

AUSTRALIAN

RESEARCH



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1. Executive Summary

- ORB International Enhanced Income (IEI) is an offer to purchase an ASX listed security called Yield Income Enhanced Listed Deferred Securities 2 (YIELDS2). The launch of this product follows the successful completion of the YIELDS offer in July 2004.
- YIELDS2 is a six-year capital guaranteed investment issued by Citigroup Global Markets Australia Pty Ltd (CGMA), a member of Citigroup Inc (Citigroup). The guarantee is provided by Citigroup Global Markets Holding Inc (CGMH), also a member of Citigroup, which is Aa1/AA- rated by Moody's/S&P.
- The product is a 'Deferred Purchase Agreement', with performance linked to an equity trading strategy known as Income Plus Trading Strategy (the Strategy). The Strategy replicates a derivative strategy known as a 'buy write strategy' to generate income from a portfolio of 30 of the world's 50 largest companies, which make up the Dow Jones Global Titans 50 Index.
- The product is likely to perform best when global share markets are posting low returns, either positive or negative. In conditions where share markets are producing strong positive returns, this security is likely to under-perform. When markets produce very negative returns, the product will eventually revert to its 'Protection Floor', effectively triggering the guarantee mechanism. This is explained in further detail in Section 3.
- The product targets a yield of 12%pa after costs, so it can be used to potentially enhance the overall yield from a diversified portfolio. However, market movements may mean that the security could provide a much lower income stream for an extended period. Thus, it is important that investors do not use this product as the lynch pin of an income producing portfolio strategy.
- At maturity, if the Net Asset Value (NAV) of the security is less than the issue price (\$10), CGMH will ensure investors receive \$10 per security. If the underlying assets are valued at more than this, CGMA will offer investors a facility to sell those assets on behalf of investors, so that the investor can effectively receive a cash payment on the maturity date.
- CGMA will 'make a market' in the product, thus ensuring investors can buy or sell the security at a spread around Net Asset Value (NAV) at any time.
- Citigroup successfully manage approximately \$4B in strategies similar to YIELDS2 globally.

Investment Opinion

Aegis has developed a template for rating structured product offerings in Australia. Factors considered include management, product construction, underlying portfolio construction and management, team and performance. Our rating is based on the following scale:

85-100 Recommended

65-84 Approved

0 - 64 Not Approved

We have reviewed the product and have issued an APPROVED rating.

We recommend that YIELDS2 be used for a small part of total assets within a diversified portfolio, primarily because the structure is somewhat untested in Australia and the payoff consequences within a portfolio have not been fully explored.

It may be suitable for investors seeking a yield-enhanced product. Aegis recommends that it be considered for use in a portfolio in two different ways: as a part of an investor's income portfolio or as a diversifier within the international equity section of a portfolio, due to its performance characteristics (see Section 2). It is suitable for investment within a superannuation fund, and for negative gearing purposes.

This report has been commissioned and as such Aegis has received a fee for its publication. However, under no circumstances has Aegis been influenced, either directly or indirectly in making statements and/or recommendations contained in this report.

The Product Disclosure Statement was lodged as in use on 5 October 2004 with the Australian Securities and Investments Commission. The offer of the securities is made in, or accompanied by, a copy of the Product Disclosure Statement, and anyone wishing to acquire the securities will need to complete the application form that is in or accompanies the Product Disclosure Statement.

2. Product Overview

YIELDS2 will be issued through an Initial Public Offering, which opens on 20 October 2004 and closes 6 December 2004. YIELDS2 will then be listed on the Australian Stock Exchange (ASX) around 8 December 2004, with the ASX code YLDS02. The minimum investment is \$5000.

YIELDS2 will have a six year term, and will mature around 6 December 2010. The security is capital guaranteed, with a minimum amount of the initial investment being returned to investors at maturity date.

The Issuer is CGMA, with Capital Guaranteed Investments Ltd (CGIL) appointed as the principal distributor of YIELDS2 in Australia.

CGMA will 'make a market' in the product. That is, they will actively buy back securities at a spread to Net Asset Value (NAV) through the sharemarket, the actual level of which will be set by CGMA on an on-going basis. The first issue of this product, known as YIELDS, has traded between \$9.85 and \$10.00 since listing in early August 2003.

