



Options trading carries significant risks and may not be suitable for all investors. Before engaging in options trading, it is essential that investors thoroughly review the [Characteristics and Risks of Standardized Options](#) (the "Options Disclosure Document"). This document provides a comprehensive overview of the features and risks associated with exchange-traded options. **You may request a copy of the Options Disclosure Document by contacting CaptiveX Securities, LLC, 67 Holly Hill Lane, Suite 308B, Greenwich, CT 06830. Call us at 203-302-9000.**

Inherent Risks of Options Trading Strategies

CaptiveX Securities emphasizes the risks inherent in various options trading strategies:

- **Bullish strategies** carry a higher risk of loss in declining markets.
- **Neutral strategies** are more susceptible to loss in volatile markets.
- **Bearish strategies** face increased risk in rising markets.

Investors should also consider factors such as interest rates, market volatility, stock splits, dividends, distributions, and currency exchange rates when trading options.

Position Limits and Compliance

CaptiveX or its clearing firms may reduce any accounts exceeding applicable position limits to bring them into compliance. Losses resulting from such actions will be solely the responsibility of the investor.

Option Exercise and Monitoring

Typically, the exercise of in-the-money equity options occurs automatically at expiration if the option is at least $\frac{3}{4}$ of a point in the money. For options in the money by less than $\frac{3}{4}$ of a point, or out of the money, investors must request exercise. CaptiveX or its clearing firm may, at their discretion, exercise any in-the-money equity options that meet or exceed the threshold.

Investors must actively monitor their options positions, particularly as expiration approaches. If exercising in-the-money equity options, investors must have sufficient assets in their account to meet margin requirements. CaptiveX or its clearing firm may reduce or close out positions before the close of business on the final trading day if the account lacks sufficient assets to cover these requirements.

Responsibility and Suitability

Investors should only engage in options trading that aligns with their financial condition, experience, and understanding of current market conditions. CaptiveX only accepts orders on an unsolicited basis, and all trading activity is undertaken solely at the investor's risk. CaptiveX does not provide recommendations regarding any options or options strategies.

All accounts are accepted on a fully disclosed basis and are subject to the sole discretion of CaptiveX and its clearing firm.