

AUSTRALIAN

RESEARCH



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Australian Managed Investments

Structured Products

Citigroup Optimiser Plus

Capital protected product offering diversified exposure to growth and income assets

Offer Overview

Citigroup Optimiser Plus (*Optimiser Plus*) will be issued by Citigroup Global Markets Australia (*Citigroup* or the *Issuer*). Optimiser Plus provides capital protected exposure, if held to maturity, to the capital growth of the best performing of three investment profiles and/or variable income, given coupon conditions are met. The level of exposure to each of these components is at the discretion of the investor, with exposure levels ranging from 100% in the capital growth component to 100% in the income component.

The return for the three investment profiles, making up the capital growth component, will be determined by the arithmetic average of the weighted returns based on four observation dates over the investment term. Return for the income component is likely to be 8% per annum, depending on the spread between the five-year and the two-year interest swap rates (the *spread*).

Optimiser Plus is structured as a deferred purchase agreement (*DPA*). At maturity, investors will redeem either the delivery asset, consisting of ASX-listed CBA shares, or the sale proceeds.

Investment View

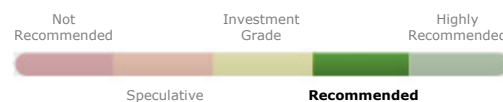
Investor Suitability

An investment in Optimiser Plus is suitable for investors seeking low-risk exposure to the capital growth of a diversified basket of assets and/or income. Investors considered suitable for an allocation to the capital growth component have low income needs. Investors considered suitable for an allocation to the income component are those seeking income and have a view that the economy is likely to slow down or stabilise. The finance facility, enabling investors to fund up to 85% of the investment, is suitable for investors who are relatively asset-poor (and unable to secure alternative lower cost finance) but relatively income rich (have the ability to service the interest payments throughout the investment term).

Recommendation

Aegis has issued Optimiser Plus a **Recommended** rating. The product provides a diversified exposure to capital growth and/or income assets. A feature of the product is that investors have the opportunity to choose their exposure levels to capital growth and income components to suit their risk/return appetite. Therefore, final returns will depend on the level of exposure to each component chosen by investors. The capital growth component is expected to generate returns similar to the market, given average market conditions; however, returns will depend on the final participation rate set for this component. The strength of the capital growth component is that the return will reflect the best performing of three diversified investment profiles. The income component provides a variable coupon, with the potential to earn both the accrual and the step-up coupons.

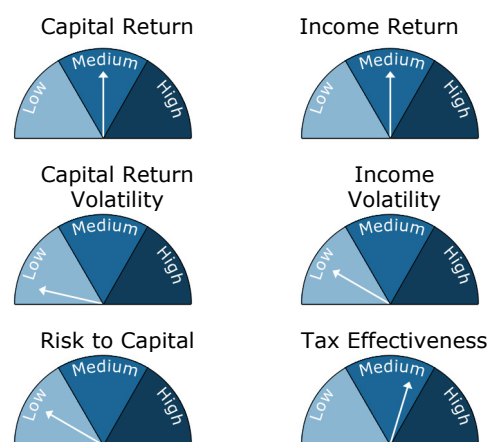
Note: This report is based on the Citigroup Optimiser Plus Final PDS, dated **30 April 2007**, together with other information provided by Citigroup Global Markets Australia Pty Ltd.



Offer Details

Offer Period	21-May-07:30-Jun-07
Listing Date	Not listed
Maturity (years)	6 July 2011 (4 years)
Min. Investment	A\$10,000
Liquidity	At Issuer's discretion
Distributions:	
■ Income Component	Quarterly
■ Growth Component	None

Risk/Return Profile



Ethical Rating 

The risk return profile assumes a 50% exposure to capital growth component and a 50% exposure to income component.

Fees (paid to advisors), incl. GST, %

Up-front	Up to 2.0
Ongoing	Up to 0.33

Note: All advisor/broker fees are paid by Citigroup.

