



MINIS | INSTALMENTS | SELF FUNDING INSTALMENTS | TURBOS | TRADING WARRANTS

An Introduction to trading CitiFirst Commodity MINIs

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CitiFirst

OPPORTUNITY

CitiFirst is the brand name for Citi's suite of investment and trading products.

CitiFirst Opportunity investments in Australia cover a broad selection of ASX and Cboe listed Warrants including:

- Instalments
- Self Funding Instalments
- MINIs
- Turbos
- Trading Warrants

With the investor in mind, CitiFirst Commodity MINIs provide leveraged exposure to either rising or falling commodity markets.

For only a fraction of the cost of trading the underlying directly, CitiFirst Commodity MINIs are an efficient way of accessing commodity markets via an ASX and Cboe listing trading tool.



“I want to access Commodity Markets”

CitiFirst Commodity MINIs provide investors with exposure to the following Commodity Markets:

Gold

Underlying Commodity	Underlying Commodity Futures	ASX code
Gold	COMEX Gold Futures Contract	ZGC

The COMEX^[1] Gold Futures contract provides an alternative means of investing in gold. The contract is denominated in USD per troy ounce.

The price of the COMEX Gold Futures contract will generally be based on the most liquid contract with an expiration date closest to the current date. The contracts will be rolled over as they expire.

Silver

Underlying Commodity	Underlying Commodity Futures	ASX code
Silver	COMEX Silver Futures Contract	ZSI

The COMEX Silver Futures contract provides an alternative means of investing in silver. The COMEX Silver Futures contract is denominated in USD cents per troy ounce.

The price of the COMEX Silver Futures contract will generally be based on the most liquid futures contract. The contracts will be rolled over as they expire.

^[1] The Commodity Exchange, Inc. (COMEX) is a widely used market for trading metals such as gold, silver and copper.

COMEX is part of the CME Group, which is also the parent of the Chicago Mercantile Exchange and Chicago Board of Trade.

Copper

Underlying Commodity	Underlying Commodity Futures	ASX code
Copper	COMEX Copper Futures Contract	ZHG

The COMEX Copper Futures contract provides an alternative means of investing in copper. The COMEX Copper Futures contract is denominated in USD per troy ounce.

The price of the COMEX Copper Futures contract will generally be based on the most liquid contract. The contracts will be rolled over as they expire.

Oil

Underlying Commodity	Underlying Commodity Futures	ASX code
Light Sweet Crude Oil	NYMEX Light Sweet Crude Oil Futures Contract	ZCL

The NYMEX^[2] Light Sweet Crude Oil Futures contract provides an alternative means of investing in oil. The NYMEX Light Sweet Crude Oil Futures contract is denominated in USD per barrel.

The price of the NYMEX Light Sweet Crude Oil Futures contract will generally be based on the most liquid contract. The contracts will be rolled over as they expire.

^[2] The New York Mercantile Exchange (NYMEX) is a widely used market for energy products such as oil and natural gas.

NYMEX is part of the CME Group, which is also the parent of the Chicago Mercantile Exchange and Chicago Board of Trade.



“I want to make my money work for me”

CitiFirst Commodity MINIs are leveraged trading tools that make your money work harder for you. For only a fraction of the cost of trading the underlying directly, investors can benefit from movements in the Commodity Futures as if they were holding the underlying directly*. As a result, they offer the potential for highly leveraged returns.

I want the potential to profit in rising or falling markets

There are two types of CitiFirst Commodity MINIs:

CitiFirst MINI Longs provide investors with exposure to rising commodity prices; and

CitiFirst MINI Shorts provide investors with exposure to falling commodity prices.

Investors may have the opportunity to profit in both bull and bear markets.

* Commodity MINIs have currency exposure; hence the value of the MINI may rise or fall in line with a change in the relevant Foreign Exchange Rate, regardless of how the corresponding Commodity Futures performs.

”How does the pricing work?”

