

2010

Tradex Simplified Prospectus



May 7, 2010

Tradex Bond Fund



Tradex Equity Fund Limited



Tradex Global Equity Fund

No securities regulatory authority has expressed an opinion about these units/shares and it is an offence to claim otherwise.

Tradex[®]
mutual funds
for the public sector

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General Information About the Funds

Introduction

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

This document is divided into two parts:

- Part A, from pages 1 to 6 contains general information about all of the Funds.
- Part B, from pages 7 to 9, contains specific information about each of the Funds described in this document.

Additional information about each Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling Tradex Management Inc. toll-free at 1-800-567-3863 or from your dealer.

These documents are also available on the Tradex website at www.tradex.ca or by contacting Tradex at info@tradex.ca.

These documents and other information about the Funds are also available at www.sedar.com.

What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

A mutual fund is a pooling of resources by many individual investors to achieve common objectives. Fund investors share the mutual fund's income, expenses, and the gains and losses the mutual fund makes on its investments in proportion to the units or shares they own.

Mutual funds are either companies which issue shares, or trusts which issue units. Tradex manages both.

A mutual fund invests in the three basic financial asset classes, stocks, bonds, and cash reserves, depending on the mutual fund's investment objectives. The values of securities vary from day to day, reflecting changes in interest rates, economic conditions, and other factors. As a result, the value of each fund's units or shares will go up and down on a daily basis. This means the value of your investment in a mutual fund may be more, or less, when you redeem it than when you purchased it.

We calculate the unit or share price (net asset value per unit or share) by adding up the assets of the Fund (the cash and securities in its portfolio), subtracting its liabilities, and dividing by the total number of units or shares outstanding.

Tradex does not guarantee that the full amount of your original investment in any of the Funds will be returned to you. Unlike bank accounts or GIC's, mutual fund units and shares are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see pages 3 and 4 "Purchases, Switches and Redemptions".

General Investment Risks

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. Generally, the higher an investment's anticipated return, the greater the risk you must be prepared to take. 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. The value of the units/shares is directly related to the market value of each mutual fund's investments. Therefore, the value of the units/shares goes up or down depending upon various factors. Some of these factors are identified in the following discussion about mutual funds that concentrate on stocks, bonds or foreign investments.

Mutual funds which concentrate on stocks are affected by specific company developments such as announcements of quarterly earnings or management changes, by stock market conditions such as changes in interest rates or price/earnings ratios, and by general economic and financial conditions such as inflation rates and foreign exchange rates in those countries where the investments are listed for trading. Stock funds generally tend to be more volatile than bond funds, and the value of their units or shares will generally vary more widely than bond funds.

Mutual funds which concentrate on bonds will be affected primarily by interest rates and the credit rating of the issuer of the investments. An increase in interest rates will generally cause the value of bonds to decline; conversely, a decrease in rates will generally cause the value of those securities to increase. To address credit rating risk, many funds' bond investments generally consist of high quality government and corporate securities. This strategy improves relative safety, which may help to lessen risk during periods of interest rate changes.

Mutual funds which 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 which could negatively impact the value of a fund's investments.



Organization and Management of the Tradex Funds

Manager

Tradex Management Inc.
50 O'Connor Street, Suite 920
Ottawa, ON K1P 6L2
1-800-567-3863 www.tradex.ca

Tradex manages the overall business of the Funds, including selection of the portfolio advisor for each Fund and the registrar, and promotes sales of the Fund's units and shares.

Trustee

Tradex Management Inc., Ottawa, Ontario

The Funds are organized as trusts, with the exception of Tradex Equity Fund Limited. When you invest in these Funds, you're buying units of the trust. The trustee holds actual title to the property in the Funds – the cash and securities – on your behalf.

Principal Distributor

Tradex Management Inc., Ottawa, Ontario

As principal distributor, Tradex markets the units and shares of the Funds through authorized brokers and dealers, and accepts purchase orders directly from investors in Ontario, Quebec and British Columbia.

