

C2 RETIREMENT EQUITY OPTIMISER UNITS

- Cash Flow: 10% p.a, tax free Return of Capital³
- Sequencing Risk Solutions
- Growth Potential: 10 Year leveraged exposure to the US share market
- Capital Protection²



When analysing investments, as a general rule of thumb, there is usually a trade off between potential growth and potential cash flows (or income). Typically, most investments that offer higher cash flows, generally offer lower potential for potential growth (or none at all), and most investments that offer higher growth potential, generally will have lower cash flows (or none at all). For an investment that doesn't meet the investor's cash flow requirements, they will typically need to sell down some assets to fund the additional cash flow needs, reducing potential compounding growth opportunities in the future.

C2 Retirement Equity Optimiser is structured to address key investment objectives that many investors are seeking in a single investment as they are entering retirement, such as reliable & regular access to capital, capital protection, growth potential and reducing investment timing risks.

The primary goal is to empower retirees with a tool that not only aims to safeguard their wealth and provide access to regular, reliable cash flows, but also allows for strategic wealth accumulation to potentially continue at the same time.

In other words, Retirement Equity Optimisation.

Key Features:

Capital Protection¹: The investment incorporates capital protection mechanisms, ensuring that the principal amount invested remains protected throughout the 10-year term, where the Units are held to Maturity². This feature can help provide investors with peace of mind, knowing that their initial Investment Amount is returned to them, shielded from market volatility.

Regular Cash Flow: 10% p.a tax free Capital Returns³: Investors receive regular cash flows via 10% p.a³ Capital Returns (monthly, commencing from Year 2). These payments are tax free as per ATO PR 2024/17. Importantly, Investors will not miss out on any growth, as the initial Investment exposure remains the same all the way through to Maturity, despite the Capital Returns. Investors can plan ahead knowing their Investment will remain fully exposed to growth, and that their original invested capital will be returned on a steady, regular basis, allowing it to be applied to other purposes, such as to help cover living expenses, medical costs, and other financial obligations.

Sequencing Risk Solutions (Timing Risk): Selling part of a portfolio to fund cash flow needs isn't always ideal, especially in a depressed market. Selling down a portfolio can have significant long-term impacts on compounding growth, especially in the earlier years of the investment journey or when the portfolio prices are low. C2 Retirement Equity Optimiser Units help manage this risk, as the investment exposure remains fully invested over the 10 year term despite returning all the investors capital over the term via tax free Capital Returns³.

Growth Potential: The investment offers investors exposure to the US stock market via the BNP Paribas US Equities Dynamic AUD Hedged Index. Not only do investors maintain their full investment exposure over the 10-year term (despite having the Issue Price fully refunded to them over 10 years³), the index dynamically employs internal leverage at the index level of up to 250% (using a 15% volatility target) to potentially amplify returns (but at the risk of also potentially amplifying losses).

Leverage: The Investment includes internal leverage via a 145% Participation Rate to any positive performance of the Reference Asset at Maturity, and provides an opportunity for enhanced, compound growth potential without many of the traditional risks associated with leverage⁴.

Regular intake periods: The Units offer regular investment opportunities, with scheduled monthly intake periods (each new investment, a "Series").

¹ Refer to "Capital Protection" in Section 1 and 2 of this Term Sheet PDS. Capital Protection only applies at Maturity. The Units must be held to Maturity for Capital Protection to apply. Capital Protection may not apply if there is an Early Maturity Event, Adjustment Event or Issuer Buy-Back. Please see Section 5 "Key Risks" of this Term Sheet PDS and Section 2 "Risks" of the Master PDS for more information.

² When the investment is made during the Initial Offer Period.

³ Investors should note the Units have been designed without taking into account any particular investor's financial position, objectives and needs and you should consider your own financial position, objectives and needs and seek financial advice before making an investment in the Units.

⁴ Refer to Participation Rate Feature. Investors should be mindful that there are still some risks associated with the internal leverage. Please refer to Section 5 "Key Risks" for further information.

