

Thank you for requesting this Product Disclosure Statement from Funds Focus.

### ***How to Apply***

Please have a read through the PDS and if you would like to invest the application pages can generally be found towards the back of the document. You will only need to send back the application section with a cheque/direct debit payable direct to the investment company. You should take note of any minimum investment amounts that may apply and proof of ID that is now required for the new Anti-Money Laundering regulations.

Then mail the completed application directly to us.

We will then check to ensure your form is completed correctly before forwarding your document on to the investment provider on your behalf.

Wealth Focus Pty Ltd  
Reply Paid 760  
Manly  
NSW 1655

Please note that we are unable to track applications mailed directly to the product provider and therefore cannot guarantee that your discounts have been applied in these instances.

Should you wish to take advantage of our free annual valuation and tax report for all your investments you should complete our broker nomination form for The Wealth Focus Investment Service.

Regards

**Suliaman Ravell**  
Managing Director



## **Requirements for verifying your identity under the new Anti Money Laundering (AML)/Counter Terrorism Financing (CTF) Act**

The AML/CTF Act came into effect on the 12<sup>th</sup> December 2007. All financial planning and fund management companies are now required to collect, verify and store specific customer information before arranging investment services for a client. It is designed to prevent, detect and protect Australian business from money laundering and the financing of terrorist activities.

As such, we request that all new applications are sent with 'certified documentation'.

**We have found that the easiest way to provide the required documentation is to have a copy of your driving licence *or* passport certified by Australia Post or a Justice of the Peace (please see following page for a full list of individuals that can certify documentation).**

**Once this has been completed, under the current requirements we will not require you to send identification again.**

### **What you need to do**

You will need to enclose a certified piece of photographic evidence or one piece of primary non-photographic evidence and one piece of secondary evidence (please refer to the Identification Form for document requirements), with your application form and post to us at the following address

**Wealth Focus Pty Ltd**

Reply Paid 760

Manly

NSW 1655

Please do not send us original driving licences or passports as these can very easily get lost in the post. Copies of documents can be certified by an authorised individual, they will need to sight and verify that the copy is a 'certified true copy', sign, date, print their name and list their qualification.

**ANTI-MONEY LAUNDERING REQUIREMENT FOR NEW APPLICATIONS  
IDENTIFICATION FORM**

**GUIDE TO COMPLETING THIS FORM**

- Please contact us on 1300 55 98 69 if you have any queries.
- If you wish to apply in the name of a trust or company, please contact us for an alternative identification form.  
**SMSF's and retail superannuation applications do not need to provide ID** (an online check will be performed for SMSFs)

**Attach** a certified copy of the ID documentation used as proof of identity. ID enclosed should verify your full name; and **EITHER** your date of birth or residential address.

- Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or III.)

**PART I – ACCEPTABLE PRIMARY ID DOCUMENTS**

	Select ONE valid option from this section only
<input type="checkbox"/>	Australian State / Territory driver's licence containing a photograph of the person
<input type="checkbox"/>	Australian passport (a passport that has expired within the preceding 2 years is acceptable)
<input type="checkbox"/>	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
<input type="checkbox"/>	Foreign passport or similar travel document containing a photograph and the signature of the person*

**PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if the individual does not own a document from Part I**

	Select ONE valid option from this section
<input type="checkbox"/>	Australian birth certificate
<input type="checkbox"/>	Australian citizenship certificate
<input type="checkbox"/>	Pension card issued by Centrelink
<input type="checkbox"/>	Health card issued by Centrelink
	<b>AND ONE</b> valid option from this section
<input type="checkbox"/>	A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
<input type="checkbox"/>	A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. <i>Block out the TFN before scanning, copying or storing this document.</i>
<input type="checkbox"/>	A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
<input type="checkbox"/>	If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

**Who can verify customer identity documents?**

Please find below a list of all the Approved Individuals that can certify documents:

- **A Justice of the Peace**
- **An agent of the Australian Postal Corporation** who is in charge of an office supplying postal services to the public, or a permanent employee with more than two years continuous service (who is employed in an office supplying postal services to the public)
- A notary public (for the purposes of the Statutory Declaration Regulations 1993)
- 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)
- A judge, magistrate, registrar or deputy registrar of a court
- A chief executive officer of a Commonwealth Court
- A police officer
- An Australian consular or diplomatic officer (within the meaning of the Consular Fees Act 1955)
- An officer or finance company officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993)
- An officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having two or more continuous years of service with one or more licensees, and
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with more than two years continuous membership.



# Important information about Alpha POLARIS

**Product Disclosure Statement:** This product disclosure statement ("PDS") is dated 8 June 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:** Alpha POLARIS ("Alpha POLARIS") is arranged by Alpha Structured Investments Pty Limited (ABN 37 112 062 594) Australian Financial Services Licence ("AFSL") number 290054 ("Alpha") and is issued by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) AFSL number 240992 ("Citi", "Issuer", "we" or "us"), a participant of ASX Group. Alpha POLARIS 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 an Investor's rights and obligations in relation to Alpha POLARIS.

**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:** Alpha POLARIS 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 the principal amount invested in the event of an Early Maturity and possible delays in payment. Alpha POLARIS 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 Alpha POLARIS, nor are these entities issuers of Alpha POLARIS. 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 Alpha POLARIS 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 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 Alpha POLARIS, 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 Alpha POLARIS, the 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 Alpha POLARIS, the Assets or the Delivery Assets.

**Jurisdiction and selling restrictions:** This PDS is not an offer or invitation in relation to Alpha POLARIS 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. Alpha POLARIS is not available to US

persons. Failure to comply with relevant restrictions may violate those laws of the places where the PDS is received. This PDS is only

available from Alpha Structured Investments Pty Limited ("Alpha" or "Arranger") if you are an AFSL holder, or Citi or the ASX if you are not an AFSL holder.

**Updates relating to this PDS:** The Issuer may make available updated information relating to this PDS. Investors may access this information on the internet at [www.alpha-invest.com.au](http://www.alpha-invest.com.au) if you are an AFSL holder, or [www.citifirst.com.au/alpha\\_POLARIS.html](http://www.citifirst.com.au/alpha_POLARIS.html) and [www.asx.com.au](http://www.asx.com.au) if you are not an AFSL holder. Alternatively, Investors 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 Alpha POLARIS. 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.alpha-invest.com.au](http://www.alpha-invest.com.au) if you are an AFSL holder, or alternatively at [www.citifirst.com.au/alpha\\_POLARIS.html](http://www.citifirst.com.au/alpha_POLARIS.html) and [www.asx.com.au](http://www.asx.com.au) if you are not an AFSL holder. Any person receiving this PDS electronically should note that applications can only be accepted if the Issuer receives an original, current, 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 Alpha to AFSL holders, or the Issuer to any other person who requests one, free of charge. To obtain a paper copy free of charge, please call Alpha on 1300 76 96 94 if you are an AFSL holder. You may also contact the Issuer on 1300 30 70 70 to obtain a paper copy of this PDS. 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 Alpha POLARIS.

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

**Arranger:** Alpha is the arranger and distributor for the issue of Alpha POLARIS to AFSL holders only. Alpha is not responsible for, and does not warrant nor make any representation regarding the performance of Citi as the Issuer of Alpha POLARIS. Citi takes no responsibility and accepts no liability for advice given or statements made by Alpha or any other approved adviser in relation to this product and neither Alpha, nor any other approved adviser, act as the agent or representative of Citi in giving any advice or making any representations to Investors in Alpha POLARIS. Investors will have no recourse to Citi for any advice given or representations made by Alpha or any other approved adviser to Investors. Alpha will be paid an Arranger Fee of up to 2.20% (inclusive of GST) and an Arranger Trail Fee of up to 1.10% (inclusive of GST) of the Investment Amount. For further information regarding Alpha, please see the Alpha website at [www.alpha-invest.com.au](http://www.alpha-invest.com.au) or, if you are an AFSL holder, please contact Alpha at [info@alpha-invest.com.au](mailto:info@alpha-invest.com.au) or on 1300 76 96 94. The Alpha website is not a Citi website. Any material, including contact details, e-mail addresses or numbers, contained on that website is not maintained or updated by Citi and is available for AFSL holders only. Citi does not take any responsibility for the content or information available from Alpha on the Alpha website, by email or by any other means.

**Nature of Units:** Please note that references to a "Unit" throughout this PDS means an investment in Alpha POLARIS of an amount equal to the Issue Price and/or Purchase Price per Unit. It is not a unit in a managed investment scheme. Alpha POLARIS 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.

# Contents

## **Part 1 – What is Alpha POLARIS?**

Key Dates	3
Term Sheet	4
Section 1 - Introducing Alpha POLARIS	7
Section 2 - Information about the Assets and the Delivery Assets	14

## **Part 2 – General Information on Alpha POLARIS**

Section 3 - How does Alpha POLARIS work?	21
Section 4 - Risks of investing in Alpha POLARIS	26
Section 5 - Scenario analysis	29
Section 6 - Fees associated with Alpha POLARIS	34
Section 7 - Information about the Issuer and Guarantor	35
Section 8 - Tax considerations	36
Section 9 - Additional information	38
Section 10 - Terms and conditions	40
Section 11 – How to invest in Alpha POLARIS	53
Application Form	57
Investor Sale Form	63

# Part 1 – What is Alpha POLARIS?

# Key Dates

Event	Date
<b>Initial Offer Opening Date:</b>	8 June 2010 at 9:00 am (Sydney time)
<b>Initial Offer Closing Date:</b>	30 June 2010 at 5:00 pm (Sydney time)
<b>General Offer Period:</b>	7 July 2010 to 20 November 2015
<b>Issue Date:</b>	6 July 2010
<b>Maturity Date:</b>	6 January 2016

The Key Dates for Alpha POLARIS (a 2010 - 03) are indicative only and may be changed by the Issuer. All times are Sydney time, Australia, unless otherwise stated.

**If you are an AFSL holder and have any questions concerning the information contained in this PDS, please contact Alpha at [info@alpha-invest.com.au](mailto:info@alpha-invest.com.au) or on 1300 76 96 94. Alternatively, if you are not an AFSL holder, you may contact the Issuer at [citifirst.au@citi.com](mailto:citifirst.au@citi.com) or on 1300 30 70 70.**

# Term Sheet

<b>Arranger:</b>	Alpha Structured Investments Pty Limited
<b>Issuer:</b>	Citigroup Global Markets Australia Pty Limited
<b>Guarantor:</b>	Citigroup Inc.
<b>Investment:</b>	Alpha POLARIS is an agreement between the Investor and the Issuer governed by the Terms.
<b>Initial Offer Opening Date:</b>	8 June 2010 at 9:00 am (Sydney time)
<b>Initial Offer Closing Date:</b>	30 June 2010 at 5:00 pm (Sydney time)
<b>Issue Date:</b>	6 July 2010
<b>Term:</b>	5.5 years
<b>Maturity Date:</b>	6 January 2016
<b>Denomination:</b>	Australian dollars ("AUD")
<b>Issue Price:</b>	AUD 1.00 per Unit
<b>Initial Offer Period:</b>	The period during which Investors can invest in Alpha POLARIS before the Issue Date. The Initial Offer Period opens on the Initial Offer Opening Date and expires on the Initial Offer Closing Date. During the Initial Offer Period, Units will be issued at the Issue Price.
<b>General Offer Period:</b>	The period during which Investors can invest in Alpha POLARIS 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.  The General Offer Period is <b>7 July 2010 to 20 November 2015</b> .  During the General Offer Period, Units will be issued at the Purchase Price per Unit. Note that the Purchase Price per Unit 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 in consultation with the Arranger. If you are an AFSL holder, please contact Alpha to obtain the details for the processing of Applications during the General Offer Period. If you are not an AFSL holder, please contact Citi to obtain the details for the processing of Applications during the General Offer Period.  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 Alpha POLARIS. By investing in Alpha POLARIS, the Investor acknowledges the above. For more details, please refer to Section 4 of this PDS.
<b>Purchase Price per Unit:</b>	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 per Unit may not be the same as the Issue Price.  The prevailing Purchase Price per Unit 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 per Unit.
<b>Purchase Date:</b>	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>Investment Amount:</b>	The total amount paid in respect of an Investment by the Investor to the Issuer by the Initial Offer Closing Date (if the Investment in Alpha POLARIS is entered into during the Initial Offer Period) or the Purchase Date (if the Investment in Alpha POLARIS is entered into during the General Offer Period).
<b>Minimum Investment Amount:</b>	AUD 20,000 relating to an Application for one Asset Portfolio and multiples of AUD 5,000 thereafter. If an Application relates to more than one Asset Portfolio, then the Minimum Investment Amount for each Asset Portfolio is AUD 10,000, with multiples of AUD 5,000 per Asset Portfolio thereafter.
<b>Capital Protection:</b>	The value of each Unit on the Maturity Date will be no less than the Issue Price provided that Early Maturity does not occur (subject to certain restrictions as described in Section 4)*.

