

2018

# Tradex Simplified Prospectus



May 17, 2018

**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**<sup>®</sup>  
mutual funds  
for the public sector

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## General Information About the Funds

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### 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 11 contains general information applicable to all the Tradex Funds.
- Part B, from pages 12 to 18, 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 Fund Facts;
- the most recently filed annual financial statements;
- any interim financial report 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. (Tradex) toll-free at 1-800-567-3863 or from your dealer.

These documents are also available on the Tradex website at [www.tradex.ca](http://www.tradex.ca) or by contacting Tradex at [info@tradex.ca](mailto:info@tradex.ca).

These documents and other information about the Funds are also available at [www.sedar.com](http://www.sedar.com).

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## 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 7 and 8 "Purchases, Switches and Redemptions".

### General Investment Risks

Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's units/shares may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

### Fund-specific Risks

Each mutual fund also has specific risks. The description of each Tradex Fund, described in Part B of this document, sets out the risks that apply to that Fund. Here is a description of each of these risks:

**Active management risk** – All actively managed funds are dependent on their portfolio management team to select individual securities and, therefore, are subject to the risk that poor security selection or market allocation will cause an actively managed fund to underperform relative to other funds with similar investment objectives or to its benchmark index.

**Asset-backed securities and mortgage-backed securities risk** – Asset-backed securities are fixed income instruments backed by a portfolio of personal and commercial loans. Mortgage-backed securities are fixed income instruments backed by a portfolio of residential and commercial mortgages. These loans and mortgages are, respectively, the underlying assets of the asset-backed and mortgage-backed securities. The underlying loans may not be ultimately repaid in full, in some cases leading to holders of asset-backed securities and mortgage-backed securities not receiving full repayment. A decline in the value or in the liquidity of the underlying assets or in the credit rating of the security may negatively affect the price of the security. In the use of mortgage-backed securities, there are also risks that there may be a drop in the interest rates charged on mortgages, a mortgagor may default in its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

**Commodity risk** – The market value of a mutual fund's investments may be affected by adverse movements in commodity prices. When commodity prices decline, this generally has a negative impact on the earnings of companies whose business is based in commodities, such as oil and gold.

**Concentration risk** – A relatively high concentration of assets in, or exposure to, a single or small number of issuers may reduce the diversification and liquidity of a mutual fund, and increase its volatility. As a result of reduced diversification and liquidity, a fund's ability to satisfy redemption requests may be reduced.

**Convertible securities risk** – Convertible securities are fixed income securities, preferred stock or other securities that are convertible into or exercisable for common shares of an issuer (or cash or securities of equivalent value) at



either a stated price or a stated rate. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value typically reflects the market price of the common shares of the issuer when that share price approaches or is greater than the convertible security's "conversion price." Conversion price is the predetermined price at which the convertible security could be exchanged for associated shares. The price of a convertible security tends to be influenced more by the yield of the convertible security as the market price of the underlying common shares declines. Thus, the price of convertible securities may not decline to the same extent as the underlying common shares.

In the event of a liquidation of the issuer, holders of convertible securities would be paid before the company's common shareholders but after holders of any senior debt obligations of the issuer. Consequently, an issuer's convertible securities generally entail less risk than its common shares but more risk than its debt obligations.

Synthetic convertible securities involve the combination of separate securities that possess the two principal characteristics of a "traditional" convertible security (i.e., an income-producing component and a right to acquire an equity security). Synthetic convertible securities are often subject to risks associated with derivatives because the convertible component is typically achieved by investing in warrants or options to buy common shares at a certain exercise price or options on a stock index. If the value of the underlying common shares or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value. Further, because a synthetic convertible security is composed of two or more separate securities or instruments, each with its own market value, the market value of a synthetic convertible security will respond differently to market fluctuations than a "traditional" convertible security.

