Digital Asset Futures Risk Disclosure Statement

PLEASE READ CAREFULLY BEFORE TRADING

Trading in digital asset derivatives, including perpetual futures contracts, carries a high level of risk and is not suitable for all investors. These instruments are complex, operate on a continuous 24/7 basis, and often involve high leverage, auto-liquidation, and non-traditional venues with limited investor protections. You should not trade unless you fully understand the risks and have determined that such trading is appropriate based on your financial situation and risk tolerance.

You should consult your licensed financial professional before trading Digital Asset Futures, or if you have any questions or concerns, or want further information about trading Digital Asset Futures.

24/7 Trading & Market Volatility

Digital asset markets operate continuously—including nights, weekends, and holidays. This structure exposes your positions to constant market risk, including but not limited to:

- Price gapping during low-liquidity hours;
- Flash crashes or volatility spikes during off-hours;
- Limited ability to respond to margin calls due to banking constraints or time zone differences.

Margin Requirements & Auto-Liquidation

These products require continuous margin maintenance. If your equity falls below the required margin threshold, the platform may automatically liquidate your position, regardless of market conditions. Please note:

- Auto-liquidation is automatic and may occur without notice.
- You may receive less favorable prices during illiquid periods.
- You bear the full risk of any losses resulting from such liquidations.

Auto-liquidation is implemented to:

- Preserve the integrity of your margin account;
- Limit your potential losses;
- Protect the broker-dealer and exchange from broader systemic contagion.

However, during market stress, liquidation activity may increase volatility, widen spreads, and degrade pricing for all participants.

Leverage Risk

Perpetual futures use leverage, which amplifies both gains and losses. Small price movements may result in significant loss of capital, especially if using high leverage ratios (e.g., 10x or higher). You may lose more than your initial investment. **Please carefully review the AstraBit Margin Disclosure Statement before trading Digital Asset Futures products with margin or leverage**.

Funding Payments

Unlike traditional futures, perpetual futures do not expire. Instead, funding rates are paid between long and short positions. These rates:

- Are variable and can change frequently;
- May increase your cost of holding a position;
- Can reduce profitability over time.

Regulatory Limitations

Many digital asset derivative products are traded on platforms or venues that:

- Are not registered with the SEC, CFTC, or FINRA;
- May be based offshore or decentralized (DeFi);
- May not be subject to U.S. regulatory standards or oversight.

As such, these products may lack the protections, disclosures, and transparency typical in U.S. capital markets.

No SIPC, FDIC, or Federal Insurance

Unless specifically stated:

- Your assets are not insured by the FDIC;
- Your positions are not protected by SIPC;
- There are no guarantees against platform default, hacking, or cyber incidents.

Your Responsibilities

You are responsible for:

- Maintaining margin levels at all times;
- Monitoring your positions, even during non-business hours;
- Understanding the terms, risks, and mechanics of all products you trade;

- Keeping sufficient collateral either directly on your chosen Digital Asset Exchange or in blockchain-native form, especially when fiat transfer systems are unavailable.

Seek Professional Advice

These products are highly complex and may not be suitable for all investors. AstraBit and its Affilliates do NOT provide legal, tax, or investment advice. Before trading, AstraBit strongly encourages you to:

- Consult a qualified financial advisor regarding suitability;
- Consult a legal advisor for jurisdictional and custodial risks;
- Consult a tax professional to understand your tax obligations.

Acknowledgment

By trading digital asset derivatives on this platform, you:

- Acknowledge and accept all risks disclosed herein;
- Waive any claims arising from risks reasonably disclosed;
- Agree to monitor your account continuously and maintain sufficient margin at all times;
- Confirm that you have received, read, and understood this disclosure.

IMPORTANT: Trading in Digital Assets and crypto is speculative and involves a high degree of risk, and is suitable only for people who can bear any possible substantial losses. You should carefully review the section of the ASTRABIT User Agreement entitled "Certain Risks Relating to Digital Assets and crypto" and consider such risks in their entirety prior to purchasing any ASTRABIT software or products.