Asset Portfolio:	Asset Portfolio	Asset 1	Asset 2
	A	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	S&P ASX 200 Price Index (Bloomberg: AS51 <Index>)
	B	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	S&P BRIC 40 (USA) CME (Bloomberg: SBR <Index>)
	C	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	Hang Seng China Enterprises Index (Bloomberg: HSCEI <Index>)
	D	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	SPDR Gold Trust (Bloomberg: GLD UP <Index>)
	<p>Investors must select at least one out of four available “Asset Portfolios”. Once selected, the “Asset Portfolio” (or, if more than one is selected, the “Asset Portfolios”) cannot be changed by an Investor and, subject to the terms of this PDS, will remain the same for the term of Investment. Each “Asset Portfolio” comprises two “Assets”.</p> <p>If an Investor selects one “Asset Portfolio”, then that Asset Portfolio shall be the “Asset Portfolio” for the purposes of this PDS. The two assets in the selected Asset Portfolio will be the “Assets” for the purposes of this PDS.</p> <p>If an Investor selects more than one “Asset Portfolio”, then each selected “Asset Portfolio” shall be an “Asset Portfolio” for the purposes of this PDS. Each Asset in each selected References Asset Portfolio will be an “Asset” for the purposes of this PDS.</p> <p>Investors should note that the risks associated with each Asset Portfolio are different. Assets that comprise each Asset Portfolio do not carry the same degree of risk. Investors should assess whether the risks associated with each Asset Portfolio are appropriate for them.</p>		
<b>Initial Level:</b>	The Official Closing Level of an Asset on the Issue Date.		
<b>Reference Level:</b>	The Official Closing Level of an Asset on the date it is observed.		
<b>Asset Charge:</b>	<p>Calculation of the performance of each Asset is reduced by 2% p.a. calculated on a monthly basis (equivalent to 0.1667% per month), regardless of whether or not the monthly performance has been positive or negative.</p> <p>Investors should refer to Section 1 for more information on how the Asset Charge works and the benefits that it provides.</p>		
<b>Adjusted Asset Value:</b>	<p>The overall performance of each Asset throughout the term of the Investment.</p> <p>In respect of each Asset:</p> $\text{Adjusted Asset Value}(t) = \text{Adjusted Asset Value}(t-1) \times [\text{Reference Level}(t) / \text{Reference Level}(t-1) - \text{Asset Charge}]$ <p>where:</p> <p>‘t’ represents months since Issue Date  Adjusted Asset Value(t=0) = 100%  Reference Level(t=0) = Initial Level  t=0 is the Issue Date</p> <p>The Adjusted Asset Value is calculated on the last Business Day of each month to account for the monthly Asset Charge. Investors should refer to Section 1 for more information on how the Adjusted Asset Value operates.</p>		
<b>Best Performing Asset:</b>	<p>If one Asset Portfolio is selected, the ‘Best Performing Asset’ is the Asset with the highest Adjusted Asset Value within that Asset Portfolio.</p> <p>If multiple Asset Portfolios are selected, the Best Performing Asset within each Asset Portfolio is the Asset with the highest Adjusted Asset Value within that Asset Portfolio.</p> <p>Potential returns in Alpha POLARIS are linked to the Best Performing Asset of each Asset Portfolio. Hence, if Investors invest in multiple Assets Portfolios, they should be aware that their exposure is not based on the average performance of Best Performing Assets in their selected Asset Portfolios. Accordingly, the negative performance of one Best Performing Reference Asset will not be offset by the positive performance of another Best Performing Asset.</p>		

<b>Cap Level:</b>	<p>The Cap Level is to be determined by the Issuer on the Issue Date and notified to the Investor after the Issue Date or Purchase Date (as applicable).</p> <p>As an indication, if the Units had been issued on 8 June 2010, the Cap Level for each respective Asset Portfolio would have been:</p> <p><b>Asset Portfolio B:</b> 160%  <b>Asset Portfolio C:</b> 170%  <b>Asset Portfolio D:</b> 175%</p> <p>Please refer to the section “What factors affect the Cap Level?” on page 10 for further details.</p> <p>No Cap Level will apply to Asset Portfolio A.</p>
<b>Final Value per Unit:</b>	<p>The Final Value per Unit on the Maturity Date is calculated as follows:</p> <p><b><u>Asset Portfolio A</u></b></p> <p><b>Issue Price x Max [100%, Adjusted Asset Value of the Best Performing Asset at the Maturity Date]</b></p> <p><b><u>Asset Portfolios B, C and D</u></b></p> <p><b>Final Value per Unit = Issue Price x Min [Cap Level, Max (100%, Adjusted Asset Value of the Best Performing Asset at the Maturity Date)]</b></p> <p>Investors should refer to Section 1 for more information on how the Final Value per Unit is calculated.</p>
<b>Delivery Asset:</b>	<p>Ordinary shares in Commonwealth Bank of Australia (“CBA”) (an ASX quoted share, ASX code: CBA).</p>
<b>Fees:</b>	<p><b>Arranger Fee</b> – An upfront fee payable by the Issuer to the Arranger of up to 2.20% (including GST if applicable) of the Investment Amount.</p> <p><b>Financial Adviser Fee</b> – An upfront fee of either 0%, 1.10%, or 2.20% (all including GST if applicable) payable by the Investor when making an Application. This fee is payable to the Issuer who collects it and pays it to the Financial Adviser. This fee may be waived by your Financial Adviser by indicating this in the appropriate section of the Application Form.</p> <p><b>Arranger Trail Fee</b> – A trail fee payable quarterly in arrears throughout the term of Investment, by the Issuer to the Arranger, of up to 1.10%p.a. (including GST if applicable) of the Investment Amount.</p> <p>These fees are payable by the Issuer out of its own funds and are not an additional cost to the Applicant, nor are they deducted from the Investment Amount.</p>

\* Capital Protection only applies to Investments held at Maturity provided that Early Maturity does not occur. Capital Protection safeguards Alpha POLARIS from market risks but is 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.

# Section 1 - Introducing Alpha POLARIS

## What is Alpha POLARIS?

Alpha POLARIS offers Investors the potential for capital growth linked to the best performing Asset contained in the selected Asset Portfolio (or, if more than one Asset Portfolio is selected, the Asset with the highest Adjusted Asset Value within each Asset Portfolio) ("Best Performing Asset"). Each Asset Portfolio contains two Assets, one of which has a specific allocation to either an equities or a commodities index whilst the other is the PIMCO Total Return Bond Fund.

The performance of each Asset within each selected Asset Portfolio is measured over the term of the Investment and the Asset with the highest Adjusted Asset Value at Maturity is the Best Performing Asset.

An Investor in Alpha POLARIS must elect to invest in at least one of the following Asset Portfolios:

Asset Portfolio:	Asset 1:	Asset 2:
A	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	S&P ASX 200 Price Index (Bloomberg: AS51 <Index>)
B	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	S&P BRIC 40 (USA) CME (Bloomberg: SBR <Index>)
C	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	Hang Seng China Enterprises Index (Bloomberg: HSCEI <Index>)
D	PIMCO Total Return Bond Fund (Bloomberg: PTRBDFE <Index>)	SPDR Gold Trust (Bloomberg: GLD UP <Index>)

Alpha POLARIS also offers Investors the safety of Capital Protection for Investments held to Maturity, provided that Early Maturity does not occur. Capital Protection safeguards Alpha POLARIS from market risks, but is 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.

At Maturity, Investors will receive an amount equal to the Issue Price multiplied by the number of Units they hold, plus participation in the positive performance of the Best Performing Asset (subject to the applicable Cap Level).

Potential returns in Alpha POLARIS are linked to the Adjusted Asset Value of the Best Performing Asset. As the Best Performing Asset is determined at Maturity, the Investor will receive a Delivery Parcel at Maturity with a value linked directly to the Adjusted Asset Value of the Best Performing Asset (subject to the applicable Cap Level and Capital Protection, and assuming there is no Early Maturity).

Alpha POLARIS 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. It cannot be dealt with separately to the rest of Alpha POLARIS.

## Can the Assets change?

The Assets are intended to be fixed for the full term of Investment. However, if an Adjustment Event occurs in respect of any Assets (for example, an index is closed or suspended or if any of the Assets which is not an index ceases to be traded in a liquid and accessible fashion for 24 hours or more), the relevant Asset may be substituted in whole or in part with another asset at the discretion of the Issuer. The new Asset will be chosen by the Issuer to match the old Asset as closely as possible. Substitution of an Asset may only occur where the Issuer believes that not doing so would cause, or allow, the Investment exposure to diverge from that described in this PDS, or where failing to make such a variation would otherwise result in an Early Maturity Event.

More information on the Assets can be found in Section 2 of this PDS.

### How is Alpha POLARIS structured?

Alpha POLARIS 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:

- elects to accept physical delivery of the Delivery Assets on the Settlement Date; or
- 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?”.

### What are the Delivery Assets?

On the Settlement Date, the Issuer will be required to deliver to the Investor ordinary shares in Commonwealth Bank of Australia (“CBA”) (the “Delivery Asset”). 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 any 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, 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.

### What is the investment strategy of Alpha POLARIS?

Alpha POLARIS is likely to be suitable for Investors who seek to benefit from the out-performance of the Best Performing Asset and who understand, but do not have a particular sector view on, equities, bonds or commodities.

The investment strategy of Alpha POLARIS is to provide:

- payment of a positive return via exposure to the Best Performing Asset between the Issue Date and the Maturity Date; and
- Capital Protection, so that the value of each Unit held at Maturity is not less than the Issue Price, provided that Early Maturity does not occur.

### What are the investment objectives of Alpha POLARIS?

Alpha POLARIS offers exposure to up to four diversified Asset Portfolios. Investors in Alpha POLARIS may have a positive view of the selected Asset Portfolios over the next 5.5 years and, accordingly, may want to invest based on the performance of those Assets for the relevant Term.

The investment objectives of Alpha POLARIS 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 Alpha POLARIS. Alpha POLARIS may be a suitable investment for an Investor if the following apply to the Investor:

Investor seeks:	Investor can accept:
Diversified exposure to global markets including equities, bonds and commodities.	A term of 5.5 years.
Capital Protection at Maturity (provided that Early Maturity does not occur).*	The risks associated with investing in equities and equity-linked investments, bonds and commodities.
Potential for capital growth.	The risks associated with investing in medium term financial products.
A medium term market linked investment.	The possibility that returns could be less than the return you could earn on other investments, including the actual return on the Assets.
No entry, exit, management or brokerage fees payable by the Investor on Investments held until Maturity.	The possibility of receiving the Issue Price for each Unit held at Maturity, as there is no guarantee that the Adjusted Asset Value of each Asset will, at any point in time, be positive.
	The risk 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.

\* Capital Protection only applies to Investments held at Maturity provided that Early Maturity does not occur. Capital Protection safeguards Alpha POLARIS from market risks but is 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 is the Cap Level?

The Cap Level is one of the factors that determines the Final Value per Unit that an Investor may receive at Maturity.

If the Adjusted Asset Value exceeds the Cap Level for the respective Asset Portfolio, then the Cap Level will operate to “cap” or limit the Final Value per Unit and so may limit the maximum return that Investors can receive. The impact of the Cap Level on the return on investment and the factors which affect the Cap Level are discussed further below. The greater the Cap Level, the greater the potential Final Value per Unit and so the greater the potential return at Maturity.

### How does the Cap Level impact the return on the Investment?

The Issuer will determine the Cap Level for each Asset Portfolio on the Issue Date and will notify Investors of the Cap Level after the Issue Date in the Confirmation.

As an indication, if the Units had been issued on 13 April 2010, the Cap Levels for the respective Asset Portfolios would have been:

**Asset Portfolio B:** 160%  
**Asset Portfolio C:** 177%  
**Asset Portfolio D:** 175%

No Cap Level will apply to Asset Portfolio A.

