

CITIGROUP INC
Form FWP
March 04, 2019

Term Sheet No. 2019–USNCH1935 dated February 28, 2019 relating to Pricing Supplement

Citigroup Global Markets Holdings Inc.

C **No. 2019–USNCH1935 dated February 28, 2019**

Registration Statement Nos. 333-216372 and 333-216372-01

Filed Pursuant to Rule 433

Market Linked Securities—Leveraged Upside Participation to a Cap and Fixed Percentage Buffered Downside

Principal at Risk Securities Linked to an ETF Basket due March 6, 2023

Term Sheet to Pricing Supplement No. 2019—USNCH1935 dated February 28, 2019

Key Terms	Investment Description
<p>Issuer Citigroup Global Markets Holdings Inc., a wholly owned subsidiary of Citigroup Inc.</p> <p>Guarantee All payments due on the securities are fully and unconditionally guaranteed by Citigroup Inc.</p> <p>Term Approximately 4 years</p> <p>Basket A basket comprised of the following underlyings, with the return of each underlying having the weighting noted parenthetically: the SPDR® S&P 500® ETF Trust (50%); the iShares® Russell 2000 ETF (15%); the iShares® MSCI EAFE ETF (15%); the iShares® MSCI Emerging Markets ETF (10%); the Invesco DB Commodity Index Tracking Fund (5%); and the Vanguard® Real Estate ETF (5%)</p> <p>Stated Principal Amount \$1,000 per security</p> <p>Pricing Date February 28, 2019</p> <p>Issue Date March 5, 2019</p> <p>Valuation Date February 27, 2023</p> <p>Maturity Date March 6, 2023</p> <p>Payment at Maturity See “Payment at Maturity” on Page 3</p> <p>Initial basket value 100</p> <p>Final basket $100 \times (1 + \text{the sum of the weighted underlying})$</p>	<p>· Linked to an ETF basket (the “basket”) comprised of the SPDR® S&P 500® ETF Trust (50%); the iShares® Russell 2000 ETF (15%); the iShares® MSCI EAFE ETF (15%); the iShares® MSCI Emerging Markets ETF (10%); the Invesco DB Commodity Index Tracking Fund (5%); and the Vanguard® Real Estate ETF (5%) (each, an “underlying”)</p> <p>· Unlike ordinary debt securities, the securities do not pay interest or repay a fixed amount of principal at maturity. Instead, the securities provide for a payment at maturity that may be greater than, equal to or less than the stated principal amount of the securities, depending on the performance of the basket from the initial basket value to the final basket value, subject to the maximum return at maturity. The payment at maturity will reflect the following terms:</p> <p>o If the value of the basket increases, you will receive the stated principal amount <i>plus</i> 125% participation in the upside performance of the basket, subject to the maximum return at maturity</p>

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value	returns of the underlyings)	
Maximum Return at Maturity	\$420 per security (42% of the stated principal amount)	o If the value of the basket decreases , but the decrease is not more than 15% (the “buffer percentage”), you will be repaid the stated principal amount
Underlying Return	For each underlying: (final underlying value – initial underlying value) / initial underlying value	
Weighted Underlying Return	For each underlying, its underlying return <i>multiplied by</i> its weighting	o If the value of the basket decreases by more than the buffer percentage , you will receive less than the stated principal amount and have 1-to-1 downside exposure to the decrease in the value of the basket in excess of the buffer percentage
Initial Underlying Value	For each underlying, its closing value on the pricing date	
Final Underlying Value	For each underlying, its closing value on the valuation date	· Investors may lose up to 85% of the stated principal amount
Buffer Value	85, 85% of the initial basket value	
Buffer Percentage	15%	· The securities are subject to the credit risk of Citigroup Global Markets Holdings Inc. and Citigroup Inc. If we default on our obligations under the securities and Citigroup Inc. defaults on its guarantee obligations under the securities, you may not receive anything owed to you under the securities.
Participation Rate	125%	
Calculation Agent	Citigroup Global Markets Inc. (“CGMI”), an affiliate of the issuer	
Denominations	\$1,000 and any integral multiple of \$1,000	
Agent Discount and Commission	3.6283%, of which dealers, including Wells Fargo Advisors (“WFA”), may receive a selling concession of 2.25% and WFA will receive a distribution expense fee of 0.075%	· No periodic interest payments or dividends
CUSIP / ISIN	17326YHT6 / US17326YHT64	· The securities will not be listed on any securities exchange and, accordingly, may have limited or no liquidity. You should not invest in the securities unless you are willing to hold them to maturity

