

Tradex Global Equity Fund



Annual Management Report of Fund Performance and Annual Financial Statements



December 31, 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**.

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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.

Blair Cooper
President and Chief Executive Officer
Tradex Management Inc.

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

March 18, 2010



ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the year ended December 31, 2009

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

The risks of investing in the Fund remain as discussed in the Simplified Prospectus.

There were no fundamental changes in the investment objectives or strategies that affected the Fund's overall level of risk in 2009. However, risk associated with investing in equities has been heightened by the market and economic events of the past few years. Market risk (including foreign market risk) and currency risk are the principal risks associated with an investment in the

Fund. A discussion of risk appears on pages 12-13 under the heading of "Management of financial risk".

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

During 2009, an investment in Tradex Global Equity Fund increased in value by 21.6% compared to an increase of 11.8% in its benchmark, the MSCI World Total Return Index. Thus, the Fund outperformed its benchmark by a wide margin for the year.

Equity markets around the world continued to be very volatile in 2009, with markets moving sharply lower during the first few months of the year before staging a dramatic recovery as the year progressed. For example, at the lowest point for the year, reached in early March, the U.S. S&P 500 Index was down 26% while London's FTSE 100 Index and Japan's Nikkei 225 Index were both down 20% (in local currency terms). By mid-year most key equity markets, with the exception of European markets, had moved into positive territory. The recovery gained momentum in the second half as conditions in credit markets improved and signs emerged that an economic recovery was underway. Thus, for the year as a whole key markets around the world finished the year with very solid gains in local currency terms as follows: U.S. S&P 500 Index, up 23.5%; U.K. FTSE 100 Index, up 22.1%; Paris, CAC 40 Index, up 22.3%; German DAX Index, up 23.8%; Japan's Nikkei 225 Index, up 19.0%; Hong Kong's Hang Seng Index, up 52.0%; and the Australian Index, up 33.4%.

For Canadians investors, however, the local currency gains noted above were in large part offset by the strength of the Canadian dollar. During the year the Canadian dollar increased in value from 82.10 cents U.S. to 95.15 cents, an increase of 16%. Likewise, the Canadian dollar increased by 14% versus the Euro and by 20% versus the Japanese yen. Thus, in terms of Canadian dollars the increases in worldwide equity markets were not nearly as large as in local currency terms.

Early in the year portfolio manager City of London Investment Management (CLIM) reduced the Fund's U.S. exposure from over 60% to around 38%. This was done to "take-profits" as discounts narrowed on the closed-end investment funds held that provided exposure to the U.S. market. In the second and third quarters, U.S. exposure was increased to around 43%, and by year-end it was increased to 50%, which is essentially equal to the benchmark weighting. While CLIM continue to feel that the U.S. economy will make only a relatively weak recovery from the recession, it remains the case that, in the developed world, the U.S. may still be among the earliest to record a full recovery.

As CLIM reduced U.S. portfolio weighing in the early part of the year, the exposure to Asia was increased to 33% with a bias towards exposure to emerging Asian countries. As these markets

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

delivered strong returns, CLIM sold a significant amount of this exposure into the market strength, and re-deployed the funds to both the Japanese and Australian markets. By the end of the first half, exposure to Asia had been reduced to 28% of the Fund's total portfolio weighting while it was reduced to 20% during the third quarter and to 15% by year-end.

Emerging Markets played an important role in the Fund's performance over the year, as emerging markets, in general, out

performed other markets. In the early part of the year, emerging markets exposure was increased to approximately 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. As the year progressed, CLIM took profits in this sector and re-oriented the portfolio to developed market countries. As a result, emerging markets exposure was reduced to the 5-7% range in the third quarter and to less than 5% by year-end.

