



C2 Specialist Investments allows investors to access investment strategies and structures not readily available to retail investors in Australia. These types of investments are often known as “structured products” and are designed to facilitate highly customised risk-return objectives.

The Units in C2 LEAP Units – Series 1 (“Series 1 Units” or “Units”) offer investors the ability to gain geared exposure to the performance of the BNP Paribas Multi Asset Diversified 10 (AUD Hedged) Index (the “Reference Asset”, or “Index”).

Key Features:

100% Gearing	The Units provide Investors with the ability to borrow 100% of the Investment Amount via a Limited Recourse Loan (“Investment Loan”) for the full 10 year Investment Term.
Low Breakeven	A low breakeven of 1.88%p.a over the 10 year Investment Term
Benefit of Hindsight	The Hindsight Feature provides investors with a Reference Asset Starting Price determined as the lowest Closing Price of the Reference Asset as observed on the Commencement Date and the Commencement Date + 2 years.
Performance Coupon	A potential Performance Coupon at Maturity (subject to a 10% Performance Fee).
Liquidity & Flexibility	An Annual Walk Away Option. Investors can walk away from the Units with no requirement to pay future Prepaid Interest or repay the Investment Loan.

	Series 1 Units
Reference Asset	<u>BNP Paribas Multi Asset Diversified 10 AUD Hedged Index</u>
Term	Approximately 10 Years
Investment Loan	Yes. Borrow 100% of the Investment Amount
Interest Rate on Investment Loan (First 2 years paid in advance)	7.60% p.a.
Fixed Coupons	8 Fixed Coupons of 7.20% each (payable at the end of Years 2 to 9. Not payable at the end of Year 1 or Year 10 or if an Investor exercises the Annual Walk Away Option)
Hindsight Feature for determining the Reference Asset Starting Price.	The Hindsight Feature provides investors with a Reference Asset Starting Price determined as the lowest Closing Price of the Reference Asset as observed on the Commencement Date and the Commencement Date + 2 years.
Potential Performance Coupon	A potential Performance Coupon at Maturity (subject to a 10% Performance Fee).
Currency Exposure	AUD
Margin Calls	No
SMSF Eligibility	Yes

About the BNP Paribas Multi Asset Diversified 10 AUD Hedged Index

The BNP Paribas Multi Asset Diversified 10 AUD Hedged Index (“BNPP MAD 10 AUD Index”) is a rules-based index sponsored by BNP Paribas comprised of eight components – three equity futures indices, three bond futures indices and two commodity indices (the “Hypothetical Portfolio”). BNPP MAD 10 AUD Index seeks to measure the value of a hypothetical exposure to a range of asset classes and geographic regions based on momentum investing principles. On a daily basis, BNPP MAD 10 AUD Index determines weights of its components, using a rules-based methodology which seeks to identify weights for the components that would have resulted in the Hypothetical Portfolio with the highest return subject to a certain level of volatility. On any given day, this methodology will allocate a greater percentage of the BNPP MAD 10 AUD Index towards components of the Hypothetical Portfolio that would have resulted in the Hypothetical Portfolio with the highest past returns¹ subject to a certain level of volatility and weighting constraints².

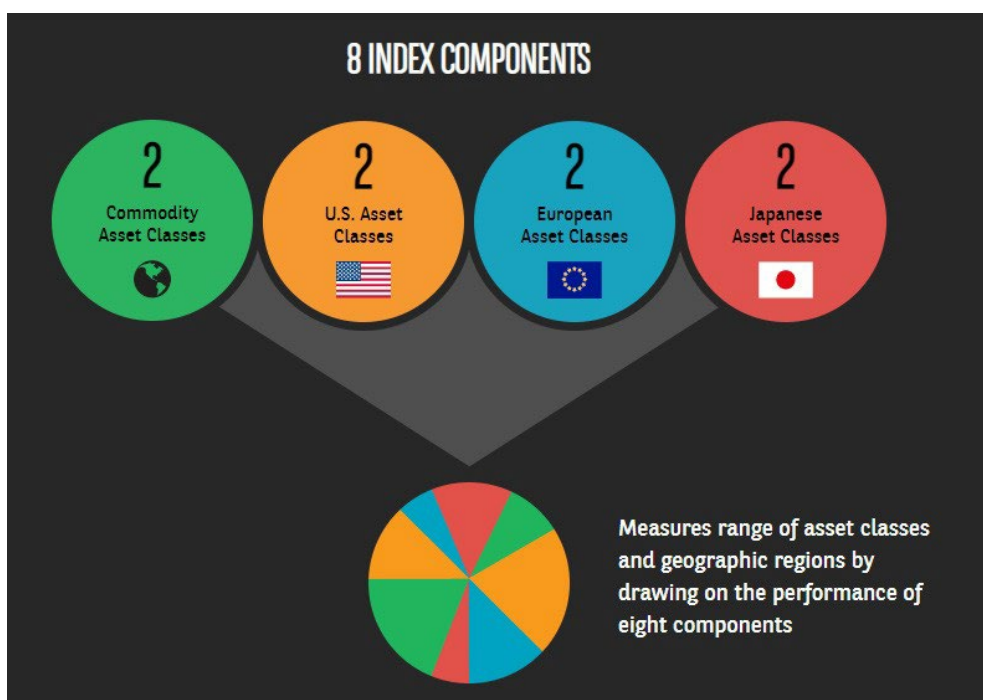
BNPP MAD 10 AUD Index also includes an additional risk control mechanism which seeks to maintain its short-term volatility at the volatility target of 10% on a daily basis. This mechanism adds a further layer of volatility control to the value of the Hypothetical Portfolio with the goal of reducing volatility during unstable and unpredictable market periods. The BNPP MAD 10 AUD Index is an “Excess Return Index”, as its components are rolling futures indices.

