

# Tradex Global Equity Fund



**CITY OF LONDON**  
Investment Management Company Limited

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# Performance

## Tradex Global Equity Fund

<b>Annual Returns: Calendar Years</b>	<b>2006 YTD*</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>Inception*</b>
Tradex Net (CAD)	+11.26%	-1.26%	+11.87%	+30.87%	-7.86%	-6.43%	-4.99%	+23.29%	+63.32%
MSCI WORLD TR INDEX (CAD)	+6.24%	+6.61%	+7.28%	+9.48%	-20.41%	-11.28%	-9.89%	+15.74%	-2.02%

<b>Annualized</b>	<b>1 Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>4 Year</b>	<b>5 Year</b>	<b>6 Year</b>	<b>Inception*</b>
Tradex Net (CAD)	+9.97%	+4.44%	+19.85%	+9.18%	+6.03%	+4.69%	+7.26%
MSCI WORLD TR INDEX (CAD)	+11.93%	+6.69%	+12.27%	+2.63%	-0.40%	-2.56%	-0.29%

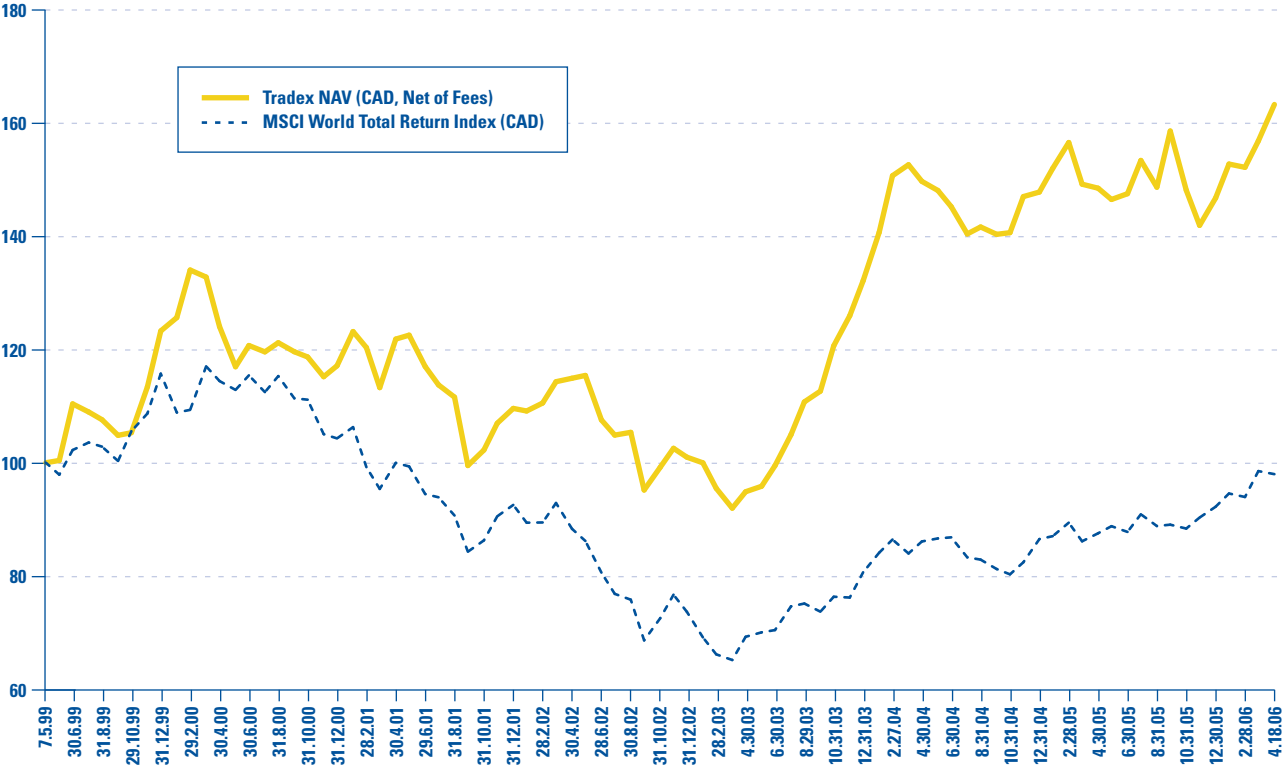
<b>Standard Deviation (Annualized)</b>	<b>1 Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>4 Year</b>	<b>5 Year</b>	<b>6 Year</b>	<b>Inception*</b>
Tradex Net (CAD)	+13.97%	+11.69%	+12.38%	+13.64%	+13.82%	+13.80%	+14.44%
MSCI WORLD TR INDEX (CAD)	+7.45%	+8.32%	+8.94%	+12.44%	+12.61%	+12.53%	+12.79%

\*All data as of 18 April 2006. Inception: 7 May 1999.

