	2.25%	0.01%	3.49%	16.47%
2012	3.11%	0.88%	3.12%	0.17%	-0.71%	-1.78%	-2.59%	1.74%	0.42%	2.69%	2.11%	1.75%	11.21%
2013	-0.54%	0.00%	0.31%	-0.39%	0.42%	0.02%	1.14%	0.03%	1.44%	1.89%	1.38%	-0.13%	5.67%
2014	-2.76%	-1.06%	-0.29%	0.72%	2.54%	1.76%	0.92%	1.23%	0.15%	-1.02%	2.04%	1.03%	5.27%
2015	0.37%	0.98%	0.44%	-0.61%	0.22%	-1.36%	1.27%	-2.56%	0.93%	2.03%	2.63%	2.17%	6.58%
2016	-0.73%	1.86%	1.51%	-0.58%	0.89%	-0.20%	2.85%	1.35%	1.18%	1.38%	0.01%	0.66%	10.60%
2017	2.67%	1.40%	0.81%	1.64%	-1.20%	1.11%	1.31%	3.30%	1.34%	0.49%	1.72%	-0.45%	15.07%
2018	0.98%	-1.01%	1.51%	-0.34%	0.76%	-0.45%	0.18%	1.33%	-0.02%	-0.12%	-1.04%	3.18%	4.96%
2019	-0.05%	0.95%	0.23%	1.26%	-4.03%	0.06%	0.66%	-2.18%	-4.08%	0.57%	0.25%	0.91%	-5.51%
2020	0.39%	-1.49%	0.46%	0.09%	0.08%	1.02%	1.21%	-0.37%	1.13%	-1.69%	1.61%	0.45%	2.86%
2021	-0.75%	2.12%	2.32%	1.48%	1.35%	1.41%	0.56%	1.02%	-1.91%	0.87%	1.79%	0.29%	11.00%
2022	-1.25%	-1.04%	-0.32%	0.92%	1.27%	0.95%	-1.54%	1.84%	-0.53%	2.48%	2.02%	0.59%	5.45%
2023	0.86%	1.37%	-0.72%	0.20%	-0.13%	-0.29%	1.61%	1.61%	0.03%	-1.61%	1.83%	-0.57%	4.20%
2024	0.52%	1.75%	4.49%	0.09%	-1.10%	1.44%	1.13%	-0.01%					13.11%
													<b>Annualised</b> 8.59%

Past performance is not indicative of future performance. Period from 30 January 2008 to 20 August 2024. Hypothetical simulated performance from 30 January 2008 to 20 August 2024.



Specialist Investments

ABN 69 145 459 936





All information regarding the performance of the Index prior to its launch date is hypothetical and simulated, as the Index did not exist prior to that time. It is important to understand that hypothetical simulated performance information is subject to significant limitations, in addition to the fact that past performance is not a reliable indicator of future performance. In particular:

- the hypothetical simulated index performance assumed that there were no market disruption events and no extraordinary events;
- the hypothetical simulated performance might look different if it covered a different historical period.

The market conditions that existed during the historical period covered by the hypothetical simulated performance information is not necessarily representative of the market conditions that will exist in the future. It is impossible to predict whether the Index will rise or fall. The actual future performance of the Index may bear no relation to the hypothetical simulated levels of the Index or the Units.

All available data as published by the Index Sponsor has been included.

**Past Performance is not indicative of future performance. Future index returns should be expected to vary and may be negative.**

### Historical Simulation of Capital Protected Series 1 & 2

After applying the Internal Gearing Rate (130% for Series 1 and 200% for Series 2) and the effect of the AUD/USD exchange rate to the Index Performance, we see the following results obtained from a simulated backtest of Capital Protected Series 1 & 2 since 30 January 2008. This includes 2264 simulations over 2264 commencement dates and has been conducted by the Issuer of the Units using publicly available information. The results are not actual returns as the Units were not available at the time, nor was the Index available for the full period of the back test. The back tests have been provided for potential Investors to help assist with their investment research and is not an indicator of likely future performance. Investors should perform their own independent analysis. Past performance is not indicative of future performance.

