

Tradex Global Equity Fund



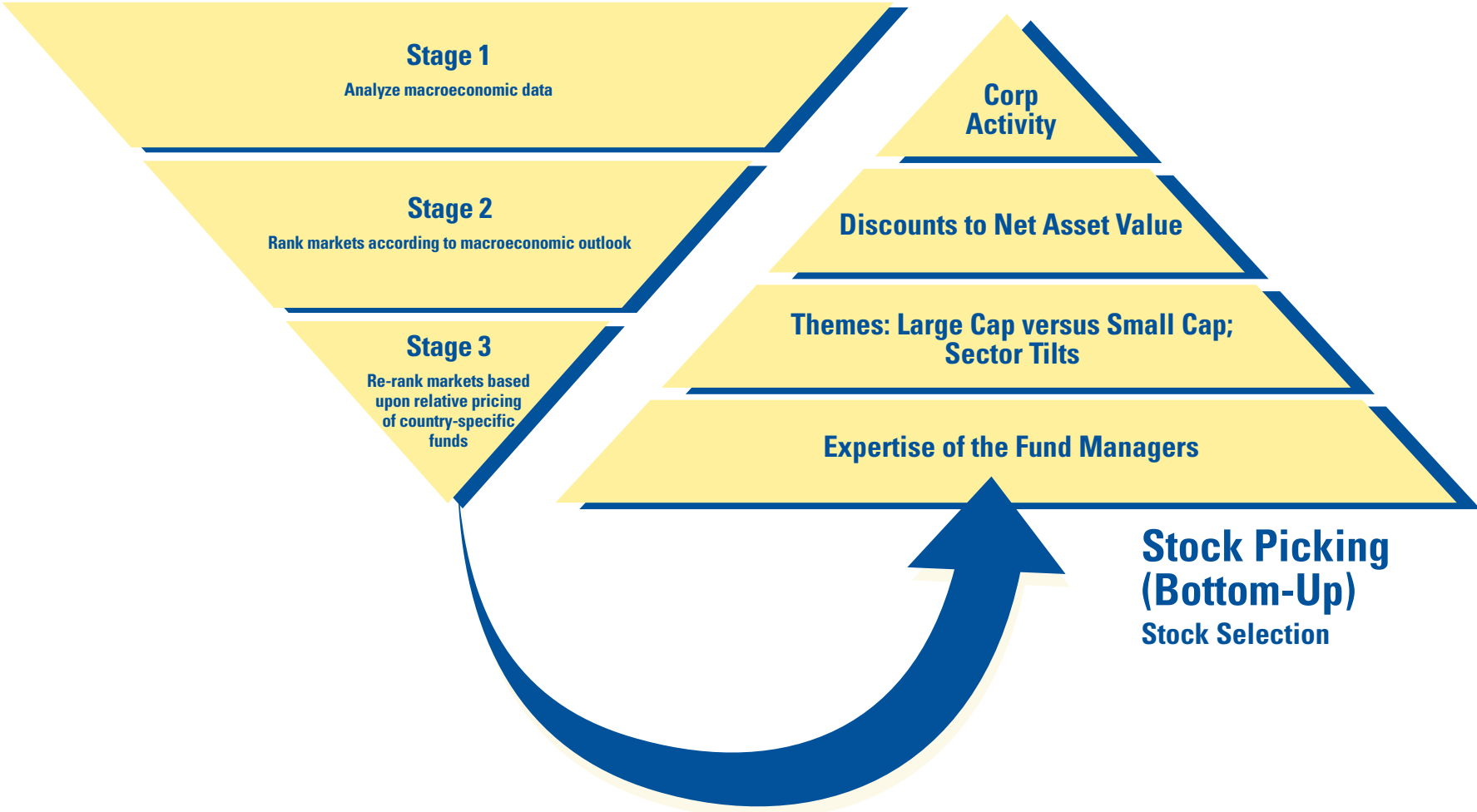
CITY OF LONDON
Investment Management Company Limited

Tradex Global Equity Fund Strategy - Overview

- ▶ Value oriented
- ▶ Highly diversified global market exposure
- ▶ Invest in closed-end funds around the world
- ▶ Exploit advantages of closed-end fund structure and valuations
- ▶ Reversion to mean is key strategy concept
- ▶ Experienced investment team

