



The C2 – Gateway – Series 4 Units (“Series 4 Units” or “Units”) provide returns based on the “dispersion” of the Shares comprising the Reference Basket. 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 value of the Units is determined by reference to 20 shares listed on various international stock exchanges (each a “Share”, together the “Reference Basket”) and the Dispersion of such Shares on five (5) Performance Coupon Determination Dates during the 5-year Investment Term. The higher the Dispersion, the higher the returns (subject to first exceeding the Strike).

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 3.0% p.a;
- 5 year term;
- Investors are required to pay all 5 years of Prepaid Interest upfront, which means there are no ongoing expenses in relation to the Loan;² ;
- Potential Performance Coupons. Investors are paid out any positive performance of Dispersion above a Strike (if any) 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 Basket and the Strike;
- Exposure to the AUD/USD exchange rate for the Performance Coupons (if any).

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 Basket 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”⁴.

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

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

¹Please refer to “Performance Coupons and Formulae for Dispersion” in Section 2 of the Term Sheet PDS for how the Dispersion is calculated.

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

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

⁴A Performance Coupon will only be payable on a Performance Coupon Determination Date where the Dispersion exceeds the Strike and the sum of all previously paid Performance Coupons (if any).

| Series 4 | | | | | |
|---|------------------------|------------------------|----------------|-----------------------------------|----------------|
| A basket comprising the following international shares (individually, each a "Share"). | | | | | |
| Reference Basket | Bloomberg Sector | Bloomberg Group | Bloomberg Code | Name | Country Listed |
| | Basic Materials | Chemicals | DE_BAS | BASF SE | Germany |
| | | | NL_DSM | Koninklijke DSM NV | Netherlands |
| | Communications | Internet | HK_HK0700 | Tencent Holdings Ltd | Hong Kong |
| | | Telecommunications | US_AMZN | Amazon.com Inc | USA |
| | | | FI_NOKIA | Nokia Oyj | Finland |
| | Consumer, Cyclical | Auto Parts & Equipment | DE_CON | Continental AG | Germany |
| | | | CH_CFR | Cie Financiere Richemont SA | Switzerland |
| | | Retail | CH_UHR | Swatch Group AGThe | Switzerland |
| | | | US_CMG | Chipotle Mexican Grill Inc | USA |
| | Consumer, Non-cyclical | Biotechnology | US_REGN | Regeneron Pharmaceuticals Inc | USA |
| | | Healthcare-Services | CH_LONN | Lonza Group AG | Switzerland |
| | | | DE_FME | Fresenius Medical Care AG Co KGaA | Germany |
| | | | DE_FRE | Fresenius SE Co KGaA | Germany |
| | | Pharmaceuticals | CH_ROG | Roche Holding AG | Germany |
| | Energy | Oil&Gas | ES_REP | Repsol SA | Spain |
| | Financial | Banks | GB_HSBA | HSBC Holdings PLC | England |
| | | | HK_HK0939 | China Construction Bank Corp | Hong Kong |
| | | | HK_HK3988 | Bank of China Ltd | Hong Kong |
| | Technology | Semiconductors | US_NVDA | NVIDIA Corp | USA |
| Software | | US_MSFT | Microsoft Corp | USA | |
| Please refer to Section 4 "Further information on the Shares comprising the Reference Basket" in the Term Sheet PDS for more information on each company. | | | | | |

How have the Shares Dispersed over time?

The historical performance back tests below have been provided to help investors get an idea of how the Shares in the Reference Basket have Dispersed over time using 5 year periods with rolling start dates for the period 1 June 2006 to 22 May 2015. This is the longest period that all the Share prices have been publicly available. Back testing simulates how an investment in the Units would have performed if the Units had been available for investment during the back-tested period. A total of 2,262 periods were back tested, based on simulated start dates for an investment of each Business Day from 1 June 2006 to 22 May 2015. Investors should be aware that historical back-tested performance may bear no relation to future actual performance because it is achieved through the retroactive application of portfolios (such as the Reference Basket) designed with the benefit of hindsight. 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 Units may have performed over a number of defined periods. 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. 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.

The hypothetical back-tested performance was achieved with the benefit of hindsight; it does not represent actual investments in any investment strategies. The Reference Basket may have no material level of Dispersion in the future and may have Dispersion that is below the Strike on each Performance Coupon Determination Date.

