



## C2 - GATEWAY - SERIES 3 **DISPERSION**

22 MAY 2019

TERM SHEET PRODUCT DISCLOSURE STATEMENT TO BE READ IN CONJUNCTION WITH MASTER  
PDS (WITH LOAN) DATED 22 NOVEMBER 2018

### Important information

This Term Sheet PDS dated 22 May 2019 and supplements the Master PDS (with Loan) dated 22 November 2018 issued by C2 Specialist Investments Pty Ltd ("the Issuer"). This Term Sheet PDS together with the Master PDS (with Loan) (the "Master PDS") constitutes the PDS for the Offer of the Series of C2 - Gateway - Series 3 Units ("the Units") as 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 22 May 2019 and is 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. 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"). The Issuer will notify ASIC that this PDS is in use in accordance with the Corporations Act. ASIC and its officers take no responsibility for the contents of this PDS.

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 Asset 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 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.c2fg.com.au](http://www.c2fg.com.au)

A paper copy of this PDS (and any supplementary documents) may be obtained free of charge on request by contacting C2 Specialist Investments Pty Ltd on (02) 8098 0300 or at PO Box R1373 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 may 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.

## SECTION 1: OVERVIEW

The C2 – Gateway – Series 3 Units (“Series 3 Units” or “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 returns. Please refer to “Formulae” in Section 2 for how the Dispersion is calculated.

The Units offer Investors features such as

- The ability to borrow 100% of the Investment Amount via a Limited Recourse Loan, at competitive Interest Rates of 5.45%p.a;
- 5 year term;
- Investors are only required to pay 3 years of Interest upfront, then remaining 2 years are paid annually thereafter;
- Potential Performance Coupons. Investors are paid out any positive performance (if any) above a Strike each year 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 Coupons\* 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.
- Performance Coupons at the end of Year 3 & Year 4 (if any) will be first be set off against Prepaid Interest due for the respective year in advance, reducing the cash flow required to be paid by investors. Any surplus will be paid to Investors.
- 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 principal#.

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

# 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.

A summary of the key features are as follows

|                 | Series 3  |                 |
|-----------------|---|-----------------|
| Reference Asset | A basket comprising the following Nasdaq Listed shares (individually, each a “Share”) |                 |
|                 | Share   | Ticker          |
|                 | Apple Inc   | AAPL UW Equity  |
|                 | Amazon.com Inc  | AMZN UW Equity  |
|                 | Alphabet Inc  | GOOGL UW Equity |
|                 | Microsoft Corp  | MSFT UW Equity  |
|                 | Facebook Inc  | FB UW Equity    |
|                 | Intel Corp  | INTC UW Equity  |
|                 | Cisco Systems Inc   | CSCO UW Equity  |
|                 | Netflix Inc   | NFLX UW Equity  |
|                 | Comcast Corp  | CMCSA UW Equity |
|                 | NVIDIA Corp   | NVDA UW Equity  |
|                 | Amgen Inc   | AMGN UW Equity  |
|                 | Adobe Systems Inc   | ADBE UW Equity  |
|                 | Texas Instruments Inc   | TXN UW Equity   |
|                 | PayPal Holdings Inc   | PYPL UW Equity  |
|                 | Baidu IncChina ADR  | BIDU UW Equity  |

|   |  |
|---|--|
| Strike  | 26%<br>(as at the date of this PDS, please refer to Section 2 "Strike" for more information)   |
| Currency Exposure   | USD (Currency impacts Performance Coupons only)  |
| Investment Term   | 5 years (approximately)  |
| Issue Price   | \$1.00 per Unit  |
| Annual Interest (3 years prepaid in advance at Commencement, then prepaid annually in advance from the end of year 3) | 5.45% p.a.   |
| Performance Coupons   | Five (5) potential uncapped Performance Coupons at the end of Year 1, Year 2, Year 3, Year 4 & Year 5, subject to a Performance Fee on the Units and AUD/USD Exchange Rate. Any Performance Coupons at the end of Year 3 & 4 will first be set off against Prepaid Interest due at the time. |
| Loan Establishment Fee  | 2.2%   |
| Performance Fee   | 10% of the Gross Performance Coupons   |
| Margin Calls  | No   |
| SMSF Eligibility  | Yes  |
| Walk Away Feature   | Yes. At the end of Year 3 and Year 4   |

#### 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%<br>Share 2: -40%<br>Average: = +10%      |
| 2 | Subtract the average Share performance from each individual Share's performance; | Share 1: 60% - 10% = 50%<br>Share 2: -40% - 10% = -50% |
| 3 | Then take the absolute value of the adjusted individual Share performance;       | Share 1:  50%  = 50%<br>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.

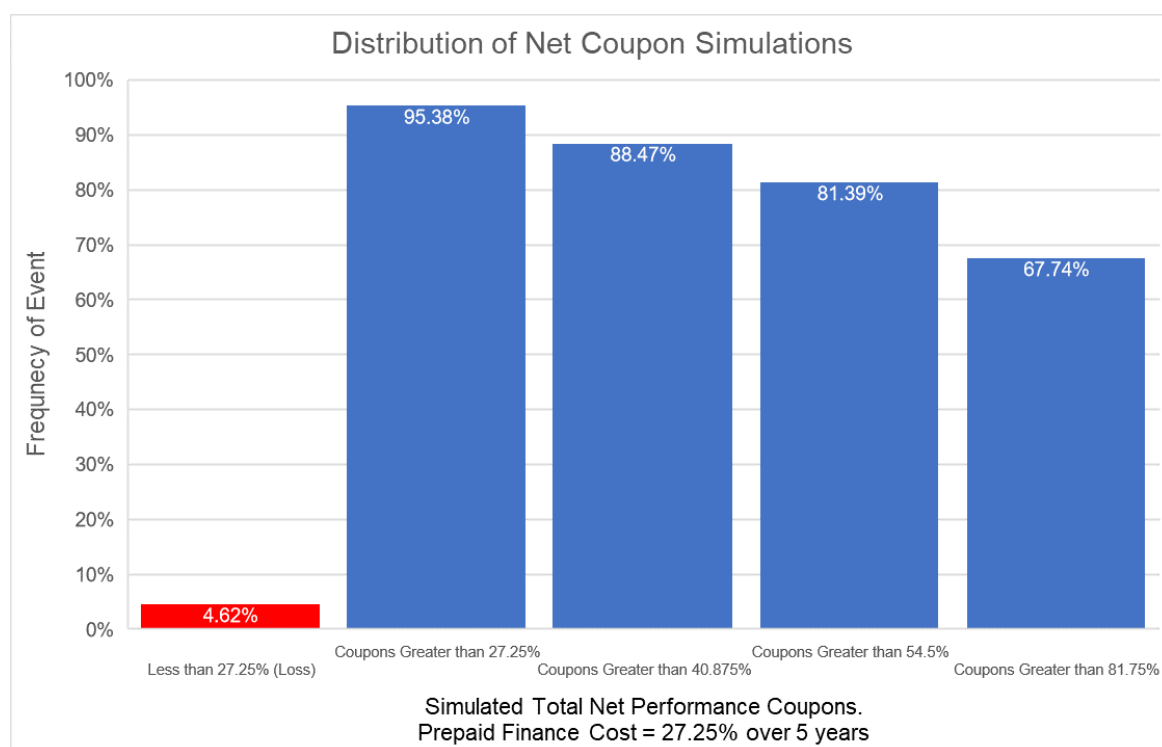
| Historical Dispersion Simulation   | Dispersion | 5 Year Total Net Performance Coupons* | 5 Year Total Net Performance Coupons (% p.a)* |
|--|------------|---------------------------------------|---|
| Average  | 176.9%     | 135.81%                               | 27.16%  |
| Minimum  | 49.10%   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

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



The following charts have been provided to show how the Shares have performed relative to each other during various periods:

- The most recent 5 year period available (17 April 2014 to 17 April 2019).
- A 5 year period of strong Dispersion relative to the Strike
- A 5 year period of moderate Dispersion relative to the Strike
- A 5 year period of low Dispersion relative to the Strike

For the C2 - Gateway - Series 3 Units to generate a positive return on a Performance Coupon Determination Date, the Dispersion needs to be greater than the sum of the Strike and any previously paid Performance Coupons. Investors must also take into account the Interest costs and any Fees when determining their total return. The larger the Dispersion above this amount, the larger the returns. The amount of spread in the performance of the Shares relative to the performance of the basket shown in the below charts is an indicator of the level of Dispersion. Investors should note that for the period shown in Chart 4, an investor in the Units would have received returns that were less than the total amount of Interest and Fees and would have incurred a small loss.