About BNP Paribas US Equities Dynamic AUD Hedged Index (the "Reference Asset")

The BNP Paribas US Equities Dynamic AUD Hedged Index aims to provide exposure to the S&P 500 through the use of E-mini S&P 500 Futures while applying an intraday volatility control and trend-following mechanism. The Reference Asset aims to provide synthetic exposure to the S&P 500 with controlled volatility by utilising S&P 500 futures contracts (E-mini S&P 500 Futures). The BNP Paribas US Equities Dynamic AUD Hedged Index adjusts its allocation to S&P 500 E-Mini Futures based on observations of intraday price movements. Trend signals guide rebalancing to help the index respond to market movements up to 13 times a day, while seeking to maintain its 15% volatility target.

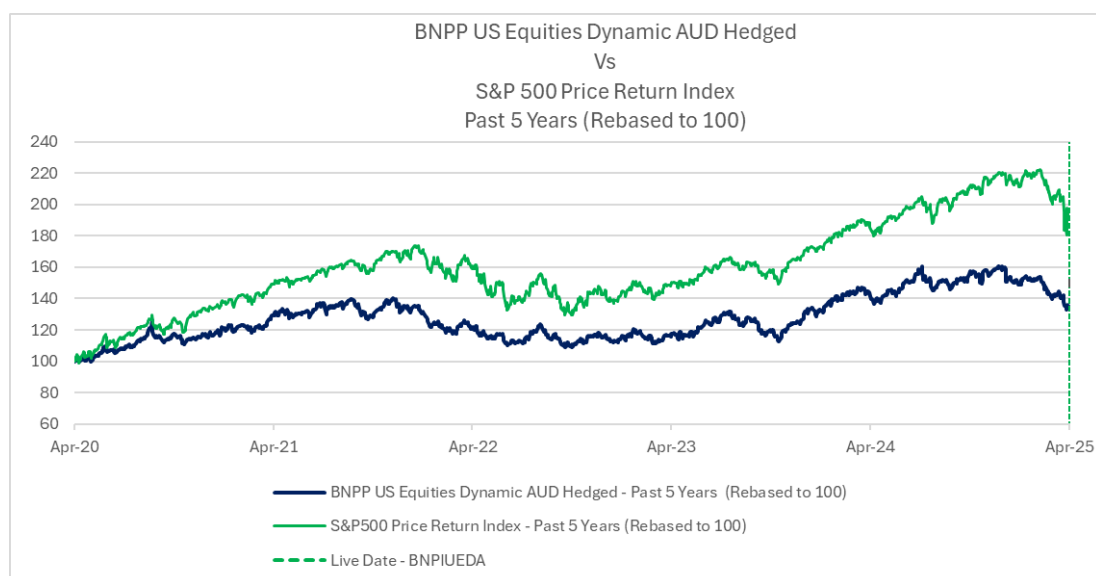
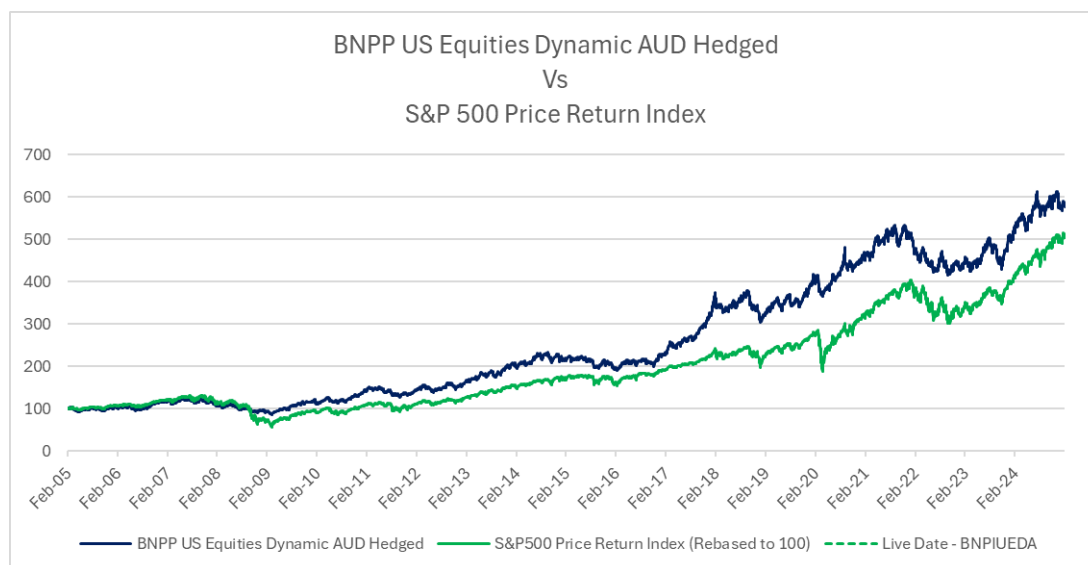
Key Characteristics

