

Investment Management Presentation to

Tradex Equity Fund

Annual General Meeting

April 27, 2011

Presented by: Andrew T. Mitchell, Vice President

KEY THEMES

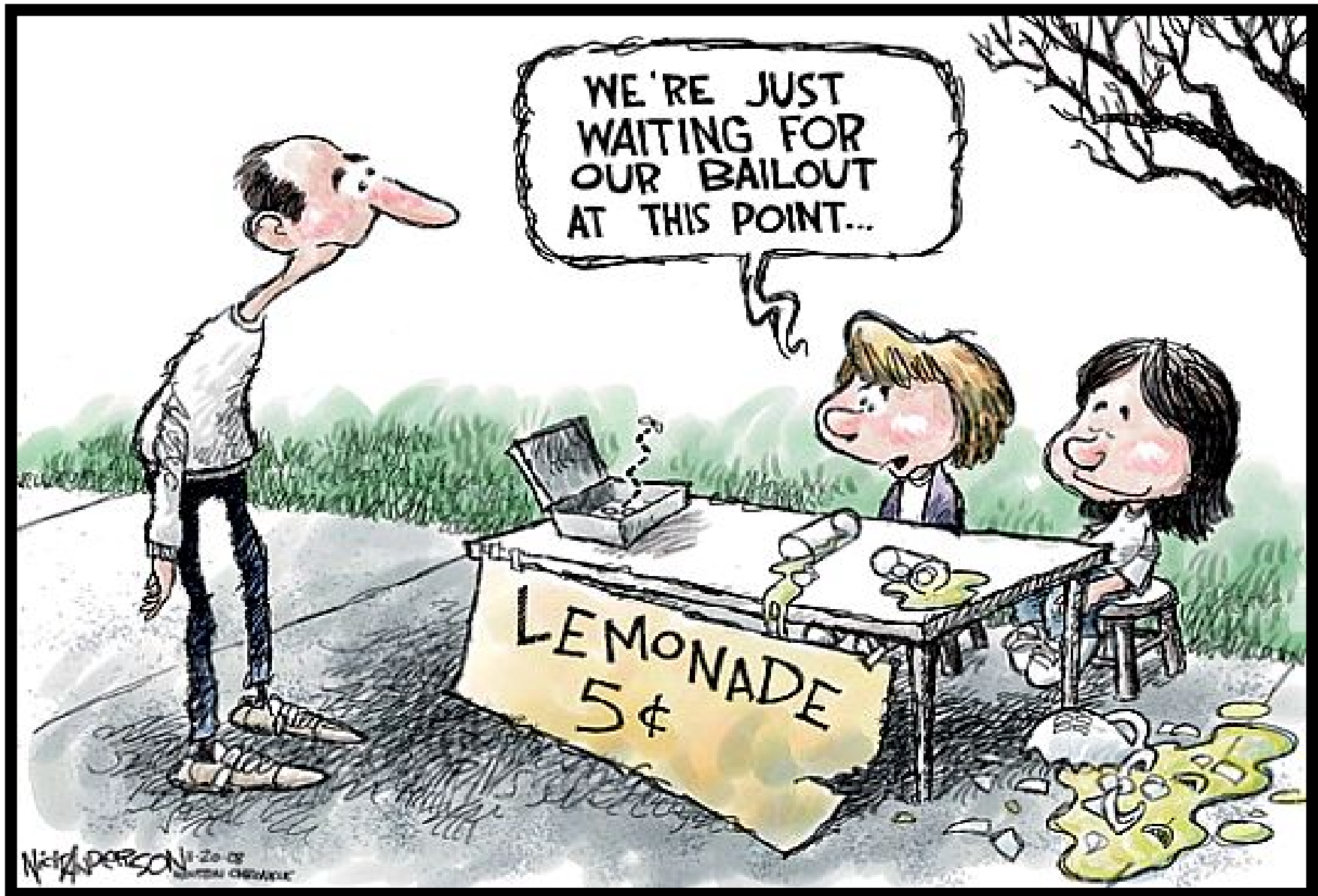
Markets Have Come a Long Way Since Halloween 2008



But U.S. Headlines Still Leave Many Investors Uneasy



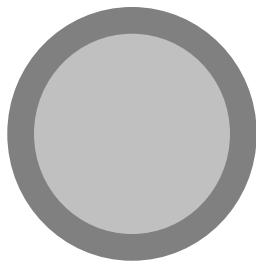
European Headlines are Not Much Better!!