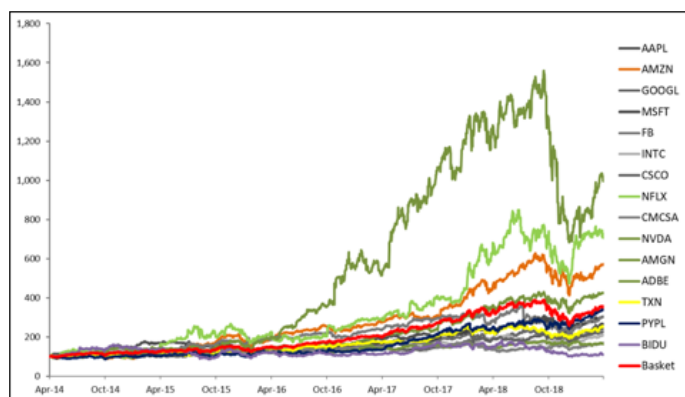


Chart 1: Share performance for most recent 5 year period ending 17 April 2019.

(Start Date 17 April 2014, Dispersion at 15.6%, 4.0%, 11.6%, 91.7% and 89.6% on annual Performance Coupon Determination Dates)

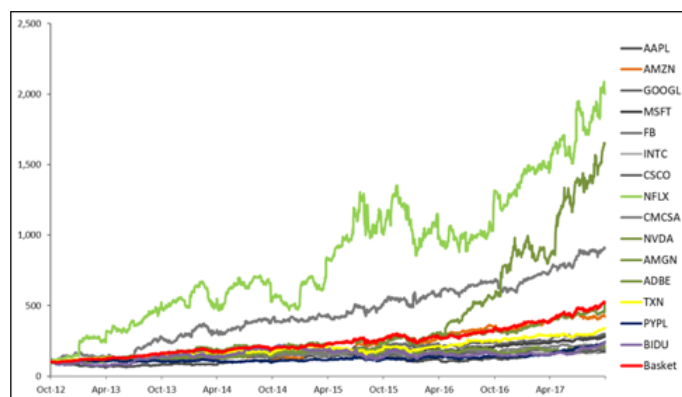


Chart 2: Example of a 5 year period where Dispersion was significantly high, which would have resulted in large Performance Coupons during the Investment Term.

(Start Date 22 October 2012, Dispersion at 56.8%, 80.2% and 131.5%, 209.0% and 351.1% on annual Performance Coupon Determination Dates)

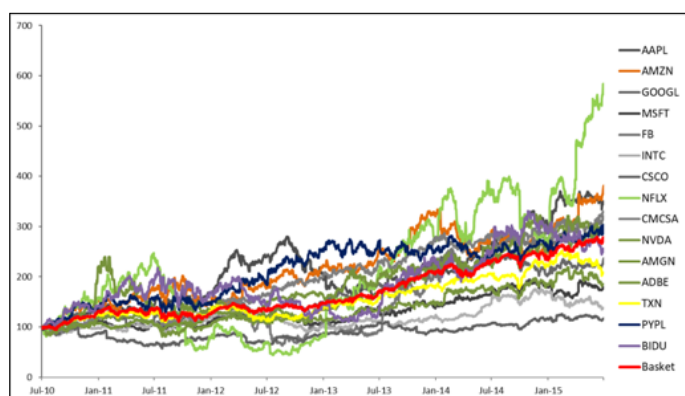


Chart 3: Example of a 5 year period where Dispersion was moderately high, which would have resulted in some moderate Performance Coupons:

(Start Date 15 July 2010. Dispersion at 31.1%, 107.2%, 1.4%, 36.6% and 71.7% on annual Performance Coupon Determination Dates)

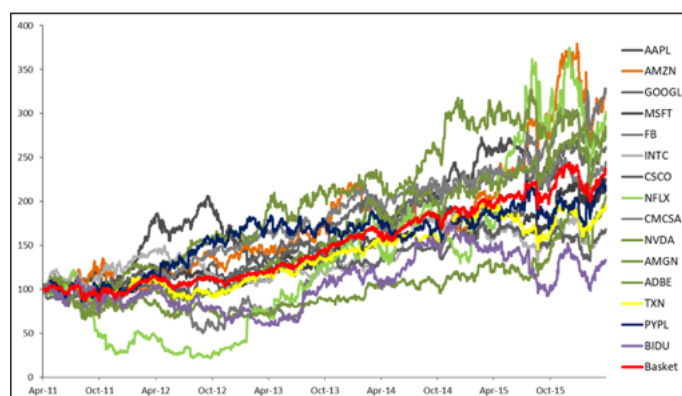


Chart 4: Example of a 5 year period where Dispersion was low, which would have resulted in some low Performance Coupons:

(Start Date 4 April 2011. Dispersion at 18.5%, 6.6%, 4.9%, 64.2% and 11.3% on annual Performance Coupon Determination Dates)

Source: Bloomberg, C2.

Past Performance is not indicative of likely future performance. Future levels of dispersion should be expected to vary and may be less than the Strike. The analysis has been prepared by the Issuer for your information only. Historical information for this product has been used by the Issuer in order to provide an illustration of how the product 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.



## SECTION 2: TERM SHEET – C2 – GATEWAY – SERIES 3

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 Term Sheet and you should read the entire Term Sheet PDS and Master PDS before deciding whether or not to invest. The information in this section is qualified in its entirety by the more detailed explanations set out elsewhere in this Term Sheet PDS and Master PDS, in particular Section 6 “Terms of the Deferred Purchase Agreement” in the Master PDS.

|  |  |
|--|--|
| Offer Opening Date   | 22 May 2019  |
| Offer Closing Date   | 10 July 2019   |
| Commencement Date / Issue Date   | 17 July 2019 or as soon as reasonably practicable thereafter as determined by the Issuer and as notified to you. The Commencement Date may be deferred by up to four weeks if the Strike is not able to be set at a satisfactory level at or below the Maximum Strike as determined by the Issuer at its absolute discretion. Other relevant dates may be adjusted accordingly if required.  |
| First Finance Cost Payment Date (“Application Payment Date”)               | 10 July 2019   |
| Second Interest Payment Date at end of Year 3                              | 14 July 2022   |
| Third Interest Payment Date at end of Year 4                               | 14 July 2023   |
| First Performance Coupon Determination Date at end of Year 1               | 10 July 2020   |
| Second Performance Coupon Determination Date at end of Year 2              | 12 July 2021   |
| Third Performance Coupon Determination Date at end of Year 3               | 1 July 2022  |
| Fourth Performance Coupon Determination Date at end of Year 4              | 1 July 2023  |
| Final Performance Coupon Determination Date at end of Year 5 (at Maturity) | 11 July 2024   |
| Maturity Date  | 11 July 2024   |
| Performance Coupon Payment Dates   | Where the relevant Performance Coupon is greater than the Prepaid Interest owing (after subtraction of the Performance Fee), payment of the Net Performance Coupon to Investors will be made within 20 Business Days after the relevant Performance Coupon Determination Date or as soon as reasonably practicable thereafter as determined by the Issuer  |
| Buy-Back Dates   | Quarterly on the last Business Day of March, June, September and December commencing from December 2019 (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 required to be relodged in time for the next Buy-Back Date. You will not have to pay any fees, costs or interest in connection with an Issuer Buy-Back. |
| Settlement Date  | 20 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.  |

