



Sequoia Launch Units

Sequoia Launch Units give Investors with a positive view, the ability to make a leveraged investment with exposure to a choice of either:

- **Series 5:** the Australian share market as measured by the S&P/ASX 200 Price Return Index; or
- **Series 6:** Berkshire Hathaway Inc Class B Shares (“Berkshire Hathaway”);

and the benefit of a 100% Limited Recourse Loan with Prepaid Interest for the 3 year Investment Term of \$0.162 (5.40% p.a. per Unit).

Sequoia Launch Units work like this

Investors apply for the Sequoia Launch Units via the Application Form that can be found at the back of the Product Disclosure Statement dated 5 July 2014. Upon successful application and payment of the Prepaid Interest, Application Fee, Currency Hedging Fee (for Series 6 only) and Adviser Fee (if any) investors will be issued Units at \$1.00 Issue Price per unit.

At the Maturity Date, Investors may receive a Final Coupon dependant on the performance of:

- the Australian share market as measured by the S&P/ASX200 Price Return Index (Series 5), and/or
- Berkshire Hathaway Inc Class B Shares (Series 6)

(each of these is the “Reference Asset” for the relevant Series). The Final Coupon return will be calculated based on these movements

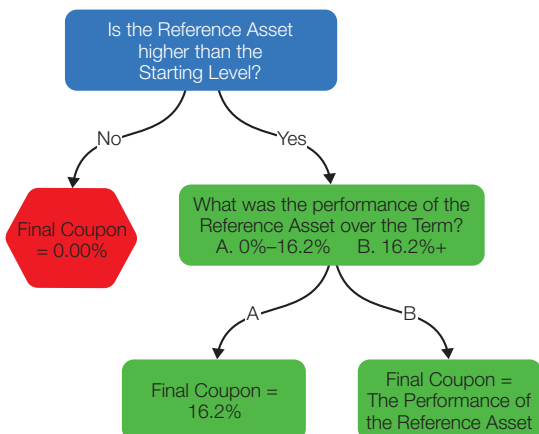
How is the Final Coupon Calculated?

If the Reference Asset Ending Level is above the Reference Asset Starting Level, the Final Coupon per Unit will be \$1.00 multiplied by the **greater** of:

- 16.2%; and
- the performance of the Reference Asset during the Investment Term.

Final Coupon Payment Diagram

The payment of the Final Coupon at Maturity for Launch Series 5 & 6 Units is summarised in the diagram below:



If the Reference Asset’s Ending Level is at or below the Starting Level, no Final Coupon will be paid.

If the Reference Asset experiences positive growth during the 3 year investment term, Investors will receive the **greater** of either:

- performance of the Reference Asset; or
- 16.2%

For example, for Series 5, if at the end of the three year term, the S&P/ASX200 is:

- Up 1%, then you would receive 16.2%
- Up 15%, then you would receive 16.2%,
- Up 30%, then you would receive 30%

However, if the S&P/ASX200’s Ending Level is at or below the Starting Level, no Final Coupon will be paid.

Key Risks:

- Your return is affected by the performance of the Reference Asset. There is no guarantee that the Reference Asset will perform well.
- There is no guarantee that the Units will generate returns in excess of the Prepaid Interest, Application Fee, Currency Hedging Fee (Series 6 only) and Adviser Fee (if any) during the Investment Term. Additionally, in the event of an Investor requested Issuer Buy-Back, Early Maturity Event or if you elect to repay your Loan before the Maturity Date, you will not receive a refund on Prepaid Interest, Application Fee, Currency Hedging Fee (Series 6 only) and Adviser Fee (if any).
- There will be no Final Coupon payable at Maturity if the Reference Asset Ending Level is the same or less than the Reference Asset Starting Level (i.e. the performance of the Reference Asset is flat or negative).
- Payment of the Final Coupon and the Final Value depends on the Issuer meeting its obligations and the Hedge Counterparty’s ability to meet their obligations under the Hedge. Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty.
- 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 will never be required to pay more than the Prepaid Interest, Application Fee, Currency Hedging Fee (Series 6 only) and Adviser Fee (if any).
- The Units may mature early following an Early Maturity Event, including as a result of an Adjustment Event or Market Disruption Event or, if your request for an Issuer Buy-Back is accepted. If the Units are subject to Early Maturity for any reason, you will not be entitled to a refund of any Prepaid Interest, Application Fee, Currency Hedging Fee (Series 6 only) or Adviser Fee (if any) paid in relation to the Units.

