

Tradex Equity Fund

Annual General Meeting

April 25, 2007



PHILLIPS, HAGER & NORTH

Presented by: Paul Balfour, Vice President

Tradex Equity Fund Limited

Average Annual Compound Rates of Return March 31, 2007

	3 Mos %	1 Yr %	3 Yrs %	5 Yrs %	10 Yrs %
Tradex Equity Fund Ltd.	1.8	9.7	12.4	8.6	9.3
S&P/TSX Total Return Index	2.6	11.4	17.7	13.1	9.0
Average Canadian Equity Fund*	2.4	9.5	14.1	9.7	10.4

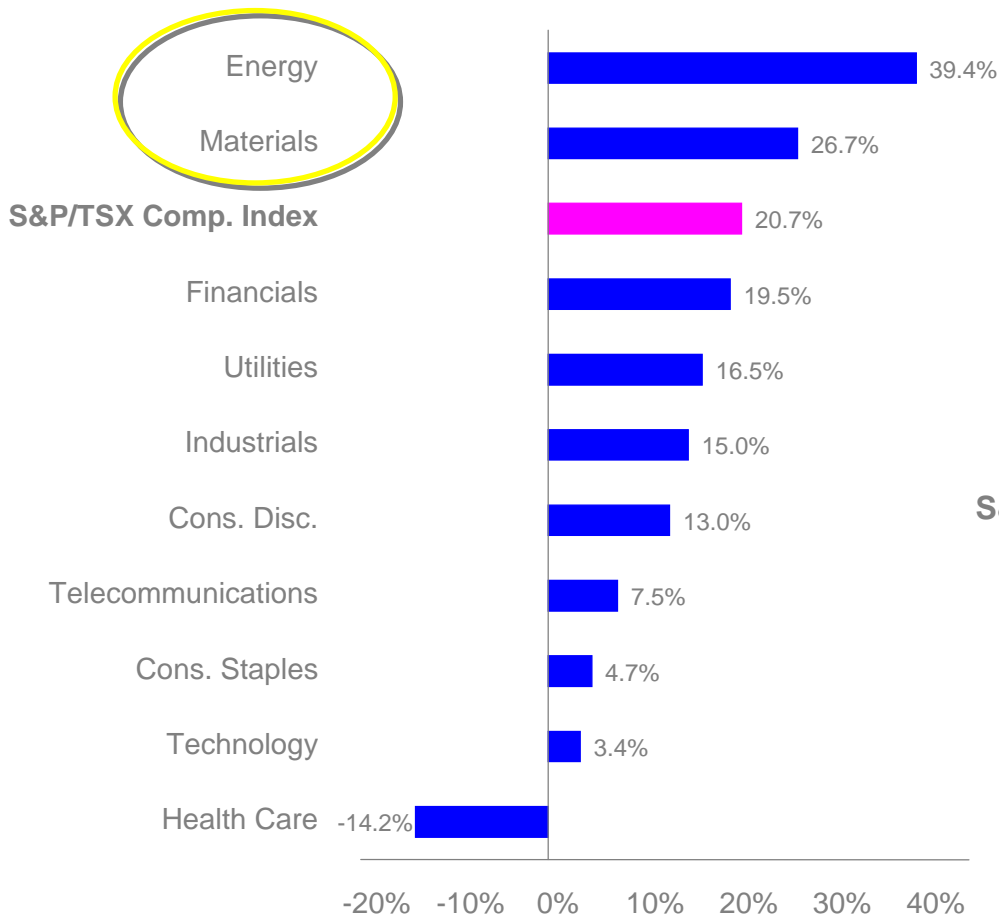
* Source: Globefund



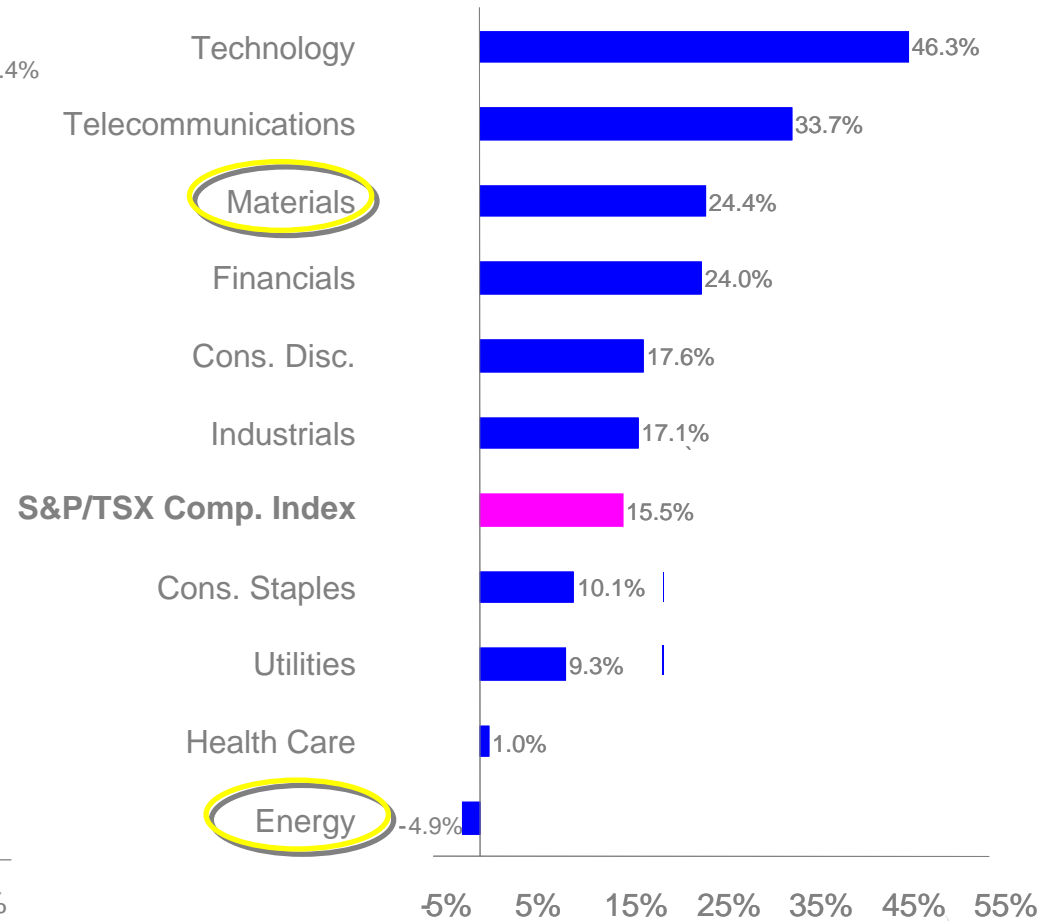
Canadian Equity Market

Change in Leadership?

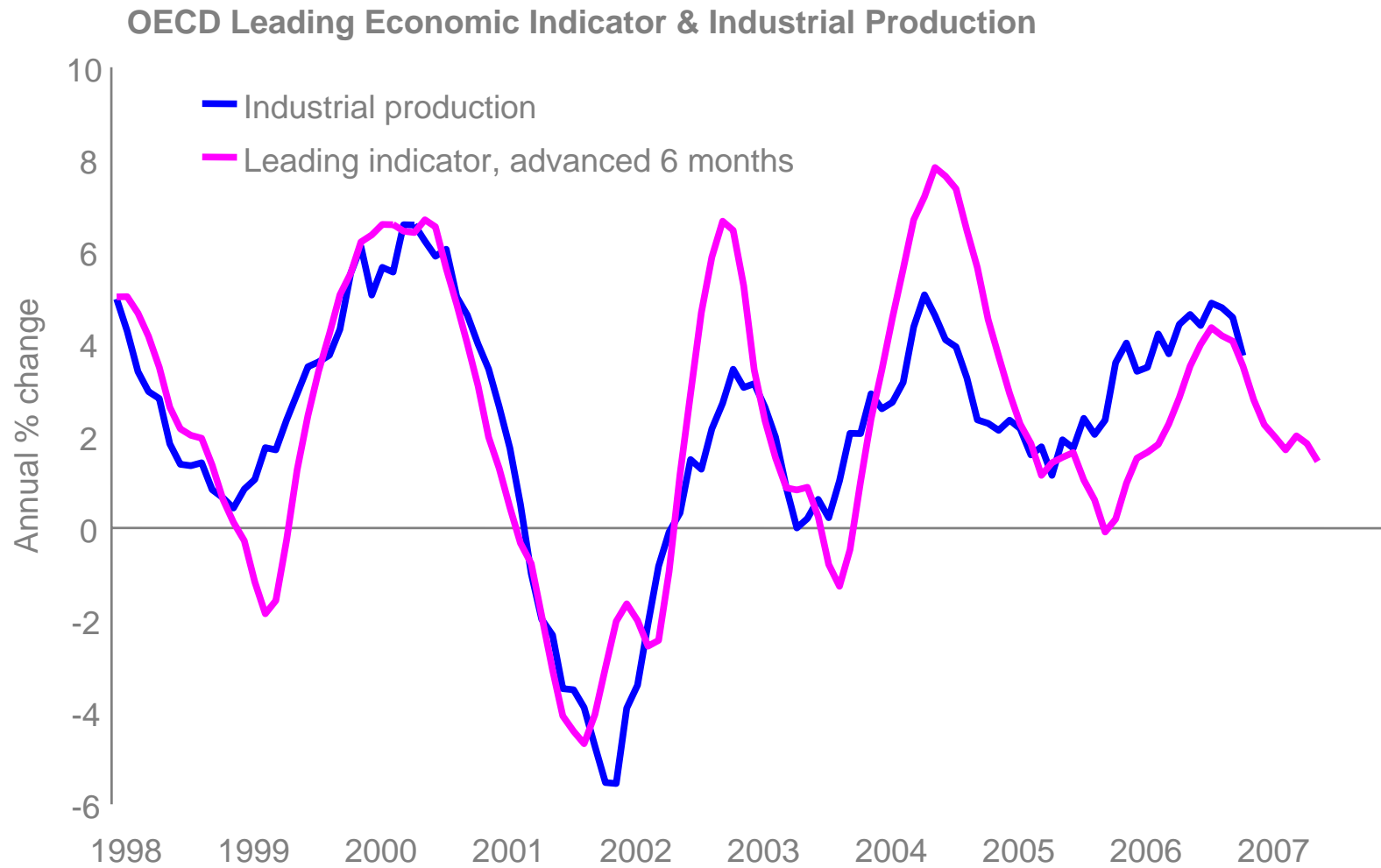
Sector Performance Three Years Ended June 30, 2006