Custodian

CIBC Mellon Trust Company, Toronto, Ontario

The custodian has physical custody of the securities in the Funds' portfolios.

Registrar

Citigroup Fund Services Company Inc., Mississauga, Ontario

As registrar, Citigroup keeps track of the owners of units/shares of each of the Funds, processes purchases, switch, transfer and redemption orders, issues investor account statements, issues annual tax reporting information, and provides fund accounting and administration services.

Auditor

PricewaterhouseCoopers LLP, Ottawa, Ontario

The auditors examine the financial statements of each Fund and express their opinion on the fairness of their presentation in accordance with Canadian generally accepted accounting principles. Except in the case of Tradex Equity Fund Limited where investors must approve by vote any change in auditor, unitholders will be provided a written notice at least 60 days prior to any change of auditor.

Purchases, Switches and Redemptions

Any resident of Canada who is or was employed by the public sector, including their immediate family, may purchase units/shares of the Funds. The public sector includes governments, hospitals, school boards and Crown Corporations.

Ontario, Quebec and British Columbia residents have the option of purchasing units directly from Tradex or from an authorized dealer. Residents in the rest of Canada must use a dealer's services. Transfers from one Fund to another (i.e. switches, and redemptions) should be done through the dealer from whom the units were purchased or through Tradex if purchased directly.

Unit/share prices (net asset value per unit/share) for Tradex Equity Fund Limited and Tradex Bond Fund are calculated daily following the close of trading on The Toronto Stock Exchange. For details of the calculation of the unit price (net asset value per unit) of Tradex Global Equity Fund see page 9. The issue or redemption price of the units/shares issued is based on the Fund's net asset value next determined after the receipt of the purchase or redemption order. If we receive your purchase order and payment or your redemption request before 4 p.m. (Ottawa time) on any day markets are open, we'll process your order at the unit/share price on that date. Otherwise, you will receive the unit/share price on the next day the market is open.

Purchases

No sales commission is payable to Tradex when purchasing Fund units/shares directly in Ontario, Quebec and British Columbia. Whether an authorized dealer charges a commission is a matter between the dealer and you, but such commission fee may not exceed 2 percent of the amount of your purchase.

Your first investment in a Fund must be at least \$1,000. After your first investment, the minimum for further investments in that Fund is \$100. These minimums do not apply to

Independent Review Committee

The mandate of the Tradex Independent Review Committee is to review and provide input on Tradex Management Inc.'s written policies and procedures with respect to conflict of interest matters and to review such conflict of interest matters. The Committee consists of three individuals and prepares a report of its activities annually (or more often if required) for the unitholders. This report is available on Tradex's website at www.tradex.ca or upon request at no cost by contacting Tradex at info@tradex.ca. Further information about the Tradex Independent Review Committee, including the names of its Members, is available in the Annual Information Form for the Tradex Funds and on the Tradex website.

investors under the age of 18. In addition, minimum requirements may be waived at the discretion of Tradex. Payment is made by cheque or by pre-authorized debit from an account with a deposit taking institution.

We may reject your purchase order within one business day of receiving it. Any payment sent with your order will be returned immediately. Please see pages 5 and 6 with respect to Fees and Expenses and Dealer Compensation.

Redemptions

Payment for redeemed units/shares will be made within three business days of the receipt of the redemption request, and will be electronically transferred to your account at any financial institution in Canada unless instructed otherwise.

Under exceptional circumstances, a Fund may suspend your right to redeem your units/shares. This would most likely occur if market trading has been suspended on stock exchanges on which a significant portion of the Fund's assets are listed and those assets are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

There is no fee payable by you upon redemption of units/shares if held through Tradex. Whether an authorized dealer charges a redemption fee is a matter between the dealer and you, but such redemption fee may not exceed 2 percent of the amount being redeemed. Each Fund has the right to redeem on notice your units/shares if either the value of your holding is less than \$1,000 or if mail addressed to you from Tradex has been returned, undelivered, for a period of three consecutive years. In the event of the latter situation, the redemption proceeds will be deposited to your credit in an interest bearing account.

