



WARRANTS | NOTES | DEFERRED PURCHASE AGREEMENTS

## Market Linked Investment

Product Disclosure Statement – 17 August 2010

MLI Income Switch

Deferred Purchase Agreement

- AUD MLI 2010 – 15

- USD MLI 2010 – 15

# Important information about the Market Linked Investment

**Product Disclosure Statement:** This product disclosure statement ("PDS") is dated 17 August 2010 and has been prepared by the Issuer. This PDS has not been lodged with the Australian Securities and Investments Commission ("ASIC") and is not required by the Corporations Act to be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS.

**Purpose:** The Market Linked Investment ("MLI") is issued by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) Australian Financial Services Licence ("AFSL") number 240992 ("Citi", "Issuer", "we" or "us"), a participant of ASX Group. The MLI is an agreement between the Investor and the Issuer governed by the terms set out in the terms and conditions ("Terms") which are contained in Section 10 of this PDS. It is important that Investors and potential Investors read the Terms in full as these set out the Investor's rights and obligations in relation to the MLI.

**Capitalised terms:** Capitalised words used in this PDS have the meaning given to them in clause 15 of the Terms, unless the context requires otherwise.

**Disclaimer:** The MLI and any securities recommended, offered, or sold by the Issuer: (i) are not insured or guaranteed by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations or liabilities of any insured depository institution (including Citibank, N.A.); and (iii) are subject to investment risks, including the possible loss of income and the principal amount invested in the event of Early Maturity and possible delays in repayment. The MLI does not represent a deposit or other liability of Citigroup Pty Limited or Citibank, N.A. (Sydney Branch) and these entities do not stand in any way behind the capital value and/or performance of the MLI, or assets held by the Issuer, except as specified in the PDS, nor are these entities issuers of the MLI. The Issuer is not subject to regulatory supervision by APRA.

**Variation of times and dates:** The Issuer reserves the right to vary the dates and times associated with the offer. This means that the Issuer has the discretion to extend or reduce the length of the offer period by changing any of the relevant dates in the Issuer's absolute discretion. The Issuer may exercise its rights where, for example, the demand for the MLI has been very high and a significant number of customers have requested that the period be extended. However, in exercising its discretion, the Issuer would act reasonably and would not leave the offer period open for an extensive period having regard to standard market practice. The Issuer may also vary the Maturity Date if an Early Maturity Event occurs or if an Investor requests Early Maturity and that request is accepted by the Issuer. The term "Early Maturity Event" is defined in clause 4.1 of Section 10 of this PDS. The risks associated with Early Maturity are more fully discussed in Section 4 of this PDS.

**Investment decisions:** It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by the Issuer, or any associate of the Issuer or any other person concerning an investment in the MLI, the Delivery Assets or any other financial product. Readers should not rely on this PDS as the sole or principal basis of a decision to invest in the MLI, Delivery Assets or any other financial product and should seek independent financial, legal and taxation advice before making a decision whether to invest. No person is authorised by the Issuer to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this

PDS must not be relied upon as having been authorised by, or on behalf of, the Issuer. Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of the MLI or the Delivery Assets.

**Jurisdiction and selling restrictions:** This PDS is not an offer or invitation in relation to the MLI in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of those places where it is received. Persons into whose possession this document comes should seek advice on and observe those restrictions. The MLI is not available to US persons. Failure to comply with relevant restrictions may violate those laws of the places where the PDS is received.

**Updates relating to this PDS:** The Issuer may make available updated information relating to this PDS. Investors may access this information at [www.citifirst.com.au](http://www.citifirst.com.au) or, alternatively, may request a paper copy of this information free of charge from their licensed financial adviser or by contacting the Issuer on 1300 30 70 70. The information which the Issuer will make available by way of these updates is subject to change from time to time and will not be information which is materially adverse to Investors. It is recommended that you review any such additional material before making a decision whether to acquire the MLI. If there is any material adverse change, a supplementary product disclosure statement will be issued.

**Electronic copies:** This PDS is available on the internet at [www.citifirst.com.au](http://www.citifirst.com.au). Any person receiving this PDS electronically should note that Applications can only be accepted if the Issuer receives an original, completed Application Form which accompanied the electronic or paper copy of this PDS. A paper copy of this PDS (with attached Application Form) will be sent by the Issuer to any person who requests one, free of charge. To obtain a paper copy free of charge, please call 1300 30 70 70. Alternatively, the operator of your master trust or wrap account service will be able to provide you with paper copies free of charge.

**Cooling off:** Please note that no cooling off rights apply in respect of a purchase of the MLI.

**Social or ethical considerations:** The MLI does not take into account labour standards or environmental, social or ethical standards.

**Nature of Units:** Please note that references to a "Unit" throughout this PDS mean an investment in the MLI of an amount equal to the Issue Price. It is not a unit in a managed investment scheme. The MLI is an agreement between the Investor and Issuer under which the Investor agrees to purchase the Delivery Parcel from the Issuer on a deferred basis governed by the Terms.

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## Part 1 – What is the MLI?

# Key Dates

Event	Date	
<b>Initial Offer Opening Date:</b>	17 August 2010 at 9:00 am (Sydney time)	
<b>Initial Offer Closing Date:</b>	1 September 2010 at 5:00 pm (Sydney time)	
<b>Issue Date:</b>	7 September 2010	
<b>General Offer Period:</b>	8 September 2010 to 24 July 2015	
<b>Interest Rate Periods:</b>	Quarterly. The first Interest Rate Period begins on the Issue Date.	
<b>Interest Payment Dates:</b>	<b>AUD Series:</b> On the first Business Day after the corresponding Interest Rate Period.	<b>USD Series:</b> On the first common Sydney, New York and London Business Day after the corresponding Interest Rate Period.
<b>Call Event Observation Dates:</b>	On the first anniversary of the Issue Date and Quarterly thereafter.	
<b>Maturity Date:</b>	7 September 2015 or earlier if a Call Event occurs.	

The key dates are indicative only and may be changed by the Issuer. All times are Sydney time, unless otherwise stated.

If you have any questions concerning the information contained in this PDS, please contact Citi on 1300 30 70 70 or email [citifirst.au@citi.com](mailto:citifirst.au@citi.com).

# Term Sheet

<b>Issuer:</b>	Citigroup Global Markets Australia Pty Limited	
<b>Guarantor:</b>	Citigroup Inc.	
<b>Reference Rates:</b>	<b>AUD Series:</b> 3 Month AUD BBSW (Reuters: .BBSW; Bloomberg: BBSW3M <Index>)	<b>USD Series:</b> 3 Month USD LIBOR (Reuters: .LIBOR; Bloomberg: US0003M <Index>)
<b>Initial Offer Opening Date:</b>	17 August 2010 at 9:00 am (Sydney time)	
<b>Initial Offer Closing Date:</b>	1 September 2010 at 5:00 pm (Sydney time)	
<b>Initial Offer Period:</b>	<p>The 'Initial Offer Period' is the period during which Investors can invest in the MLI before the Issue Date.</p> <p>The Initial Offer Period opens on the Initial Offer Opening Date and expires on the Initial Offer Closing Date.</p> <p>During the Initial Offer Period, Units will be issued at the Issue Price.</p>	
<b>Issue Date:</b>	<b>AUD Series:</b> 7 September 2010	<b>USD Series:</b> 7 September 2010
<b>General Offer Period:</b>	<p>The 'General Offer Period' is the period during which Investors can invest in the MLI after the Issue Date. Any such Investment will be for the balance of the relevant Term so that it expires on the same Maturity Date as all other Investments.</p> <p>The General Offer Period is <b>8 September 2010 to 24 July 2015</b>.</p> <p>During the General Offer Period, Units will be issued at the Purchase Price. Note that the Purchase Price may not be the same as the Issue Price. Also, during the General Offer Period, Applications will be processed on a weekly basis or such other timing determined by the Issuer in its discretion. Please contact Citi to obtain the details for the processing of Applications during the General Offer Period.</p> <p>The General Offer Period may include dates where Citigroup Inc. may have earnings releases and potential corporate actions that may adversely affect the credit quality of the MLI. By investing in the MLI, the Investor acknowledges the above. For more details, please refer to Section 3 of this PDS.</p>	
<b>Maturity Date:</b>	<b>AUD Series:</b> 7 September 2015 or the date on which a Call Event occurs.	<b>USD Series:</b> 7 September 2015 or the date on which a Call Event occurs.
<b>Term:</b>	<b>AUD Series:</b> 5 years	<b>USD Series:</b> 5 years
<b>Denomination:</b>	<b>AUD Series:</b> Australian dollars	<b>USD Series:</b> United States dollars
<b>Investment:</b>	The MLI which is an agreement between the Investor and the Issuer governed by the Terms	
<b>Issue Price:</b>	<b>AUD Series:</b> AUD 1.00 per Unit	<b>USD Series:</b> USD 1.00 per Unit
<b>Purchase Price:</b>	<p>The 'Purchase Price' is the market price of Units determined by the Issuer at the time of the issue of Units on the Purchase Date. Note that the Purchase Price may not be the same as the Issue Price.</p> <p>The prevailing Purchase Price before the Purchase Date will be available from the Issuer or your licensed financial adviser. Potential Investors should not make an investment decision without considering the prevailing Purchase Price.</p>	
<b>Purchase Date:</b>	The 'Purchase Date' is a date in any given week during the General Offer Period in which the Issuer receives cleared funds from the Investor and on which the Issuer issues Units.	
<b>Minimum Investment Amount:</b>	<b>AUD Series:</b> AUD 100,000 and multiples of AUD 1,000 thereafter	<b>USD Series:</b> USD 100,000 and multiples of USD 1,000 thereafter
<b>Capital Protection *:</b>	The value of each Unit on the Maturity Date will be no less than the Issue Price (subject to certain restrictions as described in Section 4)*. Investors should note that if they are applying for the MLI during the General Offer Period, Capital Protection applies only to the Issue Price, which may not equal the Purchase Price.	
<b>Call Event:</b>	<p>The Issuer has the right, at the Issuer's absolute discretion, to declare a Call Event on any Call Event Observation Date. If a Call Event occurs on any Call Event Observation Date, the Maturity Date will be deemed to be the Call Event Observation Date on which the Call Event occurs. The Final Value per Unit on the Maturity Date will be equal to the "Final Value per Unit" specified below.</p> <p>Please refer to the section "How does a Call Event work?" in Section 3 for further details.</p>	
<b>Call Event Observation Dates:</b>	On the first anniversary of the Issue Date and Quarterly thereafter. Please refer to the section "When are the Call Event Observation Dates?" in Section 3 for further details.	
<b>Interest Rate Periods:</b>	Quarterly. The first Interest Rate Period begins on the Issue Date.	



# Section 1 - Introducing the MLI

## What is the MLI?

This Market Linked Investment (“MLI”) is linked to the performance of the 3 Month Bank Bill Swap Rate (“BBSW”) (AUD Series) or the 3 Month London Interbank Offered Rate (“LIBOR”) (USD Series) (the “Reference Rate”).

The Interest Rate for the AUD Series and the USD Series is fixed for the first year before switching to floating Interest Rate Payments for the remainder of the life of the Investment. For the avoidance of doubt, Investors who invest in the MLI after the Issue Date (i.e. during the General Offer Period) will be subject to the same Interest Rate as Investors who have held the MLI since the Issue Date.

Series	Reference Rate	Currency	Bloomberg Code	Reuters Code
AUD	3 Month AUD BBSW	AUD	BBSW3M <Index>	.BBSW
USD	3 Month USD LIBOR	USD	US0003M <Index>	.LIBOR

The MLI offers the potential for regular income linked to the performance of the Reference Rate after the first year, along with the safety of Capital Protection on the Maturity Date. Capital Protection only applies to Investments held at Maturity and provided no Early Maturity occurs. All payments, and Capital Protection, are subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to Section 4 of this PDS.

The MLI is classified as a “security” under the Corporations Act because it gives Investors an equitable interest in a portion of the Delivery Assets for the duration of the Investment. The Portion is a 1/1000th interest in a Delivery Asset, held by the Issuer (or its nominee) for an Investor. The Portion cannot be dealt with separately to the rest of the MLI.

## How is the MLI structured?

The MLI is structured as a deferred purchase agreement. Under a deferred purchase agreement, an Investor agrees to purchase the Delivery Assets (including the Portion) and either:

- **Option 1:** elects to accept physical delivery of the Delivery Assets on the Settlement Date; or
- **Option 2:** elects to take advantage of the Agency Sale Arrangement upon physical delivery of the Delivery Assets on the Settlement Date and subsequently receive the Sale Proceeds.

For more details, please refer to the section titled “What happens at Maturity?” in Section 3 of this PDS.

## What are the Delivery Assets?

On the Settlement Date, the Issuer will be required to deliver to the Investor ordinary shares in CBA. The value of these shares will be equal to the Final Value per Unit at Maturity (as explained below) multiplied by the number of Units held by an Investor.

The Issuer will only deliver a whole number of Delivery Assets (which will include the Portion). If a fraction of a Delivery Asset would otherwise be transferable by the Issuer to the Investor, the Issuer may keep that fraction of the Delivery Asset (which includes the Portion) and pay an amount equal to the value of the fraction of the Delivery Asset foregone, based on the Official Closing Level on the Trading Day immediately following the Maturity Date (or such later date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms in the event of a Call Event), provided that the amount exceeds twenty Australia dollars (AUD 20). If the amount does not exceed twenty Australian dollars (AUD 20), the Issuer is entitled to keep that amount and is under no obligation to the Investor to make any payment for the fraction.

## What is the investment strategy of the MLI?

The MLI is designed for Investors who seek Interest Rate Payments that are paid each Quarter throughout the Term. The MLI delivers this return on each Interest Payment Date with the safety of Capital Protection at the Maturity Date provided no Early Maturity occurs. All payments, including Capital Protection, are subject to the credit worthiness of Citigroup Global Markets

Australia Pty Limited and Citigroup Inc. For more information on the investment strategy, please refer to Section 3 of this PDS. For more details on the risks, please refer to Section 4 of this PDS.

Investors should also be aware that the Final Value per Unit is equal to the Issue Price. Accordingly, if Investors acquire their Investment during the General Offer Period at a Purchase Price greater than the Issue Price, they may incur a loss (or make a lower return) compared with Investors who acquire Units during the Initial Offer Period at the Issue Price.

### What are the investment objectives of the MLI?

The investment objectives of the MLI do not take into account labour standards or environmental, social or ethical standards.

The following table indicates considerations an Investor should take into account in relation to an investment in the MLI. The MLI may be a suitable investment for an Investor if the following apply to the Investor:

Investor Seeks	Investor Can Accept
Exposure to AUD Interest Rates (AUD Series) or USD Interest Rates (USD Series)	A holding period of up to 5 years, subject to the occurrence of a Call Event
Capital Protection at Maturity, even if a Call Event occurs *	Fixed Interest Rate Payments in year 1 of the investment period before switching to floating Interest Rate Payments in subsequent years
Potential for income in the form of Quarterly Interest Rate Payments	The possibility of losing part of the Investment Amount if the MLI is not held to Maturity
A medium-term market-linked investment	The risks associated with investing in AUD Interest Rates (AUD Series) or USD Interest Rates (USD Series)
	The possibility that returns may be limited or could be less than the return you could earn on other investments
	The possibility of a Call Event occurring and receiving the Investment Amount on a Call Event Observation Date

\* Capital Protection only applies to Investments held at Maturity and provided no Early Maturity occurs. Capital Protection is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. Investors should be aware that if they are applying for the MLI during the General Offer Period, the Purchase Price may not equal the Issue Price. Accordingly, if Investors acquire their Investment during the General Offer Period at a Purchase Price greater than the Issue Price, they may incur a loss (or make a lower return) compared with Investors who acquire Units during the Initial Offer Period at the Issue Price. For more details, please refer to Section 4 of this PDS.

### How are Interest Rate Payments Calculated?

Both the AUD Series and USD Series pay Quarterly fixed Interest Rate Payments in the first year before switching to Quarterly floating Interest Rate Payments in subsequent years of the MLI. The calculation method for each fixed or floating period in relation to each series (AUD or USD) is shown in the table below:

AUD Series		USD Series	
<b>Year 1</b>	Issue Price x no. of Units held x 8.00% p.a. x 90/360	<b>Year 1</b>	Issue Price x no. of Units held x 4.00% p.a. x 90/360
<b>Years 2-5</b>	Issue Price x no. of Units held x (3 Month AUD BBSW + Margin) x Actual/365	<b>Years 2-5</b>	Issue Price x no. of Units held x (3 Month USD LIBOR + Margin) x Actual/360

Where:

- the Margin is the additional rate of interest paid over and above the Reference Rate;
- 'Actual' is the number of days in the corresponding Interest Rate Period;

- 3 Month AUD BBSW is the 3 Month Bank Bill Swap Rate for the first Business Day of the corresponding Interest Rate Period; and
- 3 Month USD LIBOR is the 3 Month London Interbank Offered Rate for the date 2 London Business Days before the first common Sydney, London and New York Business Day of the corresponding Interest Rate Period.

### When are Interest Rate Payments calculated?

Interest Rate Payments are calculated every Quarter over the full Term.

For the AUD Series, Interest Rate Payments are calculated on the first Business Day of the corresponding Interest Rate Period. The anticipated schedule of Interest Calculation Dates – based on the existing Sydney Business Day calendar – is given below. Note that this Business Day calendar is subject to change without notice.

Indicative AUD Series Interest Calculation Dates		
7-Sep-10	7-Jun-12	7-Mar-14
7-Dec-10	7-Sep-12	10-Jun-14
7-Mar-11	7-Dec-12	8-Sep-14
7-Jun-11	7-Mar-13	8-Dec-14
7-Sep-11	7-Jun-13	9-Mar-15
7-Dec-11	9-Sep-13	9-Jun-15
7-Mar-12	9-Dec-13	

For the USD Series, Interest Rate Payments are calculated 2 London Business Days prior to the first common Sydney, London and New York Business Day of the corresponding Interest Rate Period. The anticipated schedule of Interest Calculation Dates – based on existing Business Day calendars – is given below. Note that these Business Day calendars are subject to change without notice.

Indicative USD Series Interest Calculation Dates		
7-Sep-10	5-Jun-12	5-Mar-14
3-Dec-10	5-Sep-12	5-Jun-14
3-Mar-11	5-Dec-12	4-Sep-14
3-Jun-11	5-Mar-13	4-Dec-14
2-Sep-11	5-Jun-13	5-Mar-15
5-Dec-11	5-Sep-13	4-Jun-15
5-Mar-12	5-Dec-13	

### When are Interest Rate Payments made?

Interest Rate Payments are made every Quarter in arrears over the full 5 years of the Investment unless a Call Event is declared or Early Maturity occurs. Interest Rate Payments will be paid each Quarter on the Interest Payment Dates.

For the AUD Series, the Interest Payment Date for an Interest Rate Period is the first Business Day in Sydney after that Interest Rate Period. The anticipated schedule of Interest Payment Dates for the AUD Series – based on the existing Sydney Business Day calendar – is given below. Note that this Business Day calendar is subject to change without notice.

Indicative AUD Series <sup>^</sup> Interest Payment Dates		
7-Dec-10	7-Sep-12	10-Jun-14
7-Mar-11	7-Dec-12	8-Sep-14
7-Jun-11	7-Mar-13	8-Dec-14
7-Sep-11	7-Jun-13	9-Mar-15
7-Dec-11	9-Sep-13	9-Jun-15
7-Mar-12	9-Dec-13	7-Sep-15
7-Jun-12	7-Mar-14	

<sup>^</sup>The indicative Interest Payment Dates shown in the tables above are based on existing Business Day calendars and are subject to change without notice.

For the USD Series, the Interest Payment Date for an Interest Rate Period is the first common Sydney, London and New York Business Day after that Interest Rate Period. The anticipated schedule of Interest Payment Dates for the USD Series – based on existing Sydney, London and New York Business Day calendars – is given below. Note that these Business Day calendars are subject to change without notice.

Indicative USD Series <sup>+</sup> Interest Payment Dates		
7-Dec-10	7-Sep-12	9-Jun-14
7-Mar-11	7-Dec-12	8-Sep-14
7-Jun-11	7-Mar-13	8-Dec-14
7-Sep-11	7-Jun-13	9-Mar-15
7-Dec-11	9-Sep-13	8-Jun-15
7-Mar-12	9-Dec-13	8-Sep-15
7-Jun-12	7-Mar-14	

<sup>+</sup>The indicative Interest Payment Dates shown in the tables above are based on existing Business Day calendars and are subject to change without notice.

## Section 2 – Information about the Reference Rate and the Delivery Assets

At Maturity, the Issuer is required to deliver to Investors the Final Value per Unit multiplied by the number of Units held by the Investor. The Issuer has agreed to deliver that Total Value to the Investor in the form of ordinary shares in CBA (the "Delivery Assets") on the Settlement Date if:

- an Investor does not elect the Agency Sale Arrangement option on the Maturity Notice; or
- the Issuer does not receive from the Investor a Maturity Notice by the Closing Time.

