

2018

**Interim Management Report of Fund Performance
and
Interim Financial Statements**

Tradex GLOBAL EQUITY Fund

June 30, 2018

You may get a copy of the Fund's Simplified Prospectus, Annual Information Form, Fund Facts, proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure at your request, and at no cost, by calling Tradex Management Inc. toll-free at **1-800-567-3863**, e-mailing us at **info@tradex.ca** or by writing or visiting us at the address shown below.

These documents and other information about the Fund are also available through our website at **www.tradex.ca** or through the SEDAR website at **www.sedar.com**.

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE for the six months ending June 30, 2018

I. MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

An investment in Tradex Global Equity Fund increased in value by 3.6% during the first half of 2018 compared to an increase of 5.8% in its benchmark, the MSCI World Total Return Index (in terms of Canadian dollars). During the past 12-months, the Fund returned 12.1% whereas its benchmark was up 13.1%.

Volatility returned to the equity markets in the first quarter of the new-year as the relatively flat overall returns masked sharp gyrations in either direction. Investors began the quarter in a positive mood as the analyst community ramped up their estimates of US corporate earnings growth. This on the back of tax changes and economic data that continued to affirm robust and synchronized global growth. Indeed, the relatively flat market performance improved valuations somewhat, reducing concerns that they had become elevated. In the second quarter, equity market performance was barbelled with the US outperformance largely offsetting underperformance in the rest of the world. US securities benefitted from the strength of the US dollar which appreciated versus most major currencies. The S&P 500 Index rose 5.4% in Canadian dollars while the UK's FTSE 100 and Australia's S&P/ASX 200 Index were the only other major developed markets to outperform, rising 5.0% and 6.7%. There was no shortage of news topics during the period, but trade tensions dominated the market narrative as rhetoric turned into action with the Trump administration imposing tariffs on steel and aluminum as well as a plethora of goods from China. A sense of dismay emanated from the rest of the world as politicians, economists and investors struggled to reconcile the commonly held wisdom that trade benefits all while trade wars benefit no-one.

The performance of key global equity markets was fairly widely dispersed during the first half of the year. In terms of local currencies, Japan's Nikkei 225 Index declined 2.1%, the German DAX Index was down 5.2%, and London's FTSE 100 Index was down 0.7% while the MSCI Emerging Markets fell 7.7%. In North America, the U.S. S&P 500 Index closed the first half of the year up 1.7% with the NASDAQ up 8.8%, while the S&P/TSX Composite Index was up 0.4%.

Currency movements for the first half of the year were an additional contributor to the performance of global equity funds for Canadian investors. During the period, the Canadian dollar moved approximately 4.3% lower versus the US dollar, 5.9% lower versus the Japanese yen, 1.7% lower versus the euro and 2.1% lower versus the British pound.

There was significant movement in the Fund's overall portfolio weighting among regions during the period. At the midway point of the year, 43% of the portfolio value was invested in the US (versus 48% at the start of the year), 16% in developed continental Europe (versus 20%), 9% in the U.K. (versus 6%), 9% in emerging markets (versus 5%), 15% in developed Asia (versus 15%) and 3% in Canada (versus 1%) while cash represented 5% of the total portfolio value.

The portfolio manager, City of London Investment Management (CLIM), in the 1st quarter reduced exposure to Europe and the technology sector while reinvesting proceeds into Japan, utilities and Emerging Markets. The 2nd quarter US exposure was significantly reduced as CLIM sold into the market's outperformance. Exposure to Canada and Mexico was increased as weakness related to NAFTA negotiations and trade tensions presented buying opportunities. The UK allocation was moved to an overweight position while widening discount on European closed end funds also resulted in some small purchases.

At the end of the period, the net asset value of the Fund stood at \$37.7 million compared to \$35 million at the end of 2017. The number of units outstanding increased by 4.0% over the period.

Management Fees

As the Manager, Tradex Management Inc. is responsible for directing the business, operations and affairs of the Fund. It performs this duty for an annual fee of 0.6% of the Fund's net asset value, calculated and accruing daily. This amounted to \$124,215 in the first half of 2018 (including HST) and represents less than 29% of the total expenses paid by the Fund. Many of the functions involved in operating the Fund are contracted out to leading professional firms in the mutual fund industry in Canada. Therefore, one of the key duties of the Manager is to negotiate and manage these contracts. Tradex Management Inc. is also the principal distributor of the Fund and, as such, is responsible for most of the communications with the Fund's unitholders and potential unitholders. Tradex Management Inc. receives no additional fees or commissions for being the Fund's principal distributor and pays a trailer fee of 0.25% from its management fee to mutual fund dealers who distribute the Fund (refunded if Tradex dealer).