Investors may lose their entire Cash Outlay if there is insufficient levels of Dispersion.

| Historical Dispersion Back Test | 5 Year Total Gross Performance Coupons* | 5 Year Total Net Performance Coupons** | 5 Year Total Net Performance Coupons (% p.a)*** |
|---------------------------------|---|--|---|
| Average | 150.10% | 135.09% | 27.02% |
| Median | 137.98% | 124.18% | 24.84% |
| Minimum | 55.49% | 49.94% | 9.99% |
| Maximum | 418.42% | 376.58% | 75.32% |

* Calculated using a Strike of 40%

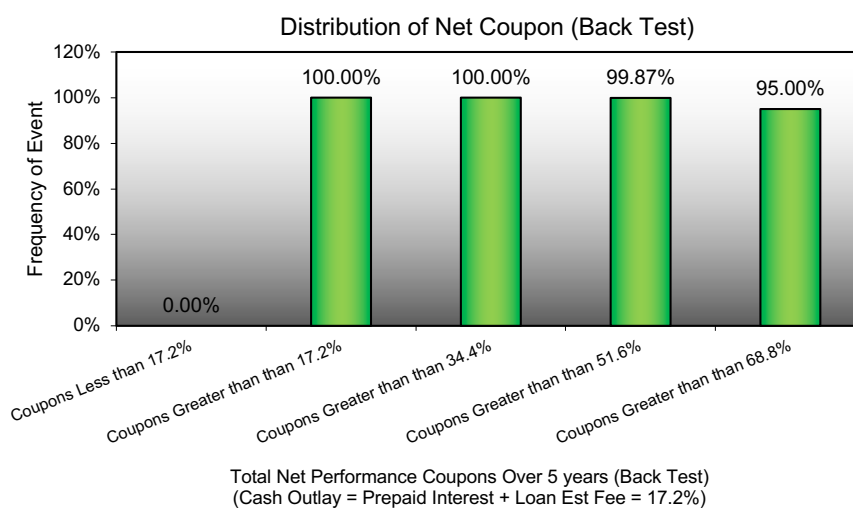
** Net of Performance Fees. Does not take into account any AUD/USD movements.

*** 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 chart and table below summarises the back test and shows the frequency of the back tests generating total Net Performance Coupons over 5 years of a certain amount, representing a percentage return on Investors' Cash Outlay (had the Units been available during the back-tested periods).

| Net Performance Coupons less than 17.2% (Less than Cash Outlay) ^ | Net Performance Coupons greater than 17.2% (Greater than Cash Outlay) ^ | Net Performance Coupons greater than 34.4% (100% net return on Cash Outlay) ^ | Net Performance Coupons greater than 51.6% (200% net return on Cash Outlay) ^ | Net Performance Coupons greater than 68.8% (300% net return on Cash Outlay) ^ |
|--|---|---|---|---|
| 0.00% | 100.00% | 100.00% | 99.87% | 95.00% |
| Number of 5 year back tests: 2,262 (rolling start dates between 1 June 2006 to 22 May 2015) | | | | |

^Cash Outlay is Prepaid Interest plus Loan Establishment Fee. Back test is net of Performance Fees, however does not take into account any AUD/USD movements.



Although the back test generated total Performance Coupons greater than an Investor's Cash Outlay 100% of the time (not taking into account any AUD/USD movements), Investors should be aware that past performance is not a reliable indicator of future performance and the level of Dispersion may be significantly lower in the future and may result in no Performance Coupons being payable.

Cash Flow Example:

An Investor wants to invest into C2 - Gateway – Series 4. The Interest Rate on the Loan associated with C2 - Gateway - Series 4 is 3.0% p.a and the investor is required to prepay all five (5) years Prepaid Interest in advance plus a Loan Establishment Fee of 2.2%. 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 \$17,200 cash at Commencement (\$15,000 Prepaid Interest and \$2,200 Loan Establishment Fee). 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 (\$17,200 in this example);
- ✓ there will never be a margin call on the Units;
- ✓ 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 Basket and an assumption that a Performance Coupon was only payable on the Final Performance Coupon Determination Date.

