



Appendix 4C- June 2016 Quarter Overview

ASX: SEQ

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Sydney, 29th July 2016: Diversified financial services group Sequoia Financial Group Limited (ASX:SEQ) (Sequoia) is pleased to release its' Appendix 4C consolidated statement of cash flows for the quarter ending 30th June 2016.

The company is pleased to report receipts from customers of \$6,053,000 for the quarter. This reflects another pleasing quarter of trading with all operating businesses performing to expectations. Receipts from customers were less than the prior quarter due primarily to the timing of revenue recognition in the respective quarters.

Total receipts from customers for FY2016 was \$24,854,000 – a very pleasing performance for Sequoia given the improved quality of the underlying revenue base.

The Company's net cash position at the end of the period was \$811,000, excluding cash bonds and bank guarantees held which total \$1,201,250. These funds give Sequoia the necessary financial flexibility to continue its growth trajectory in FY2017.

It should be noted that the large cash outflow during the quarter was due to the timing of a significant hedging expense payment as outlined in the March 2016 4C, to coincide with a large cash inflow receipted from the investment product in March and an approximate \$180,000 reduction to trade payables. The ongoing reduction in trade payables is a major achievement for the business. In the last 12 months the company has decreased its company trade payable obligations by \$1,633,000.

Sequoia's key business units are all performing well – the client base is growing, we are securing more SMSF administration accounts, transactional volume is up, and funds under administration continues to grow. FY2016 has been a transformational period for Sequoia and the Company now has a strong foundation and unified brand in order to take the next step in its growth.

Sequoia will shortly release a detailed shareholder update on the performance of key business units, along with further information on the timing of our planned share consolidation.

The Board and Management look forward to releasing the Company's full year financial results in late August.

– ENDS –





For further information, please contact:

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Released through: Ben Jarvis, Six Degrees Investor Relations +61 413 150 448

ABOUT SEQUOIA FINANCIAL GROUP

ASX-listed Sequoia Financial Group Limited (ASX: SEQ) (formerly MDS Financial Group Ltd) is an integrated financial services company providing products and services to self-directed retail and wholesale clients and those of third party professional service firms. It provides:

- Investment and superannuation products
- Wealth management and advisory services
- Corporate advisory and capital markets expertise
- Retail, wholesale and institutional trading platforms
- Market data and financial news services

Sequoia operates various AFS Licenses and its subsidiary d2mx is an ASX Market Participant



Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/00. Amended 30/9/01, 24/10/05, 17/12/10.

Name of entity

Sequoia Financial Group Limited

ABN

90 091 744 884

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1.1 Receipts from customers | 6,053 | 24,854 |
| 1.2 Payments for | | |
| (a) staff costs | (1,047) | (3,991) |
| (b) advertising and marketing | (193) | (380) |
| (c) research and development | - | - |
| (d) leased assets | - | - |
| (e) other working capital | (6,074) | (19,795) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 4 | 5 |
| 1.5 Interest and other costs of finance paid | (75) | (241) |
| 1.6 Income taxes paid | 0 | (369) |
| 1.7 Other (provide details if material) | 43 | (152) |
| Net operating cash flows | (1,289) | (69) |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--|----------------------------|--|
| 1.8 Net operating cash flows (carried forward) | (1,289) | (69) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | - | (650) |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | (86) |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | 42 |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other (provide details if material) | - | - |
| Net investing cash flows | - | (694) |
| 1.14 Total operating and investing cash flows | (1,289) | (763) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | 1,100 |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | - | 200 |
| 1.18 Repayment of borrowings | (16) | (340) |
| 1.19 Dividends paid | - | - |
| 1.20 Other | - | - |
| Net financing cash flows | (16) | 960 |
| Net increase (decrease) in cash held | (1,305) | 197 |
| 1.21 Cash at beginning of quarter/year to date | 2,116 | 614 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 811 | 811 |

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|---|----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 200 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 | Explanation necessary for an understanding of the transactions <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Includes Directors fees paid in the quarter.</div> | |

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest.

Shares purchased in non - listed entity.

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|--|-----------------------------|------------------------|
| 3.1 | Loan facilities | 0 | 0 |
| 3.2 | Credit standby arrangements | - | - |
| 3.3 | Explanation necessary for an understanding of the transactions <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">N/A</div> | | |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 4.1 Cash on hand and at bank | 811 | 2,116 |
| 4.2 Deposits at call | - | - |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.23) | 811 | 2,116 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|---|--|-----------------------------|
| 5.1 Name of entity | Finance TV Pty LTD (trading as Finance Network News) | N/A |
| 5.2 Place of incorporation or registration | NSW | N/A |
| 5.3 Consideration for acquisition or disposal | Cash | N/A |
| 5.4 Total net assets | 196,087 | N/A |
| 5.5 Nature of business | Media | N/A |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
 (Director/~~Company Secretary~~)

29/07/2016
 Date:

Print name: Scott Beeton

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
4. These statements exclude bonds and bank guarantees held as at 30 June 2016 of \$1,201,250. The total bond held by the Company's third party clearers is \$1,000,000, bank guarantees are held for the Melbourne premises of \$85,250, the Sydney premise of \$110,000 and a term deposit for \$6,000 is held for a merchant facility.

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