Source: CIBC Mellon, City of London Investment Management, MSCI

# Tradex versus MSCI World Index (CAD)

Inception\* to 18 April, 2006



\*Inception: 7 May 1999

Source: CIBC Mellon, City of London Investment Management, MSCI

# Tradex Global Equity Fund Country Allocation Compared with the MSCI World Index

As at March 31, 2006

Country	Tradex	MSCI World	Country	Tradex	MSCI World
AUSTRIA	0.0	0.2	AUSTRALIA	0.0	2.4
BELGIUM	0.0	0.5	CHINA	0.2	0.0
DENMARK	0.0	0.3	HONG KONG	3.5	0.8
FINLAND	0.0	0.7	INDIA	1.3	0.0
FRANCE	0.0	4.3	INDONESIA	0.0	0.0
GERMANY	0.0	3.2	JAPAN	12.8	11.7
GREECE	0.0	0.3	KOREA	0.7	0.0
IRELAND	0.0	0.4	MALAYSIA	0.1	0.0
ITALY	0.0	1.7	NEW ZEALAND	0.0	0.1
NETHERLANDS	0.0	1.6	SINGAPORE	0.0	0.4
NORWAY	0.4	0.3	TAIWAN	0.4	0.0
PORTUGAL	0.0	0.1	THAILAND	0.3	0.0
SPAIN	0.0	1.8	<b>TOTAL ASIA</b>	<b>19.3</b>	<b>15.4</b>
SWEDEN	0.0	1.1	ISRAEL	0.2	0.0
SWITZERLAND	0.0	3.1	SOUTH AFRICA	0.4	0.0
UK	4.0	11.0	<b>TOTAL ME&amp;AF</b>	<b>0.6</b>	<b>0.0</b>
<b>EUROPE</b>	<b>4.4</b>	<b>30.6</b>	CANADA	1.7	3.5
POLAND	0.1	0.0	USA	65.6	50.5
RUSSIA	0.3	0.0	<b>NORTH AMERICA</b>	<b>67.3</b>	<b>54.0</b>
OTHER EUROPE	2.2	0.0	OTHER	1.9	0.0
<b>EM EUROPE</b>	<b>2.6</b>	<b>0.0</b>	CASH	2.6	0.0
BRAZIL	0.5	0.0	<b>Total</b>	<b>100.00</b>	<b>100.00</b>
MEXICO	0.7	0.0			
CHILE	0.1	0.0			
<b>LATIN AMERICA</b>	<b>1.3</b>	<b>0.0</b>			

Source: City of London Investment Management, MSCI

# Tradex Global Equity Fund

## Portfolio Holdings

March 31, 2006

Fund	% Total Fund
S&P 500 GEARED FUND INC.	9.5
ISHARES MORNINGSTAR LARGE GROW	9.3
CENTRAL SECS CORP	9.0
FT/VALUE LINE & IBBOTSON EQUIT	8.1
I-SHARES RUSSELL 1000 GROWTH	8.1
CANADIAN WORLD FUND	8.1
NASDAQ-100 SHARES	8.0
INVESCO JAPAN DISCOVERY	7.4
JUBILEE INVESTMENT TRUST PLC	5.8
PHARMACEUTICAL HOLDRS TRUST	5.1
POWERSHARES WILDERH CLEAN ENER	3.8
BAILLIE GIFFORD SHIN NIPPON	3.8
WHEELLOCK	3.6
F & C EMERGING MARKETS	3.2
EUROVESTTECH PLC	2.2
FIDELITY JAPANESE VALUES	1.5
BLACKROCK GLOBAL ENERGY RES.	0.7
LANGBAR INTERNATIONAL LTD	0.1
ISRAEL FUND	0.1

<b>Net Receipts (including cash)</b>	<b>2.6%</b>
<b>Total</b>	<b>100.0%</b>

*Numbers are rounded and may not equal 100*

# Tradex Portfolio Characteristics

March 31, 2006

- ▶ Weighted average discount: **12.8%**  
(typical range=10–20)
- ▶ Diversified across **25+ countries**
- ▶ Made up of **20 to 30 holdings**
- ▶ Represent **1,500± underlying stocks**

