

# US Dispersion – Series 6

## Investing into Dispersion

### US Listed Shares

### Growth vs Value

28 August 2020



## Product Disclosure Statement



This Term Sheet PDS supplements the Master PDS dated 14 August 2017 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (“**the Issuer**”). This Term Sheet PDS together with the Master PDS constitutes the PDS for the Offer of the Series of Units described below.

This PDS is for the offer of an agreement to purchase the shares (“**Delivery Assets**”) specified in Section 2 “Term Sheet” of this Term Sheet Product Disclosure Statement (“**Term Sheet PDS**”) on certain terms including deferred delivery and entry into a Loan for the Investment Amount (“**the Offer**”). This Term Sheet PDS is dated 28 August 2020 and is 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**”) pursuant to Section 911A(2) (b) of the Corporations Act. Pursuant to Section 911A(2)(b), the Issuer will issue the Units in accordance with the offer made by the Arranger.

This PDS has not been lodged, and is not required to be lodged with the Australian Securities and Investments Commission (“**ASIC**”).

All fees in this PDS are stated inclusive of any GST (unless stated otherwise).

All monetary amounts referred to in this PDS are given in Australian dollars (unless stated otherwise). All references to legislation in this PDS are to Australian legislation. Explanations as to tax treatment and other features of the Offer have been provided for Australian investors.

## Investments in the Units

This PDS (including the Master PDS) is an important document which should be read before making a decision to acquire the Units. The information in this PDS is general information only and does not take into account an individual’s investment objectives, financial situation or particular needs or circumstances.

Nothing in this PDS is a recommendation by the Issuer or its related bodies corporate or by any other person concerning investment in the Units or the Reference Basket or any specific taxation consequences arising from an investment in the Units. Potential investors should also obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. No cooling off rights apply to investments in the Units.

**Potential Investors should note that the Issuer retains discretion to amend the closing date for the offer for a Series and move the Commencement Date (and all other consequential dates) for a Series, or not to continue with the issue of a Series of Units on the Commencement Date and terminate any Units in that Series already issued, including where there is a significant change in the Issuer’s cost of hedging between the date of this Term Sheet PDS and the Commencement Date. In particular, the Issuer will not continue with the issue of a Series of Units if it considers that it and its affiliates have not completed sufficient arrangements for management of their respective obligations in respect of that Series of Units. If a decision is made not to issue a Series of Units or to terminate Units in a Series that have already been issued, the Issuer will return the Prepaid Interest, and any applicable Fees that have been paid upfront to applicants without interest within 10 Business Days of the scheduled Commencement Date.**

## Eligible investors and electronic PDS

This PDS and the Offer are available only to Australian resident investors receiving this PDS (including electronically) in Australia. Applications from investors outside Australia will not be accepted. If anyone prints an electronic copy of this PDS they must print all pages including the Application Form. If anyone makes this PDS available to others, they must give them the entire electronic file or printout, including the Application Form and any additional documents that the Issuer may require such as identification forms for the purpose of satisfying Australian anti-money laundering legislation.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States or to, or for the benefit of U.S. persons unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

## Updated information

Information set out in this PDS is subject to change from time to time. Information not materially adverse to Investors in the Units may be amended without issuing an updated or supplementary PDS. Investors can find this updated information at any time at [www.sequoiasi.com.au](http://www.sequoiasi.com.au).

A paper copy of this PDS (and any supplementary documents) can be obtained free of charge on request by contacting Sequoia Specialist Investments. Sequoia Specialist Investments can be contacted on (02) 8114 2222 or at PO Box R1837 Royal Exchange NSW 1225.

If an Investor establishes that information is not accurate, complete, and up-to-date, the Issuer must take reasonable steps to correct it.

## Making an investment

Units can only be issued if potential investors use an Application Form (including relevant attachments) attached to either a paper or electronic copy of this PDS.

## Returns not guaranteed

Returns on the Units are not guaranteed. The Issuer, the Security Trustee, the Custodian, the Arranger, the Lead Distributor, the Acceptor nor any of their associates or subsidiaries guarantees the return on an investment in the Units or any gain. Investors may not recoup the total amount of any amounts outlaid as there is no guarantee that returns on the Units will be in excess of these amounts paid by Investors. Please refer to Section 2 “Risks” in the Master PDS.

## Superannuation fund investors

Superannuation funds can invest in Units in the Series. Superannuation fund investors should take note of the representations and warranties they make when investing – see clause 13.2 of the Terms in the Master PDS.

## Definitions

Capitalised terms used in this PDS have the meaning given in Section 10 “Definitions” of the Master PDS, and as defined in this Term Sheet PDS.

## Nature of the Units

The Units are “Securities” for the purposes of Chapter 7 of the Corporations Act.

Please note “Unit” or “Units”, when used in this PDS, means an agreement to buy the Delivery Assets between the Issuer, Custodian and the Investor pursuant to the Deferred Purchase Agreement. The Units are not units in a trust or managed investment scheme.



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# 1. Overview



The Units in US Dispersion – Series 6 offer investors the ability to gain exposure to the Dispersion of a Reference Basket of listed US Shares (each an “Underlying”) during the period from the Commencement Date to the Maturity Date (being a period of approximately 2 years) based on the full leveraged Investment Amount. Investment in the Units is by way of a 100% LVR limited recourse loan, with Investors only being required to pay an Application Fee and Prepaid Interest following a successful application for Units.

The Reference Basket consists of US listed Shares which have been characterised as having a large exposure to the “value” and “growth” investment style factors.

The Units provide investors with a potential uncapped Performance Coupon at Maturity based on the full leveraged investment amount depending on the performance of Dispersion of the Reference Basket during the Investment Term provided the realised level of Dispersion at Maturity is greater than the Hurdle.

## Summary of the key features are as follows

Reference Basket	Series 6				
	Bloomberg Sector	Bloomberg Group	Bloomberg Code	Underlying	Bloomberg Style: Value/Growth
	<b>Communications</b>	Internet	NFLX UW Equity	Netflix Inc	Growth
		Internet	AMZN UW Equity	Amazon.com Inc	Growth
		Internet	GOOGL UW Equity	Alphabet Inc	Growth
		Telecommunications	VZ UN Equity	Verizon Communications Inc	Growth
	<b>Technology</b>	Semiconductors	AMD UW Equity	Advanced Micro Devices Inc	Growth
		Semiconductors	NVDA UW Equity	NVIDIA Corp	Growth
		Software	MSFT UW Equity	Microsoft Corp	Growth
	<b>Consumer, Cyclical</b>	Retail	MCD UN Equity	McDonalds Corp	Value
		Retail	WMT UN Equity	Walmart Inc	Value
		Retail	COST UW Equity	Costco Wholesale Corp	Value
	<b>Consumer, Non-cyclical</b>	Beverages	KO UN Equity	The CocaCola Co	Value
		Food	MDLZ UW Equity	Mondelez International Inc	Value
		Cosmetics/Personal Care	CL UN Equity	ColgatePalmolive Co	Value
		Beverages	PEP UW Equity	PepsiCo Inc	Value
		Pharmaceuticals	JNJ UN Equity	Johnson Johnson	Value
Cosmetics/Personal Care		PG UN Equity	The Procter Gamble Co	Value	

**Dispersion** The dispersion of a basket of securities is typically measured by how much the return of each individual security in the basket differs, in absolute terms from the average return of the overall basket over a given period of time. Each of these return differentials are averaged and the greater the average, the higher the measure of dispersion  
Refer to the Formulae & Calculations section of the PDS for a precise formula for calculating Dispersion.