The price of a CitiFirst Commodity MINI is determined by the following inputs:

- Level of the Underlying Commodities Futures Contract (which tracks the underlying commodity)
- The multiplier*
- The Strike Price** and
- The prevailing Foreign Exchange (FX) Rate.

Value of Commodity MINIs is calculated as follows:

MINI Long Value = (Futures Level – Strike Price) *
Index Multiplier / FX Rate

MINI Short Value = (Strike Price – Futures Level) *
Index Multiplier / FX Rate

*The multiplier is used to convert the Futures Level into a dollar amount. The multiplier for CitiFirst Commodity MINIs over Gold is 0.01, Silver and Oil is 0.1; Copper is 1.

**Where the Strike Price is the portion of the Futures level that Citi funds on behalf of investors

How does the Price Move?

Using an AUD / USD of 0.67, the value of the Commodity MINI works as follows:

	GOLD	SILVER	COPPER	OIL
Change in Futures Price	\$1.00	\$1.00	\$1.00	\$1.00
Change in Value of MINI	\$0.015	\$0.15	\$1.50	\$0.15

Example of pricing a Gold MINI Long:

Number	Gold Futures Level (USD)	Strike Level (USD)	FX Rate Level	Multiplier	CitiFirst MINI Purchase Price	Stop Loss Trigger Level (USD)	Profit / Loss *	Return
Investor Buys 2,000 Gold MINI Longs								
2,000	1,950	1,850.00	0.6700	0.0100	\$1.49	1,927.50	-	-
Commodity Futures Level rises to 1,991 Sell (same day)								
2,000	1,991	1,850.00	0.6700	0.0100	\$2.10	1,927.50	\$1,220	40.94%
Commodity Futures Level falls to 1,909 Sell (same day)								
2,000	1,909	1,850.00	0.6700	0.0100	\$0.88	1,927.50	-\$1,220	-40.94%

*Based on total initial investment of \$2,980

Example of pricing a Gold MINI Short:

Number	Gold Futures Level (USD)	Strike Level (USD)	FX Rate Level	Multiplier	CitiFirst MINI Purchase Price	Stop Loss Trigger Level (USD)	Profit / Loss *	Return
Investor Buys 2,000 Gold MINI Shorts								
2,000	1,950	2,050.00	0.6700	0.0100	\$1.49	1,962.50	-	-
Commodity Futures Level falls to 1,909 Sell (same day)								
2,000	1,909	2,050.00	0.6700	0.0100	\$2.10	1,962.50	\$1,220	40.94%
Commodity Futures Level rises to 1,991 Sell (same day)								
2,000	1,991	2,050.00	0.6700	0.0100	\$0.88	1,962.50	-\$1,220	-40.94%

”I want to limit my exposure”

CitiFirst Commodity MINIs have an embedded stop loss feature which ensures that investors are unable to lose more than their initial investment amount.

For Commodity MINI Longs the Stop Loss Trigger Level is set at a certain distance above the Strike Price, whereas for Commodity MINI Shorts the Stop Loss Trigger Level is set below the Strike Price.

The Stop Loss Trigger Level is outlined in the summary table of the Product Disclosure Statement (PDS) prior to listing. Thereafter, the Stop Loss Trigger Level will be updated on the first trading day of every month to reflect the movement in the Strike Price.

What happens if a Stop Loss Trigger Level is reached

If a Stop Loss Trigger Level is reached, Citi will halt trading in the MINI, determine the remaining value and provide a bid price (equal to the remaining value) in the MINI on the ASX and Cboe so holders can close out of their position. This market will be available from 2:00pm on the following trading day until the end of the next trading day.

Should investors not sell their position on the ASX and Cboe, they will receive the remaining value back via cheque or directly in to their nominated bank account within 10 business days.





