

## Key Information Document

### Purpose

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

**Name of Product:** Fractional Shares MICROSOFT CORP. (bilateral OTC-derivative)

**PRIIP manufacturer:** CM-Equity AG („CM-E“) / website [www.cm-equity.de](http://www.cm-equity.de) / call +498918904740 for more information.

**Competent Authority:** Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Straße 108, 53117 Bonn („BaFin“).

**Date of production of the KID:** 06.07.2021

**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 are bilateral OTC derivative contracts (tracker derivative) whose performance is linked to the shares of MICROSOFT CORP. ("underlying") and tracking its price performance. Receivables in connection with issued Fractional Shares are settled exclusively in cash and not in kind. The buying and selling prices are provided by CM-E itself. The respective bid and ask prices of the home exchange of the underlying are used as reference prices (data provider is Interactive Brokers). There may be a reasonable difference between the buying and selling price (so-called spread). The Fractional Shares are not freely transferable and can only be bought from CM-E and sold back to CM-E. There is no multilateral trading possible (so-called OTC derivative). CM-E does not offer leverage on Fractional Shares. The Fractional Shares are perpetual and can be terminated at any time by either party. There is no currency risk. Purchase and sale of the Fractional Shares takes place in USD. The share price of the underlying is also denominated in USD. The Fractional Shares are subject to German law.

#### Objectives

The aim of this product is to grant you a determinable claim that depends on the price development of the underlying. This means that buyers of the Fractional Shares have neither a claim to delivery of the underlying nor shareholder rights of shareholders - such as profit participation or voting rights. The recommended holding period is one year.

<b>Underlying</b>	Microsoft Corp.	<b>ISIN of underlying</b>	US5949181045
<b>Type of underlying</b>	Shares	<b>Ticker symbol</b>	MSFT
<b>Currency of underlying</b>	USD		

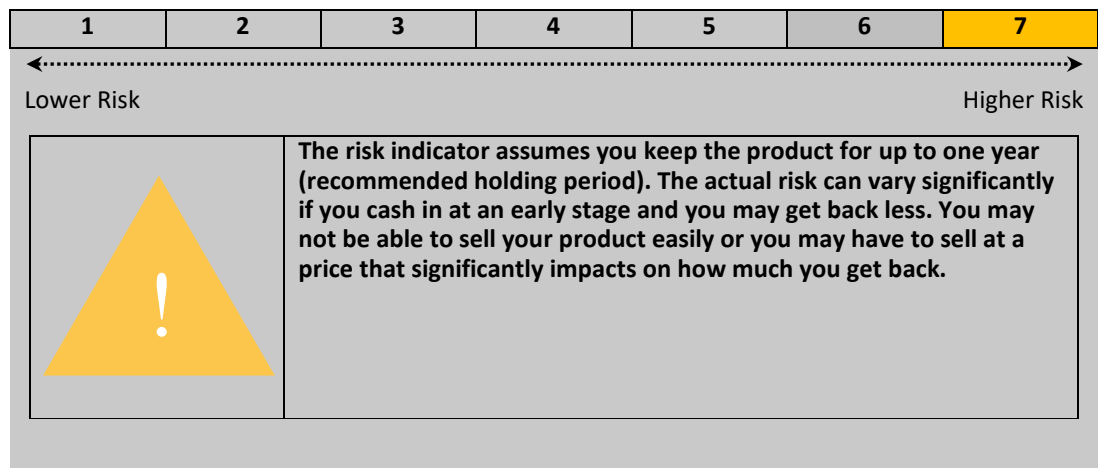
#### Intended retail investor

This product is aimed at private clients who have the goal of short-term profit generation (speculation). Investors have a short-term investment horizon. It is only suitable for investors who have good knowledge and/or experience with the underlying product and who can bear potential losses in value of the underlying and thus also of the product (up to the complete loss of the capital invested). The Product is aimed at retail customers whose risk tolerance permits the purchase of products that are classified at least in risk class 7 on a risk/return rating scale from 1 (safety-oriented; very low to low return) to 7 (very willing to take risks; highest return). The product is also aimed at investors without specific ESG preferences.

