

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

SANTOS

	<u>No.</u>	<u>\$</u>
Total Trading Days	1685	
<u>Buy and Hold One Share</u>		
Share Price	04-Jan-00	\$4.15
Share Price	30-Jan-06	\$13.42
Capital Profit		\$9.27

Trade Mechanics Results for One SANTOS Share CFD

Total No of Trades	244	
Average Net Profit		\$0.1803
Total Net Profit	1 Share	\$43.99
No of Profit Trades	176	
Average Profit		\$0.3005
Total Profits		\$52.88
No of Loss Trades	68	
Average Loss		\$0.1307
Total Losses		\$8.89
Gross Profit Factor	5.948	

Total Net Profit		\$43.99
Less Trade Costs		\$4.88
Net Result		\$39.11
Leverage Multiplier	5	\$195.55
Trade Margin	5%	
Available Leverage	20	

Assuming a conservative risk, and a leverage factor of 5, if SANTOS share CFD's were traded then the result per share would be a profit of \$195.55 **vs.** a profit of \$9.27. 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