The Investment Process

Macro Process (Top-Down) Country Allocation



Process in Action – Trade Example - JPMorgan Japanese Investment Trust

Purchase

Date	April 29th, 2016	
Net Asset Value per Share	337p	This is the underlying net worth of the Trust's portfolio per share
Share Price	285p	This is the price at which the shares were purchased
Discount	15.4%	For every 100p of assets, we paid 84.6p

Sale

Date	April 10th, 2018	
Net Asset Value per Share	476p	
Share Price	448p	This is the price at which the shares are sold
Discount	5.9%	For every 100p of assets, we received 94.1p
Dividends during holding period	8.65p	

Holding Period Returns

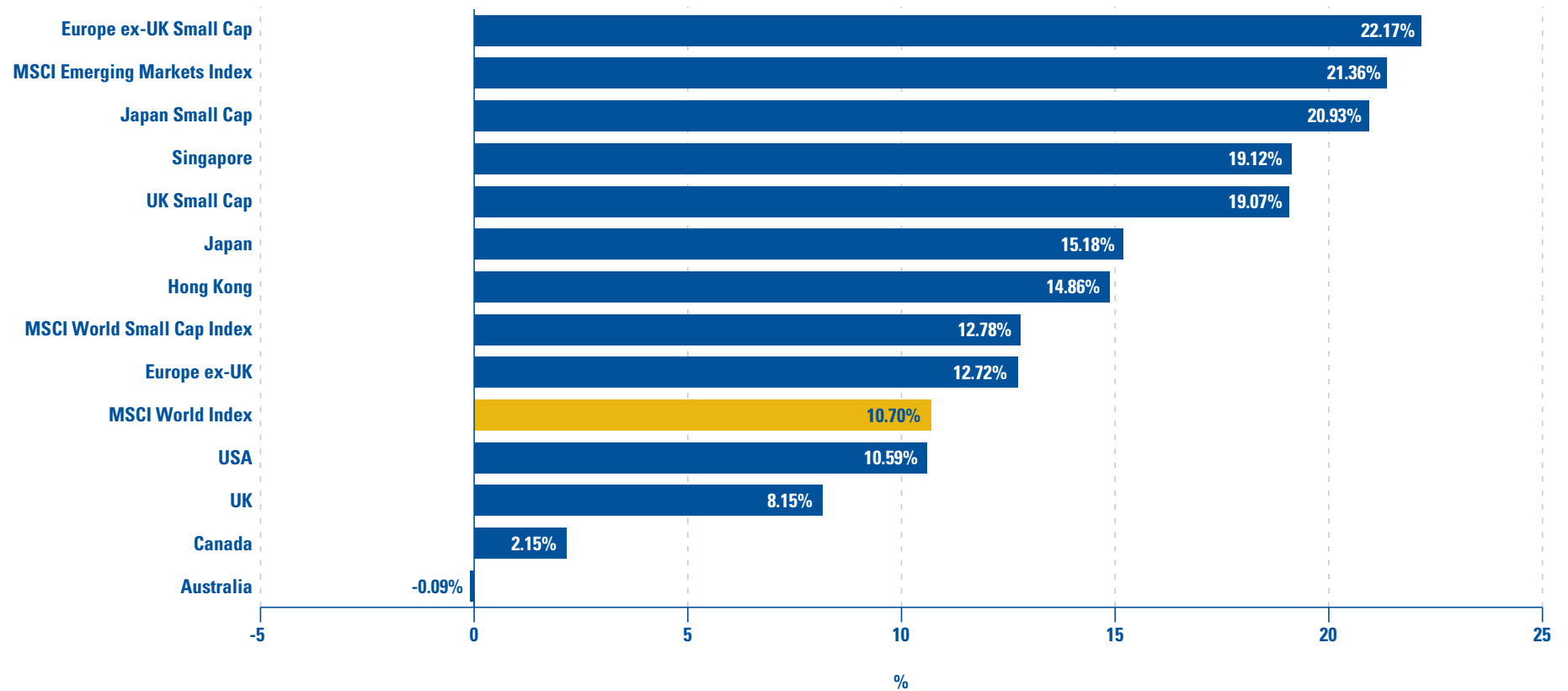
Net Asset Value Total Return	43.8%	This is the return of the Trust's investment portfolio
Share Price Total Return	60.2%	This is the return received by Tradex Global Equity Fund
MSCI Japan Index Total Return	37.5%	This is the return of the benchmark of the Trust
MSCI World Index Total Return	35.7%	This is the return of Tradex Global Equity Fund's benchmark

Repeat . . .