**Potential Performance Coupon** Yes, the potential for one uncapped Performance Coupon based on the realised level of Dispersion at Maturity LESS the Hurdle

**Hurdle\*** The Hurdle is determined by the Issuer on the Commencement Date. As at the date of the PDS the Hurdle would be 28%. The Issuer will not proceed with the issue of Units if the Hurdle cannot be set at or below 28% on the Commencement Date



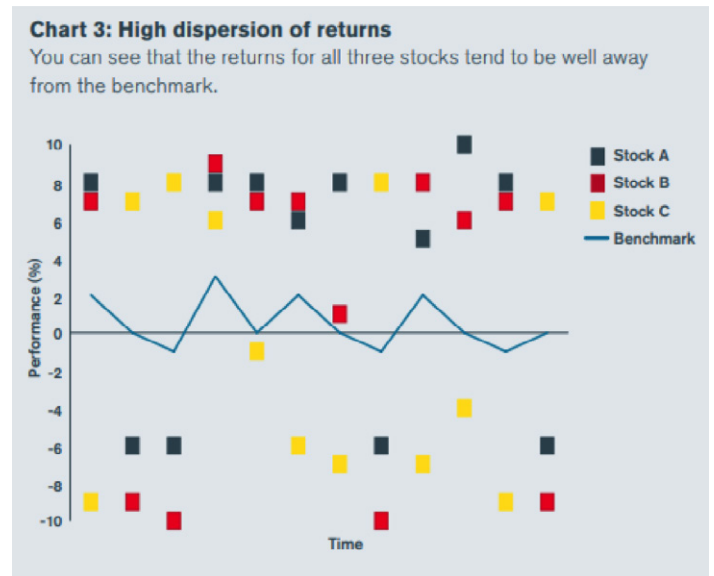
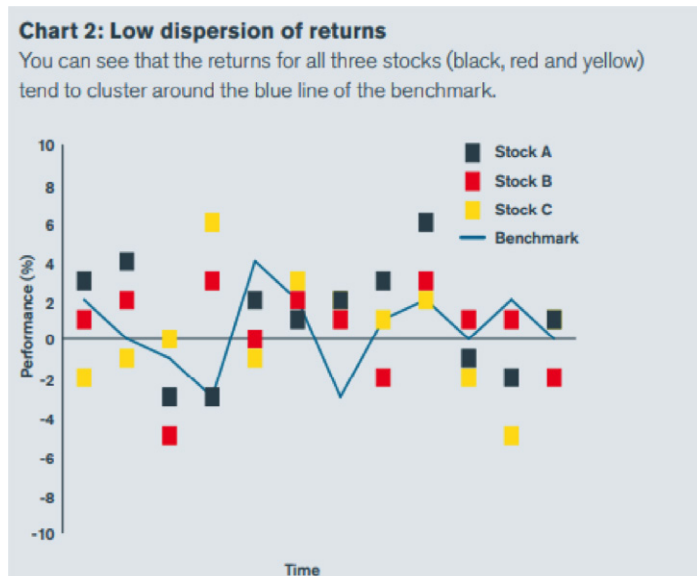
Currency Exposure	AUD hedged
Limited recourse Loan	Yes
Investment Term	2 years
Annual Interest Rate on Loan (payable for the full 2 years in advance)	3.75% p.a. (7.5% payable upfront for the full 2 year Investment Term)
Application Fee	1.1% including GST
Total Investment cost for the full 2 year period	8.6%
Break-Even Level Dispersion at Maturity excluding FX	36.6%
Margin Calls	No
SMSF Eligibility	Yes

## 2. What is Dispersion



The dispersion of a basket of securities is measured by how much the return of each individual security in the basket differs, in absolute terms from the average return of the overall basket over a given period of time. Each of these return differentials are averaged and the greater the average, the higher the measure of dispersion.

The charts below illustrate the difference between low dispersion of returns and high dispersion of returns. Please note the first chart is entitled Chart 2 and there is no Chart 1.



### How to Calculate Dispersion

On a basket of three stocks, the dispersion of the basket in the example below is 8.7%



$$d_1 = 9\%, d_2 = 4\%, d_3 = 13\%$$

$$d = (d_1 + d_2 + d_3) / 3 = 8.7\%$$

$d_1$  = dispersion of individual Stock 1

$d_2$  = dispersion of individual Stock 2

$d_3$  = dispersion of individual Stock 3

$d$  = dispersion of the basket of 3 stocks

It is important to note that when calculating the individual stock dispersion, this measure only looks at the absolute difference in performance as compared to the average performance. Whether or not it is negative or positive difference makes no difference to the calculation.

### When does Dispersion Generate Positive Returns?

The Dispersion is calculated on the relative performance of the constituents of the basket versus the performance of the basket as a whole. The greater the difference in the relative performance of each constituent as compared to the average performance the greater the potential for returns. However, it is important to note the performance of each constituent is also relevant to the calculation of the average performance of the basket. This interdependence means that a positive dispersion will depend on the individual circumstances and returns may vary significantly even where general market conditions are very similar.

For example in rising market if all constituents in the basket move in line with each other, then the dispersion will be low and there is unlikely to be a positive return. If, however, the rising market is caused by one or two constituents significantly outperforming the rest of the basket there is likely to be an increase in dispersion returns. Alternatively in a flat or falling market if all the constituents are contributing equally to the performance of the basket there is unlikely to be any significant dispersion to generate a return. If, however, two constituents outperform significantly and two constituents underperform significantly whilst the average of the basket is unchanged, there is likely to be an increase in dispersion returns.

### 3. Term Sheet – US Dispersion – Series 6



The following Term Sheet is a summary of the key dates and terms of the Units. However, this section is not intended to be a complete summary of this PDS and you should read the entirety of this Term Sheet PDS as well as the Master PDS before deciding whether or not to invest. The information in this section is qualified by Section 6 “Terms of the Deferred Purchase Agreement” in the Master PDS.

<b>Offer Opening Date</b>	28 August 2020
<b>Offer Closing Date</b>	23 September 2020
<b>Commencement Date/Issue Date</b>	30 September 2020 or as soon as reasonably practicable thereafter as determined by the Issuer and as notified to you.
<b>Interest Payment Date (Application Payment Date)</b>	26 September 2020 Investors should note the Interest Payment Date is also the Application Payment Date.
<b>Coupon Determination Date</b>	30 September 2022
<b>Maturity Date</b>	30 September 2022
<b>Coupon Payment Date</b>	10 Business Days after the Coupon Determination Date or as soon as reasonably practicable thereafter as determined by the Issuer
<b>Buy-Back Dates</b>	Quarterly on the last Business Day of March, June, September and December commencing December 2020 (or otherwise at the Issuer’s discretion). Investors must lodge their Issuer Buy-Back Form no later than 10 Business Days before the relevant Buy-Back Date. Any Issuer Buy-Back Form received after this time will be held over to the next Buy-Back Date.  The Buy-Back Price will only ever be AUD \$1.00 per Unit and will be applied to repay your Loan. However, you will not have to pay any other fees, costs or interest.
<b>Settlement Date</b>	10 Business Days after the Maturity Date, or such other date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms.

Reference Basket					
	Bloomberg Sector	Bloomberg Group	Bloomberg Code	Underlying	Bloomberg Style: Value/Growth
	<b>Communications</b>	Internet	NFLX UW Equity	Netflix Inc	Growth
		Internet	AMZN UW Equity	Amazon.com Inc	Growth
		Internet	GOOGL UW Equity	Alphabet Inc	Growth
		Telecommunications	VZ UN Equity	Verizon Communications Inc	Growth
	<b>Technology</b>	Semiconductors	AMD UW Equity	Advanced Micro Devices Inc	Growth
		Semiconductors	NVDA UW Equity	NVIDIA Corp	Growth
		Software	MSFT UW Equity	Microsoft Corp	Growth
	<b>Consumer, Cyclical</b>	Retail	MCD UN Equity	McDonalds Corp	Value
		Retail	WMT UN Equity	Walmart Inc	Value
		Retail	COST UW Equity	Costco Wholesale Corp	Value



<b>Consumer, Non-cyclical</b>	Beverages	KO UN Equity	The CocaCola Co	Value
	Food	MDLZ UW Equity	Mondelez International Inc	Value
	Cosmetics/Personal Care	CL UN Equity	ColgatePalmolive Co	Value
	Beverages	PEP UW Equity	PepsiCo Inc	Value
	Pharmaceuticals	JNJ UN Equity	Johnson Johnson	Value
	Cosmetics/Personal Care	PG UN Equity	The Procter Gamble Co	Value