**Credit risk** – Credit risk is the risk that the government, company or special purpose vehicle (such as a trust issuing asset-backed securities) issuing a fixed income or money market security will be unable to make interest payments or pay back the principal. Securities that have a low credit rating have high credit risk. The market value (i.e., fair value) of a debt security can be affected by a downgrade in the issuer's credit rating, a change in creditworthiness, or perceived creditworthiness, of the issuer or any assets backing the security. Mutual funds that invest in companies

or markets with high credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

**Cybersecurity risk** – With the increased use of technologies such as the Internet to conduct business, the manager and each of the funds are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users). Cyber incidents affecting the funds, the manager or the funds' service providers (including, but not limited to, a fund's portfolio manager, sub-advisor(s), transfer agent, custodian and subcustodians) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the funds' ability to calculate their net asset value, impediments to trading, the inability of unitholders to transact business with the funds and the inability of the funds to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the funds invest and counterparties with which the funds engage in transactions. In addition, substantial costs may be incurred to prevent any cyber incidents in the future. While the manager and the funds have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, inherent limitations exist in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the manager and the funds cannot control the cyber security plans and system of the funds' service providers, the issuers of securities in which the funds invest or any other third parties whose operations may affect the funds or their unitholders. As a result, the funds and their unitholders could be negatively affected.

**Derivative risk (forward contracts)** – Two of the Tradex Funds are allowed to use derivatives known as forward

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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.

**Emerging markets risk** – Mutual funds that invest in emerging or developing markets are subject to the same risks as noted under “Foreign security risk”. However, these risks may be far greater in emerging markets than in developed markets due, among other things, to greater market volatility, smaller trading volumes, higher risk of political and economic instability, greater risk of market closure and more government-imposed restrictions on foreign investment compared to the restrictions imposed in developed markets. The fluctuation of prices can therefore be more pronounced than in developed countries, and it may be more difficult to sell securities.

Frontier markets are markets that are in the process of developing and are generally considered to be smaller, less mature and less liquid than emerging markets. This is due, in part, to the fact that their economies are smaller, that their capital markets are less developed and more volatile, and that their trading volume is weaker. They may suffer greater exposure to the economic shocks associated with the political and economic risks than emerging countries in general. Consequently, the risks traditionally associated with investments in emerging markets may be even greater for investments in frontier markets.

**Equity risk** – Mutual funds that invest in equities – also called stocks or shares – are affected by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise, as will the value of funds that own these shares. On the other hand, share prices usually decline in times of general economic or industry downturn. The price of equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the value of the overall stock market because of changes in the outlook for those individual companies or the particular industry.

**Exchange-traded funds risk** – The Funds may invest in other funds whose securities are listed on a stock exchange (“exchange-traded funds” or “ETFs”). Like conventional investment funds, exchange-traded funds can invest in equity securities, fixed income securities and other financial instruments. An investment in an exchange-traded fund can entail risks similar to those of an investment fund with similar investment objectives and strategies. However, exchange-traded funds pose additional risks that are specific to this type of fund. Exchange-traded funds incur management and trading expenses in the course of their activities. Funds may also be charged commissions on the purchase or sale of exchange-traded funds.

The securities of exchange-traded funds are traded on the stock exchanges. The stock exchanges on which these securities are traded could be relatively illiquid or not maintained. Consequently, the securities of exchange-traded funds can be traded at market values above or below their net asset value. In addition, exchange-traded funds must make sure that they comply with the listing requirements of the stock exchanges on which their securities are traded. Any default on these requirements could result in the securities being delisted.

Some exchange-traded funds aim to replicate the performance of a benchmark: these are index-based exchange-traded funds. The performance of index-based exchange-traded funds can differ from that of the benchmark. This difference can result from a discrepancy between the weighting of the securities held by the exchange-traded funds and that of the securities making up the benchmark. Management and trading expenses incurred by exchange-traded funds can also create a divergence between the performance of these funds and that of the benchmark.

Should an investment fund be unable to sell the securities of an exchange-traded fund on the stock exchange on which it is listed, the investment fund might have to demand that the exchange-traded fund redeem the securities. The investment fund could then incur penalties and receive payment of an amount for each security that is less than its net asset value.

**Floating rate note risk** – A floating rate note is a note with a variable rate of interest that fluctuates with some designated reference rate. Floating rate notes generally are subject to legal or contractual restrictions on resale. The liquidity of floating rate notes, including the volume and frequency of secondary market trading in such loans, varies



significantly over time and among individual floating rate notes. Valuing a floating rate note can be more difficult during a period of infrequent trading. Buying and selling a floating rate note at an acceptable price can also be more difficult and delayed during such a period. Difficulty in selling a floating rate note can result in a loss. In addition, floating rate notes generally can be prepaid before maturity, which may result in a floating rate note offering less income and/or potential for capital gains.