### Example

The table below illustrates how the return at Maturity to an Investor is impacted by Cap Levels. This example assumes the following Cap Levels:

- Asset Portfolio A = Cap Level not applicable; and
- Asset Portfolio D = Cap Level of 175%.

Adjusted Asset Value of the Best Performing Asset	Final Value Per Unit	
	Asset Portfolio A	Asset Portfolio D
225%	225%	175%
200%	200%	175%
175%	175%	175%
150%	150%	150%
125%	125%	125%
100% <sup>Ⓟ</sup>	100%	100%

<sup>Ⓟ</sup> If the Adjusted Asset Value of the Best Performing Asset is less than, or equal to 100%, the Final Value per Unit will be 100% the Issue Price.

This table is provided for illustrative purposes and solely so that Investors may gain insight into the possible effect of different Cap Levels on the returns that an Investor may receive at Maturity. These Final Value per Unit and Cap Level examples are not forecasts, projections or predictions of returns nor a prediction of how the Best Performing Assets of the selected Asset Portfolios will perform. Investors are cautioned that the Final Value per Unit is subject to risks and uncertainties, and that these examples are not a statement about likely future performance. There is no guarantee that the actual Final Value per Unit will be any of these examples.

### What factors affect the Cap Level?

The Issuer's calculation in determining the Cap Level for each Asset Portfolio on the Issue Date is influenced by a number of market variables that change daily. These variables and their impact on the how the Cap Level is determined for each Asset Portfolio are summarised in the following table.

Variable	Change in Variable	Effect on Cap Level
Volatility of the Asset	▲	▼
Interest rates (AUD)	▲	▲

Each of the variables mentioned above is subject to continuous market movement. For this reason, the Issuer will not determine the Cap Level for each Asset Portfolio until the Issue Date. Once this has occurred, the Issuer will set the Cap Level for each Asset Portfolio and these Cap Levels will then be communicated to each Investor in a Confirmation.

### What is the Asset Charge?

The Asset Charge is the mechanism which reduces the monthly performance of each asset by 2% per annum (equivalent to 0.1667% per month), regardless of whether or not the monthly performance has been positive or negative. Although the Asset Charge is a fixed percentage, its effect on the Adjusted Asset Value depends upon the previous level of Adjusted Asset Value.

This is described mathematically in the Adjusted Asset Value formula below:

$$\text{Adjusted Asset Value}(t) = \text{Adjusted Asset Value}(t-1) \times [\text{Reference Level}(t) / \text{Reference Level}(t-1) - \text{Asset Charge}]$$

where:

't' represents months since Issue Date  
 Adjusted Asset Value(t=0) = 100%  
 Reference Level(t=0) = Initial Level  
 t=0 is the Issue Date

### How does the Asset Charge work?

The following is an example of how the Asset Charge impacts the Adjusted Asset Value in Alpha POLARIS.

At the end of the first month, assuming Asset 1 had risen from an Initial Level of 22 to a Reference Level of 23, the Adjusted Asset Value would be as follows:

$$\begin{aligned} \text{Adjusted Asset Value}(1) &= 100\% \times [23 / 22 - 0.1667\%] \\ &= 104.38\% \end{aligned}$$

At the end of the second month, assuming Asset 1 had fallen from a Reference Level of 23 to 21, the Adjusted Asset Value would be as follows:

$$\begin{aligned} \text{Adjusted Asset Value}(2) &= 104.38\% \times [21 / 23 - 0.1667\%] \\ &= 95.13\% \end{aligned}$$

As a comparison, if Investors had invested directly into Asset 1, their asset performance at the end of the first and second months would have been 104.55% and 95.45% respectively. Thus, the result of the Asset Charge is that Alpha POLARIS tracks the performance of the Assets on less than a one to one basis.

The Investor should be aware that although the Asset Charge results in Alpha POLARIS tracking the performance of the Assets on less than a one to one basis, direct investment in Asset 1 would not have the benefit of Capital Protection at Maturity (provided Early Maturity does not occur), and would not afford the Investor the opportunity to participate in the positive performance of the Best Performing Asset.

### Why use an Asset Charge?

Providing investors with exposure to the Best Performing Asset at Maturity involves significant cost to the Issuer and impacts upon the participation that Alpha POLARIS can provide Investors in any positive performance. As such, without the Asset Charge, the Investor's benefit in the Final Value per Unit from any positive performance of the Best Performing Asset would be materially less. Whilst the Asset Charge is a negative, non-contingent adjustment on the performance of Asset 1 and Asset 2, the potential increase in Final Value per Unit it provides to Investors at Maturity is proportionately greater than the size of the negative adjustment on the performance of the Assets.

One of the key benefits of the Asset Charge is that it enables Alpha POLARIS to include Cap Levels (with respect to Asset Portfolios B, C and D) significantly higher than would be the case if there was no Asset Charge. With respect to Asset Portfolio A, the Asset Charge allows us to have no Cap Level. This, in turn, gives Investors the potential to receive a greater return on their Investment at Maturity than would be the case if the Asset Charge was not deducted.

It is important for investors to note that the Asset Charge is deducted from the performance of Assets even if the monthly performance has been nil or negative.

## How is the Final Value per Unit determined at Maturity?

At Maturity, the Final Value per Unit that Investors will receive is the amount calculated in accordance with the following three steps:

### Step 1: Calculate the Adjusted Asset Value

On the Maturity Date, the Adjusted Asset Value for each Asset is calculated using the following formula:

$$\text{Adjusted Asset Value}(t) = \text{Adjusted Asset Value}(t-1) \times [\text{Reference Level}(t) / \text{Reference Level}(t-1) - \text{Asset Charge}]$$

where:

't' represents months since Issue Date  
 Adjusted Asset Value(t=0) = 100%  
 Reference Level(t=0) = Initial Level  
 t=0 is the Issue Date

This means that for each Asset, the Adjusted Asset Value at the Maturity Date is equal to the Adjusted Asset Value at the end of the previous month multiplied by the Reference Level for that Asset at Maturity divided by the Reference Level for that Asset at the end of the previous month, less the Asset Charge.

The Adjusted Asset Value is calculated on the last Business Day of each month.

### Step 2: Determining the Best Performing Asset and applying Capital Protection

The Best Performing Asset is then selected as the Asset with the highest Adjusted Asset Value over the Term. If the Adjusted Asset Value of the Best Performing Asset is less than zero, Capital Protection will apply.

### Step 3: Calculating the Final Value per Unit

Any applicable Cap Level for the relevant Asset Portfolio is then applied. This acts as a fixed maximum level for the Adjusted Asset Value of each Asset over the Term.

The Cap Level for each Asset Portfolio is determined by the Issuer on the Issue Date and is notified to the Investor after the Issue Date or Purchase Date (as applicable) in the Confirmation.

On the Maturity Date, the Final Value per Unit will be equal to the Issue Price multiplied by the lesser of:

1. the Cap Level; or
2. the Adjusted Asset Value of the Best Performing Asset (subject to a minimum of 100% if Capital Protection applies).

So the Final Value per Unit on the Maturity Date is calculated as follows:

#### **Portfolio A:**

If Portfolio A is chosen, regardless of whether the Investor has invested in Alpha POLARIS during the Initial Offer Period or the General Offer Period, the Final Value per Unit will be equal to:

$$\text{Issue Price} \times \text{Max} [100\%, \text{Adjusted Asset Value of the Best Performing Asset at the Maturity Date}]$$

Investors should note that Portfolio A is not subject to a Cap Level.

This means that the Final Value per Unit will be equal to the greater of:

1. the Issue Price; or
2. the Issue Price multiplied by the Adjusted Asset Value of the Best Performing Asset.

**Portfolios B, C & D:**

If Portfolios B, C or D are chosen, regardless of whether the Investor has invested in Alpha POLARIS during the Initial Offer Period or the General Offer Period, the Final Value per Unit at Maturity will be equal to:

$$\text{Issue Price} \times \text{Min} [\text{Cap Level}, \text{Max} (100\%, \text{Adjusted Asset Value of the Best Performing Asset at the Maturity Date})]$$

This means that the Final Value per Unit will be equal to the lesser of:

1. the Issue Price multiplied by the Cap Level; or
2. the greater of:
  - a) the Issue Price; or
  - b) the Issue Price multiplied by the Adjusted Asset Value of the Best Performing Asset.

The effect of this is that, in the absence of Early Maturity, for each Portfolio, the Final Value per Unit will be between:

- a) the Issue Price; and
- b) the Issue Price multiplied by the Cap Level,

depending on the Adjusted Asset Value of the relevant Best Performing Asset.

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 on the Maturity Date (as explained above) 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 any 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, 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.

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.

**What fees are payable in relation to Alpha POLARIS?**

There are no direct fees or commissions payable by the Investor. The Issuer will pay the Arranger an upfront Arranger Fee of 2.20% (including GST if applicable) and a quarterly Arranger Trail Fee payable in arrears throughout the Term of up to 1.10%p.a. (including GST if applicable) of the Investment Amount.

These fees are payable by the Issuer out of its own funds and are at no additional cost to the Applicant, nor are these fees deducted from the Investment Amount.

Investors will pay an upfront Financial Adviser Fee of either 0%, 1.10%, or 2.20% (all including GST if applicable) of the Investment Amount upon submitting their Application Form. This fee is payable to the Issuer who collects it and pays it to the Financial Adviser. The Financial Adviser may waive the entire amount of this Financial Adviser Fee by indicating this in the Application Form.

In addition to the Financial Adviser Fee, there may be fees or commissions payable by the Investor to their Financial Adviser in respect of Units issued at the Purchase Price per Unit. These fees are not charged by the Issuer and are paid directly by the Investor to their Financial Adviser.

For information on what fees and commissions are payable in connection with an investment in Alpha POLARIS, please refer to Section 6 of this PDS.

## Section 2 - Information about the Assets and the Delivery Assets

The value of Alpha POLARIS is linked to the value of the 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 an Investor's Maturity Notice by the Closing Time.

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

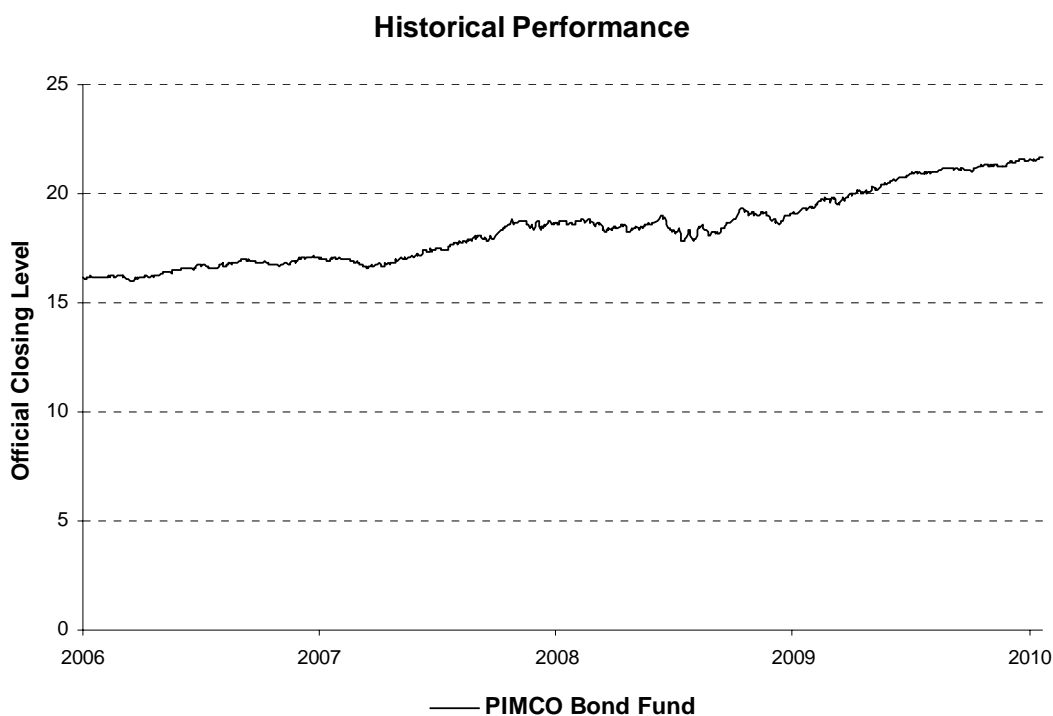
### Information on the Assets

#### ***PIMCO Total Return Bond Fund***

PIMCO Total Return Bond Fund ("Fund") is a US dollar denominated fixed interest bond fund managed by Bill Gross, who is PIMCO's founder, managing director and the firm's chief investment officer. The Fund's objective is to invest at least two-thirds of its assets in a diversified portfolio of fixed income instruments of varying maturities. The Fund was launched on 31st January 1998 and, as at 28 February 2010, has USD \$10,900 million funds under management.

