

Sequoia Capital Protected – Series 1



100% Capital Protected Investment with semi-annual coupons linked to the performance of the Solactive Alpha Mutual Fund VT Index
Offer Close Date 24 May 2024¹

Sequoia has just launched a new investment enabling investors to gain exposure to the Solactive Alpha Mutual Fund VT Index with a capital protection feature at Maturity, internal gearing at 160% combined with the potential to received semi annual performance coupons linked to the internally geared index performance

¹The Issuer may, in its discretion, extend or shorten the Offer Period for the Units without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Units may vary.

Sequoia Capital Protected Series 1

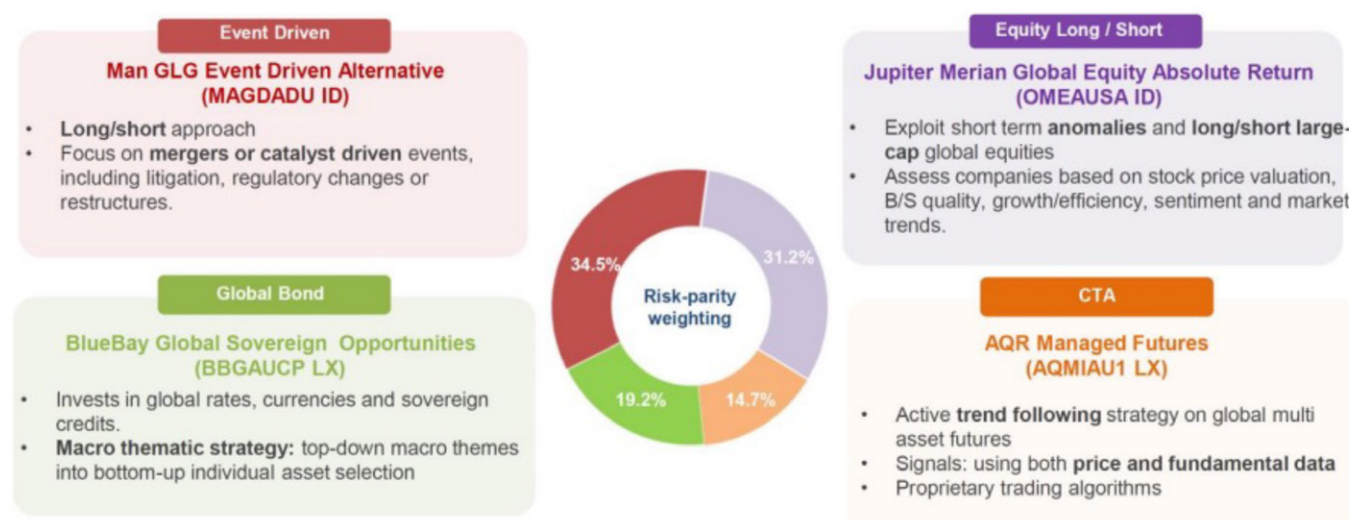
Capital Protected Series 1 is a 3 year investment including 100% capital protection at Maturity with the potential to receive Semi-Annual Uncapped Performance Coupons every 6 months dependent on a 160% Internal Gearing Rate applied to the performance the Solactive Alpha Mutual Fund VT Index ("the **Reference Asset** or **Index**") during the Investment Term, fully currency hedged into AUD.

The Index is an excess return index designed to track the extent to which performance of the **Basket of Underlying Funds** exceeds the USD Secured Overnight Financing Rate ("**USD SOFR**") subject to a 4.5% target volatility mechanism, 150% maximum participation rate and 1% p.a. decrement fee. In other words, the index aims to capture the "alpha" generated by the Basket of Underlying Funds above USD SOFR.

The key features of the Index include:

- **Alternative source of return:** The Index captures the investment return of 4 alternative underlying funds which are managed by experienced global fund managers;
- **Diversified mix of investment style:** The underlying funds include a diversified range of different investment styles – see below table;
- **Long/Short:** Each of the underlying funds have the flexibility to take either long and short positions within their respective portfolios. As such, they have the ability to generate positive returns irrespective of the direction of the relevant underlying market;
- **Low Correlation to Global Equities:** At the time of the Index being launched in February 2024 it has historically exhibited a low correlation of approximately 0% to the S&P500; and
- **Pricing efficiency:** The index has been designed to allow efficient pricing of structured products such as Sequoia Capital Protected Series 1.

