

A COMPARISON OF BUYING & HOLDING SHARES VS TRADING CFD'S (using Trade Mechanics)

NAB

	<u>No.</u>	<u>\$</u>
Total Trading Days	1688	
<u>Buy and Hold One Share</u>		
Share Price	04-Jan-00	\$22.80
Share Price	30-Jan-06	\$33.56
Capital Profit		\$10.76

Trade Mechanics Results for One Share CFD for NAB

Total No of Trades	495	
Average Net Profit		\$0.3036
Total Net Profit	1 Share	\$150.31
No of Profit Trades	308	
Average Profit		\$0.7259
Total Profits		\$223.59
No of Loss Trades	187	
Average Loss		\$0.3919
Total Losses		\$73.28
Gross Profit Factor	3.051	

Total Net Profit		\$150.31
Less Trade Costs		\$18.32
Net Result		\$132.00
Leverage Multiplier	5	\$659.98
Trade Margin	5%	
Available Leverage	20	

Adopting a conservative approach to leverage; say a leverage factor of 5 if share CFD's were traded with the Trade Mechanics trade system for NAB the result using this leverage traded would be a profit of \$659.98
 The unused margin which could be allocated to IBD is 75%
 This compares favourably to the Buy and Hold result for one share of \$10.76
 The Buy and Hold alternative absorbs 100% or the full purchase price of the share
Note: No account is taken of dividends received or interest earned in this example