Establishment fees disclosed in the PDS for YIELDS2 are 3.5875% (including GST). The management expense ratio (MER) disclosed in the PDS is 3.7813%pa (including GST). The cost associated with leverage is also payable, but is not used in the MER calculation. Leverage, when used, is charged at the rate of the RBA Overnight Rate plus 1.25%pa.

Aim of the product

The product aims to provide investors with variable quarterly income payments targeted at 12%pa, while providing a capital guarantee on maturity date. Some growth in capital value may also be available.

This income is generated in two ways: through dividends received on stocks notionally held in the Income Plus Trading Strategy (the Strategy) and through an options strategy known as a 'buy-write' strategy.

This is explained more fully in Section 3.

What happens at maturity?

The security is a 'Deferred Purchase Agreement'. Under the agreement, the investor agrees to effectively purchase the underlying assets of the security (the delivery assets), being either the portfolio of 30 global shares that comprise the Income Plus Trading Strategy (or a similar substitute as determined by CGMA). These assets are known as the Delivery Parcel. The value of the Delivery Parcel on the maturity date will be either \$10 if the guarantee mechanism is triggered on the value of the Portfolio on the Maturity Date.

At maturity, there will be two options available to investors:

1. They take physical delivery of the Delivery Parcel, or
2. They take advantage of the Agency Sale Arrangement, whereby CGMA will sell the Delivery Parcel on their behalf, and subsequently deliver the sale proceeds to investors.

How does the security behave in different market conditions and how should it be used in portfolio construction?

The performance of YIELDS2 is linked to the performance of global sharemarkets.

YIELDS2 will perform best against traditional international share funds in flat, trending or moderately performing markets, particularly those where only small gains or losses occur. This is because the options written will expire worthless, with the premium collected and distributed to investors.

It will tend to underperform in strong bull markets, particularly where prices typically rise more than 5% in a given quarter. In this case, the options written within YIELDS2 will be exercised, and the security will not participate in capital appreciation above the option strike price.

The security will outperform traditional international share funds in very weak markets. If market performance is so weak that the product reverts to its zero coupon bond structure, or capital guarantee, the potential loss is limited within YIELDS2. Losses in the direct equity portfolio may not be limited.

With respect to income, the security will target a yield of 12%pa. However, a fall in markets will lower the amount available to be distributed. As a guide, YIELDS2 is likely to distribute around 8%pa if the stocks that comprise the Income Plus Trading Strategy experience a fall, in aggregate, of at least 10%.

Further, if the falls in the value of the portfolio are so great that the product is less than 20% allocated to the Income Plus Trading Strategy, the Issuer reserves the right to stop distributing income and will reinvest all income to maintain an allocation to the Income Plus Trading Strategy.

Falls in the range of 20% on a single day, or monthly falls of 2% over 20 months (that is, totaling 40%), in the value of the portfolio will lead the product to revert to the capital guarantee.

Within a portfolio, the product could be used to diversify international equity exposure. The overall effect of including a small allocation to YIELDS2 will be to lower total downside risk, while lowering the probability of the international equity portfolio returning very high returns. In essence, it will 'tighten' the return distribution of an international equity portfolio. Due to its ability to generate good excess returns during flat, trending or moderately performing markets, it can act to diversify the returns available from a physical long only portfolio, such as that built using traditional managed funds

It will also affect the distribution of returns between growth and income, increasing income returns from the asset class, while lowering capital growth. Because of the taxation issues associated with this, careful consideration should be given to inclusion of the product within portfolios structured for growth oriented wealth accumulators on the highest marginal rates of taxation. However, its use in negative gearing and within superannuation funds potentially offers a better after-tax outcome.

YIELDS2 can also be used within the portfolio for an income-based investor, such as a retiree, to supplement income, and raise the yield of an overall portfolio. Because coupons are not guaranteed and under certain circumstances, no income will be paid, it is not suitable as the lynch pin of an income portfolio.

For further details on the options strategies, please refer to Section 3.

The Performance of the Past YIELDS Issue

The first issue of YIELDS was completed in July 2004 and listed on the ASX on 3 August 2004. Thus, the NTA performance history of that specific issue is limited.

