

Simulated Futures Evaluation Program

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IMPORTANT NOTICE

THIS RISK DISCLOSURE STATEMENT APPLIES TO THE GENONE SIMULATED FUTURES EVALUATION PROGRAM. ALL TRADING ACTIVITY WITHIN THE EVALUATION PROGRAM IS CONDUCTED USING SIMULATED CAPITAL IN A VIRTUAL ENVIRONMENT. NO REAL FUNDS ARE INVESTED OR PLACED AT RISK IN ANY FINANCIAL MARKET ON BEHALF OF EVALUATION PARTICIPANTS. HOWEVER, PARTICIPANTS SHOULD UNDERSTAND THE RISKS ASSOCIATED WITH THE EVALUATION PROCESS ITSELF, WITH SIMULATED TRADING ENVIRONMENTS, AND WITH ANY SUBSEQUENT LIVE TRADING CONDUCTED AS PART OF A FUNDED ACCOUNT PROGRAM.

TABLE OF CONTENTS

1. Introduction and Scope
 2. Nature of Simulated Trading — Critical Distinctions
 3. Evaluation Fee Risk
 4. Simulated Environment Limitations
 5. Transition from Simulated to Live Trading
 6. Funded Account Risk — Live Market Exposure
 7. Technology and Platform Risk
 8. Regulatory and Legal Considerations
 9. Tax Considerations
 10. No Investment Advice
 11. User Acknowledgment
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SECTION 1

Introduction and Scope

This Risk Disclosure Statement ("Disclosure") is issued by GenOne Futures LLC ("GenOne") and applies to all persons who access, register with, or participate in any GenOne Evaluation Program or Funded Account Program (collectively, the "Program").

This Disclosure identifies material risks associated with the GenOne Program. It does not purport to disclose every possible risk. Participants should read this Disclosure carefully and in conjunction with GenOne's Terms and Conditions and Privacy Policy.

SECTION 2

Nature of Simulated Trading — Critical Distinctions

IMPORTANT: Simulated trading performance is not indicative of future results in live markets. Participants who perform successfully in the Evaluation Program may not achieve equivalent results when trading live funded capital.

GENONE'S EVALUATION PROGRAM IS CONDUCTED ENTIRELY IN A SIMULATED TRADING ENVIRONMENT. PARTICIPANTS TRADE USING SIMULATED CAPITAL — VIRTUAL, NOTIONAL ACCOUNT BALANCES THAT DO NOT REPRESENT REAL FUNDS AND ARE NOT INVESTED IN ANY FINANCIAL MARKET. THE FOLLOWING CRITICAL DISTINCTIONS MUST BE UNDERSTOOD BEFORE PARTICIPATION:

- (a) **No Real Capital at Risk in Markets:** Participant Evaluation Fees are not invested, deposited, or placed in financial markets. No real money trades on a Participant's behalf during the Evaluation Program. Simulated profits and losses have no direct monetary value during the Evaluation
- (b) **Simulated vs. Live Performance:** Simulated trading results differ materially from live trading results. Simulated environments do not replicate the full complexity of live markets, including real liquidity constraints, true market impact, order book depth, partial fills, and the psychological effects of trading with real money at risk
- (c) **No Guarantee of Correlation:** Strong Evaluation performance does not guarantee equivalent performance in live funded trading. Trading with real capital introduces psychological, behavioral, and market dynamic factors not present in a

simulated environment

- (d) **Historical Simulated Data Limitations:** Any historical simulated performance data presented on the Platform is subject to survivorship bias, hindsight bias, and other methodological limitations inherent in backtested and simulated systems. Such data is provided for illustrative purposes only and is not indicative of future performance
- (e) **No Broker-Dealer Relationship:** GenOne does not act as a broker-dealer, FCM, investment adviser, or fiduciary. GenOne does not execute trades in financial markets on behalf of Evaluation Participants

SECTION 3

Evaluation Fee Risk

Participation in the Evaluation Program requires payment of a non-refundable Evaluation Fee as set forth in the applicable fee schedule. Participants acknowledge and accept the following risks associated with the Evaluation Fee:

