



The Units in C2 - Gateway - Series 3 ("Series 3 Units") provide returns based on the "dispersion" of the Shares comprising the Reference Asset. Dispersion measures the deviation of the performance of individual shares relative to the performance of a basket.

Dispersion offers investors the potential for positive returns which could be uncorrelated to the direction of equity markets. The Units utilise 15 Nasdaq listed technology shares (each a "Share", together the "Reference Asset") to extract value. The return of the investment is determined by how dispersed the returns of these 15 Shares are in absolute terms on five (5) Performance Coupon Determination Dates during the 5 year Investment Term. The higher the Dispersion, the higher the returns¹.

The Units offer Investors features such as

- 100% LVR Limited Recourse Loan (LVR = Loan to Valuation Ratio)
- Limited Recourse Loan. No personal guarantees required. No Margin Calls.
- Interest Rates of 5.45%p.a;
- 5 year term;
- Investors are only required to pay 3 years of Interest upfront, then the remaining 2 years are paid annually thereafter;
- Losses are limited to Prepaid Interest and any Fees² ;
- any positive performance is paid out annually in the form of Performance Coupons. This effectively locks in any gains for Investors during the Investment Term. There are five (5) potential uncapped Performance Coupons³ at the end of Year 1, Year 2, Year 3, Year 4 and Year 5 (Maturity), calculated by reference to the Dispersion of the Reference Asset and the Strike.
- Exposure to the AUD/USD exchange rate for the Performance Coupons (if any)
- The ability to Walk-Away at the end of Year 3 and Year 4 if the investor wants to discontinue their Investment. Walk Away from the Loan and not make any further interest payments and with no requirement to repay the Loan principal⁴ .
- if the investment returns are negative, there is no shortfall to pay at Maturity. Investors can simply walk away;
- No credit checks;
- SMSFs are eligible to invest;

The Reference Asset comprises the following 15 Nasdaq Listed shares (individually, each a "Share").

	Share	Ticker		Share	Ticker
1	Apple Inc	AAPL UW Equity	9	Facebook Inc	FB UW Equity
2	Amazon.com Inc	AMZN UW Equity	10	Intel Corp	INTC UW Equity
3	Alphabet Inc	GOOGL UW Equity	11	Cisco Systems Inc	CSCO UW Equity
4	Microsoft Corp	MSFT UW Equity	12	Netflix Inc	NFLX UW Equity
5	Comcast Corp	CMCSA UW Equity	13	Texas Instruments Inc	TXN UW Equity
6	NVIDIA Corp	NVDA UW Equity	14	PayPal Holdings Inc	PYPL UW Equity
7	Amgen Inc	AMGN UW Equity	15	Baidu IncChina ADR	BIDU UW Equity
8	Adobe Systems Inc	ADBE UW Equity			

¹ Please refer to "Formulae" in Section 2 of the PDS for how the Dispersion is calculated.

² Please refer to Section 2 of the Term Sheet PDS for more information on Fees payable.

³ subject to a Performance Fee and movements in the AUD/USD exchange rate between the Commencement Date and the relevant Performance Coupon Determination Date.

⁴ Where investors elect to Walk Away, they will not be entitled to the Performance Coupon at the time (if any) or any future Performance Coupons or Final Value or any other returns and the Investment will be terminated

How Dispersion returns are calculated.

The examples below 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.

Dispersion is calculated as follows:

1. At the relevant Performance Coupon Determination Date, calculate the individual performance of each Share in the Reference Asset from the Commencement Date to the relevant Performance Coupon Determination Date, then calculate the average performance of the Shares for such period;
2. Subtract the average Share performance from each individual Share's performance;
3. Then take the absolute value of the adjusted individual Share performance;
4. The average of these values is the "Dispersion".;

For example, if there were 2 Shares in the Reference Asset, one Share was up (+60%) and one Share was down (-40%), the Dispersion would be calculated as:

1	Calculate the average performance of the Shares;	Share 1: +60% Share 2: -40% Average: = +10%
2	Subtract the average Share performance from each individual Share's performance;	Share 1: 60% - 10% = 50% Share 2: -40% - 10% = -50%
3	Then take the absolute value of the adjusted individual Share performance;	Share 1: 50% = 50% Share 2: -50% = 50%
4	The average of these value is the "Dispersion".	Dispersion = 50%

How have the Shares Dispersed over time?

The Historical Performance Simulations below have been provided to help investors get an idea of how the Shares in the basket have Dispersed over time using 5 year periods with rolling start dates for the period 3 Jan 2007 to 17 April 2014. Future levels of dispersion should be expected to vary and may be less than the Strike. Historical information for this product has been used by the Issuer in order to provide an illustration of how the Investment may have performed over a defined period. This analysis has been prepared in good faith in accordance with the Issuer's own internal models and calculation methods using publicly available market information sources where considered relevant. Analysis based on different models or assumptions may yield different results. Numerous factors may affect the analysis, which may or may not be taken into account. Therefore, this analysis may vary significantly from analysis obtained from other sources or market participants. Where data was not available for the full simulation period, the Issuer has substituted Nasdaq (NDX) as a proxy, which it considers to be a reasonable substitution. NDX was substituted for Facebook for the period Jan 2007 to May 2012, and also for Paypal for the period Jan 2007 to July 2015. Please contact the Issuer for more information if required. The Issuer does not guarantee the accuracy or completeness of this analysis or calculation methods, the accuracy or reliability of any market information sources used, any errors or omissions in computing or disseminating this analysis and cannot accept responsibility for any investment decision or use you make of it.

