



# RHSG - Risk Disclosures

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This document is provided by Robinhood Singapore Pte. Ltd. (“**RHSG**”) to you in connection with the services RHSG provides to you pursuant to the Customer Agreement. RHSG is licensed and regulated by the Monetary Authority of Singapore (“**MAS**”) as a capital market services licensee to conduct the regulated activities of (a) dealing in capital markets products that are securities, units in a collective investment scheme, and exchange-traded derivatives contracts; (b) providing custodial services; and (c) product financing.

This document briefly outlines some of the general risks associated with trading as well as specific risks associated with certain investment products, including risk disclosures RHSG is required by the MAS to provide to you as pursuant to the Securities and Futures Act 2001 and its attendant regulations, notices, and guidelines. Please note that:

- The risk disclosures provided in this document or in the Robinhood Disclosure Library do not purport to be exhaustive of all the risks involved in trading through RHSG and/or with respect to the investment products offered on the RHSG trading platform.
- All information herein is for information purposes only and is not a recommendation to buy, sell, or hold any capital markets products or to engage in any investment strategy.

It is important that you are aware of the risks involved when trading through RHSG and you should only enter into any trades or transactions where you fully understand, among others, the: (a) nature and fundamentals of the transaction and the market underlying the transaction; (b) legal terms and conditions of the documentation for such transaction; (c) the extent of the risk which you are exposed as a result of such transaction; (d) the tax and accounting treatment and the accounting treatment of such transaction(which can be complex); (e) regulatory treatment of such transaction; and (f) nature and scope of the relationship between you and RHSG with respect of such transaction. You should not enter into any trades or transactions if you are not comfortable with the accompanying risks.

You further acknowledge and agree that by entering into the Customer Agreement, you are acknowledging that you have read, understood, and agreed to the terms of this Robinhood Singapore Risk Disclosures document.

## **A. GENERAL RISK DISCLOSURES**

### ***Self-directed trading accounts***

All accounts on the RHSG platform are self-directed and you are solely responsible for any and all orders placed in your accounts and understand that all orders entered by you are based on your own investment decisions or the investment decisions of your duly authorised representative or agent. Consequently, you agree that RHSG, its affiliates, or any of their employees, agents, principals or representatives do not:

- provide investment advice in connection with any account you have with RHSG;
- recommend any capital market product, transaction, or order;
- solicit orders;
- acts as a market maker in any capital market product;
- make discretionary trades; or
- produce research.

To the extent research materials or similar information is available through RHSG's platform or that of any of its affiliates, these materials are intended for informational and educational purposes only and they do not constitute a recommendation to enter into any transactions or to engage in any investment strategies. RHSG cannot guarantee the absolute reliability and accuracy of information provided, and you must carefully judge the accuracy of all research materials or similar information provided. RHSG will not take any responsibility for any loss caused by inaccuracy, omission of any content, or your subjective judgment.

### ***General trading risks***

All trading, whether in securities, exchange-traded funds ("ETFs"), options, or other capital markets products, is speculative in nature and involves substantial risk of loss, including the total loss of principal. RHSG believes it is important that every customer understands all of the risks of any form of trading or investing prior to trading or investing real dollars.

The past performance of a security or financial product does not guarantee future results or returns. While diversification may help spread risk it does not assure a profit, or protect against loss. You should consider your investment objectives and risks carefully before investing in any capital markets product. The price of a given capital markets product may increase or decrease based on market conditions and you may lose money, including your original investment.

