

2011

Tradex Simplified Prospectus



May 12, 2011

Tradex Bond Fund



Tradex Equity Fund Limited



Tradex Global Equity Fund

No securities regulatory authority has expressed an opinion about these units/shares and it is an offence to claim otherwise.

Tradex[®]
mutual funds
for the public sector

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General Information About the Funds

Introduction

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

This document is divided into two parts:

- Part A, from pages 1 to 8 contains general information about all of the Funds.
- Part B, from pages 9 to 15, contains specific information about each of the Funds described in this document.

Additional information about each Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling Tradex Management Inc. toll-free at 1-800-567-3863 or from your dealer.

These documents are also available on the Tradex website at www.tradex.ca or by contacting Tradex at info@tradex.ca.

These documents and other information about the Funds are also available at www.sedar.com.

What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

A mutual fund is a pooling of resources by many individual investors to achieve common objectives. Fund investors share the mutual fund's income, expenses, and the gains and losses the mutual fund makes on its investments in proportion to the units or shares they own.

Mutual funds are either companies which issue shares, or trusts which issue units. Tradex manages both.

A mutual fund invests in the three basic financial asset classes, stocks, bonds, and cash reserves, depending on the mutual fund's investment objectives. The values of securities vary from day to day, reflecting changes in interest rates, economic conditions, and other factors. As a result, the value of each fund's units or shares will go up and down on a daily basis. This means the value of your investment in a mutual fund may be more, or less, when you redeem it than when you purchased it.

We calculate the unit or share price (net asset value per unit or share) by adding up the assets of the Fund (the cash and securities in its portfolio), subtracting its liabilities, and dividing by the total number of units or shares outstanding.

Tradex does not guarantee that the full amount of your original investment in any of the Funds will be returned to you. Unlike bank accounts or GIC's, mutual fund units and shares are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see pages 5 and 6 "Purchases, Switches and Redemptions".

General Investment Risks

All mutual funds involve some level of risk. Simply put, risk is the possibility you will lose money or not make money on your investment. Generally, the higher an investment's anticipated return, the greater the risk you must be prepared to take. As you consider an investment in a mutual fund, consider not just what you hope to gain on the upside, but also what you're prepared to risk on the downside. The value of the units/shares is directly related to the value (i.e., fair value) of each mutual fund's investments. Therefore, the value of the units/shares goes up or down depending upon various factors.

Fund-specific risks

Each mutual fund also has specific risks. The description of each Tradex Fund, described in Part B of this document, sets out the risks that apply to that Fund. Here is a description of each of these risks:

Active management risk – All actively managed funds are dependent on their portfolio management team to select individual securities and, therefore, are subject to the risk that poor security selection or market allocation will cause an actively managed fund to underperform relative to other funds with similar investment objectives or to its benchmark index.

Commodity risk – The market value of a mutual fund's investments may be affected by adverse movements in commodity prices. When commodity prices decline, this generally has a negative impact on the earnings of companies whose business is based in commodities, such as oil and gold.

Concentration risk – A relatively high concentration of assets in, or exposure to, a single or small number of issuers may reduce the diversification and liquidity of a mutual fund, and increase its volatility. As a result of reduced diversification and liquidity, a fund's ability to satisfy redemption requests may be reduced.

Credit risk – Credit risk is the risk that the government, company or special purpose vehicle (such as a trust issuing asset-backed securities) issuing a fixed income or money market security will be unable to make interest payments or pay back the principal. Securities that have a low credit rating have high credit risk. The market value (i.e., fair value) of a debt security can be affected by a downgrade in the issuer's credit rating, a change in creditworthiness, or perceived creditworthiness, of the issuer or any assets backing the security. Mutual funds that invest in companies or markets with high credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Derivative risk (forward contracts) – Two of the Tradex Funds are allowed to use derivatives known as forward contracts for foreign currency hedging purposes only. The intention of currency hedging is to reduce risk to investors. However, such hedging cannot eliminate fluctuations in the prices of securities in the portfolio, nor prevent losses if the prices of those securities decline. The risks of the use of forward contracts include the possible



default by the other party to the transaction and, to the extent the view as to certain currency movements is incorrect, the risk that the use could limit the opportunity for gains should they have not been used. The use of currency forward contracts could also result in the Fund incurring losses as a result of a number of factors including the imposition of exchange controls, suspension of settlements, or the inability to deliver or receive a specified currency.

