



Important Risk Disclosure – Low Experience

Read Before You Continue

To open a futures and event contract trading account with Robinhood Derivatives, you must review and acknowledge the following risks.

Futures Contracts: Leverage Increases Risk

Futures trading is highly speculative. These are complex financial products and carry a significant risk of loss.

You may:

- Lose all of the money you invest
- You may not be able to meet margin calls with little to no notice or replenish your account if required
- Be affected by sudden market swings or volatility
- You may not be able to afford losses sustained in these markets
- You could face financial hardship from trading activity

Event Contracts: High Risk of Total Loss

Event contracts trading often results in complete loss of investment if your prediction is wrong.

Event contracts are binary trades—you're trading on a specific outcome, such as:

- "Will the Fed raise rates by the next meeting?"
- "Will gold close above \$2,000 today?"

While the maximum loss is limited to your cost, risks include:

- High likelihood of total loss (binary outcomes are all-or-nothing)
- Poor liquidity near expiration, increasing execution risk
- Limited historical data or pricing transparency compared to traditional futures

If you trade event contracts (yes/no positions on market or economic outcomes), your entire investment is at risk:

- These contracts either pay out a fixed amount or nothing

- Many expire worthless, resulting in 100% loss of invested funds
- Trading based on headlines or intuition may increase your losses

No Advice. No Guarantees. No Do-Overs.

Robinhood Derivatives:

- Does not provide investment advice
- Does not guarantee liquidity or order execution
- Reserves the right to liquidate your positions without notice if your margin falls below required levels
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You Should Only Trade If...

- You fully understand how futures and event contracts work
- You are comfortable losing your entire investment
- You can afford to lose the money without affecting your financial stability
- You have reviewed the educational resources provided

Customer Acknowledgment

By checking the box during onboarding, you confirm that:

- You have read and understood this risk disclosure
- You understand that trading futures and event contracts is risky
- You accept that you can lose more than you invest
- You still wish to proceed with opening a derivatives trading account