For more information on this index, please visit the Fund's website at [www.pimco-funds.com](http://www.pimco-funds.com).

Citi makes no recommendation, representation or assurance about the performance or prospects of the PIMCO Total Return Bond Fund.



Source: Citi.

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

References in this PDS to PIMCO Total Return Bond Fund are included solely for the purpose of identification of the Assets. These references are not an express or implied endorsement by the trustee, the custodian or the sponsor of the Fund, or any of their related entities. No member of the trustee's, the custodian's or the sponsor's 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.

### **S&P/ASX 200 Price Index**

The S&P/ASX 200 Price Index is a market-capitalisation weighted and float-adjusted stock market index of Australian stocks listed on the Australian Securities Exchange from Standard & Poor's. It was launched on 31 March 2000 with a value of 3133.3, equal to the value of the All Ordinaries at that date.

The S&P/ASX 200 is market-capitalisation weighted which means that a company's contribution to the S&P/ASX 200 index is relative to its total market value (i.e. share price x number of tradeable shares). The S&P/ASX 200 is also float-adjusted which means that the absolute numerical contribution to the index is relative to the stock's value at the float of the stock.

For more information on the S&P/ASX 200 index, please visit the Australian Stock Exchange's ("ASX") website at [www.asx.com.au](http://www.asx.com.au).

Citi makes no recommendation, representation or assurance about the performance or prospects of the S&P/ASX 200.

### **Historical Performance**



Source: Citi.

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

References in this PDS to the S&P/ASX 200 are included solely for the purpose of identification of the Assets. These references are not an express or implied endorsement by Standard & Poor's. No member of the Standard & Poor's 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.

### Hang Seng China Enterprises Index (HSCEI)

The Hang Seng China Enterprises Index (“HSCEI”) is a free float adjusted market capitalisation weighted index which tracks the performance of major shares listed on the Hong Kong Stock Exchange. The constituent stocks are H-shares that are included in the Hang Seng Composite Index and a 15% cap is used in constructing the HSCEI to ensure that a single stock does not dominate the index.

For more information on the HSCEI, please visit the Hang Seng Indices’ (“HSI”) website at [www.hsi.com.hk/HSI-Net](http://www.hsi.com.hk/HSI-Net).

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

#### Historical Performance



Source: Citi.

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

References in this PDS to HSCEI are included solely for the purpose of identification of the Assets. These references are not an express or implied endorsement by HSCEI or the Hang Seng Indices. No member of the HSCEI or the Hang Seng Indices 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.

### S&P Bric 40 (USA) CME

The S&P BRIC 40 index is a basket of 40 leading securities, representing the largest and most liquid companies in Brazil, Russia, India and China (BRIC). All constituent companies are members of the S&P/IFC Investable index series that meet minimum market capitalisation and liquidity requirements. The S&P BRIC 40 index uses a modified market capitalisation weighting scheme, with modifications being to market cap weights, if required, to reflect available floats, reduce single stock concentration and enhance index basket liquidity. All stocks in the S&P BRIC 40 index must trade in developed market exchanges (Hong Kong Stock Exchange, London Stock Exchange, NASDAQ and NYSE).

For more information on the S&P BRIC 40 index, please visit the Standard and Poor's ("S&P") website at [www.standardandpoors.com](http://www.standardandpoors.com).

Citi makes no recommendation, representation or assurance about the performance or prospects of S&P Bric 40.

### Historical Performance



Source: Citi.

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

References in this PDS to S&P BRIC 40 index are included solely for the purpose of identification of the Assets. These references are not an express or implied endorsement by Standard & Poor's, or any of its related entities. No member of the Standard & Poor's 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.

## SPDR Gold Trust

SPDR Gold Trust ("Trust") is an investment trust. The Trust holds gold and, from time to time, issues SPDR Gold Shares ("Shares") in baskets in exchange for deposits of gold and distributes gold in connection with redemptions of baskets. A basket equals a block of 100,000 Shares. The investment objective of the Trust is for the Shares to reflect the performance of the price of gold bullion. The sponsor of the Trust is World Gold Trust Services, LLC. BNY Mellon Asset Servicing, a division of The Bank of New York Mellon, is the trustee of the Trust. HSBC Bank USA, N.A. serves as the custodian of the Trust's gold.

For more information on this index, please visit the SPDR Gold Shares website at [www.spdrgoldshares.com](http://www.spdrgoldshares.com).

Citi makes no recommendation, representation or assurance about the performance or prospects of SPDR Gold Trust.

### Historical Performance



Source: Citi.

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

References in this PDS to SPDR Gold Trust are included solely for the purpose of identification of the Assets. These references are not an express or implied endorsement by the trustee, the custodian or the sponsor of SPDR Gold Trust, or any of their related entities. No member of the trustee's, the custodian's or the sponsor's 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.

## Information about the Delivery Assets

### Commonwealth Bank of Australia

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 Stock Exchange.

The performance of Alpha POLARIS 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 the 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.

### 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 Alpha POLARIS.

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 Assets

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 an Asset with another security quoted and traded on the Relevant Exchange at the discretion of the Issuer.

The Issuer will notify Investors of any such changes and it 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 an Early Maturity. Investors should read clause 5 of the Terms to fully understand their rights and obligations if an Adjustment Event occurs.

DEFERRED PURCHASE AGREEMENTS

## Part 2 – General Information on Alpha POLARIS



# Section 3 – How does Alpha POLARIS work?

## What are the significant benefits of investing in Alpha POLARIS?

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

- **Medium Term** – A medium-term market-linked investment;
- **Capital Protection** – Capital Protection for Investments held at Maturity provided that Early Maturity does not occur. Capital Protection safeguards Alpha POLARIS from market risks but is 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;
- **Capital Growth** - Alpha POLARIS offers Investors the potential for capital growth linked to the Best Performing Asset; and
- **Asset Charge** – The effect of the Asset Charge is that it allows Investors the opportunity to receive a greater return on their Investment at Maturity.

## What are the significant risks of investing in Alpha POLARIS?

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

- **Early Maturity** – In certain circumstances, Alpha POLARIS may be terminated before Maturity and, where Early Maturity applies, the value of Alpha POLARIS may be less than the Investment Amount and Break Costs may apply;
- **Tax and change of law** – Changes to laws or their interpretation in Australia, including taxation and corporate regulatory laws, could have a negative impact on the return for Investors;
- **Adjusted Asset Value** – There is no guarantee that the Adjusted Asset Value of each Asset will, at any point in time, be positive;
- **Purchase Price** – An Investor who acquires Units at a Purchase Price per Unit above the Issue Price may incur a loss and a lower return per Unit at Maturity;
- **Capital Protection** – Possible loss of Capital Protection if Early Maturity occurs;

- **Market risks** – There is no guarantee that the return of Alpha POLARIS will exceed the return generated by other investments; and
- **Credit risk** – The Investor is exposed to the credit risk of the Issuer and the Guarantor. Capital Protection is 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 Alpha POLARIS transferable?

Alpha POLARIS is unlisted and transferable with the prior consent of the Issuer (for more details please refer to clause 14.9 of the Terms). It cannot be traded on any financial market. Investors must not create any charges or encumbrances over their Alpha POLARIS without the Issuer's prior written consent.

## When are returns paid?

When the Final Value per Unit will be delivered to Investors depends on whether Investors choose to take physical delivery of the Delivery Parcel or elect the Agency Sale Arrangement (see the section titled "What happens at Maturity?" below):

- **Physical delivery of the Delivery Parcel:** Investors will receive their Delivery Assets on the Settlement Date or as soon as possible thereafter; or
- **Agency Sale Arrangement:** Investors may choose to receive their Sale Proceeds within 10 Business Days after the Settlement Date or as soon as reasonably practicable.

## 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 per Unit.

The prevailing Purchase Price per Unit 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 per Unit.

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 in Alpha POLARIS, including:

- the Purchase Date and Purchase Price per Unit;
- the Maturity Date;
- the Cap Level set by the Issuer;
- the Assets, including the Initial Level of each Asset; and
- the number of Units issued.

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

### **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 relevant General Offer Period:

- the Purchase Price per Unit 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, the price and volatility of the Assets, the prevailing interest rate environment, and the correlation between the Assets; and
- 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 per Unit. This is not a fee charged by the Issuer.

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

### **What fees are payable in relation to Alpha POLARIS?**

There are no direct fees or commissions payable by the Investor. The Issuer will pay the Arranger an upfront Arranger Fee of up to 2.20% (including GST if applicable) and an Arranger Trail Fee payable quarterly in arrears throughout the Term of up to 1.10%p.a. (including GST if applicable) of the Investment Amount. These fees are payable by the Issuer out of its own funds and are not an additional cost to the Investor, nor are they deducted from the Investment Amount.

Investors will pay an upfront Financial Adviser Fee of either 0, 1.10%, or 2.20% (including GST if applicable) of the Investment Amount upon submitting their Application Form. This fee is payable to the Issuer who collects it and pays it to the Financial Adviser. The Financial Adviser may

waive the entire amount of this Financial Adviser Fee by indicating this in the Application Form.

In addition to the Financial Adviser Fee, there may be fees or commissions payable by the Investor to their Financial Adviser in respect of Units issued at the Purchase Price per Unit. These fees are not charged by the Issuer and are paid directly by the Investor to their Financial Adviser.

For information on what fees and commissions are payable in connection with an investment in Alpha POLARIS, please refer to Section 6 of this PDS.

### **What are the currency risks in relation to Alpha POLARIS?**

For Alpha POLARIS, direct currency risk is minimised since all payments associated with Alpha POLARIS are denominated in the same currency.

### **What are the potential tax implications of investing in Alpha POLARIS?**

Investors who hold Alpha POLARIS on capital account for tax purposes may make a capital gain or loss on the 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 Alpha POLARIS. Investors should be aware that Section 8 of this PDS is provided in general terms only and is not tailored to any Investor's specific circumstances. Investors should seek their own independent advice as to the tax consequences of investing in Alpha POLARIS.

### **Do Investors in Alpha POLARIS receive dividends or distributions?**

Investors are not entitled to receive any dividends or distributions on their Alpha POLARIS during the Term.

### **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.

At Maturity 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 either option, Alpha POLARIS 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 any 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, 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. If the Issuer is unable to sell the Investor's Delivery Parcel at the Official Closing Level on

the Trading Day immediately following the Maturity Date, the Investor authorises the Issuer to use its best endeavours to sell the Delivery Parcel as soon as practicable at the best price the Issuer can obtain. 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 the section titled "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 any fraction of a Delivery Asset, 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 an 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 Alpha POLARIS be terminated early?**

Investors may terminate their investment in Alpha POLARIS 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 an Early Maturity for the full amount of the Investor's investment in Alpha POLARIS. 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 the section titled "What happens at Maturity?" below); 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 Alpha POLARIS 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 Alpha POLARIS 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.

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.

If an Investor requests Early Maturity, they may 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 an Early Maturity.

It is important to note that the Issuer only provides Capital Protection to Investors who hold Alpha POLARIS at Maturity provided that Early Maturity does not occur. This Capital Protection ensures that the value of each Unit in Alpha POLARIS on the Maturity Date will be no less than the Issue Price but it is also 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.

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

Yes. Alpha POLARIS may be terminated early by the Issuer if an Early Maturity Event occurs. An example of an Early Maturity Event is if any of the Assets are suspended for any reason. Investors should refer to Section 4 of this PDS which discusses the risks associated with Early Maturity. 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.

If an Early Maturity Event occurs, 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 Alpha POLARIS 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.

