Description of Services, Financial Instruments and Risks

This version of our Description of Services, Financial Instruments and Risks document will apply from 1 July 2026.

Section I

INFORMATION REGARDING 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 in respect of 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 financial instruments, 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 instrument transactions in general terms. However, you should understand that we cannot disclose or explain all the inherent risks that you may 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 with financial instruments in the provision of services, 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 closely read the additional disclosures about the financial instrument or service before making a decision in relation to a particular investment service or transaction.

The statements in this description do not constitute advice from us on potential investments, and should not be understood as a recommendation made by us. The descriptions contained herein should not substitute the Client's own due diligence regarding 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’). We currently offer our investment services to natural persons only.

2. Our details

Name	Robinhood Europe, UAB
Company code	306377915
Address	Vilniaus g. 33-201, LT-01402 Vilnius, Lithuania
Website	https://robinhood.com/eu/en/
Supervisory authority	Bank of Lithuania Gedimino pr. 6, LT-01103 Vilnius, Lithuania Tel.: +370 5 251 2763 (for international calls) +370 800 50 500 (for domestic calls), E-mail: info@lb.lt; Website: www.lb.lt
Regulatory permissions	For more information on Robinhood Europe and UAB regulatory permissions, please visit the Bank of Lithuania (BoL) licence register here.

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

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

Investment Services

- Receipt 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 client funds will be custodied in a client money account in an EU-licensed credit institution.

4. Client classification

In accordance 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 their 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 accurate, up-to-date and complete information so that we are able to perform appropriateness assessments, enabling us to act in your best interests when providing you with relevant services.

We may from time to time provide you with factual information regarding 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 can take place in various ways, such as on an organised or multilateral trading facility, or over the counter.

Prior to entering into the respective investment services agreement, you shall examine the summary of the Order Execution Policy here, which discusses execution venues and other information essential for financial instrument transactions.

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 any other country in which you reside for tax purposes.

Please note that we or a third party may be legally required to withhold taxes from your payment. We may also need to convert funds used to pay taxes into the official currency of the relevant country at the current exchange rate, as provided by an FX service provider selected by Robinhood at its sole discretion. We are under no obligation to reimburse you for the amount of tax withheld.

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

We do not provide tax, financial, legal or regulatory advice. You must independently assess all the circumstances regarding 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 you will be charged in accordance with those documents.

9. Communication

A. Unless agreed otherwise, the language used in our communications with 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 we will use to communicate with you are described in the Client Agreement, available here.

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

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

10. Prevention of conflicts of interest

A. We will take all reasonable steps to identify and prevent any conflicts of interest that may arise between us (including our employees) and you while we are providing you with investment services.

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

11. Arrangements for insurance of liabilities to investors

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 Share Derivatives

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

2. Perpetuals

The clients' Perpetuals comprise a range of perpetual swap products with underlying assets including single-name shares, exchange-traded funds, foreign exchange instruments, commodities, cryptoassets, and other assets or indices (also referred to as Perpetuals), which are held in custody by Bitstamp Finančne Storitve d.o.o. ('Bitstamp'), a MiFID II investment firm authorised by the Securities Market Agency ('ATVP') in Slovenia. Perpetuals 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 right to use the Perpetuals belonging to you, except with your explicit consent. We ensure that Perpetuals custodied on behalf of clients 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 that of our other clients 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 regarding the safekeeping your assets.

Risk	Description
Operational Risk	You may suffer losses in the event that the custodian experiences 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 may 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 the event of an unfavourable legislative change, you may be subject to a loss.
Information risk	As we in some cases rely on third parties, you may not always have full access on demand to information regarding your financial instruments.

Section III

INFORMATION REGARDING FINANCIAL INSTRUMENT TRANSACTIONS AND THEIR 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 may decrease the value of your investment. A risk refers to the possibility of incurring a loss when investing.

1.2. The value of financial instruments may decrease or increase. Therefore, there is a risk that the return on financial instruments may be negative, resulting in 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 the entire invested amount.

1.3. Prior to undertaking a transaction involving a financial instrument, you should make an independent assessment of its characteristics and associated risks in respect of your financial standing, experience of transactions involving financial instruments, risk tolerance, investment objectives and preferred investment horizon.