Equity risk – Mutual funds that invest in equities – also called stocks or shares – are affected by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise, as will the value of funds that own these shares. On the other hand, share prices usually decline in times of general economic or industry downturn. The price of equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the value of the overall stock market because of changes in the outlook for those individual companies or the particular industry.

Foreign currency risk – Changes in the value of the Canadian dollar compared to a foreign currency or the imposition of foreign exchange controls will affect the value, in Canadian dollars, of any foreign securities held by a mutual fund. For example, if the U.S. dollar rises in value relative to the Canadian dollar, a fund's U.S. stocks will be worth more in Canadian dollars. On the other hand, if the U.S. dollar falls, a fund's U.S. holdings will be worth less in Canadian dollars.

Foreign security risk – The value of foreign securities will be affected by factors affecting other similar securities and could be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As well, different financial, political and social factors may involve risks not typically associated with investing in Canada.

Interest rate risk – The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. As the term to maturity of the bonds in a portfolio lengthens, the variability of interest rates increases, along with bond prices. Changes in interest rates may also affect the value of equity securities.

Liquidity risk – Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to. The value of securities which are not regularly traded (less liquid) will generally be subject to greater fluctuations.

Regulatory risk – Certain issuers involved in specially regulated industries, such as the energy or telecommunications industry, may experience an adverse impact on revenue or costs as a result of compliance with the relevant regulatory requirements. In addition, issuers in regulated industries may require permits and approvals before commencing projects. Delays or rejections of these proposed plans would hinder the issuer's growth and increase its costs.

Securities lending risk – Securities lending transactions come with certain risks. If the other party to the transaction cannot complete the transaction, the mutual fund may be left holding the collateral delivered by the other party to secure the transaction. The fund could lose money if the value of collateral held and cash received does not increase as much as the securities loaned. To minimize these risks, the other party must provide collateral that is worth at least 102 per cent of the value of the mutual fund's securities or cash and of the type permitted by the Canadian Securities Administrators. The value of the transactions and the collateral are monitored daily and the collateral adjusted appropriately by the securities lending agent of the funds.

Small company risk – The share price of smaller companies is usually more volatile than that of more established larger companies. Smaller companies may be developing new products which have not yet been tested in the marketplace, or their products may quickly become obsolete. They may have limited resources, including limited access to funds or unproven management, and their shares may trade less frequently and in smaller volume than shares of large companies. They may have few shares outstanding, so a sale or purchase of shares will have a greater impact on the share price. The value of these investments may rise and fall substantially.

Specific issuer risk – The value of all securities will vary positively and negatively with developments within the specific companies or governments which issue the securities.

Specialization risk – Some mutual funds invest primarily in companies in particular industries or particular geographic areas of the world. If the particular industry or geographic region prospers, the outlook for companies in the industry or geographic region will generally increase, as will the value of the funds that invest in them. Conversely, if the particular industry or one geographic region experiences a downturn, the outlook for companies in the industry or geographic region will generally decline, as will the value of the funds that invest in them. In addition, the fund may suffer because there are relatively few other investments in companies within other industries or geographic areas to offset the downturn.

In summary, when you are making your investment decision, it is very important that you are completely aware of the different investment types, their risks, relative return over time and their volatility.



Organization and Management of the Tradex Funds

Manager

Tradex Management Inc.
50 O'Connor Street, Suite 920
Ottawa, ON K1P 6L2
1-800-567-3863 www.tradex.ca

Tradex manages the overall business of the Funds, including selection of the portfolio advisor for each Fund and the registrar, and promotes sales of the Fund's units and shares.

Trustee

Tradex Management Inc., Ottawa, Ontario

The Funds are organized as trusts, with the exception of Tradex Equity Fund Limited. When you invest in these Funds, you're buying units of the trust. The trustee holds actual title to the property in the Funds – the cash and securities – on your behalf.

Principal Distributor

Tradex Management Inc., Ottawa, Ontario

As principal distributor, Tradex markets the units and shares of the Funds through authorized brokers and dealers, and accepts purchase orders directly from investors in Ontario, Quebec and British Columbia.

Custodian

CIBC Mellon Trust Company, Toronto, Ontario

The custodian has physical custody of the securities in the Funds' portfolios.

Registrar

**CIBC Mellon Global Securities Services Company
Toronto, Ontario**

As registrar, CIBC Mellon keeps track of the owners of units/shares of each of the Funds, processes purchases, switch, transfer and redemption orders, issues investor account statements, issues annual tax reporting information, and provides fund accounting and administration services.

