Sequoia Alpha – Series 4

Morgan Stanley Diversified Risk Premia 4% Index
Offer Close Date 28 June 2024[1]

Sequoia has just launched a new investment enabling investors to gain exposure to the Morgan Stanley Diversified Risk Premia 4% Index with minimal upfront capital

[1]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.

Sequoia Alpha – Series 4

Sequoia Alpha – Series 4 ("**Series 4**") is a structured investment whereby investors obtain 100% leverage and exposure to any positive performance of the Morgan Stanley Diversified Risk Premia 4% Index ("**the Reference Asset or Index**") over a 2 year period with the potential to receive uncapped Performance Coupons every 6 months until the Maturity Date dependent on the index performance during the Investment Term, fully currency hedged into AUD.

An Investment in Series 4 Units may suit you if:

- You have a positive view of the Index over the 2 year Investment Term;
- You wish to obtain 100% leverage with no risk of margin calls; and
- You wish to obtain leverage via a limited recourse loan within your investment portfolio or SMSF.

Minimum Amounts Payable

Minimum Prepaid Interest	$6,250
Minimum Application Fee	$700
Minimum Total Investment Amount (excluding any Upfront Adviser Fee)	$6,950

The Minimum Amounts Payable above is the minimum cost Investors will be required to pay to invest in Units and relate to amounts payable for a Minimum Loan Amount of $100,000 which is used to fund the purchase of the Minimum Number of Units of 100,000 Units at $1.00 per Unit.

Summary of the key features are as follows

	Alpha – Series 4
Reference Asset / Index	Morgan Stanley Diversified Risk Premia 4% Index Bloomberg code: MSCBMSD4 Index. Performance of this index can be tracked at https://www.sequoiasi.com.au/alpha-series/sequoia-alpha-series-4/#performance 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: Email: specialistinvestments@sequoia.com.au
Potential Semi-Annual Performance Coupons	Yes, there is potential for uncapped Semi-Annual Performance Coupons payable every 6 months based on the Index Performance during the Investment Term, fully currency hedged into AUD.
Series Performance	This is calculated as the **highest Index Performance** observed on any of the Coupon Determination Dates applied to the full 100% leveraged Investment Amount. This will also be equal to the total of all Semi-Annual Uncapped Performance Coupons received during the Investment term expressed as a % of the Investment Amount.
Currency Exposure	No. The USD denomination of the underlying index has been fully hedged into AUD.
Limited recourse Loan	Yes. Investors borrow 100% of the Investment Amount.
Investment Term	2 years
Annual Interest Rate on Loan	3.125% p.a.
Application Fee	0.70% including GST
Total Investment Cost	6.95% (payable upfront)

Minimum Amount Payable	$6,950 for a $100,000 Loan and 100,000 Units
Break-Even Point	The Series Performance needs to be equal to or greater than 6.95% in order for investors to at least break-even (excluding any Upfront Adviser fee and any external costs). Refer to section 7 of the Term Sheet PDS for more information.
Maximum Loss	Due to the limited recourse loan the maximum loss that can be ever incurred is the Total Investment Cost plus any Upfront Adviser Fee. There is no additional risk of loss in relation to the Loan Amount.
Margin Calls	No
SMSF Eligibility	Yes

Morgan Stanley Diversified Risk Premia 4% Index

This index is a rules-based, quantitative strategy aiming to generate absolute returns by accessing risk premium themes across asset classes. The index tends to exhibit low correlation to traditional asset classes such as equities and bonds. The index comprises exposures such as carry, value, trend, volatility curve, intraday momentum and quality, which when combined can provide benefits from diversification. The underlying strategy allocations are rebalanced to a fixed weight on a monthly basis. Additionally, there is a 4% volatility target overlay (with 150% maximum exposure and 0.5% p.a. decrement fee) built into the index for efficient pricing.

Asset Class	Exposure	Overview
Equity	**VIX Rolldown**	This strategy aims to capture an expected premium in the US equity volatility market via selling futures contracts linked to the Cboe Volatility Index, while managing risk by varying leverage based on a combination of internal trading signals.
	Intraday Momentum	This strategy aims to capture the tendency for markets to trend in a certain direction towards the end of trading, by initiating a long (short) intraday position if Nasdaq Futures are up (down) intraday compared to the previous close.
	Quality Factor	The index strategy aims to extract potential future returns from a long/short dynamic basket of stocks selected based on their exposure to quality factors – i.e. it seeks to buy high profitability companies with high quality balance sheets and sell low profitability and low balance sheet quality stocks.
Commodities	**Curve Carry**	The strategy aims to monetize the potential to generate investment returns that arise due to the shape of forward curves in commodities markets. For each commodity, the Index buys contracts that are set to expire further in the future and have the highest expected profit from rolling them over (adjusted for seasonal patterns). At the same time, it sells shorter-term contracts by selling the Bloomberg Commodity Index (adjusted to neutralise any market exposure).
	Pair Value	This strategy attempts to take -advantage of short-term price differences between related commodities that have similar underlying factors affecting their supply and demand. These differences often correct themselves over time, a phenomenon known as mean reversion. It involves taking positions on pairs of commodities based on a “value” trading signal.

