Description of Services, Financial Instruments and Risks

This version of our Description of Services, Financial Instruments and Risks document will apply from June 30, 2025.

Section I

INFORMATION ABOUT ROBINHOOD EUROPE, UAB AND ITS INVESTMENT SERVICES

1. Purpose

This Description of Services, Financial Instruments and Risks (hereinafter referred to as "this **Document**") lays out information about Robinhood Europe UAB ("**Robinhood**", "**we**", "**us**" or "**our**") and the investment and ancillary services that may be offered to its clients (each a "**Client**", "**you**", "**your**" or "**yourself**").

The purpose of this Document is to provide information and warnings about the risks associated with financial instruments that you may buy, sell or order through us. Risk is understood as the failure to achieve a certain expected return on the capital invested and/or the loss of the capital invested, the basis for which may be various causes related to the financial instruments, the markets or the issuers of these instruments. These risks cannot always be foreseen in advance and therefore the statements in this Document cannot be considered as definitive. We have indicated the most common risks related to financial instruments transactions in general terms. However you should understand that we cannot disclose or explain all the inherent risks that you might be exposed to when engaging with our investment services now or in the future.

The purpose of this description is not to provide information on all the risks that may arise in the provision of services with financial instruments but rather to provide you with information to enable you to understand the nature of these risks when making investment decisions. We advise you to read the additional disclosures about the financial instrument or service carefully before making a decision in relation to a particular investment service or transaction.

The statements in this description do not constitute advice by us on potential investments and should not be understood as a recommendation by us. The descriptions contained herein should not substitute for the Client's own due diligence on the specific product

This Document is designed for retail clients, as defined in the Law on Markets in Financial Instruments of the Republic of Lithuania that transposed the provisions of Directive 2014/65/EU ("**LMFI**"). The LMFI definition of retail clients refers to both natural persons - "Individuals" - and legal entities - "Businesses". Currently, we offer our investment services to natural persons only.

2. Details about us

Name	Robinhood Europe, UAB
Company code	306377915
Address	Mėsinių 5, LT-01133 Vilnius, Lithuania
Website	https://robinhood.com/eu/en/about/crypto/
Supervisory authority	Bank of Lithuania Gedimino pr. 6, LT-01103 Vilnius, Lithuania Tel.: +370 5 251 2763 E-mail: info@lb.lt; Website: www.lb.lt
Regulatory permissions	For more information on Robinhood Europe, UAB regulatory permissions, please visit the Bank of Lithuania (BoL) licence register here.

3. Investment services and ancillary services we are licensed to provide

We provide the following investment services and ancillary services under LMFI:

Investment Services

- Reception and transmission of orders;
- Execution of orders on behalf of clients; and
- Dealing on own account.

Investment Ancillary Services

- Safekeeping and administration of financial instruments on behalf of clients; and
- Foreign currency exchange services when they are related to the provision of investment services.

You will be required to open an account at Robinhood in order to acquire access to the described services. All customer funds will be custodied at a client money account an EU-licensed credit institution.

4. Client classification

In line with the applicable regulations, you will be assigned the status of a retail client. The status has a direct impact on your investment protection level. The status of a retail client guarantees you the highest level of protection.

Some of the key protection measures that retail clients benefit from are enhanced appropriateness controls, helping to ensure the client is investing in investment products in line with his or her investment objectives, risk tolerance, financial capabilities, experience and knowledge.

5. Assessment of appropriateness

In order to invest in the complex investment products that Robinhood offers, you will be required to fill out an appropriateness questionnaire. We are required to determine whether your expertise, experience and knowledge is sufficient for you to undertake such investment decisions. It is important that you provide us with up-to-date, accurate and complete information so that we are able to perform such appropriateness assessments, which enable us to act in your best interest when providing you with the relevant services.

We might provide you from time to time with factual information about the investment products for educational purposes. However this information is not and should not be interpreted as investment advice. It is your decision whether to submit any orders, and your investment decisions are your sole responsibility.