Since Tradex Management Inc. operates on an "at cost" basis for the benefit of its investors, it voluntarily rebates and/or waives a portion of the management fees paid to it by the Fund when financial conditions permit. These rebates/waivers reduce the expenses for the Fund, which in turn reduce its management expense ratio. In the second half of 2017, \$136,504 in expenses were reduced for the Fund through such transactions. It is anticipated that a rebate will be made in the second half of 2018, but it is not possible to estimate the amount at this time.

Other Expenses

The other expenses incurred by the Fund in the first six months of 2018 amounted to \$313,739 and were paid to third party suppliers, governments and regulatory authorities. These represent investment advisory fees (paid to City of London Investment Management Company Limited), administrative fees paid for fund accounting, the registrar function and other related activities (paid to CIBC Mellon Global Securities Services Company, FundSERV Inc. and various other suppliers), costs of the independent review committee, audit fees (paid to PricewaterhouseCoopers LLP), custodian fees (paid to CIBC Mellon Trust Company), registration fees and expenses (paid to the 13 securities regulatory authorities in Canada), transaction costs (paid to various suppliers) and foreign withholding taxes (paid to appropriate foreign

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

governments). A listing of the various expenses paid by the Fund appears in the Statements of Comprehensive Income.

The Fund's management expense ratio (MER) decreased to 2.76% for the year ended December 31, 2017. For the six months ended June 30, 2018, it increased to 3.17%. The MER includes the

underlying closed-end fund company expenses. These expenses are charged to the net asset value of the closed-end funds instead of being reflected in the price at which the closed-end fund companies are recorded in the Tradex Global Equity Fund. In the first six months of 2018, the closed-end funds had 1.10% of annual underlying expenses.

II. FINANCIAL HIGHLIGHTS

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five and one-half years.

The Fund's Net Assets per Unit (1)

For the six month period ending June 30, 2018 and the five annual periods ending December 31, 2017, 2016, 2015, 2014 and 2013.

	2018	2017	2016	2015	2014	2013
Net assets per unit, beginning of period	\$ 16.90	\$ 15.32	\$ 15.14	\$ 15.53	\$ 13.87	\$ 10.57
Increase (decrease) from operations:						
Total revenue	\$ 0.25	\$ 0.60	\$ 0.55	\$ 0.86	\$ 0.65	\$ 0.31
Total expenses	\$ (0.20)	\$ (0.35)	\$ (0.38)	\$ (0.47)	\$ (0.40)	\$ (0.32)
Realized gains (losses) for the period	\$ 0.93	\$ 2.03	\$ (0.03)	\$ 2.66	\$ 1.57	\$ 1.27
Unrealized gains (losses) for the period	\$ (0.37)	\$ 1.35	\$ 0.45	\$ (0.78)	\$ 0.11	\$ 2.04
Total increase (decrease) from operations (2)	\$ 0.61	\$ 3.63	\$ 0.59	\$ 2.27	\$ 1.93	\$ 3.30
Distributions to investors:						
From investment income	\$ —	\$ 0.27	\$ 0.40	\$ 0.39	\$ 0.21	\$ —
From dividends	\$ —	\$ —	\$ —	\$ 0.01	\$ 0.06	\$ —
From capital gains	\$ —	\$ 1.82	\$ —	\$ 2.30	\$ —	\$ —
Total Distributions (3)	\$ —	\$ 2.09	\$ 0.40	\$ 2.70	\$ 0.27	\$ —
Net assets per unit, end of period	\$ 17.52	\$ 16.90	\$ 15.32	\$ 15.14	\$ 15.53	\$ 13.87