| | Amount |
|--|-------------|
| Investment Amount | \$100,000 |
| Limited Recourse Loan (100% LVR) | (\$100,000) |
| Prepaid Interest (3.0%p.a x 5 years) | (\$15,000) |
| Loan Establishment Fee (2.2% once off) | (\$2,200) |
| Upfront Adviser Fee (negotiated with Investors adviser) | \$0 |
| Total Cash Outlay at Commencement Date | (\$17,200) |

| | Dispersion* | Strike | Final Gross Performance Coupon (Dispersion less Strike, Floored at 0%)** | Net Coupons During Investment Term***^ | % Return on Cash Outlay***^# |
|---|-------------|--------|--|---|---------------------------------|
| Scenario 1 | 2% | 40% | 0% | \$0 | N/A. Loss of 100% |
| Scenario 2 | 25% | 40% | 0% | \$0 | N/A. Loss of 100% |
| Scenario 3 | 50% | 40% | 10% | \$9,000 | -48% |
| Scenario 4 | 59.2% | 40% | 19.2% | \$17,280 | Breakeven |
| Scenario 5 | 100% | 40% | 60% | \$54,000 | 214% |
| Scenario 6 | 150% | 40% | 110% | \$99,000 | 476% |
| Scenario 7 (Back Tested Average) | 190.1% | 40% | 150% | \$135,090 | 685% |

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

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

*** Net of 10% Performance Fee

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

Calculated as Net Performance Coupons / (Prepaid Interest + Loan Establishment Fee) – 1

Key Risks:

- Your return (in the form of potential Performance Coupons) is affected by the performance of the Shares comprising the Reference Basket. Specifically, there needs to be significant Dispersion to generate positive returns.
- You may not receive a positive investment return even if the average performance of the Shares comprising the Reference Basket is positive during the Investment Term.
- No Performance Coupons will be payable if the Dispersion is not greater than the Strike and the sum of any Performance Coupons already paid.
- Performance Coupons are subject to movements in the AUD/USD exchange rate.
- Investors must pay the Prepaid Interest to be entitled to receive any Performance Coupons. If Prepaid Interest is not paid on the relevant due date, Investors Units will be terminated, they will not be entitled to any returns or a refund of any Prepaid Interest or Fees paid to date, will have no entitlement to any future Performance Coupons and will have no further exposure to the Units.
- 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, you will not receive a refund of your Prepaid Interest or any Fees nor will you be entitled to any Performance Coupons.
- Gains (and losses) may be magnified by the use of leverage.
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparty.
- the Units may mature early following an Early Maturity Event, including an Adjustment Event, Market Disruption Event or if the Issuer accepts your request for an Issuer Buy-Back.

Please refer to Section 2 “Risks” of the Master PDS for more information.

Application Close 17 July 2020

To find out more and to download a copy of the relevant Product Disclosure Statements, please visit www.c2financialgroup.com.au/investments

Units in C2 – Gateway – Series 4 are issued by C2 Specialist Investments Pty Ltd (ACN 622 433 032) (“the Issuer”) and arranged by C2 Financial Services Pty Ltd (AFSL: 502171. ACN 621 428 635) (“the Arranger”) pursuant to Section 911A(2)(b) of the Corporations Act. Investments in the C2 – Gateway – Series 4 can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement (“Term Sheet PDS”) and, after reading the Term Sheet PDS dated 10 June 2020 and the C2 Gateway Master PDS dated 25 March 2020, submitting it to the Issuer. A copy of the PDS(s) can be obtained by contacting C2 Specialist Investments on 02 8098 0300, visiting www.c2financialgroup.com.au/investments or contacting your financial adviser. You should consider the Term Sheet & Master PDS’ before deciding whether to invest in Units in C2 - Gateway - Series 4. The Issuer may, in its discretion, extend or shorten the Initial Offer Period for the Units without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Units may vary. The Issuer may also defer the Commencement Date for the Units, in which case the Maturity Dates and other consequential dates for the Units may vary. If the Issuer varies the Offer Period or the Commencement Date for the Units it will post a notice on its website and will advise Investors in the Confirmation Notice. Capitalised terms in this flyer have the meaning given to them in Section 10 “Definitions” of the Master PDS or in the Term Sheet PDS. This flyer has been prepared by the Issuer for general promotional purposes only and is not an offer to sell or solicitation to buy any financial products. This flyer does not constitute personal advice and has been prepared without taking into account your objectives, financial situation or needs. You should consider obtaining professional advice as to whether this financial product suits your objectives, financial situation or needs before investing. You should seek independent advice in relation to the tax implications of your investment.