

Tradex

QUARTERLY

Second quarter 2024



President's Report to Tradex Members



The Canadian equity market declined this quarter, with the S&P/TSX Composite Index decreasing by 1.3% during the past three months, however ended the first half of the year up 4.4%. In the US, the S&P 500 Index was up 3.9% for the quarter and 14.5% year-to-date. However, the increase in terms of Canadian dollars was higher for the quarter

as the Canadian currency decreased from 73.80 cents to 73.06 cents, a decrease of 1%. Canadian stocks remain discounted to the US with the US Price/Earnings ratio at 21.2 times versus its 17-year average of 16.1 and the TSX's 14.0x versus 14.5x average. As of June 30, the dividend yield of the S&P/TSX was 3.1% and S&P 500 1.4%, which indicates a more normalized environment with bond yields having increased and now exceeding. The 10-year government bond yields are 3.5% in Canada and 4.4% for US Treasuries.

The Bank of Canada (BoC) after holding its rate in April, cut it's rate for the first time in 4 years by 0.25% to 4.75% at the June announcement. Alternatively, the FOMC held its rate at 5-1/4 to 5-1/2 percent at both meetings May 1 and June 12 and indicated perhaps only one cut likely in 2024 (December). Both Central Banks are continuing their monetary tightening. The BoC indicated "The global economy grew by about 3% in the first quarter of 2024. Inflation in most advanced economies continues to ease, although progress towards price stability is bumpy and is proceeding at different speeds across regions. In Canada, economic growth resumed in the first quarter of 2024 after stalling in the second half of last year." They expect inflation will continue to move towards target but risks remain. The FOMC stated "Recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have remained strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated" despite progress in recent months towards the inflation objective. "The economic outlook is uncertain, and the Committee remains highly attentive to inflation risks."

Interim Management Reports of Fund Performance and Financial Statements

For members who did not elect to receive a mailed copy, the 2024 reports will be available by late August on our website. If you wish to receive a printed copy, please call or e-mail us.

Paperless and Online access for the Tradex Funds

With the new back-office, RBC Investor Services for the Tradex funds, we are now able to offer electronic statements, tax slips and confirmation slips for holders of the Tradex funds. Please register for your wealthlink access on our website (next to the dealer webconnect access) and select electronic delivery if you wish to stop receiving the Tradex funds statements and confirmations by mail. Please contact our office if you prefer us to set you up.

A thank-you for referring New Clients

All new member referrals currently are eligible for \$25 for each of the referring member and new member in recognition of Tradex Global's 25th anniversary with City of London Investment Management as portfolio managers. Referral Forms are available on our website or from our office.

Tradex Family Fun Day

In our continuing efforts to support members and recruit new members, we are hosting a free family fun day at Andrew Haydon Park in Ottawa on Saturday, September 14th. All Tradex members are invited to bring their children and grandchildren along with extended family with children to this inaugural event. More details will be available on our website as the date approaches. Hope to see you there.

Consolidate and Save

Our back page provides a brief outline of the benefits associated with eligible members consolidating their mutual fund investments through Tradex. We also outline the advantages associated in dealing through Tradex and an outline of the services available.

A handwritten signature in blue ink that reads "Blair Cooper".

Blair Cooper
July 17, 2024

SWITCH, SIMPLIFY AND SAVE

Tradex offers Members access to a broad range of products and services to meet your financial needs. By centralizing your needs through Tradex you can simplify your financial picture and often achieve significant savings (recent portfolio transfers saved 17% to 38%, with an average savings of 30%).

Holding All of your Mutual Funds through Tradex

Tradex is a licensed mutual fund dealer in Ontario, Quebec and British Columbia offering these members the opportunity to purchase and hold through Tradex most of the over 5,000 mutual funds available to Canadian investors, including funds offered by Beutel Goodman, the major banks, Capital, Dynamic, Fidelity, Franklin Templeton and NEI (to name just a few).

The benefits of dealing through Tradex are:

- Tradex saves you money! When you purchase mutual funds through Tradex there are no sales commissions, account set-up fees or transaction fees. This includes those mutual funds where you would normally pay a sales commission if they were purchased elsewhere.
- If you currently own mutual funds purchased elsewhere (at a bank, broker, discount broker or mutual fund dealer) you can transfer them into an account at Tradex at no cost (we'll pay the transfer fees on your behalf). For fee-based accounts, compare Tradex service fees max 0.7% versus the typical 1.00-1.4% at other dealers.
- There are no annual TFSA, RRSP or RRIF fees as we pay the annual administrative fees for eligible self-directed plans. Self-directed accounts can hold mutual funds, ETFs and GICs.
- We'll give you great service and expert advice just like the service we provide for the Tradex Funds. Also, you'll receive a quarterly consolidated fund statement along with having full on-line access to view all of your accounts through our online access.
- We offer Retirement Income forecasts at no charge to help you meet your financial goals.
- Our portfolio reviews and recommendations are tailored to your specific needs, based upon your existing holdings, risk tolerance and individual preferences.
- Our salaried advisers provide straight-forward unbiased advice, ensuring that your investments are properly allocated between registered and taxable accounts to maximize after-tax returns.
- Where appropriate, we will recommend using specially developed corporate class and other structures to reduce your tax burden.
- We recommend buying and holding mutual funds that have a combination of low management expense ratios and proven long-term performance.
- Frequently you can save twice, first by Tradex offering access to lower cost versions of funds available through other dealers and second by the potential for increased rebates into your Tradex funds holdings as more members consolidate their holdings under our dealer.

For more information please call us at 613-233-3394 or 1-800-567-3863 or e-mail info@tradex.ca.