



Dear Valued Client,

Beginning Monday, March 2, 2015, the CBOE intends to launch Extended Trading Hours (ETH) for options on the CBOE Volatility Index (VIX) and Monday, March 9 for options on the S&P 500 Index (SPX/SPXW). CBOE ETH will operate from 3 a.m. to 9:15 a.m. New York time. Clients wishing to participate in the early trading session should contact their Citi Relationship Manager for more information. In addition, clients should be aware of the differences and risks that may result from lower levels of trading that may occur outside of normal market hours.

CBOE Extended Trading Hours Risk Disclosure

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders and quotes 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 during ETH as compared to Regular Trading Hours ("RTH"), including fewer Market-Makers quoting during ETH. 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 ETH as compared to RTH. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price during ETH as compared to RTH.
- **Risk of Changing Prices.** The prices of securities traded during ETH may not reflect the prices either at the end of RTH, or upon the opening of RTH the next business day. As a result, you may receive an inferior price during ETH as compared to RTH.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after RTH. Similarly, important financial information is frequently announced outside of RTH. These announcements may occur during ETH, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The spread refers to the difference between the price for which you can buy a security and the price for which you can sell it. Lower liquidity and higher volatility during ETH may result in wider than normal spreads for a particular security.
- **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV") and Lack of Regular Trading in Securities Underlying Indexes.** For certain products, an updated underlying index or portfolio value or IIV will not be calculated or publicly disseminated during ETH. Since the underlying index or portfolio value and IIV are not calculated or widely disseminated during ETH, an investor who is unable to calculate implied values for certain products during ETH may be at a disadvantage to market professionals. Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during RTH, or may not be trading at all. This may cause prices during ETH to not reflect the prices of those securities when they open for trading.