

# 2024

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

### Tradex EQUITY Fund Limited

June 30, 2024

You may get a copy of the Fund's Simplified Prospectus, 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.sedarplus.ca**.

**Tradex Management Inc.**  
340 Albert Street, Suite 1604  
Ottawa, Ontario  
K1R 7Y6



## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE for the six months ending June 30, 2024

### I. MANAGEMENT DISCUSSION OF FUND PERFORMANCE

#### Results of Operations

An investment in Tradex Equity Fund Limited increased in value by 8.5% during the first half of 2024 compared to an increase of 6.1% in its benchmark, the S&P/TSX Total Return Index. During the past 12 months, the Fund was up 13.6% outperforming its benchmark by 150 basis points.

The Canadian equity market ended the first quarter in positive territory but underperformed the U.S. market. The S&P/TSX's performance was supported by resilient economic data and expectations that corporate earnings growth will regain momentum. While an economic soft landing has become a consensus call, we remain aware that the Canadian economy is losing steam. Consensus growth forecasts reflect the impact of tighter financial conditions, global equity markets recorded their best quarter of performance since 2020, extending last quarter's rally as investors became increasingly confident that interest rates have peaked, inflation remains on a path towards 2%, and the economy can manage a soft landing. The Canadian equity market declined in the 2nd quarter however, ended the first half of the year up 4.4%. The decline in the TSX was fuelled by weak retail sales, manufacturing softening, and a slowing real estate market. Notably, the Bank of Canada cut its policy interest rate by 25bps in early June, for the first time in four years. Overall, the Canadian economy is losing some steam despite the probability of a deep recession subsiding. Consumer spending has continued to slow, and the effects of higher interest rates on housing and personal debt continue to hinder discretionary spending. Global equity markets extended last quarter's gains into the second quarter, largely driven by a small group of stocks and the view that inflation is likely to slow without significant disruption to the labour market, resulting in a soft landing.

During the period foreign equities continued to represent approximately 42% of the Fund's total portfolio value, and at mid-year US equities represented 28% and non-north American stocks 14%. The number of stocks in the Canadian portion of the portfolio was decreased to 80 from 84 while the number of foreign stocks was increased to 43 from 41. Small and mid-cap companies represent a fairly large proportion of the Canadian portfolio. Portfolio Manager Phillips, Hager and North (PH&N) added AtkinsRealis Group Inc., George Weston Lit, TFI International Inc., Chord Energy Corp., JP Morgan Chase & Co., Meta Platforms Inc., Pinterest Inc., Valero Energy Corp., ICICI Bank Ltd., CRH PLC, Mitsubishi Electric Corp., ABB Ltd. and National Grid PLC. They exited positions in CAE Inc., Enerplus Corp., Neighbourly Pharmacy Inc. (takeover), Tricon Residential Inc., American Water Works Co Inc., CSX Corp., EOG Resources Inc., MarketAess Holdings Inc., Morgan Stanley, Newmont Corp., Deutsche Post AG and Astellas Pharma Inc.. During the 1st quarter, an underweight to the Utilities contributed most to relative performance as not owning names like Brookfield Renewable Partners, Emera, and Northland Power supported

portfolio performance. Elsewhere within the portfolio, Imperial Oil and Canadian Natural Resources performed especially well. The portfolio's position in Nvidia was among the largest contributors to returns along with TSMC, AutoZone and Safran. Not owning Celestica hurt relative returns as did owning MarketAess, AIA Group and DHL Group. In the second quarter, positions in Meta, Amazon, Microsoft, Copperleaf Technologies, Agnico Eagle Mines, Pan American Silver, Nvidia, Novo Nordisk, Netflix and TSMC all contributed positively. Additionally, not owning Bausch Health was a large contributor. Conversely, the larger detractions came from a lack of exposure to Bombardier, Apple and Celestica. Our positions in Fortive and Salesforce also detracted from performance.

The outperformance of the US market was enhanced as the Canadian dollar weakened versus its US counterpart, decreasing from 75.61 cents US at the start of the year to 73.06 cents at the end of the period. Throughout the period in the range of 20-50% of the U.S dollar exposure was hedged into Canadian dollars through derivatives known as forward contracts. This reduced a portion of the currency-related gains that the Fund would otherwise have experienced.

At the end of the period, the net asset value of the Fund stood at \$149.4 million compared to \$140.5 million at the end of 2023. There was a capital gain distribution of 13.44 cents per share in January 2024. The number of shares outstanding decreased by 1.5% over the period.

