Revere Securities LLC Risk Disclosures (Day Trading, Extended hours, Margin, Options, Penny Stocks, Mutual Funds, Non-Traditional ETFs)

Day Trading Risk Disclosure

Day trading is extremely risky. Day trading generally is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day-trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses. Further, certain evidence indicates that an investment of less than $50,000 will significantly impair the ability of a day trader to make a profit. Of course, an investment of $50,000 or more will in no way guarantee success.

Be cautious of claims of large profits from day trading. You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.

Day trading requires knowledge of securities markets. Day trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.

Day trading requires knowledge of a firm's operations. You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a stock suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is, the greater likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.

Day trading will generate substantial commissions, even if the per trade cost is low
Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that a trade costs $16 and an average of 29 transactions are conducted per day, an investor would need to generate an annual profit of $111,360 just to cover commission expenses.

Day trading on margin or short selling may result in losses beyond your initial investment
When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day-trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.

Extended Hours Trading Risk Disclosure

There are particular risks associated with trading in the pre-market (prior to 9:30 a.m. EST) or after-market hours market (after 4:00 p.m. EST). Such risks include but are not limited to the following:

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.

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.

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 an inferior price in extended hours trading than you would 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 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 an inferior 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 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.

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.

Extended hours trading is subject to availability.

Margin Trading Risk Disclosure

Revere Securities LLC is furnishing this document to you to provide some basic facts about purchasing securities on margin, and alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account you should carefully review the margin agreement provided by Revere Securities and our clearing firm, INTL FC Stone. Please consult a Revere Securities representative regarding any questions or concerns you may have with your margin account.

When you purchase securities you may pay for the securities in full or you may borrow part of the purchase price from Revere Securities. If you choose to borrow funds from Revere Securities. you will open a margin account. The securities purchased are Revere Securities LLC.'s collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, Revere Securities LLC and/or its clearing firm, INTL FC Stone can take action such as issue a margin call and/or sell securities in your account in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, including:

<u>You can lose more funds than you deposit in the margin account:</u>

A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities in your account.

<u>The firm or clearing firm can force the sale of securities in your account:</u>
If the equity in your account falls below the maintenance margin requirements under the law or the firm's higher "house" requirements, the firm can sell the securities in your account to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.

<u>The firm or clearing firm can sell your securities without contacting you:</u>
Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer. You are not entitled to choose which security in your account should be liquidated to meet a margin call because the securities are collateral for the margin loan; the firm has the right to decide which security to sell in order to protect its interests.

<u>The firm or clearing firm can increase its "house" maintenance margin requirements</u> at any time the firm is not required to provide you with advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell the securities in your account.

<u>You are not entitled to an extension of time on a margin call:</u>
While an extension of time to meet margin requirements may be available to customers under certain conditions a customer does not have a right to the extension.

Please be sure to review the language in your margin agreement and the Margin Disclosure provided by our clearing firm for additional information..

Options Trading Risk Disclosure

Options involve risks and are not suitable for all investors. It is very important that option investors read the Characteristics and Risks of Standardized Options (Option Disclosure Document) before engaging in options trading. The risk disclosure document explains the characteristics and risks of exchange-traded options. This document is available at http://www.theocc.com/publications/risks/riskchap1.jsp You may also request a copy of the Option Disclosure Document by writing to Revere Securities LLC at its main office or verbally requesting a copy from your registered representative.

Revere Securities LLC would also like to inform investors of the inherent risks of trading the following strategies.

1. Bullish strategies have greater risk of loss in falling markets.
2. Neutral strategies have greater risk of loss in volatile markets.
3. Bearish strategies have greater risk of loss in rising markets.

There are many factors that an investor should be aware of when trading options including interest rates, volatility, stock splits, stock dividends, stock distributions, currency exchange rates, etc.

Revere Securities LLC or its clearing firm shall reduce any accounts that exceed applicable position limits to a level that is in compliance with such limits. Any losses as a result of these actions will be the sole responsibility of the investor.