<b>Underlyings</b>	<b>Netflix Inc</b>	<p>Netflix Inc. is an Internet subscription service for watching television shows and movies. Subscribers can instantly watch unlimited television shows and movies streamed over the Internet to their televisions, computers, and mobile devices and in the United States, subscribers can receive standard definition DVDs and Blu-ray Discs delivered to their homes.</p> <p>Find more details at:  <a href="https://www.bloomberg.com/quote/NFLX:US">https://www.bloomberg.com/quote/NFLX:US</a>  <a href="https://ir.netflix.com/">https://ir.netflix.com/</a></p>
	<b>Amazon.com Inc</b>	<p>Amazon.com, Inc. is an online retailer that offers a wide range of products. The Company products include books, music, videotapes, computers, electronics, home and garden, and numerous other products. Amazon offers personalized shopping services, Web-based credit card payment, and direct shipping to customers.</p> <p>Find more details at:  <a href="https://www.bloomberg.com/quote/AMZN:US">https://www.bloomberg.com/quote/AMZN:US</a>  <a href="http://www.amazon.com">www.amazon.com</a></p>
	<b>Alphabet Inc</b>	<p>Alphabet Inc. operates as a holding company. The Company, through its subsidiaries, provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products.</p> <p>Find more details at:  <a href="https://www.bloomberg.com/quote/GOOGL:US">https://www.bloomberg.com/quote/GOOGL:US</a>  <a href="http://www.abc.xyz">www.abc.xyz</a></p>
	<b>Verizon Communications Inc</b>	<p>Verizon Communications Inc. is an integrated telecommunications company that provides wire line voice and data services, wireless services, Internet services, and published directory information. The Company also provides network services for the federal government including business phone lines, data services, telecommunications equipment, and payphones.</p> <p>Find more details at:  <a href="https://www.bloomberg.com/quote/VZ:US">https://www.bloomberg.com/quote/VZ:US</a>  <a href="http://www.verizon.com">www.verizon.com</a></p>
	<b>Advanced Micro Devices Inc</b>	<p>Advanced Micro Devices, Inc. (AMD) produces semiconductor products and devices. The Company offers products such as microprocessors, embedded microprocessors, chipsets, graphics, video and multimedia products and supplies it to third-party foundries, as well as provides assembling, testing, and packaging services. AMD serves customers worldwide.</p> <p>Find more details at:  <a href="https://www.bloomberg.com/quote/AMD:US">https://www.bloomberg.com/quote/AMD:US</a>  <a href="http://www.amd.com">www.amd.com</a></p>
	<b>NVIDIA Corp</b>	<p>NVIDIA Corporation designs, develops, and markets three dimensional (3D) graphics processors and related software. The Company offers products that provides interactive 3D graphics to the mainstream personal computer market.</p> <p>Find more details at:  <a href="https://www.bloomberg.com/quote/NVDA:US">https://www.bloomberg.com/quote/NVDA:US</a>  <a href="http://www.nvidia.com">www.nvidia.com</a></p>





- Microsoft Corp** Microsoft Corporation develops, manufactures, licenses, sells, and supports software products. The Company offers operating system software, server application software, business and consumer applications software, software development tools, and Internet and intranet software. Microsoft also develops video game consoles and digital music entertainment devices.  
Find more details at:  
<https://www.bloomberg.com/quote/MSFT:US>  
[www.microsoft.com](http://www.microsoft.com)
- McDonalds Corp** McDonald's Corporation franchises and operates fast-food restaurants in the global restaurant industry. The Company's restaurants serves a variety of value-priced menu products in countries around the world.  
Find more details at:  
<https://www.bloomberg.com/quote/MCD:US>  
[corporate.mcdonalds.com](http://corporate.mcdonalds.com)
- Walmart Inc** Walmart Inc. operates discount stores, supercenters, and neighborhood markets. The Company offers merchandise such as apparel, house wares, small appliances, electronics, musical instruments, books, home improvement, shoes, jewelry, toddler, games, household essentials, pets, pharmaceutical products, party supplies, and automotive tools. Walmart serves customers worldwide.  
Find more details at:  
<https://www.bloomberg.com/quote/WMT:US>  
[www.walmart.com](http://www.walmart.com)
- Costco Wholesale Corp** Costco Wholesale Corporation operates wholesale membership warehouses in multiple countries. The Company sells all kinds of food, automotive supplies, toys, hardware, sporting goods, jewelry, electronics, apparel, health, and beauty aids, as well as other goods.  
Find more details at:  
<https://www.bloomberg.com/quote/COST:US>  
[www.costco.com](http://www.costco.com)
- The CocaCola Co** The Coca-Cola Company manufactures, markets, and distributes soft drink concentrates and syrups. The Company also distributes and markets juice and juice-drink products. Coca-Cola distributes its products to retailers and wholesalers in the United States and internationally.  
Find more details at:  
<https://www.bloomberg.com/quote/KO:US>  
[www.coca-colacompany.com](http://www.coca-colacompany.com)
- Mondelez International Inc** Mondelez International Inc. is a food and beverage company. The Company manufactures and markets packaged food products, including snacks, beverages, cheese, convenient meals and various packaged grocery products. Mondelez International sells its products throughout the world.  
Find more details at:  
<https://www.bloomberg.com/quote/MDLZ:US>  
[www.mondelezinternational.com](http://www.mondelezinternational.com)
- ColgatePalmolive Co** Colgate-Palmolive Company is a consumer products company that markets its products throughout the world. The Company's products include toothpaste, toothbrushes, shampoos, deodorants, bar and liquid soaps, dishwashing liquid, and laundry products, as well as pet nutrition products for cats and dogs.  
Find more details at:  
<https://www.bloomberg.com/quote/CL:US>  
[www.colgatepalmolive.com](http://www.colgatepalmolive.com)
- PepsiCo Inc** PepsiCo, Inc. operates worldwide beverage, snack, and food businesses. The Company manufactures or uses contract manufacturers, markets, and sells a variety of grain-based snacks, carbonated and non-carbonated beverages, and foods in countries throughout the world.  
Find more details at:  
<https://www.bloomberg.com/quote/PEP:US>  
[www.pepsico.com](http://www.pepsico.com)



**Johnson Johnson** Johnson & Johnson manufactures health care products and provides related services for the consumer, pharmaceutical, and medical devices and diagnostics markets. The Company sells products such as skin and hair care products, acetaminophen products, pharmaceuticals, diagnostic equipment, and surgical equipment in countries located around the world.

Find more details at:  
<https://www.bloomberg.com/quote/JNJ:US>  
[www.jnj.com](http://www.jnj.com)

**The Procter Gamble Co** The Procter & Gamble Company manufactures and markets consumer products in countries throughout the world. The Company provides products in the laundry and cleaning, paper, beauty care, food and beverage, and health care segments. Procter & Gamble products are sold primarily through mass merchandisers, grocery stores, membership club stores, drug stores, and neighborhood stores.

Find more details at:  
<https://www.bloomberg.com/quote/PG:US>  
[www.us.pg.com](http://www.us.pg.com)

**Dispersion**

$$\text{Dispersion} = \frac{1}{16} \times \sum_{i=1}^{16} \left[ \frac{S_{T,i}}{S_{0,1}} - \text{Basket} \right]$$

And

$$\text{Basket} = \frac{1}{16} \times \sum_{i=1}^{16} \frac{S_{T,i}}{S_{0,1}}$$

With

$S_{T,i}$  = Closing price of Underlying i on Maturity Date

$S_{0,i}$  = Closing price of Underlying i on Commencement Date

Closing price = the closing price of Underlying i on the Relevant Exchange on the relevant date.

Underlying 1 to 16 = the sixteen shares comprising the Reference Basket

**Hurdle Rate**

The Hurdle is determined by the Issuer on the Commencement Date. As at the date of the PDS the Hurdle was 28%. The Issuer will not proceed if the Hurdle is higher than 28% on the Commencement Date.

**Potential Performance Coupon at Maturity**

Uncapped subject to the performance of Dispersion less the Hurdle between the Commencement Date and the relevant Coupon Determination Date

**Performance Coupon** = Max (0, (Dispersion – Hurdle))

Refer to “Section 5: Formulae and Calculations” for Performance Coupon formulae

**Currency Exposure**

AUD hedged

**Final Value**

AUD \$1.00 per Unit on the Maturity Date.

The returns on the Units will be made up of the Final Value per Unit and any Performance Coupon payable at Maturity (if any) – see below.

**Loan**

100% Limited Recourse Loan.

**Loan Amount**

AUD \$1.00 per Unit

**Interest Rate & Prepaid Interest**

The interest rate in respect of the Loan is 3.75% p.a.

The Prepaid Interest is paid upfront for the full 2 year Investment Term.

Prepaid Interest per Unit = 3.75% p.a. x 2 years x AUD \$1.00 per Unit

= AUD \$0.075 per Unit for the Investment Term of 2 years.

The Prepaid Interest must be paid to the Issuer by the Application Payment Date.

**Total Investment Cost**

Type of Cost	Cost per Unit
Prepaid Interest	\$0.075
Application Fee	\$0.011
<b>Total:</b>	<b>\$0.086</b>

**Issue Price**

AUD \$1.00 per Unit

**Listing**

The Units will not be listed or displayed on any securities exchange.

**Minimum Investment Amount**

AUD \$100,000 per Series at the Issue Price of AUD \$1.00 per Unit.