We reserve the right not to provide our clients with investment services or investment ancillary services at our own discretion without explaining the reason for providing or not providing such services.

6. Transactions in financial instruments

Transactions in financial instruments may take place in different forms – e.g., on an organised trading facility or multilateral trading facility, or over-the-counter.

You should, prior to entering into the respective investment services agreement, examine the summary of the Order Execution Policy here, which discusses execution venues and other information essential for transactions in financial instruments.

7. Taxation

Your income from investment services and investment ancillary services may be subject to taxes as and when specified in the legislation of the Republic of Lithuania and/or other country in which you reside for tax purposes.

You should note that we or a third party may have a duty under law to withhold taxes from the payment to you. We also may need to convert funds to be used for payment of taxes into the official currency of the country assessing the taxes at the current exchange rate provided by an FX service provider selected by Robinhood at its sole discretion. Such withholding of taxes does not create a duty for us to reimburse you for the amount of taxes withheld.

Taxes may also be withheld by a foreign financial authority pursuant to the procedure laid down in foreign legislation.

We do not provide tax, financial, legal or regulatory advice. You must independently assess all the circumstances related to the taxation of your investments or their return, even if we have indicated specific tax aspects in the information provided to you. You should seek independent advice if you have any questions in this respect.

8. Fees

All the fees for the services are specified in any ex-ante cost disclosures and our fee schedule here, and we will charge you in accordance with those documents.

9. Communication with you

A. Unless agreed otherwise, the language used in our communications to you will be English. This document, the summary of the Order Execution Policy and other relevant documents are available on our website here.

B. The forms in which we will communicate with you are described in the Customer Agreement, available here.

C. We shall provide you with information about your executions, transactions and orders as described in the Customer Agreement.

D. We may provide you with binding third-party information in the original language.

10. Conflict of interest prevention

A. We will undertake all reasonable steps to identify and prevent conflicts of interest which may arise between us, including our employees, and you, in the course of providing investment services.

B. A summary of our Conflicts of Interest Policy is available here.

11. Investor protection and deposit guarantee arrangements

A. We insure our liabilities to investors under the Law on Insurance of Deposits and Liabilities to Investors of Lithuania. The Liabilities to Investors Insurance Fund is a fund managed by Deposit and Investment Insurance, a Lithuanian state company, in accordance with the above stated law. You are provided with investment liabilities insurance of up to 22,000 EUR upon the occurrence of an insured event.

B. Information regarding the investor protection scheme is available here.

Section II

DESCRIPTION OF CUSTODY SERVICES FOR FINANCIAL INSTRUMENTS AND CASH AND THE ASSOCIATED RISKS

1. US Stock Derivatives

We ensure the safekeeping of US Stock Derivatives (also referred to as Stock Tokens) on behalf of the customers by maintaining individual accounts, accurately reflecting each customer's holdings and ensuring full segregation from other customers and our proprietary holdings. Customers retain full beneficial ownership of the US Stock Derivatives in their respective accounts, and each customer will have direct access to their account through the Robinhood app or website. We have no rights to use the US Stock Derivatives belonging to you, except with your explicit consent. We will not transfer the custody of US Stock Derivatives owned by customers to any third parties.

2. Crypto Derivatives

The customers' Crypto Derivatives (also referred to as perpetual futures) are custodied at Bitstamp finančne storitve d. o. o. ("Bitstamp"), which is a MiFID II investment company authorized by the ATVP (the Securities Market Agency) in Slovenia. Crypto Derivatives are safeguarded in an omnibus account opened in the name of Robinhood at Bitstamp. You will be able to exercise all relevant rights in respect of your financial instruments only through us. We have no rights to use the Crypto Derivatives belonging to you, except with your explicit consent. We ensure that Crypto Derivatives custodied on behalf of customers are properly accounted for in our books and records, with clear segregation from our own assets.

3. Client money

Client money is segregated from our own money and safeguarded in accounts known as "client money accounts", which are opened at licensed credit institutions pursuant to the requirements under LMFI. Your money may be pooled with those of our other customers in the client money account.