Typically, the exercise of in-the-money equity options is automatic at expiration, if the equity options is $0.01 or more in the money. Index options will be exercised automatically, if in-the-money by $0.01. For equity options in the money less than $0.01 or out of the money, it will be your responsibility to request exercise by 4.00 pm EST before expiration on the last day of trading. We may exercise any open equity option that is $0.01 or more in the money on the date of expiration. You are obligated to monitor your options position(s) especially as the expiration date approaches. If you exercise an in-the-money equity option, you must have sufficient equity in your account to meet margin requirements. Revere Securities LLC or its clearing firm may, at its own discretion, reduce or close-out your options positions prior to the close of business on the last day before exercise, if the account has insufficient equity to meet margin requirements.

Investors should only engage in options trading that is best suited to their financial condition and option experience and careful consideration to current market conditions. Investors are solely responsible for any and all orders placed in their account(s) and at their own risk. Additionally, your account(s) are accepted on a fully disclosed basis and solely at the discretion of Revere Securities LLC. and INTL FC Stone, the company's clearing firm.

There are special risks associated with uncovered option writing, which exposes the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument. Uncovered option writing is thus suitable only for the knowledgeable investor who fully understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker my liquidate stock of options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration of assignment.

The Options Risk Disclosure Document and its supplements are available in the disclosure section of our website or via the weblink located at the beginning of this Options write-up.

OTC Bulletin Board and Pink Sheet Risk Disclosure

Revere Securities LLC does not solicit or recommend transactions, or provide investment advice, to investors in OTC/Bulletin Board and Pink Sheet securities. All transactions in OTC Bulletin Board and Pink Sheet securities are accepted on an unsolicited basis only.

OTC Bulletin Board and Pink Sheet securities represent low priced shares of new or small companies that do not qualify for trading on NASDAQ or on a national stock exchange. OTC Bulletin Board and Pink Sheet securities and may include national, regional, and foreign equity issues, warrants, units, American Depositary Receipts (ADRs), Direct Participation Programs (DPPs), and penny stocks.

The inherent risks in trading these securities include, but are not limited to, the following:

- Trading in these securities can be very risky, and may not be appropriate or suitable for you.
- When trading in these securities, you may lose all or part of your invested capital. Any adverse report of a company's deteriorating financial condition, or news which would affect the company's financial condition, may lead to a dramatic decline in the price of a security.
- Frequent name or symbol changes, stock splits, and delistings occur in these securities.
- Typically, all stocks falling into these categories are non-marginable. They cannot be purchased on margin or be used as collateral against margin loans.
- Accurate quotation information, immediate executions, execution reporting, and the delivery of legal trade confirmations might not be readily available.
- Heavy market volatility may prevent or delay order processing.
- These types of securities are frequent targets of fraud or market manipulation, not only because of their generally low price, but also because the reporting requirements for these securities are less stringent than for listed or NASDAQ traded securities, and no exchange requirements are imposed.

- Due to lower trading volumes in many of these securities, there may be a lower likelihood of orders receiving executions, and current prices may differ significantly from the price quoted at the time of placing your order.

Prior to trading in these types of securities, you should consider your investment objectives, financial resources, risk tolerance and experience. As described above, trading in OTC Bulletin Board and Pink Sheet securities differs significantly from trading in NASDAQ and listed securities, and you may experience greater market risk. You should be familiar with these risks before trading in them. You should also take the time to read available prospectuses and any other filings, including quarterly and annual financial reports, for a company carefully before trading.

Due to the heightened regulatory scrutiny of such securities, the Firm reserves its right to refuse any order to purchase, sell or hold any such securities without further notice.

Mutual Funds Disclosure

Mutual Funds are generally sold under 3 or more different classes (or fee structures) to give the investor different choices when it comes to fulfilling their investment objectives. The below is general guidance only so please review a copy of the mutual fund prospectus pertaining to your individual investment(s).

A Shares:

When purchasing "A" shares, the investor pays a front-end sales charge or "load", which is deducted from the initial investment. The amount of the load depends on the size of the purchase. Discounts are offered at various dollar levels of investment, called "breakpoints". For example, sales charges of many fund families range from over 5% for investments under $50,000 to 0% for investments of $1,000,000 or more. Breakpoints are typically at the $50,000, $100,000, $250,000, $500,000 and $1,000,000 levels.