|                        |  |   |
|------------------------|--|---|
| <b>Reference Asset</b> | The Reference Asset is the following basket of Shares (individually a “Share”). For more information on the Shares, refer to Section 4 “Further information on the Shares comprising the Reference Basket”   |   |
|                        | Share  | Ticker  |
| Series 3               | Apple Inc<br>Amazon.com Inc<br>Alphabet Inc<br>Microsoft Corp<br>Facebook Inc<br>Intel Corp<br>Cisco Systems Inc<br>Netflix Inc<br>Comcast Corp<br>NVIDIA Corp<br>Amgen Inc<br>Adobe Systems Inc<br>Texas Instruments Inc<br>PayPal Holdings Inc<br>Baidu IncChina ADR | AAPL UW Equity<br>AMZN UW Equity<br>GOOGL UW Equity<br>MSFT UW Equity<br>FB UW Equity<br>INTC UW Equity<br>CSCO UW Equity<br>NFLX UW Equity<br>CMCSA UW Equity<br>NVDA UW Equity<br>AMGN UW Equity<br>ADBE UW Equity<br>TXN UW Equity<br>PYPL UW Equity<br>BIDU UW Equity |

|   |  |
|---|--|
| Issue Price                                     | \$1.00 per Unit  |
| Loan Amount                                     | \$1.00 per Unit  |
| Loan  | 100% Limited Recourse Loan   |
| Interest Rate and Prepaid Interest              | <p>The Interest Rate in respect of the Units is 5.45%</p> <p>The Prepaid Interest per Unit each year is 5.45% p.a. x \$1.00 = \$0.0545 p.a.</p> <p>(\$0.2725 per Unit over the Investment Term of 5 years)</p> <p>Interest is paid at 3 different instalments during the 5 year Investment Term;</p> <ul style="list-style-type: none"> <li>• 3 years of Interest Prepaid at Commencement (3 x 5.45% = \$0.1635 per Unit); and</li> <li>• 1 year of Interest Prepaid at the end of Year 3 (1 x 5.45% = \$0.0545 per Unit); and</li> <li>• 1 Year of Interest Prepaid at the end of Year 4 (1 x 5.45% = \$0.0545 per Unit).</li> </ul> <p>The first instalment of the Prepaid Interest must be paid to the Issuer by the Application Payment Date. The remaining Prepaid Interest payments must be made by the relevant Interest Payment Date unless the Investor has exercised the Annual Walk Away Option.</p> <p>The Third and Fourth Performance Coupons (if any) will be set off against the Prepaid Interest payable on the Second and Third Interest Payment Dates respectively, potentially reducing the amount of cash that investors are required to pay at the time.</p> <p>If the Performance Coupons are greater than the Prepaid Interest owing, the net difference will be paid to investors per the Timeline in Section 2.</p> <p><b>If the Prepaid Interest are not received by the due date by Issuer, the Investor will be in default, and the Units terminated. The Investor will not have any further economic exposure to the Units. Investors will receive an Early Maturity Value of \$1.00, which will be applied to repay the Loan. Investors will not be entitled to any returns on the Units, any Performance Coupons or a refund of any Prepaid Interest or Fees.</b></p>  |
| Performance Coupons and Formulae for Dispersion | <p>The Units have the potential for five (5) uncapped Performance Coupons, subject to the Dispersion of the Shares comprising the Reference Asset and movements in the AUD/USD exchange rate between the Commencement Date and Performance Coupon Determination Dates and a Performance Fee of 10%.</p> <p><b>Performance Coupons:</b></p> <p><b>First Performance Coupon</b><br/> Gross First Performance Coupon = <math>\text{Max}(0, (\text{Dispersion} - \text{Strike}))</math><br/> Net First Performance Coupon = <math>\text{Gross First Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_1) \times 90\%</math></p> <p><b>Second Performance Coupon</b><br/> Gross Second Performance Coupon = <math>\text{Max}(0, (\text{Dispersion} - \text{Strike} - \text{Gross First Performance Coupon}))</math><br/> Net Second Performance Coupon = <math>\text{Gross Second Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_2) \times 90\%</math></p> <p><b>Third Performance Coupon</b><br/> Gross Third Performance Coupon = <math>\text{Max}(0, (\text{Dispersion} - \text{Strike} - \text{Gross First Performance Coupon} - \text{Gross Second Performance Coupon}))</math><br/> Net Third Performance Coupon = <math>\text{Gross Third Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_3) \times 90\%</math></p> <p><b>Fourth Performance Coupon</b><br/> Gross Fourth Performance Coupon = <math>\text{Max}(0, (\text{Dispersion} - \text{Strike} - \text{Gross First Performance Coupon} - \text{Gross Second Performance Coupon} - \text{Gross Third Performance Coupon}))</math><br/> Net Fourth Performance Coupon = <math>\text{Gross Fourth Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_4) \times 90\%</math></p> |



|   |  |
|---|--|
| Issue Price                             | <p><b>Final Performance Coupon</b></p> <p>Gross Final Performance Coupon = Max (0, (Dispersion – Strike – Gross First Performance Coupon – Gross Second Performance Coupon))</p> <p>Net Final Performance Coupon = Gross Final Performance Coupon x (Series Spot Rate<sub>0</sub> / Series Spot Rate<sub>2</sub>) x 90% Where:</p> <ul style="list-style-type: none"> <li>the 90% above takes into account the 10% Performance Fee</li> <li>Series Spot Rate<sub>0</sub> is the AUD/USD exchange rate on the Commencement Date</li> <li>Series Spot Rate<sub>i</sub> is the AUD/USD exchange rate on the relevant Performance Coupon Determination Date</li> </ul> $\text{Dispersion} = \left( \frac{1}{n} \times \sum_{k=1}^{k=n} \left  \frac{S_{k,final}}{S_{k,initial}} - BasketPerf \right  \right)$ <p>Where</p> $BasketPerf = \frac{1}{n} \times \sum_{k=1}^{k=n} \frac{S_{k,final}}{S_{k,initial}}$ <p>n = 15</p> <p>S<sub>k,final</sub> means the Closing Price of Share k on the Relevant Exchange on the relevant Performance Coupon Determination Date</p> <p>S<sub>k,initial</sub> means the Closing Price of Share k on the Relevant Exchange on the Commencement Date</p> |
| Gross Performance Coupon                | The relevant Performance Coupon prior to conversion to AUD, set off against Prepaid Interest, and subtraction of the Performance Fee.  |
| Net Performance Coupon                  | <p>The value of each Performance Coupon after the deduction of a Performance fee and converted to AUD.</p> <p>This amount is the value of the Performance Coupon payable to Investors (and/or used to set off against Prepaid Interest in relevant years).</p>   |
| Currency Exposure on Performance Coupon | US Dollars   |
| Strike                                  | <p>26%</p> <p>This is the value for the Strike expected to apply as at the date of this Term Sheet PDS. The Issuer may vary the Strike by any amount at any time prior to the Commencement Date, provided the Strike will not exceed the Maximum Strike.</p>   |
| Maximum Strike                          | 29%. The Issuer may defer the Commencement Date or will not proceed with the Issue of the Units if the Strike cannot be set at 29% or less. The value of the Strike at the Commencement Date and any deferral of the Commencement Date will be set out in the Confirmation Notice.   |
| Closing Price                           | The closing price of the relevant Share on the Relevant Exchange on any scheduled Exchange Business Day.   |
| Final Value                             | <p>\$1.00 per Unit on the Maturity Date, set off against any outstanding amount of the deferred Issue Price at Maturity.</p> <p>The returns on the Units will be made up of the Final Value per Unit and any Net Performance Coupons payable during the Investment Term (if any) based on the performance of the Shares comprising the Reference Asset.</p>  |
| Listing                                 | The Units will not be listed or displayed on any securities exchange.  |
| Minimum Investment Amount               | 50,000 Units per Series at the Issue Price of \$1.00 per Unit.   |
| Withdrawal of the Units                 | If the Issuer is unable to achieve the economic exposure described in this Term Sheet PDS on the Commencement Date due to any condition set out in this Term Sheet PDS not being satisfied (e.g. the Issuer being unable to hedge its obligations or the Strike is unable to be set at or below the Maximum Strike), 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.   |
| Issuer                                  | C2 Specialist Investments Pty Ltd (ACN 622 433 032)  |
| Arranger                                | C2 Financial Services Pty Ltd (AFSL: 502171. ACN 621 428 635)  |
| Security Trustee                        | C2 Nominees Pty Ltd (ACN 624 366 981)  |
| Registrar                               | Registry Direct Ltd (ACN 160 181 840)  |
| Minimum Buy-Back Amount                 | 10,000 Units per Series providing Investors continue to hold at least 10,000 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 10,000 Units in a particular Series, then the Issuer will notify the Investor that it will hold less than 10,000 Units and seek the Investor's instruction whether to buy back the Investor's entire holding in that Series or reject the request.  |

