

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

**NAB**

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

**Trade Mechanics Results for One Share CFD for NAB**

Total No of Trades	495	
Average Net Profit		\$0.3036
<b>Total Net Profit</b>	1 Share	<b>\$150.31</b>
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
<b>Gross Profit Factor</b>	<b>3.051</b>	

<b>Total Net Profit</b>		<b>\$150.31</b>
<b>Less Trade Costs</b>		<b>\$18.32</b>
<b>Net Result</b>		<b>\$132.00</b>
<b>Leverage Multiplier</b>	<b>5</b>	<b>\$659.98</b>
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