Simulation Start Date	30 January 2008
Simulation End Date	20 August 2022*
Number of Simulations	2264

\*This is the commencement date of a 2 year investment matching the terms of Capital Protected Series 1 & 2 maturing on 20 August 2024.

#### Series 1:

	Performance Coupon Received at the end of the 2 Year Investment Term	Annualised Performance*
Maximum	52.51%	23.50% p.a.
Average	29.94%	13.99% p.a.
Median	30.43%	14.21% p.a.
Minimum	6.8%	3.35% p.a.

\* Formula:  $(1 + \text{Coupon})^{(1/2)} - 1$ , where 2 = number of years in the Investment Term

#### Series 2:

	Performance Coupon Received at the end of the 2 year Investment Term	Annualised Performance*
Maximum	80.79%	34.46% p.a.
Average	46.06%	20.86% p.a.
Median	46.82%	21.17% p.a.
Minimum	10.5%	5.10% p.a.

\* Formula:  $(1 + \text{Coupon})^{(1/2)} - 1$ , where 2 = number of years in the Investment Term

**Historical Simulations of Performance Coupons are not indicative of future Performance Coupons. Any Performance Coupon payable under Series 1 & 2 should be expected to vary and may be zero.**

## 5. Term Sheet – Capital Protected Series 1 & 2



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 IM and you should read the entire IM 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 IM and the accompanying Master IM, in particular Section 6 “Terms of the Deferred Purchase Agreement” in the Master IM.

Key Dates	
<b>Initial Offer Opening Date</b>	10 September 2024
<b>Initial Offer Closing Date</b>	26 November 2024
<b>Commencement Date / Issue Date</b>	29 November 2024 or as soon as reasonably practicable thereafter as determined by the Issuer and as notified to you
<b>Application Payment Date</b>	27 November 2024
<b>Secondary Offer Period</b>	The second period during which Units are offered to Investors, which opens on 1 December 2024 and closes 30 May 2026. Please refer to “Acquisition of Units during the Secondary Period” below for more information on how Units are acquired by Investors during the Secondary Offer Period.
<b>Coupon Determination Date</b>	30 November 2026
<b>Maturity Date</b>	30 November 2026
<b>Investment Term</b>	The 2 year term of the investment between the Commencement Date and the Maturity Date
<b>Buy-Back Dates</b>	Daily on any Business Day during the Investment Term. Investors must lodge their Issuer Buy-Back Form before 3pm Sydney time on the relevant the relevant Buy-Back Date.
<b>Settlement Date</b>	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.
<b>Withdrawal of the Units</b>	If the Issuer is unable to achieve the economic exposure described in this IM on the Commencement Date due to any condition set out in this IM 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 Investment Amount without interest. The investment will be terminated in such a case.
Items Relating to the Deferred Purchase Agreement (“DPA”)	
<b>Currency of Units</b>	AUD
<b>Issue Price per Unit at Commencement</b>	\$1.00 per Unit, being the price at which Investors who acquire Units during the Initial Offer Period pay per Unit. This will also be the price of the Units on the Commencement Date.
<b>Investment Amount</b>	\$1.00 per Unit x number of Units acquired during the Initial Offer Period
<b>Minimum Investment Size</b>	\$25,000 is the minimum cost Investors will be required to pay to fund the purchase of the Minimum Number of Units of 25,000 Units at \$1.00 per Unit during the Initial Open Offer Period. \$25,000 is also the minimum cost Investors will be required to pay to fund the purchase of Units in a Series during the Secondary Open Offer Period. There is no minimum number of Units to be acquired during the Secondary Open Offer Period. The minimum costs described above apply separately to each Series.
<b>Minimum Amount payable at Maturity</b>	Final Value per Unit at Maturity x number of Units held by the investor on the Maturity Date
<b>Final Value per Unit at Maturity</b>	<b>Series 1:</b> \$1.00 per Unit <b>Series 2:</b> \$0.95 per Unit



**Market Price during Secondary Offer Period** The price per Unit determined by the Issuer in its absolute discretion on the Scheduled Business Day on which an Application for Units in the Secondary Offer Period is accepted by the Issuer and execution of the underlying Hedge Agreement by the Issuer has been executed.