Sector Performance June 30, 2006 to March 31, 2007



Developed World Economies to Lose Steam in 2007



Source: Organization for Economic Cooperation & Development



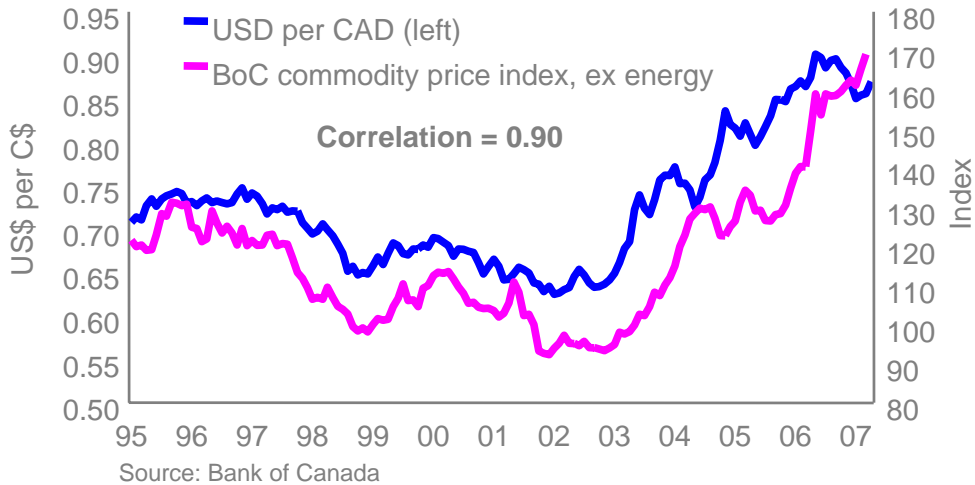
Canadian Economic Outlook

- Canada's economy is still doing very well on average
- Job growth has been stellar
- Commodity prices rebounding on robust global demand
- Exchange rate creeping back up, extending manufacturing's troubles
- Alberta's economy easing, but still far from a sustainable pace
- Bank of Canada has room to cut rates, but is not likely to this year
- Outlook still depends on commodity prices and US growth

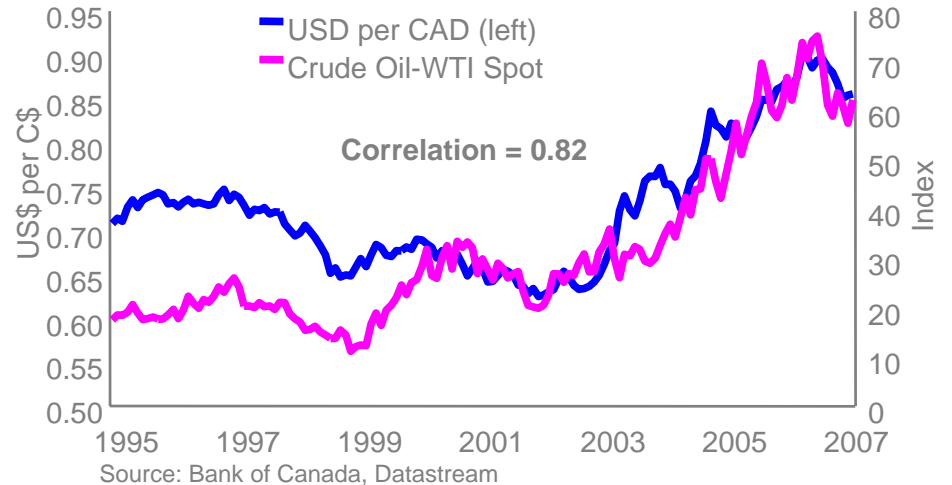


Drivers of the Canadian Dollar

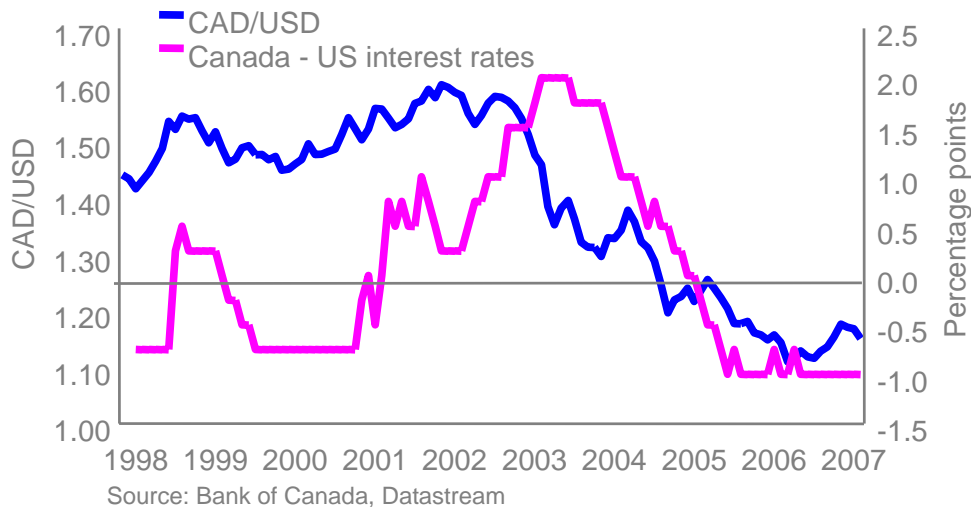
Canadian dollar and ex-energy commodity prices



Canadian dollar and WTI



Exchange Rate & Interest Rate Spread



- Recent data suggests a bit less downside growth risk in North America
- Higher commodity prices a reason for investors to be in Canada
- Rate hike more likely in Canada



Equity Market Outlook: Risk Levels Have Increased

“Fear and Greed”