The information provided should not be construed as investment advice to buy or sell any securities. Past performance is no guarantee of future results. Index returns are subject to change due to restatements by index vendors in the historical index levels.

Market and Currency Performance

1 Year Stock Market Returns in Canadian Dollars (Year End 3/29/18)*



*Based on gross total return indices.

Source: Bloomberg, MSCI

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Performance

Tradex Global Equity Fund

▶ Annualized Returns as at March 29, 2018[†]

	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception*
Tradex Net (CAD)	+15.28%	+18.14%	+9.93%	+15.47%	+8.77%	+6.64%
MSCI World Net TR Index (CAD)	+10.00%	+13.72%	+8.58%	+15.02%	+8.31%	+4.00%
	+5.28%	+4.42%	+1.35%	+0.45%	+0.46%	+2.64%

▶ Attribution - Rolling 1 Year as at March 29, 2018[†]

Performance (%)	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Rolling 1 Year
Tradex Net (CAD)	+6.29	+0.91	+7.18	+0.27	+15.28
MSCI World Net TR Index (CAD)	+1.41	+0.85	+6.37	+1.12	+10.00
	+4.88	+0.06	+0.81	-0.85	+5.28
Attributed to (%)**					
Country Allocation	+0.44	-0.04	-1.18	+0.57	-0.08
Currency Movements	+0.57	+0.39	+0.15	+0.37	+1.50
NAV Performances***	+0.66	-0.17	+0.85	-1.01	+0.32
Discount Movements	+3.21	-0.12	+0.99	-0.78	+3.54
	+4.88	+0.06	+0.81	-0.85	+5.28

[†]Inception Date was May 7, 1999. Performance figures as of March 29, 2018.

**City of London Investment Management estimates. Performances for the Quarter and Year to Date are compounded and therefore will not always equal the sum of the individual component months. Index returns are subject to change due to restatements by index vendors in the historical index levels.

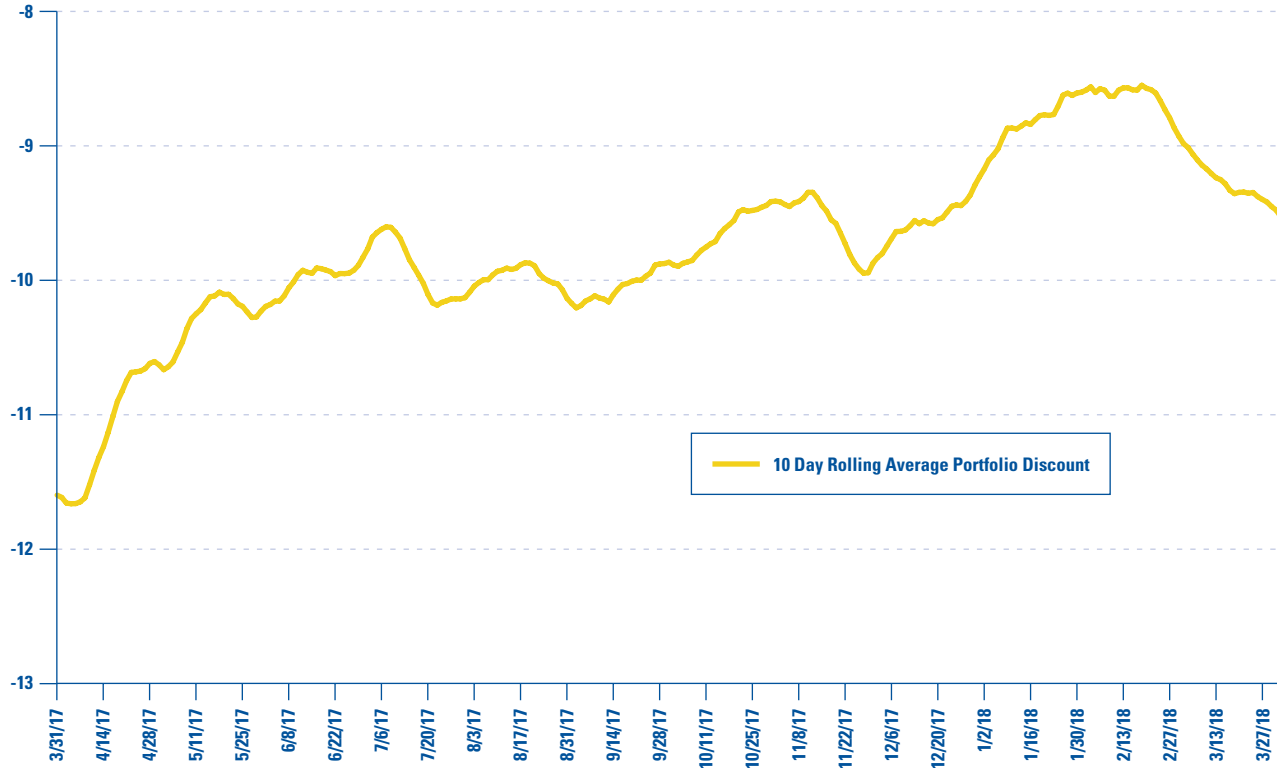
***The NAV Performances component includes costs associated with custody, administration and investment management fees.

