

Tradex Bond Fund

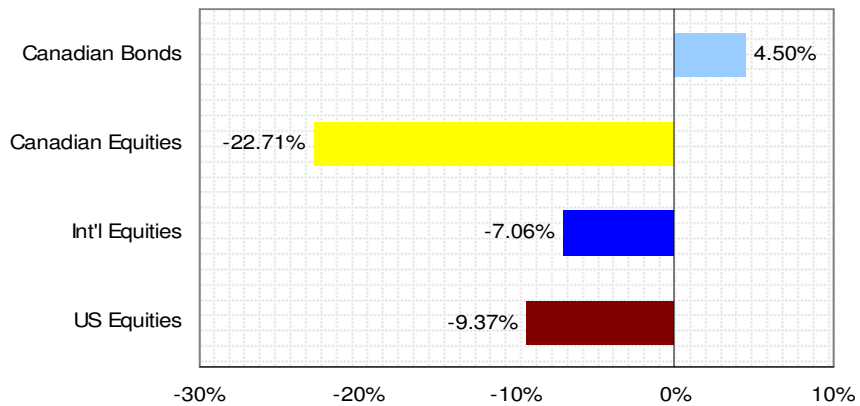
April 29, 2009

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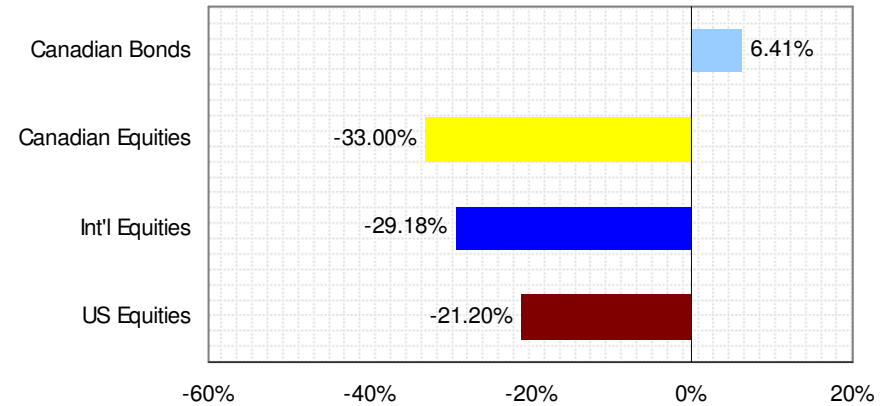
Capital Market Update

December 31, 2008

3 Months



1 Year



Canadian Bonds = DEX Universe
 Canadian Equities = S&P/TSX Composite TR - C\$
 Int'l Equities = MS EAFE Cap Wgtd ND-C\$
 US Equities = S&P 500 TR - C\$






Source: Morgan Stanley Capital Int'l. Inc.

■ 2008 was a tough year but not so bad for bonds

Why invest in Bonds?

- Bonds help ***diversify*** your portfolio and ***reduce risk***.
- The performance of bonds over the last several years has been ***consistently positive***.
- The short-term outlook for bonds is more ***modest***.