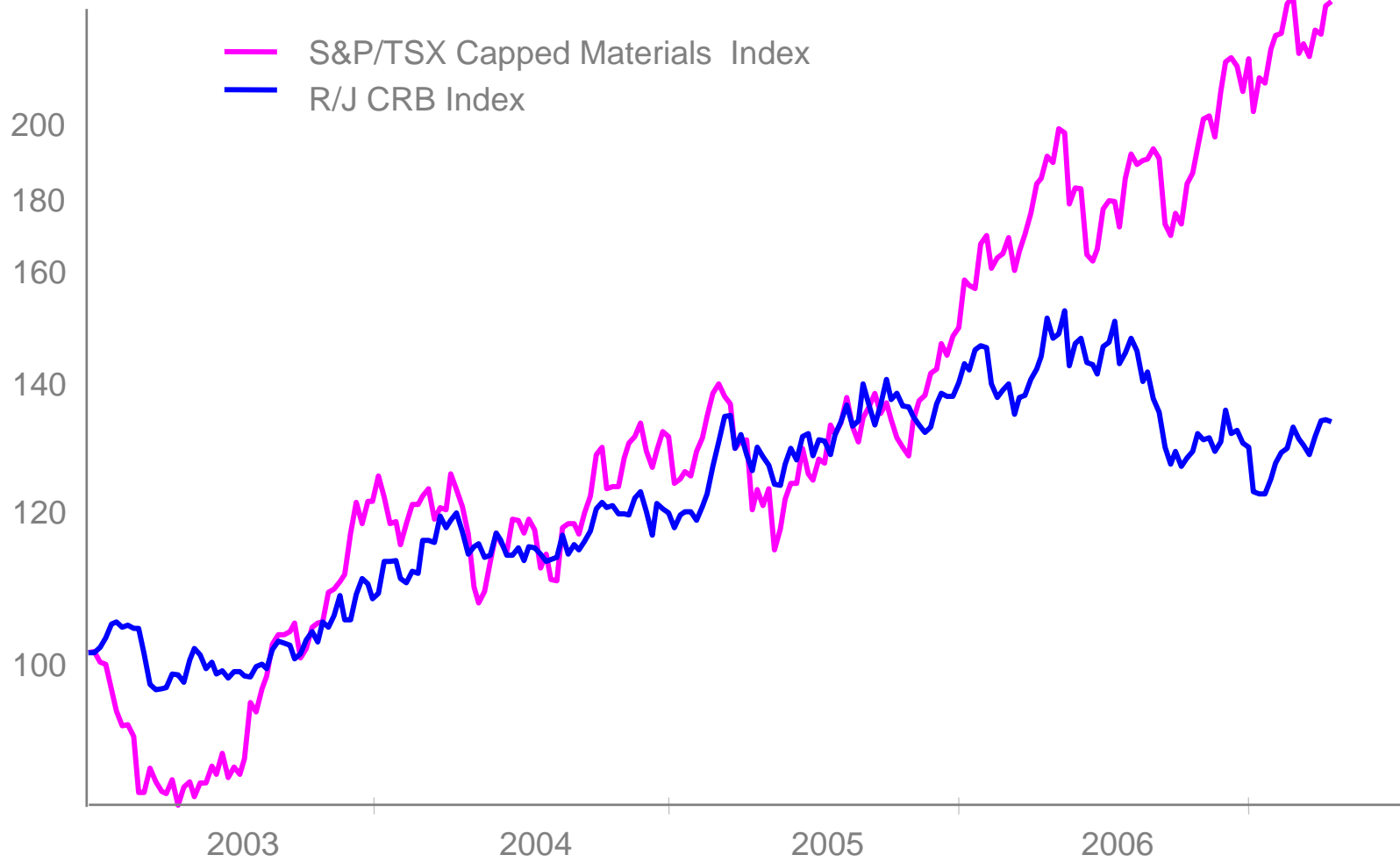
- We are at the “greed” end of the spectrum
 - expectations in energy and commodity markets are very high
 - “risk premiums” are very small (equals complacency)
 - easy credit has led to huge increases in leveraged investments
 - increased signs of speculation

- Some cracks are showing
 - China’s single-day 9% market decline
 - implosion of U.S. sub-prime mortgage market
 - warning signs in credit markets

