

# Equity First Protection First



## MLI Quarterly Lock-In (Series 2007-09) - S&P/ASX 200 Index

Want exposure to the Australian Equity market without risking your initial investment?

### High Internal Participation Offer

#### How does it work?

This 5-year AUD denominated Market Linked Investment is linked to the performance of the S&P/ASX 200 Index. The performance is calculated by taking quarterly observations of the index and averaging them over the 5 year term. This performance is then multiplied by the Participation Rate of between 180 - 220% to generate the final return to the investor.

Citi has also incorporated an averaging feature into this product, which means no negative observations will be used in calculating the average performance of the index.

The effect of the averaging feature is that the investor is able to participate in the positive performance of the index throughout the entire investment term and their return is not simply dependant on the index level at maturity. If the index rises over the life of the investment and then drops in value close to Maturity, Investors will still participate in the early year gains.

Averaging therefore reduces the volatility of the index and allows for a significantly higher Participation Rate than would be possible without averaging. All this provides an Investor in the MLI access to the growth potential of the Australian equity market with the safety of capital protection and much lower volatility throughout the investment term.

#### What are the Benefits?

- **Growth Potential** - The MLI provides exposure to the growth potential of the Australian equity market by linking to the performance of the S&P/ASX 200 Index.
- **Capital Protection** - The MLI offers Investors the comfort of capital protection provided the MLI is held until the Maturity Date and no Early Maturity Events occur.
- **Smooth Volatility** - The averaging feature ensures no negative observations are used in calculating the Index Performance and offers investors a reduced rate of volatility and allows for a significantly higher Participation Rate.
- **Diversification** - The MLI - S&P/ASX 200 will blend well with existing actively managed investments in Australian equities by providing a hedge against any negative returns and reducing the overall volatility of the portfolio.
- **Leverage** - An increased exposure to the performance of the S&P/ASX 200 is provided by a participation rate of between 180%-220%.
- **Performance and Protection** - The MLI offers investors a similar return to a direct investment in the S&P/ASX 200 with the peace of mind of 100% capital protection and much lower volatility.

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### Who is it suitable for?

The MLI - S&P/ASX 200 has been created with SMSF's specifically in mind, who may be looking to invest super contributions made pre July 2007 due to the following key features:

- Internal leverage through the high Participation Rate of between 180 - 220%
- The averaging feature means investors will never see a negative valuation throughout the investment term so long as they hold it until maturity and no early termination events occur
- Capital protection and lower volatility than a direct investment

The MLI - S&P/ASX 200 is also suitable for:

- Wealth accumulators looking to participate if markets continue to rise but who are concerned about volatility and capital loss
- Blending with existing actively managed exposures to Australian equities by providing a hedge against market correction and lowering portfolio volatility
- Investors without the need for income who can receive all their returns as capital

### Key Dates

Event	Date
Offer Opens	6 August 2007 at 9.00 am (Sydney time)
Offer Closes	14 September 2007 at 5:00 pm (Sydney time)
Issue Date	19 September 2007
Maturity Date	19 September 2012

If you have any questions or want to find out more please contact Citi's Structured Products team on 1300 308 982 or visit our website [www.citi.com.au/structured\\_products](http://www.citi.com.au/structured_products).

\* Capital protection only applies to investments held until the Maturity Date and provided no Early Maturity Event occurs. Capital protection is also subject to the creditworthiness of the Issuer; please refer to the PDS for further details. Acceptance of the offer of MLI Quarterly Lock-In S&P/ASX 200 Index ("MLI") can only be made on the application form contained in or accompanying the Product Disclosure Statement ("PDS") issued by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL No. 240992) (the "Issuer") and dated 16 July 2007. The PDS is available by calling 1300 308 982. Alternatively, visit <http://www.equityfirst.citigroup.com/> and download a copy of the PDS. Investors should consider the PDS in deciding whether to invest in MLI. Neither Citigroup Global Markets Australia Pty Limited nor any Citigroup entity (collectively "Citi") make any representation or warranty, express or implied, regarding the likely investment returns or the performance of the MLI; or the suitability of the MLI for any investor or for the accuracy, completeness or adequacy of information contained herein. Citi and the Red Arc Device logo are service marks of Citicorp or its affiliates used and registered throughout the world. Citi®

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