Order Execution Policy

I. Introduction

This document describes how Fundify Ltd ("the Firm", "we", "us") handles and executes client orders in financial instruments — including CFDs on Foreign Exchange, Indices, Metals, Commodities — and outlines the key risks associated with trading these products. It applies to all clients (retail or professional) who trade via Fundify Ltd, unless otherwise agreed in writing.

Fundify Ltd is a **Mauritius regulated investment firm**, licensed by the **Financial Services Commission (FSC), Mauritius**, as an **Investment Dealer (Full Service Dealer, Excluding Underwriting)** under Section 29 of the Securities Act 2005. The Company is registered in Mauritius under registration number **C207196**, licence number **GB24202844**, with its registered address at 1/F River Court, 6 St. Denis Street, Port Louis, 11328, Mauritius.

We operate strictly as an **execution-only** broker. We do not provide investment advice or portfolio management services. We will act in good faith and use all reasonable efforts to deliver the most favourable outcome for our clients, subject to market conditions and the nature of the order.

II. Instruments Covered

This Policy applies to all orders placed in the instruments offered by Fundify, including:

- Contracts for Difference ("CFDs") on: Forex, Indices, Metals, Shares / Equities and Commodities

The specific range of products available to you may change over time. The most up-to-date list of instruments can always be found on our website and trading platform.

III. Execution Models (A Book and B Book)

Fundify may execute CFD orders using different order-handling and risk-management approaches commonly known in the industry as **A-Book** and **B-Book** models. These approaches help us deliver consistent pricing, competitive conditions, and stable execution.

A-Book (External Routing)

In an A-Book model, Fundify may choose to **route your trade externally** to one or more third-party liquidity providers. These may include banks, non-bank market makers, ECNs, or prime brokers. This means:

- When you place a Buy trade, Fundify may send a corresponding Buy order externally.
- When you place a Sell trade, Fundify may send a corresponding Sell order externally.

The exposure is primarily passed to the external liquidity provider, and Fundify does not retain the market risk associated with your position.

Fundify's revenue in this model generally comes from:

- spreads or mark-ups,
- commissions (if applicable), and

- overnight financing/swap charges (for leveraged positions).

Example:

- You buy 1 lot of EUR/USD.
- The underlying market quote from liquidity providers is 1.10500 / 1.10502.
- Fundify applies a 0.3-pip mark-up, so you see 1.10500 / 1.10505.
- Your order is routed externally and filled at 1.10505 with a liquidity provider.
- Fundify does not take the opposite side.
- Fundify earns revenue from the mark-up (or commission if applicable).

How this benefits you: External routing provides access to deeper market liquidity, competitive institutional pricing, and greater price stability, especially during normal market conditions and for larger trade sizes.

B-Book (Internalisation / Market-Maker Model)

In a B-Book model, Fundify may choose to **internalise your trade**, meaning we may **take the opposite side of your position** instead of routing it externally.

This means:

- If you open a Buy position, Fundify may take the Sell side.
- If you open a Sell position, Fundify may take the Buy side.

In this case, Fundify becomes the **principal counterparty** to your trade and retains the associated market exposure. **Your profit may represent a cost to Fundify, and your loss may represent a gain to Fundify.**

While this creates a potential conflict of interest, Fundify implements strict controls, monitoring, and oversight (explained later in this Policy) to ensure fair and transparent client outcomes.

This model is widely used within the global retail CFD industry and enables Fundify to:

- maintain continuous pricing,
- offer small trade sizes,
- provide consistent execution during periods where external liquidity providers are slow, unavailable, or widening their spreads.

Example:

- You sell 1 lot of NAS100.
- The raw market price is 17,550.0 / 17,550.5.
- Fundify applies a 1-point spread, so you see 17,549.5 / 17,550.5.
- Your order is internalised and filled instantly at 17,549.5.
- Fundify takes the buy side of your sell trade.
- Fundify earns revenue from the spread already included in the displayed price.

How this benefits you:
Internalised execution often results in **faster fills**, **fewer rejections**, and **more stable execution**, particularly during volatile or thin-liquidity periods when external liquidity may be unreliable.

Hybrid Model

Fundify may use a blended approach where part of a client's exposure is routed externally and part is internalised.

