Citi Flexi-Beta 5 Excess Return Index

Dynamic, volatility targeted multi-asset allocation

Index Summary

The Citi Flexi-Beta 5 Excess Return Index (the "Index") tracks the hypothetical performance of a rules-based investment methodology that dynamically allocates exposure among the following 3 hypothetical investment allocations:

1. **Core Allocation**: a basket of 8 indices tracking futures contracts on selected portions of the equity, commodity and government bond asset classes

2. **Reserve Allocation**: a basket composed of the 3 indices within the Core Allocation that track futures contracts on **government bonds**

3. **Uninvested Allocation**: a hypothetical allocation to uninvested cash (in U.S. dollars)

The Core Allocation and Reserve Allocation together make up the **Invested Allocation**. Within the Invested Allocation, the Index dynamically allocates exposure between the Core Allocation and Reserve Allocation based on two **Signals**:

- **Trend Signal**: a measure of the historical trend of the Core Allocation

- **Risk Signal**: a measure of the market perception of risk reflected in six selected financial markets

The Index uses these two signals to determine the allocation within the Invested Allocation on a daily basis. The Index will also allocate a portion of its exposure to the Uninvested Allocation in an attempt to maintain a volatility target of 5%. See "Index Construction Summary" on page 3 for further details on the construction of the Index.

The performance of the indices within the Core and Reserve Allocations will be reduced by an implicit financing cost that will vary with market interest rates. The Index performance will also be reduced by an **Index Fee** of 0.50% per annum.

Index Attributes

Bloomberg Ticker	CITIFB5N <Index>
Currency	USD
Return Type	Excess Return
Volatility Target	5%
Index Fee	0.50% p.a.
Launch Date	March 16, 2021
Base Date	July 13, 2001
Index Administrator	Citigroup Global Markets Limited

Index Rationale

The Index's investment thesis is that a dynamic allocation between higher risk and lower risk assets based on trend and risk signals may offer the potential to outperform a fixed allocation to those assets. The Index seeks to implement that thesis by increasing exposure to the Core Allocation within the Invested Allocation in market conditions that are assumed to be more favorable for higher risk assets – that is, when the Core Allocation has been trending upward and when the market perception of risk as measured by the Index is relatively low – and reducing exposure to the Core Allocation in less favorable market conditions.

Any investor contemplating an investment linked to the Index should independently evaluate the merits of the Index's investment thesis. There can be no assurance that the Index's investment thesis will prove correct or that the Index will effectively implement its investment thesis. Furthermore, the Index only seeks to partially implement its investment thesis, as a significant portion of the Index's Selected Portfolio at any time is likely to be allocated to the Uninvested Allocation, which may in fact run counter to the investment thesis.

Please refer to "Summary Risk Factors" beginning on page 8 for more information about risks relating to the Index. This Index Factsheet is only a summary of certain information about the Index. It is not intended to be used as the sole basis for an investment decision in any financial instrument linked to the Index. Before investing in any financial instrument linked to the Index, you should carefully review the disclosure materials, including risk disclosures, provided to you in connection with that investment. Certain terms used but not defined in this Index Factsheet are defined in the disclosure materials provided to you.

For more information about the Index and its related risks, see the Index disclosure document available at:
https://investmentstrategies.citi.com

Invested Allocation

Core Allocation

The Core Allocation is a basket composed of the 8 **Constituents** indicated in the table below, each having the percentage weight within the Core Allocation listed in the table below. Each Constituent is an index that tracks the performance of a hypothetical rolling position in a futures contract on the applicable **Reference Underlying** indicated below. The underlying futures contract for each Constituent is traded in the **Reference Currency** indicated below.

Asset Class	Constituent	Reference Underlying	Reference Currency	Percentage Weight
Equities	Citi Equity US Large Cap QX Market Tracker Index	S&P 500® Index *Large-cap U.S. equities*	U.S. dollar	15%
	Citi Equity US Tech QX Market Tracker Index	Nasdaq 100® Index *Large-cap U.S. equities*	U.S. dollar	15%
	Citi Equity JN (SGX) Large Cap QX Market Tracker Index	Nikkei 225 Index *Large-cap Japanese equities*	Japanese yen	15%
	Citi Equity Eurozone Large Cap QX Market Tracker Index	Euro STOXX 50® Index *Large-cap Eurozone equities*	Euro	15%
Commodities	Bloomberg Gold Subindex	Gold	U.S. dollar	10%
Government Bonds	Citi Interest Rate Bund Futures Market Tracker Index	German government bonds with remaining term of 8.5 – 10.5 years	Euro	10%
	Citi Interest Rate 10Y JGB Futures Market Tracker Index	Japanese government bonds with remaining term of 7 – 11 years	Japanese yen	10%
	Citi Interest Rate 10Y US Treasury Futures Market Tracker Index	U.S. Treasury notes with remaining term of 6.5 – 10 years	U.S. dollar	10%

Reserve Allocation

The Reserve Allocation is a basket composed of the 3 Constituents indicated in the table below, each having the percentage weight within the Reserve Allocation indicated in the table. The Reserve Allocation is composed solely of the Constituents that make up the government bond portion of the Core Allocation.