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SWOT Summary

Strengths

- Exposure to a diversified portfolio of capital growth and/or income assets.
- The ability, of the investor, to select the level of exposure to the growth and income components enables investors to tailor the investment to suit their risk/return profiles.
- The use of the averaging mechanism mitigates market timing risk.
- Investors will have a minimum exposure of 100% to the assets in the capital growth component, with the potential exposure of up to 130% (the participation rate was 120% at the date of the PDS).

Weaknesses

- Aegis does not expect cash rates to move to a level that will lead to the spread being above the step-up coupon trigger. Therefore, the additional step-up coupon is not expected to be distributed over the investment term.
- Lack of liquidity, with redemption prior to maturity at the discretion of the Issuer.
- The delivery parcel comprises a single banking stock (CBA), which may lead to an unfavourable balance towards the banking sector in an investor's portfolio.
- The capital growth component largely comprises price indices as opposed to total return indices. As a result, investors forego the dividend yield that would have been realised with a direct investment in the market and capital growth will be adversely affected should the dividend yield of the underlying indices increase.

Opportunities

- Investors have the opportunity to benefit from regular income, given coupon conditions are met, and/or the best performing of three diversified investment profiles.
- The use of the averaging technique to calculate the final return of the capital growth component of Optimiser Plus may result in the component outperforming a direct investment in the market, if markets experience a downturn in the latter years of the investment term.

Threats

- The use of the averaging technique to calculate the final return of the capital growth component of Optimiser Plus may result in the component underperforming a direct investment in the market, if markets experience continual growth over the investment term.
- The spread may narrow beyond -17.5bps over the investment term in which case investors, exposed to the income component, would receive a reduced or no coupon for the period.

Product Fees (paid by investors)

	Product	Peer Avg.
Base Fees, % of Assets		
Up-front	4.7	4.1
Ongoing	0.0	0.2
Exit ¹	0.0	0.2
Average, p.a.	1.2	1.3

1. If sold on market, brokerage costs will be incurred.

Performance Fees

There are no performance fees.

Indirect Fees

Citigroup may make indirect profits (or losses) while hedging this product.

Fee Commentary

Estimated fees are similar to the peer average, with an annual average of 1.2%. Whilst there are no explicit fees disclosed in the PDS, the fees are inherent in the product pricing, and while Aegis makes estimates of these fees, the actual fees are not transparent, with actual fees and/or profit of the Issuer dependent on prevailing market conditions.

Fees are largely paid up-front. Whilst there are no exit fees, if investors redeem the sale proceeds at maturity, they should note that brokerage costs will be incurred if the delivery asset redeemed at maturity is sold on market.

2. Structure

Product Overview

Optimiser Plus is structured as a DPA with an investment horizon of four years. Upon investment, an investor gains exposure to the capital growth and/or income components, the level of which is at the discretion of the investor. Funds (minimum A\$10,000) are distributed between the two components, with 78% of funds allocated to the capital growth component distributed to a zero coupon bond (ZCB), to provide capital protection, and funds allocated to the income component deposited in a cash account (little to no risk to capital). Derivative contracts are entered into to generate the pay-off profiles.

Investors have the opportunity to gain varying levels of exposure to each of the components:

Capital Growth	Income
100%	0%
75%	25%
50%	50%
25%	75%
0%	100%

The capital growth component provides exposure to three investment profiles: Equities-biased, Property-biased and Commodity-biased. (Refer to Section 4 – *Investment Process* for further details.) On the issue date, the participation rate, which determines the level of exposure to the market, will be set and is expected to range between 100% and 130% (at the date of the PDS, the participation rate was 120%). At maturity, the investor redeems the weighted returns of the best performing investment profile. Returns for the investment profiles are calculated as the arithmetic average based on four annual observation dates over the investment term (7 July 2008, 6 July 2009, 6 July 2010 and 6 July 2011).

The income component provides a variable coupon, distributed on a quarterly basis, provided coupon conditions are satisfied (coupon conditions are based on the spread. Refer to Section 4 – *Investment Process* for further details). The variable coupon comprises the 'accrual' coupon and the 'step-up' coupon. The accrual coupon of up to 8% per annum will be distributed, provided the spread remains above -17.5bps (the trigger level). The coupon rate is determined by the actual number of days over the quarter (days accrued) the spread remains above the trigger level (Income Portion x 8% x Days accrued/365).

