

2009

Interim Management Report of Fund Performance and Interim Financial Statements

Tradex GLOBAL EQUITY Fund

June 30, 2009

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**.

Tradex Management Inc.
50 O'Connor Street, Suite 920
Ottawa, Ontario
K1P 6L2



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE *for the six months ending June 30, 2009*

I. MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

During the first half of 2009, an investment in Tradex Global Equity Fund increased in value by 8.9%, compared to an increase of 1.4% in its benchmark, the MSCI World Total Return Index.

Global markets experienced steep declines in January and February before rebounding sharply in March. However, the gains in March were not enough to move markets into positive territory for the first quarter, and the MSCI World Index closed the quarter down 9.2%. The second quarter saw world equity markets extend the recovery as the threat of economic and financial Armageddon receded. However, while markets were strong in April and May, in June it became evident that the rally was losing momentum, and by the end of the second quarter world stock markets had begun to trend lower as the global economic and financial backdrop remained fragile.

Looking at individual markets around the world, Asian markets were the best performers during the first half of 2009 with the Singapore Strait Times Index up 32.4%, Hong Kong's Hang Seng Index rising 27.7% and Japan's Nikkei 225 Index gaining 12.4% (all in terms of local currency). Emerging Asian markets were even stronger with solid performances from Indonesia, Thailand, India and China. In North America, the broad-based U.S. S&P 500 Index increased a very modest 1.8% while the technology-heavy NASDAQ Composite Index was 16.4% higher and the Canadian market (S&P/TSX Composite Index) increased 15.4%. Markets in Europe clearly lagged with the U.K. market (FTSE 100) down 4.2%, the Paris CAC 40 Index and Swiss Market Index both losing 2.4% and the German DAX Index unchanged. Meanwhile, the Canadian dollar gained strength versus the U.S. dollar, Euro and Yen but was weaker versus the U.K. Pound.

During the first quarter, portfolio manager City of London Investment Management (CLIM) reduced the Fund's U.S. exposure from over 60% at the start of the year to 38%. This was done to "take-profits" as discounts narrowed on the closed-end funds held that provided exposure to the U.S. market. As CLIM reduced this exposure, proceeds were recycled into Asia, which was increased to 33% of the total portfolio exposure. European exposure was also increased, from 9% to 18%, by purchasing attractively valued closed-end funds offering broad exposure to global markets. Furthermore, exposure to emerging markets was increased slightly (to 15%) as CLIM felt that a number of emerging market countries (particularly in Asia) were well positioned to outperform their developed country counterparts if global markets began to show signs of recovery.

In the second quarter, U.S. exposure was increased to 42%, although the portfolio continued to be underweight the U.S. versus its benchmark. Many U.S. oriented closed-end funds continued to trade at attractive discounts to net asset value. While CLIM continued to feel that the U.S. economy will make only a weak recovery from recession, it remains the case that, in the developed world, the U.S. may still be among the earliest to recover. Consequently, CLIM will monitor carefully the Fund's exposure to this market with the view of adding exposure when appropriate.

Entering the second quarter, the portfolio was heavily overweight towards Asian markets, with a bias towards exposure to emerging Asian countries. As these markets delivered strong returns, CLIM sold a significant amount of this exposure into the market strength. While CLIM remains positive towards the emerging Asian region, it was deemed prudent to book some of these gains and re-orient the portfolio to the developed market countries within the benchmark. As a result, CLIM increased the Fund's exposure to both the Japanese and Australian markets. While Japan has suffered a staggering economic downturn, signs are emerging that the economy may have bottomed. The Australian economy has fared relatively well and CLIM expects its equity market to out-perform given its bias towards commodity related stocks and as Australia is a major supplier of raw materials to China. At the end of the period, exposure to Asia represented 28% of the Fund's total assets versus the benchmark's weighting of 16%.

Finally, as at June 30, exposure to the U.K. and Continental Europe totaled only 16% of the Fund's assets (versus a benchmark weighting of 31%) as CLIM continued to have a negative view of the prospects for this region.

At the end of the first-half of 2009, the net asset value of the Fund stood at \$6.6 million compared to \$6.0 million at the end of 2008.

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 \$18,790 in the first half of 2009 (including GST) and represents slightly more than 20% 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 the second half of 2008, \$33,080 in expenses were reduced for the Fund through such transactions. It is not possible to forecast if a rebate will be made in the second half of 2009.