Switches

Ontario, Quebec and British Columbia residents dealing directly with Tradex can redeem units/shares of one Fund and use the proceeds to purchase units/shares of another Fund. This is a "switch". No sales commission is payable to Tradex upon the redemption and purchase of Fund units/shares as part of a switch if the switch is through Tradex. Whether an authorized dealer charges a redemption fee or commission is a matter between the dealer and you, but such commission may not exceed 2% of the amount being switched. We can reject your switch order within one business day of receiving it.

Short Term Trading

Short-term trading includes buying and then redeeming or switching a large number of units/shares of a Fund within 30 days of buying. We discourage investors from short-term

trading. Short-term trading can harm a Fund's performance and the value of other investors' holdings in a fund because such trading can increase brokerage and other administrative costs of a fund and interfere with the long term investment decisions of the Fund's portfolio advisor. We have policies and procedures to detect and deter short-term trading that include the ability to refuse purchase and switch orders. Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Optional Services

Registered Tax Plans

All Tradex Funds are eligible for the following registered tax plans: registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plans (RESPs), life income funds (LIFs), locked-in retirement accounts (LIRAs), locked-in retirement income funds (LRIFs) and Tax-Free Savings Accounts (TFSA's).

There is no annual administration fee for our registered tax plans. The trustee of these plans is The Canada Trust Company, Toronto.

Regular Investment and Withdrawal Plans

You can buy units/shares of the Funds through a pre-authorized regular investment plan. You can invest bi-weekly, twice-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. Each investment must be at least \$100.

You can also set up a regular withdrawal program. You can choose when to withdraw (bi-weekly, twice-monthly, monthly, bi-monthly, quarterly, semi-annually or annually) and how much to redeem each time. These regular deposits or withdrawals can be terminated at any time.

Automatic Reinvestment of Distributions

We automatically reinvest your distributions or dividends to purchase additional units/shares of the Funds.

If you would prefer to receive your dividends or distributions in cash, please write instructing us whether to pay you by cheque or direct deposit to your account at any financial institution.



Fees and Expenses

This table lists:

- All fees and expenses which are paid directly by the Funds before they calculate their unit/share price (net asset value per unit/share), and which therefore indirectly reduce the value of your investment
- All fees and expenses payable directly by you.

Impact of Sales Charges

You may purchase the Funds on a no load basis through Tradex. If you purchase the Funds through an authorized dealer, you may be charged a sales charge by that dealer – see the table.

Fees and Expenses Payable by the Funds

Management Fees

Tradex Bond Fund 0.6%
Tradex Global Equity Fund 0.6%
Tradex Equity Fund Limited 0.7%

Each of these percentages represents the annual fee for management services paid to Tradex as a percentage of the average net asset value of the relevant Fund.

Any surplus funds, after retaining sufficient funds to meet all operating, capital and regulatory requirements of Tradex, will be rebated pro rata to all mutual funds managed by Tradex based on the amounts paid to Tradex by such mutual funds. There can be no assurance that there will be any such rebates or as to the size of such rebates.

Operating Expenses

Each Fund pays all of its operating expenses (fees with respect to investment advisory, administration, management, custodial professional services and regulatory filing fees and expenses). In addition, the Funds pay all fees and expenses in connection with the operation of the Tradex Independent Review Committee (“IRC”), which may include parking, meals and refreshments, legal fees, educational expenses, travel and teleconference expenses. The IRC members receive no compensation for performing this duty. The expenses of the IRC are allocated equally among the Funds. The expenses associated with the IRC totalled \$80.75 in 2009 and are expected to total less than \$200.00 in 2010.

