

## Services, Products, Costs and Risks Overview

### Vivid Invest GmbH

#### 1. Services

##### Execution Only Services for Retail Clients

##### A. Reception & Transmission of Orders

At VIVID You invest entirely independently. Investing independently means that You submit Orders through VIVID. This is also called brokerage services, or 'execution only'. It means that You submit Orders through VIVID independently and on your own initiative without advice of VIVID and without a discretionary management relationship with VIVID. VIVID will facilitate the reception and transmission of your Orders.

##### B. Execution of Orders

For all your orders in Financial Instruments, VIVID will transmit your Orders to CM-Equity AG ("CM-E"). CM-E will be responsible for the execution of your Order. CM-E has a Fair Pricing process for the order execution. All orders, buy as well as sell, will be executed with CME as counterparty, outside a Trading Venue. This is also called Over-The-Counter trading, or OTC Trading. The risks related to such trading are described in the Risk Section underneath.

##### C. FX Conversions

For all Orders in Financial Instruments which price is provided in a Foreign Currency (other than Euro), a currency conversion will need to be undertaken from Your Euro Vivid account. Vivid will facilitate the conversion of currencies.

VIVID will inform You on the associated currency exchange rate and additional fees before and after Your Order is executed. The conversion exchange rate is determined through the use of international (standardized) currency benchmarks.

##### D. Instant Buy/Sell

Normal trading takes place using settlement times between the execution of an order and the actual settlement of the transaction. The settlement time (normally about 2 days) leads to a delay in:

- In case of a buy; actually, receiving the financial instrument
- In case of a sell; actually, receiving the money in your account

Vivid bridges the settlement for you and will take care of instant settlement, where possible. This means, in case of a sell for example, the money arrives immediately in your Vivid money account.

#### 2. Financial Instruments

Depending on whether You have opted for the 'Premium Offer' (a "Prime Customer") or the 'Standard Offer' (a "Standard Customer") of Vivid Money and Solarisbank, the number of Services and Financial Instruments that are available to you may be different. But in general, You will have access to:

##### A. Investment Products: Fractional Shares

Through the VIVID Invest App you can invest in Fractional Shares. Fractional Shares offer you an opportunity to invest in a part of a single stock or ETF. Sometimes the price of a single stock is quite high (multiple hundred Euros/USD); with a Fractional Share you can invest in a fraction of such a stock. You can invest in 3 different types of underlying equity:

1. US listed Stocks: Investing in major listed Companies on US exchanges

2. US listed ETFs: Investing in listed Exchange Traded Funds on US exchanges
3. EU listed Stocks: Investing in major listed Companies on EU exchanges

A Full catalogue of all available instruments can be found in the Vivid Invest App.

For Prime Customers, additional access to SPAC investments via respective Fractional Shares is available.

## **B. Investment Products: Fractional Coins**

Through the VIVID Invest App you can invest in Fractional Coins. Fractional Coins offer you an opportunity to invest in a part of a single Crypto asset. Sometimes the price of a single Crypto asset is quite high (multiple hundred Euros); with a Fractional Coin you can invest in a fraction of such a Crypto asset. All your investments will take place in Euros.

If you hold Fractional Coins you might be given the option to earn additional Fractional Coins through Vivid's Crypto Earnings Program. Please see the Vivid Crypto Earnings FAQ <https://help.vivid.money/en/collections/2828297-crypto> for more information about the Crypto Earnings Program and how you can participate.

A Full catalogue of all available instruments and services can be found in the Vivid Invest App.

## **C. Investment Products: Fractional Precious Metals**

Through the VIVID Invest App you can invest in Fractional Precious Metals. Fractional Precious Metals are derivatives traded Over-the-Counter (OTC) that allow the replication of an underlying single precious metal, either in whole ounces or fractions of ounces of the underlying. In principle, precious metals prices have a low correlation with the price changes of other financial instruments such as equities and currencies.

## **D. How does trading in Financial Instruments Work?**

By trading a Fractional Share, Fractional Coin or Fractional Precious Metal, you enter into an OTC Bilateral Agreement with CM-Equity. This Bilateral agreement is an investment product that consists of 2 main elements:

1. When you buy a Financial Instrument you pay the equivalent of the underlying Stock/ETF/Metal/Crypto asset price of that moment of the selected instrument. Once bought, the price of the Financial Instrument will follow the price of the specific underlying 1:1
2. When you sell a Financial Instrument CME pays you the equivalent of the underlying Stock/ETF/Metal/Crypto asset price of that moment of the selected instrument.