Review of “Outlook for Bonds 2008” - given last year

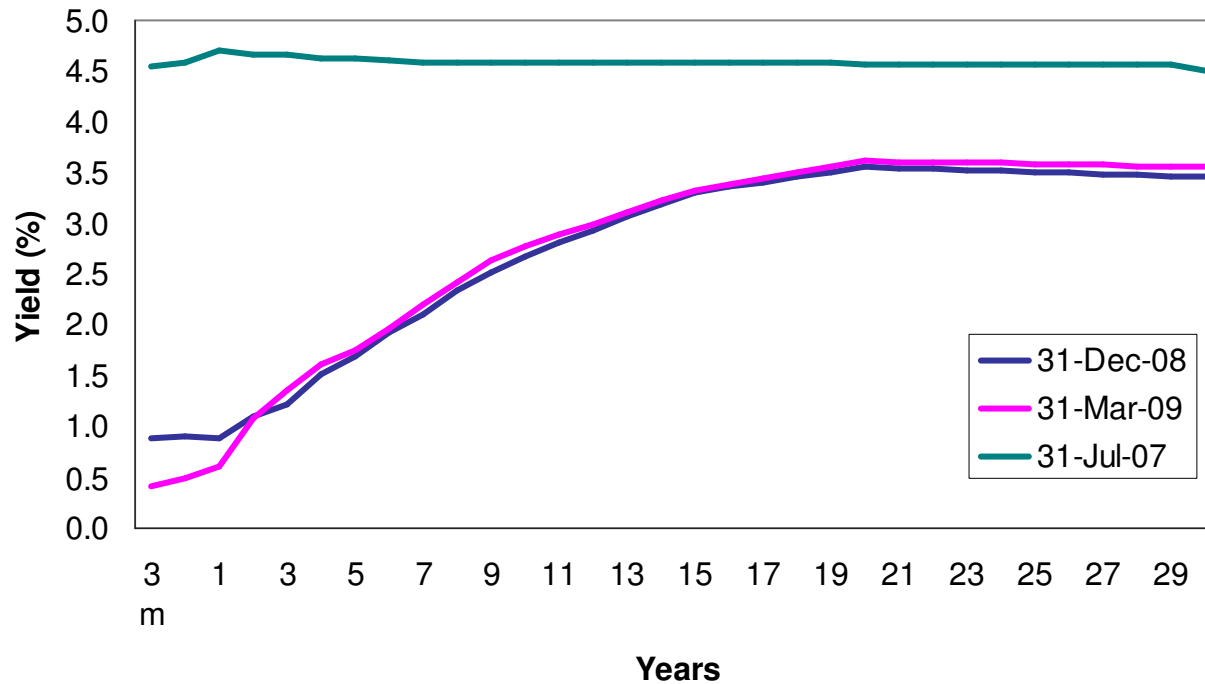
- Bank of Canada to continue to cut rates throughout the year 
- Yield curve should steepen (i.e. difference between short and long rates will become greater) 
- Inflation in 2008 should remain in the low end 
- Credit spreads should stabilize and begin to come in for bonds rated A or higher towards the end for 2008 
- Bond returns for the fund should be better than 2007 

Prevailing Themes in the Fixed Income Market

- Concerted effort by Central Banks to ease monetary policy
- Massive fiscal spending programs by governments to reflate the economy
- New corporate issuances scarce... Government issues may balloon
- Corporate spreads narrowing/stabilizing

***Liquidity pressures have broadly impacted
Canadian fixed income markets***

Canada Yield Curves



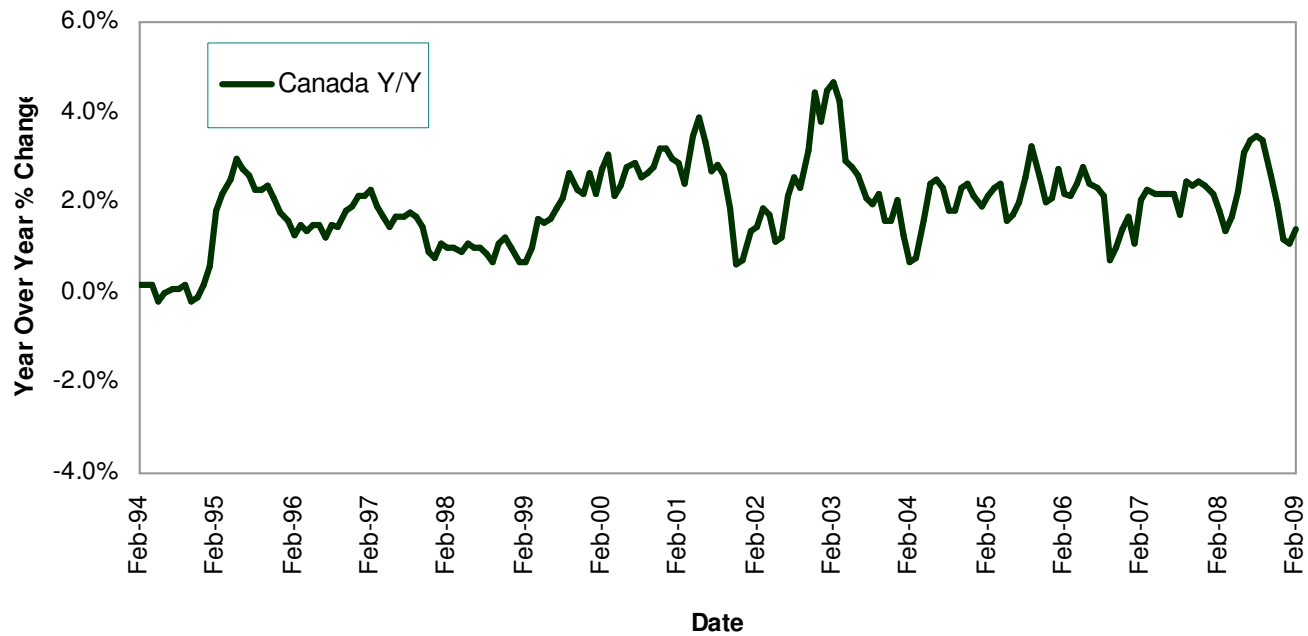
Source: TDAM Inc.