- (a) **Non-Refundability:** The Evaluation Fee is non-refundable in most circumstances. Participants who fail to meet Evaluation objectives, violate Program Rules, or are disqualified for any reason will not receive a refund of the Evaluation Fee except as expressly set forth in the published Refund Policy
- (b) **No Guarantee of Funding:** Payment of the Evaluation Fee and successful completion of the Evaluation Program do not guarantee access to a Funded Account. GenOne retains sole discretion over all funding decisions
- (c) **Repeat Fees:** Participants who fail an Evaluation and wish to re-attempt must pay the applicable Evaluation Fee again. There is no limit on the number of times a Participant may fail an Evaluation, and cumulative fees may be substantial
- (d) **No Monetary Value of Simulated Profits:** Simulated profits generated during the Evaluation Program have no monetary value and are not payable to Participants. Only confirmed profit distributions under an executed Funded Account Agreement constitute actual monetary entitlements

SECTION 4

Simulated Environment Limitations

The simulated trading environment provided through the Platform is designed to approximate real futures market conditions. However, all simulated environments have inherent limitations that may cause the evaluation experience to differ from live market trading:

- (a) **Data Feed Limitations:** Market data feeds used in the simulated environment may experience delays, gaps, or discrepancies relative to real-time live market data
- (b) **Fill Quality:** Simulated order fills are executed at stated prices or simulated prices that may differ from fills achievable in live markets due to actual bid-ask spreads, market impact, and available liquidity
- (c) **No Real Slippage:** Simulated environments may not fully replicate real-market slippage, particularly during periods of high volatility or low liquidity
- (d) **Platform Downtime:** Platform outages, maintenance periods, or technical failures may affect the Participant's ability to trade during the Evaluation Period and may not result in an extension of the Evaluation timeframe
- (e) **Rule Parameters:** Evaluation profit targets, drawdown limits, and time constraints are artificial constructs designed for assessment purposes. They do not reflect the risk parameters of any specific live trading program

SECTION 5

Transition from Simulated to Live Trading

Participants who successfully complete the Evaluation Program and are offered a Funded Account should be aware of the following significant risks associated with the transition from simulated to live trading:

- (a) **Psychological Adjustment:** Trading with real capital — even capital belonging to GenOne — introduces psychological factors including loss aversion, fear, greed, and performance anxiety that are absent from simulated trading. These factors can materially affect trading behavior and performance
- (b) **Live Market Conditions:** Live markets exhibit behaviors, liquidity profiles, and price action that may differ from simulated market conditions, particularly during periods of market stress, low volume, or significant news events
- (c) **Technology Dependence:** Live trading is dependent on the reliability of real brokerage infrastructure, live data feeds, and execution systems, each of which is subject to failure
- (d) **Regulatory Environment:** Live futures trading occurs within a regulated environment subject to CFTC, NFA, and exchange rules that do not apply to simulated evaluation trading
- (e) **No Guarantee of Funded Success:** Prior Evaluation success does not guarantee success in Funded Account trading. A Funded Account may be terminated at any time for failure to comply with applicable risk management rules

SECTION 6

Funded Account Risk — Live Market Exposure

Funded Account participants trade live financial markets. Market losses can result in account termination. There is no guarantee of income or profit from Funded Account participation.

If a Participant is offered and accepts a Funded Account, they will trade GenOne's proprietary capital in live financial markets. The following risks apply specifically to Funded Account participants:

FUNDED ACCOUNT PARTICIPANTS ARE TRADING LIVE FINANCIAL MARKETS WITH REAL CAPITAL BELONGING TO GENONE. WHILE THE PARTICIPANT DOES NOT RISK THEIR OWN PERSONAL FUNDS BEYOND THE EVALUATION FEE ALREADY PAID, THE FOLLOWING MATERIAL RISKS EXIST:

- (a) **Account Termination Risk:** A Funded Account may be terminated without notice if the Participant breaches any applicable drawdown limit, risk rule, or Program requirement. Termination results in the cessation of all profit-sharing arrangements and the loss of funded account access
- (b) **Market Risk:** All standard market risks apply to Funded Account trading, including price risk, volatility risk, gap risk, and systemic market risk. Adverse market conditions can result in the rapid accumulation of losses that trigger account termination thresholds
- (c) **Leverage Risk:** Futures contracts are inherently leveraged instruments. Adverse price movements, even of small magnitude, can result in substantial losses relative to the notional value of positions
- (d) **Liquidity Risk:** Funded Accounts are subject to real liquidity constraints not present in the simulated environment, which may affect order execution quality and the ability to exit positions at desired prices
- (e) **Profit Share Contingency:** Profit share distributions are contingent on the generation of net profits after applicable fees and on compliance with all Program Rules. There is no guarantee that any profit distribution will be earned
- (f) **Revocation of Funding:** GenOne reserves the right to revoke or modify Funded Account terms at any time, for any reason, including changes in GenOne's risk appetite, business conditions, or regulatory environment

