

TRADING GUIDE



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The Italian text shall prevail over the English version

Summary

Introduction	3
Chapter 1 Vorvel Certificates Segment – Certificates and Covered Warrants	4
1. Vorvel Certificates Segment	4
2. Price variation limits.....	4
3. Features of some types of orders	5
4. Trading Tick, trading hours and updates of Dynamic Prices	5
5. Spread obligations of the Specialists	5
6. Stressed Market Conditions and Exceptional Circumstances	6
a) <i>Stressed Market Conditions</i>	6
b) <i>Exceptional Circumstances</i>	6
7. Limits to maximum quantity and countervalue of an order/quote	6
8. OTR	6
9. Transactional Capacity	7
10. Handling of mistrades.....	7
Chapter 2 Vorvel Bonds Segment – Bonds and Other Debt Securities	9
1. Vorvel Bonds Segment.....	9
2. Price variation limits.....	9
3. Features of some types of orders and WarmUp Period	10
4. Trading Tick and updates of Dynamic Price	10
5. Spread and quantity obligations of Liquidity Providers.....	11
6. Stressed Market Conditions and Exceptional Circumstances	12
a) <i>Stressed Market Conditions</i>	12
b) <i>Exceptional Circumstances</i>	12
7. Limits to maximum quantity and countervalue of an order/quote	12
8. OTR	12
9. Transactional Capacity	13
10. Handling of mistrades.....	13
Chapter 3 Vorvel RFQ Segment	14
1. Vorvel RFQ Market Segment.....	14
2. Minimum tradable quantities.....	14
3. Limits on the maximum quantity of a trading proposal	14
4. Handling of mistrades.....	15

Introduction

This Guide to Trading:

1. Must be read jointly with the Vorvel Market Rule-Books;
2. It consists of Chapters. Each chapter refers to a specific Segment;
3. Is constantly updated, published on Vorvel website and always communicated with an Vorvel Notice.

Chapter 1 Vorvel Certificates Segment – Certificates and Covered Warrants

1. Vorvel Certificates Segment

Vorvel Certificates Segment is divided into two macro-classes, depending on whether the securities are Covered Warrants and Leveraged Certificates, or Investment Certificates.

The following table displays the composition of these macro-classes.

Leveraged Certificates	Type of Certificate	Description
Covered Warrants	ESOT	Covered Warrant Esotico
	CALL	Covered Warrant Call
	PUT	Covered Warrant Put
Leveraged Certificates	BULL	Bull Leveraged Certificates
	BEAR	Bear Leveraged Certificates
	FIXLEV	Fixed Leveraged Certificates
	LEV	Other Leveraged Certificates
Investment Certificates	INV CP	Capital Protection Invest. Cert.
	INV CCP	Conditionally Protected Capital Invest. Cert.
	INV NP	Not Protected Capital Invest. Cert.

2. Price variation limits

Pursuant to article 19 of Book 2 of Vorvel Certificates Segment, price variation limits are assigned to each financial instrument based on the reference price defined at the end of the previous trading session, and on the basis of the different before mentioned macro-classes to which they belong, as shown below.

The following table illustrates the percentage values assigned as maximum price variation limits with regards to the Static Price (Limit 1) and with regards to the Dynamic Price (Limit 2). The downside of each limit is maximum 100% in all cases it exceeds that value.

Previous day Reference Price (in currency)	Limit 1		Limit 2	
	CW and Lev Cert	Investment Certificates	CW and Lev Cert	Investment Certificates
≤ 0,005	2000%	600%	800%	400%
0,0051 – 0,10	600%	250%	300%	150%
0,1001 – 1	300%	120%	150%	75%
1,0001 – 3	200%	100%	100%	50%
3,0001 – 30	150%	80%	50%	25%
30,0001 - 70	120%	40%	20%	10%
70,0001 - 90	100%	20%	12%	6%
90,0001 - 300	90%	12%	10%	5%
oltre 300	80%	10%	6%	4%

The trading parameters referred to this paragraph may be modified or temporarily deactivated, and they are subject to annual review. Changes are communicated by Notice and the percentage value of each financial instrument's limit is communicated through the website and the usual info channels of the Market.

Vorvel Sim may establish a different price variation limit from that specified in this paragraph, considering the characteristics and the liquidity of each financial instrument; it shall announce such a decision in a Notice.