Is the Recovery Sustainable? We Think So...

Cons

- U.S. housing not cooperating
- EU debt restructuring – more to come
- Employment has long way to go
- Fiscal & monetary impulses fade over time
- Oil chops 0.3% off global GDP
- Higher yields post-QE2?
- Plenty of other risks



Pros

- Good economic momentum
- Good financial market momentum
- Confidence is key...it's a virtuous circle
- Credit has started to flow
- Policymakers willing to do whatever necessary to secure sustained recovery
- Natural state for all economies is growth



But, Yes We Agree...It is Still an Accident Prone World



PERFORMANCE UPDATE

Tradex Equity Fund Limited

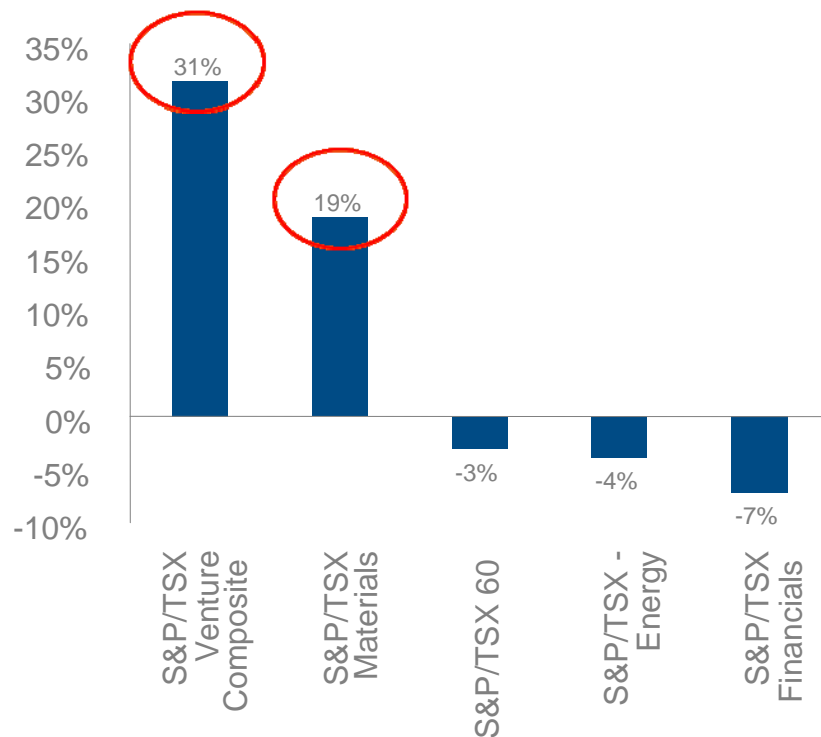
Average Annual Compound Rates of Return March 31, 2011

	3 Months %	1 Yr %	2 Yrs %	5 Yrs %	10 Yrs %	Since Inception %
Tradex Equity Fund Ltd.	5.0	16.1	29.5	0.5	3.9	9.7
Median Canadian Equity Fund*	3.9	12.7	22.5	2.1	5.4	
S&P/TSX Total Return Index	5.6	20.4	30.8	6.0	8.9	
S&P 500 Index (C\$)	3.0	10.5	15.5	-1.1	-1.6	

* Source: Globefund

Canadian Equity – 2010 Was a Terrific Year for Equities ...But a Challenging Year to Beat the S&P/TSX Index for Most