Allocation between the two methods depends on several factors, including:

- the type of instrument being traded
- client trading style and activity patterns
- Fundify's overall exposure and concentration levels
- prevailing market conditions, liquidity, and volatility

Example:

- You buy 3 lots of XAUUSD (Gold).
- The market price is 2,320.00 / 2,320.20, and with Fundify's 0.10 mark-up, you see 2,319.90 / 2,320.30.
- External liquidity providers can fill 2 lots at 2,320.30.
- Fundify completes the order by internalising the remaining 1 lot—meaning Fundify takes the sell side for that part of your trade.
- All 3 lots are filled at 2,320.30 and appear as one complete position on your platform.
- Fundify earns revenue only from the small mark-up included in the displayed price.

How this benefits you:
A hybrid approach combines the strengths of both models, helping deliver consistent pricing, improved execution continuity, and balanced risk management across changing market conditions.

Transparency and Consistency

Fundify does not disclose, on a trade-by-trade basis, whether an individual position is handled using A-Book or B-Book routing. However, regardless of the execution method used, Fundify remains fully responsible for ensuring your order is executed **fairly, transparently, and in line with this Policy**.

IV. Best Execution – Our Approach

When executing your orders, Fundify Ltd takes **all sufficient steps** to obtain the **best possible result** on a consistent basis. Our approach follows global industry standards for best execution, adapted to the regulatory environment in Mauritius.

Key Execution Factors and How they Benefit You

We consider the following factors and prioritise them depending on instrument, order type, and market conditions. Each factor directly affects your trading outcome:

- **Price (or rate):** A better price directly improves your trading results. Whether you're entering or exiting a position, even a small improvement in price can increase your profit or reduce your loss — especially on larger or frequent trades. By prioritising competitive pricing, we help you achieve more favourable outcomes.
- **Costs:** Lower costs mean more of your trading performance stays in your pocket. By managing spreads, commissions, financing charges, and fees as efficiently as

possible, we help reduce your total trading expenses, improving your net profitability.

- **Speed of Execution:** Fast execution reduces the chance of "negative slippage," where your trade fills at a worse price than expected. The quicker your order reaches the market, the more likely you will receive the price you intended — which is essential during news events or fast-moving markets.
- **Likelihood of Execution & Settlement:** If an order cannot be executed reliably, you risk missing trading opportunities or being unable to exit a position when needed. By prioritising venues and liquidity providers that offer strong execution reliability, we help ensure your trades actually go through at the size you request.
- **Order Size & Order Type:** Different order types behave differently under real market conditions, and large orders may fill across multiple price levels. By assessing order size and type before execution, we aim to reduce unwanted slippage, avoid partial fills where possible, and help you maintain control over your trading strategy.
- **Market Impact & Liquidity:** In markets with low liquidity, large orders can unintentionally push the price against you. By considering market conditions and available liquidity, we minimise the impact your order has on the market. This leads to smoother execution and better overall fill quality.
- **Other Considerations:** Market conditions can change rapidly. By monitoring volatility, price gaps, platform stability, and liquidity-provider performance, we help protect you from poor execution outcomes, unexpected price jumps, and delays — improving fairness and reliability in every trade.

By applying these execution factors, Fundify aims to ensure that your orders are handled fairly, efficiently, and under the best possible conditions available at the time. Each factor contributes directly to improving your real trading outcomes — whether through better prices, lower costs, faster execution, more reliable fills, or smoother performance during volatile markets. Our goal is to provide you with consistent execution quality so you can trade with confidence across all the products that we offer.

V. Pricing, Spreads and Slippage

Trading conditions in global markets can change quickly, especially during news events, low-liquidity periods, or fast-moving markets. The following explains how Fundify displays prices, how spreads are formed, and why slippage or gaps may occur. Each item includes a simple, clear example so clients can easily understand how this works in real trading conditions.

I. Pricing

Fundify sources live prices from multiple external liquidity providers. These providers quote Bid (Sell) and Ask (Buy) prices based on real market conditions. Fundify may then apply a small mark-up before displaying these prices on the platform. This mark-up is included transparently in the spread.

Because markets move continuously — especially during volatility — the price you intend to buy or sell at may change by the time your order is executed.

Example:
You want to **buy** EUR/USD. At that moment, Fundify's liquidity providers (the banks and

market makers that supply prices) are quoting **1.10500 / 1.10502**. This means that in the raw market, the best price available for buying is **1.10502**.