- Responsive volatility control.
- 15% volatility target allows for higher potential S&P 500 exposure, up to 250%. As the volatility of the Index decreases below 15%, exposure to the S&P 500 will generally increase (up to a maximum of 250%). As the volatility of the Index increases above 15%, exposure to the S&P 500 will generally decrease.
- Reacts quickly to changing markets thanks to the intraday observation and rebalancing to reduce/increase its exposure, up to 13 times per day (every 30 minutes).
- Uses intraday observations to rebalance exposure to the S&P500, to increase its exposure (up to 250%) in bull markets when it detects positive trends, and decreases its exposure in selloffs when it detects negative trends.
- More stable volatility versus traditional risk control indices.

FEATURE	RATIONALE	MECHANISM
Rolling Futures (Index uses the nearest maturing quarterly E-mini futures contract on the S&P 500 Index)	The potential to improve pricing conditions in higher interest rates environments whilst maintaining similar equity exposure	Synthetically rolls the nearest maturing E-mini futures contract on the S&P 500 Index every quarter to the next available futures contract
15% Volatility Target	Maintains stable pricing across various market conditions	Intraday monitoring to estimate the S&P 500 volatility, to determine the futures allocation such that short-term volatility is maintained at 15%
Dynamic Intraday Rebalancing	Ability to maximize upside equity exposure (up to 250% leverage) in bull markets, whilst quickly de-levering in market sell offs	Rebalances up to 13 times intraday (every 30 mins), utilising a momentum mechanism to detect and respond to intraday trends

By using the BNP Paribas US Equities Dynamic AUD Hedged Index, as opposed to using the S&P500, Investors in C2 Retirement Equity Optimiser Units benefit from the additional features offered under the PDS as a result of improved hedging pricing because the BNP Paribas US Equities Dynamic AUD Hedged Index hedges its position by buying futures contracts on the S&P500. Buying futures contracts requires less cash and does not provide the ability to receive dividends or lend stocks (repo). Consequently, the forward price of the BNP Paribas US Equities Dynamic AUD Hedged Index is not impacted by rates, dividends or repo. The only costs are the rollover cost (i.e. the cost of quarterly rebalancing). This can make hedging costs significantly cheaper.

Historical Returns



	1year	3year	5year	Since 2005
S&P500 Price Return Index*	3.16%p.a	6.84%p.a	13.97%p.a	7.74%p.a
BNP Paribas US Equities Dynamic AUD Hedged Index#	-5.88%p.a	4.01%p.a	6.24%p.a	8.48%p.a

* Live data only

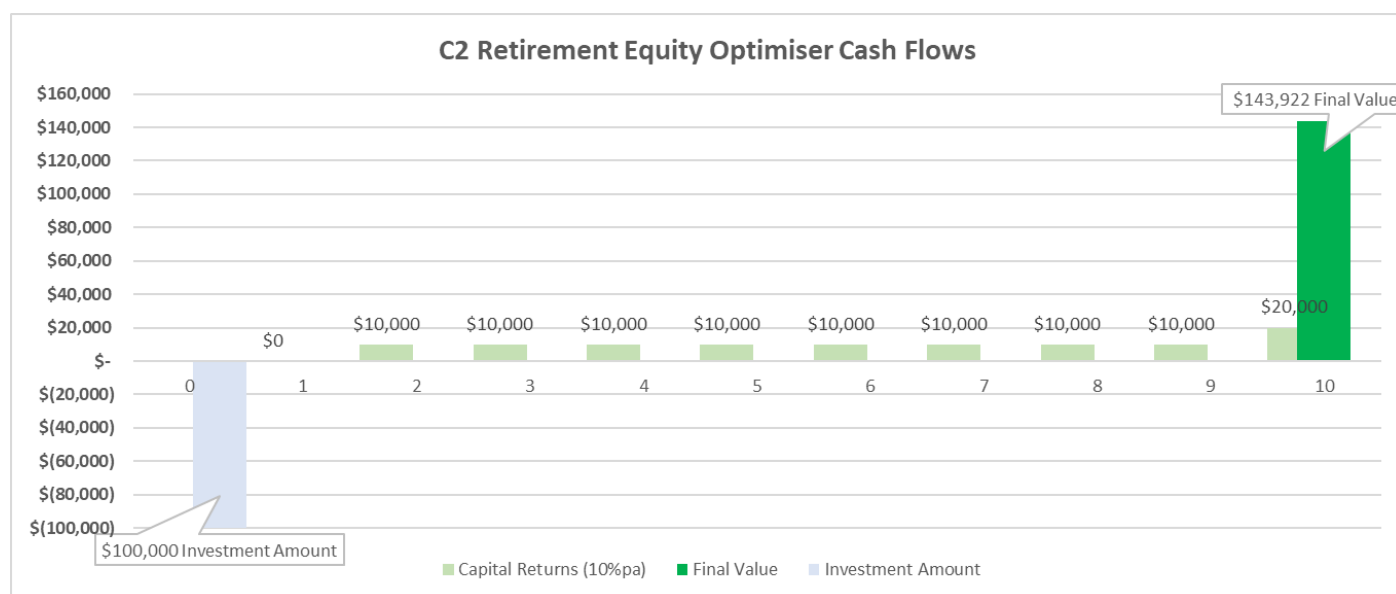
Back tested data is used for the entire period 1 February 2005 to 14 April 2025 using all available data as published by the Reference Asset issuer.

