



Target Market Determination (TMD)

C2 Retirement Equity Optimiser Units

28 July 2025

This TMD relates to the product referred to as **C2 Retirement Equity Optimiser Units** (“Units”) offered under the Term Sheet Product Disclosure Statement (PDS) dated 28 July 2025, C2 Equity Optimiser Deferred Purchase Agreement Master PDS dated 30 April 2025 and any supplementary PDS (together referred to as the “PDS”). This product is issued by C2 Specialist Investments Pty Ltd (ACN 622 433 032) (“the Issuer”) and arranged by C2 Financial Services Pty Ltd (ACN 621 428 635, AFSL 502171) (“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.

Issuer	C2 Specialist Investments Pty Ltd (ACN 622 433 032) . The Issuer does not hold an AFSL and relies on the arranger exemption in s911A(2)(b) of the Corporations Act.
Arranger	C2 Financial Services Pty Ltd (ACN 621 428 635, AFSL 502171)
Product	C2 Retirement Equity Optimiser Units (the “Units”) offer Investors the ability to gain enhanced leveraged upside exposure to the positive performance of the BNP Paribas US Equities Dynamic AUD Hedged Index (the “Index” or “Reference Asset”) for a period of 10 years, while providing tax free cashflow to Investors of 10%pa in the form of Returns of Capital, paid monthly, commencing at 12 months after the start date and a Capital Protection feature at Maturity. The Units have been structured in a simple manner, helping investors to avoid many of the usual risks and hassles associated with leverage (or borrowing) to invest, while providing a reliable cash flow stream. It is issued in the legal form of Units in a Deferred Purchase Agreement (“DPA”).
Date of TMD	28 July 2025
Overview of this document & target market summary	<p>This document is a target market determination for the purposes of section 994B of the Corporations Act 2001 (Cth) (Corporations Act) in respect of DPAs issued by the Issuer. This document is not a product disclosure statement (PDS) and does not take into account any particular investor’s objective, financial situation or needs. You should refer to the PDS and consider obtaining independent financial product advice before deciding to invest in the Units.</p> <p>This product is likely to be appropriate for a consumer seeking geared capital growth and is comfortable regular cashflow (not income) in the form of Capital Returns, Capital Protection, with limited access to their invested capital. The consumer has a long term investment timeframe and a high to very high risk/return profile for that portion of their investment portfolio.</p>

Target Market for the C2 Retirement Equity Optimiser Units

The Issuer has adopted a Green and Red rating methodology with appropriate colour coding to determine if an Investor is considered to be in the Target Market.

In Target Market	Not Considered in Target Market
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Generally, an investor is unlikely to be in the Target Market for the product if they have 1 or more **Red ratings**.

An investor (or class of investors) may intend to hold the Units as part of a diversified portfolio. In such circumstances, the Units should be assessed against the investor’s attributes **for the relevant portion of the portfolio**, rather than the investor’s portfolio as a whole. For example, an investor may seek to construct a conservative portfolio with a small allocation to growth assets. In this case, it may be likely that a product with a High Risk/Return profile such as the Units is consistent with the investor’s objectives for that allocation notwithstanding that the risk/return profile of the investor as a whole is Low or Medium. In making this assessment, distributors should consider all features of a product (including its key attributes).

Investor's investment objective for the product

Consumer Attributes

Capital Growth
Regular Cash Flow
Capital Protection
Regular Income

TMD Indicator

In Target Market
In Target Market
In Target Market
Not considered in target market

Product description including key attributes

Investors fund the full Investment Amount upfront and are issued Units in the product. The product is designed to give investors leveraged exposure to the BNP Paribas US Equities Dynamic AUD Hedged Index (the "Index") for the 10 year Investment Term. Any positive performance in the Index at Maturity is multiplied by 145% (1.45x) and paid to the Investor in the form of a Capital Gain. The product has a Return of Capital feature; Investors will receive 10%pa, paid monthly from the first anniversary date. The product is capital protected, assuming the client holds to Maturity their Initial Investment Amount will be returned via the 10%pa returns of capital. In the case of negative performance, assuming the client holds to Maturity, they will have received back their full Investment Amount. The product is covered by ATO Product Ruling, PR2024/17.

Investors intended use of the product

(Product use (% of Investible Assets))

Consumer Attributes

Solution/Standalone (up to 100%)
Major allocation (up to 75%)
Core Component (up to 50%)
Minor allocation (up to 25%)

Satellite/Small (up to 10%)

TMD Indicator

Not considered in target market
Not considered in target market
Not considered in target market
In Target Market

In Target Market

Product description including key attributes

For investors with a long investment timeframe seeking exposure to the US share market, capital protection and cash flow, the product may potentially be considered for use as a standalone solution for a given portfolio allocation - as a Satellite or Minor allocation of a whole portfolio. The Units themselves have Low portfolio diversification as they provide exposure to a narrow asset class (US S&P500 shares, via the Index).