Fees and Expenses Payable Directly by You

Sales Charges

Nil if purchased through Tradex. Whether an authorized dealer charges a commission fee is a matter between the dealer and you, but such commission fee may not exceed 2% of the amount of your purchase.

Switch Fees

Nil if purchased through Tradex. Whether an authorized dealer charges a switch fee is a matter between the dealer and you, but such switch fee may not exceed 2% of the amount being switched.

Redemption Fees

Nil if held through Tradex. Whether an authorized dealer charges a redemption fee is a matter between the dealer and you, but such redemption fee may not exceed 2% of the amount being redeemed.

Registered Tax Plan Fees

Nil if a Tradex sponsored tax plan.

Other Fees and Expenses

Nil

Dealer Compensation Sales Commissions

No sales commissions or charges are payable when purchases are made through Tradex. To the extent that an authorized dealer may charge a commission, that is a matter between the dealer and you, but such commission fee may not exceed 2 percent of the amount of your purchase. Tradex permits authorized dealers to retain any such sales charges paid by investors as compensation, the amount of these charges to be at the dealer's discretion.

Trailing Commission

Tradex pays authorized dealers a trailing commission at the end of each quarter, to cover printing and mailing costs to their clients. The trailing commission is a percentage of the average daily value of each account held by the dealer's clients. The maximum annual trailing commission paid is 0.3 percent. We may change or cancel the terms of the trailing commission at any time.

Dealer Compensation from Management Fees

The trailing commission paid to authorized dealers as a percentage of management fees received from the Funds in the fiscal year ended December 31, 2009 was approximately five percent.

Income Tax Considerations for Investors

Generally, both Tradex Bond Fund and Tradex Global Equity Fund distribute enough income and capital gains each year to ensure that the Fund pays no income tax. Tradex Equity Fund Limited, as a corporation, will pay regular and capital gain dividends each year to recover income and capital gains taxes paid to the extent possible.

For Funds Held in a Registered Plan

You pay no tax on earnings we distribute to you from Funds held in a registered plan such as an RRSP or RRIF, nor on any capital gains the plan makes from redeeming units or switching between Funds, as long as the proceeds remain in the plans.

For Funds Held in a Non-registered Account

You must report for income tax purposes all dividends and distributions paid to you during the year, whether you receive these distributions as cash or whether we reinvest them in additional units/shares for you.

You must also include in your income for the year any capital gains or losses you made from redeeming units/shares or switching between Funds.

Active portfolio turnover is certain to generate taxable capital gains or losses. Active trading of the portfolio also generates additional broker commissions, thereby increasing fund expenses and reducing the rate of return.

If you buy units/shares you may be taxed on accrued but undistributed income, accrued but unrealized capital gains and realized but undistributed capital gains that are in the Fund at the time of your purchase. This may be of particular relevance if you buy units/shares late in the calendar year or otherwise shortly before a distribution. The adjusted cost base of your units/shares will be increased by the amount of the distribution. The adjusted cost base of your units/shares equals the amount you paid initially plus the amount of reinvested distribution or dividends plus the amount of any additional purchases minus the adjusted cost base of any unit/shares you have previously redeemed.

We will issue a tax statement to you each year identifying the taxable portion of your dividends and distributions. You should keep detailed records of the purchase cost and distributions related to your Fund units/shares in order to calculate the adjusted cost base of those units/shares. You may wish to consult a tax advisor to help you with these calculations.

What are your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within forty-eight hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy fund units/shares and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.



Specific Information about Each of the Mutual Funds Described in this Document

Tradex Bond Fund

Fund Details

Type of fund	Canadian bond
Commencement date	September 7, 1989
Nature of securities	Mutual fund units
Eligibility for registered plans	Eligible as an investment for RRSPs, RRIFs, TFSA's and similar tax deferred plans
Portfolio advisor	TD Asset Management Inc. Toronto, ON

What Does the Fund Invest In?

