

CONTENTS

1. INTRODUCTION	1
2. MARGIN	1
3. SPREAD	2
4. HOLDING COSTS	2
5. OTHER COSTS	3

1. INTRODUCTION

This Costs Disclosure only relates to business conducted on a direct basis between you and CMC Markets. It does not apply to clients introduced through a third party. For the avoidance of doubt, this Costs Disclosure only applies to Accounts using the MT4 Trading System to place Bets and does not apply to users of the NG Platform.

In this Costs Disclosure, CMC Markets UK Plc is also referred to as "CMC Markets", "CMC", "we", "us" and "our" in relation to your activities carried on with us.

Certain capitalised words and expressions in this document shall have the meaning given to them in our Financial Betting Terms of Business or in the clause in which they appear in this Costs Disclosure.

In this Costs Disclosure, we provide you with information to help you understand the costs and charges associated with entering into Bets with us and our related services. You should take sufficient time to read our Costs Disclosure and other documentation available to you, including our Financial Betting Terms of Business, Order Execution Policy, Risk Warning Notice and Key Information Documents¹, in addition to other relevant information available on our Website and the MT4 Trading System.

For real time information on our costs please refer to the product overview for the relevant instrument, available on the Back Office Platform. We strongly recommend that you refer to the product overview to ensure you understand the relevant costs involved before placing a Bet with us. It is your responsibility to ensure that you have sufficient funds in your Account to pay any amounts due to CMC Markets in full.

You should not trade with us unless you fully understand the costs and charges associated with entering into Bets. If you have any queries please contact our client services team: clientmanagement@cmcmarkets.co.uk or +44 (0)20 7170 8200.

2. MARGIN

If you open a Bet (or a Position) with us, you will be required to deposit money into your Account, which is known on the MT4 Trading System as 'margin'. Margin represents a percentage of the total value of the Position.

The Margin required for your Position(s) will be calculated using the Margin Rate applicable as shown on the MT4 Platform in the 'contract specification' section of each Product and on the Back Office Platform in the 'product overview' section of each Product.

To calculate the Margin required, you must use the opening Sell Price or Buy Price, shown on the MT4 Platform. The Total Margin required at any given time is calculated as follows:

The sum of (portion of Position in £/€ per point) x relevant Margin Rate x opening Sell Price or Buy Price

¹ Generic Key Information Documents (KIDs) are displayed on the Legal section of our website. Instrument specific KIDs are available on the Order Ticket on the Back Office Platform.

3. SPREAD

The Buy Price and Sell Price of a Bet are generally not the same. As soon as you have placed a Bet, there is a risk of losing the amount of the difference between the Buy Price and the Sell Price ("Spread"). Taking into account the size of your Position, and depending on Price movements, the size of the Spread fluctuates.

4. HOLDING COSTS

4.1 Holding Costs Overview

At the end of each trading day (17:00 NY time), Positions that remain open in your Account will be subject to a cost known as a 'Holding Cost'. Holding Costs can be positive or negative depending on the direction of your Position (buy or sell) and the applicable Holding Cost rate.

The historic Holding Cost rates, expressed as an annual percentage rate, are available on the Back Office Platform in the 'product overview' section of each Product.

To calculate daily holding costs, the annual percentages rates applicable to your Positions are divided by 365 and then charged accordingly against Positions open at 17:00 NY time each day.

The following table shows the calculation of the annual Holding Cost rates payable by you per asset class. The rates are comprised of a variable element and a fixed annual charge.

ASSET CLASS	ANNUAL HOLDING COST RATE
Commodities	Inferred Holding Cost +/- 3%
Indices	Underlying interbank rate +/- 3%
FX	TomNext rate +/- 1%

The fixed amounts in the table equate to a daily equivalent charge of 0.0082% for commodities and indices, and 0.0027% for FX.