Auditor

PricewaterhouseCoopers LLP, Ottawa, Ontario

The auditors examine the financial statements of each Fund and express their opinion on the fairness of their presentation in accordance with Canadian generally accepted accounting principles. Except in the case of Tradex Equity Fund Limited where investors must approve by vote any change in auditor, unitholders will be provided a written notice at least 60 days prior to any change of auditor.

Purchases, Switches and Redemptions

Any resident of Canada who is or was employed by the public sector, including their immediate family, may purchase units/shares of the Funds. The public sector includes governments, hospitals, school boards and Crown Corporations.

Ontario, Quebec and British Columbia residents have the option of purchasing units directly from Tradex or from an authorized dealer. Residents in the rest of Canada must use a dealer's services. Transfers from one Fund to another (i.e. switches, and redemptions) should be done through the dealer from whom the units were purchased or through Tradex if purchased directly.

Unit/share prices (net asset value per unit/share) for Tradex Equity Fund Limited and Tradex Bond Fund are calculated daily following the close of trading on The Toronto Stock Exchange. For details of the calculation of the unit price (net asset value per unit) of Tradex Global Equity Fund see page 14. The issue or redemption price of the units/shares issued is based on the Fund's net asset value next determined after the receipt of the purchase or redemption order. If we receive your purchase order and payment or your redemption request before 4 p.m. (Ottawa time) on any day markets are open, we'll process your order at the unit/share price on that date. Otherwise, you will receive the unit/share price on the next day the market is open.

Purchases

No sales commission is payable to Tradex when purchasing Fund units/shares directly in Ontario, Quebec and British Columbia. Whether an authorized dealer charges a commission is a matter between the dealer and you, but such commission fee may not exceed 2 percent of the amount of your purchase.

Independent Review Committee

The mandate of the Tradex Independent Review Committee is to review and provide input on Tradex Management Inc.'s written policies and procedures with respect to conflict of interest matters and to review such conflict of interest matters. The Committee consists of three individuals and prepares a report of its activities annually (or more often if required) for the unitholders. This report is available on Tradex's website at www.tradex.ca or upon request at no cost by contacting Tradex at info@tradex.ca. Further information about the Tradex Independent Review Committee, including the names of its Members, is available in the Annual Information Form for the Tradex Funds and on the Tradex website.

Your first investment in a Fund must be at least \$1,000. After your first investment, the minimum for further investments in that Fund is \$100. These minimums do not apply to investors under the age of 18. In addition, minimum requirements may be waived at the discretion of Tradex. Payment is made by cheque or by pre-authorized debit from an account with a deposit taking institution.

We may reject your purchase order within one business day of receiving it. Any payment sent with your order will be returned immediately. Please see pages 7 and 8 with respect to Fees and Expenses and Dealer Compensation.

Redemptions

Payment for redeemed units/shares will be made within three business days of the receipt of the redemption request, and will be electronically transferred to your account at any financial institution in Canada unless instructed otherwise.

Under exceptional circumstances, a Fund may suspend your right to redeem your units/shares. This would most likely occur if market trading has been suspended on stock exchanges on which a significant portion of the Fund's assets are listed and those assets are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

There is no fee payable by you upon redemption of units/shares if held through Tradex. Whether an authorized dealer charges a redemption fee is a matter between the dealer and you, but such redemption fee may not exceed 2 percent of the amount being redeemed. Each Fund has the right to redeem on notice your units/shares if either the value of your holding is less than \$1,000 or if mail addressed to you from Tradex has been returned, undelivered, for a period of three consecutive years. In the event of the latter situation, the redemption proceeds will be deposited to your credit in an interest bearing account.

Switches

Ontario, Quebec and British Columbia residents dealing directly with Tradex can redeem units/shares of one Fund and use the proceeds to purchase units/shares of another Fund. This is a "switch". No sales commission is payable to Tradex upon the redemption and purchase of Fund units/shares as part of a switch if the switch is through Tradex. Whether an authorized dealer charges a redemption fee or commission is a matter between the dealer and you, but such commission may not exceed 2% of the amount being switched. We can reject your switch order within one business day of receiving it.