### **Can the Issuer change the Terms of Alpha POLARIS?**

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 Alpha POLARIS offer any Capital Protection?**

Yes. Alpha POLARIS offers Capital Protection. The Issuer will deliver to an Investor the Delivery Assets with a value equal to the Issue Price multiplied by the number of Units held by the Investors if the requirements for Capital Protection apply. Investors should be aware that Capital Protection does not apply if Early Maturity occurs. The Issuer may terminate Alpha POLARIS 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 Alpha POLARIS. Clause 4 of the Terms (in Section 10 of this PDS) describes the events that constitute an Early Maturity Event.

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

Capital Protection provides that the value of each Unit held at Maturity will be no less than the Issue Price, but does not apply where Early Maturity occurs. Capital Protection is subject to the credit worthiness 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 this section ).

Investors should also be aware that where Capital Protection applies, the Final Value per Unit is calculated by reference to the Issue Price and therefore Investors who have acquired their Investment at a Purchase Price per Unit greater than the Issue Price may incur a loss compared with Investors who acquired Units 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, Alpha POLARIS 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.

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 Alpha POLARIS. 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 at least AUD 1 million for each Asset Portfolio. If less than the equivalent of AUD 1 million is raised for each Asset Portfolio, the Issuer may, in its absolute discretion, issue Alpha POLARIS anyway. However, the Issuer retains the discretion to reject any Applications. If the Issuer rejects Applications, the Investment Amounts will be returned to Applicants (without interest) 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 Alpha POLARIS

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 Alpha POLARIS 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 the 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

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 Alpha POLARIS

## Risk Factors

### **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 Alpha POLARIS 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 debts 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 Alpha POLARIS. 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 the 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).

### **Early Maturity risk**

In certain circumstances, Alpha POLARIS 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 Alpha POLARIS provided that Early Maturity does not occur. Capital Protection is also subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to "Credit Risk" above. Prior to Maturity, Investors will receive the fair economic value of Alpha POLARIS or the Exit Payment (as determined by the Issuer) which will be based on various market factors such as the performance of the Assets, volatility, interest rates and time remaining to Maturity. This may result in the value of Alpha POLARIS being less than the Issue Price 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.

### **Liquidity risk**

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

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

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

There is no guarantee that the Final Value per Unit will, on the Maturity Date, be equal to the Issue Price or the Purchase Price per Unit. The value of Alpha POLARIS will be affected by a number of market variables that change daily, such as the performance of each Asset, interest rates, volatility and the trading liquidity of the Assets, prevailing and anticipated economic conditions, technological, legal or political conditions, other inter-related factors which affect the performance of markets generally and the share market specifically, and time remaining to Maturity.

### **Adjustment Event risk**

There may be adjustments to the Terms of Alpha POLARIS 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 limitation on trading of the Assets 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.

### **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 Alpha POLARIS. These include the powers to nominate Adjustment Events and Early Maturity Events, to substitute the Delivery Assets and/or Assets, 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 Alpha POLARIS as contemplated in the Terms.

### **Tax risk**

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

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 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 to the ATO views and implications for Alpha POLARIS.

### **Factors affecting the Assets**

An Investor in Alpha POLARIS should be familiar with stocks, bonds, commodities, foreign exchange contracts and with investments in the financial markets generally, even if the Investor does not have a particular sector view on equities, bonds/property or commodities. In particular, Investors should be familiar with the financial markets on which the Assets are based, economic, political and other aspects relevant to investments in the countries where the Assets are issued or traded and where the relevant commodities are sourced or consumed. Investors should understand that economic, financial and political developments in those countries, among other things, may have a material effect on investments in those countries.

### **Purchase Price per Unit**

The Purchase Price per Unit will vary over the General Offer Period so the Investor's Units may be issued above or below the Issue Price. An Investor holding Units acquired at a Purchase Price per Unit above the Issue Price may incur a greater loss per Unit at Maturity. An Investor holding Units acquired at a Purchase Price per Unit above the Issue Price will receive a lower return per Unit during the Term.

### **Performance of the Assets**

The value of the Assets will vary over time. The performance of the Assets will have a direct effect of reducing the value of Alpha POLARIS and the Final Value per Unit. There is no guarantee that the Final Value per Unit will equal the Issue Price.

### **Currency risk**

For Alpha POLARIS, direct currency risk is minimised since all payments associated with Alpha POLARIS are denominated in the same currency.

### **Interest rates**

Fluctuations in interest rates can affect the value of Alpha POLARIS prior to the Maturity Date. If long-term interest rates increase then, all other things being equal, the value of Alpha POLARIS is expected to fall. Conversely, if long-term interest rates decrease then, all other things being equal, the value of Alpha POLARIS is expected to increase.

### **Performance of Alpha POLARIS may be different to the performance of the Assets**

Investors should be aware that the return they receive from investing in Alpha POLARIS may be less than, or greater than, the performance of the Assets. If an Investor selects one or more of Asset Portfolios B, C or D, the performance of the Assets will be subject to a Cap Level. If the performance of the Assets in those Asset Portfolios exceeds the applicable Cap Level, the Investor will not be entitled to the positive performance exceeding the Cap Level but will be entitled to an amount that is equal to the Cap Level.

The Asset Charge will also affect the performance of Alpha POLARIS. Although the Asset Charge is a fixed percentage, its effect on the performance of Alpha POLARIS varies depending upon the previous performance of the Assets.

### **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 and the 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 or the level of the Assets 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.

### **Capital Protection**

The Final Value per Unit is protected where Capital Protection applies.

Capital Protection only applies to Units held on the relevant Maturity Date and provided that Early Maturity does not occur. Capital Protection safeguards Alpha POLARIS from market risks but is subject to the credit worthiness of

Citigroup Global Markets Australia Pty Limited and Citigroup Inc.

Alpha POLARIS 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 Alpha POLARIS.

Alpha POLARIS 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 per Unit greater than the Issue Price. Where Capital Protection applies, the Final Value per Unit is calculated by reference to the Issue Price. Therefore, Investors who acquired their Investment at a Purchase Price per Unit greater than the Issue Price may incur a loss, or a greater loss, compared with Investors who acquired Units at the Issue Price.

### ***Investment decisions***

The information in this PDS is intended to provide Investors and their professional advisers 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 Alpha POLARIS and the risks, rights and obligations associated with Alpha POLARIS. 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 Alpha POLARIS.

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

### ***Emerging Market risk***

Investors should be aware that some of the Assets may be selected from countries that are emerging markets and have special risks associated with them, including significant macroeconomic, systemic and other risks not found in more developed markets. Emerging markets can be less thoroughly regulated and more volatile than developed markets.

Prices of emerging market securities may be influenced by the political, financial and economic stability of the country and/or region in which the issuer of the relevant securities has its principal place of business. The economies of emerging markets may differ from the economies of most developed countries in many respects, including a higher level of government involvement and intervention in the economy, a volatile growth rate, increased governmental control of foreign exchange and allocation of resources in favour of particular industries or companies. Changes in these governments' policies, international policies, trade

relations and other macro economic factors could adversely affect economic development in each of the countries. Worldwide financial instability and loss of investor confidence in the financial systems of emerging markets generally may cause increased economic volatility in those countries. Any downgrading of such a country's debt rating by an international rating agency is likely to have a significant effect on investor confidence. The laws and regulations applicable to foreign investment in emerging markets are relatively new, and their interpretation and enforcement involve uncertainties that could limit the legal protections available to foreign investors.

The currencies of some emerging markets are not freely convertible. The government in such countries may, in the future, take measures to restrict access to foreign currencies, and certain financial transactions may be subject to foreign exchange controls or restrictions on stock trading. These matters may affect the value of Alpha POLARIS.

# Section 5 - Scenario analysis

The calculations and charts in this section are illustrative examples designed to indicate how an investment in Alpha POLARIS could perform under different scenarios. In each of the following numerical examples, assume that the Investor has subscribed for 100,000 Units with an Investment Amount of AUD 100,000 and does not elect to use the Agency Sale Arrangement at Maturity.

These scenarios have been included solely so that Investors may gain insight into the possible returns that an Investor may receive over the term of Investment. The Adjusted Asset Value and Final Value per Unit calculations below are not forecasts, projections or predictions. Investors are cautioned that the Adjusted Asset Value and Final Value per Unit calculations are subject to risks and uncertainties, and are not a statement about likely future performance.

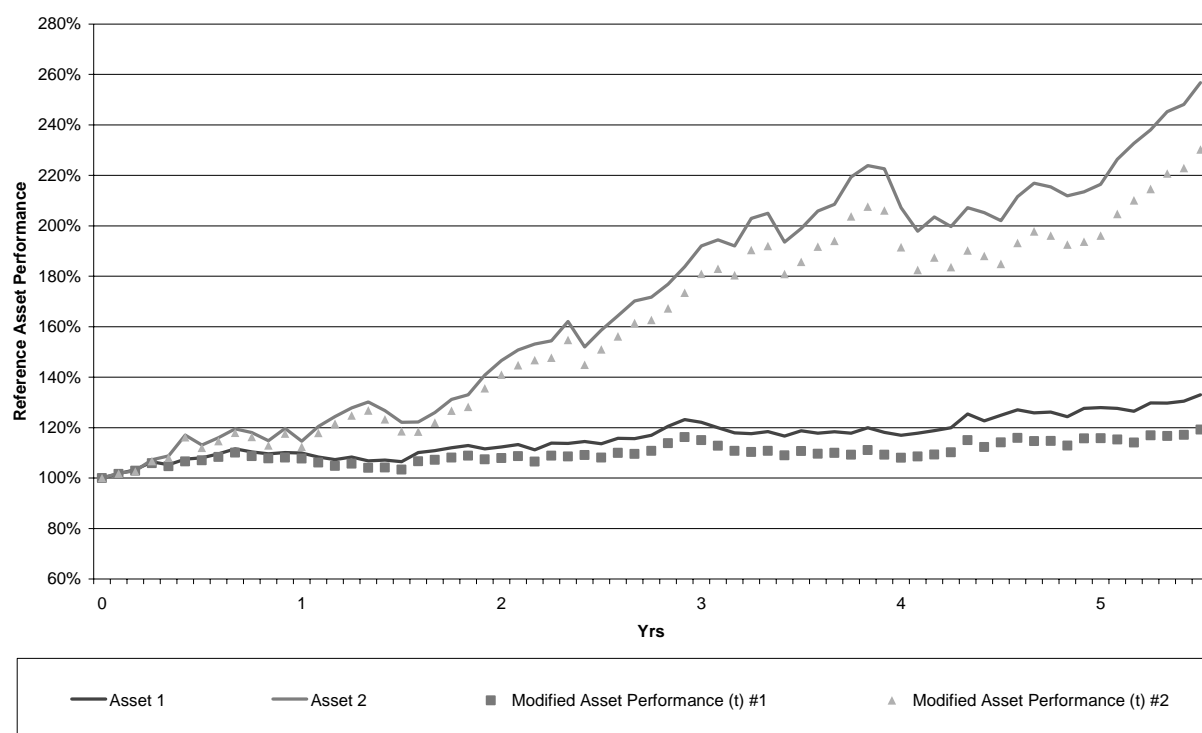
These hypothetical numerical examples do not take into consideration tax implications or any costs associated with Alpha POLARIS.

Investors should be aware that Alpha POLARIS does not track the performance of the Assets on a one to one basis due to the effect of the Asset Charge. For more details, please refer to Section 1 of this PDS.

Investors should also be aware that their entitlement to receive the Final Value per Unit is an obligation of the Issuer and Guarantor. If the Issuer and the Guarantor default on their obligations to pay this amount, you will be an unsecured creditor in relation to that defaulted obligation.

## Bullish Scenario (No Cap Level)

In this first example, we describe an Investment in Alpha POLARIS where the hypothetical trend of the Assets is positive over the term of Investment and a Cap Level does not exist.



The table below summarises the performance of Asset Portfolio X over the investment term based on the scenario depicted above.