**Foreign currency risk** – Changes in the value of the Canadian dollar compared to a foreign currency or the imposition of foreign exchange controls will affect the value, in Canadian dollars, of any foreign securities held by a mutual fund. For example, if the U.S. dollar rises in value relative to the Canadian dollar, a fund's U.S. stocks will be worth more in Canadian dollars. On the other hand, if the U.S. dollar falls, a fund's U.S. holdings will be worth less in Canadian dollars.

**Foreign security risk** – The value of foreign securities will be affected by factors affecting other similar securities and could be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As well, different financial, political and social factors may involve risks not typically associated with investing in Canada.

**Fund of funds risk** – The Funds may invest in other investment funds (including listed closed-end fund companies) as part of their investment strategy. Therefore, these funds will be subject to the risks of the underlying funds.

**Interest rate risk** – The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. As the term to maturity of the bonds in a portfolio lengthens, the variability of interest rates increases, along with bond prices. Changes in interest rates may also affect the value of equity securities.

**Liquidity risk** – Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to. The value of securities which are not regularly traded (less liquid) will generally be subject to greater fluctuations.

**Real estate companies and investment trusts risk** – Investing in a real estate investment company or in a real estate investment trust ("REIT") may expose a fund to risks similar to those associated with a direct holding in

a real estate investment, including the losses caused by damages to properties, changes in economic conditions, the regulatory fluctuations in supply and demand, zoning by-laws, the regulatory framework of rents, real estate taxes and operating expenses. Interest rates fluctuations may also affect the value of the fund's investments. Some real estate companies or REITs may invest in a limited number of properties, in a limited market or in a single type of property, thus increasing the risk that the fund may be adversely affected by the poor performance of a single investment, a market or single type of investment. REITs are common investment instruments that hold, and usually manage, real estate investments. REITs generally pay fees separate from those of the fund. Finally, REITs may be affected by changes in their tax status and could lose their eligibility to benefit from advantageous tax treatments and other exemptions.

**Regulatory risk** – Certain issuers involved in specially regulated industries, such as the energy or telecommunications industry, may experience an adverse impact on revenue or costs as a result of compliance with the relevant regulatory requirements. In addition, issuers in regulated industries may require permits and approvals before commencing projects. Delays or rejections of these proposed plans would hinder the issuer's growth and increase its costs.

**Securities lending risk** – 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 per cent 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 is adjusted appropriately by the securities lending agent of the funds.

**Small company risk** – The share price of smaller companies is usually more volatile than that of more established larger companies. Smaller companies may be developing new products which have not yet been tested in the marketplace, or their products may quickly become obsolete. They may have limited resources, including limited access to funds or unproven management, and their shares may trade less frequently and in smaller volume than shares of large companies. They may have

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few shares outstanding, so a sale or purchase of shares will have a greater impact on the share price. The value of these investments may rise and fall substantially.

**Specific issuer risk** – The value of all securities will vary positively and negatively with developments within the specific companies or governments which issue the securities.

**Specialization risk** – Some mutual funds invest primarily in companies in particular industries or particular geographic areas of the world. If the particular industry or geographic region prospers, the outlook for companies in the industry or geographic region will generally increase, as will the value of the funds that invest in them. Conversely, if the particular industry or one geographic region experiences a downturn, the outlook for companies in the industry or geographic region will generally decline, as will the value of the funds that invest in them. In addition, the fund may suffer because there are relatively few other investments in companies within other industries or geographic areas to offset the downturn.

**Tax policy risk** – All mutual funds may be affected by changes in the tax legislation that affect the entities in which the funds invest or in the taxation of mutual funds.

**In summary, when you are making your investment decision, it is very important that you are completely aware of the different investment types, their risks, relative return over time and their volatility.**



## Organization and Management of the Tradex Funds

### Manager

**Tradex Management Inc.**  
85 Albert Street, Suite 1600, Ottawa, ON K1P 6A4  
1-800-567-3863 [www.tradex.ca](http://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 Funds' units or 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.

### Portfolio Advisor

The portfolio advisor manages the investment portfolio of the Funds, provides analysis and makes decisions relating to the investment of the Funds' assets. You will find the name of the portfolio advisor for each fund in the fund descriptions starting on page 12. The portfolio advisors are independent of Tradex.