This section of the PDS provides some further information about the Reference Rate and the Delivery Assets.

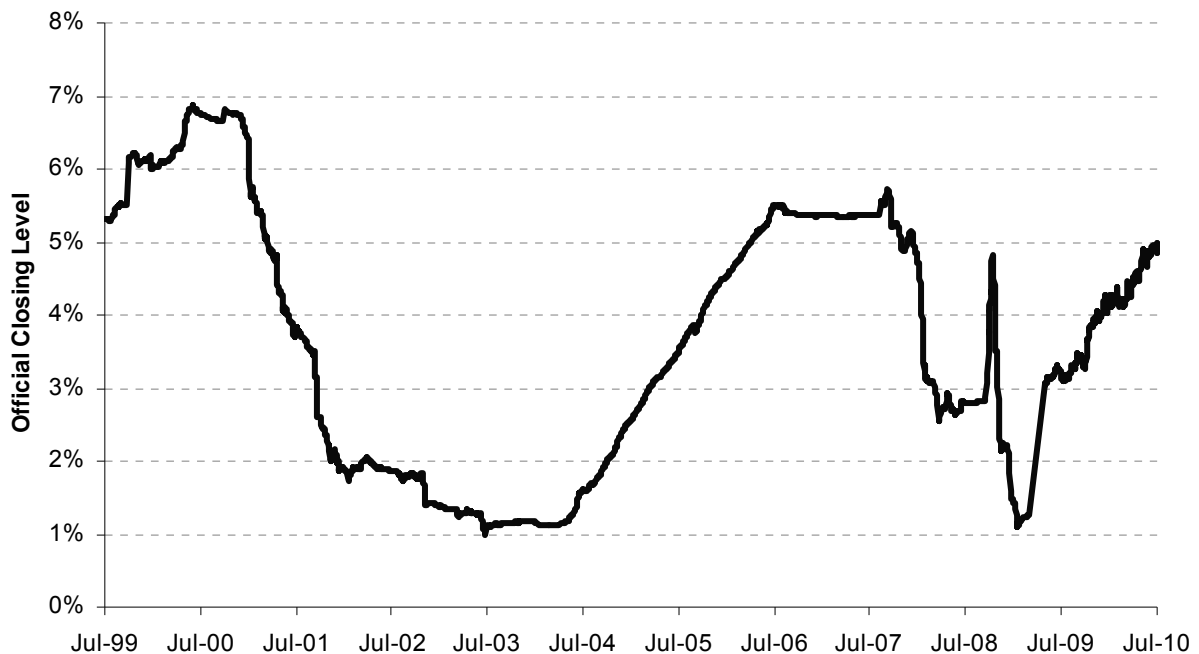
### Information on the Reference Rates

#### 3 Month AUD BBSW

The Bank Bill Swap ("BBSW") rate is the rate of interest at which banks borrow funds from other banks, in marketable size, in the Australian interbank market. BBSW is the average mid-rate for bank bills of exchange having a specified term. BBSW rates for all different terms are set daily at approximately 10:10am Sydney time.

3 Month AUD BBSW is the specific term used as the Reference Rate in the AUD Series of this MLI. The daily 3 Month AUD BBSW setting can be found in a variety of sources including Reuters' "BBSW" page, Bloomberg's "BBSW3M <Index>", AFMA's webpage "[www.afma.com.au](http://www.afma.com.au)" and published in the Market Wrap section of the Australian Financial Review.

3 month AUD BBSW - Historical Performance



Source: Citi.

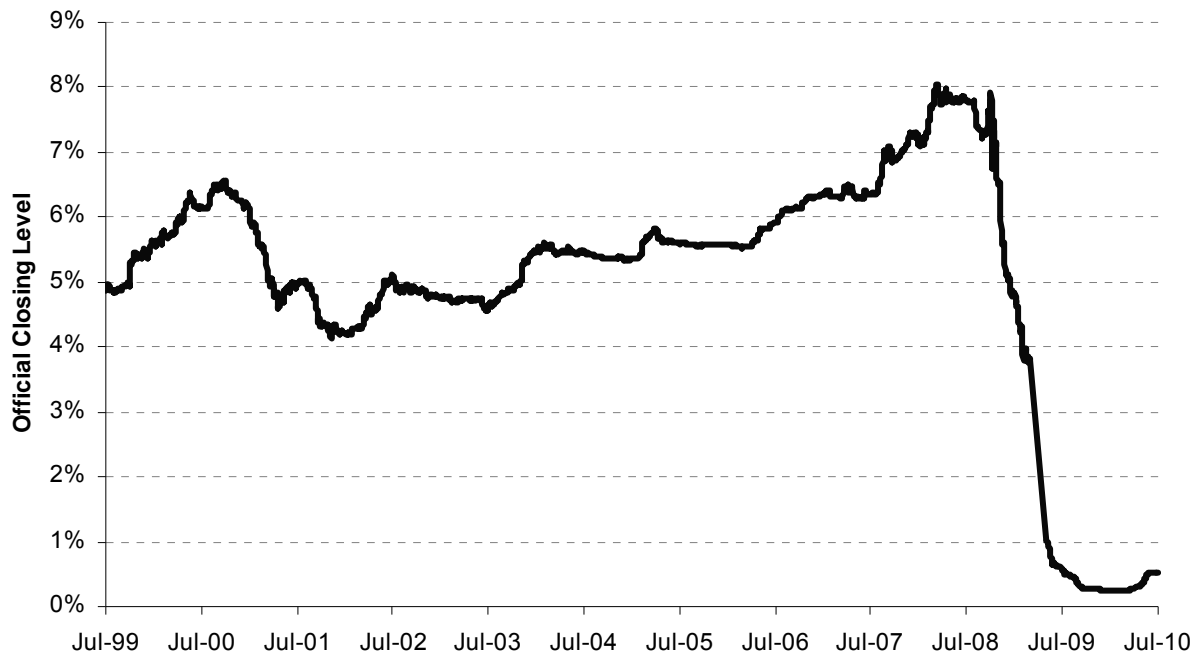
**Past performance is not a reliable indicator of future performance.**

### 3 Month USD LIBOR

The London Interbank Offered Rate (“LIBOR”) is a comparable USD benchmark reference rate. LIBOR is a daily reference based on the interest rates at which banks borrow unsecured USD funds in the London wholesale money market. LIBOR rates across many terms are published approximately 11:45am every London Business Day.

3 Month USD LIBOR is the specific term used as the Reference Rate in the USD Series of this MLI. The daily 3 Month USD LIBOR setting can be found in a variety of sources including Reuters’ “LIBOR” page and Bloomberg’s “US0003M <Index>”.

**3 month USD LIBOR - Historical Performance**



Source: Citi.

**Past performance is not a reliable indicator of future performance.**

### Information about the Delivery Assets

The Delivery Assets are ordinary shares in CBA which is one of Australia’s leading financial services providers. Financial services offered by CBA include retail, institutional and business banking, funds management, superannuation, insurance, investment and broking services. CBA is currently one of the largest listed companies on the Australian Securities Exchange.

The performance of the MLI and the Final Value per Unit are not affected by the performance of the Delivery Assets over the investment period. However, Investors who elect to receive the Delivery Assets at Maturity should be aware that following delivery of the Delivery Assets, the value of their Delivery Assets will be affected by changes in the price of CBA ordinary shares as traded on ASX.

For more information on the company, including information about its historical share price performance, pricing and company information, Investors can visit the company’s website at [www.commbank.com.au](http://www.commbank.com.au).

CBA is subject to continuous disclosure obligations and makes regular releases to the ASX that are publicly available.

Citi makes no recommendation, representation or assurance about the performance or prospects of CBA.

### CBA - Historical Performance



Source: Citi.

**Past performance is not a reliable indicator of future performance.**

### CBA had no involvement in this PDS

References in this PDS to CBA are included solely for the purpose of identification of the shares that comprise the Delivery Assets and the Delivery Parcel. These references are not an express or implied endorsement by CBA, or any of its related entities, of MLI.

No member of the CBA group of entities has had any involvement in the preparation of any part of this PDS, accepts responsibility for any statement in this PDS, or has been involved in or consented to, the issue of this PDS.

### Changes to the Delivery Assets or Reference Rate

If an Adjustment Event occurs, the Issuer may:

- (a) substitute the Delivery Asset with any other security or managed investment product quoted and trading on a Relevant Exchange operated by ASX, where that security or managed investment product is in a class of financial products that is a constituent of the S&P/ASX 200 Price Index; and/or
- (b) substitute the Reference Rate with another security or managed investment product quoted and trading on a Relevant Exchange at the discretion of the Issuer. The new reference rate will be chosen by the Issuer to match as closely as possible the old Reference Rate.

The Issuer will notify Investors of any such changes and will carry out the adjustment so as to put both the Investor and the Issuer in substantially the same economic position as if the Adjustment Event had not occurred. If this is not possible, then there may be Early Maturity. Investors should read clause 5 of the Terms to fully understand their rights and obligations if an Adjustment Event occurs.

## Part 2 – General Information on the MLI

# Section 3 – How does the MLI work?

## How does a Call Event work?

The Issuer has the right, at the Issuer's absolute discretion, to declare a Call Event on any Call Event Observation Date. If the Issuer chooses to exercise its right to declare a Call Event, the Maturity Date will be deemed to be the Call Event Observation Date on which the Call Event occurs. The Final Value per Unit will remain protected by the Capital Protection feature of the MLI if a Call Event occurs and will equal the Issue Price (see the section "What is the Final Value per Unit at Maturity?" below).

If the Issuer declares a Call Event, it will send the Investor a Maturity Notice within 7 Business Days after the Call Event Observation Date on which the Call Event occurs. For more information about what happens at Maturity, please refer to the section "What happens at Maturity?" below as well as clause 3 of the Terms.

It is important to note that a Call Event is different to Early Maturity which may occur on dates other than the Call Event Observation Dates and may be initiated by either the Investor or Issuer. For more information on Early Maturity, see the section "Can the MLI be terminated early?" below.

## When are the Call Event Observation Dates?

The first Call Event Observation Date falls on the one year anniversary of the Issue Date and subsequent Call Event Observations Dates will then follow Quarterly. However, the Call Event Observation Date for both the AUD Series and the USD Series will be the same. This means that regardless of whether you invest in the AUD Series or the USD Series, the Call Event Observation Dates will be based on the meaning of Business Day used for the USD Series (i.e. the Business Day that is common to Sydney, London and New York).

The anticipated schedule of Call Event Observation Dates for both the AUD Series and the USD Series is based on the Business Day calendar in relation to the USD Series and is given below. Note that this Business Day calendar is subject to change without notice.

Indicative AUD Series and USD Series Call Event Observation Dates		
7-Sep-11	7-Jun-13	9-Mar-15
7-Dec-11	9-Sep-13	9-Jun-15
7-Mar-12	9-Dec-13	8-Sep-15
7-Jun-12	7-Mar-14	
7-Sep-12	10-Jun-14	
7-Dec-12	8-Sep-14	
7-Mar-13	8-Dec-14	

## Why would the Issuer exercise its right to declare a Call Event?

The Issuer's choice to exercise its right to declare a Call Event depends on the market value of the MLI prior to the Call Event Observation Date in question. In turn, the market value of the MLI is influenced by a number of factors – the most significant of which are outlined in the table below:

Factor	Call Event likelihood
Decrease in AUD Interest Rates (AUD Series) or USD Interest Rates (USD Series)	▲
Increase in the creditworthiness of the Issuer	▲
Decrease in the liquidity of AUD interest rate markets (AUD Series) and/or USD interest rate markets (USD Series)	▼

## Can the Reference Rate change?

The Reference Rate (AUD Series: 3 Month AUD BBSW or USD Series: 3 Month USD LIBOR) is fixed for the Term. However, if the Reference Rate used becomes unavailable, the relevant Reference Rate may be substituted in whole, or in part, with another reference rate at the discretion of the Issuer. The new reference rate will be chosen by the Issuer to match as closely as possible the existing Reference Rate. Substitution of the Reference Rate may only occur following an Adjustment Event or where the Issuer believes that not doing so would cause or allow the investment exposure to diverge from that described in this PDS, or failing to make such a variation would otherwise result in an Early Maturity Event. If such a substitution occurs, the relevant Reference Rate will be determined by the original Reference Rate up until the time the Reference Rate is substituted, and after this time by the new reference rate.

More information on the Reference Rate can be found in Section 2 of this PDS. Please also see clause 5 of the Terms in relation to Adjustment Events.

## What is the Final Value per Unit at Maturity?

At Maturity, provided no Early Maturity occurs (as explained below), the Final Value per Unit will be equal to the Issue Price:

■ **AUD Series:** AUD 1.00 per Unit

■ **USD Series:** USD 1.00 per Unit

The Final Value per Unit will be equal to the Issue Price, regardless of whether the Investor invested in the MLI during the Initial Offer Period or the General Offer Period. Investors should note that the Issue Price may not equal the Purchase Price. As such, Investors applying in the General Offer Period may make a capital loss or gain depending on whether the Purchase Price was greater or less than the Issue Price, as the Final Value per Unit is only calculated by reference to the Issue Price.

On the Settlement Date, or as soon as possible thereafter, the Issuer will be required to deliver to the Investor ordinary shares in CBA. The value of these shares, provided no Early Maturity occurs (as explained below), will be equal to the Final Value per Unit at Maturity multiplied by the number of Units held by an Investor. The Issuer will only deliver a whole number of Delivery Assets (which will include the Portion).

Investors should note that the Purchase Price may not equal the Issue Price. As such, Investors applying in the General Offer Period may make a capital loss or gain as the Final Value per Unit is only calculated by reference to the Issue Price and *not* the Purchase Price.

## What factors affect the Margin?

The calculation of the Margin on the Issue Date is influenced by a number of variables that change daily. The major factors and their impact on the Margin are summarised in the table below:

Variable	Change in Variable	Margin
Issue size	▲	▲
Interest rates (both AUD and USD)	▲	▲

Each of the variables mentioned is subject to continuous movement. Hence, the Margin cannot be determined until all Investment Amounts have been received and are available for investment on the Issue Date. Once this occurs, the Issuer will set the Margin at the same level for all Investors as at the Issue Date and will apply throughout the Term. The Margin will then be communicated to all Investors with a confirmation of investment letter.

The Issuer reserves the right to set the Margin at a rate different from the rate indicated in the Term Sheet. In the event that the Issuer sets the Margin at a rate below the minimum rate in the range indicated in the Term Sheet, the Investor will be given the opportunity to withdraw their Application (and receive a full refund of their Investment Amount) or proceed with the offer at the new margin specified by the Issuer.

## What are the significant benefits of investing in the MLI?

The significant benefits that an Investor might expect to receive from an investment in the MLI may include:

- **Capital Protection** – The MLI offers Investors the comfort of Capital Protection, so that the value of each MLI held on the Maturity Date is not less than the Issue Price, provided that Early Maturity does not occur. Capital Protection safeguards the Investment from market risks up to the value of the Issue Price, and is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc.
- **Income potential** – The MLI returns a stream of Interest Rate Payments linked to AUD Interest Rates (AUD Series) or USD Interest Rates (USD Series). The MLI combines fixed Interest Rate Payments in the first year while providing exposure to floating Interest Rate Payments in subsequent years of the Investment.

All payments, including Capital Protection, are subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to Section 4 of this PDS.

## What are the significant risks of investing in the MLI?

The significant risks that an Investor might expect to receive from an investment in the MLI may include:

- **Early Maturity risk** - In certain circumstances, the MLI may be terminated before Maturity and, where Early Maturity applies, the value of the MLI may be less than the Investment Amount and Break Costs may apply.
- **Call Event risk** – The Issuer may declare a Call Event on a Call Event Observation Date. This will reduce the length of the Investment and will stop further Interest Rate Payments that may have been paid if the MLI had run to its full maturity. See the section headed ‘Why would the Issuer exercise its right to declare a Call Event?’ above for factors influencing the Issuer declaring a Call Event.
- **Tax and change of law risk** - Changes to laws or their interpretation in Australia, including taxation and corporate regulatory laws, could have a negative impact on the return for Investors.
- **Market risk** - There is no guarantee that the return of the MLI will exceed the return generated by other investments.
- **Agency Sale Arrangement** – If you elect the Agency Sale Arrangement, the Official Closing Level on the Trading Day immediately following the Maturity Date may not be achievable and you may therefore receive less than the Total Value.

- **Credit risk** - The Investor is exposed to the credit risk of the Issuer and the Guarantor. All payments, and Capital Protection, are subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to Section 4 of this PDS.

## Is the MLI transferable?

The MLI is unlisted and transferable. It cannot be traded on any financial market.

## What fees are payable in relation to the MLI?

There are no direct fees or commissions payable by the Investor. The Issuer will pay to distributors an upfront Distributor Fee of up to 2.50% (including GST if applicable) of the Investment Amount. This fee is paid by the Issuer out of its own funds and is not an additional cost to the Investor, nor is it deducted from the Investment Amount. For information on what fees and commissions are payable in connection with an investment in the MLI, please refer to Section 6 of this PDS.

## What are the currency risks in relation to the MLI?

For both the AUD Series and USD Series, direct currency risk is minimised since all payments associated with the MLI are denominated in the same currency. Investors in the USD Series that do not elect to take advantage of the Agency Sale Arrangement and accept the Delivery Assets may incur currency risk beyond the Maturity of the MLI. For more details on currency risk, please refer to Section 4 of this PDS.

## Can Investors purchase Units after the relevant Initial Offer Closing Date?

An Investor may use the Application Form and apply to the Issuer for Units after the Initial Offer Closing Date during the General Offer Period. The Purchase Date is the date on which the Investor will be issued Units at the Purchase Price.

The prevailing Purchase Price before the Purchase Date will be available from the Issuer or your licensed financial adviser. Potential Investors should not make an investment decision without considering the prevailing Purchase Price.

The Issuer will provide you (or your licensed financial adviser on your behalf) with a Confirmation in relation to each Application which will set out the particulars of your Investment including:

- the Purchase Date and Purchase Price;
- the Maturity Date;

- the Reference Rate;
- the Margin; and
- the number of Units issued.

The Issuer will send the Confirmation to the Investor within 10 Business Days after the Purchase Date.

Investors who have acquired their Investment during the General Offer Period at a Purchase Price greater than the Issue Price may incur a loss (or make a lower return) compared with Investors who acquire Units during the Initial Offer Period at the Issue Price.

### What factors should Investors consider before acquiring Units during the General Offer Period?

An Investor should consider the following factors before acquiring Units during the General Offer Period:

- the Purchase Price will be determined by Citi, in its absolute discretion, on the Purchase Date and taking into account factors including the current value of issued Units and the prevailing interest rate environment;
- the Final Value per Unit and the Investor's exposure to the Reference Rates will be calculated by reference to the Issue Price. Accordingly, if the Investor purchased Units after the Initial Offer Closing Date at a Purchase Price greater than the Issue Price, this may represent a greater loss per Unit than Investors who invested at the Issue Price;
- the Investor's broker or financial adviser may charge a commission or brokerage at their discretion which will be payable by the Investor in addition to the Purchase Price. This is not a fee charged by the Issuer;
- the Investor will not receive any Interest Rate Payments in relation to any Interest Calculation Dates which occur prior to the Purchase Date; and
- the Investor may make a capital loss or gain as the Final Value per Unit is only the Issue Price and not the Purchase Price.

Units issued to Investors during the General Offer Period will be subject to the same Terms and the same Final Value per Unit as Units issued to Investors during the Initial Offer Period. In other words, all calculations of amounts per Unit will be the same for all issued Units, regardless of whether the Purchase Price was above or below the Issue Price.

### What are the potential tax implications of investing in the MLI?

Investors who are Australia tax residents for the purposes of Australian income tax should include Interest Rate

Payments in their ordinary assessable income when received.

The issuer will withhold interest withholding tax from Interest Rate Payments paid to Investors whose Postal Address or Settlement Account, as provided on the Application Form, is outside Australia.

Investors who hold the MLI on capital account for tax purposes, in certain circumstances, may make a capital gain or loss on Settlement Date even if they hold their Delivery Assets following the Settlement Date. If so:

- A capital gain arising to Investors that are natural persons, trusts, or complying superannuation funds should be eligible for the discount capital gains concession.
- A capital loss is not deductible against assessable income but can be used to offset other current year capital gains or can generally be carried forward to future income years.

It is important that potential Investors carefully review the comments in Section 8, which sets out the general tax implications of investing in the MLI. Investors should be aware Section 8 of this PDS is provided in general terms only and is not tailored to any Investors' specific circumstances. Investors should seek their own independent advice as to the tax consequences of investing in the MLI.

### What happens at Maturity?

Approximately 20 Business Days before the Maturity Date, the Issuer will notify Investors of the upcoming Maturity by sending them a Maturity Notice. The Issuer will also send a Maturity Notice to Investors within 7 Business Days after the Call Event Observation Date on which a Call Event occurs.