- Yield curve has steepened since last year
- Yields have fallen across the curve since last year



Canadian Inflation

Year over Year % Change as at February 28, 2009



Sources: Bank of Canada & Federal Reserve Economic Data

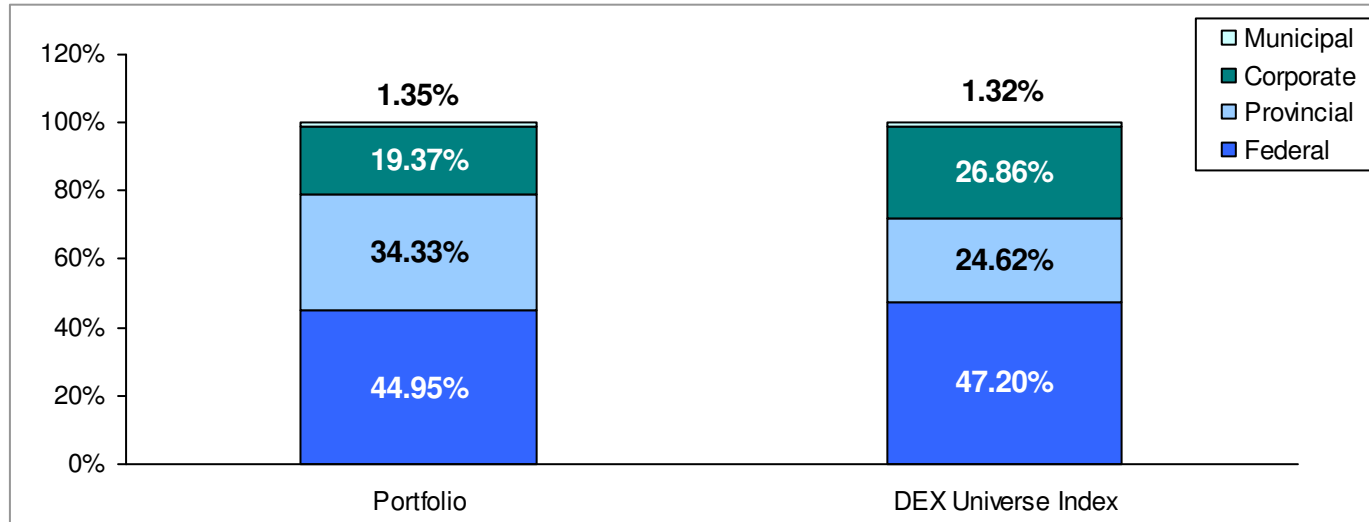
- Inflation remains around the BoC target of 2%



Tradex Bond Fund

- Quantitative investment approach
- Progressive but conservative strategy
- Diversified holdings
- Maximize income without undue risk
- Solid credit quality

