

# PRODUCT KEY FACTS STATEMENT



Gold Manager (「黃金交易戶口」)  
February 2021

**Citibank, N.A. (the “Bank”)**  
(organized under the laws of U.S.A. with limited liability)

*This statement provides you with key information about the Bank’s paper gold scheme, Gold Manager.*

*This statement is part of the offering documents of Gold Manager and must be read in conjunction with the Principal Brochure (in particular, the section headed “THE RISK FACTORS OF GOLD MANAGER”).*

*You should not invest in Gold Manager based on this statement alone.*

## What are the key risks?

- **NOT principal protected.** Your investments in Gold Manager are not principal protected and are subject to investment risks, including possible loss of the principal amount invested. In the worst case scenario, you could lose your entire investment.
- **NOT a time deposit.** Your investments in Gold Manager are not a time deposit.
- **NOT an interest-bearing account.** The account through which the investment in Gold Manager is conducted is not an interest-bearing account with neither yield nor interest provided.
- **NOT protected deposit.** Your investments in Gold Manager are not protected deposits and (in particular) are not protected by the Deposit Protection Scheme in Hong Kong. They are not obligations of, guaranteed or insured by Citibank, N.A., Citibank (Hong Kong) Limited, Citigroup Inc. or any of its affiliates or subsidiaries, or by any local government or insurance agency.
- **NOT guaranteed.** The scheme does not guarantee your capital invested or any return on the capital.
- **No physical holding or delivery of gold.** Gold Manager does not involve physical holding or delivery of gold. You do not have any rights, ownership and possession of any physical gold. The allocation of units in the account under Gold Manager is notional. The unit price of Gold Manager is calculated with reference to the price of the reference asset (and is subject to the Bank’s profit margins). The reference asset of Gold Manager is Loco London Gold as specified by the London Bullion Market Association (“**Reference Asset**”).
- **There is NO collateral.** Gold Manager is NOT secured on any assets or any collateral of the Bank and is NOT backed by physical gold.
- **NOT the same as investment in gold.** Investing in Gold Manager is not the same as investing in gold. Price changes in gold might not reflect in price changes of Gold Manager.
- **Volatility of price.** Buying price and selling price per unit of Gold Manager are calculated with reference to the prices of the Reference Asset (and are subject to the Bank’s profit margins). You should be aware that the unit prices of buying and selling Gold Manager are volatile due to the price changes in the Reference Asset (a result of changes in the demand and supply of the Reference Asset, which may go up and down).
- **Market risk.** The prices of the Reference Asset may go up or down due to movement in macroeconomic factors which include but are not limited to: interest rate, inflation, economic growth

and geopolitical tension. Buying price and selling price per unit of Gold Manager are calculated with reference to the prices of the Reference Asset (and are subject to the Bank's profit margins), and thus, your investments in Gold Manager are subject to market risk.