#### Related Party Transactions and 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 0.7% of the Fund's net asset value, calculated and accruing daily. This amounted to \$572,087 in the first six months of 2024 (including HST) and represents 57% of the total expenses paid by the Fund (excluding brokerage fees). 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 shareholders and potential shareholders. Tradex Management Inc. receives no additional fees or commissions for being the Fund's principal distributor.

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 2023, \$178,992 in expenses were reduced for the Fund through such transactions. It is anticipated that a rebate will be made in the second half of 2024, although it is not possible to estimate the amount at this time.

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

### Other Expenses

The other expenses incurred by the Fund in the first six months of 2024 amounted to \$428,366 and were paid to third party suppliers, governments and regulatory authorities. These represent investment advisory fees (paid to Phillips, Hager & North Investment Management), administrative fees paid for fund accounting, the registrar function and other related activities (paid to RBC Investor Services, FundSERV Inc. and various other

suppliers), costs of the independent review committee, audit fees (payable to PricewaterhouseCoopers LLP), custodian fees (paid to RBC Investor Services), 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 governments). A listing of the various expenses paid by the Fund appears in the Statements of Comprehensive Income on page 6.

## 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 Share (1)

For the six month period ending June 30, 2024 and the five annual periods ending December 31, 2023, 2022, 2021, 2020 and 2019.

	2024	2023	2022	2021	2020	2019
Net assets per share, beginning of period	\$ 25.99	\$ 24.19	\$ 29.17	\$ 24.10	\$ 21.69	\$ 17.93
Increase (decrease) from operations:						
Total revenue	\$ 0.37	\$ 0.66	\$ 0.63	\$ 0.64	\$ 0.61	\$ 0.52
Total expenses	\$ (0.19)	\$ (0.33)	\$ (0.29)	\$ (0.30)	\$ (0.24)	\$ (0.24)
Realized gains (losses) for the period	\$ 0.77	\$ 1.18	\$ 0.68	\$ 1.59	\$ 0.18	\$ 0.30
Unrealized gains (losses) for the period	\$ 1.26	\$ 0.75	\$ (5.08)	\$ 3.54	\$ 2.18	\$ 3.55
Total increase (decrease) from operations (2)	\$ 2.21	\$ 2.26	\$ (4.06)	\$ 5.47	\$ 2.73	\$ 4.13
Distributions to investors:						
From dividends	\$ —	\$ 0.48	\$ 0.46	\$ 0.41	\$ 0.38	\$ 0.37
From capital gains	\$ 0.13	\$ —	\$ 0.48	\$ —	\$ —	\$ —
Total Distributions (3)	\$ 0.13	\$ 0.48	\$ 0.94	\$ 0.41	\$ 0.38	\$ 0.37
Net assets per share, end of period	\$ 28.05	\$ 25.99	\$ 24.19	\$ 29.17	\$ 24.10	\$ 21.69

- (1) The information for 2019-2023 is derived from the Fund's audited annual financial statements.
- (2) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the period.
- (3) Distributions were paid in cash/reinvested in additional shares of the Fund, or both.

Ratios and Supplemental Data	2024	2023	2022	2021	2020	2019
Total net asset value, end of period (000's)	\$ 149,402	\$ 140,523	\$ 139,483	\$ 166,836	\$ 135,625	\$ 123,505
Weighted average net asset value (000's)	\$ 147,225	\$ 140,385	\$ 147,605	\$ 154,276	\$ 120,181	\$ 117,716
Number of shares outstanding, end of period	5,325,388	5,406,290	5,766,079	5,719,834	5,626,761	5,693,582
Management expense ratio (1)	1.23%	1.18%	1.02%	1.00%	1.03%	1.10%
Management expense ratio before waivers or absorptions (1)	1.23%	1.31%	1.32%	1.25%	1.30%	1.30%
Trading expense ratio (2)	0.03%	0.03%	0.01%	0.03%	0.02%	0.02%
Portfolio turnover rate (3)	12.26%	25.99%	20.02%	17.57%	17.13%	13.79%
Net asset value per share, end of period	\$ 28.05	\$ 25.99	\$ 24.19	\$ 29.17	\$ 24.10	\$ 21.69

- (1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) 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 a 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 the performance of a Fund.