<b>Withdrawal of the Units</b>	If the Issuer is unable to achieve the economic exposure described in this PDS on the Commencement Date due to any condition set out in this PDS not being satisfied (e.g. the Issuer being unable to hedge its obligations), or otherwise determines not to proceed with the issue for any reason, then the Issuer will terminate any Units already issued, and return the Prepaid Interest and Fees without interest. The Loan will be terminated and no drawdown will be made.
<b>Lead Distributor</b>	Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506)
<b>Issuer</b>	Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) (“Sequoia”)
<b>Arranger</b>	Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506)
<b>Security Trustee &amp; Custodian</b>	Sequoia Nominees No 1 Pty Limited (ABN 11 147 097 078)
<b>Registrar</b>	Registry Direct Pty Limited (ABN 35 160 181 840)
<b>Minimum Buy-Back Amount</b>	100,000 Units per Series providing Investors continue to hold at least 100,000 Units in the relevant Series. In the event that an Investor makes an Issuer Buy-Back Request which would result in the Investor holding less than 100,000 Units in a particular Series, then the Issuer will notify the Investor that it will hold less than 100,000 Units and seek the Investor’s instruction whether to buy back the Investor’s entire holding in that Series or reject the request.
<b>Minimum Early Maturity Value, Termination Payment and Buy-Back Price</b>	<p>AUD \$1.00</p> <p>If the Units mature early for any reason, you will receive an Early Maturity Value of AUD \$1.00 which will be applied to your Loan. You will not have to pay any other fees, costs or interest.</p> <p>Investors will not be entitled to a refund of any Prepaid Interest or any other Fees paid in relation to the Units and will not be entitled to any Performance Coupon or payment of the Final Value (as the Final Value of AUD \$1.00 will be used to pay off your Loan).</p> <p>Please refer to Section 1.10 “Early Maturity” of the Master PDS for more information on when the Units can mature early.</p>
<b>Beneficial Interest</b>	The Beneficial Interest in a Portion of the Delivery Asset held for each Unit an Investor holds. The Beneficial Interest will be set out in the Confirmation Notice sent to Investors and is a feature of the product designed to ensure the Units are a “security” under the Corporations Act.
<b>Delivery Asset</b>	<p>Telstra Corporation (TLS.AU).</p> <p>On Maturity, the Issuer intends to deliver a parcel equal in value to the Final Value per Unit multiplied by the number of Units held by an Investor (“<b>Delivery Parcel</b>”) containing ordinary shares in Telstra Corporation (ASX Code: TLS, website: www.telstra.com.au) (“<b>Delivery Asset</b>”).</p> <p>You should be aware that the Issuer can change or substitute the Delivery Asset in certain circumstances, and you should take this into account when considering whether to invest in the Units.</p>
<b>Agency Sale Option</b>	Available. Please refer to Clause 4.4 of Section 6 “Terms of the Deferred Purchase Agreement” in the Master PDS.
<b>Key Risks</b>	<p>Key risks include:</p> <ul style="list-style-type: none"><li>• Your return (including any Performance Coupon) is affected by the performance of the Dispersion of the Reference Basket (US listed Shares) and whether this is greater than the Hurdle at Maturity. There is no guarantee that the Dispersion of the Reference Basket will perform well.</li><li>• There will be no Performance Coupon payable if the Dispersion of the Reference Basket is below the Hurdle at Maturity.</li><li>• 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 an Early Maturity Event you will not receive a refund of your Prepaid Interest or Fees.</li><li>• 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 Amount and Fees at Commencement.</li><li>• Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty; and</li><li>• 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.</li></ul> <p>Please refer to Section 2 “Risks” of the Master PDS for more information.</p>



<b>Fees</b>	<p>The following Fees are payable in respect of the Units:</p> <p><b>Upfront Adviser Fee (if any):</b> You may nominate an Upfront Adviser Fee to be paid to your Adviser in the Application Form attached to this Term Sheet PDS. The Issuer will deduct any Upfront Adviser Fee from the Total Payment Amount and pay it to your Adviser in accordance with the terms of this PDS.</p> <p><b>Application Fee:</b> The Issuer charges an Application Fee of 1.1% of the Issue Price of each Unit, i.e. AUD \$0.011 per Unit. The Issuer may agree with your Adviser to forgo part or all of the Application Fee at the Issuer's absolute discretion.</p>
<b>Derivatives</b>	<p>The Issuer obtains exposure to the Reference Basket through the use of derivatives rather than a direct investment in the Reference Basket or securities comprising the Reference Basket.</p>
<b>Taxation</b>	<p>Please refer to Section 4 "Taxation" of the Master PDS.</p>

### Applications and issue of Units

Applications may be accepted or rejected at the discretion of the Issuer. Units will be issued within one month upon receipt of application monies from an Investor. The Unit's economic exposure to the Reference Basket will begin on the Commencement Date. If a Unit is issued prior to the Commencement Date it will have no economic exposure until the Commencement Date.

The US Dispersion – Series 6 Units will only be issued at the discretion of the Issuer, and applications may be accepted or rejected at the discretion of the Issuer. Without limiting its discretion, the Issuer may choose not to proceed with the issue of the Units for a Series and terminate the product for those Units already issued for any reason whatsoever, including (without limitation) if there is a significant change in the Issuer's cost of hedging between the date of this PDS and the Commencement Date. Where the Issuer has not received the Prepaid Interest, Application Fee, or Upfront Adviser Fee (if any) in respect of a Unit(s) from the Investor by the Application Payment Date, the Issuer will cancel the Units relating to the unpaid amounts and will arrange for the Investors name to be removed from the register of Unitholders. If a decision is made for any reason not to issue, or not to proceed with the issue of the Units in Series 6, the Issuer will return the Prepaid Interest, Application Fee, and Upfront Adviser Fee (if any) to applicants (without interest) within 10 Business Days of the scheduled Commencement Date and any Units already issued will be terminated.

The Units may mature early in the case of an Early Maturity Event or Issuer Buy-Back, and the Maturity Date may be extended in the case of a Market Disruption Event.

## 4. Worked Examples



Here are some examples demonstrating how the Performance Coupon is calculated. The examples are hypothetical only and are not forecasts or simulations of Unit returns nor are they a reference to past performance. The actual returns on the Units may be materially different from what is shown in these examples.

These examples may help Investors decide if the Units are a suitable investment. No content in this section or elsewhere in the Term Sheet PDS or PDS is investment advice and Investors should speak to their financial adviser before investing.

### 4.1 How does the investment perform?

Units may entitle Investors to receive a Performance Coupon at the end of the Investment Term depending on the performance of the Dispersion of the Reference Basket. The examples below demonstrate how the Performance Coupon is calculated, and what Investors will receive at Maturity, depending on whether the performance of the Dispersion over the life of the investment has been negative, positive or neutral after deducting the Hurdle.

The examples set out below show the return on an investment in the Units at Maturity.

#### Rounding:

All calculations made by the Issuer for the purposes of these worked examples will be made to not fewer than two decimal places. Other than as provided in these examples, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers of Delivery Assets are rounded down to the nearest whole number.

#### Assumptions:

The below examples assume that Investors decide to invest in 100,000 Units with a AUD \$1.00 Issue Price, resulting in an Investment Amount and Loan Amount of AUD\$100,000 in Series 6.

The below examples also assume that there are no Early Maturity Events, Issuer Buy-Backs, Adjustment Events or Market Disruption Events.

#### Calculation of the Performance Coupon

There is one potential Performance Coupon, payable to Investors at the end of the Investment Term. This is calculated by reference to the Dispersion of the Reference Basket on the Coupon Determination Date.

The following examples show how the Performance Coupon would be calculated, based on the assumed Dispersion levels set out for Scenario 1 in the table below for a hypothetical investment in Series 6 of 100,000 Units at an Issue Price of AUD\$1.00 per Unit. When calculating the Performance Coupon payable the Hurdle of 28% is deducted from the realised level of Dispersion at Maturity.