The **Basket of Underlying Funds** refers to the following:



Potential uncapped semi-annual coupons

Any potential return on this investment is received in the form of semi-annual, uncapped, Performance Coupons payable at end of 6 months, 12 months, 18 months, 24 months, 30 months and at Maturity subject to Index Performance at Maturity applied to the full leveraged Investment Amount.

An Investment in Series 1 Units may suit you if:

- You have a positive view of the Index over the 3 year Investment Term;
- You are looking for an investment which benefits from a capital protection feature at Maturity ; and
- You wish to have the opportunity to receive potential semi annual performance coupons linked to the internally geared index performance

Minimum Amounts Payable

The Minimum Amounts Payable below is the minimum cost Investors will be required to pay to invest in Units and relate to the purchase of the Minimum Number of Units of 25,000 Units at \$1.00 per Unit.

Minimum Amount Payable	\$25,000
Number of Units	25,000 at \$1.00 per unit

A summary of the key features of Capital Protected Series 1 is as follows

Capital Protected Series 1	
Investment Term	3 years
Currency	AUD Please note the USD denomination of the Index is fully hedged into AUD. As such, any changes in the AUD/USD exchange rate during the Investment Term will have no impact on the calculation of any potential Performance Coupons payable during the Investment Term
Capital Protection at Maturity	Yes, the minimum amount payable by the Issuer at Maturity is equal to 100% of the Investment Amount.
Capital Protection before Maturity	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 Provider 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 Provider, the payment of previous coupons and other general market risks and movements.
Issuer's Hedging Arrangements	In order to hedge its exposure under the Units issued to end investors the Issuer will acquire Notes issued by Citigroup Global Markets Holdings Inc. ("CGMHI"). The minimum amount payable by CGMHI at Maturity of the Notes is equal to 100% of the amount invested by the Issuer.
Rating of by Citigroup Global Markets Holdings Inc. ("Hedge Provider")	The Hedge Provider's long term/short term senior debt is currently rated A2 (Stable Outlook) / P-1 (Moody's) / A (Stable Outlook) / A-1 (S&P) and A+ (Stable Outlook) / F1 (Fitch). The payment and delivery of all amounts due in respect of Notes issued by CGMHI will be unconditionally and irrevocably guaranteed by Citigroup whose long term/short term senior debt is currently rated A3 (Stable Outlook) / P-2 (Moody's) / BBB+ (Stable Outlook) / A-2 (S&P) and A (Stable Outlook) / F1 (Fitch). The ratings and outlooks are subject to change during the Investment Term. Capital Protected Series 1 is not rated. Please note that the above ratings only apply to the long term and short term senior debt obligations of the Hedge Provider or Citigroup (as applicable), but not to Capital Protected Series 1.
Do investors benefit from a Security Interest over the Notes issued by CGMHI	Yes, the Issuer grants a Security Interest under the Hedge Security Deed over the Notes issued by CGMHI 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.
Rating of the Issuer of the Units	Sequoia Specialist Investments Pty Ltd is not rated.
Semi-Annual Uncapped Performance Coupons	Yes, there is the potential to receive uncapped Performance Coupons every 6 months until the Maturity Date dependent on the Index Performance, fully currency hedged into AUD.
Reference Asset / Index	Solactive Alpha Mutual Fund VT Index Bloomberg Ticker: SOAMFVT <Index> Please refer attached link for further information including access to the underlying rules of the Index: https://www.solactive.com/Indices/?index=DE000SL0LF04
Internal Gearing Rate	160% The Units provide 160% exposure to the performance of the Index when calculating the Semi-Annual Uncapped Performance Coupons payable.

Basket of Underlying Funds	Underlying Fund	Investment Style	Fixed Weight
	AQR Managed Futures UCITS Fund	Systematic, long/short, multi-asset, trend following	14.7%
	Man GLG Event Driven Alternative	Event driven, long/short	34.5%
	Jupiter Merian Global Equity Absolute Return	Long/short, large cap, global equities	31.6%
	BlueBay Global Sovereign Opportunities	Global macro, long/short, global rates, currencies and sovereign credits	19.2%
Total Investment Cost	\$1.00 per unit x number of units purchased by the investor		
Minimum Amount Payable	\$25,000 for the purchase of 25,000 units during the Initial Offer Open Period.		
SMSF Eligibility	Yes		

Historical Index Performance

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 13 March 2024. The Index was launched on 16 February 2024. Therefore, simulated back-tested data is used for the period between the first date that data for the index was first published on 15 May 2020 until 16 February 2024.

