

[Company Name/Financial Institution Letterhead]

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

**Subject: Advisory Notice Regarding Cryptocurrency Exposure and Market Volatility**

Dear [Client Name],

This letter serves as a formal advisory regarding your current or potential exposure to cryptocurrency assets within your portfolio. As the digital asset market continues to evolve, we wish to highlight the significant risks associated with this asset class.

**1. High Volatility:** Cryptocurrency markets are subject to extreme price fluctuations. Values can increase or decrease significantly within very short timeframes, which may result in a total loss of invested principal.

**2. Regulatory Risk:** The legal and regulatory landscape for digital assets is currently undergoing global changes. New laws or government restrictions may impact the value, liquidity, or legality of holding certain cryptocurrencies.

**3. Security and Cyber Risks:** Digital assets are susceptible to hacking, fraud, and technical glitches. Unlike traditional bank accounts, lost or stolen private keys often result in the permanent loss of funds without recourse.

**4. Liquidity Constraints:** During periods of market stress, it may become difficult to exit positions or convert digital assets into fiat currency at a fair market price.

**5. Lack of Insurance:** Most digital assets are not covered by traditional protections such as the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC).

We strongly recommend that you review your risk tolerance and ensure that your exposure to cryptocurrency is commensurate with your overall financial objectives. It is advised to only invest capital that you can afford to lose entirely.

Please contact your account representative at [Phone Number] or [Email Address] if you wish to discuss your portfolio allocation or if you have any questions regarding this notice.

Sincerely,

[Signature]

[Name of Advisor/Officer]  
[Title]  
[Company Name]