



## **EXTENDED HOURS TRADING**

### **Risks of Extended Hours Trading**

There are unique risks associated with trading in securities at times that are outside the ordinary trading hours for the exchange(s) ("**Extended Hours Trading**"). Customers are responsible for familiarizing themselves with the hours of the relevant markets upon which they trade and for determining when to place orders for particular securities, how they wish to direct those orders, and what types of orders to use. Lime Trading Corp.'s offer of Extended Hours Trading does not constitute a recommendation or conclusion that Extended Hours Trading will be successful or appropriate for all customers or trades.

- a) **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.
- b) **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, or you may receive an inferior price in extended hours trading than you would during regular market hours.
- c) **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 of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.
- d) **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended-hours trading system than you would in another extended hours trading system.
- e) **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.
- f) **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.
- g) **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV").** For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated



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during extended hours trading sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals.

**Additional Details:**

- Pre-market session orders are accepted from 8:00 am EST to 9:30 am EST and Post-market session orders are accepted from 4:00 pm EST to 6:00 pm EST.
- Lime Trading Corp. offers access to the extended hours market sessions via direct connections to various electronic trading networks (“**ECN**”).
- Only limit orders are accepted in the extended hours market sessions, n other order types will be accepted, such as market, stop, trailing stop, etc.
- To place an order during the extended hours sessions, the order must be placed as a “Day+” order. Additional ECN charges will be incurred upon any executions in the extended hours market sessions.
- Orders for securities that have been halted by either the U.S. Securities and Exchange Commission or the Financial Industry Regulatory Authority will not be accepted during the regular market session nor during the extended hours market sessions.
- The actual date of a transaction will be the trade date for all transactions whether in the regular market session or the extended hours market sessions.