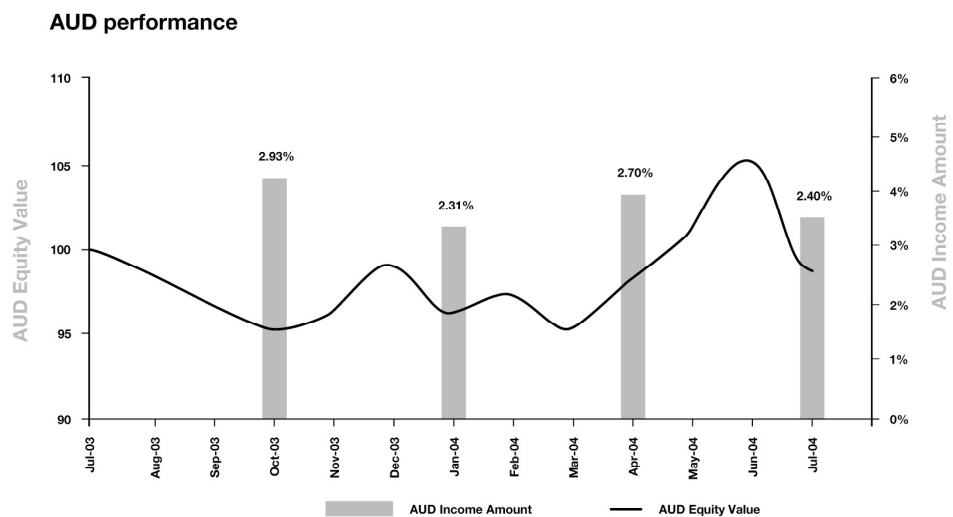
The trading history shows that YIELDS has traded between \$9.85 and \$10.00 since listing on 3 August 2004.

The graph displayed in Figure 1 below shows the performance of the Income Plus Trading Strategy (the Strategy), the strategy underlying this investment and discussed in detail in Section 3. The Strategy began on 7 July 2003 and has provided an income return of 10.34%, while the price has fallen 0.96%, giving a total return of 9.39% (in Australian Dollars) for the period from 7 July 2003 to 30 July 2004. This compares favorably with the price return performance of Dow Jones Global Titans Index of 4.76% (in Australian Dollars).

The volatility of the Strategy was slightly higher than the Dow Jones Global Titans Index over the year, with the Strategy sitting at 11.9% and the Index at 10.5% for the year.

Income returns are generated in two ways: dividends received or option premiums. Over the year to July 2004, 31% of the income generated was from dividends and 69% was generated through option premiums.

Fig 1. Performance of the strategy to 30 July 2004



Source: Citigroup

Taxation

The income generated by the product is not likely to have any taxation benefits, such as franking, associated with it.

With respect to capital gains tax (CGT), the Issuer has advice that any capital gains derived by Investors should be eligible for the 50% CGT discount. The capital gain will be calculated as the sale price less the purchase price and costs. The investor's cost base for the asset may be considered to be the price paid for the asset either through the IPO or on market, regardless of whether assets are delivered at maturity or sold on market. However, Aegis recommends that investors seek their own independent taxation advice prior to investing.

ORB International Enhanced Income should constitute an exempt interest in a Foreign Investment Fund ("FIF") and consequently the FIF regime should not apply.

3. Product Mechanics and Investment Process

The Basics – European Options, Covered Calls and Option Premiums

An option is the right, but not the obligation, to buy or sell an asset at or before a certain date at a certain price. European options, which are the type primarily used in this product can only be exercised at and not before, the expiry date. On large capitalization shares, such as the ones considered in this product, options are freely traded on centralized exchanges, similar to stock markets. Options tend to be 'short dated', being usually three or six months in length.

The basis of the Income Plus Trading Strategy is 'covered call writing'. CGML will 'write (sell) covered call options'. This means that CGML is *selling the right to buy* the asset, which they already notionally own, at a certain date at a certain price.

To provide an example, CGML may write a covered call on Microsoft stock. CGML would receive a premium from the buyer of the call option to enter into this agreement.