- **You may lose money trading and investing.** Trading and investing in capital markets products, including securities, is always risky. Prices and values of capital markets products can fluctuate and may fall against your interest. For that reason, you should trade or invest only with money you can afford to lose. Trading shares, ETFs and options involves HIGH RISK, and YOU can LOSE a lot of money. Margin trading involves interest charges and additional risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market. Before using margin, you must determine whether this type of trading strategy is right for you given your specific investment objectives, experience, risk tolerance, and financial situation.
- **Past performance is not necessarily indicative of future results.** All investments carry risk, and all trading decisions of an individual remain the responsibility of that individual. There is no guarantee that systems, indicators, or trading signals will result in profits or that they will not result in losses. All customers are advised to fully understand all risks associated with any kind of trading or investing they choose to do. You should exercise caution and be wary with respect to any advertising, claim, or other statement claiming potential for large profits from trading and investing in capital markets products.
- **Stop orders may reduce but not eliminate trading risk.** A stop market order is an order, placed with a broker, to buy or sell a particular share at the market price if and when the price reaches a specified level. Stop orders are often used by traders in an effort to limit the amount they might lose. If and when the market reaches whatever price you specify, a stop order becomes an order to execute the desired trade at the best price immediately obtainable. There can be no guarantee, however, that it will be possible under all market conditions to execute the order at the price specified. In an active, volatile market, the market price may be declining (or rising) so rapidly that there is no opportunity to liquidate your position at the stop price you have designated. Under these circumstances, the broker's

only obligation is to execute your order at the best price that is available. Therefore, stop orders may reduce, but not eliminate, your trading risk.

- **Electronic trading risks.** When trading and investing on electronic trading systems, there are risks associated with systems, hardware, software, or other components failing, arising from various circumstances such as power outages and programming failures. Access to RHSG’s application and platform may also be delayed, limited, or otherwise unavailable, whether due to periods of higher trading volume, market volatility, or system maintenance and upgrading. Hence, your orders may not be executed at all, delayed, or otherwise executed in a manner not pursuant to your instructions. You should ensure that you have in place alternative arrangements for trading in such events.
- **Liquidity risks.** Market conditions, as well as any restrictions or suspensions of trading on relevant markets, may cause illiquidity by making it impossible or difficult to effect transactions or liquidate your positions.
- **Currency risks.** Where you effect any transactions involving foreign currencies, whether the trade occurs in Singapore or elsewhere, there is a risk that the transaction or relevant investment product will be affected by fluctuations in exchange rates.

### ***Shares, ETFs, and other capital markets products***

Investments always entail some degree of risk. Be aware that:

- Some investments cannot easily be sold or converted to cash. Check to see if there is any penalty or charge if you must sell an investment quickly.
- Investments in shares issued by a company with little or no operating history or published information involves greater risk than investing in a public company with an operating history and extensive public information.
- Shares you own may be subject to tender offers, mergers, reorganizations, or third-party actions that can affect the value of your ownership interest. Pay careful attention to public announcements and information sent to you about such transactions. They involve complex investment decisions. Be sure you fully understand the terms of any offer to exchange or sell your shares before you act. In some cases, such as partial or two-tier tender offers, failure to act can have detrimental effects on your investment.
- There is a risk when buying shares of stock that the value of the stock can fall to zero. On the other hand, the risk of selling stock short can be substantial. “Short selling” means selling stock that the seller does not own, or any sale that is completed by the delivery of a security borrowed by the seller. Short selling is a legitimate trading strategy but assumes that the seller will be able to buy the stock at a more favorable price than the price at which they sold short. If this is not the case, then the seller will be liable for the increase in price of the shorted stock, which could be substantial.

