

2008

Annual Management Report of Fund Performance and Annual Financial Statements

Tradex GLOBAL EQUITY Fund

December 31, 2008

You may get a copy of the Fund's Simplified Prospectus, Annual Information Form, proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure at your request, and at no cost, by calling Tradex Management Inc. toll-free at **1-800-567-3863**, e-mailing us at **info@tradex.ca** or by writing or visiting us at the address shown below.

These documents and other information about the Fund are also available through our website at **www.tradex.ca** or through the SEDAR website at **www.sedar.com**.

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TRADEX GLOBAL EQUITY FUND STATEMENT OF MANAGEMENT'S RESPONSIBILITY

To our unitholders,

The accompanying Management Report of Fund Performance and Financial Statements have been prepared by Tradex Management Inc., the Manager and Trustee of **Tradex Global Equity Fund** and approved by the Manager's Board of Directors. The Fund's Manager is responsible for the information and representations contained in the Management Report of Fund Performance and Financial Statements. The Management Report of Fund Performance in the front section of this document is unaudited, whereas the Financial Statements appearing in the second section are audited.

Tradex Management Inc. maintains appropriate processes to ensure that relevant and reliable financial information is produced. The Financial Statements have been prepared in accordance with accounting principles generally accepted in Canada and include certain amounts that are based on estimates and judgements. The significant accounting policies that management believes are appropriate for the Fund are described in Note 2 to the Financial Statements.

PricewaterhouseCoopers LLP is the external auditor of the Fund, appointed by the Manager-Trustee of the Fund. They have audited the Financial Statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements.

R.C. White
President and Chief Executive Officer
Tradex Management Inc.

A.F. Campbell
Treasurer and Chief Financial Officer
Tradex Management Inc.

March 19, 2009



ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the year ended December 31, 2008

I. MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The Fund's objective is to achieve long-term capital appreciation by investing primarily in closed-end fund companies whose investments are principally in a diversified portfolio of equity securities of issuers based in any country.

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 and allocating assets accordingly. Among the key economic and financial indicators studied by portfolio manager City of London Investment Management Company Limited (CLIM) are industrial production, short-term interest rates, consumer price indices, balance of payments data, gross domestic product data, commodity prices, and foreign exchange rates. The Fund's asset weighting by country (and industrial sector) can change rapidly and can also deviate substantially from the representative country weighting for the Fund's benchmark, the MSCI World Total Return Index.

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 funds trade form a meaningful element in the portfolio strategy. The Fund also invests in Index Participation Units (IPUs or iShares) that mirror the performance of a particular exchange index. Also, up to 25 percent of the book value of the portfolio may be invested in shares of non closed-end fund companies listed on a recognized stock exchange.

Diversifying the 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.

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.

Derivatives may be used for foreign currency hedging purposes only. Should market conditions temporarily deteriorate, up to 50 percent of the portfolio could be converted to cash.

Risk

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. 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. In this regard, the value of the units in Tradex Global Equity Fund is directly related to the market value of the Fund's investment portfolio.

Mutual funds that concentrate on foreign investments are affected by global economic factors and, in many cases, by the value of the

Canadian dollar as measured against foreign currencies. There is often less available information about foreign companies than their North American counterparts due to less stringent reporting standards, government supervision and regulation, and other disclosure requirements. This may make the price changes of investments in those companies increase or decrease more rapidly. Foreign stock markets may also be less liquid and more volatile, and may be subject to different economic, political or social factors that could negatively impact the value of a fund's investments. The Fund is allowed to use derivatives known as forward contracts for foreign currency hedging purposes. 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 Fund is suitable for those with a long-term investment horizon, who are not concerned about the day-to-day fluctuations of their investment, and who wish to hold investments that are not dependent on the Canadian economy.

Results of Operations

This was an extremely difficult year for investors worldwide as equity markets typically recorded their weakest performance since the 1930s. The sequence of events that led to these dramatic drops started approximately 18 months ago when the problems in the U.S. sub-prime mortgage market first came to light. Subsequently, the extent of the "rot" in financial assets held globally by banks and other institutions escalated into an unprecedented crisis of confidence in credit markets that reached a crescendo in November 2008, necessitating various countries to "bail out" or take control of a number of the largest financial institutions in the world. The ultimate fallout from these events is the worldwide recession that we are now witnessing.