The spread as at 30 April 2007 was -4bps. At current levels, the full accrual coupon would be received; however, if the spread was to narrow a further 13.5bps to -17.5bps, the accrual coupon would be reduced, if any. In addition, investors may receive a step-up coupon of 8% per annum. The step-up coupon will be distributed if the swap rate spread is greater than 50bps at quarter end, as stipulated in the term sheet.

At maturity, investors will redeem the greater of (a) initial investment amount or (b) initial investment amount + [1+ (level of exposure to capital growth component x participation rate x capital growth return)].

Note: Total return = initial investment amount + [1+ (level of exposure to capital growth component x participation rate x capital growth return) + (level of exposure to income component x income return)].

Investors may elect to redeem the delivery parcel at maturity, consisting of an equivalent amount of shares in ASX-listed CBA or the sale proceeds by disposing of the delivery asset through the use of an agency sale agreement.

Key Exposure

Underlying Exposure:

Growth Component:

International Equities:

- EURO STOXX 50
- S&P BRIC 40
- Nikkei 225
- S&P 500

Property:

- FTSE EPRA/NAREIT Global Real Estate Index

Commodities:

- Goldman Sachs US Energy Index
- Goldman Sachs US Precious Metals Index
- Goldman Sachs US Agriculture Excess Return Index

Income Component:

- Spread between the 5-year semi-annual swap rate and the 2-year quarterly swap rate.

Currency Exposure:

None

Exit Details

Exit Facility:

Investors should view Optimiser Plus as a medium-term investment, with early redemption available at the Issuer's discretion. At maturity, investors will redeem the greater of the initial investment amount or the maturity value of the investment in the form of the delivery asset or the sale proceeds.

Liquidity:

At Issuer's discretion.

Holder Early Redemption:

If the Issuer accepts an early redemption request, the investor will redeem the fair economic value of the investment at that point in time minus any costs or expenses incurred as a result of the early redemption. Early redemption invalidates capital protection.

Issuer Early Redemption:

If an early termination event occurs, the Issuer will give 30 days' notice to investors. Investors will redeem the fair economic value of the investment minus any costs and expenses associated with the termination of the investment. Capital Protection will be invalidated if such an event occurs.

Product Leverage

Used: The degree of leverage in this product is determined by the final participation rate set at the issue date and will be no greater than 30%.

Capital Protection

Method: A ZCB is used to provide capital protection for the allocation to the capital growth component. Aegis regards ZCB as an appropriate method of capital protection, given the possibility of moderate to high volatility of the underlying assets of this component. The allocation to the income component is deposited into a cash account, therefore there is little to no risk to capital.

Conditions: Must be held to maturity.

Cost: Opportunity cost embedded in the ZCB.

Counterparty Risk: Counterparty risk lies with Citigroup, as it sources capital protection internally.

Tax

Disclaimer: Tax consequences depend on individual circumstances. Investors must seek their own taxation advice. The following comments show Aegis' expectation of tax for ordinary Australian taxpayers, but cannot be considered tax advice.

Capital gains: A capital gains tax (CGT) event is likely to occur upon sale of the delivery securities. Investors may be eligible for the 50% CGT discount upon sale of the delivery securities, if held for more than 12 months. It should be noted that redemption of the sale proceeds at maturity may result in investors being ineligible for the CGT discount.

Distributions: Treated as assessable income in the year they are earned.

Interest deductibility: Interest payments on funds borrowed for investment in Optimiser Plus may be tax deductible.

Foreign Income Fund (FIF): n/a

Legal Structure

Wrapper: Deferred purchase agreement

Custodian: None

Trustee: None

Responsible Entity: Citigroup Global Markets Australia

Offer Document: The PDS, dated 30 April 2007, has not been lodged with the Australian Securities Investment Commission (ASIC) and is not required by the *Corporations Act* 2001 to be lodged with ASIC.

Returns

Capital vs. Income: The portion of capital return versus income return is dependent on the level of exposure the investor chooses to have to the capital growth component and the income component.