- (1) The information for 2013-2017 is derived from the Fund's audited annual financial statements. As of 2014 the Fund adopted International Financial Reporting Standards (IFRS) whereby net asset value is identical for pricing and accounting, and the 2013 values have been restated under IFRS.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period.
- (3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data	2018	2017	2016	2015	2014	2013
Total net asset value, end of period (000's)	\$ 37,737	\$ 34,989	\$ 26,823	\$ 25,881	\$ 19,893	\$ 15,782
Weighted average net asset value (000's)	\$ 36,987	\$ 31,678	\$ 25,210	\$ 23,996	\$ 18,114	\$ 13,146
Number of units outstanding, end of period	2,153,924	2,070,683	1,750,413	1,709,043	1,280,683	1,137,716
Management expense ratio (1)	3.17%	2.76%	2.92%	3.05%	3.12%	2.26%
Management expense ratio before waivers or absorptions (1)	3.17%	3.19%	3.32%	3.36%	3.54%	2.67%
Trading expense ratio (2)	0.23%	0.19%	0.42%	0.28%	0.31%	0.12%
Portfolio turnover rate (3)	31.64%	61.74%	107.47%	103.29%	115.65%	90.68%
Net asset value per unit, end of period	\$ 17.52	\$ 16.90	\$ 15.32	\$ 15.14	\$ 15.53	\$ 13.87

- (1) Management expense ratio is based on total expenses (excluding broker commission and other portfolio transaction costs) of the fund and the underlying funds, where applicable (commencing 2014), for the period and is expressed as an annualized percentage of daily average net asset value during the period. **Any expense waivers or absorptions are made in the second half of the year.**
- (2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of a fund.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

III. PAST PERFORMANCE

General

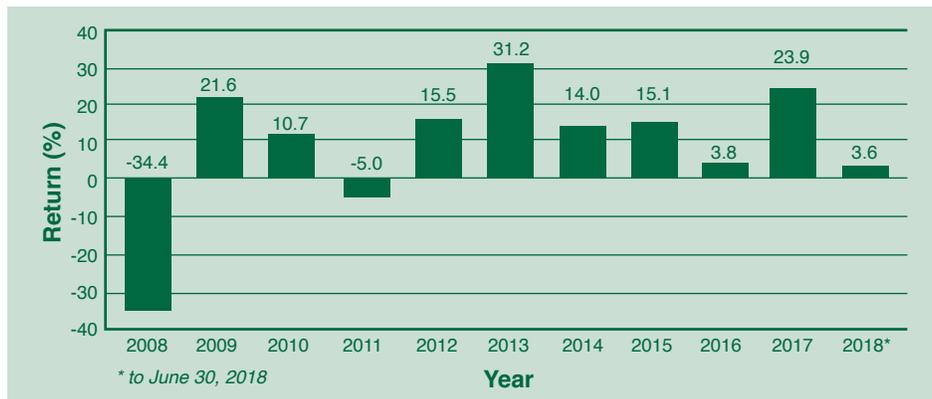
The Fund's past performance assumes all distributions made by the Fund in the periods shown were used to purchase additional units of the Fund.

If you hold the Fund outside a registered plan, you will be taxed on these distributions. Distributions of dividends the Fund earns and capital gains it realizes are taxable in the year received, whether received in cash or reinvested in additional units.

The performance information does not take into account any sales, redemption or other optional charges that, if applicable, would reduce the returns or performance. Please remember, the Fund's performance in the past does not necessarily indicate how it will perform in the future.

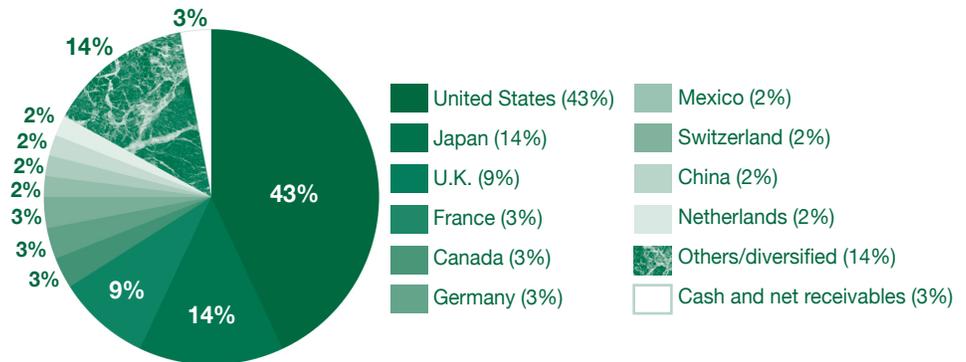
Year-by-year Returns

This bar chart shows the Fund's annual performance for each of the past 10 years ending December 31, 2017, plus the performance for the six-month period ending June 30, 2018. The chart shows in percentage terms how much an investment made on the first day of the period would have increased or decreased by the last day of the period and how the performance has varied from period to period.