On the date of the related pricing supplement, the estimated value of the securities is \$951.40 per security, which is less than the public offering price. The estimated value of the securities is based on CGMI’s proprietary pricing models and Citigroup Global Markets Holdings Inc.’s internal funding rate. It is not an indication of actual profit to CGMI or other of Citigroup Global Markets Holdings Inc.’s affiliates, nor is it an indication of the price, if any, at which CGMI or any other person may be willing to buy the securities from you at any time after issuance. See “Valuation of the Securities” in the accompanying pricing supplement.

Investing in the securities involves risks not associated with an investment in conventional debt securities. See “Risk Factors” beginning on page 3 in this term sheet, “Summary Risk Factors” in the accompanying pricing supplement and “Risk Factors Relating to the Securities” in the accompanying product supplement.

This term sheet should be read in conjunction with the accompanying pricing supplement, product supplement, prospectus supplement and prospectus.

NOT A BANK DEPOSIT AND NOT INSURED OR GUARANTEED BY THE FDIC OR ANY OTHER GOVERNMENTAL AGENCY

Hypothetical Examples

The diagram at right illustrates your payment at maturity for a range of hypothetical percentage changes from the initial basket value to the final basket value.

Hypothetical Returns nThe Securities nThe Basket

The table below is based on a range of hypothetical percentage changes from the initial basket value to the hypothetical final basket value and illustrates:

- the hypothetical percentage change from the initial basket value to the hypothetical final basket value;
- the hypothetical payment at maturity per security;
- the hypothetical total pre-tax rate of return; and
- the hypothetical pre-tax annualized rate of return.

Hypothetical final basket value	Hypothetical percentage change from the hypothetical initial basket value to the hypothetical final basket value	Hypothetical payment at maturity per security	Hypothetical total pre-tax rate of return	Hypothetical pre-tax annualized rate of return ⁽¹⁾
200.00	100.00%	\$1,420.00	42.00%	8.95%
175.00	75.00%	\$1,420.00	42.00%	8.95%
150.00	50.00%	\$1,420.00	42.00%	8.95%
140.00	40.00%	\$1,420.00	42.00%	8.95%
133.60	33.60%	\$1,420.00	42.00%	8.95%
120.00	20.00%	\$1,250.00	25.00%	5.65%

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105.00	5.00%	\$1,062.50	6.25%	1.52%
100.00	0.00%	\$1,000.00	0.00%	0.00%
95.00	-5.00%	\$1,000.00	0.00%	0.00%
90.00	-10.00%	\$1,000.00	0.00%	0.00%
85.00	-15.00%	\$1,000.00	0.00%	0.00%
84.99	-15.01%	\$999.90	-0.01%	-0.002%
80.00	-20.00%	\$950.00	-5.00%	-1.28%
70.00	-30.00%	\$850.00	-15.00%	-4.02%
60.00	-40.00%	\$750.00	-25.00%	-7.05%
50.00	-50.00%	\$650.00	-35.00%	-10.47%
25.00	-75.00%	\$400.00	-60.00%	-21.62%
0.00	-100.00%	\$150.00	-85.00%	-42.17%

(1) The annualized rates of return are calculated on a semi-annual bond equivalent basis with compounding.

The above figures are for purposes of illustration only and may have been rounded for ease of analysis.

Payment at Maturity

For each \$1,000 stated principal amount you hold at maturity:

- If the final basket value is **greater than** the initial basket value:

\$1,000 *plus* the lesser of:

(i) $\$1,000 \times \frac{\text{final basket value} - \text{initial basket value}}{\text{initial basket value}} \times \text{participation rate}$; and

(ii) the maximum return at maturity

If the final basket value is **less than or equal to** the initial basket value, but **greater than or equal to** the buffer value, \$1,000

- If the final basket value is **less than** the buffer value, \$1,000 *minus*:

$$\$1,000 \times \frac{\text{buffer value} - \text{final basket value}}{\text{initial basket value}}$$

If the final basket value is less than the buffer value, you will receive less, and possibly significantly less, than the \$1,000 stated principal amount per security at maturity.