Asset Class	Constituent	Reference Underlying	Reference Currency	Percentage Weight
Government Bonds	Citi Interest Rate Bund Futures Market Tracker Index	German government bonds with a remaining term of 8.5 – 10.5 years	Euro	33.33%
	Citi Interest Rate 10Y JGB Futures Market Tracker Index	Japanese government bonds with a remaining term of 7 – 11 years	Japanese yen	33.33%
	Citi Interest Rate 10Y US Treasury Futures Market Tracker Index	U.S. Treasury notes with a remaining term of 6.5 – 10 years	U.S. dollar	33.33%

Index Construction Summary

Trend Signal

On each day, the Index determines whether the Trend Signal is upward or downward based on the historical Trend of the Core Allocation as observed on each of the 5 Index Business Days up to and including the current day. If the average of the Trend observed on each of those 5 Index Business Days is positive or zero, then the Trend Signal will be upward, and otherwise it will be downward.

On any given day, the Trend is determined by identifying the straight line that “best fits” the historical levels of the Core Allocation over the previous 10 Index Business Days. If that line slopes upward, the Index interprets that as an upward Trend. Conversely, if that line slopes down, the Index interprets that as a downward Trend.

Risk Signal

The Index uses the Citi Risk Aversion Indicator (the “**Citi RAI**”) as an indication of the general market perception of risk on any given day relative to levels measured over the preceding year. The Risk Signal on any day is a number equal to the average of the level of the Citi RAI on each day in the period of five Index Business Days leading up to and including the current day. The level of the Citi RAI on a given day is a number between 0 and 1, with a level of 0 indicating the lowest general market perception of risk and a level of 1 indicating the highest general market perception of risk, in each case relative to levels over the preceding year.

The Citi RAI has six equally weighted components (each, an **RAI Component**), each of which may have a level of between 0 and 1. The level of the Citi RAI on any day is equal to the average of the levels of the six RAI Components on that day.

Each RAI Component represents one measure of market risk implied by investors in a selected financial market. The level of an RAI Component on any day will range between 0 and 1 and will indicate the ranking of the current level of the **Reference Measure** for that RAI Component as compared to the levels of that Reference Measure on each day over the prior year. On any day, if the level of the Reference Measure is the lowest it has been over the preceding year, the level of the RAI Component will be 0, and if the level of the Reference Measure is the highest it has been over the preceding year, the level of the RAI Component will be 1. The exact level of the RAI Component will represent the percentage (expressed as a decimal number) of levels of the Reference Measure over the preceding year that were less than the current level. For example, if the current level of the Reference Measure on a given day is greater than its level on 60% of the days over the previous year, then the level of the RAI Component will be 0.6.

RAI Component	Reference Measure
Corporate credit default swap spreads	Markit North American High Yield CDX Index and Markit iTraxx® European Crossover Index
3-month TED spread	3-month U.S. Dollar LIBOR *minus* 3-Month Generic Government Yield Index
Emerging market sovereign debt spread	JP Morgan EMBI+ Sovereign Spread Index
Implied volatility of interest rates	Implied volatilities from prices of 2-year and 5-year options to enter into 2-year, 5-year and 10-year interest rate swaps
Implied volatility of large capitalization U.S. equities	CBOE Volatility Index
Implied volatility of foreign exchange rates relative to the U.S. Dollar	Implied volatilities from prices of 3-month at-the-money cross currency options of Japanese yen, Swiss francs and Euro, each against U.S. dollar

Index Construction Summary (cont.)

When the Signals indicate that the Core Allocation is in an **upward** trend and the market perception of risk is **low** relative to levels over the prior year, the Index will allocate more of the Invested Allocation to the Core Allocation and less to the Reserve Allocation. Conversely, when the Signals indicate that the Core Allocation is in a **downward** trend or that the market perception of risk is **high** relative to levels over the prior year, the Index will allocate less of the Invested Allocation to the Core Allocation and more to the Reserve Allocation.

The Index will change the allocation between the Core Allocation and Reserve Allocation only if the Signals have indicated a consistent new allocation for five consecutive Index Business Days.