The Market Price at which such units are offered during the secondary offer period will be determined by the Issuer at its own discretion and influenced by many factors. These include:

- prevailing interest rates in Australia;
- the credit risk of the Hedge Counterparty;
- remaining time to Maturity; and
- general market risks and movements.

Investors should be aware the Units are designed to be held to Maturity and are not designed to be a trading instrument.

**Number of Units acquired during Secondary Offer Period** Upon payment of the Application Monies, an Investor will receive the number of Units calculated as follows:  
 Number of Units = Application Monies / Market Price

**Calculation of Final Payout at Maturity including the Performance Coupon**

**Final Payout at Maturity** **Series 1:** Number of Units acquired x (\$1.00 + Uncapped Performance Coupon as a % x \$1.00)  
**Series 2:** Number of Units acquired x (\$0.95 + Uncapped Performance Coupon as a % x \$1.00)

**Uncapped Performance Coupon as a %)** **Uncapped Performance Coupon as a % =** Max[(Internal Gearing Rate\*Index Performance at Maturity), 0%] \* FX Initial / FX Final  
 FX Initial = AUD/USD exchange rate on 29 November 2024 or any other relevant date as determined by the Issuer  
 FX Final = AUD/USD exchange rate on 30 November 2026 or any other relevant date as determined by the Issuer

**Index Performance at Maturity** **Index Performance at Maturity =** (Final Index Level / Initial Index Level) – 1  
 Initial Index Level = The Index Closing Level on the Commencement Date  
 Final Index Level: The Index Closing Level on the Maturity Date  
 Index Closing Level: The Index level for the Macquarie MQCP900F Index (Bloomberg Ticker: MQCP900F <Index> published on Bloomberg at the close of trading on the relevant Business Day as advised by the Issuer.

**Internal Gearing Rate** **Series 1:** 130%  
**Series 2:** 200%  
 When calculating the Uncapped Performance Coupon payable the Units will benefit from an Internal Gearing Rate of 130% for Series 1 and 200% for Series 2. These respective Internal Gearing Rates are applied to the Index Performance at Maturity.

**Currency exposure in relation to the Index Performance** Yes. Any currency exposure in relation to the USD denomination of the Index has not been hedged. As such, any fluctuations in the AUD/USD exchange rate during the Investment term are included in the calculation of the Uncapped Performance Coupon.

**Reference Asset / Index** Macquarie MQCP900F Index  
 Bloomberg Ticker: <Index>  
 If you would like a copy of the Index Rules specifying exactly how the value of the Index is calculated please contact the Issuer.



## Early Exit before Maturity

### Minimum Buy-Back Amount and Buy-Back Price

25,000 Units providing the Investor continues to hold at least 25,000 Units in the relevant Series. In the event that an Investor makes an Issuer Buy-Back Request which would result in the Investor holding less than 25,000 Units in a particular Series, then the Issuer will notify the Investor that it will hold less than 25,000 Units and seek the Investor's instruction whether to buy-back the Investor's entire holding in that Series or reject the request.

The Buy-Back Price will depend on the market value of the underlying Hedge Agreement entered into with the Hedge Counterparty by the Issuer and the amount the Issuer receives from unwinding this position. The market value of the underlying Hedge depends upon, amongst other things, changes in interest rates since the Commencement Date, Index performance, the credit risk of the Hedge Counterparty, payment of previous coupons and other general market risks and movements.

For avoidance of doubt, an increase in 2 year interest rates payable by the Hedge Counterparty on AUD funding during the Investment Term can be expected to have a negative impact on Buy-Back Prices. Alternatively, a decrease in 2 year interest rates payable by the Hedge Counterparty on AUD funding during the Investment Term can be expected to have a positive impact on Buy-Back Prices.

Please contact the Issuer for an indication of the Buy-Back Price.