### Principal Distributor

**Tradex Management Inc., Ottawa, Ontario**

As principal distributor, Tradex markets the units/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. The custodian is independent of Tradex.

### Registrar

**CIBC Mellon Global Securities Services Company ("CIBC Mellon"), Toronto, Ontario**

As registrar, CIBC Mellon 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. The registrar is independent of Tradex.

### Auditor

**PricewaterhouseCoopers LLP, Ottawa, Ontario**

The auditor examines the financial statements of each Fund and expresses its 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. The auditor is independent of Tradex.

## 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 or shares 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 16. 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 will 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.

### Securities Lending Agent

**Bank of New York Mellon, New York City, New York**

The securities lending agent acts on behalf of Tradex Equity Fund Limited in administering the securities lending transactions entered into by the Fund. The securities lending agent is independent of Tradex.

### 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 it prepares a report of its activities annually (or more often if required) for the securityholders. This report is available on the Tradex website at [www.tradex.ca](http://www.tradex.ca) or upon request at no cost by contacting Tradex at [info@tradex.ca](mailto: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.

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## Purchases

No sales charge is payable to Tradex when purchasing Fund units/shares directly in Ontario, Quebec and British Columbia. Whether an authorized dealer charges a sales charge is a matter between the dealer and you, but such sales charge may not exceed 2% 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 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 9 and 10 with respect to Fees and Expenses and Dealer Compensation.

## Redemptions

Payment for redeemed units/shares will be made within two 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% 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 switch fee 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 switch fee is a matter between the dealer and you, but such switch fee 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 Funds are qualified investments under the Income Tax Act (Canada) for the following registered tax plans: registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), registered education savings plans (RESPs – nominee accounts only), deferred profit sharing plans (DPSPs – nominee accounts only), registered disability savings plans (RDSPs – nominee accounts only), life income funds (LIFs), locked-in retirement accounts (LIRAs), locked-in retirement income funds (LRIFs) and Tax-Free Savings Accounts (TFSA).

There is no annual administration fee for registered tax plans administered by Tradex. The trustee of these plans is CIBC Mellon Trust Company, Toronto.

Investors should consult their own tax advisor for advice on whether or not securities of a fund are or are at risk of being or becoming a prohibited investment or whether a particular transaction would constitute a prohibited advantage under the Tax Act for their registered plans.

### 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.

Certain Funds may invest in other investment funds, referred to as the “underlying funds”. The arrangements in respect of the Funds and the underlying funds are such as to avoid duplication of fees and expenses. There will also be no sales or redemption fees payable in relation to the purchase of securities in the underlying funds by a Fund. In addition, in calculating the management expense ratio (“MER”) of each Fund, the proportional MER for the underlying funds in which the Fund invests, is included in the MER calculation.

## **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.

On an annual basis, the Manager shall determine if it has any surplus funds after retaining sufficient funds to meet all working capital and regulatory requirements, such determinations to be based on a budget for the next year which has been prepared by the Manager. To the extent there are surplus funds, the Manager shall reduce the management fees that were paid by the Funds by providing a rebate pro rata to all of the mutual funds (including the Fund) which are managed by the Manager based on the relative amounts of fees paid to the Manager by such mutual funds during the previous year. The Manager deposits cash into each Fund for these amounts. As such, all shareholders or unitholders in each Fund will be entitled to their respective proportionate share of management fee rebate/reduction in each Fund. The Manager shall provide the Fund with a written notification of the amount being rebated. The rebate shall include a refund of the GST/HST that is attributable to the Management Fee reduction. The Manager and each Fund agree that the written notification that is provided shall constitute a “credit note” issued in accordance with subsection 232(3) of the Excise Tax Act (Canada) and that the Fund shall be considered to have received the credit note on the date that it is sent to the

Fund. The Manager does not make any representation or warranty as to whether there will be any such rebates or as to the amount of any such rebates. The Manager covenants and agrees not to declare or pay any dividends or make any other distributions to its shareholders.

Pursuant to separate management agreements, the Manager provides to each Fund all management and administrative services other than portfolio management, custodian, registrar, accounting, auditing and legal services or other services subject to a service contract between the Funds and a third party. Also pursuant to these management agreements, the Manager acts as the principal distributor of the Funds in Ontario, Quebec and British Columbia.