Adjusted Asset Value at Maturity		total Asset Charge over Term of Investment		Best Performing Asset	Cap Level	Final Value Per Unit
Asset 1	Asset 2	Asset 1	Asset 2			
119.23%	230.22%	16%	22%	Asset 2	N/A	AUD2.3022

In this example, the Best Performing Asset at Maturity is Asset 2. Because Asset Portfolio X is not subject to a Cap Level, the Final Value per Unit will be equal to:

$$\text{Final Value per Unit} = \text{Issue Price} \times \text{Max [100\%, Adjusted Asset Value of the Best Performing Asset at the Maturity Date]}$$

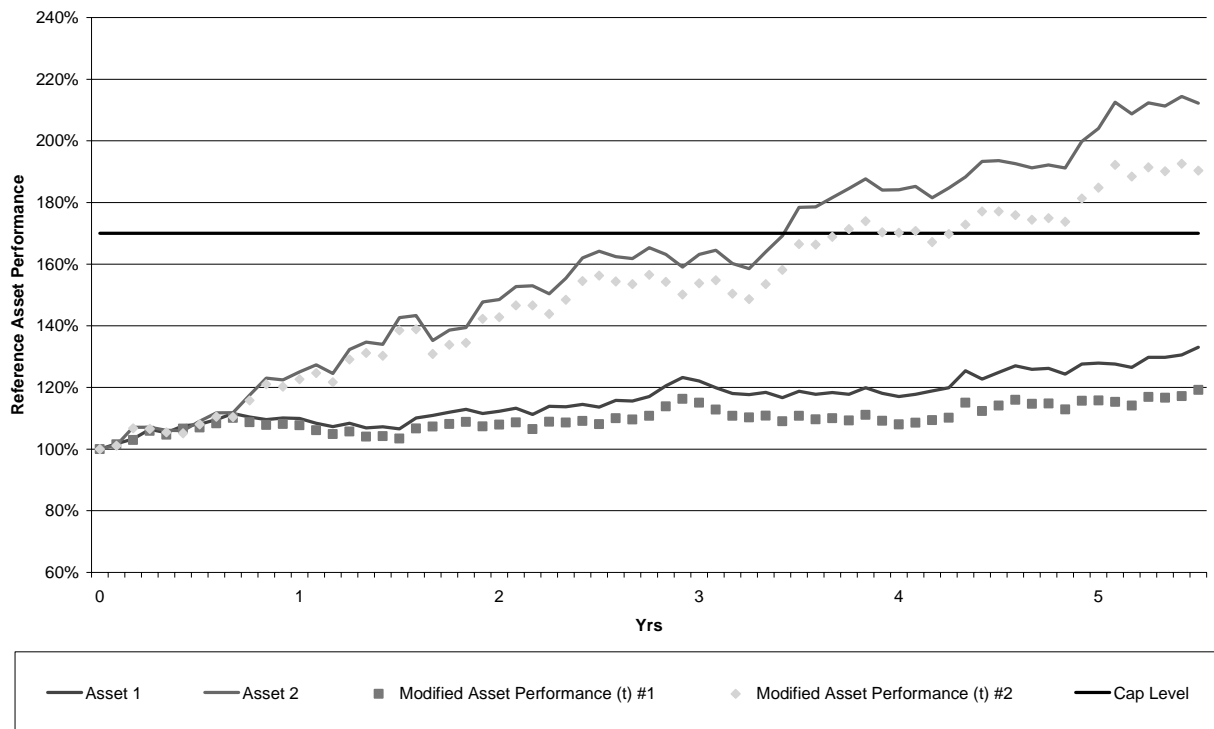
$$= \text{AUD1.00} \times \text{Max [100\%, 230.22\%]} = \text{AUD2.3022}$$

Investors should be aware that whilst the Best Performing Asset's underlying performance was 252.22% over the Term, after accounting for the total Asset Charge of 22%, its Adjusted Asset Value was 230.22%

As a result, an investor that held 100,000 Units would be entitled to a Delivery Parcel with a value of AUD 230,220 at Maturity (100,000 x AUD 2.3022).

## Bullish Scenario (Cap Level)

In this second example, we describe an Investment in Alpha POLARIS where the hypothetical trend of the Assets is positive over the term of Investment and a Cap Level exists.



The table below summarises the performance of Asset Portfolio Y over the investment term based on the scenario depicted above.

Adjusted Asset Value at Maturity		total Asset Charge over term of Investment		Best Performing Asset	Cap Level	Final Value Per Unit
Asset 1	Asset 2	Asset 1	Asset 2			
119.23%	190.32%	16%	20%	Asset 2	170%	AUD1.70

In this example, the Best Performing Asset at Maturity is Asset 2. Because Asset Portfolio Y is subject to a Cap Level of 170%, the Final Value per Unit will be equal to:

***Final Value per Unit = Issue Price x Min [Cap Level, Max (100%, Adjusted Asset Value of the Best Performing Asset at the Maturity Date)]***

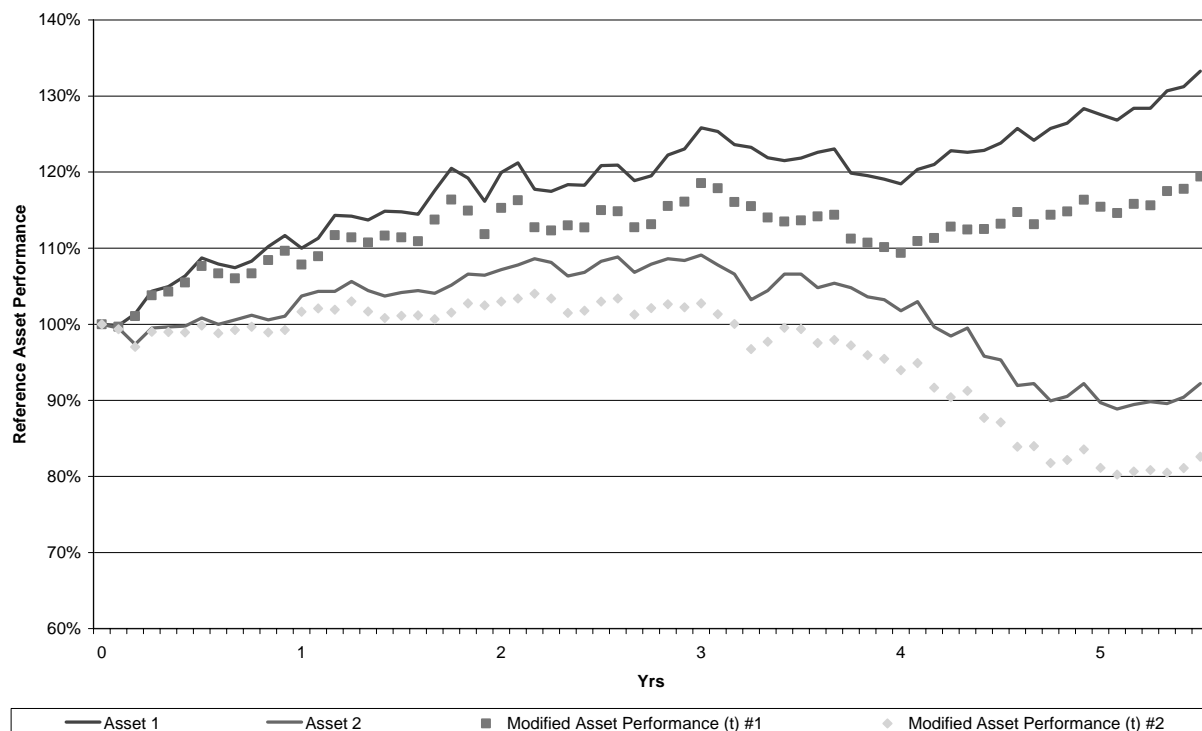
$$= \text{AUD}1.00 \times \text{Min} [170\%, \text{Max} (100\%, 190.32\%)] = \text{AUD}1.70$$

Investors should be aware that whilst the Best Performing Asset's underlying performance was 210.32% over the Term, after accounting for the total Asset Charge of 20%, its Adjusted Asset Value was 190.32%.

As a result, an investor that held 100,000 Units would be entitled to a Delivery Parcel with a value of AUD170,000 at Maturity (100,000 x AUD 1.70).

## Moderate Scenario

In this third example, we describe an Investment in Alpha POLARIS where the hypothetical trend of one of the Assets is positive over the term of investment.



The table below summarises the performance of Asset Portfolio Y over the investment term based on the scenario depicted above.

Adjusted Asset Value at Maturity		total Asset Charge over term of Investment		Best Performing Asset	Cap Level	Final Value Per Unit
Asset 1	Asset 2	Asset 1	Asset 2			
119.80%	83.15%	13%	10%	Asset 1	170%	AUD1.1980

In this example, the Best Performing Asset at Maturity is Asset 1. As a result, the Final Value per Unit will be equal to:

***Final Value per Unit = Issue Price x Min [Cap Level, Max (100%, Adjusted Asset Value of the Best Performing Asset at the Maturity Date)]***

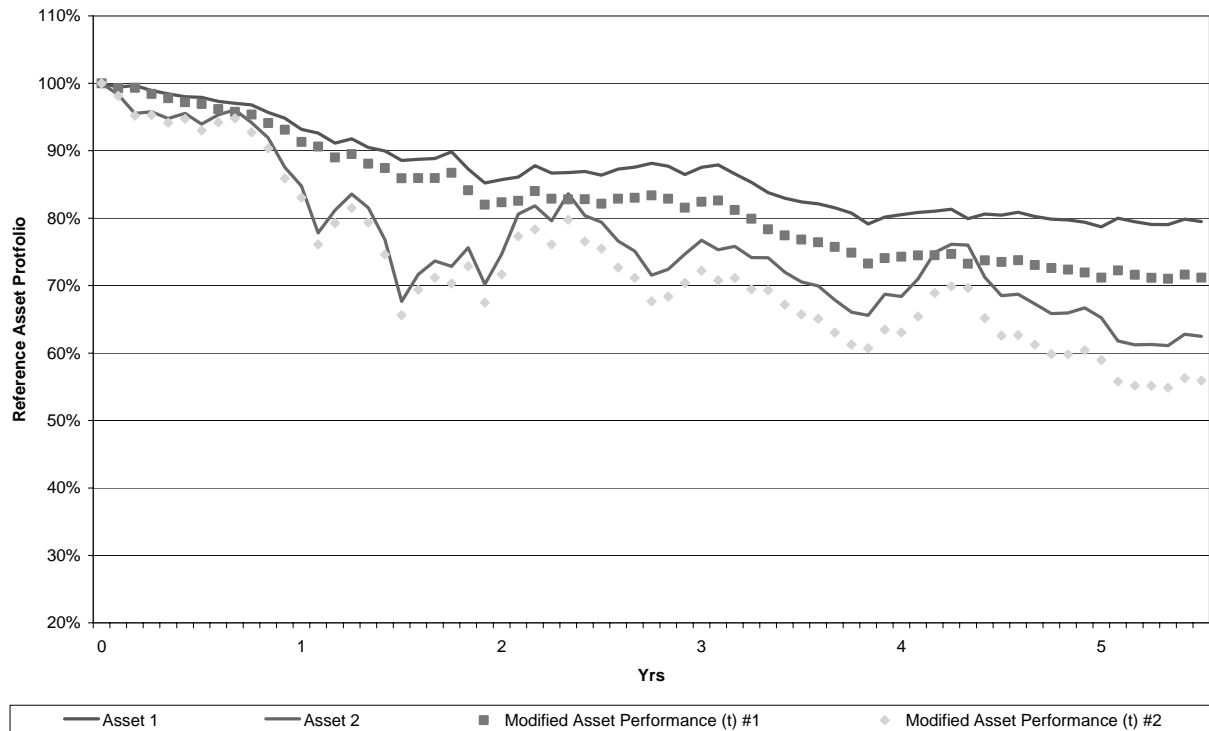
$$= \text{AUD}1.00 \times \text{Min} [170\%, \text{Max} (100\%, 119.80\%)] = \text{AUD}1.198$$

Investors should be aware that whilst the Best Performing Asset's underlying performance was 132.80% over the Term, after accounting for the total Asset Charge of 13%, its Adjusted Asset Value was 119.80%.

As a result, an investor that held 100,000 Units would be entitled to a Delivery Parcel with a value of AUD119,800 at Maturity (100,000 x AUD 1.198).

## Bearish Scenario

In this fourth example, we describe an investment in Alpha POLARIS where the hypothetical trend of the Assets is negative over the term of investment.



The table below summarises the performance of Asset Portfolio Y over the investment term based on the scenario depicted above.