IV. SUMMARY OF INVESTMENT PORTFOLIO

A summary of the investment portfolio as at June 30, 2018, broken down by the geographic location of the exposure of the companies in the portfolio, is as follows: (This represents portfolio manager City of London Investment Management's estimate of the underlying country exposure associated with the various assets held by the Fund.)



The following investments represent the top 25 holdings of the Fund as of June 30, 2018, shown as a percentage of the Fund's total asset value. The list is of interest only as of the date indicated, as the percentages may have changed, and some or all of the holdings may have been sold and new positions purchased. A quarterly update is available, as discussed on the cover page of this document.

JPMorgan American Investment Trust PLC	5.6%	Tekla Healthcare Investors Fund	2.6%
Fidelity European Values PLC	5.1%	JPMorgan Japan Smaller Companies Investment Trust PLC	2.6%
Adams Diversified Equity Fund Inc.	5.1%	British Empire Trust PLC	2.5%
ClearBridge American Energy MLP Fund Inc.	4.3%	Martin Currie Trust PLC	2.5%
Polar Capital Global Healthcare Trust PLC	4.3%	Aberdeen Japan Asia Unconstrained Equity Fund Inc.	2.3%
General American Investors Co. Inc.	4.1%	Pershing Square Holdings Ltd.	2.3%
European Investment Trust PLC (The)	3.8%	River & Mercantile UK Micro Cap Investment Co. Ltd.	2.2%
Reaves Utility Income Fund	3.6%	Mexico Fund Inc. (The)	2.2%
Polar Capital Global Financials Trust PLC	3.6%	Dunedin Income Growth Investment Trust PLC	2.2%
Sprott Focus Trust Inc.	3.5%	Jupiter US Smaller Companies PLC	2.1%
Perpetual Income & Growth Investment Trust PLC	3.4%	Canadian General Investments Ltd.	2.1%
JPMorgan Japanese Investment Trust PLC	3.0%	Sub-total – largest 25 holdings	80.7%
JPMorgan European Smaller Companies Trust PLC	2.9%	Remaining holdings	19.3%
Edinburgh Dragon Trust PLC	2.8%	Total	100.0%



INTERIM FINANCIAL STATEMENTS for the six months ending June 30, 2018

THE AUDITORS OF THE FUND HAVE NOT REVIEWED THESE FINANCIAL STATEMENTS.

Tradex Management Inc., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice. The next report on the Fund will contain annual audited financial information as at December 31, 2018.

STATEMENTS OF FINANCIAL POSITION

	June 30, 2018 (Unaudited)	Dec. 31, 2017 (Audited)
Assets		
Current Assets		
Investments at fair value through profit and loss	\$ 36,687,178	\$ 34,037,750
Cash and cash equivalents	1,258,832	1,057,081
Dividends receivable	59,569	77,438
Accrued interest receivable	408	156
Receivable for investments sold	—	53,214
Subscriptions receivable	2,214	2,100
Total Assets	38,008,201	35,227,739
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	113,148	132,321
Payable for investments purchased	164,122	106,380
Redemptions payable	—	—
Derivative liabilities	—	—
Total Liabilities	277,270	238,701
Net assets attributable to holders of redeemable units	\$ 37,730,931	\$ 34,989,038
Units issued and outstanding, end of period (Note 7)	2,153,924	2,070,683
Net assets attributable to holders of redeemable units per unit (Note 2)	\$ 17.52	\$ 16.90

The accompanying notes are an integral part of these financial statements.

Approved by the Board
of Directors of
Tradex Management Inc.,
Trustee for Tradex Global Equity Fund