Income Frequency: Coupons paid on a quarterly basis for income component.

Foreign Currency Risk: None

Investor Leverage

Available: Up to 85% of funds invested can be borrowed through Citigroup Margin Lending.

Cost (incl. Fees): 8.5%–8.8% p.a.

Recourse: None, if held to maturity.

Risks

Key Risks: Investments in structured products are subject to a range of risks, including general market risks and risks specific to the product. The PDS contains a full list of risks associated with this product. Investors should read and understand these risks before investing in the product. In our view, the key risks specific to this product are as follows:

Early Maturity Risk: Optimiser Plus may be terminated early at the request of an investor or if an early maturity event occurs.

Performance of Obligations by Issuer: The obligations of the Issuer are guaranteed by Citigroup Inc. (parent company), which is rated AA+ by Standard & Poor's.

Liquidity Risk: Optimiser Plus is not listed and there is no guaranteed ability to sell Optimiser Plus prior to maturity.

Interest Rate Risk: Fluctuations in interest rates will directly affect the value of Optimiser Plus.

Performance of Optimiser Plus: The return received from investing in Optimiser Plus may be less than or greater than the return that would have been achieved by investing directly in each of the reference assets or in a fixed income product.

Potential Conflicts of Interest: The Issuer and its affiliate companies may have material price-sensitive information relating to the securities that make up the reference assets or conduct transactions as principal and agent in various financial instruments. These trading activities may affect (positively or negatively) the value of the investment.

3. Management & Corporate Governance

Board of Directors

The directors of Citigroup are not involved directly in this product; however, they are involved in determining Citigroup's overall strategy and policies, which are reflected in Optimiser Plus.

Aegis considers the board of Citigroup to be highly experienced and to have excellent depth.

Management Team

The role of the management team of Citigroup is limited to the ongoing maintenance of the product. As the derivative structures are entered into on day one, and the ongoing maintenance of Optimiser Plus is effectively fixed, there will be very little management involvement, thus key person risk is not as much of an issue for this type of product. As such, Aegis puts more weight on the investment strategy and process.

Alignment of Interest

Aegis notes that Optimiser Plus is constructed, managed and distributed by Citigroup or its affiliated entities. These entities may receive a fee directly or indirectly for the services performed for the product.

Information Flow

Monthly performance updates on Optimiser Plus will be made available on Citigroup's website (www.citiwarrants.com.au).

At least 20 days prior to maturity, a maturity notice will be issued, providing investors the opportunity to elect to redeem the delivery asset or the sale proceeds. If investors neglect to complete and return the maturity notice by the maturity date, they will be issued with the delivery asset by default.

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4. Investment Process

Research Process

The rationale behind Optimiser Plus was to offer investors a capital protected product that provides exposure to the capital growth of the best performing of a range of diversified investment profiles and/or income. The product was designed to facilitate investment for those who do not have a view on the performance of any particular asset class offering diversification across growth and income assets. The structure allows investors to choose a mix of growth and income exposure to match their individual risk/return preferences.

Income Component

The income component of Optimiser Plus is dependent on the spread between the five-year semi-annual and the two-year quarterly interest swap rates, as determined by the Australian Financial Markets Association (AFMA). The five-year and the two-year interest swap rates are sourced from the yield curve and are based on 'mid' swap spreads against AUD bond futures prices/rates quoted by 11 contributing banks each morning.

Capital Growth Component

The capital growth component is determined from the best performing of three investment profiles. The investment profiles comprise the same underlying assets; however, the weighting towards each of the asset classes differs. The three investment profiles are as given below:

	Equities	Property	Commodities
Equities-biased	60%	20%	20%
Property-biased	20%	60%	20%
Commodities-biased	20%	20%	60%

The three profiles provide equally weighted exposure to the following underlying assets:

Equities	Property	Commodities
Euro Stoxx 50 Index	FTSE EPRA/NAREIT Global Real Estate Index	Goldman Sachs US Energy Index
S&P BRIC 40 Index		Goldman Sachs US Precious Metals Index
Nikkei 225 Index		Goldman Sachs US Agricultural Excess Return Index
S&P 500 Index		

Aegis considers the research undertaken by Citigroup to be comprehensive and the product to be structured such as to benefit investors.

