

# Orb International Enhanced Income - YIELDS2 Summary

Update as of: 29 July 2005

Issue Date: 6 December 2004

Maturity Date: 6 December 2010



## YIELDS2 Return Summary (net of fees)

	3 Month	6 Month	6-Dec-04 (Commencement)
ASX Last Traded Price at beginning of Period	\$8.94	\$9.30	\$9.64
ASX Last Traded Price at end of Period	\$9.50	\$9.50	\$9.50
Income Received during the period (ex)	\$0.1903	\$0.3924	\$0.5593
Total return during the period	8.39%	6.37%	4.35%
Cumulative Distribution (a)	2.13%	4.22%	5.80%
Cumulative Annualised Distribution (b)	8.51% p.a.	8.44% p.a.	7.74% p.a.

(a) This represents the Cumulative Distribution over the relevant period. It is Income generated over the period as a percentage of the ASX Last Traded Price at the beginning of the period.

(b) This represents the Annualised Cumulative Distribution over the relevant period. It is the Cumulative Distribution divided by the number of quarters in the relevant period multiplied by 4.

For definitions (i) to (vii) please refer to the footnotes on the following page.

## YIELDS2

YIELDS2 offer the potential for quarterly income and capital appreciation through exposure to a selection of high yielding large cap equities, selected from the Dow Jones Global Titans 50SM (DJGT) Index. YIELDS are linked to a Dynamic Portfolio, which provides exposure to a combination of the proprietary Income Plus Trading Strategy and the Bond Portfolio (BP), a synthetic zero coupon bond portfolio. The income generated by YIELDS2 is among other things a function of the allocation to the Strategy. YIELDS2 are 100% capital protected at maturity.

### Exposure Data

	29-Jul-05	30-Jun-05	31-May-05	29-Apr-05	31-Mar-05	28-Feb-05	31-Jan-05
Allocation to Strategy	100%	100%	100%	100%	100%	100%	100%
Dynamic Portfolio Reference (vi)	<b>\$9.32</b>	<b>\$9.34</b>	<b>\$9.32</b>	<b>\$9.04</b>	<b>\$9.47</b>	<b>\$9.40</b>	<b>\$9.34</b>
Uplverage/Deleverage Event	No	No	No	No	No	No	No
Gap Measure (vii)	17%	17%	17%	16%	21%	20%	19%

### Performance Data

ASX Last Traded Price	<b>\$9.50</b>	<b>\$9.23</b>	<b>\$9.25</b>	<b>\$8.94</b>	<b>\$9.30</b>	<b>\$9.41</b>	<b>\$9.30</b>
ASX Bid Price (i)	\$9.20	\$9.28	\$9.21	\$8.95	\$9.35	\$9.38	\$9.35
YIELDS Price Return (ii)	-0.86%	0.76%	2.91%	-4.28%	-0.32%	0.32%	-5.56%
Distribution: Amount	\$0.1903			\$0.2021			\$0.1669
Ex date	13-Jul-05			13-Apr-05			13-Jan-05
Payment Date	16-Aug-05			16-May-05			16-Feb-05
YIELDS Distribution % (iii)	2.05%			2.16%			1.69%
YIELDS Total Return (ii)	1.19%	0.76%	2.91%	-2.12%	-0.32%	0.32%	-3.87%

### Market Data

AUD vs USD	0.7600	0.7600	0.7600	0.7800	0.7700	0.7900	0.7700
AUD Interest Rate to maturity	5.50%	5.50%	5.50%	5.70%	6.00%	5.90%	5.70%

The Income Plus Strategy is based on a proprietary trading model that seeks to offer income and the potential for capital appreciation through exposure to global equity markets. Each year, the Strategy selects a portfolio of 30 high yielding stocks from the Dow Jones Global Titans 50SM (DJGT) Index. Further yield enhancement is achieved by writing quarterly covered call options on each of the stocks within the Strategy.