# S&P 500 Geared Fund, Inc. (GRE US) – 9.5% of Tradex

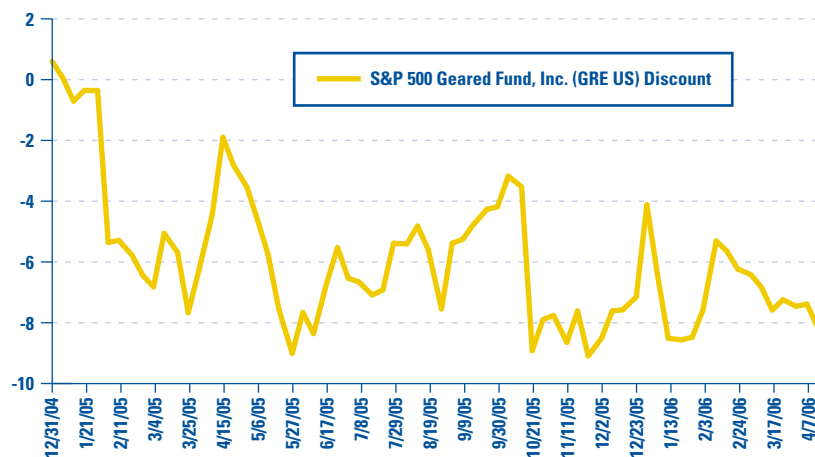
## Investment Objective

The Fund's investment objective is to provide total returns, exclusive of fees and expenses of the Fund, linked to the annual performance of the S&P 500 Composite Stock Price Index (the S&P 500® Index).

## Investment Strategy

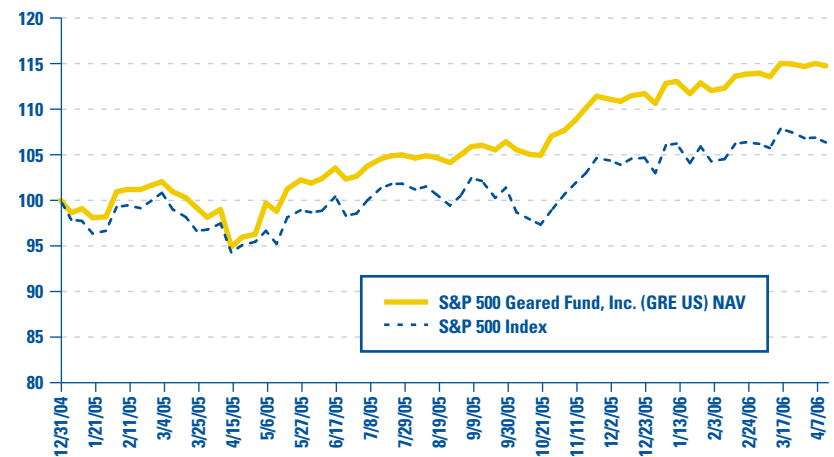
The Fund will seek to achieve its objective by purchasing and managing a portfolio consisting of all of the securities that comprise the S&P 500® Index in the same proportions as the Index and/or other investments that enable the Fund to track the performance of the Index (the "long" portfolio). Additionally, the fund uses a series of "option strategies" (the "Transactions") for each annual period that in combination with the long S&P 500® Index portfolio are designed to deliver three times the annual price returns of the Index over the course of the annual period where the value of the Index increases, up to the Maximum Index Participation that is set at the beginning of each annual period through the Transactions. The Fund will measure its returns for purposes of its objectives as of the end of each annual period in relation to the value of the Index as of the beginning of that period.

Figure 1: S&P 500 Geared Fund, Inc. (GRE US) Discount Movements



Bloomberg, City of London Investment Management

Figure 2: S&P 500 Geared Fund, Inc. (GRE US) NAV Performance



Bloomberg, City of London Investment Management

# iShares Morningstar Large Growth Index Fund (JKE US) – 9.3% of Tradex

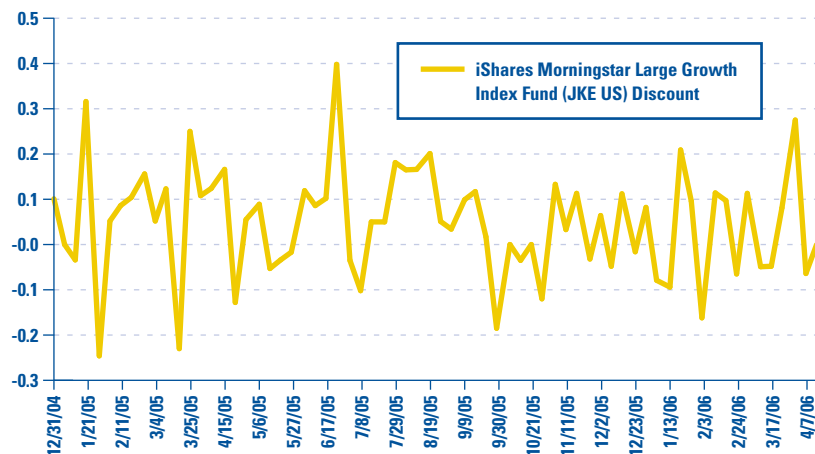
## Investment Objective

The iShares Morningstar Large Growth Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Morningstar Large Growth Index (the “Index”). The Fund’s investment objective may be changed without shareholder approval.