3. Features of some types of orders

In accordance with article 16 of Book 2 of Vorvel Certificates Market Segment, the available execution methods are "immediate or cancel" (also called IoC), "valid until canceled" (within the same trading session), "Good till hour" (within the same trading session) or "all or nothing" (also called FoK). In case an order placed with "all or nothing" execution mode could be partially filled with a quote with RFE Quote Flag active, an RFE phase will be triggered before the execution of any trade, even if one or more trades could be executed with proposals having higher price-time priority.

4. Trading Tick, trading hours and updates of Dynamic Prices

Pursuant to article 16 of Book 2 of Vorvel Certificates Segment, prices of proposals (quotes or orders) shall be multiples of the values ("tick") established for each financial instrument and each market session in relation to the prices of the proposal entered, and according to the following table:

Prices of the orders/quotes entered	Tick
$\leq 0,005$	0,0001
0,0051 – 0,10	0,0005
0,1001 – 1	0,001
1,0001 – 3	0,005
more than 3	0,01

Furthermore, pursuant to article 7 of Book 2 of Vorvel Certificates Segment, the Specialists can indicate one of the following start and end time of the Continuous Trading Phase:

- Start time of the Continuous Trading Phase: 08:10, 09:00, 09:05, 14:30, 15:30;
- End time of the Continuous Trading Phase: 17:25, 17:30, 18:30, 20:00, 20:55, 21:55, 22:55.

Finally, pursuant to article 18 of Book 2 of Vorvel Certificates Segment, the Dynamic Price shall be the average price of a number of bids and offers entered by the Specialist in the order book, if any, 7 times per trading session: at 08:10, at 9:05, at 9:35, at 14:30, at 15:30, at 17:30 and at 20:30. For Fixed Leveraged Certificates only, the price calculated at 17:30 is also referred to as the Intraday Reference Price and published on the website www.vorvel.eu and to Participants who request it.

5. Spread obligations of the Specialists

Pursuant to article 8 letter a) of Book 2 of Vorvel Certificates Segment, in relation to the spread obligations of the Specialists which undertake to place on the market bid and offer quotes in accordance with either the bid-offer voluntary market making agreement or the MiFID 2 market making agreement, the maximum spread allowed for each quote on the book, is calculated as the ratio of the difference between the bid and offer prices divided by the offer price, and shall be determined on the basis of the following table:

Previous day Reference Price (in currency)	Max Spread
≤ 0,005	200%
0,0051 – 0,10	50%
0,1001 – 1	30%
1,0001 – 3	20%
3,0001 – 30	10%
30,0001 - 90	6%
Oltre 90	4%

Vorvel may establish a maximum spread that differs from that specified above, considering the characteristics of each financial instrument; it shall announce such a decision in a Notice. The spread percentage value applicable on each financial instrument is communicated through website.

6. Stressed Market Conditions and Exceptional Circumstances

a) Stressed Market Conditions

Pursuant to article 9 of Book 2 of Vorvel Certificates Segment, Vorvel Sim may declare that stressed market conditions occur on a single financial instrument or a group of financial instruments, if, following the triggering of each Circuit Breaker, the price variations with respect to the relative Dynamic Price exceed the 10% thresholds for investment certificates, and 20% for leveraged certificates and Covered Warrants. Vorvel Sim can also declare that stressed market conditions occur if the trading trend on financial instruments makes it necessary. Such stressed market conditions will be communicated by the Market via Notice.

b) Exceptional Circumstances

Exceptional circumstances, with the exception of those provided for in letter d) of article 3 of EU Regulation n.578 of 2017 (regarding technical problems, risk management or short selling bans applicable to Specialists), will be communicated by the Market via Notice. With regards to the above-mentioned letter d), and to obtain exemption from trading obligations, Specialists communicate the start and end of these circumstances via email to governance@vorvel.eu

7. Limits to maximum quantity and countervalue of an order/quote

Pursuant to article 16 of Book 2 of Vorvel Certificates Segment, the following table defines the maximum quantity and countervalue that each order/quote must respect. In any case, the maximum quantity value cannot exceed the 10.000.000 pieces.