For its management fee, the Manager shall perform certain functions relating to the operation of the Funds, which include but are not limited to the following:

- supervise all professional and administrative services contracted for by the Funds and evaluate the performance of those providing such services;
- obtain the services of one or more investment managers who would be responsible for management of the investment portfolios;
- obtain the services of one or more custodians of the Funds’ portfolio securities;
- obtain the services of a registrar of the Funds;
- provide administrative services with respect to all matters not otherwise subject to a service contract between the Funds and a third party;
- supervise the preparation, printing and distribution of the simplified prospectus and annual information form of the Funds and related documentation;

- make all filings on behalf of the Funds with all relevant regulatory and governmental authorities;
- undertake all mailings which are required to be made by the Funds to shareholders or unitholders;
- provide the Funds' board of directors or Trustees with any reports requested; and
- supply the clerical, accounting and administrative staff and services and the business premises incidental to the performance of the foregoing services.

### **Operating Expenses**

Each Fund pays all of its operating expenses (fees with respect to investment advisory, administration, 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 \$365.64 in 2017 and are expected to total less than \$1,000.00 in 2018.

## **Fees and Expenses Payable Directly by You**

### **Sales Charges**

Nil if purchased through Tradex. Whether an authorized dealer charges a sales charge is a matter between the dealer and you, but such sales charge 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

## **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.

## **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.

### **Trailing Commission**

Tradex permits authorized dealers (including discount brokers for securities you purchase or hold in your discount brokerage account) a trailing commission at the end of each quarter. The trailing commission is a percentage of the average daily value of each account held by the dealer's clients. The annual trailing commission paid is 0.25%.

In respect of direct purchases or holdings of the Funds through Tradex acting as dealer, trailing commission is paid to Tradex and is refunded.

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 the gross management fees received from the Funds in the fiscal year ended December 31, 2017 was approximately 45%.

## **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 ordinary and capital gain dividends each year to recover income and capital gains taxes paid to the extent possible.



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### **For Funds Held in a Registered Plan**

You generally pay no tax on earnings we distribute to you from Funds held in a registered plan such as an RRSP, RRI, RESP, DPSP, RDSP or TFSA, 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 or dividend. The adjusted cost base of your units/shares will be increased by the amount of the distribution or dividend. 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, distributions and any returns of capital. 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.

### **Tax Information Reporting**

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the “IGA”), and related Canadian legislation, the Funds and the Manager are required to report certain information (including certain financial information) with respect to unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other “U.S. Persons” as defined under the IGA (excluding registered plans such as RRSPs), to Canada Revenue Agency (“CRA”). It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the “CRS”), the Funds and the Manager are required under Canadian legislation to identify and report to the CRA details and certain financial information relating to unitholders in the Funds who are residents in a country outside of Canada and the U.S. The CRA is expected to provide that information to the tax authorities of the relevant jurisdiction that has adopted the CRS.

### **What are your Legal Rights?**

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, 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, Fund Facts 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

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You will find a detailed description of each of the Funds in this part of the Simplified Prospectus. Summary information with respect to “*What are the risks of investing in the Fund*”, the “*Investment risk classification methodology*” and “*Who should invest in the Fund*” is as follows:

### **What are the risks of investing in the Fund?**

Risks specific to the individual Fund are identified in this section. General information about risks is outlined under “*What is a mutual fund and what are the risks of investing in a mutual fund?*”

### **Who should invest in the Fund?**

This section identifies the type of investor the Fund may be suitable for in terms of risk tolerance and investment time horizon. **This information is only a guide.** When you and your representative are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level.

### **Investment risk classification methodology**

The fund risk rating referred to in the section entitled *Who should invest in this fund?* in each fund’s profile will help you decide, along with your financial advisor, whether a fund is right for you. This information is only a guide. The methodology used to determine the volatility risk ratings of the Funds for purposes of disclosure in this

prospectus is in accordance with National Instrument 81-102 – *Investment Funds*. The investment risk level of a fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the fund as measured by the 10-year standard deviation of the returns of the fund. Just as historical performance may not be indicative of future returns, a fund’s historical volatility may not be indicative of its future volatility. You should be aware that other types of risk, both measurable and non-measurable, also exist. Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past. Using this methodology, we assign a risk rating to each fund as either low, low to medium, medium, medium to high, or high risk.