The BNPP MAD 10 AUD Index is the AUD hedged version of the original BNP Paribas Multi Asset Diversified Index, denominated in USD. An AUD/USD currency conversion is applied on the index returns so that the denomination of the index is in Australian Dollars with the aim of minimising the impact of changes in exchange rates. This methodology may not fully eliminate the foreign exchange rate exposure. Please refer to the Key Risks in Section 2 above for more information.

The BNPP MAD 10 AUD Index levels are net of rebalancing and replication fees, incorporate a daily Maintenance Fee of 1% per annum and are published on Bloomberg under the ticker BNPID10A Index.

BNP Paribas MAD 10 AUD Index Components

Equity Futures Indices	BNP Paribas US Equity Futures Index	BNPIFUS Index
	BNP Paribas Eurozone Equity Futures Index	BNPIFEU Index
	BNP Paribas Japan Equity Futures Index	BNPIFJP Index
Bond Futures Indices	BNP Paribas USD 10Y Futures Index	BNPIFU10 Index
	BNP Paribas EUR 10Y Futures Index	BNPIFE10 Index
	BNP Paribas JPY 10Y Futures Index	BNPIFJ10 Index
Commodity Indices	Bloomberg Commodity ex-Agriculture and Livestock Capped Index	BBUXALC Index
	S&P GSCI Gold Index Excess Return	SPGSGCP Index



¹ Computed based on a trend indicator that compares current component levels to past component levels over a 1-year period.

² The components' maximum weights are as follows: each Equity Futures Index 50%, each Bond Futures Index 100%, and each Commodity Index 50%.