At Maturity (whether by the occurrence of a Call Event or at the end of the Term), there are two options available to Investors. These options are:

- **Option 1:** elect to accept physical delivery of the Delivery Parcel on the Settlement Date; or
- **Option 2:** elect to take advantage of the Agency Sale Arrangement and receive the Sale Proceeds.

If Investors do not choose any option, the MLI will automatically default to physical delivery of the Delivery Assets.

The option that is best for each individual Investor depends on their preferences.

### Option 1 - Taking physical delivery of the Delivery Parcel

If an Investor wishes to take physical delivery of the Delivery Parcel, they do not need to do anything when they

receive the Maturity Notice. By doing nothing, physical delivery will automatically apply.

If an Investor takes physical delivery, the Issuer (or its nominee) will purchase the Delivery Assets specified in the Delivery Parcel and register those Delivery Assets in the Investor's name on the Settlement Date in accordance with the CHES details on the Maturity Notice returned by the Investor. If the Investor is not CHES sponsored or does not return the Maturity Notice, the Issuer (or its nominee) will register the Delivery Assets as an issuer-sponsored holding in the Investor's name.

If a fraction of a Delivery Asset (including the Portion) would otherwise be transferable by the Issuer to the Investor, the Issuer may keep that fraction of the Delivery Asset and pay an amount equal to the value of the fraction of the Delivery Asset foregone, based on the Official Closing Level on the Trading Day immediately following the Maturity Date (or such later date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under the Terms in the event of a Call Event), provided that the amount exceeds twenty Australian dollars (AUD 20). If the amount does not exceed twenty Australian dollars (AUD 20), the Issuer is entitled to keep that amount and is under no obligation to the Investor to make any payment for the fraction.

## Option 2 - The Agency Sale Arrangement

To take advantage of the Agency Sale Arrangement and to receive the Sale Proceeds of the Delivery Parcel in cash, an Investor must:

- elect the Agency Sale Arrangement option on the Maturity Notice; and
- return the Maturity Notice to the Issuer by the Closing Time.

Under the Agency Sale Arrangement, the Issuer will accept physical delivery of the Delivery Parcel on the Investor's behalf and will sell the Investor's Delivery Parcel on the Investor's behalf. The Issuer will pay the Investor the Sale Proceeds by cheque or directly into the Investor's nominated Settlement Account. The Sale Proceeds will equal the number of Delivery Assets sold multiplied by the Official Closing Level on the Trading Day immediately following the Maturity Date (see "How is the price of the Delivery Assets calculated?" below) less any Costs and Taxes. The Investor may therefore receive less than the Total Value. Payment will be made within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter.

If the Delivery Parcel would otherwise include a fraction of the Delivery Assets, the Issuer will transfer the equivalent value of the fraction into the Investor's nominated Settlement Account or pay it to the Investor by cheque within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter (in effect this is a reimbursement of a portion of the Investment Amount).

## How is the price of the Delivery Assets calculated?

The Issuer will calculate the price of the Delivery Assets as either the price paid by the Issuer to acquire the Delivery Assets or the last traded price of the Delivery Assets at or around 4:10 pm Sydney time on the Trading Day immediately following the Maturity Date unless it is not possible to determine the price of the Delivery Asset at that time, in which case the Issuer may either:

- nominate another time to determine the Official Closing Level; or
- determine the Official Closing Level to be the price determined by the Issuer as its best estimate of the Delivery Asset value at or around 4:10 pm Sydney time on the Trading Day immediately following the Maturity Date (or in the case of Early Maturity, the Early Maturity Date).

## What happens if an Investor does not make an election or fails to return the Maturity Notice?

Physical delivery will apply if:

- an Investor does not elect the Agency Sale Arrangement option on the Maturity Notice; or
- the Issuer does not receive an Investor's Maturity Notice by the Closing Time.

## Can the MLI be terminated early?

Investors may terminate their investment in the MLI before the Maturity Date by submitting a completed Investor Sale Form (located at the back of this PDS or available by contacting the Issuer on 1300 30 70 70) to the Issuer and requesting in writing Early Maturity for the full amount of the Investor's MLI. The Issuer may, in its absolute discretion, accept or reject the Investor's request. If the Issuer accepts, then the Issuer will send the Investor an Early Maturity Notice specifying an Early Maturity Date.

In the Early Maturity Notice, the Issuer will specify whether:

- the normal Maturity process will apply (as set out in "What happens at Maturity?" above); or
- the Issuer will pay an Exit Payment.

If the normal Maturity process applies, then the Investor will receive the Early Maturity Value which means the fair economic value of each Unit at or around 5:00 pm Sydney time on the Early Maturity Date as determined by the Issuer in its absolute discretion, unless it is not possible to determine the fair economic value of the Unit at that time, in which case the Issuer may nominate another time to determine the Early Maturity Value.

Without limiting the above, in determining the "Early Maturity Value" the Issuer may deduct any costs, losses or expenses that it incurs in relation to the Early Maturity

including, without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under the Terms, and any cost of funding or any loss of bargain. Investors should be aware that Break Costs can be significant.

If the Issuer elects to pay an Exit Payment, then the Investor will receive the amount determined by the Issuer in its absolute discretion and by whatever means the Issuer deems appropriate. Without limiting the foregoing, in determining the Exit Payment, the Issuer may adjust the Exit Payment for any costs, losses or expenses that it incurs in relation to the Early Maturity including without, limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain. Investors should be aware that Break Costs can be significant.

The Early Maturity Value or Exit Payment will take into account all accrued (but unpaid) Interest Rate Payments up until the Early Maturity Date. However, Investors will not be paid any interest in respect of the period after the Early Maturity Date.

It is important to note that the Issuer only provides Capital Protection to Investors who hold the MLI at Maturity and provided Early Maturity does not occur. This Capital Protection ensures that the value of each MLI on the Maturity Date will be the Issue Price but Capital Protection is also subject to the creditworthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. If an Investor requests Early Maturity, they may well receive an amount less than the Investment Amount. Investors should refer to Section 4 of this PDS which discusses the risks associated with Early Maturity Events. Investors should also read clause 4 of the Terms to fully understand their rights and obligations if they request Early Maturity.

### **Can the Issuer terminate the MLI early without Investor approval?**

Yes. The MLI may be terminated early by the Issuer if an Early Maturity Event occurs. Investors should refer to Section 4 of this PDS which discusses the risks associated with Early Maturity Events. Investors should also read clause 4 of the Terms to fully understand their rights and obligations if an Early Maturity Event occurs and to understand what events constitute an Early Maturity Event. A Call Event is not an Early Maturity Event.

If an Early Maturity Event occurs, the Capital Protection feature of the MLI will not operate so the number of Delivery Assets or the Sale Proceeds from the Agency Sale Arrangement will be determined by reference to the Exit Payment or the fair economic value of the MLI at or around 5:00 pm Sydney time on the Early Maturity Date as determined by the Issuer in its absolute discretion. The Issuer may also deduct Break Costs in relation to the Early Maturity. The Early Maturity Value or Exit Payment will take into account all accrued Income Amounts owing up until the Early Maturity Date. However, Investors will not be paid any Income Amounts in respect of the period after the Early Maturity Date.

### **Can the Issuer change the Terms of the MLI?**

Yes. The Terms may be amended or varied if an Adjustment Event or Early Maturity Event occurs or in certain other limited situations such as to comply with the law, or to correct an error or inconsistency in the Terms. Investors will be notified of any such changes. Investors should refer to Section 4 of this PDS which discusses the risks associated with Early Maturity Events or Adjustment Events. Investors should also read clause 5 of the Terms to fully understand their rights and obligations if an Adjustment Event occurs.

### **Does the MLI offer any Capital Protection?**

The obligation to deliver to an Investor the Delivery Assets and any return on the MLI is an obligation of the Issuer. Investors should be aware that Capital Protection does not apply if the MLI is terminated because Early Maturity occurs. The Issuer may terminate the MLI prior to the Maturity Date if an Early Maturity Event occurs. However, Early Maturity Events are generally beyond the Issuer's control and the Issuer will only call for Early Maturity if, in its opinion, such an event has a material impact on the continued viability of the MLI. A Call Event is not an Early Maturity Event. Clause 4 of the Terms (in Section 10 of this PDS) describes the events that constitute an Early Maturity Event.

The MLI may also be terminated early at the Investor's request. Investors should read clause 4 of the Terms and the paragraph titled "Can the MLI be terminated early?" (earlier in this section) to understand their rights and obligations if an Early Maturity Event occurs.

Capital Protection provides that the value of each MLI held at Maturity will be the Issue Price but does not apply where Early Maturity occurs. This Capital Protection is also subject to the creditworthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to Section 4 of the PDS. Capital Protection is also subject to rounding (see "What happens at Maturity?" earlier in Section 3 of this PDS).

Investors should also be aware that where Capital Protection applies, the Final Value per Unit is equal to the Issue Price and therefore if investors acquire their investment during the General Offer Period at a Purchase Price greater than the Issue Price they may incur a loss (or make a lower return) compared with Investors who acquire Units during the Initial Offer Period at the Issue Price.

### **Guarantee**

The guarantee given to each Investor by the Guarantor is a continuous, irrevocable and unconditional guarantee of the due and punctual payment of all monies which may become actually or contingently payable to an Investor by the Issuer under, or in conjunction with, the MLI and the due and punctual performance of the Issuer's obligations under the Terms. Each Investor is entitled severally to enforce the guarantee. The guarantee is subject to the credit worthiness of the Guarantor (Citigroup Inc.)

Any payments under the guarantee must be made to Investors in the same manner and currency as the Issuer would be required to make to satisfy its obligations under the MLI. The Guarantor must also pay interest on any amount payable by it under the terms of the guarantee during any period when it remains unpaid. All payments made by the Guarantor under the guarantee will be made free and clear and without any deduction for present or future taxes. If any law requires the Guarantor to withhold on account of any taxes, then the amount payable by the Guarantor will be increased so that after making such withholding the Investor receives the same amount it would have received had no such withholding occurred.

Investors may obtain a copy of the deed of guarantee by contacting the Issuer on 1300 30 70 70.

### **Issue size**

The Issuer aims to raise the equivalent of AUD 3 million, taking into account both AUD Series and USD Series of the MLI. If less than the equivalent of AUD 3 million is raised, the Issuer may, in its absolute discretion, issue the MLI anyway. However, the Issuer retains the discretion to reject any Applications. If the Issuer rejects Applications, the Investment Amounts will be returned to Applicants either by bank transfer or by cheque at the risk of the Applicant within 14 Business Days after the Initial Offer Closing Date.

### **Disputes concerning the MLI**

The Corporations Act requires the Issuer to have procedures in place for dispute resolution. The Issuer's process for dispute resolution is available to Investors free of charge.

Investors may make a complaint relating to the MLI directly to the Issuer on 1300 30 70 70. The Issuer will take all steps necessary to investigate any complaint and seek a resolution.

If the outcome is unsatisfactory, Investors may refer their complaint to Financial Ombudsman Service ("FOS") at:

#### **Financial Ombudsman Service**

GPO Box 3  
Melbourne, Victoria, 3001  
Telephone: 1300 780 808  
Fax: +61 3 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

FOS is an independent dispute resolution scheme. In order for a complaint to be considered by FOS, the claim involved must be under the equivalent of AUD 150,000.

# Section 4 – Risks of investing in the MLI

## Risk Factors

### **Capital Protection risk**

Capital Protection only applies to Units held at Maturity and provided Early Maturity does not occur. Capital Protection safeguards the MLI from market risks up to the value of the Issue Price, and is subject to the credit worthiness of Citigroup Global markets Australia Pty Limited and Citigroup Inc.

The MLI does not represent a deposit or other liability of Citigroup Pty Limited or Citibank, N.A. (Sydney Branch) and these entities do not stand in any way behind the capital value and/or performance of the MLI.

The MLI is subject to investment risks, including the risk that the fair economic value received on an Early Maturity may be less than the Investment Amount.

Any Investor who acquires Units during the General Offer Period may pay a Purchase Price greater than the Issue Price. Where Capital Protection applies, the Final Value per Unit is equal to the Issue Price. Therefore, Investors who acquired their Investment at a Purchase Price greater than the Issue Price may incur a loss (or make a lower return) compared with Investors who acquired Units at the Issue Price.

### **Early Maturity risk**

In certain circumstances, the MLI may be terminated early where an Investor requests Early Maturity or an Early Maturity Event occurs. If an Early Maturity Event occurs, Investors will be given approximately 20 Business Days' notice of any proposed Early Maturity unless it is otherwise impracticable to do so. The Issuer only provides Capital Protection for the MLI at Maturity (whether by the occurrence of a Call Event or at the end of the Term) provided no Early Maturity occurs. Capital Protection is also subject to the creditworthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to "Credit risks" below.

Prior to Maturity, Investors will receive the fair economic value of the MLI or the Exit Payment (as determined by the Issuer) which will be based on various market factors such as volatility and time remaining to Maturity. This may result in the value of the MLI being less than the Investment Amount in instances where Early Maturity applies. In determining the fair economic value or the Exit Payment, the Issuer may deduct Break Costs (which may be substantial) in relation to the Early Maturity.

### **Call Event risk**

The Issuer has the right, at the Issuer's absolute discretion, to declare a Call Event on any Call Event Observation Date. If the Issuer chooses to exercise its right to declare a Call Event, the Maturity Date of the MLI will be brought forward to the Call Event Observation Date on which the Call Event occurs. This earlier Maturity Date will reduce the term of the Investment and terminate any Interest Rate Payments that may have been paid if no such Call Event occurs. Irrespective of the occurrence of a Call Event, the Final Value per Unit will remain protected by the Capital Protection feature of the MLI.

### **Liquidity risk**

It is at the Issuer's absolute discretion to permit Early Maturity once a week. However, the MLI obtains exposure to the Interest Rates using over the counter ("OTC") transactions. These OTC transactions must be unwound to allow Early Maturity and consequently the MLI may be illiquid and Break Costs and Costs and Taxes may be significant.

The MLI is not quoted on the ASX or any other financial market. The MLI is transferable with the consent of the Issuer (for more detail please refer to clause 14.9(b) of the Terms) but there is no guaranteed ability to sell a MLI before Maturity.

### **Market risk and economic factors**

The value of the MLI at any time will be affected by a number of market variables that change daily, such as volatility, the trading liquidity, prevailing and anticipated economic conditions, technological, legal or political conditions, other inter-related factors which affect the performance of markets generally and the interest rate markets specifically, and time remaining to Maturity.

### **Credit risk**

The Issuer is a wholly owned subsidiary of Citigroup Inc., a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers with more than 200 million customer accounts doing business in more than 100 countries.

Copies of financial statements of Citigroup Inc. can be found at [www.citifirst.com.au/about\\_us.html](http://www.citifirst.com.au/about_us.html). Hard copies of those financial statements can be obtained by calling Citi on 1300 30 70 70.

The value of the MLI depends on the ability of the Issuer to perform its obligations under the Terms and the ability of the Guarantor to perform under its guarantee of the Issuer's obligations. These obligations are unsecured contractual obligations of the Issuer and Guarantor and will rank equally with other unsecured obligations and debt of the Issuer and Guarantor other than liabilities mandatorily preferred by law.

Investors must make their own assessment of the ability of the Issuer and Guarantor to meet their obligations in respect of the MLI. Nothing in this PDS is, or may be relied upon as being, a representation as to any future event or a promise as to the future of the ability of the Issuer or Guarantor to perform their obligations.

The Issuer also has the right to transfer its obligations by giving notice to Investors in accordance with the Terms (see clause 14.9(a) of the Terms).

### ***Exercise of discretion by the Issuer***

Investors should note that a number of provisions of the Terms confer discretions on the Issuer and its associates which could affect the value of the MLI. These include the right to declare a Call Event on a Call Event Observation Date, powers to nominate Adjustment Events and Early Maturity Events, to substitute the Delivery Assets or Reference Rate, to adjust or modify the method of any calculation as set out or used in the Terms and to make adjustments to the terms of the MLI as contemplated in the Terms.

### ***Adjustment Event risk***

There may be adjustments to the Terms of the MLI due to Adjustment Events such as (but not limited to) mergers and disposals, price source disruption, changes to the Issuer's hedging arrangements, trading suspension, material change in the calculation and/or composition of the Reference Rate and/or Delivery Assets and changes in Corporations Act or taxation laws. Investors should read clause 5 of the Terms set out in Section 10 of this PDS.

### ***Tax risk***

We recommend that Investors seek independent tax advice before investing in the MLI. The Issuer is not in the business of providing tax advice and cannot be relied upon to advise on, nor takes any responsibility for, the taxation implications in respect of an investment in the MLI.

In particular, Investors should note that Section 8 of this PDS assumes that Investors will take physical delivery of, and hold, the Delivery Assets for the purposes of deriving assessable dividends.

### ***Change of law risk***

Changes to laws or their interpretation in Australia, including taxation and corporate regulatory laws, could have a negative impact on the return of Investors.

As set out in the letter in Section 8 of this PDS, the ATO has examined deferred purchase agreements. It is important that potential Investors carefully review the comments in Section 8 as regards the ATO views and implications for the MLI.

### ***Potential conflicts of interest***

The Issuer and other Citi companies may be, as a result of investment banking or other engagements, in possession of material price sensitive information relating to the Delivery Assets. However consistent with our long standing policy to hold in confidence the affairs of our customers, we will not use confidential information obtained from customers, except in connection with our services to that customer. We may also conduct transactions as principal or as agent in various financial instruments, including the Delivery Assets. These investment banking activities, trading activities or any other activities of Citi may affect (positively or negatively) the price at which the Delivery Assets trade at any point in time.

Citi may have a potential conflict of interest of which you are not aware and which we are unable to disclose to you.

### ***Investment decisions***

The information in this PDS is intended to provide Investors and their professional advisors with the information they would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the capacity of the Issuer to fulfil its obligations under the MLI and the risks, rights and obligations associated with the MLI. It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each Investor. Accordingly, nothing in this PDS should be construed as a recommendation by the Issuer or any associate of the Issuer or any other person concerning investment in a MLI.

Readers should not rely on this PDS as the sole or principal basis of a decision to invest in the MLI, Delivery Assets or any other financial product and should seek independent financial, legal and taxation advice before making a decision to invest.

### ***Factors affecting the Reference Rate***

An Investor in the MLI should be familiar with investments in the interest rate securities markets. In particular, Investors should be familiar with the market in which interest rate securities are traded and the economic, political and other aspects relevant to investments in that market which may have a material effect on those investments.

**Performance of the Reference Rate**

The value of the Reference Rate will vary over time. The performance of the Reference Rate will have a direct effect on the value of the Interest Rate Payments.

**Currency risk**

The USD Series is denominated in United States dollars ("USD"). The Issue Price for the USD Series must be paid in USD. Accordingly, if an Investor holds Australian dollars or any other currency which is not USD, that currency will need to be converted to USD before the Investor invests in the USD Series. Such Investors may be subject to currency risk. Investors in the USD Series that do not elect to take advantage of the Agency Sale Arrangement and accept the Delivery Assets may incur currency risk beyond the Maturity of the MLI as the Delivery Assets are an Australian dollar denominated security. If the Investor chooses to use the Agency Sale Arrangement, there is currency risk if the exchange rate at the time the Issuer purchases and delivers the Delivery Assets and sells those Delivery Assets under the Agency Sale Arrangement are not the same. Currency risk is the risk that the value of an investment in the USD Series in non-USD terms changes relative to its value in USD. In particular, Investors should be aware that if the non-USD currency was to appreciate in value against the USD, the value of the investment in the MLI in non-USD terms would decrease, and vice versa.

**Agency Sale Arrangement risk**

If an Investor elects the Agency Sale Arrangements, the Issuer may be unable to sell the Investor's Delivery Parcel at the Official Closing Level on the Trading Day immediately following the Maturity Date. Although the Issuer will use its best endeavours to sell the Delivery Parcel as soon as practicable at the best price the Issuer can obtain, there is a risk that Investors may receive less than the Total Value.

**Reinvestment risk**

An Investor may not be able to reinvest their Interest Rate Payments or Sale Proceeds at, or above, the same Interest Rate offered under this MLI. Each Interest Rate Payment is calculated using the Issue Price multiplied by the number of Units held by the Investor and will not be capitalised.

# Section 5 – Scenario analysis

The calculations and charts in this section are illustrative examples designed to indicate how an investment in the MLI could perform under different scenarios when held to Maturity. The dates shown in each of the examples are based on existing Business Day calendars and are subject to change without notice. For Interest Rate Payment calculations, the scenarios assume an Investment Amount of AUD 100,000 (AUD Series) or USD 100,000 (USD Series).

These scenarios have been included solely so that Investors may gain insight into the possible Interest Rates and payments under different conditions. These Interest Rates and payments, in the graphs and tables below, are not a forecast, projection or prediction. Investors are cautioned that the Interest Rates and payments are subject to risks and uncertainties, including interest rate risks, and are not a statement about likely future performance. There is no guarantee that the Issuer will pay the interest payments specified in these scenarios.