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.

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



Solactive Alpha Mutual Fund VT Index – 15 May 2020 – 13 March 2024)

Cumulative Return	25.59%
Annualised Return	6.13%
Annualised Volatility	3.9%
Max Drawdown	-4.77%
Best Month	2.45%

Historical Simulation of Capital Protected Series 1

After applying the 160% Internal Gearing Rate to the index performance as well as the payment of semi-annual performance coupons over a 3 year period, we see the following results obtained from a simulated backtest of Capital Protected Series 1 since the start date of the Index on 15 May 2020. This includes 196 simulations over 196 days 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.

Simulation Start Date	15 May 2020
Simulation End Date	12 March 2021*
Number of Simulations	196

*This is the commencement date of a 3 year investment matching the terms of Capital Protected Series 1 maturing on 13 March 2024.

	Total Coupons over 3 years	Annual Average Coupons*
Maximum	36.50%	12.16% p.a.
Average	29.94%	9.98% p.a.
Median	32.23%	10.74% p.a.
Minimum	18.43%	6.18% p.a.

*This is the total coupons received during the investment term divided by 3

Key Risks

Key Risks Include:

- Any Performance Coupons is affected by the performance of the Index. There is no guarantee that the Reference Asset will perform well during the Investment Term.
- There will be no Performance Coupons payable if the Index Performance is negative at a Coupon Determination Date. Further, if a Performance Coupon has already been paid during the Investment Term, no further Performance Coupons will be paid unless the Index Performance has further increased as at any subsequent Performance Coupon Determination Date. i.e. if the index subsequently falls or remains the same then no further Performance Coupons will be paid.
- 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. Therefore, the amount received by an Investor may be less than the Issue Price even if the Reference Asset has performed positively between the Commencement date, or previous Coupon Determination 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.
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty. If the Issuer 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, 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 Provider fails to meet its obligations under the Notes issued to the Issuer. If this occurs before Maturity it is likely to cause an Early Maturity Event. The Final Value and/or the Coupons of the Units will depend on whether an Early Maturity Event has occurred.
- Investors should be aware that credit ratings do not constitute a guarantee of the quality of the Units, the Reference Asset, or the Hedge Provider. The rating assigned to the Hedge Provider by the rating agencies, if any, is based on the Hedge Provider's current financial condition and reflects only the rating agencies' opinions. In respect of the Hedge Provider, 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 Provider'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;

- 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 Provider). The Units may mature early (Early Maturity Event) following an event occurring in relation to the Hedge Provider or the Reference Asset, which may be caused by the Hedge Provider or any guarantors of the Hedge Provider;

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

**To find out more and to download a copy of the relevant
Information Memorandum, please visit
Sequoia Specialist Investments Pty Ltd at www.sequoiasi.com.au**

*The Issuer may, in its discretion, extend or shorten the Offer Period for the Units without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Units may vary. The Issuer may also defer the Commencement Date for the Units, in which case the Maturity Dates and other consequential dates for the Units may vary. If the Issuer varies the Offer Period or the Commencement Date for the Units it will post a notice on the website informing applicants of the change at www.sequoia.com.au

Units in Capital Protected Series 1 are issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (the “Issuer”) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506) (the “Arranger”). Investments in Capital Protected Series 1 Units can only be made by completing an Application Form attached to the Term Sheet Information Memorandum (“TSIM”), after reading the Term Sheet IM dated 19 March 2024 and the Master IM dated 14 March 2024 and submitting it to Sequoia. A copy of the IM can be obtained by contacting Sequoia Asset Management on 02 8114 2222 or contacting your financial adviser. You should consider the Term Sheet & Master IM’ before deciding whether to invest in Units in Capital Protected Series 1. Capitalised terms on the webpage have the meaning given to them in Section 10 “Definitions” of the Master IM.

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