Extended Hours Trading

Customers should be aware of the following risks that are associated with trading in extended hours sessions (e.g., before 9:30 am & after 4:00 pm EST):

Risk of Lower Liquidity. Liquidity refers to the ability of market participants to execute buy and sell orders with minimal price impact. Generally, the more orders that are available in a market, the greater the market's liquidity. Liquidity is important because greater liquidity makes 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.

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 during extended hours trading than during regular market hours. As a result, your order may only be partially executed, or not executed at all, or you may receive a worse price during extended hours trading than you would have received during regular market hours.

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 different, or worse, price in extended hours trading than you would have received during regular market hours.

Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hour 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 worse price in one extended hours trading system than you would in another extended hours trading system.

Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities during non-market hours. Similarly, important financial information is frequently announced outside of regular market hours. These announcements could occur during extended hours trading and could, if combined with lower liquidity and higher volatility, result in exaggerated and unsustainable effects on the price of a security.

Risk of Wider Spreads. The spread refers to the difference in price between what you can immediately buy a security for (ask) and what you can immediately sell it for (bid). Lower volumes and higher price fluctuations in extended hours trading may result in wider-than-normal bid-ask spreads for a particular security.