Risk Factors

An investment in the securities is significantly riskier than an investment in conventional debt securities. The securities are subject to all of the risks associated with an investment in our conventional debt securities (guaranteed by Citigroup Inc.), including the risk that we and Citigroup Inc. may default on our obligations under the securities, and are also subject to risks associated with the basket. Accordingly, the securities are suitable only for investors who are capable of understanding the complexities and risks of the securities. You should consult your own financial, tax and legal advisors as to the risks of an investment in the securities and the suitability of the securities in light of your particular circumstances.

The following is a summary of certain key risk factors for investors in the securities. You should read this summary together with the full description of the risk considerations provided for in the Pricing Supplement and the more detailed description of risks relating to an investment in the securities contained in the section "Risk Factors Relating to the Securities" beginning on page EA-7 in the accompanying product supplement. You should also carefully read the risk factors included in the accompanying prospectus supplement and in the documents incorporated by reference in the accompanying prospectus, including Citigroup Inc.'s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, which describe risks relating to the business of Citigroup Inc. more generally.

You May Lose A Significant Portion Of Your Investment.

The Securities Do Not Pay Interest.

Your Potential Return On The Securities Is Limited.

You Will Not Receive Dividends Or Have Any Other Rights With Respect To The Underlyings.

Your Payment At Maturity Depends On The Value Of The Basket On A Single Day.

The Securities Are Subject To The Credit Risk Of Citigroup Global Markets Holdings Inc. And Citigroup Inc.

The Securities Will Not Be Listed On Any Securities Exchange And You May Not Be Able To Sell Them Prior To Maturity.

The Estimated Value Of The Securities On The Pricing Date, Based On CGMI's Proprietary Pricing Models And Our Internal Funding Rate, Is Less Than The Public Offering Price.

The Estimated Value Of The Securities Was Determined For Us By Our Affiliate Using Proprietary Pricing Models.

The Estimated Value Of The Securities Would Be Lower If It Were Calculated Based On Wells Fargo's Determination of The Secondary Market Rate With Respect To Us.

The Estimated Value Of The Securities Is Not An Indication Of The Price, If Any, At Which Any Person May Be Willing To Buy The Securities From You In The Secondary Market.

The Value Of The Securities Prior To Maturity Will Fluctuate Based On Many Unpredictable Factors.

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We Have Been Advised That, Immediately Following Issuance, Any Secondary Market Bid Price Provided By Wells Fargo, And The Value That Will Be Indicated On Any Brokerage Account Statements Prepared By Wells Fargo Or Its Affiliates, Will Reflect A Temporary Upward Adjustment.

Changes In The Closing Values Of The Underlyings May Offset Each Other.

The Underlyings Are Unequally Weighted.

The Underlyings May Be Highly Correlated In Decline.

An Investment In The Securities Is Not A Diversified Investment.

The iShares[®] Russell 2000 ETF Is Subject To Risks Associated With Small Capitalization Stocks.

The iShares[®] MSCI EAFE ETF Is Subject To Risks Associated With Non-U.S. Markets.

The iShares® MSCI Emerging Markets ETF Is Subject To Risks Associated With Emerging Markets.

Fluctuations In Exchange Rates Will Affect The Closing Value Of The iShares® MSCI EAFE ETF And The iShares® MSCI Emerging Markets ETF.

Suspensions, Limitations Or Disruptions Of Market Trading In The Commodity And Related Futures Markets And The Rules Of Trading Facilities In Such Markets May Adversely Affect The Performance Of The Invesco DB Commodity Index Tracking Fund.

Holders Of The Securities Will Not Benefit From The Regulatory Protections Of The Commodity Futures Trading Commission Or Any Non-U.S. Regulatory Authority.

Possible Regulatory Changes Could Adversely Affect The Performance Of The Invesco DB Commodity Index Tracking Fund.

Commodity Futures Prices May Change Unpredictably, Affecting The Closing Value Of The Invesco DB Commodity Index Tracking Fund In Unforeseeable Ways.

Some Of The Commodities Underlying The Invesco DB Commodity Index Tracking Fund Will Be Subject To Pronounced Risks Of Pricing Volatility.

The Invesco DB Commodity Index Tracking Fund Does Not Offer Direct Exposure To Commodity Spot Prices.

The Invesco DB Commodity Index Tracking Fund May Be Adversely Affected By “Negative Roll Yields” In “Contango” Markets, Which May Have A Negative Impact On Its Performance.