Selected Performance Relative to
The S&P/TSX Composite Index In 2010

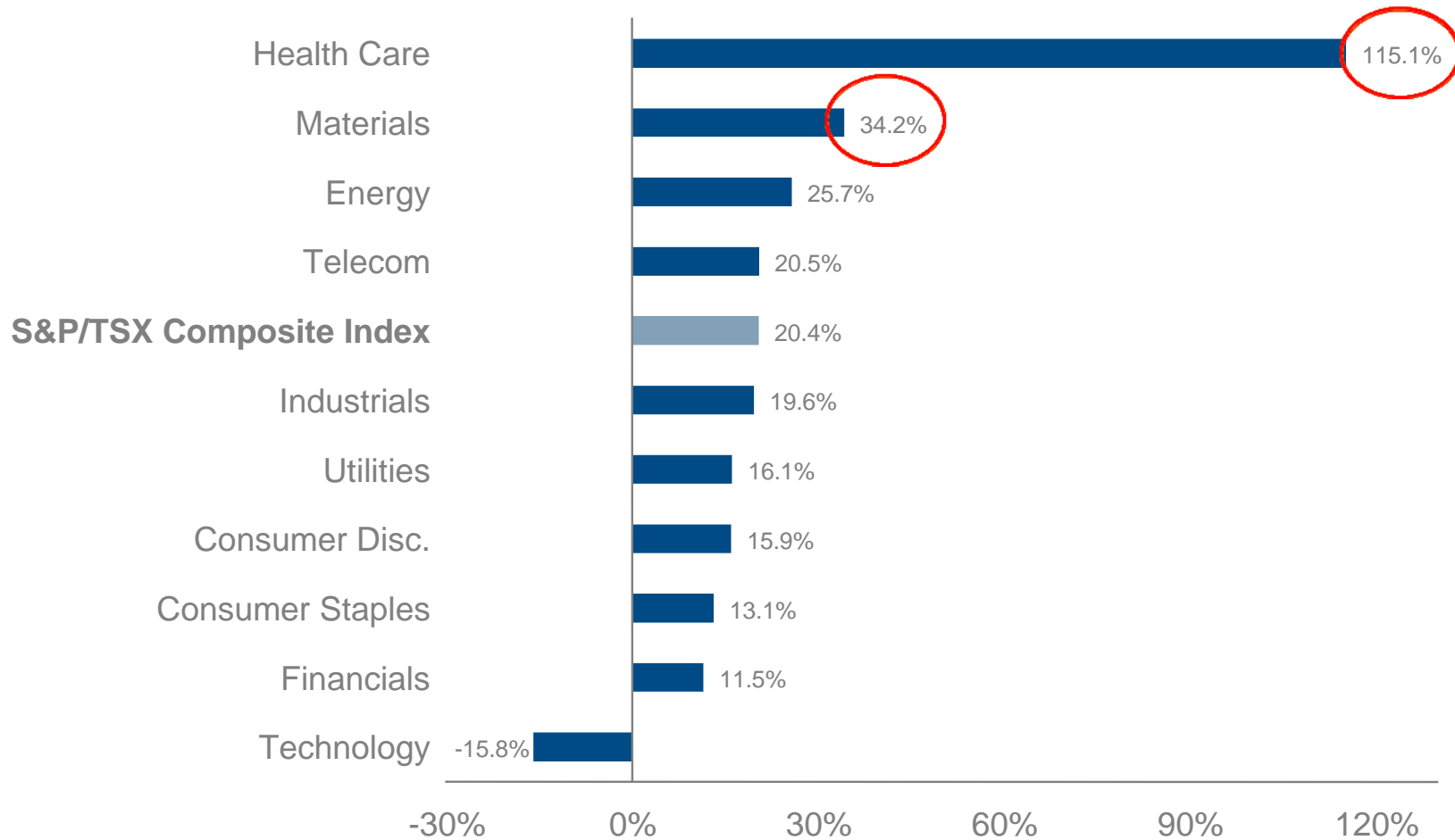


- 2010 was a terrific year for returns, but a challenging year to beat the index for most fund managers.
- Materials and small caps massively outperformed. Our expertise in both areas was a big benefit.
- Financials and Energy, which account for 56% of the TSX, materially underperformed.
- So far in 2011, the opposite has happened...and we are returning to a stock pickers market.