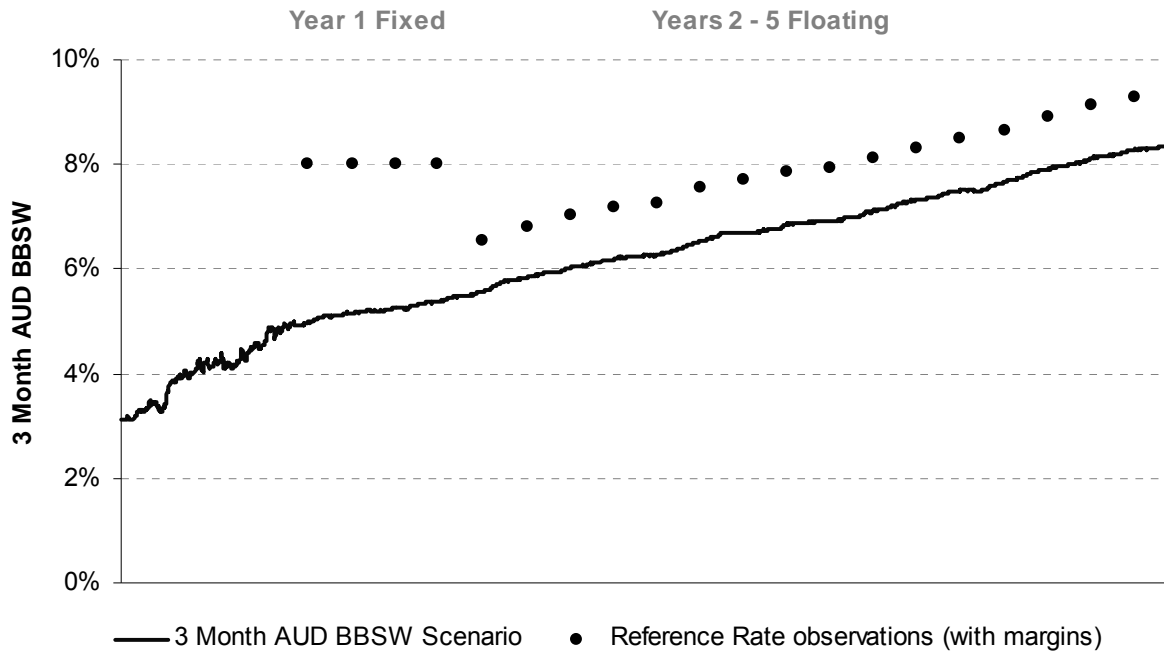
For the purposes of these hypothetical scenarios, we assume the Margin for the AUD Series is set at 0.90% p.a. and the Margin for the USD Series is set at 0.40% p.a. Please see the section "What factors affect the Margin?" in Section 3 for further details.

Investors whose Postal Address or Settlement Account, as provided on the Application Form, is outside Australia will be subject to interest withholding tax on Interest Rate Payments paid by the Issuer. The rate of interest withholding tax is currently 10% and will be deducted from the payments shown below.

## Example – AUD Series – Scenario 1

In the first example, we describe an Investment in the MLI (AUD Series) where the hypothetical trend of 3 Month AUD BBSW is to rise consistently over the life of the MLI. In this instance, each observation of the Interest Rate in years 2 - 5 of the Investment will be higher than the current 3 Month AUD BBSW rate.

The graph for this hypothetical scenario is shown below – illustrating the path of 3 Month AUD BBSW and the subsequent observations of the Interest Rate at each Interest Calculation Date under this scenario. The table below shows the Interest Calculation Date and Interest Payment Date for each Interest Rate Payment over the life of the MLI as well as the corresponding Interest Rate Payments made under this scenario.



Source: Citi.

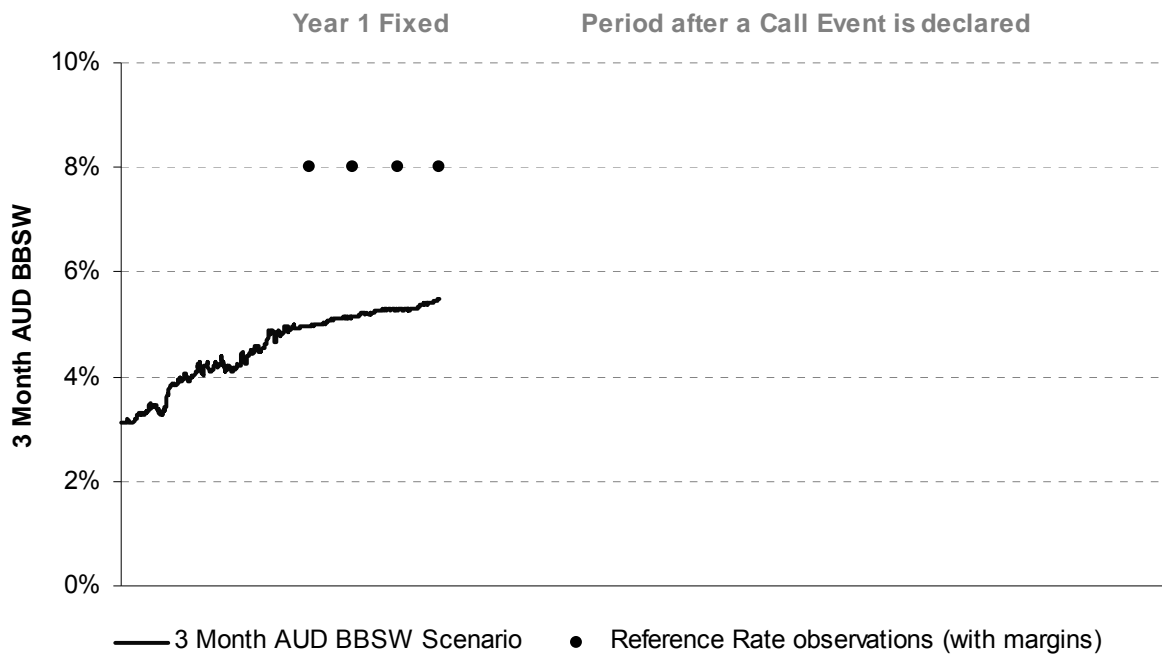
Interest Calculation Dates	Interest Payment Dates	Reference Rate setting	Margin	Interest Rate	Actual (No. of Days in Period)	Interest Rate Payments
7-Sep-10	7-Dec-10	N/A	N/A	8.00%	90	AUD 2,000
7-Dec-10	7-Mar-11	N/A	N/A	8.00%	90	AUD 2,000
7-Mar-11	7-Jun-11	N/A	N/A	8.00%	90	AUD 2,000
7-Jun-11	7-Sep-11	N/A	N/A	8.00%	90	AUD 2,000
7-Sep-11	7-Dec-11	5.71%	0.90%	6.61%	91	AUD 1,647
7-Dec-11	7-Mar-12	5.91%	0.90%	6.81%	91	AUD 1,697
7-Mar-12	7-Jun-12	6.07%	0.90%	6.97%	92	AUD 1,756
7-Jun-12	7-Sep-12	6.24%	0.90%	7.14%	92	AUD 1,799
7-Sep-12	7-Dec-12	6.35%	0.90%	7.25%	91	AUD 1,808
7-Dec-12	7-Mar-13	6.63%	0.90%	7.53%	90	AUD 1,856
7-Mar-13	7-Jun-13	6.71%	0.90%	7.61%	92	AUD 1,917
7-Jun-13	9-Sep-13	6.89%	0.90%	7.79%	94	AUD 2,005
9-Sep-13	9-Dec-13	6.98%	0.90%	7.88%	91	AUD 1,964
9-Dec-13	7-Mar-14	7.18%	0.90%	8.08%	88	AUD 1,947
7-Mar-14	10-Jun-14	7.38%	0.90%	8.28%	95	AUD 2,155
10-Jun-14	8-Sep-14	7.49%	0.90%	8.39%	90	AUD 2,069
8-Sep-14	8-Dec-14	7.75%	0.90%	8.65%	91	AUD 2,157
8-Dec-14	9-Mar-15	7.96%	0.90%	8.86%	91	AUD 2,210
9-Mar-15	9-Jun-15	8.16%	0.90%	9.06%	92	AUD 2,284
9-Jun-15	7-Sep-15	8.31%	0.90%	9.21%	90	AUD 2,272

In this scenario, the Investment yields a total return of 39.54% over the 5 year life of the MLI.

## Example – AUD Series – Scenario 2

In the second example, we describe an Investment in the MLI (AUD Series) where the hypothetical trend of 3 Month AUD BBSW is identical to the trend given in Scenario 1, except that the Issuer chooses to declare a Call Event on the first possible Call Event Observation Date – 1 year into the Investment.

The graph for this hypothetical scenario is shown below – illustrating the path of 3 Month AUD BBSW and the subsequent observations of the Interest Rate at each Interest Calculation Date under this scenario. The table below shows the Interest Calculation Date and Interest Payment Date for each Interest Rate Payment over the life of the MLI as well as the corresponding Interest Rate Payments made under this scenario.



Source: Citi.

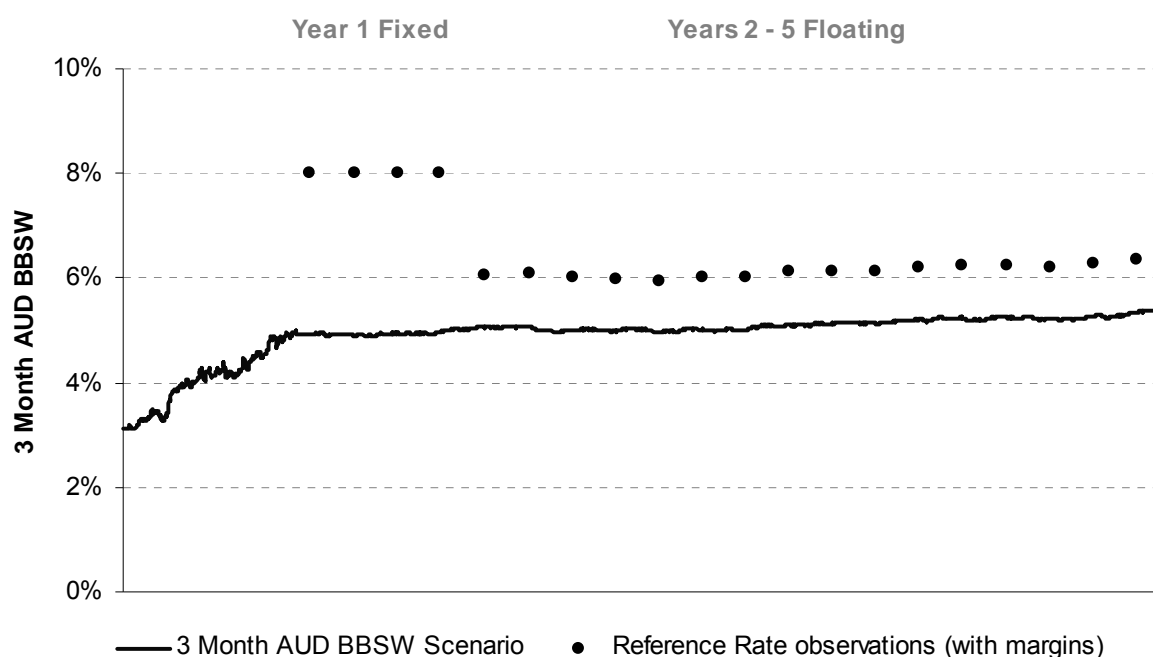
Interest Calculation Dates	Interest Payment Dates	Reference Rate setting	Margin	Interest Rate	Actual (No. of Days in Period)	Interest Rate Payments
7-Sep-10	7-Dec-10	N/A	N/A	8.00%	90	AUD 2,000
7-Dec-10	7-Mar-11	N/A	N/A	8.00%	90	AUD 2,000
7-Mar-11	7-Jun-11	N/A	N/A	8.00%	90	AUD 2,000
7-Jun-11	7-Sep-11	N/A	N/A	8.00%	90	AUD 2,000

In this scenario, the Investment yields a total return of 8.00% over the 1 year life of the MLI.

## Example – AUD Series – Scenario 3

In the third example, we describe an Investment in the MLI (AUD Series) where the hypothetical trend of 3 Month AUD BBSW is to fluctuate around current levels. In this instance, each observation of the Interest Rate in years 2 - 5 of the Investment will not be significantly higher or lower than the current 3 Month AUD BBSW rate.

The graph for this hypothetical scenario is shown below – illustrating the path of 3 Month AUD BBSW and the subsequent observations of the Interest Rate at each Interest Calculation Date under this scenario. The table below shows the Interest Calculation Date and Interest Payment Date for each Interest Rate Payment over the life of the MLI as well as the corresponding Interest Rate Payments made under this scenario.



Source: Citi

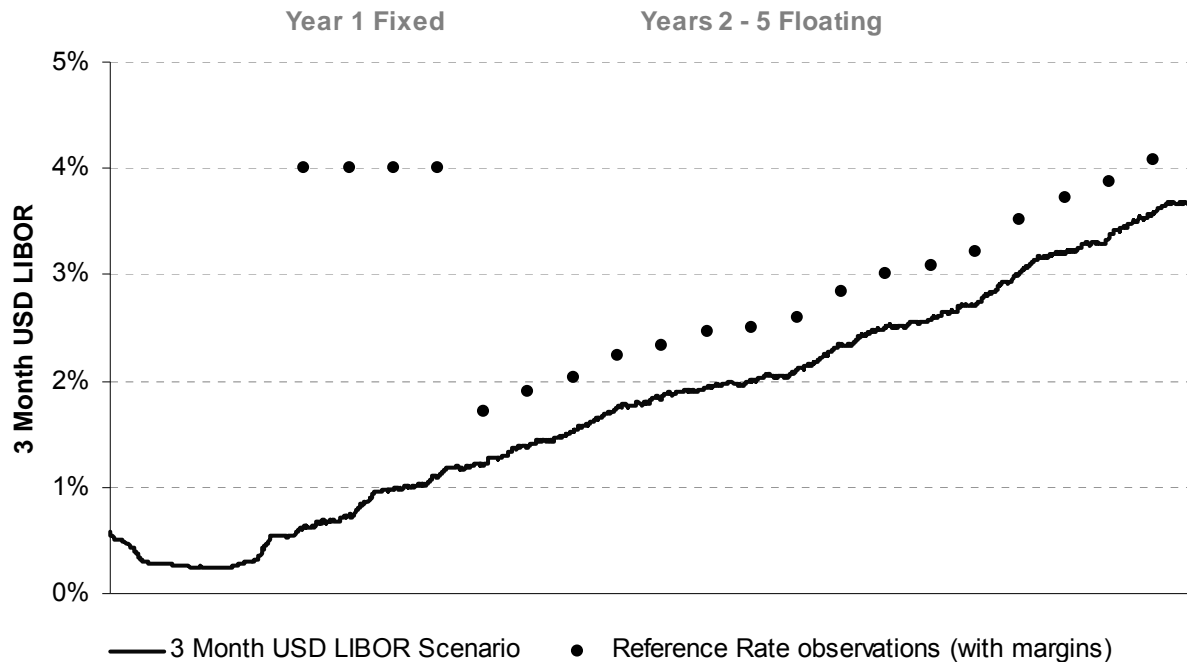
Interest Calculation Dates	Interest Payment Dates	Reference Rate setting	Margin	Interest Rate	Actual (No. of Days in Period)	Interest Rate Payments
7-Sep-10	7-Dec-10	N/A	N/A	8.00%	90	AUD 2,000
7-Dec-10	7-Mar-11	N/A	N/A	8.00%	90	AUD 2,000
7-Mar-11	7-Jun-11	N/A	N/A	8.00%	90	AUD 2,000
7-Jun-11	7-Sep-11	N/A	N/A	8.00%	90	AUD 2,000
7-Sep-11	7-Dec-11	5.04%	0.90%	5.94%	91	AUD 1,481
7-Dec-11	7-Mar-12	4.99%	0.90%	5.89%	91	AUD 1,468
7-Mar-12	7-Jun-12	5.02%	0.90%	5.92%	92	AUD 1,493
7-Jun-12	7-Sep-12	5.02%	0.90%	5.92%	92	AUD 1,493
7-Sep-12	7-Dec-12	4.97%	0.90%	5.87%	91	AUD 1,464
7-Dec-12	7-Mar-13	5.00%	0.90%	5.90%	90	AUD 1,455
7-Mar-13	7-Jun-13	5.09%	0.90%	5.99%	92	AUD 1,509
7-Jun-13	9-Sep-13	5.10%	0.90%	6.00%	94	AUD 1,545
9-Sep-13	9-Dec-13	5.15%	0.90%	6.05%	91	AUD 1,507
9-Dec-13	7-Mar-14	5.15%	0.90%	6.05%	88	AUD 1,459
7-Mar-14	10-Jun-14	5.21%	0.90%	6.11%	95	AUD 1,591
10-Jun-14	8-Sep-14	5.21%	0.90%	6.11%	90	AUD 1,507
8-Sep-14	8-Dec-14	5.25%	0.90%	6.15%	91	AUD 1,532
8-Dec-14	9-Mar-15	5.21%	0.90%	6.11%	91	AUD 1,524
9-Mar-15	9-Jun-15	5.24%	0.90%	6.14%	92	AUD 1,547
9-Jun-15	7-Sep-15	5.37%	0.90%	6.27%	90	AUD 1,546

In this scenario, the Investment yields a total return of 32.12% over the 5 year life of the MLI.

## Example – USD Series – Scenario 4

In this fourth example, we describe an Investment in the MLI (USD Series) where the hypothetical trend of 3 Month USD LIBOR is to rise consistently over the life of the MLI. In this instance, each observation of the Interest Rate in years 2-5 of the Investment will be higher than the current 3 Month USD LIBOR rate.

The graph for this hypothetical scenario is shown below – illustrating the path of 3 Month USD LIBOR and the subsequent observations of the Interest Rate at each Interest Calculation Date under this scenario. The table below shows the Interest Calculation Date and Interest Payment Date for each Interest Rate Payment over the life of the MLI as well as the corresponding Interest Rate Payments made under this scenario.



Source: Citi.

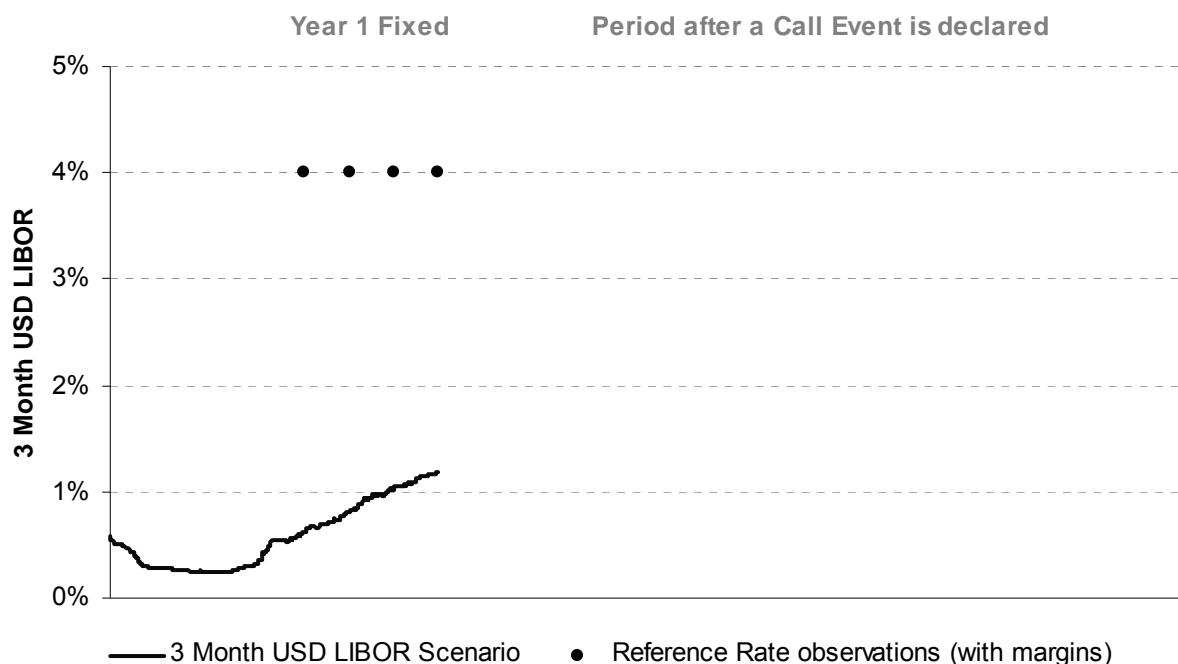
Interest Calculation Dates	Interest Payment Dates	Reference Rate	Margin	Interest Rate	Actual (No. of Days in Period)	Interest Rate Payments
7-Sep-10	7-Dec-10	N/A	N/A	4.00%	90	USD 1,000
3-Dec-10	7-Mar-11	N/A	N/A	4.00%	90	USD 1,000
3-Mar-11	7-Jun-11	N/A	N/A	4.00%	90	USD 1,000
3-Jun-11	7-Sep-11	N/A	N/A	4.00%	90	USD 1,000
2-Sep-11	7-Dec-11	1.27%	0.40%	1.67%	91	USD 422
5-Dec-11	7-Mar-12	1.43%	0.40%	1.83%	91	USD 463
5-Mar-12	7-Jun-12	1.59%	0.40%	1.99%	92	USD 510
5-Jun-12	7-Sep-12	1.77%	0.40%	2.17%	92	USD 554
5-Sep-12	7-Dec-12	1.90%	0.40%	2.30%	91	USD 581
5-Dec-12	7-Mar-13	1.98%	0.40%	2.38%	90	USD 594
5-Mar-13	7-Jun-13	2.06%	0.40%	2.46%	92	USD 629
5-Jun-13	9-Sep-13	2.18%	0.40%	2.58%	94	USD 673
5-Sep-13	9-Dec-13	2.42%	0.40%	2.82%	91	USD 712
5-Dec-13	7-Mar-14	2.51%	0.40%	2.91%	88	USD 712
5-Mar-14	9-Jun-14	2.63%	0.40%	3.03%	94	USD 792
5-Jun-14	8-Sep-14	2.85%	0.40%	3.25%	91	USD 820
4-Sep-14	8-Dec-14	3.15%	0.40%	3.55%	91	USD 898
4-Dec-14	9-Mar-15	3.28%	0.40%	3.68%	91	USD 931
5-Mar-15	8-Jun-15	3.44%	0.40%	3.84%	91	USD 971
4-Jun-15	8-Sep-15	3.67%	0.40%	4.07%	92	USD 1,040

In this scenario, the Investment yields a total return of 15.30% over the 5 year life of the MLI.

