

For federal and provincial employees only

If you or a member of your immediate family are, or once were, employed by the Government of Canada, any provincial government or any crown corporation, you have a valuable investment vehicle available.

Tradex Management Inc. of Ottawa offers federal and provincial public service employees and former employees three no-load mutual funds. We think at least two of them — Tradex Equity Fund Ltd. and Tradex Global Equity Fund — warrant careful consideration if you're eligible.

Tradex began in 1960, when the Canadian federal departments of Trade and Commerce and External Affairs offered their employees a vehicle through which to invest easily in Canadian stocks. To avoid conflicts of interest, the government engaged independent investment counselors to manage the portfolios.

TRADEX EQUITY FUND LTD., the original Tradex fund, invests mainly in a diversified portfolio of common shares of Canadian companies plus shares from companies in the U.S. and other countries. Since 1992, Phillips, Hager & North Investment Management Ltd. has managed the portfolio, with above-average results. In the fifteen years ended Feb. 28, 2007, the fund has generated an annual compound growth rate of 11.4 per cent, ranking it 16th out of 51 Canadian equity funds.

Fund has an aggressive bent

The fund's volatility is about average for a Canadian equity fund. Its strategy is to build large positions in high-quality growing companies. But it will be aggressive in the sense of stock and sector concentration, and will own a relatively high level of small-cap stocks when desirable.

The fund's performance is also helped by a low management expense ratio of just 1.21 per cent. As we've said, the fund has no sales fee, but you must invest a minimum of \$1,000.

We recommend this fund as a buy if you're looking for a somewhat aggressive Canadian stock fund.

The other Tradex fund we recommend is **TRADEX GLOBAL EQUITY FUND**. It's managed by City of London Investment Management Company Limited of London, England.

The fund seeks long-term capital appreciation by investing primarily in closed-end funds whose investments are principally in a diversified portfolio of stocks of issuers based in any country. Its investment approach involves deciding which of the world's stock markets and currencies have the best potential rate of return.

Tradex Global Equity got its start in 1999, and has produced an annualized return of 4.0 per cent over the past seven years. That might not sound great, but it ranks the fund 31st out of 151 global equity funds. What's more, the fund performed in the top half of the global equity category in six of those seven years.

We recommend this fund if you're looking for an attractive way to add the growth potential of global stocks to your portfolio.

We think Tradex offers a valuable investment vehicle to those who qualify. You can contact the company in Ottawa, at 1-800-567-3863.

Tradex offers a bond fund

In addition to the two funds discussed on this page, Tradex offers the **Tradex Bond Fund**, managed by TD Asset Management Inc. We generally recommend you invest the fixed-income portion of your portfolio directly in bonds or GICs. But if you'd rather have a professional manage your fixed-income securities, this fund offers a fairly conservative portfolio.

Tradex Bond seeks a combination of income and long-term capital preservation by investing in a diversified portfolio of Government of Canada, provincial government, municipal government and investment grade corporate bonds.

But since the portfolio is managed by TD Asset Management Inc., we think you'd be better off choosing **TD Canadian Bond Fund**. It, too, offers you a high-quality portfolio, but it charges you fewer expenses. Its management expense ratio is 1.07 per cent, compared to the Tradex Bond Fund's 1.28 per cent.