Dispersion at Maturity			
Date	Scenario 1 Strong Performance	Scenario 2 Poor Performance	Scenario 3 Moderate Performance
Commencement Date			
Maturity Date	49.1%	23%	39%



## Calculation of Dispersion

For Scenario 1, the Dispersion was calculated on the Maturity Date on the basis of the following Closing Prices of each underlying included in the Reference Basket

Underlying (i)	Closing Price on Commencement Date	Closing Price on Maturity Date (j)	Absolute Performance of each Underlying <sup>1</sup>	Dispersion of Each Underlying <sup>3</sup>
Netflix Inc	492.31	277.66	56.40%	44.66%
Amazon.com Inc	3,284.72	4,250.43	129.40%	28.34%
Alphabet Inc	1,575.57	1,670.10	106%	4.94%
Verizon Communications Inc	58.99	89.19	151.20%	50.14%
Advanced Micro Devices Inc	83.81	56.49	67.40%	33.66%
NVIDIA Corp	507.34	180.11	35.50%	65.56%
Microsoft Corp	213.02	125.26	58.80%	42.26%
McDonalds Corp	211.57	89.49	42.30%	58.76%
Walmart Inc	131.63	275.76	209.50%	108.44%
Costco Wholesale Corp	344.61	600.66	174.30%	73.24%
The CocaCola Co	47.28	83.64	176.90%	75.84%
Mondelez International Inc	57.47	47.41	82.50%	18.56%
ColgatePalmolive Co	78.69	48.47	61.60%	39.46%
PepsiCo Inc	136.46	208.65	152.90%	51.84%
Johnson Johnson	152.76	81.88	53.60%	47.46%
The Procter Gamble Co	137.44	80.68	58.70%	42.36%
<b>Average Reference Basket Performance</b>			<b>101%<sup>2</sup></b>	
<b>Dispersion</b>				<b>49.1%<sup>4</sup></b>

1 Absolute Performance of each Underlying = Closing Price on Maturity Date/Closing Price on Commencement Date

2 Calculated as the average Performances of all underlying included the Reference Basket ("Average Reference Basket Performance")

3 Dispersion of each individual underlying is calculated as the absolute Performance of each Underlying LESS Average Reference Basket Performance

4 This is Dispersion as defined in this Termsheet PDS and represents the average of the dispersion of each underlying included in the Reference Basket

## Calculate the value of the Performance Coupon

For Scenario 1, the Performance Coupon per Unit would be calculated as follows on the Maturity Date assuming a Hurdle of 28%:

$$\begin{aligned}
 \text{Performance Coupon} &= \text{Max}(0, \text{Dispersion} - \text{Hurdle}) \\
 &= \text{Max}(0, 49.1\% - 28\%) \\
 &= 21.1\% \\
 &= \$0.211 \text{ AUD per Unit}
 \end{aligned}$$

Based on a holding of 100,000 Units, the Performance Coupon paid would be \$21,100 AUD.

Assuming a total cash outlay including interest and fees of \$8,600, the net cash profit generated by the investor after receiving the Performance Coupon of \$21,100 would be \$12,500:

$$\begin{aligned}
 \text{Total Cash Outlay} &= (\$8,600) \\
 \text{Performance Coupon} &= \$21,100 \\
 \text{Net Cash Profit} &= \$12,500
 \end{aligned}$$



### Overview of Scenarios 1, 2 and 3

The table below sets out the Performance Coupon per Unit which would apply to Scenario 1, 2 and 3. Each of the values listed below for Scenario 2 & 3 were calculated in the same way as set out in the examples above for Scenario 1.

	Scenario 1	Scenario 2	Scenario 3
Total Cash Outlay on 100,000 units	\$8,600	\$8,600	\$8,600
Performance Coupon	\$21,100	\$0.00	\$11,000
Net Cash Profit/(Loss)	\$12,500	(\$8,600)	\$2,400
Investment return as a % of total cash outlay	145%	-100%	28%

## 5. Formulae and Calculations



### Dispersion

$$\text{Dispersion} = \frac{1}{16} \times \sum_{i=1}^{16} \left[ \frac{S_{T,i}}{S_{0,1}} - \text{Basket} \right]$$

And

$$\text{Basket} = \frac{1}{16} \times \sum_{i=1}^{16} \frac{S_{T,i}}{S_{0,1}}$$

With

$S_{T,i}$  = Closing price of Underlying i on Maturity Date

$S_{0,i}$  = Closing price of Underlying i on Commencement Date

Closing price = the closing price of Underlying i on the Relevant Exchange on the relevant date.

Underlying 1 to 16 = the sixteen shares comprising the Reference Basket

**Performance Coupon** = Max (0, (Dispersion – Hurdle))



## 6. Master PDS



This Term Sheet PDS must be read in conjunction with the Master PDS dated 14 August 2017.

Please download the Master PDS at [www.sequoiasi.com.au/masterpdswithloanPDS14August2017](http://www.sequoiasi.com.au/masterpdswithloanPDS14August2017) or





This is an Application Form for Units in the US Dispersion Units – Series 6 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506). This Application Form accompanies the Term Sheet PDS for each Series dated 28 August 2020, the Master PDS dated 14 August 2017 and any supplementary PDS issued for the Units. It is important that you read the Term Sheet PDS and PDS in full and the acknowledgements contained in this Application Form before applying for the Units. The Issuer will provide you with a paper copy of the PDS including the Master PDS, any supplemental PDS and the Application Form, on request without charge.

A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the PDS including any supplemental PDS.

The Minimum Investment is 100,000 Units in each Series.

This Application Form and direct debit details must be received by the Registrar by 4:00 pm in order to be processed) and Units are only issued on receipt of:

- this Application Form,
- approval of the Application by the Issuer and Lender,
- verification of the applicant's identity;
- verification of the applicant's wholesale investor status; and
- payment in full of the Prepaid Interest and any applicable Fees per the relevant Term sheet PDS.

Potential investors should obtain independent financial and taxation advice as to the suitability of this investment to them having regard to their investment objectives, financial situation and particular needs. Nothing in this PDS is a recommendation by the Issuer, the Security Trustee, the Custodian or their related bodies corporate concerning investment in the Units or any specific taxation consequences arising from an investment in the Units.



## SECTION A – INVESTOR DETAILS

What type of person or entity is applying? Please tick one box ONLY and complete all the sections indicated.

- Individual or joint– must complete section **A1, B, C, D, E, F, G, H and I**
- Australian Company – must complete **A1 (Directors), A2, B, C, D, E, F, G, H and I**
- Trust/Super Fund with Individuals as Trustee – must complete **A1 (Trustees), A3, B, C, D, E, F, G, H, I and J**
- Trust/Super Fund with Corporate Trustee – must complete **A1 (Directors), A2 (Company), A3, B, C, D, E, F, G, H, I and J**

### **A1 INDIVIDUAL INVESTOR DETAILS (MUST COMPLETE)** **(including individuals acting as trustee and corporate directors)**

#### **INVESTOR 1 (Your name MUST match your ID exactly.)**

**All individuals must provide certified copies of photo identification, such as passports, driver’s licenses or similar government issued photo ID**

Title:  Given Names (in full)  Surname:

Date of Birth (dd/mm/yyyy)  Country of Citizenship

Residential Address

City/Suburb/Town  State  Postcode  Country

Email Address

Telephone (home) Area code  Number

Telephone (business hours) Area code  Number

Mobile

Fax: Area code  Number

#### **INVESTOR 2 (Your name MUST match your ID exactly.)**

Title:  Given Names (in full)  Surname:

Date of Birth (dd/mm/yyyy)  Country of Citizenship

Residential Address

City/Suburb/Town  State  Postcode  Country

Email Address

Telephone (home) Area code  Number

Telephone (business hours) Area code  Number

Mobile

Fax: Area code  Number



## A2 AUSTRALIAN CORPORATIONS & CORPORATE TRUSTEES

**Must provide a certified copy of an ASIC search on the company name or certificate of registration**

Full name of the company as registered by ASIC

ACN or ABN

Registered Office Address (PO Box is NOT acceptable)

City/Suburb/Town

State

Postcode

Country

Principal Place of Business (if any) (PO Box is NOT acceptable)

City/Suburb/Town

State

Postcode

Country

Main Contact

Email Address

Telephone (business hours)

Area code

Number

Fax:

Area code

Number

### Company type

Public – note that at least one Director must also complete A1

Proprietary – complete Director details below for all directors and at least one Director must also complete A1

How many directors are there?

Each Director's name in full (in Capitals)

If the company is a proprietary company and is not a regulated company, the full name and residential address (in capitals) of each individual that who owns, through one or more shareholdings, more than 25% of the issued capital of the Company.

If the company is a majority owned subsidiary of an Australian listed company, the name of the listed company and the relevant exchange.

If the company is regulated, the name of the regulator and details of the relevant license.

### A3 TRUSTS or SUPER FUND DETAILS

**Must provide certified copy of the first few pages of the Trust deed or ATO website extract or ATO communication**

Name of Trust or SMSF

Country of establishment

Date of establishment

ABN

BENEFICIARY 1 – Name

ABN (if applicable)

BENEFICIARY 2 – Name

ABN (if applicable)

BENEFICIARY 3 – Name

ABN (if applicable)



### TAX FILE NUMBER

TFN Details for the Entity making the investment (e.g, if investing using a SMSF, please provide TFN details for the SMSF)

Are you an Australian resident for tax purposes?  Yes  No

If no, please specify your country of tax residence

Australian Tax File Number (This information requested by Sequoia Nominees No. 1 Pty Ltd as Custodian.)