### Capital Protection risks

Capital Protection does not apply in the case an Investor makes an Issuer Buy-Back Request. Therefore, the amount received by an Investor may be less than the Issue Price per Unit even if the Index has performed positively between the Commencement Date, or previous Coupon Determination Date and the date that the Investor makes an Issuer Buy-Back request. As such, there is a risk that investors incur a loss when unwinding early after making an Issuer Buy-Back request. In addition, if there is an Early Maturity Event or Adjustment Event capital protection may not apply. Capital protection relies on the Issuer meeting its obligations under the Units and the Hedge Counterparty meeting its obligations under the Hedge Agreement, as such, capital protection also depends on the creditworthiness of the Issuer and Hedge Counterparty.

## Other Key Terms

<b>Issuer</b>	Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (" <b>Sequoia</b> ")
<b>Arranger</b>	Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506)
<b>Lead Distributor</b>	Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506)
<b>Security Trustee and Custodian</b>	Sequoia Nominees No 1 Pty Limited (ABN 11 147 097 078)
<b>Hedge Counterparty</b>	Macquarie Bank Limited. In order to hedge its exposure under the Units issued to end investors the Issuer will enter into a Hedge Agreement with Macquarie Bank Limited. ("MBL").
<b>Credit Risk of Hedge Counterparty</b>	The Hedge Counterparty's long term/short term senior debt is currently rated Aa2 (Stable Outlook) / P-1 (Moody's), A+ (Stable Outlook) / A-1 (S&P) and A+ (Stable Outlook) / F-1 (Fitch). The ratings and outlooks are subject to change during the Investment Term. Capital Protected Series 1 & 2 is not rated. Please note that the above ratings only apply to the long term and short term senior debt obligations of the Hedge Counterparty, but not to Capital Protected Series 1 & 2.
<b>Listing</b>	The Units will not be listed or displayed on any securities exchange.
<b>Registrar</b>	Registry Direct Pty Limited (ABN 35 160 181 840)
<b>Delivery Asset</b>	Telstra Group Limited (TLS.AU). Subject to use of the Agency Sale Option, 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 Group Limited (ASX Code: TLS, website: www.telstra.com.au) ("Delivery Asset"). 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.
<b>Agency Sale Option</b>	Available. Please refer to Clause 4.4 of Section 6 "Terms of the Deferred Purchase Agreement" in the Master IM.
<b>Taxation</b>	Please refer to Section 4 "Taxation" of the Master IM