Risk Management

The inherent risk in Optimiser Plus stems from market risk, specifically the volatility of share price movements, interest rate movements, commodity prices, property movements and movements in interest swap rates. The product construction methodology for Optimiser Plus lowers the relative market risk by including a broad range of assets diversified by geography and asset class and through the use of the averaging mechanism.

On the basis of the information provided, Aegis understands that Optimiser Plus has been reviewed and approved by Citigroup's internal business units and is comfortable with the risk management and sign-off processes in place.

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5. Performance Analytics

The key outcomes of the performance analytics include the following:

- The performance of Optimiser Plus will depend on the level of exposure investors choose to have to each of the components, which is primarily driven by the risk/return appetite of the investor.
- In relation to the capital growth component, the expected risk/return profile of Optimiser Plus looks to be relatively attractive compared with that of a direct investment in the market, given average market conditions, with the product expected to generate similar returns to those of the market, represented by a balanced portfolio of the underlying indices, with a lower volatility.
- The income component is expected to remain above the accrual coupon trigger level to achieve the 8% per annum accrual coupon; however, the step-up trigger is not expected to be reached and therefore, the step-up coupon of 8% per annum is unlikely to be distributed throughout the investment term.
- Returns received by investors will depend on the level of exposure to each of the components and the market conditions over the investment term. As discussed above, the income component is expected to generate coupons of 8% per annum. Therefore, an investor fully exposed to the income component can expect to generate returns of 8% per annum, given the spread remains above -17.5bps. In poor market conditions, investors benefit from a greater exposure to the income component. In good market conditions, investors benefit from a greater exposure to the capital growth component, as illustrated in Figure 5 below.

Asset Class Returns

Capital Growth Component

The investment profiles making up the capital growth component of Optimiser Plus have performed similarly over the past five years; however, performance has varied over shorter periods. Each of the profiles has underperformed domestic property and equities over the past five years; however, they have performed in line with international equities over a five-year period. The volatility of each of the profiles is broadly similar to that of equity markets.

Figure 1. Historical Performance of Capital Growth Component

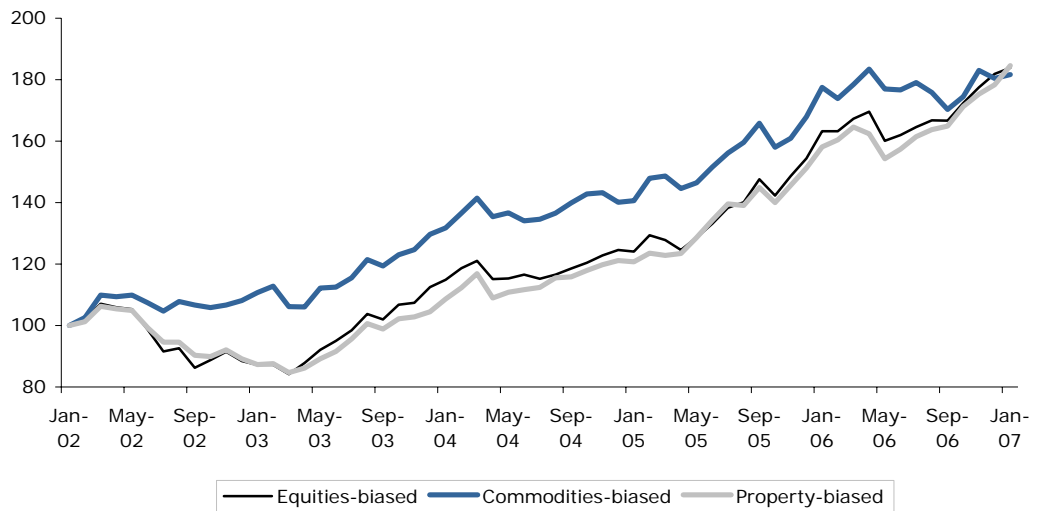
Indices	Return, % p.a.			Risk	
	1 Yr	3 Yr	5 Yr	Std. Dev., %	Sharpe Ratio
Equities-biased Profile	9.7	14.9	11.4	10.9	0.5
Commodities-biased Profile	2.1	8.8	10.6	9.6	0.5
Property-biased Profile	11.4	16.2	11.5	9.9	0.6
Cash	6.4	6.0	5.6	0.2	0.0
Aust. Property	28.4	22.0	18.7	8.7	1.5
Aust. Equities	21.8	25.9	16.7	9.3	1.2
Intl. Equities	15.5	14.9	10.6	12.3	0.4