The investment risk level of each Fund is reviewed annually or if there has been a material change to a fund’s investment objectives or investment strategies.

The methodology that Tradex Management Inc. uses to determine the investment risk level of the Funds is available on request, at no cost, by contacting us toll-free at 1-800-567-3863 or by writing to Tradex Management Inc., 85 Albert Street, Suite 1600, Ottawa, Ontario K1P 6A4.



<b>Fund Details</b>	
Type of fund	Canadian Fixed Income Balanced
Commencement date	September 7, 1989
Nature of securities	Mutual fund units
Eligibility for registered plans	Qualified investment for RRSPs, RRIFFs, RESPs, TFSAs and similar tax deferred plans
Portfolio advisor	Foyston, Gordon & Payne Inc. Toronto, ON

## What Does the Fund Invest In? Investment Objectives

To achieve a combination of income and long-term capital preservation by investing primarily in a diversified portfolio of investment grade Canadian bonds. In addition, up to 30 percent of the portfolio may be invested in income producing equity securities, such as common shares of Canadian companies that pay dividends, real estate investment trusts, preferred shares and income trusts. The average term to maturity of the bond 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 advisor utilizes interest rate anticipation, credit sector and security selection strategies in the context of a long term, bottom-up, value oriented approach. The approach for fixed income securities is conservative in nature and is based upon an overall forecast derived from both macroeconomic and technical analysis with the selection of bonds based upon optimal risk/return characteristics. The equity portion of the Fund will be a diversified portfolio of quality companies that are deemed to be undervalued relative to their intrinsic value and selected to enhance the yield of the Fund with the intention to reduce the negative impact on the portfolio's market value should interest rates rise. Indirect exposure to the above-mentioned investments may be obtained temporarily through ETFs that are Index Participation Units. However, 0% is dedicated to ETFs. The Fund may periodically invest in convertible securities, asset-backed securities, mortgage-backed securities and floating rate securities as part of the above-mentioned investments.

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 trading and 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), foreign equities or in derivatives.

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?

Risks of investing in the Fund may include:

- active management risk
- asset-backed securities and mortgage-backed securities risk
- convertible securities risk
- credit risk
- cybersecurity risk
- equity risk
- exchange-traded funds risk
- floating rate note risk
- interest rate risk
- liquidity risk
- real estate companies and investment trusts risks
- regulatory risk
- small company risk
- specific issuer risk
- tax policy risk

These and other risks, which may also apply to the Fund, are described under the heading "*Fund-specific risks*" in the first part of this document.

The investment risk rating of the Fund is low. For more information, see "*Investment risk classification methodology*" on the first page of Part B of this document.

## Who Should Invest in this Fund?

The Fund may be suitable for medium to long-term investors who are:

- Seeking income from their investment
- Seeking a diversified income fund that will provide moderate capital growth
- Willing to accept a low-to-medium level of risk.

For more information about how Tradex Management Inc. has determined the level of investor risk tolerance that would be appropriate for investment in the Fund, please see "*Who should invest in the Fund?*" at the beginning of Part B of this document.

# Tradex Bond Fund

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## Distribution Policy

At the end of each of the first three calendar quarters, the Fund distributes its investment 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 investment 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 9) 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 cumulative costs would be:

1st year	3rd year	5th year	10th year
\$9.43	\$29.73	\$52.11	\$118.61



## Fund Details

Type of fund	Canadian Focused Equity
Commencement date	April 11, 1960
Nature of securities	Mutual fund shares
Eligibility for registered plans	Qualified investment for RRSPs, RRIFs, RESPs, TFSAs and similar tax deferred plans.
Portfolio advisor	Phillips, Hager & North Investment Management (PH&N; a division of RBC Global Asset Management Inc., a wholly-owned subsidiary of the Royal Bank of Canada), Vancouver, BC.

## 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. Indirect exposure to the above-mentioned investments may be obtained temporarily through ETFs that are Index Participation Units. However, 0% is dedicated to ETFs.

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 may or can represent up to 50 percent of the total portfolio value.

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

The Fund may engage in securities lending in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. 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. For more information, see "*Securities lending risk*" under "*Fund-specific risks*" in the first part of this document. The goal of securities lending is to generate additional income for the Fund.