”I want to keep my costs to a minimum”

Investors who trade CitiFirst Commodity MINIs do not incur any funding costs if they buy and sell the MINI on the same trading day. Where a MINI is held to the next trading day, investors are charged a Funding Cost, which covers the cost of holding the position overnight. This Funding Cost is added or subtracted from the Strike Price before trading opens the following morning, as such the Strike Price will change each day. The Strike Price and the corresponding stop loss level are published daily on the ASX and Cboe and the CitiFirst website: www.citifirst.com.au/minis

I want to keep paperwork to a minimum

CitiFirst Commodity MINIs are open-ended, meaning there is no need for maturity notices, paperwork or excess brokerage as they have no expiry date.

I want to trade on a supervised exchange

CitiFirst Commodity MINIs are listed and trade on the ASX and Cboe. You can place orders through an approved broker, financial advisor or directly via an online broker. Unlike unlisted Contracts for Difference (CFDs), CitiFirst MINIs are traded on a supervised exchange.

”I want to know who I’m dealing with”

CitiFirst MINIs are issued by Citigroup Global Markets Australia Pty Limited (CGMA). CGMA is a wholly owned subsidiary of Citigroup Inc. and a member of the Citigroup Inc. group of companies (“Group”).

As part of one of the world's largest financial services companies with a presence in nearly 100 countries, Citi Australia has been providing financial services to Australian corporations, institutions and governments for nearly a century. Recognised for its innovative range of global products and services, Citi today counts more than one thousand local corporate and institutional clients as valued customers.

Citi Australia provides a comprehensive range of services including banking, capital markets and advisory, markets and securities services, treasury and trade solutions, and the commercial bank. It is one of the few financial groups in Australia with a full range of services and the ability to tap capital and expertise around the world for its institutional, corporate, and government clients.

With more than 800 employees based in Sydney and Melbourne, Citi is committed to supporting the Australian community in which we live and work. Our support, including Citi Foundation grants, employee volunteering and fundraising, is focused on providing pathways to progress for disadvantaged youth.

What does this mean?

When you buy and sell CitiFirst MINIs you have the comfort of knowing you are dealing with one of the largest financial services companies in the World. In addition, because CitiFirst MINIs are listed on the ASX and Cboe, CGMA, as Issuer is required to comply with ASX and Cboe Listing Rules. This means you are trading within a regulated and transparent environment.

Benefits of CitiFirst Commodity MINIs

CitiFirst Commodity MINIs have the following key features:

- Access to Commodity Markets via an ASX and Cboe listed warrant
- Potential to profit from either rising or falling Commodity Prices.
- Exposure to an underlying Commodity for a fraction of the cost of trading the underlying directly
- Funding costs are only charged overnight, as a result there are no funding costs for clients who wish to day trade
 - Embedded Stop Loss Trigger that means an investor is unable to lose more than their original investment. This comes at no additional cost to the investor and provides an important risk minimisation tool
- Investors won't receive margin calls or be asked to lodge collateral.
- CitiFirst Commodity MINIs are traded on the ASX and Cboe, therefore investors can buy and sell MINIs in the same way as they buy and sell shares
- Unlike CFDs, CitiFirst Commodity MINIs are traded on a supervised exchanged
- Knowledge that you are trading with a leading institution in Citi
- The potential for greater returns than the equivalent investment in the Underlying Commodity

What are some of the risks of CitiFirst Commodity MINIs?

As with any investment that offers the potential for profit, there is a corresponding potential for loss. The relevant CitiFirst Commodity MINI Product Disclosure Statement (PDS) details all risks associated with investing in CitiFirst Commodity MINIs. These include, but are not limited to the following:

- CitiFirst Commodity MINIs are leveraged investments and may decrease in value at a greater rate than an investment in the underlying index
- CitiFirst Commodity MINIs have currency exposure and may rise or fall in line with the relevant FX rate, regardless of how the underlying Commodity performs
- If a stop loss is reached, the MINI will automatically terminate and investors may receive significantly less than their original investment or they may expire worthless
- Possible market illiquidity in the CitiFirst MINI or the underlying Commodity futures contract
- The Interest Rate for each CitiFirst MINI (whether a MINI Long or a MINI Short) may be different from one another and may increase or decrease daily leading to changes in the MINI Long Funding Amount and the MINI Short Funding Amount
- Performance of the obligations by Citi and the Guarantor Investors have exposure to international equity markets. Investors should read the relevant Product Disclosure Statement which details all risks associated with CitiFirst MINIs. Investors should also consult their approved stockbroker or financial advisor to ascertain the suitability of investing in CitiFirst MINIs as part of their particular investment strategy.