Fundify then applies a small **mark-up** to the price — for example, 0.3 pips — which is included in the spread. This mark-up covers the operational cost of providing the trading service. After this mark-up is added, the Buy price shown on the Fundify platform becomes **1.10505**.

So when you click **Buy**, your order is filled at **1.10505**, as long as there is liquidity available at that price. In simple terms:

- The banks quote 1.10502,
- Fundify adds a small mark-up,
- You see 1.10505,
- Your Buy order executes at 1.10505.

II. Spreads

The spread is the difference between the Buy (Ask) and Sell (Bid) price shown on the platform. Spreads may widen during major news releases, volatile periods, or low-liquidity conditions. Tighter spreads reduce trading costs; wider spreads increase them.

Example:

The NAS100 index normally shows a tight spread, for example:

- **Buy (Ask): 15,000.5**
- **Sell (Bid): 14,999.5**
- Spread = **1 point**

A few minutes before a major economic announcement (such as U.S. inflation or interest rate decisions), liquidity providers expect the market to move very quickly. In fast conditions, the price can jump several points instantly, without giving them time to update their quotes.

If a liquidity provider keeps the spread very tight during such moments, they risk getting hit with an order at a price that is no longer valid — meaning they could be forced to buy high and sell low in a fraction of a second. This could lead to an automatic loss.

To protect themselves from this risk, they widen their spreads before the announcement. This gives them more room to adjust their prices if the market suddenly jumps.

As a result, Fundify's platform might temporarily show:

- **Buy (Ask): 15,001.5**
- **Sell (Bid): 14,998.5**
- Spread = **3 points**

They widen the spread because:

- the market may move faster than they can update their quotes,
- they could get filled at a price that no longer exists,
- sudden spikes could cause them instant losses if their prices are too tight,
- uncertainty is high, and they reduce risk by offering wider pricing.

Fundify is not widening the spread manually — the platform simply reflects the risk-adjusted quotes coming from liquidity providers during these volatile conditions.

III. Slippage

Slippage happens when your order executes at a price different from the one you clicked.
This occurs because the market moved before the order was filled. Slippage can be positive (better price) or negative (worse price). Fundify passes both on fairly.

Example:
You click **Sell** NAS100 at **15,000.0**.
At the same moment, several large institutional buy orders hit the market, pushing the price upward faster than your order can be matched.

When your order reaches the market, the next available price is:

- **15,000.3**

So your order executes at **15,000.3** instead of **15,000.0**.

Why this happens:

- In fast or volatile markets, prices can change multiple times per second.
- If many traders suddenly buy, the Sell price you clicked may no longer exist.
- Your order fills at the next available price in the live market.
- This protects the integrity of execution — orders fill at *real, tradable* levels.

Slippage can also be **positive**.

If the market moves in your favour just before execution, you may receive a better price.

IV. Market Gaps

A market gap occurs when prices jump from one level to another with no trading in between — usually after weekends, holidays, unexpected news, or trading halts.

During a gap, Market Orders, Stop-Losses, and Stop Orders fill at the **next available price**, which may differ significantly from the requested level.

Example:
You set a **Stop-Loss** on GBP/USD at **1.25000** on Friday evening.
Over the weekend, unexpected political news causes traders to panic-sell GBP.
When markets reopen on Monday, the first tradable price is:

- **1.24750**

There were **no prices between 1.25000 and 1.24750**, because markets were closed and no trading occurred during the gap.

Your Stop-Loss triggers at 1.25000 but executes at **1.24750**, the *first available* price.

Why this happens:

- During closed markets (like weekends), prices can still change based on global events.

- When markets reopen, everyone reacts at once — causing the price to “jump.”
- There is no record of trades between the old price and the new price, so those missing prices simply never existed.
- Any Stop-Loss, Stop Order, or Market Order must fill at the first real price available.

This behaviour is standard across *all* global markets, including exchanges.

VI. Order Types

Fundify supports several order types that allow you to control how and when you enter or exit the market. Each order type behaves differently depending on whether it is placed above or below the current market price. The following explains what each order does and includes an easy-to-understand example.

I. Market Order

A Market Order instructs Fundify to buy or sell immediately on your behalf at the best available price. It provides fast execution but does not guarantee the exact price you see, especially in fast-moving markets.

Example:
EUR/USD is trading at **1.10500 / 1.10505**.
If you place a Market Buy, the order executes at **1.10505**, the current Buy price.