Past performance is not a reliable indicator of future performance.

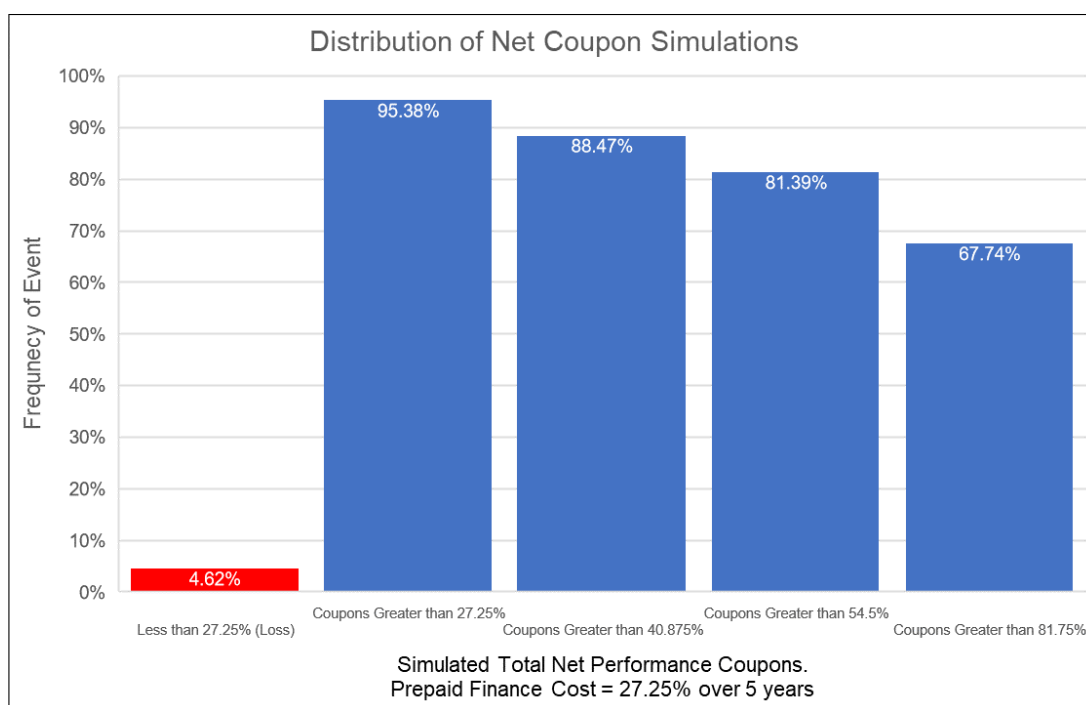
Historical Dispersion Simulation	Dispersion	5 Year Total Net Performance Coupons*	5 Year Total Net Performance Coupons (% p.a)*
Average	176.9%	135.81%	27.16%
Minimum	49.10%	20.79%	4.16%
Maximum	409.83%	343.65%	68.73%
Number of 5yr simulations: 1838 (rolling start dates between 3 Jan 2007 to 17 April 2014)			

** Calculated using a Strike of 26% and are Net of Performance Fees. Does not take into account any AUD/USD movements. Investment returns are paid out each year in the form of Performance Coupons, as such, returns shown are simple average per annum returns (i.e. returns are not compounded).*

The table and chart below summarises the number of times that the simulation generated Net Performance Coupons of a certain amount, representing a percentage return on investors' Interest Expense.

Net Performance Coupons less than 27.25% (Less than Interest Expense) *	Net Performance Coupons greater than 27.25% (Greater than Interest Expense) *	Net Performance Coupons greater than 40.875% (50% return) *	Net Performance Coupons greater than 54.5% (100% return) *	Net Performance Coupons greater than 81.75% (200% return) *
4.62%	95.38%	88.47%	81.39%	67.74%
Number of 5yr simulations: 1838 (rolling start dates between 3 Jan 2007 to 17 April 2014)				

** Net of Performance Fees. Does not take into account any AUD/USD movements.*



Cash Flow Example:

An Investor wants to invest into C2 - Gateway – Series 3. The Interest Rate on the Loan associated with C2 - Gateway - Series 3 is 5.45% p.a and the investor is required to prepay the first three (3) years Interest in advance plus a Loan Establishment Fee of 2.2%. They will also be required to pay Prepaid Interest at the start of Year 4 and Year 5 (or if a Performance Coupon is payable, this will be used to reduce or pay in full the Prepaid Interest owing). Your adviser may also charge an Upfront Adviser Fee, but for the purposes of this example, this is assumed to be nil.