Looking at individual equity markets around the world, the U.S. S&P 500 Index was down 38.5% in 2008 while the Nasdaq Composite Index was down 40.5%. Key European markets fared no better with the U.K. FTSE 100 Index down 31.3%, the French CAC Index down 42.7% and the German DAX Index down 40.4%. Asian markets were also very weak with Japan's Nikkei 225 Index falling 36.0% and Hong Kong's Hang Seng Index down 48.3%. While the Canadian market handily out performed its peers during the first half of the year, during the second half of the year it was down dramatically as commodity prices moved sharply lower. For the year as a whole, the Canadian market was down 35%, very much in line with the decreases in other major markets (all changes are in terms of local currency).

Currency markets were also volatile during the year, with the Canadian dollar declining versus most other major currencies. Versus its U.S. counterpart, the Canadian dollar fell from 100.88 cents at the start of 2008 to 82.10 cents at year-end, a decline of 18.6%. For Canadian investors, the decline in the Canadian dollar partially offset some of the losses in international equity markets but, nevertheless, the benchmark for Canadian global equity funds, the MSCI World Total Return Index, was down 26.1% in Canadian dollar in 2008 while Tradex Global Equity Fund was down 34.4%.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

When analyzing the results for the Fund it is important to note that most of its assets are invested in closed-end fund companies and the discounts at which most of these fund companies trade form a meaningful part of the portfolio strategy. Given the degree of market volatility and uncertainty in 2008, the discounts at which closed-end funds traded generally moved to their widest level in a number of years and this adversely affected the Fund's overall performance. In December discounts began to narrow on these securities and it is CLIM's expectation that a trend to narrower discounts will become more sustained

and pronounced once the economy begins to rebound and the level of uncertainty in equity markets diminishes.

During the first half of the year, the portfolio weighting to the U.S. market varied from approximately 25% to 50% as manager City of London Investment Management (CLIM) increased or decreased the weighting in relation to changes in both the outlook for the U.S. dollar versus other currencies and the outlook for U.S. stocks in the very volatile overall market environment. During the second half, as overall market conditions worldwide deteriorated, the exposure

II. FINANCIAL HIGHLIGHTS

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years.

The Fund's Net Assets per Unit (1) For the five years ended December 31

	2008	2007	2006	2005	2004
Net assets per unit, beginning of year	\$ 11.14	\$ 12.30	\$ 10.55	\$ 11.45	\$ 10.73
Increase (decrease) from operations:					
Total revenue	\$ 0.32	\$ 0.19	\$ 0.08	\$ 0.26	\$ 0.19
Total expenses	\$ (0.21)	\$ (0.26)	\$ (0.28)	\$ (0.28)	\$ (0.32)
Realized gains (losses) for the year	\$ (2.97)	\$ 0.12	\$ 0.20	\$ 1.51	\$ 1.41
Unrealized gains (losses) for the year	\$ (1.01)	\$ (1.24)	\$ 1.89	\$ (1.72)	\$ (0.18)
Total increase (decrease) from operations (2)	\$ (3.87)	\$ (1.19)	\$ 1.89	\$ (0.23)	\$ 1.10
Distributions to investors:					
From investment income	\$ 0.06	\$ —	\$ —	\$ 0.02	\$ —
From capital gains	\$ —	\$ —	\$ 0.12	\$ 0.70	\$ 0.55
Total Annual Distributions (3)	\$ 0.06	\$ —	\$ 0.12	\$ 0.72	\$ 0.55
Net assets per unit, end of year	\$ 7.22	\$ 11.14	\$ 12.37	\$ 10.55	\$ 11.45