Investors investment timeframe

(Minimum Investment Timeframe of Investor)

Consumer Attributes

10 years

TMD Indicator

In Target Market

Product description including key attributes

The product is designed to be held to Maturity and therefore the timeframe for holding should be considered a 10-year period. However, the Investor does have the ability to utilise the Issuer Buy Back feature of the product which provides liquidity for Investors seeking to sell prior to Maturity. It should be noted however that break costs are associated with exiting early and the acceptance of an Investor's request for an Issuer Buy-Back is not a right but at the Issuer's discretion. A hypothetical break cost table can be found in the Term Sheet PDS.

Investors risk (ability to bear loss) and Return

(Investors intended risk/return tradeoff)

Consumer Attributes

Extremely High Risk
Very High Risk & Return
High Risk & Return
Medium Risk & Return
Low Risk & Return

TMD Indicator

Not considered in target market
In Target Market
In Target Market
Not considered in target market
Not considered in target market

Product description including key attributes

The Units provide leveraged exposure to the Index. The investment will also likely be volatile. This product should therefore be considered a High to Very High Risk product. Reminder: This section looks at an investor's objectives for the relevant portion of their portfolio only, rather than the investor's portfolio as a whole. For example, a product with a high or very high risk/return profile may be consistent with the investor's objectives for a growth allocation as part of a broader portfolio, notwithstanding that the risk/return profile of the investor as a whole may be low or medium.

Investors need to access capital

Consumer Attributes

Within one week of request
Within one month of request
Within three months of request
Within one year of request
Within five years of request
Within 10 weeks of request
10 years
At Issuer Discretion

TMD Indicator

Not considered in Target Market
Not considered in Target Market
Not considered in Target Market
Not considered in Target Market
Not considered in Target Market
Not considered in Target Market
In Target Market
In Target Market

Product description including key attributes

The product is designed to be held for 10 years when the product Matures. However, Investors will be paid back their capital over the course of the 10 year investment via the Return of Capital feature. They may be able to access more of their capital by requesting the Issuer to buy-back their Units ("Issuer Buy-Back"), subject to break costs. Acceptance of a request for an Issuer Buy-Back is at the Issuer's discretion. Generally, the Issuer would only reject or defer an Issuer Buy-Back request if it is unable to adequately unwind its own hedging arrangements. It is expected that under ordinary circumstances, the Issuer will be able to settle any proceeds from any request for an Issuer Buy-Back of Units into an investors' bank account within two weeks.

Explanation of why investments in the Units are likely to be consistent with the likely objectives, financial situation and needs of the target market (s994B(8))

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of investors in the Target Market as described above, as the key features of this product in column 3 of the table above are likely to be suitable for investors with the attributes identified with a green 'In Target Market' Indicator in column 2.

Retail clients for whom the Units unsuitable

An investment in the Units will generally not be suitable for retail clients outside the Target Market. This also includes Retail clients who do not understand the Key Risks, complexity of the product, and who cannot bear the consequences of potential losses without material impact on their standard of living.

Distribution Conditions (s994B(5)(c))

Distribution conditions	Distribution condition rationale	Distributors this condition applies
Direct Issuer/Arranger Distribution: The Issuer distributes the PDS for the product electronically through its own website or attached to an email in response to requests made directly to the Issuer. Prior to accepting any application, the Issuer asks each investor filtering questions to assist the Issuer to determine whether a potential investor is likely to be in the target market for the product. If necessary and in addition to the filtering questions an experienced Issuer representative will ask potential investors a series of further questions in order for the Issuer to understand, at a high level, whether the potential investor may be within the target market. Only selected representatives of the Issuer that have undergone internal training in respect of the product and the product's target market and who have demonstrated knowledge, competence and experience in respect of the product and the product's target market are able to promote and distribute this product.	It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for whom it has been designed. The Issuer considers that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.	Issuer/Arranger distributions
Third Party Distribution: No third party is permitted to distribute the Units without a Distribution Agreement entered into between Issuer and the Distributor. These Distribution Agreement Distributors may only distribute direct to retail clients where the distributor is: - Providing personal advice in relation to the product; or - reasonably satisfied that distribution is necessary to implement personal advice given to the consumer; or - otherwise reasonably satisfied the consumer is within the target market. Distributors and their personnel must undergo training in respect of the product and the product's target market and who have demonstrated knowledge and competence in respect of the product and the product's target market are able to promote and distribute this product.	It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for whom it has been designed. The Issuer considers that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.	All third party distributors

