



Webull Event Contract Additional Risk Disclosure

Important Notice: This document is an additional risk disclosure document that is being provided to you, in accordance with the requirements set forth by the National Futures Association (NFA) Rule 2-30. This document supplements, and should be read together with, Webull's Risk Disclosure for Event Contract Trading. Please read both documents carefully before proceeding with the application for an Event Contract trading account.

Webull Futures LLC ("Webull," "we," "us," or "our"), a Futures Commission Merchant registered with the Commodity Futures Trading Commission ("CFTC") and member of the National Futures Association ("NFA"), facilitates customer trading in event contracts ("Event Contracts") listed on CFTC-regulated designated contract markets and cleared through CFTC-registered derivatives clearing organizations, as applicable. Event Contracts reference the outcome of a defined question regarding a particular topic, event, or trend and are subject to the terms of the applicable contract and exchange.

Relationship to the Risk Disclosure for Event Contract Trading

This Additional Risk Disclosure supplements, and does not replace or repeat in full, [Webull's Risk Disclosure for Event Contract Trading](#) (the "General Risk Disclosure"), which describes the structural risks of Event Contracts, including market risk, liquidity risk, leverage and margin, event outcome uncertainty, regulatory and taxation risk, execution risk, and other matters. This document instead focuses on additional risk factors that can become especially significant under certain heightened-risk conditions in Event Contract trading — for example, as a contract approaches resolution, during periods of extreme volatility, or when trading around high-profile scheduled events. You should read this document together with, and not in place of, the General Risk Disclosure.

Heightened Risk Factors

In addition to the risks described in the General Risk Disclosure, you should specifically consider the following:

1. **Extreme Volatility Approaching Contract Resolution.** As an Event Contract nears its expiration or the underlying event nears resolution, pricing can move quickly and unpredictably, and may move directly to zero or the stated settlement amount once an outcome becomes known or appears highly likely. This volatility can be substantially more pronounced than the volatility disclosed generally for Event Contract pricing, and may leave little or no opportunity to exit a position before it settles against you.
2. **Potential for Rapid, Total Loss in a Short Window.** Because Event Contracts are binary in nature (paying the stated settlement amount or zero), the value of a position can move from a meaningful market price to a total loss within minutes, or even seconds, around key developments such as a news alert, data release, or in-game event. This loss profile can be materially faster than many other listed products, and may not allow time to react before the position is lost.
3. **Elevated Risk Around Scheduled or High-Profile Events.** Certain Event Contracts are tied to elections, central bank announcements, court rulings, sporting events, or weather events with scheduled or anticipated resolution windows. Trading activity and price volatility in these contracts often increase sharply in the hours or minutes leading up to and during the relevant event, which can increase both execution risk and the risk of loss.
4. **Acute Liquidity Deterioration During Periods of Market Stress.** While the General Risk Disclosure addresses liquidity risk generally, liquidity in a specific Event Contract can deteriorate suddenly and severely during periods of heightened volatility, such as immediately before or after the underlying event is resolved.



Bid-ask spreads may widen materially, and you may be unable to close a position at any price, or only at a price substantially worse than the last traded price.

5. Concentration and Position-Sizing Risk. Because outcomes are binary, concentrating a large percentage of your account in one or a small number of Event Contracts can result in the loss of a disproportionate share of your account value if a position resolves against you. Carefully evaluate position sizing relative to your overall account, particularly for Event Contracts tied to a single outcome or event.

6. Compounding Risk from Multiple or Correlated Positions. Holding multiple Event Contracts tied to the same or related underlying events (for example, several contracts tied to different aspects of the same event) can compound your exposure to a single outcome. A single adverse development may cause simultaneous losses across multiple positions, rather than a single, isolated loss.

7. Behavioral and Suitability Considerations. The short-term, binary, all-or-nothing nature of Event Contracts may resemble other forms of speculative activity and may not be suitable for individuals prone to impulsive trading behavior, or who cannot tolerate rapid and total loss of invested funds. You should assess your own risk tolerance, trading discipline, and financial circumstances in addition to, and separate from, any general suitability considerations applicable to your account before trading Event Contracts, particularly around high-profile or emotionally significant events.

8. No Assurance of Order Execution During Heightened Volatility. During the periods of heightened volatility described above, orders (including stop or limit orders, where available) may not execute at the expected price, may execute only in part, or may not execute at all, due to rapid price movement, order queue conditions, or the technological and operational factors described in the General Risk Disclosure.

Exchange and Clearing Organization Risk

Webull Futures LLC may facilitate customer trading in Event Contracts through KalshiEX LLC ("KalshiEX") and North American Derivatives Exchange, Inc. ("Nadex") d/b/a Crypto.com | Derivatives North America ("CDNA"), each of which is registered with the Commodity Futures Trading Commission ("CFTC") as a designated contract market ("DCM").

Applicable transactions may be cleared through Kalshi Klear LLC ("Kalshi Klear"), North American Derivatives Exchange, Inc. ("Nadex") d/b/a Crypto.com | Derivatives North America ("CDNA"), or another applicable derivatives clearing organization ("DCO") registered with the CFTC.

Customers should review the applicable rules, agreements, and risk disclosures of the DCM and DCO through which their Event Contract transactions are executed and cleared, including, as applicable:

[KalshiEX LLC: Kalshi Member Agreement](#)

[Kalshi Klear LLC: Kalshi Klear Self-Clearing Member Agreement](#)

[CDNA: Trading Member Terms of Business](#)

These materials may be amended from time to time. Customers should review the then-current materials applicable to their transactions.

Risk Management

We strongly recommend that you understand and consider implementing risk management strategies before engaging in Event Contract trading, with particular care during the heightened-risk conditions described above. You should only risk what you can afford to lose, given your particular financial circumstances.

Loss of Investment

All investments involve risk, and profits are not guaranteed. Under the heightened-risk conditions described in this document, you may lose some or all of your initial investment, and in certain circumstances, losses may



exceed the amount initially invested. You should consider whether you are financially able to bear these risks before investing.

Acknowledgment

By continuing to trade Event Contracts through the Webull Platform, you acknowledge that you have received, read, and understood this Additional Risk Disclosure together with the Risk Disclosure for Event Contract Trading, and that you accept the heightened risks described herein. This Additional Risk Disclosure does not restate every risk described in the Risk Disclosure for Event Contract Trading and should not be relied upon in isolation; please review both documents in their entirety, along with any other risk disclosures provided by Webull or the applicable exchange or clearing organization, before trading Event Contracts.