



COST AND CHARGES – OVERNIGHT FUNDING

GLOBAL MARKETS GROUP LIMITED

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1. INTRODUCTION, SCOPE AND PURPOSE OF THIS DOCUMENT

Global Markets Group Limited (“GMG” or the “Firm”) is a private limited Firm incorporated in England and Wales with Firm Registration Number 09493910. It is authorised and regulated by the Financial Conduct Authority (“FCA”) as a UK Investment Firm for the conduct of investment and ancillary services and activities under the provisions of the Financial Services and Markets Act 2000 FSMA 2000 as amended (including by the Financial Services Act 2021 and the Financial Services and Markets Act 2023), and as subsequently amended or replaced from time to time (“the Law” and “The Act”), and the FCA Rules (Firm Reference Number 744501).

GMG offers investment services to retail and professional clients through a “Business-to-Consumer” (“B2C”) segment, representing online trading (website www.gmgmarkets.co.uk), and to eligible counterparties through a “Business-to-Business” (“B2B”) segment (website www.gmgprime.com), via the offering of liquidity to other regulated brokers.

This Costs and Charges — Overnight Funding document (the “Document”) gives the general public and clients insight into the financing charges applied to executed orders held overnight, per asset class, on GMG’s contracts for difference (“CFDs”) and Spread Bets (“SBs”) offering. Clients should be aware that accumulated costs and charges increase with the size of executed orders and the duration for which they are held. The Document is published on the Firm’s website at www.gmgmarkets.co.uk.

2. WHAT ARE OVERNIGHT FUNDING CHARGES?

When you hold a CFD position open overnight, GMG applies an overnight funding adjustment to your account. This reflects the cost of funding the leveraged exposure your position provides. Overnight funding can result in a charge or a credit to your account, depending on the instrument and whether your position is long (buy) or short (sell). Overnight funding is applied to the full notional value of your position — not just the margin you have deposited. This means the charge or credit is calculated on the total market exposure your CFD gives you, including the leveraged portion.

IMPORTANT: Because overnight funding is applied to the full notional value of your position, the cumulative cost of holding a CFD open for extended periods can be significant relative to the margin you have deposited. Please read the examples carefully before holding a position overnight.

How overnight funding rates are structured

For most instruments, the overnight funding rate is made up of two components:

Component	Description	Example (GBP instruments)
Reference rate	The relevant overnight interbank benchmark for the currency of the instrument. For GBP instruments: SONIA. For USD instruments: SOFR. For EUR instruments: €STR.	SONIA (currently approx. 4.0% p.a.)
GMG admin fee	GMG administrative charge, applied in addition to the reference rate on long positions. On short positions, the admin fee is deducted from the reference rate; if the reference rate exceeds the admin fee, the client receives net	2.50 % p.a. (see Schedule 1)
Long position rate (charge)	Reference rate PLUS GMG admin fee. This amount is charged to your account.	SONIA + 2.50% p.a.
Short position rate (credit or charge)	Reference rate MINUS GMG admin fee. If positive, a credit is applied to your account. If negative (i.e. admin fee exceeds reference rate), a charge is applied.	SONIA – 2.50% p.a.

The reference rate changes daily in line with market conditions. GMG updates the applicable reference rate on each trading day. The resulting overnight funding rate for each instrument is displayed on the deal ticket before you open or hold a position and is available in the instrument overview on the platform.

How the annualised rate translates to a daily charge

All overnight funding rates shown by GMG are expressed as annualised equivalent rates (AER). To calculate the daily charge or credit for a single overnight period, the formula is:

$$\text{Daily overnight charge or credit} = (\text{Notional value of position} \times \text{Annualised rate}) \div 365$$

Where: Notional value = number of units × current price of the instrument

Annualised rate = reference rate ± GMG admin fee (as applicable to long or short position)

Note: for USD-denominated instruments, 360 is used instead of 365 in line with market convention.

3. WORKED EXAMPLES PER CFD/SPREAD BET ASSET CLASS

The examples below use illustrative rates. The actual overnight funding rate applicable to your position will depend on the current reference rate and GMG's admin fee on the date your position is held. Always check the deal ticket for the current applicable rate before holding a position overnight. For these examples SONIA = 4.50% p.a. | GMG admin fee = 2.50% p.a. | Long rate = 7.00% p.a. | Short rate = 2.00% p.a. (credit). The 4.50% SONIA rate is illustrative only and is used to demonstrate the calculation method.

Example 1 — UK 100 Index CFD — Long (Buy) Position

Position details	
Instrument	UK 100 Index CFD
Position	Long (Buy)
Number of contracts	5
Contract size	£1 per index point
Index level at close	8,200
Notional value of position	5 contracts × £1 × 8,200 = £41,000
Applicable overnight rate (AER)	SONIA (4.50%) + GMG admin fee (2.50%) = 7.00% p.a.