If you have any questions regarding suitability, please contact your investment advisor.

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

#### Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level, and poor market conditions are very likely to impact our capacity to pay you.

Fluctuations in the stock exchange price and trading volume of an underlying may negatively affect the value of the Fractional Shares as they reflect the market value of the corresponding underlying. The stock exchange price of the underlying may in turn be subject to significant volatility.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

<b>Performance Scenarios</b>	<b>Future market developments cannot be predicted. The scenarios presented are only an indication of some possible outcomes based on past developments. Actual results may be worse.</b>
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Investment USD 10.000,00 Scenarios		1 year (recommended holding period)
<b>Stress scenario</b>	<b>What you might get back after costs</b> Average return each year	USD 9.389,94 -6,10%
<b>Unfavorable scenario</b>	<b>What you might get back after costs</b> Average return each year	USD 9.973,17 -0,27%
<b>Moderate scenario</b>	<b>What you might get back after costs</b> Average return each year	USD 14.407,86 44,08%
<b>Favourable scenario</b>	<b>What you might get back after costs</b> Average return each year	USD 20.642,02 106,42%

This table shows the money you could get back over the next year, under different scenarios, assuming that you invest EUR 10.000,00. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Buying this product holds that you think the underlying price will increase.

Your maximum loss would be that you will lose all your investment.

### What happens if CM-Equity AG is unable to pay out?

You are exposed to the risk that CM-E will not fulfill its obligations under the product. CM-E is the sole counterparty for claims arising from the Fractional Shares. If CM-E is unable to make payouts, the Fractional Shares cannot be sold or cannot be sold in full. There is a risk of partial or complete loss of the investment. This risk exists, inter alia, in the event of insolvency, i.e. default or over-indebtedness, or due to an order by the authorities to take liquidation measures. In the event of a crisis at CM-E, such an order by a resolution authority may also be issued at an earlier point in time than the commencement of any insolvency proceedings. The resolution authority has extensive powers of intervention. Among other things, it can reduce the investors' claims to zero, terminate the product and suspend investors' rights. As a bilateral OTC derivative, this product is not subject to any compensation fund or deposit protection.

### What are the costs?

#### Cost over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume you invest USD 10 000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment USD 10.000,00 Scenarios	If you cash in after 1 year (recommended holding period)
Total costs	USD 21,98
Impact on return (RIY)	0,26%

#### Composition of Costs

The table below shows:

- the impact of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return			
One-off costs	Entry costs	0,09%	The impact of the costs you pay when entering into your investment
	Exit costs	0,09%	The impact of the costs of exiting your investment when it matures
Ongoing costs	Portfolio transaction costs	n/a	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	n/a	The impact of the costs that we take each year for managing your investments
Incidental costs	Performance fees	n/a	The impact of the performance fee. We take these from your investment
	Carried interests	n/a	The impact of carried interests

### How long should I hold it and can I take money out early?

#### Recommended holding period: 1 year.

The typical investor holds this type of product for about 1 year on average. Furthermore, specifying this period promotes comparability with other investment products without a fixed term.

There is no right of withdrawal. Disinvestment is generally possible at any time.

In exceptional market situations or in the event of technical malfunctions, it may be temporarily difficult or impossible to purchase or sell the product.

### How can I complain?

Complaints about the product covered by this KID or about the conduct of the PRIIP should be addressed in written form (i.e. via letter) to CM-Equity AG, Kaufingerstrasse 20, 80331 Munich, Germany, or by e-mail to [info@cm-equity.com](mailto:info@cm-equity.com); [www.cm-equity.de](http://www.cm-equity.de).

In case of a complaint regarding a person advising on, or selling, or distributing to you the product, please directly contact the institution, which the respective person represents.

### Other relevant information

Additional documents relating to the Product and in particular the Terms of Services, Client Information and Fair Pricing Policy documents including any supplements, are published on the website of the manufacturer (<https://cm-equity.de/imprint/>). For further detailed information, in particular on the structure and risks associated with an investment in the Product, you should read these documents.