Other Expenses

The other expenses incurred by the Fund in the first six months of 2009 amounted to \$69,470 and were paid to third party suppliers and regulatory authorities. These represent investment advisory fees (paid to City of London Investment Management Company

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

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 other suppliers), audit fees (payable 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 Statement of Operations.

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 and one-half years.

The Fund's Net Assets per Unit (1)

For the six month period ending June 30, 2009 and the five annual periods ending December 31, 2008, 2007, 2006, 2005, 2004.

	2009	2008	2007	2006	2005	2004
Net assets per unit, beginning of period	\$ 7.22	\$ 11.14	\$ 12.30	\$ 10.55	\$ 11.45	\$ 10.73
Increase (decrease) from operations:						
Total revenue	\$ 0.15	\$ 0.32	\$ 0.19	\$ 0.08	\$ 0.26	\$ 0.19
Total expenses	\$ (0.11)	\$ (0.21)	\$ (0.26)	\$ (0.28)	\$ (0.28)	\$ (0.32)
Realized gains (losses) for the period	\$ (0.36)	\$ (2.97)	\$ 0.12	\$ 0.20	\$ 1.51	\$ 1.41
Unrealized gains (losses) for the period	\$ 0.98	\$ (1.01)	\$ (1.24)	\$ 1.89	\$ (1.72)	\$ (0.18)
Total increase (decrease) from operations (2)	\$ 0.66	\$ (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 Distributions (3)	\$ —	\$ 0.06	\$ —	\$ 0.12	\$ 0.72	\$ 0.55
Net assets per unit, end of period	\$ 7.88	\$ 7.22	\$ 11.14	\$ 12.37	\$ 10.55	\$ 11.45

(1) The information for 2004-2008 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 new 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 \$7.28 at the beginning of 2009 and \$7.93 as at June 30, 2009. A further explanation of this difference can be found in the Notes to the financial statements on pages 9-11.

(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 period.

(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data	2009	2008	2007	2006	2005	2004
Total net asset value, end of period (000's)	\$ 6,645	\$ 6,013	\$ 9,296	\$ 9,511	\$ 7,985	\$ 7,319
Weighted average net asset value (000's)	\$ 6,018	\$ 7,854	\$ 9,858	\$ 8,472	\$ 8,091	\$ 6,796
Number of units outstanding, end of period (000's)	838	826	831	769	757	639
Management expense ratio (1)	2.95%	2.23%	2.18%	2.54%	2.42%	2.71%
Management expense ratio before waivers or absorptions (1)	2.95%	2.65%	2.52%	2.85%	2.71%	2.96%
Trading expense ratio (2)	2.23%	2.02%	1.05%	0.87%	0.86%	0.68%
Portfolio turnover rate (3)	135.12%	314.66%	204.62%	192.82%	164.74%	141.50%
Net asset value per unit, end of period	\$ 7.93	\$ 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 period and is expressed as an annualized percentage of daily average net asset value during the period. Any expense waivers or absorptions are made in the second half of the year. It is not possible to forecast whether expense waivers or absorptions will be made in the second half of 2009.

(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 period.

(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 period. The higher the fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of a fund.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

III. PAST PERFORMANCE

General

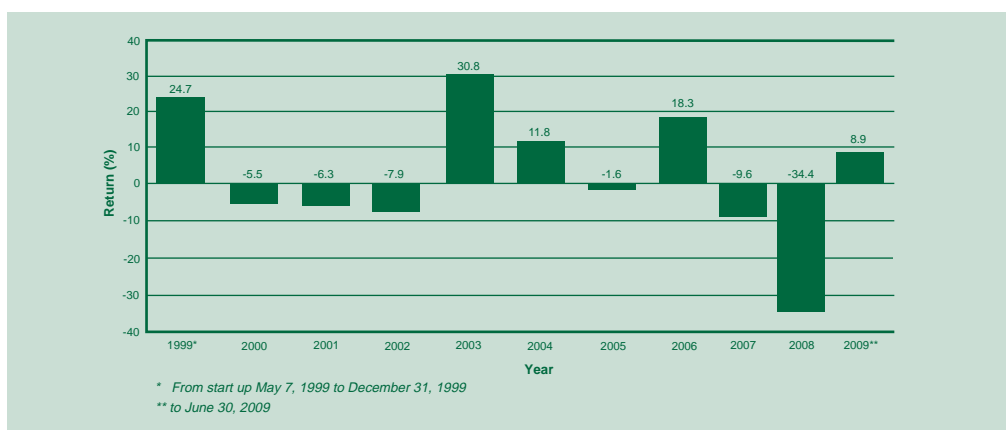
The Fund's past performance assumes all distributions made by the Fund in the periods shown were used to purchase additional units of the Fund.

