Specialist Investments

Sequoia Capital Protected – Series 1 & 2

100% and 95% Capital Protected Investments linked to the performance of the Macquarie MQCP900F Index

Offer Close Date 26 November 2024[1]

Sequoia has just launched two new investment enabling investors to gain exposure to the Macquarie MQCP900F Index with a capital protection feature at Maturity and the potential to receive a performance coupon at maturity linked to the internally geared index performance.

[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 Capital Protected Series 1 & 2

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 underling 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.

An Investment in Series 2 Units may suit you if:

- You have a positive view of the Index over the 2 year Investment Term; and
- You are looking for an investment which benefits from a capital protection feature at Maturity.

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. The Minimum Investment Amount applies separately to each Series.

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

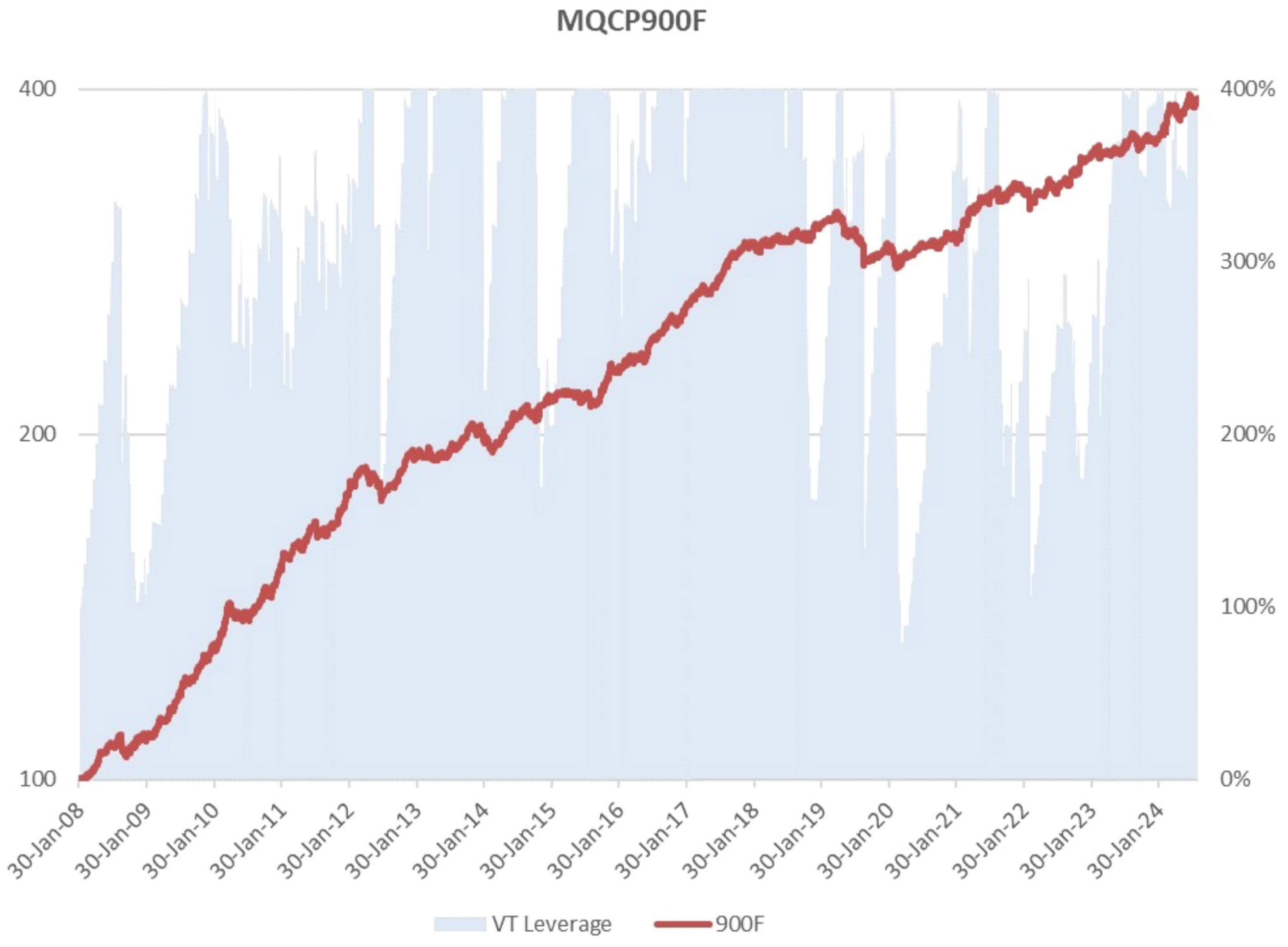
A summary of the key features of Capital Protected Series 1 & 2 is as follows

	Capital Protected Series 1 & 2
Investment Term	2 years
Currency	AUD
Capital Protection at Maturity	**Series 1:** Yes, the minimum amount payable by the Issuer at Maturity is equal to 100% of the Investment Amount. **Series 2:** 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.
Uncapped Performance Coupon at Maturity	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.
Internal Gearing Rate	**Series 1:** 130% **Series 2:** 200% 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.
Reference Asset / Index	Macquarie MQCP900F Index Bloomberg Ticker: MQCP900F <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 at: Email: specialistinvestments@sequoia.com.au ; or Phone: 02 8114 2203
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 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.
Issuer's Hedging Arrangements	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.
Rating of Macquarie Bank Limited ("Hedge Counterparty")	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.

Do investors benefit from a Security Interest over the Hedge Agreement entered into with MBL	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.
Rating of the Issuer of the Units	Sequoia Specialist Investments Pty Ltd is not rated.
Investment Amount	$1.00 per Unit x number of Units issued to the investor on the Commencement Date
Minimum Investment Amount	$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.
SMSF Eligibility	Yes

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.



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%
												Annualised	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.

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 3758 simulations over 3758 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	3758

**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	23.31%	11.04% p.a.
Median	24.59%	11.62% p.a.
Minimum	0.0%	0.00% p.a.

** Formula: (1 + 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	35.86%	16.56% p.a.
Median	37.82%	17.40% p.a.
Minimum	0.0%	0.00% p.a.

** Formula: (1 + 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.

Key Risks

Key Risks Include:

- 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.

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 & 2 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 & 2 Units can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement ("TSIM"), after reading the Term Sheet IM dated 28 October 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 & 2. Capitalised terms on the webpage have the meaning given to them in Section 10 "Definitions" of the Master IM.

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