OR  Exempt from quoting a tax file number

Exemption details (if applicable)

### SECTION B – ACCOUNT CONTACT DETAILS (MUST COMPLETE)

Please indicate your preferred account contact details:

Same as Section A

Please use the following address for correspondence

Main Contact

Postal Address

City/Suburb/Town

State

Postcode

Country

Email Address

Telephone (home)

Area code

Number

Telephone (business hours)

Area code

Number

Mobile

Fax:

Area code

Number

### SECTION C – INVESTMENT DETAILS (MUST COMPLETE)

#### Details of the Units to be purchased:

	Series 6 Dispersion
Number of Units	
Issue Price	<b>\$1.00 per Unit</b>
Investment Amount (\$)	\$ _____
Prepaid Interest (3.75% p.a. x 2 years) (A)	\$ _____ <b>(Investment Amount x 7.5%)</b>
Application Fee (B)	\$ _____ <b>(Investment Amount x 1.1%)</b>
Upfront Adviser Fee* (C)	\$ _____
<b>Total Amount Payable* (A) + (B) + (C)</b>	<b>\$ _____</b>

Adviser Fees are collected by the Issuer and paid to your advisers dealer group. Please discuss and agree with your adviser the total amount that you will pay (if any) for financial product advice given by your adviser to you in relation to your investment in the Units.

By signing the Application Form you irrevocably authorise the Issuer to collect the Adviser Fee (if any) specified on this Application Form at the same time as the other payments are direct debited and irrevocably direct the Issuer to pay these amounts to your adviser on your behalf.



## SECTION D – OPERATING AUTHORITY (MUST COMPLETE)

When giving instructions to us about your investment please indicate who has authority to operate your account:

INDIVIDUAL/JOINT ACCOUNTS (if no box is ticked we will assume all can sign)

any one applicant to sign  both applicants to sign

COMPANY, TRUST, SUPER FUND ACCOUNTS (if no box is ticked all future written instructions must be signed by two directors/trustees, director and secretary, or the sole director)

any one applicant to sign  any two applicants to sign  all applicants to sign  Other

## SECTION E – PRIVACY

Sequoia Specialist Investments Pty Ltd may wish to contact you about future investment opportunities that may be of interest. Please tick the box if you do NOT wish to be contacted for this purpose.

I/We do not wish to receive information from Sequoia Specialist Investments regarding future investment opportunities.

## SECTION F – PROVIDING IDENTIFICATION

I/We confirm I/we have ATTACHED CERTIFIED COPIES of the required proof of identification with this Application Form for each investor/applicant.

Persons authorised to certify a copy of the documents used to verify individual's identity can be found in Section 19

## SECTION G – DECLARATIONS & SIGNATURES

### YOU SHOULD READ THE PDS IN FULL BEFORE SIGNING THIS APPLICATION FORM

By completing this Application Form you:

1. declare that you have read and understood this Term Sheet PDS and the Master PDS.
2. declare that the investing person or entity is defined as a wholesale investor under section 761G of the Corporations Act.
3. declare that you have read and understood Section 6 "Terms of the Deferred Purchase Agreement" of the Master PDS.
4. declare that you have read and agree to the terms of Section 8 "Loan Agreement" of the Master PDS.
5. agree to the collection, use and disclosure of your personal information provided in this Application Form.
6. declare that you have received this Term Sheet PDS and the Master PDS personally, electronically or a print-out of it, accompanied by or attached to this Application Form before signing the form.
7. declare that all information provided in the Application Form or any other information provided in support of the Application is true and correct.
8. acknowledge that none of Issuer, Custodian or any member of their respective groups or any of their directors or associates or any other entity guarantees the performance of or the repayment of capital invested in, or income from the Units.
9. declare that if the Execution Page of this Application Form is signed under power of attorney, you have no knowledge of the revocation of that power of attorney.
10. declare that you have the power to make an investment in accordance with this application, including the Application for the Loan in accordance with the Loan Agreement and the Units in accordance with the terms of this PDS.
11. declare that you have read and understood the Direct Debit Request Service Agreement.
11. confirm and make the declarations set out in the Direct Debit Authority.
13. declare that sole signatories signing on behalf of a company are signing as sole director or as a sole director/secretary of the company.
14. acknowledge that an investment in the Units is subject to risks including possible delays in repayment and possible loss of capital invested.
15. agree to be bound by the provisions of the terms and conditions of the Units set out in the PDS, specifically those contained in Section 6 "Terms of the Deferred Purchase Agreement" and Section 8 "Loan Agreement" of the Master PDS, and as amended from time to time.
16. acknowledge that the terms and conditions of the Units are an agreement between the Issuer, the Custodian and the Investor arising on the terms and conditions set out in Section 6 "Terms of the Deferred Purchase Agreement" of the Master PDS.
17. acknowledge that you give the indemnities in clause 12 of Section 6 "Terms of the Deferred Purchase Agreement" and clause of Section 8 "Loan Agreement" of the Master PDS for the benefit of the Issuer and the Custodian.
18. acknowledge that this PDS does not constitute an offer in any jurisdiction in which, or to any person of whom, it would be unlawful to make the offer.
19. declare that if investing as a trustee of a trust ("Trust") (including acting as trustee for a superannuation fund) you are acting in accordance with your designated powers and authority under the Trust Deed. In the case of Superannuation Funds, you also confirm that the funds are complying funds under the Superannuation Industry (Supervision) Act.
20. declare that if investing as a trustee of a trust (**Trust**) (including acting as trustee for a superannuation fund), you are familiar with the documents constituting the trust (the **Trust Documents**) (and as amended, if applicable) purporting to establish, and relating to, the Trust and hereby declare and confirm that:
  - a) the Trust and the Trust Documents have been validly constituted and is subsisting at the date of this declaration;
  - b) you will be and are empowered and authorised by the terms of the Trust Documents examined by you to enter into and bind the Trust to the transactions completed by the Terms and this Term Sheet PDS and the Master PDS;
  - c) the transactions completed by the Terms and this Term Sheet PDS and Master PDS do or will benefit the beneficiaries of the Trust; and
  - d) you have all the power, authority and discretion vested as trustee to apply for and hold the Units.
21. acknowledge that there is a Security Interest over the Hedge, known as the Hedge Security Deed (described in Section 3 "Security Arrangements" of the Master PDS) and you are entitled to the benefit of the Hedge Security Deed, bound by



- the terms of the Hedge Security Deed and must perform all of the obligations and comply with all restrictions and limitations applicable to you under the Hedge Security Deed. You also acknowledge that the benefit of the Hedge Security Deed is held by the Security Trustee on trust for you in accordance with the Security Trust Deed (described in Section 3 "Security Arrangements" of the Master PDS).
22. acknowledge that all information relating to this Application Form for investment or any subsequent information relating to this investment may be disclosed to any service provider and to your adviser. This authority will continue unless revoked in writing by you.
  23. If you use the facsimile or email facility you:
    - a) release, discharge and agree to indemnify the Issuer and their agents, including the registrar and their respective officers from and against all losses, liabilities, actions, proceedings, accounts, claims and demand arising from instructions received under the facility;
    - b) agree that a payment made in accordance with the conditions of the facility shall be in complete satisfaction of all obligations to you for a payment, notwithstanding it was requested, made or received without your knowledge or authority.
  24. acknowledge the Issuer has entered into custodial arrangements with Sequoia Nominees No. 1 Pty Ltd ("Custodian").
  25. acknowledge that your Units will be issued to the Custodian on your behalf and the Custodian will hold your Units subject to the Investor Security Deed in accordance with the terms of the Loan Agreement and the Custody Deed.
  26. irrevocably direct and authorise the Lender to draw down the Loan Amount and pay the amount directly to the Issuer in satisfaction of your obligation to pay your Investment Amount.
  27. acknowledge that if the Units are subject to Early Maturity for any reason, you will not be entitled to any Performance Coupon payable or the Delivery Parcel on or after the occurrence of the relevant Early Maturity Event.
  28. irrevocably direct and authorise the payment of the Performance Coupon, Buy-Back Price, Termination Payment, Early Maturity Value and Sale Monies to be paid firstly to the Lender in repayment of the Loan Amount. However the Lender does not intend to apply the Performance Coupon (if any) to the Loan Amount during the Investment Term unless there is an Event of Default under the Investor Security Deed.
  29. if you fail to pay the Loan Amount, you assign all of your rights under the Loan Agreement to the Acceptor and the Acceptor will assume all of your obligations under the Loan Agreement on your behalf. You will be deemed to direct the Custodian to hold the Delivery Parcel on your behalf, and to authorise and direct the Issuer (or its nominees) to sell or procure the sale of the Delivery Parcel and to apply the resulting Sale Monies (which includes a deduction for Delivery Costs) to pay the Lender an amount equal to the Loan Amount when the Acceptor assumed your obligations under the Loan.
  30. agree and acknowledge that their recourse against the Issuer is limited to the Secured Property only and otherwise they can take no action against the Issuer.
  31. irrevocably appoint for valuable consideration the Issuer, its related bodies corporate and each of their respective employees whose title includes the word "director" jointly, and each of them severally as my/our true and lawful agent to do all acts and things:
    - a) necessary to bind you to the Terms, give effect to the Terms, including without limitation, completing or amending any Application Forms (if the Issuer, in its absolute discretion, has accepted the Application Form);
    - b) necessary to give effect to, amend, execute, register or enforce the Custody Deed or Investor Security Deed and bind you to the terms of the Custody Deed;
    - c) that the Investor is obliged to do under the Terms;
    - d) which, in the opinion of the Issuer are necessary in connection with:
      - i. payment of any moneys to the Investor;
      - ii. the Maturity process, including without limitation, if an Early Maturity Event occurs;
      - iii. any Issuer Buy-Back;
      - iv. the Delivery Assets, including without limitation the delivery or sale of the Delivery Assets;
      - v. the repayment of the Loan Amount;
      - vi. the Investor Security Deed, including without limitation the perfection and enforcement of the Investor Security Deed.
  32. indemnify the agent against all claims, losses, damages and expenses suffered or incurred as a result of anything done in accordance with the above agency appointment.
  33. agree to give further information or personal details to the issuer if it reasonably believes that it is required to meet its obligations under anti-money laundering counterterrorism or taxation legislation. By making this application, you represent and covenant that the funds you are investing are not the proceeds of crime or money laundering, nor connected with the financing of terrorism. You agree that the Issuer may in its absolute discretion determine not to issue units to you, may cancel any units that have been issued to you or may redeem any units issued to you if the Issuer believes that such action is necessary or desirable in light of its obligations under the Commonwealth *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* or any related legislation.
  34. Have read and understand the Privacy Policy for the Issuer and the Security Trustee as described in detail in Section 5 "Additional Information" of the Master PDS