Source: Bloomberg/Aegis Equities Research

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The investment profiles have experienced strong positive performance over the past five years, as illustrated in Figure 2 below.

Figure 2. Historical Performance of Investment Profiles



Source: Bloomberg/Aegis Equities Research

The profiles have strong positive correlations with each other, which suggests that a positive/negative market performance will flow through to benefit/adversely affect each of the profiles. The profiles have moderate to strong correlation with equities, both domestic and international, and low correlations with property.

Figure 3. Five-year Correlation of Capital Growth Component

	Equities-biased Profile	Commodities-biased Profile	Property-biased Profile	Cash	Aust. Property	Aust. Equities	Intl. Equities
Equities-biased Profile	1.0						
Commodities-biased Profile	0.7	1.0					
Property-biased Profile	0.9	0.7	1.0				
Cash	0.1	-0.1	0.2	1.0			
Aust. Property	0.2	0.1	0.3	0.2	1.0		
Aust. Equities	0.7	0.4	0.6	0.2	0.3	1.0	
Intl. Equities	0.9	0.4	0.7	0.1	0.2	0.7	1.0

Source: Bloomberg/Aegis Equities Research

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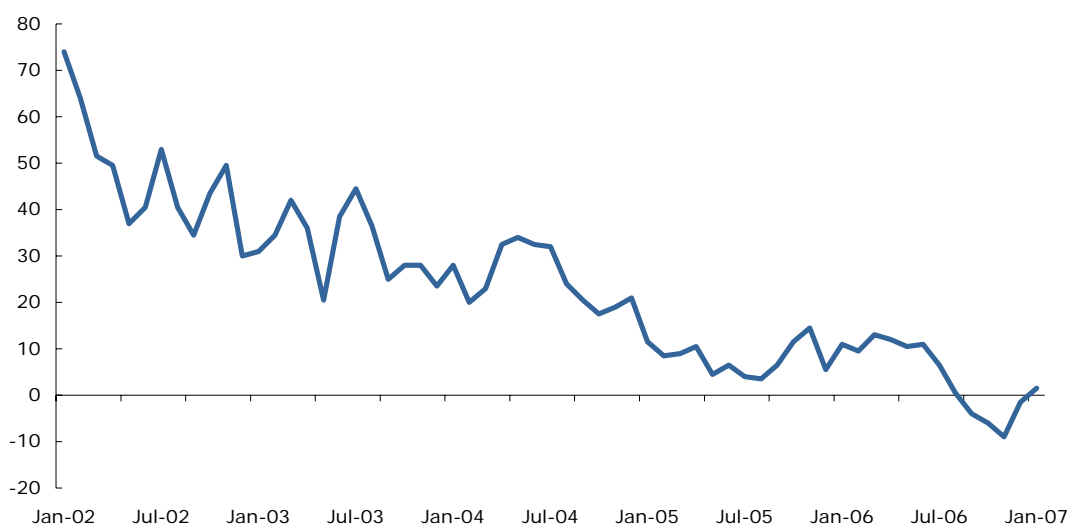
Income Component

The following analysis is based on data provided by the Issuer, the accuracy of which has not been verified by Aegis.

The spread has trended downward (narrowed) over the past 10 years, as illustrated in Figure 4 below, with the spread being -4bps as at 30 April 2007. The spread is sourced from the yield curve. The negative spread in recent periods is largely due to increasing cash rates and the yield curve becoming inverted. The curve is expected to further invert as a result of an expected interest rate rise later in the year; however, the Issuer does not expect the yield curve to invert to the extent that the spread hits the accrual trigger level. The issuer believes this situation is likely to occur only if the cash rate rises to 7.25% or above. It should be noted that (a) the cash rate may rise above 7.25% over the investment term; and (b) the spread may be influenced by general economic factors other than an increase or a decrease in the short-term cash rate. Over the past 10 years, at no stage has the spread hit the accrual trigger level of -17.5bps, meaning that the 8% per annum accrual coupon would have been achieved on all occasions over this period.