Short Term Trading

Short-term trading includes buying and then redeeming or switching a large number of units/shares of a Fund within 30 days of buying. We discourage investors from short-term trading. Short-term trading can harm a Fund's performance and the value of other investors' holdings in a fund because such trading can increase brokerage and other administrative costs of a fund and interfere with the long term investment decisions of the Fund's portfolio advisor. We have policies and procedures to detect and deter short-term trading that include the ability to refuse purchase and switch orders. Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Optional Services Registered Tax Plans

All Tradex Funds are eligible for the following registered tax plans: registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plans (RESPs – nominee accounts only), life income funds (LIFs), locked-in retirement accounts (LIRAs), locked-in retirement income funds (LRIFs) and Tax-Free Savings Accounts (TFSA's).

There is no annual administration fee for registered tax plans administered by Tradex. The trustee of these plans is CIBC Mellon Trust Company, Toronto.

Regular Investment and Withdrawal Plans

You can buy units/shares of the Funds through a pre-authorized regular investment plan. You can invest bi-weekly, twice-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. Each investment must be at least \$100.

You can also set up a regular withdrawal program. You can choose when to withdraw (bi-weekly, twice-monthly, monthly, bi-monthly, quarterly, semi-annually or annually) and how much to redeem each time. These regular deposits or withdrawals can be terminated at any time.

Automatic Reinvestment of Distributions

We automatically reinvest your distributions or dividends to purchase additional units/shares of the Funds.

If you would prefer to receive your dividends or distributions in cash, please write instructing us whether to pay you by cheque or direct deposit to your account at any financial institution.



Fees and Expenses

This table lists:

- All fees and expenses which are paid directly by the Funds before they calculate their unit/share price (net asset value per unit/share), and which therefore indirectly reduce the value of your investment
- All fees and expenses payable directly by you.

Impact of Sales Charges

You may purchase the Funds on a no load basis through Tradex. If you purchase the Funds through an authorized dealer, you may be charged a sales charge by that dealer – see the table.

Fees and Expenses Payable by the Funds

Management Fees

Tradex Bond Fund 0.6%
Tradex Global Equity Fund 0.6%
Tradex Equity Fund Limited 0.7%

Each of these percentages represents the annual fee for management services paid to Tradex as a percentage of the average net asset value of the relevant Fund.

Any surplus funds, after retaining sufficient funds to meet all operating, capital and regulatory requirements of Tradex, will be rebated pro rata to all mutual funds managed by Tradex based on the amounts paid to Tradex by such mutual funds. There can be no assurance that there will be any such rebates or as to the size of such rebates.

Operating Expenses

Each Fund pays all of its operating expenses (fees with respect to investment advisory, administration, management, custodial professional services and regulatory filing fees and expenses). In addition, the Funds pay all fees and expenses in connection with the operation of the Tradex Independent Review Committee (“IRC”), which may include parking, meals and refreshments, legal fees, educational expenses, travel and teleconference expenses. The IRC members receive no compensation for performing this duty. The expenses of the IRC are allocated equally among the Funds. The expenses associated with the IRC totalled \$180.05 in 2010 and are expected to total less than \$300.00 in 2011.

Fees and Expenses Payable Directly by You

Sales Charges

Nil if purchased through Tradex. Whether an authorized dealer charges a commission fee is a matter between the dealer and you, but such commission fee may not exceed 2% of the amount of your purchase.

Switch Fees

Nil if purchased through Tradex. Whether an authorized dealer charges a switch fee is a matter between the dealer and you, but such switch fee may not exceed 2% of the amount being switched.

Redemption Fees

Nil if held through Tradex. Whether an authorized dealer charges a redemption fee is a matter between the dealer and you, but such redemption fee may not exceed 2% of the amount being redeemed.

Registered Tax Plan Fees

Nil if a Tradex sponsored tax plan.

Other Fees and Expenses

Nil

Dealer Compensation Sales Commissions

No sales commissions or charges are payable when purchases are made through Tradex. To the extent that an authorized dealer may charge a commission, that is a matter between the dealer and you, but such commission fee may not exceed 2 percent of the amount of your purchase. Tradex permits authorized dealers to retain any such sales charges paid by investors as compensation.

Trailing Commission

Tradex pays authorized dealers a trailing commission at the end of each quarter, to cover printing and mailing costs to their clients. The trailing commission is a percentage of the average daily value of each account held by the dealer's clients. The maximum annual trailing commission paid is 0.3 percent. We may change or cancel the terms of the trailing commission at any time.