Simplistically, this then allows the option buyer to purchase the Microsoft stock from CGML at a pre-determined price at a pre-determined date. The buyer would only *exercise the option* if Microsoft price rose above the pre-determined price. If the price of Microsoft was below the pre-determined price, the buyer would allow the option to *expire*. In either case, CGMA would collect a premium from the option buyer.

In this product, CGMA will only write options that are 'out-of-the-money', or where the price of the share is below the exercise price of the option. Options will be written with an exercise price of between 105% and 130% of the share's prevailing market price. The actual option chosen will depend on the premium available. The premium income derived from this activity is the major source of income for this product. The options are written every quarter, around the beginning of the quarter.

The Evolution of Capital Guarantees in Structured Products

Structured products have often provided capital guarantees as a protection mechanism for investors.

The 'first generation' of capital guarantees offered in structured products is provided by using a zero coupon bond, which is a bond that pays no income.

In these products, monies are essentially invested in two assets. Firstly, a zero coupon bond with a maturity date and amount matched to the maturity of the product is purchased with part of the investor's initial investment. The rest of the investment monies is then usually geared and invested in the 'engine' of the product. In the case of some products, those funds are invested in fund-of-fund hedge funds, but assets such as long only equity funds and derivative strategies have also been used in these structures.

Although very effective in providing a guarantee, the long term falls in global interest rates experienced for at least the last decade has meant that more and more of the initial investment amount must be invested in the zero coupon bond to provide the guarantee. For example, on a six-year product, at least 70% of funds would now need to be invested in the bond to provide a guarantee. This has meant that gearing levels have had to increase dramatically in order to ensure a meaningful exposure to the alpha generator can be maintained. It has also meant that the investment period for many structured products has increased significantly, with many new issues being longer than ten years in duration.

Further, zero coupon bonds are extremely price sensitive and small movements in interest rates can cause significant volatility in the value of the bond, and the subsequent amount that can be allocated to the underlying investment strategy. In a rising interest rate environment, the value of these bonds on a daily basis will be written down, causing significant volatility in the price of the security.

In 1986, a methodology known as "Constant Proportion Portfolio Insurance" (CPPI) was designed. CPPI is a 'cushion management technique'. Instead of investing a significant proportion of funds into non-risky assets, these techniques 'make reference' to the amount needed in non-risky assets in order to provide the initial amount invested at maturity (the Protection Floor or the Floor). In doing this, the amount invested in non-risky assets and the subsequent level of gearing needed to generate returns is much lower.

The actual allocation between risky and non risky assets is calculated by reference to the difference between the total portfolio value and the Floor (the 'cushion'). In CPPI, the actual amount held in risky assets is a constant multiple of the cushion. In DPI, the multiple is variable.

In principle, as the Strategy does well, the total portfolio and the cushion will increase in size. Thus, the larger proportion of the fund that can be invested in the Strategy. As the Strategy falls in value, the total portfolio and the cushion falls in size and less will be allocated to the Strategy, thus protecting the investor's capital. In brief, as the risky asset does well, more will be allocated to it. If it does poorly, funds will be moved to a non-risky asset in order to protect capital.

For example, in YIELDS2, the amount invested in the Strategy must sit between 4 and 6.67 times the cushion with the initial allocation to the Strategy being set equal to 5 times the cushion. In the event that the cushion ever falls outside the band of 4 and 6.7 the allocation will be automatically rebalanced to 5 times the cushion. For example, if the initial Floor is say 75 and the initial total portfolio value is 100, the initial cushion will be 25. This will mean that the allocation to the Strategy will be equal to 125 (i.e. 5 times the cushion). However, as the initial portfolio value is only 100 the Strategy Sponsor will be effectively required to lend the product an additional 25 to enable the full allocation to be invested in the Strategy. If the Strategy falls 15% in one day, then the value of the portfolio will fall to 81. This means that the cushion will fall to 6 (81-75) with the result that the allocation to the Strategy is now 13.5 times the cushion (i.e. 81/6). This means that the product will be automatically rebalanced to 5 times the cushion or 30% (5 times 6%). Thus, the product will now be 30% allocated to the Strategy, and so on.

Rebalancing occurs on a non-discretionary real time basis in YIELDS2. This is in comparison to some other CPPI methodologies where rebalancing may only occur weekly or less often.