Commodities general risk factors

- The Considerations set out below are not, and are not intended to be, a comprehensive list of all considerations relevant to a decision to trade commodities.
- The risk of loss in trading commodities can be substantial. You should therefore carefully consider whether such trading is suitable for you and discuss the risks with your independent advisor
- Specific market movements cannot be predicted accurately, even in “normal” circumstances, let alone in extraordinary circumstances. Market risk is the risk that the value of the transaction will be adversely affected by fluctuations in the level or volatility of, or correlation or relationship between, one or more market prices, rates or indices or other market factors, or by illiquidity in the market for the relevant transaction or in a related market
- The commodity market is driven by demand and supply factors and inventory. Variables, that are either directly or indirectly associated with the relevant market, such as weather, social change, political events and changes in government policy (including with regard to price support of or tariff imposed on the underlying commodity) can impact the supply/demand dynamics and therefore have an impact on commodity prices
- Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a “limit move” or there is any other significant change in prices

Recognising a CitiFirst MINI

CitiFirst Commodity MINIs are classified as a Warrant by the ASX and Cboe and therefore, in line with other Warrants listed on the market, have a six letter code. MINIs are instantly recognised by the fourth letter in the code being a K and Citi issued MINIs will always have O as the fifth letter.

Take for example:

ZGCKOA

A = indicates the MINI Series, where A-O = MINILong and P-Z = MINIShort

O = indicates the Issuer of the Warrant. All Citi issued Warrants have O or C as the fifth letter

K or **Q** = indicates what type of Warrant it is. All MINIs have K or Q as the fourth letter

ZGC = indicates the underlying commodity, in this case this MINI is over GOLD

How to trade

CitiFirst MINIs are listed on the ASX and Cboe, and like Shares, can be traded via an approved broker, financial advisor or directly via an online broker. MINIs are characterised as a Warrant, and most brokers will require some additional documentation before you are able to trade. This may differ depending on the broker, but will generally include completing the ASX- and Cboe-required 'Warrant Client Agreement Form'. For further information, speak to your broker or contact the Citi Warrants Sales Desk on 1300 30 70 70.

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The ultimate decision to proceed with any transaction rests solely with you. We are not acting as your advisor or agent. Therefore prior to entering into the proposed transaction you should determine, without reliance upon us or our affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume these risks. In this regard, by acceptance of these materials, you acknowledge that you have been advised that (a) we are not in the business of providing legal, tax or accounting advice, (b) you understand that there may be legal, tax or accounting risks associated with the transaction, (c) you should receive legal, tax and accounting advice from advisors with appropriate expertise to assess relevant risks, and (d) you should apprise senior management in your organization as to the legal, tax and accounting advice (and, if acceptable, risks) associated with this transaction and our disclaimers as to these matters. If you are acting as a financial adviser or agent, you should evaluate these considerations in light of the circumstances applicable to your principal and the scope of your authority. If you believe you need assistance in evaluating and understanding the terms or risks of a particular derivative transaction, you should consult appropriate advisers before entering into the transaction.

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Citi and CitiFirst

As a leading global financial services partner, Citi delivers an unrelenting drive towards success for consumers, corporations, governments and institutions. As a global leader in banking, capital markets and transaction services, across an unrivalled scale and reach, Citi enables clients to achieve their strategic financial objectives.

CitiFirst is a full-service model for Citi's offering of structured investments. These can be designed to suit all levels of risk appetite across the full range of asset classes, utilising various issuance solutions and product wrappers, to satisfy any investment objective.

To learn more about CitiFirst, log onto www.citifirst.com. This exclusive website offers access to CitiFirst products, analytics and educational resources (requiring log-in).

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