You can buy/sell whenever you want, as long as it is within the indicated Market hours and business days for the specific Financial Instrument and the funds on your account are sufficient. There is no leverage applied to these instruments and CME will hedge your investments by buying/selling the underlying assets on Exchanges like NYSE, NASDAQ or Euronext for Stocks and ETFs, the London Bullion Market or equivalent exchange for metals and a multitude of Crypto Exchanges for the underlying Crypto assets.

## **E. Limitations to the offered Financial Instruments**

1. You do not own the underlying Stocks, ETFs, Metals or Crypto assets: So, for example no Voting Rights will apply to your investments. Please see section 2B above for more information on the possibilities to earn Staking Rewards with us
2. We only accept buy/sell orders larger than 0.01 Euros; We round down any orders to 2 decimals;
3. Full Stocks/ETFs/Metals/Crypto assets (so exact units of 1 and multiples thereof) will also be bought via Bilateral Agreements;
4. Every Buy/Sell is with CME as Counterparty;
5. Short selling is not possible;
6. It is not possible to transfer Instruments in/out of the Vivid account to/from another investment account at a 3rd party. In case You want to close the Investment Pocket and/or Crypto Pocket with Vivid, you have to sell all open positions to CME.

### **Notice according to § 28 section 1 of the WpIG**

Vivid Invest GmbH offers the brokerage of transactions on the purchase and sale of financial instruments in accordance with § 2 section 2 no. 3 of the WpIG (Wertpapierinstitutsgesetz) exclusively for the account and under the liability of CM-Equity AG. Vivid Invest GmbH is recorded as "tied agent" of CM-Equity AG within the meaning of § 3 section 2 of the WpIG in the register which is kept by the German Federal Financial Supervisory Authority (BaFin). The register can be accessed under [www.bafin.de](http://www.bafin.de).

### 3. Costs Overview for Investment Services and Products

The number of Services and Financial Instruments that are available to you, and the Costs you are charged for these Services and Instruments, may differ depending on whether you are a Prime Customer or Standard Customer. A breakdown of the available Services, Financial Instruments and Costs for Prime Customers and Standard Customers is provided below. Every order will include a specific cost disclosure so transparency on all the specific costs related to your individual order will be disclosed again in the Vivid App before an order is initiated and confirmed after the order is executed.

In general, regardless of You being a Prime or Standard Customer, for certain transactions taxes, levies or other types of (stamp) duties may apply. If applicable, an indication of these types of taxes will be provided before each order You submit and will be confirmed in your transaction reports after the execution of Your order.

#### A. Prime Customers

If You are a Prime Customer, **You will be charged the following costs when making use of our Investment Services and trading in particular Financial Instruments:**

Prime	Service Costs				Product Costs			
	One-Off Charges	Ongoing Charges	Commissions related to Transactions	Charges for Ancillary Services	One-off Charges	Ongoing Charges	Costs related to Transactions	Incidental Costs
Fractional Shares US Stocks	0	0	0	0	0	0	FX Fees (0,5%) Buy & Sell	0
Fractional Shares US ETFs	0	0	0	0	0	ETF Management Costs	FX Fees (0,5%) Buy & Sell	0
Fractional Shares EU Stocks	0	0	0	0	0	0	0	0
Fractional Coins	0	0	0	0	0	0	0	0
Fractional Precious Metals During Market Hours	0	0	0,5% Buy & Sell	0	0	0	0	0
Fractional Precious Metals Outside Market Hours	0	0	2% Buy & Sell	0	0	0	0	0