- (1) This information is derived from the Fund's audited annual financial statements. Starting in 2007, net assets per unit represented in the audited financial statements differ from net asset value per unit calculated for fund pricing purposes. This reflects the Fund's revised accounting policies adopted in accordance with changes in Canadian generally accepted accounting principles (GAAP) introduced by the Canadian Institute of Chartered Accountants. The net asset value per unit for pricing purposes (as opposed to the GAAP net assets per unit) was \$11.18 at the beginning of 2008 and \$7.28 as at December 31, 2008. A further explanation of this difference can be found in the Notes to the audited financial statements on pages 11-13.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the year.
- (3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data	2008	2007	2006	2005	2004
Total net asset value, end of year (000's)	\$ 6,013	\$ 9,296	\$ 9,511	\$ 7,985	\$ 7,319
Weighted average net asset value (000's)	\$ 7,854	\$ 9,858	\$ 8,472	\$ 8,091	\$ 6,796
Number of units outstanding, end of year (000's)	826	831	769	757	639
Management expense ratio (1)	2.23%	2.18%	2.54%	2.42%	2.71%
Management expense ratio before waivers or absorptions (1)	2.65%	2.52%	2.85%	2.71%	2.96%
Trading expense ratio (2)	2.02%	1.05%	0.87%	0.86%	0.68%
Portfolio turnover rate (3)	314.66%	204.62%	192.82%	164.74%	141.50%
Net asset value per unit, end of year	\$ 7.28	\$ 11.18	\$ 12.37	\$ 10.55	\$ 11.45

- (1) Management expense ratio is based on total expenses (excluding broker commission and other portfolio transaction costs) for the year and is expressed as an annualized percentage of daily average net asset value during the year.
- (2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year.
- (3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and performance of a fund.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

to the U.S. was increased to 58% at the end of the third quarter and to 65% by year-end. This historically high exposure to the U.S. market for the Fund reflects portfolio manager City of London Investment Management's view that during this period of worldwide uncertainty the U.S. market is perhaps the "safest haven" and also that, given the magnitude of the problems, any future recovery in global equity markets will need to be led by the U.S. market.

Exposure to the Japanese market was reduced from 18% at the end of the second quarter to only 3% at year-end. However, during this period the decline in the overall exposure to Asia was much smaller (from 28% to 20%) as most of the weighting taken from Japan was shifted to other countries in the region, including a 4% weighting to China and just under 2% each to South Korea and Taiwan. These emerging market countries are viewed as having brighter near-term prospects. The combined exposure to continental Europe and the U.K. was reduced from 26% at the end of the second quarter to 9% at year-end as the outlook for that region deteriorated markedly during the second half of the year.

Finally, at year-end, the Fund's exposure to emerging markets was approximately 13% with approximately three-quarters of this exposure to Asian countries, including those noted above.

Looking ahead, given the current degree of uncertainty with respect to both credit markets and the worldwide economy, CLIM believes that equity markets will continue to be very volatile for at least a few more quarters. Thus, their overall strategy during the period has been to adopt a more defensive positioning for the portfolio until the current levels of uncertainty abate.

Management Fees

As the Manager, Tradex Management Inc. is responsible for directing the business, operations and affairs of the Fund. It performs this duty for an annual fee of 0.6% of the Fund's net

asset value, calculated and accruing daily. This amounted to \$49,559 in 2008 (including GST) and represents slightly less than 25% of the total expenses paid by the Fund. Many of the functions involved in operating the Fund are contracted out to leading professional firms in the mutual fund industry in Canada. Therefore, one of the key duties of the Manager is to negotiate and manage these contracts. Tradex Management Inc. is also the principal distributor of the Fund and, as such, is responsible for most of the communications with the Fund's unitholders and potential unitholders. Tradex Management Inc. receives no additional fees or commissions for being the Fund's principal distributor and pays a trailer fee of 0.3% from its management fee to other mutual fund dealers who distribute the Fund.

Since Tradex Management Inc. operates on an "at cost" basis for the benefit of its investors, when financial conditions permit, it voluntarily rebates and/or waives a portion of the management fees paid to it by the Fund. These rebates/waivers reduce the expenses for the Fund, which in turn, reduce its management expense ratio. In 2008, \$33,080 in expenses were reduced for the Fund through such transactions.

Other Expenses

The other expenses incurred by the Fund amounted to \$158,500 and were paid to third party suppliers and regulatory authorities. These represent investment advisory fees (paid to City of London Investment Management Company Limited), administrative fees paid for fund accounting, the registrar function and other related activities (paid to Citigroup Fund Services Canada Inc., FundSERV Inc., The Canada Trust Company and various others suppliers), audit fees (paid to PricewaterhouseCoopers LLP), custodian fees (paid to CIBC Mellon Trust Company) and registration fees and expenses paid to the 13 securities regulatory authorities in Canada. A listing of the various expenses paid by the Fund appears in the audited Statement of Operations on page 8.