The Prices Of Commodities Are Volatile And Are Affected By Numerous Factors, Some Of Which Are Specific To The Commodity Sector For Each Commodity Futures Contracts Held By The Invesco DB Commodity Index Tracking Fund.

An Increase In The Margin Requirements For Commodity Futures Contracts Included In The Invesco DB Commodity Index Tracking Fund May Adversely Affect Its Closing Value.

The Invesco DB Commodity Index Tracking Fund May Be Subject To Risks Associated With Foreign Commodity Exchanges.

Currency Exchange Fluctuations May Negatively Affect The Market Prices Of The Futures Contracts Underlying The Invesco DB Commodity Index Tracking Fund, Which May Negatively Affect Its Performance.

The Vanguard® Real Estate ETF Recently Transitioned To Tracking A New Underlying Index Which Could Reduce Its Performance And Limit The Utility Of Its Historical Performance.

- An Investment In The Securities Will Be Subject To Risks Associated With The Real Estate Industry.
- Risks Associated With Real Estate Investment Trusts Will Affect The Value Of The Securities.
- Our Offering Of The Securities Is Not A Recommendation Of The Basket Or The Underlyings.

The Closing Values Of The Underlyings May Be Adversely Affected By Our Or Our Affiliates', Or By Wells Fargo And Its Affiliates', Hedging And Other Trading Activities.

We And Our Affiliates, Or Wells Fargo Or Its Affiliates, May Have Economic Interests That Are Adverse To Yours As A Result Of Our And Their Respective Business Activities.

The Calculation Agent, Which Is An Affiliate Of Ours, Will Make Important Determinations With Respect To The Securities.

Even If An Underlying Pays A Dividend That It Identifies As Special Or Extraordinary, No Adjustment Will Be Required Under The Securities For That Dividend Unless It Meets The Criteria Specified In The Accompanying Product Supplement.

The Securities Will Not Be Adjusted For All Events That May Have A Dilutive Effect On Or Otherwise Adversely Affect The Closing Value Of An Underlying.

The Securities May Become Linked To An Underlying Other Than An Original Underlying Upon The Occurrence Of A Reorganization Event Or Upon The Delisting Of The Underlying Shares Of An Underlying.

The Value And Performance Of The Underlying Shares Of An Underlying May Not Completely Track The Performance Of The Underlying Index That The Underlying Seeks To Track Or The Net Asset Value Per Share Of The Underlying.

- Changes That Affect The Underlyings May Affect The Value Of Your Securities.
- The Stated Maturity Date May Be Postponed If The Valuation Date is Postponed.

The U.S. Federal Tax Consequences Of An Investment In The Securities Are Unclear.

Not suitable for all investors

Investment suitability must be determined individually for each investor. The securities described herein are not a suitable investment for all investors. In particular, no investor should purchase the securities unless they understand and are able to bear the associated market, liquidity and yield risks. Unless market conditions and other relevant factors change significantly in your favor, a sale of the securities prior to maturity is likely to result in sale proceeds that are substantially less than the stated principal amount per security. Citigroup Global Markets Holdings Inc. and its affiliates are not obligated to purchase the securities from you at any time prior to maturity.

Citigroup Global Markets Holdings Inc. and Citigroup Inc. have filed a registration statement (including a related pricing supplement, an accompanying product supplement and an accompanying prospectus supplement and prospectus) with the Securities and Exchange

Commission (“SEC”) for the offering to which this communication relates. You should read the related pricing supplement and the accompanying product supplement, prospectus supplement and prospectus in that registration statement (File Nos. 333-216372 and 333-216372-01) and the other documents Citigroup Global Markets Holdings Inc. and Citigroup Inc. have filed with the SEC for more complete information about Citigroup Global Markets Holdings Inc., Citigroup Inc. and this offering. You may get these documents for free by visiting EDGAR on the SEC’s website at www.sec.gov. Alternatively, you can request the related pricing supplement, accompanying product supplement and the accompanying prospectus supplement and prospectus by calling toll-free 1-800-831-9146.

Consult your tax adviser

Investors should review carefully the accompanying pricing supplement, product supplement, prospectus supplement and prospectus and consult their tax advisors regarding the application of the U.S. federal income tax laws to their particular circumstances, as well as any tax consequences arising under the laws of any state, local or foreign jurisdiction.

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.