Citigroup have been using this method of underwriting a capital guarantee for approximately 6 years, and manage investor's funds of around US\$4.0b in this type of structure.

Regardless of the method used in achieving the capital guarantee, CGMA guarantees that investors will receive at least a return of capital at the maturity date of the investment in July 2010.

The Dynamic Portfolio

The product consists of a Dynamic Portfolio, effectively, but only notionally, made up of two parts: the Strategy, which is described in detail below, and the Bond Portfolio. The product's weighting to each portfolio is essentially determined by the performance of the Strategy, with the capital guarantee being supported by its notional weighting to the Bond Portfolio.

The Protection Floor (the Floor) is the percentage at any point in time that needs to be allocated to the Bond Portfolio to generate the issue price by the maturity date. The weighting to both are changed on a real time basis, based on a dynamic allocation mechanism.

The product will begin by being 100% allocated to the Equity Portfolio. If this portfolio performs well through share prices rising, the amount invested in Equity Portfolio will increase up to a maximum of 150%. If the portfolio performs poorly, the amount invested in the Equity Portfolio will decrease, to a minimum of as low as 0%.

The exact amount invested at any time in the Equity Portfolio is dependent on the difference between the value of the Protection Floor and the value of the Equity Portfolio, which is the NAV. The Equity Portfolio allocation is set to be 5 times the difference between the NAV and the Floor. This will change if the ratio between the Dynamic Portfolio and Equity Portfolio weighting less the Protection Floor moves outside a range of between 4 and 6.67. All prices are updated on a real time basis, so that exposures are changed virtually instantaneously.

The Income Plus Trading Strategy – The Strategy

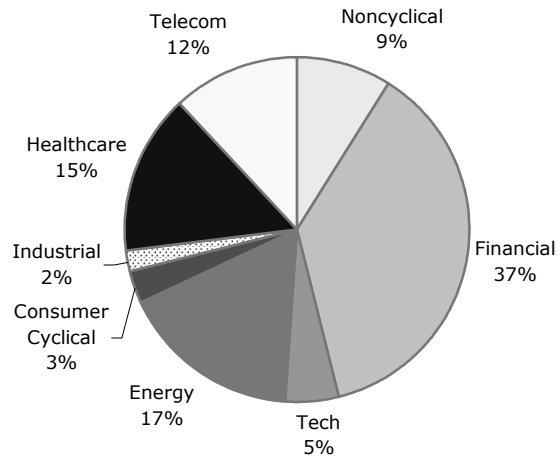
The Strategy consists of a 'notional' portfolio of 30 of the world's 50 largest stocks, as identified by the Dow Jones Global Titans 50 Index.

Each year, the constituents of the Global Titans 50 Index are ranked by the yield achieved in the past year (not including any special dividends or capital repayments). The Top 30 stocks are taken, with the constraint of no more than 10 being from one sector, and with Citigroup stock being excluded. They are weighted between 10% and 2%, based on their yield ranking. That is, the stock with the highest ranking will have 10% of the Equity Portfolio capital allocated to it, while the stock with the lowest yield in the portfolio will begin with a weighting of 2%. This portfolio is reallocated annually on 1 July.

CGMA will write covered calls on the stocks at the beginning of a quarter, at a strike price of between 105% and 130% of the stock's current price. The exact option contract that is written will be determined by the amount of premium being offered by each contract. The premium income collected as a result and dividends received on the underlying stocks throughout the quarter are then distributed to investors.

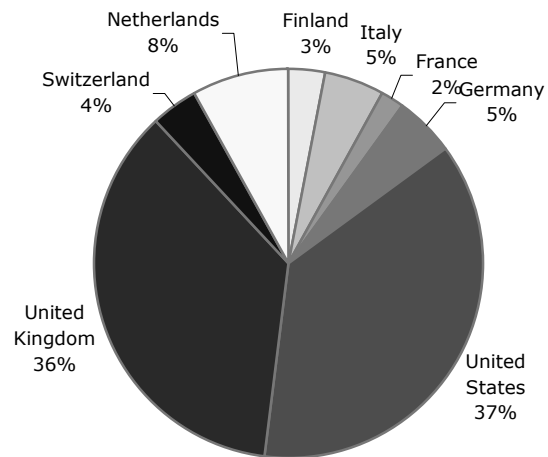
The product will target a distribution of 12%pa after fees, so that approximately 3% per quarter will be targeted (the composition being allocated as 1% for dividends and 2% for option premiums).