|  |   |
|--|---|
| Minimum Early Maturity Value, Termination Payment and Buy-Back Price | <p>\$1.00</p> <p>If the Units mature early for any reason, you will receive an Early Maturity Value of \$1.00 which will be applied to your Loan. You will not have to pay any other fees, costs or interest. 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 final Performance Coupon or payment of the Final Value (as the Final Value of \$1.00 will be used to pay off your Loan). Please refer to Section 1.10 “Early Maturity” of the Master PDS for more information on when the Units can mature early.</p>  |
| Beneficial Interest  | <p>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.</p>  |
| Delivery Asset   | <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 (“Delivery Parcel”) containing ordinary shares in Telstra Corporation (ASX Code: TLS, website: <a href="http://www.telstra.com.au">www.telstra.com.au</a>) (“Delivery Asset”).</p> <p>If an Investor has not paid the deferred Issue Price by the Maturity Date, such Investor will be deemed to have elected the Agency Sale Option and their Final Value will be set off against the outstanding Issue Price and the Investor will not receive a Delivery Parcel.</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>  |
| Agency Sale Option   | <p>Available. Please refer to Clause 4.4 of Section 6 “Terms of the Deferred Purchase Agreement” in the Master IM.</p>  |
| Key Risks  | <p>Key risks include:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• No Performance Coupons will be payable if the Dispersion is not greater than the Strike and the sum of any Performance Coupons already paid.</li> <li>• Performance Coupons are subject to movements in the AUD/USD exchange rate;</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Gains (and losses) may be magnified by the use of leverage.</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> |

|                        |   |                     |   |       |                        |                    |           |       |  |           |
|------------------------|---|---------------------|---|-------|------------------------|--------------------|-----------|-------|--|-----------|
| Fees                   | <p>The following Fees may be payable in respect of the Units.</p> <p>The following Fees may be 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 and collect any Upfront Adviser Fee nominated on the Application Form on the Interest Payment Date and pay it to your Adviser in accordance with the terms of this PDS.</p> <p><b>Loan Establishment Fee:</b> The Issuer charges a Loan Establishment Fee of 2.20% of the Issue Price of each Unit, i.e. \$0.022 per Unit. The Issuer may agree with your Adviser to forgo part or all of the Loan Establishment Fee at the Issuer’s absolute discretion.</p> <p>Assuming you nominated an Upfront Adviser Fee of \$800, and you applied for 50,000 Units in Series 3, in addition to the Prepaid Interest you would pay fees of</p> <table><tr><td>Upfront Adviser Fee</td><td>=</td><td>\$800</td></tr><tr><td>Loan Establishment Fee</td><td>= 50,000 x \$0.022</td><td>= \$1,100</td></tr><tr><td>Total</td><td></td><td>= \$1,900</td></tr></table> <p><b>Performance Fee:</b> 10% of the amount of the Gross Performance Coupons. A Performance Fee of 10% of the amount of the Gross Performance Coupons (if any) is deducted from the Gross Performance Coupons and the net amount is paid to Investors. If following an Investor requested Issuer Buy-Back which is accepted by the Issuer, the Buy-Back Price per Unit is greater than the Issue Price per Unit, then 10% of the excess will be charged by the Issuer and retained as a Performance Fee.</p> | Upfront Adviser Fee | = | \$800 | Loan Establishment Fee | = 50,000 x \$0.022 | = \$1,100 | Total |  | = \$1,900 |
| Upfront Adviser Fee    | =   | \$800               |   |       |                        |                    |           |       |  |           |
| Loan Establishment Fee | = 50,000 x \$0.022  | = \$1,100           |   |       |                        |                    |           |       |  |           |
| Total                  |   | = \$1,900           |   |       |                        |                    |           |       |  |           |
| Derivatives            | <p>The Issuer obtains exposure to the Strategy through the use of derivatives rather than a direct investment in the Strategy, Reference Asset or securities comprising the Reference Asset.</p>  |                     |   |       |                        |                    |           |       |  |           |
| Taxation               | <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 Asset 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 C2 - Gateway - Series 3 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 and 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 C2 - Gateway - Series 3 Units, the Issuer will return the Prepaid Interest, 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.

Here are some examples demonstrating how the Performance Coupons are 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 PDS or Master PDS are to be considered investment advice and Investors should speak to their financial adviser before investing.

### 3.1 How does the investment perform?

Units may entitle Investors to receive returns in the form of Performance Coupons provided they have paid the Prepaid Interest due on their Investment. The examples below demonstrate how the Performance Coupons are calculated, depending on the Dispersion of the Reference Asset, which is dependent on the performance of the individual Shares comprising the Reference Asset.

#### 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 \$1.00 Issue Price (and a \$1.00 Loan per Unit) and that the AUD/USD Exchange Rate was 0.75 at Commencement and 0.70 at each Performance Coupon Determination Date.

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

#### 3.1.1 Calculation of the Performance Coupons



Investors will be entitled to potential Performance Coupons at the end of Year 1, Year 2, Year 3, Year 4 and Year 5 (Maturity) depending on the Dispersion of the Reference Asset, which in turn is dependent on the spread of the performance of the Shares. The Performance Coupons (if any) will be first set off against Prepaid Interest owing for the year in advance, and the net difference will be paid to Investors per the Timeline in Section 2 of this Term Sheet PDS. If the Performance Coupons are not greater than the Prepaid Interest owing, investors are required to pay the amount owing, or the Units will be terminated and Investors will not be entitled to any Performance Coupons or any other returns from the Units and they will have no further exposure to the Units.

The Performance Coupons are calculated as follows:

- 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;
- Subtract the average Share performance from each individual Share's performance;
- Then take the absolute value of the adjusted individual Share performance;
- The average of this value is the "Dispersion";
- Subtract the Strike level (result floored at 0);
- Subtract any previous Gross Performance Coupons paid;
- The remaining value is the Gross Performance Coupon payable (which is then subject to the Performance Fee and conversion into AUD, and then set off against any Prepaid Interest due).