## Investment Strategy

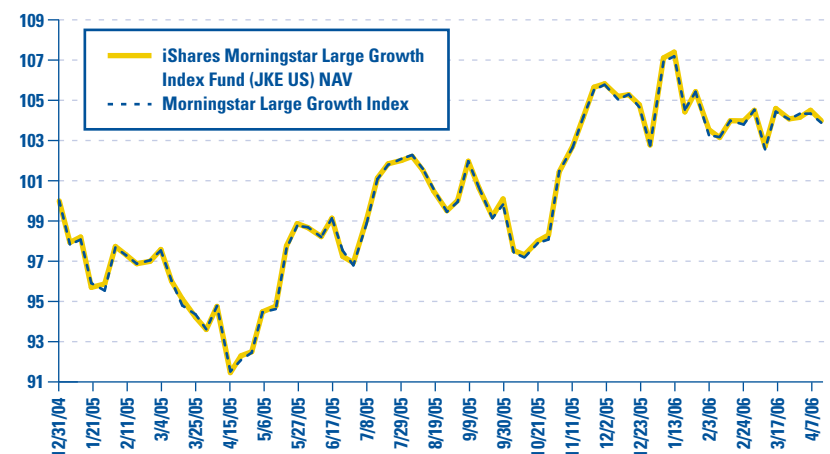
The Index measures the performance of stocks issued by large-capitalization companies that have exhibited above-average “growth” characteristics as determined by Morningstar’s proprietary index methodology. Index constituents are drawn from the pool of liquid, U.S.-domiciled stocks that trade publicly on the NYSE, the AMEX or NASDAQ. The Morningstar index methodology defines “large capitalization” stocks as those stocks that form the top 70% of the market capitalization of the stocks eligible to be included in the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded U.S. stocks). Stocks are then designated as “core,” “growth” or “value” based on their style orientations. The stocks included in the Index are designated as “growth” because they are issued by companies that typically have higher than average historical and forecasted earnings, sales, equity and cash flow growth. Stocks in the Index are weighted according to the total number of shares that are publicly owned and available for trading. The Fund uses a Representative Sampling strategy to try to track the Index.

Figure 3: The iShares Morningstar Large Growth Index Fund Discount Movements



Bloomberg, City of London Investment Management

Figure 4: The iShares Morningstar Large Growth Index Fund NAV Performance



Bloomberg, City of London Investment Management

# Canadian World Fund Limited (CWF CN) – 8.1% of Tradex

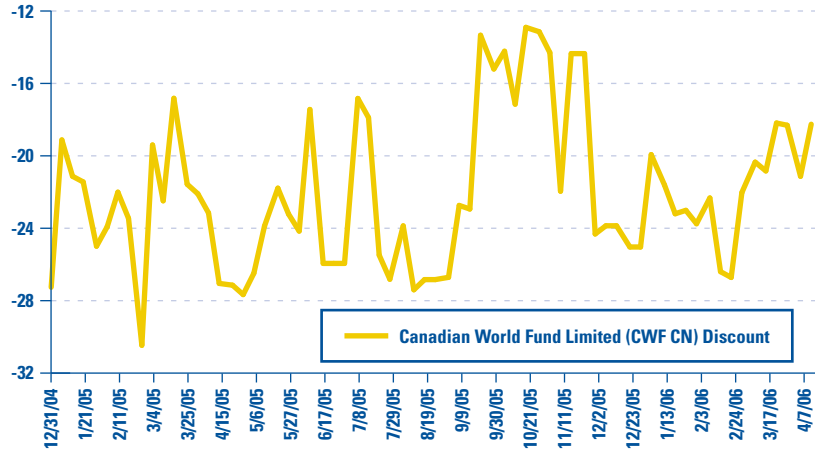
## Investment Objective

Canadian World Fund Limited is a closed-end investment fund incorporated in Canada. The fund seeks to provide superior long-term returns by investing in securities of global, publicly traded, primarily growth companies.