II. Buy Limit

A Buy Limit is placed **below the current market price**. Traders use it when they expect price to fall first and then move higher. It ensures you do not pay more than your chosen level.

Example:
EUR/USD is trading at **1.10500**.
You believe it will drop to **1.10350** before rising again.
You place a **Buy Limit at 1.10350**.
If the market falls to that price, the order triggers and opens a Buy trade.

III. Sell Limit

A Sell Limit is placed **above the current market price**. Traders use it when they expect price to rise to a certain level before reversing downward. It ensures you do not sell for less than your chosen level.

Example:
GOLD is trading at **2,320.00**.
You think it will climb to **2,330.00** and then fall.
You place a **Sell Limit at 2,330.00**.
If price reaches 2,330.00, your Sell Limit triggers and opens a Sell trade.

IV. Buy Stop

A Buy Stop is placed **above the current market price**. Traders use it when they want to enter a long position only if price continues rising and breaks through a certain level.

Example:
EUR/USD is trading at **1.10500**.
You believe that a break above **1.10700** signals strong upward momentum.
You place a **Buy Stop at 1.10700**.
If price reaches 1.10700, your Buy Stop triggers and becomes a Market Buy.

V. Sell Stop

A Sell Stop is placed **below the current market price**. Traders use it to enter a Sell position once the price has broken a support level and may continue falling.

Example:
NAS100 is trading at **15,000**.
You believe that if price drops below **14,950**, it may fall further.
You place a **Sell Stop at 14,950**.
If price reaches 14,950, your Sell Stop triggers and becomes a Market Sell.

VI. Stop-Loss (Protective Stop)

A Stop-Loss is used to **close an existing position** if price moves against you. It helps limit losses but can fill at the next available price if the market moves quickly.

Example:
You bought GBP/USD at **1.26000**.
To limit your risk, you place a **Stop-Loss at 1.25500**.
If price drops to 1.25500, your position closes automatically.
In fast markets or gaps, it may close at the next available price.

VII. Stop-Limit Order

A Stop-Limit combines a Stop trigger with a Limit price.

- The Stop activates the order.
- The Limit ensures you do not accept a worse price than your limit.

This gives price control but may result in the order not filling if the market moves too quickly.

Example:
You are long GOLD at **2,320.00**.
You want to exit if price drops but refuse to sell below **2,315.00**.
You set a **Stop at 2,316.00** and a **Limit at 2,315.00**.
If price gaps to **2,314.00**, the order does **not** fill.

VIII. Take-Profit Order

A Take-Profit is a Limit Order used to automatically close a profitable position at a chosen target price.

Example:
You bought NAS100 at **15,000**.
You set a **Take-Profit at 15,050**.
If price reaches 15,050, your trade closes at that level or better.

VII. No Negative Balance Protection

Fundify **does not offer** Negative Balance Protection. This means your account can fall below zero during fast or volatile market conditions, and you may owe money to Fundify if losses exceed your deposited funds.

When markets move sharply or gap, Stop-Loss orders and automatic liquidation may not close positions at the price you selected. Positions close at the **next available tradable price**, which may be much worse, resulting in a negative balance.

Example (very clear):
You have **$1,000** in your account.
You buy **1 lot of NAS100** at **15,000** and place a Stop-Loss at **14,950** to limit your loss to around **$500**.

Over the weekend, unexpected geopolitical news causes NAS100 to open on Monday at **14,900** — **50 points below your Stop-Loss**, with no prices in between.

Your Stop-Loss triggers at market open and closes at **14,900**, not at 14,950.

This results in a loss of **$1,000** instead of the expected $500.
Your account balance becomes **–$500**, meaning:

- Your entire $1,000 deposit is lost
- You now owe **an additional $500** to Fundify

This is how a negative balance can occur when markets gap.

Clients are responsible for monitoring margin, managing risk, and repaying any negative balances.

VIII. Margin Requirements, Margin Calls & Liquidation

CFD trading with Fundify is leveraged, meaning you only need to deposit a portion of the full trade value (margin). Because leverage increases both potential profits and potential losses, it is important for clients to understand how margin levels are monitored on the platform.

