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Fractional trading unlocks investing for everyone

What are fractions?

Fractional trading enables retail investors to buy ETFs, stocks, and soon bonds in small amounts, starting from as little as 1€. Mutual funds, which are already available in fractional units, have long offered this flexibility. Extending the same capability to other asset classes makes saving plans and long-term investing simpler and more intuitive. Instead of purchasing a full share, end users can invest a fixed amount (e.g. 10€) or choose to buy a fractional unit of a security (e.g. 0.549 units)

Why are fractions beneficial?

Go with the new market standard

Modern and digital brokerage propositions offer fractions as a standard (over 80% of trades on Upvest's platform are fractional)

Boost trading activity

Fractional investing encourages more participation and activity from investors, which can lead to a 139% increase in daily trades[1]

Cater to new user groups

Reducing the minimum investment amount attracts a broader group of potential customers early on in their accumulation phase

Enable investing on autopilot

Fractions power modern solutions to build wealth with small amounts, such as savings plans (i.e. recurring investments), one of the most popular products with a 42% year-on-year growth across Europe[2]

[1] Society for Financial Studies, [2] iShares (2024)

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Let your end users invest from 1€ with fractions

Offer fractions across all asset classes

Enable your end users to trade fractions **from 1€ across the entire asset universe** (ETFs, stocks, mutual funds, and soon bonds) of **more than 10,000 instruments**, without limitations

Benefit from fractional ownership of real securities

With real fractions, investors become the legal owners of the underlying securities and hold actual property rights, such as **investor protection** in the event of **broker insolvency**[3]

Ensure fair participation in corporate actions

End users can participate in (selected) corporate actions even with fractional holdings. Dividends are paid out **pro-rata**, giving all investors **fair access** to returns

Let Upvest take care of the complexity in the background

Upvest takes responsibility for the functional, operational, and regulatory side of fractional trading, including **trade execution, account handling,** and **risk management**

[3] Represent property rights, pursuant to Sections 929 et seq. of the German Civil Code ("BGB")

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Core functions at a glance

Full "fractions-ready" regulatory license set

- Upvest leverages its full investment firm license set across the EU and the UK, enabling the buying and selling of fractional securities
- Regulatory setup is in line with recent ESMA requirements[4] on fractional shares, and should qualify as transferable securities under MiFID II

Fraction-based core banking

- Upvest's cloud-based core banking allows for granular fraction handling with up to 10 decimals, enabling the fractionalisation of every asset in every currency
- Fractions are natively embedded into all end user flows (e.g. taxes, corporate action handling), including middle and back office processes

Real-time fractional trading and modern use cases

- Upvest supports both periodic (daily, weekly, monthly savings plans) and instant execution of fractional orders
- Fractions build the baseline for modern use cases such as saving plans, personalised portfolios, and direct indexing

Transparent trade execution at best prices

- All fractional orders are executed according to best execution rules, monitoring, and reporting at organised market
- Upvest provides MiFID II-compliant cost reporting in the form of transparent and comprehensive ex-ante and ex-post reports on fractional trades

[4] ESMA, Qualification of fractional shares under MiFID II, ESMA75-1505669078-7105

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How do we manage fractional trading?

Example case

Fractional buy order of 100€ into the Microsoft Corp stock with a unit price of 436.10€[5]

01

End user places a 100€ buy order

The order equals the nominal amount (0.23 units)

02

Upvest receives the order

The order is forwarded to Upvest for execution

03

Upvest executes the order

Upvest converts and executes the nominal order of the end user (for 0.23 units)

04

Allocation to the end user

Upvest allocates the fractional unit to the end user

05

Reporting

Upvest takes care of the reporting

[5] Date: September 2025

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Upvest's fractions engine: real legal ownership, recognised in France

The French market challenge

In France, the legal framework does not natively support the fractionalisation of individual securities. As a result, many providers are forced to requalify the instrument, wrapping fractions as a derivative, a financial contract (*contrat financier*), or a debt instrument (*titre de créance*). This "wrapper" approach triggers significant compliance overhead and is under increasing regulatory scrutiny.

Operating under German law, fractions provided by Upvest are considered actual fractions of securities. Instead of a derivative, retail investors hold real fractional co-ownership (*Bruchteilseigentum* under the German Civil Code, BGB).

Ideal shares

Each holder of a fractionalised security owns an "ideal share" (ideeller Anteil) of the security

In rem ownership

Holders are full legal owners with a right of separation from the estate in the event of insolvency, making the assets bankruptcy-remote

No requalification

Because they are considered real shares under German law, they are not classified as derivatives and do not fall under the PRIIPs regulation

Seamless custody

These fractions can be seamlessly integrated in custody systems and are held in ordinary custody accounts, whether located in Germany or other EU member states

Validated by the French regulator Autorité des Marchés Financiers

AMF has explicitly confirmed this setup for Upvest's client Shares by recognising that fractional securities distributed by Upvest are equity securities. This is a validation for any financial institution operating in or expanding into the French market, looking to reduce their regulatory overhead and offer a superior product with real legal ownership and bankruptcy-remote asset segregation

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Upvest x Revolut: Accelerating investment adoption

Initial situation

Revolut, the global financial super app, aimed to give its millions of end users a broad range of investment options and expand its wealth and trading offering even further. With a fast go-to-market as their priority, Revolut was searching for an infrastructure partner to enable them to offer fractional stocks and ETFs in a short time

Setup with Upvest

Fast go-to-market

Revolut added fractional European-listed stocks and ETFs to their trading platform across the EEA only **6 months** after partnering Upvest

New end user segments

Revolut is able to support a wide range of end users who previously may have been excluded from traditional investment opportunities. Their end users now need **only 1€ to start investing**

High adoption of fractional trading among Revolut's end users

80% of all orders are fractional orders, underscoring strong demand for more accessible trade sizes

When looking at possible partners to offer access to ETFs and stocks listed in EEA markets to our European customers, Upvest was our preferred selected choice. They offered the infrastructure that enabled us to offer ETFs to our customers in a short time, just after our EEA trading entity operationalisation was completed."

Rolandas Juteika

Head of Wealth and Trading (EEA)
of Revolut