FX	**Multi-Factor**	The index strategy seeks to capture multiple FX risk premia within one multifactor portfolio, by allocating across G10 and emerging market currencies. Exposures include carry, value, equity-driven momentum, trend and sentiment-based positioning. The strategy is designed to maximize allocation to the different risk premia while making sure certain limits are met. These limits include how much is invested in each currency, the overall exposure to developed and emerging markets, the level of sensitivity to stock market movements, as well as the total amount of leverage within the portfolio.
Multi-Asset	**Trend Following**	Trend-following strategies aim to make money by noticing that the direction of recent price movements tends to persist in the future. This particular strategy is set up to identify and take advantage of trends in various futures markets. It also includes a risk reduction feature aimed at limiting losses should the trading signal not be a good predictor of future price movements. The signal for this strategy is based on comparing trends over different time periods, and it adjusts the amount invested in different assets based on the strength of their individual trend patterns.

Examples of Total Investment Cost

Assuming you wish to get exposure to the Index with minimal upfront capital, you decide to take out a limited recourse loan and invest the proceeds into Sequoia Alpha – Series 4. A few examples of the Total Investment Cost payable depending on the size of the Loan and Investment Amounts are outlined below.

	Example 1	Example 2	Example 3
Investment Amount	$100,000	$500,000	$1,000,000
Loan	($100,000)	($500,00)	($1,000,000)
Prepaid Interest for 3 year Investment Term (2 x 3.125% p.a. x Investment Amount)	($6,250)	($31,250)	($62,500)
Application Fee including GST (0.7%)	($700)	($3,500)	($7,000)
Total Investment Cost*	**($6,950)**	**($34,750)**	**($69,500)**

**This excludes any Upfront Adviser Fee*

When will investors generate a profit from Sequoia Alpha – Series 4

It is important for investors to understand that in order to recoup the Total Investment Cost and generate a profit on this investment then the Total Performance Coupons received by Maturity need to be greater than the Break-Even Point of 6.95% (excluding any Upfront Adviser Fee and any external costs, such as tax). As such, the Index Performance will need to be strong over the next 2 years in order for you to at least break-even and generate a profit.