While we've exercised all due care, skill and diligence in selecting the credit institution, we are not responsible for any losses you may suffer as a result of any action that the credit institution takes or fails to take in connection with client money.

4. Potential risks related to the safekeeping of your assets

You should be aware that there are risks in respect of safekeeping your assets.

Risk	Description
Operational Risk	You may suffer losses in case the custodian faces technical failures in their respective systems.
Custodian Risk	Although legally required to segregate clients' assets from the custodian's own assets, in the event of bankruptcy of the custodian, you might irrecoverably lose your investment where there is a failure of sufficient segregation. Additionally, funds in client money accounts are protected against the custodian's creditors but may not be protected against a credit institution's creditors in the event of its insolvency.
Legal Risk	In case of an unfavourable legislative change, you might be subject to a loss.
Information Risk	As we rely in some cases on third parties, you might not always have full access to information regarding your financial instruments on demand.

Section III

INFORMATION ABOUT FINANCIAL INSTRUMENT TRANSACTIONS AND THE ASSOCIATED RISKS

Part 1. General risk introduction

1.1. You need to take into consideration that investing in financial instruments exposes you to different risks which might decrease the value of your investment. A risk means the possibility of incurring a loss when investing.

1.2. The value of financial instruments may decrease or increase. There is, therefore, a risk that the return on financial instruments may be negative and result in a financial loss for you. The risk of loss may vary from one financial instrument to another. You should also keep in mind that past performance of financial instruments doesn't guarantee future results and you may lose all of the invested amount.

1.3. You should, prior to undertaking a financial instrument transaction, make an independent assessment of the characteristics and the associated risks of the selected financial instrument in the perspective of your financial standing, experience with transactions in financial instruments, risk tolerance, investment objectives and the preferred investment horizon.

1.4. It is your responsibility to understand all the risks related to the relevant financial instruments, as you will bear the losses in the event your investment decreases in value.

1.5. When investing in financial instruments, you should:

1.5.1. Carefully examine the summary of the Order Execution Policy, which is available here, and assess your capacity to accept the terms set forth in the Customer Agreement;

1.5.2. Carefully assess the transaction risks described in this document, especially the risks inherent in the financial instrument transactions you will be entering into;

1.5.3. Pay attention to the obligations attached to the applicable instruments and assess whether you are willing and able to comply; and

1.5.4. Carefully evaluate the information found in order confirmations received from us and independently keep track of the status of your orders.

1.6. Risk types:

Risk type	Description
Market Risk	The value of financial instruments changes over time, reflecting the supply and demand for them. In addition, a financial instrument's market value based on data from a particular source may not necessarily reflect the actual value of that financial instrument.
Political Risk	Political decisions made by governments and administrative bodies might negatively impact market participants. As a result, issuers might not be able to fulfill certain commitments or obligations, decreasing the value of the applicable financial instruments. Examples of such scenarios include trade embargoes, increases of interest rates or any other decisions impacting the social, economic and legal environment.

Regulatory Change Risk	There is a risk that Lithuania or the countries in whose capital markets you invest may experience an adverse change in regulations, including a change in tax regulations or any type of restriction on capital flows with foreign countries, which may adversely affect both the liquidity and the value of investments in the capital markets.
Currency Risk	Unfavourable currency exchange rate fluctuations might lead to lower returns or losses.
Market Risk	You might suffer losses if the market you have investments in is underperforming. The underperformance could be related to an insecure macro- or micro- economic environment, instability on stock or crypto exchanges or poor financial returns in relevant countries, regions or industries.
Liquidity Risk	Insufficient market liquidity might hinder your ability to sell or buy financial instruments at a price favorable to you. As a result you might receive smaller returns or bear losses on your investments.
Price Risk	You may incur a loss due to unfavorable fluctuations in prices of your investments.
System or Operational Risk	There can be a risk of loss in the event of inadequacy or malfunctioning of a company's internal processes or systems or malpractice by a company's employees.
Issuer Risk	If the issuer of a financial instrument suffers financial or liquidity difficulties, underperforms or faces any other challenges of a similar nature, there could be a negative impact on the financial instrument or the issuer's commitment or obligations towards its investors.
Information Risk	It may be impossible for you to obtain adequate and correct information about all financial instruments, or obtaining such information could be challenging. On such occasions, it may be impossible for you to make appropriate decisions with respect to your investments.
Credit Risk	There is a risk that the issuer of a financial instrument or a counterparty may default on its obligations.
Inflation Risk	There is a risk that the real return on an investment will be lower than expected, meaning that the purchasing power of any proceeds realized at the time of withdrawal (cashing in) will be lower than expected.