If you hold the Fund outside a registered plan, you will be taxed on these distributions. Distributions of dividends the Fund earns and capital gains it realizes are taxable in the year received whether received in cash or reinvested in additional units.

The performance information does not take into account any sales, redemption or other optional charges that, if applicable, would reduce the returns or performance. Please remember, the Fund's performance in the past does not indicate how it will perform in the future.

Year-by-year Returns

This bar chart shows the Fund's annual performance for each year ending December 31, 2008 plus the performance for the six-month period ending June 30, 2009. The chart shows in percentage terms how much an investment made on the first day of the period would have increased or decreased by the last day of the period and how the performance has varied from period to period.



IV. SUMMARY OF INVESTMENT PORTFOLIO

A summary of the investment portfolio as at June 30, 2009 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/region exposure associated with the various assets held by the Fund.)

United States	42%	France	2%
Japan	14%	Germany	2%
U.K.	5%	South Korea	2%
Australia	4%	Hong Kong	2%
Brazil	3%	Others/diversified	12%
New Zealand	2%	Cash and net receivables	8%
Switzerland	2%	Total	100%

The following investments represent the holdings of the Fund as of June 30, 2009 shown as a percentage of the Fund's total investment portfolio. 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.

World Trust Fund	8.9%	Clough Global Equity Fund	2.2%
Liberty All-Star Growth Fund Inc.	8.5%	Jupiter European Opportunities Trust PLC	2.0%
Liberty All-Star Equity Fund	8.1%	Canadian World Fund Limited	2.0%
Zweig Fund Inc.	7.7%	Kingfish Ltd.	2.0%
Templeton Global Growth Fund	7.1%	New Star Investment Trust PLC	1.9%
Japan Equity Fund Inc.	5.6%	Barramundi Ltd.	1.9%
Lazard Global Total Return and Income Fund	4.6%	iShares MSCI Australia Index Fund	1.8%
Schroder Japan Growth Fund PLC	3.7%	Tri-Continental Corp.	1.7%
Morgan Stanley Asia Pacific Fund Inc.	3.4%	Edinburgh Worldwide Investment Trust PLC	1.6%
H & Q Healthcare Investors	2.7%	First Trust Enhanced Equity Income Fund	1.4%
Martin Currie Pacific Trust PLC	2.6%	Langbar International	1.3%
SunAmerica Focused Alpha Large-Cap Fund Inc.	2.5%	Sub-total – largest 25 holdings	89.9%
Edinburgh UK Tracker Trust PLC	2.4%	Cash and remaining holdings	9.4%
Ashmore Global Opportunities Ltd.	2.3%	Total	100%



INTERIM FINANCIAL STATEMENTS for the six months ending June 30, 2009

THE AUDITORS OF THE FUND HAVE NOT REVIEWED THESE FINANCIAL STATEMENTS.

Tradex Management Inc., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice. The next report on the Fund will contain annual audited financial information as at December 31, 2009.

STATEMENTS OF NET ASSETS *June 30, 2009 (Unaudited) and December 31, 2008*

	2009	2008
Assets		
Investments, at market value * (Note 2)	\$ 6,120,388	\$ 5,865,306
Cash and short-term investments	413,949	104,336
Dividends receivable	4,718	55,901
Receivable for investments sold	104,995	76,134
Subscriptions receivable	787	1,870
Other receivables	—	38,134
	6,644,837	6,141,681
Liabilities		
Accounts payable and accrued liabilities	27,252	37,200
Payable for investment purchased	16,643	140,412
Redemptions payable	—	1,068
	43,895	178,680
Net assets, representing unitholders' equity	\$ 6,600,942	\$ 5,963,001
Units issued and outstanding, end of period (Note 6)	837,999	826,054
Net assets per unit (Note 2)	\$ 7.88	\$ 7.22
* Investments at cost	\$ 6,718,179	\$ 7,243,697