Cashflow Example:

The below example is hypothetical and for illustrative purposes only. It shows how the cash flow on a \$100,000 investment would work, assuming 9% p.a performance of the Reference Asset, 145% Participation Rate, Averaging at the beginning and end of the Investment Term and comprising:

- An initial Investment of \$100,000 during the Initial Offer Period;
- Capital Returns each year commencing from Year 2 of \$10,000 (10% p.a)⁵, including a final \$10,000 Capital Return at the end of Year 10, totalling \$100,000.

Based on the above assumptions, the investor would receive a Final Value of \$143,922 at Maturity in addition to the \$100,000 paid to Investors over the Investment Term via Capital Returns.



The chart above assumes 9% p.a. performance of the Reference Asset, Averaging at the beginning and end of the Investment Term, and a Participation Rate of 145%. Reference Asset performance of 9% p.a. is selected for illustrative purposes only and is not a forecast and is not intended to provide any indication whatsoever of how the Reference Asset is expected to perform during the Investment Term. The Reference Asset may have negative performance during the Investment Term. There will be no Final Value payable if the Reference Asset does not increase in value during the Investment Term. The Participation Rate may vary between each Series provided it is not less than the Minimum Participation Rate of 130%. Capital Returns are paid monthly from the beginning of Year 2 (a total of \$10,000 per year), with a final payment of \$10,000 at the end of Year 10. The Performance of the Reference Asset does not impact the amount of the Capital Returns.

⁵ Refer to "Capital Return" in Section 1 and 2 of this Term Sheet PDS & Section 5 "Key Risks".

Historical 10 Year Return Back Tests.

The following back tests are provided to show how an investment with the features offered under this Term Sheet PDS may have performed based on daily rolling 10 Year periods with rolling 10 Year Maturity Dates* for the period 1 February 2005 to 14 April 2025. A total of 2,566 10 Year back tests were run. The Final Value is based on a \$100,000 Investment made during the Initial Offer Period and is in addition to Capital Returns which would have totalled \$100,000 during the Investment Term. The results are not actual returns as the Units were not available at the time, nor was the Reference Asset available for the full period of the back test. The back tests have been provided for potential investors to help assist with their investment research and is not an indicator of likely future performance. Investors should perform their own independent analysis.

Rolling 10 Year Backtest	S&P500 10 Year Performance (Adjusted for Averaging)^	Value of \$100,000 investment in S&P500^	C2 Retirement Equity Optimiser Units (Adjusted for 145% Participation Rates and Averaging)**	Final Value of Units based on a \$100,000 Investment (plus \$100,000 Capital Returns)***	IRR#
Average	111.3% (7.8%p.a)	\$211,300	199.3% (11.6%p.a)	\$299,388 (\$199,338 Final Value)	13.98%p.a
Median	125.9% 8.5%p.a)	\$225,900	202.6% (11.7%p.a)	\$302,638 (\$202,638 Final Value)	14.11%p.a
Minimum	34.9% (3.0%p.a)	\$134,900	113.1% (7.9%p.a)	\$213,100 (\$113,100 Final Value)	9.97%p.a
Maximum	164.8% (10.2%p.a)	\$264,800	289.4% (14.6%p.a)	\$389,420 (\$289,420 Final Value)	17.05%p.a
Last (14 April 2025)	124.5% (8.4%p.a)	\$224,500	177.9% (10.8%p.a)	\$277,915 (\$177,915 Final Value)	13.11%p.a