1.4. You are responsible for understanding all the risks related to the relevant financial instruments, since you will be liable for any losses if the value of your investment decreases.

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 Client 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 you receive 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 their supply and demand. Furthermore, 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 may negatively impact market participants. As a result, issuers may not be able to fulfil 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 may lead to lower returns or losses.
Market risk	You may suffer losses if the market in which you have investments is underperforming. Underperformance could be related to an unstable macro- or microeconomic environment, instability on securities or crypto exchanges, or poor financial returns in relevant countries, regions or industries.
Liquidity risk	Insufficient market liquidity may hinder your ability to sell or buy financial instruments at a price that is favourable to you. As a result, you may receive smaller returns or bear losses on your investments.
Price risk	You may incur a loss due to unfavourable fluctuations in the 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 regarding all financial instruments, or obtaining such information could be challenging. On such occasions, it may be impossible for you to make appropriate decisions in respect of 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 realised at the time of withdrawal (cashing in) will be lower than expected.

Part 2. Extended market hours

2.1. Should you engage in ‘after-hours trading’, you could be subject to new risks or exposed to the above-mentioned risks to a greater extent. After-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 in shares or exchange-traded products (‘ETPs’) underlying US Share Derivatives outside regular market hours involves a smaller group of market participants, which may result in fewer market and marketable orders for those shares or ETPs than during regular trading hours. This could lead to difficulties in buying or selling US Share Derivatives at your preferred price.
News release risk	Issuers often publish important news during after-hours trading to limit the news impact on the price of their financial instruments. Such announcements may occur outside regular 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 shares or ETPs underlying US Share Derivatives during after-hours trading is generally higher, which could result in partially executed orders in US Share Derivatives and exposure to unfavourable prices.
Wider spread risk	Higher volatility coupled with lower liquidity could cause an increase in the difference between the sell and buy price (the ‘spread’) for the shares or ETPs underlying US Share Derivatives, which could affect the profitability of your trades and lead to larger losses.
Price gapping risk	The price of the share or ETP underlying a US Share 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 Share Derivative when the underlying share or ETP is at an unfavourable price.

Unlinked markets risk	The after-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 after-hours trading.
Uncertain prices risk	The prices of some shares and ETPs (and therefore the US Share Derivatives based on them) traded during after-hours trading may not reflect the prices of those shares and ETPs (and the US Share 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 following business day.

2.3 In order to protect clients from large movements in price in US Share 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. However, it is important to note that it is impossible to eliminate all trading risks entirely. If any of the above-mentioned risks exceeds your risk tolerance, you should not place orders during after-hours sessions.

Part 3. Risks involved in trading over-the-counter (OTC) financial instruments

When submitting orders for 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 '**OTC**') or that are 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. Risk concerning the financial instrument

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 are responsible for familiarising yourself with documents prepared by the manufacturer of the financial instrument, such as key information documents and other important information.

4.1. Tokenised US Share Derivatives

What is a share?

An equity (also called ‘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 shares, bonds, or commodities and trades on a securities exchange, similar to individual shares (together with exchange-traded notes, ‘exchange-traded products’ or ‘ETPs’).

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 share, 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 Share Derivative, the derivative contract is based on the value of its underlying asset, which would be a US share or ETP. These contracts oblige Robinhood as the counterparty to make payments to clients based on the performance of the underlying US shares or ETPs. If the US share’s or ETP’s value increases from the opening to the closing of the contract, Robinhood will pay the resulting profit to the client. Conversely, if the US share’s or ETP’s value decreases, Robinhood retains the difference. Derivative contracts shall be amended and tokens rebased in the event of share splits and repurchases.

What is the difference between a share/ETP and a share/ETP derivative contract?

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

If an issuer generates profit, it might decide to pay its shareholders dividends in the form of cash. Through US Share Derivatives, clients shall have a right to dividend amounts. Clients should be advised that dividends are not guaranteed. Whether there will be a dividend is fully at the discretion of the issuer.

US Share Derivatives are cash-settled only, meaning that they may not be redeemed for the underlying shares or ETPs themselves.

What is tokenisation?