**B. Standard Customers**

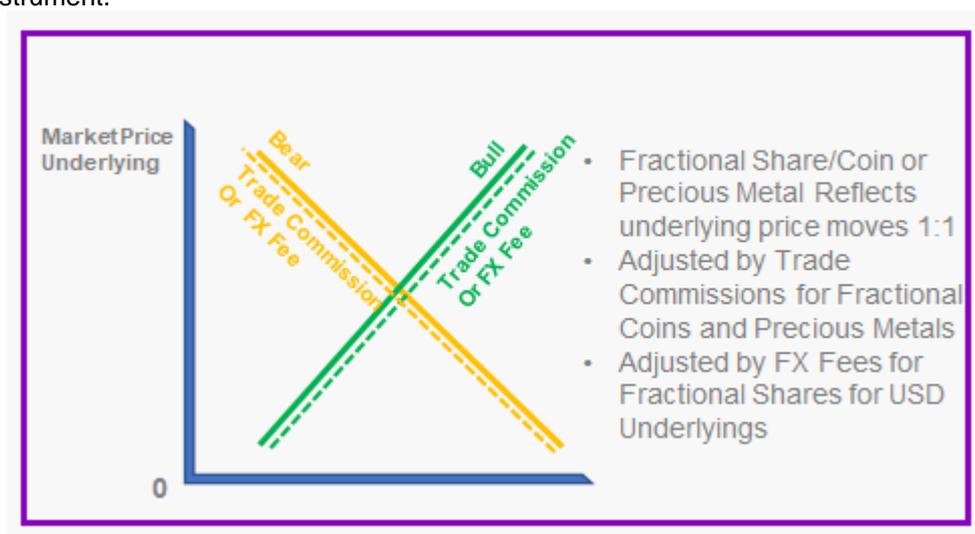
If You are a Standard Customer, You will be charged the following costs when making use of our Investment Services and trading in particular Financial Instruments:

Standard	Service Costs				Product Costs				
	Per Product	One-Off Charges	Ongoing Charges	Commission s related to Transactions	Charges for Ancillary Services	One-off Charges	Ongoing Charges	Costs related to Transactions	Incidental Costs
Fractional Shares US Stocks	0	0	0	0	0	0	0	FX Fees (0,5%) Buy & Sell	0
Fractional Shares US ETFs	0	0	0	0	0	0	ETF Management Costs	FX Fees (0,5%) Buy & Sell	0
Fractional Shares EU Stocks	0	0	0	0	0	0	0	0	0
Fractional Coins	0	0	0	1% (min. 0,79€) Buy & Sell (1 free trade every month*)	0	0	0	0	0
Fractional Precious Metals During Market Hours	0	0	0	1% Buy & Sell	0	0	0	0	0
Fractional Precious Metals Outside Market Hours	0	0	0	2% Buy & Sell	0	0	0	0	0

\* 1 Free trade every month: calculation starts on day of activating your standard plan (could be any calendar day) and then is based on the actual underlying calendar month(s); 28-31 days.

**C. Costs Visualisation**

The costs visualisation of costs which you find below indicates the influence of applied costs on the valuation of the offered Financial Instruments. The price of the offered Financial Instruments is based on the underlying financial instrument.



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## 4. Risk Disclosures

### Warning!

**You are about to purchase a product that is not simple and may be difficult to understand. You may lose your entire initial investment. Past performance is not indicative for future performance.**

#### A. Product risk and complexity

The Financial Instruments we offer are so called Over-the-Counter (OTC) financial instruments. OTC financial instruments are complex and difficult to understand. Fractional Shares, Coins and precious metals have the following characteristics:

- There is no leverage on the instruments. You may lose your initial investment entirely but not more than that.
- The price performance of the Financial Instruments is bound to the respective underlying. Differences in prices may occur due to latency of price feeds.
- There are no hidden costs
- There is no margin trading possible
- The Counterparty, CME, is a licensed Investment Firm under BAFIN supervision and member of the Compensatory Fund of Securities Trading Companies (EdW) which insures in principle 90% of your individual funds allocated to Euro-denominated financial instruments up to EUR 20.000,00. **Important:** This does not apply to Fractional Coins.

However, due to the infrastructure of the trading and the nature of the Financial Instruments, specific risks do apply. In the following, we want to disclose the most relevant risks involved in the Financial Instruments to you. Please note that the list is non-exhaustive.

#### B. Market and Volatility Risk

The price of the Fractional Shares is bound to the underlying stocks or exchange traded products ("ETPs") traded on Regulated Markets. As is the price of Fractional Coins and underlying Crypto assets on relevant Exchanges or the price of Precious Metals and underlying commodity prices on the respective exchanges. Such underlying may be subject to high or very high volatility. This means the price can rise or decline rapidly. As the performance of these Financial Instruments is bound to the performance of the underlying, this risk applies to all the offered Financial Instruments in the same manner. Your positions may be subject to high volatility. In particular, the underlying may shift its price suddenly significantly higher or lower (so called gapping) or orders may be executed for a different price than shown in the price feed (so called slippage). This might also have consequences for the possibility of (quickly) exiting your investment positions.

#### C. Insolvency Risk

If your Fractional Shares are bound to shares of a company, you own the economic value of an actual share in the company. In case this company files for bankruptcy the value usually loses value dramatically as shareholders are generally subordinated vis-à-vis other creditors of the company. You may lose parts or all of your initial investment.