Adjusted Asset Value at Maturity		total Asset Charge over term of Investment		Best Performing Asset	Cap Level	Final Value Per Unit
Asset 1	Asset 2	Asset 1	Asset 2			
71.56%	56.75%	9%	7%	Asset 1	170%	AUD1.00

In this example, the Best Performing Asset at Maturity is Asset 1. Because the investment is Capital Protected at Maturity, the Final Value per Unit will be equal to:

***Final Value per Unit = Issue Price x Min [Cap Level, Max (100%, Adjusted Asset Value of the Best Performing Asset at the Maturity Date)]***

$$= \text{AUD}1.00 \times \text{Min} [170\%, \text{Max} (100\%, 71.56\%)] = \text{AUD}1.00$$

Investors should be aware that whilst the Best Performing Asset's underlying performance was 80.56% over the Term, after accounting for the total Asset Charge of 9%, its Adjusted Asset Value was 71.56%.

As a result, an investor that held 100,000 Units would be entitled to a Delivery Parcel with a value of AUD100,000 at Maturity (100,000 x AUD 1.00).

# Section 6 - Fees associated with Alpha POLARIS

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

There will be no commission, establishment fee or ongoing management fee payable to the Issuer in respect of Alpha POLARIS. However, the Issuer reserves the right to pass on to Investors any unforeseen Costs and Taxes (including GST if applicable). The Issuer will notify the Investor of any such Costs and Taxes (including GST if applicable) in the Maturity Notice. At the date of this PDS, the Issuer is not aware of any Costs and Taxes payable.

There may be relevant fees or commissions payable by the Investor to their broker or Financial Adviser in respect of Units issued at the Purchase Price per Unit. These fees are not charged by the Issuer.

Please note that the Asset Charge is not a fee. For further details of the Asset Charge, please refer to Section 1 'What is the Asset Charge'.

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 Alpha POLARIS and its responsibilities as Issuer of Alpha POLARIS. 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 the Arranger an upfront Arranger Fee up to 2.20% (including GST if applicable) and an Arranger Trail Fee payable quarterly throughout the Term in arrears of up to 1.10%p.a. (including GST if applicable) of the Investment Amount. These fees are payable by the Issuer out of its own funds and are not an additional cost to the Investor, nor are these fees deducted from the Investment Amount.

For example, on an Investment Amount of AUD 100,000, the Arranger Fee payable by the Issuer to the Arranger would not exceed AUD 2,200 (i.e. \$100,000 x 2.20%). This is paid by the Issuer to the Arranger at no additional cost to Investors.

Investors will pay an upfront Financial Adviser Fee of either 0%, 1.10%, or 2.20% (including GST if applicable) of the Investment Amount upon submitting their Application Form. This fee is payable to the Issuer who collects it and pays it to the Financial Adviser. The Financial Adviser may waive the entire amount of this Financial Adviser Fee by indicating this in the Application Form.

For example, on an Investment Amount of AUD 100,000, the Financial Adviser Fee payable by the Investor to the Issuer who collects it and pays it to the Financial Adviser would not exceed AUD 2,200 (i.e. \$100,000 x 2.20%).

Fees and Costs	Amount	How and when paid
<b>Arranger Fee:</b> an upfront fee payable by the Issuer to the Arranger in connection with the distribution of Alpha POLARIS.	Up to 2.20% (including GST if applicable) of the Investment Amount.	This upfront fee is paid by Citi at no additional cost to Investors.
<b>Financial Adviser Fee:</b> an upfront fee payable by the Investor to the Issuer who collects it and pays it to the Financial Adviser.	Either 0%, 1.10%, or 2.20% (including GST if applicable) of the Investment Amount.	This upfront fee is paid by Investors to the Issuer on submitting an Application Form. This fee is payable to the Issuer who collects it and pays it to the Financial Adviser.
<b>Arranger Trail Fee:</b> a trail fee payable quarterly throughout the Term in arrears by the Issuer to the Arranger in connection with the distribution of Alpha POLARIS.	Up to 1.10% (including GST if applicable) of the Investment Amount.	This quarterly fee is paid by Citi at no additional cost to Investors.

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

# Section 7 - Information about the Issuer and Guarantor

## Who are the Issuer and the Guarantor?

The Issuer of Alpha POLARIS 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 Alpha POLARIS.

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 100 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 specific taxation advice referable 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 hold Alpha POLARIS 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 the 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.

## Capital Gains Tax

Based on the approach adopted by the ATO in Taxation Determination TD 2008/21, the gain or loss on Maturity of Alpha POLARIS should be on capital account and subject to Capital Gains Tax.

Investors should note that the 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 will be subject to Capital Gains Tax on the Maturity Date of Alpha POLARIS whether they take delivery of the Delivery Assets or elect to sell the Delivery Assets using the Agency Sale Arrangement.

The amount of the capital gain will be the market value of Alpha POLARIS at the Maturity Date less the Issue Price paid by the Investor on Application.

A capital gain 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 or Investors who acquire Alpha POLARIS less than 12 months before the Maturity Date, Investors will hold Alpha POLARIS for at least 12 months. Accordingly, Investors who are natural persons should apply the 50% CGT discount to the amount of the capital

gain computed above. And Investors 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 CGT 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 Alpha POLARIS at the Maturity Date. Accordingly, the capital gain or loss on sale of the Delivery Assets will only reflect the increase in value of the Delivery Assets after the Maturity Date of Alpha POLARIS. 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 Alpha POLARIS.

## 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, Alpha POLARIS 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 Taxation Determination TD 2008/21, Alpha POLARIS should not be regarded as a traditional security.

## Financial Arrangements

An investment in Alpha POLARIS may constitute a financial arrangement. New rules for the taxation of financial arrangements ("TOFA") apply to financial arrangements acquired after 1 July 2010. Investors have the choice to elect that the TOFA rules apply from 1 July 2009. Investors also have a choice to apply the TOFA rules to financial arrangements acquired prior to whichever of those dates applied to them.

Investors who acquire Alpha POLARIS before 1 July 2010 should not be subject to the TOFA rules unless they make either of the choices specified above, in which case they should obtain tax advice specific to their circumstances.

Investors who acquire Alpha POLARIS from 1 July 2010 or who make either of the choices specified above will come within the ambit of the TOFA rules. However, unless investors elect otherwise, on the basis that Alpha

POLARIS is not a discount security, the TOFA rules will not apply to Alpha POLARIS 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 TOFA rules specific to their own circumstances.

### **Deductibility of Interest**

Investors who borrow money in order to fund their investment in Alpha POLARIS will not be entitled to claim a tax deduction for interest incurred on those borrowed funds where they hold Alpha POLARIS on capital account.

### **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 Alpha POLARIS.

### **GST**

The Alpha POLARIS should not give rise to any liability for Investors to pay GST.

# 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 advisers' 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 Alpha POLARIS.

Freehills will receive fees for its professional services in connection with this PDS as advisers to the Issuer. Some partners of Freehills may, from time to time, have an interest in Alpha POLARIS, the Delivery Assets, any Asset 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 or an Asset 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, Alpha POLARIS, an Asset or the Delivery Assets except that:

- the Issuer earns brokerage at normal commercial rates on transactions in relation to Alpha POLARIS which it undertakes. This is at no additional cost to the Investor;
- Citigroup Inc. group 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 stock-broking business, may, from time to time, advise or act for the issuer of

an Asset or the financial instruments dependent on the Delivery Asset, or advise or act for other clients in relation to the Asset or the Delivery Asset, or publish research reports on the issuer of an Asset or 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 an Asset or the Delivery Assets for trading purposes, including market making, or to hedge Alpha POLARIS. Related bodies corporate of the Issuer may deal in an Asset, the Delivery Assets, options and other derivative contracts in respect of them.

## Direct debit agreement

By signing the Application Form, the Investor authorises and requests Citi, or its nominated administrator or custodian, to debit the Investor's nominated account until further notice from the Investor in writing, with any amount the Investor has requested in connection with Alpha POLARIS. Any such debit will be subject to the provisions of this agreement.

The Investor understands and acknowledges that:

- the Investor's nominated financial institution may, in its absolute discretion, decide the order of priority of payment by it of any monies pursuant to this request or any authority or mandate;
- the financial institution may, in its absolute discretion, at any time by notice in writing to the Investor, terminate this request as to future debits;
- Citi (or its nominated administrator) may, by providing at least 14 days' prior notice in writing to the Investor, vary the timing of future debits or any terms within this direct debit service agreement;
- the Investor can cancel a given direct debit service instruction at any time by giving Citi (or its nominated administrator) at least 14 days' prior notice in writing;
- where the debit obligation does not fall on a Business Day, the Investor will be responsible for contacting the Investor's financial institution directly to determine the date the debit will be processed and to ensure that sufficient cleared funds are available;
- it is the Investor's responsibility to ensure that there are sufficient cleared funds in the Investor's nominated account to honour any direct debit instruction;

- this direct debit service agreement will be automatically cancelled if three direct debit payments are dishonoured because of insufficient funds within a 12-month period. Citi (or its nominated administrator) will give the Investor at least 14 days' notice in writing if it intends to cancel the Investor's direct debit request. Citi (or its nominated administrator) will also charge the cost of any dishonoured direct debits against the Investor's account;
- if, at any time, the Investor feels that a direct debit against your account is inappropriate or wrong, it is your responsibility to notify Citi (or its nominated administrator); and
- Citi (or its nominated administrator) may need to pass on details of the Investor's direct debit request to its sponsor bank to assist with the checking of any incorrect or wrongful debits to the Investor's nominated account. In all other circumstances, Citi will keep all information relating to the Investor private and confidential unless otherwise required by law.

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)

## 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 arrangers of Alpha POLARIS and your licensed broker or Financial Adviser) during the course of managing Alpha POLARIS is required to process your Alpha POLARIS Application, manage your Investment and comply with relevant laws.

We may use this information to send you information about other investment products. You can also 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 Citigroup Pty Limited, a distributor of Alpha POLARIS.

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 Citi group 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 Alpha POLARIS or may be required by law to take particular actions such as deducting taxation at the top marginal rate, plus the Medicare Levy.

# Section 10 - Terms and conditions

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 Alpha POLARIS. Capitalised words are defined in clause 15 of these Terms.

Investment Amount divided by the Purchase Price per Unit.

- (d) Within 10 Business Days after the relevant 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.

## 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 Time 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 Time 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 Time 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 AUD 1.00 of Investment Amount paid by the relevant Initial Offer Closing Time, the Applicant will be entitled to one Unit. For Applications received after the Initial Offer Closing Time, the Applicant will be entitled to the number of Units equal to the

## 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 Time 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.

- (b) 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 be 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) the Issuer, or its nominee, on behalf of the Issuer 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, agrees 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) is 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. 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), the Issuer's obligations to the Investor under these Terms are satisfied and discharged.

### 3.6. 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 any 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.

## 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 a Relevant Exchange or any other exchange on which the Delivery Asset or an 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 or an Asset 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 an Early Maturity on a weekly basis by completing and giving the Investor Sale Form to the Issuer. An Early Maturity can only be requested in respect of the full amount of the Investor's investment in Alpha POLARIS. 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 an 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 an Early Maturity and may specify a date as the Early Maturity Date.

### 4.4. Early Maturity Mechanism

- (a) If the Issuer determines that there will be an Early Maturity in accordance with clause 4.1 only, or if the Investor has requested an Early Maturity, the 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 3.5 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 an 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 an Early Maturity by the Issuer under clause 4.1 only or if the Investor has requested an Early Maturity, for the purposes of determining the Delivery Parcel, the definition of "Delivery Parcel" in clause 15.1 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 an 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. Capital Protection does not apply to Early Maturity**

If there is an Early Maturity, whether it arises because of an Early Maturity Event or because the Investor has requested an Early Maturity, 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 an 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(b).

#### **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 a security or managed investment product with any other security or managed investment product quoted and traded on the 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 or 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;
- (f) substitute an index with any other index at the discretion of the Issuer,

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 Alpha POLARIS, 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 Alpha POLARIS, 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 Alpha POLARIS and, if so, the Issuer may make such adjustments (as described in clause 5.1 above) to any of the Terms of Alpha POLARIS 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 Alpha POLARIS an Investor holds, the Investor receives a Beneficial Interest on the Issue Date or, if applicable, the Purchase Date. The Investor holds the Beneficial Interest until the earlier of Maturity or transfer of each Alpha POLARIS 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 or, if applicable, the Purchase Date until the Maturity Date 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 Alpha POLARIS forms part of that Alpha POLARIS and may not be severed from the balance of the rights in connection with that Alpha POLARIS or dealt with separately in any way.