## Example – USD Series – Scenario 5

In the fifth example, we describe an Investment in the MLI (USD Series) where the hypothetical trend of 3 Month USD LIBOR is identical to the trend given in Scenario 4, except that the Issuer chooses to declare a Call Event on the first possible Call Event Observation Date – 1 year into the Investment.

The graph for this hypothetical scenario is shown below – illustrating the Issuer's right to declare a Call Event 1 year into the Investment. The table below shows the Interest Calculation Date and Interest Payment Date for each Interest Rate Payment over the life of the MLI as well as the corresponding Interest Rate Payments made under this scenario.



Source: Citi.

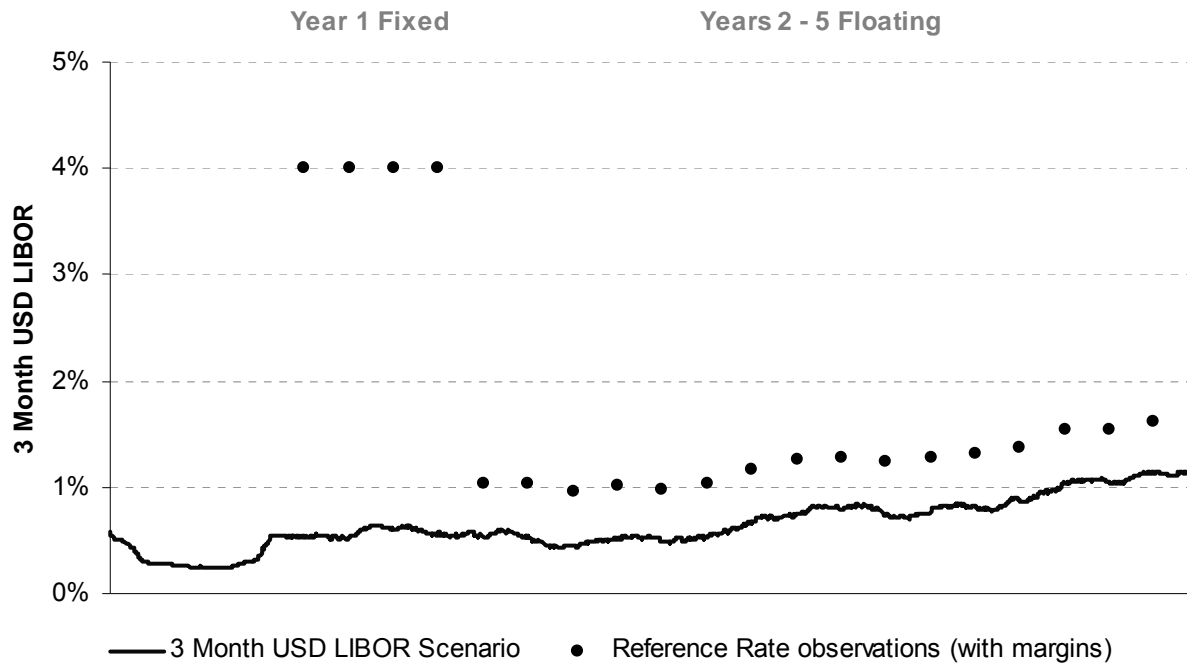
Interest Calculation Dates	Interest Payment Dates	Reference Rate	Margin	Interest Rate	Actual (No. of Days in Period)	Interest Rate Payments
7-Sep-10	7-Dec-10	N/A	N/A	4.00%	90	USD 1,000
3-Dec-10	7-Mar-11	N/A	N/A	4.00%	90	USD 1,000
3-Mar-11	7-Jun-11	N/A	N/A	4.00%	90	USD 1,000
3-Jun-11	7-Sep-11	N/A	N/A	4.00%	90	USD 1,000

In this scenario, the Investment yields a total return of 4.00% over the 1 year life of the MLI.

## Example – USD Series – Scenario 6

In the final example, we describe an Investment in the MLI (USD Series) where the hypothetical trend of 3 Month USD LIBOR is to remain stable around current levels. In this instance, each observation of the Interest Rate in years 2-5 of the Investment will be not be significantly higher or lower than the current 3 Month USD LIBOR rate.

The graph for this hypothetical scenario is shown below – illustrating the path of 3 Month USD LIBOR and the subsequent observations of the Interest Rate at each Interest Calculation Date under this scenario. The table below shows the Interest Calculation Date and Interest Payment Date for each Interest Rate Payment over the life of the MLI as well as the corresponding Interest Rate Payments made under this scenario.



Source: Citi.

Interest Calculation Dates	Interest Payment Dates	Reference Rate	Margin	Interest Rate	Actual (No. of Days in Period)	Interest Rate Payments
7-Sep-10	7-Dec-10	N/A	N/A	4.00%	90	USD 1,000
3-Dec-10	7-Mar-11	N/A	N/A	4.00%	90	USD 1,000
3-Mar-11	7-Jun-11	N/A	N/A	4.00%	90	USD 1,000
3-Jun-11	7-Sep-11	N/A	N/A	4.00%	90	USD 1,000
2-Sep-11	7-Dec-11	0.58%	0.40%	0.98%	91	USD 248
5-Dec-11	7-Mar-12	0.46%	0.40%	0.86%	91	USD 217
5-Mar-12	7-Jun-12	0.48%	0.40%	0.88%	92	USD 226
5-Jun-12	7-Sep-12	0.55%	0.40%	0.95%	92	USD 243
5-Sep-12	7-Dec-12	0.53%	0.40%	0.93%	91	USD 235
5-Dec-12	7-Mar-13	0.59%	0.40%	0.99%	90	USD 248
5-Mar-13	7-Jun-13	0.71%	0.40%	1.11%	92	USD 283
5-Jun-13	9-Sep-13	0.83%	0.40%	1.23%	94	USD 322
5-Sep-13	9-Dec-13	0.84%	0.40%	1.24%	91	USD 312
5-Dec-13	7-Mar-14	0.72%	0.40%	1.12%	88	USD 274
5-Mar-14	9-Jun-14	0.81%	0.40%	1.21%	94	USD 315
5-Jun-14	8-Sep-14	0.78%	0.40%	1.18%	91	USD 299
4-Sep-14	8-Dec-14	0.91%	0.40%	1.31%	91	USD 332
4-Dec-14	9-Mar-15	1.06%	0.40%	1.46%	91	USD 370
5-Mar-15	8-Jun-15	1.06%	0.40%	1.46%	91	USD 370
4-Jun-15	8-Sep-15	1.11%	0.40%	1.51%	92	USD 387

In this scenario, the Investment yields a total return of 8.68% over the 5 year life of the MLI.

## Section 6 – Fees associated with the MLI

Investors do not pay any direct fees to the Issuer associated with an investment in the MLI.

There will be no commission, establishment fee or ongoing management fee payable to the Issuer in respect of the MLI.

If Early Maturity occurs, the Issuer may charge the Investor any Costs and Taxes and Break Costs associated with the early termination. The Break Costs may include all costs, expenses and losses incurred by the Issuer and notified by the Issuer as payable by the Investor as a result of the early termination, unwind of a hedge position or any loss of profits that the Issuer may suffer as a result of the early termination. The Break Costs may be substantial. The Issuer will notify the Investor of such Break Costs in the Early Maturity Notice and will also provide indicative Break Costs prior to Early Maturity if requested and where possible.

The Issuer may profit from its ability to manage the underlying risk associated with the investment of the MLI and its responsibilities as Issuer of the MLI. However, the calculation of the Final Value per Unit is as set out in this PDS and is independent of any income or profits earned by the Issuer.

The Issuer will pay to distributors an upfront Distributor Fee\* of up to 2.50% (including GST if applicable) of the Investment Amount. This fee is payable by the Issuer out of its own funds and is not an additional cost to the Investor, nor is this fee deducted from the Investment Amount.

\* For example, if you invest \$100,000, the Distributor Fee payable to the distributor would be up to \$2,500 (i.e. \$100,000 x 2.50%). This is paid by the Issuer at no additional cost to Investors.

Fees and Costs	Amount	How and when paid
<b>Distributor Fee:</b> An upfront fee payable in connection with the distribution of the MLI	Up to 2.50% (including GST if applicable) of the Investment Amount	This upfront fee is paid by Citi at no additional cost to Investors

For more details on commission and benefits paid to financial advisors, Investors should refer to the financial services guide or statement of advice prepared by their financial advisor. Financial advisors should follow ASIC guidelines in relation to disclosure of all fees. Investors should always discuss fees and their benefits with an advisor.

# Section 7 – Information about the Issuer and Guarantor

## Who are the Issuer and the Guarantor?

The Issuer of the MLI is Citigroup Global Markets Australia Pty Limited. The Issuer is a wholly owned subsidiary of Citigroup Inc. and a member of the Citigroup Inc. group of companies ("Group"). Citigroup Inc. guarantees the performance of the Issuer's obligations under this PDS and the Terms, but does not guarantee the performance of the MLI.

The Issuer has previously provided credit rating information in retail disclosure documents. However, due to changes in the regulatory environment, most credit rating agencies are no longer consenting to the inclusion of credit rating information in retail disclosure documents issued in Australia. Therefore no credit ratings have been included in this document.

The Group has been in the Asia Pacific region for more than 100 years and today provides more services in more markets for more clients than any other financial institution. The Group counts as valued clients 10 million customers across 18 countries and territories.

## General Information about Citigroup Inc.

Citigroup Inc. is a leading global financial services company, has more than 200 million customer accounts and does business in more than 140 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Additional information may be found at [www.citigroup.com](http://www.citigroup.com) or [www.citi.com](http://www.citi.com).

At 31 December 2009, Citi had approximately 265,300 full-time employees and 3,700 part-time employees.

The principal executive offices of the companies are located at 399 Park Avenue, New York, New York 10043, U.S.A.

## Citi in Australia and New Zealand

The Group established a presence in Australia in 1971 and in New Zealand in 1982. In 1984, the Group's securities and investment banking business commenced operations and in 1985, Citibank Pty Limited (now Citigroup Pty Limited) became the first foreign bank to be granted an Australian banking licence. Today, the Group provides financial services to more than 1 million consumers and over 900 corporate clients in Australia and New Zealand.

Copies of financial statements of the Issuer can be found at [www.citifirst.com.au/about\\_us.html](http://www.citifirst.com.au/about_us.html).

Hard copies of those financial statements can be obtained free of charge by calling Citi on 1300 30 70 70.

**No Citi company other than the Issuer makes any statement or representation in this PDS.**

# Section 8 – Tax considerations

This section is general in nature and does not take into account the specific taxation circumstances of each Investor. The Issuer is not in the business of providing tax advice and cannot be relied upon to do so. Accordingly, Investors should not rely on this section and should obtain taxation advice specific to their own circumstances.

This section is a summary of the taxation consequences arising for Investors who are Australian resident taxpayers, including individuals, companies, trusts, and complying superannuation funds, who invest during the Initial Offer Period, hold the MLI on capital account, and who take physical delivery of the Delivery Assets on the Settlement Date and hold the Delivery Assets for the purpose of deriving assessable dividends, rather than utilising the Agency Sale Arrangement. This section is based on the law, and administrative practice of the ATO, as at the date of this PDS. Subsequent changes in the law or its administration by the ATO may affect the tax consequences to Investors.

## Interest Rate Payments

Investors should include Interest Rate Payments in their assessable income in the year they are received. Investors in the USD Series should translate the USD amounts to AUD using the USD/AUD spot exchange rate at the time of receipt.

## Capital Gains Tax

For Investors in the AUD Series who invest during the Initial Offer Period, a capital gain or loss cannot arise on Maturity of the MLI.

For Investors in the USD Series, based on the approach adopted by the ATO in Taxation Determination TD 2008/21, a gain or loss on Maturity of the MLI may arise and should be on capital account and be subject to Capital Gains Tax.

Investors in the USD Series should note that any gain or loss would not be on capital account where the transaction was entered into as an ordinary incident of carrying on a business or in a business operation or commercial transaction carried out with a profit-making purpose by the Investor. Such Investors should obtain tax advice specific to their circumstances as the comments below do not apply to them.

Based on the approach adopted by the ATO in Taxation Determination TD 2008/22, Investors in the USD Series would be subject to Capital Gains Tax on the Maturity Date of the MLI whether or not they take delivery of the Delivery Assets or elect to sell the Delivery Assets using the Agency Sale Arrangement. For Investors in the USD Series, the amount of the capital gain or loss will be the market value of the MLI at the Maturity Date (expressed in AUD) less the USD denominated Issue Price paid by the

Investor on Application translated into AUD using the exchange rate on the Issue Date of the MLI.

A capital loss cannot be applied to reduce ordinary income but may only be used to reduce capital gains from other sources in the current or later years.

A capital gain computed above should first be reduced by any capital losses from other sources before applying any CGT discount applicable below.

Apart from Investors who make an Early Maturity within 12 months of the Issue Date, Investors who invest during the Initial Offer Period will hold the MLI for at least 12 months. Accordingly, Investors in the USD Series who are natural persons should apply the 50% CGT discount to the amount of the capital gain computed above. And Investors in the USD Series who are trusts or complying superannuation funds should apply the one-third CGT discount to the amount of the capital gain computed above.

Investors who take delivery of the Delivery Assets on the Settlement Date rather than utilising the Agency Sale Arrangement will also be subject to Capital Gains Tax upon any subsequent sale of those Delivery Assets. Based on the approach adopted by the ATO in TD 2008/22, the amount of that capital gain or loss will be the sale proceeds of the Delivery Assets less the market value of the MLI at the Maturity Date. Accordingly, the capital gain or loss on sale of the Delivery Assets will only reflect the change in value of the Delivery Assets after the Maturity Date of the MLI. The CGT discount would only apply to this capital gain where Investors held the Delivery Assets for at least 12 months after the Maturity Date of the MLI.

## Discount Securities

The return on discount securities is brought to tax on an accruals basis over the life of the security. Based on the approach adopted by the ATO in Taxation Determination TD 2008/21, the MLI should not be regarded a discount security.

## Traditional Securities

Gains and most losses on disposal or maturity of traditional securities are excluded from being on capital account. However, based on the approach adopted by the ATO in TD 2008/21, the MLI should not be regarded as a Traditional Security.

## Financial Arrangements

An investment in the MLI may constitute a financial arrangement. New rules for the taxation of financial arrangements apply to financial arrangements acquired

after 1 July 2010. However, unless investors elect otherwise, on the basis that the MLI is not a discount security, the TOFA rules will not apply to the MLI for those investors who are:

- individuals; or
- superannuation funds, or managed investment schemes, with assets of less than \$100 million; or
- non-financial sector investors with assets of less than \$300 million, financial assets less than \$100 million, and turnover less than \$100 million.

Other investors should obtain tax advice in relation to the application of the financial arrangement rules specific to their own circumstances.

### **General Anti-Avoidance Rule**

The Tax Act contains a general anti-avoidance rule which gives the ATO power to cancel a tax benefit where a taxpayer enters into a scheme, where there was a dominant purpose of deriving the tax benefit. While the application of this rule can only be determined by considering the specific circumstances of each Investor, in general the rule should not apply to Investors in the MLI.

### **GST**

The MLI should not give rise to any liability for Investors to pay Goods & Services Tax.

# Section 9 – Additional information

## Consents

Freehills has given, and not withdrawn, its written consent to being named as lawyers to the issue in the form and context in which it is named. Freehills has not provided any taxation advice in, or in relation to, this PDS and has not authorised or caused the issue of this PDS. Freehills does not make, or purport to make, any statement in this PDS or any statement on which a statement in this PDS is based except as stated in this paragraph. Freehills takes no responsibility for any part of this PDS to the maximum extent permitted by law other than references to its name to which it has consented.

Freehills has not authorised or caused the issue of this PDS.

## Experts' and advisors' interests

Except as set out in this paragraph, no expert and no firm in which an expert is a partner has, at the date of this PDS, any material interest in connection with the formation or promotion of either the Issuer or the MLI.

Freehills will receive fees for its professional services in connection with this PDS as advisors to the Issuer. Some partners of Freehills may, from time to time, have an interest in the MLI, the Delivery Assets or securities in a related entity of the Issuer.

## Directors' and related entity interests

Except as set out in this paragraph, the Issuer and its related bodies corporate are not associated with, and have no access to, information concerning the Delivery Assets other than that which is in the public domain. Neither the Issuer nor its related bodies corporate, nor any director or proposed director of the Issuer, nor any firm in which a director or proposed director of the Issuer is a partner has, at the date of this PDS, any material interest in connection with the formation or promotion of either the Issuer, the MLI or the Delivery Assets except that:

- the Issuer earns brokerage at normal commercial rates on transactions in relation to the MLI which it undertakes. This is at no additional cost to the Investor;
- Citigroup Inc. group of companies, as part of their employee remuneration arrangements, conduct an incentive system based on the success of their activities. The directors and senior executive officers of the Issuer, being also employees of a Citigroup Inc. group company, participate in these incentive remuneration arrangements;
- the Issuer and its related bodies corporate, as part of its investment banking and stockbroking business may, from time to time, advise or act for the issuer of the financial instruments dependent on the Delivery Asset, or advise or act for other clients in relation to the issuer of the Delivery Asset, or publish research reports on the

issuer of the Delivery Asset. Investors will not be notified of these activities, or the content of such reports; and

- the Issuer, or an associate or related body corporate may, from time to time, hold financial instruments dependent on the Delivery Assets for trading purposes, including market making, or to hedge the MLI. Related bodies corporate of the Issuer may deal in financial instruments dependent on the Delivery Assets, options and other derivative contracts in respect of them.

## Privacy Statement

We will only collect personal information necessary for the products or services you request. The information we collect from you on the Application Form and which we acquire from you or other people (such as distributors of the MLI and your licensed broker or financial advisor) during the course of managing the MLI is required to process your MLI Application, manage your Investment and comply with relevant laws.

We may use this information to send you information about other investment products. You can tell us if you wish to receive this information from the outset on the Application Form. If, at any time, you receive information from us about our products and do not wish to receive further correspondence, please let us know. We may also disclose information about you to third party service providers who assist us in our business operations and service provision. These service providers may include distributors of the MLI or your licensed broker or financial advisor.

We may also disclose information about you to process your Application, manage your Investment, comply with relevant laws or as otherwise permitted under the *Privacy Act 1988* (Cth).

We store information about you in databases which may be maintained outside Australia by other Citigroup Inc. group of companies. On request, we will provide you with a copy of any personal information which we hold about you. We will inform you beforehand if there is any charge associated with providing this information to you. If you do not provide us with the personal information which we request, we may not be able to provide a service, issue the MLI or may be required by law to take particular actions such as deducting taxation at the top marginal rate, plus the Medicare Levy.

Further information about our privacy practices can be found by requesting a copy of our privacy policy.

If you have any queries please contact the Citi Privacy Officer:

Citi Privacy Officer  
GPO Box 204  
Sydney NSW 2001  
Telephone: +61 2 8225 1000  
E-mail: [privacy.officer@citi.com.au](mailto:privacy.officer@citi.com.au)

# Section 10 - Terms and conditions

## Market Linked Investment ("MLI")

These Terms (including those set out in the Term Sheet) form the terms and conditions on which the person named in the Application Form (the "Investor" or "Applicant") agrees to acquire in the future the Delivery Parcel from the Issuer under the MLI. Capitalised words are defined in clause 15 of these Terms.

Offer Closing Date, the Applicant will be entitled to the number of Units equal to the Investment Amount divided by the Purchase Price. If the Investment Amount is paid in Australian dollars, then the MLI will be issued in the AUD Series. If the Investment Amount is paid in United States dollars, then the MLI will be issued in the USD Series.

