



**BZX Information Circular 10-116**  
**BYX Information Circular 10-017**

**Date:** November 18, 2010

**Re: C-Tracks Exchange Traded Notes Based on the Performance of the Citi Volatility Index Total Return**

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. and BATS Y-Exchange, Inc. (the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange's Rules.

<u>Security ("Notes")</u>	<u>Symbol</u>
<b>C-Tracks Exchange Traded Notes Based on the Performance of the Citi Volatility Index Total Return</b>	<b>CVOL</b>

**Commencement of Trading on the Exchange:** November 19, 2010

**Issuer/Trust:** Citigroup Funding, Inc.

**Issuer Website:** <http://www.citi.com>

**Primary Listing Exchange:** NYSE Arca

**Primary Exchange Circular:** RB-10-132 (November 15, 2010)

**Registration Statement:** No. 333-157386 and 333-157386-01

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

**Background Information on the Notes**

Citigroup Funding Inc. (the "Issuer") has issued C-Tracks Exchange-Traded Notes ("C-Tracks" or "Notes") based on the performance of the Citi Volatility Index Total Return (the "Index"). The Notes were priced at \$100 each and mature on November 12, 2020.

The Notes do not pay interest and do not guarantee a return of principal. Because of the investor fee, even if the level of the Index on the final valuation period end date, mandatory redemption valuation period end date or applicable valuation date is greater than it was at the time of an investor's initial investment, they may receive less than the purchase price of the C-Tracks.

The Index is a new index established by Citigroup Global Markets Inc., as index sponsor. The Index is published by the Chicago Board Options Exchange (the "CBOE") and is a measure of directional exposure to the implied volatility of large-cap U.S. stocks. As a total return index, the value of the Index on any day also includes daily accrued interest on the hypothetical notional value of the Index based on the 3-month U.S Treasury rate and reinvestment into the Index. The methodology of the Index is designed to produce returns that are correlated to the CBOE Volatility Index (the "VIX Index"), which is another measure of implied volatility of large-cap U.S. stocks. CBOE calculates the level of the Index on

each index business day, publishes it under the ticker symbol “CVOLT” as soon as practicable thereafter and publishes an indicative intraday level under the ticker symbol “CVOLN”. The index sponsor, which is an affiliate of the Issuer, sets the Index methodology and may modify the methodology for calculating the value of the Index or make certain other changes to the way in which the Index is calculated.

At maturity investors will receive for each \$100 stated principal amount of C-Tracks that they hold an amount in cash equal to the closing indicative value of the C-Tracks on the final valuation period end date. The final valuation period end date begins on November 2, 2020 and ends on November 6, 2020 (both dates are subject to postponement).

The closing indicative value is \$100 on the inception date. The closing indicative value will be calculated on a daily basis following the inception date as:

- prior to the final valuation period start date or mandatory redemption valuation period start date, as applicable, (a) the product of (i) the closing indicative value on the immediately preceding day and (ii) the daily index factor for such day, minus (b) the investor fee for such day; and
- during the final valuation period or mandatory redemption valuation period, as applicable, the sum of (a) the index exposure and (b) the notional cash amount.

The daily index factor is, on any index business day, the closing level of the Index on that day, divided by the closing level of the Index on the immediately preceding index business day. The daily index factor on any day that is not an index business day will be one.

Any payments due on the C-Tracks are fully and unconditionally guaranteed by Citigroup Inc., the Issuer’s parent company; however, because the return of the principal amount of the original investment at maturity is not guaranteed, investors may receive an amount at maturity that is substantially less than the stated principal amount of their initial investment and could be zero.

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.

### **Exchange Rules Applicable to Trading in the Notes**

Trading in the Notes on BATS is subject to BATS equity trading rules.

### **Trading Hours**

The Notes will trade on BATS between 8:00 a.m. and 5:00 p.m. ET.

Please note that trading in the Notes during the Exchange’s Pre-Opening and After Hours Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Pre-Opening and After Hours Trading Sessions, (2) lower liquidity in the Pre-Opening and After Hours Trading Sessions may impact pricing, (3) higher volatility in the Pre-Opening and After Hours Trading Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and After Hours Trading Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or After Hours Trading Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

### **Suitability**

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

### **Trading Halts**

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

**This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.**

Please contact Membership Services at 913.815.7002 with any inquiries regarding this Information Circular.