When a new US Share Derivative contract is entered into, Robinhood will simultaneously issue (mint) a new fungible token over a blockchain. This token represents the ownership rights of the client over the US Share Derivative. The token is non-transferable and non-assignable. When the US Share Derivative is closed out, Robinhood burns the tokenised US Share 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 Share Derivatives

When investing in US Share Derivatives, it is possible that they will not increase in value as expected or that all the invested money will be lost. Because the US Share Derivatives look to US shares or ETPs as the underlying asset, the risks inherent to the US securities market also apply to US Share Derivatives.

There are several factors which impact the performance of shares and ETPs. 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 in interest rates, weather disasters or a global recession, are called macroeconomic factors. Clients should take both sets of factors into account. Therefore, a person investing in US Share Derivatives should, at a minimum, observe the corresponding company and securities markets, and also follow general economic news.

The change in the value of equities may be significant. A common method of reducing risk associated with a single company is diversification, whereby risk is spread by gaining exposure to a portfolio of various equities from different sectors, countries and regions, for example. 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 should also take into account the political risk, economic risk, legal risk and potential fluctuations of currency exchange rates (see the general risk introduction above).

US Share Derivatives are considered to be complex financial instruments. They are not traded on a regulated market or on a multilateral trading facility. Furthermore, although Robinhood hedges its obligations by purchasing US shares or ETPs for its own account on a 1:1 basis with the US Share Derivatives it issues, clients should be aware of the counterparty risk inherent in US Share Derivatives and evaluate the creditworthiness of Robinhood prior to entering into the transaction.

Direct costs and associated expenses of transactions

You may incur costs when carrying out transactions involving financial instruments. For more details, please refer to our fee schedule here. The most common direct costs for US Share Derivatives are:

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

4.2. Perpetuals

What are perpetual futures contracts (or Perpetuals)?

Futures contracts are a type of derivative contract that creates an obligation between a seller and buyer for the sale of an asset for a set price at a fixed date in the future, regardless of the market value of the asset on that date. A perpetual futures contract, or Perpetual, 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 types of perpetual futures contracts (or Perpetuals) are offered by Robinhood?

Robinhood offers a range of perpetual futures contracts with different types of underlying assets, such as single shares, exchange-traded funds, foreign exchange (forex) instruments, commodities and cryptoassets, as well as other assets or indices. The perpetuals offered by Robinhood refer to the underlying assets identified in the Key Information Document here.

Risks inherent in perpetual futures 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 Perpetuals trading include the following:

Risk type	Description
Trading with leverage	Perpetuals are derivative financial instruments which can carry a high degree of risk, as they often involve leverage, meaning even a small change in the price of the underlying instrument can result in a much larger change in the price of the derivative or the value of the investor's open position, either in the investor’s favour or against it. If the investor's trading direction is opposite to 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. In the event of a loss, if investors fail to provide additional funds as collateral, investor funds that have been designated as collateral may be used to cover losses. This risk applies to all Perpetuals regardless of the type of underlying asset they are referencing, including shares, ETFs, foreign exchange instruments, commodities, cryptoassets and indices.

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. For underlying assets traded only during specified market hours (e.g. shares or ETFs), price movements may occur outside such hours and be reflected in the price of the Perpetual once the underlying market reopens, potentially resulting in sudden price fluctuations.
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 their open position. If additional margin is not provided, the position may be liquidated, resulting in losses for the investor. Such changes may occur rapidly across all asset classes, including during periods when the underlying market is closed but the Perpetual continues to trade.
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 the event that the position is liquidated, 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 socialisation of losses. Under certain market conditions, particularly due to the high degree of market volatility and the 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 positions’ risk. 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. This risk may be heightened for Perpetuals referencing underlying assets with limited trading hours, where price gaps may occur between trading sessions.
Socialisation of losses	Investors who trade with profits 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 a 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 realised.
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 trading platforms, as well as potential errors in index calculations, may affect the profit, loss, margins and settlement of trades on derivatives trading platforms. 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 values used may differ significantly from other publicly available values for the prices of the underlying instruments. 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 could 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 stop trading in the derivative for any reason. This may occur in relation to Perpetuals referencing all types of underlying assets, including shares, ETFs, foreign exchange instruments, commodities, cryptoassets and indices. Furthermore, if you are trading Perpetuals where the underlying asset is a cryptoasset, please note that Robinhood does not own or control the underlying protocol or technology that governs the operation of the cryptoasset servings as the underlying instrument. The protocol or technology enabling 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, a cyberattack, 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 cryptoasset and any derivative contract based on the cryptoasset, 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.
Underlying asset-specific risks	Perpetuals may reference a broad range of underlying assets, including shares, exchange-traded funds, foreign exchange (forex) instruments, commodities and cryptoassets, as well as other assets or indices. Each of these asset classes may behave differently in terms of price volatility, liquidity, trading hours, price formation and susceptibility to market events, including differences in trading hours (e.g. continuous trading vs. market hours), which may result in price gaps or discontinuities. Accordingly, the risk profile of a Perpetual depends on the characteristics of its underlying asset, and investors should carefully assess and understand the risks specific to the relevant underlying asset prior to entering into a Perpetual position.