## Investment Strategy

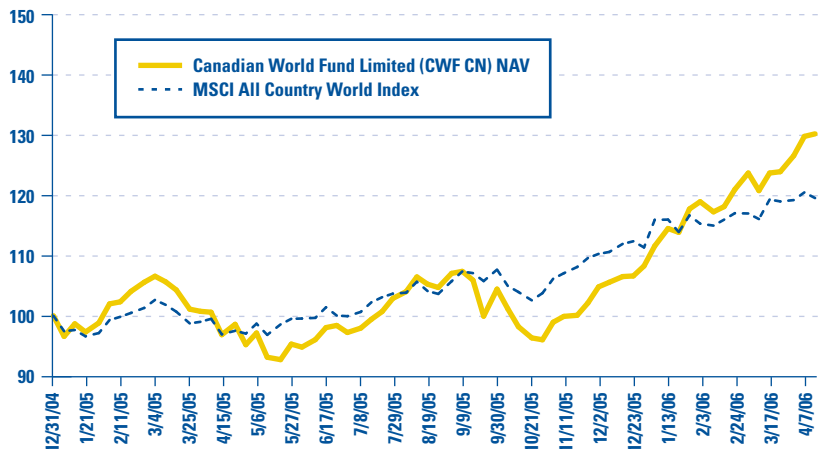
Established in 1994, the Fund presents an opportunity in the Canadian stock market for investors to buy directly into global markets and generally at a low price relative to value. Emphasis is given to a bottom-up style selection process by the Manager, Morgan Meighen & Associates Limited, investment managers since 1956. Concentration on attractive holdings rather than asset allocation by regional and country weighting is this Fund's strategy. Canadian World Fund Limited common shares are listed on the Toronto Stock Exchange under the symbol CWF.

Figure 5: Canadian World Fund Limited Discount Movements



Bloomberg, City of London Investment Management

Figure 6: Canadian World Fund Limited NAV Performance



Bloomberg, City of London Investment Management

# Jubilee Investment Trust PLC (JIT LN) – 5.8% of Tradex

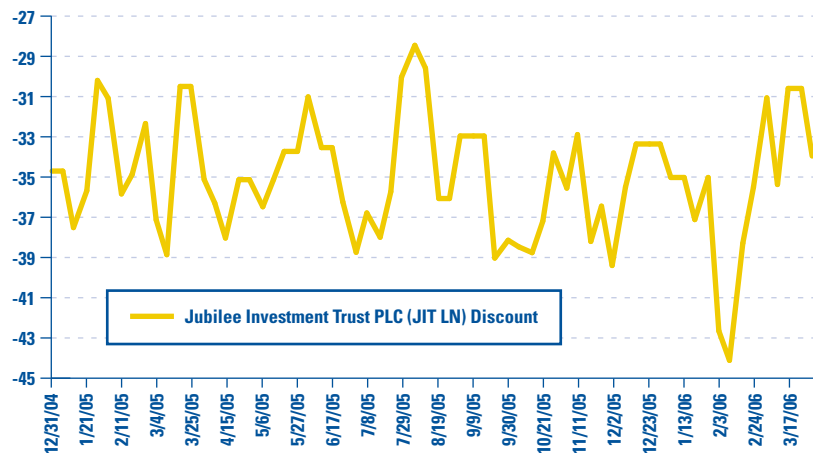
## Investment Objective

Jubilee Investment Trust PLC is a closed-end fund incorporated in the UK. The aim of the fund is to provide capital appreciation in the medium to long term.

## Investment Strategy

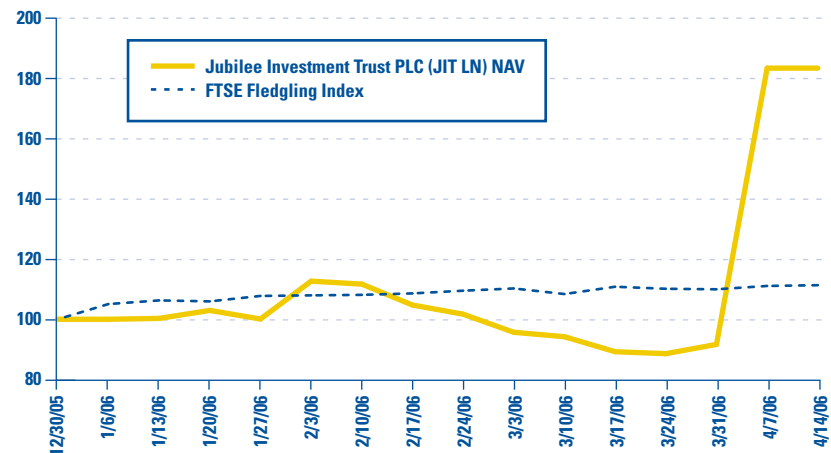
The fund invests in a broadly diversified portfolio of securities, which it believes to have potential but are being neglected by investors in current market conditions. Jubilee Investment Trust offers the chance to raise money to illiquid small companies, and is set up specifically to invest in emerging, fast-growing firms with high growth potential. Jubilee Investment Trust, PLC is a London-based investment trust, which trades on the London Stock Exchange.