## 1. Applications and Acceptance

### 1.1. Offer by the Applicant

An Applicant may make an offer to the Issuer to acquire the Delivery Parcel from the Issuer on a deferred basis in accordance with these Terms:

- (a) by completing and returning to the Issuer a valid Application Form before the Initial Offer Closing Date or, if applicable, the Purchase Date; and
- (b) by ensuring that an amount equal to the Investment Amount is received by the Issuer in cleared funds by the Initial Offer Closing Date or, if applicable, the Purchase Date.

### 1.2. Investor bound by Terms

By signing the Application Form and lodging it with the Issuer, the Investor agrees to be bound by these Terms.

### 1.3. Acceptance of the offer by the Issuer

- (a) The Issuer may decide, in its absolute discretion, whether or not it will accept the Applicant's offer to acquire the Delivery Parcel from the Issuer.
- (b) If the Issuer decides that it will accept an Application and provided that the Issuer has received the Investment Amount in cleared funds by the Initial Offer Closing Date or, if applicable, the Purchase Date (or such other time if otherwise accepted by the Issuer in its discretion), acceptance of the Applicant's offer will take place on, and the parties' rights and obligations under these Terms will commence on, the Issue Date or, if applicable, the Purchase Date.
- (c) Subject to clause 1.3(d), for each 1.00 of Investment Amount paid by the Initial Offer Closing Date, the Applicant will be entitled to one Unit. For Applications received after the Initial

- (d) Within 10 Business Days after the Issue Date or, if applicable, the Purchase Date, the Issuer will send to the Investor a notice acknowledging either the acceptance or rejection of the Applicant's offer.

## 2. Deferred purchase of Delivery Assets

### 2.1. Purchase of Delivery Assets

The Investor agrees to purchase from the Issuer on the Maturity Date the Delivery Parcel for the Investment Amount (which will be paid by the Investor in accordance with clause 2.2 of these Terms). Following Maturity, the Issuer will deliver the Delivery Parcel to the Investor in accordance with clause 3 of these Terms.

### 2.2. Payment of the Investment Amount

- (a) The Investor must pay the Investment Amount to the Issuer in cleared funds by the Initial Offer Closing Date or, if applicable, the Purchase Date.
- (b) The minimum Investment Amount that will be accepted by the Issuer under these Terms is the Minimum Investment Amount set out in the Term Sheet.

## 3. Maturity and Settlement of deferred purchase

### 3.1. Notice of Maturity

The Issuer will give a Maturity Notice to the Investor approximately 20 Business Days before the Maturity Date.

### 3.2. Effecting Maturity

- (a) The Investor must complete the deferred purchase of the Delivery Parcel by returning the Maturity Notice to the Issuer on or before the Closing Time, specifying in the Maturity Notice that the Investor will accept physical delivery of the Delivery Parcel or that the Investor will use the Agency Sale Arrangement.

- (i) If the Issuer:
- i. does not receive the Investor's Maturity Notice by the Closing Time; or
  - ii. receives the Investor's Maturity Notice by the Closing Time and the Investor has not elected in the Maturity Notice to accept either physical delivery of the Delivery Parcel or to use the Agency Sale Arrangement,

the Investor will be deemed to have elected physical delivery of the Delivery Parcel and the deferred purchase will complete.

### 3.3. Physical delivery of the Delivery Assets to the Investor

If the Investor has elected on the Maturity Notice to accept physical delivery of the Delivery Parcel or the Investor is deemed to have so elected under clause 3.2(b):

- (a) the Issuer (either itself or through a nominee) will procure the performance of all acts required of a transferor of marketable securities under the ASTC Settlement Rules to enable the Delivery Parcel to be transferred to the Investor on the Settlement Date or as soon as possible thereafter, free from any security interest or third party interest or restriction on transfer (other than one that has been accepted by the ASX for the purposes of quotation of the property comprising the Delivery Assets); and
- (b) the Investor irrevocably authorises the Issuer (and any of its nominees), at the option of the Issuer, to act as the Investor's agent to do all things required to be done, including but not limited to supplying the Investor's HIN, to effect the delivery of the Delivery Parcel to the Investor.

### 3.4. Delivery through the Agency Sale Arrangement

If the Investor has elected to use the Agency Sale Arrangement, the Issuer (either itself or through a nominee) will procure the delivery of the Delivery Parcel as follows:

- (a) the Issuer (or its nominee) is irrevocably authorised to accept physical delivery of the Delivery Parcel for, and on behalf of, the Investor on the Settlement Date;
- (b) the Investor irrevocably authorises the Issuer (or its nominee) to sell, and irrevocably directs and authorises the Issuer (or its nominee) to take all actions necessary or desirable to effect the sale by the Issuer (or its nominee) of the Delivery Parcel;
- (c) if the Investor elects the option under the Agency Sale Arrangement to accept the Sale Proceeds in cash, the Issuer (or its nominee) on behalf of the Investor will deliver to the Investor's Settlement Account (or pay by cheque to the Investor if no Settlement Account is nominated) the Sale Proceeds within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter; and
- (d) the Investor acknowledges and agrees that:
- (i) the Issuer (or its nominee) to sell the Delivery Parcel on behalf of the Investor for an amount per Delivery Asset equal to the Official Closing Level on the Trading Day immediately following the Maturity Date; and
  - (ii) to the maximum extent permitted by law, the Issuer (and its nominee) not responsible for any loss, costs or expense incurred by the Investor as a result of using the Agency Sale Arrangement (whether from negligence or otherwise), except to the extent that such loss, cost or expense arises as a result of the Issuer's (or the nominee's) default, fraud or dishonesty.

The Investor agrees and acknowledges that the Issuer (or its nominee) will use its best endeavours to sell the relevant Delivery Parcel in accordance with clause 3.4(d)(i). If, for any reason whatsoever, the Issuer is unable to sell the relevant Delivery Parcel at the Official Closing Level on the Trading Day immediately following the Maturity Date, the Investor irrevocably authorises the Issuer to use its best endeavours to sell the relevant Delivery Parcel as soon as practicable at the best price the Issuer can obtain.

### 3.5. Payment by the Issuer

In respect of each MLI, the Issuer must pay to a holder of a MLI on the applicable Interest Payment Dates set out in the Term Sheet for the AUD Series or the USD Series the Interest Rate Payments applicable to that MLI.

### 3.6. Satisfaction of obligations

Upon delivery of the Delivery Parcel to the Investor in accordance with this clause 3 or payment by the Issuer (or its nominee) to the Investor of the relevant amount in

respect of the Delivery Parcel under clause 3.4(c), and any payment of amounts due under clause 3.5, the Issuer's obligations to the Investor under these Terms are satisfied and discharged.

### 3.7. Delivery of a whole number of Delivery Assets only

The Issuer (or its nominee) will not transfer a fractional Delivery Asset or parts of a Delivery Asset. If a fraction of a Delivery Asset (including the Portion) would otherwise be transferable by the Issuer on the Settlement Date, the Issuer may keep that fraction of the Delivery Asset and cause to be paid to the Investor (within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter) an amount equal to the value of the fraction of the Delivery Asset forgone based on the Official Closing Level on the Trading Day immediately following the Maturity Date, provided that such amount exceeds twenty Australian dollars (AUD 20). If the amount does not exceed twenty Australian dollars (AUD 20), the Issuer is entitled to keep that amount and is under no obligation to the Investor to make any payment for the fraction of the Delivery Asset. Upon performance of its obligations under this clause, the Issuer is discharged of its obligation to deliver the fraction of the Delivery Asset.

### 3.8 Call Events

The Issuer may, in its absolute discretion, declare a Call Event on any Call Event Observation Date and the Maturity Date shall be deemed to be the Call Event Observation Date on which the Call Event occurs.

The Issuer will send a Maturity Notice to an Investor within 7 Business Days after the Call Event Observation Date on which a Call Event occurs.

If a Call Event occurs:

- (a) clauses 3.3 to 3.7 (inclusive) apply as if the Maturity Date is the Call Event Observation Date on which the Call Event occurs; and
- (b) clause 4 of these Terms shall not apply, since a Call Event does not constitute Early Maturity Event.

## 4. Early Maturity

### 4.1. Early Maturity by the Issuer

The Issuer may at any time, in its absolute discretion, nominate or declare any of the following events as an Early Maturity Event:

- (a) an event considered to be an Early Maturity Event as described in the PDS;

- (b) an Adjustment Event that occurs or is proposed to occur where, in the Issuer's reasonable opinion, it is not possible or desirable to deal with the occurrence of that event in accordance with clause 5;
- (c) where there is a suspension or material limitation of trading in financial products generally on the Relevant Exchange or any other exchange on which the Delivery Asset is traded for a period of 24 hours or more;
- (d) where there is a suspension or material limitation of trading in the Delivery Assets traded on a Relevant Exchange (or any successor) for a period of 24 hours or more;
- (e) if the Issuer determines in good faith that the performance of its obligations in relation to or under these Terms has or will become, in circumstances beyond the reasonable control of the Issuer, impossible, unlawful, illegal or otherwise prohibited as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power;
- (f) a Hedging Event as described in clause 5.2; or
- (g) any actual or proposed event that may reasonably (in the Issuer's opinion) be expected to lead to any of the events referred to in paragraphs (a) to (f) above occurring.

If any event occurs which constitutes both an Adjustment Event as defined in clause 15.1 and an Early Maturity Event as defined in this clause, the Issuer may, in its discretion, treat that event as either an Adjustment Event or Early Maturity Event.

### 4.2. Early Maturity at the request of the Investor

The Investor may only request Early Maturity on a weekly basis by completing and giving the Investor Sale Form to the Issuer. Early Maturity can only be requested in respect of the full amount of the Investor's MLI. It is in the Issuer's absolute discretion to accept or reject the request for Early Maturity. If the Issuer accepts, the Issuer will in its absolute discretion determine an Early Maturity Date as soon as practicable after the request is received and will complete accordingly.

### 4.3. Determination that there will be Early Maturity

Where the Issuer has nominated an event as an Early Maturity Event, the Issuer may, in its absolute discretion, determine that there will be Early Maturity and may specify a date as the Early Maturity Date. The Issuer will give written notice of the Early Maturity Date to each Investor within 10 Business Days after declaring an Early Maturity Event.

#### 4.4. Early Maturity Mechanism

- (a) If the Issuer determines that there will be Early Maturity in accordance with clause 4.1 only, or if the Investor has requested Early Maturity, Early Maturity will take place as follows:
- (i) the Issuer will, before the Early Maturity Date, notify the Investor that Early Maturity will occur on the Early Maturity Date in accordance with clause 3 of these Terms. The notice issued by the Issuer under this clause shall serve as the Maturity Notice. The Issuer will specify in the Maturity Notice whether Early Maturity will occur by the normal Maturity process in accordance with clause 4.4(a)(ii) or by Exit Payment in accordance with clause 4.4(a)(iii);
  - (ii) if specified in the Maturity Notice and subject to clause 4.4(b), Early Maturity will take place in accordance with the procedures set out in clauses 3.2 to 3.6 of these Terms; and
  - (iii) if specified in the Maturity Notice, Early Maturity will occur by the Issuer paying to the Investor the Exit Payment to the Investor's Settlement Account (or by paying the Exit Payment by cheque to the Investor if no Settlement Account is nominated) within 10 Business Days after the Settlement Date or as soon as practicable thereafter.
- (b) After the Delivery Parcel is delivered to the Investor under clause 3.3(a) or after the Issuer (or its nominee) pays the Investor the Exit Payment in accordance with clause 4.4(a)(iii) or after the relevant amount in respect of the Delivery Parcel under clause 3.4(c) is paid to the Investor's Settlement Account as a result of Early Maturity Event occurring, all obligations of the Issuer to the Investor under these Terms are deemed to be satisfied in full and the Issuer is discharged from its obligations under these Terms.
- (c) If there is Early Maturity by the Issuer under clause 4.1 only or if the Investor has requested Early Maturity, for the purposes of determining the Delivery Parcel, the definition of "Delivery Parcel" in clause 15 does not apply and instead the following definition will be applied: "Delivery Parcel" means the number of Delivery Assets to be delivered by the Issuer to the Investor on the Settlement Date as determined by the following formula:

***Delivery Parcel =***

***Early Maturity Value × no. of Units held by Investor***

***Official Closing Level for the Delivery Asset on the Trading Day immediately following the Early Maturity Date***

#### 4.5. Substitution of Delivery Assets

The Issuer may, in its reasonable opinion, determine that it is not possible to transfer the Delivery Assets comprising the Delivery Parcel to the Investor. In this case, Maturity will take place in accordance with clause 3 (or, in the case of Early Maturity, in accordance with clause 4.4(a)) except that the Issuer may substitute any other security or managed investment product quoted and trading on a Relevant Exchange operated by ASX (including any other security or any other fund or entity listed on ASX, provided that other security or managed investment product is in a class of financial products that is a constituent of the S&P/ASX 200 Price Index) for the Delivery Asset and deliver that substituted security or managed investment product in accordance with these Terms as if the definition of "Delivery Asset" was amended to refer to the substituted security.

#### 4.6. No Capital Protection on Early Maturity

If there is Early Maturity, whether it arises because of Early Maturity Event or because the Investor has requested Early Maturity, Capital Protection will not apply and the Issuer does not guarantee to deliver to the Investor a Delivery Parcel either based on the Final Value per Unit or equal to the Issue Price. For the avoidance of doubt, where there is Early Maturity (and the Issuer elects the normal Maturity processes to apply) the Delivery Parcel will only be determined in accordance with clause 4.4(c).

#### 4.7. Adjustments to this clause

Where the Issuer determines that any of the provisions of this clause 4 are not appropriate in any particular circumstances, or that any event which is not dealt with in clause 4 should have been dealt with, it may make any alterations to the effect of this provision or to any other Term that it considers to be appropriate.

## 5. Adjustment Events and Hedging Events

### 5.1. Adjustment Events

If an Adjustment Event occurs or is proposed to occur on or before the Maturity Date, the Issuer may, in its discretion, elect to do any or all of the following:

- (a) substitute the Delivery Assets with any other security or managed investment product quoted and trading on a Relevant Exchange operated by ASX, where that other security or managed investment product is in a class of financial products that is a constituent of the S&P/ASX 200 Price Index; and/or
- (b) substitute the Reference Rate with another security or managed investment product quoted

and trading on a Relevant Exchange at the discretion of the Issuer; and/or

- (c) adjust or amend any variable, formula, amount or calculation as set out or used in these Terms (including, without limitation, the Term Sheet); and/or
- (d) adjust, amend or substitute the definition of Delivery Asset and/or vary any of the terms referred to in the PDS under the heading "Changes to the Delivery Assets"; and/or
- (e) determine to suspend any of the necessary calculations referred to in these Terms as appropriate until reliable values can be obtained,

in a manner consistent with the PDS provided that in the reasonable opinion of the Issuer the adjustment in accordance with the above paragraphs is appropriate to put both the Issuer and the Investor in substantially the same economic position as the Investor and the Issuer would have been in had the Adjustment Event not occurred. If in the reasonable opinion of the Issuer it is not possible or desirable to deal with the occurrence of the Adjustment Event in accordance with this clause 5, the Issuer may nominate or declare the event as an Early Maturity Event and may deal with that event in accordance with clause 4. The Issuer will notify Investors of any adjustment that it proposes to make under this clause before the adjustment occurs or as soon as reasonably practicable after the adjustment occurs.

## 5.2. Hedging Event

The Issuer has discretion, to be exercised in good faith and in a reasonably commercial manner, to make such adjustments to the Terms if a Hedging Event occurs or is proposed to occur, where:

- (a) on any day the Issuer is unable, after using commercially reasonable efforts, to
  - (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the MLI, or
  - (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s) (a "Hedging Disruption"); or
- (b) on any day the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to:
  - (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the MLI, or

(ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s) (an "Increased Cost of Hedging" and together with the Hedging Disruption, each a "Hedging Event"),

provided that any such materially increased amount that is incurred solely due to the deterioration of the credit worthiness of the Issuer shall not be deemed an Increased Cost of Hedging,

then the Issuer shall, in its sole and absolute discretion, determine if such Hedging Event has a material effect on the MLI and, if so, the Issuer may make such adjustments (as described in clause 5.1 above) to any of the Terms of the MLI as it determines appropriate to account for any such Hedging Event and determine the date(s) on which any such adjustments will be effective. If in the reasonable opinion of the Issuer it is not possible or desirable to deal with the occurrence of the Hedging Event in accordance with this clause 5, the Issuer may nominate the event as an Early Maturity Event and may deal with that event in accordance with clause 4. The Issuer will notify Investors of any adjustment that it proposes to make under this clause before the adjustment occurs or as soon as reasonably practicable after the adjustment occurs.

## 6. Accretions

These Terms do not confer on the Investor any right or interest in respect of Accretions to the Delivery Assets. Accretions to the Delivery Assets may lead to adjustments as provided for in clause 5 of these Terms.

## 7. The Issuer's obligations are unsecured

The Issuer's obligations under these Terms or in relation to the deferred purchase of the Delivery Assets are direct, unconditional and unsecured obligations of the Issuer and these obligations rank equally with the Issuer's existing unsecured debt.

## 8. Interest in the Delivery Assets

For each MLI an Investor holds, the Investor receives a Beneficial Interest on the Issue Date. The Investor holds the Beneficial Interest until the earlier of Maturity or transfer of each MLI in accordance with clause 14.9.

An Investor may only deal with the Beneficial Interest in accordance with these Terms.

The Issuer (or its nominee) will hold the Portion of the Delivery Assets for the Investor from the Issue Date until Maturity and will be entitled to retain any dividends or other distributions made in connection with those assets,

exercise all voting rights and will not be required to pass any notice of meeting or other material in connection with the Delivery Assets to the Investor.

The Issuer (or its nominee) may administer its holding of Portions such that Portions of an Investor or Investors may be aggregated.

The Issuer (or its nominee) has all the powers that a natural person would have in relation to the Portions, subject to these Terms.

The Beneficial Interest for each MLI forms part of that MLI and may not be severed from the balance of the rights in connection with that MLI or dealt with separately in any way.

When an Investor deals with an MLI in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding Beneficial Interest. When an Investor deals with a Beneficial Interest in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding MLI. For example, when an Investor (the "old holder") transfers a MLI to another person (the "new holder"):

- (a) all the rights and obligations that attach to that MLI, including the Beneficial Interest, are transferred from the old holder to the new holder;
- (b) the old holder's interest in the MLI will be removed from the Register and the new holder will be added to the Register; and
- (c) the old holder ceases to have any rights in relation to the MLI or the Beneficial Interest.

If any Investor purports to deal with a MLI without an equivalent dealing in the corresponding Beneficial Interest, or if any Investor purports to deal with a Beneficial Interest without an equivalent dealing in the corresponding MLI, or if any Investor purports to contract out of this clause in any way, any such dealing will be void and the MLI and the Beneficial Interest will remain with the Investor recorded on the Register.

At Maturity, the Portion will form part of each Delivery Parcel, and so will either:

- (a) be delivered to the Investor if physical delivery applies; or
- (b) be sold and form part of the Sale Proceeds if the Agency Sale Arrangement applies.

The Investor agrees and acknowledges that the agreement to purchase the Delivery Assets as set out in these Terms and the payment of the Investment Amount does not transfer the legal or beneficial interest in the Delivery Assets to the Investor other than the Beneficial Interest in a Portion of the Delivery Assets. The parties agree and acknowledge that the legal or beneficial interest in the balance of the Delivery Assets will transfer to the Investor only on the Settlement Date. If the Issuer fails to deliver the

balance of the Delivery Assets to the Investor in accordance with these Terms, the Investor agrees that it will not be entitled to an injunction, specific performance or any other equitable rights or remedies and will be entitled only to damages.

The Issuer (or its nominee) is indemnified in its capacity as holder of the Portions for all costs, expenses, outgoings, loss or damages paid, suffered or incurred in that capacity, from the Portions so held, unless such cost, expense, outgoing, loss or damage arises by virtue of dishonesty or wilful breach of trust.

The liability of the Issuer (or its nominee) to Investors or any other person in relation to the holding of Portions, is limited to the extent to which the liability can be satisfied out of the Portions held for Investors, unless the liability arises by virtue of dishonesty or wilful breach of trust.

## 9. Taxes

- (a) The Issuer is not liable for any Taxes or other charges payable by:
  - (i) the Investor in relation to or in connection with these Terms; or
  - (ii) any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or on the Maturity of the purchase and sale of a Delivery Asset.
- (b) The Investor must pay all Taxes (including GST if applicable) and other charges, if any, payable by:
  - (i) the Investor in relation to or in connection with these Terms; or
  - (ii) any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or on the Maturity of the purchase and sale of a Delivery Asset.