III. PAST PERFORMANCE

The past performance of the Fund is set out in the Year-by-Year Returns and Annual Compound Returns chart and table. All performance returns:

- are calculated as of December 31 of each year;
- assume all distributions made by the Fund were reinvested without charge to purchase additional units of the Fund; and
- are not reduced by any income taxes payable by you. You will be taxable on the distributions of net income even if you have reinvested them to purchase additional units, unless your investment is held in a registered tax plan.

The past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

This bar chart shows the Fund's annual performance since inception. The chart shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 for each year, and how the performance varied from year to year.



* From start up May 7, 1999 to December 31, 1999

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

III. PAST PERFORMANCE (cont'd)

Annual Compound Returns

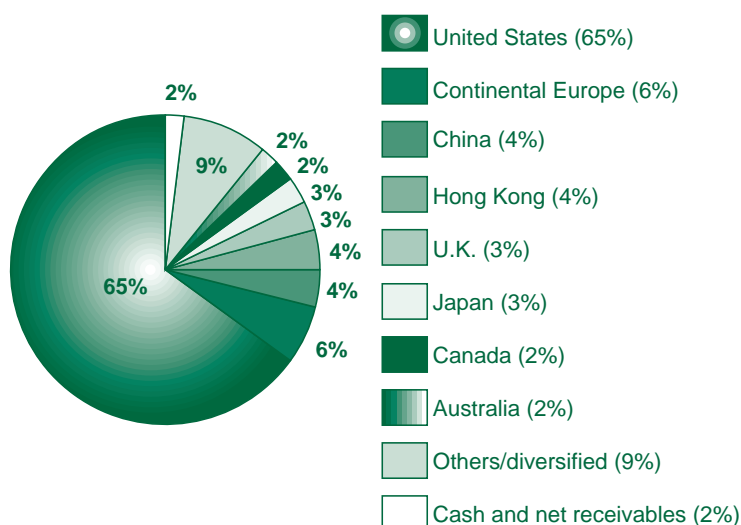
The following table shows the Fund's annual compound total return for the period indicated, as of December 31, 2008, compared to the Morgan Stanley Capital International World Total Return Index.

	Since inception	Past 5 years	Past 3 years	Past year
Tradex Global Equity Fund	0.3%	-5.0%	-11.1%	-34.4%
MSCI World Total Return Index	-2.8%	-1.1%	-6.1%	-26.1%

The MSCI World Total Return Index is a market capitalization index that is designed to measure global developed market equity performance. The Index consists of over 20 developed market country indices encompassing approximately 1,600 companies.

IV. SUMMARY OF INVESTMENT PORTFOLIO

A summary of the investment portfolio as at December 31, 2008 broken down by the geographic location of the exposure of the companies in the portfolio is as follows. (This represents portfolio manager City of London Investment Management's estimate of the underlying country exposure associated with the various assets held by the Fund.)



The following investments represent the holdings of the Fund as of December 31, 2008 shown as a percentage of the Fund's total net asset value. The list is of interest only as of the date indicated, as the percentages may have changed, and some or all of the holdings may have been sold and new positions purchased. A quarterly update is available as discussed on the cover page of this document.

Liberty All-Star Growth Fund Inc.	10.1%	Templeton Dragon Fund Inc.	5.4%
Liberty All-Star Equity Fund	9.7%	Canadian World Fund Limited	3.5%
Boulder Total Return Fund Inc.	9.1%	Morgan Stanley Asia-Pacific Fund Inc.	2.6%
Templeton Global Growth Fund Ltd.	9.1%	Monks Investment Trust PLC	2.3%
SunAmerica Focused Alpha Growth Fund Inc.	8.8%	Gabelli Dividend & Income Trust	2.0%
Dreman/Claymore Dividend & Income Fund	8.2%	JPMorgan Emerging Markets Trust PLC	1.2%
Zweig Fund Inc.	7.2%	Dundee Precious Metals Inc.	0.4%
World Trust Fund	6.7%	The Israel Fund PLC	0.3%
SunAmerica Focused Alpha Large-Cap Fund Inc.	5.8%	Cash and net receivables	2.1%
ING Asia Pacific High Dividend Equity Income Fund	5.5%	Total net asset value	100.0%