- The laws and regulations of the non-Singapore jurisdictions in which exchanges and markets are located may apply when trading in securities or otherwise effecting transactions on such exchanges and markets; for instance, trading in US-listed securities will be subject to the laws and regulations of the US and the relevant exchange or self-regulatory organization. Please note that the safeguards and protection offered by the local regulatory regime may be different than that in Singapore, including your ability to recover your funds. You may also be subject to additional tax implications, costs, and risks (including currency risks, counterparty risks, and geopolitical risks relevant to the US).
- Investors should consider the investment objectives and unique risk profile of an ETF carefully before investing. ETFs are subject to risks similar to those of other diversified portfolios. Leveraged and inverse ETFs may not be suitable for all investors and may increase exposure to volatility through the use of leverage, short sales of securities, derivatives and other complex investment strategies. Although ETFs are designed to provide investment results that generally correspond to the performance of their respective underlying indices, they may not be able to exactly replicate the performance of the indices because of expenses and other factors. A prospectus contains this and other information about the ETF and should be read carefully before investing. Customers should obtain prospectuses from RHSG, issuers and/or their third party agents who distribute and make prospectuses available for review. ETFs are required to distribute portfolio gains to shareholders at year end. These gains may be generated by portfolio rebalancing or the need to meet diversification requirements. ETF trading will also generate tax consequences. For further information on ETFs and other exchange-traded products, please refer to the Robinhood [Disclosure Library](#).
- Unlike stocks, which represent ownership in a single company, closed-end funds (“CEFs”) pool investor money to buy a diversified portfolio of securities, such as stocks, bonds, or derivatives. CEFs involve unique risks. Unlike ETFs, CEFs trade on exchanges at market prices that may be higher (“**premium**”) or lower (“**discount**”) than their net asset value (“NAV”). The market price of a CEF is influenced by investor sentiment, supply and demand, and broader market conditions. Persistent discounts or premiums can increase volatility and impact realised returns.
  - Many CEFs employ structural or portfolio leverage, or other complex investment techniques, to enhance income or returns. Leverage magnifies both gains and losses, which increases exposure to volatility and may result in substantial losses. Borrowing costs and leverage maintenance requirements can also reduce overall performance.
  - Some CEFs invest in less liquid or specialised asset classes, such as municipal bonds, loans, or alternative strategies, which may increase credit, interest rate, and liquidity risks.
  - CEFs distribute income and realised capital gains, and these distributions may include a return of capital, which can reduce the fund’s NAV. Distributions and trading activity may also create taxable events, even when reinvested.

You should review a CEF’s prospectus and financial statements to understand its investment strategy, distribution policy, use of leverage, and related tax implications before investing. Additional regulatory guidance on CEFs can be found at the US Securities and Exchange Commission (“SEC”) website and at the FINRA website.

- American Depositary Receipts (“**ADRs**”) are securities listed on US exchanges and over-the-counter markets that represent ownership of shares in foreign companies. Investing in ADRs involve market, liquidity, foreign exchange, country, and company-specific risks, including but not limited to the following:
  - if the currency in the issuing company’s country drops relative to the US dollar, that can bring down the value of your investment. For instance, if the issuing company’s country is experiencing rising inflation, that can lower the value of their currency as against the US dollar;
  - regime changes in the issuing company’s country can negatively impact the exchange rate or destabilise the company in some other way, and non-local investors often don’t have as much context on how these factors can affect their investment;
  - not all non-US companies provide shareholders with the same type of information that American companies do, and language barriers can make it difficult to access the information that’s available; and
  - occasionally, the US bank responsible for custody of the shares will terminate the ADR while the underlying foreign stock is still active.

You should consider whether ADRs are suitable for you.

- Investing in low-priced securities – sometimes referred to as “penny stocks” – is speculative and involves considerable risk, including a higher degree of risk of losing money than other securities. Low-priced securities often exhibit high price volatility and erratic market movements and there may be a big difference between the buying price and the selling price of the securities. If they have to be sold immediately, the amount received may be much less than the amount paid for them. The price may change quickly and it may go down as well as up and it may be more difficult to buy and sell securities that are penny stocks. Often, when investors buy or sell these securities, they significantly affect the quoted price. In some cases, the liquidation of a position in a low-priced security may not be possible within a reasonable period. It may be difficult to properly value an investment in a low-priced security. Reliable information regarding issuers of low-priced securities, their prospects, or the risks associated with investing in such securities may not be available. Certain issuers of low-priced securities have no obligation to provide information to investors. Some issuers register securities with the SEC and may provide regular reports to investors. Others, however, may not be required to maintain such registration or provide such reports. Securities may continue to be traded if issuers are delinquent in their reporting obligation to the SEC or other federal or state regulatory agencies. Penny stocks have not been approved or disapproved by the SEC. The SEC has not passed upon the fairness, the merits, the accuracy or adequacy of the information contained in any prospectus or any other information provided by an issuer or a broker or a dealer of penny stocks. Trading low-priced securities is subject to significant risks and increased regulatory requirements and oversight.