Macro-classes	Maximum Quantity	Max Turnover (in currency)
<i>Leveraged Certificates and Covered Warrant</i>	<i>5.000.000/ Previous day Reference Price (in currency)</i>	<i>5.000.000</i>
<i>Investment Certificates</i>	<i>10.000.000/ Previous day Reference Price (in currency)</i>	<i>10.000.000</i>

8. OTR

Vorvel Sim defines the daily calculation of the order to trade ratio for each Order Flow Provider or Specialist on each financial instrument in terms of volume and in term of number, on the basis of the following table:

Market Participant	OTR in terms of number	Min. number of Orders	OTR in terms of volume
<i>Order Flow Provider</i>	5.000	100.000	50.000.000
<i>Specialist</i>	50.000	500.000	500.000.000

In particular:

- OTR in terms of number, represents the maximum order/quote entry threshold, and is calculated as the ratio between the Total Number of Orders and Total Number of Trades, minus one;
- OTR in terms of volume, represents the maximum order/quote entry threshold, and is calculated as the ratio between the Total Volume of Orders and the Total Volume of Trades, minus one;
- Min. Order Number is the minimum number of orders/quotes necessary for an OTR violation to be considered.

In absence of trades, the Number of Trades is set equal to 1, while the Volume of Trades is set equal to the minimum lot of the instrument. The violation of the OTR consists in exceeding one of the two limits indicated above. In the event that a violation occurs, Vorvel Sim notifies the Order Flow Provider or Specialist of the violation, requesting all the information necessary for further investigation. Vorvel Sim may intervene, according to the provisions of the Rules, if OTR thresholds are repeatedly violated.

9. Transactional Capacity

As reported in the Price List for Liquidity Providers, the Membership package assigned to a Specialist includes transactional capacity per second (tps), which is assigned by Vorvel Sim on a quarterly basis, depending on the number of financial instruments on which the Specialist undertakes Liquidity Obligations, as set out in the following table:

Total number of instruments per macro-classes in which the Specialist undertakes the liquidity obligations		Assigned TPS
<i>Leveraged Certificates and Covered Warrants</i>	1 - 25 instruments	25
	26 - 50 instrum.	50
	51 - 150 instrum.	150
	151 - 300 instrum.	200
	More than 300 instrum.	250
<i>Investment Certificates</i>	1 - 50 instrum.	10
	51 - 150 instrum.	25
	151 - 300 instrum.	50
	301 - 600 instrum.	100
	More than 600 instrum.	150

10. Handling of mistrades

Pursuant to article 22 of Book 2 of Vorvel Certificates Segment, Vorvel Sim proceed to cancel all trades executed at prices that differ from the relevant theoretical reference price, calculated as defined in the same above-mentioned article, by more than the threshold levels set out in the following table.

Comparison price	Threshold	
	CW and Lev Cert	Investment Certificates
$\leq 0,005$	<i>UP 100%, DOWN 50%</i>	
0,0051 - 3	40%	20%
3,0001 - 70	10%	7,50%
<i>more than 70</i>	5%	3,50%

Chapter 2 Vorvel Bonds Segment – Bonds and Other Debt Securities

1. Vorvel Bonds Segment

The Vorvel Bonds Segment is represented by the corresponding Section: MTF (Bonds). Each Section can be divided into macro-classes.

The following table defines the composition of these macro-classes.

Section	Macro-class	Description
Bond	IGB	Italian Govies
	GB	Foreign Govies and Supranational Bonds
	BFB	Financial and Corporate Bonds
	EB	Emerging Bonds, Structured Bonds, Other Debt Sec and bonds with currencies different from EUR, USD, GBP, CAD, AUD
	BSS	Branded Securities without Specialist and Bonds without Market Maker
	BBS	Branded Securities with Specialist

2. Price variation limits

Pursuant to article 19 of Book 2 of the Vorvel Bonds Segment, price variation limits are assigned to each financial instrument on the basis of the following methodology.

The following tables illustrate the percentage values assigned as the maximum price variation limits with regards to the Static Price (Limit 1) and with regards to the Dynamic Price (Limit 2). The downside of each limit is maximum 100% in all cases it exceeds that value.