Invested Allocation Between Core Allocation and Reserve Allocation Based on Signals

	Risk Signal		
	0	0.25	0.5 0.75 1
Trend Signal Upward Trend	100% Core Allocation 0% Reserve Allocation		25% Core Allocation 75% Reserve Allocation
Trend Signal Downward Trend	75% Core Allocation 25% Reserve Allocation	50% Core Allocation 50% Reserve Allocation	0% Core Allocation 100% Reserve Allocation

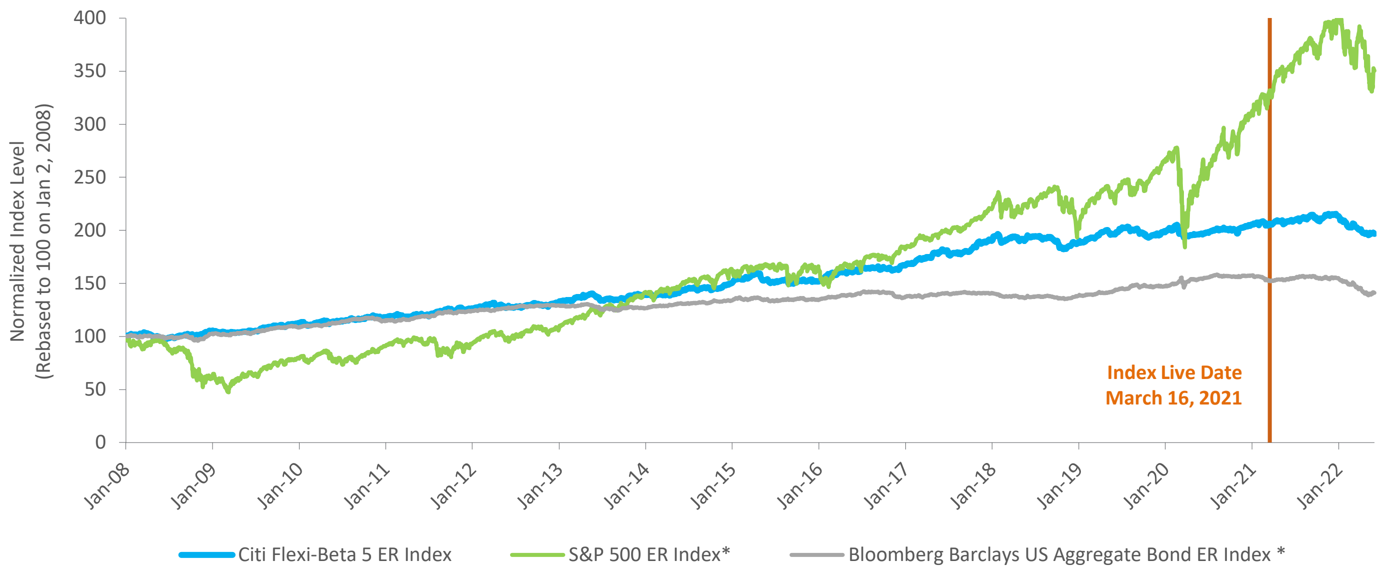
Volatility Target

The Invested Allocation and the Uninvested Allocation together make up the Index's **Selected Portfolio**. The Index will allocate exposure within the Selected Portfolio away from the Invested Allocation and into the Uninvested Allocation to the extent necessary to reduce Index volatility to its "target volatility" of 5%.

The exposure of the Selected Portfolio to the Invested Allocation will be subject to adjustment on each Index Business Day in an attempt to maintain a target volatility for the Index of 5%. Each day, the Index measures the realized volatility of the Invested Allocation, which it determines as the greater of a short-term and long-term measure of the historical annualized volatility of the Invested Allocation. The degree of exposure the Selected Portfolio will have to the Invested Allocation on any Index Business Day will equal 5% *divided by* that realized volatility measured as of the second preceding Index Business Day, subject to a maximum exposure of 150%. This means that the Selected Portfolio will have less than 100% exposure to the Invested Allocation when the realized volatility is greater than 5%, and above 100% exposure (but not exceeding 150%) when realized volatility is less than 5%. At any time when the Selected Portfolio has less than 100% exposure to the Invested Allocation, the difference will be allocated to the Uninvested Allocation. A volatility buffer of 2% applies so that the exposure to the Invested Allocation will not change unless the change in exposure would exceed 2%.

Hypothetical Back-Tested and Actual Historical Index Performance

January 2, 2008 to May 31, 2022



* Excess return versions of the S&P 500 Index and the Barclays US Aggregate Bond Index have been calculated by the Index Administrator by subtracting from the published daily performance of the total return versions of each a notional rate equal to the U.S. Federal Funds Effective Rate as in effect on the immediately preceding business day. The performance of these indices shown above is therefore less than the return that would have been achieved on a direct investment in these indices. The performance of the Index would compare less favorably against the actual total return versions of these indices. An investor contemplating an investment linked to the Index should independently evaluate the hypothetical backtested and historical performance of the Index as compared to the historical performance of other investments available to that investor.

