

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
Pump.fun (PUMP)

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**Disclaimer**

*Please note that this risk disclosure is not exhaustive of all risks associated with trading PUMP. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.*

**What is Pump.fun and how does it work?**

Pump.fun is a memecoin project on the Solana blockchain. The project represents the official token of the Pump.fun cryptocurrency launchpad. As a memecoin, the PUMP token's sole utility is social commentary and entertainment. It serves no other purpose within the pump.fun ecosystem.

**Who is behind Pump.fun**

PUMP is the official memecoin of the Pump.fun launchpad, which launched in 2023 by founders Noah Tweeddale, Alon Cohen and Dylan Kerler.

**Tokenomics of PUMP**

PUMP has a total supply of 250 billion tokens. The token distribution is as follows:

Category	Amount
Public Sale	25%
Investors	13%
Ecosystem/Community	30%
Market Makers	2%
Team	30%
<b>Total</b>	<b>100%</b>

## General Risks

Like all other digital assets, there are some general risks to investing in PUMP. These include short history risk, volatility risk, liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken's Risk Statement.

## Risks specific to PUMP

### *Competition*

Pump.fun faces competition from other memecoin projects such as Doge, Shibu Inu, and many others. PUMP value derives from the project's broader adoption in the market. If Pump.fun fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of PUMP.

## Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on PUMP and determined that PUMP is unlikely to be a security or derivative under UK securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of PUMP, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created PUMP;
- The supply, demand, maturity, utility and liquidity of PUMP;
- Material technical risks associated with PUMP, including any code defects, security breaches and other threats concerning PUMP and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with PUMP, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of PUMP, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to PUMP about whether PUMP, or generally about whether the type of crypto asset, is a security and/or derivative.

**Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)**

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services

offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.