- For bonds and other debt securities:

Time to Maturity (in days)	Limit 1				
	IGB	GB	BFB	EB	BBS e BSS
0 - 365 (1 yr)	2%	3%	3%	8%	6%
366 – 1095 (3 yrs)	3%	4%	5%	10%	7%
1096 – 1825 (5 yrs)	4%	5%	7%	12%	8%
1826 – 2556 (7 yrs)	5%	6%	10%	14%	8%
2557 – 3650 (10 yrs)	6%	7%	12%	16%	9%
3651 – 5475 (15 yrs)	7%	8%	14%	18%	10%
5476 and more	8%	9%	16%	20%	13%

Time to Maturity (in days)	Limit 2				
	IGB	GB	BFB	EB	BBS e BSS
0 - 365 (1 yr)	1%	1,5%	1,5%	4%	3%
366 – 1095 (3 yrs)	1%	2%	2%	5%	3,5%
1096 – 1825 (5 yrs)	1,5%	2,5%	3%	6%	4%
1826 – 2556 (7 yrs)	2%	3%	4%	7%	4%
2557 – 3650 (10 yrs)	2%	3,5%	5%	8%	4,5%
3651 – 5475 (15 yrs)	2,5%	4%	5,5%	9%	5%
5476 and more	3%	4,5%	6%	10%	5%

Both above limits are multiplied by a factor of 2 for all bonds and other debt securities whose reference price on the previous day is less than 50.

The trading parameters referred to this paragraph may be modified or temporarily deactivated, and they are subject to annual review. Changes are communicated by Notice and the value of each financial instrument's limit is communicated through the website and the usual info channels of the Market. Vorvel Sim may establish a different price variation limit from that specified in this paragraph, considering the characteristics and the liquidity of each financial instrument; it shall announce such a decision in a Notice.

3. Features of some types of orders and WarmUp Period

In accordance with article 16 of Book 2 of the Vorvel Bonds Market Segment, Orders can be placed as limit orders or as market orders, and the available execution methods are as follows:

1. "all or nothing" (so-called FoK);
2. "immediate or cancel" (so-called IoC);
3. "valid until canceled" (no later than the trading session itself) (so-called "good till day" or "day");
4. "Good till date": valid for a period not exceeding the date indicated and/or until cancelled by whom placed the order. The indicated date may not exceed 30 days calculated from the day following the date of placing the order.

In addition, pursuant to the same Article 16 of Book 2 of the Vorvel Bonds Market Segment, Market Makers/Specialists, in addition to the single quote with specialist technical origin, may use up to a maximum of 5 quotes with professional technical origin in bid and/or offer for each financial instrument.

Pursuant to article 8 of Book 2 of the Vorvel Bonds Market Segment, Liquidity Providers may contribute to the liquidity of bonds and other debt securities without assuming liquidity obligations only through the entry of Buy and/or Sell Orders. In addition, again pursuant to the aforementioned articles, Vorvel Sim activates the WarmUp Period with the trading start of each bond or other debt security not contributed by Specialist and extends this period until the end of the calendar month in which the Financial Instrument is started trading. The activation and consequent end of the WarmUp Period are communicated through the website www.vorvel.eu.

The post-Warm Up tolerance threshold on a monthly basis, above which a Liquidity Provider will be required to enter into one of the market making agreements set out in Article 8 of Book 2 of the Vorvel Bonds Market Segment, is established equal to the limits set by MiFID 2, and its implementing regulations, for the assumption of liquidity obligations.

4. Trading Tick and updates of Dynamic Price

Pursuant to article 16 of Book 2 of the Vorvel Bonds Market Segment, the prices of trading proposals (quotes or orders) shall be multiples of values ("ticks") established for each financial instrument and for each trading session as set out below.

1. For **bonds** and other debt securities:

Macro-class	Tick
<i>IGB and GB with time to maturity ≤ 15 yrs</i>	<i>0,001</i>
<i>BFB and EB with time to maturity ≤ 7 yrs</i>	<i>0,001</i>
<i>All other Financial Instruments</i>	<i>0,01</i>

Finally, pursuant to article 18 of Book 2 of the Vorvel Bonds Market Segment, the Dynamic Price is updated, on the basis of a significant number of bids and offers entered by Liquidity Providers in the order book, if any, as specified below:

Bond Section: No updates are planned.