- **Concentration risk.** You should be aware of the concentration risk of investments in one reference asset and are reminded to avoid over-concentration of investments in Gold Manager.
- **Investment risk.** Investments involve risks and the prices of the Reference Asset may fluctuate. The value of your investments in Gold Manager may move up or down, sometimes dramatically, and may even become valueless. In the worst case, losses will be incurred rather than profit made.
- **NOT listed on any stock exchange.** Gold Manager is not listed on any stock exchange.
- **Demand and supply.** As mentioned, the Reference Asset is Loco London Gold. Gold is a physical commodity and is limited in supply. The price of gold will be affected by demand and supply of the commodity and will thus affect the pricing of Gold Manager.
- **Credit risk of the Bank.** Your investments in Gold Manager are subject to the credit risk of the Bank. Material adverse changes in the financial condition of the Bank may impair or affect the ability of the Bank to meet its obligations under Gold Manager.
- **Insolvency risk of the Bank.** There is no assurance of protection against a default by the Bank in respect of its payment obligations. If you invest in Gold Manager, you are relying upon the creditworthiness of the Bank and of no other person. If the Bank becomes insolvent or defaults on its obligations under Gold Manager, you can only make a claim as an unsecured creditor of the Bank. In the worst case scenario, you may lose your entire investment.
- **Early termination risk.** The Bank has the right to terminate Gold Manager and/or the account through which your investments in Gold Manager are conducted at any time in accordance with the Bank's "Terms and Conditions for Accounts and Services" and "Terms and Conditions for Gold Manager" (as amended from time to time) due to, including without limitation, illegality, pursuant to regulatory requirement, breach of obligations and zero balance. In particular, please note that the Bank may terminate or close your Gold Manager Account at any time immediately **without prior notice** to you where there is any change of law which prohibits or renders illegal the maintenance or operation of Gold Manager or the terms and conditions governing Gold Manager. In addition, the Bank may terminate Gold Manager with at least 30 calendar days' prior notice in writing to you (unless otherwise prohibited by applicable laws). In such scenario, if you cannot sell your Gold Manager units back to the Bank before the termination date, the amount payable by the Bank back to you on such termination will be the prevailing price of your Gold Manager units as quoted by the Bank at the date of termination, which may be substantially less than your investments in Gold Manager.
- **Risk relating to the Bank's hedging activities.** The Bank may enter into hedging transactions, which typically involve the establishment of long and/or short positions in the Reference Asset, with its respective hedging counterparties in the market. It is possible that these activities could adversely affect the prices of the Reference Asset if the size of hedging transaction is substantial. As such, the price of Gold Manager calculated with reference to the price of the Reference Asset will be affected as well. The value of your investments in Gold Manager may move up and down.
- **Set-off and Lien.** The Bank has the right to combine or consolidate any balances standing to the credit of your account under Gold Manager with the Bank to set-off against any indebtedness owed by you to the Bank. Under the Bank's "Terms and Conditions for Accounts and Services" and "Terms and Conditions for Gold Manager", in addition to any lien that the Bank may be entitled, the Bank may, at any time and without prior notice, apply the value of Gold Manager standing to the credit of your account towards the discharge of any of your liabilities owed to the Bank. Copies of the "Terms and Conditions for Accounts and Services" and "Terms and Conditions for Gold Manager" are available at the Bank's branches in Hong Kong.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by the Bank and the Bank's subsidiaries and affiliates in connection with Gold Manager. Although the Bank's economic interests in each role may be adverse to your interests in Gold Manager, the Bank sets the necessary regulatory information barriers among its different business areas and formulates policies and procedures for minimizing and managing such conflicts of

interest, so as to comply with applicable laws and regulations, and to ensure the Bank's transactions or dealings will be transacted at arm's length.

- **Force majeure events.** The Bank is not liable for any failure or delay to meet its obligations due to any causes beyond its reasonable control which shall include but are not limited to local or international happenings such as any Act of God, Government act, epidemic, pandemic, flood, fire, typhoon, storm, civil commotion, strike, lockout, lockdown, war, mechanical failure, power failure, malfunction, breakdown, interruption or inadequacy of equipment or installation or other cause which results in or is likely to result in the erratic behavior of gold prices, the closure of the markets or exchanges of gold or any other cause affecting the operation of Gold Manager beyond the reasonable control of the Bank ("Force Majeure Events").
- **Service suspension risk.** The Bank may refuse to accept your order for the sale and/or purchase of units of Gold Manager and has the right to suspend dealings under Gold Manager where a Force Majeure Event has occurred or where the Bank considers in good faith and in a commercially reasonable manner that any of the following extreme or exceptional events has occurred: (a) any suspension of or limitation on trading in relevant markets for gold (including but not limited to the London bullion market, gold futures markets and markets for gold exchange traded products); (b) any event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for gold, in relevant markets (including but not limited to the London bullion market, gold futures markets and markets for gold exchange traded products); or (c) any event (such as system failure) that materially disrupts or impairs the Bank in general to effect Gold Manager transactions. The Bank may exercise this right during drastic price fluctuations in gold and in other unpredictable market circumstances. In that case, you will be unable to buy, sell, liquidate or offset your Gold Manager positions, and may suffer losses as a result. The Bank will notify you of the suspension, and subsequent resumption, in writing as soon as reasonably practicable.
- **Foreign Account Tax Compliance Act.** The Foreign Account Tax Compliance Act ("**FATCA**") was enacted by the United States of America (the "**US**") on 18 March 2010 aiming to combat tax evasion by US taxpayers using offshore accounts. Under FATCA, foreign financial institutions ("**FFIs**") are required to identify and disclose certain information regarding their US account holders to the US Internal Revenue Service (the "**US IRS**").

