

Alta5 Risk Disclosure Statement

Welcome to Alta5. Alta5 is both a platform for executing algorithmic trading algorithms and a place to learn about and share sophisticated investment strategies. Alta5 provides the ability to create, test, and trade algorithms. In addition, Alta5 will allow you to connect directly to your brokerage account to execute your algorithms and trading strategies (this feature not available during our initial beta release). Alta5 is not a broker dealer or investment advisor. Alta5 may assist you in managing your strategies, but does not itself execute any order or trades. Although Alta5 provides a platform for users to share strategies and ideas, we do not give investment advice and strongly suggest you or your advisor fully understand the implications of any strategy that you enter into.

Alta5 is not an investment advisor and is not registered with the U.S. Securities and Exchange Commission or the Financial Industry Regulatory Authority. Further, owners, employees, agents or representatives of Alta5 are not acting as investment advisors and might not be registered with the U.S. Securities and Exchange Commission or the Financial Industry Regulatory.

IMPORTANT NOTICE! No representation is being made that the use of a strategy or any system or trading methodology will generate profits. Past performance is not necessarily indicative of future results. There is substantial risk of loss associated with trading securities and options on equities. Only risk capital should be used to trade. Trading securities is not suitable for everyone. Disclaimer: Futures, Options, and Currency trading all have large potential rewards, but they also have large potential risk. You must be aware of the risks and be willing to accept them in order to invest in these markets. Don't trade with money you can't afford to lose. This website is neither a solicitation nor an offer to Buy/Sell futures, options, or currencies. No representation is being made that any individual, group, or entity will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading system or methodology is not necessarily indicative of future results.

REQUIRED DISCLOSURES

We are required to state and you should know: Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. Furthermore, only risk capital should be used for commodity futures trading due to the high risk of loss involved in commodities trading. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses (and incur account drawdowns) or to adhere to a particular trading program in spite of trading losses are important issues which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program, method or system, which cannot be completely taken into consideration with hypothetical performance results and will affect trading results & your P&L.

This is not a prospectus; no offer on our part with respect to the sale or purchase of any securities is intended or implied, and nothing contained herein is to be construed as a recommendation to take a position in any market. The intent of the Webtrading.com information supplied to INDIVIDUAL is for instructional purposes only. Webtrading.com information supplied to INDIVIDUAL is designed to discuss the market environment, technical analysis, movement of the price action, configuration of indicators, calculation of the measurement of the trading market and to calculate the levels of risk. The idea is that with repetitious exposure to a disciplined approach of this short term trading methodology, INDIVIDUAL can learn to understand the methodology for independent application. The material presented herein has been obtained or derived from sources believed to be accurate, but we do not guarantee its accuracy. There have been no promises, guarantees or warranties suggesting that any trading will result in a profit or will not result in a loss. Results can and will vary between individuals. INDIVIDUAL is responsible to use good judgment when trading. All trading system performance claims are based on comparing hypothetical trading results with other trading systems in the financial market. All historical performance trading system results are not achievable in real trading because slippage and the psychological factors of a trader cannot be accurately accounted for. The "System Performance" records are representative of hypothetical trading results of our trading systems. Reasonable slippage, commission, individual's emotion, levels of discipline and self-control need to apply independently to estimate the actual trading results. All trading involves high risk; past performance is not necessarily indicative of future results.

CFTC Commission Rule 4.41(c)(1) applies to "any publication, distribution or broadcast of any report, letter, circular, memorandum, publication, writing, advertisement or other literature." Commission Rule 4.41(b) prohibits any person from presenting the performance of any simulated or hypothetical futures account or futures interest of a CTA, unless the presentation is accompanied by a disclosure statement. The statement describes the limitations of simulated or hypothetical futures trading as a guide to the performance that a CTA is likely to achieve in actual trading.

Commission Rule 4.41(b)(1)(I) hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown.