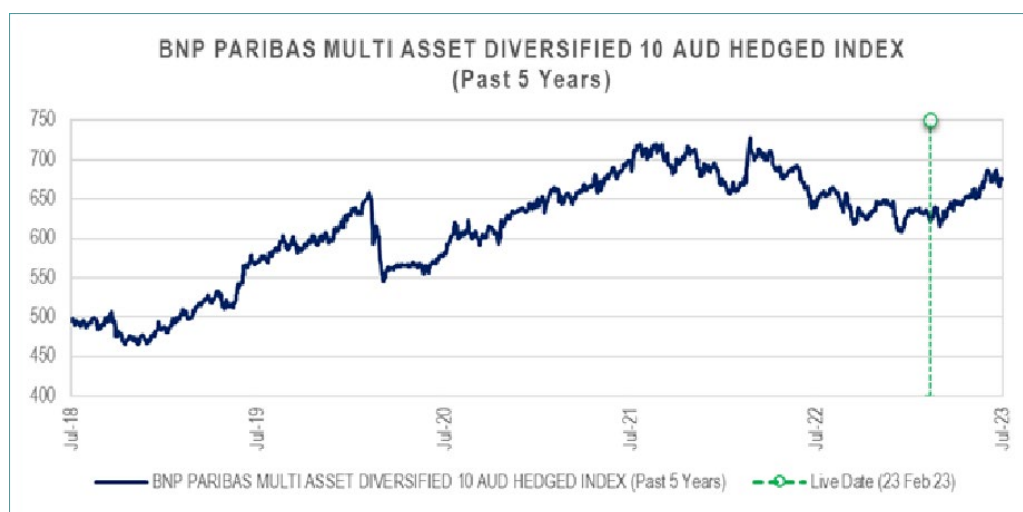
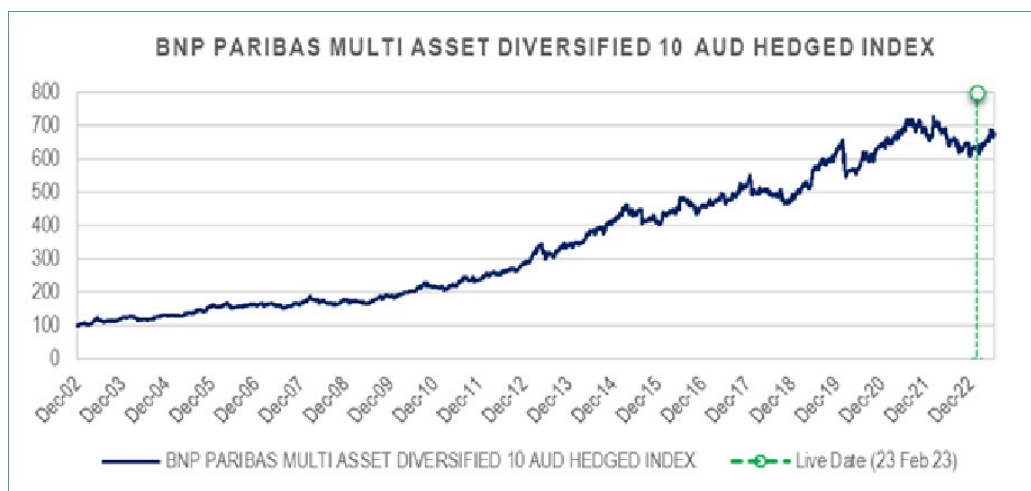
Leverage is allowed and the cost of borrowing is zero. The sum of all weights is capped at 400% and floored at 0%. Minimum weight is 0% for each component. On a daily basis the absolute change in weight for each component cannot be greater than 10%.

More information and specific risks about the Reference Asset regarding the Reference Asset may be found at <https://marketing-idx.bnpparibas.com/mad10-aud/>

PAST PERFORMANCE

All available data as published by the Reference Asset issuer has been included from the period 31 December 2002 to 17 July 2023. The Reference Asset has been live since 23 February 2023. Back tested data is used for the period prior (31 December 2002 to 22 February 2023). Investors should be aware that the data shown is therefore not the actual past performance of the Reference Asset (as it was not in existence during the relevant periods), however, the Issuer considers the data shown to be an accurate representation of how the Reference Asset would have performed over the relevant periods.

Past Performance is not indicative of likely future performance. Future returns should be expected to vary and may be negative.



Historical Annualised Returns

	Since Live Date*	1 year [#]	3 year [#]	5 year [#]	Since 2002 [#]
BNPID10A	21.03%p.a	4.79%p.a	5.16%p.a	6.24%p.a	9.73%p.a

* Live Data only.

Live data from 23 February 2023 to 17 July 2023, Back tested data 31 December 2002 to 22 February 2023 using all available data as published by the Reference Asset issuer.

Source: Bloomberg/BNP/C2. Past performance is not a reliable indicator of future performance. Data for all charts, graphs and tables related to the BNP Paribas Multi Asset Diversified 10 Index (AUD Hedged) are as of 17 July 2023. Data is based on back tested past performance data from 31 December 2002 to 22 February 2023 and live performance from 23 February 2023 to 17 July 2023. Back tested and live past performance data are provided for illustrative purposes only. Back tested and live past performance data should not be regarded as an indication of future results. Performance takes into account deduction of the Performance Fee and deductions within the index for fees and/or costs as specified in the Reference Asset's index methodology. Further details are available at the Reference Asset website at <https://marketing-idx.bnpparibas.com/mad10-aud/>

<<< C2 LEAP UNITS Series 1 >>>

Click for more information about the Reference Asset
(BNP Paribas Multi Asset Diversified 10 AUD Hedged Index)

Hypothetical Example

An Investor wants to invest in the C2 LEAP Units – Series 1. The Interest Rate on the Investment Loan associated with the Units is 7.60%p.a and the Investor is required to prepay two (2) years of Prepaid Interest at the start of the investment. They will pay each subsequent year's Prepaid Interest later.

The Investor decides to invest \$100,000 and outlays \$15,200 cash in the first year for 2 years Prepaid Interest. For the purposes of this example, the Adviser Fee is assumed to be nil. A cash outlay of \$15,200 for Prepaid Interest at Commencement gives the Investor a \$100,000 Investment. The Investor would be required to pay a further \$400 at the start of Year 3 to Year 10 (calculated as 7.60% Prepaid Interest less 7.20% Fixed Coupons). Below are some hypothetical calculations based on a \$100,000 exposure to the Reference Asset over the full 10-year investment term.