Over the past 10 years, the step-up trigger level was reached in 38 out of 120 months (January 1997 to January 2007). However, the trigger level was reached only on four occasions over the five-year period from January 2002 to January 2007.

Figure 4. Historical Swap Rate Spread



Source: Citigroup/Aegis Equities Research

Expected/Simulated Returns

The expected returns of Optimiser Plus are heavily dependent on the exposure composition chosen by the investor. As a result, Aegis analysed the expected/simulated returns of the two components separately to determine the effect of varying exposure levels.

Capital Growth Component

To evaluate the return of the capital growth component of Optimiser Plus, Aegis built a Monte Carlo model that assesses the likelihood of various outcomes.

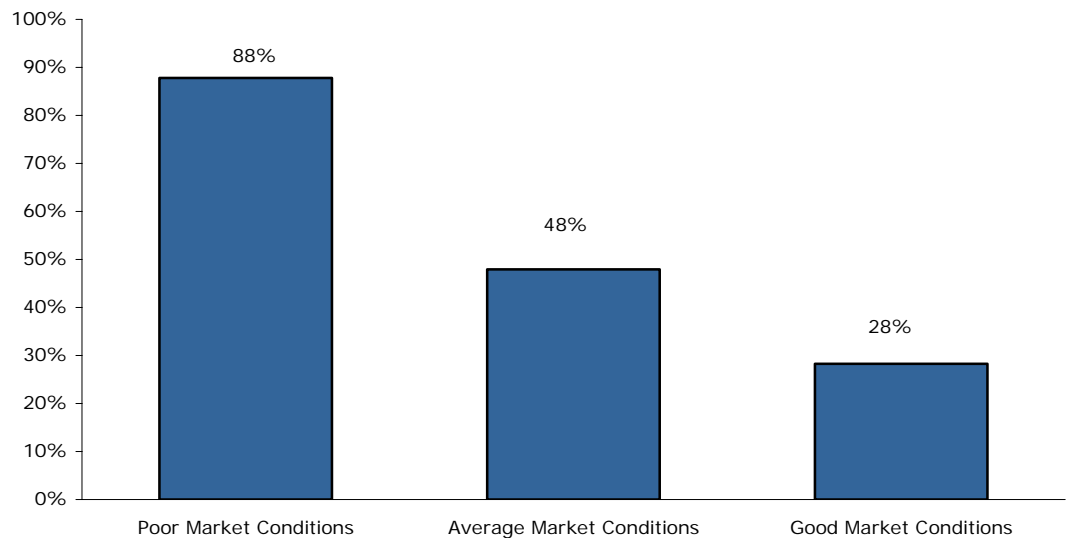
We compared the return generated by Optimiser Plus with that of a composite benchmark, comprising an equally weighted portfolio of the underlying indices, given average, poor and good market conditions. The risk/return trade-off appears attractive.

We found that in average market conditions and at a participation rate of 120%, Optimiser Plus is likely to generate similar returns to those of the market (approximately 7.5%) but with a lower volatility. In average market conditions, Optimiser Plus is expected to outperform the market 48% of the time. Varying participation rates change the outcomes slightly. A participation rate of 100% generates returns approximately 1% lower than those of the market and a participation rate of 130% generates returns approximately 0.5% higher than those of the market. In all circumstances, Optimiser Plus displays a lower volatility than that of the market.

Given poor market conditions, Optimiser Plus looked considerably better than an investment in the market, outperforming the market 88% of the time, displaying returns 3% higher with a significantly lower volatility. The out-performance can largely be attributed to the capital protection mechanism used.

Given good market conditions, we found that Optimiser Plus underperformed an investment in the market, generating returns 1%–1.5% below the market. This under-performance can primarily be attributed to the allocation of funds to provide capital protection and the averaging mechanism used to mitigate market timing risk.