- A cautious investment stance is warranted

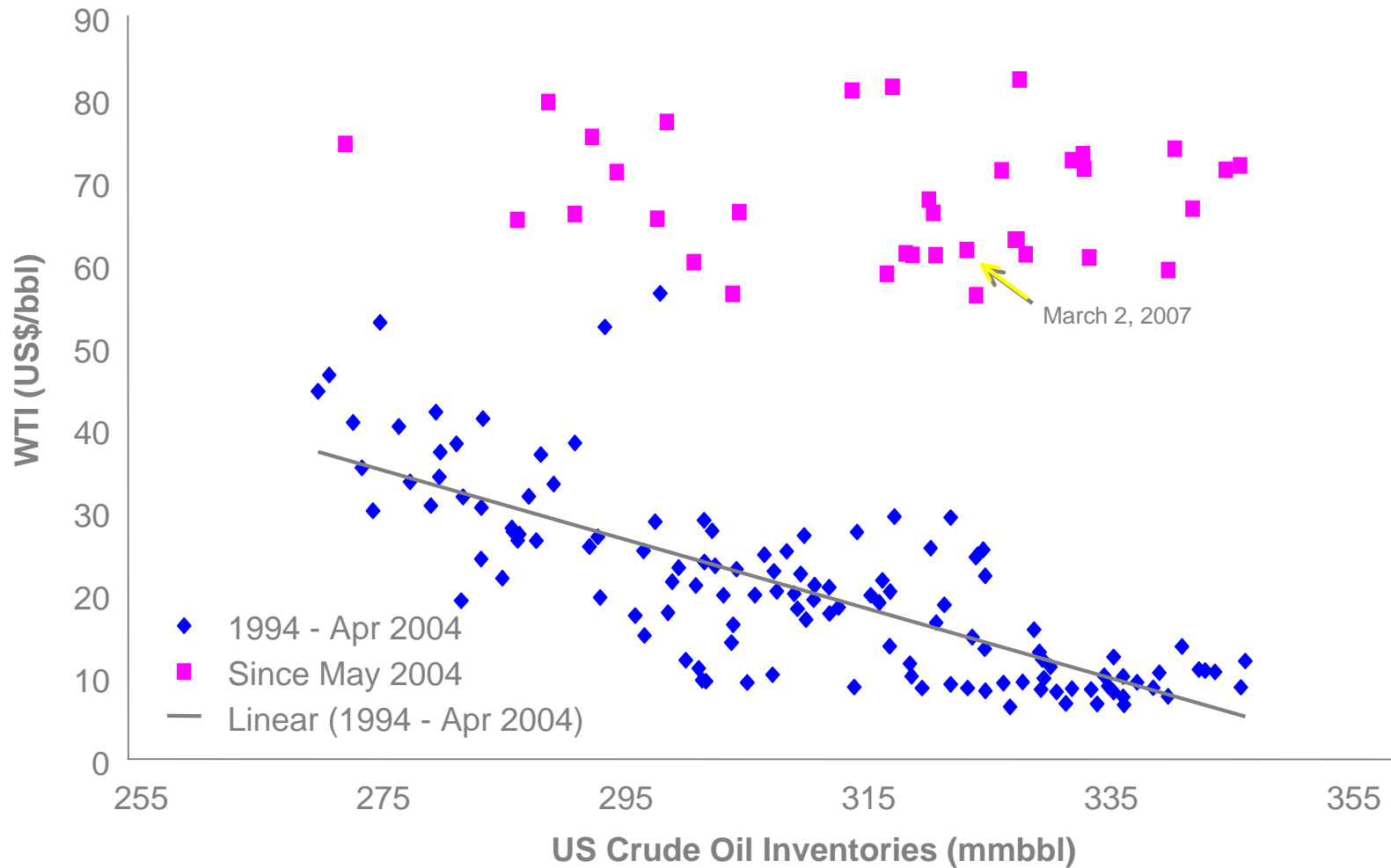


Denial Phase? Or Merger Speculation

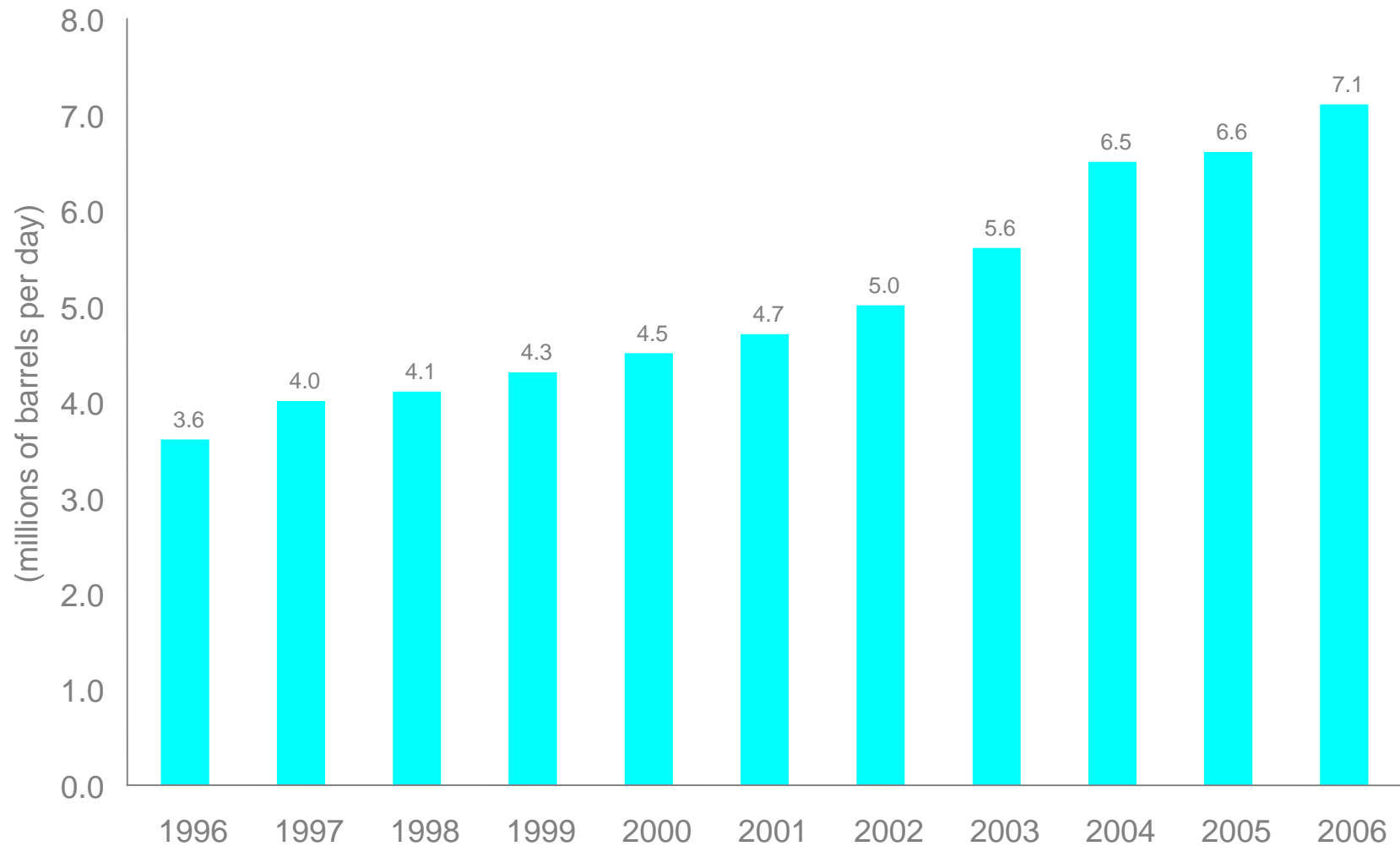


Something's Different

Crude Oil Prices vs. Inventories