Patricia Hassard
Director

Karin Zabel
Director

STATEMENTS OF COMPREHENSIVE INCOME *(Unaudited)*

	Six months ending June 30	
	2018	2017
Income		
Dividend income	\$ 532,956	\$ 325,967
Interest income for distribution purposes	1,523	265
Foreign exchange gain (loss) on cash	(4,292)	(3,677)
Other changes in fair value of investments and derivatives		
Net realized gain/loss on sale of investments and derivatives	1,989,849	1,863,321
Net realized foreign exchange gain (loss)	13,867	10,905
Change in unrealized appreciation (depreciation) on investments and derivatives	(792,064)	2,163,994
	1,741,839	4,360,775
Expenses (Note 6)		
Management fees	124,215	94,206
Investment advisory fees	188,650	159,276
Administration costs	43,368	39,177
Independent review committee	89	47
Audit fees	5,307	8,965
Custodian fees	9,461	7,746
Registration fees and expenses	8,248	8,355
Transaction costs	41,761	38,342
Foreign withholding taxes	16,855	—
	437,944	356,114
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,303,885	\$ 4,004,661
Weighted average units outstanding during the period	2,144,812	1,803,935
Increase (decrease) in net assets attributable to holders of redeemable units per unit	\$ 0.61	\$ 2.22

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS *(Unaudited)*

	Six months ending June 30	
	2018	2017
Net assets attributable to holders of redeemable units at beginning of period	\$ 34,989,038	\$ 26,823,232
Increase (decrease) in net assets attributable to holders of redeemable units	1,303,885	4,004,661
Redeemable unit transactions		
Proceeds from issuance of redeemable units	3,059,384	2,829,927
Reinvestment of distributions	—	—
Consideration paid for redemptions of redeemable units	(1,621,377)	(1,089,019)
Net increase (decrease) from redeemable unit transactions	1,438,007	1,740,908
Net increase (decrease) in net assets attributable to holders of redeemable units	2,741,892	5,745,569
Net assets attributable to holders of redeemable units at end of period	\$ 37,730,930	\$ 32,568,801

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS *(Unaudited)*

	Six months ending June 30	
	2018	2017
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,303,885	\$ 4,004,661
Adjustments for:		
Net foreign exchange loss (gain) on cash	(35)	(141)
Net realized (gain) loss on sale of investments and derivatives	(1,989,848)	(1,863,321)
Net change in unrealized (appreciation) depreciation of investments and derivatives	792,241	(2,164,139)
Purchase of investments	(12,672,039)	(9,760,738)
Proceeds from the sale of investments	11,331,175	8,572,314
Change in non-cash working capital items	(1,556)	17,312
	(1,236,177)	(1,194,052)
Cash Flows from Financing Activities		
Proceeds from issuance of redeemable units	3,059,270	2,806,039
Distributions paid to holders of redeemable units, net of reinvested distributions	—	—
Consideration paid on redemptions of redeemable units	(1,621,377)	(1,084,457)
	1,437,893	1,721,582
Increase (decrease) in cash and cash equivalents during the period	201,716	527,530
Foreign exchange loss (gain) on cash	35	141
Cash and cash equivalents at beginning of period	1,057,081	969,773
Cash and cash equivalents at end of period	\$ 1,258,832	\$ 1,497,444
Interest received	\$ 1,271	\$ 252
Dividends received, net of withholding taxes	\$ 533,970	\$ 359,244

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO *(Unaudited) June 30, 2018*