## Risks

- Any Uncapped Performance Coupons is affected by the performance of the Index. There is no guarantee that the Index will perform well during the Investment Term;
- There will be no Uncapped Performance Coupons payable if the Index Performance is negative at a Maturity. In this case investors will incur the opportunity cost of any investment return that would have otherwise been generated if they had invested the capital into any other form of investment that had either paid income or appreciated in price during the Investment Term.
- Risk of partial loss of invested capital for Series 2 assuming investors hold to Maturity and the Uncapped Performance Coupon is less than 5%. The Index Performance, adjusted for changes in the AUD/USD exchange rate, needs to be at least +5% at Maturity in order for investors to receive a 100% return of capital under Series 2. The maximum loss is 5% of invested capital in the event there is no Performance Coupon under Series 2 at Maturity.
- The Uncapped Performance Coupon at Maturity is determined by reference to the Index Performance as well as the change 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 potential Uncapped Performance Coupon payable (if any) whilst a decrease in the AUD/USD rate between the relevant dates will lead to an increase in the potential Uncapped Performance Coupon payable (if any).
- Volatility and exposure risk – the volatility control mechanism used by the Index means that if there is high volatility in the relevant underlying portfolio during the Investment Term there is a risk the Index will have little to no exposure to this portfolio during some or all of the Investment Term, which may provide some protection against decreases in the prices of the portfolio comprising the Index however it may also limit the Index's (and the Units') exposure to increases in the prices of the relevant portfolio comprising the Index. To the extent the Index has an exposure primarily to cash as a result of the volatility control mechanism, the Index will be unlikely to generate the Index Performance required for investors to generate a profit;
- Investor's capital is at risk in the case an Investor makes an Issuer Buy-Back Request or if the Units are subject to an Early Maturity Event or Adjustment Event. Therefore, the amount received by an Investor may be less than the Issue Price even if the Reference Asset has performed positively since the Commencement Date and the date that the Investor makes an Issuer Buy-Back request or any date on which the Units become subject to an Early Maturity Event or Adjustment Event.
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty, as such, capital protection depends on the creditworthiness of the Issuer and Hedge Counterparty. If the Issuer or Hedge Counterparty goes into liquidation or receivership or statutory management or is otherwise unable to meet its debts as they fall due, the Investor could receive none, or only some, of the amount invested. However, in the case of the Issuer, the Issuer is a special purpose vehicle that only issues Deferred Purchase Agreement or other structured products and has put in place a corporate structure which is designed to give Investors security over the Issuer's rights against the relevant Hedge Counterparty (through the Hedge Security Deed and Security Trust Deed) in the event of the Issuer becoming insolvent.
- The Units include a risk of capital loss in part or in whole, in the event the Hedge Counterparty fails to meet its obligations under the Hedge Agreement entered into with the Issuer.
- Investors should be aware that credit ratings do not constitute a guarantee of the quality of the Units, the Reference Asset, or the Hedge Counterparty. The rating assigned to the Hedge Counterparty by the rating agencies, if any, is based on the Hedge Counterparty's current financial condition and reflects only the rating agencies' opinions. In respect of the Hedge Counterparty, rating agencies do not evaluate the risks of fluctuation in market value but attempt to assess the likelihood of principal and/or interest payments being made. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning agency. Nevertheless, the rating agencies may fail to make timely changes in credit ratings in response to subsequent events so that a Hedge Counterparty's current financial condition may be better or worse than a rating indicates. Accordingly, a credit rating issued in relation to the issuer of the Notes acquired by the Issuer as a hedge may not fully reflect the true credit risks under the Units.
- 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. A risk of capital loss exists in any of these scenarios.
- Investors who purchase Units in the Secondary Offer Period at an Issue Price greater than the Initial Issue Price of \$1.00 per unit will receive a lower overall return, as the Final Value and Coupons are calculated with respect to the Initial Issue Price of \$1.00 per Unit. Additionally, if there is an Early Maturity Event, an Investor who purchased Units at an Issue Price greater than the Initial Issue Price of \$1.00 will incur a greater loss as the recovery of funds in an Early Maturity Event would be based on the Initial Issue Price of \$1.00 per Unit;
- Default Event (by the Hedge Counterparty). The Units may mature early (Early Maturity Event) following an event occurring in relation to the Hedge Counterparty or the Reference Asset, which may be caused by the Hedge Counterparty or any guarantors of the Hedge Counterparty;

Please refer to Section 2 "Risks" of the Master IM for more information.