### 3.1.2 Hypothetical basket of Shares at the First Performance Coupon Determination Date:

For the purposes of the example it is assumed that the AUD/USD Exchange rate was 0.75 on Commencement Date, and 0.70 on the First Performance Coupon Determination Date.

|                | Starting Price | Share Price at First Performance Coupon Determination Date (12mths after Commencement) | Share Price Performance |   | Reduce by the Basket Average Performance |   | Apply the absolute Value                |
|----------------|----------------|--|-------------------------|---|--|---|---|
| Stock 1        | 100            | 105  | 5.0%                    |   | -9.38%                                   |   | 9.4%                                    |
| Stock 2        | 100            | 90   | -10.0%                  |   | -24.38%                                  |   | 24.4%                                   |
| Stock 3        | 100            | 125  | 25.0%                   |   | 10.63%                                   |   | 10.6%                                   |
| Stock 4        | 100            | 150  | 50.0%                   |   | 35.63%                                   |   | 35.6%                                   |
| Stock 5        | 100            | 60   | -40.0%                  |   | -54.38%                                  |   | 54.4%                                   |
| Stock 6        | 100            | 75   | -25.0%                  |   | -39.38%                                  |   | 39.4%                                   |
| Stock 7        | 100            | 150  | 50.0%                   |  | 35.63%                                   |  | 35.6%                                   |
| Stock 8        | 100            | 160  | 60.0%                   |   | 45.63%                                   |   | 45.6%                                   |
| Stock 9        | 100            | 105  | 5.0%                    |   | -7.53%                                   |   | 7.5%                                    |
| Stock 10       | 100            | 90   | -10.0%                  |   | -22.53%                                  |   | 22.5%                                   |
| Stock 11       | 100            | 125  | 25.0%                   |   | 12.47%                                   |   | 12.5%                                   |
| Stock 12       | 100            | 150  | 50.0%                   |   | 37.47%                                   |   | 37.5%                                   |
| Stock 13       | 100            | 60   | -40.0%                  |   | -52.53%                                  |   | 52.5%                                   |
| Stock 14       | 100            | 76   | -24.0%                  |   | -36.53%                                  |   | 36.5%                                   |
| Stock 15       | 100            | 167  | 67.0%                   |   | 54.47%                                   |   | 54.5%                                   |
| <b>Average</b> |                |  | <b>12.5%</b>            |   |  |   | <b>31.9%<br/>(the<br/>"Dispersion")</b> |

#### Calculation of the First Performance Coupon



The First Performance Coupon would be calculated as follows at the First Coupon Determination Date:

$$\begin{aligned}
 \text{Gross First Performance Coupon} &= \text{Max (0, (Dispersion - Strike))} \\
 &= \text{Max (0, (31.9\% - 26\%))} \\
 &= \text{Max (0, (5.9\%))} \\
 &= 5.9\%
 \end{aligned}$$

$$\begin{aligned}
 \text{Net First Performance Coupon} &= \text{Gross First Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_1) \times 90\% \\
 &= 5.9\% \times 0.75/0.70 \times 90\% \\
 &= 5.68928\%
 \end{aligned}$$

Therefore, based on a holding of 100,000 Units, the amount payable for the First Performance Coupon would be \$AU5,689.28.

### 3.1.3 Hypothetical basket of Shares at the Second Performance Coupon Determination Date

|                | Starting Price | Share Price at Second Performance Coupon Determination Date (24mths after Commencement) | Share Price Performance |   | Reduce by the Basket Average Performance |   | Apply the absolute Value                |
|----------------|----------------|---|-------------------------|---|--|---|---|
| Stock 1        | 100            | 100   | 0.0%                    |   | -14.38%                                  |   | 14.4%                                   |
| Stock 2        | 100            | 85  | -15.0%                  |   | -29.38%                                  |   | 29.4%                                   |
| Stock 3        | 100            | 140   | 40.0%                   |   | 25.63%                                   |   | 25.6%                                   |
| Stock 4        | 100            | 150   | 50.0%                   |   | 35.63%                                   |   | 35.6%                                   |
| Stock 5        | 100            | 85  | -15.0%                  |   | -29.38%                                  |   | 29.4%                                   |
| Stock 6        | 100            | 80  | -20.0%                  |  | -34.38%                                  |   | 34.4%                                   |
| Stock 7        | 100            | 187   | 87.0%                   |   | 72.63%                                   |  | 72.6%                                   |
| Stock 8        | 100            | 190   | 90.0%                   |   | 75.63%                                   |   | 75.6%                                   |
| Stock 9        | 100            | 90  | -10.0%                  |   | -33.1%                                   |   | 33.1%                                   |
| Stock 10       | 100            | 80  | -20.0%                  |   | -43.1%                                   |   | 43.1%                                   |
| Stock 11       | 100            | 150   | 50.0%                   |   | 26.9%                                    |   | 26.9%                                   |
| Stock 12       | 100            | 155   | 55.0%                   |   | 31.9%                                    |   | 31.9%                                   |
| Stock 13       | 100            | 88  | -12.0%                  |   | -35.1%                                   |   | 35.1%                                   |
| Stock 14       | 100            | 80  | -20.0%                  |   | -43.1%                                   |   | 43.1%                                   |
| Stock 15       | 100            | 187   | 87.0%                   |   | 63.9%                                    |   | 63.9%                                   |
| <b>Average</b> |                |   | <b>12.5%</b>            |   |  |   | <b>39.6%<br/>(the<br/>"Dispersion")</b> |

#### Calculation of the Second Performance Coupon

The Second Performance Coupon would be calculated as follows at the Second Coupon Determination Date:

Gross Second Performance Coupon = Max (0, (Dispersion – Strike – Gross First Performance Coupon))  
= Max (0, (39.6% - 26% - 5.9%))  
= Max (0, (7.7%))  
= 7.7%

Net Second Performance Coupon = Gross Second Performance Coupon x (Series Spot Ratey0 / Series Spot Ratey2) x 90%  
= 7.7% x 0.75/0.70 x 90%  
= 7.425%

Therefore, based on a holding of 100,000 Units, the amount payable for the Second Performance Coupon would be \$AU7,425.00.



### 3.1.4 Hypothetical Dispersion at the Third, Fourth, and Fifth Performance Coupon Determination Date:

For simplicity, for the Third, Fourth and Fifth Performance Coupons calculations, rather than include the full tables used in the First and Second Coupon examples, the Dispersion is assumed as follows.

|                                  |     |
|----------------------------------|-----|
| Dispersion at Third Coupon Date  | 35% |
| Dispersion at Fourth Coupon Date | 55% |
| Dispersion at Fifth Coupon Date  | 80% |

#### Calculation of the Third Performance Coupon

The Third Performance Coupon Date, would be calculated as follows based on 35% Dispersion at the Third Coupon Determination Date:

$$\begin{aligned}\text{Gross Third Performance Coupon} &= \text{Max } (0, (\text{Dispersion} - \text{Strike} - \text{Gross First Performance Coupon} - \text{Gross Second Performance Coupon})) \\ &= \text{Max } (0, (35\% - 26\% - 5.9\% - 7.7\%)) \\ &= \text{Max } (0, (-4.6\%)) \\ &= 0.0\%\end{aligned}$$

$$\begin{aligned}\text{Net Third Performance Coupon} &= \text{Gross Third Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_3) \times 90\% \\ &= 0\% \times 0.75/0.70 \times 90\% \\ &= 0.0\%\end{aligned}$$

Therefore, based on a holding of 100,000 Units, the amount payable for the Third Performance Coupon would be \$AU0.00.