Figure 7: Jubilee Investment Trust PLC Discount Movements



Bloomberg, City of London Investment Management

Figure 8: Jubilee Investment Trust PLC NAV Performance



Bloomberg, City of London Investment Management

# F&C Emerging Markets Investment Trust (FCT LN) – 3.2% of Tradex

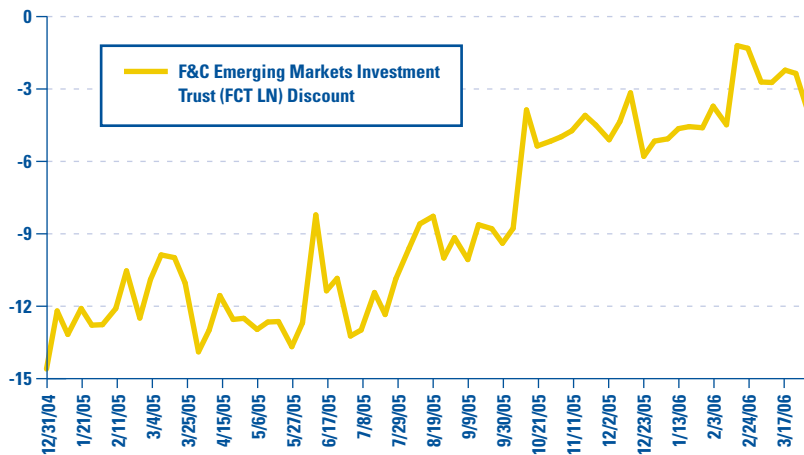
## Investment Objective

The Fund focuses on opportunities for capital growth provided by investment in the world's emerging economies.

## Investment Strategy

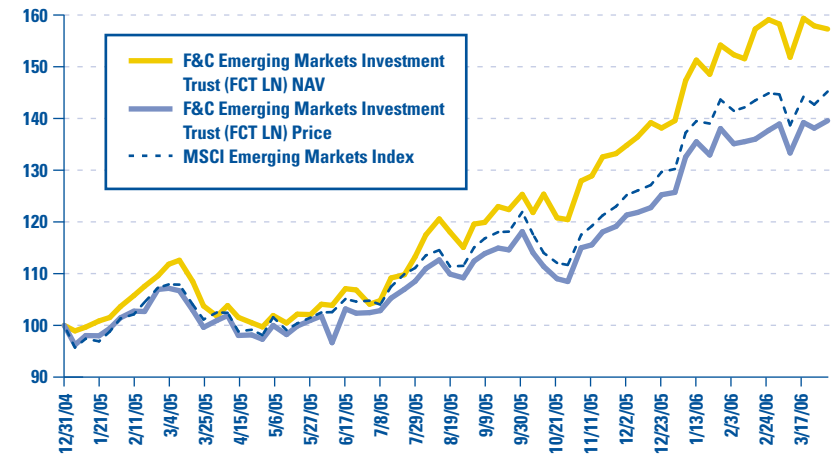
The strategy is to exploit opportunities for capital growth provided by investment in the world's less developed countries. The portfolio will comprise ordinary shares of companies of those countries and may include investment in funds and schemes, which in turn invest in those countries or certificates representing securities in those countries.

Figure 9: F&C Emerging Markets Investment Trust (FCT LN) Discount Movements



Bloomberg, City of London Investment Management

Figure 10: F&C Emerging Markets Investment Trust (FCT LN) NAV Performance



Source: Bloomberg, City of London Investment Management

# Baillie Gifford Shin Nippon PLC. (BGS LN) – 3.8% of Tradex

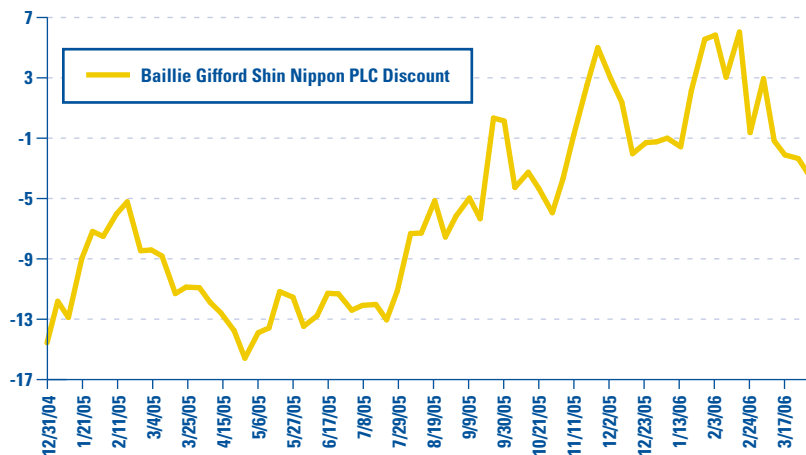
## Investment Objective

Baillie Gifford Shin Nippon PLC is a specialist trust that invests in smaller Japanese companies to achieve capital growth.