	Scenario 1
Investment Amount	\$100,000
Investment Loan (100% LVR)	(\$100,000)
Prepaid Interest at Commencement (7.6% p.a x 2 years)	(\$15,200)
Adviser Fee	\$(0)
Net Interest due at Start of Year 3 to Year 10 (0.4 % p.a (7.6% - 7.2%) x 8 Years)	\$(3,200)
Total cash outlay if the Investment is held to Maturity	(\$18,400)

	Reference Asset Performance*	Total Reference Asset Performance over 10 years* (compound)	Net Performance Coupons (AUD)**	Net Cash Gain/ (Loss)**#	Net Return on Investor's Cash Outlay over 10 Year Term (%)***#	Net Return on Investor's Cash Outlay (% p.a)***#
Scenario 1	Down -2.5% p.a	0.00%	\$0	(\$18,400)	N/A. Loss	N/A. Loss
Scenario 2	Up 1.88% p.a	20.47%	\$18,426	\$26	Breakeven	Breakeven
Scenario 3	Up 5% p.a	62.89%	\$56,601	\$38,201	207.6%	11.9%
Scenario 4	Up 7.5% p.a	106.10%	\$95,493	\$77,093	419.0%	17.9%
Scenario 5	Up 10% p.a	159.37%	\$143,437	\$125,037	679.5%	22.8%

* Hypothetical only. For illustrative purposes and not an indication of expected future performance.

** Net of Performance Fees, ignores tax and Adviser Fees (if any)

*** Cumulative return over the life of the investment (i.e. not a per annum return).

ignores tax

Hypothetical Calculations Methodology

The net return calculations in the tables above under the heading "Hypothetical Example" were calculated using the following formulae:

$$\text{Net Return on Investor's Cash Outlay over 10 Year Term:} \\ = (\text{Net Cash Gain}/(\text{Loss})) / (\text{Prepaid Interest} - \text{Fixed Coupons})$$

Where Net Cash Gain/(Loss) is the sum of all cash flows (both positive and negative) from Commencement to Maturity (as per the example in the table above).

and

$$\text{Net Return on Investor's Cash Outlay (\% p.a):}$$

$$= (1 + \text{Net Return on Investor's Cash Outlay over 10 Year Term})^{1/10} - 1$$

These calculations do not take into account additional variables that may be relevant to an Investor's overall return, including, but not limited to, variables such as:

- (a) tax;
- (b) timing of cash flows;
- (c) opportunity costs.

Investors should be aware that different calculation methodologies which take into account one or more of the above variables (or any other variable) or otherwise utilise any alternative formulae may yield materially different results than those shown above. 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.

Key Risks:

Key risks include:

- Your return (including any Performance Coupon) is affected by the performance of the Reference Asset. There is no guarantee that the Reference Asset will perform well.
- There will be no Performance Coupon payable if the performance of the Reference Asset during the Term is negative.
- There is no guarantee that the Units will generate returns in excess of the Prepaid Interest and Adviser Fee (if any) during the Investment Term. You could lose some or all of your Prepaid Interest and Adviser Fee (if any) paid during the Investment Term. Additionally, the Units are designed to be held to Maturity, in the event of an Investor requested Issuer Buy-Back, Early Maturity Event, or if you exercise the Annual Walk Away Option before the Maturity Date, you will not receive a refund of your Prepaid Interest or Adviser Fee (if any), nor will you be entitled to any future Performance or Fixed Coupon. The Buyback Price may be nil, or substantially less the Prepaid Interest and fees paid.
- Gains (and losses) may be magnified by the use of a 100% LVR Investment Loan. However, please note that the Investment Loan is a limited recourse loan, so, in respect of the Investment Loan, you will never lose more than the Prepaid Interest and any Adviser Fee (if any).
- Investors are subject to counterparty credit risk with respect to the Issuer and the Hedge Counterparties.
- 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 or you exercise the Annual Walk Away Option.
- The Reference Asset in Series 1 contains an AUD hedging strategy incorporated into the index by the index issuer at the level of the index (the AUD hedge is not a separate instrument to the index). The AUD hedging strategy used by the Reference Asset is not intended to eliminate all the foreign exchange exposure of the relevant Reference Asset, however it is expected to do a reasonably good job. There is a risk Investors will have exposure to foreign exchange rates to the extent the methodology used by the relevant Reference Asset fails to fully hedge the Reference Asset's exposure into AUD. The Issuer nor any of its related entities is responsible for the operation of the AUD hedge (if any) in respect of each Reference Asset

Please refer to Section 2 "Risks" of the Master PDS for a more comprehensive overview of the Risks. Also refer to the Reference Asset website for more information on specific risks related to the Reference Asset: <https://marketing-indx.bnpparibas.com/mad10-aud/>

To find out more and to download a copy of the relevant Product Disclosure Statements, please contact C2 Specialist Investments at info@c2fg.com.au or 02 8098 0300.

