

## Sequoia Launch Series 37 – Diversified Basket of Global Investment Funds

A 4 year, 100% geared exposure to a basket of global funds, managed by some of the worlds largest and oldest asset managers with an **interest rate of only 1.99% p.a.**

The objective of the Units in Sequoia Launch Series 37 is to deliver positive returns to investors, regardless of market conditions over a 4 year period. The Units aim to achieve this by offering leveraged exposure to a diversified basket of global investment funds with various investment styles including:

- Global Fixed Income;
- Global Equity Absolute Return;
- UK Equity Absolute Return;
- Multi-Strategy Growth

Due to the diverse investment styles of the underlying Funds, the Reference Basket is expected to have very low volatility characteristics, resulting in a very inexpensive hedge. This low cost combined with Sequoia’s access to investment bank hedging and borrowing, results in a very cost effective fixed lending rate of 1.99% p.a.

The Units also offer Investors regular distribution potential, as the Units have the ability to pay annual uncapped Performance Coupons based on the full leveraged investment amount.

### Launch Series 37

Reference Basket:	Weighting on Commencement Date	Fund
Equally weighted exposure to the Euro denominated share classes of the following 5 global funds (the funds are not rebalanced at any time following the Commencement Date)	20%	Old Mutual – Global Equity Absolute Return Fund
	20%	Janus Henderson – United Kingdom Absolute Return Fund
	20%	PIMCO Income Fund
	20%	Invesco US Senior Loan Fund
	20%	Pioneer Funds – Multi Strategy Growth
Coupons	Four (4) potential uncapped Performance Coupons, payable annually, calculated by reference to the performance of the Strategy Value, as increased by the Coupon Multiplier, less a 10% Performance Fee	
Coupon Multiplier	110%	
Limited Recourse Loan	Yes, Investors borrow 100% of the Investment Amount.	
Annual Interest Rate on Loan	1.99% p.a.	
Strategy Value	Reference Basket with 2.0% Target Volatility	
Unit Currency Exposure	AUD	
Margin Calls	No	
SMSF Eligibility	Yes	

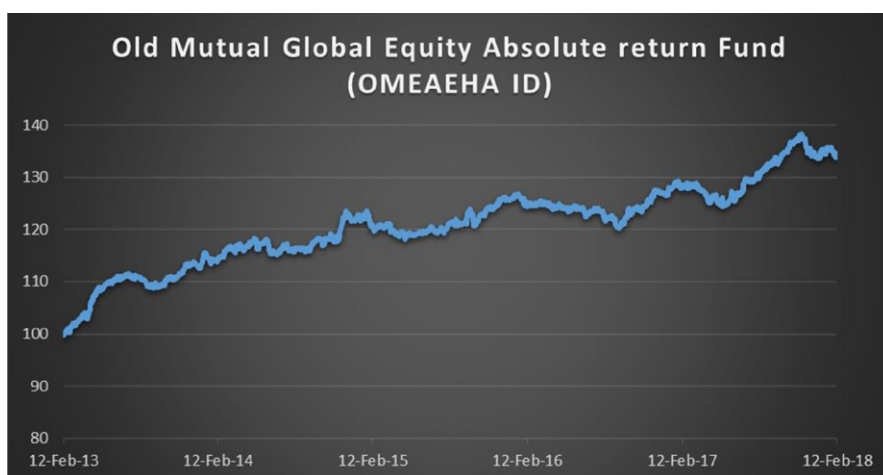
## Old Mutual Global Equity Absolute Return Fund

**Fund Size: USD 13.3bn<sup>1</sup>**

**Inception Date: November 2011**

Old Mutual was established in 1845 and manages over USD249bn of assets under management globally.

Old Mutual Global Investors Series PLC– Global Equity Absolute Return Fund is an open-end fund incorporated in Ireland. The Fund aims to deliver an absolute return by investing in a market neutral portfolio of actively traded large capitalization global equities. The Absolute Return Fund is managed using highly developed proprietary systematic techniques that exploit short term anomalies.