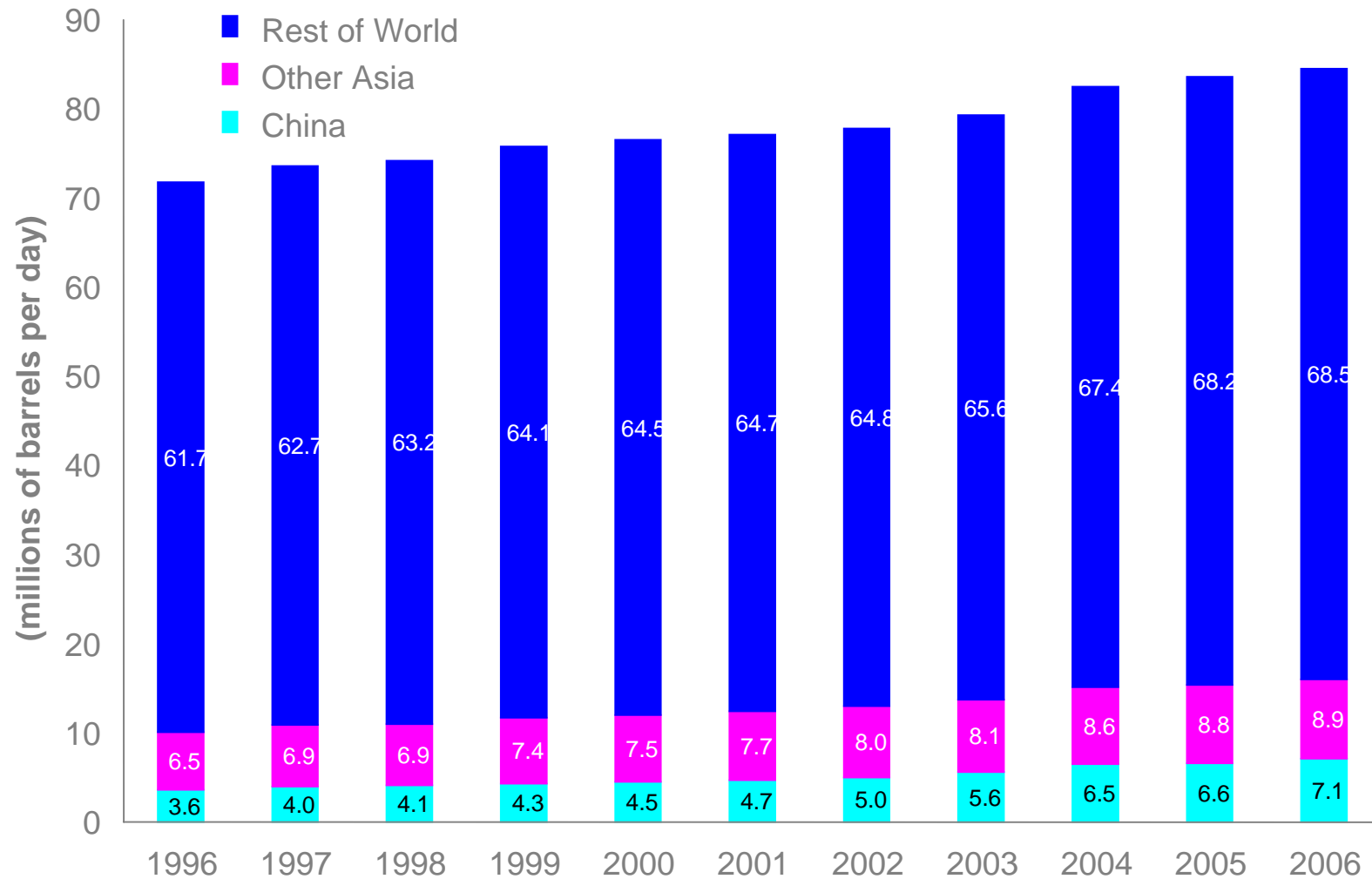


Chinese Oil Demand – Having a Big Impact ...



...Or Is It?

Growth in World Oil Demand



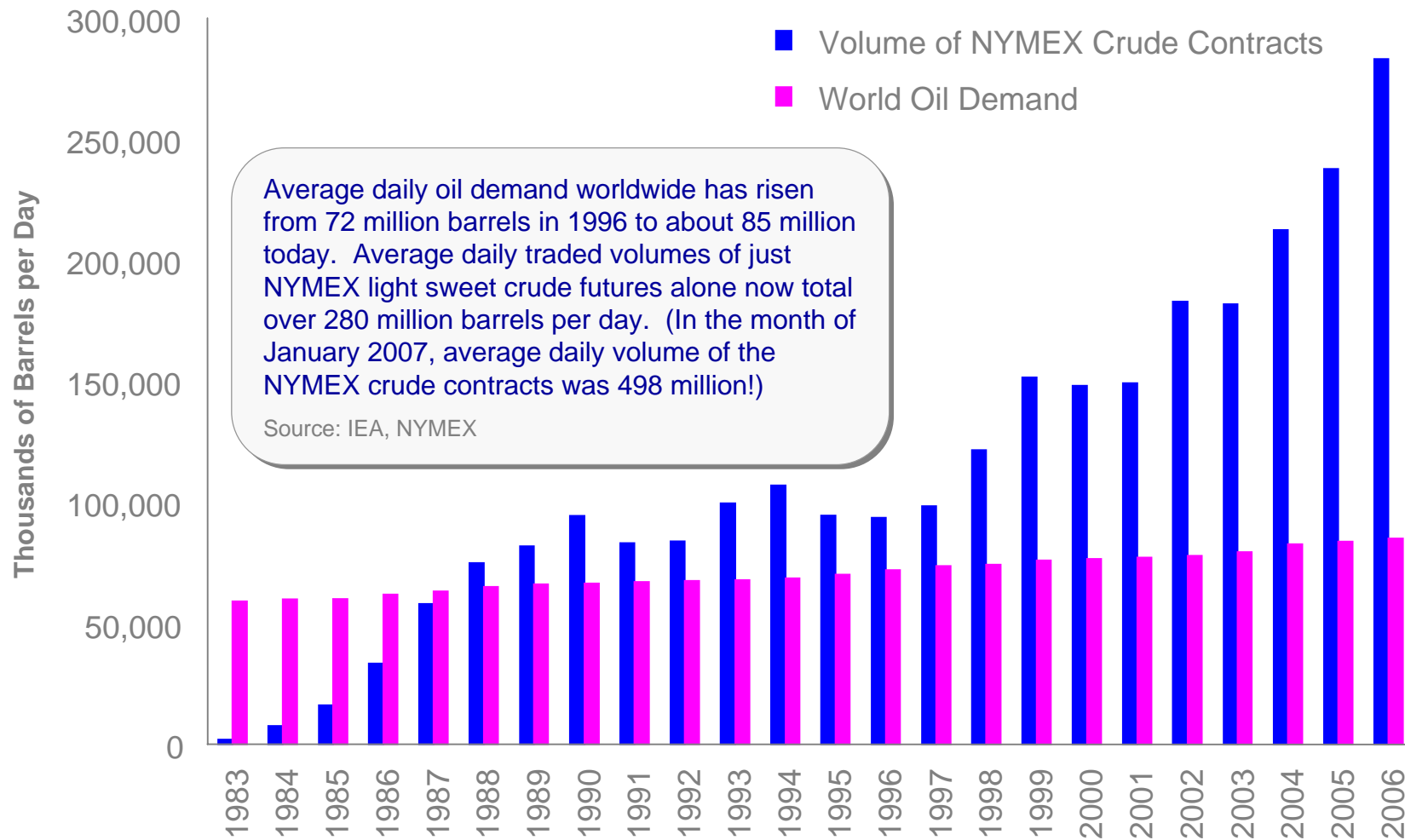
Growth in Oil Demand has Been Slow and Steady