Review Triggers (s994B(5)(d))

The review triggers that may suggest that the TMD is no longer appropriate, such that a review of the TMD should be undertaken, include:

- The Issuer becomes aware of a significant issuance of the product to retail clients outside the target market;
- Material changes to law affecting DPAs or other relevant regulatory changes;
- The Issuer becomes aware of a significant volume of complaints related to the TMD from retail clients;
- The Issuer becomes aware of significant changes to the composition and/or construction of the Reference Basket; or
- The Issuer becomes aware of significant changes to the creditworthiness of the relevant Hedge Counterparty.

Review Periods (s994B(5)(e), (f))

Review Period	Maximum Period for Review
Initial Review	12 Months
Subsequent/periodic reviews	Annually

Distributor Reporting Requirements (s994B(5)(g), (h))

The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:

Type of Information	Description	Reporting Period
Complaints	Number and nature of complaints	As soon as practicable, and in any case within 10 business days after becoming aware
Significant dealing(s) outside the Target Market	Date range of the significant dealing(s) and description of the extent and nature of the significant dealing(s)	As soon as practicable, and in any case within 10 business days after becoming aware

Appendix

Definitions

Term	Definition
Objective	
Capital Growth	The investor seeks to invest in a product designed or expected to generate capital return over the investment timeframe. The investor prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Regular Cashflow	The investor seeks to invest in a product designed to provide consistent and reliable cash flows in the form of capital returns.
Capital Protection	The investor seeks to invest in a product designed to provide protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The investor would likely understand the complexities, conditions and risks that are associated with such products.
Regular Income	The investor seeks to invest in a product designed or expected to distribute regular income. The investor prefers exposure to income- generating assets (this may include, high dividend-yielding equities, fixed income securities and money market instruments).

Investors Intended Use of the Product – Investment Timeframe of Investor

Minimum investment timeframe	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.
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Investors Intended Use of the Product – Product Use (% of Investible Assets)

Solution/Standalone (up to 100%)	The investor intends to hold the investment as up to 100% of their total <i>investible assets</i> (see definition below). The investor is likely to seek a product with at least very high portfolio diversification.
Major allocation (up to 75%)	The investor intends to hold the investment as up to 75% of their total <i>investible assets</i> (see definition below). The investor is likely to seek a product with at least high portfolio diversification.
Core Component (up to 50%)	The investor intends to hold the investment as up to 50% of their total <i>investible assets</i> (see definition below). The investor is likely to seek a product with at least Medium portfolio diversification.
Minor allocation (up to 25%)	The investor intends to hold the investment as up to 25% of their total <i>investible assets</i> (see definition below). The investor is likely to seek a product with at least low portfolio diversification.
Satellite Allocation	The investor intends to hold the investment as up to 10% of their total <i>investible assets</i> (see definition below). The investor may seek a product with very low portfolio diversification. Products classified as extremely high risk are likely to meet this category only.
<i>Investible Assets</i>	Those assets that the investor has available for investment, excluding the residential home.

Portfolio diversification (for completing the key product attribute section of consumer's intended product use)

Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.

Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.

Investors Intended Use of the Product - Investors Intended Risk/Return Tradeoff

This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the Standard Risk Measure Guidance Paper For Trustees (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than an investor requires to meet their investment objectives/needs. It also does not consider all risks such as concentration risk or liquidity risks which are explained in more detail in the product disclosure statement.

An investor's desired product return profile would generally consider the impact of fees, costs and taxes.

Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a conservative or low risk appetite, • seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and • is comfortable with a low target return profile. <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
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Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a high risk appetite, • can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). <p>The consumer typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a very high risk appetite, • can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and • seeks to maximise returns (typically over a medium or long timeframe). <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>

Investor's need to access capital

This investor attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. The Issuer should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in aligning the product to the investor's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.

Distributor Reporting

Significant dealings

Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.

The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.

Dealings outside this TMD may be significant because:

- they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or
- they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the investor (or class of investor).

In each case, the distributor should have regard to:

- the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes),
- the actual or potential harm to an investor (which may be indicated by the value of the investor's investment, their intended product use or their ability to bear loss), and
- the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red ratings attributed to the consumer).

Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:

- it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the quarter,
- the consumer's intended product use is solution/ standalone,
- the consumer's intended product use is core component or higher and the consumer's risk/return profile is low, or
- the relevant product has a green rating for consumers seeking extremely high risk/return.