Part 2. Extended Market Hours

2.1. You could be subject to new risks or be exposed to the above-mentioned risks to a bigger extent should you engage in “extended market hours trading” of US Stock Derivatives. Extended market hours trading in this context occurs outside “regular trading hours”, which generally takes place between 9:30 and 16:00 Eastern Time.

2.2. You should be aware of the most important risks:

Risk type	Description
Liquidity Risk	Trading of the stocks or exchange-traded funds (“ETFs”) underlying US Stock Derivatives during extended market hours involves a smaller group of market participants, which may result in a lower number of market and marketable orders in those stocks or ETFs compared to regular trading hours. This could lead to difficulties in buying or selling US Stock Derivatives at your preferred price.
News Release Risk	Issuers often publish important news outside regular trading hours to limit the news impact on the price of their financial instruments. Such announcements may occur during extended market hours and cause rapid price movements, which may lead to losses for you.
Volatility Risk	The fluctuating changes in the price of financial instruments is known as volatility. Volatility in the stocks or ETFs underlying US Stock Derivatives during extended market hours is generally higher, which could result in partially executed orders in US Stock Derivatives and exposure to unfavorable prices.
Wider Spreads Risk	Higher volatility coupled with lower liquidity could cause an increase in the difference between the sell and buy price (the "spread") for the stocks or ETFs underlying US Stock Derivatives, which could affect the profitability of your trades and lead to larger losses.
Price Gapping Risk	The price of the stock or ETF underlying a US Stock Derivative may experience sudden changes without any trades taking place in between, known as "price gapping." This could occur due to unexpected news, events, or unusual trading activities, and could result in losses if you trade a US Stock Derivative when the underlying stock or ETF is at an unfavorable price.

Unlinked Markets Risk	The extended market hours trading systems are not interconnected, meaning that the price of a financial instrument displayed on one system may differ from the price of the same financial instrument on another system operating at the same time. This difference in prices may cause you to trade at a worse price than you intended during extended market hours trading.
Uncertain Prices Risk	The prices of some stocks and ETFs (and therefore the US Stock Derivatives based on them) traded during extended market hours trading may not reflect the prices of those stocks and ETFs (and the US Stock Derivatives based on them) during regular trading hours, including at the end of the regular trading session or upon the opening of regular trading the next business day.

2.3 In order to protect customers from large movements in price in US Stock Derivatives, we collar orders using limit orders priced up to 0.5% above or below the last reported trade price for the Underlying Asset on a Nasdaq exchange (i.e., the Nasdaq Stock Market, Nasdaq OMX BX, or Nasdaq OMX PHLX) and 0.5% above or below the quoted FX exchange rate. It is important to note, however, that it is not possible to fully eliminate all trading risks. If any of the above mentioned risks exceeds your risk tolerance, you should not place orders during extended market hours.

Part 3. Risks involved in trading financial instruments Over-The-Counter (OTC)

When submitting orders in Financial Instruments that are traded outside a regulated market, a multilateral trading facility or an organised trading facility (also known as, over-the-counter or the "**OTC**") or is otherwise pegged to an underlying asset that is traded OTC, you are engaging in and/or being exposed to transactions that occur directly between parties, outside of trading venues. As such, trading OTC, or being exposed to such trading via a derivative, comes with the below inherent risks:

Risk type	Description
Liquidity Risk	Liquidity risk refers to how quickly a financial instrument can be bought or sold in the market without affecting its price. Instruments traded OTC may face lower liquidity compared to those traded on established trading venues. This can result in difficulty finding a buyer or seller without experiencing significant price changes, potentially leading to greater losses.