The US and Hong Kong have been treated as having a Model 2 inter-governmental agreement ("**IGA**") since 30 June 2014 and the IGA officially came into force 6 July 2016 to facilitate FATCA compliance. This IGA establishes a framework of enabling relevant FFIs in Hong Kong to seek consent for disclosure from clients that are "**US Persons**" (as such term is defined by the US IRS), and to report relevant tax information of such client to the US IRS directly. Hong Kong FFIs are required to register with the US IRS and sign an agreement directly with the US IRS and shall comply and observe the following:-

- a) review information obtained via established know-your-customer procedures and as stipulated in the IGA to identify preexisting accounts held by US Persons and accounts held by entities with Controlling Persons (as such term is defined by the US IRS) who are US Persons;
- b) obtain valid IRS Tax Forms from all new clients or a FATCA-compliant self-certification form;
- c) monitor any changes in circumstances with regard to the US status of clients and, if necessary, request additional information from clients;
- d) obtain consent from the relevant US clients for reporting their account information (e.g. account balances, dividend incomes and withdrawals, etc.) and identification details to the US IRS annually; and
- e) report information of account balances, payment amounts and number of non-consenting US accounts to the US IRS on an annual basis. Based on such aggregate information, the US IRS may lodge to Hong Kong Inland Revenue Department requests for exchange of information on a group basis pursuant to the framework established by the Tax Information Exchange Agreement signed by Hong Kong and the US on 25 March 2014.

Non-compliant FFIs will face a punitive 30% withholding tax on all "withholdable payments" derived from US sources, including dividends, interest, gross proceeds, and certain derivative payments.

In addition, FFIs based in Hong Kong may be required to withhold 30% from payments it makes to accounts held by (i) non-FATCA compliant FFIs; and (ii) clients who fail to provide information as to their status.

Citigroup is committed to remaining globally compliant with FATCA and has registered its entities on 5 May 2014. Citibank N.A. is a U.S. financial institution that operates in Hong Kong through Citibank N.A., Hong Kong Branch. It is compliant with all applicable FATCA requirements. The Global Intermediary Identification Number of Citibank, N.A., Hong Kong Branch is NXUTG8.00000.BR.344.

You are strongly advised to seek independent professional advice regarding the possible FATCA implications of this product, if any.