Past performance is not a reliable indicator of future performance. Future volatility and returns may vary.  
<sup>1</sup>Bloomberg as at 12 February 2018

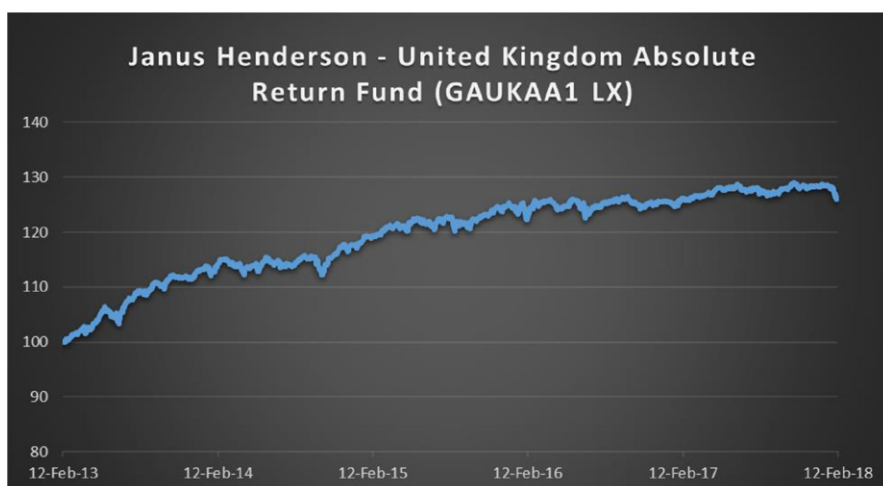
## Janus Henderson – United Kingdom Absolute Return;

**Fund Size: GBP 4.39bn<sup>1</sup>**

**Inception Date: April 2010**

Janus Henderson was formed from the all stock merger of Janus Capital Group and Henderson Group which completed in May 2017. At the time of the merger, the combined group had assets under management of US\$331 billion.

The Fund's objective is to achieve appositive absolute return over the long term regardless of market conditions by investing in long and short positions in equities and equity related derivative contracts of companies having a registered office in the United Kingdom. The return will be a combination of capital and income return.



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<sup>1</sup>Bloomberg as at 9 February 2018

## PIMCO Income Fund – Global Investor Series Plc – E Class – Accumulation Income

**Fund Size: USD 75.8bn<sup>1</sup>**

**Inception Date: November 2011**

PIMCO is a global investment management firm with a singular focus on preserving and enhancing investors' assets. PIMCO was founded in 1971, in California, USA, and currently manages \$US1.61 trillion.

The primary investment objective of the PIMCO Income Fund – Global Investor Series Plc – E Class – Accumulation Income is to seek high current income consistent with prudent investment management. Long-term capital appreciation is a secondary objective. The Income Fund is a portfolio that is actively managed and utilises a broad range of fixed income securities to maximise current income while maintaining a relatively low risk profile, with a secondary goal of capital appreciation.



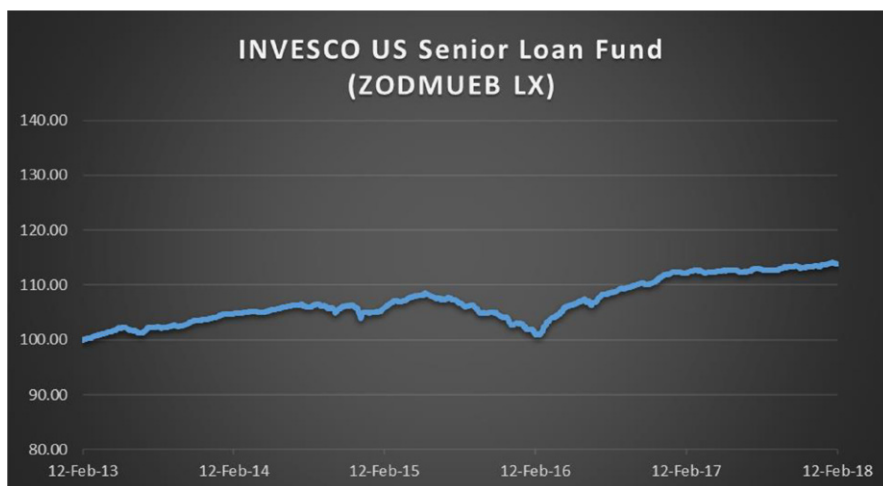
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<sup>1</sup>Bloomberg as at 31 January 2018



## INVESCO US Senior Loan Fund

**Fund Size: USD 9.7bn<sup>1</sup>**  
**Inception Date: May 2013**

Invesco Ltd. is an American independent investment management company that is headquartered in Atlanta, Georgia, United States, and has branch offices in 20 countries. As at 12 February 2018 it had USD \$972.6 billion in assets under management. Invesco Zodiac Funds–Invesco U.S. Senior Loan Fund aims to provide a high level of current income, consistent with the preservation of capital. The Fund will invest in adjustable rate senior loans whose interest rates float at a spread above LIBOR and reset on average approximately every 60 days.