Investment objectives

To achieve a combination of interest 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. The average term to maturity of the portfolio must be greater than three years.

Any change in these fundamental investment objectives would require the approval of unitholders of this Fund.

Investment strategies

The portfolio is constructed using computerized optimization techniques to enhance returns and control risk. Risk is controlled through investment in Government of Canada bonds and provincial government bonds, which represent 50 percent or more of the total value of the investment portfolio. Corporate bonds with a credit rating of BBB or better represent up to 50 percent of the total value of the investment portfolio.

The portfolio turnover rate will vary with market volatility, but may be higher than 100 percent. The higher a Fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Fund that must be included in determining a taxable unitholder's income for tax purposes; and
- the higher the custodial costs of the Fund. These costs are expenses of the Fund and are paid out of the Fund's assets, which may reduce your returns.

No part of the portfolio will be invested in foreign bonds (i.e., bonds issued in a jurisdiction other than Canada) or in derivatives.

The Fund will not temporarily depart from its investment objectives under any circumstances.

What are the Risks of Investing in the Fund?

The Fund's assets invested in bonds will be subject to the risks related to such investments described on page 2.

As the term to maturity of the bonds in the portfolio lengthens, the variability of interest rates increases, along with bond prices.

Government of Canada bonds have minimal credit risk. They are also easily bought and sold, reducing any liquidity risk. Provincial government bonds are guaranteed by the issuing province and are also easily bought and sold, thus further reducing any liquidity risk. Corporate bonds with a BBB credit rating provide protection considered acceptable by the Manager with respect to interest and principal, with corporate bonds having a higher rating offering better protection.

To avoid risks related to variations in the value of the Canadian dollar, only bonds denominated in Canadian currency will be in the portfolio.

Who Should Invest in This Fund?

The Fund is suitable for those prepared to accept some fluctuation in unit values in return for potentially higher income over the long-term than money market funds and deposit accounts. They may be looking to balance their equity investments with fixed income, or require regular quarterly income.

The Fund is not appropriate for an investor with an investment horizon of less than two years.

Distribution Policy

At the end of each of the first three calendar quarters, the Fund distributes its interest income to all unitholders who owned units on the previous day. In late December, any capital gains are distributed in a similar fashion, along with interest income. All such distributions are automatically reinvested immediately in additional units, unless a written request to be paid in cash has been made seven days prior to the applicable distribution date.

Fund Expenses Indirectly Borne by Investors

The table below is intended to help you compare the cumulative costs of investing in this Fund with the corresponding costs of investing in other mutual funds. The table shows the amount of fees and expenses of the Fund which would be attributable to each \$1,000 investment which you make, assuming the Fund's annual performance is a constant 5 percent per year, and that the Fund's management expense ratio and operating expenses remained the same as in its last financial year for the entire ten years. See Part A re: Fees and Expenses (page 5) for information with respect to fees and expenses paid directly by you.

Although your actual costs will be higher or lower, based on the above assumptions, your costs would be:

1st year	3rd year	5th year	10th year
\$15.07	\$47.50	\$83.26	\$189.52

Tradex Equity Fund Limited

Fund Details

Type of fund	Canadian focused equity
Commencement date	April 11, 1960
Nature of securities	Mutual fund shares
Eligibility for registered plans	Eligible as an investment for RRSPs, RRIFs, TFSA's and similar tax deferred plans.
Portfolio advisor	Phillips, Hager & North Investment Management Ltd., Vancouver, BC (a wholly-owned subsidiary of the Royal Bank of Canada).

What Does the Fund Invest In?

Investment objectives

To achieve long-term capital appreciation by investing primarily in a diversified portfolio of common shares of Canadian companies plus shares from companies in the United States and other countries.

Any change in these fundamental investment objectives would require the approval of the shareholders of the Fund.

Investment strategies

The strategy of the Fund is to build positions in high quality growing companies. The Fund can 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 will generally be fully invested.