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

## III. PAST PERFORMANCE

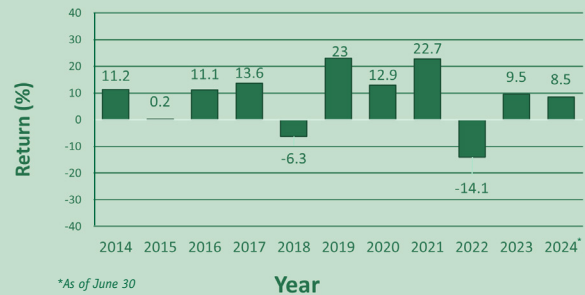
### General

The Fund's past performance assumes all distributions made by the Fund in the periods shown were used to purchase additional shares 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 shares. The performance information does not take into account any sales, redemptions or other optional charges that, if applicable, would reduce the returns or performance. Please remember, the Fund's performance in the past does not indicate how it will perform in the future.

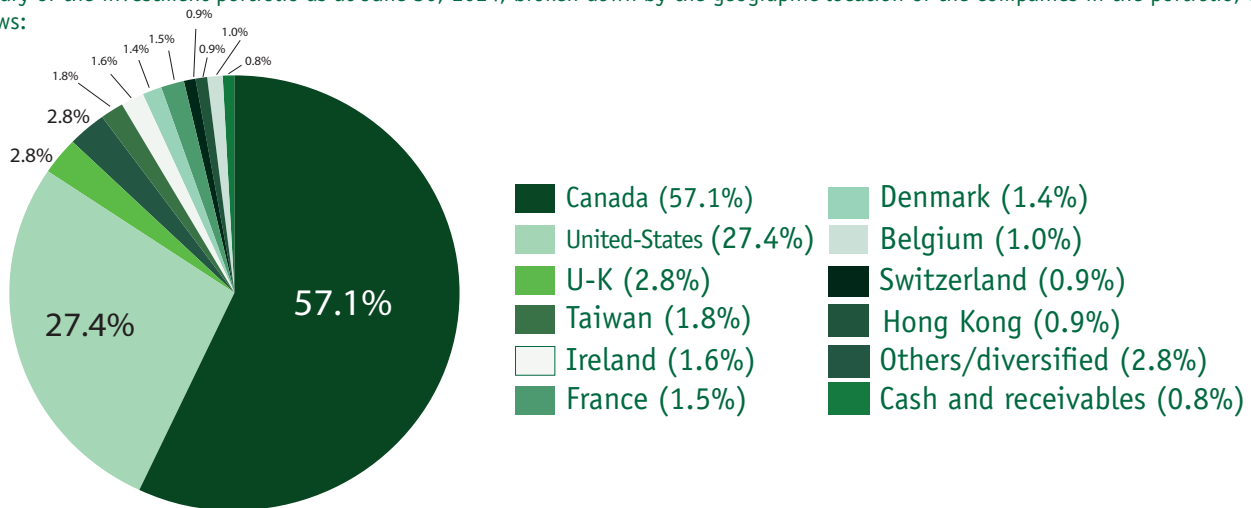
### Year-by-year Returns

This bar chart shows the Fund's annual performance for each of the past ten years ending December 31, plus the performance for the six-month period ending June 30, 2024. The chart shows in percentage terms how 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 varied from period to period.



## IV. SUMMARY OF INVESTMENT PORTFOLIO

A summary of the investment portfolio as at June 30, 2024, broken down by the geographic location of the companies in the portfolio, is as follows:



The following investments represent the 25 largest holdings of the Fund as of June 30, 2024, shown as a percentage of the Fund's net 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.

Royal Bank of Canada	4.1%	Canadian National Railway Co	1.5%
Microsoft Corporation	2.8%	Visa Inc	1.5%
NVIDIA Corp	2.5%	Manulife Financial Corp	1.5%
Canadian Natural Resources Ltd	2.4%	AutoZone Inc	1.5%
Shopify Inc	2.3%	Constellation Software Inc/Canada	1.4%
Toronto-Dominion Bank/The	2.3%	Novo Nordisk A/S	1.4%
Amazon.com Inc	2.2%	Fortive Corp	1.4%
Taiwan Semiconductor Manufacturing Co Ltd	1.8%	Alimentation Couche-Tard Inc	1.4%
UnitedHealth Group Inc	1.8%	Home Depot Inc/The	1.4%
Brookfield Corp	1.8%	Procter & Gamble Co/The	1.4%
Bank of Montreal	1.8%	Agnico Eagle Mines Ltd	1.3%
Canadian Pacific Kansas City Ltd	1.7%	Sub-total – largest 25 holdings	46.4%
Enbridge Inc	1.7%	Remaining holdings	53.6%
Safran SA	1.5%	Total Investment Portfolio	100.0%