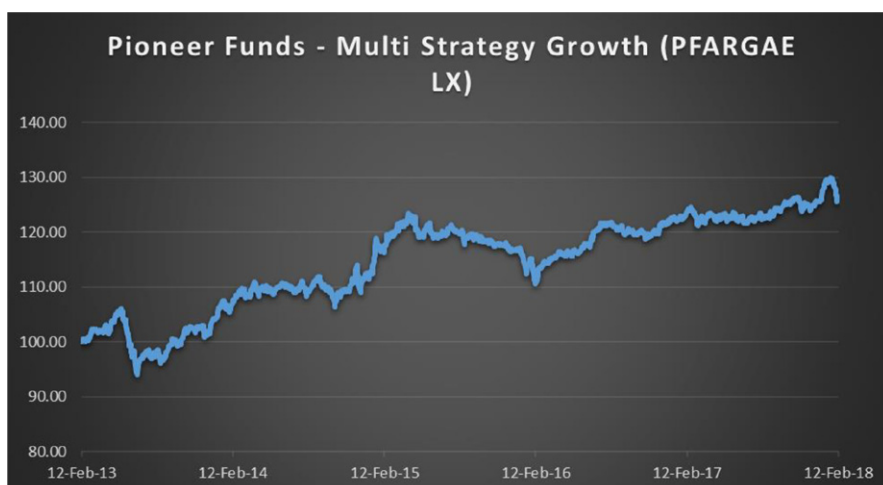
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<sup>1</sup>Bloomberg as at 9 February 2018

## Pioneer Funds–Multi-Strategy Growth

**Fund Size: EUR 588M<sup>1</sup>**  
**Inception Date: July 2008**

Pioneer Investments became part of the Amundi group in July 2017. Amundi is Europe's largest asset manager by assets under management and ranks in the top 10 globally. Thanks to the integration of Pioneer Investments, the combined company now manages over 1.4 trillion euros of assets across six investment hubs.<sup>1</sup>

Pioneer Funds–Multi-Strategy Growth is an open-end investment fund incorporated in Luxembourg. The Fund's objective is to achieve absolute performance and capital preservation over the medium to long-term. The Fund invests in a diversified portfolio consisting of equities and equity-related instruments as well as debt securities and debt-related instruments.



Past performance is not a reliable indicator of future performance. Future volatility and returns may vary.  
<sup>1</sup>Bloomberg as at 2 February 2018

## Cash Flows at Commencement:

Investors pay four years of interest at 1.99%p.a. and a one off 2% application fee upfront for the 4 year investment term and can potentially receive uncapped Performance Coupons at the end of each year.

	Upfront Cash Flow requirements*			
<b>Investment Exposure @\$1.00 per Unit</b>	\$100,000	\$250,000	\$500,000	\$1,000,000
<b>Loan</b>	(\$100,000)	(\$250,000)	(\$500,000)	(\$1,000,000)
4 years interest 1.99%p.a. (7.96%)	(\$7,960)	(\$19,900)	(\$39,800)	(\$79,600)
Application Fee: 2.0% (once off)	(\$2,000)	(\$5,000)	(\$10,000)	(\$20,000)
<b>Total Cash Outlay (paid upfront)</b>	<b>(\$9,960)</b>	<b>(\$24,900)</b>	<b>(\$49,800)</b>	<b>(\$99,600)</b>

\*excluding any Adviser Fees as negotiated between the Investor and their Adviser.

## Key risks

- Your return is affected by the performance of the Reference Basket. There is no guarantee that the Reference Basket will perform well. If the Reference Basket performs negatively during the Investment Term you could lose some or all of your invested capital.
- The Units for Series 37 have varying levels of exposure to the Reference Basket depending on its volatility due to the variable Participation Rate. It operates by varying the exposure that the Units will have to the Reference Basket depending on the Realised Volatility of the Reference Basket 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 37 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.
- 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.
- 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 and Section 2 "Term Sheet" of the Sequoia Launch Series 37 Term Sheet PDS for more information.

**For more information and to receive  
a copy of the PDS, please visit  
[www.sequoiasi.com.au](http://www.sequoiasi.com.au)  
02 8114 2222**

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You should seek independent advice in relation to the tax implications of your investment. Units in Sequoia Launch Units – Series 37 are issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (the "Issuer") and arranged by Sequoia Asset Management Pty Ltd (ABN 70 135 907 550, AFSL 341506). A Term Sheet Product Disclosure Statements (PDS) is available for Sequoia Launch Units – Series 37. You can access the PDS through Sequoia's website at [www.sequoiasi.com.au](http://www.sequoiasi.com.au). The Term Sheet PDS should be read in conjunction with the respective Master PDS, which can also be accessed at [www.sequoiasi.com.au](http://www.sequoiasi.com.au). If you are considering investing in the product, please read the PDS.