## Investment Strategy

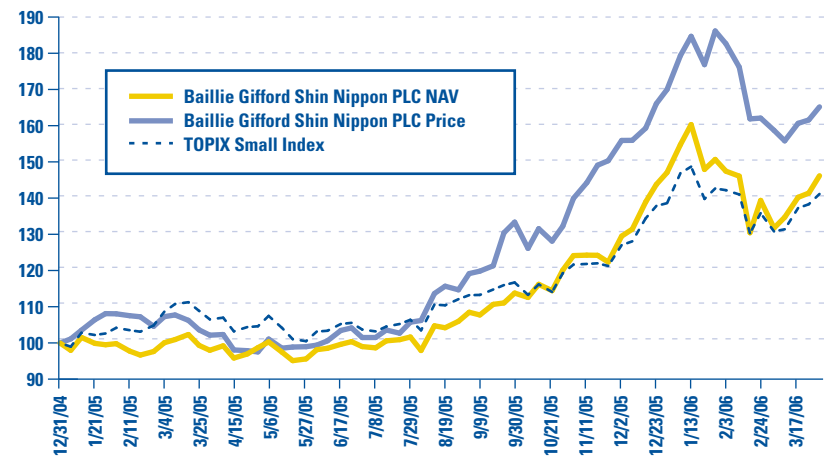
This trust aims to achieve capital growth principally through investment in small Japanese companies. The fund typically defines a small company as one having either market capitalisation or turnover less than Yen150bn (approx. £750m).

Figure 11: Baillie Gifford Shin Nippon PLC (BGS LN) Discount Movements



Bloomberg, City of London Investment Management

Figure 12: Baillie Gifford Shin Nippon PLC (BGS LN) NAV Performance



Source: Bloomberg, City of London Investment Management

# Langbar International Limited (LGB LN) Investment History

## **31 October 2003**

IPO Prospectus of Crown Corporation (CCO LN) is issued. CCO LN is listed on AIM.

## **7th July 2005** (Financial Statements 4th June 2003 till 31st December 2004)

Crown Corporation announces its maiden results since joining AIM in October 2003.

-Asset Value \$510mil (NAV 240p)

-Stuart Pearson replaces Dr Mariusz Rybak as CEO of CCO LN.

Stuart Pearson states in the chairman's statement (6th June 2005) that CCO LN obtained a number of large scale contracts in South America which is was able to dispose of at a significant profit.

The gross proceeds of €280mil were satisfied by a bank guaranteed promissory note, maturing on 31st May 2005. He also stated that the promissory note was paid ahead of time and that the proceeds had been deposited in term deposits in the Banco do Brasil.

## **19th July 2005**

More detail regarding the funds held by Banco do Brasil are released following a trip to Brazil by Stuart Pearson, Chief Executive, and Philip Wood, a non-executive Director. Crown announces that they have received official written confirmation directly from Banco do Brasil of Crown's legal and beneficial ownership of the dollar term deposits held in the name of the Company. The amounts held on 30th June 2005 were US\$659.6m (£383.5m). The deposits are earning interest at 7.5% p.a. and are free of all charges and liens.

The Brazilian Government foreign exchange regulations impose certain restrictions on the export of funds. Crown state that they are discussing various options for the repatriation of the monies. These options include real estate proposals in Europe. These would entail the Company swapping deposits for assets.

## **25th July 2005**

Stuart Pierson the acting chairman announces in the 2005 AGM that the Balance sheet presented shows net assets in excess of £350mil, which equates to a Net Asset Value of 225p per share.

## **18th August 2005**

Crown Court Ltd changes its name to Langbar International.

## **6 September 2005**

The Board announced that it had successfully negotiated an agreed and managed exit of its cash deposits. They also stated that US\$294 million of the assets had been successfully transferred to an account at ABN Amro BV in Holland and had been admitted to the Euroclear and DTCC platforms with the corresponding ISIN and CUSIP numbers.

## **12th October 2005**

The stock was suspended from trading pending an investigation by Kroll Associates UK Limited to verify the cash assets held by Banco do Brasil and ABN Amro BV.

## **25th November 2005**

The stock was suspended from trading on 12 October 2005 pending an investigation by Kroll Associates UK Limited to verify the cash assets held by Banco do Brasil and ABN Amro BV. The RNS statement issued today reports that Kroll has not been able to establish the existence of, nor verify the Company's entitlement to, any of the relevant assets at any time in the Company's history. Kroll has reported to the Board that it appears likely that the Company has been subject to a serious fraud affecting the relevant assets.

## **29th November 2005**

The Director of the Serious Fraud Office, following a preliminary assessment of information referred by the City of London Police, has authorised the commencement of an investigation in relation to Langbar International Limited.

## **8th December 2005**

City of London revised the stock's price down to one penny on 8 December 2005 given continuing uncertainty regarding the potential outcome of current issues.

## **12th January 2006**

On 12 January the Company announced the appointment of Lovells, the international law firm, to act as corporate legal advisor to the company. Also, Jones Day has been appointed as the Company's advisor to the ongoing investigation regarding asset recovery.