When an Investor deals with Alpha POLARIS 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 Alpha POLARIS. For example, when an Investor (the “old holder”) transfers Units to another person (the “new holder”):

- (a) all the rights and obligations that attach to Alpha POLARIS, including the Beneficial Interest, are transferred from the old holder to the new holder;
- (b) the old holder's interest in Alpha POLARIS 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 Alpha POLARIS or the Beneficial Interest.

If any Investor purports to deal with Alpha POLARIS 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 Alpha POLARIS, or if any Investor purports to contract out of this clause in any way, any such dealing will be void and Alpha POLARIS and the Beneficial Interest will remain with the Investor recorded on the Register.

At the Maturity Date, 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 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) Alpha POLARIS 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 Alpha POLARIS or the Investor and the Investor is not a resident or national of any jurisdiction where the Application for or the Maturity of Alpha POLARIS 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
  - (ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission.
- (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.

- (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.

## 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

## 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. 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 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 a 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 Alpha POLARIS in a manner that does not involve the transfer of legal ownership of Alpha POLARIS, the Issuer has no duty to record the dealing on the Register. Each Beneficial Interest corresponding to a particular Alpha POLARIS will pass to a new investor upon registration of a transfer of Alpha POLARIS in the Register. The Issuer and the registrar are entitled to rely on the Register as the definitive record of ownership of Alpha POLARIS.

### 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 or, if applicable, the Purchase 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;

"**Adjusted Asset Value**" has the meaning given in the Term Sheet;

"**Adjustment Event**" means in respect of each Asset 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 an index:

- (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 Index Provider, but is calculated and announced by a successor to the Index Provider;
- (iii) the Relevant Asset is replaced by a successor index using the same or a substantially similar formula for and method of calculation;
- (iv) the Relevant Asset is replaced by a successor index using the same or a substantially similar formula for and method of calculation;
- (v) 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 paragraphs (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;

"**Alpha POLARIS**" 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;

"**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;

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

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

"**Arranger Trail Fee**" has the meaning given in the "Fees" section of the Term Sheet;

"**Asset**" has the meaning given in the "Asset Portfolio" section of the Term Sheet;

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

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

"**Asset 1**" has the meaning given in the "Asset Portfolio" section of the Term Sheet;

"**Asset 2**" has the meaning given in the "Asset Portfolio" section of the Term Sheet;

"**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 ASXO, ASX and any of its related bodies corporate;

"**ASXO**" means ASX Operations Pty. Ltd. (ABN 42 004 523 782);

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

"**AUD**" means Australian currency;

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

"**Best Performing Asset**" has the meaning given in the Term Sheet;

"**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 Alpha POLARIS;
- (b) the termination or reversal of any arrangements or hedge position entered into by the Issuer in connection with Alpha POLARIS if it is terminated early; or
- (c) any loss of profits that the Issuer may suffer by reason of the early termination of Alpha POLARIS;

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

"**Cap Level**" 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;

"**CBA**" means Commonwealth Bank of Australia;

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

"**CHESS**" means Clearing House Electronic Sub-register System;

"**Citi**" means the Issuer;

**"Closing Time"** means, subject to clause 3.2(b), 5:00 pm Sydney time on the Trading Day immediately prior to the Maturity Date;

**"Confirmation"** means a notice given by the Issuer to an Investor in relation to each Application confirming the terms of Alpha POLARIS, including the relevant Issue Date or Purchase Date (if applicable), Maturity Date, Term 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 following Maturity (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(c) 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:

***Final Value per Unit × no. of Units held by Investor***

***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";

**"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 an 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;

**"Financial Adviser"** means the Investor's financial adviser or broker who is identified in the Application Form;

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

**"Financial Adviser Fee"** has the meaning given in the "Fees" section of the Term Sheet;

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

**"GST"** means goods and services tax and 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;

**"H-shares"** means a share of a company incorporated in the Chinese mainland that is listed on the Hong Kong Stock Exchange or other foreign exchange. H-shares are still regulated by Chinese law, but they are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong exchange;

**"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;

**"Index Provider"** means the entity who is responsible for the calculation and dissemination of an index;

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

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

**"Initial Offer Closing Time"** means the time on the Initial Offer Closing Date as specified 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;

**"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 an 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;

**"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 an 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;

**"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; or

- (c) in respect of an exchange traded financial product on a specified day, the last traded price of the financial product as reported and disseminated by the Relevant Exchange at the close of trading of that Relevant Exchange (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 financial product 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 financial product at the close of trading of the Relevant Exchange on the specified day; or
- (d) in respect of an index on a specified day, the official closing level of the index, at the close of trading of the Relevant Exchange, as reported by the price source;

**"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 Alpha POLARIS;

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

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

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

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

**"Relevant Exchange"** means in the case of:

- (a) any security, the primary exchange upon which that security is traded;
- (b) any exchange traded financial product, the primary exchange upon which that financial product is traded; and
- (c) an index, the primary exchange upon which the financial products which primarily constitute that index are traded,

as determined in the absolute discretion of the Issuer;

**"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;

**"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;

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

**"Total Amount"** means the aggregate of the Investment Amount and the Financial Adviser Fee (or, if the Financial Adviser waives the Financial Adviser Fee, the Total Amount is the Investment Amount);

**"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 Alpha POLARIS during the Initial Offer Period of an amount equal to the Issue Price, or an investment in Alpha POLARIS during the General Offer Period of an amount equal to the Purchase Price per Unit;

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

**"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 Alpha POLARIS

The Minimum Investment Amount of Alpha POLARIS is AUD 20,000 with additional investments in multiples of AUD 5,000 thereafter. If an Application relates to more than one Asset Portfolio, then the Minimum Investment Amount for each Asset Portfolio is AUD 10,000, with multiples of AUD 5,000 per Asset Portfolio thereafter. If you wish to make an investment in Alpha POLARIS, you will need to complete an Application Form in accordance with the instructions on the following page.

If your preferred method of payment is by direct debit, please provide the details of your nominated account. Alternatively, if your preferred method of payment is by cheque, attach a cheque (in Australian dollars) made payable to the “**MLI TRUST A/C**” and crossed “Not Negotiable”. Applications, including cleared funds, must be received by the Issuer no later than 5:00 pm Sydney time on the Initial Offer Closing Date as specified in this PDS.

Applications received during the General Offer Period will be treated as Applications for Units at the Purchase Price per Unit. The prevailing Purchase Price per Unit 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 or, if applicable, the Purchase 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 Alpha POLARIS.

## 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 Alpha POLARIS (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 Alpha POLARIS?

Applications for Alpha POLARIS are open to:

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

other than US persons who may not apply for Alpha POLARIS.

A US person is defined as:

- natural person resident in the USA;
- partnership or corporate organisation under the law of the US;
- estate of which the administrator is a US person;
- trust of which the trustee is a US person;
- 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 Alpha POLARIS 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

Alpha POLARIS 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 Alpha POLARIS 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 Alpha POLARIS 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 Alpha POLARIS 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 Alpha POLARIS. 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 Time. Applications received during the General Offer Period will be treated as Applications for Units at the Purchase Price per Unit. The prevailing Purchase Price per Unit 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.

### 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 for Correspondence:

Enter your postal address for all correspondence. All communications to you from the Registrar (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 and Payment Details:

Please insert the investment details and the number of Units you wish to apply for and write the Investment Amount in the space provided. The Investment Amount is the dollar amount that you wish to invest (expressed in the corresponding Denomination) 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 Time the Application will be rejected. You must attach a cheque to your Application Form made payable to "**MLI TRUST A/C**" and crossed "Not Negotiable" for an amount equal to the Investment Amount. Please tick the box to acknowledge you have attached a cheque.

### 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 Alpha POLARIS (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 Alpha POLARIS by ticking the appropriate box.

### H/I. Applicant's Declaration and 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.

## Lodgement of Application

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

Structured Products Support  
Alpha POLARIS (a 2010 - 03) Offer  
Citigroup Global Markets Australia Pty Limited  
GPO Box 557  
Sydney NSW 2001

**APPLICATION FORM – ALPHA POLARIS (a 2010 - 03) OFFER**

**APPLICATIONS CLOSE AT 5:00 PM SYDNEY TIME ON THE OFFER CLOSING DATE**

Applications received during the General Offer Period will be treated as Applications for Alpha POLARIS (a 2010 - 03) at the Purchase Price per Unit. The prevailing Purchase Price per Unit is available from the Issuer or your licensed Financial Adviser.

This Application Form is to be used for investing in Alpha POLARIS, governed by the Terms set out in the PDS dated 8 June 2010. 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 a completed, current Application Form which accompanied the electronic or paper copy of this PDS dated 7 June 2010. Paper copies of this PDS (with attached Application Form and Investor Sale Form) are available from the Issuer free on request.

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

**Structured Products Support  
Alpha POLARIS (a 2010 - 03) Offer  
Citigroup Global Markets Australia Pty Limited  
GPO Box 557  
Sydney NSW 2001**

**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.

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

The Financial Adviser Fee for Alpha Polaris of up to 2.20% (inclusive of GST) of the Investment Amount. The Financial Adviser Fee may be waived. Please tick the box below if you wish to waive this fee:

- Please rebate 100% of the Financial Adviser Fee.
- Please rebate 50% of the Financial Adviser Fee.

<b>Licensee</b>												<b>Adviser company name</b>											
<b>Adviser Name</b>												<b>Adviser email address</b>											
<b>Adviser postal address</b>																							
PO Box or Street No. & Name																							
Suburb												State				Postcode							
Country																							
<b>Adviser work number</b>				<b>Adviser fax number</b>				<b>Adviser mobile number</b>															
( )				( )				( )															

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

- 1. I/We apply for Alpha POLARIS 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 Alpha POLARIS 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 Alpha POLARIS 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 or exemption details below. If not, I understand that tax may be withheld at the maximum rate.
- 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.





- 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 Alpha POLARIS or Delivery Assets;
- I/we have obtained all consents which may be required by law to enable me/us to acquire Alpha POLARIS and the Delivery Assets and to become registered as the holder of the Delivery Assets; and
- Alpha POLARIS 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 Alpha POLARIS 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 Alpha POLARIS 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.

**General Declaration**

I/We whose full name(s) and address(es) appear above, hereby apply for Alpha POLARIS as set out on this Application Form, to be issued in accordance with the Terms issued by the Issuer. I/We have read and understood the PDS and the Terms and agree to accept Alpha POLARIS on and be bound by the Terms and the PDS.

I/we acknowledge that Alpha POLARIS:

- (i) is not a deposit or other liability of any insured depository institution (including Citibank, N.A. and Citigroup Pty Limited);
- (ii) is subject to investment risks, including the possible loss of the principal amount invested in the event of Early Maturity, and possible delays in payment;
- (iii) is not issued or guaranteed by Citibank, N.A. or Citigroup Pty Limited and Citibank, N.A. and Citigroup Pty Limited do not stand behind the capital value and/or performance of Alpha POLARIS; and
- (iv) 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. Investors must seek their own independent advice on the taxation implications relevant to their own circumstances before making any investment decision.

I/we declare that all details in this Application Form are true and correct and I/we acknowledge that the Issuer may, in its absolute discretion, refuse my/our Application for the relevant series.

I/we acknowledge that I/we have read and understood the declarations set out above in this Application Form and by signing below I/we agree to be bound by them and make the declarations contained therein. I/we agree to indemnify the Issuer and any of its related bodies corporate against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any such declaration set out in this Application Form proving to be untrue or incorrect.



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# Directory

## **Arranger**

Alpha Structured Investments Pty Limited  
Level 4  
25 Lime Street  
Sydney NSW 2000

## **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 Adviser**

Freehills  
MLC Centre  
Martin Place  
Sydney NSW 2000

## Alpha POLARIS

'Helping you achieve your goals sooner'

For more details please contact:

Alpha Structured Investments Pty Limited

ABN: 37 112 062 594

AFSL: 290054

Toll free: 1300 769 694

[www.alpha-invest.com.au](http://www.alpha-invest.com.au)



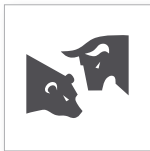
**CitiFirst Protection**  
Full capital protection



**CitiFirst Performance**  
Some capital protection



**CitiFirst Opportunity**  
No capital protection



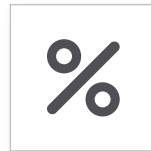
Equities



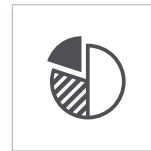
Commodities



Currencies



Interest Rates



Alternative  
Investments