Tradex Bond Fund Characteristics vs. Canadian Bond Index*
as at March 31, 2009



Source: PC Bond, TDAM
*DEX Universe Index

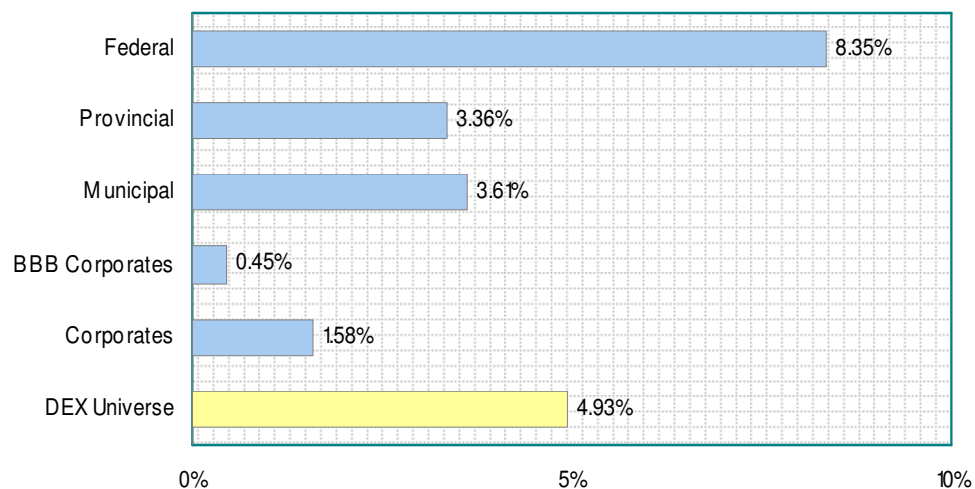
- Well diversified portfolio
 - Sector
 - Yield curve

- Sound credit quality
 - Minimum investment grade
 - Credit review process

Over exposure to short Provincial and Corporate Bonds

Bond Market Update

One Year Returns as at March 31, 2009

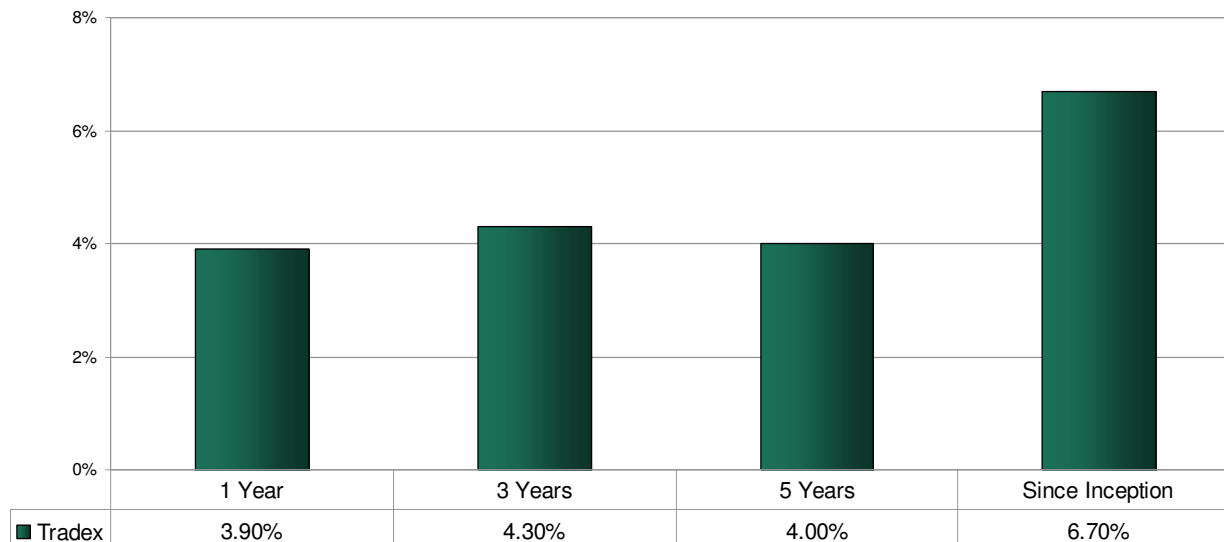


1-Year Commentary

- Canadian bonds posted positive returns for the quarter, led by corporate issues. Government and corporate short- and mid-term bond yields decreased, while long-term yields for both groups were little changed.
- Credit conditions remain tight and corporate spreads are still wide, but Canadian corporate credit spreads narrowed throughout the quarter, as the tone in the market has been more positive this year, with trading activity and liquidity improving somewhat.
- As a result, corporate bonds significantly outperformed Government of Canada bonds during the three-month period in all three segments of the market – short-, mid- and long-term.

Tradex Management Inc.

Compounded Annual Rates of Return Performance as at March 31, 2009



Inception Date: September 30, 1989
 Return: Post Expense, numbers may not add due to rounding

**Assets as at March 31, 2009:
 \$9,889,337**

Outlook for Bonds 2009

- Bank of Canada on hold until 2010
- Yield curve should steepen (i.e. difference between short and long rates will become greater)
- Inflation in 2009 should continue to remain in the low end
- Credit spreads should stabilize and begin to come in for corporate, agency and provincial bonds towards the end of 2009
- Bond returns for the fund will not be as good as 2008

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