The information provided in this website does not constitute a solicitation to invest in any Pool, CTA or Managed Account, included herein. Prior to making an investment in a futures pool or directly with a CTA, one should carefully study the prospectus and/or disclosure document required by the CFTC. This website and our publication is designed to provide readers with accurate and objective information in regard to managed futures investments. It is provided with the understanding the publisher or its editor, is not engaged in rendering legal, financial, brokerage, trading or other professional advice. If legal or other expert assistance is required, the services of a competent professional in the applicable field should be obtained.

PLATFORM RISKS

Using ata5's services present many inherent risks. You should read and fully understand these risks and the risks inherent with any investment strategy, platform, or tool.

The risks that can arise from using Alta5's Site and Services fall into several broad categories:

- 1. Risks inherent in using Internet hosted technology;**
- 2. Risks inherent in creating, testing, and executing trading algorithms;**
- 3. Risk inherent in executing automated trades with an independent brokerage account; and**
- 4. Risks inherent in markets, options, and trading in general.**
- 5. Risks inherent with third party dependencies.**
- 6. Risks associated with malicious acts.**

ANY PERMUTATION OR COMBINATION OF THE OCCURRENCE OF THE POTENTIAL EVENTS THAT DEFINE THE RISKS DESCRIBED IN THIS DISCLOSURE STATEMENTS CAN LEAD TO A TOTAL OR PARTIAL LOSS OF OPERABILITY, RESPONSIVENESS, FUNCTIONALITY, AND FEATURES THAT COULD MATERIALLY AND ADVERSELY AFFECT PERFORMANCE AND RESULTS.

It is your obligation to thoroughly and appropriately test any trading algorithm before you put it in production and to continually monitor the operation of any trading algorithm in production to ensure it is running properly.

Risks inherent in using Internet hosted technology.

Alta5 makes every effort to insure the complete and accurate execution of algorithms, together with the safety and security of the related data and content. That said, no automated system is 100% reliable or secure. Risks include (i) availability of your connection to Alta5's services, including any authentication protocols, your internet connectivity, and that of the hosted location; (ii) the operation of Alta5's software; (iii) the operation of databases and internal transfers of data; (iii) the provision of data feeds, both in terms of the data provided and stability of data connections; (iv) the software and hardware provided by the hosting environment; (v) the stability and integrity of data connections to your broker-dealer; (vi) the execution of orders by you broker-dealer based on automated requests, and the accuracy of responses to these requests; (v) usage loads, bandwidth limitations, and other bottlenecks inherent in all hosted architectures; (vi) issue, disputes, or failures of third party vendors and other dependencies; and (vii) other general risks inherent in machine based operations.

All software is subject to inadvertent programming errors and bugs embedded in the code comprising that software. Bugs arise in the platform code, in the code of the programming language, and in the code of the database or data depository. Any of these errors and bugs can cause the software in which they are located to fail or not work properly. The applications software used to operate Alta5's Site and Services depends is subject to this risk. Despite testing and on-going monitoring and maintenance, inadvertent errors and bugs may still cause a failure in Alta5's applications software.

In an effort to improve the platform and expand its capabilities, Alta5 may introduce new features or services, may reduce or diminish services, may offer more detailed or refined settings or data points, and may make other changes. In any and all cases, and despite every effort to thoroughly test and assure the performance of upgrades and enhancements, these changes may introduce conditions that impact the operation of your algorithms. Further, in the event any such upgrade or enhancement adversely impacts the users of the platform on the whole, Alta5 reserves the right to revert to an earlier state. In any event, platform changes can cause certain functions and features in your algorithms to fail, and require you to change your algorithms and related trading strategies.

You should understand the risk that Alta5's computing and communications infrastructure may fail. We may inadvertently cause a systems failure during planned or unplanned system maintenance. We may undertake software upgrades, either planned or unplanned, that take longer to implement or that causes your computer system or Internet connectivity to fail. We may change or remove functions and features whose change or removal causes your system to fail, function erratically, or function very slowly. Any of the components of your computer system and/or your Internet connectivity could fail entirely, function erratically, or function very slowly. The result of any of these occurrences could make it difficult or impossible for you to access Alta5's site or use Alta5's services.