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 *(Unaudited)*

	Six months ending June 30	
	2009	2008
Investment Income		
Revenue		
Dividends	\$ 125,838	\$ 131,739
Less foreign withholding taxes	16,071	(17,422)
	141,909	114,317
Interest	385	11,274
Foreign exchange loss	(20,825)	(20,158)
	121,469	105,433
Expenses <i>(Note 5)</i>		
Management fees	18,790	27,811
Investment advisory fees	29,853	49,726
Administration costs	17,824	17,405
Independent Review Committee	—	—
Audit fees	6,448	6,961
Custodian fees	7,979	5,968
Registration fees and expenses	7,366	7,458
Expense reductions <i>(Note 5)</i>	—	—
	88,260	115,329
Net investment gain (loss)	33,209	(9,896)
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized loss on sale of investments	(235,639)	(514,540)
Change in unrealized appreciation (depreciation) on investments	818,214	(133,107)
Transaction costs <i>(Note 2)</i>	(66,685)	(76,066)
Net gain (loss) on investments	515,890	(723,713)
Increase (decrease) in net assets from operations	\$ 549,099	\$ (733,609)
Increase (decrease) per unit in net assets from operations <i>(Note 2)</i>	\$ 0.66	\$ (0.89)

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

STATEMENTS OF CHANGES IN NET ASSETS *(Unaudited)*

	Six months ending June 30	
	2009	2008
Net assets, beginning of period	\$ 5,963,001	9,258,908
	5,963,001	9,258,908
Add (deduct)		
Operations		
Net increase (decrease) in net assets from operations	549,099	(733,609)
Distributions		
Distributions to unitholders from realized profit on sale of investments	—	—
	549,099	(733,609)
Units		
Proceeds from issue of units	334,555	418,177
Consideration paid for redemptions of units	(245,713)	(474,381)
	88,842	(56,204)
Net assets, end of period	\$ 6,600,942	\$ 8,469,095

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

STATEMENT OF INVESTMENT PORTFOLIO *(Unaudited) June 30, 2009*

	Number of shares	Average cost	Fair value	% of total fair value
Foreign Equities				
United States				
Liberty All-Star Growth Fund Inc.	179,379	\$ 727,987	\$ 562,905	
Liberty All-Star Equity Fund	135,046	724,378	541,502	
Zweig Fund Inc.	155,459	514,019	511,331	
SunAmerica Focused Alpha Growth Fund Inc	400	4,470	4,533	
SunAmerica Focused Alpha Large-Cap Fund Inc.	14,576	239,973	167,715	
Tri-Continental Corporation	10,490	109,573	111,679	
H & Q Healthcare Investors	14,200	174,587	177,417	
First Trust Enhanced Equity Income Fund	8,849	87,322	90,609	
New Germany Fund Inc.	8,049	74,358	80,265	
Swiss Helvetia Fund Inc.	4,425	49,717	49,681	
		2,706,384	2,297,637	37.5
Europe				
Edinburgh UK Tracker Trust PLC	45,000	156,277	159,934	
Jupiter European Opportunities Trust PLC	53,000	127,534	133,680	
Martin Currie Pacific Trust PLC	44,292	149,873	173,498	
Barramundi Limited	327,092	129,699	127,319	
Kingfish Limited	240,000	131,624	132,942	
IShares MCSI Aустarlia Index Fund	6,190	114,133	120,649	
Van Eyk Three Pillars Limited	16,925	12,133	12,040	
		821,273	860,062	14.1
Asia				
Japan Equity Fund Inc.	64,302	335,892	369,191	
Morgan Stanley Asia-Pacific Fund	15,595	179,705	229,104	
New Star Investment Trust PLC	120,000	139,929	129,552	
Schroder Japan Growth Fund PLC	188,250	225,705	244,602	
		881,231	972,449	15.9
Globally Diversified/Other				
World Trust Fund	24,595	900,530	593,150	
Lazard Global Total Return and Income Fund Inc.	21,841	275,554	308,424	
Canadian World Fund Limited	48,198	214,659	129,653	
Ashmore Global Opportunities Limited	22,500	150,771	150,366	
Clough Global Equity Fund	10,748	133,740	147,154	
Templeton Global Growth Fund	735,826	563,501	471,776	
Edinburgh Worldwide Investment Trust PLC	30,833	98,323	104,281	
Langbar International Limited	552,000	—	85,436	
		2,337,078	1,990,240	32.5
Total equities		6,745,966	6,120,388	100.0
Transaction costs		(27,787)	—	
Total portfolio of investments		\$ 6,718,179	\$ 6,120,388	100.0

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

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”).