Canadian Equity - Performance

One Year Ended March 31, 2011

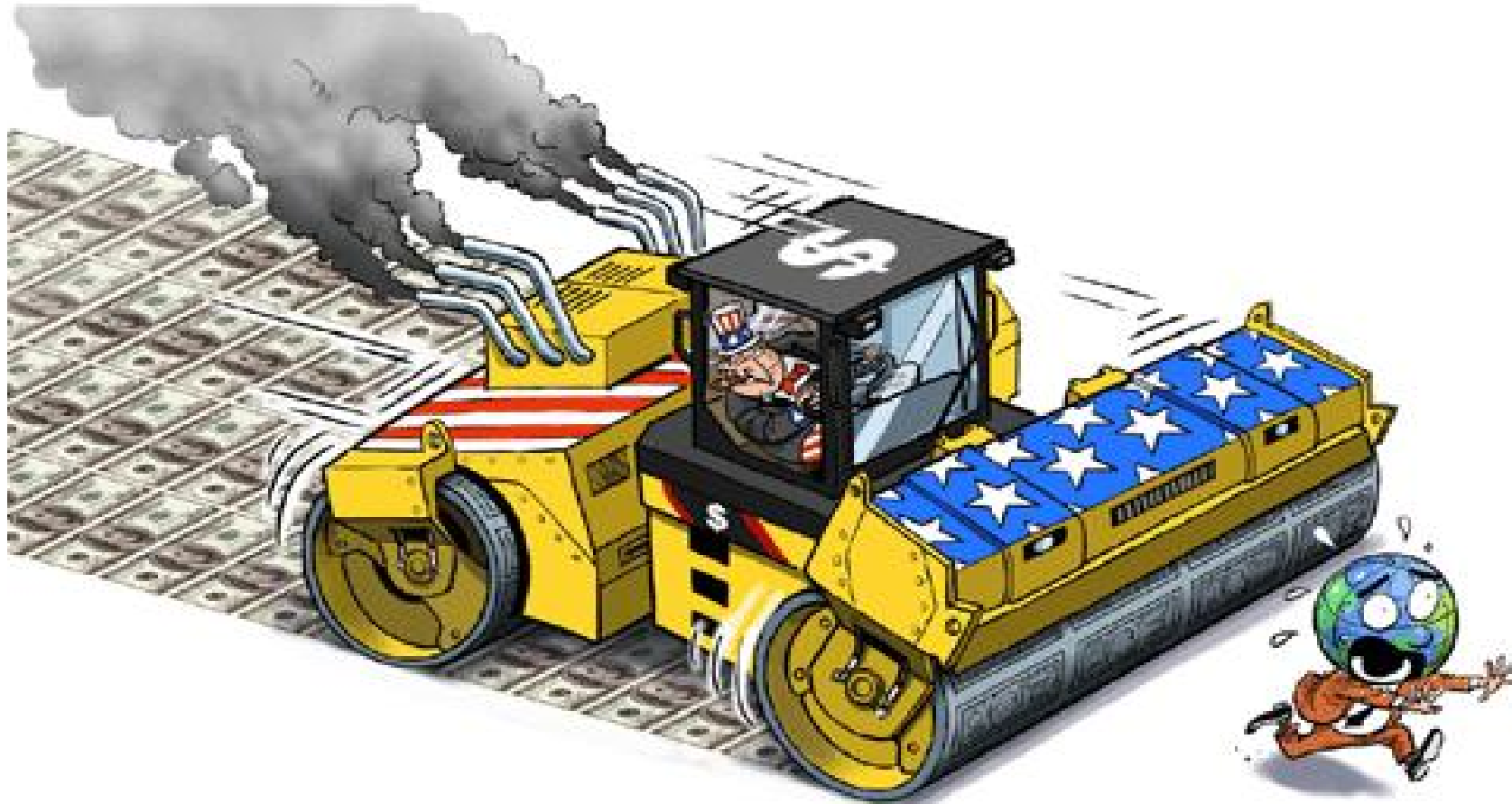
Performance of S&P/TSX Industry Sectors



The U.S. Federal Reserve Came to the Rescue

But the Falling US Dollar Presents a Challenge for Canadian Investors

LUOJIE
CHINA DAILY
Beijing
CHINA

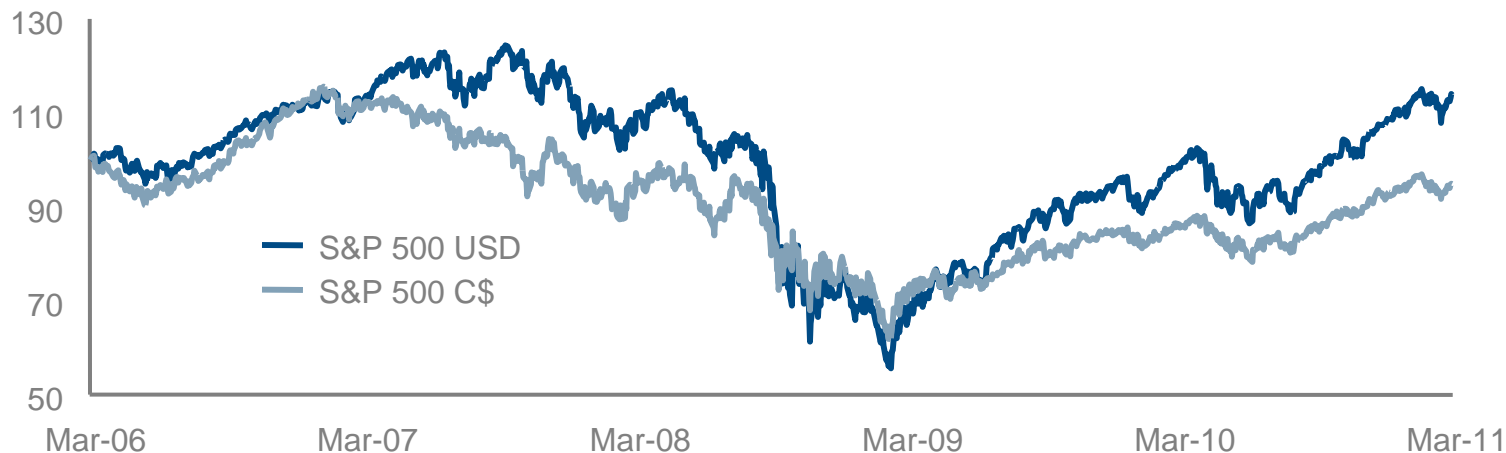


Cartoonists International: www.rpdy.com/cartoons



C\$ Strength is a Notable Headwind for U.S. Returns!

S&P 500 Index Returns in U.S. Dollars versus Canadian Dollars



	Mar-11	Mar-10	Mar-09	Mar-08	Mar-07
USD per CAD	1.028	0.986	0.795	0.975	0.867
	1 Year %	2 Years %	3 Years %	4 Years %	5 Years %
F/X Drag (S&P 500 in C\$)	-2.1	-12.0	-1.7	-4.4	-3.7

Hedging – Keeping What You Earn from U.S. Stocks

We Invest in US equities on an Actively Hedged Basis

- Received permission to hedge US dollar exposure (embedded in S&P 500 holdings) on July 28, 2009 when the spot was 92.5¢
- Hedging began in August 2009 when the Canadian dollar traded at 91.6¢
- Over less than two years since the hedging program was implemented, the Canadian dollar has appreciated 15% against the US dollar!
- This strategy has protected returns in two ways:
 - Keeping more of what you earn as the Canadian dollar appreciates
 - Modest tactical shifts in our hedge exposure have added extra value along the way

STRATEGY & OUTLOOK

Tradex – Equity Portfolio

Key Points of Differentiation

- **Multi-Disciplinary Process Anchored in Rigorous Bottom-Up Stock Picking**
 - Fundamental process complemented by proprietary quantitative & technical tools
 - Technicals are an integral part of our timing & portfolio construction
- **Leveraging Deep & Experienced Team of Sector Specialists**
- **Bottom Up Emphasis – *Stock Selection vs. Sector Weights***
- **Sources of Alpha – *Top 10 Holdings vs. Next 20 Holdings***
- **Growth Focus – *Large Cap vs. Mid-Cap***
- **US Equities – *Investing in growth US equities on a actively hedged basis***