	Number of shares	Average cost	Fair value	% of total fair value
Canadian Equities				
Canadian General Investments Ltd.	31,300	\$ 760,130	\$ 780,935	
Middlefield Canadian Income PCC	200,000	329,884	327,570	
Total Canadian Equities		1,090,014	1,108,505	3.2%
Foreign Equities				
United States				
JPMorgan American Investment Trust PLC	286,777	1,720,777	2,102,194	
Adams Diversified Equity Fund Inc.	95,185	1,582,693	1,929,581	
ClearBridge American Energy MLP Fund Inc.	163,634	1,804,870	1,624,167	
General American Investors Co. Inc.	34,085	1,282,380	1,538,770	
Reaves Utility Income Fund	35,700	1,342,460	1,356,833	
Sprott Focus Trust Inc.	129,878	1,125,590	1,331,804	
Tekla Healthcare Investors Fund	34,411	918,602	972,626	
Pershing Square Holdings Ltd.	44,886	933,739	858,211	
Jupiter US Smaller Companies PLC	43,771	576,869	782,214	
Adams Natural Resources Fund Inc.	20,500	509,520	541,432	
Goldman Sachs MLP Income Opportunities Fund	33,735	463,944	400,034	
Royce Value Trust Inc., Rights, 2018/07/03	7,420	—	244	
		12,261,444	13,438,111	38.4%
Europe				
Fidelity European Values PLC	498,193	1,487,582	1,931,866	
European Investment Trust PLC (The)	91,764	1,278,409	1,429,718	
Perpetual Income and Growth Investment Trust PLC	204,983	1,253,508	1,274,996	
JPMorgan European Smaller Companies Trust PLC	155,272	739,001	1,096,451	
River & Mercantile UK Micro Cap Investment Co. Ltd	241,500	744,832	831,724	
Dunedin Income Growth Investment Trust PLC	183,092	790,524	813,226	
TR European Growth Trust PLC	41,700	744,797	737,969	
European Assets Trust NV	136,562	279,145	287,878	
Edinburgh Investment Trust PLC (The)	1,500	18,027	17,749	
		7,335,825	8,421,578	23.0%
Asia				
JPMorgan Japanese Investment Trust PLC	140,907	662,651	1,144,143	
Edinburgh Dragon Trust PLC	168,844	819,771	1,066,323	
JPMorgan Japan Smaller Companies Investment Trust PLC	129,972	648,212	962,896	
Martin Currie Asia Unconstrained Trust PLC	137,596	913,800	931,048	
Aberdeen Japan Equity Fund Inc.	74,932	597,111	870,823	
Atlantis Japan Growth Fund Ltd.	187,500	752,118	731,957	
Japan Smaller Capitalization Fund Inc.	45,148	586,621	691,472	
Aberdeen Japan Investment Trust PLC	43,750	368,653	459,235	
		5,348,937	6,857,898	19.6%
Globally Diversified / Other				
Polar Capital Global Healthcare Trust PLC	454,500	1,459,910	1,616,552	
Polar Capital Global Financials Trust PLC	580,846	1,082,780	1,345,377	
British Empire Trust PLC	71,612	798,855	935,584	
Mexico Fund Inc. (The)	41,396	798,084	823,938	
Templeton Emerging Markets Investment Trust PLC	59,700	819,500	726,096	
Aberdeen Total Dynamic Dividend Fund	63,114	680,896	726,012	
Polar Capital Technology Trust PLC	31,550	611,880	687,529	
		6,251,905	6,861,087	18.7%
Total Foreign Equities		31,198,111	35,578,674	97.0%
Total Equities		32,288,125	36,687,178	100.0%
Transaction costs		(78,787)		
Total portfolio of investments		\$ 32,209,338	\$ 36,687,178	100.0%

The accompanying notes are an integral part of these financial statements.

1. Background

Tradex Global Equity Fund (“the Fund”) is an unincorporated trust formed under the laws of the Province of Ontario. Tradex Management Inc. is the Manager and the Trustee of Tradex Global Equity Fund. These financial statements were authorized for issue by Tradex Management Inc. on August 23, 2018.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

Standards and amendments to existing standards effective 1 January 2018

The Fund has adopted the following standards and amendments for the first time for the annual reporting period commencing 1 January 2018:

IFRS 9 ‘Financial instruments’

The adoption of IFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning January 1, 2018 that have a material effect on the financial statements of the Fund.

In addition to the above, a number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2019 and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

Financial assets and financial liabilities at fair value through profit or loss (extracts)

Classification

Assets

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of

contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

The Fund’s policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Investments in financial assets previously designated at fair value through profit or loss

The Fund holds equity securities and debt securities which had previously been designated at fair value through profit or loss. On adoption of IFRS 9 these securities are mandatorily classified as fair value through profit or loss.

The Fund obligations for net assets attributable to holders of redeemable units are presented at the redemption amount which approximates fair value. The Fund’s accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring the net asset value (NAV) for transactions with unitholders. All other financial assets and liabilities, including redeemable units, are measured at amortized cost.

The fair value of financial assets and liabilities traded in active markets is based on the quoted market prices at close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and liabilities where the last traded price falls within the day’s bid-ask spread. In material circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. The fair value of any investment to which the foregoing principle cannot be applied shall be the fair value thereof determined in such a manner as the Manager from time to time provides.

The difference between the fair value of investments and the cost of the investments is included in “change in unrealized appreciation (depreciation) on investments and derivatives” in the Statements of Comprehensive Income.

Receivable for investments sold and Payable for investments purchased

Amounts receivable for investments sold and payable for investments purchased represent receivables for securities sold and payables for securities purchased that have

been contracted for but not yet settled or delivered on the statement of financial position date respectively. The receivable for investments sold balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts receivable for investments sold at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the purchaser, probability that the purchaser will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

If the Fund holds financial instruments that are not quoted in active markets, including derivatives, fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability, as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. Refer to Note 3 for further information about the fair value measurement of the Fund's financial instruments.