**SECTION H – Bank Account Details for direct debit purposes and/or paying potential future Performance Coupons**

**How will you pay for your investment**

I will pay directly via **Electronic Funds Transfer (EFT)** to the following account:

BSB: 032-002

AC: 744 480

Name: Sequoia Specialist Investment Pty Ltd <Investor Trust AC>

Please **Direct Debit** my Nominated Account

This Direct Debit Request includes this page and the section entitled “Section I – Execution Page”.

**Important Note:** Bank account name(s) must match the Applicant name(s) in the Application Form and be signed by that person(s). If a company or corporate Trust is applying, this form must be signed by either the sole director (if there is only one) OR two directors or a director and secretary (if there are two or more).

**In the case of a joint account, both signatures are required in Section I.**

Surname or Company Name

Given Name or ABN

Surname or Company Name

Given Name or ABN

authorise and request Sequoia Specialist Investments Pty Ltd ACN 145 459 936, (or its nominee, related entity assignee, transferee, participant or sub-participant as required), until further notice in writing, to arrange, through its own Financial Institution, for any amount that Sequoia Specialist Investments Pty Ltd may properly charge me/us to be debited from my/our Nominated Account via the Bulk Electronic Clearing System at the financial institution shown below and paid to Sequoia Specialist Investments Pty Ltd subject to the terms and conditions of the Direct Debit Request Service Agreement in the Master PDS. Investors should ensure sufficient funds are in the Nominated Account from this date to prevent any dishonour fees.

**Account Details**

Bank Name/Institution

Branch name and address

City/Suburb/Town

State

Postcode

Country

BSB

Account Number

Account Name





## SECTION I – EXECUTION PAGE

This execution page forms part of the Application Form and Direct Debit Request

### Acknowledgments

I/We understand and acknowledge that by signing below:

- I/We have read and understood, and agree to, the terms and conditions governing the direct debit arrangements between me/us and Sequoia Specialist Investments Pty Ltd as set out in the Direct Debit Request Service Agreement of this PDS; and
- I/We make the declarations set out in Section H of this Application Form.

### Business/Investment Purpose Declaration

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

### IMPORTANT

You should only sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

By signing this declaration you may lose your protection under the National Credit Code.

I/We irrevocably authorise the Issuer to collect the Upfront Adviser Fee (if any) specified on our Application Form at the same time as the other payments are direct debited and irrevocably direct the Issuer to pay these amounts to your adviser on our behalf.

I/We indemnify the Issuer against any claim from an adviser to recover the Adviser Fee once the investment has commenced and Units have been issued.

Director/Trustee 1 (Print Name)

Signature (Director/Trustee 1)

Date

Tick capacity – mandatory for companies  Sole Director  Director  Secretary

Tick capacity if appropriate:  Individual Trustee  Corporate Trustee  Partner

Director/Trustee 2 (Print Name)

Signature (Director/Trustee 2)

Date

Tick capacity – mandatory for companies  Sole Director  Director  Secretary

Tick capacity if appropriate:  Individual Trustee  Corporate Trustee  Partner



## DIRECT DEBIT REQUEST SERVICE AGREEMENT

Between the Investor and Sequoia Specialist Investments Pty Ltd ACN 145 459 936.

This debit or charge will be made through the Bulk Electronic Clearing System (BECS) from your account held at the financial institution you have nominated below and will be subject to the terms and conditions of the Direct Debit Request Service Agreement.

### 1. Definitions

The following definitions apply in this agreement.

“**Account**” means the account held at Your Financial Institution from which We are authorised to arrange for funds to be debited.

“**Agreement**” means this Direct Debit Request Service Agreement between You and Us.

“**Banking Day**” means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

“**Debit Day**” means the day that payment by You to Us is due.

“**Debit Payment**” means a particular transaction where a debit is made.

“**Direct Debit Request**” means the Direct Debit Request between Us and You.

“**Our, Us or We**” means Sequoia Specialist Investments Pty Ltd (“Sequoia”) which You have authorised by signing a Direct Debit Request.

“**Term Sheet PDS**” means the document to which this Agreement was attached and which sets out the terms of the offer of the US Dispersion – Series 6 Deferred Purchase Agreements.

“**You or Your**” means the person(s) who has signed or authorised by other means the Direct Debit Request.

“**Your Financial Institution**” is the financial institution where You hold the Account that You have authorized Us to arrange to debit.

### 2. Debiting Your account

2.1 By signing an Application Form that contains the Direct Debit Request, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between Us and You.

2.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.

2.3 If the Debit Day falls on a day that is not a Banking Day, We may direct Your Financial Institution to debit Your Account on the following Banking Day.

2.4 If You are unsure about which day Your Account has or will be debited You should ask Your Financial Institution.

### 3. Amendments by Us

3.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least fourteen (14) days written notice.

### 4. Amendments by You

4.1 You may change, stop or defer a debit payment, or terminate this agreement by providing Us with at least fourteen (14) days notification by writing to:

Sequoia Specialist Investments Pty Ltd  
PO Box R1837  
Royal Exchange NSW 1225

or

by telephoning Us on 02 8114 2222 during business hours;

or

arranging it through Your own financial institution.

### 5. Your obligations

5.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

5.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:

(a) You may be charged a fee and/or interest by Your Financial Institution;

(b) You may also incur fees or charges imposed or incurred by Us; and

(c) You must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

5.3 You should check Your account statement to verify that the amounts debited from Your Account are correct

5.4 If We are liable to pay goods and services tax (“GST”) on a supply made in connection with this Agreement, then You agree to pay Us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

### 6. Dispute

6.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly. Alternatively You can take it up with Your Financial Institution direct.

6.2 If We conclude as a result of Our investigations that Your Account has been incorrectly debited We will respond to Your query by arranging for Your Financial Institution to adjust Your account (including interest and charges) accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

6.3 If We conclude as a result of Our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding in writing.

### 7. Accounts

You should check:

(a) with Your Financial Institution whether direct debiting is available from Your account as direct debiting is not available on all accounts offered by financial institutions;

(b) Your account details which You have provided to Us are correct by checking them against a recent account statement; and

(c) with Your Financial Institution before completing the Direct Debit Request if You have any queries about how to complete the Direct Debit Request.

### 8. Confidentiality

8.1 We will keep any information (including Your account details) in Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of our employees or agents who have access to information about You do not make any unauthorised use, modification, reproduction or disclosure of that information.

8.2 We will only disclose information that We have about You:

(a) to the extent specifically required by law; or

(b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

### 9. Notice

9.1 If You wish to notify Us in writing about anything relating to this agreement, You should write to Your Account Manager.

