

Tokenized Stocks

About This Document

This document describes the key features, risks, and costs of Tokenized Stocks ("Tokenized Stocks") through the Crypto.com app. It is provided for informational purposes to help you understand the product before you decide whether to trade. This is not marketing material, and it does not constitute a recommendation to buy or sell Tokenized Stocks.

Issuer of Tokenized Stocks

Tokenized Stocks is offered to you by Foris Capital MU Limited (the "**Company**"), which is licensed by the Financial Services Commission Mauritius as an Investment Dealer (Full Service Dealer, excluding underwriting) (Licence No: GB22200435).

What Are Tokenized Stocks?

A Tokenized Stock is a derivative contract between you and the Company that gives you direct, one-to-one exposure to the price of a publicly listed U.S. stock (the "**Underlying Stock**") of your choice on the Crypto.com app. When you buy a Tokenized Stock, its value moves in line with the price of the Underlying Stock.

Each Tokenized Stock is represented by a blockchain-based token issued to you by the Company.

It is important to understand that holding a Tokenized Stock does not mean you own the Underlying Stock. You do not acquire any shareholder rights, such as voting rights. The Company is the sole owner of the Underlying Stock and is entitled to all corporate actions over them. However, you may receive pass-through economic benefits of certain corporate actions through the terms of your derivative contract with the Company.

How It Works

When you place a buy order on the Crypto.com app, you enter into a derivative contract with the Company at the then-current price of the Underlying Stock. Your position is settled in USD.

When you want to close your position, you place a sell order on the Crypto.com app. The Company will purchase the Tokenized Stock back from you at the then-current price of the Underlying Stock, less any applicable fees.

Tokenized Stocks are generally available to trade 24 hours a day, 7 days a week through the Crypto.com app, beyond normal trading hours (9:30 a.m. to 4:00 p.m. Eastern Time). However, trading outside of normal market hours carries additional risks, including greater price volatility, lower liquidity, wider bid/ask spreads, and less market visibility.

Holding Period and Exit

There is no fixed maturity date or lock-up period. You can hold a Tokenized Stock for as long as you choose and close your position on any trading day, subject to market conditions and the product's terms and conditions.

A position may also be closed if a corporate action affecting the Underlying Stock — such as a delisting, merger, or liquidation — requires it.

The Company may suspend the closing of positions in certain circumstances, including unexpected market movements, U.S. exchange trading halts, corporate action processing, or other events that make accurate pricing difficult.

Who Is This Product For?

Tokenized Stocks are a complex product and are likely to be appropriate only for more experienced and knowledgeable investors. Before trading, you should have a sufficient understanding of derivative contracts and be familiar with the characteristics of this product to make an informed decision.

In particular, you should understand the following before deciding to trade:

- You will not own the Underlying Stock.
- You are exposed to counterparty risk to the Company (explained further below).
- Currency fluctuations between your local currency and USD may affect your returns.

Tokenized Stocks are not suitable for investors seeking capital protection, guaranteed returns, or direct ownership of equities.

Key Risks

Tokenized Stocks carry a high level of risk. You could lose some or all of the money you invest. The product does not include any protection from future market performance.

You should be aware of the following risks before trading:

Market Risk. The value of a Tokenized Stock tracks the price of the Underlying Stock. If the stock price falls significantly, you could lose part or all of your investment.

Counterparty Risk. The Company is the sole counterparty to your derivative contract. If the Company becomes insolvent or is otherwise unable to meet its payment obligations, you could lose your entire investment, regardless of how the Underlying Stock has performed.

Liquidity Risk. Tokenized Stocks can only be closed through the Company's platform. During corporate action processing or U.S. exchange trading halts, you may be unable to place new orders or close existing positions.

Blockchain Risk. The product relies on distributed ledger technology. Technical failures, cyberattacks, or network disruptions could affect your positions.

Corporate Action Risk. Events such as stock splits, dividends, mergers, delistings, and spin-offs may result in trading halts, mandatory position closures, or the replacement of tokens.

Currency Risk. Positions are denominated and settled in USD. If your local currency is not USD, fluctuations in exchange rates between your local currency and USD may affect the amount you need to fund your purchase and the ultimate value of your returns when you receive a payout.

Costs

The following costs apply when you trade Tokenized Stocks:

Entry costs: Costs you pay when you open a position, i.e. buy Tokenized Stock (for example, any dealing fees and other costs included in the price).

Exit costs: Costs you pay when you close a position, i.e. sell Tokenized Stock (for example, any dealing fees and other costs included in the price).

There are no ongoing management fees, performance fees, or other administrative charges at this time.

Actual costs may vary depending on your trading activity, the prevailing exchange rate, and the time at which you trade.

Further Information

The information contained in this document does not constitute a recommendation to buy or sell Tokenized Stocks. You should only trade Tokenized Stocks if you understand the risks involved.

For more information on Tokenized Stocks, please refer to the [FAQ](#) on the Crypto.com app or website. The Company's website contains important information regarding your account, the legal terms for this product, and our policies. You should ensure that you are familiar with all terms that apply to your account.

For any questions, you may contact us through the chat feature in the Crypto.com mobile application, at chat.crypto.com.