	Citi Flexi-Beta 5 ER Index**	S&P500 ER Index*	Bloomberg Barclays US Aggregate Bond ER Index*
Annualized Return[1]			
Last 1 Year	-5.8%	-0.5%	-8.3%
Last 3 Years	0.0%	15.7%	-0.6%
Last 5 Years	1.8%	12.2%	0.1%
Last 10 Years	4.3%	13.6%	1.1%
Since 2-Jan-2008			
Cumulative Return[2]	96.4%	250.5%	41.1%
Annualized Return[1]	4.8%	9.1%	2.4%
Annualized Volatility[3]	4.6%	20.8%	3.8%
Sharpe Ratio[4]	1.03	0.44	0.63
Max Drawdown[5]	-9.4%	-52.8%	-12.4%
Worst Month	-3.5%	-16.9%	-3.8%
Best Month	3.7%	12.8%	3.7%

1. "Annualized Return" is the annual compounded return of the relevant index for the stated period to the date of this Factsheet.
2. "Cumulative Return" is the return of the relevant index as measured from 2-Jan-2008 to the date of this Factsheet.
3. "Annualized Volatility" is the annualized standard deviation based on daily returns from 2-Jan-2008 to the date of this Factsheet.
4. "Sharpe Ratio" is the Annualized Return divided by the Annualized Volatility.
5. "Max Drawdown" is the maximum peak-to-trough decline in Cumulative Return from 2-Jan-2008 to the date of this Factsheet.

** Performance shown is net of the index fee of 0.50% per annum that is deducted daily.

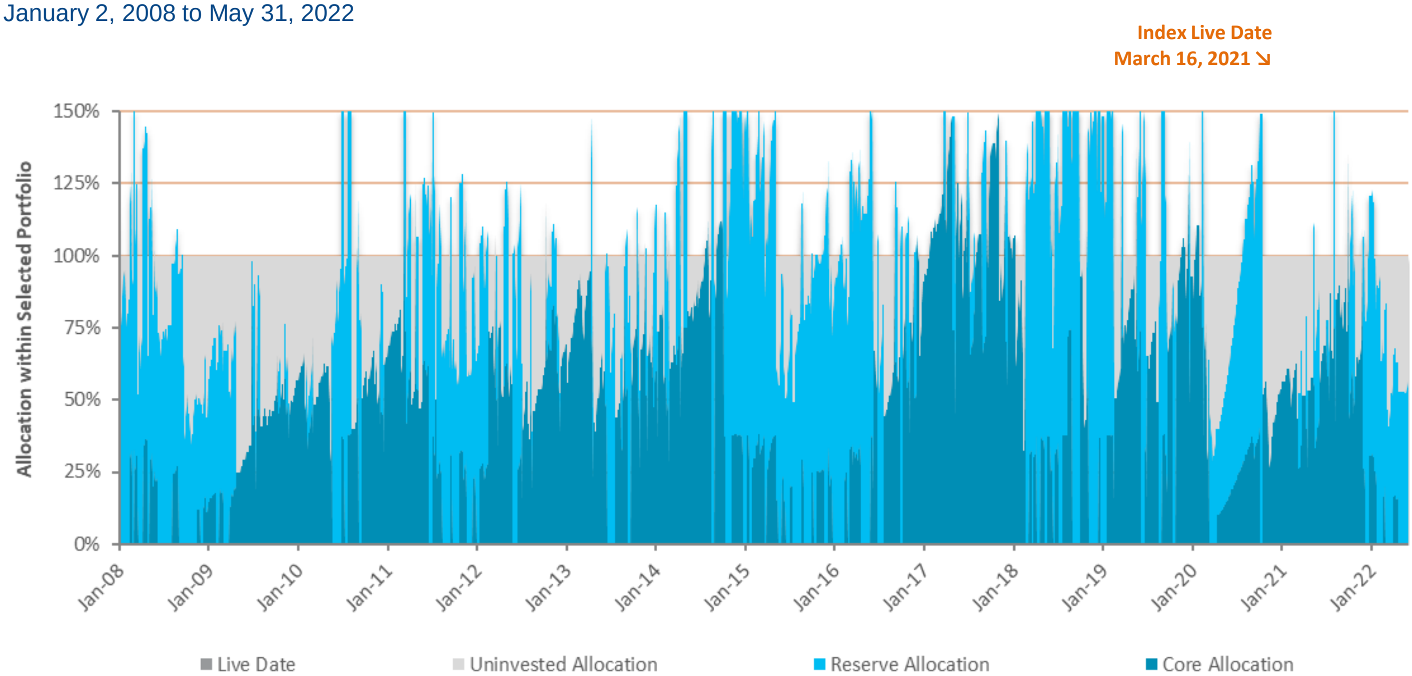
Important Information about Hypothetical Back-Tested Index Performance Data

All Index performance data prior to March 16, 2021 is hypothetical and back-tested, as the Index did not exist prior to that date. Hypothetical back-tested Index performance data is subject to significant limitations. The Index Administrator developed the rules of the Index with the benefit of hindsight—that is, with the benefit of being able to evaluate how the Index rules would have caused the Index to perform had it existed during the hypothetical back-tested period. The fact that the Index generally appreciated over the hypothetical back-tested period may not therefore be an accurate or reliable indication of any fundamental aspect of the Index methodology. Furthermore, the hypothetical back-tested performance of the Index might look different if it covered a different historical period. The market conditions that existed during the hypothetical back-tested period may not be representative of market conditions that will exist in the future. In addition, the method by which the levels of certain of the constituent indices were calculated during certain portions of the hypothetical back-tested period differ in certain respects from the method by which those levels are currently calculated, as described in more detail in the Index disclosure document available at the link on the first page of this document.

