

## TARGET MARKET DETERMINATION

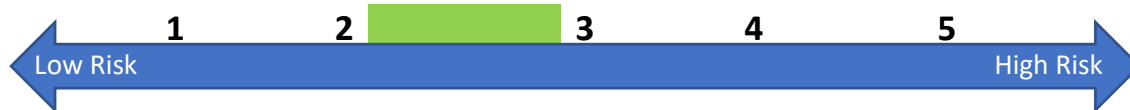
This Target Market Determination (**TMD**) has been prepared by the Australian Bond Exchange Pty Ltd (**ABE**) (ABN: 73 605 038 935. AFSL: 484453) to help investors obtain appropriate financial products. As it is in respect to the sale of an investment product in the secondary market, it does not fall within the obligations on the issuer and distributor(s) of the product that are required under section 994B of the Corporations Act 2001 (Cth) (the **Act**). The TMD sets out the class of investors for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation, and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of ABE's design and distribution arrangements for the product.

This document is not a product disclosure statement and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (**PDS**) or other relevant document prepared for the product (**Product Disclosures**) before making a decision whether to buy this product. Important terms used in this TMD are defined in the TMD definitions at the end of this document. Capitalised terms have the meaning given to them in the Product Disclosures, unless otherwise defined. The Product Disclosures can be obtained by contacting your client adviser or on our website at <https://www.bondexchange.com.au/Products>.

|                               |   |
|-------------------------------|---|
| <p><b>Product Summary</b></p> | <p><b>C2 Credit Linked Securities Series 2 – Dell Inc</b></p> <p>The product is issued under a Deferred Purchase Agreement (<b>DPA</b>) and provides investors in the product with a fixed rate of interest of 6.00% per annum over a 3.5-year term.</p> <p>The economic value, pricing, and performance of the investment is derived from Dell Inc (the <b>Reference Entity</b>) linked to Dell Inc Senior Unsecured US\$7.10% Bond maturing 15 April 2028 (Bloomberg Ticker: DELL 7.1 04/15/28 / ISIN: US247025AE93) rated BBB (S&amp;P) / Baa3 (Moody's) / BBB- (Fitch) (the <b>Reference Obligation</b>)</p> <p>The product is likely to be appropriate for an investor seeking a predictable reliable income stream over the medium term, together with capital preservation over the life of the product. The product is suitable for investors with a low risk/return profile.</p> |
| <p>Issuer</p>                 | <p>C2 Specialist Investments Pty Ltd</p>  |
| <p>Description</p>            | <p>The objective of the product is to provide investors with an A\$ denominated investment in a security paying a fixed rate coupon quarterly, whose performance is based on the Reference Entity's Reference Obligation. The coupon and principal invested in the product is not guaranteed however, the Issuer's obligation to pay coupons and repay the investment to investors at maturity is secured by a hedge (the <b>Hedge</b>) which provides A\$ denominated coupon and principal redemption cashflows.</p>   |
| <p>Commencement Date</p>      | <p>21 December 2022</p>   |

|                             |   |
|-----------------------------|---|
| Coupon and Frequency        | 6.00% paid quarterly and determined each 20 March, 20 June, 20 September, and 20 December |
| Maturity Date               | 20 December 2026  |
| ISIN                        | Not Applicable  |
| ABE Global Asset Identifier | C2DF060026  |

#### Product Risk Indicator:



The risk indicator assumes the investor keeps the product until the maturity date. The actual risk can vary significantly if the investor sells out of the Units prior to maturity and the investor might receive less than the original amount invested. The investor may be unable to sell prior to maturity.




The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in markets or because the Issuer is not able to pay the investor.

ABE has classified this product between 2 and 3 out of 5, which is a low to medium risk class. This rates the potential losses from future performance at a low to medium level.

