

October 2017

Article 73(4) - Swiss Financial Market Infrastructure Act Costs Disclosure

1. Introduction

- 1.1 The purpose of this document is to disclose the costs associated with the different levels of segregation provided in respect of securities that Citibank, N.A., London branch (hereinafter referred to as “we”, “us”, “our” or “Citi”) holds directly for clients with a Swiss Central Securities Depository (“CSD”).
- 1.2 Citi is a direct participant in a CSD subject to Financial Market Infrastructure Act (“FMIA”) and we are required to make this disclosure under FMIA Article 73(4).
- 1.3 This costs disclosure should be read in conjunction with our disclosure on the levels of protection associated with the different levels of segregation, including the main legal implications of the respective levels of segregation offered, which is available at: <https://www.citibank.com/mss/dcc/fmia.html> (the “Participant Disclosure”).
- 1.4 While this disclosure provides an overview of the costs associated with the different levels of segregation, this disclosure does not purport to contain all the information a client would need to decide which type of account it should choose in a relevant CSD. We would typically expect to have more detailed discussions with clients around their specific pricing arrangements with a view to assisting them with making a more informed choice on the type of CSD account that would be suitable for them for each relevant CSD.
- 1.5 This costs disclosure is based on the CSD charging structure as of the date of this disclosure. For up to date CSD fees and charges, clients can visit: <https://www.six-securities-services.com>
- 1.6 This costs disclosure is provided to you for information only and is not intended to constitute legal, regulatory, tax, investment, accounting, financial or other advice by any member of the Citi organization. This costs disclosure should not be used or relied upon by any person for the purpose of making any legal, regulatory, tax, investment, accounting, financial or other decision or to provide advice on such matters to any other person. Recipients of this costs disclosure should obtain guidance and/or advice, based on their own particular circumstances, from their own legal, tax or other appropriate advisor. Citi has no responsibility for any loss occasioned as a result of the use of information in this costs disclosure.

2. Background

- 2.1 As explained further in our Participant Disclosure, we currently make two types of accounts with the CSD available to clients: an Individual Client Segregated Account ("ISA") and an Omnibus Client Segregated Account ("OSA").
- 2.2 An ISA is used by us to hold the securities of a single client and therefore the client's securities are held by us in a CSD account which is separate from CSD accounts used to hold the securities of other clients and our own proprietary securities.
- 2.3 An OSA is used by us to hold the securities of a number of clients on a collective basis in a single CSD account. We do not however hold our own proprietary securities in OSAs.
- 2.4 Regardless of the type of account a client chooses to hold its securities at the CSD, we record each client's individual entitlement to securities that we hold for that client in one or more client securities accounts established and maintained for such client in our own books and records.
- 2.5 This disclosure sets out in clauses 3 and 4 below the costs that may be associated with an ISA and OSA which could include Citi costs, CSD costs and if applicable, any third party fees and costs and how they may vary between the two types of accounts.

3. Citi account fees: OSA v ISA

- 3.1 Citi account fees apply in relation to the separate client account(s) that Citi opens on its books and records. The client account(s) opened on Citi's books and records are opened in respect of the relevant CSD account in which the client's securities are held. Citi's account fees would typically consist of:
- (a) a fixed one-off account opening fee; and
 - (b) a fixed monthly account maintenance fee (together the "**Citi account fees**").
- 3.2 The Citi Account fees will not vary depending on whether the client chooses to hold its securities in an ISA or an OSA at the CSD and regardless of the type of CSD account chosen, will be borne in full by the relevant client.
- 3.3 There are however a number of costs, charges or fees associated with holding securities which would not vary depending on the account structure. These include:
- (a) custody and safekeeping fees;
 - (b) asset servicing fees;
 - (c) transaction fees
 - (d) special transaction fees (such as cancellation and amendment fees);
 - (e) out of pocket expenses; and
 - (f) transaction specific taxes
- 3.4 Furthermore any client relationship specific fees, charges or discounts that apply would not vary depending on the type of account the client may choose to have in a relevant CSD.

4. CSD account fees and other third party costs: OSA v ISA

- 4.1 As of the date of this costs disclosure the CSD does not charge any account opening or maintenance fees however for up to date CSD fees clients are encouraged to review the CSD fee schedule published on: <https://www.six-securities-services.com>.
- 4.2 There may be other costs/charges levied by a CSD (or a third party) from time to time which would be passed to the client at cost. These costs would not however vary depending on whether the client chooses to have an ISA or OSA. These costs include but are not limited to communication fees, settlement fees, corporate action fees and proxy voting fees.

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Citi believes that sustainability is good business practice. We work closely with our clients, peer financial institutions, NGOs and other partners to finance solutions to climate change, develop industry standards, reduce our own environmental footprint, and engage with stakeholders to advance shared learning and solutions. Highlights of Citi's unique role in promoting sustainability include: (a) releasing in 2007 a Climate Change Position Statement, the first US financial institution to do so; (b) targeting \$50 billion over 10 years to address global climate change: includes significant increases in investment and financing of renewable energy, clean technology, and other carbon-emission reduction activities; (c) committing to an absolute reduction in GHG emissions of all Citi owned and leased properties around the world by 10% by 2011; (d) purchasing more than 234,000 MWh of carbon neutral power for our operations over the last three years; (e) establishing in 2008 the Carbon Principles; a framework for banks and their U.S. power clients to evaluate and address carbon risks in the financing of electric power projects; (f) producing equity research related to climate issues that helps to inform investors on risks and opportunities associated with the issue; and (g) engaging with a broad range of stakeholders on the issue of climate change to help advance understanding and solutions.

Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.

efficiency, renewable energy & mitigation