In order to protect clients 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. However, it is important to note that it is impossible to eliminate all trading risks entirely. If any of the above-mentioned risks exceeds your risk tolerance, you should not place orders in Perpetuals.

Execution venue, settlement procedure

Execution venues may halt or suspend trading in Perpetuals. It may be very difficult to close positions in Perpetuals in the case of an illiquid market (in the event that there are few or no buyers and/or sellers in the market). The settlement goes in your account with us; however, we must first settle in an account held in our name at the applicable execution venue.

Direct costs and associated expenses of transactions

You may incur costs when carrying out transactions involving financial instruments. For more details, please refer to our fee schedule here. The most common direct costs for 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 Perpetual contract price close to the price of the underlying asset; and
- Liquidation fees assessed if there is a liquidation event.

4.3 Money Market Fund

What is a Money Market Fund?

A Money Market Fund (MMF) is a fund in which money received from investors is invested in short-term debt securities. The primary objective is to preserve capital while also generating a steady stream of income.

An MMF is generally classified according to the maturity of the underlying securities and the intended behaviour of the Net Asset Value (NAV), which represents the net value of the fund. A short-term MMF invests in debt securities with a maximum maturity of thirteen (13) months and a weighted average maturity of sixty (60) days. A standard MMF invests in debt securities with a maximum maturity of two (2) years and a weighted average maturity of 180 days.

The yield of an MMF depends on the returns generated from the underlying debt securities. The yield is shown as a percentage, assuming an investment horizon of one-year (i.e., estimate of how much value the investment is expected to increase in the coming twelve [12] months).

Risks inherent in Money Market Funds

While an MMF is sometimes considered a low-risk investment, they are not risk-free. The value of the underlying securities can fluctuate, and there is a risk of loss if the issuer of the underlying securities defaults, or if the issuer of the MMF suffers an insolvency event. Additionally, changes in interest rates, in market fluctuations, and in regulatory governance can impact performance.

Execution venue and settlement procedures

By electing to invest your buying power in an MMF, all your buying power within your Robinhood account will be invested, including any fiat amounts that you deposit in your Robinhood account going forward. Your orders for MMF shares (including those generated as part of your standing order) will only be executed on the same day if they are received before the cut-off time of a dealing day. Orders submitted after the dealing cut-off time will be automatically rolled over for execution on the next dealing day. In the event you make a purchase (i.e. buy other financial instruments or cryptoassets available on the Platform) or initiate a withdrawal from your Account, any uninvested funds will be used first before any buying power invested in an MMF.

Interest accrues from the day your buying power is invested in the MMF and paid out monthly. Unless you decide to make a withdrawal from your Account or opt-out of the MMF, any interest earned will be reinvested (i.e., used to purchase additional shares in the MMF). Robinhood, as your agent, purchases shares of the MMF on your behalf; you will not have a direct relationship with the Programme Bank.

Upon placing a sell order, you should have immediate access to your redeemed proceeds shortly afterwards. In the event of unfavourable market conditions, it could take longer. If you choose to opt out of the MMF completely, we shall execute an order on your behalf to sell all shares in your MMF at the valuation of the following dealing day.

Direct costs and associated expenses of transactions

You may incur costs when carrying out transactions involving financial instruments. For more information, please refer to our fee schedule here.

The most common direct costs for MMFs are:
- Fees Robinhood charges on the annual percentage yield (APY);
- Fund level fees from JP Morgan or other third-parties (that are deducted before the APY is calculated); and
- Any relevant foreign exchange fees.