Fig 2. Industry Breakdown of the Strategy as at 31 July 2004



Source: Citigroup

Fig 3. Country Breakdown of the Strategy as at 1 July 2004



Source: Citigroup

Other issues

All investments are 'notional'. That is, investors do not own, in their own right, any of the securities held within the Dynamic Portfolio, such as a share or a call option. As such, investors do not have any rights (e.g. voting rights etc) in respect of these securities underlying the Dynamic Portfolio. However, investors have a contractual right from Citigroup (in the form of a deferred purchase agreement) entitling them to be paid the performance (including dividends and option premiums) of the securities held within the Dynamic Portfolio. This is a direct obligation of the Issuer and as a result, accounting systems are used to ensure the correct amount of dividend or option premium is distributed to investors. These systems are subject to internal and external audit on a regular basis.

As the shares held by the portfolio are thirty of the world's largest shares, they may be denominated in a number of different currencies, including US dollars, GB pounds and Euro. Currency is not hedged in this product, and this may lead to some volatility in the NAV.

The underlying portfolio, although made up of 30 stocks, may not be particularly well diversified and will probably have a significant overweighting to financials and utilities.

Interest rates will affect the value of the notional share portfolio, the Protection Floor and the premium that can be generated from the buy write strategy. All things being equal, as interest rates rise, the premium that can be generated from the option strategy should increase and the Protection Floor should fall.

4. SWOT Analysis

Strengths

- The product offers a capital guarantee provided by CGMH, which is Aa1/AA- rated by Moody's/S&P.
- Daily liquidity in the product is offered through the ASX. Because CGMA will act as 'market makers', investors are able to buy or sell the investment at around Net Asset Value.
- The product will provide best returns during flat or moderately moving markets. Thus it can act as a good diversifier within an international equity portfolio.
- It has good applications in income portfolios, as a potential income enhancer.
- Compared with many other structured products with capital guarantees, fees are moderate.

Weaknesses

- If markets do not perform well (a fall of 20% in a single day or 40% over an extended period), performance will be limited to the capital guarantee only. This can lead to a significant short-term capital loss for investors, if they realize the investment before maturity. However, it may be a smaller loss than that experienced by investing into equity markets directly.
- If markets fall, the income generated by the product may fall. For example, it is estimated that a sustained 10% fall in equity markets will lead to a 8%pa distribution, as opposed to the targeted 12% yield.
- The initial listing price of the security is likely to be lower than issue price, due to establishment fees.
- The security may underperform during times of strong equity market performance.
- While all the assets held within the security are 'notional', fees such as buy/sell spreads are being charged on transactions associated with those assets. For example, the notional sale of an option will incur a buy/sell volatility spread. The Issuer, CGMA, argues that the spread would be significantly higher if such a transaction were carried by an individual investor.

Opportunities

- The security allows investors to effectively benefit through flat periods in equity markets.
- In the case of markets performing very poorly (40% fall over time or 20% fall in one day), YIELDS2' loss is capped by the capital guarantee. A portfolio containing YIELDS2 will then be protected from experiencing the same capital loss experienced by portfolio holding long only international equity funds.

Threats

- The product can trade at significant discounts or premiums to the issue price, depending on the behaviour of markets, but should never trade below the present value of the guarantee.
- The security may revert to effectively being a zero coupon bond, particularly if markets perform very poorly at the outset of the product.
- As all securities are notionally held, transparency is very important. For example, dividends are only notionally received. Strong audit procedures must be maintained at all times to ensure that correct amounts are passed through to investors. If audit procedures are lax, then investors may not be receiving correct returns. All records are subject to both internal and external audit on a regular basis.