Investments

The Canadian Institute of Chartered Accountants (CICA) 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.

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.

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 period. The “increase (decrease) per unit in net assets from operations” is based on the increase (decrease) in net assets from operations for the period divided by the weighted average number of units outstanding over the period.

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 June 30, 2009, are as follows (\$' 000):

	Amount	Percentage of Net Assets (%)
U.S Dollars	4,261	64%
U.K. Pounds	1,031	16%
Australian Dollars	484	7%
New Zealand Dollars	128	2%

As at June 30, 2009, 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 \$295,000. 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 June 30, 2009, 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 June 30, 2009, 91% 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 that date, with all other factors remaining constant, net assets could possibly have increased or decreased by approximately \$607,000, 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 e xpenses

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.

NOTES TO FINANCIAL STATEMENTS *June 30, 2009 (cont'd)*

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 the second half of 2008, \$33,080 in expenses were reduced for the Fund through such transactions. It is not possible to forecast whether expenses will be reduced in a similar manner in the second half of 2009.

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 June 30, were as follows:

	2009	2008
Outstanding, beginning of period	826,054	831,108
Issued	46,657	39,510
Redeemed	(34,712)	(45,174)
Outstanding, end of period	837,999	825,444

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.)

	June 30, 2009	Dec. 31, 2008
Net Asset Value Per Unit (\$)	7.93	7.28
Section 3855 Adjustment (\$)	(0.05)	(0.06)
Net Assets Per Unit (\$)	7.88	7.22

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.

BOARD OF DIRECTORS AND OFFICERS

Andrew F. Campbell, *Ottawa, Ont.*

*Nunavut Trust
Director and Treasurer*

Philip E. Charko, *Ottawa, Ont.*

*Treasury Board of Canada (retired)
Director and Secretary*

Blair R. Cooper, *Ottawa, Ont.*

*Tradex Management Inc.
Senior Vice President, Sales and Marketing*

R. Allen Kilpatrick, *Ottawa, Ont.*

*Atomic Energy of Canada Limited (retired)
Director*

Roger R. Leclaire, *Ottawa, Ont.*

*Justice Canada (retired)
Director and Chair*

Michael T. Mace, *Ottawa, Ont.*

*Foreign Affairs and International Trade Canada (retired)
Director*

Brien I.R. Marshall, *Ottawa, Ont.*

*Tradex Management Inc.
Senior Vice President,
Operations and Information Systems*

Dr. Andrew R. Molozzi, *Victoria, B.C.*

*National Research Council (retired)
Director*

John S. Rayner, *Ottawa, Ont.*

*Indian Affairs and Northern Development
Canada (retired)
Director and Vice Chair*

Robert W. Todd, *Ottawa, Ont.*

*Human Resources and Social Development Canada (retired)
Director*

Robert C. White, *Ottawa, Ont.*

*Tradex Management Inc.
Director and President*

Deborah M. Wright, *Gatineau, Que.*

*Tradex Management Inc.
Vice President, Operations*

Karin Zabel CA, *Ottawa, Ont.*

*Consultant
Director*

CORPORATE AND UNITHOLDERS INFORMATION

MANAGER

Tradex Management Inc.

50 O'Connor Street, Suite 920
Ottawa, Ontario K1P 6L2
Telephone: 613-233-3394 or 1-800-567-3863

Fax: 613-233-8191

e-mail: info@tradex.ca

web site: www.tradex.ca



REGISTRAR

Citigroup Fund Services Canada Inc.

2920 Matheson Boulevard East
Mississauga, Ontario L4W 5J4

AUDITORS

PricewaterhouseCoopers LLP

99 Bank Street, Suite 800
Ottawa, Ontario K1P 1E4

LEGAL COUNSEL

Borden Ladner Gervais LLP

100 Queen Street, Suite 1100
Ottawa, Ontario K1P 1J9

INVESTMENT COUNSEL

**City of London Investment Management
Company Limited**

10, Eastcheap
London, England EC3M 1AJ

CUSTODIAN

CIBC Mellon Trust Company

320 Bay Street
Toronto, Ontario M5H 4A6