## INTERIM FINANCIAL STATEMENTS for the six months ending June 30, 2024

### 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, 2024.

## STATEMENTS OF FINANCIAL POSITION

	June 30, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Investments at fair value through profit and loss	\$ 148,383,380	\$ 138,542,530
Cash and cash equivalents	1,004,288	1,187,362
Dividends receivable	323,619	305,813
Subscriptions receivable	5,000	8,740
Derivative assets	52,477	779,117
<b>Total Assets</b>	<b>149,768,764</b>	<b>140,823,562</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	248,578	275,310
Redemptions payable	1,361	—
Distributions payable to holders of redeemable shares	—	4,325
Derivative liabilities	116,436	20,562
<b>Total Liabilities</b>	<b>\$ 366,375</b>	<b>\$ 300,197</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 149,402,389</b>	<b>\$ 140,523,365</b>
<b>Shares issued and outstanding, end of period (Note 7)</b>	<b>5,325,388</b>	<b>5,406,290</b>
<b>Net assets attributable to holders of redeemable shares per share</b>	<b>\$ 28.05</b>	<b>\$ 25.99</b>

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

Approved by the Board  
of Directors of  
Tradex Equity Fund Limited

*s/Philip E. Charko*

Phillip E. Charko  
Director

*s/Christine Allison*

Christine Allison FCPA, FCA  
Director

## STATEMENTS OF COMPREHENSIVE INCOME *(Unaudited)*

	Six months ending June 30	
	<b>2024</b>	<b>2023</b>
<b>Income</b>		
Dividend income	\$ 1,886,391	\$ 1,964,765
Interest income for distribution purposes	51,992	51,226
Securities lending revenue	13,971	6,349
Net foreign exchange gain (loss) on cash	7,952	(20,645)
Derivative income (loss)	(68,726)	223,573
Other income	11,677	259
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments and derivatives	4,173,833	3,929,124
Net realized foreign exchange gain (loss)	20,397	(15,376)
Change in unrealized appreciation (depreciation) on investments and derivatives	6,793,310	1,262,022
	<b>12,890,797</b>	<b>7,401,297</b>
<b>Expenses</b>		
Management fees (Note 6)	572,087	556,799
Investment advisory fees	174,751	168,370
Administration costs	104,062	158,200
Independent review committee	84	111
Audit fees	28,400	37,855
Custodian fees	15,123	11,413
Registration fees and expenses	8,179	9,564
Transaction costs	21,071	21,744
Foreign withholding taxes	76,696	101,020
	<b>1,000,453</b>	<b>1,065,076</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares</b>	<b>\$ 11,890,344</b>	<b>\$ 6,336,221</b>
<b>Weighted average shares outstanding during the period</b>	<b>5,388,037</b>	<b>5,696,709</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares per share</b>	<b>\$ 2.21</b>	<b>\$ 1.11</b>

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

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

	Six months ending June 30	
	<b>2024</b>	<b>2023</b>
<b>Net assets attributable to holders of redeemable shares at beginning of period</b>	<b>\$ 140,523,365</b>	<b>\$ 139,482,986</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>11,890,344</b>	<b>6,336,221</b>
<b>Distributions</b>		
Distributions to holders of redeemable shares from net realized capital gains	<b>(726,579)</b>	<b>—</b>
<b>Redeemable shares transactions</b>		
Proceeds from issuance of redeemable shares	<b>4,262,257</b>	<b>2,826,662</b>
Reinvestment of distributions	<b>698,666</b>	<b>—</b>
Consideration paid on redemptions of redeemable shares	<b>(7,245,664)</b>	<b>(7,981,640)</b>
<b>Net (decrease) from redeemable share transactions</b>	<b>(2,284,741)</b>	<b>(5,154,978)</b>
<b>Net assets attributable to holders of redeemable shares at end of period</b>	<b>\$ 149,402,389</b>	<b>\$ 140,664,229</b>