Fundify uses two key levels to protect accounts from excessive losses:

- **80% — Margin Call level**
- **50% — Liquidation level**

I. Margin Call at 80%

Your **Margin Level** is calculated as:

Equity ÷ Used Margin × 100%

When this reaches **80%**, your account is considered at risk.

At this stage:

- No positions are closed automatically.

- Fundify will aim to send you a **Margin Call email** informing you that your available funds are running low.
- You are expected to either add more funds or reduce your open exposure.

A Margin Call is simply a **warning — not an action.**

II. Liquidation at 50%

If your Margin Level falls to **50%**, Fundify may begin **automatically closing your CFD positions**. This is done to limit further losses and reduce the risk of your account falling into a negative balance.

Important points:

- Positions may close at the **next available market price**.
- In fast or gapping markets, the actual closing price may be worse than expected.
- Liquidation does not guarantee protection from negative balances.

Example (Clear and Simple – Tesla CFD)

You have **$2,000** in your account and buy a **Tesla CFD** equivalent to **10 shares** at **$200 each**, which requires **$1,000 margin**.

If Tesla begins falling, your position loses value.
When your Equity drops to **$800**, your Margin Level reaches **80%**, and Fundify sends you a **Margin Call email** warning that your funds are running low.

If Tesla continues dropping and your Equity falls to **$500**, your Margin Level hits **50%**, and Fundify may automatically close your Tesla position.
The position closes at **the next available market price**.
If Tesla falls sharply — for example, after earnings news — the closing price may be worse than expected and could even result in a **negative balance**.

III. Client Responsibility

Clients are responsible for:

- Maintaining sufficient margin
- Monitoring their account during volatile periods
- Understanding that liquidation may occur at any time once 50% is reached
- Covering any negative balances that may occur

IX. Best Execution

Fundify is committed to taking all reasonable steps to achieve the **best possible outcome** when executing client orders. This applies to all clients and all order types.

Execution on the Fundify platform is fully **automated**, meaning orders are processed electronically using live market pricing from multiple liquidity providers. This removes manual intervention and ensures consistent handling of all client orders.

When executing orders, Fundify considers several factors including price, costs, speed, likelihood of execution, and market conditions. Fundify will:

- provide competitive pricing sourced from reliable liquidity providers,

- apply any spreads or mark-ups transparently,
- execute orders at the best price available at the time of execution,
- pass on both positive and negative slippage fairly,
- use fast, stable systems to reduce delays or rejections,
- monitor execution quality on an ongoing basis.

Clients may provide **specific instructions** (e.g., Limit price). When they do, Fundify will follow those instructions, which may limit our ability to apply some aspects of Best Execution.

X. Conflicts of Interest

Fundify may execute trades internally (B-Book), externally through liquidity providers (A-Book), or through a hybrid approach. Because Fundify may sometimes take the opposite side of a client's trade, this can create potential conflicts of interest. These conflicts are common in the global OTC CFD industry.

All orders are executed through an **automated system**, which ensures:

- no manual price intervention,
- no dealer adjustments or "re-quotes,"
- consistent order handling for all clients.

Fundify manages potential conflicts by:

- using transparent pricing and mark-ups,
- applying slippage fairly in both directions,
- monitoring liquidity provider performance,
- ensuring independent oversight of our risk and execution processes, &
- applying execution rules consistently across all clients.

Fundify does **not** profit from client losses. The Firm's revenue comes from spreads, mark-ups, commissions (if applicable), and financing charges.

Regardless of the execution method used, Fundify remains committed to treating clients fairly and executing orders in line with this Policy.

XI. Monitoring & Review

Fundify monitors its execution arrangements on an ongoing basis to ensure that clients continue to receive fair and consistent execution quality. This monitoring applies to all trading instruments and execution models.

Fundify regularly reviews:

- pricing received from liquidity providers,
- spreads and mark-ups,
- speed and reliability of order execution,
- slippage rates (both positive and negative),
- order fill rates and rejections,
- the performance of internal and external execution routes,
- the stability and performance of the trading platform.

Where issues are identified, Fundify may adjust its pricing sources, execution routing, or technology systems to maintain strong and reliable execution standards.

This Policy is reviewed at least **once per year**, or sooner if:

- regulatory requirements change,
- Fundify makes material changes to its business model,
- new liquidity providers are added or existing ones removed,
- changes in market conditions require updates,
- improvements to systems or processes are introduced.

Any material changes to this Policy will be made available to clients in a timely manner.