

Scalable Capital at a glance

Service	Digital wealth management, Online Broker
Accreditation	Financial portfolio manager according to §32 KWG (BaFin permission) und FCA permission in Great Britain.
Foundation	December 2014
Subsidiaries	Munich and London
Market presence	Germany, Austria and Great Britain
Employees	130 (as of June 2020)
Clients	approx. 80,000 (as of June 2020)
Founders	Florian Prucker, Erik Podzuweit, Adam French, Prof. Dr. Stefan Mittnik
Executive Board	Florian Prucker (co-CEO), Erik Podzuweit (co-CEO), Martin Krebs (CFO)
Funding	116 million € (latest funding round in July 2020)
Assets under Management (AuM)	> 2 billion € (as of June 2020)
Representative client profil	Scalable Capital's customers are usually around 50 years old and invest an average of around €30,000. The vast majority of clients has an academic degree. Most are economists, computer scientists or engineers; bankers are the largest client group.
Investors	BlackRock, Holtzbrinck Ventures, Tengelman Ventures
Depositary banks	Baader Bank and ING
Membership	German Association of Independent Wealth Managers (Verband unabhängiger Vermögensverwalter, VuV)
Cooperations	ING, Siemens Private Finance, KSW Vermögensverwaltung AG, Openbank (Whitelabel), Targobank (Whitelabel), Oskar.de GmbH (Whitelabel), Raiffeisen Bankengruppe Österreich (Whitelabel), Gerd Kommer Capital (Whitelabel), Barclays (Whitelabel)

Digital wealth management by Scalable Capital

Business model

- Scalable Capital manages personalised, globally diversified ETF portfolios designed to create long-term wealth for its clients.
- Depending on the investment objective, financial situation and individual risk tolerance, each client is assigned to one of 23 risk categories, each with a specific risk of loss.
- Scalable Capital selects from over 2,000 ETFs the best and most cost-efficient completely independently for its clients.
- A specially developed risk management technology monitors all portfolios on a regular basis and automatically carries out reallocations if there is a potential infringement of the individually defined risk category.
- For the first time, risk management is dynamic, as there is no "rebalancing" to static weights per asset class, but instead the portfolio risk is kept as stable as possible by flexibly adjusting the weights.
- The registration process is conducted online and completely paperless. The identification is carried out using the Videodent procedure.
- At any time, the customer has access to all portfolio details such as performance, reallocations made or fees incurred, also via app (iOS, Android).

Fee model

The costs of the investment services consist of the remuneration of the wealth manager Scalable Capital and the transaction fee for securities trading of the depositary bank and add up to 0.75% p.a. The cost of investing in the financial instruments (ETFs) within each client portfolio amounts to 0.16% p.a. No performance fees are charged. There is a minimum investment of 10,000 €.

Value for customers

- Individual and comprehensive wealth management for regular private investors
- Fair and cost-efficient fee structure enables long-term wealth accumulation
- Independent selection of the best ETFs, ongoing screening of the ETF market
- Risk of loss is transparent and as stable as possible over time
- Dynamic risk management to achieve better risk-adjusted returns

Online Broker by Scalable Capital

Business Model

- With its Online Broker, Scalable Capital offers a digital trading platform which gives private investors the opportunity to manage their investments themselves.
- Customers can choose between a free account with individually charged trades and a flat rate with an unlimited number of trades and unlimited savings plans without any additional fees for the customer.
- Shares, ETFs and funds can be traded for as little as 0.99 Euros per trade or 2.99 Euros per month.
- In addition to the apps for iOS and Android, customers can also use the web application for trading and portfolio management.
- The registration process is conducted online and completely paperless. The identification is carried out using the Videolent procedure.

Fee model

Scalable Capital has three different pricing models available to customers with its Online Broker. The "Free Broker" option offers a free account with a charge of 0.99 Euros per trade; one ETF savings plan is also free of charge. The "Prime Broker" option offers an unlimited number of trades and unlimited savings plans for 2.99 Euros per month as a flat rate. The total amount is charged to the customer on an annual basis. With the "Prime Broker flex" option for 4.99 Euros per month, the same services as with the "Prime Broker" are available to customers, with the payment amount being charged on a monthly basis. None of the three options offered incurs additional fees for the customer. The minimum amount of a trade is 250 Euros, savings plans can be set up starting at 25 Euros.

Value for customers

- Full transparency of the costs with a low-cost flat rate in the "Prime Broker" and "Prime Broker flex" model without additional fees.
- Large selection of shares, ETFs and funds via the electronic trading platform gettex of the Munich Stock Exchange.
- Possibility to permanently invest in all ETFs of all ETF providers free of charge.
- Fast and easy processes in the apps and web applications which were developed from the ground up.

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