5. Risks

There are a number of risks associated with the security, as outlined in the PDS on pages 35 and 36. They are:

- Dynamic Portfolio Risks. These include, but are not limited by, the risk of
 - not meeting its target income,
 - NAV volatility. A range of factors such as interest rates, equity market performance, exchange rates, stock market volatility and other factors will affect NAV,
 - the exposure to the Income Plus Trading Strategy falling to zero, effectively turning the security into a zero coupon bond, and
 - the Guarantor defaulting.
- Early Sale Risk. The NAV of the product will be volatile. Early sale may result in a capital loss.
- Early Maturity Risk.
- Event Risk.
- Factors affecting the value of the Income Plus Trading Strategy, including global economic conditions, financial and political developments.
- Tax. Independent taxation advice should be sought before making an investment.
- Potential conflicts of interest. CGMA and other Citigroup parties may conduct transactions in various securities that may affect (positively or negatively) the price of the Delivery Assets or the level of the Dynamic Portfolio.

In addition, Aegis has identified the following risks:

- Transparency. All assets are notionally held. Systems to ensure correct amounts of dividends, option premiums and stock revaluation are accounted for and distributed may not be audited correctly or may be subject to fraudulent activity. Systems are audited both internally and externally.

6. Parties Involved

Citigroup Global Markets Australia Pty Ltd (CGMA)

CGMA is the Issuer of YIELDS2. CGMA is a wholly owned subsidiary of the Guarantor, and a member of Citigroup Inc.

Citigroup Inc is part of a group of companies that comprises one of the largest financial services group in the world, with around 120 million customers in more than 100 countries. The group has been in the Asia Pacific region for over 100 years. The group established a presence in Australia in 1971.

Citigroup Global Markets Holdings Inc (CGMH) (the Guarantor)

CGMH is the Guarantor of YIELDS2. CGMH is rated Aa1/AA- by Moody's/S&P. CGMH is a global full service investment banking and securities brokerage firm providing a range of advisory, research and capital raising services.

Audited financial information can be found at www.citiwarrants.com.au. Other information on Citigroup can be found at www.citigroup.com.

Capital Guaranteed Investments Ltd (CGIL)

CGIL is the distributor of YIELDS2.

CGIL was established in January 1994. CGIL believes that investors need the assurance of capital protection and preservation as the starting point in evaluating investment opportunities. The ORB family of investment products reflects this belief by providing the security of a capital guarantee from the world's largest financial institution, Citigroup Inc, with a variety of growth engines. CGIL has released two products to date, being ORB Technology Ltd and YIELDS.

7. The Offer

Fig 4. Offer Details

Product	ORB International Enhanced Income (ORB IEI)
Security	Yield Income Enhanced Listed Deferred Securities 2 (YIELDS2)
Investment Structure	Warrant in accordance with Section 10 of the ASX Market Rules
Opens	20 October 2004
Closes	30 November 2004
Expected Listing Date	8 December 2004
ASX Code	YLDS02
Matures	6 December 2010
Issuer	Citigroup Global Markets Australia Pty Ltd (CGMA)
Distributor	Capital Guaranteed Investment Ltd (CGIL)
Guarantor	Citigroup Global Markets Holdings Inc
Rating	Aa1/AA- (Moody's/S&P)
Minimum Investment	\$5,000
Issue Price	\$10.00 per security
Term	Approximately 6 years
Coupon	Paid Quarterly
NAV struck	Daily
Sale of investment	Daily through ASX
Establishment Fees	A Principal Distributor fee of 3.5875% (including GST and net of input credits) payable to CGIL, from which a fee of 2.5% (excluding GST) is payable to financial advisers All other establishment fees are absorbed by Citigroup
Ongoing Fees	Trailing fee of 1.2813%pa (including GST and net of input credits) payable to CGIL, from which a fee of 0.5%pa (excluding GST) is payable to financial advisers. This fee is conditional on the allocation to the Equity Portfolio being positive Dynamic Portfolio Costs (known as the Fixed Discount Rate) of 0.75%pa (excluding GST) for the capital guarantee, payable to CGMH Equity Portfolio Fee (known as the Income Plus Trading Strategy discount rate) of 1.75%pa based on the amount notionally allocated to the Equity Portfolio (including geared portion) Leverage, when used, will be charged at the rate of RBA Overnight Rates plus 1.25%pa All other ongoing fees, such as listing fees, are being absorbed by Citigroup Total ongoing fees will be at least 3.7813%pa (including GST)
Performance Fee	Nil

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