It is impossible to predict whether the Index will rise or fall. In providing the hypothetical back-tested and historical Index performance data above, no representation is made that the Index is likely to achieve gains or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular investment. One of the limitations of hypothetical performance information is that it did not involve financial risk and cannot account for all factors that would affect actual performance. The actual future performance of the Index may bear no relation to the hypothetical back-tested or historical performance of the Index.

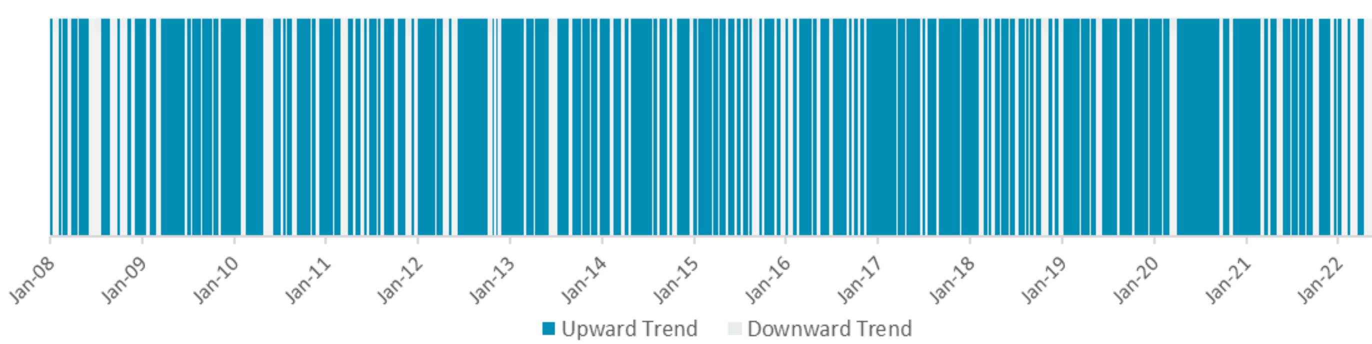
Hypothetical Back-Tested and Actual Historical Index Allocation

January 2, 2008 to May 31, 2022



Hypothetical Back-Tested and Actual Historical Signals

The charts below show the level of the Risk Signal (top) and Trend Signal (bottom) on a daily basis based on hypothetical back-tested and historical Index performance data since 2-Jan-2008.



Important Information about Hypothetical Back-Tested Index Performance Data

All Index performance data prior March 16, 2021 is hypothetical and back-tested, as the Index did not exist prior to that date. Hypothetical back-tested Index performance data is subject to the significant limitations described on page 5 above.

It is impossible to predict whether the Index will rise or fall. In providing the hypothetical back-tested and historical Index performance data above, no representation is made that the Index is likely to achieve gains or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular investment. One of the limitations of hypothetical performance information is that it did not involve financial risk and cannot account for all factors that would affect actual performance. The actual future performance of the Index may bear no relation to the hypothetical back-tested or historical performance of the Index.