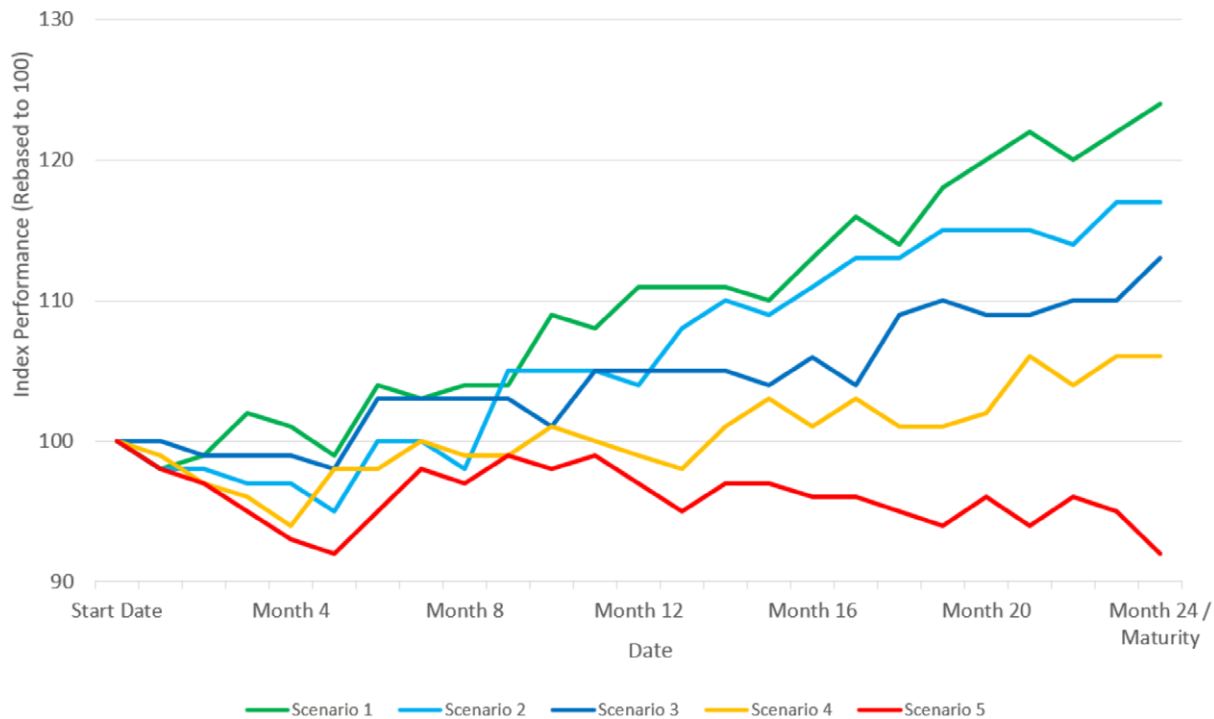
# 6. Worked Examples



In the example below we look at 5 potential hypothetical scenarios assuming an investor invested \$100,000 into Series 1 and Series 2 on the Commencement Date.

Please note that these are theoretical scenarios only and provided for illustrative purposes only and are not intended to be a forecast, do not indicate past performance, and are not a guarantee that similar returns will be achieved in the future. The actual final result for this investment is likely to be different to any of the hypothetical scenarios below and will depend on the actual Index Performance realised during the Investment Term. Returns are not guaranteed.

Hypothetical Scenarios



## Series 1

		Investment Amount	Hypothetical Index Performance at Maturity	Internal Gearing Rate	Hypothetical Initial FX (AUD/USD)	Hypothetical Final FX (AUD/USD)	Performance Coupon at Maturity*	Return of Capital	Final Payout at Maturity	2 Year Return on Investment	Annualised Return p.a.**
Scenario 1	Very Strong	\$100,000	24%	130%	0.69	0.65	\$33,120	\$100,000	\$133,120	33.12%	15.38%
Scenario 2	Strong	\$100,000	17%	130%	0.69	0.65	\$23,460	\$100,000	\$123,460	23.46%	11.11%
Scenario 3	Moderate	\$100,000	13%	130%	0.69	0.65	\$17,940	\$100,000	\$117,940	17.94%	8.60%
Scenario 4	Weak	\$100,000	6%	130%	0.69	0.65	\$8,280	\$100,000	\$108,280	8.28%	4.06%
Scenario 5	Negative	\$100,000	-8%	130%	0.69	0.65	\$0	\$100,000	\$100,000	0.00%	0.00%

\*Performance Coupon at Maturity =  $\text{Max}[(\text{Investment Amount} \times \text{Internal Gearing Rate} \times \text{Index Performance at Maturity}), 0\%] \times \text{FX Initial} / \text{FX Final}$

\*\*Annualised Return:  $(1 + \text{Return on Investment})^{(1/2)} - 1$ , where 2 = number of years in the Investment Term