## What are the key features?

<b>Product Name:</b>	Gold Manager
<b>Product Type:</b>	Paper Gold Scheme
<b>Account Type:</b>	A non-interest bearing account
<b>Account Mechanism:</b>	Your investments in Gold Manager will be conducted through a non-interest bearing account called Gold Manager Account. The purchase of units of Gold Manager will be credited to this non-interest bearing account, while the sale of units of Gold Manager will be debited from this non-interest bearing account. In addition, you need to open a Call Deposit account as the settlement account. The Call Deposit account is an interest bearing account from which we will debit funds (if you purchase units of Gold Manager) or to which we will credit funds (if you sell units of Gold Manager).
<b>Currency Denomination:</b>	Buying price and selling price per unit of Gold Manager are denominated in USD.
<b>Reference Asset:</b>	Loco London Gold (it represents the basis for international trading and settlement in gold of the London bullion market. It is a global over-the-counter gold trading market without geographical constraint, which is a quotation made by dealers based on USD per ounce. The fineness is not less than 99.5%.) as specified by the London Bullion Market Association
<b>Quotation Unit:</b>	One unit of Gold Manager
<b>Quotation Unit Mechanism:</b>	The quotation unit of Gold Manager is one unit. One unit of Gold Manager is referenced to one ounce of Loco London Gold. The quotation prices of one unit of Gold Manager are referenced to Loco London Gold price based on USD per ounce as quoted by the market dealers to the Bank.
<b>Pricing Mechanism:</b>	<p>The prices per unit of Gold Manager are quoted by the Bank as the “Bank’s selling price” and the “Bank’s buying price” respectively.</p> <p>The Bank’s selling price is the Bank’s selling price to you if you desire to buy one unit of Gold Manager from the Bank. The Bank’s selling price is the aggregate of (i) the prevailing market price of the Reference Asset (as quoted by the market dealers to the Bank) and (ii) the Bank’s profit margins.</p> <p>The Bank’s buying price is the Bank’s buying price from you if you desire to sell one unit of Gold Manager to the Bank. The Bank’s buying price is the prevailing market price of the Referenced Asset (as quoted by the market dealers to the Bank) less the Bank’s profit margins.</p> <p>The Bank’s profit margins will not exceed 1.5% of the Bank’s buying</p>

price and the Bank's selling price respectively per unit of Gold Manager. The Bank reserves the right to change the Bank's maximum profit margins by giving at least 30 calendar days' prior written notice to you.

The Bank's selling price and buying price are accurate to two decimal places (i.e. with all figures rounded to the nearest 0.01).

**Minimum Transaction Amount:**

One unit for purchase of Gold Manager (with each increment being 0.01 unit, which is equal to one-hundredth of the Quotation Unit). No minimum transaction limit for the sale of Gold Manager.

**Trading Means:**

You can purchase Gold Manager by visiting our branches in Hong Kong, internet banking at <https://www.citibank.com.hk/english/investment/paper-gold.html>, calling your Relationship Manager or the Citiphone banking at (852) 2860 0333.

**Order Placing Hours:**

**Internet banking:**

Monday to Sunday, 24-hours a day  
(Except Sunday, 04:00 a.m - 08:00 a.m.)

**Citiphone banking:**

Monday to Sunday, 24-hours a day  
(Except Sunday, 04:00 a.m - 08:00 a.m.)

**Branches:**

Monday to Friday, 9:30am - 7:00pm  
Saturday: 9:30am - 12:30pm  
(Business Hours of some branches may be different, please refer to branch service hours for details)

**Record in Gold Manager:**

All transactions are recorded in your Monthly consolidated statement and Transaction advice of this non-interest bearing account which includes details of the transaction date, trading amount and price. Your purchase of units of Gold Manager will be reflected as a credit in this non-interest bearing account. Your sale of units of Gold Manager will be reflected as a debit in this non-interest bearing account.

## **Fees and Charges**

There are no handling fees or charges of the Bank at the time of transaction. The Bank's profit margins will not exceed 1.5% of the Bank's buying price and the Bank's selling price respectively per unit of Gold Manager. The Bank reserves the right to vary or impose further fees and charges or change the maximum profit margins by giving at least 30 calendar days' prior written notice to you.

## **Adjustments to the Terms and Conditions of Gold Manager**

The Bank reserves the right to change the terms and conditions governing Gold Manager as set out in the "Terms and Conditions for Accounts and Services" and "Terms and Conditions for Gold Manager". Any amendment will be made by the Bank in the Bank's sole and absolute discretion (acting in good faith and in a commercially reasonable manner) with at least 30 calendar days' prior written notice to you. Copies of the "Terms and Conditions for Accounts and Services" and "Terms and Conditions for Gold Manager" are available at the Bank's branches in Hong Kong.