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

	2009	2008	2007	2006	2005
Net assets per unit, beginning of year	\$ 7.22	\$ 11.14	\$ 12.30	\$ 10.55	\$ 11.45
Increase (decrease) from operations:					
Total revenue	\$ 0.27	\$ 0.32	\$ 0.19	\$ 0.08	\$ 0.26
Total expenses	\$ (0.22)	\$ (0.21)	\$ (0.26)	\$ (0.28)	\$ (0.28)
Realized gains (losses) for the year	\$ (0.21)	\$ (2.97)	\$ 0.12	\$ 0.20	\$ 1.51
Unrealized gains (losses) for the year	\$ 1.74	\$ (1.01)	\$ (1.24)	\$ 1.89	\$ (1.72)
Total increase (decrease) from operations (2)	\$ 1.58	\$ (3.87)	\$ (1.19)	\$ 1.89	\$ (0.23)
Distributions to investors:					
From investment income	\$ 0.11	\$ 0.06	\$ —	\$ —	\$ 0.02
From capital gains	\$ —	\$ —	\$ —	\$ 0.12	\$ 0.70
Total Distributions (3)	\$ 0.11	\$ 0.06	\$ —	\$ 0.12	\$ 0.72
Net assets per unit, end of year	\$ 8.69	\$ 7.22	\$ 11.14	\$ 12.37	\$ 10.55

- (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 \$7.28 at the beginning of 2009 and \$8.74 as at December 31, 2009. 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	2009	2008	2007	2006	2005
Total net asset value, end of year (000's)	\$ 7,550	\$ 6,013	\$ 9,296	\$ 9,511	\$ 7,985
Weighted average net asset value (000's)	\$ 6,599	\$ 7,854	\$ 9,858	\$ 8,472	\$ 8,091
Number of units outstanding, end of year (000's)	864	826	831	769	757
Management expense ratio (1)	2.81%	2.23%	2.18%	2.54%	2.42%
Management expense ratio before waivers or absorptions (1)	2.97%	2.65%	2.52%	2.85%	2.71%
Trading expense ratio (2)	1.76%	2.02%	1.05%	0.87%	0.86%
Portfolio turnover rate (3)	219.47%	314.66%	204.62%	192.82%	164.74%
Net asset value per unit, end of year	\$ 8.74	\$ 7.28	\$ 11.18	\$ 12.37	\$ 10.55

- (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)

In the first half of the year European exposure was increased to the 16-18% range, from 8% at the start of the year through the purchase of attractively valued closed-end funds offering broad exposure to global markets. During the second half this was increased to close to 25%, as the European markets, which had lagged behind other markets, began to gain momentum. However, CLIM continues to be cautious with respect to the prospects for Europe and, as a result, at year-end the Fund's weighting to this region remained well below the benchmark weight.

At year-end the net asset value of the Fund stood at \$7.6 million compared to \$6.0 million at the end of 2008 (although the weighted average net asset value during the year declined from \$7.9 million in 2008 to \$6.6 million in 2009 due to the sharp drop in equity markets in the last half of 2008 and the early months of 2009). There was a slight increase in the number of units outstanding during the year. The Fund's Management Expense Ratio (MER) increased to 2.81% in 2009 from 2.23% in 2008 as it was necessary to amortize expenses over a smaller average amount outstanding and market conditions resulted in a reduced rebate of management fees to the Fund versus the previous year.

Related Party Transactions and Management Fees

Tradex Management Inc. is the Manager of the Fund and as such 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 \$41,545 in 2009 (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 2009, \$10,500 in expenses were reduced for the Fund through such transactions.

Other Expenses

The other expenses incurred by the Fund amounted to \$154,534 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

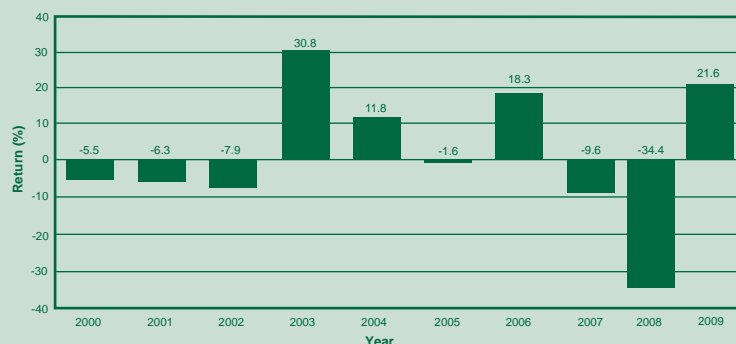
The past performance of the Fund is set out in the Year-by-Year Returns and Annual Compound Returns chart and table. All performance returns:

- 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 in each of the past ten years. 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.



ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

III. PAST PERFORMANCE (cont'd)

Annual Compound Returns

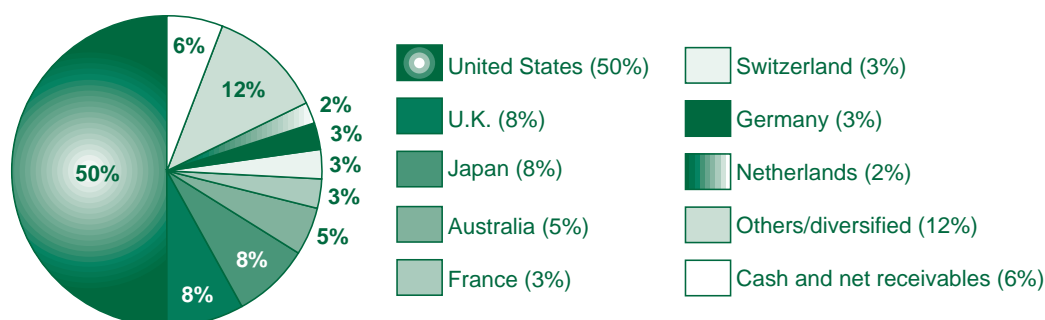
The following table shows the Fund's annual compound total return for the period indicated, as of December 31, 2009, compared to the Morgan Stanley Capital International World Total Return Index.

	Past 10 years	Past 5 years	Past 3 years	Past year
Tradex Global Equity Fund	0.0%	-3.4%	-10.3%	21.6%
MSCI World Total Return Index	-2.9%	-0.3%	-8.4%	11.8%

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, 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 exposure associated with the various assets held by the Fund.)



The following investments represent the holdings of the Fund as of December 31, 2009 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 Equity Fund	9.1%	BlackRock World Mining Trust PLC	2.2%
Adams Express Company	8.3%	Ashmore Global Opportunities Ltd.	2.0%
Tri-Continental Corp.	8.1%	Monks Investment Trust PLC	1.9%
Alliance Trust PLC	7.0%	iShares FTSE/Xinhua China 25 Index Fund	1.9%
Fidelity European Values PLC	6.1%	Edinburgh UK Tracker Trust PLC	1.9%
Liberty All-Star Growth Fund Inc.	5.5%	New Star Investment Trust PLC	1.8%
Schroder Japan Growth Fund PLC	5.0%	Electric and General Investment Trust PLC	1.7%
JPMorgan Eur Fledgeling Investment Trust PLC	3.3%	LINQ Resources Fund	1.6%
Templeton Global Growth Fund	3.2%	World Trust Fund	1.5%
H & Q Healthcare Investors	3.1%	Japan Equity Fund Inc.	1.5%
Vanguard European ETF	3.0%	H&Q Life Sciences Investors	1.3%
British Empire Securities and General Trust PLC	3.0%	Sub-total – largest 25 holdings	89.3%
Central Securities Corporation	2.8%	Cash and remaining holdings	10.7%
Royce Value Trust Inc.	2.5%	Total	100.0%

AUDITORS' REPORT TO THE UNITHOLDERS



March 18, 2010

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, 2009, the statements of net assets as at December 31, 2009 and 2008 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, 2009 and 2008 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*

	2009	2008
Assets		
Investments, at fair value *	\$ 7,455,392	\$ 5,865,306
Cash and short-term investments	117,368	104,336
Dividends receivable	25,622	55,901
Receivable for investments sold	523,827	76,134
Subscriptions receivable	7,650	1,870
Other receivables	1,296	38,134
	8,131,155	6,141,681
Liabilities		
Accounts payable and accrued liabilities	45,432	37,200
Payable for investments purchased	576,447	140,412
Redemptions payable	—	1,068
	621,879	178,680
Net assets, representing unitholders' equity	\$ 7,509,276	\$ 5,963,001
Units issued and outstanding, end of year <i>(Note 7)</i>	864,088	826,054
Net assets per unit	\$ 8.69	\$ 7.22
	\$ 7,410,219	\$ 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 *Year ended December 31*