Part 4. The risk of financial instrument concerned

The below discussion of risks does not take into account your investment period or your investment objectives. Please keep in mind that:

- you bear the investment risk during the financial instrument lifecycle;
- when trading in financial instruments, you must carefully read the transaction confirmation documents and immediately inform us about possible errors;
- you must constantly monitor changes in the value and positions of your investments;
- when necessary, you should consider taking appropriate measures to reduce the losses associated with your investments; and
- you must familiarise yourself with documents prepared by the manufacturer of the financial instrument, such as key information documents and other important information.

4.1. Tokenized US Stock Derivatives

What is a stock?

An equity (also called “stock” or “share”) is a financial instrument that gives the shareholder participatory interest in the equity capital of a company.

What is an ETF?

An ETF is an investment fund that holds a collection of assets like stocks, bonds, or commodities and trades on a stock exchange, similar to individual stocks.

What is a derivative contract?

A derivative contract is a financial agreement between two parties whose value is based on (or "derived from") the price of something else — like a stock, bond, commodity, currency, interest rate, or even a market index. Instead of owning the actual thing (like barrels of oil or shares of a company), you're betting on how its price will move.

In the case of a US Stock Derivative, the derivative contract is based on the value of its underlying asset, which would be a US stock or ETF. These contracts obligate Robinhood as the counterparty to make payments to customers based on the performance of the underlying US stocks or ETFs. If the US stock's or ETF's value increases from the opening to the closing of the contract, Robinhood will pay the resulting profit to the customer. Conversely, if the US stock's or ETF's value decreases, Robinhood retains the difference. Derivative contracts will be amended and tokens rebased in the event of stock splits and share repurchases.

What is the difference between a stock/ETF and a stock/ETF derivative contract?

Customers have certain contractual rights under the terms of the US Stock Derivative contract but do not have ownership rights over the stock or ETF itself. Although the customer, under the terms of the derivative contract, has a right to the difference between the derivative contract's purchase price and the stock or ETF price at the time of the closing of the derivative contract, as well as any accrued dividends, the customer does not have rights that the customer otherwise would have if the customer were an owner of the stock or ETF. For instance, holding company stock usually grants the right to vote at the issuer's general meeting, but the purchaser of a US Stock Derivative based on such a stock does not.

If an issuer generates profit, it might decide to pay its shareholders dividends in the form of cash. Through the US Stock Derivatives, customers will have the right to dividends, but unlike with stocks, the dividends will only be paid out upon closing the contract. Customers should be advised that dividends are not guaranteed. Whether there will be a dividend is fully at the discretion of the issuer.

US Stock Derivatives are cash-settled only, meaning that they may not be redeemed for the underlying stocks or ETFs themselves.

What is tokenization?

When a new US Stock Derivative contract is entered into, Robinhood will simultaneously issue (mint) over a blockchain a new fungible token. This token represents the ownership rights that the customer has over the US Stock Derivative. The token is non-transferable and non-assignable. When the US Stock Derivative is closed out, Robinhood burns the tokenized US Stock Derivative contract from the blockchain. The blockchain is updated in real time, and the token is no longer valid and cannot be part of a wallet or any blockchain transaction.

Risks inherent in US Stock Derivatives

When investing in US Stock Derivatives, it is possible that it will not increase in value as expected or that all the invested money will be lost. Because the US Stock Derivatives look to US stocks or ETFs as the underlying asset, the risks inherent to the US stock market also apply to US Stock Derivatives.

There are several factors which impact the performance of stocks and ETFs. For instance, the issuer's growth potential, the health of its balance sheet, the competition landscape and any changes particular to the company itself (e.g., opening a new branch) are considered microeconomic factors. Events with a more sectoral and global reach, such as increases of interest rates, weather disasters or global recession, are called macroeconomic factors. Customers should take both sets of factors into account. Therefore, a person investing in US Stock Derivatives should, at a minimum, observe the corresponding company, the securities markets and also follow general economic news.