Past performance is no guarantee of future results.

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

Tradex Global Equity Fund

10 Day Rolling Average Portfolio Discount Rolling 1 Year as of March 31, 2018



Source: City of London Investment Management

Performance Drivers

Contributors

- ▶ Europe & UK Small/Mid Cap Exposure
- ▶ Japan CEF NAV Performance
- ▶ USA Underweight
- ▶ Gabelli Equity Trust Rights Offering
- ▶ Canada/Australia Underweight
- ▶ Financial Sector Exposure
- ▶ Technology Sector Exposure

Detractors

- ▶ MLP Exposure
- ▶ UK Large Cap Overweight
- ▶ Healthcare/Biotech Exposure
- ▶ Pershing Square Holdings

Global Environment

Issues of Interest

- ▶ The X factor – President Donald J. Trump – year 2 of ?
- ▶ Synchronized global growth
- ▶ Rising interest rates
- ▶ Trade wars
- ▶ US tax reform
- ▶ US energy infrastructure
- ▶ Brexit negotiations
- ▶ European renaissance
- ▶ IT regulation
- ▶ Geopolitical events – terrorism, Syria, Russia, North Korea

What does it all mean?

- ▶ Elevated uncertainty – reduce risk
- ▶ Focus on value opportunities
- ▶ Strong earnings growth will underpin equities
- ▶ Economic strength sews the seeds for next downturn
- ▶ Downgrade longer term return expectations