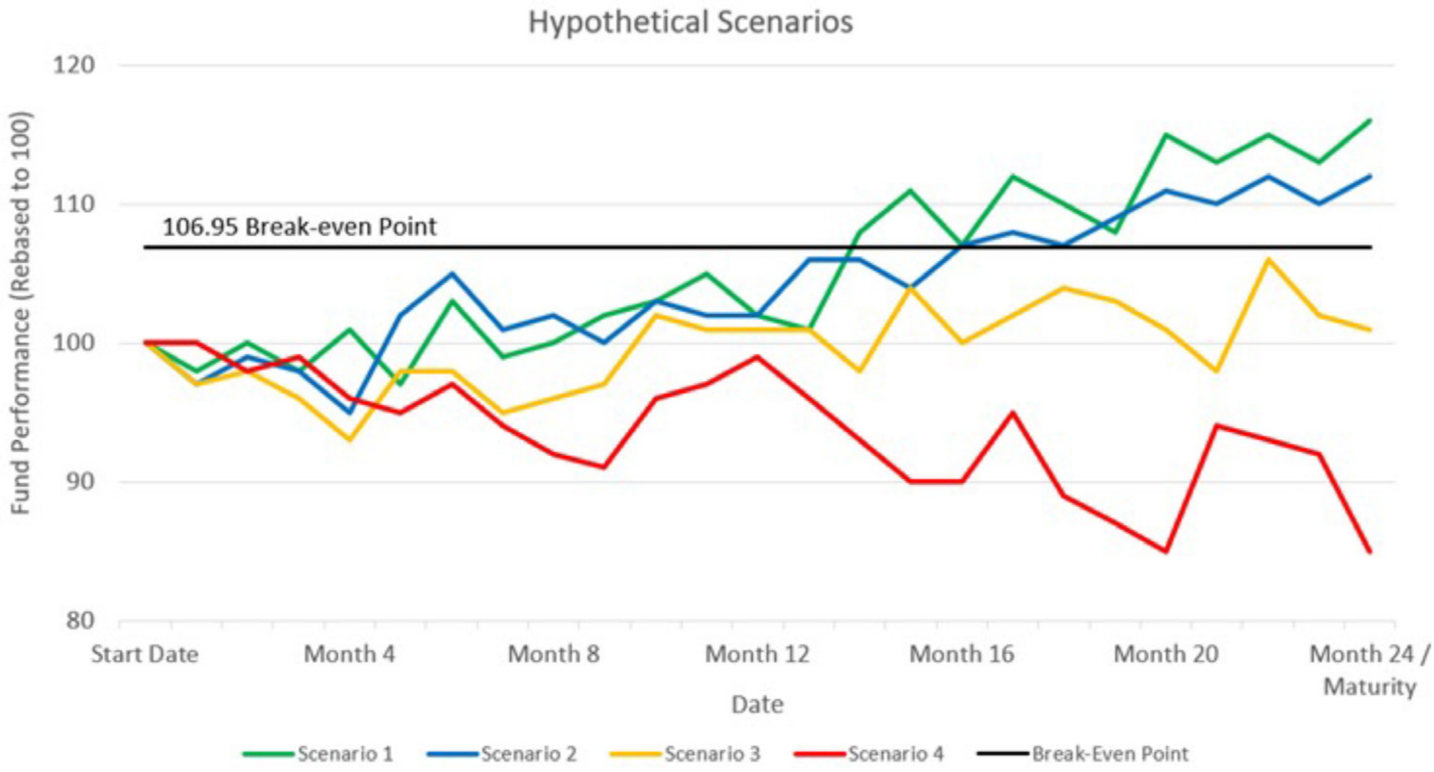
Hypothetical Examples

In the example below we look at 4 potential hypothetical scenarios. 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 at Maturity is likely to be different to any of the hypothetical scenarios below and will depend on the actual Series Performance realised at Maturity. Returns are not guaranteed.

If we assume, $100,000 Loan Amount and Investment Amount, the cash flows will be as follows under these 4 hypothetical scenarios.

	Scenario	Total Investment Cost*	Highest Index Performance observed on any Coupon Determination Dates during Investment Term*	Total Performance Coupons received during the Investment Term	Net Profit or (Loss)*
Scenario 1	Strong	($6,950)	+16%	$16,000	$9,050
Scenario 2	Average	($6,950)	+12%	$12,000	$5,050
Scenario 3	Weak	($6,950)	+4%	$4,000	($2,950)
Scenario 4	Negative	($6,950)	-1%	$0	($6,950)

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



Key Risks

Key risks include:

- Risk of 100% loss in relation to the Total Investment Cost and Upfront Adviser Fee. The Total Investment Cost equals the Prepaid Interest in relation to the Loan and the Application Fee. Investors may also incur an Upfront Adviser Fee in addition. A 100% loss will occur if there are no Performance Coupons paid during the Investment Term. This will be the case if the Index Performance is less than or equal to zero on each of the Coupon Determination Dates;
- Risk of partial loss (i.e. less than 100% loss) in relation to the Total Investment Cost and Upfront Adviser Fee. The Total Investment Cost equals the Prepaid Interest in relation to the Loan and the Application Fee. Investors may also incur an Upfront Adviser Fee in addition. Investors may incur a partial loss if the Total Performance Coupons received during the Investment Term is less than the Break-Even Point (per Unit);
- Timing risks. The timing risk is significant. This is because the Investment Term is fixed and the Total Performance Coupons received during the Investment Term needs to exceed the Total Investment Cost by the time the Maturity Date arrives in order for the investor to generate a profit from their investment (ignoring any Upfront Adviser Fee and any external costs). If this does not occur by the Maturity Date then Investors will generate a loss;
- 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;

- There is no guarantee that the Units will generate returns in excess of the Prepaid Interest and Fees, during the Investment Term;
- Additionally, in the event of an Investor requested Issuer Buy-Back or Early Maturity Event, you will not receive a refund of your Prepaid Interest or Fees. The amount received will depend on the market value of the Units which will be determined by many factors before the Maturity Date including prevailing interest rates both in Australia and internationally, foreign exchange rates, the remaining time to Maturity, and general market risks and movements including the volatility of the Index. Investors should be aware the Units are designed to be held to Maturity and are not designed to be held as a trading instrument;
- Gains (and losses) may be magnified by the use of a 100% Loan. However, note that the Loan is a limited recourse loan, so you can never lose more than your Prepaid Interest Amount and Fees paid at Commencement;
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty; and
- The Units may mature early following an Early Maturity Event, including an Adjustment Event, Market Disruption Event or if the Issuer accepts your request for an Issuer Buy-Back.

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

To find out more and to download a copy of the relevant Product Disclosure Statements and Target Market Determination, please visit Sequoia Specialist Investments 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 Sequoia Alpha – Series 4 are issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (the "Issuer") and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506) (the "Arranger"). Investments in the Sequoia Alpha – Series 4 Units can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement ("T erm Sheet PDS"), after reading the Term Sheet PDS dated 7 May 2024 and the Master PDS dated 14 August 2017 and submitting it to Sequoia. A copy of the PDS can be obtained by contacting Sequoia Asset Management on 02 8114 2222 or contacting your financial adviser. You should consider the Term Sheet & Master PDS' before deciding whether to invest in Units in Sequoia Alpha – Series 4. Capitalised terms on the webpage have the meaning given to them in Section 10 "Definitions" of the Master PDS.