### AUD Income Plus Strategy Performance (c)

	29-Jul-05	30-Jun-05	31-May-05	29-Apr-05	31-Mar-05	28-Feb-05	31-Jan-05
AUD Strategy Price Return	-0.09%	0.45%	3.24%	-4.31%	0.87%	0.82%	-4.06%
AUD Strategy Yield	2.04%			2.14%			1.71%
AUD strategy Total Return	1.94%	0.45%	3.24%	-2.18%	0.87%	0.82%	-2.34%
AUD DJGT Price Return	2.41%	-1.32%	4.46%	-1.97%	-0.37%	1.11%	-1.88%

(c) Return figures are calculated as a % change over the period, include income distributed by the Strategy and assume no reinvestment over life. (N.B. The % coupon paid on YIELDS2 is not the same as the % income distributed by the Strategy as the coupon is among other things a function of the allocation to the Strategy). Yield is based on value of Strategy as of beginning of period.

# Orb International Enhanced Income – YIELDS2

Update as of: 29<sup>th</sup> July 2005

Issue Date: 6<sup>th</sup> December 2004

Maturity Date: 6<sup>th</sup> December 2010



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## Overview

YIELDS II Value	29 Jul 05	30 Dec 04	6 Dec 04
ASX Bid Price (i)	9.20	9.90	9.64
ASX Last Traded Price	9.50	9.97	na

Performance Summary	MoM	Year to date	Since Dec 04
YIELDS2 Total Return (ii)	1.19%	-1.42%	1.24%
YIELDS2 Price Return (ii)	-0.86%	-7.07%	-4.56%
YIELDS2 Distribution % (iii)	2.05%	5.65%	5.80%
AUD Distrib collected to date (iv)	0.11 (est)	0.56 (paid)	0.56 (paid)

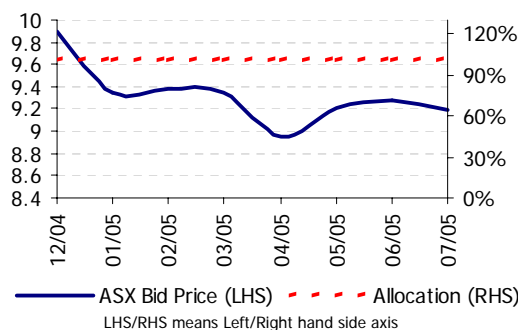
Market Data	MoM	Year to date	Since Dec 04
AUD DJGT Price Return (ii)	2.41%	2.29%	3.74%
AUD Strategy Total Return (ii)	1.94%	2.50%	3.86%

Market Data (cont)	29 Jul 05	30 Dec 04	6 Dec 04
AUD vs. USD	0.76	0.78	0.78
AUD Interest Rate to Maturity	5.5%	5.6%	5.5%

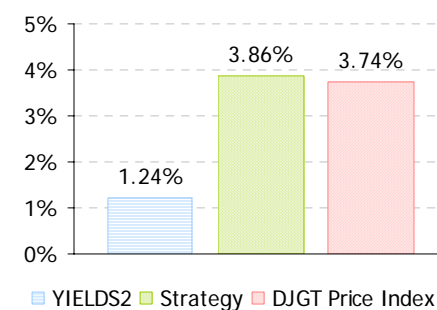
Performance Attribution (v)	29 Jul 05	30 Jun 05	31 May 05
Citigroup Bid Price	9.17	9.20	9.17
Strategy Monthly Change in AUD	-0.03	0.03	0.28
BP Monthly Change in AUD	0.00	0.00	0.00
<b>Bid Price Change in AUD</b>	<b>-0.03</b>	0.03	0.28

Dynamic Exposure Data	29 Jul 05	30 Jun 05	6 Dec 04
Dynamic Portfolio Reference (vi)	9.32	9.34	9.64
Allocation to Strategy	100%	100%	100%
Uplverage/Deleverage Event	No	No	No
Gap Measure (% of the Note Value) (vii)	17%	17%	22%

## Value and Allocation

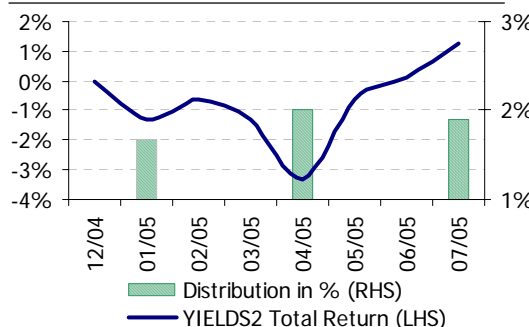


## Total Return since Issue Date (ii)

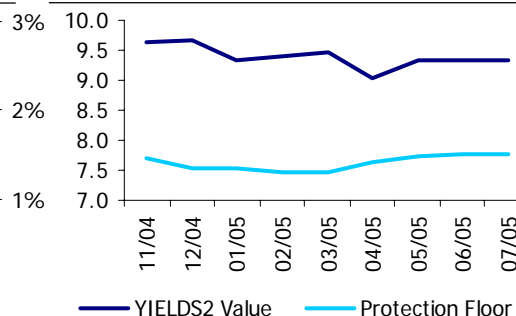


Past performance is not a reliable guide to future results.