Hypothetical Back-Tested and Actual Historical Index Performance By Month

January 2, 2008 to May 31, 2022

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly
2008	2.3%	1.0%	0.3%	-3.1%	-1.3%	0.2%	0.9%	1.4%	0.4%	-0.2%	2.5%	1.7%	**6.0%**
2009	-1.6%	-0.6%	0.7%	0.3%	0.9%	0.4%	2.5%	1.0%	0.8%	-1.1%	1.9%	1.3%	**6.7%**
2010	-1.6%	0.5%	2.2%	0.5%	-0.4%	0.9%	1.0%	-0.1%	0.9%	1.1%	0.1%	-0.3%	**4.8%**
2011	0.6%	1.6%	-1.3%	1.4%	0.8%	-1.9%	3.0%	0.8%	1.3%	0.3%	-0.7%	1.5%	**7.5%**
2012	1.3%	1.0%	1.3%	-0.9%	-1.1%	-0.7%	0.4%	1.0%	0.7%	-0.9%	1.3%	0.9%	**4.3%**
2013	1.4%	0.2%	2.1%	1.4%	-0.4%	-3.0%	0.6%	-0.2%	0.7%	2.2%	1.2%	-0.7%	**5.4%**
2014	-0.9%	1.4%	-0.4%	0.6%	1.8%	1.6%	-0.5%	1.0%	0.0%	-0.4%	2.5%	1.2%	**8.1%**
2015	3.3%	0.4%	1.1%	-1.0%	-1.4%	-1.5%	0.9%	-2.1%	0.9%	1.2%	0.2%	-1.1%	**0.8%**
2016	3.4%	2.1%	0.2%	-0.4%	1.0%	2.0%	0.0%	0.0%	0.3%	-1.0%	0.0%	1.9%	**9.9%**
2017	0.9%	2.8%	1.1%	2.3%	0.7%	-1.6%	0.7%	0.7%	0.6%	3.7%	0.7%	0.7%	**14.0%**
2018	2.3%	-1.9%	1.8%	-1.5%	1.7%	-0.1%	-1.0%	0.8%	-2.1%	-3.5%	1.7%	1.0%	**-1.0%**
2019	1.8%	0.7%	1.7%	2.0%	-2.0%	2.5%	0.6%	-0.4%	-1.9%	-1.5%	1.1%	0.8%	**5.4%**
2020	0.8%	-1.6%	-0.8%	0.7%	0.2%	0.7%	1.1%	0.1%	0.2%	-2.2%	3.2%	1.3%	**3.7%**
2021	-0.5%	-0.1%	1.0%	0.9%	0.2%	0.3%	0.7%	1.2%	-1.6%	1.0%	1.4%	-0.7%	**3.7%**
2022	-2.8%	-1.7%	-1.5%	-2.0%	-0.3%								**-7.9%**

Important Information about Hypothetical Back-Tested Index Performance Data

All Index performance data prior March 16, 2021 is hypothetical and back-tested, as the Index did not exist prior to that date. Hypothetical back-tested Index performance data is subject to the significant limitations described on page 5 above.

It is impossible to predict whether the Index will rise or fall. In providing the hypothetical back-tested and historical Index performance data above, no representation is made that the Index is likely to achieve gains or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular investment. One of the limitations of hypothetical performance information is that it did not involve financial risk and cannot account for all factors that would affect actual performance. The actual future performance of the Index may bear no relation to the hypothetical back-tested or historical performance of the Index.

Summary Risk Factors (1/2)

- **The Signals may not accurately predict the future performance of the Core Allocation, in which case the methodology underlying the Index may not be successful and the level of the Index may decline.** Within its Invested Allocation, the Index will dynamically allocate exposure between the Core Allocation and the Reserve Allocation based on the Signals. This dynamic allocation methodology is premised on the assumption that these Signals will provide an accurate indicator of the future performance of the Core Allocation. This assumption may not prove correct for the simple reason that it is impossible to predict the future. If it does not prove correct, the dynamic allocation methodology underlying the Index may not be successful and the Index may experience significant declines.
- **The Index's investment thesis may not prove correct or the Index may fail to effectively implement its investment thesis.** There can be no assurance that the Index's investment thesis will prove to be correct. The historical trend of higher risk assets may not prove to be predictive of the future trend, and current market perceptions of risk may not correctly anticipate actual future levels of risk. Moreover, even if the Index's investment thesis were to have merit in general terms, the specific features of the Index may fail to effectively implement the thesis, as described in more detail below.

  Furthermore, the Index does not seek to fully implement its investment thesis, and the volatility targeting feature may in fact run counter to that thesis. The Index seeks to implement its investment thesis solely within the Invested Allocation. But the Index does not track the Invested Allocation alone, but rather a Selected Portfolio that is composed of both the Invested Allocation and the Uninvested Allocation. At any given time, the Index may be required to have a significant allocation to the Uninvested Allocation in order to maintain its target volatility of 5%. Higher risk assets typically have levels of volatility that significantly exceed the Index's target volatility of 5% even at times of relatively stable appreciation. As a result, at a time when the Signals are favorable and so the Index is increasing exposure to higher risk assets within the Invested Allocation, the Index's overall exposure to higher risk assets within the Selected Portfolio may actually decrease through a reduction in exposure to the Invested Allocation relative to the Uninvested Allocation. The Uninvested Allocation represents a hypothetical allocation to uninvested cash and will tend to dampen Index returns.
- **The Index's Signal-based allocation methodology has significant limitations.** The Trend Signal is based on the assumption that if the Core Allocation has been trending upward over the applicable Trend Measurement Period it is likely to continue to trend upward. The Risk Signal is based on the assumption that the level of risk perceived by the market, as measured by the Citi Risk Aversion Indicator (**Citi RAI)**, is an indicator of the likelihood of future appreciation in the Core Allocation. There is no guarantee that either will be the case, however.