SECTION 7

Technology and Platform Risk

The GenOne Platform is a technology-dependent service subject to the following risks:

- (a) **Platform Outages:** Unplanned downtime, scheduled maintenance, or infrastructure failures may prevent access to the Platform during the Evaluation Period or during Funded Account trading
- (b) **Data Errors:** Inaccurate, delayed, or unavailable market data may affect the simulated trading experience and Evaluation assessment
- (c) **Software Defects:** Software bugs or errors may affect Platform functionality, including order entry, position tracking, and performance calculation
- (d) **Cybersecurity Threats:** The Platform is subject to cybersecurity risks including unauthorized account access, phishing, and data breaches. Participants are responsible for maintaining the security of their login credentials
- (e) **Third-Party Dependencies:** The Platform relies on third-party data providers, cloud infrastructure, and technology vendors, each of which is subject to its own operational risks

SECTION 8

Regulatory and Legal Considerations

Participants should be aware of the following regulatory and legal considerations in connection with the GenOne Program:

- (a) **Not a Regulated Financial Service:** The GenOne Evaluation Program is a simulated trading assessment service, not a regulated financial product. GenOne is not registered as a broker-dealer, FCM, investment adviser, or commodity pool operator in connection with the Evaluation Program
- (b) **Jurisdictional Variations:** Participation in simulated trading programs and funded account arrangements may be subject to local laws or regulations that vary by jurisdiction. Participants are solely responsible for ensuring that their participation complies with all applicable laws in their jurisdiction
- (c) **Tax Obligations:** Profit share distributions received from a Funded Account may constitute taxable income under applicable law. See Section 9 for further details
- (d) **No CFTC or NFA Oversight of Evaluation:** The Evaluation Program, as a simulated assessment service, is not subject to direct CFTC or NFA oversight. However, live futures trading conducted through a Funded Account occurs within the regulated futures markets

SECTION 9

Tax Considerations

Participants who receive profit share distributions from a Funded Account may be subject to significant tax obligations, including ordinary income tax, self-employment tax, and applicable state and local taxes. The tax treatment of prop trading profit distributions is complex, fact-specific, and subject to change.

GenOne does not provide tax advice of any kind. Participants are strongly encouraged to consult a qualified tax professional before enrolling in any Funded Account Program. GenOne shall bear no liability for any tax obligations arising from participation in the Evaluation Program or any Funded Account.

SECTION 10

No Investment Advice

NOTHING ON THE GENONE PLATFORM CONSTITUTES INVESTMENT ADVICE, FINANCIAL ADVICE, TRADING ADVICE, OR ANY RECOMMENDATION TO BUY, SELL, OR HOLD ANY FINANCIAL INSTRUMENT. GENONE DOES NOT ACT AS AN INVESTMENT ADVISER, BROKER-DEALER, COMMODITY TRADING ADVISER, OR FIDUCIARY OF ANY KIND.

All educational content, tools, simulated performance data, and platform features are provided for assessment and informational purposes only. Simulated trading results are not indicative of future live trading results. Participants are solely responsible for their own trading decisions and for seeking independent financial, legal, and tax advice.

SECTION 11

User Acknowledgment

By accessing or using the GenOne Platform, you acknowledge and agree to each of the following:

- (a) You have read, understood, and accepted this Risk Disclosure Statement in its entirety
- (b) You understand that the Evaluation Program involves simulated trading with virtual capital and that no real funds are invested in financial markets on your behalf during the Evaluation
- (c) You understand that the Evaluation Fee is non-refundable in most circumstances and that payment of the Evaluation Fee does not guarantee access to a Funded Account or any financial return
- (d) You understand that simulated trading results are not indicative of future live trading results, and that live funded trading involves real financial risk
- (e) You have had the opportunity to consult, and have either obtained or voluntarily declined to seek, independent financial, legal, and tax advice
- (f) You accept full responsibility for your trading decisions made during the Evaluation Program and, if applicable, during any Funded Account trading
- (g) You understand that GenOne may terminate your Account or Funded Account at any time for violation of applicable Program Rules or risk limits

END OF RISK DISCLOSURE STATEMENT — GENONE FUTURES LLC

This document is provided for informational purposes and does not constitute legal or financial advice.