## Total Return and Distribution paid since Issue Date (ii)



## Gap History (vii)



(i) Bid Price is the ASX market bid price of YIELDS2 (ASX code: YLDS02) as at the respective month end. This price reflects the highest market bid in the security as at the close of trading. In the event of no higher bids this price may represent Citigroup's market bid price for YIELDS2. On the Issue Date the initial value of YIELDS2 was AUD 9.64 per unit. (ii) Price return and total return since Issue Date are calculated as a % change in price versus the YIELDS2 Value at the beginning of the reference period net of any upfront fee and and other ongoing fees. Total return figures include distribution paid and assume no reinvestment over life. (iii) YIELDS2 Distribution % is calculated as the total distribution declared per unit during the period as a % of the YIELDS2 ASX bid price at the beginning of the period. % figures are not annualised. (iv) This is the AUD amount collected to date per YIELDS2 unit for the next quarterly distribution. This amount is an estimate as of month end, based on available information at the time and assumes the current allocation remaining constant. It is for indication only and may be subject to change. (v) Strategy and BP monthly change are estimates and are calculated using beginning and end of month Citigroup bid prices and allocations to the Strategy. (vi) The Dynamic Portfolio Reference level is the indicative value of the Net Portfolio Unit NAV as at the respective month end and has been derived from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions. It is for indicative purposes only and subject change. (vii) If the Gap measure rises above 25% (of the YIELDS2 Value), an "up-leverage" event will occur; a fall of the Gap measure below 15% would lead to a "de-leverage" event. MoM means month on month change.

Figures are calculated using month end data. Charts are based on month end data.

Source: Bloomberg (DJGT Index and exchange rates) and Citigroup Global Markets Limited.



# AUD Income Plus Strategy Performance

Update as of: 29<sup>th</sup> July 2005



The Income Plus Strategy is based on a proprietary trading model that seeks to offer income and the potential for capital appreciation through exposure to global equity markets. Each year, the Strategy selects a portfolio of 30 high yielding stocks from the Dow Jones Global Titans 50<sup>SM</sup> (DJGT) Index. Further yield enhancement is achieved by writing quarterly covered call options on each of the stocks within the Strategy. The call option overwriting is intended to help the Strategy outperform a direct investment in the underlying portfolio of stocks in all but strong bull market scenarios.

## Performance Table<sup>(1)</sup>

Performance Table	MoM	Year to date	Since Jul 03
AUD Strategy Price Return	<b>-0.09%</b>	-3.27%	-6.31%
AUD Strategy Total Return	<b>1.94%</b>	2.50%	11.63%
AUD Strategy Yield	<b>2.04%</b>	5.77%	17.94%
AUD DJGT Price Return	<b>2.41%</b>	2.29%	4.09%

On 12 July 2005, the Strategy had its second annual rebalance. A new stock portfolio was selected following the methodology based on the highest dividend yield ranking. The new portfolio has greater exposure to Telecom and Healthcare and reduced exposure to Energy and Financial sectors. Consumer cyclical exposure was reduced to zero. Following the income that was distributed for this quarter, the overall month-on-month price performance of the Strategy was -0.09%. Including income paid, the month-on-month total return in July was 1.94%, slightly underperforming the DJGT Index. Exposure to USD stocks increased (38% to 51%) while that to EUR and GBP stocks decreased (22% to 16% and 36% to 29%) respectively. CHF exposure remained at 4%.