Please also refer to the Robinhood Disclosure Library for more information and further disclosures applicable to the investment products that you can trade on the RHSG platform.

## ***Margin***

When you purchase certain capital markets products, you may pay for them in full or you may borrow part of the purchase price from RHSG. If you choose to borrow funds from RHSG, you will need to do so through a margin account or margin investment account with RHSG. The capital markets products purchased will also be taken as collateral for the loan to you. If these capital markets products in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, we can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts, in order to maintain the required equity in the account.

Accordingly, margin investing involves interest charges and risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market. Before using margin, customers must determine whether this type of trading strategy is right for them given their specific investment objectives, experience, risk tolerance, and financial situation.

For more information and further disclosures, please review the RHSG Customer Agreement, Margin Investment Account Agreement, RHSG Margin Disclosure Statement and other relevant disclosures in the Robinhood Disclosure Library. These disclosures contain information on RHSG's lending policies, interest charges, and the risks associated with margin accounts and margin investing accounts. In addition, RHSG may impose additional requirements and certain customers may not be eligible to use margin based on RHSG's internal guidelines.

## ***Options***

Options trading entails significant risk and is not appropriate for all investors. Options transactions are often complex and may involve the potential of losing your entire investment. You should consider your investment objectives and risks carefully before investing in options. To learn more about the risks associated with options, please read the Characteristics and Risks of Standardized Options before you begin trading options. Supporting documentation for any claims, if applicable, will be furnished upon request.

## ***Extended trading hours***

On the RHSG platform, you will be able to invest 24/5, rather than the traditional U.S. market hours of 9:30am ET to 4pm ET. There are additional, unique risks with trading outside of regular market hours you should be aware of before making an investment decision, including the risk of lower liquidity, increased volatility, greater spreads, and pricing uncertainty, and may not be suitable for all investors. Please review the Extended Hours Trading Disclosure for more information concerning these risks.

## ***Commission-free trading***

Commission-free trading refers to SGD 0 commissions on buying or selling U.S.-listed securities and ADRs via RHSG's platform using various order types (market orders, limit orders, stop orders, trailing stop orders and stop limit orders). Keep in mind that other non-commission fees may nonetheless apply. Please refer to the RHSG Fee Schedule for more information.

## ***Fractional trading***

Any fractional shares in your Robinhood account(s) are illiquid outside of Robinhood and not transferable. Not all investments on Robinhood are eligible for fractional share orders. For a complete explanation of conditions, restrictions and limitations associated with fractional shares, review our Customer Agreement.

### ***Third-party information***

Certain fundamental, market data, and other information is provided by one or more third party market data providers. Any such information may be proprietary to the relevant third-party data provider and is provided solely for informational purposes, and it is for personal, non-commercial use and may not be copied or distributed. Past performance is no guarantee of future results. The provision of any such information does not constitute investment advice or a recommendation of any capital markets product, transaction, account type, investment strategy, or order. RHSG does not make any warranty or guarantee relating to the accuracy, timeliness or completeness of any third-party information. For further information and market data terms, please review our Customer Agreement and related disclosures available in our Disclosure Library.

### ***Stock Lending Income Programme***

RHSG's Stock Lending Income Programme gives you, if you choose to opt in, the opportunity to earn extra income on securities you already own by borrowing the securities from you and then lending the securities to its affiliate, Robinhood Securities LLC, which may in turn lend the securities as principal to a third party borrower. As a result, you may receive extra income on the securities loaned. Lending of your securities comes with various risks, including among others, losing the right to vote or provide any consent or any similar action with respect to loaned securities, or the third-party borrower defaulting on its obligations and failing to return the loaned securities, whether in a timely manner or at all. For more information, please refer to the Fully Paid Securities Lending Agreement and Fully Paid Securities Lending Risk Disclosure Statement.

### ***Futures***

Futures trading is highly speculative and are complex financial products with carry a significant risk of loss. You may sustain a total loss of the funds that you deposit with your RHSG to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by RHSG to deposit a substantial amount of additional margin funds, on short notice, to maintain your position. If you do not provide the required funds within the time required by RHSG, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account. You should carefully consider if trading in futures products is appropriate for you considering your circumstances and financial resources.