An investor can become entitled to a breakpoint discount in several different ways:

- ***Single Purchases*** - Any single purchase that equals or exceeds a breakpoint threshold;
- ***Letter of Intent -*** The investor agrees in writing to purchase shares of the same fund family over a period of time, usually 13 months, the aggregate of which equals or exceeds a breakpoint threshold;
- ***Rights of Accumulation -*** Prior or concurrent purchases of the same fund family by the investor, spouse or minor children may be counted toward achieving a breakpoint level with respect to a current purchase of that fund family. [Fund families differ widely in the specific conditions under which rights of accumulation apply. For a full description of the rights of accumulation regarding your recent purchase, please consult the prospectus being mailed to you under separate cover or the fund family's statement of additional information.]

B Shares:

There is no front-end load when buying "B" shares, so 100% of the initial investment is used to buy fund shares. The annual 12b-1 fees, however, are higher than "A" shares because these fees are used to compensate brokers for selling the fund. Also, investors wishing to liquidate their "B" shares within a certain period, usually six years, pay a fee, called a "contingent deferred sales charge [CDSC], which declines over time, typically from 5% until it is eventually eliminated.

Our Registered Representatives are not allowed to solicit B shares due to their higher potential costs, however, we will take unsolicited orders if the investor insists on this type of share class.

C Shares:

Class "C" shares are similar to "B" shares in that there is no front-end load and the annual 12b-1 fees are higher than "A" shares. "C" shares, however, carry a much lower CDSC than "B" shares, generally 1% in the first year and nothing thereafter. Class "C" shares may be the least expensive share class, but only if held for a short time span. Held for a long period, "C" shares are potentially the most costly because of the higher annual 12b-1 fees and the fact that "C" shares do not convert to "A" shares after a period of years, as do "B" shares..

Class "A" shares are generally less costly to the investor than either "B" or "C" shares, with respect to purchases bought at breakpoint levels and held for a number of years, because of the reduced sales charge and lower annual 12b-1 fees during the life of the investment.

Different share classes of a fund may also be available to those with Investment Advisory accounts. These are generally known as Advisor Class and usually have no upfront load. They may, however, still have 12b-1 fees along with the fees charged by your Investment Advisor.

Non-Traditional Exchange Traded Funds (ETFs)

Non-Traditional Exchange Traded Funds ("ETFs") tend to employ sophisticated products and strategies such as the use of leverage, derivative products and futures to try and meet or exceed their stated investment objectives. These products, generally reflected as 2x leveraged, 3x leveraged or inverse ETFs are considered high risk and only the most sophisticated investors with speculation as their investment objective, should be investing in these products. These funds reset daily; therefore their long-term performance can vary significantly from the performance of the Index or Fund they are trying to mirror.. Investors in these products should monitor these closely. These products should be held for a very short timeframe.

In addition to the above, please note these important risks:

- Non-Traditional ETFs are complex products. Investors in these products have the potential for significant loss of principal;
- Under certain market conditions, Non-Traditional ETFs may be extremely volatile;.
- Non-Traditional ETFs may have performance significantly different than the underlying Index of Fund, which can include losses while the underlying Index has gains;
- Non-Traditional ETFs use derivative products in attempts to meet their stated objectives. The use of leverage or other non-conventional products may magnify any gains or losses and add to the volatility of the product.
- In some instances, Non-Traditional ETFs may have low trading volume, making it difficult to timely sell and closeout a position.
- Non-Traditional ETFs have daily objectives. These products should not be held as a long-term investment, and in most cases, should not be held more than a day.
- Only the most sophisticated investors with a speculative investment objective should be investing in these products.

- ETFs may have other individual risks associated with specific products. Please be sure to read the prospectus carefully to identify all risks associated with that product.
- ETFs may not correlate with the underlying index with which they are designed to mirror. In fact, there may be a substantial difference between the ETF's performance and versus that of the underlying index.
- Leveraged and Inverse ETF's may use aggressive investment techniques, such as the use of derivatives and forward contracts in an attempt to meet their goals.
- Price Variance Risks: Leveraged or inverse ETF's may not price as an investor expects. For example, an underlying index may trade at $50, while a 2x ETF on that index may trade significantly below $100 (less than 2:1) and may not move on a 2:1 ratio.
- It is important for investors in any such ETF's, read and understand the prospectus of the ETF they are considering, prior to such investment.

Please see the links below pertaining to Options:

- Characteristics and Risk of Standardized Options

- November 2012 Supplement to Characteristics and Risks of Standardized Options

- October 2018 Supplement to Characteristics and Risks of Standardized Options

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