

FAQ: the new Market Model of Vorvel Equities - ETFs

1. How does work the *Price-Member-Time Priority* matching model?

The matching of trading proposals takes place according to a mechanism defined as Price-Member-Time (PMT) Priority, which is based on the following priority criteria:

- 1) **Price** → The best price always prevails;
- 2) **Member** (represented as a possible association with a Liquidity Provider operated by the Order Flow Provider) → This criterion cannot override the price criterion, but - where applicable - prevails over the time of insertion;
- 3) **Time** → The other two conditions being equal, the time of insertion prevails

2. What are the implications of the Price-Member-Time Priority model for an investor?

The *P-M-T Priority* is a member preferencing mechanism that aims to:

- reward the Market Makers for their liquidity support carried out in continuous, a key element of expanding trading opportunities under best execution conditions
- Provide Order Flow Provider with the opportunity to address this type of prize as they see fit.

The exercise of this option by an Order Flow Provider ensures that any order insert by that Order Flow Provider, if it can be matched with multiple trading proposals (TP) at the same price, will be matched with priority orders placed by the chosen Market Maker.

This behavior occurs even if the Market Maker's orders are placed with a lower time priority than other matching orders.

When there are at least two different TPs at the same price level, since the order book is anonymous (a measure necessary for orderly trading and the minimization of manipulative transactions), it is not possible to know in advance which of these TPs will be executed and/or executed first.

In all other cases of competition between multiple negotiation proposals, the matching model behaves on the basis of only the following 2 priority criteria:

- «P» (Best Price);
- «T» (Proposal entry time).

3. How does work the RFE (o “Request for Execution”) matching model?

If Specialists are given the option to use a Quote validation mechanism (the so-called "Request for Execution" or, more simply the, "RFE"), on a single financial instrument, the matching of orders can only occur if the Specialist's Quotes are present on the trading book and the matching model operates on the basis of only 2 priority criteria: P (Best Price); T (Time to enter the order)

With the RFE trading mode activated, the matching with the Quotes can take place, based on a specific choice expressed by the Specialist at the level of each Quote, according to the methods indicated below:

- Matching Order-Driven

Whenever the RFE facility is not active for a Quote, the contract resulting from the crossing between an Order and the bid or offer side of a Quote is immediately executed. Orders and Quotes are ordered in the order book and are executed according to a price-time priority criterion.

- Matching RFE-Driven

Whenever the RFE facility is active for a Quote, to allow the Specialist, the possibility to validate his Quote, a RFE Phase opens in case a contract is about to be executed between an Order and the bid or offer side of a Quote.

4. Where can I find the indication of the matching model used for each financial instrument?

The trading method applied to each ETF, ETC/ETN or Fund is also published on the Market website, in the descriptive page of each financial instrument, in the "Instrument Info" section, and under the "RFE" and "PMT" headings

5. Why can't trades take place between Liquidity Provider?

Vorvel Equities aims to expand trading opportunities in securities traded under best execution conditions for *non-professional* investors, increasing the overall liquidity available in these securities.

For this reason, to facilitate the work of Liquidity Providers (Market Makers and/or Specialists) and obtain greater liquidity for the benefit of *non-professional* investors, we have chosen to minimize their market risks

6. What are the trading hours for ETFs, ETCs/ETNs or Investment Funds?

For ETFs, ETCs/ETNs, the start and end times of the Continuous Trading Phase are defined for each financial instrument with a maximum trading time of 8:00 am to 11:00 pm. The trading hours for each ETFs, ETCs/ETNs are also published on the Market's website, on the descriptive page of each financial instrument, in the "Instrument Info" section", and under the "Start trading time" and "Stop trading time" headers.

7. Where can I find the list of instruments listed on Vorvel Equities, with their prices?

At the following link: <https://vorvel.eu/it/etf/vorvel-etf>

On the "Quotes" page, in the "ETF" or "ETC and ETN" subsections, within the "ETF" section of the website www.vorvel.eu.