Institutional Hands - Risk Disclosure

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Please read this document carefully before you connect any account. You accept it during intake in the dashboard by typing your full name. If you do not understand any part of it, do not use the service and contact support@institutionalhands.com first.

1. Summary in plain words

- Trading futures is risky. You can lose your evaluation fee, your activation fee, your reset fees and any funded account.
- Institutional Hands (IH) is not responsible for any trading loss, failed evaluation, closed account or refused payout.
- Our performance figures come from 4 years of backtests. They are hypothetical and are not a promise of future results.
- On average, about 6 out of 10 fresh evaluations reach a first payout in those backtests. About 4 out of 10 fail before any payout.
- Results come in clusters. In a bad period, many accounts can fail in a short time, including all of your accounts at once.

2. What the numbers mean

Our strategies were tested on 4 years of historical market data, applying the rules of the prop firms we support. On average across those tests:

- About 60% of fresh evaluations reached a first payout. About 40% breached (failed) before any payout.
- About 85% of accounts that reached payout 1 also reached payout 2.
- About 85% of accounts that reached payout 2 also reached payout 3, and so on for each next payout.

Because each step is a new chance to fail, the odds go down with every payout. Out of 100 fresh evaluations, on average:

Stage	Accounts still alive (out of 100)
Start (fresh evaluation)	100
Reached payout 1	about 60
Reached payout 2	about 51
Reached payout 3	about 43
Reached payout 4	about 37
Reached payout 5	about 31

So in the long run, most accounts eventually breach. A funded account should be seen as something that produces payouts for a limited time, not as a permanent income.

These are long-run averages over many accounts. They say nothing certain about your own accounts. A single client with a few accounts can do much better or much worse than the average.

3. Example: costs and possible profit

This example uses round numbers for a 50K account. Real costs and payouts differ per prop firm, plan and period.

- An evaluation costs about USD 100.
- A payout request is USD 1,500.
- The prop firm keeps 10% and sends you 90%: USD 1,350.
- IH charges 22% of the USD 1,350 you receive: USD 297.
- You keep USD 1,053 per payout.

The table shows the possible result for 10 evaluations (total cost USD 1,000) at different pass rates. "Pass" means the account reaches a first payout.

Pass rate	Accounts reaching payout 1 (of 10)	Net result if each stops after 1 payout	Net result if each continues up to 5 payouts (85% per step)
10%	1	USD 53	USD 2,905
20%	2	USD 1,106	USD 6,810
30%	3	USD 2,159	USD 10,716
40%	4	USD 3,212	USD 14,621
50%	5	USD 4,265	USD 18,526
60%	6	USD 5,318	USD 22,431
70%	7	USD 6,371	USD 26,336
80%	8	USD 7,424	USD 30,242

How to read this table:

- Net result = payouts you keep (USD 1,053 each) minus USD 1,000 for the 10 evaluations.
- The last column uses the backtest average of 85% from each payout to the next, so on average about 3.7 payouts per account that passes. Figures are rounded.
- 60% is the backtest average. Real pass rates can be lower, especially during a losing cluster (see section 5).
- Below a pass rate of about 10%, you lose money, even with one payout per passed account.
- The figures do not include activation fees, resets, data fees, monthly fees or taxes, and use the full 22% IH fee. The first-payout fee waiver (up to USD 450) would add up to USD 297 per account that reaches payout 1.
- This is an illustration, not a forecast or a promise. You can lose the full cost of all evaluations.

4. Backtests are not real results

Backtested (hypothetical) results have built-in limits:

- They are made with hindsight. No real money was at risk when they were produced.

- They cannot fully include slippage, partial fills, outages, data errors, platform rejections, or changes in prop-firm rules.
- Markets change. A strategy that worked over the past 4 years can stop working, for a short time or for good.
- No statement is made that any account will, or is likely to, achieve results similar to the backtests.