Annualized Growth in World Oil Demand

35 Years	1.4%
25 Years	1.3%
20 Years	1.6%
15 Years	1.6%
10 Years	1.6%
5 Years	1.8%
3 Years	2.1%

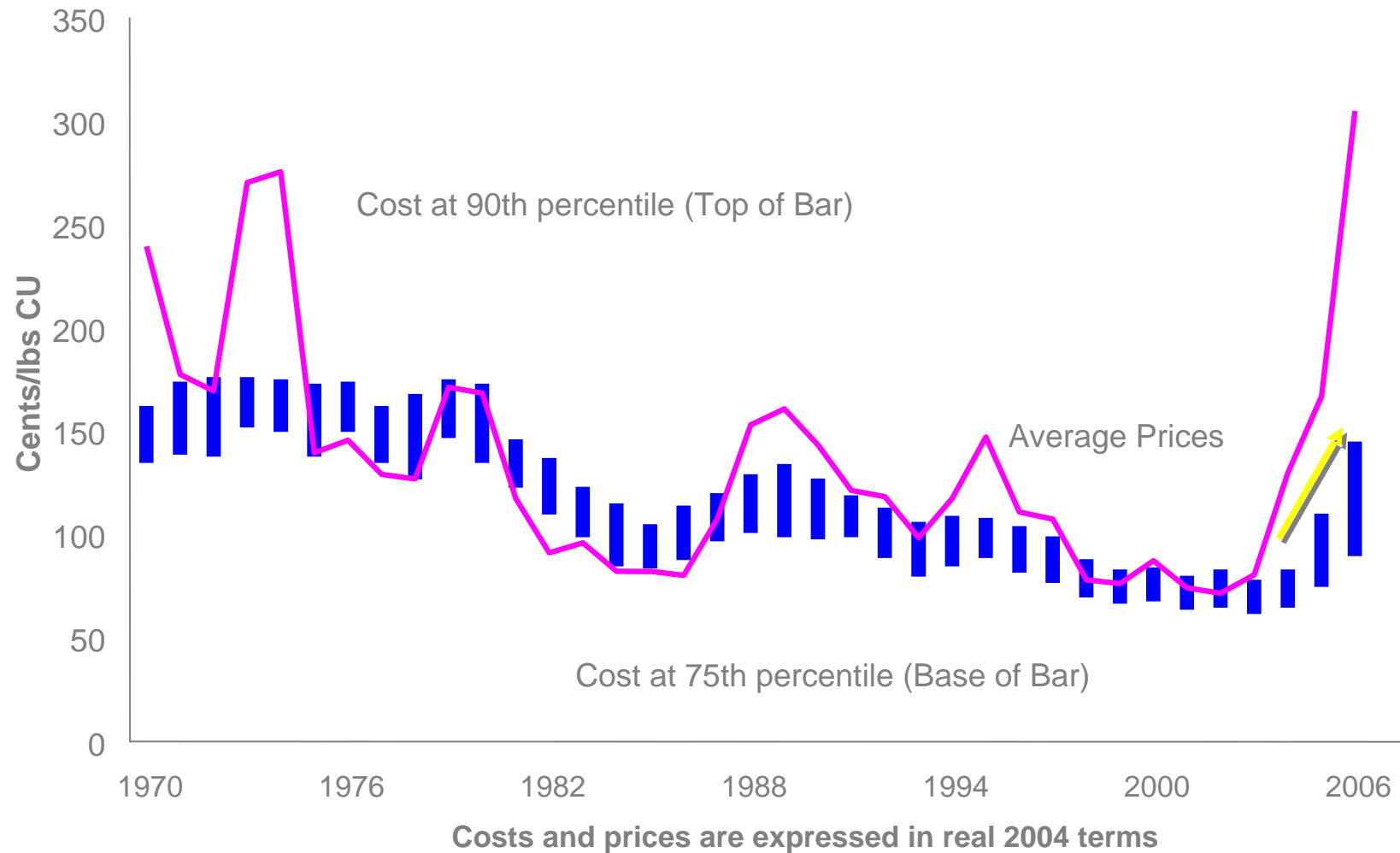


Speculation in the Oil Square?



Leaving the Commodity Party Early

Copper Prices and Production Costs

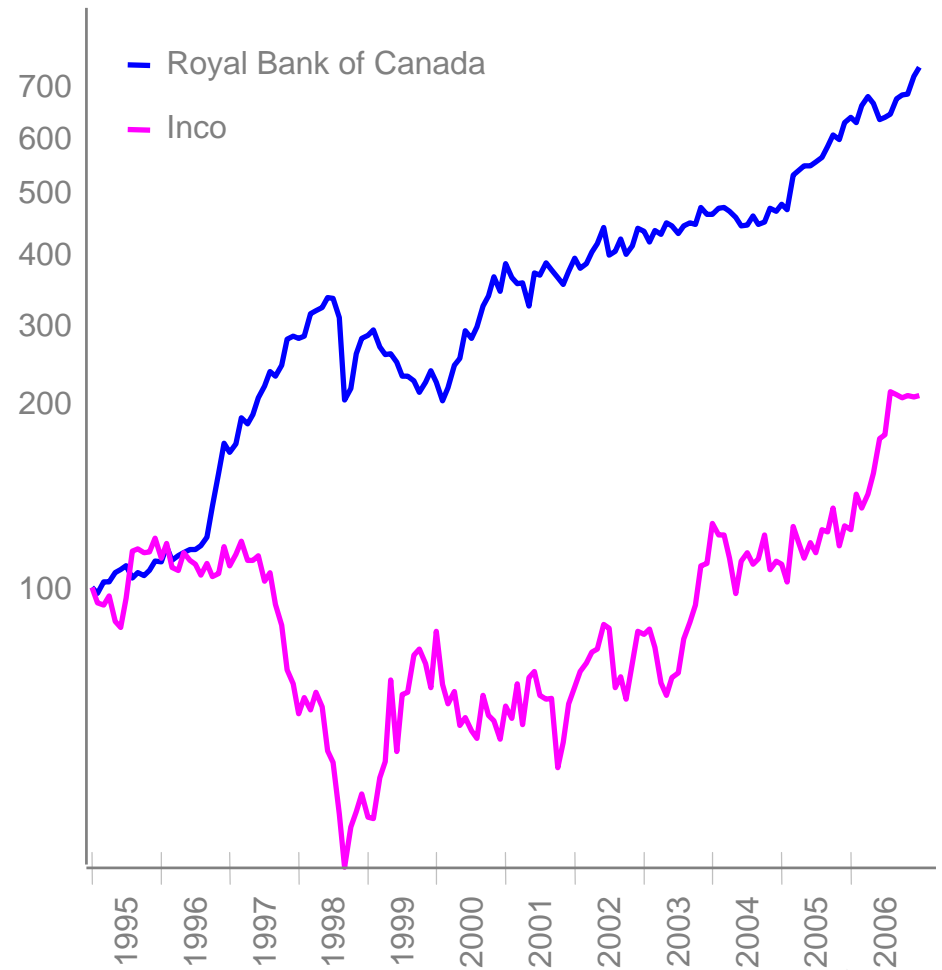
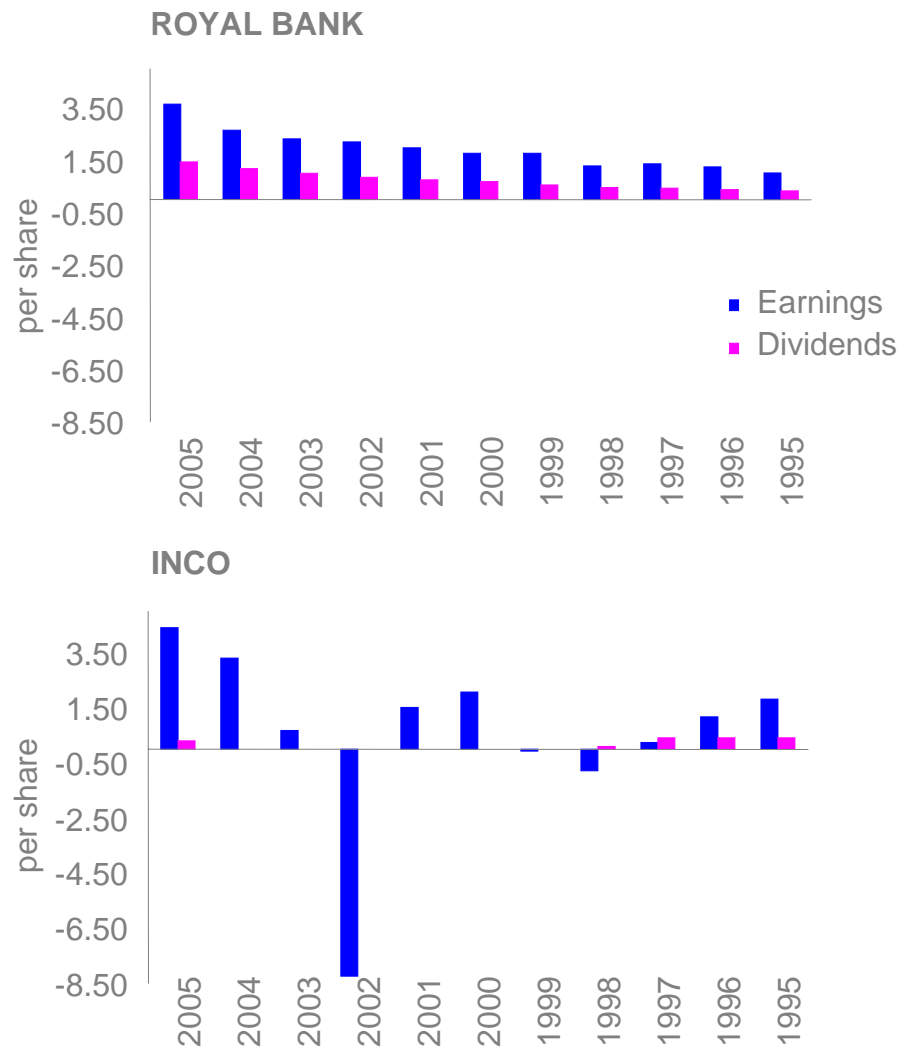


