

**RISK DISCLOSURE: extended hours trading**

Increased trading opportunity means increased ability to react to news and earnings reports that occur during pre- and post-market sessions. However the extended hours trading involves material trading risks, including the possibility of the following:

- (a) **Risk of timing of order entry.** All orders entered and posted during extended-hours trading sessions must be limit orders. You must indicate the price at which you would like your order to be executed. By entering the price, you agree not to buy for more or sell for less than the price you entered, although your order may be executed at a better price. Your order will be executed if it matches an order from another investor or market professional to sell or purchase on the other side of the transaction. In addition, there may be orders entered ahead of your order by investors willing to buy or sell at the same price. Orders entered earlier at the same price level will have a higher priority. This means that if the market is at your requested price level, an order entered prior to your order will be executed first. This may prevent your order from being executed in whole or in part.
- (b) **Risk of execution pricing.** For extended-hours trading sessions, quotations will reflect the bid and ask currently available through the utilized quotation service. The quotation service may not reflect all available bids and offers posted by other venues, and may reflect bids and offers that may not be accessible through us or respective trading partners. This quotation montage applies for both pre- and post-market sessions. Not all systems are linked; therefore you may pay more or less for your security purchases or receive more or less for your security sales through an exchange or market than you would for a similar transaction on a different exchange or market.
- (c) **Risk of lower liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- (d) **Risk of higher volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not at all.
- (e) **Risk of changing prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading which is inferior to that you would obtain during regular market hours.
- (f) **Risk of unlinked markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system inferior to one you would obtain in another extended hours trading system.
- (g) **Risk of news announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading,

and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the, price of a security.

(h) **Risk of wider spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

(i) **Risk of duplicate orders.** There is a risk of duplicate orders if you place an order for the same security in both an extended-hours session and the regular trading session, even if that order is a day order. Orders executed during regular trading hours may not be confirmed until after the post-market extended trading session has already begun. Similarly, orders executed in the pre-market session may not be confirmed until after regular trading has begun.

(j) **No support.** We do not have customer service 24 hours. This means that we will not answer client calls during much of the pre- and post-market trading sessions. This greatly increases the risk of loss if you make an error or if there is a system issue because no one will attend to your call until the beginning of customer service hours. You are solely responsible for any loss that occurs in its account for any reason during the non-core session.