Disclaimers:

Units in C2 LEAP Units – Series 1 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 LEAP Units – Series 1 can only be made by completing an Application Form attached to the Term Sheet Product Disclosure Statement and after reading the Term Sheet PDS dated 17 July 2023 (“Term Sheet PDS”) and C2 Gateway DPA Master PDS dated 25 March 2020 and the Supplementary Master PDS dated 12 July 2023 (“Master PDS”) and submitting it to the Issuer. A copy of the Term Sheet PDS and Master PDS can be obtained by contacting C2 Specialist Investments on 02 8098 0300 or contacting your financial adviser. You should consider the Term Sheet & Master PDSs and TMD before deciding whether to invest in Units in C2 LEAP Units – Series 1. 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. The Units are available only to Australian resident investors .

The calculations in this flyer have been prepared by the Issuer for general promotional purposes only and are not an offer to sell or solicitation to buy any financial products or an offer generally, in Australia or in any place other than Australia. This flyer does not constitute personal financial product advice or taxation advice and has been prepared without taking into account your objectives, financial situation or needs. The amounts used in this flyer are not projections or forecasts and they should not be seen as indications of likely future performance and have been included to illustrative purposes only. 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.

Whilst the Issuer has taken reasonable care in producing this information, subsequent changes in circumstances may occur at any time and may impact on the accuracy of the information. The Issuer or Arranger do not give, nor purport to give any taxation advices. Any taxation discussion is based on laws in force or proposed and administrative practices at the time of writing. The laws and levels of taxation may change. The application of taxation laws to each Investor depends on that Investor’s individual circumstances. Accordingly, advisers and Investors should seek independent personal advice on taxation implications before making any investment decisions.

The Issuer nor any of its subsidiaries or affiliates do not warrant the accuracy, completeness or currency of information that is made available through this flyer. The Issuer nor any of its subsidiaries or affiliates will not be liable for or in connection with any loss or damage arising from any inaccuracies, errors or omissions in information made available through this flyer. However, the Issuer will endeavour to ensure that information is updated as soon as practicable when it becomes aware that material changes have occurred.

The Issuer does not guarantee the performance of any of the Units or any particular rate of return from the Units, or any taxation consequences of any investment in Units which is made under the information available from this flyer.

The Issuer may, in its discretion, extend or shorten the Offer Period for the Units without prior notice. If this happens, the Commencement Date and one or more consequential dates for the Units may vary. The Issuer may also defer the Commencement Date for the Units, in which case the Maturity Dates and other consequential dates for the Units may vary. If the Issuer varies the Offer Period or the Commencement Date for the Units it will notify Investors via the Confirmation Notice and post a notice on its website informing applicants of the change at <https://c2financialgroup.com.au/investments/>.

Reference Asset Disclaimers

C2 LEAP Units – Series 1 are not sponsored, endorsed, sold or promoted by any of the BNP Paribas group of companies (“BNP Paribas”), nor does BNP Paribas have any association or relationship with the Issuer or the Units. BNP Paribas makes no representation regarding the advisability of investing in the Units. BNP Paribas gives no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use.

The Units are issued by the Issuer and marketed by third party dealer groups, they are not sponsored, endorsed, issued, distributed, sold, marketed or promoted by BNP Paribas in any way. BNP Paribas has no obligations or liabilities whatsoever in connection with the Units.

Australian Taxation Office Product Ruling PR 2022/2

Australian Taxation Office Product Ruling PR 2022/2 has been issued in relation to this PDS and confirms certain aspects of the tax treatment of an investment under this PDS. A copy is included in the Supplementary Master PDS dated 8 June 2022. The product ruling is only a ruling on the application of taxation law, and is only binding on the Australian Taxation Office if the scheme is implemented in the specific manner outlined in the product ruling.

The Commissioner of Taxation (Commissioner) does not sanction, endorse or guarantee this product. Further, the Commissioner gives no assurance that the product is commercially viable, that charges are reasonable, appropriate or represent industry norms, or that projected returns will be achieved or are reasonably based.

Potential participants must form their own view about the commercial and financial viability of the product. The Commissioner recommends you consult an independent financial (or other) adviser for such information.