5. Spread and quantity obligations of Liquidity Providers

Pursuant article 8 of Book 2 of the Vorvel Bonds Market Segment, with regard to the spread obligations of Liquidity Providers who undertake to display bid and offer quotes on the book according to the MiFID 2 market making agreement, the maximum spread allowed for each quote on the book, is calculated as the ratio of the difference between the bid and offer prices divided by the offer price, and shall be determined on the basis of the following table:

- For **bonds** and other debt securities:

Time to Maturity (in days)	Spread				
	<i>IGB</i>	<i>GB</i>	<i>BFB</i>	<i>EB</i>	<i>BBS e BSS</i>
<i>0 - 365 (1 yr)</i>	1%	1%	3%	3%	3%
<i>366 – 1095 (3 yrs)</i>	2%	2%	4%	5%	4%
<i>1096 – 1825 (5 yrs)</i>	2%	3%	5%	7%	5%
<i>1826 – 2556 (7 yrs)</i>	3%	4%	6%	9%	5%
<i>2557 – 3650 (10 yrs)</i>	3%	5%	8%	10%	6%
<i>3651 – 5475 (15 yrs)</i>	4%	6%	10%	12%	7%
<i>5476 and more</i>	5%	7%	12%	14%	8%

Maximum spreads are multiplied by a factor of 2 for all bonds and other debt securities whose previous day's reference price is below 50.

Vorvel Sim, taking into account the characteristics of each financial instrument, may establish maximum spread percentages different from those indicated in the above table, giving notice thereof by means of a Notice. The percentage of spread applicable on each financial instrument is disseminated through the website.

The minimum amount relating to the liquidity obligations of Liquidity Providers is communicated by the Market for each financial instrument through the personal data files prepared and disseminated through the www.vorvel.eu website.

6. Stressed Market Conditions and Exceptional Circumstances

a) Stressed Market Conditions

Pursuant to article 9 of Book 2 of the Vorvel Bonds Market Segment, Vorvel Sim may declare that stressed market conditions occur on a single financial instrument or a group of financial instruments, if, following the triggering of each Circuit Breaker, the price variations with respect to the relevant Dynamic Prices exceed the threshold of 10% for all financial instruments. Vorvel Sim may also declare that stress conditions occur if the trading trend on financial instruments makes it necessary. Such stressed market conditions will be communicated by the Market via Notice.

b) Exceptional Circumstances

Exceptional circumstances, with the exception of those set out in letter d) of Article 3 of EU Regulation no. 578 of 2017 (relating to technical problems, risk management or prohibitions on short selling of Liquidity Providers), will be communicated by the Market via Notice. With regards to the above mentioned letter d), and to obtain exemption from trading obligations, Liquidity Providers communicate the start and end of these circumstances via email to the address governance@vorvel.eu.

7. Limits to maximum quantity and countervalue of an order/quote

Pursuant to Article 16 of Book 2 of the Vorvel Bonds Market Segment, Vorvel Sim determines, for bonds and other debt securities, the maximum nominal amount of 50,000,000 euros and the maximum countervalue of orders and quotes on financial instruments at 10,000,000 euros. For financial instruments quoted in currencies other than the Euro, these maximum quantities and countervalues are calculated by reference to the exchange rate of the previous trading day.

8. OTR

Vorvel Sim defines the daily calculation of the order to trade ratio for each Order Flow Provider or Liquidity Provider on each financial instrument in terms of volume and in term of number, on the basis of the following table:

Section	Market Participant	OTR in numerical terms	Min. Order Number	OTR in terms of volume
Bond	Order Flow Provider	75.000	100.000	10.000.000
	Liquidity Provider	250.000	300.000	30.000.000

In particular:

- OTR in terms of number, represents the maximum order/quote entry threshold, and is calculated as the ratio between the Total Number of Orders and Total Number of Trades, minus one;
- OTR in terms of volume, represents the maximum order/quote entry threshold, and is calculated as the ratio between the Total Volume of Orders and the Total Volume of Trades, minus one;
- Min. Order Number is the minimum number of orders/quotes necessary for an OTR violation to be considered.

In absence of trades, the Number of Trades is set equal to 1, while the Volume of Trades is set equal to the minimum lot of the instrument. The violation of the OTR consists in exceeding one of the two

limits indicated above. In the event that a violation occurs, Vorvel Sim notifies the Order Flow Provider or Liquidity Provider of the violation, requesting all the information necessary for further investigation. Vorvel Sim may intervene, according to the provisions of the Rules, if OTR thresholds are repeatedly violated.