As there is Prepaid Interest owing of \$5,450 for Year 4 at the end of Year 3, in this example, the Investor would need to fund the \$5,450 Prepaid Interest (and couldn't use the Performance Coupon to set off).

#### Calculation of the Fourth Performance Coupon

The Fourth Performance Coupon would be calculated as follows based on 55% Dispersion at the Fourth Coupon Determination Date:

$$\begin{aligned}\text{Gross Fourth Performance Coupon} &= \text{Max } (0, (\text{Dispersion} - \text{Strike} - \text{Gross First Performance Coupon} - \text{Gross Second Performance Coupon} - \text{Gross Third Performance Coupon})) \\ &= \text{Max } (0, (55\% - 26\% - 5.9\% - 7.7\% - 0.0\%)) \\ &= \text{Max } (0, (15.4\%)) \\ &= 15.4\%\end{aligned}$$

$$\begin{aligned}\text{Net Fourth Performance Coupon} &= \text{Gross Fourth Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_4) \times 90\% \\ &= 15.4\% \times 0.75/0.70 \times 90\% \\ &= 14.85\%\end{aligned}$$

Therefore, based on a holding of 100,000 Units, the amount payable for the Fourth Performance Coupon would be \$AU14,850.00.

As there is Prepaid Interest owing for Year 5 of \$5,450 at the end of Year 4, in this example, the Coupon would first be set off against the Prepaid Interest owing, and the remaining \$9,400 would be paid to the Investor (\$14,850 - \$5,450 = \$9,400). examples, the Dispersion is assumed as follows.

#### Calculation of the Fifth Performance Coupon

The Fifth Performance Coupon would be calculated as follows based on 80% Dispersion at the Fifth Coupon Determination Date:

$$\begin{aligned}\text{Gross Fifth Performance Coupon} &= \text{Max } (0, (\text{Dispersion} - \text{Strike} - \text{Gross First Performance Coupon} - \text{Gross Second Performance Coupon} - \text{Gross Third Performance Coupon} - \text{Gross Fourth Performance Coupon})) \\ &= \text{Max } (0, (80\% - 26\% - 5.9\% - 7.7\% - 0.0\% - 15.4\%)) \\ &= \text{Max } (0, (25.0\%)) \\ &= 25.0\%\end{aligned}$$

$$\begin{aligned}\text{Net Fifth Performance Coupon} &= \text{Gross Fifth Performance Coupon} \times (\text{Series Spot Rate}_0 / \text{Series Spot Rate}_5) \times 90\% \\ &= 25.0\% \times 0.75/0.70 \times 90\% \\ &= 24.10714\%\end{aligned}$$

Therefore, based on a holding of 100,000 Units, the amount payable for the Fifth Performance Coupon would be \$AU24,107.14.

### 3.1.5 Hypothetical 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<br>(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.

## SECTION 4: FURTHER INFORMATION ON THE REFERENCE ASSET

| Share             | Description   |
|-------------------|---|
| Share             | <p>Apple Inc. is an American multinational technology company headquartered in Cupertino, California, that designs, develops, and sells consumer electronics, computer software, and online services. It is considered one of the Big Four of technology along with Amazon, Google, and Facebook</p> <p>More info: <a href="http://www.apple.com">www.apple.com</a></p>   |
| Amazon.com Inc    | <p>Amazon.com, Inc., is an American multinational technology company based in Seattle, Washington that focuses on e-commerce, cloud computing, digital streaming and artificial intelligence. It is considered one the Big Four technology companies along with Google, Apple and Facebook.</p> <p>More info: <a href="http://www.amazon.com">www.amazon.com</a></p>  |
| Alphabet Inc      | <p>Alphabet Inc. is an American multinational conglomerate headquartered in Mountain View, California. It was created through a corporate restructuring of Google on October 2, 2015, and became the parent company of Google and several former Google subsidiaries.</p> <p>More info: <a href="https://abc.xyz/">https://abc.xyz/</a></p>   |
| Microsoft Corp    | <p>Microsoft Corporation is an American multinational technology company with headquarters in Redmond, Washington. It develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and related services.</p> <p>More info: <a href="http://www.mircrosoft.com">www.mircrosoft.com</a></p>  |
| Facebook Inc      | <p>Facebook, Inc. is an American online social media and social networking service company based in Menlo Park, California. The Facebook service can be accessed from devices with Internet connectivity, such as personal computers, tablets and smartphones. After registering, users can create a customized profile revealing information about themselves. They can post text, photos and multimedia which is shared with any other users that have agreed to be their “friend”. Users can also use various embedded apps, join common-interest groups, and receive notifications of their friends’ activities.</p> <p>More info: <a href="http://www.facebook.com">www.facebook.com</a></p>   |
| Intel Corp        | <p>Intel Corporation (commonly known as Intel and stylized as intel) is an American multinational corporation and technology company headquartered in Santa Clara, California, in the Silicon Valley. It is the world’s second largest and second highest valued semiconductor chip manufacturer based on revenue after being overtaken by Samsung, and is the inventor of the x86 series of microprocessors, the processors found in most personal computers (PCs).</p> <p>More info: <a href="http://www.intel.com">www.intel.com</a></p>   |
| Cisco Systems Inc | <p>Cisco Systems, Inc. is an American multinational technology conglomerate headquartered in San Jose, California, in the centre of Silicon Valley. Cisco develops, manufactures and sells networking hardware, telecommunications equipment and other high-technology services and products</p> <p>More Info: <a href="http://www.cisco.com">www.cisco.com</a></p>   |
| Netflix Inc       | <p>Netflix, Inc. is an American media-services provider headquartered in Los Gatos, California. The company’s primary business is its subscription-based streaming OTT (over the top) service which offers online streaming of a library of films and television programs, including those produced in-house.</p> <p>More info: <a href="http://www.netflix.com">www.netflix.com</a></p>  |
| Comcast Corp      | <p>Comcast Corporation (formerly registered as Comcast Holdings) is an American telecommunications conglomerate headquartered in Philadelphia, Pennsylvania. It is the second-largest broadcasting and cable television company in the world by revenue and the largest pay-TV company, the largest cable TV company and largest home Internet service provider in the United States, and the nation’s third-largest home telephone service provider. Comcast owns and operates the Xfinity residential cable communications subsidiary, Comcast Business, a commercial services provider, Xfinity Mobile, and MVNO of Verizon, over-the-air national broadcast network channels (NBC and Telemundo), multiple cable-only channels (including MSNBC, CNBC, USA Network, Syfy, NBCSN, and E!, among others), the film studio Universal Pictures, and Universal Parks &amp; Resorts.</p> <p>More info: <a href="http://www.cmcsa.com">www.cmcsa.com</a></p> |