Daily Holding Costs can be calculated using the formulas below:

Buy Bet

$$(\text{£/€ per point} \times \text{EOD market mid-price}^* \times \text{buy holding rate}) / 365$$

Sell Bet

$$(\text{£/€ per point} \times \text{EOD market mid-price}^* \times \text{sell holding rate}) / 365$$

*EOD market mid-price refers to the mid-price quoted by CMC for the relevant Product at 17:00 New York (NY) time. If the market for any Product has closed before that time, the price used will be last mid-price quoted at the closing time specified by us in the trading hours section of the 'product overview' for each Product.

Holding Costs for each open Bet will be credited or debited from your Account. This can be seen in the "history" section on the Back Office Platform.

4.2 Indices.

Holding Costs for cash index Bets will be calculated using the underlying reference interest rate of the index, plus 3% on buy Bets and minus 3% on sell Bets. The annual amount calculated is then divided by 365 to determine a daily cost.

The Holding Costs will be charged or debited when you have buy Positions and credited when you have sell Positions, unless the underlying reference interest rate is equal or less than 3%, in which case a charge will be made from your Account for the sell Positions.

4.3 FX

Holding Costs for cash currency pair Bets will be calculated based on the tomorrow to next day ("TomNext") interest rate of the respective currency pair on the relevant underlying markets, expressed as an annual percentage.

Holding Cost rate on a buy Bet

TomNext rate in % minus 1% / 365

Holding Cost rate on a sell Bet

TomNext rate in % plus 1% / 365

Different rates are quoted for in markets for buying and selling a Position and the rates are actively negotiated between the banks. Tom-next rates in the underlying market are based on the interest rate differential between the two currencies. As a general rule, if the interest rate of the first named currency is higher than the second named currency in the pair (subject to the 1% adjustment), and you hold a buy Bet, the Holding Cost will be credited to your account. On the other hand, if you hold a sell Bet in the same scenario, the Holding Cost will be debited from your Account.

4.4 Commodities

The Holding Cost rates for Positions in cash commodities are based on the underlying futures market from which the prices are derived. A cash product does not have a determined expiry or liquidation date. The price of the cash commodities does not include the Holding Costs which are incorporated in the futures of these products in order that the cash prices are 'constant'. The inferred daily Holding Cost is then applied as our holding cost, which can be positive or negative.

5. OTHER COSTS

5.1 Payments in to/out of your Account.

You can make deposits in your Account via credit or debit cards, or through funds transfer from your bank account, or using PayPal. We do not accept cash or cheque payments. Please ensure that any payment that you make is from an account or card in your name.

There is no charge to receive funds via a standard bank transfer (national transfers). Urgent international transfers may incur a cost, depending on the international location.

5.2 Dormant Account Inactivity Charge.

A monthly inactivity charge of £10 or €10 depending on your Account Currency will be deducted from the balance of any dormant Account. For this purpose, an Account shall be considered dormant if there are no open Positions and there has been no other trading activity for a continuous period of 1 year.

The monthly inactivity charge of £10 or €10 will be deducted from a dormant Account until either:

- the Account is closed by you or CMC Markets;
- trading activity recommences on the Account; or
- the balance of the Account is reduced to zero.

The monthly inactivity charge will be deducted in arrears, on or about the first UK working day of each calendar month.

Once the balance of a dormant Account has reduced to zero, CMC Markets will not deduct further monthly inactivity charges from the dormant Account. A dormant Account will not incur a negative balance as a result of the deduction of the monthly inactivity charge.

5.2 Price Adjustments – Dividend Equivalent Payments

These are not a charge on your Account as such, however they may result in debits to your Account.

Cash Index Spread Bet

Where you hold a Position in an index which is subject to the payment of price adjustments, generated from the dividends paid by the underlying company constituents of the index, a cash adjustment will be posted to your Account to reflect the value change, or drop points, in the index. These adjustments are made on both long and short Positions.

Economically these adjustments have no impact in the performance of the Position held as the calculated fall in value of the index based on the dividend payment will be exactly offset by the debit or credit posted to your Account.

For example, if the UK 100 has a price adjustment of 7.5 points and last price before the price adjustment is applied is 7,720.00 you would expect the value of the index to fall to 7,712.50.

Any difference between the expected first price of 7,712.50 and the actual first price will be the impact of market movement.