Forward foreign exchange contracts

The Fund enters into forward foreign exchange contracts for hedging purposes only. These contracts are limited to the market value of foreign securities owned by the Fund and quoted in that currency or where the underlying exposure is to that currency. Contracts do not exceed three years duration. On a daily basis, the value of these contracts is the gain or loss that would be realized if the positions were to be closed out. This is recorded in "change in unrealized appreciation (depreciation) on investments and derivatives". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized gain (loss) on sale of investments and derivatives" in the Statements of Comprehensive Income.

Foreign exchange

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on each valuation day. Purchases and sales of investments, income and expenses are translated into Canadian dollars at the exchange rates prevailing on the respective dates of such transactions.

Realized and unrealized foreign exchange gains (losses) on investments are included in "net realized gain (loss) on sale of investments and derivatives" and "change in unrealized appreciation (depreciation) on investments and derivatives," respectively, in the Statements of Comprehensive Income.

Investment transactions, investment income, expenses and distributions

Investment transactions are recorded on the trade date. Realized gains or losses on security transactions are determined on an average cost basis. Interest income and estimated expenses are accrued daily. Dividend income and distributions to unitholders are recorded on the ex-dividend date. Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are recognized in the Statements of Comprehensive Income.

The interest income for distribution purposes shown on the Statements of Comprehensive Income represents the

coupon interest received by the Fund, accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight line basis.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities, with the exception of zero coupon bonds.

Classification of redeemable units issued by the Fund
IAS 32 requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them and distribute annual net income for cash or another financial asset be classified as financial liabilities. The Fund's units do not meet the criteria in IAS 32 for classification as equity and therefore have been reclassified as financial liabilities.

Net assets attributable to holders of redeemable units
"Net assets attributable to holders of redeemable units" is based on the total net assets divided by the number of units outstanding as at the end of the period. The "increase (decrease) in net assets attributable to holders of redeemable units per unit" is based on the increase (decrease) in net assets from operations for the period divided by the weighted average number of units outstanding over the period.

Soft dollar commissions

No soft dollar commissions are charged to the Fund.

Taxes

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and distributes all of its net taxable income with the intent to not be subject to income tax.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

As at December 31, 2017, the Fund had no non-capital losses and no capital losses carried forward for income tax purposes. Capital losses may be carried forward indefinitely to be applied against future capital gains.

Goods and services tax (GST) or harmonized sales tax (HST), as applicable, is included in the relevant expense items charged to the Fund.

3. Classification of financial instruments

The Fund classifies its financial instruments within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2—Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3—Inputs that are not based on observable market data.

The classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2018 is as follows:

Level 1 Assets – \$36,687,178 in equities that trade in an active market on a recognized stock exchange and \$1,258,832 in cash and short-term investments (\$34,037,750 and \$1,057,081, respectively, on December 31, 2017).

There were no Level 2 or Level 3 assets on June 30, 2018 or December 31, 2017.

There were no transfers between levels during the period ended June 30, 2018 or December 31, 2017.

4. Management of financial risk

In the normal course of business, the Fund is exposed to a variety of financial risks. The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, foreign exchange rates, economic conditions and market and company news related to specific securities within the Fund.

Tradex Global Equity Fund's investment objective is to achieve long-term capital appreciation by investing primarily in closed-end fund companies whose investments are principally in a diversified portfolio of equity securities of issuers based in any country. The Fund's investment approach involves the portfolio advisor assessing which of the world's stock markets, industry sectors and currencies have the best potential rate of return. Indirect investments in global stocks are made primarily through exchange traded closed-end fund companies. The Fund also invests in Index Participation Units (IPUs) or Exchange-Traded Funds (ETFs), which mirror the performance of a particular exchange index. Up to 25% of the portfolio book value may also be invested in shares of non closed-end fund companies listed on a recognized stock exchange. The Americas, Europe and Asia are all represented in the portfolio, with emerging markets not accounting for more than 20% of total investments. Funds representing a single country cannot account for more than 35% of the portfolio, with the exception of the United States. Derivatives (forward contracts) may be used for foreign currency hedging purposes only.

The Fund's risk management practice includes the monitoring of compliance to investment guidelines. The Manager manages the potential effects of these financial risks on the Fund's performance by contracting and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's positions and market

NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2018 (cont'd)

events and diversify the investment portfolio within the constraints of the investment guidelines.