Closes 27 August 2014*



1300 522 644

Investment Example – Series 5 – the Australian share market as measured by the S&P/ASX200

John and Mary Smith are interested in gaining exposure to the Australian share market. They are interested in Sequoia Launch – Series 5 as it provides exposure to the Australian share market as measured by the S&P/ASX200. Due to the structure of the investment, by holding their Units for the entire 3 year Investment Term, John and Mary will benefit from:

- A compulsory limited recourse Loan for 100% of the Investment Amount with a fixed interest rate of 5.40% p.a. payable for the full 3 year Investment Term in advance.
- At maturity, if the S&P/ASX200 Ending Level is higher than the Starting Level, Investors will receive a Final Coupon that will be the **greater** of:
 - 16.2%; and
 - the performance of the S&P/ASX200 during the Investment Term.
- At Maturity and provided that John and Mary have repaid their Loan, a Delivery Parcel equal in value to the Final Value per Unit of \$1.00 containing ordinary shares in Telstra Corporation or Sale Monies (if John and Mary elect to use the Agency Sale Option).

John and Mary decide to invest \$200,000 in Sequoia Launch – Series 5 Units. When submitting an Application Form, they automatically apply for a \$200,000 limited recourse Loan. They are required to pre-pay the interest for the 3 years term at 5.4% p.a and pay a one-off Application Fee of 2.2%, all calculated by reference to their total Investment Amount at the time of their Application.

Investment Amount	\$200,000
Loan	(\$200,000)
Interest for 3 year Investment Term at 5.4%p.a	(\$32,400)
Application Fee (2.2%)	(\$4,400)
Total maximum outlay over the Investment Term	(\$36,800)

Note that if you invest in Sequoia Launch – Series 6 Units you would be required to pay the Currency Hedging Fee of 3.3% (1.1% p.a. per Unit), so the total investment outlay in the above example would be \$43,400

If you agree to pay an upfront fee to your adviser for financial product advice given by them to you in relation to your investment in the Units (“Adviser Fee”), you will also be required to pay this amount.

Potential Returns – Series 5 – S&P/ASX200

The performance of the Australian share market as measured by the S&P/ASX200 (“ASX200”) during the Investment Term will be calculated as:

$$\frac{(\text{ASX200 Ending Level} - \text{ASX200 Starting Level})}{\text{ASX200 Starting Level}}$$

If the S&P/ASX200 is at or below the Starting Level at Maturity, no Final Coupon will be paid.

Assuming that John and Mary maintained their \$200,000 investment for the Investment Term, and that there is no Early Maturity or Buy-Back the Scenario outcomes would be as follows:

	S&P/ASX200 Starting Level	S&P/ASX200 Ending Level (3 yrs)	Performance	Final Coupon (\$) & (%)
Scenario 1	5,400	4,860	-10%	\$0.00 (0%)
Scenario 2	5,400	5,401	0.02%	\$32,400 (16.2%)
Scenario 3	5,400	5,940	10%	\$32,400 (16.2%)
Scenario 4	5,400	6,480	20%	\$40,000 (20.0%)
Scenario 5	5,400	7,560	40%	\$80,000 (30.0%)

The returns above demonstrate how the Final Coupon is calculated and do not take into account the fees and costs calculated above. Investors should consider the impact those fees and costs will have on the return on their investment.

To find out more, contact your adviser or call Sequoia Asset Management on 1300 522 644

Closes 27 August 2014*

*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.sequoiasi.com.au.

Units in Sequoia Launch Units – Series 5 & 6 are issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (the “Issuer”) and arranged by Valuestream Investment Management Ltd (ACN 094 107 034, AFSL 246621). Investments in the Sequoia Launch Units – Series 5 & 6 can only be made by completing an Application Form attached to the Product Disclosure Statement dated 5 July 2014 (“PDS”) and submitting it to Sequoia Specialist Investments Pty Ltd (ABN 67 145 459 936). 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 PDS before deciding whether to invest in Units in Sequoia Launch Units – Series 5 & 6.

Capitalised terms in this flyer have the meaning given to them in Section 15 “Definitions” of the PDS.

This flyer has been prepared by the Issuer for general promotional purposes only and is not an offer to sell or solicitation to buy any financial products. This flyer does not constitute personal advice and has been prepared without taking into account your objectives, financial situation or needs. You should consider obtaining professional advice as to whether this financial product suits your objectives, financial situation or needs before investing.

You should seek independent advice in relation to the tax implications of your investment. You should note that the ATO is currently considering the tax treatment of products such as the Launch Units, including the availability of deductions for any interest incurred on the Loan, and may take the view that interest deductions are limited or not available. As a result, you should ensure that you are comfortable making an investment in the Units on the basis that a deduction (or capital loss) may not be available in respect of interest incurred on the Loan if the ATO seeks to deny such deduction.