Dealer Compensation from Management Fees

The trailing commission paid to authorized dealers as a percentage of management fees received from the Funds in the fiscal year ended December 31, 2010 was approximately five percent.

Income Tax Considerations for Investors

Generally, both Tradex Bond Fund and Tradex Global Equity Fund distribute enough income and capital gains each year to ensure that the Fund pays no income tax. Tradex Equity Fund Limited, as a corporation, will pay regular and capital gain dividends each year to recover income and capital gains taxes paid to the extent possible.

For Funds Held in a Registered Plan

You pay no tax on earnings we distribute to you from Funds held in a registered plan such as an RRSP, RRIF or TFSA, nor on any capital gains the plan makes from redeeming units or switching between Funds, as long as the proceeds remain in the plans.

For Funds Held in a Non-registered Account

You must report for income tax purposes all dividends and distributions paid to you during the year, whether you receive these distributions as cash or whether we reinvest them in additional units/shares for you.

You must also include in your income for the year any capital gains or losses you made from redeeming units/shares or switching between Funds.

Active portfolio turnover is certain to generate taxable capital gains or losses. Active trading of the portfolio also generates additional broker commissions, thereby increasing fund expenses and reducing the rate of return.

If you buy units/shares you may be taxed on accrued but undistributed income, accrued but unrealized capital gains and realized but undistributed capital gains that are in the Fund at the time of your purchase. This may be of particular relevance if you buy units/shares late in the calendar year or otherwise shortly before a distribution. The adjusted cost base of your units/shares will be increased by the amount of the distribution. The adjusted cost base of your units/shares equals the amount you paid initially plus the amount of reinvested distribution or dividends plus the amount of any additional purchases minus the adjusted cost base of any unit/shares you have previously redeemed.

We will issue a tax statement to you each year identifying the taxable portion of your dividends and distributions. You should keep detailed records of the purchase cost and distributions related to your Fund units/shares in order to calculate the adjusted cost base of those units/shares. You may wish to consult a tax advisor to help you with these calculations.

What are your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within forty-eight hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy fund units/shares and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.



Specific Information about Each of the Mutual Funds Described in this Document

You will find a detailed description of each of the Funds in this part of the Simplified Prospectus. Summary information with respect to *What are the risks of investing in the Fund*, the *Investment risk classification methodology* and *Who should invest in the Fund* is as follows:

What are the risks of investing in the Fund?

Risks specific to the individual Fund are identified in this section. General information about risks is outlined under *What is a mutual fund and what are the risks of investing in a mutual fund?* on pages 2-4.

Investment risk classification methodology

The methodology used to determine the risk ratings of the Funds for purposes of disclosure in this prospectus is the methodology recommended by the Fund Risk Classification Task Force of the Investment Funds Institute of Canada (the “IFIC Task Force”). The IFIC Task Force concluded that the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However the IFIC Task Force recognizes that other types of risk, both measurable and non-measurable, may exist and reminds that historical performance may not be indicative of future returns and a fund’s historical volatility may not be indicative of its future volatility.

The investment risk level of each Fund is reviewed annually.

The methodology that Tradex Management Inc. uses to determine the investment risk level of the Funds is available on request, at no cost, by contacting us toll-free at 1-800-567-3863 or by writing to Tradex Management Inc., 50 O’Connor Street, Suite 920, Ottawa, Ontario K1P 6L2.

Who should invest in the Fund?

This section identifies the type of investor the Fund may be suitable for in terms of risk tolerance and investment time horizon. **This information is only a guide.** When you and your Advisor are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level.

In determining the level of investor risk tolerance that would be appropriate for investment in a Fund as indicated in each of the Fund Profiles, Tradex has considered several factors. These factors include the investment risk rating as indicated under the heading *What are the risks of investing in the Fund?* in each of the Fund Profiles; possible objectives and constraints including return requirements such as capital growth, income generation, capital preservation and inflation protection; liquidity requirements; time horizon; and overall asset allocation. In addition, Tradex Management Inc. monitors the risk rating assigned to mutual funds with similar investment objectives, investment strategies and portfolio allocations offered by the major investment fund managers in Canada in order to ensure that the risk ratings for the Tradex Funds are consistent with the published ratings for similar, much larger funds. As a result, we may classify a Fund’s overall risk suitability either higher or lower than the risk band recommended by the IFIC Task Force for the relevant fund type.