Daily overnight charge calculation

Notional value	£41,000
Annualised rate (AER)	7.00% p.a.
Daily rate	$7.00\% \div 365 = 0.01918\%$ per day
Daily overnight charge	$£41,000 \times 0.01918\% = £7.86$ per night

Cumulative cost illustration

Holding period	Cumulative overnight charge	As % of margin (5% margin = £2,050)	As % of notional value
1 night	£7.86	0.38%	0.019%
1 week (5 nights)	£39.30	1.92%	0.096%
1 month (21 nights)	£165.06	8.05%	0.40%
3 months (63 nights)	£495.18	24.15%	1.21%
12 months (252 nights)	£1,980.72	96.62% - nearly your entire margin	4.83%

This example shows that holding a leveraged long position for extended periods significantly erodes returns through overnight funding charges. At 7.00% AER on a position with 5% margin, the annualised funding cost is equivalent to nearly your entire initial margin deposit within 12 months.

Example 2 — GBP/USD FX CFD — Long (Buy) Position

Position details	
Instrument	GBP/USD FX CFD
Position	Long GBP (Buy GBP/USD)
Trade size	50,000 units (GBP)
GBP/USD rate at close	1.2700
Notional value (GBP)	£50,000
Rate basis	GBP/USD FX overnight rate derived from GBP-USD interest rate differential (TomNext). Long GBP = pay GBP rate, receive USD rate.
Applicable overnight rate (AER)	Illustrative: 1.80% p.a. charge (GBP SONIA – USD SOFR – GMG admin fee; actual rate varies daily)

Daily overnight charge calculation

Notional value	£50,000
Annualised rate (AER)	1.80% p.a.
Daily rate	$1.80\% \div 365 = 0.00493\%$ per day
Daily overnight charge	$£50,000 \times 0.00493\% = £2.47$ per night

Note: FX overnight rates reflect the interest rate differential between the two currencies in the pair, adjusted by GMG's admin fee. The rate can be positive or negative depending on market conditions and the direction of your position. The current applicable rate is shown on the deal ticket.

Example 3 — UK 100 Index CFD — Short (Sell) Position — Receiving a Credit

Position details	
Instrument	UK 100 Index CFD
Position	Short (Sell)
Number of contracts	5
Index level at close	8,200
Notional value	£41,000
Applicable overnight rate (AER)	SONIA (4.50%) – GMG admin fee (2.50%) = +2.00% p.a. — this is a CREDIT to your account

Daily overnight credit calculation

Notional value	£41,000
Annualised rate (AER)	2.00% p.a. (credit)
Daily rate	$2.00\% \div 365 = 0.00548\%$ per day
Daily overnight CREDIT	$£41,000 \times 0.00548\% = +£2.24$ per night (credited to your account)

When you hold a short CFD position and the reference rate exceeds the GMG admin fee, a credit is applied to your account each night the position is held. The credit is calculated on the same notional value basis as a charge. Note: if the reference rate falls below the GMG admin fee, a charge will apply to your short position instead of a credit.

Example 4 — Hedged Account: Matched Long and Short Position in the Same Instrument

If you hold a hedged account and open both a long and a short position in the same instrument at the same time (a matched or 'hedged' position), overnight funding is applied to each leg independently. Depending on the instrument and the applicable rates, you will receive a credit on one leg and pay a charge on the other. The net overnight cost is the difference between the two.

	Long leg	Short leg
Instrument	UK 100 Index CFD	UK 100 Index CFD
Position size (notional)	£41,000	£41,000
Applicable overnight rate (AER)	7.00% p.a. CHARGE	2.00% p.a. CREDIT
Daily amount	-7.86 (charged)	+£2.24 (credited)
Net daily overnight cost (matched position)	£7.86 charged – £2.24 credited = £5.62 net charge per night	

4. HEDGED (VS) NETTED ACCOUNT

On a hedged account, the net overnight cost of a matched position is the spread between the long rate and the short rate — not two full charges. In this example, the net charge is £5.62 per night rather than £7.86 twice. However, because you have no net market exposure on a matched position, you are paying this funding cost without any potential for profit on the net position. You may wish to consider whether closing the matched position is more cost-effective than holding it overnight.

Alternatively, if you switch to a netted account, offsetting positions in the same instrument will be automatically closed by the system, eliminating overnight funding on the matched legs entirely. You can request to switch between a hedged and a netted account at any time; please contact your Client Relationship Manager or our Customer Support team at info@gmgmarkets.co.uk.