Source: Morgan Stanley



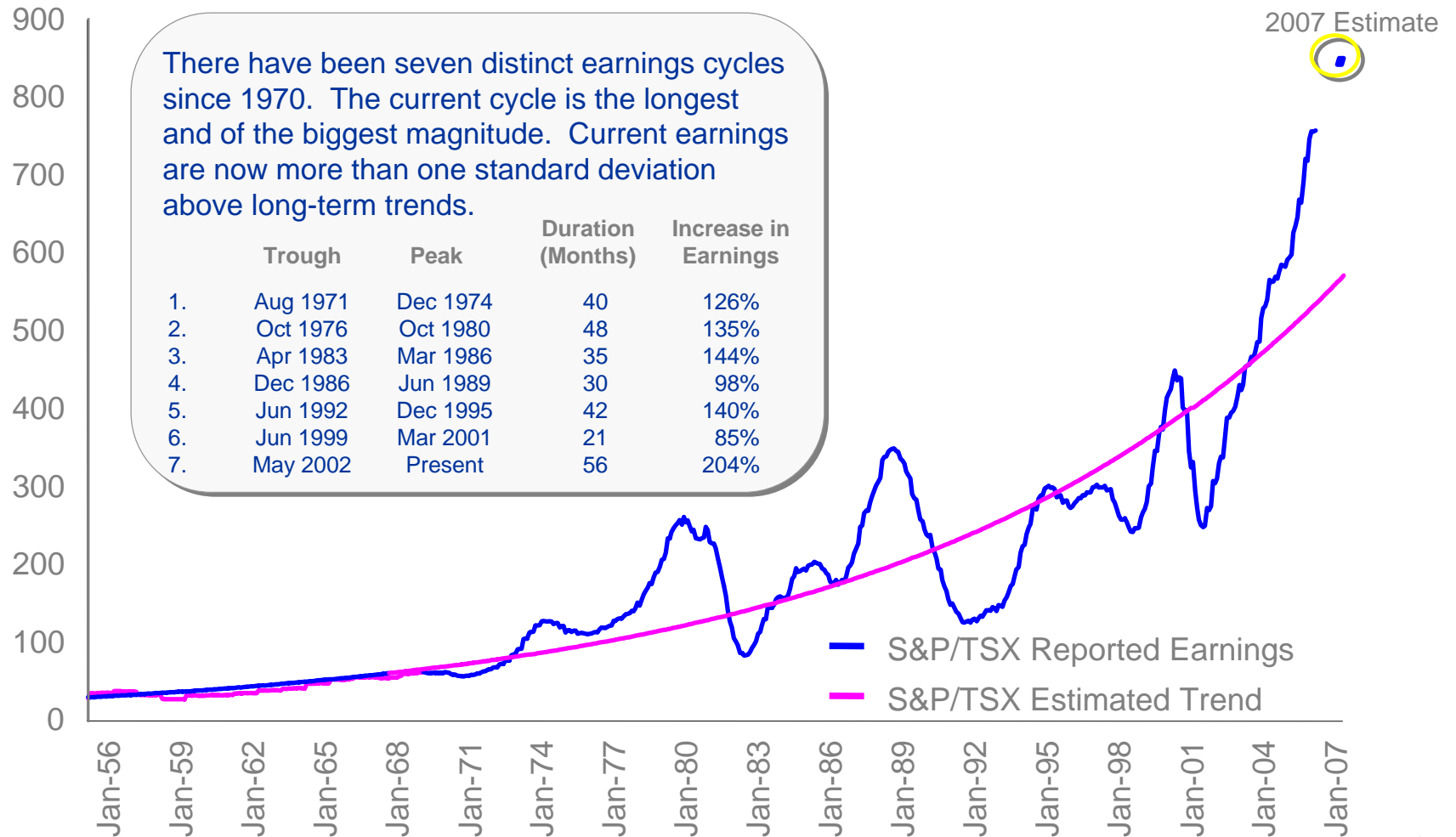
Risk and Reward

Royal Bank versus Inco



Risk Has Increased

S&P/TSX Earnings & Expectations Well Above Trend

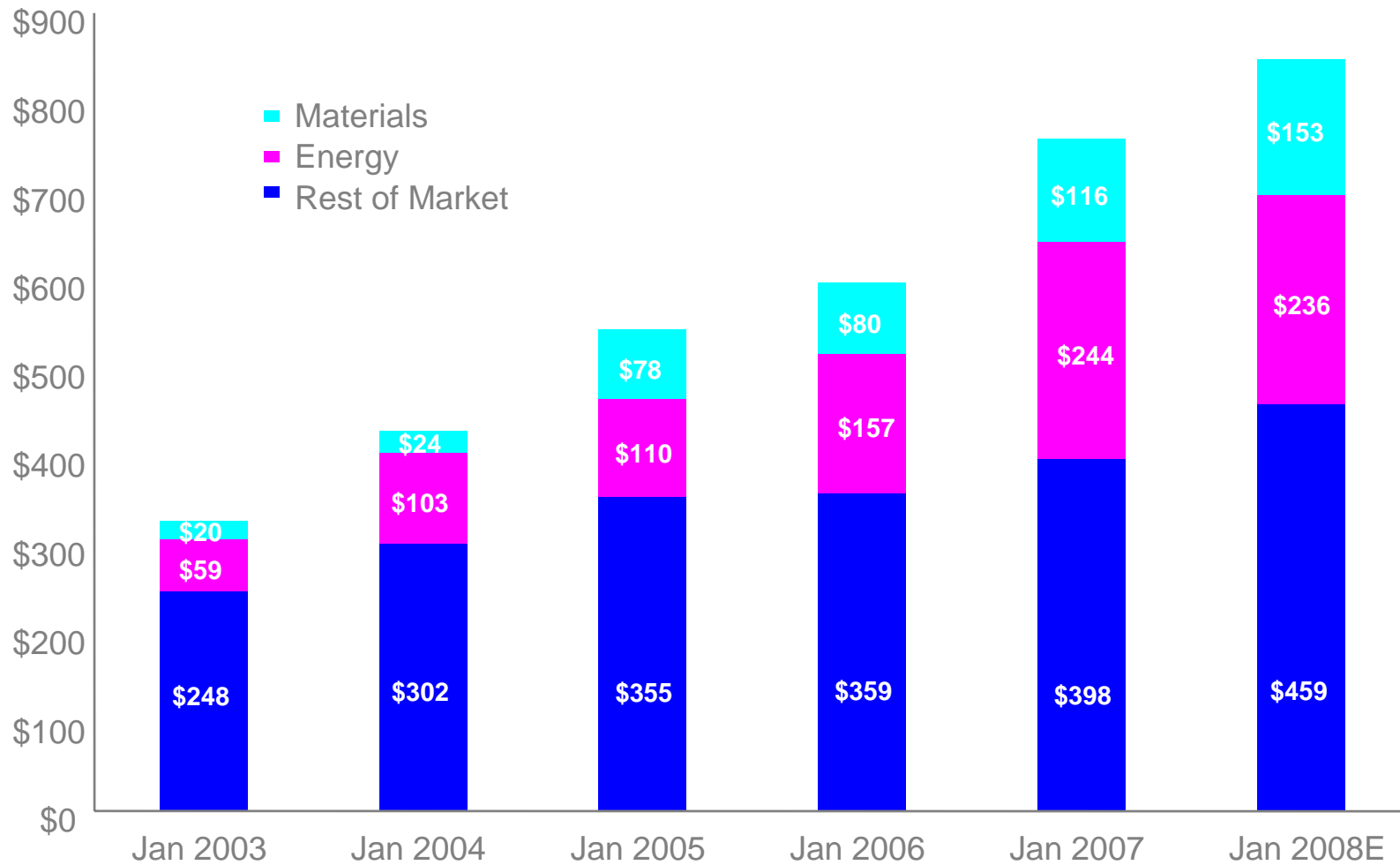


Source: RBC Capital Markets



Up, Up and Away

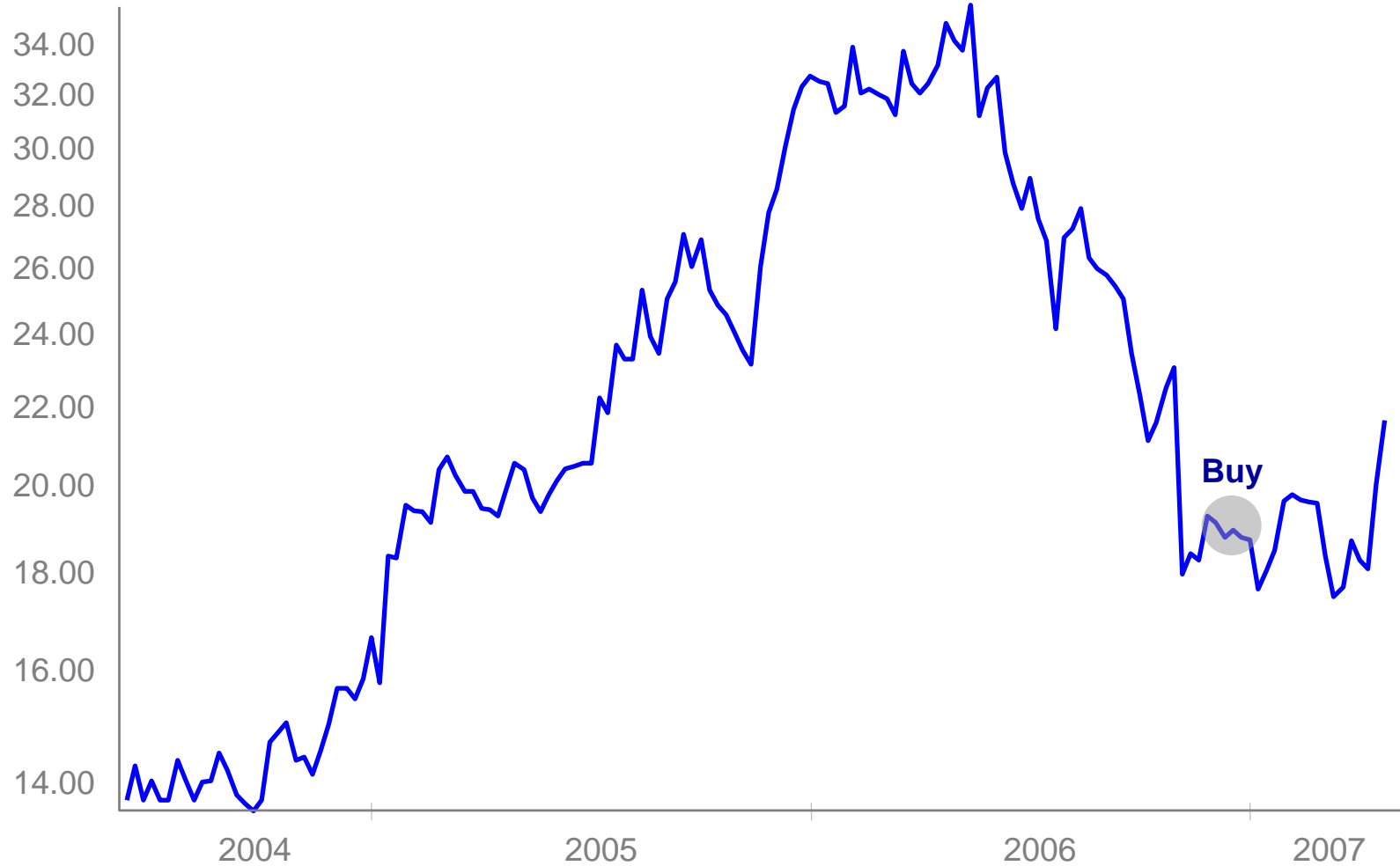
Resources Drive Earnings Higher



Source: RBC Capital Markets, CPMS



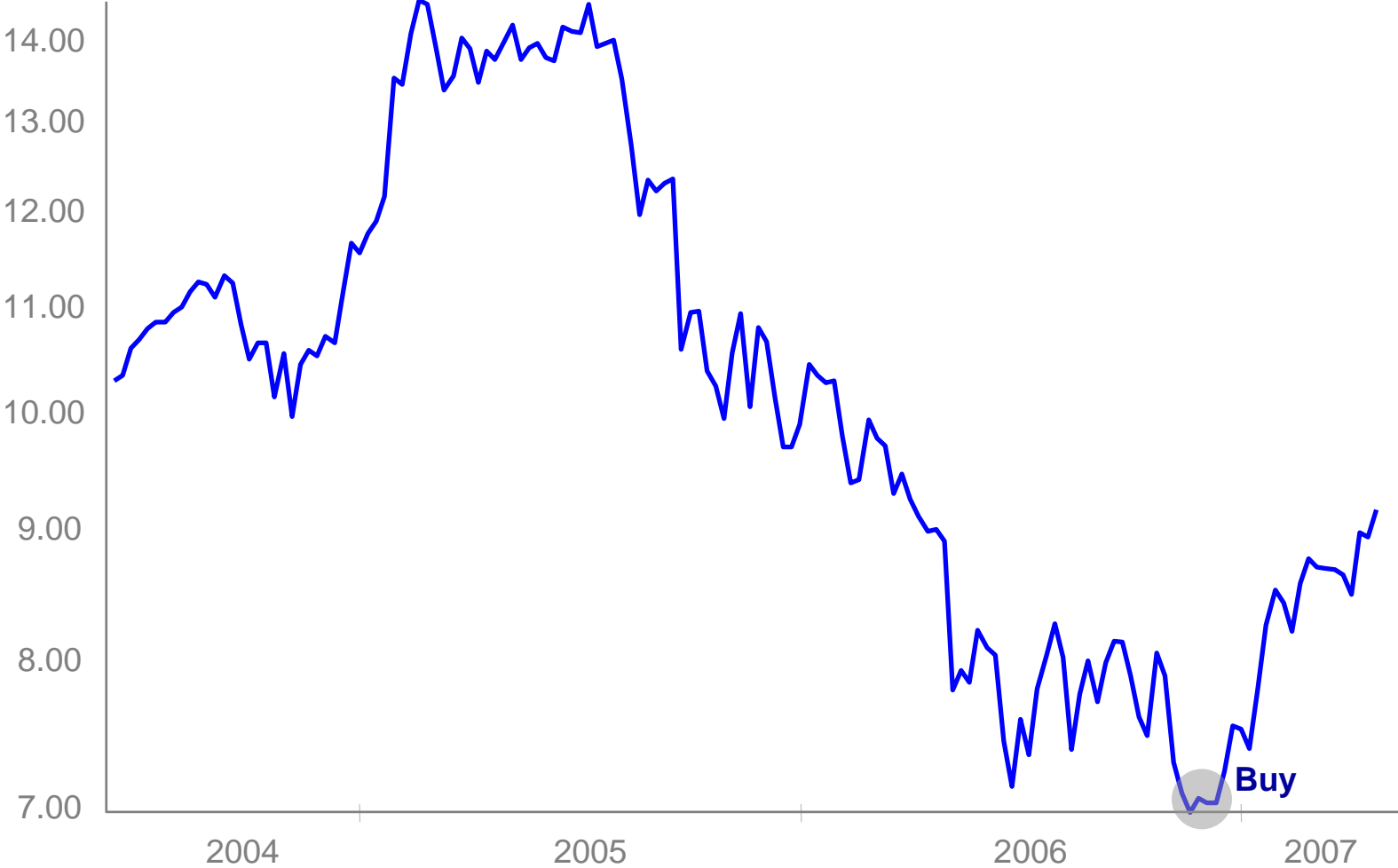
Mullen Group Income Fund



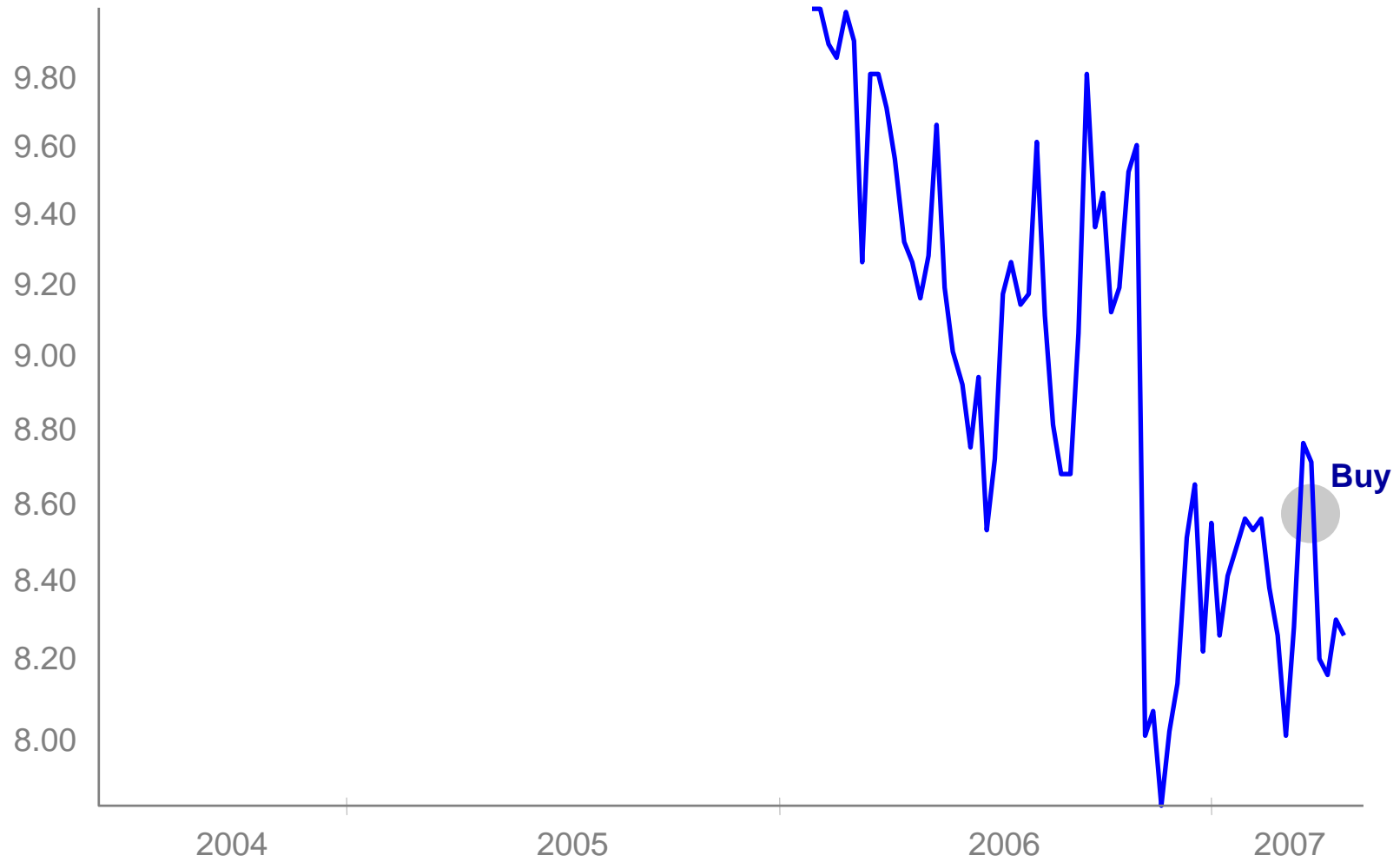
Canwest Mediaworks Income Fund



Custom Direct Income Fund



Jazz Air Income Fund



Income Trust Holdings

October 31, 2006

November 30, 2006

March 31, 2007

Nil

Canwest Mediaworks 1.5%

Mullen Group 1.3%

Builders Energy 1.1%

Ever Ready 0.6%