## 10. Investor's representations and warranties

By signing the Application Form and submitting it to the Issuer, the Investor represents and warrants to the Issuer (as a continuing representation and warranty) that:

- (a) the Investor has full legal capacity to make the Application and be bound by these Terms and has taken all actions that are necessary to authorise the Application and be bound by these Terms;
- (b) the Investor has reviewed these Terms and has made its own independent investigations and appraisals of the taxation, legal, commercial and credit aspects associated with the purchase of the Delivery Assets;

- (c) the Investor has not relied in any way on any statements made by the Issuer or its related entities or their servants, agents, employees or representatives in relation to these Terms or the deferred purchase of the Delivery Assets and the Investor acknowledges that the Issuer has not made any representations to the Investor regarding the suitability or appropriateness of the deferred purchase of Delivery Assets pursuant to these Terms;
- (d) the Investor understands that nothing in these Terms or in any marketing material associated with these Terms can be considered investment advice or a recommendation to buy the Delivery Assets;
- (e) the Investor has obtained all consents which may be required by law to enable the Investor to acquire the Delivery Assets and to become registered as the holder of the Delivery Assets and that the registration of the Investor as the holder of the Delivery Assets will not contravene any law, regulation or ruling or the constitution of the issuer of the Delivery Assets;
- (f) the MLI being applied for will not breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to the MLI or the Investor and the Investor is not a resident or national of any jurisdiction where the Application for or the Maturity of the MLI is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Issuer or any of its related bodies corporate; and
- (g) the Investor acknowledges that Section 8 of the PDS ("Tax Considerations") is provided only for the benefit of the Issuer and is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Investor. The Investor acknowledges that it has sought its own independent advice on the taxation implications relevant to its own circumstances before making an investment decision.

## 11. Set off Rights

- (a) All monetary obligations imposed on the Investor under these Terms are absolute, free of any right to counterclaim or set off and may only be satisfied once the payment has cleared.
- (b) The Issuer may set off any amount payable to it by the Investor against any amount payable by the Issuer to the Investor. The Issuer may withhold any amount payable by it to the Investor in satisfaction of any amount payable to it by the Investor.

## 12. Notices

- (a) Any notice or statement to be given or demand to be made on the Investor under these Terms:
  - (i) will be effectively signed on behalf of the Issuer if it is executed by the Issuer, any of its officers, its solicitor or its attorney; and
  - (ii) may be served by being delivered personally to, by being left at, by being e-mailed to, or by being posted in a prepaid envelope or wrapper to the Investor's address notified to the Issuer or the Investor's registered office, place of business, or residence last known to the Issuer, or by being sent to the Investor by facsimile transmission.
- (b) A demand or notice if:
  - (i) posted will be deemed served two Business Days after posting; or
  - (ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission.
- (c) Service by any of these methods will be valid and effectual even if the Investor does not receive the document or if the document is returned to the Issuer unclaimed.

## 13. Amendment of Terms

The Issuer may, from time to time, by a notice sent to the Investor make any modification, variation, alteration or deletion of, or addition to, these Terms ("Change") where:

- (a) the Change is one determined by the Issuer as being required or permitted under either of clauses 4 or 5 of these Terms;
- (b) the Change is necessary or desirable in the reasonable opinion of the Issuer to comply with any statutory or other requirement of law; or
- (c) the Change is desirable to correct an inconsistency or error in these Terms (but only if such Change does not, in the opinion of the Issuer, materially prejudice the interests of the Investor).

The Issuer will give the Investor notice of any Change to these Terms and the Investor will be bound by any such Change at the time the Investor is served with such notice.

## 14. General provisions

### 14.1. Currency

All amounts payable by either party under these Terms will be paid in the corresponding Denomination specified in the Term Sheet in respect of the AUD Series or USD Series. All calculations will be performed in currency specified as the "Denomination" in the Term Sheet and any necessary foreign exchange will be calculated by applying the AUD/USD spot rate as at the date of that calculation.

### 14.2. No merger

The Issuer's rights under these Terms are additional to and do not merge with or affect and are not affected by any mortgage, charge or other encumbrance held by the Issuer or any other obligation of the Investor to the Issuer, despite any rule of law or equity or any other statutory provision to the contrary.

### 14.3. Rounding

All calculations made by the Issuer for the purposes of these Terms will be made to not fewer than two decimal places. Other than as provided in these Terms, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers of Delivery Assets are rounded down to the nearest whole number.

### 14.4. Certificates

Any document or thing required to be certified by the Investor or the Issuer must be certified by the Investor (if an individual) or a director, secretary or authorised officer of the Investor (if a company) or director, secretary or authorised officer of the Issuer, as the case requires, or in any other manner that the Issuer may approve.

### 14.5. Execution by attorneys

Each attorney executing the Application Form which binds the Investor to these Terms states that he, she or it has no notice of revocation or suspension of the power of attorney under which the attorney executes the Application Form.

### 14.6. Power of attorney

For valuable consideration the Investor irrevocably appoints the Issuer, its nominees and any of their directors and secretaries or any employee whose title includes the words "director", "head" or "manager" severally as attorney of the Investor to do (either in the name of the Investor or

the name of the attorney) all acts and things that the Investor is obliged to do under the Terms or which, in the opinion of the Issuer, are necessary or desirable in connection with the Delivery Assets or the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer including, without limitation, the authority to sell the Delivery Assets on behalf of the Investor in accordance with clause 3.4(b).

### 14.7. Invalid or unenforceable provisions

If a provision of these Terms is invalid or unenforceable in a jurisdiction, it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability, and that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

### 14.8. Waiver and exercise of rights

A single or partial exercise of a right by the Issuer does not preclude another exercise or attempted exercise of that right or the exercise of another right. Failure by the Issuer to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

### 14.9. Assignment and transfer of interests

- (a) The Issuer may transfer its rights and obligations under these Terms at any time by giving notice to the Investor (and in the case of the Issuer transferring obligations, the power of attorney in clause 14.6 will extend to any novation deed or agreement that the Issuer considers desirable to give effect to the transfer of obligations).
- (b) The rights and obligations under these Terms may, with the prior consent of the Issuer:
  - (i) be assigned by the Investor; or
  - (ii) be made the subject of any encumbrance, charge, trust or fiduciary obligation.
- (c) Any action that purports to do so without the prior consent of the Issuer is invalid, void and without effect as between the Investor, the Issuer and any third party.
- (d) When an Investor deals with an MLI in a manner that does not involve the transfer of legal ownership of the MLI, the Issuer has no duty to record the dealing on the Register. Each Beneficial Interest corresponding to a particular MLI will pass to a new investor upon registration of a transfer of the MLI in the Register. The Issuer and the registrar are entitled to rely on the Register as the definitive record of ownership of MLIs.

#### 14.10. Recording conversations

The Investor acknowledges that conversations between the Investor and the Issuer (or any officer of the Issuer) may be tape-recorded. The Investor consents to the tape-recording and to its use (or any transcript of the recording) in any proceedings that may be commenced in connection with these Terms.

#### 14.11. Calculations and references to dates and times

Calculations or determinations made on or by reference to a particular day, are to be made on or by reference to that day in the place and time zone of the Relevant Exchange to which that calculation or determination relates.

#### 14.12. Payments by the Issuer

All amounts payable by the Issuer under these Terms will be paid to the Investor's Settlement Account. If the Investor has not nominated a Settlement Account, payment will be made by the Issuer drawing a cheque made payable to the Investor which will be sent to the Postal Address provided by the Investor on its Application Form, and on doing so the Issuer is discharged of its obligations under these Terms.

#### 14.13. Governing law and jurisdiction

These Terms are governed by the laws of New South Wales. The Investor irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

#### 14.14. PDS prevails

Except for clauses 4 and 5 of these Terms, if there is an inconsistency between these Terms and statements made in the PDS, the statements made in the PDS will prevail. If there is an inconsistency between either or both of clauses 4 and 5 of these Terms and statements made in the PDS, clauses 4 and/or 5 of these Terms will prevail.

#### 14.15. Time is of the essence

Time is of the essence in respect of the obligations of the Investor under these Terms.

## 15. Definitions and Interpretation

### 15.1. Definitions

- (a) The words defined in the Term Sheet have a meaning ascribed to them in the Term Sheet.
- (b) In these Terms, unless the context requires otherwise:

**"Accretions"** means all rights, accretions and entitlements attaching to the Delivery Assets after the Issue Date including, without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options, units or other financial products exercisable, declared, paid or issued in respect of the Delivery Asset;

**"Adjustment Event"** means, in respect of each Reference Rate and the Delivery Asset (the "Relevant Asset" for the purpose of this definition), any of the following events:

- (a) where the Relevant Asset is a security or an interest in a managed investment scheme:
  - (i) the actual or proposed adoption of any procedure, event or action which is, or which is likely to result in, any cash return of capital, pro-rata cash distribution, capital reduction, liquidator's distributions, share buy-back, bonus issue, rights issue, arrangement, scheme of arrangement, compromise, merger, demerger, reconstruction, compulsory acquisition, redemption, cancellation, replacement, modification, subdivision or consolidation, takeover bid, special dividend, non cash dividend, share split or any other similar or like event (but excludes the payment by the issuer of the Delivery Assets of cash dividends or distributions);
  - (ii) any event which is, or which results in, the actual or proposed administration, liquidation, winding up or termination of the issuer of the Relevant Asset or other similar or like event (however described); or
  - (iii) any event which is, or which results in, the actual or proposed de-listing of the Relevant Asset or the actual or proposed removal from quotation of the Relevant Asset or the actual or proposed Suspension from trading of the Relevant Asset; or

- (b) where the Relevant Asset is a Reference Rate:

- (i) the Relevant Asset is suspended or ceases to be published for a period of 24 hours or more;
  - (ii) the Relevant Asset is not calculated and announced by the Reference Rate Provider, but is calculated and announced by a successor to the Reference Rate Provider;
  - (iii) the Relevant Asset is replaced by a successor Reference Rate using the same or a substantially similar formula for and method of calculation; or
  - (iv) there is a Suspension or material limitation on trading of securities generally on a Relevant Exchange for a period of 24 hours or more; or
- (c) any actual or proposed event that may reasonably (in the Issuer's opinion) be expected to lead to any of the events referred to in paragraph (a) or (b) above occurring; or
- (d) where any force majeure event occurs, or any other event occurs which the Issuer determines in good faith in the performance of its obligations having or becoming, in circumstances beyond its reasonable control, impossible, unlawful, illegal or otherwise prohibited; or
- (e) any circumstances arise which are described in the PDS as potentially giving rise to an Adjustment Event; or
- (f) any other event which the Issuer reasonably declares to be an Adjustment Event;

**"AFSL"** means Australian Financial Services Licence;

**"Agency Sale Arrangement"** means the agreement by the Issuer to sell the Delivery Parcel for and on behalf of, at the direction of and as agent for the Investor on the Settlement Date in accordance with clause 3.4 of these Terms;

**"Applicant"** means a person who completes an Application Form and lodges it with the Issuer;

**"Application"** means an offer by the Applicant to the Issuer to acquire the Delivery Parcel on a deferred basis on the terms and conditions set out in these Terms;

**"Application Form"** means the application form attached to or accompanying this PDS;

**"APRA"** means Australian Prudential Regulation Authority;

**"ASIC"** means Australian Securities and Investment Commission;

**"ASTC"** means the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532);

**"ASTC Settlement Rules"** means the settlement rules of the ASTC as amended or varied from time to time;

**"ASX"** means ASX Limited (ABN 98 008 624 691);

**"ASX Business Rules"** means the business rules of ASX as amended or substituted from time to time;

**"ASX Group"** is comprised of ASX and any of its related bodies corporate;

**"ATO"** means the Australian Taxation Office.

**"AUD"** means Australian currency;

**"AUD Series"** means the MLI denominated in Australian dollars;

**"BBSW"** means the Australian Bank Bill Swap rate which is the rate of interest at which banks borrow funds from other banks, in marketable size, in the Australian interbank market. BBSW is the average mid-rate for bank bills of exchange having a specified term;

**"Beneficial Interest"** means the equitable interest in the Portion of Delivery Assets, which is part of each MLI;

**"Break Costs"** means all costs, expenses and losses incurred by the Issuer and notified by the Issuer as payable by the Investor as a result of:

- (a) the acceleration of the Maturity Date or other early termination of any MLI;
- (b) the termination or reversal of any arrangements or hedge position entered into by the Issuer in connection with any MLI which is terminated early; or
- (c) any loss of profits that the Issuer may suffer by reason of the early termination of a MLI;

**"Business Day"** means a day on which banks are open for business, but does not include a Saturday, Sunday or public holiday:

- (a) in relation to the AUD Series, in Sydney; and
- (b) in relation to the USD Series, in Sydney, London or New York;

**"Call Event"** has the meaning given in the Term Sheet;

**"Call Event Observation Dates"** has the meaning given in the Term Sheet;

**"Capital Gains Tax"** or **"CGT"** each mean the provisions of the Tax Act dealing with the taxation of capital gains;

**"Capital Protection"** has the meaning given in the Term Sheet;

**"Change"** has the meaning attributed to it in clause 13 of these Terms;

**"CHES"** means Clearing House Electronic Sub register System;

"Citi" means the Issuer;

"Closing Time" means 5:00 pm Sydney time on the Trading Day immediately prior to the Maturity Date;

"CBA" means Commonwealth Bank of Australia;

"Confirmation" means a notice given by the Issuer to an Investor in relation to each Application confirming the terms of the MLI, including relevant Issue Date or Purchase Date (as applicable), Reference Rate, Maturity Date and number of Units issued.

"Corporations Act" means the *Corporations Act 2001* (Cth) as amended from time to time;

"Costs and Taxes" means any incidental costs or expenses incurred by the Issuer in relation to the transfer of any Delivery Assets to or for the benefit of the Investor (whether by way of physical delivery of the Delivery Assets to the Investor or delivery to a nominee of the Issuer under the Agency Sale Arrangement) plus any Taxes and any costs or expenses including brokerage incurred by the Issuer under the Agency Sale Arrangement, if applicable;

"Delivery Asset" means the security specified in the Term Sheet as the "Delivery Asset" (including the Portion) or any other Delivery Asset specified in the PDS or determined by the Issuer in accordance with these Terms;

"Delivery Parcel" means, subject to clause 4.4(b) of the Terms, the number of Delivery Assets to be delivered by the Issuer to the Investor on the Settlement Date as determined by the following formula:

$$\frac{\text{(Final Value per Unit} \times \text{number of Units held by Investor)}}{\text{Official Closing Level for the Delivery Asset on the Trading Day immediately following the Maturity Date}}$$

**Official Closing Level for the Delivery Asset on the Trading Day immediately following the Maturity Date**

"Denomination" means the currency specified in the Term Sheet as the "Denomination", in respect of either the AUD Series or the USD Series;

"Distributor Fee" has the meaning given in the "Fees" section of the Term Sheet;

"Early Maturity" means the early maturity of the deferred purchase of the Delivery Assets as determined and completed in accordance with clause 4 of these Terms;

"Early Maturity Date" means the date notified to the Investor as such in the Early Maturity Notice;

"Early Maturity Event" has the meaning given in clause 4 of these Terms;

"Early Maturity Notice" means the notice provided by the Issuer to the Investor notifying the Investor of the occurrence of an Early Maturity Event (if relevant) and that Early Maturity will take place on the specified Early Maturity Date;

"Early Maturity Value" means the fair economic value of a Unit at or around 5:00 pm Sydney time on the Early

Maturity Date as determined by the Issuer in its absolute discretion, unless it is not possible to determine the fair economic value of a Unit at that time, in which case the Issuer may nominate another time to determine the "Early Maturity Value". Without limiting the foregoing, in determining the "Early Maturity Value" the Issuer may deduct any costs, losses or expenses that it incurs in relation to the Early Maturity including, without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain;

"Exit Payment" means the amount determined by the Issuer in its absolute discretion and by whatever means the Issuer deems appropriate. Without limiting the foregoing, in determining the Exit Payment, the Issuer may adjust the Exit Payment for any costs, losses or expenses that it incurs in relation to the Early Maturity including, without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain;

"Fees" has the meaning given in the Term Sheet;

"Final Value per Unit" has the meaning given in the Term Sheet;

"General Offer Period" has the meaning given in the Term Sheet;

"GST" has the same meaning as in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth) as amended from time to time, or in any subsequent act dealing with a tax of a similar nature;

"Guarantor" has the meaning given in the Term Sheet;

"Hedging Disruption" has the meaning given in clause 5.2(a) of these Terms;

"Hedging Event" has the meaning given in clause 5.2 of these Terms;

"HIN" means Holder Identification Number;

"Increased Cost of Hedging" has the meaning given in clause 5.2(b) of these Terms;

"Initial Offer Closing Date" has the meaning given in the Term Sheet;

"Initial Offer Opening Date" has the meaning given in the Term Sheet;

"Initial Offer Period" has the meaning given in the Term Sheet;

"Interest Calculation Dates" has the meaning given in the Term Sheet;

"Interest Payment Dates" has the meaning given in the Term Sheet;

**"Interest Rate"** has the meaning given in the Term Sheet;

**"Interest Rate Payments"** has the meaning given in the Term Sheet;

**"Interest Rate Period"** has the meaning given in the Term Sheet;

**"Investment"** has the meaning given in the Term Sheet;

**"Investment Amount"** has the meaning given in the Term Sheet;

**"Investor"** means the person or entity whose Application is accepted by the Issuer in accordance with clause 1 of these Terms;

**"Investor Sale Form"** means the form used to request Early Maturity, located at the back of this PDS or available on the Issuer's website at [www.citifirst.com.au](http://www.citifirst.com.au);

**"Issue Date"** has the meaning given in the Term Sheet;

**"Issue Price"** has the meaning given in the Term Sheet;

**"Issuer"** has the meaning given in the Term Sheet;

**"LIBOR"** means an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The LIBOR is fixed on a daily basis by and is derived from a filtered average of the world's most creditworthy banks' interbank deposit rates for larger loans with maturities between overnight and one full year;

**"Margin"** has the meaning given in the Term Sheet;

**"Maturity"** means the completion by the Investor of the deferred purchase of the Delivery Parcel in accordance with clause 3 of these Terms, and "complete" has a corresponding meaning;

**"Maturity Date"** means the date specified in the Term Sheet as the "Maturity Date", unless there is Early Maturity under clause 4 of these Terms, in which case references in these Terms to the Maturity Date are to be read as the date specified by the Issuer in the Early Maturity Notice;

**"Maturity Notice"** means a notice issued by the Issuer in accordance with clauses 3.1 or 4.4(a) of these Terms as the case may be;

**"Minimum Investment Amount"** has the meaning given in the Term Sheet;

**"MLI"** means a deferred purchase agreement between the Issuer and the Investor under which the Investor agrees to purchase the Delivery Parcel from the Issuer on a deferred basis on the terms and conditions set out in these Terms and the PDS including the Term Sheet. The total number of Units held by the Investor will be notified by the Issuer to the Investor in the notice provided by the Issuer in accordance with clause 1.3(d) of the Terms;

**"Official Closing Level"** means:

- (a) for the purpose of determining the Official Closing Level of the Delivery Assets at the Maturity Date, either the price paid by the Issuer to acquire the Delivery Assets or the amount determined in accordance with paragraph (b);
- (b) in respect of a security on a specified day, the last traded price of the security as reported and disseminated by the Relevant Exchange at the close of trading on the Relevant Exchange on that specified day (or in the case of a day that is not a Trading Day, the Trading Day immediately following the specified day), unless it is not possible to determine the price of the security at that time, in which case the Issuer may either:
  - (i) nominate another time to determine the Official Closing Level; or
  - (ii) determine the Official Closing Level to be the price determined by the Issuer as its best estimate of the security value at the close of trading on the Relevant Exchange on the specified day;

**"Portion"** of the Delivery Assets means 0.001 of one Delivery Asset;

**"Postal Address"** means the postal address nominated by the Investor as the Postal Address in the Application Form completed by the Investor;

**"Product Disclosure Statement"** or **"PDS"** means the product disclosure statement to which these Terms are attached and issued by the Issuer in relation to the invitation to invest in the MLI;

**"Purchase Date"** has the meaning given in the term sheet;

**"Purchase Price"** has the meaning given in the Term Sheet;

**"Quarter"** or **"Quarterly"** means a period of 3 calendar months;

**"Reference Rate Provider"** means the entity which is responsible for the calculation and dissemination of a Reference Rate;

**"Reference Rates"** has the meaning given in the Term Sheet;

**"Register"** means the register of MLIs to be maintained by a registrar chosen by the Issuer;

**"Relevant Exchange"** means, in the case of a security, the primary exchange upon which that security is traded, and in the case of any exchange traded financial product, the primary exchange upon which that financial product is traded, as determined in the absolute discretion of the Issuer;

**"S&P/ASX 200 Price Index"** means the index known as the S&P/ASX 200;

**"Sale Proceeds"** means the proceeds of the sale of the Delivery Parcel obtained by the Issuer (or its nominee) on behalf of the Investor under the Agency Sale Arrangement, being an amount equal to the number of Delivery Assets (including the Portion) sold multiplied by the Official Closing Level on the Trading Day immediately following the Maturity Date less any Costs and Taxes applicable to the sale of the Delivery Parcel (subject to clause 3.4 of these Terms);

**"Settlement Account"** means the transactional banking account held with an authorised deposit-taking institution which is nominated by the Investor as the Settlement Account in the Application Form completed by the Investor;

**"Settlement Date"** means the fifth Trading Day after the Maturity Date or such later date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under these Terms;

**"Suspension"** means a cessation of the trading or quotation of financial products, as formally announced by the Relevant Exchange and does not include a trading halt;

**"Tax"** or **"Taxes"** means any income tax (including tax on capital gains), goods and services tax, withholding tax, stamp duties, registration and any other duties, taxes, levies, imposts, deductions, interest, penalties and charges payable by any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or the completion of the purchase and sale of a Delivery Asset;

**"Tax Act"** means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) as applicable;

**"Term"** has the meaning given in the Term Sheet;

**"Term Sheet"** means the term sheet set out in this PDS and headed "Term Sheet";

**"Terms"** means these terms and conditions (including the Term Sheet) on which the Investor agrees to acquire the Delivery Parcel from the Issuer as set out in this Section 10 of the PDS;

**"Total Value"** means the Final Value per Unit x the number of Units held by the Investor;

**"Trading Day"** has the meaning given in the ASX Business Rules;

**"Unit"** means an investment in MLI of an amount equal to the Issue Price or the Purchase Price for Units issued during the General Offer Period;

**"US"** means United States of America;

**"USD"** means United States currency;

**"USD Series"** means the MLI denominated in Australian dollars;

**"you"** or **"your"** means Applicant or Investor as the context requires.

## 15.2. Interpretation

- (a) In these Terms, unless the context requires another meaning, a reference:
- (i) to the singular includes the plural and vice versa;
  - (ii) to a document (including these Terms) is a reference to that document (including any schedules and annexures) as amended, consolidated, supplemented, novated or replaced;
  - (iii) to a person (including a party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency, and it also includes the person's successors, permitted assigns, substitutes, executors and administrators; and
  - (iv) to a law is a reference to that law as amended, consolidated, supplemented or replaced and it includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law, or any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange.
- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) Headings are for convenience only and do not affect interpretation.
- (d) If a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day.
- (e) If a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (f) These Terms may not be construed adversely to a party only because that party was responsible for preparing them.
- (g) Any term not defined in these Terms and which is defined in the PDS has the same meaning as in the PDS unless the context otherwise requires.
- (h) All references to time are to time in Sydney, Australia (unless otherwise stated).