Tradex Equity Fund – Top 10 Canadian Holdings

As of March 31, 2010

	% of Portfolio
Royal Bank of Canada	4.1%
TD Bank	4.0%
Suncor Energy	3.3%
The Bank of Nova Scotia	3.2%
Canadian Natural Resources	2.7%
Barrick Gold	2.6%
Potash Corp. of Saskatchewan	2.4%
Goldcorp Inc.	1.8%
CIBC	1.6%
CN Railway	1.6%

Tradex Equity Fund – Top 10 vs. Next 20 Canadian Holdings 20-30 – As of March 31, 2010

	% of Portfolio
Tahoe Resources	1.1%
Wild Stream Exploration Inc	1.0%
Rogers	1.0%
Midway Energy	0.9%
Enbridge	0.9%
Agrium	0.9%
Valeant Pharmaceuticals Int'l	0.9%
Brookfield Asset Management	0.9%
Magna	0.9%
National Bank	0.8%

Tradex Equity Fund – Mid Cap & Growth Impact

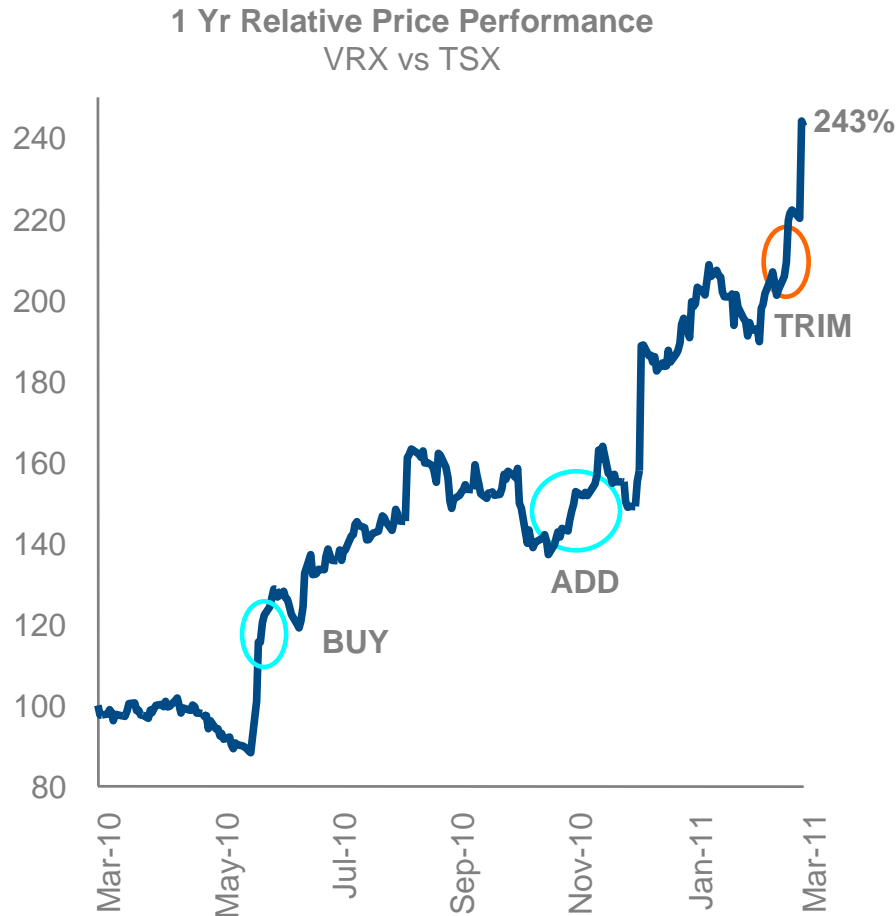
Top 10 Contributors to Relative Performance – Past 12 Months