AUDITORS' REPORT TO THE UNITHOLDERS



March 19, 2009

To the Unitholders of Tradex Global Equity Fund

We have audited the statement of investment portfolio of Tradex Global Equity Fund as at December 31, 2008, the statements of net assets as at December 31, 2008 and 2007 and the statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Tradex Global Equity Fund as at December 31, 2008 and 2007 and the results of its operations and the changes in its net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Ottawa, Ontario

STATEMENTS OF NET ASSETS *December 31*

	2008	2007
Assets		
Investments, at fair value * <i>(Note 2)</i>	\$ 5,865,306	\$ 8,497,881
Cash and short-term investments	104,336	93,470
Dividends receivable	55,901	72,004
Receivable for investments sold	76,134	2,352,298
Subscriptions receivable	1,870	4,575
Other receivables	38,134	—
	6,141,681	11,020,228
Liabilities		
Accounts payable and accrued liabilities	37,200	54,902
Payable for investments purchased	140,412	1,705,356
Redemptions payable	1,068	1,062
	178,680	1,761,320
Net assets, representing unitholders' equity	\$ 5,963,001	\$ 9,258,908
Units issued and outstanding, end of year <i>(Note 6)</i>	826,054	831,108
Net assets per unit <i>(Note 2)</i>	\$ 7.22	\$ 11.14
	\$ 7,243,697	\$ 9,040,507

The accompanying notes are an integral part of these financial statements.

Approved by the Board
of Directors of
Tradex Management Inc.,
Trustee for Tradex Global Equity Fund



Andrew Campbell
Director



Karin Zabel
Director

STATEMENTS OF OPERATIONS *Year ended December 31*

	2008	2007
Investment Income		
Revenue		
Dividends	\$ 328,592	\$ 167,721
Less foreign withholding taxes	(45,147)	(18,558)
	283,445	149,163
Interest	12,026	7,684
Foreign exchange loss	(31,662)	(2,802)
	263,809	154,045
Expenses <i>(Note 5)</i>		
Management fees	49,559	63,033
Investment advisory fees	80,000	108,998
Administration costs	35,981	35,859
Independent Review Committee	22	18
Audit fees	13,001	14,001
Custodian fees	15,001	11,940
Registration fees and expenses	14,495	14,501
Expense reductions <i>(Note 5)</i>	(33,080)	(33,920)
	174,979	214,430
Net investment gain (loss)	88,830	(60,385)
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized gain (loss) on sale of investments	(2,294,229)	199,485
Change in unrealized depreciation on investments and forward contracts	(835,765)	(1,009,531)
Transaction costs <i>(Note 2)</i>	(158,997)	(103,862)
Net loss on investments	(3,288,991)	(913,908)
Decrease in net assets from operations	\$ (3,200,161)	\$ (974,293)
Decrease per unit in net assets from operations <i>(Note 2)</i>	\$ (3.87)	\$ (1.19)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS *Year ended December 31*

	2008	2007
Net assets, beginning of year	\$ 9,258,908	\$ 9,510,609
Change in accounting policy (<i>Note 2</i>)	—	(50,116)
	9,258,908	9,460,493
Add (deduct)		
Operations		
Decrease in net assets from operations	(3,200,161)	(974,293)
Distributions		
Distributions to unitholders from investment income	(45,825)	—
	(3,245,986)	(974,293)
Units		
Proceeds from issue of units	628,126	1,576,664
Reinvestment of distributions	45,115	—
Consideration paid for redemptions of units	(723,162)	(803,956)
	(49,921)	772,708
Net assets, end of year	\$ 5,963,001	\$ 9,258,908

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENT PORTFOLIO *December 31, 2008*