Your ability to engage in algorithmic trading through Internet based services depends on network connectivity between you, your broker, the other third party service providers, and the applicable markets. Any failures or delays in connectivity could materially and adversely affect your ability to successfully engage in algorithmic trading.

Risks inherent in creating, testing, and executing trading algorithms.

Creating, testing, and running automated trading algorithms is subject to many risks including: (i) risk that the algorithm (i) may not function as you had intended; (ii) may not achieve the desired result; (iii) may not perform or react to market conditions or data as expected; and (iv) may not be appropriate for the market conditions at the time of execution. No matter how well designed and tested an algorithm, the results are not wholly predictable and performance may be subject to numerous unforeseen factors. Past performance is not an indication of future results.

An algorithm may be designed on the basis of an incorrect understanding of: (i) how Alta5's platform works; (ii) how your algorithm works; (iii) the operation of the trading markets for the securities to which your algorithm is addressed; (iv) how the different systems comprising those markets interact; (v) the costs of executing the trades suggested by your algorithm; or (vi) how much market opportunity you can capture with automated trading algorithms.

Your algorithm may contain logical errors in the code you write to implement it or in the code of the model of the market with which you test your algorithm. Errors may exist in the data used for testing your algorithm or the applicable model of the market. Your algorithm might appear to succeed in a testing environment using historical data, but fail when using live data. Your algorithm might appear to succeed with some data sources, but fail when using other data sources, including live data sources. Your algorithm may not achieve the returns you anticipate. There are no guarantees, or even expectations, that can be made about the future behavior of an algorithm.

The execution of an algorithm can itself have an impact on the market, and the model may fail to account for real-life factors that impact the model. An algorithm, may fail to account for execution costs including broker commissions, fees, and trading slippage. Further, your broker may not permit orders or actions that were executed in the model.

A promising model result does not necessarily predict a successful strategy. Execution of the code comprising the algorithm and the performance of that code may prove to be impossible in a live trading environment. Changes in various market factors not foreseen in a model can change, causing a strategy to fail.

Risk inherent in executing automated trades with an independent brokerage account.

Alta5's platform allows you to engage in live trading through an independent broker-dealer based on the trades authorized by running your algorithms. Engaging in live trading subjects you to (a) the risks associated with trading generally, and (b) the risks associated with live algorithmic trading using your broker's electronic interface (API).

Your broker's infrastructure and/or applications program interface (API) to which you connect the system on which you are running your algorithm might fail. In addition, even if your broker's infrastructure and API are working correctly, your broker may reject orders in error or by design, incorrectly execute orders, or induce errors through unexpected behavior (such as returning messages out of sequence, incorrectly acknowledging orders, or posting incorrect execution reports). You should refer to the brokerage agreement between your broker and you for how, if at all, any losses arising from these risks are allocated between your broker and you. Alta5 bears no responsibility for this.

The substance of your orders to buy, sell, correct, or cancel might not be what you desired because of errors in the algorithmic trading system. Such errors could include various incorrect parameters. Even if the substance of your orders is correct, because of errors in your system, your desired orders might not be placed at all or might be placed too early or too late. Delays within and between your system, as well as those of your broker and the market in which you seeking to effect trades, might cause orders, corrections, and cancels to be placed or not placed in ways that are not desired. You may receive incorrect information, or be unable to get information, about your orders, your positions, or market conditions. Incorrect actions may be taken, or correct actions may not be taken, because of inaccurate or missing information. In addition, you may be unable to terminate or edit your algorithm.