The Investor decides to invest \$100,000 and outlays \$18,550 cash at Commencement (\$16,350 Prepaid Interest and \$2,200 Loan Establishment Fee). A further \$5,450 in Prepaid Interest will be payable at the start of Year 4 and Year 5. The investor likes that the loan is Limited Recourse to the Units and that:

- There is a high 100% LVR loan (LVR = Loan to Valuation Ratio)
- any positive returns are paid out annually in the form of Performance Coupons;
- he cannot lose more than his Prepaid Interest and any fees (\$29,450 in this example);
- there will never be a margin call on the Investment;
- if the investment returns are negative, there is no shortfall to pay at Maturity;
- Loan guarantees are NOT required on the loan;
- Credit approval is simple, and it does not appear on his credit file.

Below are hypothetical calculations based on a \$100,000 exposure to the Reference Asset.

	Amount
Investment Amount	\$100,000
Limited Recourse Loan (100% LVR)	(\$100,000)
Prepaid Interest (5.45%p.a x first 3 years)	(\$16,350)
Loan Establishment Fee (2.2% once off)	(\$2,200)
Upfront Adviser Fee (negotiated with investors adviser)	\$0
Total cash outlay at Commencement Date	(\$18,550)
Prepaid Interest due at the end of Year 4 & Year 5	\$5,450 each Year (any Performance Coupons will be Set Off against this interest to reduce future cash outlay required by Investors)

	Dispersion*	Strike	Total of Five (5) Gross Performance Coupons during Investment Term (Dispersion less Strike, Floored at 0%)**	Net Coupons During Investment Term***^	% Return on cash outlay***^
Scenario 1	2%	26%	0%	\$0	N/A. Loss of 100%
Scenario 2	30%	26%	4%	\$3,600	-88%
Scenario 3	60%	26%	34%	\$30,600	4%
Scenario 4	90%	26%	64%	\$57,600	96%
Scenario 5	120%	26%	94%	\$84,600	187%
Scenario 6	150%	26%	124%	\$111,600	279%

* Hypothetical only. For illustrative purposes and not an indication of expected future performance. This is a hypothetical level of Dispersion on each Performance Coupon Determination Date.

** Dispersion less Strike (refer to Formulae in Section 2 “Term Sheet PDS”)

*** Net of 10% Performance Fee

^ For the purposes of this example, it is assumed there are no movements in the AUD/USD exchange rate.

Key Risks:

Key risks include:

- Your return (in the form of potential Performance Coupons) is affected by the performance of the Shares comprising the Reference Asset. Specifically, there needs to be significant Dispersion to generate positive returns.
- No Performance Coupons will be payable if the Dispersion is not greater than the Strike and the sum of any Performance Coupons already paid.
- Performance Coupons are subject to movements in the AUD/USD exchange rate;
- Investors must pay the Prepaid Interest to be entitled to receive any Performance Coupons. If Prepaid Interest is not paid on the relevant due date, Investors Units will be terminated, they will not be entitled to any returns or a refund of any Prepaid Interest or Fees paid to date, will have no entitlement to any future Performance Coupons and will have no further exposure to the Units.
- Performance Coupons (if any) will first be set off against any additional Prepaid Interest owing, and Investors will be paid any surplus. Investors are not entitled to the Performance Coupons (if any) or any other returns on the Units if they have not paid the Prepaid Interest in advance for the upcoming year in accordance with the terms of this PDS and Master PDS.
- There is no guarantee that the Units will generate returns in excess of the Prepaid Interest and any Fees during the Investment Term. Additionally, in the event of an Investor requested Issuer Buy-Back, Early Maturity Event, or if you elect to exercise the Annual Walk Away Option before the Maturity Date, you will not receive a refund of your Prepaid Interest or any Fees nor will you be entitled to any Performance Coupons.
- Gains (and losses) may be magnified by the use of leverage.
- 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.

To find out more and to download a copy of the relevant Product Disclosure Statements, please visit www.c2fg.com.au/specialistinvestments

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.c2fg.com.au/specialistinvestments. Units in C2 – Gateway – Series 3 are issued by C2 Specialist Investments Pty Ltd (ACN 622 433 032) (“the Issuer”) and arranged by C2 Financial Services Pty Ltd (AFSL: 502171. ACN 621 428 635) (“the Arranger”) pursuant to Section 911A(2)(b) of the Corporations Act. Investments in the C2 – Gateway – Series 3 can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement (“TSPDS”), after reading the Term Sheet PDS dated 22 May 2018 and the Master PDS (with Loan) dated 22 November 2018 and submitting it to the Issuer. A copy of the PDS can be obtained by contacting C2 Specialist Investments on 02 8098 0300 or contacting your financial adviser. You should consider the Term Sheet & Master PDS’ before deciding whether to invest in Units in C2 - Gateway - Series 3. Capitalised terms in this flyer have the meaning given to them in Section 10 “Definitions” of the Master PDS or in the TSPDS. This flyer has been prepared by the Issuer for general promotional purposes only and is not an offer to sell or solicitation to buy any financial products. This flyer does not constitute personal advice and has been prepared without taking into account your objectives, financial situation or needs. You should consider obtaining professional advice as to whether this financial product suits your objectives, financial situation or needs before investing. You should seek independent advice in relation to the tax implications of your investment.



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