	Number of shares	Average cost	Fair value	% of total fair value
Foreign Equities				
United States				
Liberty All-Star Growth Fund Inc.	192,564	\$ 797,370	\$ 607,850	
Liberty All-Star Equity Fund	137,315	814,194	575,702	
Boulder Total Return Fund Inc.	45,716	500,057	548,258	
SunAmerica Focused Alpha Growth Fund Inc.	45,415	671,476	527,489	
Dreman/Claymore Dividend & Income Fund	214,552	634,208	494,215	
Zweig Fund Inc.	123,120	411,977	432,158	
SunAmerica Focused Alpha Large-Cap Fund Inc.	27,541	453,425	345,730	
		4,282,707	3,531,402	60.2
Europe				
Monks Investment Trust PLC	36,150	140,962	139,707	
		140,962	139,707	2.4
Asia				
ING Asia Pacific High Dividend Equity Income Fund	23,838	319,362	329,752	
Templeton Dragon Fund Inc.	15,400	303,555	323,766	
Morgan Stanley Asia-Pacific Fund Inc.	11,740	162,441	153,242	
		785,358	806,760	13.8
Globally Diversified/Other				
Templeton Global Growth Fund Ltd.	786,474	643,413	538,566	
World Trust Fund	19,175	812,160	397,288	
JPMorgan Emerging Markets Trust PLC	12,750	60,796	70,392	
Canadian World Fund Limited	91,832	408,991	186,419	
Gabelli Dividend & Income Trust	9,382	102,667	117,775	
Dundee Precious Metals Inc.	15,430	30,119	22,374	
The Israel Fund PLC	99,686	4,358	17,009	
		2,062,504	1,349,823	23.0
Total equities		7,271,531	5,827,692	99.4
Transaction costs		(27,834)		
Forward Contracts (note 2) - Schedule 1			37,614	0.6
Total portfolio of investments		\$ 7,243,697	\$ 5,865,306	100.0

The accompanying notes are an integral part of these financial statements.

Schedule 1 - Forward Contracts December 31, 2008

Expiration Date	Contract Price	Market Price	Currency to be received	Canadian value as at December 31, 2008	Currency to be delivered	Canadian value as at December 31, 2008	Unrealized gain (loss) (CAD)	Counter-party	Credit Rating
January, 08, 2009	1.9885	1.7569	CAD 950,000	950,000	GBP 540,711	839,377	110,623	N.Y.Mellon Bank	A-1+
January, 08, 2009	1.9030	1.7568	GBP 249,610	438,553	CAD 438,553	475,000	(36,447)	N.Y.Mellon Bank	A-1+
January, 08, 2009	1.9697	1.7569	GBP 128,114	225,089	CAD 225,089	252,340	(27,251)	N.Y.Mellon Bank	A-1+
January, 08, 2009	1.8500	1.7569	GBP 120,357	211,461	CAD 211,461	222,660	(11,199)	N.Y.Mellon Bank	A-1+
January, 08, 2009	1.8500	1.7569	CAD 37,618	37,618	GBP 21,411	35,725	1,892	N.Y.Mellon Bank	A-1+
				1,862,720		1,825,105	37,614		

Legend: (CAD) Canadian Dollar (GBP) Britain Pound Sterling

1. **Background**

Tradex Global Equity Fund ("the Fund") is an unincorporated trust formed under the laws of the Province of Ontario. Tradex Management Inc. is the Manager and the Trustee of Tradex Global Equity Fund.

2. **Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Adoption of new accounting policies – Financial Instruments Disclosure and Presentation

As at January 1, 2008, the Fund adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 3862, Financial Instruments – Disclosure and Section 3863, Financial Instruments – Presentation. The new standards replace Section 3861, Financial Instruments – Disclosure and Presentation. The new disclosure standards increase the emphasis on the disclosure of risks associated with financial instruments and how those risks are managed. The previous requirements related to the presentation of financial instruments have been carried forward unchanged. The detailed risks of investing in the Fund are disclosed in the Fund's Simplified Prospectus. Refer to Note 3 for disclosure relating to the adoption of the new requirements.

CICA Handbook Section 1535 – Capital Disclosure

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. The disclosure requirements pertaining to Section 1535 are contained in Note 6.