THE OCCURRENCE OF ANY OF THE EVENTS ASSOCIATED WITH THESE RISKS, ALONE OR IN COMBINATION WITH ANY OF THE OTHER RISKS DESCRIBED IN THIS DISCLOSURE STATEMENT, COULD RESULT IN THE LOSS OF ALL OF THE MONEY YOU HAVE DEPOSITED IN THE BROKERAGE ACCOUNT YOU USE FOR LIVE TRADING BASED ON THE ALGORITHMS YOU WRITE, TEST, AND RUN. LOSSES CAN HAPPEN MORE QUICKLY WHEN USING ALGORITHMIC TRADING THAN OTHER FORMS OF TRADING. YOU SHOULD DISCUSS WITH AN INVESTMENT PROFESSIONAL THE RISKS OF TRADING IN GENERAL AND ALGORITHMIC TRADING IN PARTICULAR. YOU USE ANY ALGORITHM IN LIVE TRADING AT YOUR OWN RISK AND IT IS YOUR OBLIGATION TO THOROUGHLY AND APPROPRIATELY TEST ANY TRADING ALGORITHM BEFORE YOU PUT IT IN PRODUCTION AND TO CONTINUALLY MONITOR THE OPERATION OF ANY TRADING ALGORITHM IN PRODUCTION TO ENSURE IT IS RUNNING PROPERLY AND IN COMPLIANCE WITH ANY APPLICABLE RULES.

Risks inherent in markets, options, and trading in general.

You may incur losses (or fail to gain profits) while trading securities. You should discuss the risks of trading with your financial advisor. Alta5 provides a tool for administering trading strategies. We do not provide investment, financial, regulatory, tax or legal advice.

The risk of loss in trading commodity futures and options can be substantial. Before trading, you should carefully consider your financial position to determine if futures trading is appropriate. You should realize that when trading futures and/or granting/writing options you can lose the full balance of your account. It is also possible to lose more than the initial deposit when trading futures and/or granting/writing options. All funds committed should be purely risk capital. Past performance may not be indicative of future results.

Your algorithm might suffer from adverse market conditions. Those conditions can include lack of liquidity, and abrupt and unwarranted price swings. Also possible are late market openings, early market closings, market chaos, and mid-day trading pauses, and other such disruptive events. Your broker may experience failures in its infrastructure, fail to execute your orders in a correct or timely fashion, reject your orders, or fail to comply with applicable laws and regulations.

Risks inherent with third party dependencies.

The systems of third parties, your broker, data feeds, or other services may fail or malfunction. Algorithmic trading depends on the availability of various services from third parties in addition to your algorithm services provider and broker. The operations of all these third parties are beyond our reasonable control and a risk associated with using our platform. The systems of these providers could experience failures, errors, and latency, which could result in missing, incorrect, or stale market data. Any failures or delays in the third party data or connectivity services could materially and adversely affect your ability to successfully engage in algorithmic trading

Risks associated with malicious acts.

Malicious and criminal activities might cause your algorithms and strategy to fail or your brokerage account to be compromised. All computers and networks are subject to malicious "hacking" attacks and criminal activities designed to misappropriate intellectual property, compromise personally identifiable information, steal funds, or any combination of such purposes. These attacks might be attacks on a target of opportunity or specifically targeted. Each of the various systems described above that are necessary for you to engage in live algorithmic trading is subject to such attack. Any such attack could cause the system so attacked to function improperly or not at all and could result in the misappropriation of your intellectual property, the compromise of your personally identifiable information and personal financial information, and the theft of your funds.

Updates to the Risk Disclosure Statement.

Alta5 may amend or modify this Risk Disclosure Statement from time to time and at any time. Your continued access of the Site and use of the Services following any such amendment or modification shall be deemed your acceptance of such amendment and modification and the associated risks. You agree to review this Risk Disclosure Statement periodically make yourself aware of such amendments and modifications.

BY USING THE Alta5 PLATFORM, YOU AGREE TO ASSUME THE RISKS OUTLINED ABOVE TOGETHER WITH ANY AND ALL RISK INHERENT IN ANY INVESTMENT STRATEGY. WE STRONGLY ADVISE YOU TO SEE CONSULT WITH A PROFESSIONAL BEFORE ASSUMING RISKS THAT MAY BE INAPPROPRIATE FOR YOUR FINANCIAL POSITION.

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