## **13th March 2006**

Proceedings commenced in the English high Court against 2 former Directors of the Company, Mariusz Rybak and Jean Pierre Regli as well as Abraham Arad Hochman (usually referred to as Arad) of Lambert Financial Investments Limited. The proceedings include claims for damages for deceit, conspiracy to defraud and breach of fiduciary duties. The claims include the proceeds from the sale of shares in the Company and for payment of \$US350 million due under the terms of a promissory note dated 31 May 2004. The claims are supported by worldwide asset freezing injunctions served on the defendants on 7 March 2006.

## **4th April 2006**

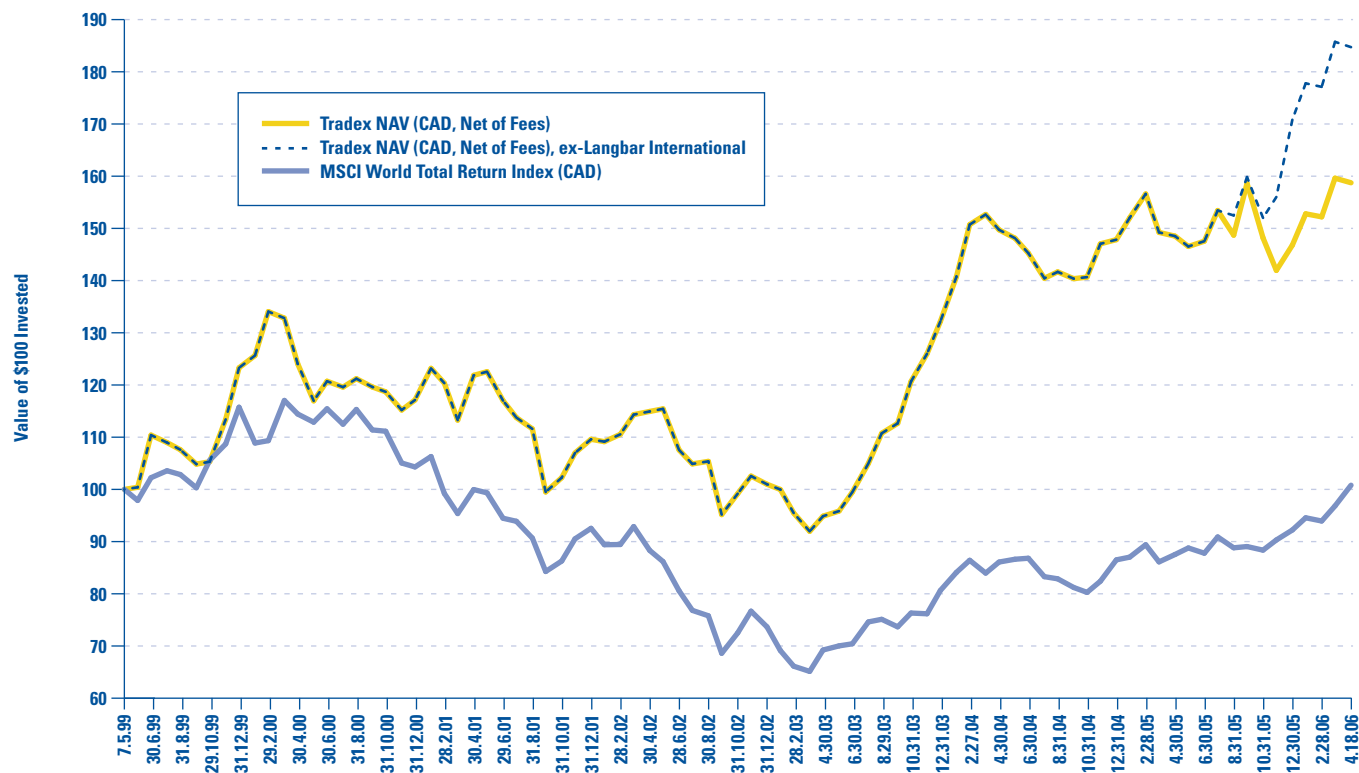
Directorate change with Sir Jeremy Hanley's appointment as an independent non-executive director. He was an MP from 1983 - 1997 and holds a number of other directorships. Nominated Advisor and Financial Advisor changed. Arden Partners terminated as Nominated Advisor and Seymour Pierce appointed as Financial Advisor.

## **11th April 2006**

Cancellation of AIM Listing under Rule 41, which states that the Exchange will cancel the admission of AIM securities when they have been suspended from trading for 6 months.

# Tradex Performance, ex-Langbar International, Rebased from \$100

Inception\* to 18 April, 2006



\*Inception: 7 May 1999

Source: CIBC Mellon, City of London Investment Management, MSCI