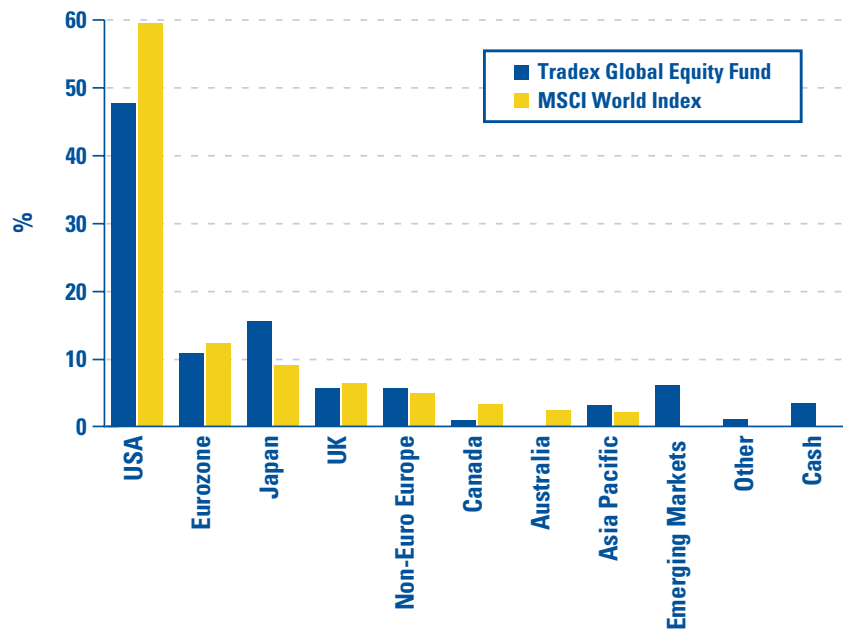
Tradex Portfolio Characteristics

March 31, 2018

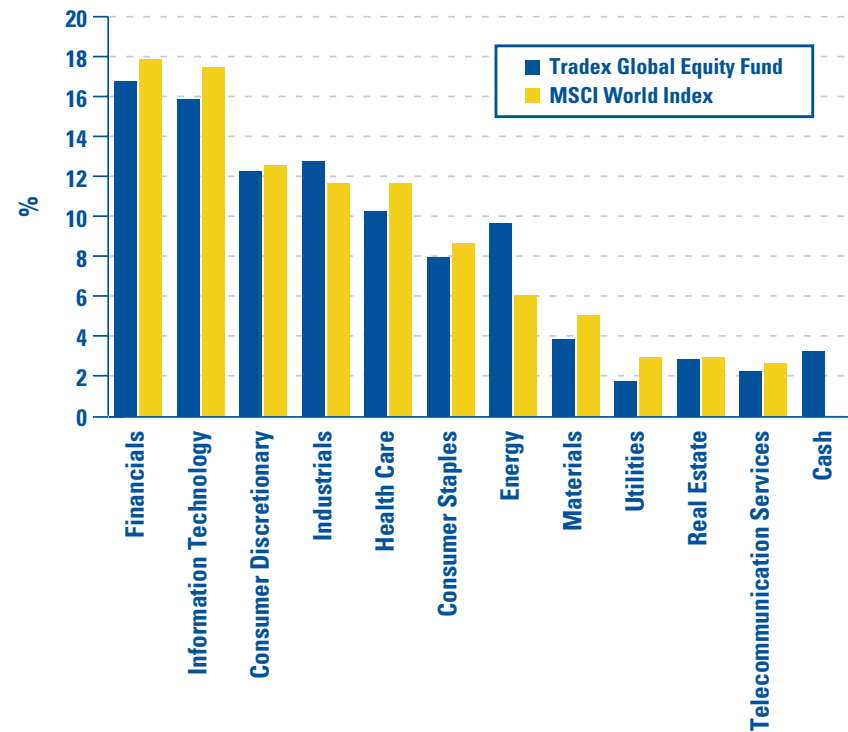
- ▶ Weighted average discount of closed-end funds: **9.9%**
- ▶ Diversified across **40+ countries**

- ▶ Made up of **40 to 60 holdings**
- ▶ Represent **2,500± underlying stocks**

Country Allocation



Sector Allocation



Past performance is no guarantee of future results.

Source: City of London Investment Management

Summary

- ▶ Value oriented investment strategy
- ▶ Utilize closed-end funds as investment medium
- ▶ Focused on exploiting closed-end fund discount volatility
- ▶ Diversified approach helps to reduce risk
- ▶ Key allocation decisions

Overweight

Japan

Asia Pacific

Emerging Markets

Neutral

UK

Eurozone

Underweight

USA

Canada

Australia

Appendix



CITY OF LONDON
Investment Management Company Limited

The Investment Management Team

► Portfolio Management & Research

Michael Edmonds is the Lead Portfolio Manager for the Global Developed CEF strategy based in the **Philadelphia office**. Michael rejoined CLIM in 2009. He had previously worked in the London office of both Olliff & Partners from 1992 to 1996 and CLIM from 1996 to 1998. Prior to rejoining CLIM, Michael spent over eight years at Morgan Stanley Investment Management with roles in marketing and product management and development. He holds a BA (Hons) in Financial Services from the University of West England and has passed the Investment Management Certificate (IMC). He is also a CFA Charterholder and a Chartered Alternative Investment Analyst.