|                       |   |
|-----------------------|---|
| NVIDIA Corp           | <p>Nvidia Corporation, more commonly referred to as Nvidia, is an American technology company incorporated in Delaware and based in Santa Clara, California. It designs graphics processing units for the gaming and professional markets, as well as system on a chip units for the mobile computing and automotive market.</p> <p>More info: <a href="http://www.nvidia.com">www.nvidia.com</a></p>   |
| Amgen Inc             | <p>Amgen Inc. (formerly Applied Molecular Genetics Inc) is an American multinational biopharmaceutical company headquartered in Thousand Oaks, California. Amgen, which is one of the world's largest biotechnology companies. In 2018, the company's largest selling product lines were Neulasta, a drug used to prevent infections in patients undergoing cancer chemotherapy and Enbrel, a tumor necrosis factor blocker used in the treatment of rheumatoid arthritis and other autoimmune diseases.</p> <p>More info: <a href="http://www.amgen.com">www.amgen.com</a></p> |
| Adobe Systems Inc     | <p>Adobe Inc. is an American multinational computer software company headquartered in San Jose, California. It has historically focused upon the creation of multimedia and creativity software products, with a more recent foray towards digital marketing software. Adobe is best known for its Adobe Flash web software ecosystem, Photoshop image editing software, Acrobat Reader, the Portable Document Format (PDF), and Adobe Creative Suite, as well as its successor Adobe Creative Cloud.</p> <p>More info: <a href="http://www.adobe.com">www.adobe.com</a></p>    |
| Texas Instruments Inc | <p>Texas Instruments Inc. is an American technology company that designs and manufactures semiconductors and various integrated circuits, which it sells to electronics designers and manufacturers globally. Its headquarters are in Dallas, Texas, United States.</p> <p><a href="http://www.ti.com">www.ti.com</a></p>   |
| PayPal Holdings Inc   | <p>PayPal Holdings, Inc. is an American company operating a worldwide online payments system that supports online money transfers and serves as an electronic alternative to traditional paper methods like checks and money orders. The company operates as a payment processor for online vendors, auction sites, and many other commercial users, for which it charges a fee in exchange for benefits such as one-click transactions and password memo.</p> <p>More info: <a href="http://www.paypal.com">www.paypal.com</a></p>   |
| Baidu IncChina ADR    | <p>Baidu, Inc. is a Chinese multinational technology company specializing in Internet-related services and products and artificial intelligence (AI), headquartered in Beijing's Haidian District. It is one of the largest AI and internet companies in the world. Baidu has the second largest search engine in the world, and held a 76.05% market share in China's search engine market. In December 2007, Baidu became the first Chinese company to be included in the NASDAQ-100 index.</p> <p>More info: <a href="http://ir.baidu.com">ir.baidu.com</a></p>              |

## SECTION 5: MASTER PDS

For the Master PDS (with Loan), please [CLICK HERE](https://www.c2financialgroup.com.au/c2simasterpdswithloan).  
(<https://www.c2financialgroup.com.au/c2simasterpdswithloan>)

This is an Application Form for C2 - Gateway - Series 3 Units issued by C2 Specialist Investments Pty Ltd (ACN 622 433 032) (and arranged by C2 Financial Services Pty Ltd (AFSL: 502171. ACN 621 428 635). This Application Form accompanies the Term Sheet PDS dated 22 May 2019, the Master PDS (with Loan) dated 22 November 2018 and any supplementary PDS issued for the Units. It is important that you read the Term Sheet PDS and Master PDS (with Loan) 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 Term Sheet 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 50,000 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, and
- verification of the applicant's identity
- 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.

Are you an existing investor with C2 Specialist Investments Pty Ltd?

**YES**

- Please provide your existing Security Reference Number (“**SRN**”) and we will link the investment to your account. Your SRN can be found by logging into Registry Direct at [www.registrydirect.com.au](http://www.registrydirect.com.au)
- You are only required to complete Section C, J & K.

SRN:

INVESTOR NAME:

**NO**

- Please complete all relevant sections, and return with relevant certified

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              |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |
| Date of Birth (dd/mm/yyyy) | Country of Citizenship |                      |                      |
| <input type="text"/>       | <input type="text"/>   |                      |                      |
| Residential Address        |                        |                      |                      |
| <input type="text"/>       |                        |                      |                      |
| City/Suburb/Town           | State                  | Postcode             | Country              |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> | <input type="text"/> |
| Email Address              |                        |                      |                      |
| <input type="text"/>       |                        |                      |                      |
| Telephone (home)           | Area Code              | Number               |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |
| Telephone (Business Hours) | Area Code              | Number               |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |
| Mobile                     |                        |                      |                      |
| <input type="text"/>       |                        |                      |                      |
| Fax                        | Area Code              | Number               |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |

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

|                            |                        |                      |                      |
|----------------------------|------------------------|----------------------|----------------------|
| Title                      | Given Names (in full)  | Surname              |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |
| Date of Birth (dd/mm/yyyy) | Country of Citizenship |                      |                      |
| <input type="text"/>       | <input type="text"/>   |                      |                      |
| Residential Address        |                        |                      |                      |
| <input type="text"/>       |                        |                      |                      |
| City/Suburb/Town           | State                  | Postcode             | Country              |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> | <input type="text"/> |
| Email Address              |                        |                      |                      |
| <input type="text"/>       |                        |                      |                      |
| Telephone (home)           | Area Code              | Number               |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |
| Telephone (Business Hours) | Area Code              | Number               |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |
| Mobile                     |                        |                      |                      |
| <input type="text"/>       |                        |                      |                      |
| Fax                        | Area Code              | Number               |                      |
| <input type="text"/>       | <input type="text"/>   | <input type="text"/> |                      |

## 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

Investor 1

Investor 2

### 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

|               | Name                 | ABN (if applicable)  |
|---------------|----------------------|----------------------|
| BENEFICIARY 1 | <input type="text"/> | <input type="text"/> |
| BENEFICIARY 2 | <input type="text"/> | <input type="text"/> |
| BENEFICIARY 3 | <input type="text"/> | <input type="text"/> |

## 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

☐ Exempt from quoting a tax file number

(This information requested by C2 Nominees Pty Ltd as Custodian)

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

Email Address

Telephone (home)

Area Code

Number

Telephone (Business Hours)

Area Code

Number

Mobile

Fax

Area Code

Number

## SECTION C - INVESTMENT DETAILS (MUST COMPLETE)

|   | C2 - Gateway - Series 3 (Dispersion)                             |
|---|--|
| Number of Units   | <input type="text"/>   |
| Issue Price   | \$1.00 per Unit  |
| Investment Amount (\$)  | \$ <input type="text"/><br>(Units x \$1.00)                      |
| First Prepaid Interest Payment (A)<br>(Investment Amount x 5.45% p.a x 3 years) | \$ <input type="text"/><br>(Investment Amount x 5.45% x 3 years) |
| Loan Establishment Fee (B)<br>(Investment Amount x 2.2%)                        | \$ <input type="text"/><br>(Investment Amount x 2.2%)            |
| Upfront Adviser Fee* (C)  | \$ <input type="text"/>  |
| <b>Total Amount Payable* (D) + (E)</b>  | \$ <input type="text"/>  |

Upfront 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 Upfront 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 - BANK ACCOUNT DETAILS

Payment Instructions:

- ☐ Please **Direct Debit** my bank account below for Application Monies calculated in Part C, and pay any Coupons owed to me during the Investment Term to the below account (available for AUD only).

OR

- ☐ I will arrange an **EFT** for the Application Monies to C2 Specialist Investments by the due date. Please pay any Coupons owed to me during the Investment Term to the below account.

I/We authorise and request C2 Specialist Investments Pty Ltd (ACN 622 433 032) , (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 C2 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 C2 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

**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.

## SECTION E - 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 F - PRIVACY

C2 Specialist Investments Pty Ltd and its related companies 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 C2 Specialist Investments Pty Ltd regarding future investment opportunities

## SECTION G - 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 H - DECLARATIONS & SIGNATURES

YOU SHOULD READ THE TERM SHEET 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 you have read and understood Section 6 "Terms of the Deferred Purchase Agreement" of the Master PDS.
3. declare that you have read and agree to the terms of Section 8 "Loan Agreement" of the Master PDS.
4. agree to the collection, use and disclosure of your personal information provided in this Application Form.
5. 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.
6. declare that all information provided in the Application Form or any other information provided in support of the Application is true and correct.
7. 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.
8. 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.
9. 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.
10. 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.
12. declare that sole signatories signing on behalf of a company are signing as sole director or as a sole director/secretary of the company.
13. acknowledge that an investment in the Units is subject to risks including possible delays in repayment and possible loss of capital invested.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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).
21. 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.
22. 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.
23. acknowledge the Issuer has entered into custodial arrangements with C2 Nominees Pty Ltd ("Custodian").
24. 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.
25. 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.
26. irrevocably direct and authorise the Issuer to apply each Performance Coupon as set off against your obligation to pay the Prepaid Interest for the relevant period as described in this PDS.
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 final Performance Coupon, Final Value, 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 any 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

## DIRECT DEBIT REQUEST SERVICE AGREEMENT

Between the Investor and C2 Specialist Investments Pty Ltd ACN 622 433 032.

