

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

Bendigo Bank

	<u>No.</u>	<u>\$</u>
Total Trading Days	1673	
<u>Buy and Hold One Share</u>		
Share Price	04-Jan-00	\$5.02
Share Price	30-Jan-06	\$12.80
Capital Profit		\$7.78

Trade Mechanics Results for One Bendigo Bank Share CFD

Total No of Trades	278	
Average Net Profit		\$0.1282
Total Net Profit	1 Share	\$35.63
No of Profit Trades	191	
Average Profit		\$0.2370
Total Profits		\$45.27
No of Loss Trades	87	
Average Loss		\$0.2563
Total Losses		\$9.64
Gross Profit Factor	4.697	

Total Net Profit		\$35.63
Less Trade Costs		\$5.56
Net Result		\$30.07
Leverage Multiplier	5	\$150.35
Trade Margin	5%	
Available Leverage	20	

Assuming a conservative risk, and a leverage factor of 5, if Bendigo share CFD's were traded then the result per share would be a profit of \$150.35 **vs.** a profit of \$7.78. 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