The portfolio turnover rate will vary with market opportunities and volatility, but may be higher than 100 percent. The higher a fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Fund that must be included in determining a taxable shareholder's income for tax purposes; and
- the higher the trading and custodial costs of the Fund. These costs are expenses of the Fund and are paid out of the Fund assets, which may reduce your returns.

To maintain adequate portfolio diversification, thus reducing risk, at least five S&P/TSX Composite Index industry sectors will be represented.

Derivatives may be used for foreign currency hedging purposes only.

Foreign content will be in the range of 15-35% of the total portfolio value in normal times (the upper limit is 50%).

Effective September 1, 2010 the Fund may engage in securities lending. Prior to the Fund entering into securities lending transactions shareholders will be provided with at least 60 days notice together with a description of the transactions that will be undertaken. A securities lending transaction occurs when a fund lends portfolio securities that it owns to a creditworthy institutional borrower. The borrower promises to return to the fund, at a later date, an equal number or amount of the same securities and to pay a fee to the fund for borrowing the securities. The fund may recall the securities at any time. The goal of securities lending is to generate additional income for the Fund.

Should market conditions temporarily deteriorate, up to 30 percent of the portfolio could be converted into cash.

What are the Risks of Investing in the Fund?

Usually, most of the Fund's assets will be invested in equity securities. Those assets will be subject to the risks related to such investments described on page 2. As the Fund can invest up to 50% of its assets in foreign securities, those assets will be subject to the risks related to such investments described on page 2.

The Fund is allowed to use derivatives known as forward contracts for foreign currency hedging purposes only. 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 risks of the use of forward contracts include the possible default by the other party to the transaction and, to the extent the view as to certain currency movements is incorrect, the risk that the use could limit the opportunity for gains should they have not been used. The use of currency forward contracts could also result in the Fund incurring losses as a result of a number of factors including the imposition of exchange controls, suspension of settlements, or the inability to deliver or receive a specified currency.

Securities lending transactions come with certain risks. If the other party to the transaction cannot complete the transaction, the mutual fund may be left holding the collateral delivered by the other party to secure the transaction. The fund could lose money if the value of collateral held and cash received does not increase as much as the securities loaned. To minimize these risks, the other party must provide collateral that is worth at least 102 percent of the value of the mutual fund's securities or cash and of the type permitted by the Canadian Securities Administrators. The value of the transactions and the collateral are monitored daily and the collateral adjusted appropriately by the securities lending agent of the fund.

As the Fund is generally fully invested, changes in the S&P/TSX Composite Index and, to a lesser extent, the U.S. S&P 500 Index, will likely be reflected to a considerable degree in the share value.

Who Should Invest in This Fund?

The Fund is suitable for investors seeking capital appreciation over the long term, who are not concerned about the day-to-day fluctuations of their investment. It offers a level of diversity that many investors may not be able to achieve on their own.

Distribution Policy

An ordinary dividend would be declared annually on December 31. An annual capital gains dividend, if any, would be declared in January for the previous year. All such dividends are automatically reinvested immediately in additional shares, unless a written request to be paid in cash has been made seven days prior to the applicable dividend date.

Fund Expenses Indirectly Borne by Investors

The table below is intended to help you compare the cumulative costs of investing in this Fund with the similar costs of investing in other mutual funds. The table shows the amount of fees and expenses of the Fund which would be attributable to each \$1,000 investment which you make, assuming the Fund's annual performance is a constant 5 percent per year, and that the Fund's management expense ratio and operating expenses remained the same as in its last financial year for the entire ten years. See Part A re: Fees and Expenses (page 5) for information with respect to fees and expenses payable directly by you.