The change in the value of equities may be significant. A widespread method for lowering the risk related to one company is diversification, which is risk spreading by, e.g., getting exposure to a portfolio composed of various equities from different sectors, countries and regions. However, diversification would not necessarily mitigate general market risks, which may result in equity prices strongly fluctuating due to reasons not directly connected to issuers' economic results (e.g., global recession or liquidity crises).

When purchasing the equities of a foreign company, you also should take into account the political risk, economic risk, legal risk and potential fluctuations of currency exchange rates (see the general risk introduction above).

US Stock Derivatives are considered to be complex financial instruments. It is not traded on a regulated market or otherwise on a Multilateral Trading Facility. Furthermore, although Robinhood hedges its obligations by purchasing US stocks or ETFs for its own account on a 1:1 basis with the US Stock Derivatives it issues, customers should be aware of the counterparty risk inherent in US Stock Derivatives and evaluate the creditworthiness of Robinhood prior to entering into the transaction.

Direct costs and associated expenses of transaction

You may incur costs when transacting in financial instruments. For more details, please refer to our fee schedule here. The most common direct costs for US Stock Derivatives are:

- The price of purchasing the US Stock Derivative(s); and
- If purchases are made, or sale proceeds are paid, in a currency other than US dollars, then a FX fee will be withheld based on the current exchange rate as determined by a third party FX service provider.

4.2. Crypto Perpetuals

What are perpetual futures contracts?

Futures contracts are a type of derivative contract that creates an obligation between a seller and buyer for the sale of an asset at a fixed date for a set price in the future, regardless of the market value of the asset on that date. A perpetual futures contract, or perpetuals, is a type of futures contract without an expiry date. Without an expiry date, there is no physical settlement of goods, so the only purpose of a perpetual futures contract is to speculate on the price of an asset. These contracts can speculate that the future price will be either lower than the current price (referred to as a short position) or higher than the current price (referred to as a long position).

What are crypto perpetual future contracts (or crypto perpetuals)?

A crypto perpetual is a perpetual futures contract for which the reference asset is a crypto-asset. The crypto perpetuals offered by Robinhood refer to the crypto-assets identified in the Key Information Document here.

Risks inherent in crypto perpetual future contracts

Due to the complexity of trading perpetuals, they are not suitable for every investor. Investors who trade perpetuals can lose all of their invested funds. In addition to the general risks identified above, risks of crypto perpetual trading include the following:

Risk type	Description
Trading with leverage	Derivative financial instruments can carry a high degree of risk, as they often involve leverage, as a result of which even a small movement in the price of the underlying instrument results in a much larger movement, either in the investor’s favour or against it, in the price of the derivative or in the value of the investor's open position. If the investor's trading direction is opposite to the market movements, this can result in a significant loss. Depending on the extent of potential loss, investors must either provide additional funds to be used as collateral or reduce their open positions. If, in the event of a loss, investors fail to provide additional funds as collateral, investor funds that have been designated as collateral may be used to cover losses.
Risk of market fluctuations	The price of derivatives depends on market movements and the price of the underlying instrument. Fluctuations in the market of the underlying instrument may cause unpredictable changes in the value of the derivative, which may lead to losses.

