

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

AMP Limited

	No.	\$
Total Trading Days	1688	
<u>Buy and Hold One Share</u>		
Share Price	04-Jan-00	\$16.30
Share Price	30-Jan-06	\$8.32
Capital Loss		(\$7.98)

Trade Mechanics Results for One AMP Share CFD

Total No of Trades	493	
Average Net Profit		\$0.1811
Total Net Profit	1 Share	\$89.26
No of Profit Trades	315	
Average Profit		\$0.4282
Total Profits		\$134.89
No of Loss Trades	178	
Average Loss		\$0.2563
Total Losses		\$45.62
Gross Profit Factor	2.9565	

Total Net Profit		\$89.26
Less Trade Costs		\$9.86
Net Result		\$79.40
Leverage Multiplier	5	\$397.00
Trade Margin	5%	
Available Leverage	20	

Assuming a conservative risk, and a leverage factor of 5, if AMP share CFD's were traded then the result per share would be a profit of \$397.00 **vs.** a loss of \$7.98. The margin required to trade the CFD's would be 25% of the share purchase price ie 75% could remain in IBD.

Note: No account is taken of dividends received or interest earned in this example