## TARGET MARKET DESCRIPTION

### Target Market Indicator (TMI)

The Investor Attributes for which the product is likely to be appropriate have been assessed using a rating methodology with the following colour coding:

|   |                               |
|---|-------------------------------|
|  | Not in target market          |
|  | Potentially in target market  |
|  | Likely to be In target market |

### How to read this TMD

Investor Attributes in the table below provide a description of the likely objectives, financial situation and needs of the class of investors that are likely to be in the target market for this product. The TMI indicates whether an investor meeting the attribute in column 1 is likely to be in the target market for this product.

Generally, an investor is unlikely to be in the target market for the product if:

- **one** or more of their Investor Attributes correspond to a **red rating**, or
- **three** or more of their Investor Attributes correspond to an **amber rating**.

### Investment Products and Diversification

An investor (or class of investor) may intend to hold a product as part of a diversified portfolio (typically with an intended small allocation or core component product use). In such circumstances, the product 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 or Very High risk/return profile 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 Attributes   | TMI    | Key product attributes   |
|---|--------|--|
| <b>Investor’s investment objectives</b>                         |        |  |
| Capital growth  | Red    | The principal amount invested in the Product will not increase and is not guaranteed. The Product provides the investor with capital preservation and a stable income stream.  |
| Capital preservation  | Green  |  |
| Income  | Green  |  |
| <b>Investor’s intended product use (% of investible assets)</b> |        |  |
| Standalone  | Green  | The product can be held as a standalone investment or as a core or small part of a diversified portfolio   |
| Core component  | Green  |  |
| Small allocation  | Green  |  |
| <b>Investor’s intended investment amount</b>                    |        |  |
| \$0 to \$9,999  | Red    | The minimum investment in this product is \$10,000 (100 units at \$100 per unit)   |
| \$10,000 to \$99,999  | Green  |  |
| \$100,000 to \$999,999  | Green  |  |
| \$1,000,000 and over  | Green  |  |
| <b>Investor’s investment timeframe</b>                          |        |  |
| Short: ≤ 2 years  | Yellow | <p>If held until the products maturity, the investment is for a period of around 4 years.</p> <p>Several early maturity events, if triggered, can result in the Units maturing at any time before the scheduled maturity date. Depending on the event that triggers the early maturity, the return of principal may be less than the amount originally invested and could be zero.</p> <p><b>Early Optional Redemption By Reference Entity:</b> None</p> <p><b>Alternate Maturity Date (Par Call):</b> None</p> <p><b>Early Maturity Events:</b> Issuer has the right to declare early maturity of the Units if any of the defined events occur including (but not limited to) termination of the Hedge, default events impacting the Reference Entity or Reference Obligation and certain tax events.</p> |
| Medium: between 2 and 8 years                                   | Green  |  |
| Long: > 8 years   | Red    |  |
| <b>Investor’s risk and return profile</b>                       |        |  |
| Low   | Green  | While performance of the Units is subject to several risks including credit exposure to the Reference Entity and Reference Obligation, counterparty exposure to the Issuer’s Hedge Counterparty and the risk of an early maturity event, Investors benefit from a security trust structure that reduces the significance of the  |
| Medium  | Yellow |  |

| Investor Attributes               | TMI | Key product attributes   |
|-----------------------------------|-----|--|
| High                              |     | exposure of Investors in Units to the creditworthiness of the Issuer. However, there is no guarantee of the amount invested in the Units and Investors could lose all their investment.  |
| Investor's need to withdraw money |     |  |
| Daily                             |     | Investors can take their money out early by selling their holding in the product through the Australian Bond Exchange where the product is listed or through the issuer buy-back facility. The price at which the investor may sell the product prior to maturity will depend on the market parameters prevailing at the time, including market liquidity, which could put the invested amount at risk and impact the time to close the position. In unusual market situations, or in the event of technical faults/disruptions, a purchase and/or sale of the product can be temporarily hindered or may not be possible at all. Moreover, the issuer buy-back is subject to minimum parcel of units and acceptance of the request is at the sole discretion of the issuer. |
| Weekly                            |     |  |
| Monthly                           |     |  |
| Quarterly                         |     |  |
| Annually or longer                |     |  |

### Appropriateness

ABE 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 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 TMD Indicator in Column 2.

