

# WORLDWIDE

## First Asia Tiger Index Warrants Go Public

Asia Tiger 100 Index call warrants hit the US market on April 30, 1998 scoring several "firsts" as they did so. Not only are the warrants the first CIBC World Markets lead-managed/ Financial Products-originated, -manufactured, and -risk managed initial public offering in the US, they're also the first to be based on the new Asia Tiger 100 Index. Financial Products worked with scores of people throughout CIBC World Markets, including CIBC Oppenheimer, the US Private Client Division of CIBC World Markets Corp., as well as Economics and Research, in a global team effort to develop the warrants and bring them to market.

### How the "Tiger" Works

The warrants allow investors to participate in a potential economic recovery in the Asia/Pacific region until the November 1, 2000, expiration date.

Due to the volatile nature of the investment, the warrants may only be purchased by investors experienced with option investments who have option-approved accounts. The index on which the warrants are based is comprised of 100 stocks selected for their high market capitalization, high degree of liquidity and broad representation of seven major, economically aggressive (hence the name, Tiger) Asian markets: Hong

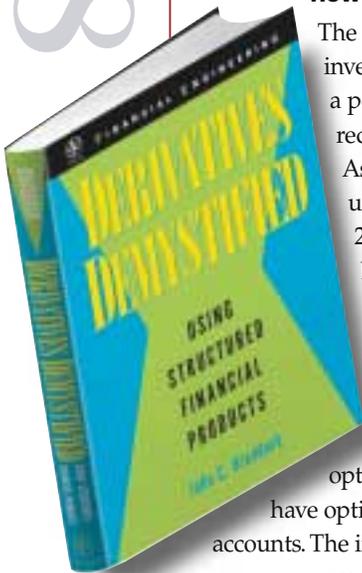
Kong, Taiwan, Singapore, South Korea, the Philippines, Indonesia and Thailand. The index - owned and published by the Chicago Board Options Exchange (CBOE) - was developed over a year's time in conjunction with a team at CIBC World Markets led by John C. Braddock, then a managing director in Financial Products. The US Securities and Exchange Commission approved the new offering. "We saw these seven Asian countries growing rapidly, if not always smoothly, and saw the potential for investing by those who understand the risks of these markets. However, they do so with the liquidity of an exchange-listed investment issued by an investment grade issuer," explains Braddock. International Finance Corporation (IFC), an AAA-rated member of the World Bank Group, is the issuer of the warrants. IFC engages in economic development lending around the world, including some of the Asia Tiger countries.

### A Global Success

Investor demand for the 1 million warrant offering came from Asia, Australia and Canada. Because of legal restrictions, they were only offered in the US and through our retail office in London. Financial Products looks at general trends in the markets, studying them for ideas for potential new products. Among its current offerings are public and private offerings of index warrants, principal-protected structured investment notes, structured certificates of deposit and a wide variety of other structured financial products for both individual and institutional investors worldwide. "We are very excited about the new product

capabilities provided by Financial Products. This is an important product line for many of our high-net-worth clients in the US, and we believe that we will see many opportunities created by Financial Products to allow us to continue providing value-added products to our clients," says Seth Novatt, managing director and head of the US Private Client Division. The Tiger warrants transaction was structured by Financial Products in New York, marketed in the US, and was based on research provided by our investment strategists in New York and our economists in Singapore and Toronto. Hedging and risk management of the warrant obligations was handled by Financial Products traders in Hong Kong and New York, and Financial Products advisory staffs in Hong Kong, Singapore and New York worked on the new product as well. Secondary trading on the Chicago Board Options Exchange and upstairs trading support is provided by CIBC World Markets traders in New York.

Investors should be aware that options and warrants are not suitable for all investors. For a more complete discussion of the risks associated with the trading of options, investors should read the booklet, "Characteristics and Risks of Standardized Options." Please call or write John Braddock, Executive Director-Investments, CIBC Oppenheimer, CIBC World Markets Corp., 280 Park Avenue, 20th Floor, West Building, New York, New York 10017, Telephone: 212-716-8159. CIBC World Markets Corp. is a member of Securities Investor Protection Corporation ("SIPC").



If you want to know more about derivative products, *Derivative Demystified* may prove helpful. It was written by John C. Braddock who lead the development of the Asia Tiger Index warrants. In fact, a whole chapter of the book is devoted to helping readers understand warrants.