Tradex Bond Fund

Fund Details

Type of fund	Canadian fixed income
Commencement date	September 7, 1989
Nature of securities	Mutual fund units
Eligibility for registered plans	Eligible as an investment for RRSPs, RRIFs, RESPs, TFSA's and similar tax deferred plans
Portfolio advisor	Foyston, Gordon & Payne Inc. Toronto, ON

What Does the Fund Invest In? Investment objectives

To achieve a combination of income and long-term capital preservation by investing primarily in a diversified portfolio of investment grade Canadian bonds. In addition, up to 30% of the portfolio may be invested in income producing equity securities, such as common shares of Canadian companies that pay dividends, real estate investment trusts, preferred shares and income trusts. The average term to maturity of the bond portfolio must be greater than three years.

Any change in these fundamental investment objectives would require the approval of unitholders of this Fund.

Investment strategies

The portfolio advisor utilizes interest rate anticipation, credit sector and security selection strategies in the context of a long term, bottom-up, value oriented approach. The approach for fixed income securities is conservative in nature and is based upon an overall forecast derived from both macroeconomic and technical analysis with the selection of bonds based upon optimal risk/return characteristics. The equity portion of the Fund will be a diversified portfolio of quality companies that are deemed to be undervalued relative to their intrinsic value and selected to enhance the yield of the Fund with the intention to reduce the negative impact on the portfolio's market value should interest rates rise.

The portfolio turnover rate will vary with market volatility, but may be higher than 100 percent. The higher a Fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Fund that must be included in determining a taxable unitholder's income for tax purposes; and

- the higher the custodial costs of the Fund. These costs are expenses of the Fund and are paid out of the Fund's assets, which may reduce your returns.

No part of the portfolio will be invested in foreign bonds (i.e., bonds issued in a jurisdiction other than Canada) or in derivatives.

Should market conditions temporarily deteriorate, up to 30 percent of the portfolio could be converted into cash.

What are the Risks of Investing in the Fund?

Risks of investing in the Fund may include:

- active management risk
- credit risk
- equity risk
- interest rate risk
- liquidity risk
- regulatory risk
- small company risk
- specific issuer risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

The investment risk rating of the Fund is low-to-medium. We may classify the Fund either higher or lower than the risk band recommended by the Fund Risk Classification Task Force of the Investment Funds Institute of Canada due to the particular investment strategies of the Fund. For more information, see *Investment risk classification methodology* on the first page of Part B of this document.

Who Should Invest in This Fund?

The Fund may be suitable for medium to long-term investors who are:

- Seeking a regular income from their investment
- Seeking a diversified income fund that will provide moderate capital growth
- Willing to accept a low-to-medium level of risk.

For more information about how Tradex Management Inc. has determined the level of investor risk tolerance that would be appropriate for investment in the Fund, please see *Who should invest in the Fund?* at the beginning of Part B of this document.



Distribution Policy

At the end of each of the first three calendar quarters, the Fund distributes its investment income to all unitholders who owned units on the previous day. In late December, any capital gains are distributed in a similar fashion, along with investment income. All such distributions are automatically reinvested immediately in additional units, unless a written request to be paid in cash has been made seven days prior to the applicable distribution date.

Fund Expenses Indirectly Borne by Investors

The table below is intended to help you compare the cumulative costs of investing in this Fund with the corresponding costs of investing in other mutual funds. The table shows the amount of fees and expenses of the Fund which would be attributable to each \$1,000 investment which you make, assuming the Fund's annual performance is a constant 5 percent per year, and that the Fund's management expense ratio and operating expenses remained the same as in its last financial year for the entire ten years. See Part A re: Fees and Expenses (page 7) for information with respect to fees and expenses paid directly by you.

Although your actual costs will be higher or lower, based on the above assumptions, your costs would be:

1st year	3rd year	5th year	10th year
\$14.45	\$14.56	\$79.86	\$181.78

Tradex Equity Fund Limited

Fund Details

Type of fund	Canadian focused equity
Commencement date	April 11, 1960
Nature of securities	Mutual fund shares
Eligibility for registered plans	Eligible as an investment for RRSPs, RRIFs, RESPs, TFSA's and similar tax deferred plans.
Portfolio advisor	Phillips, Hager & North Investment Management (PH&N), Vancouver, BC (a division of a wholly-owned subsidiary of the Royal Bank of Canada).

What Does the Fund Invest In?