(a) Currency risk

Currency risk is the risk that the fair value of, or cash flows associated with, a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Fund. Currencies to which the Fund had exposure as at June 30, 2018 and December 31, 2017 are as follows (\$'000):

	30-June-18	31-Dec-17
US Dollars	12,859	13,354
UK Pounds	23,174	20,823
Euro	1	2

As at June 30, 2018, if the Canadian dollar had strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$1,802,000 (\$1,709,000 as at December 31, 2017). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(b) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. As at June 30, 2018 and December 31, 2017, the Fund held no debt instruments and therefore did not have significant exposure to credit risk.

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when a fund invests in interest-bearing financial instruments. The majority of the Fund's financial assets and liabilities are non interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

(d) Other market risk

Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

As at June 30, 2018, 94.3% of the Fund's net assets was traded on global stock exchanges (97.3% as at

December 31, 2017). If equity prices on all global stock exchanges had increased or decreased by 10% as at the period end, with all other factors remaining constant, net assets could possibly have increased or decreased by approximately \$3,669,000, respectively (\$3,404,000 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(e) Liquidity risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to daily cash redemptions of redeemable units. However, the Manager does not expect significant immediate actual cash outflows, as holders of these instruments typically retain them for a longer period. The units of the Fund are issued and redeemed on demand at the then current transactional net asset value per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and short-term investment positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions. All financial liabilities of the Fund mature within the next three months.

(f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. For a summary of the Fund's concentration risk, refer to Summary of Investment Portfolio (page 4) and Schedule of Investment Portfolio.

5. Interest in unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directly by means of contractual arrangements. The Manager has determined that all of the underlying Exchange Traded funds (ETFs) in which the Fund invests are unconsolidated structured entities. In making the determination, the Manager has made a significant judgment, generally because decision making about the underlying funds' activities is not governed by voting or similar rights held by the Fund and other investors in any underlying funds.

The Fund had no interest in underlying funds as at June 30, 2018.

6. Management expenses

The Fund retains investment advisory, custodial, professional, management and administrative services. The fees are charged directly to the Fund, as are

NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2018 (cont'd)

registration fees and expenses. Tradex Management Inc. (a related party) performs the management services, including the provision of key management personnel, for an annual fee of 0.6% of the Fund's net asset value, calculated and accruing daily.

Tradex Management Inc. may from time to time voluntarily waive a portion of its management fees and/or absorb all or a portion of the other expenses of the Fund and/or rebate to the Fund a portion of the fees paid to it by the Fund in the second half annually. This reduces the expenses for the Fund, which in turn reduces its management expense ratio. In 2017, \$136,054 in expenses were reduced for the Fund through such transactions.

7. *Units capitalization*

The capital of the Fund is represented by issued redeemable units that have no par value. They are entitled to distribution, if any, and to payment of a proportionate amount based on the Fund's net asset value per unit upon redemption.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units, other than minimum subscription requirements. In accordance with the investment objectives and strategies, and risk management practices outlined in Note 4, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings where necessary. The changes in the number of units during the last periods ending June 30 were as follows:

	2018	2017
Outstanding, beginning of period	2,070,683	1,750,413
Issued for cash	177,587	170,080
Redeemed	(94,346)	(65,734)
Outstanding, end of period	2,153,924	2,070,683

BOARD OF DIRECTORS AND OFFICERS

Bob Baldwin, *Ottawa, Ont.*

*Consultant
Director*

Philip E. Charko, *Ottawa, Ont.*

*Canada Employment Insurance Financing Board (retired)
Director and Chair*

Monique Collette, *Ottawa, Ont.*

*Atlantic Canada Opportunities Agency (retired)
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*Tradex Management Inc.
Director, President, CFO, CEO*

Patricia Hassard, *Ottawa, Ont.*

*Privy Council Office (retired)
Director and Secretary*

Franklin Blake Johnston, *Ottawa, Ont.*

*President, Diligence Public Affairs Inc.
Director*

Tom MacDonald, *Ottawa, Ont.*

*Global Affairs Canada (retired)
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*Tradex Management Inc.
Senior Vice President and Chief Operating Officer*

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*Association of Professional Executives of the Public Service
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*Tradex Management Inc.
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Karin Zabel, CPA, *Ottawa, Ont.*

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