9. Transactional Capacity

As reported in the Price List for Liquidity Providers, the Membership package assigned to Liquidity Providers, Market Makers and Specialists includes transactional capacity per second (tps), which is assigned by Vorvel Sim on a quarterly basis, depending on the roles assumed in the Vorvel Bonds Market Segment, the chosen fee profile and the number of financial instruments on which liquidity obligations are assumed, as set out in the following table.

For Specialists, Market Makers and Liquidity Providers active in the Bond section:

Market Participants	No of Instruments	Tps assigned
Specialist	<i>up to 50 instrum.</i>	10
	<i>51 to 100 instrum.</i>	25
	<i>more than 100 instrum.</i>	50
Market Maker	<i>fino a 30 instrum.</i>	25
	<i>31 to 180 instrum.</i>	150
	<i>181 to 550 instrum.</i>	200
	<i>more than 550 instrum.</i>	300

10. Handling of mistrades

Pursuant to article 22 of Book 2 of the Vorvel Bonds Market Segment, Vorvel Sim proceeds to cancel trades whose prices deviate from the relevant theoretical reference price, calculated as defined in the same above-mentioned article, by more than the threshold levels set out in the following tables.

- For all financial instruments included in the **Bond section**:

Time to Maturity (in days) - Bond Section	Threshold level	
	IGB	all others
<i>0 – 1095 (3 yrs)</i>	1,5%	2%
<i>1096 – 1825 (5 yrs)</i>	2%	2,5%
<i>1826 – 2556 (7 yrs)</i>	2,5%	3%
<i>2557 – 3650 (10 yrs)</i>	3%	4%
<i>3651 and more</i>	3,5%	5%

These levels are multiplied by 2 for all financial instruments in the Bond Section whose reference price on the previous day is less than 50 (in the relevant trading currency).

The following Threshold Levels apply to trades executed between a Order Flow Provider "Gold" operating on its own account and a Market Maker:

Time to Maturity (in days) - Bond Section	Threshold level - Gold	
	IGB	all others
0 – 1825 (5 yrs)	0,20%	0,50%
1826 – 3650 (10 yrs)	0,30%	0,75%
3651 and more	0,40%	1,00%

Chapter 3 Vorvel RFQ Segment

1. Vorvel RFQ Market Segment

The Vorvel RFQ Segment is divided into macro-classes. The following table defines the composition of these macro-classes.

Segment	Macro-class	Description
RFQ	IGB	Italian Govies
	GB	Foreign Govies
	SB	Supranational Bonds
	BFB	Financial and Banking Bonds
	CB	Corporate Bonds
	STB	Structured Bonds
	EB	Emerging Bonds

2. Minimum tradable quantities

Pursuant to Article 9 of Book 2 of the Vorvel RFQ Market Segment, Vorvel Sim determines, for bonds and other debt securities, a minimum quantity for trading proposals equal to that shown in the following table:

Macro-class	Minimum nominal quantity
IGB	1.000.000
All other Financial Instruments	200.000

For each financial instrument, the minimum nominal quantity, expressed in the relevant trading currency, is calculated on the basis of the first multiple of the minimum denomination that complies with the minimum quantities indicated above.

3. Limits on the maximum quantity of a trading proposal

Pursuant to Article 11 of Book 2 of the Vorvel RFQ Market Segment, Vorvel Sim determines, for bonds and other debt securities, the maximum nominal amount and on financial instruments at 150,000,000 euros. For financial instruments quoted in currencies other than the Euro, these maximum quantities are calculated by reference to the exchange rate of the previous trading day.

4. Handling of mistrades

Pursuant to article 17 of Book 2 of the Vorvel RFQ Market Segment, Vorvel Sim proceeds to cancel trades whose prices deviate from the relevant theoretical reference price, calculated as defined in the same above-mentioned article, by more than the threshold levels set out in the following tables.

Time to Maturity (in days) - RFQ Segment	Threshold level	
	<i>IGB</i>	<i>all others</i>
0 – 365 (1 yr)	0,5%	1%
366 – 730 (2 yrs)	1%	1,5%
731 – 1825 (5 yrs)	1,25%	2%
1826 – 3650 (10 yrs)	1,60%	3%
3651 and more	2%	4%