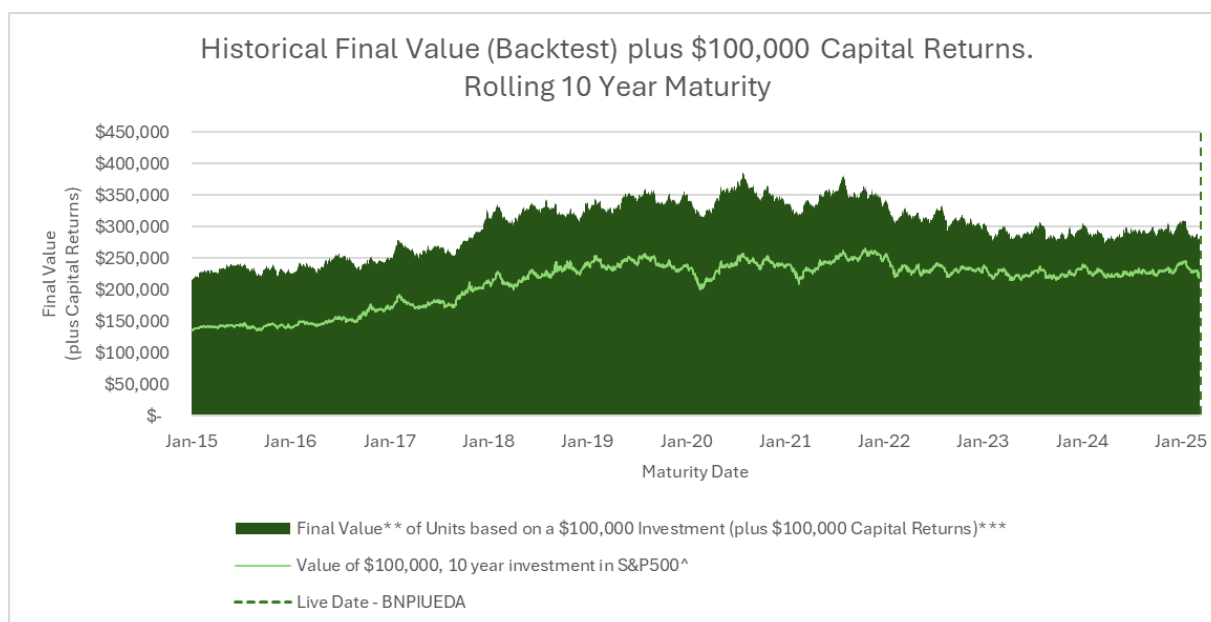
* 10 years is approximate and used to closely match the proposed Commencement Date and Maturity Dates of the Units.

** The Units are Capital Protected, and the Final Value cannot be negative.

***Capital Returns of 10%p.a, totalling \$100,000.

^ S&P500 adjusted for Averaging as per the Retirement Equity Optimiser Units, for comparison purposes.

The Internal Rate of Return (IRR) measures an investment's compound annual growth rate, accounting for the timing and size of all cash flows over the life of the investment, that would solve for a Net Present Value (NPV) of 0%. The IRR is therefore calculating a rate of return that makes the present value of all positive cash flows equal to the present value of all negative cash flows. When this happens, then the net present value will equal zero, and the result will be the IRR expressed as a percentage per annum (% p.a). The IRR above has been calculated based on a \$100,000 initial investment (negative cash flow), \$10,000p.a Capital Returns (positive cash flows), and a Final Value (positive cash flow, or 0) per the above calculations. The IRR exceeds the return figure shown in the column to the left as the methodology for calculating the IRR effectively places a higher value on payments which are received earlier in the Investment Term, all else being equal. If an Investor wishes to use the IRR to compare different investment options, the Investor should ensure that they are applying the same IRR calculation methodology to each investment option. The Issuer recommends that Investors obtain independent financial advice as to the suitability of this investment, having regard to their investment objectives, financial situation and particular needs prior to investing in the Units.