Figure 5. Optimiser Plus' Out-performance of the Market



Source: Aegis Equities Research

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Income Component

As mentioned above, the spread has narrowed largely due to increasing cash rates. The Issuer anticipates that the accrual coupon trigger (-17.5bps) will likely be reached if the yield curve continues to invert as a result of the cash rate increasing to 7.25% or above. Therefore, in the Issuer's view, to receive the 8% per annum accrual coupon, the cash rate is required to remain below 7.25%. Given the current economic environment, the Issuer expects to see a rise in the cash rate in the near future; however, it does not expect the cash rate to rise to 7.25% or above over the investment term. However, it should be noted that the cash rate may rise above this threshold over the investment term and the spread may narrow to a level beyond the trigger level due to general economic factors other than an increase or a decrease in the short-term cash rate, resulting in investors receiving a reduced or no accrual coupon for the period.

The step-up accrual coupon is the second component of the variable coupon. The step-up coupon of 8% per annum will be received if the spread is greater than 50bps at the quarter end (distribution date). As noted above, over the past five years, the step-up trigger was achieved in only 4 out of 60 months. For the step-up coupon trigger to be realised, the cash rate would be required to fall to 4.75% or below. The economy may slow and the cash rate may fall to this level or below in which case investors would receive the step-up coupon, however this is not expected to happen over the investment term. Therefore, investors are likely to receive only the accrual coupon and therefore a maximum of 8% per annum from an investment in the income component.

Returns Given Varying Levels of Exposure

Returns received by investors will depend on the level of exposure to each of the components and the market conditions over the investment term. The income component is expected to generate coupons of 8% per annum. The return generated by the capital growth component is dependent on the prevailing market conditions over the investment term.

Figure 6. Potential Returns of Optimiser Plus

Component	Returns, p.a. (%)		
	Poor Market Conditions	Average Market Conditions	Strong Market Conditions
Capital Growth Component	2.0	7.5	11.2
Income Component	8.0	8.0	8.0
Total Return*	2.0–8.0	7.5–8.0	8.0–11.2

* Total return displays the range of returns that may be generated given the varying exposure levels to each of the components.

Source: Aegis Equities Research

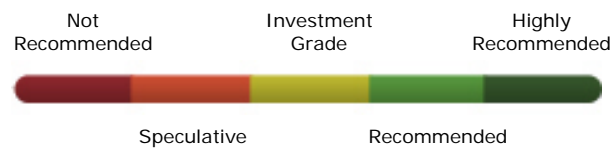
Appendix – Ratings Process

Aegis has developed a framework for rating investment product offerings in Australia. Our review process gives consideration to a broad number of qualitative and quantitative factors.

Essentially, the evaluation process includes the following key factors: product management and underlying portfolio construction; investment management, product structure, risk management, experience and performance; fees, risks and likely outcomes.

The Ratings

Our rating is based on the following scale:



Highly Recommended: indicates that Aegis believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and scored exceptionally in a number of categories. It has an attractive risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors.

Recommended: indicates that Aegis believes this is an above average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above average risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors.

Investment Grade: indicates that Aegis believes this is a suitable product that has met the aggregate requirements of our review process across a number of key evaluation parameters. The product may provide unique diversification opportunities, but may not stand apart from its peers. It has an acceptable risk/return trade-off; however, we caution that the risk/return trade-off will not be suitable for all investors. In the previous five category rating system, this category was termed 'Approved'.

Speculative: indicates that Aegis believes this is a product that has a number of positive attributes; however, there are a number of risks that make investing in this product a speculative proposal. While Aegis does not rule out investing in this product, investors should be very aware of, and be comfortable with, the specific risks. The product may provide unique diversification opportunities; however, concerns over one or more features means that it may not be suitable for most investors.

Not Recommended: indicates that Aegis believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. However, this does not mean that the product is without merit.

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 offer of the securities is made in the Product Disclosure Statement (PDS), and anyone wishing to acquire the securities should complete the application form in the PDS.

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