Live results can and will differ from the backtests, sometimes by a lot.

5. Losses come in clusters

Trading is trading. Results depend on market conditions, and profit and loss often come in clusters, not spread out evenly.

- There will be periods where the breach rate is much higher than the 40% average, for example during sudden news, very high volatility, or long choppy markets.
- Several losing days can come in a row.
- Your accounts may trade the same strategy at the same time. If one account has a bad day, your other accounts will often have a bad day too. Having 5 accounts does not spread the risk 5 ways; they can all fail in the same week.
- A good start does not mean the next weeks will be good.

Only use money you can afford to lose completely. Plan for the chance that you lose every evaluation you buy.

6. Costs you carry

- You pay the prop firm directly for evaluations, activations, resets, data and any other firm fees. These costs are yours, whether the account passes or fails.
- IH does not refund, replace or reimburse any prop-firm fee, and does not pay for new evaluations after a breach.
- IH only charges a fee on payouts you actually receive (see the Terms and Conditions). If an account fails, you owe IH nothing for that account, but your prop-firm costs are lost.

7. Prop-firm risks

- The prop firm, not IH, decides whether you pass, whether a payout is approved, and whether an account stays open.
- Prop firms can change their rules, refuse or reduce payouts, ask for verification, or close accounts at their own discretion, including for reasons outside our control.
- Some prop firms limit automated trading, copy trading, trading the same strategy on many accounts, or account access by others. You are responsible for checking and following your prop firm's rules. IH is not liable if a prop firm acts against you.
- IH is not affiliated with Apex, Lucid or any other prop firm unless stated in writing.

8. Technical and execution risks

The service is automated software connected to your account through the Rithmic platform. Things can go wrong:

- Internet, server, Rithmic, broker or exchange outages, delays or disconnects.

- Orders that are rejected, filled at a worse price, partly filled, or filled twice.
- A stop-loss that fills far from its price in a fast market or a gap.
- Software errors or unexpected behaviour.

We use safeguards: every trade has a stop-loss, there is no averaging down, no martingale and no hedging, and positions are closed before the daily close. These reduce risk but do not remove it. Losses caused by technical problems are part of the risk you accept.

9. What you must not do

These actions can cause losses, rule breaches or a failed account. IH is not responsible for the results:

- Trading manually on a connected account, or changing, moving or cancelling orders placed by the software.
- Logging in to Rithmic (for example R Trader Pro or another platform) with the same login while the software is connected. A second session can disconnect the software in the middle of a trade.
- Changing your password, account settings or risk settings without telling us first.
- Connecting the same account to another bot or copy service.

10. No advice

IH provides automated trade-execution software. We are not a broker, financial adviser, fund manager or signal service. Nothing we say or show is investment, financial, tax or legal advice, or a recommendation to buy or sell anything. You decide to use the service at your own risk.

11. Your own situation

You are responsible for:

- Making sure the service is legal where you live.
- Your own taxes on any payouts.
- Deciding how much money you can afford to put into evaluations.

If you are unsure, get independent financial or legal advice before you start.

12. Acceptance

You accept this Risk Disclosure during intake in the IH dashboard, by typing your full name. No paper or PDF signature is needed. We record your name, the date and time, and the version of this document.

By typing my full name during intake, I confirm that:

1. I have read and understood this Risk Disclosure.
2. I understand that trading futures can lead to the loss of all money I spend on evaluations, activations and resets.
3. I understand that the figures (about 60% of fresh evaluations reaching a first payout, and about 85% from each payout to the next) come from 4 years of backtests, are averages, and are not a guarantee.

4. I understand that the cost and profit example is an illustration only, and that my result can be a full loss.
5. I understand that losses can come in clusters, and that all my accounts can fail at the same time.
6. I accept that Institutional Hands is not responsible for any trading loss, failed evaluation, closed account or refused payout.
7. I will not trade manually or log in to Rithmic with the same login while the software is connected.

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