Michael Sugrue is a Portfolio Manager for the Global Developed CEF strategy based in the **London Office**. Michael joined CLIM in 1996 and was initially in a support role culminating in him becoming Head of Administration in 2000-2001. Michael worked for an extended period of time in the US office, where he relocated in order to support the CIO before ultimately becoming a Portfolio Manager for the Emerging Markets CEF strategy in 2004. Michael returned to London in 2008 as a Portfolio Manager for the Emerging Markets CEF team before transitioning to the Global Developed CEF strategy in 2013.

James Millward is a Portfolio Manager based in the **London office**. James joined CLIM in 2009 and is responsible for tactical and multi-asset products at CLIM. Prior to joining, James worked in a proprietary trading role for the Equity Derivatives group of Societe Generale S.A. in London, focusing on closed-end fund arbitrage and special situations strategies. James also held positions at Linklaters LLP and Commerzbank A.G.

► Macroeconomics

Michael Hart is Group Economist based in the **London office**. Michael joined CLIM in 2013. Prior to joining CLIM, he was Director of FX Strategy at Roubini Global Economics. Prior to that, Michael was the European Head of FX Strategy at Citigroup, following 12 years of work on emerging markets. During this time, Michael covered both Latin American and Eastern European economies for various leading investment banks. He also served in the public sector, having been responsible for the sovereign credit risk exposure at the European Bank for Reconstruction and Development (EBRD). Michael holds a B.Sc. from the London School of Economics and undertook doctoral studies in Economics at Columbia University in New York.

Lyndon Barreto is an Economic Analyst based in the **London office**. He joined CLIM in 2006 as a Desk Assistant and was promoted to the role of Economic Analyst in 2011. Lyndon is a CFA Charterholder and holds a BSc in Economics from the University of Nottingham and an MSc in Finance from Imperial College Business School.

► Resources Across All CLIM Centers

Barry M. Olliff is Chief Executive Officer of CLIG and Chief Investment Officer of CLIM based in the **Philadelphia office** and has over 50 years of experience in the closed-end fund sector. Prior to forming CLIM in 1991, he was Chief Executive Officer of Olliff & Partners, a stock broking firm he founded in 1987. Previously he served as a Director of Laing & Cruickshank, where he worked for eight years. From 1963 until 1978, he was a market maker in closed-end funds for Denny Brothers, which became Pinchin Denny in 1973.

Mark Dwyer is Chief Investment Officer EM CEF Group based in the **London office**. Mark re-joined CLIM in 2012. Prior to re-joining CLIM, Mark spent over eight years as a Director within the Wealth Management Unit of Banco Comercial Português, where he was primarily in charge of the investment team responsible for fund selection. He had previously established CLIM's Singapore Office in 2000 where he spent two years as a Portfolio Manager before returning to London where he was head of the emerging market closed-end fund investment team until 2003. He also worked in the US office from 1997-1999 as a Portfolio Manager and the London office from 1995-1996 as a research analyst. He holds a BA (Hons) in Economics from Kingston University, and is a CFA Charterholder.

Christopher Weaver is a Portfolio Manager based in the **London Office**. Chris joined CLIM in 1998 as a Research Analyst and has also worked as a Portfolio Manager in the Dubai and Singapore offices. Prior to joining CLIM, Chris spent two and a half years working in the international research department of Daishin Securities Ltd. in Seoul, South Korea. He became fluent in the Korean language after graduating from Yonsei University with a diploma in Korean. He holds a BA (Hons) in Economics from the University of Portsmouth, and is a CFA Charterholder.

Oliver Marschner is a Portfolio Manager based in the **Seattle office**. Oliver joined CLIM in 2001 as a Research Analyst and has also worked as a Portfolio Manager in the London and Singapore offices. Prior to joining CLIM, Oliver worked for the Bank of New York (Europe) Retail Investments Team and for Chase Fleming Private Wealth Managements. He completed his studies in South Africa where he attained an Honours degree in Bachelor of Commerce (Management Accounting) at the University of Stellenbosch. Oliver has passed the Investment Management Certificate (IMC).

Geraldine Poh is a Portfolio Manager heading the **Singapore office**. Geraldine joined CLIM in 2003 as a Research Analyst. Prior to joining CLIM, Geraldine worked for Keppel Investment Management as an investment analyst specializing in equities listed in the Singapore Stock Exchange. After the acquisition of Keppel Investment by OCBC Asset Management in 2002, she was responsible for analyzing and assisted in the portfolio management of equities listed in Taiwan, and managing relationships with institutional clients. Geraldine holds a Bachelor of Social Sciences (Hons) in Statistics from the National University of Singapore.