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 C2 Specialist Investments Pty Ltd (ACN 622 433 032) 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

**"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:

C2 Specialist Investments Pty Ltd PO Box R1373  
Royal Exchange NSW 1225

or  
by telephoning Us on 02 8098 0300 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 Term Sheet 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

## SECTION I – FATCA & CRS STATUS

1. Are you a US citizen or resident or Specified US Person of the US for tax purposes?

- ☐ No: Continue to question 2
- ☐ Yes: Provide your Taxpayer Identification Number (TIN) below. Continue to question 2

TIN

2. Are you a tax resident of any other country outside of Australia?

- ☐ No: Go to Section J
- ☐ Yes: Provide the details below and Go to Section J. If resident in more than one jurisdiction.

Please include details for all jurisdictions

|   | Country of Tax Residence | Tax Identification Number (TIN) or equivalent | Reason Code if no TIN Provided |
|---|--------------------------|---|--------------------------------|
| 1 |                          |   |                                |
| 2 |                          |   |                                |
| 3 |                          |   |                                |

If TIN or equivalent is not provided, please provide reason from the following options:

Reason A: The country/jurisdiction where the entity is resident does not issue TINs to its residents

Reason B: The entity is otherwise unable to obtain a TIN or equivalent number (Please explain why the entity is unable to obtain a TIN in the below table if you have selected this reason)

Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

If Reason B has been selected above, explain why you are not required to obtain a TIN

## SECTION J - 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 C2 Specialist Investments Pty Ltd as set out in the Direct Debit Request Service Agreement of this Term Sheet PDS; and
- I/We make the declarations set out in Section H of this Application Form.
- 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 Upfront Adviser Fee (if any) once the investment has commenced and Units have been issued.
- 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 investment purposes other than investment in residential property.
- IMPORTANT: You should only sign this declaration if this loan is wholly or predominantly investment purposes other than investment in residential property.
- By signing this declaration you may lose your protection under the National Credit Code.

Signature of Unitholder 1

Name of Unitholder 1

Date

Tick capacity - mandatory for companies

☐

Sole Director

☐

Director

☐

Secretary

Tick capacity if appropriate

☐

Individual Trustee

☐

Corporate Trustee

☐

Partner

Signature of Unitholder 2

Name of Unitholder 2

Date

If you are signing this form in your own capacity, then please state your name and the capacity in which you are signing e.g. James West, director of West Pty Ltd as Trustee for the West Family Trust.

Tick capacity - mandatory for companies

☐

Sole Director

☐

Director

☐

Secretary

Tick capacity if appropriate

☐

Individual Trustee

☐

Corporate Trustee

☐

Partner

## SECTION K - 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 C2 - Gateway - Series 3.

### 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 C2 - Gateway - Series 3.

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 C2 - Gateway - Series 3 Term Sheet PDS dated 22 May 2019 (as relevant) and the Master PDS dated 22 November 2018.

Signature of (Director/Trustee 1)

Trustee (Print Name 1)

Date

Tick capacity - mandatory for companies

☐

Sole Director

☐

Director

☐

Secretary

Tick capacity if appropriate

☐

Individual Trustee

☐

Corporate Trustee

☐

Partner

Signature of (Director/Trustee 2)

Director/Trustee 2 (Print Name 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)

Adviser Stamp

Adviser Email

Dealer Group name

Dealer Phone (business hours)

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 Documents Details | Applicant 1   | Applicant 2   |
|----------------------|---|---|
| Verified From        | <input type="checkbox"/> Original <input type="checkbox"/> Certified Copy | <input type="checkbox"/> Original <input type="checkbox"/> 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.

Payment of the Specialist Product Advice Fee (if any)- consent to fee payment arrangements

By signing this Application Form, we:

- agree that our fee for the provision of financial product advice to the Investors(s) (i.e. the Specialist Product Advice Fee (if any)) is as specified in Section C of the Application Form;
- consent to the collection of the Specialist Product Advice Fee (if any) by the Issuer;
- agree that the Issuer has no liability to us for the amount of the Specialist Product Advice Fee (if any) or the collection or remittance of the Specialist Product Advice Fee (if any) to us;
- agree and acknowledge that if the Issuer decides not to proceed with the issue of the Units for any reason then the Specialist Product Advice Fee (if any) will not be collected (or, if collected, will be returned to applicants without interest), the Specialist Product Advice Fee (if any) will not be payable to us and we will have no action against the Issuer in respect of the Specialist Product Advice Fee (if any);
- agree and acknowledge that if the Unitholder(s) investment in the Units is terminated for any reason, the Specialist Product Advice Fee (if any) will not be collected and we will have no action against the Issuer in respect of any unpaid Specialist Product Advice Fee (if any); 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 Specialist Product Advice Fee (if any).

Authorised Investment Adviser Signature

Date

Authorised Representative Number

This is an Issuer Buy-Back Form for Units in the C2 - Gateway - Series 3 issued by C2 Specialist Investments Pty Ltd (ACN 622 433 032) and arranged by C2 Financial Services Pty Ltd (AFSL: 502171. ACN 621 428 635). This Issuer Buy-Back Form accompanies the Term Sheet PDS dated 22 May 2019, Master PDS dated 22 November 2018 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 C2 Specialist Investments Pty Ltd (ACN 622 433 032) pursuant to the Term Sheet PDS dated 22 May 2019 and Master PDS dated 22 November 2018 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

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

Investment: C2 – Gateway Series 3

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 &amp; SIGNATURES

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

Units at the time of signing of this form.

1. I/We the registered Unitholder(s) request the Issuer Buy-Back the Units specified above, subject to the conditions contained in the applicable Term Sheet and
2. 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)
3. I/We understand I/We will have no further exposure to the applicable Reference Asset after the Units are bought back
4. I/We understand that there may be significant Break Costs for the Issuer Buy-Back.
5. I/We understand that the Buy-Back Price (if any) may differ significantly from the quoted value provided by C2 Specialist Investments Pty Ltd and/or the Hedge Provider.
6. I/We understand that the Buy-Back Price will first be applied against my outstanding Deferred Issue Price and only the surplus (if any) will be paid to me/us.
7. I/We understand that the tax outcome may differ from the applicable Term Sheet and Master IM by participating in an Issuer Buy-Back.
8. The Issuer strongly recommends you seek independent expert tax advice before submitting this request.
9. I/We understand by submitting the Issuer Buy-Back request, that it is irrevocable.

Name of Unitholder 1

Date

Signature of Unitholder 1



**Directory**

C2 Specialist Investments Pty Ltd  
Level 1, 19a Playfair St  
Sydney NSW 2000

PO Box R1373  
Royal Exchange NSW 1225

P: +61 2 8098 0300

**Registrar:**

Registry Direct  
Level 6, 2 Russell Street  
Melbourne VIC 3000

Telephone: 1300 55 66 35  
Mail: PO Box 18366, Collins Street East VIC 8003

**Issuer's Solicitors:**

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

**All Application Forms and Correspondence to:**

C2 Specialist Investments Pty Ltd  
PO Box R1373  
Royal Exchange NSW 1225