	2009	2008
Investment Income		
Revenue		
Dividends	\$ 251,083	\$ 328,592
Less foreign withholding taxes	(408)	(45,147)
	250,675	283,445
Interest	478	12,026
Foreign exchange loss	(27,011)	(31,662)
	224,142	263,809
Expenses <i>(Note 6)</i>		
Management fees	41,545	49,559
Investment advisory fees	68,000	80,000
Administration costs	37,973	35,981
Independent Review Committee	27	22
Audit fees	13,001	13,001
Custodian fees	21,000	15,001
Registration fees and expenses	14,533	14,495
Expense reductions <i>(Note 6)</i>	(10,500)	(33,080)
	185,579	174,979
Net investment gain	38,563	88,830
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized loss on sale of investments	(21,042)	(2,294,229)
Change in unrealized appreciation (depreciation) on investments and forward contracts	1,421,847	(835,765)
Transaction costs	(115,862)	(158,997)
Net gain (loss) on investments	1,284,943	(3,288,991)
Increase (Decrease) in net assets from operations	\$ 1,323,506	\$ (3,200,161)
Increase (Decrease) per unit in net assets from operations	\$ 1.58	\$ (3.87)

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

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

	2009	2008
Net assets, beginning of year	\$ 5,963,001	\$ 9,258,908
Add (deduct)		
Operations		
Net increase (decrease) in net assets from operations	1,323,506	(3,200,161)
Distributions		
Distributions to unitholders from investment income	(92,496)	(45,825)
	1,231,010	(3,245,986)
Units		
Proceeds from issue of units	720,979	628,126
Reinvestment of distributions	91,226	45,115
Consideration paid for redemptions of units	(496,940)	(723,162)
	315,265	(49,921)
Net assets, end of year	\$ 7,509,276	\$ 5,963,001

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

STATEMENT OF INVESTMENT PORTFOLIO *December 31, 2009*

	Number of shares	Average cost	Fair value	% of total fair value
Foreign Equities				
United States				
Liberty All-Star Equity Fund	151,615	\$ 787,081	\$ 686,967	
Adams Express Company	59,642	622,281	629,722	
Tri-Continental Corporation	50,490	594,874	608,116	
Liberty All-Star Growth Fund Inc.	118,918	479,747	418,113	
H & Q Healthcare Investors	19,100	231,658	237,041	
Central Securities Corporation	11,500	205,767	214,202	
Royce Value Trust Inc.	16,908	179,300	190,906	
H&Q Life Sciences Investors	10,000	94,825	98,782	
Blue Chip Value Fund Inc.	19,600	63,422	64,401	
		3,258,955	3,148,250	42.2
Europe				
Fidelity European Values PLC	23,681	439,379	461,011	
JPMorgan Eur Fledgeling Investment Trust PLC	22,500	224,985	252,880	
Vanguard European ETF	4,500	227,773	225,038	
Edinburgh UK Tracker Trust PLC	35,000	121,549	140,298	
JPMorgan European Investment Trust PLC	25,000	73,698	73,786	
The Throgmorton Trust PLC	31,323	65,652	62,647	
Anglo & Overseas PLC	3,500	5,862	6,053	
		1,158,898	1,221,713	16.4
Asia				
Schroder Japan Growth Fund PLC	303,250	376,011	376,985	
iShares FTSE/Xinhua China 25 Index Fund	3,400	149,952	147,009	
Japan Equity Fund Inc	20,655	107,895	112,608	
		633,858	636,602	8.5
Australia/New Zealand				
Century Australia Investment Ltd	116,622	96,158	93,628	
Van Eyk Three Pillars Limited	107,983	81,218	93,283	
Barramundi Limited	163,682	64,903	86,973	
iShares MSCI Australia Index	1,500	35,829	35,599	
Barramundi Limited, warrants, October 27, 2011	81,841	—	6,399	
		278,108	315,882	4.3
Globally Diversified/Other				
Alliance Trust PLC	95,320	503,849	526,062	
Templeton Global Growth Fund	301,895	231,193	238,119	
British Empire Securities and General Trust PLC	32,000	235,929	223,801	
BlackRock World Mining Trust PLC	17,500	162,739	162,793	
Ashmore Global Opportunities Limited	22,500	150,771	151,979	
Monks Investment Trust PLC	30,000	142,609	147,148	
New Star Investment Trust PLC	120,000	139,929	135,985	
Electric and General Investment Trust PLC	20,000	123,464	124,907	
LINQ Resources Fund	202,214	112,831	119,622	
World Trust Fund	4,595	168,243	115,800	
Polar Capital Technology Trust PLC	17,000	68,826	73,608	
Scottish Mortgage Investment Trust PLC	7,800	70,907	71,108	
Langbar International Limited	552,000	—	42,013	
		2,111,290	2,132,945	28.6
Total equities		7,441,109	7,455,392	100.0
Transaction costs		(30,890)	—	
Total portfolio of investments		\$ 7,410,219	\$ 7,455,392	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").