Investments

The CICA's Handbook Section 3855, Financial Instruments – Recognition and Measurement, which applies to fiscal years beginning on or after October 1, 2006, requires that the fair value of financial instruments, which are actively traded, be measured based on the bid price for the security. Prior to that, fair value for Canadian generally accepted accounting principles (GAAP) was based on the last traded price for the day, when available. For financial reporting purposes, starting from January 1, 2007, the Fund adopted the amended valuation policy for actively traded securities held by the Fund on a retroactive basis without restatement of prior periods. Accordingly, the opening net assets in the Statement of Changes in Net Assets for the year ended December 31, 2007 has been adjusted.

National Instrument 81-106 ("NI 81-106"), Investment Fund Continuous Disclosure, previously required the daily net asset value of an investment fund to be calculated in accordance with GAAP. The Canadian Securities Administrators (CSA) have issued amendments to NI 81-106 to replace the previous requirements to calculate the daily net asset value for the purpose of processing unitholder transactions ("Net Asset Value") in accordance with GAAP and allow investment funds to value their investments using fair value measures as defined in NI 81-106.

The interim relief granted by the CSA to investment funds from complying with Sections 3855 remained in place until amendments to NI 81-106 became effective on September 8, 2008.

The net asset value calculated in accordance with Section 3855 is referred to as "Net Assets" from hereon forward. A comparison between the Fund's net assets per unit for financial reporting ("GAAP Net Assets") and the Fund's net asset value per unit for purposes other than financial reporting (transactional "Net Asset Value") appears in Note 7.

Investments are categorized as held for trading in accordance with Section 3855, "Financial Instruments – Recognition and Measurement". Investments of the Fund that are traded on stock exchanges are valued at the closing bid price ("fair value") supplied by independent securities pricing services. The value of any investment to which the foregoing principle cannot be applied shall be the fair value thereof determined in such a manner as the Manager from time to time provides.

The difference between the fair value of investments and the cost of the investments is included in change in unrealized appreciation (depreciation) on investments in the Statement of Operations.

Forward foreign exchange contracts

The Fund enters into forward foreign exchange contracts for hedging purposes only. These contracts are limited to the market value of foreign securities owned by the Fund and quoted in those currencies or where the underlying exposure is to those currencies. Contracts do not exceed three years duration. On a daily basis, the value of these contracts is the gain or loss that would be realized if the positions were to be closed out. This is recorded in "change in unrealized appreciation (depreciation) on investments". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized gain (loss) on investments".

Foreign exchange

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on each valuation day. Purchases and sales of investments, income and expenses are translated into Canadian dollars at the exchange rates prevailing on the respective dates of such transactions.

Realized and unrealized foreign exchange gains (losses) on investments are included in "realized gain (loss) on sale of investments" and "change in unrealized appreciation (depreciation) on investments and forward contracts", respectively, in the Statement of Operations.

Accounting estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from these estimates and the differences may be material.

Investment transactions, investment income, expenses and distributions

Investment transactions are recorded on the trade date. Realized gains or losses on security transactions and unrealized appreciation/depreciation of investments are determined on an

average cost basis. Interest income and estimated expenses are accrued daily. Dividend income and distributions to unit holders are recorded on the ex-dividend date.

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are recognized in the Statement of Operations. Prior to January 1, 2007 the Fund's policy had been to add these expenses to the cost of the securities purchased or deducted from the proceeds of sale. Beginning January 1, 2007, the Fund adopted Section 3855 on a retrospective basis without restatement of prior periods. The transitional adjustment for prior periods has been charged against the 2007 realized gains and losses from the sale of investments with a corresponding direct offset to change in unrealized appreciation/depreciation of investments. Adoption of this policy does not impact the daily price of the Fund's securities for subscription and redemption purposes, nor for the calculation of net assets.

Net assets per unit

"Net assets per unit" is based on the total net assets divided by the number of units outstanding as at the end of the year. The "increase (decrease) per unit in net assets from operations" is based on the increase (decrease) in net assets from operations for the year divided by the weighted average number of units outstanding over the year.

3. Management of financial risk

In the normal course of business, the Fund is exposed to a variety of financial risks. The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, foreign exchange rates, economic conditions, and market and company news related to specific securities within the Fund.