Carolyn Murphy is a Portfolio Manager based in the **Philadelphia office**. Carolyn joined CLIM in 2007 as a Research Analyst and has also worked as a Portfolio Manager in the Dubai and Singapore offices. Prior to joining CLIM, Carolyn worked as a Registered Sales Assistant at Raymond James Financial, Stifel Nicolaus and Legg Mason Capital Management. She holds a BA from the University of Delaware.

Ted Sevick is a Portfolio Manager based in the **Philadelphia office**. Ted joined CLIM in 2006 as part of the Fund Accounting Department. Prior to joining CLIM, he worked at The Vanguard Group, first in the Fund Accounting Department and later as a Fund Analyst focused on Vanguard's Manager Search efforts. He holds an MBA in Finance from Saint Joseph's University and a BS in Finance from the Pennsylvania State University.

Market Valuations

March 31, 2018

Country	Index	Price/Earnings	Earnings Growth	PEG Ratio	Dividend Yield	Price/Book Value	Return on Capital
United States	S&P 500 Index	16.94	10.53%	1.61	1.95%	3.23	7.39%
Canada	TS300 Index	15.24	10.58%	1.44	2.90%	1.81	6.41%
Japan	Topix Index	13.96	4.47%	3.12	1.89%	1.28	4.55%
Australia	ASX 200 Index	15.44	5.42%	2.85	4.44%	1.95	4.49%
Hong Kong	Hang Seng Index	11.62	10.83%	1.07	3.35%	1.39	5.03%
Singapore	Strait Times Index	13.76	7.94%	1.73	3.08%	1.21	7.35%
United Kingdom	FTSE All Share	13.58	6.17%	2.20	4.35%	1.75	6.98%
France	CAC 40 Index	14.26	8.88%	1.61	3.19%	1.48	3.52%
Germany	DAX Index	12.60	8.83%	1.43	2.66%	1.70	6.23%
Switzerland	SMI Index	15.36	10.24%	1.50	3.42%	2.34	3.27%
Spain	IBEX 35	12.64	8.94%	1.41	4.01%	1.41	3.04%
Italy	FTSE MIB Index	12.48	13.38%	0.93	2.99%	1.20	3.17%
Sweden	OMX Stockholm Index	17.80	7.41%	2.40	2.98%	2.29	5.40%
China	Hong Kong H Shares	7.84	10.81%	0.73	3.46%	1.09	4.28%
Brazil	Bovespa Index	12.87	13.31%	0.97	2.86%	1.95	5.38%
India	Sensex Index	17.62	19.35%	0.91	1.18%	3.06	6.45%
Russia	RTSI\$ Index	6.40	2.71%	2.36	4.83%	0.81	7.86%
South Korea	KOSPI Index	9.48	6.98%	1.36	1.63%	1.08	4.78%
Taiwan	Taiwan Weighted Index	13.95	6.04%	2.31	3.70%	1.76	7.14%
Energy	MSCI ACWI Energy	15.22	7.98%	1.91	4.01%	1.47	5.97%
Financials	MSCI ACWI Financials	11.72	9.82%	1.19	2.93%	1.29	2.41%
Healthcare	MSCI ACWI Healthcare	16.32	9.49%	1.72	1.97%	3.68	8.27%
Technology	MSCI ACWI Technology	17.77	11.74%	1.51	1.24%	4.43	11.64%
Developed Markets	MSCI World	15.77	8.91%	1.77	2.42%	2.34	5.65%
Emerging Markets	MSCI Emerging Markets	12.52	11.25%	1.11	2.40%	1.76	6.47%

Past performance is no guarantee of future results. Index returns are subject to change due to restatements by index vendors in the historical index levels.