## Series 2

		Investment Amount	Hypothetical Index Performance at Maturity	Internal Gearing Rate	Hypothetical Initial FX (AUD/USD)	Hypothetical Final FX (AUD/USD)	Performance Coupon at Maturity*	Return of Capital	Final Payout at Maturity	2 Year Return on Investment	Annualised Return p.a.**
Scenario 1	Very Strong	\$100,000	24%	200%	0.69	0.65	\$50,954	\$95,000	\$145,954	45.95%	20.81%
Scenario 2	Strong	\$100,000	17%	200%	0.69	0.65	\$36,092	\$95,000	\$131,092	31.09%	14.50%
Scenario 3	Moderate	\$100,000	13%	200%	0.69	0.65	\$27,600	\$95,000	\$122,600	22.60%	10.72%
Scenario 4	Weak	\$100,000	6%	200%	0.69	0.65	\$12,738	\$95,000	\$107,738	7.74%	3.80%
Scenario 5	Negative	\$100,000	-8%	200%	0.69	0.65	\$0	\$95,000	\$95,000	-5.00%	-2.53%

\*Performance Coupon at Maturity =  $\text{Max}[(\text{Investment Amount} \times \text{Internal Gearing Rate} \times \text{Index Performance at Maturity}), 0\%] \times \text{FX Initial} / \text{FX Final}$

\*\*Annualised Return:  $(1 + \text{Return on Investment})^{(1/2)} - 1$ , where 2 = number of years in the Investment Term

## 7. Applications and issue of Units



Applications may be accepted or rejected at the discretion of the Issuer. 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 Capital Protected Series 1 & 2 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 IM and the Commencement Date. Where the Issuer has not received the Investment Amount 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 & 2, the Issuer will return the Investment Amount 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.

## 8. Master IM



This Term Sheet IM must be read in conjunction with the Master IM dated 14 March 2024.

Please download the Master IM at:  
[www.sequoiasi.com.au/wp-content/uploads/2024/04/Sequoia-Master-DPA-IM-No-Loan.pdf](http://www.sequoiasi.com.au/wp-content/uploads/2024/04/Sequoia-Master-DPA-IM-No-Loan.pdf)  
or





**Lead Distributor:**

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

**Arranger:**

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  
Level 6, Russel Street,  
Melbourne, VIC 3000  
P: 1 300 55 66 35

**Custodian & Security Trustee:**

Sequoia Nominees No. 1 Pty Ltd  
Level 7, 7 Macquarie Place  
Sydney NSW 2000

**All Application Forms and Correspondence to:**

Sequoia Asset Management  
PO Box R1837  
Royal Exchange  
NSW 1225

# Sequoia Capital Protected Units – Series 1 & 2



This is an Application Form for Units in Sequoia Capital Protected Series 1 & 2 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 IM for the Series dated 10 September 2024, the Master IM dated 14 March 2024 and any supplementary IM issued for the Units. It is important that you read the Term Sheet IM and IM 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 IM including the Master IM, any supplemental IM 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 IM including any supplemental IM.

The Minimum Investment is 25,000 Units in the Series.

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 IM.

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 IM 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 and F**

Australian Company – must complete **A1 (Directors), A2, B, C, D and F**

Trust/Super Fund with Individuals as Trustee – must complete **A1 (Trustees), A3, B, D, D, E and F**

Trust/Super Fund with Corporate Trustee – must complete **A1 (Directors), A2 (Company), A3, B, C, D, E and F**

### **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

Contact 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

Contact Number



How would you like to receive communications about your Investment?

Electronic Only

Both Electronic and Paper Correspondence

**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

Main Contact

Email Address

Contact 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 and the signature page 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)



Specialist Investments

ABN 69 145 459 936



## SECTION B – INVESTMENT DETAILS (MUST COMPLETE)

### Details of the Units to be purchased:

	Sequoia Capital Protected Series 1	Sequoia Capital Protected Series 2
Number of Units		
Issue Price	<b>\$1.00 per Unit</b>	<b>\$1.00 per Unit</b>
Fully Funded Investment Amount (\$ (A))	\$ _____	\$ _____
Upfront Adviser Fee* (B)	\$ _____	\$ _____
<b>Total Amount Payable* (A) + (B)</b>	\$ _____	\$ _____

\*Upfront 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 Upfront 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 C – Bank Account Details

### 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 D – 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 D.

Surname or Company Name

Given Name or ABN

Surname or Company Name

Given Name or ABN

I/we 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 as set out on the following pages of this Application Form. Investors should ensure sufficient funds are in the Nominated Account from this date to prevent any dishonour fees.

