<u>Notice Regarding Granted Individual Prohibited Transaction Exemption for Citigroup Inc. and Its Affiliates</u>

You are hereby notified that the United States Department of Labor (the "Department") has granted an exemption from the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code of 1986, as amended, to Citigroup Inc. ("Citigroup") and its affiliates. A summary of facts related to the conviction and copies of both the granted exemption and the originally proposed exemption are enclosed.

The conviction constitutes a failure to meet one of the conditions of Prohibited Transaction Class Exemption 84-14 such that, subsequent to the conviction, qualified professional asset managers ("QPAMs") affiliated with or otherwise related to Citigroup may not continue to avail themselves of the relief provided by PTCE 84-14 without the relief granted by the Department in the exemption.

[INSERT MAILING DATE]

Re: Criminal Conviction of Citicorp for Antitrust Violation in the Foreign Exchange Spot Market Constitutes a Violation of a Condition for PTE 84-14

This letter is to inform you that Citigroup Inc. ("Citigroup") has been granted Prohibited Transaction Exemption ("PTE") 2017-05 (the "Exemption") by the U.S. Department of Labor (the "Department"). The Exemption enables Citigroup and its current and future investment adviser affiliates that act as "qualified professional asset managers" ("QPAMs") to continue to qualify for relief under Prohibited Transaction Class Exemption 84-14 ("PTCE 84-14"), [1] for a period of five years beginning on January 10, 2018 and ending on January 9, 2023, notwithstanding the January 10, 2017 sentencing and associated conviction of Citicorp ("Citicorp"), an affiliate of Citigroup and the direct parent of Citibank, N.A. ("Citibank"), for an antitrust violation in the foreign exchange ("FX") euro/U.S. dollar ("EUR/USD") spot market.

The conviction constitutes a failure to meet one of the conditions of PTCE 84-14 such that, subsequent to the conviction, QPAMs affiliated with or otherwise related to Citigroup may not continue to avail themselves of the relief provided by PTCE 84-14 without the relief granted by the Department in the Exemption.

<u>Facts of the Conviction</u>

In May 2015, Citigroup resolved an inquiry of the U.S. Department of Justice (the "DOJ") relating to Citigroup's FX business. Under this resolution, Citicorp agreed to plead guilty to a one-count criminal information, filed in the U.S. District Court for the District of Connecticut, which charged Citicorp with a violation of the Sherman Antitrust Act, 15 U.S.C. § 1. The antitrust violation referenced in the plea agreement arises from the conduct of one London-based EUR/USD trader (formerly employed by Citibank) who, from at least December 2007 and continuing to at least January 2013, entered into and engaged in a conspiracy to fix, stabilize, maintain, increase or decrease the price of, and rig bids and offers for, the EUR/USD currency pair exchanged in the FX spot market by agreeing to eliminate competition in the purchase and sale of the EUR/USD currency pair in the United States and elsewhere. Under the terms of the plea agreement, Citicorp also agreed to a three-year term of probation, during which time it will be subject to certain conditions for remediation and reporting. The District Court has entered a judgment against Citicorp requiring remedies that are materially the same as those set forth in the plea agreement.

Citigroup and its affiliates have cooperated with the DOJ and other regulatory agencies in their investigations of FX trading activities. Citigroup has also implemented and will continue to implement policies and procedures designed to prevent the recurrence of the conduct that is the subject of the FX Settlements, as required by the plea agreement.[2]

[1] PTCE 84-14 permits parties who are related to employee benefit plans to engage in transactions involving plan assets if, among other conditions, the assets are managed by QPAMs that are independent of the related parties.

[2] More information about the DOJ investigation can be found at www.justice.gov.

Citigroup applied for the Exemption in order to avoid any potential harm to ERISA-covered plans and IRAs. QPAMs affiliated with, or otherwise related to, Citigroup currently utilize the exemptive relief provided by PTCE 84-14. However, the conviction constitutes a failure to meet one of the conditions of PTCE 84-14 such that, subsequent to the conviction, such QPAMs may not continue to avail themselves of the relief provided by PTCE 84-14 without the relief granted by the Department in the Exemption.

Previously, the Department granted PTE 2016-14 (the "Interim Exemption"), which allowed the QPAMs affiliated with, or otherwise related to, Citigroup to rely on PTCE 84-14, notwithstanding the judgment of conviction against Citicorp, for up to one year from the date of the conviction. The Exemption replaced the Interim Exemption on January 10, 2018. As noted above, copies of the granted Exemption and the originally proposed Exemption are attached.