Source: Bloomberg

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

March 31, 2018

Country	Tradex	MSCI World
Austria	0.0	0.1
Belgium	0.6	0.4
Denmark	0.7	0.7
Finland	0.6	0.4
France	3.3	4.0
Germany	2.6	3.6
Ireland	0.2	0.2
Israel	0.0	0.2
Italy	1.4	0.9
Netherlands	1.4	1.4
Norway	0.9	0.3
Portugal	0.0	0.1
Spain	0.7	1.2
Sweden	1.0	1.0
Switzerland	2.3	2.9
UK	5.6	6.4
Other Europe	0.7	0.0
Total Developed Europe	22.0	23.8
Poland	0.1	0.0
Romania	0.1	0.0
Russia	0.2	0.0
Total Emerging Europe	0.4	0.0
Brazil	0.3	0.0
Mexico	0.1	0.0
Peru	0.1	0.0
Total Latin America	0.5	0.0

Country	Tradex	MSCI World
Australia	0.0	2.4
Hong Kong	1.2	1.3
Japan	15.6	9.1
New Zealand	0.0	0.1
Singapore	2.0	0.5
Total Developed Asia	18.8	13.4
China	1.7	0.0
India	1.0	0.0
Indonesia	0.4	0.0
Malaysia	0.1	0.0
Philippines	0.1	0.0
S Korea	0.8	0.0
Sri Lanka	0.1	0.0
Taiwan	0.5	0.0
Thailand	0.3	0.0
Vietnam	0.1	0.0
Total Emerging Asia	5.1	0.0
Mali	0.1	0.0
Total ME & Africa	0.1	0.0
Canada	0.9	3.3
USA	47.7	59.5
Total Developed N America	48.6	62.8
Other	1.2	0.0
Cash	3.3	0.0
Total	100.0	100.0
Total Developed Markets	89.4	100.0
Total Emerging Markets	6.1	0.0

Source: City of London Investment Management, MSCI

Tradex Global Equity Fund

Portfolio Holdings

March 31, 2018

	% Total
JPMORGAN AMERICAN INVESTMENT TRUST	5.4
FIDELITY EUROPEAN VALUES	5.1
GENERAL AMERICAN INVESTORS	4.7
GABELLI EQUITY TRUST INC	4.5
SPROTT FOCUS TRUST INC	4.5
JPMORGAN JAPANESE INVESTMENT TRUST	4.3
CLEARBRIDGE AMERICAN ENERGY MLP FUND INC	3.9
POLAR CAPITAL GLOBAL FINANCIALS TRUST	3.9
JUPITER US SMALLER COMPANIES	3.7
ADAMS DIVERSIFIED EQUITY FUND	3.6
REAVES UTILITY INCOME FUND	3.6
THE BIOTECH GROWTH TRUST	3.2
EUROPEAN INVESTMENT TRUST	3.2
JPMORGAN EUROPEAN SMALLER COMPANIES TRUST	3.1
EDINBURGH DRAGON TRUST	3.0
JPMORGAN JAPAN SMALLER COMPANIES TRUST PLC	2.8
PERPETUAL INCOME AND GROWTH INVESTMENT TRUST	2.6
ENERGY SELECT SECTOR SPDR FUND	2.5
BRITISH EMPIRE TRUST	2.5

	% Total
ABERDEEN JAPAN EQUITY FUND INC	2.4
ALPINE TOTAL DYNAMIC DIVIDEND FUND	2.3
DUNEDIN INCOME GROWTH INVESTMENT TRUST PLC	2.2
MARTIN CURRIE PACIFIC TRUST	2.0
ATLANTIS JAPAN GROWTH FUND	2.0
TEMPLETON EMERGING MARKETS INV TRUST	2.0
MONTANARO EUROPEAN SMALLER COMPANIES	2.0
JAPAN SMALLER CAPITALIZATION FUND INC	2.0
DIVIDEND AND INCOME FUND	1.8
PERSHING SQUARE HOLDINGS	1.8
ABERDEEN SINGAPORE FUND INC	1.5
ALLIANZ TECHNOLOGY TRUST PLC	1.5
ABERDEEN JAPAN INVESTMENT TRUST	1.3
GOLDMAN SACHS MLP INCOME OPPORTUNITIES FUND	0.9
ROYCE VALUE TRUST	0.5
POLAR CAPITAL TECHNOLOGY TRUST	0.4

Net Receipts (Including Cash)	3.3
Total	100.0

Numbers are rounded and may not equal 100.

Source: City of London Investment Management

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