Tradex Global Equity Fund's investment objective is to achieve long-term capital appreciation by investing primarily in closed-end fund companies whose investments are principally in a diversified portfolio of equity securities of issuers based in any country. 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. 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 Fund also invests in Index Participation Units (IPUs) which mirror the performance of a particular exchange index. Up to 25% 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. The Americas, Europe and Asia are all represented in the portfolio, with emerging markets not accounting for more than 20% of total investments. Funds representing a single country cannot account for more than 35% of the portfolio, with the exception of the United States. Foreign holdings will normally constitute 100%, or close to 100%, of the investment portfolio. Derivatives (forward contracts) may be used for foreign currency hedging purposes only.

The Fund's risk management practice includes the monitoring of compliance to investment guidelines. The Manager manages the potential effects of these financial risks on the Fund's

performance by contracting and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's positions, market events and diversify the investment portfolio within the constraints of the investment guidelines.

(a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Fund. Currencies to which the Fund had exposure as at December 31, 2008, are as follows (\$' 000):

	Amount	Percentage of Net Assets (%)
U.S Dollars	4,495	75%
U.K. Pounds	607	10%
Australian Dollars	539	9%

As at December 31, 2008, if the Canadian dollar had strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$282,000. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(b) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. As at December 31, 2008, the Fund held no debt instruments and therefore did not have any significant exposure to credit risk.

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when a fund invests in interest-bearing financial instruments. The majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

(d) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

As at December 31, 2008, 97% of the Fund's net assets were traded on global stock exchanges. If equity prices on those global stock exchanges had increased or decreased by 10% as at the year end, with all other factors remaining constant, net assets could possibly have increased or decreased by approximately \$581,000, respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(e) Liquidity risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are issued and redeemed on demand at the then current transactional net asset value per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

4. Taxes

Goods and services tax (GST) is included in the expense items charged to the Fund.

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and distributes all of its net taxable income with the intent to not be subject to income tax.

As at December 31, 2008, the Fund had \$7,020 of non-capital losses all expiring in 2027 and \$2,667,988 in capital losses carried forward for income tax purposes. Capital losses may be carried forward indefinitely to be applied against future capital gains.

5. Management expenses

The Fund retains investment advisory, custodial, professional, management and administrative services. The fees are charged directly to the Fund, as are registration fees and expenses. Tradex Management Inc. performs the management services for an annual fee of 0.6% of the Fund's net asset value calculated and accruing daily.

Tradex Management Inc. may from time to time voluntarily waive a portion of its management fees and/or absorb all or a portion of the other expenses of the Fund and/or rebate to the Fund a portion of the fees paid to it by the Fund. This reduces the expenses for the Fund, which in turn reduces its management expense ratio. In 2008, \$33,080 in expenses were reduced for the Fund through such transactions (\$33,920 in 2007).

6. Units capitalization

The capital of the Fund is represented by issued redeemable units that have no par value. They are entitled to distribution, if any, and to payment of a proportionate amount based on the Fund's net asset value per unit upon redemption.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units, other than minimum subscription requirements. In accordance with the investment objectives and strategies, and risk management practices outlined in Note 3, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings where necessary. The changes in the number of units during the last two years ending December 31, were as follows:

	2008	2007
Outstanding, beginning of year	831,108	769,155
Issued	71,267	128,646
Redeemed	(76,321)	(66,693)
Outstanding, end of year	826,054	831,108

7. Comparison of "Net Asset Value per Unit" to "Net Assets per Unit"

The reason for the difference between "Net Asset Value per Unit" and "Net Assets per Unit" relates to the different methods of valuating the Fund's investment portfolio. "Net Asset Value per Unit" is based on valuating the Fund's investments at their last traded price for the day on the relevant stock exchange. "Net Assets per Unit" is based on valuing the Fund's investments at their closing bid price for the day as supplied by independent securities pricing services. (For a further explanation see Note 2.)

	Dec. 31, 2008	Dec. 31, 2007
Net Asset Value Per Unit (\$)	7.28	11.18
Section 3855 Adjustment (\$)	(0.06)	(0.04)
Net Assets Per Unit (\$)	7.22	11.14

8. Future Accounting Change

The Canadian Accounting Standards Board (AcSB) has confirmed its plan to adopt all International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board, on or by January 1, 2011. The Fund will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan. The Manager has presently determined that there will be no impact to net asset value per unit as a result of the changeover to IFRS.

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