Adoption of new accounting policies

During 2009 the Fund adopted the amendments to Canadian Institute of Chartered Accountants (CICA) Handbook Section 3862, "Financial Instruments—Disclosures" to enhance disclosures about inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The classification of the Fund's assets in accordance with this hierarchy appears in Note 3.

Investments

Investments are categorized as held for trading in accordance with CICA Handbook 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") 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 net asset value calculated in accordance with Section 3855 is referred to as "Net Assets" for purposes of these statements. 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 8.

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 that currency or where the underlying exposure is to that currency. 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 and forward contracts". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized gain (loss) on investments" in the Statement of Operations.

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", respectively in the Statement of Operations.

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 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 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. *Classification of Financial Instruments*

The classification of the Fund's financial instruments within the fair value hierarchy as at December 31, 2009 is as follows:

Level 1 Assets – \$7,413,379 in level 1 assets consisting of equities that trade in an active market on a recognized stock exchange and \$117,368 in cash.

Level 3 Assets – \$42,013 consisting of shares of Langbar International Inc. (Langbar) that do not trade on a recognized stock exchange and for which the Manager has determined the fair market value. In 2007 the Fund wrote off the value of this investment, as it had been de-listed from a recognized stock exchange. In 2009 Langbar, after recovering some funds, offered to buy back its outstanding shares at 5 pence U.K. per share, pro-rated to a certain limit. The Fund did not accept this offer and continues to hold the shares. Based on the above, and recognizing that shares of Langbar do not trade on a recognized stock exchange, the Manager has determined that the fair value of the shares for purposes of these financial statements is 90% of the value of the of the buy-back offer made in 2009.

There were no transfers between levels during the year ended December 31, 2009.

4. 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. 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, 2009 and 2008 are as follows (\$' 000):

	Dec. 31, 2009	Dec. 31, 2008
U.S Dollars	3,984	4,495
U.K. Pounds	3,218	607
Australia Dollars	545	539
New Zealand Dollars	93	—

As at December 31, 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 \$392,000 (\$282,000 in 2008). 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, 2009 and 2008 the Fund held no debt instruments and therefore did not have 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, 2009, 98.7% (97% in 2008) of the Fund's net assets were traded on global stock exchanges. If equity prices on all 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 \$741,000, respectively (\$581,000 in 2008). 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 shares. 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.

5. Taxes

Goods and services tax (GST) is included in the relevant 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, 2009, the Fund had no non-capital losses and \$2,884,181 in capital losses carried forward for income tax purposes. Capital losses may be carried forward indefinitely to be applied against future capital gains.

6. 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 2009, \$10,500 in expenses were reduced for the Fund through such transactions (\$33,080 in 2008).

7. 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 4, 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:

	2009	2008
Outstanding, beginning of year	826,054	831,108
Issued	102,177	71,267
Redeemed	(64,143)	(76,321)
Outstanding, end of year	864,088	826,054

8. 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.)

Asset values as at December 31, 2009 were as follows:

	Dec. 31, 2009	Dec. 31, 2008
Net Asset Value Per Unit (\$)	8.74	7.28
Section 3855 Adjustment (\$)	(0.05)	(0.06)
Net Assets Per Unit (\$)	8.69	7.22

9. Future accounting change

Effective January 1, 2011 the Fund will adopt International Financial Reporting Standards (IFRS) for purposes of financial reporting. The Manager does not expect that net assets per unit will be impacted from the changeover to IFRS.

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