Risk of increasing the required equity	With derivatives, it is not necessary to deposit the entire value of the transaction before purchase. It is sufficient to maintain a certain amount in the margin account. If the price of the underlying instrument changes significantly, additional margin may be required from the investor in order for the investor to maintain his or her open position. If additional margin is not provided, the position may be liquidated, resulting in losses for the investor.
Liquidation risk	If the price of the underlying instrument moves in the opposite direction to the investor's trading direction, a liquidation of the position may occur. In such a case, the investor may suffer a loss. In case of the liquidation of the position, the investor may lose all or some of the assets that it has designated as collateral. The investor is not responsible for losses beyond the value of the assets it designated as collateral. Such losses are paid by other investors via a process referred to as the socialization of losses. Under certain market conditions, particularly due to the high degree of market volatility and risk of illiquidity in the derivatives market, it may prove difficult or impossible to close out a market position above the liquidation level. For example, if there is insufficient liquidity in the market or if there are technical problems with the orders that investors are trying to place, it may not be possible to manage the risk of the positions. Placement of conditional orders, such as so-called "Stop-Limit" orders, do not necessarily guarantee the limitation of losses to the desired level, as these types of orders are not guaranteed and market conditions may make it impossible to execute such orders.
Socialization of losses	Investors who trade with profit may have part of their profits confiscated and distributed among investors who trade at a loss in accordance with the rules of the MTF. This can happen during the periodic settlement, which is carried out several times a day. Before a periodic settlement, all profits from the previous periodic settlement are unsettled, even though they may have already been realized.
Index risks	The price of a derivative traded on a derivatives trading platform may be linked to an index price that is used as a proxy for the price of the underlying instrument. The index is provided by an external data service provider that uses data from third-party trading platforms. Changes in the value and volume of transactions on such trading platforms and potential errors in the calculation of the index may affect the profit, loss, margins and settlement of trades on the derivatives trading platform. The execution of a derivatives transaction does not

	represent the purchase or sale of an underlying instrument. The return on a derivative transaction may not reflect the return that the investor would have if the underlying instrument were sold or purchased. The methodology for the calculation and publication of each index may lead to deviations from other publicly available indices and prices of the underlying instrument; therefore, the index value used may differ significantly from other publicly available values for the price of the underlying instrument. The composition, calculation methodology and security measures of each index are subject to change at any time without notice and are at the sole discretion of the data service provider. A change in the composition of an index and any change in the methodology used may affect the value of the index and may lead to losses or gains for the investor. Robinhood is not responsible for losses that the investor suffers (directly or indirectly) due to a change in the methodology or composition of the index.
Supported derivatives	There is a risk that a derivative may be delisted from a derivatives trading platform or that the platform may cease to support the trading of the derivative for any reason. Robinhood does not own or control the underlying protocol or technology that governs the operation of the crypto-asset that serves as the underlying instrument. The protocol or technology that enables the existence of the underlying instrument may change or cease to function due to changes made to the properties or functions of the underlying protocol or technology, cyber-attack, or similar events. Such changes may include, but are not limited to, a "fork", "rollback", "airdrop" or "bootstrap". Any such change or error in the applicable underlying protocol or technology may affect the availability and value of the underlying crypto-asset and any derivative contract based on the crypto-asset and may result in a partial or total loss of the investor's funds. Robinhood is not responsible for such changes to the underlying protocol or technology and does not assume any responsibility for any losses arising from such changes. The investor is responsible for being aware of such changes. Robinhood may stop supporting a derivative at its sole discretion.

In order to protect customers from large movements in price in perpetuals, we collar orders using limit orders priced up to 1% above or below the last reported trade price for the applicable perpetual on the exchange. It is important to note, however, that it is not possible to fully eliminate all trading risks. If any of the above mentioned risks exceeds your risk tolerance, you should not place orders in perpetuals.

Execution venue, settlement procedure

Execution venues might halt or suspend trading in perpetuals. It might be very difficult to close positions in perpetuals in the case of an illiquid market (in the event there are few or no buyers and/or sellers in the market). Settlement takes place in your account with us, but we must first settle in an account held in our name at the applicable execution venue.

Direct costs and associated expenses of transaction

You may incur costs when transacting in financial instruments. For more details, please refer to our fee schedule here. The most common direct costs for crypto perpetuals are:

- Transaction fees assessed by us and the execution venue when opening or closing a position;
- Any losses incurred while a position is open;
- Funding rate fees assessed to help keep the crypto perpetual contract price close to the price of the underlying crypto-asset; and
- Liquidation fees assessed if there is a liquidation event.