Source: Bloomberg/ BNP Paribas / C2. Past performance is not a reliable indicator of future performance. Data for all charts, graphs and tables related to the BNP Paribas US Equities Dynamic AUD Hedged Index are as of 14 April 2025. Back tested past performance data for the entire period 1 February 2005 to 14 April 2025. 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 deductions for fees and/or costs as specified in the Reference Asset's index methodology. Further information about the Reference Asset can be found by contacting C2 Specialist Investments or visiting the Reference Asset website at <https://indx.bnpparibas.com/Strategy/Index?pid=ty6c7yXpDLSJoNVy%2fug44g%3d%3d&subid=EkQFRHcQhfqquGrwjJFSvQ%3d%3d>

Key Risks

A summary of the key risks include:

- Capital Protection. The Capital Protection will only apply to Investors that hold their Units through to Maturity. Capital Protection depends on the creditworthiness of the Issuer and the Hedge Counterparty.
- Capital Returns are fixed at \$0.10 per Unit per year commencing from Year 2, with the final \$0.10 per Unit at the end of Year 10 (totalling \$1.00 per Unit), in respect of all Units irrespective of the price actually paid by the Investor.
- Your return with respect to the Final Value is affected by the performance of the Reference Asset. There is no guarantee that the Reference Asset will perform well. There will be no Final Value payable if the performance of the Reference Asset during the Term is negative. Performance of the Reference Asset will not affect the amount of the Capital Return payments.
- Participation Rate Risk / Leverage or Gearing Risk. Gains and losses may be magnified by the use of leverage provided by the Reference Asset's volatility mechanism.
- The Reference Asset is a futures-based index and also includes additional features such as the volatility control mechanism. As such, while it provides an exposure linked to the S&P 500 Index it should not be expected to mirror the performance of the S&P500 Index. Investors should note that Reference Asset is expected to underperform the S&P500 in periods of higher interest rates (such as the current environment). A more detailed explanation is provided in Section 3 of the Term Sheet PDS and at the Reference Asset website.
- Averaging Risk. Averaging may result in reduced (or increased) returns.
- Liquidity risk. The Issuer Buy-Back facility is at the discretion of the Issuer.
- The Units are designed to be held to Maturity, in the event of an Investor requested Issuer Buy-Back the Capital Protection mechanism will not apply and the amount you receive back can be significantly less than the expected performance if held to Maturity.
- Early Maturity Risk. Units may mature early in certain circumstances.
- Counterparty risk of Issuer, Custodian, Hedge Counterparty, Security Trustee.

Please refer to Section 5 "Key Risks" of the Term Sheet PDS and Section 2 "Risks" of the Master PDS for a more comprehensive overview of the Risks. Also refer to Section 3 "About BNP Paribas US Equities Dynamic AUD Hedged Index (the "Reference Asset")" of the Term Sheet PDS and also the Reference Asset website for more information

<https://indx.bnpparibas.com/Strategy/Index?pid=ty6c7yXpDLSJoNVy%2fug44g%3d%3d&subid=EkQFRHcQhfquGrwjJFSvQ%3d%3d>

To find out more and to download a copy of the relevant Product Disclosure Statements, please visit

<https://c2financialgroup.com.au/investments/optimiser/>

Or contact C2 Specialist Investments on 02 8098 0300

Disclaimers

Units in C2 Retirement Equity Optimiser Units 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 Retirement Equity Optimiser Units 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 1 May 2025, the C2 Equity Optimiser Master PDS (the "Master PDS") dated 30 April 2025, any supplementary PDS (together, the "PDS") and the Target Market Determination dated 1 May 2025 submitting it to the Issuer. A copy of the PDS(s) can be obtained by contacting C2 Specialist Investments on 02 8098 0300, visiting <https://c2financialgroup.com.au/investments/optimiser/> or contacting your financial adviser. The Issuer may, in its discretion, extend, shorten or cancel the Initial Offer Period for a Series of 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.

Taxation

Australian Taxation Office Product Ruling PR 2024/17 has been issued in relation to the PDS and confirms certain aspects of the tax treatment of an investment under the PDS. A copy is included in the Master PDS dated 30 April 2025. 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. Please refer to Section 4 "Taxation" of the Master PDS.

Reference Asset Disclaimer

C2 Retirement Equity Optimiser Units 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.