

How to Participate in the next phase of the US Equity market, with minimal upfront capital and limited downside risk.



Commencement Date – 14 April 2017

Sequoia has launched two new investments enabling investors to gain exposure to the US Equity markets with minimal upfront capital and limited downside risk:

Sequoia Launch Series 25–Berkshire Hathaway Inc – Class B Shares

Sequoia Launch Series 26 – equi-weighted basket comprising, NASDAQ, S&P500 and Dow Jones Industrial Average Price Return Indices.

Sequoia Launch Series 25 and/or 26 may suit you if you:

- have a positive 3 year view and would like exposure to the performance of
 - Berkshire Hathaway Inc Class B shares (Series 25); and/or
 - an equi-weighted basket comprising the Dow Jones Industrial Average, NASDAQ and S&P500 indices (Series 26);
- are seeking long exposure to the USD/AUD exchange rate applicable to the Performance Coupons and Final Coupon.
- wish to obtain 100% leverage with no risk of margin calls via a limited recourse loan within your investment portfolio or SMSF

Sequoia Launch Series 25 – Berkshire Hathaway Inc – Class B Shares

The Units in Sequoia Launch Series 25 offer investors the ability to gain exposure to Berkshire Hathaway Inc Class B Shares with a 14.5% Volatility Target Mechanism, potential Performance Coupons of up to 10.8%* at the end of Year 1 & Year 2, and an uncapped Final Coupon dependent on the Series Performance.

Sequoia Launch Series 26 – Diversified Basket of US Indices (S&P 500, DJIA, and Nasdaq 100)

The Units in Sequoia Launch Series 26 offer investors the ability to gain exposure to an equi-weighted basket of US Indices with the potential to receive Performance Coupons of up to 10.8%* at the end of years 1 and 2 and an uncapped Final Coupon at Maturity dependent on the Series Performance.

Summary of the key features are as follows

	Series 25	Series 26
Reference Asset/Basket	Berkshire Hathaway Inc–Class B Shares	Equi--weighted basket of: S&P500 DJIA Nasdaq 100
Strategy	Reference Asset with 14.5% Volatility Target	Not Applicable
Currency Exposure	USD	USD
The Potential for 3 Performance Coupons	Two potential Performance Coupons of up to 10.8%* each, at the end of Year 1 & Year 2 plus the potential for an uncapped Final Coupon*	Two potential Performance Coupons of up to 10.8%* each, at the end of Year 1 & Year 2 plus the potential for an uncapped Final Coupon*
Limited recourse Loan	Yes	Yes
Annual Interest Rate on Loan	5.95% p.a.	5.95% p.a.
Currency Management Fee	0.7% p.a.	0.7% p.a.
Application Fee	2.2%	2.2%
Volatility Mechanism	Yes	N/A
Volatility Target	14.5%	N/A
Maximum Participation Rate	150%	N/A
Averaging	Yes	Yes
Margin Calls	No	No
SMSF Eligibility	Yes	Yes

Scenario Examples:

Assuming you wish to get exposure to the US equity market with minimal upfront capital and limited downside risk, you decide to take out a limited recourse loan of \$100,000 and invest the proceeds into either Sequoia Launch Series 25 or Series 26. The cashflow scenarios are below:

Cash Outlay for Launch Series 25 and 26

Investment Amount	\$100,000
Loan	(\$100,000)
Interest for 3 year Investment Term (5.95%p.a.)	(\$17,850)
Currency Management Fees (0.7% p.a.)	(\$2,100)
Application Fee (2.2%)	(\$2,200)
Total maximum outlay over the Investment Term	(\$22,150)

Investment cash flow Scenarios during the Investment Term for Series 25 and 26

Scenario	Investment Amount	Gross Series Performance over 3 years	Net Cumulative Performance Coupons over 3 years*
1	\$100,000	-15%	\$0
2	\$100,000	0.00%	\$0
3	\$100,000	15%	\$13,500
4	\$100,000	30%	\$27,000
5	\$100,000	45%	\$40,500
6	\$100,000	60%	\$54,000

The above scenario outcomes are in no way indicative of future performance of the Sequoia Launch Series 25 or 26.

KEY RISKS

Key risks include:

- Your return is affected by the performance of the Reference Asset (Series 25) or Reference Basket (Series 26). There is no guarantee that the Reference Asset or Reference Basket will perform well. If the Reference Asset or Reference Basket performs negatively during the Investment Term you could lose some or all of your invested capital.
- The Units for Series 25 have varying levels of exposure to the Reference Asset depending on volatility due to the variable Participation Rate. It operates by varying the exposure that the Units will have to the Reference Asset depending on the Realised Volatility of the Berkshire Hathaway Inc Class B Shares and the Target Volatility. There is the risk that the Participation Rate could drop to significantly below 100% during the Investment Term in which case Investors will not gain the full benefits of an increase of the value of the Reference Asset.
- Investors in Series 25 should note that there is a lag in measuring the Realised Volatility of the Reference Asset. This means that where there has been a period of high Realised Volatility, the Investor's exposure to the Reference Asset will be low, regardless of whether the Reference Asset is performing positively or negatively.
- Performance Coupons (but not the Final Value) for both Series 25 and Series 26 are subject to movements in the AUD/USD exchange rate. There will be no Performance Coupons payable if the Reference Asset or the Reference Basket is negative at a Coupon Determination Date.
- Both Series 25 and Series 26 investment are subject to averaging. Averaging may impact the performance of the investment during the Investment Term when compared to an investment that does not use averaging.
- There is no guarantee that the Units will generate returns in excess of any 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 any Fees.
- Gains and losses may be magnified by the use of the 100% limited recourse Loan.
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty;
- 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 Sequoia Launch Series Master PDS for more information.

**To find out more and to download a copy of the relevant
Product Disclosure Statement(s), please visit
Sequoia Specialist Investments at www.sequoiasi.com.au
or contact us on +61 2 8114 2222**

*Net of 10% Performance Fee on any Performance Coupons and before adjusting for changes in the AUD/USD exchange rate.

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.

Units in Sequoia Launch Units – Series 25 & 26 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 Launch Units – Series 25 & 26 can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement ("TSPDS"), after reading the Master PDS dated 10 June 2015 and submitting it to Sequoia. A copy of the PDS can be obtained by contacting Sequoia Asset Management on or contacting your financial adviser. You should consider the Term Sheet & Master PDS' before deciding whether to invest in Units in Sequoia Launch Units – Series 25 or 26.

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