Investment objectives

To achieve long-term capital appreciation by investing primarily in a diversified portfolio of common shares of Canadian companies plus shares from companies in the United States and other countries.

Any change in these fundamental investment objectives would require the approval of the shareholders of the Fund.

Investment strategies

The strategy of the Fund is to build positions in high quality growing companies. The Fund can be aggressive in the sense of stock and sector concentration, and will own a relatively high level of small cap stocks when desirable. The Fund will generally be fully invested.

The portfolio turnover rate will vary with market opportunities and volatility, but may be higher than 100 percent.

The higher a fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Fund that must be included in determining a taxable shareholder's income for tax purposes; and
- the higher the trading and custodial costs of the Fund. These costs are expenses of the Fund and are paid out of the Fund assets, which may reduce your returns.

To maintain adequate portfolio diversification, thus reducing risk, at least five S&P/TSX Composite Index industry sectors will be represented.

Derivatives may be used for foreign currency hedging purposes only.

Foreign content will be in the range of 15-35% of the total portfolio value in normal times (the upper limit is 50%).

Should market conditions temporarily deteriorate, up to 30 percent of the portfolio could be converted into cash.

The Fund may engage in securities lending in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. A securities lending transaction occurs when a fund lends portfolio securities that it owns to a creditworthy institutional borrower. The borrower promises to return to the fund, at a later date, an equal number or amount of the same securities and to pay a fee to the fund for borrowing the securities. The fund may recall the securities at any time. For more information, see *Securities lending risk* under *Fund-specific risks* in the first part of this document. The goal of securities lending is to generate additional income for the Fund.

What are the Risks of Investing in the Fund?

Risks of investing in the Fund may include:

- active management risk
- commodity risk
- derivative risk (forward contracts)
- equity risk
- foreign currency risk
- foreign security risk
- liquidity risk
- regulatory risk
- securities lending risk
- small company risk
- specific issuer risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

The investment risk rating of the Fund is medium. We may classify the Fund either higher or lower than the risk band recommended by the Fund Risk Classification Task Force of the Investment Funds Institute of Canada due to the particular investment strategies of the Fund. For more information, see *Investment risk classification methodology* on the first page of Part B of this document.



Who Should Invest in This Fund?

The Fund may be suitable for medium to long-term investors who are:

- Seeking to invest in a broad range of Canadian and U.S. stocks
- Able to handle the ups and downs of the stock market
- Willing to accept a medium level of risk.

For more information about how Tradex Management Inc. has determined the level of investor risk tolerance that would be appropriate for investment in the Fund, please see *Who should invest in the Fund?* at the beginning of Part B of this document.

Distribution Policy

An ordinary dividend would be declared annually on December 31. An annual capital gains dividend, if any, would be declared in January for the previous year. All such dividends are automatically reinvested immediately in additional shares, unless a written request to be paid in cash has been made seven days prior to the applicable dividend date.

Fund Expenses Indirectly Borne by Investors

The table below is intended to help you compare the cumulative costs of investing in this Fund with the similar costs of investing in other mutual funds. The table shows the amount of fees and expenses of the Fund which would be attributable to each \$1,000 investment which you make, assuming the Fund's annual performance is a constant 5 percent per year, and that the Fund's management expense ratio and operating expenses remained the same as in its last financial year for the entire ten years. See Part A re: Fees and Expenses (page 7) for information with respect to fees and expenses payable directly by you.

Although your actual costs will be higher or lower, based on these assumptions your costs would be:

1st year	3rd year	5th year	10th year
\$13.94	\$43.95	\$77.03	\$175.34

Tradex Global Equity Fund

Fund Details

Type of fund	Global equity
Commencement date	May 7, 1999. (Prior to this date, this Fund was constituted under another name, with very different investment objectives, i.e. an emerging markets fund)
Nature of securities	Mutual fund units
Eligibility for registered plans	Eligible as an investment for RRSPs, RRIFs, RESPs, TFSAs and similar tax deferred plans.
Portfolio advisor	City of London Investment Management Company Limited, London, England ⁽¹⁾
Valuation dates	Unit prices are calculated on each day on which The Toronto Stock Exchange and the New York Stock Exchange are open.

⁽¹⁾ By virtue of its residency status, City of London Investment Management Company Limited (CLIM) is not subject to a variety of requirements contained in the Ontario Securities Act applicable to advisors resident in Ontario. In certain circumstances it may be difficult to enforce legal rights against CLIM because it is resident in the United Kingdom and all or substantially all of its assets are located outside Canada.

