



INFORMATION CIRCULAR: CITIGROUP GLOBAL MARKETS HOLDINGS INC

TO: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

FROM: Nasdaq / BX / PHLX Listing Qualifications Department

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EXCHANGE-TRADED PRODUCT

VelocityShares Long LIBOR ETN
VelocityShares Short LIBOR ETN

SYMBOL

ULBR
DLBR

CUSIP

17325K743
17325K529

INFORMATION ON THE SECURITIES

Citigroup Global Markets Holdings Inc. (the "Issuer") has issued VelocityShares Long LIBOR ETN and VelocityShares Short LIBOR ETN ("ETNs" or "Notes" or "Securities") that are linked to the performance of the Janus Velocity Long LIBOR Index (the "Long LIBOR Index") and Janus Velocity Short LIBOR Index (the "Short LIBOR Index"), respectively. The ETNs do not guarantee any return of principal. Investors should be willing to lose up to 100% of their investment if the Index declines.

The Long LIBOR Index aims to approximate the daily performance of a hypothetical long investment in the composite forward LIBOR rate, as if the composite forward LIBOR rate itself were an asset that could be invested in. It does so by tracking the return on a hypothetical short position in Eurodollar futures contracts, where that position is recalibrated daily to result in a return over the next Index Business Day that approximates the percentage change in the composite forward LIBOR rate over that next day, subject to the long LIBOR floor. If the composite forward LIBOR rate is less than the long LIBOR floor of 1.00% on any Index Business Day, the Long LIBOR Index will aim to approximate only a portion of (referred to as the "targeted participation" in) the percentage change in the composite forward LIBOR rate over the next day.

The Short LIBOR Index aims to approximate the daily performance of a hypothetical short position in the composite forward LIBOR rate, as if the composite forward LIBOR rate itself were an asset that could be shorted. It does so by tracking the return on a hypothetical long position in Eurodollar futures contracts, where that position is recalibrated daily to result in a return over the next Index Business Day that approximates the inverse of the percentage change in the composite forward LIBOR rate over that next day, subject to the short LIBOR floor. If the composite forward LIBOR rate is less than the short LIBOR floor of 2.50% on any Index Business Day, the Short LIBOR Index will aim to approximate only a portion of (referred to as the "targeted participation" in) the inverse of the percentage change in the composite forward LIBOR rate over the next day.

The composite forward LIBOR rate on each day is equal to the weighted average of the forward 3-month U.S. dollar LIBOR rates implied in the daily settlement prices of the next 8 quarterly Eurodollar futures contracts, where these contracts have a weighted average tenor of approximately one year. Eurodollar futures contracts are interest rate futures whose trading prices imply market expectations about 3-month U.S. dollar LIBOR rates in the future, which we refer to as implied forward LIBOR rates. As described in more detail in the prospectus for the ETNs, there is an inverse relationship between the price of a Eurodollar futures contract and its implied forward LIBOR rate. Eurodollar futures contracts are not related to the Euro currency and do not have currency exposure.

It is important to understand that each Index only aims to “approximate” its targeted participation in the daily percentage change in the composite forward LIBOR rate (or the inverse thereof, in the case of the Short LIBOR Index). The daily performance of each Index will differ from its targeted participation in the daily percentage change (or the inverse thereof, in the case of the Short LIBOR Index) in the composite forward LIBOR rate because of the effects of carry and the contract spread. In addition, over any period longer than one day, the Indices may experience a decay effect. The effects of carry, decay and the contract spread accumulate over time and can cause a significant deviation over time between the performance of the applicable Index and its targeted participation in the percentage change (or inverse thereof) in the composite forward LIBOR rate. As a result, the ETNs are intended only for short-term trading. Furthermore, the return on your ETNs will differ from the performance of the applicable Index because of certain costs included in the terms of the ETNs, including a Daily Investor Fee, Early Redemption Charge and creation fee.

The ETNs are not intended to be “buy and hold” investments. The ETNs are intended to be short-term trading tools for sophisticated investors to manage short-term trading risks. The indices are designed to approximate their stated investment objectives on a daily basis, and their performance over longer periods of time can differ significantly from their stated daily objectives. The ETNs are riskier than securities that have longer-term investment objectives. Any decision to hold the ETNs for more than one day should be made with great care and only as the result of a series of daily (or more frequent) investment decisions to remain invested in the ETNs for the next one-day period. Accordingly, the ETNs should be purchased only by sophisticated investors who understand and can bear the potential risks and consequences associated with a short-term investment based on the composite forward LIBOR rate and that may be subject to the effects of carry and decay, may be highly volatile and may experience significant losses, up to the entire amount invested, in a short period of time. Investors should actively and frequently monitor their investments in the ETNs, even intraday. It is possible that investors will suffer significant losses in the ETNs even if the performance of the composite forward LIBOR rate over the time they hold the ETNs is positive, in the case of the Long LIBOR ETNs, or negative, in the case of the Short LIBOR ETNs.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading in the Notes on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading in the Notes on BX is on a UTP basis and is subject to BX equity trading rules. Trading in the Notes on PHLX's PSX system is on a UTP basis and is subject to PHLX rules. The Notes will trade on NASDAQ from 7:00 a.m. until 8:00 p.m. Eastern Time. The Notes will trade on BX from 8:00 a.m. until 7:00 p.m. Eastern Time. The Notes will trade on PSX from 9:00 a.m. until 5:00 p.m. Eastern Time. For trading during each market's pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Notes during these sessions, when the underlying index's value or similar value may not be disseminated.

NASDAQ will halt trading in the Notes in accordance with NASDAQ Rule 4120. BX will halt trading in the Notes in accordance with BX Equity Rule 4120. PHLX will halt trading in the Notes in accordance with PHLX Rule 3100. The grounds for a halt under each of these rules include a halt by the primary market because the value of the underlying index or a similar value is not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ, BX and PHLX will also stop trading the Notes if the primary market delists the Notes.

Trading of the Notes on NASDAQ is subject to the provisions of NASDAQ Rule 2310. Trading of the Notes on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the Notes to customers should make a determination that the securities are suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules and BX Conduct Rules.

Members and member organizations recommending transactions in the Notes to customers should make a determination that the recommendation is suitable for the customer, as provided by PHLX Rule 763.

Nasdaq members, BX members and PHLX members and member organizations should also review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Information Circular is not a statutory prospectus. NASDAQ members, BX members and PHLX members and member organizations should consult the registration statement or prospectus for the Notes for additional information.

Inquiries regarding this Information Circular should be directed to:

- Ben Haskell, Listing Qualifications, at 301.978.8092
- NASDAQ / BX/ PSX Market Sales at 800.846.0477