	% Return While Held by Tradex	Tradex Portfolio Average Weight	S&P/TSX Weight
Tahoe Resources	204%	0.8%	0.0%
Wild Stream Exploration	79%	1.2%	0.0%
Eldorado Gold	29%	1.0%	0.7%
Copper Mountain Mining	88%	0.2%	0.0%
Silver Wheaton	164%	0.9%	0.7%
Consolidated Thomson Iron Mines	106%	0.3%	0.1%
Osisko Mining	58%	0.8%	0.3%
Midway Energy	47%	1.1%	0.0%
Red Back Mining	68%	0.3%	0.2%
Trinidad Drilling	62%	0.2%	0.1%

For comparison, the S&P/TSX Composite gained 20.4% and the S&P 500 gained 10.5% in C\$ over the past 12 months

Canadian Equity Portion

Valeant Pharmaceuticals – Attractive Growth & Mgmt Characteristics

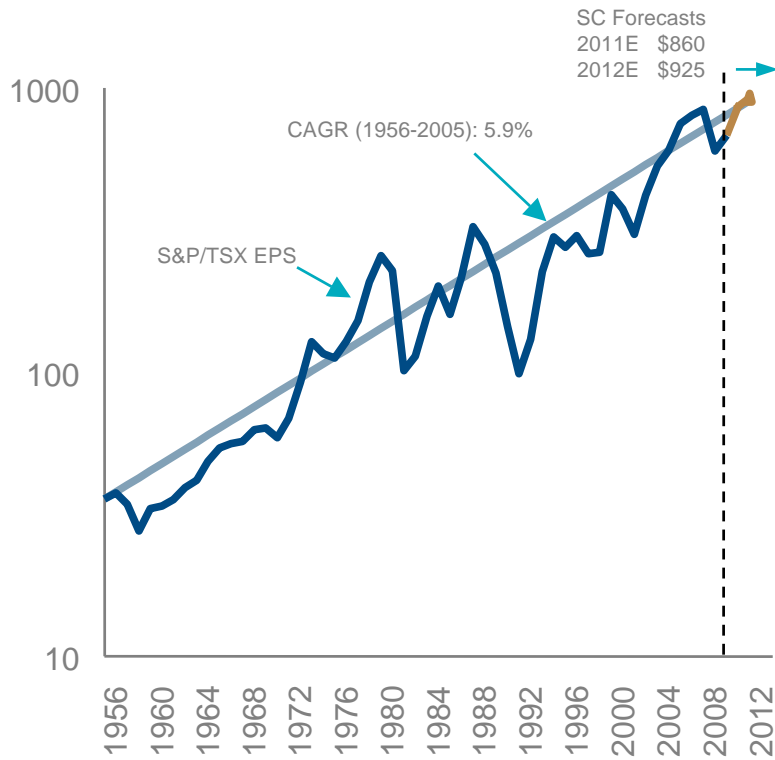


- **Profile** – Acquisitive specialty pharma company with strong presence in developed markets and growing presence in EM. Now a top 20 S&P/TSX company by market cap.
- **Positioning** – Purchased very shortly after merger with Biovail on strong value creating mgmt team and growth drivers.
- **Growth Drivers** – i) core business enjoys attractive defensive growth characteristics; ii) growing EM exposure; iii) large pool of M&A opportunities with large synergies that can be rapidly realized with relatively low risk; iv) valuation upside as mgmt delivers.
- **Trim** – Valuation discipline. Market is pricing in optimistic outcome to Valeant's hostile takeover of Cephalon, but uncertainties remain.

Canadian Equity Outlook

Expectation & Valuations have Rebounded but Remain Undemanding

S&P/TSX Trend Earnings



Source: Scotia Capital

TSX Price-to-Forward Earnings Ratio



Source: TD Securities

Tradex – Strategy

Portfolio Characteristics

	Tradex	S&P/TSX Index
2011E ROE	15.7%	16.1%
2011E P/E	13.3x	13.6x
2010-2013 EPS CAGR	22.8%	19.1%
Current Yield	1.8%	2.4%

Source: CPMS, FMC

THANK YOU!!