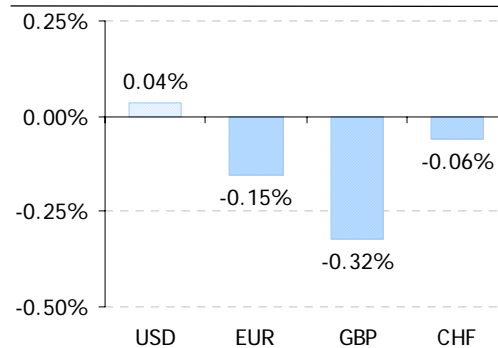
Up to 12 July the sector performance measured in local currency was 1.8%. From 12 July onwards, the positive performance continued in the largest sectors with an overall net effect of 0.7%. The EUR, GBP and CHF weakened vs. the AUD while USD strengthened slightly. This resulted in a negative effect of -0.50% from currencies in the second half of July.

## Top Ten Holdings<sup>(4)</sup>

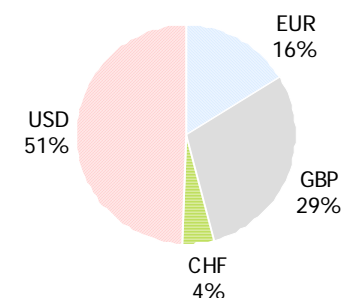
Company	Sector	Currency	Country
Barclays	Financial	GBP	UK
HBOS	Financial	GBP	UK
HSBC Holdings	Financial	GBP	UK
ING Groep	Financial	EUR	NL
Altria Group	Consumer Noncyclical	USD	US
Merck & Co.	Consumer Noncyclical	USD	US
Royal Bank of Scotland	Financial	GBP	UK
Royal Dutch Shell	Energy	EUR	UK
SBC Communications	Telecommunications	USD	US
Verizon Communications	Telecommunications	USD	US

(1) Return figures are calculated as a % change over the period, include income distributed by the Strategy and assume no reinvestment over life. (N.B. The % coupon paid on the Note is not the same as the % income distributed by the Strategy as the coupon is among other things a function of the allocation to the Strategy). Yield is based on value of Strategy as of beginning of period. (2) Percentage change of each currency holdings within Strategy versus AUD over the past month, using currency weightings as of end of month. (3) Breakdown as of beginning of month using live weights and prevailing exchange rates and showing the exposure of the Strategy holding to the currencies listed. (4) Top ten holdings shown alphabetically as of last rebalancing (5) Price performance showing sector returns as measured in the stocks' respective local currencies over the past month, using live weights as of beginning of month. (6) Breakdown as of beginning of month using live weights reflecting the relative value of each stock/sector as of that time in percentage of the value of the total Strategy holding.

## MoM Currency Impact within Strategy<sup>(2)</sup>



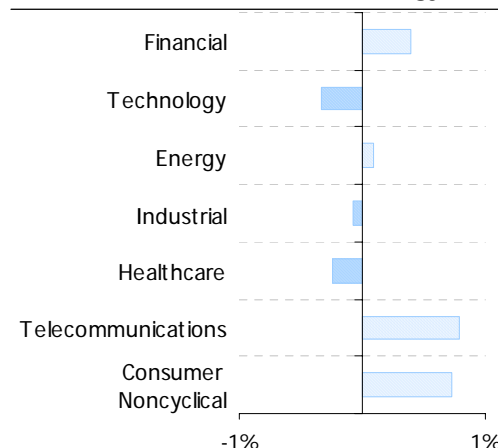
## Currency Distribution<sup>(3)</sup>



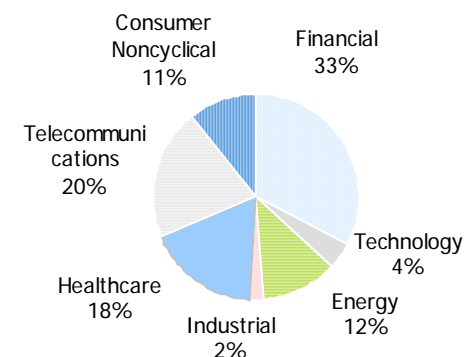
Past performance is not a reliable guide to future results.

Note: Due to the annual rebalancing of the Strategy Portfolio in July the currency impact and sector returns displayed in the charts are from 12 July – 29 July 2005. Currency and sector distributions are as of 29 July 2005.

## MoM Sector Returns within Strategy<sup>(5)</sup>



## Sector Distribution<sup>(6)</sup>



MoM means month on month change. All figures are calculated using month end data unless otherwise stated. Source: Bloomberg (DJGT Index and exchange rates) and Citigroup Global Markets Limited



## Disclaimer

Update as of: 29<sup>th</sup> July 2005



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