

## Delivering leveraged exposure to the BNP Paribas Multi-Asset Diversified Vol 4 EUR Future Index



### **Sequoia Launch – Series 52** **Offer Close Date – 22 November 2019<sup>1</sup>**

Sequoia has just launched a new investment enabling investors to gain leveraged exposure to the BNP Paribas Multi-Asset Diversified Vol 4 EUR Future Index (“the Reference Asset or Index”) for a 4 year period with minimal upfront capital and limited downside risk.

<sup>1</sup>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.

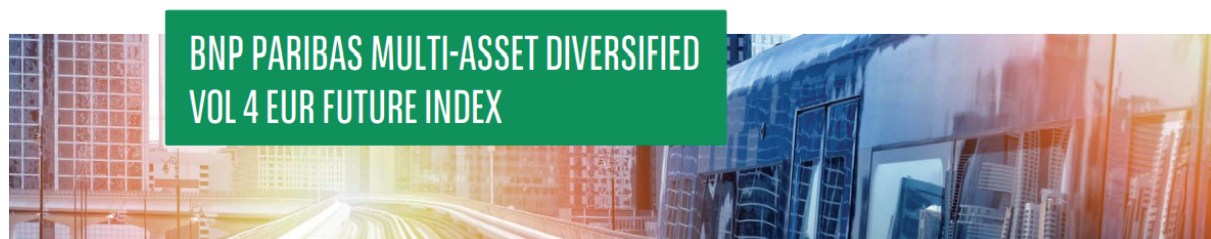
Due to the Index's volatility control mechanism and diverse asset exposure, the Index is expected to have very low volatility characteristics, resulting in a very inexpensive hedge. This low cost combined with Sequoia's access to investment bank hedging and borrowing, results in a very cost effective fixed lending rate of 1.99% p.a.

## A summary of the key features are as follows

Launch Series 52	
Issuer	Sequoia Specialist Investments Pty Ltd
Underlying Index	BNP Paribas Multi-Asset Diversified Vol 4 EUR Future Index
Currency Exposure	AUD hedged
The potential for 4 uncapped Performance Coupons	Four (4) potential uncapped Performance Coupons, payable annually, calculated by reference to the performance of the Index
Limited recourse Loan	Yes. Investors borrow 100% of the Investment Amount.
Annual Interest Rate on Loan	1.99% p.a.
Currency Hedging Fee	0.25% p.a.
Application Fee	1.0%
Total Investment Cost	9.96% (payable upfront)
Margin Calls	No
SMSF Eligibility	Yes

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 at the end of each year.

## Underlying Index



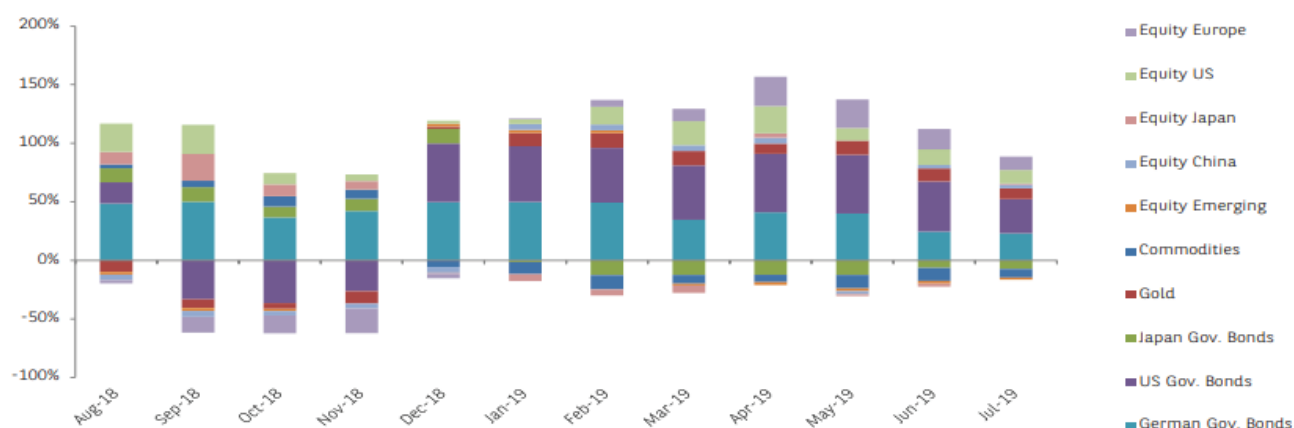
## A Systematic Multi-Asset Long/Short Strategy:

- Multi-Asset
- Diversified sources of returns
- Long/Short
- Dynamic Asset allocation
- Highly reactive to changes in market conditions (daily review and execution)
- Embedded leverage potential inside the Index (up to 150%)
- FX hedge
- Risk control (the strategy has a target volatility of 4%)

Futures Universe
Equity Europe
Equity US
Equity Japan
Equity China
Equity Emerging Markets
Government Bonds Germany
Government Bonds Japan
Government Bonds US
Commodities
Gold

## Dynamic Asset Allocation – Long/Short

### ASSET EXPOSURE (INCLUDING DAILY VOLATILITY CONTROL MECHANISM)



	Equity Europe	Equity US	Equity Japan	Equity China	Equity Emerging	German Gov. Bonds	US Gov. Bonds	Japan Gov. Bonds	Gold	Commodities	Net Exposure
<b>End of Jul. 19</b>	11.40%	11.49%	0.87%	3.35%	-1.78%	23.11%	29.21%	-7.38%	9.06%	-7.41%	<b>71.91%</b>

Source: Bloomberg, BNP Paribas, as of 31 July 2019. Simulations of end-of-month allocation. Exposure figures that are shown include the daily volatility control and are rounded to the second decimal place.

## Investment Scenario Outcomes:

Assuming you wish to get exposure to Launch Series 52 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 Series 52 units. The cashflow scenarios are below:

Cash Outlay for Sequoia Launch Series 52	
Investment Amount	\$100,000
Loan	(\$100,000)
Interest for 4 year Investment Term (1.99%p.a.)	(\$7,960)
Currency hedging Fee (0.25% p.a.)	(\$1,000)
Application Fee (1.0%)	(\$1,000)
<b>Total Investment Cost</b>	<b>(\$9,960)</b>

## Investment cash flow Scenarios during the Investment Term for Sequoia Launch Series 52

Scenario	Investment Amount	Total Investment Cost	Cumulative Performance Coupons	Cumulative Performance \$ Coupons	Net Profit/ (Loss)	% Return on Total Investment Cost
1	\$100,000	\$9,960	0%	\$0	-\$9,960	-100%
2	\$100,000	\$9,960	5%	\$5,000	-\$4,960	-50%
3	\$100,000	\$9,960	10%	\$10,000	Break Even	0%
4	\$100,000	\$9,960	15%	\$15,000	\$5,040	51%
5	\$100,000	\$9,960	20%	\$20,000	\$10,040	100%
6	\$100,000	\$9,960	25%	\$25,000	\$15,040	151%

The above scenario outcomes are in no way indicative of future performance of Sequoia Launch Series 52.

## Key risks include:

- Your return (including any Performance Coupons) is affected by the performance of the Reference Asset. There is no guarantee that the Reference Asset will perform well.
- There will be no Performance Coupon payable if the performance of the Reference Asset is negative at the relevant Coupon Determination Date.
- The potential Performance Coupons are determined by reference to the Reference Asset Performance on the relevant Coupon Determination Date and deducting any past Performance Coupons paid.
- 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.
- 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.

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**To find out more and to download a copy of the relevant  
PDS, please visit  
Sequoia Specialist Investments at [www.sequoiasi.com.au](http://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](http://www.sequoia.com.au)**

Units in Sequoia Launch – Series 52 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 – Series 52 can only be made by completing an Application Form attached to the Term Sheet PDS (“TSPDS”), after reading the Term Sheet PDS dated 27 September 2019 and the Master PDS dated 14 August 2017 and submitting it to Sequoia. A copy of the TSPDS and Master PDS can be obtained by contacting Sequoia Wealth 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 Launch – Series 52. Capitalised terms on the webpage have the meaning given to them in Section 10 “Definitions” of the Master PDS.

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