Although your actual costs will be higher or lower, based on these assumptions your costs would be:

1st year	3rd year	5th year	10th year
\$15.27	\$48.15	\$84.39	\$192.10



Fund Details

Type of fund	Global equity
Commencement date	May 7, 1999. (Prior to this date, this Fund was constituted under another name, with very different investment objectives, i.e. an emerging markets fund)
Nature of securities	Mutual fund units
Eligibility for registered plans	Eligible as an investment for RRSPs, RRIFs, TFSA's and similar tax deferred plans.
Portfolio advisor	City of London Investment Management Company Limited, London, England ⁽¹⁾
Valuation dates	Unit prices are calculated on each day on which The Toronto Stock Exchange and the New York Stock Exchange are open.

⁽¹⁾ By virtue of its residency status, City of London Investment Management Company Limited (CLIM) is not subject to a variety of requirements contained in the Ontario Securities Act applicable to advisors resident in Ontario. In certain circumstances it may be difficult to enforce legal rights against CLIM because it is resident in the United Kingdom and all or substantially all of its assets are located outside Canada.

What Does the Fund Invest In? Investment objectives

To achieve long-term capital appreciation by investing primarily in closed-end funds whose investments are principally in a diversified portfolio of equity securities of issuers based in any country.

Any change in these fundamental investment objectives would require the approval of unitholders of this Fund.

Investment strategies

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. Among the key economic and financial indicators studied are industrial production, short-term interest rates, the consumer price indices, balance of payments data, gross domestic product data, commodity prices, and foreign exchange rates.

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) which mirror the performance of a particular exchange index. Up to 25 percent 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.

Diversifying your 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. Foreign holdings will normally constitute 100%, or close to 100%, of the investment portfolio.

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.

The portfolio turnover rate will vary with market opportunities and volatility, but may be higher than 100 percent. The higher a fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Fund that must be included in determining a taxable unitholder's income for tax purposes; and
- the higher the trading and custodial costs of the Fund. These costs are expenses of the Fund and are paid out of the Fund assets, which may reduce your return.

Derivatives may be used for foreign currency hedging purposes only.

Should market conditions temporarily deteriorate, up to 50% of the portfolio could be converted to cash.

What are the Risks of Investing in the Fund?

All or most of the Fund's assets will be invested outside Canada. Foreign equity investments will be subject to the risks described on page 2.

The Fund is allowed to use derivatives known as forward contracts for foreign currency hedging purposes only. 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 risks of the use of forward contracts include the possible default by the other party to the transaction and, to the extent the view as to certain currency movements is incorrect, the risk that the use could limit the opportunity for gains should they have not been used. The use of currency forward contracts could also result in the Fund incurring losses as a result of a number of factors including the imposition of exchange controls, suspension of settlements, or the inability to deliver or receive a specified currency.

Who Should Invest in This Fund?

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.

Distribution Policy

Any income and capital gains distributions take place in late December. All such distributions are automatically reinvested in additional units, unless a written request to be paid in cash has been made seven days prior to the applicable distribution date.

Fund Expenses Indirectly Borne by Investors

The table below is intended to help you compare the cumulative costs of investing in this Fund with the similar costs of investing in other mutual funds. The table shows the amount of fees and expenses of the Fund which would be attributable to each \$1,000 investment which you make, assuming the Fund's annual performance is a constant 5 percent per year, and that the Fund's management expense ratio and operating expenses remained the same as in its last financial year for the entire ten years. See Part A re: Fees and Expenses (page 5) for information with respect to fees and expenses payable directly by you.

Although your actual costs will be higher or lower, based on these assumptions your costs would be:

	1st year	3rd year	5th year	10th year
	\$28.80	\$90.80	\$159.15	\$362.28



Simplified Prospectus

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Tradex Bond Fund

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Tradex Equity Fund Limited

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Tradex Global Equity Fund

Additional information about the Funds is available in the Funds' Annual Information Form, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling us toll-free at 1-800-567-3863, or from your dealer or by e-mailing us at info@tradex.ca.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Tradex website at www.tradex.ca or at www.sedar.com.

Manager

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