### Distribution conditions and restrictions

| Conditions and restrictions  | Reasons   |
|--|---|
| The product can only be sold to Australian resident investors  | Approval has not been requested in any other jurisdiction   |
| All of the Issuer's product documentation to be provided to all investors when requested   | To ensure all investors only obtain information concerning the product that has been prepared or approved by the issuer |
| No forecast, representation, or any warranties, in connection with the product can be distributed or provided other than statements as contained in the Series Documentation and then only to the extent permitted by Applicable Laws and Regulations. |   |
| The Issuer must provide prior written consent to any ABE produced marketing material used by ABE in relation to the product  |   |

### Review Triggers

The TMD will be reviewed if:

- there has been a material change to key attributes or they have not performed as disclosed by a material degree and for a material period, or
- unexpectedly high number of complaints about the product or distribution of the product have been received.

### Mandatory Review periods

| Review period | Maximum period to be covered             |
|---------------|--|
| Initial       | 3 months from issue date                 |
| Subsequent    | Prior to issue of any additional tranche |

### Distributor Reporting Requirements

| Reporting Requirement   | Period                                | Which Distributor(s) |
|---|---------------------------------------|----------------------|
| Any complaints, enquiries, or correspondence (and provide copies of such correspondence) received from, or investigations undertaken by, any regulatory body, in connection with the Issuer or the product which if adversely determined would have a material adverse effect on the Issuer or the product or ABE or the performance by ABE of its obligations to the issuer as distributor | as soon as reasonably practicable     | ABE                  |
| Actual effected sales information (without providing individual client data) and, if necessary, on an annual basis (on request), actual effected sales and other information (without providing individual client data) to support product reviews carried out by the Issuer  | On reasonable request from the Issuer | ABE                  |

This material provides general information only and does not consider your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.

## DEFINITIONS

| Term   | Meaning  |
|--|--|
| <b>Investor Investment Objectives</b>  |  |
| Capital Growth   | The investor seeks to invest in a product designed to generate capital return. The investor prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.   |
| Capital preservation   | The investor seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The investor prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments   |
| Income   | The investor seeks to invest in a product designed to distribute regular and/or tax-effective income. The investor prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).  |
| <b>Investor intended product use (% of investible assets)</b>  |  |
| Standalone   | The investor intends to hold the investment as either a part or the majority (up to 100%) of their total investible assets (see definition below). The investor typically prefers exposure to a product with at least High portfolio diversification (see definitions below).  |
| Core Component   | The investor intends to hold the investment as a major component, up to 75%, of their total investible assets (see definition below). The investor typically prefers exposure to a product with at least Medium portfolio diversification (see definitions below).   |
| Small allocation   | The investor intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total investible assets (see definition below). The investor is likely to be comfortable with exposure to a product with Low portfolio diversification (see definitions below). |
| Investable Assets  | Those assets that the investor has available for investment, excluding the residential home.   |
| <b>Portfolio diversification (for completing the key product attribute section of investor's intended product use)</b> |  |
| Low  | Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.   |
| Medium   | Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.   |
| High   | Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities)   |
| <b>Investor's investment timeframe</b>   |  |
| Short: ≤ 2 years   | The investor has a short investment timeframe and may wish to redeem within two years.   |

| Term  | Meaning  |
|---|--|
| Medium: between 2 and 8 years   | The investor has a medium investment timeframe and is unlikely to redeem within two years  |
| Long: > 8 years   | The investor has a long investment timeframe and is unlikely to redeem within eight years  |
| <b>Investor's need to withdraw money</b>  |  |
| Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. To the extent that the liquidity of the underlying investments or possible liquidity constraints could impact this, this is to be taken into consideration in completing this section |  |
| Daily/Weekly/Monthly/Quarterly/Annually or longer   | The investor seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period. |