# Section 11 – How to invest in the MLI

The Minimum Investment Amount for the AUD Series of the MLI is AUD 100,000 with additional investments in multiples of AUD 1,000 thereafter and for the USD Series of the MLI is USD 100,000 with additional investments in multiples of USD 1,000 thereafter. If you wish to make an investment in the MLI, you will need to complete an Application Form in accordance with the instructions on the following page and attach a cheque (in AUD or USD corresponding with the AUD Series or USD Series respectively) made payable to the “**MLI TRUST A/C**” for the AUD Series or “**CGMA MLI USD TRUST A/C**” for the USD Series and crossed “**Not Negotiable**”. Applications, including cleared funds, must be received by the Issuer no later than the Initial Offer Closing Date of 5:00 pm Sydney time on **1 September 2010 or the expiry of the General Offer Period** as specified in this PDS.

Applications received during the General Offer Period will be treated as Applications for Units at the Purchase Price. The prevailing Purchase Price is available from the Issuer or your licensed financial adviser.

## Acceptance of Applications

The Issuer may, in its absolute discretion, refuse or reject any Application (wholly or in part) without giving a reason. If your Application is rejected, the Issuer will return your Investment Amount (without interest) to you. The Issuer also reserves the right to extend the offer or at any time to close the offer early. If the Issuer decides that it will accept an Application, acceptance of your offer will take place on the Issue Date. Within 10 Business Days after accepting your offer, you will be sent an acknowledgement of acceptance which will set out the number of Units acquired and other information confirming your investment in the MLI.

## Investing through a master trust or wrap account

Applicants investing through master trusts and wrap accounts should not complete the Application Form attached to this PDS. Instead, Applicants should complete the forms the master trust or wrap account operator requires. Any enquiries should be directed to the operator of the master trust or wrap account. If investing through a master trust or wrap account then it is important to remember that it is generally the operator of that service which becomes the Investor in the MLI (not you directly). It follows that the operator has the rights of an Investor and can exercise them in accordance with the master trust or wrap account agreement. The Issuer is not responsible for the operation of any master trust or wrap account service through which you may invest. You may however still rely on the information in this PDS. Enquiries and complaints should be directed to the operator of that service, not to us. Reports on your investment will come from the operator of that service, not from us.

In addition to reading this document, you should read the document that explains the master trust or wrap account.

## Who may apply for the MLI?

Application for the MLI is open to:

- Australian residents;
- non-residents of Australia;
- companies registered in Australia; or
- trust entities,

other than US persons who may not apply for the MLI. A US person is defined as:

- natural person resident in the US;
- partnership or corporate organisation under the law of the US;
- estate of which the administrator is a US person, or the income of which is subject to US federal tax;
- trust of which the trustee is a US person, or which is subject to control by a US Person and supervision by a US court;
- agency or branch of a foreign entity located in the US or operated under the laws of the US; or
- US citizen or green card holders residing outside the US.

This PDS is not an offer or invitation in relation to the MLI in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

## Applicants are bound by the Terms when they make an Application

The MLI is issued by Citi on the Terms set out in Section 10 of this PDS. Applicants should ensure that they read and understand the Terms. Applicants should note that by signing and lodging an Application Form an Applicant will become bound by the Terms and the Applicant's declaration set out in the Application Form. Applicants are taken to agree that the interest earned on all application monies (whether accepted or refunded) will belong to the Issuer.

## Client verification information

If you apply directly to Citi, you must supply the client verification information listed below with your Application Form. Citi will be unable to process your Application if you apply directly to Citi and do not supply the client verification information as requested. Please note that the following client verification information is not required if you apply through a Citi approved distributor (for example Citigroup Pty Limited).

Citi requires the following information for each investor category to satisfy its client verification requirements. Please refer to the appropriate investor category when submitting your Application Form.

### (a) Private Individual Applicants

The following information is required with your Application Form if you are applying for a MLI as a private individual:

- **certified copy** of your current passport or driver's licence;
- **original or certified copy** of a utility bill or bank statement dated within the last 3 months, evidencing the residential address provided in the Application Form;
- a statement from you stating:
  - (i) your nationality, country of birth and occupation; and
  - (ii) your source of wealth (brief sentence advising how you generated your wealth, e.g. savings from employment, line of business if self-employed).

### (b) Company Applications or Corporate Trustee Applicants

The following information is required with your Application Form if you are applying for a MLI as a company or a corporate trustee:

- full legal name of company (and ABN/ACN if applicable);
- for at least two directors (or one director if sole director company), all of the information requested for private individuals above; and
- in the event of a company acting in the capacity of trustee (e.g. for a superannuation fund), an original or certified copy of the trust deed.

### (c) Individual Trustee or Partnership Applicants

The following information is required with your Application Form if you are applying for a MLI as an individual trustee or partnership:

- certified copy of trust deed, partnership agreement, or deed of formation;
- the names of all trustees, partners, or equivalent officers; and
- for at least two trustees, partners or equivalent officers, all of the information requested for private individuals above.

In all cases, documents must either be an original, or a certified copy of an original. Certified copy means a document that has been certified as a true copy of an original document by one of the persons given in the list below. Faxed copies will not be accepted.

In all cases, Citi reserves the right to request additional information for the purposes of determining the identity, beneficial ownership, or source of funds of an Applicant.

### Categories of acceptable referees

1. a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described);
2. a judge of a court;
3. a magistrate;
4. a chief executive officer of a Commonwealth court;
5. a registrar or deputy registrar of a court;
6. a Justice of the Peace;
7. a notary public (for the purposes of the Statutory Declaration);
8. a police officer;
9. an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
10. a permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
11. an Australian consular officer or an Australian diplomatic officer (within the meaning of the *Consular Fees Act 1955* (Cth));
12. an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the *Statutory Declaration Regulations 1993* (Cth));
13. a finance company officer with 2 or more continuous years of service with one or more finance companies (for the purposes of the *Statutory Declaration Regulations 1993* (Cth));
14. an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees; or
15. a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

## Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold the MLI. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form	Incorrect Form
<b>Individual:</b> Use given name(s) in full, not initials	Mr John Alfred Smith	J.A. Smith
<b>Joint Holdings:</b> Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Susan Jane Smith	John Alfred & Susan Jane Smith
<b>Company:</b> Use company title, not abbreviations	ABC Pty Limited	ABC P/L or ABC Co
<b>Trust:</b> Use the trustee(s) personal name(s) Do not use the name of the trust	Applicant 1: Mrs Susan Jane Smith Account Name: <Susan Smith Family A/C>	Susan Smith Family Trust
<b>Partnerships:</b> Use partners personal name(s) Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Sons
<b>Superannuation Fund:</b> Use the name of the trustee(s) of the fund Do not use the name of the fund	Applicant 1: Mr John Alfred Smith Account Name: <Superannuation Fund A/C>	John Smith Superannuation Fund

## How to complete the Application Form

Please complete the Application Form in BLOCK LETTERS in accordance with the instructions below, read the Applicant's Declaration and sign in the appropriate space(s) provided. You should return your signed and completed Application Form either to us, your stockbroker or financial planner. Applications close at the Initial Offer Closing Date.

Applications received during the General Offer Period will be treated as Applications for Units at the Purchase Price. The prevailing Purchase Price is available from the Issuer or your licensed financial adviser.

### A. Applicant Details:

Please tick the appropriate box to indicate whether you are a resident or a non-resident for Australian tax purposes.

Enter the full name you wish to appear on the statement of holding. This must be either your own name or the name of a company. Up to 2 joint Applicants may register. You should refer to the table on the previous page for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Where applicable, please enter the date of birth of each Applicant. Please enter the residential address or registered office of each Applicant. Please note that PO Box is not accepted.

### B. Tax File Number, Exemption Category or ABN:

Please enter your tax file number ("TFN") or exemption category. Business enterprises may alternatively quote their Australian Business Number ("ABN"). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory. However, if these are not provided, we may be required to deduct tax at the highest marginal rate of tax (including Medicare levy) from distributions.

### C. Postal Address:

Enter your postal address for all correspondence. All communications to you from Computershare Investor Services Pty Limited will be mailed to the person(s) and address as shown. For joint Applications, only one address can be entered. If you change your address before the Settlement Date, please contact Structured Products Support on 1300 368 301 and notify us of the new details.

### D. Contact Details:

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

### E. Investment Details & Payment Details:

Please insert the investment details and the number of Units you wish to apply for and write the Investment Amount in the spaces provided. The Investment Amount is the dollar amount that you wish to invest (expressed in the corresponding Denomination for either the AUD Series or USD Series) and must be for an amount equal to or greater than the Minimum Investment Amount specified in the Term Sheet. If the correct amount is not available to us as cleared funds by the Initial Offer Closing Date the Application will be rejected. You must attach a cheque to your Application Form made payable to "MLI TRUST A/C" for the AUD Series or "CGMA MLI USD TRUST A/C" for the USD Series and crossed "Not Negotiable" for an amount equal to the Investment Amount. Please tick the box to acknowledge you have attached a cheque for the correct series.

### F. Settlement Account Details:

Please provide the account details of the bank account that you would like us to make all payments to in relation to the MLI (such as any payment due to you at Maturity). If you do not complete this section, we will pay any amounts that are due to you by cheque made payable to you and sent to the address nominated by you on the Application Form under Postal Address.

### G. Tracking of Application:

Please indicate how you found out about the MLI by ticking the appropriate box.

### H. & I. Applicant's Declaration & Signature:

Please ensure you read and understand the Applicant's declaration before signing the Application Form. The Application Form must be signed by the Applicant(s) personally, or by the Applicant's attorney(s). Joint Applications must be signed by all Applicants. An Application by a company must be signed by two directors or a director and company secretary. For a proprietary company that has a sole director who is also the sole company secretary, the Application Form should be signed by that director. To sign under a power of attorney, a certified copy of the power of attorney should accompany the Application Form.

## Lodgment of Application

Application Forms must be received at the Sydney office of Citi by no later than 5:00 pm Sydney time on the Initial Offer Closing Date or by the expiry of the General Offer Period. Return the Application Form with cheque(s) attached to:

Structured Products Support  
MLI Income Switch (MLI 2010 - 15) Offer  
Citigroup Global Markets Australia Pty Limited  
GPO Box 557 Sydney NSW 2001

**APPLICATION FORM – MLI INCOME SWITCH (MLI 2010 – 15) OFFER**

**APPLICATIONS CLOSE AT 5:00 PM SYDNEY TIME ON THE INITIAL OFFER CLOSING DATE OR AT THE EXPIRY OF THE GENERAL OFFER PERIOD**

This Application Form is to be used for investing in the MLI, governed by the Terms set out in the Product Disclosure Statement dated 17 August 2010 ("PDS"). Capitalised terms in the Application Form will have the same meaning as given to them in the PDS (unless otherwise defined in this Application Form). If this PDS is distributed electronically, then those receiving it electronically should note that Applicants can only be accepted by the Issuer if the Issuer receives an original, completed Application Form which accompanied the electronic or paper copy of this PDS dated 17 August 2010. Paper copies of this PDS (with attached Application Form and Investor Sale Form) are available from the Issuer free on request.

Applications received during the General Offer Period will be treated as Applications for MLI Income Switch (MLI 2010 – 15) at the Purchase Price. The prevailing Purchase Price is available from the Issuer or your licensed financial adviser.

PLEASE RETURN THIS APPLICATION FORM TOGETHER WITH YOUR PAYMENT TO YOUR STOCKBROKER OR FINANCIAL ADVISER, OR ALTERNATIVELY SEND TO:

**Structured Products Support  
MLI Income Switch (MLI 2010 – 15) Offer  
Citigroup Global Markets Australia Pty Limited  
GPO Box 557 Sydney NSW 2001**

**FINANCIAL ADVISER / BROKER DETAILS (TO BE COMPLETED BY YOUR FINANCIAL ADVISER / BROKER)**

**FINANCIAL ADVISER/BROKER Stamp**

Please note: by stamping your broker stamp you are hereby representing and warranting to Citigroup Global Markets Australia Pty Limited ("Citi") (AFSL 240992) that you have complied with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and rules of Australia and any other applicable law or regulation, in your collection and verification of required information and permit Citi to rely on this customer identification and verification (including granting Citi reasonable access to records) for the purposes of Citi fulfilling its legal obligations.

**Licensee**

**Adviser company name**

**Adviser Name**

**Adviser email address**

**Adviser postal address**

PO Box or Street  
No. & Name

Suburb

State

Postcode

Country

**Adviser work number**

**Adviser fax number**

**Adviser mobile number**

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**INVESTOR DOCUMENTATION (TO BE COMPLETED BY PRIVATE INDIVIDUAL APPLICANTS ONLY)**

I/we have attached the required documents as specified in "Client verification information" in Section 11 of the PDS.

**OFFER PERIOD ELECTION (TO BE COMPLETED BY ALL APPLICANTS)**

1. I/We apply for the MLI during the Initial Offer Period, OR

If you tick this box, your investment will be issued at the Issue Price.

2. I/We apply for the MLI during the General Offer Period.

If you tick this box, your investment will be issued at the Purchase Price per Unit determined by the Issuer on the Purchase Date.

**A APPLICANT DETAILS (TO BE COMPLETED BY ALL APPLICANTS)**

I/We apply for the MLI as indicated in this Application Form on the terms set out in the PDS, Terms and this Application Form.

**Applicant 1 Details (Individual, Joint, Trust, Company and Superannuation Applicants)**

I am a resident and I have provided my TFN, ABN or exemption details below. If not, I understand that tax may be withheld at the maximum

I am a non-resident and my address outside Australia has been provided below. Should an overseas address not be provided, I understand that tax may be withheld at the maximum rate.



**F SETTLEMENT ACCOUNT DETAILS (THE ISSUER WILL PAY ALL AMOUNTS OWED TO YOU INTO THIS ACCOUNT)**

Please make all payments due to me/us under the MLI to the following account

Name of Bank or Financial Institution												Account Title or Name											
Branch Address																							
BSB Number												Account Number											

For the purposes of the instructions given above, you should specify your bank account details here. The bank account must be in the same name as the name inserted above in the "Applicant Details". Third party payments will not be accepted.

**G TRACKING OF APPLICATION (HOW DID YOU FIND OUT ABOUT THE MLI?)**

Financial Adviser  
  Advertisement  
  Accountant  
  Stockbroker  
  Internet  
  Other (specify)

**H APPLICANT'S DECLARATION**

**Power of Attorney:** For valuable consideration I/we irrevocably appoint the Issuer, its nominees and any of their directors and secretaries or any employee whose title includes the words "director", "head" or "manager" severally as my/our attorney to do (either in my/our name or the name of the attorney) all acts and things that I am/we are obliged to do under the Terms or which, in the opinion of the Issuer, are necessary or desirable in connection with the Delivery Assets (as defined in the Terms) or the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer including, without limitation, the authority to sell the Delivery Assets under the Agency Sale Arrangement on my/our behalf in accordance with the Terms.

**Representations, warranties and indemnity:**

- I/We represent and warrant that:
- I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors;
  - I am/we are at least 18 years of age, have full legal capacity to make the Application and be bound by the Terms and have taken all actions that are necessary to authorise the Application and be bound by the Terms. If I am/we are acting as trustee in relation to the holding of the MLI, I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply for and hold the MLI;
  - I/we have received and read the whole of the Terms and the PDS (even if the PDS was received electronically) and I/we have made my/our own independent investigations and appraisals of the taxation, legal, commercial and credit aspects associated with the MLI and the deferred purchase of the Delivery Assets;
  - I/we have not relied in any way whatsoever on any statements made by the Issuer or any of its related entities or their servants, agents, employees or representatives in relation to the Terms, the MLI or the deferred purchase of the Delivery Assets and I/we acknowledge that the Issuer has not made any representations to me/us regarding the suitability or appropriateness of the MLI or the deferred purchase of Delivery Assets;
  - I/we understand that nothing in the PDS or any marketing material associated with the PDS can be considered investment advice or a recommendation to invest in the MLI or Delivery Assets;
  - I/we have obtained all consents which may be required by law to enable me/us to acquire the MLI and the Delivery Assets and to become registered as the holder of the Delivery Assets; and
  - the MLI being applied for will not breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to the MLI or me/us and I/we am/are not (a) resident(s) or national(s) of any jurisdiction where the Application for or the Maturity of the MLI is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Issuer or any of its related bodies corporate.

**Privacy Declaration:**

I/We have read and understood the Privacy Statement in Section 9 of the PDS and agree that information about me/us written on this form will not be collected, used or disclosed for any purpose other than for the purposes stated in the PDS or as otherwise permitted under the *Privacy Act 1998* (Cth). Where I/we have provided information about any other individual, I/we will make that individual aware of the provisions of the Privacy Statement.

The Issuer would like to keep in touch with you about future investment opportunities that may be of interest. Please tick this box if you wish to be contacted for this purpose.

I/we wish to be contacted by the Issuer about investment opportunities in the future.







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# Directory

## **Issuer**

Citigroup Global Markets Australia Pty Limited  
Level 40  
Citigroup Centre  
2 Park Street  
Sydney NSW 2000

## **Broker**

Citigroup Global Markets Australia Pty Limited  
Level 40  
Citigroup Centre  
2 Park Street  
Sydney NSW 2000

## **Registrar**

Computershare Investor Services Pty Limited  
60 Carrington Street  
Sydney NSW 2000

## **Legal Advisor**

Freehills  
MLC Centre  
Martin Place  
Sydney NSW 2000

# CitiFirst

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CitiFirst offers smart investments across any asset class to suit your individual needs.

## CitiFirst – putting you first

CitiFirst has the investment products and expertise you need to take advantage of global market opportunities fast.

## CitiFirst – first in smart investments

CitiFirst gives you instant access to smart investments that are easy to understand and select.

## CitiFirst – get there first

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**CitiFirst Protection**  
Full capital protection



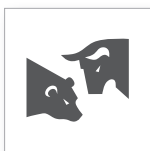
**CitiFirst Performance**  
Some capital protection



**CitiFirst Opportunity**  
No capital protection

CitiFirst is the family name for Citi's offering of warrants, turbos, certificates, funds and notes. Tailored to meet the needs of a broad range of investors, these smart investment solutions fall into three categories, each with a defined level of capital protection.

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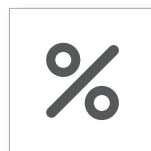
Equities



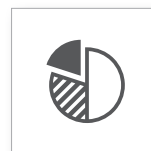
Commodities



Currencies



Interest Rates



Alternative Investments

Five symbols represent the assets underlying a CitiFirst smart investment product. When depicting a product, the relevant underlying asset will be shown as a symbol on the cube.

For details of our CitiFirst product range, please go to [www.citifirst.com](http://www.citifirst.com)