

Key Information Document

Fractional Shares

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Fractional Shares. CM-Equity AG ("CM-E"), headquartered in Munich, Germany, provides this document in accordance with EU Regulation No. 1286/2014. You can reach CM-E by mail at Kaufingerstraße 20, 80331 Munich, Germany or by e-mail to info@cm-equity.de. CM-E is a financial institution licensed in Germany and is subject to supervision by the Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Straße 108, 53117 Bonn ("BaFin"). This Key Information Document is dated 30.11.2020 (not yet updated).

You are about to purchase a product that is not simple and may be difficult to understand.

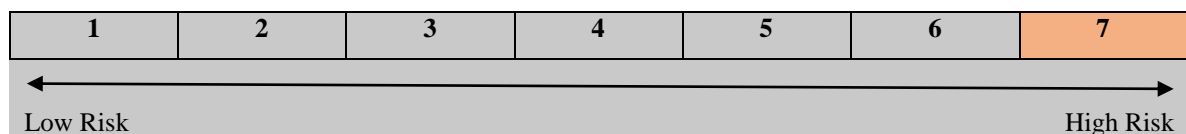
What is this product?

Type. The Fractional Shares offered here represent derivative contracts whose performance is linked to the price development of a specific stock or exchange traded product – e.g. ETFs ("Underlying"). The respective Underlying results from the name and the ticker symbol as displayed within the Vivid App. Receivables in connection with issued Fractional Shares are exclusively settled in cash. CM-E itself provides the purchase and sales prices denominated in Euro. There may be a reasonable difference between the purchase and sales price (so-called spread). The Fractional Shares are not freely transferable and can only be sold back to CM-E. Trading on the stock exchange does not take place (so-called OTC derivative). The Fractional Shares exclusively reflect the economic development of the respective underlying instrument, which is composed of the market value and any dividends. This means that purchasers of the Fractional Shares have no claim to delivery of the Underlying asset nor shareholder rights - such as voting rights. The Fractional Shares are perpetual and subject to German law. CM-E has the right to unilaterally terminate Fractional Shares.

Type of retail investor. Retail Clients with knowledge of and experience in trading Stocks and ETFs and/or Fractional Shares. Retail Clients that do not look for capital guarantee and can assume the risk of a total loss of the invested funds. Clients have a relatively high-risk appetite and accept the risks involved with trading in Fractional Shares with underlying Stocks and ETFs. Fractional Shares are appropriate for clients looking for capital gains. The client does not have any specific ESG preferences. If you have any questions about suitability, please contact your investment advisor. CM-E does not offer any investment advice.

What are the risks and what could I get in return?

Risk indicator



The risk indicator is based on the assumption that investors only invest their own money and do not borrow from third parties to finance their investment activities. Although there is a limited risk in diversification, the risk increases if only partial Fractional Shares are purchased with a single underlying instrument (so-called cluster risk). Fractional Shares are considered to be illiquid.

The risk indicator is a guide to compare the risk of the product with the risks of other products. It describes the likelihood of the product's loss of value due to market movements of the Underlying or due to the fact that CM-E is unable to pay you. This product does not include any protection against future market developments (so-called capital protection), so that you may lose part or all of your investment.

Fluctuations in the market price and trading volume of the Underlying for the Fractional Shares may negatively affect their value, as the Fractional Shares reflect the market value of the corresponding Underlying. The market price of the Underlying may in turn be subject to considerable volatility. In addition, the investor bears a currency risk when purchasing and selling Fractional Shares denominated in a foreign currency such as US-Dollar.

CM-E will secure your repayment claim by appropriate hedging transactions. This means that the Underlying or other derivatives of this Underlying asset are purchased and held by CM-E in its own name and for its own account.

The tax legislation of a member state may affect the actual payout. It is possible that CM-E may be required to pay taxes under certain circumstances. In this case, the payout amount is reduced to the net amount.

Performance-Scenarios.

Based on the assumption that the holding period is one year, three possible scenarios are presented below and how the scenarios can affect your investment. The stress scenario occurs if the underlying asset should become completely worthless (e.g. in case of insolvency of the underlying listed company or CM-E). In the middle scenario, the average return achieved with Fractional Shares over several years was used. In the optimistic scenario, an above-average return was applied. **Warning: Past performance is not indicative for future results!**

Investment amount: EUR 10.000	
Stress scenario	EUR 0 - 100,00%
Pessimistic scenario	EUR 8.500,0 - 15%
Middle scenario	EUR 10.850,00 + 8,5%
Optimistic scenario	EUR 11.500,00 + 15%

What happens if CM-E is unable to pay out?

CM-E is the sole counterparty for claims arising from the Fractional Shares. If CM-E is not able to make payments, the Fractional Shares cannot be sold partially or fully. There is a risk of partial or complete loss of the investment.

CM-E is a member of the Compensatory Fund of Securities Trading Companies (Entschädigungseinrichtung der Wertpapierhandelsunternehmen, "EdW"). The EdW grants you compensation if CM-E is not able to meet its liabilities from securities transactions. The compensation case must have been determined by BaFin. A claim for compensation exists only if funds are denominated in the currency of an EU member state or in Euro and is limited to 90% of the claim or a maximum of EUR 20,000.00.

What are the costs?

Foreign currency conversion fee for any non-European Stocks	0,5% of the order volume
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How long should I hold it and can I take money out early?

There is no recommended holding period. There is no withdrawal right. A disinvestment is generally possible at any time.

How can I complain?

Complaints should be addressed to info@cm-equity.com. Besides, the Verband unabhängiger Vermögensverwalter Deutschland e.V. (VuV) has set up an arbitration office in accordance with the EU Directive No. 2013/11 EU of 21.5.2013 on alternative dispute resolution. CM-Equity AG is a member of the VuV and thus affiliated to this arbitration board. In the event that a customer complaint between the parties cannot be resolved directly, you may call the arbitration board on the part of the customer. The arbitration procedure is free of charge for the applicant. The address of the VuV-Ombudsstelle is: VuV-Ombudsstelle, Stresemannallee 30, 60596 Frankfurt am Main.