### Account Details

Bank Name/Institution

BSB

Account Number

Account Name



## 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)

Are you a US citizen or resident for tax purposes or a partnership or corporation organised in the US or under the laws of the US (each a "US Person"), a trust subject to US law or settled or controlled or by a US Person or having US Persons as beneficiaries, the estate of a US Person, an entity where a US Person is the beneficial owner of 25% or more of the entity, or a person with a global intermediary identification number (GIIN)?

Yes                      No



## 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 IM”** means the document to which this Agreement was attached and which sets out the terms of the offer of the Series of 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 providing 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 IM.

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 D – 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 IM; and
- I/We make the declarations set out in Section C 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 Upfront Adviser Fee once the investment has commenced and Units have been issued.

Investor/Director/Trustee 1 (Print Name)

Signature (Investor/Director/Trustee 1)

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity if appropriate:

Individual Trustee

Corporate Trustee

Partner

Investor/Director/Trustee 2 (Print Name)

Signature (Investor/Director/Trustee 2)

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity if appropriate:

Individual Trustee

Corporate Trustee

Partner



**Section E – 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 Sequoia Capital Protected Series 1 & 2.

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 Sequoia Capital Protected Series 1 & 2 Units

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 Sequoia Capital Protected Series 1 & 2 Term Sheet IM dated 10 September 2024 (as relevant) and the Master IM dated 14 March 2024.

Investor/Director/Trustee 1 (Print Name)

Signature (Investor/Director/Trustee 1)

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity if appropriate:

Individual Trustee

Corporate Trustee

Partner

Investor/Director/Trustee 2 (Print Name)

Signature (Investor/Director/Trustee 2)

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity if appropriate:

Individual Trustee

Corporate Trustee

Partner





## SECTION F – DECLARATIONS & SIGNATURES

### YOU SHOULD READ THE IM IN FULL BEFORE SIGNING THIS APPLICATION FORM

By completing this Application Form you:

1. declare that the investing person or entity is defined as a wholesale investor under section 761G of the Corporations Act.
2. declare that you have read and understood this Term Sheet IM and the Master IM.
3. declare that you have read and understood Section 6 “Terms of the Deferred Purchase Agreement” of the Master IM.
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 IM and the Master IM 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 in the Units in accordance with the terms of this IM.
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 IM, specifically those contained in Section 6 “Terms of the Deferred Purchase Agreement” of the Master IM, 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 IM.
16. acknowledge that you give the indemnities in clause 12 of Section 6 “Terms of the Deferred Purchase Agreement” of the Master IM for the benefit of the Issuer and the Custodian.
17. acknowledge that this IM 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 IM and the Master IM;
  - c) the transactions completed by the Terms and this Term Sheet IM and Master IM 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 IM) 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 IM).
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 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. 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.
26. 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.
27. 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 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 IM



**ADVISER USE ONLY**

Adviser Name (in full)

Adviser Email

Adviser Contact Number

Dealer Group name

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 10 of the Master IM for a guide to acceptable identification documentation.

ID Document Details	Applicant 1		Applicant 2	
	Original	Certified Copy	Original	Certified Copy
Verified From				
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 by the Issuer;
- agree that the Issuer has no liability to us for the amount of the Upfront Adviser Fee or the collection or remittance of the Upfront 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 will not be collected (or, if collected, will be returned to applicants without interest), the Upfront Adviser Fee will not be payable to us and we will have no action against the Issuer in respect of the Upfront Adviser Fee;
- agree and acknowledge that if the Unitholder(s) investment in the Units is terminated for any reason, the Upfront Adviser Fee will not be collected and we will have no action against the Issuer in respect of any unpaid Upfront 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.

**Payment of the Upfront 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 Upfront Adviser Fee (if any)) is as specified in Section B of the Application Form;

Authorised Investment Adviser Signature

Date