  Limitations of the Trend Signal

  - *Future conditions may differ from past conditions.* The fact that the Core Allocation may have generally appreciated over the applicable Trend Measurement Period does not mean that it will continue to appreciate in the future, because the conditions that may have caused that appreciation may no longer exist.
  - *Markets may be efficient.* Even if future conditions do not differ materially from past conditions, past appreciation may not necessarily be an indicator of future appreciation. The efficient market hypothesis, a well-known theory in academic financial literature, states that the market is efficient and that current asset prices therefore reflect all available relevant information. If true, the efficient market hypothesis implies that any perceived historical trend in the value of the Core Allocation should not be an accurate predictor of the Core Allocation's future performance.
  - *Time lag.* The Trend Signal suffers from a time lag, which may cause it to be late both in signaling a greater allocation to the Core Allocation and in signaling a lower allocation to the Core Allocation. The Index determines the Trend of the Core Allocation based on its values over a backward-looking Trend Measurement Period of 10 Index Business Days. If the Trend in the performance of the Core Allocation changes, it may be a significant period of time before Index's Trend Calculation reflects the change. The fact that the Trend Signal is measured based on the average of the Trend observed on 5 Index Business Days further adds to the time lag.
  - *Measurement error.* Even if the historical trend in the level of the Core Allocation does prove to be a predictor of the future performance of the Core Allocation, the way in which the Index measures the trend may not effectively capture it. The Index uses a fixed rule for determining whether the Core Allocation is deemed to be in an upward trend or a downward trend: if the straight line that best fits the value of the Core Allocation on each Index Business Day in the Trend Measurement Period slopes upward, the Core Allocation is deemed to be in an upward trend; and otherwise, the Core Allocation is deemed to be in a downward trend. Any fixed rule for determining whether the Core Allocation is in an upward or downward trend will necessarily be a blunt tool and, accordingly, may have a high rate of inaccuracy.
  - *Absence of trends.* Trend-based methodologies perform poorly in volatile or "sideways" markets, where no clear trend is established.
  - *Whipsaws.* Trend-based methodologies are particularly subject to "whipsaws," which occur when the price of an asset that has been trending upward suddenly drops significantly. For example, if the Index identifies the Core Allocation as being in an upward trend (and the Risk Signal indicates a market perception of a low level of risk), the Index will allocate greater exposure to the Core Allocation. If, after being allocated exposure, the Core Allocation suddenly declines significantly, the level of the Index would also decline significantly.

  Limitations of the Risk Signal

  - *Risk mismatch.* The risk measured by the Risk Signal may bear little relation to the risks that are relevant to the Core Allocation. The Risk Signal is measured based on the Citi RAI. The Citi RAI is calculated based on an equally weighted average of six RAI Components, which reflect market perceptions of risk in six different financial markets. None of the six RAI Components relates specifically to the Core Allocation. Only one of the six RAI Components even relates to equity securities, the largest asset class that is tracked by the Core Allocation. The market perception of risk relating specifically to the Core Allocation may be significantly higher or lower than the market perception of risk reflected in the six financial markets measured by the Citi RAI.
  - *Relative rather than absolute risk.* The level of the Citi RAI does not provide an absolute measure of the market perception of risk, but rather a relative measure based on a comparison of the current levels of the RAI Components to their levels over the preceding year.
  - *The Citi RAI may not be indicative of market perceptions of risk*. The level of the Citi RAI is simply the average level of each of the six RAI Components. The Index interprets this level as providing an indication of the general market perception of risk. However, this interpretation may or may not be a fair one. The Citi RAI is simply a mathematical calculation, and it may not indicate anything about the general market perception of risk.
  - *Inaccurate market perceptions*. Even if the Citi RAI accurately captures the market perception of risk associated with the Core Allocation, that market perception may be wrong.

Summary Risk Factors (2/2)

  - *Measurement error.* The Index applies a fixed set of rules to determine and interpret the level of the Citi RAI. There is nothing inherent about the particular rules used by the Index that makes them any more likely to identify circumstances in which the Core Allocation is likely to appreciate than any other rules that could have been used.
  - *LIBOR discontinuance.* Two of the Reference Measures observed by the Citi RAI are based in part on 3-month U.S. dollar LIBOR. There is uncertainty about the future of 3-month U.S. dollar LIBOR. If 3-month U.S. dollar LIBOR is replaced by a successor or permanently cancelled, the Index Administrator may select a replacement for 3-month U.S. dollar LIBOR. In this circumstance, Index performance based on a successor rate may be less favorable than it would have been had 3-month U.S. dollar LIBOR not been replaced.