## What are the Risks of Investing in the Fund?

Risks of investing in the Fund may include:

- active management risk
- commodity risk
- cybersecurity risk
- derivative risk (forward contracts)
- equity risk
- exchange-traded funds risk
- foreign currency risk
- foreign security risk
- liquidity risk
- real estate companies and investment trusts risk
- regulatory risk
- securities lending risk
- small company risk
- specific issuer risk
- tax policy risk

These and other risks, which may also apply to the Fund, are described under the heading "*Fund-specific risks*" in the first part of this document.

The investment risk rating of the Fund is medium. For more information, see "*Investment risk classification methodology*" on the first page of Part B of this document.

# Tradex Equity Fund Limited

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## Who Should Invest in this Fund?

The Fund may be suitable for medium to long-term investors who are:

- Seeking to invest in a broad range of Canadian and foreign stocks
- Able to handle the ups and downs of the stock market
- Willing to accept a medium level of risk.

For more information about how Tradex Management Inc. has determined the level of investor risk tolerance that would be appropriate for investment in the Fund, please see “*Who should invest in the Fund?*” at the beginning of Part B of this document.

## 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 9) 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 cumulative costs would be:

1st year	3rd year	5th year	10th year
\$10.46	\$32.96	\$57.77	\$131.50



## 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	Qualified investment for RRSPs, RRIFs, RESPs, TFSAs and similar tax deferred plans.
Portfolio advisor	City of London Investment Management Company Limited, London, England <sup>(1)</sup>
Valuation dates	Unit prices are calculated on each day on which The Toronto Stock Exchange and the New York Stock Exchange are open.

<sup>(1)</sup> 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 of Canada. CLIM is not registered as an advisor in Ontario and its agent for service is Borden Ladner Gervais LLP, 22 Adelaide Street West, Toronto ON M5H 4E3.

## 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 fund companies

trade form a meaningful element in the portfolio strategy. The Fund also invests in exchange-traded funds (ETFs) that are 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.

The Fund has obtained exemptive relief from Canadian securities regulators to enable the Fund to purchase or hold a security of another investment fund that is not a mutual fund subject to National Instrument 81-102 *Investment Funds* and whose securities are not or have not been offered under a simplified prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and, to permit the Fund to purchase or hold a security of another investment fund that is not a reporting issuer in the local jurisdiction, subject to certain conditions imposed by the regulators. Additional information is disclosed in the Annual Information Form.

Diversifying your portfolio across global markets may allow 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.

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.

# Tradex Global Equity Fund

## What are the Risks of Investing in the Fund?

Risks of investing in the Fund may include:

- active management risk
- commodity risk
- concentration risk
- cybersecurity risk
- derivative risk (forward contracts)
- emerging markets risk
- equity risk
- exchange-traded funds risk
- foreign currency risk
- foreign security risk
- fund of funds risk
- liquidity risk
- regulatory risk
- small company risk
- specific issuer risk
- tax policy risk

These and other risks, which may also apply to the Fund, are described under the heading “*Fund-specific risks*” in the first part of this document.

The investment risk rating of the Fund is medium. For more information, see “*Investment risk classification methodology*” on the first page of Part B of this document.

## Who Should Invest in this Fund?

The Fund may be suitable for medium to long-term investors who are:

- Seeking to invest in a broad range of foreign stocks
- Able to handle the ups and downs of the stock market
- Willing to accept the foreign currency risk of investing in foreign stocks
- Willing to accept a medium level of risk.

For more information about how Tradex Management Inc. has determined the level of investor risk tolerance that would be appropriate for investment in the Fund, please see “*Who should invest in the Fund?*” at the beginning of Part B of this document.

## 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 9) 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 cumulative costs would be:

1st year	3rd year	5th year	10th year
\$28.29	\$89.18	\$156.32	\$355.83



## **Simplified Prospectus**

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**Tradex Bond Fund**

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**Tradex Equity Fund Limited**

•  
**Tradex Global Equity Fund**

### **Manager**

Tradex Management Inc.  
85 Albert Street, Suite 1600  
Ottawa, Ontario K1P 6A4  
1-800-567-3863

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, 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](mailto: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](http://www.tradex.ca) or at [www.sedar.com](http://www.sedar.com).

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