9.2 We will notify You by sending a notice in the ordinary post to the address You have given Us in the Application Form to the PDS.

9.3 Any notice will be deemed to have been received on the third banking day after posting. Execution by You of the Application Form that contains the Direct Debit Request deems You to have read and understood the terms of this Direct Debit Request Service Agreement.



**Section J – Trustee Declaration (Trusts & SMSFs to complete)**

This form must be provided to the Issuer by you, as Trustee of the Trust named in the Application Form (the “Trust”), if you are applying for the Units.

Dear Sir/Madam

This Trustee’s Declaration is provided to the Issuer (and each of its related bodies corporate) in connection with the issue of the US Dispersion – Series 6 Units.

I am the Trustee of the Trust and am familiar with the documents constituting the Trust (the “Trust Documents”) (and as amended if applicable) purporting to establish, and relating to, the Trust.

I hereby declare and confirm that:

1. The Trust and Trust Documents to have been validly constituted and is subsisting at the date of this declaration
2. I am empowered and authorised by the terms of the Trust Documents examined by me to enter into and bind the Trust to the transactions contemplated by the Terms of the US Dispersion Units – Series 6 Term Sheet PDS dated 28 August 2020 (as relevant) and the Master PDS dated 14 August 2017.

Director/Trustee 1 (Print Name)

Signature (Director/Trustee 1)

Date

Tick capacity – mandatory for companies  Sole Director  Director  Secretary

Tick capacity if appropriate:  Individual Trustee  Corporate Trustee  Partner

Director/Trustee 2 (Print Name)

Signature (Director/Trustee 2)

Date

Tick capacity – mandatory for companies  Sole Director  Director  Secretary

Tick capacity if appropriate:  Individual Trustee  Corporate Trustee  Partner



**ADVISER USE ONLY**

Adviser Name (in full)

Adviser Postal Residential Address

City/Suburb/Town

State

Postcode

Country

Adviser Phone (business hours) Area code

Number

Adviser Email

Adviser Stamp

Dealer Group name

Dealer Phone (business hours) Area code

Number

Dealer Group AFS License Number

Dealer Group ABN

**IMPORTANT – MUST BE COMPLETED FOR EACH APPLICATION**

The following must be completed in order to fulfil the legislative requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 as amended from time to time (“AML/CTF”). Please refer to Section 12 of the Master PDS for a guide to acceptable identification documentation.

**ID Document Details**

**Applicant 1**

**Applicant 2**

Verified From

Original

Certified Copy

Original

Certified Copy

Document Issuer

Issue Date

Expiry Date

Document Number

**Applicant Information**

I confirm the following:

- I confirm that I have sighted original or certified copies of the Applicants identity documents.
- I will hold the material from which I have verified the information for 7 years from the date of this investment.
- I have attached identity documents for this Application and will provide any available information about that client, if requested by the Issuer, its Agent or AUSTRAC.
- I acknowledge that it may be a criminal offence to knowingly provide false, forged, altered or falsified documents or misleading information or documents when completing this Application form.

- consent to the collection of the Adviser Fee by the Issuer;
- agree that the Issuer has no liability to us for the amount of the Adviser Fee or the collection or remittance of the Adviser Fee to us;
- agree and acknowledge that if the Issuer decides not to proceed with the issue of the Units for any reason then the Adviser Fee will not be collected (or, if collected, will be returned to applicants without interest), the Adviser Fee will not be payable to us and we will have no action against the Issuer in respect of the Adviser Fee;
- agree and acknowledge that if the Unitholder(s) investment in the Units is terminated for any reason, the Adviser Fee will not be collected and we will have no action against the Issuer in respect of any unpaid Adviser Fee; and
- agree to indemnify and hold the Issuer harmless against any damage, loss, cost, liability or expense of any kind (including without limitation penalties, fines and interest) incurred by the Issuer arising from or connecting in any way with the collection and remittance of the Adviser Fee.

**Payment of the Adviser Fee – consent to fee payment arrangements**

By signing this Application Form, we:

- agree that our fee (i.e. the Adviser Fee made up of the Upfront Adviser Fee (if any)) is as specified in Section C of the Application Form;

Authorised Investment Adviser Signature

Authorised Representative Number

Date



Specialist Investments

ABN 69 145 459 936

# US Dispersion Units – Series 6



## ISSUER BUY-BACK FORM

This is an Issuer Buy-Back Form for Units in the US Dispersion Units – Series 6 issued by Sequoia Specialist Investments Pty Ltd (ACN 145 459 936) and arranged by Sequoia Asset Management Pty Ltd (ACN 135 907 550, AFSL 341506). This Issuer Buy-Back Form accompanies the Term Sheet PDS dated 28 August 2020, Master PDS dated 14 August 2017 and any supplementary PDS issued for the Units (PDS). This form is to be used if you are an investor in the Units and wish to request an Issuer Buy-Back prior to Maturity. Please see the instructions on how to complete this Form in the PDS. This Buy-Back Request Form must be received by the Registrar by 2:00 pm in order to be processed that day.

## SECTION A – INVESTOR DETAILS

I/We hereby apply for the following Units issued by Sequoia Specialist Investments Pty Ltd pursuant to the Term Sheet PDS dated 28 August 2020 and Master PDS dated 14 August 2017 to be transferred from me/us to the Issuer.

Name of Seller (if a company, please provide full name and ABN/ACN/ARBN):

Address

City/Suburb/Town

State

Postcode

Country

Telephone

Area code

Number

## SECTION B – DETAILS OF THE UNITS TO BE SOLD

**Investment:**

**US Dispersion Units – Series 6**

Total Number of Units to be Sold (this must be greater than or equal to the Minimum Buy-Back Amount)\*

\*The Minimum Buy-Back Amount is 10,000 Units in a particular Series, provided Investors continue to hold at least 10,000 Units in that Series.

## SECTION C – DECLARATIONS & SIGNATURES

I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the Term Sheet PDS and Master PDS on which I/we held those Units at the time of signing of this form.

- I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the Term Sheet PDS and Master PDS on which I/we held those Units at the time of signing of this form.
- I/We have full legal power to request this Issuer Buy-Back and do so free of any encumbrance or security (whether registered or not)
- I/We understand I/We will have no further exposure to the Reference Basket after the Units are bought back
- I/We understand that there may be significant Break Costs (including Loan Break Costs) for the Issuer Buy-Back.
- I/We understand that the Buy-Back Price (if any) may differ significantly from the quoted value provided by Sequoia Specialist Investments and/or the Hedge Provider.
- I/We understand that the Buy-Back Price will first be applied against my outstanding Loan Amount and only the surplus (if any) will be paid to me/us.
- I/We understand that the tax outcome may differ from the Term Sheet PDS and Master PDS by participating in an Issuer Buy-Back.
- The Issuer strongly recommends you seek independent expert tax advice before submitting this request.
- I/We understand by submitting the Issuer Buy-Back request, that it is irrevocable.

Signature of Unitholder 1

Name of Unitholder 1

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

Tick capacity (if applicable)

Individual Trustee

Corporate Trustee

Partner in Partnership

Signature of Unitholder 2

Name of Unitholder 2

Date

Tick capacity – mandatory for companies

Sole Director

Director

Secretary

  
sequoia

Specialist Investments

ABN 69 145 459 936

**Lead Distributor**

Sequoia Asset Management Pty Ltd  
Level 7, 7 Macquarie Place  
Sydney NSW 2000  
P: 1300 522 644

**Arranger:**

Sequoia Asset Management Pty Ltd  
Level 7, 7 Macquarie Place  
Sydney NSW 2000  
PO Box R1837  
Royal Exchange NSW 1225  
P: 1300 522 644

**Issuer:**

Sequoia Specialist Investments Pty Ltd  
Level 7, 7 Macquarie Place  
Sydney NSW 2000  
PO Box R1837  
Royal Exchange NSW 1225  
P: 02 8114 2222

**Registrar:**

Registry Direct Pty Ltd  
Level 6, 2 Russel Street  
Melbourne VIC 3000  
P: 1300 55 66 35

**Issuer's Solicitors:**

Baker & McKenzie  
Tower One – International Towers Sydney  
Level 46  
100 Barangaroo Avenue  
Sydney NSW 2000

**Custodian & Security Trustee:**

Sequoia Nominees No. 1 Pty Ltd  
Level 7, 7 Macquarie Place  
Sydney NSW 2000  
PO Box R1837  
Royal Exchange NSW 1225

**All Application Forms and Correspondence to:**

Sequoia Asset Management  
PO Box R1837  
Royal Exchange  
NSW 1225