- **The performance of each Index Constituent is expected to be reduced by an implicit financing cost, and any increase in this cost will adversely affect the performance of the Index.** Each of the Constituents that make up the Core Allocation and Reserve Allocation is an index that tracks the performance of a hypothetical rolling position in a futures contract. Each futures-based Constituent is expected to reflect not only the performance of its corresponding reference equity index, commodity or government bonds, but also the implicit cost of a financed position in that Reference Underlying. The cost of this financed position will adversely affect the level of each futures-based Constituent and, therefore, the Index. Any increase in market interest rates in the applicable currency is likely to increase this implicit financing cost.
- **The Index's volatility targeting feature may result in a significant portion of its exposure being hypothetically allocated to uninvested cash, on which no interest or other return will accrue.** The Index is a volatility target Index, which means that it will allocate exposure to the Uninvested Allocation if and to the extent necessary to maintain an overall volatility for the Index of 5%. The Uninvested Allocation represents a hypothetical allocation to cash, on which no interest or other return will accrue.
- **The Index will have significant exposure to the government bond Constituents at all times and will be subject to drawbacks associated with that exposure.** The government bond Constituents make up 30% of the Core Allocation and 100% of the Reserve Allocation. As a result, regardless of the Signals, the government bond Constituents will make up at least 30%, and up to 100%, of the Invested Allocation at all times. The government bond Constituents are likely to have limited appreciation potential. The government bond Constituents are likely to experience declines, which may be significant, if interest rates in the applicable currency increase.
- **The Signal-based methodology may be overly conservative, resulting in significant exposure to the Reserve Allocation at times when the Core Allocation is experiencing significant appreciation and causing the Index to fail to participate fully in that appreciation.** The Invested Allocation will have the greatest exposure to the Core Allocation when the Trend Signal is upward and the Risk Signal is indicating a lower level of risk than on most other days over the prior year. This condition may not be met even at a time when the Core Allocation is appreciating significantly.
- **The Core Allocation is composed of risky assets.** The Core Allocation is a basket composed of Constituents tracking hypothetical rolling positions in futures contracts on equity indices, a commodity and government bonds. The Constituents that make up the Core Allocation are risky and are subject to declines.
- **The Constituents represent a number of different markets and asset classes and may offset each other.** The Core Allocation is composed of Constituents representing portions of the U.S. and international equity, commodity and government bond asset classes. These Constituents represent very different markets and may perform differently from each other over time. Appreciate of some may be offset by depreciation of others.
- **The Index is subject to foreign currency exchange rate risk in addition to risks associated with the equity, commodity and government bond asset classes.** The Index is calculated in U.S. dollars, but four of the eight Constituents of the Core Allocation have reference futures contracts that are traded in a foreign currency. The Index will be subject to foreign currency exchange rate risk with respect to these Constituents.
- **The Index's allocation methodology may not be successful if the Core Allocation and the Reserve Allocation decline at the same time.** The Index's allocation methodology is premised on the Core Allocation and the Reserve Allocation being either uncorrelated or inversely correlated. The Index seeks to limit losses and even potentially generate positive returns by allocating greater exposure to the Reserve Allocation and less to the Core Allocation at a time when the Core Allocation declines. If, however, the Reserve Allocation also declines, then the Index will decline regardless of how much of its exposure is allocated to the Core Allocation relative to the Reserve Allocation.
- **The performance of the Index will be adversely affected by the deduction of an Index Fee.** An Index Fee of 0.50% per annum is deducted in the calculation of the Index.
- **The composition of the Core Allocation and Reserve Allocation may not be optimal.** The Core Allocation reflects a fixed allocation to selected portions of the equity, commodity and government bond asset classes, and the Reserve Allocation reflects a fixed allocation to selected government bonds. The particular mix of equities, commodities and government bonds reflected in the Core Allocation may not be the optimal mix, and the particular representatives of those asset classes that make up the Core Allocation may not be the optimal representatives.
- **The Index may not achieve its volatility target.** The Index seeks to limit volatility by allocating away from the Invested Allocation (and hypothetically into the Uninvested Allocation) on any day on which the realized volatility of the Invested Allocation, as measured by the Index, is greater than its volatility target (subject to a volatility buffer). Because this realized volatility is calculated based on a backward-looking look-back period, if the volatility of the Invested Allocation suddenly and significantly increases, it may be a significant period of time before the increase will be reflected to a meaningful degree in the volatility measurement and, consequently, before the exposure to the Invested Allocation can be reduced to account for the increased volatility.
- **The Index may have leveraged exposure to the Invested Allocation and therefore may realize losses as a result of any decline in the value of the Invested Allocation on an accelerated basis.** For example, if the value of the Invested Allocation were to decline by 2% at a time when the Index has 150% exposure to the Invested Allocation, the Index would decline by 3% (i.e., 150% of 2%), before giving effect to the Index Fee.
- **The Index will be calculated pursuant to a set of fixed rules and will not be actively managed.** If the Index performs poorly, the Index Administrator will not change the rules in an attempt to improve performance.
- **The Index has limited historical information.** The Index launched on March 16, 2021. Accordingly, the Index has limited historical data, and that historical data may not be representative of the Index's potential performance under other market conditions.
- **The Index Administrator may have conflicts of interest with you.** Although the Index is rules-based, there are certain circumstances in which the Index Administrator may be required to exercise judgment in calculating the Index. In exercising these judgments, the Index Administrator's interests may be adverse to yours.

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