What Does the Fund Invest In?

Investment objectives

To achieve long-term capital appreciation by investing primarily in closed-end funds whose investments are principally in a diversified portfolio of equity securities of issuers based in any country.

Any change in these fundamental investment objectives would require the approval of unitholders of this Fund.

Investment strategies

The Fund's investment approach involves deciding which of the world's stock markets, industry sectors and currencies have the best potential rate of return. Among the key economic and financial indicators studied are industrial production, short-term interest rates, the consumer price indices, balance of payments data, gross domestic product data, commodity prices, and foreign exchange rates.

Indirect investments in global stocks are made primarily through exchange traded closed-end fund companies managed by some of the world's leading investment firms. The discounts at which most closed-end fund companies trade form a meaningful element in the portfolio strategy. The Fund also invests in Index Participation Units (IPUs)

which mirror the performance of a particular exchange index. Up to 25 percent of the book value of the portfolio may also be invested in shares of non closed-end fund companies listed on a recognized stock exchange.

Diversifying your portfolio across global markets allows gains in one country to be balanced by losses in another, thereby reducing risk. The Americas, Europe and Asia are all represented in the portfolio, with emerging markets not accounting for more than 20 percent of total investments. Funds representing a single country cannot account for more than 35 percent of the portfolio, with the exception of the United States. Foreign holdings will normally constitute 100%, or close to 100%, of the investment portfolio.

The investment portfolio of most closed-end funds represents a cross-section of companies based in a country, geographic region or industry sector further reducing risk through diversification.

The portfolio turnover rate will vary with market opportunities and volatility, but may be higher than 100 percent. The higher a fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Fund that must be included in determining a taxable unitholder's income for tax purposes; and
- the higher the trading and custodial costs of the Fund. These costs are expenses of the Fund and are paid out of the Fund assets, which may reduce your return.

Derivatives may be used for foreign currency hedging purposes only.

Should market conditions temporarily deteriorate, up to 50% of the portfolio could be converted to cash.

What are the Risks of Investing in the Fund?

Risks of investing in the Fund may include:

- active management risk
- commodity risk
- concentration risk
- derivative risk (forward contracts)
- equity risk
- foreign currency risk
- foreign security risk
- liquidity risk
- regulatory risk
- small company risk
- specific issuer risk



These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

The investment risk rating of the Fund is medium. We may classify the Fund either higher or lower than the risk band recommended by the Fund Risk Classification Task Force of the Investment Funds Institute of Canada due to the particular investment strategies of the Fund. For more information, see *Investment risk classification methodology* on the first page of Part B of this document.

Who Should Invest in This Fund?

The Fund may be suitable for medium to long-term investors who are:

- Seeking to invest in a broad range of foreign stocks
- Able to handle the ups and downs of the stock market
- Willing to accept the foreign currency risk of investing in foreign stocks
- Willing to accept a medium level of risk.

For more information about how Tradex Management Inc. has determined the level of investor risk tolerance that would be appropriate for investment in the Fund, please see *Who should invest in the Fund?* at the beginning of Part B of this document.

Distribution Policy

Any income and capital gains distributions take place in late December. All such distributions are automatically reinvested in additional units, unless a written request to be paid in cash has been made seven days prior to the applicable distribution date.

Fund Expenses Indirectly Borne by Investors

The table below is intended to help you compare the cumulative costs of investing in this Fund with the similar costs of investing in other mutual funds. The table shows the amount of fees and expenses of the Fund which would be attributable to each \$1,000 investment which you make, assuming the Fund's annual performance is a constant 5 percent per year, and that the Fund's management expense ratio and operating expenses remained the same as in its last financial year for the entire ten years. See Part A re: Fees and Expenses (page 7) for information with respect to fees and expenses payable directly by you.

Although your actual costs will be higher or lower, based on these assumptions your costs would be:

1st year	3rd year	5th year	10th year
\$25.52	\$80.46	\$141.03	\$321.02



Simplified Prospectus

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Tradex Bond Fund

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Tradex Equity Fund Limited

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Tradex Global Equity Fund

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling us toll-free at 1-800-567-3863, or from your dealer or by e-mailing us at info@tradex.ca.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Tradex website at www.tradex.ca or at www.sedar.com.

Manager

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Tradex 
mutual funds
for the public sector