Custom Direct 0.4%

Supremex 0.3%

5.2%

Jazz Air 2.4%

Ever Ready 1.5%

Mullen Group 1.5%

True Energy 1.1%

Custom Direct 1.1%

Future Med 1.1%

Builders Energy 0.9%

Chesswood 0.3%

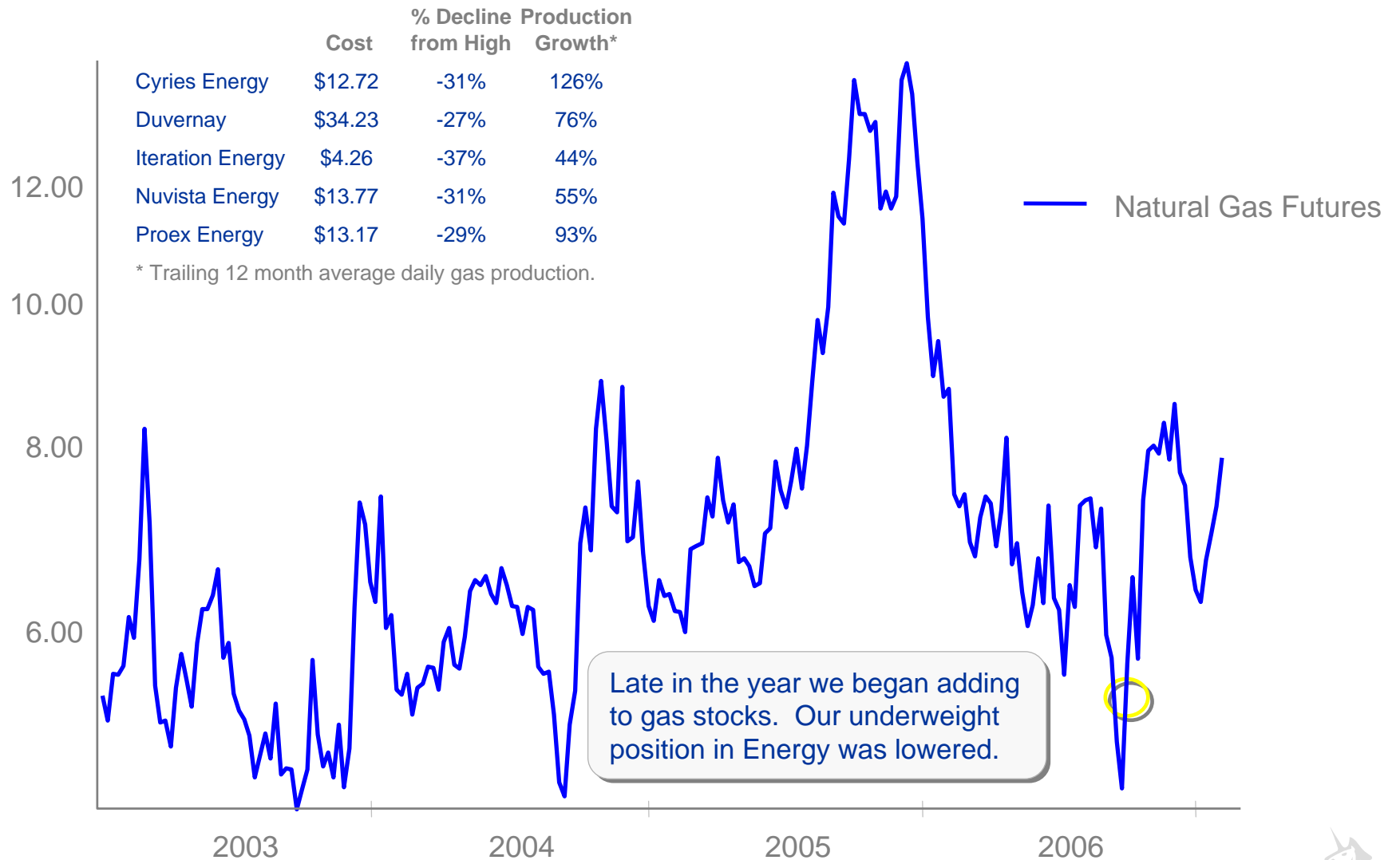
Supremex 0.1%

10.0%



Being Opportunistic

Building Gas Holdings



Summary

- Four year returns on TSX now 22.4% per year annualized
 - driven by Energy & Materials
 - difficult to sustain
 - only happened once before
- Third quarter '06 may have represented a turning point
- Share prices have not declined as much as commodity prices
 - = too early to add to Materials
- Stock selection in other sectors will be key, there are opportunities
 - income trusts, smaller cap names
- Risk levels are high: caution warranted