You should only trade if you: (a) fully understand how futures work; (b) are comfortable losing your entire investment; (c) can afford to lose the money without affecting your financial stability; and have reviewed the educational resources provided. Please read the Futures Risk Disclosure Statement, Low Experience Risk Disclosure, and Low Income Risk Disclosure prior to trading futures products.

Futures trading and options on futures trading are made via Robinhood Derivatives, LLC ("**RHD**"), a registered futures commission merchant with the Commodity Futures Trading Commission ("**CFTC**") and Member of National Futures Association ("**NFA**") (NFA ID 0424278).

## **B. RISK WARNING STATEMENT FOR OVERSEAS-LISTED INVESTMENT PRODUCTS**

### **OVERSEAS-LISTED INVESTMENT PRODUCTS**

#### **RISK WARNING**

An overseas-listed investment product\* is subject to the laws and regulations of the jurisdiction it is listed in. Before you trade in an overseas-listed investment product or authorise someone else to trade for you, you should be aware of:

- **The level of investor protection and safeguards that you are afforded in the relevant foreign jurisdiction as the overseas-listed investment product would operate under a different regulatory regime.**
- **The differences between the legal systems in the foreign jurisdiction and Singapore that may affect your ability to recover your funds.**
- **The tax implications, currency risks, and additional transaction costs that you may have to incur.**
- **The counterparty and correspondent broker risks that you are exposed to.**
- **The political, economic and social developments that influence the overseas markets you are investing in.**

These and other risks may affect the value of your investment. You should not invest in the product if you do not understand or are not comfortable with such risks.

\*An “**overseas-listed investment product**” in this statement refers to a capital markets products that is approved in-principle for listing and quotation only on, or listed for quotation or quoted only on, one or more overseas exchanges.

1. This statement is provided to you in accordance with paragraph 29D of the Notice on the Sale of Investment Products SFA04-N12.
2. This statement does not disclose all the risks and other significant aspects of trading in an overseas-listed investment product. You should undertake such transactions only if you understand and are comfortable with the extent of your exposure to the risks.
3. You should carefully consider whether such trading is suitable for you in light of your experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for you, you should be aware of the following:

### Differences in Regulatory Regimes

- (a) Overseas markets may be subject to different regulations, and may operate differently from approved exchanges in Singapore. For example, there may be different rules providing for the safekeeping of securities and monies held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of your investment products or monies held overseas. There is also the risk of your investment products or monies not being protected if the custodian has credit problems or fails. Overseas markets may also have different periods for clearing and settling transactions. These may affect the information available to you regarding transaction prices and the time you have to settle your trade on such overseas markets.
- (b) Overseas markets may be subject to rules which may offer different investor protection as compared to Singapore. Before you start to trade, you should be fully aware of the types of redress available to you in Singapore and other relevant jurisdictions, if any.
- (c) Overseas-listed investment products may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on an approved exchange in Singapore. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.

### Differences in Legal Systems

- (a) In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.
- (b) The MAS will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions will be effected.
- (c) The laws of some jurisdictions may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest arising from investment in such countries. Therefore, there is no guarantee that the funds you have invested and the funds arising from your investment will be capable of being remitted.
- (d) Some jurisdictions may also restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the overseas-listed investment products that you invest in.

### Different costs involved

- (a) There may be tax implications of investing in an overseas-listed investment product. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Singapore, or in both countries.
- (b) Your investment return on foreign currency-denominated investment products will be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency or may be affected by exchange controls.
- (c) You may have to pay additional costs such as fees and broker's commissions for transactions in overseas exchanges. In some jurisdictions, you may also have to pay a premium to trade certain listed investment products. Therefore, before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

### Counterparty and correspondent broker risks

Transactions on overseas exchanges or overseas markets are generally effected by your Singapore broker through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon your instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your monies and assets held overseas.

### Political, Economic and Social Developments

Overseas markets are influenced by the political, economic and social developments in the foreign jurisdiction, which may be uncertain and may increase the risk of investing in overseas-listed investment products.