## **The Bank's continuing obligations**

The Bank will notify the SFC and all investors as soon as reasonably practicable if the Bank ceases to

meet any requirements of the Overarching Principles Section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and, to the extent permitted by any applicable laws, changes in the Bank's financial condition or other circumstances which could reasonably be expected to have a material adverse effect on the Bank's ability to fulfill its commitment in connection with Gold Manager.

Any proposed changes to Gold Manager in respect of the following will be submitted to the SFC for the prior approval:

- a) changes to constitutive documents (including, without limitation, the terms and conditions for Gold Manager);
- b) changes of key operators and their regulatory status and controlling shareholder;
- c) changes in investment objectives, policies and restrictions, fee structure and dealing and pricing arrangements; and
- d) any other changes that may materially prejudice investors' right or interests;

The Bank will provide one month's prior written notice to investors in respect of the changes.

The Bank shall inform investors as soon as reasonably practicable of any information concerning Gold Manager which is necessary to enable investors to appraise the position of Gold Manager, including without limitation:

- a) any changes to Gold Manager that do not require the SFC's prior approval pursuant to paragraph above; and
- b) any material adverse change in the financial conditions or business of the Bank, or any other key counterparty to Gold Manager, that is aware of.

If Gold Manager is to be terminated or withdrawn from authorization, in addition to following any procedures set out in Gold Manager's constitutive documents or governing law, notice must be given to investors as determined by the SFC. Such notice (which should be at least three months) should be submitted to the SFC for prior approval and contain the reasons for the termination or withdrawal from authorization, the relevant provisions under the constitutive documents that enable such termination or withdrawal from authorization, the consequences of the termination or withdrawal from authorization and its effects on existing Investors, the alternatives (if any) available to Investors, the estimated costs of the termination or withdrawal from authorization and who is expected to bear them.

### **Offering documents**

The following offering documents contain detailed information about the Bank and Gold Manager. You should read all of these documents before deciding whether to invest:

- i. This Product Key Facts Statement; and
- ii. The Principal Brochure for Gold Manager dated February 2021.

The Bank has the obligation to distribute to you ALL of the above documents in English or Chinese as you may prefer. Copies of the offering documents are available at the Bank's branches in Hong Kong.

### **Contact details for enquiries or complaints**

If you have any enquiries or complaints regarding Gold Manager, you can visit any of our branches in Hong Kong, contact your Relationship Manager, call Citiphone banking at (852) 2860 0333, contact us online at [www.citibank.com.hk](http://www.citibank.com.hk).

### **Financial Information of the Bank**

You can access the Bank's audited consolidated financial statements and interim financial statements through the Bank's website at <https://www.citibank.com.hk/english/investment/paper-gold.html> or at any of our branches in Hong Kong.

## **Important**

**The investment decision is yours but you should not invest in Gold Manager unless the Bank has explained to you that it is suitable to you having regard to your financial situation, investment experience and investment objectives.**

**The Bank uses the total liquid net worth you declared in your Investment Risk Profiling Questionnaire for your asset concentration risk assessment. If you have provided limited information to the Bank, it may not be able to conduct the asset concentration risk assessment properly as a result of the limited information. You are also encouraged to update the information in the Investment Risk Profiling Questionnaire frequently to reflect your current situation.**

If you are in doubt, you should seek independent professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

The Bank is acting as a principal in providing you with the product. The Bank and/or its affiliates may receive benefits from the origination and distribution of the product. The Bank is NOT an independent intermediary because it receives fees, commissions, or other monetary benefits from other parties in relation to our distribution of investment products to you. For details, you should refer to the disclosure on monetary benefits which the Bank is required to deliver to you prior to or at the point of entering any transaction in investment products.

The sole Issuer of Gold Manager is Citibank, N.A. External quotes are not available and cannot be obtained for these transactions.

You may receive a discount of fees and charges from the Bank at the Bank's sole discretion.

## **Disclaimer**

All obligations herein are payable solely at and by Citibank, N.A., subject to the Laws of Hong Kong (including governmental actions, orders, decrees and regulations). Investment products are not available to U.S. persons and might only be applicable to limited jurisdiction.