#### D. Counterparty Risk

All trades in the offered Financial Instruments are executed with CME as counterparty. You should be aware that CME might default on its contractual obligation towards You and will not be able to redeem your initial investment and/or potential appreciation in price. In case of CME's insolvency, you may not be able to redeem parts or all of your initial investment.

#### E. Liquidity Risk

Liquidity is how easily an asset or security can be bought or sold in the market, and converted to cash. Sometimes there is a risk that a position cannot easily be executed. This is called liquidity risk. For every tradeable and non-tradeable financial instrument some liquidity risk applies, even on highly active markets. Lacking liquidity for the underlying instrument may result in a situation where your order for a specific Financial Instrument cannot be executed either. With regards to all offered Financial Instruments, your



sole counterparty to sell is CME. Therefore, the offered Financial Instruments bear a higher liquidity risk than the underlying and are generally considered illiquid financial products.

#### F. IT Risk

We cannot guarantee that the vivid app is always accessible to you. Furthermore, we rely on third party IT-infrastructure in order to execute your trades. It may happen that our brokerage services are temporarily unavailable or inaccessible to You due to defects, maintenance, updates that may be incompatible with your device, patches etc. If this is the case, you will not be able to open or close Your positions for the time of interruption. This may result in a partial or total loss of your initial investment.

#### G. Tax

Your trading activity may be a taxable event in Your jurisdiction. Where needed CME will withhold taxes on your behalf. We do not offer any tax advice. You have the sole responsibility to comply with tax requirements applicable to You. Tax legislation may have a significant impact on your profits and losses.

#### H. Regulatory Changes

Financial market regulation is constantly evolving or changing. Due to changes in the law or supervision, we may have to restrict our offering to You. We also may be required by law to close or limit Your positions. This may result in a total or partial loss of your initial investment. Be specifically aware of this for investing in Fractional Coins.

#### I. Currency Risk

All offered Financial Instruments are denominated in Euro. However, for certain Financial Instruments the underlying may be denominated in another currency such as US-Dollar, Pound Sterling etc. Fluctuations in between these currencies may impact the profits or losses of your investment. Even though the price of the underlying appreciates in value, it may occur that Your position in EUR decreases due to foreign currency fluctuations.

#### J. Risks in relation to SPAC investments

Certain Fractional Shares offer access to underlying Special Purpose Acquisition Vehicles ("SPACs"). SPACs are shell companies formed to pursue mergers with private companies looking to raise capital. Compared to the traditional IPO (Initial Public Offering) route, the SPAC process moves along more quickly and forces the "targeted" private company to jump through fewer regulatory hurdles.

- **SPAC Management Risk:** Before investing, understand who founded the SPAC, who manages the SPAC and if they have a proper track record.
- **SPAC Targets Risk:** Before investing, understand which type of private companies a SPAC is looking into or willing to target. Understand to which industries these private companies belong.

#### K. Lack of regulations for Crypto assets

Specifically for Fractional Coins and the underlying Crypto assets, a current lack of regulatory frameworks means there is a high degree of uncertainty involved in investing, like price volatility and manipulation. Crypto assets are as a whole considered to be a very young technology. Future restrictions on the investing in crypto assets may have a significant impact on the value of crypto assets or end up ultimately banning them altogether.

#### L. Custody Risks for Crypto assets

CME will hedge every trade You make in a Fractional Coin. This means CME will hold the underlying Crypto assets in which you have a Fractional Coin position. Incidents of theft of personal and corporate wallets but also exchanges are still happening. Hacking remains a constant threat if Crypto assets are not correctly stored and protected. This could affect the business continuation of CME as an Investment Firm.

#### M. Hard and Soft Fork Risks for Crypto assets

A Hard Fork is a substantial change to a Crypto asset blockchain protocol that makes previously invalid blocks and transactions valid, or vice-versa. In most cases it leads to the split of 1 Blockchain in 2 Blockchains. These Hard Forks could affect the price of a Fractional Coin and could require from an



investor who holds a Fractional Coin to make a decision with regard to the (continued) holding of a Fractional Coin.

A Soft Fork is a change to the Blockchain software protocol where only previously valid transaction blocks are made invalid. Though less substantial than a Hard Fork, a Soft Fork might still affect the price of a linked Fractional Coin.

**In general, Investing is not risk free. Be aware that you can lose all your money.**