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

## STATEMENTS OF CASH FLOWS *(Unaudited)*

	Six months ending June 30	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holder of redeemable shares	\$ 11,890,344	\$ 6,336,221
Adjustments for:		
Foreign exchange loss (gain) on cash	(7,952)	20,645
Net realized (gain) loss on sale of investments and derivatives	(4,173,833)	(3,929,124)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(6,793,310)	(1,262,022)
Purchase of investments	(17,662,521)	(22,354,244)
Proceeds from the sale of investments	19,611,328	26,489,130
Change in non-cash working capital items	(44,538)	886,248
<b>Net cash from Operating Activities</b>	<b>2,819,518</b>	6,186,854
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of redeemable shares	4,265,997	2,838,331
Consideration paid on redemptions of redeemable shares	(7,244,303)	(7,987,942)
Distributions paid to holders of redeemable shares, net of reinvested distributions	(32,238)	(4,219)
<b>Net cash used in Financing Activities</b>	<b>(3,010,544)</b>	(5,153,830)
<b>Increase (decrease) in cash and cash equivalents during the period</b>	<b>(191,026)</b>	1,033,024
<b>Foreign exchange loss (gain) on cash</b>	<b>7,952</b>	(20,645)
<b>Cash and cash equivalents at beginning of period</b>	<b>1,187,362</b>	999,867
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,004,288</b>	\$ 2,012,246
Interest received	\$ 51,992	\$ 51,226
Dividends received, net of withholding taxes	\$ 1,791,889	\$ 1,915,207

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



## SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited) June 30, 2024

Canadian Common Stocks	Number of Shares	Average Cost	Fair Value	% of total fair value
Agnico Eagle Mines Ltd.	22,263	\$ 1,057,581	\$ 1,992,093	
Alimentation Couche-Tard Inc.	27,359	752,416	2,100,350	
Allied Properties Real Estate Investment Trust	12,871	423,523	197,055	
AltaGas Ltd.	18,330	356,971	566,580	
ARC Resources Ltd.	30,000	646,102	732,300	
AtkinsRealis Group Inc.	4,500	244,683	266,490	
ATS Corp.	8,721	192,938	386,079	
AutoCanada Inc.	14,887	325,005	286,277	
Bank of Montreal	23,329	1,873,121	2,678,869	
Bank of Nova Scotia	27,798	1,632,426	1,739,599	
BCE Inc.	20,872	933,602	924,838	
Boyd Group Services Inc.	1,400	354,954	359,758	
Brookfield Corp.	47,168	669,618	2,683,859	
Cameco Corp.	18,620	681,071	1,253,312	
Canadian Apartment Properties REIT	9,823	478,442	436,632	
Canadian Imperial Bank of Commerce	29,982	1,580,942	1,950,329	
Canadian National Railway Co.	14,062	729,285	2,273,263	
Canadian Natural Resources Ltd.	74,042	1,374,454	3,608,067	
Canadian Pacific Kansas City Ltd.	23,736	1,364,880	2,557,317	
Cenovus Energy Inc.	35,000	869,861	941,150	
CGI Inc.	7,408	354,592	1,011,562	
Chartwell Retirement Residences	32,777	355,625	421,184	
Choice Properties Real Estate Investment Trust	18,701	193,095	240,121	
Constellation Software Inc.	550	1,778,253	2,168,034	
Constellation Software Inc., Warrants, 2040-03-31	150	-	-	
Copperleaf Technologies Inc.	23,218	325,779	275,133	
Coveo Solutions Inc.	21,134	301,195	164,634	
Descartes Systems Group Inc.	6,113	279,491	810,278	
Dollarama Inc.	11,058	565,154	1,381,255	
Element Fleet Management Corp.	16,900	373,661	420,641	
Enbridge Inc.	52,517	2,445,047	2,556,002	
First Quantum Minerals Ltd.	39,033	1,079,508	701,423	
FirstService Corp.	2,452	260,113	510,506	
Fortis Inc.	7,132	371,965	379,208	
Franco-Nevada Corp.	5,169	473,701	838,412	
George Weston Ltd.	1,660	301,478	326,671	
Granite Real Estate Investment Trust	4,514	350,761	306,004	
Hydro One Ltd.	9,000	343,440	358,650	
Imperial Oil Ltd.	10,980	719,738	1,024,214	
Intact Financial Corp.	6,540	815,306	1,491,185	
Interfor Corp.	12,535	234,964	207,078	
InterRent Real Estate Investment Trust	23,458	234,974	279,385	
K92 Mining Inc.	36,986	211,015	290,340	
Keyera Corp.	15,895	349,575	602,262	
Killam Apartment Real Estate Investment Trust	15,880	270,089	270,595	
Kinaxis Inc.	3,020	315,675	476,435	
Labrador Iron Ore Royalty Corp.	6,217	161,612	180,915	
Lightspeed Commerce Inc.	19,073	819,245	356,665	
Loblaw Cos Ltd.	6,490	359,878	1,029,963	
Lundin Mining Corp.	30,947	189,345	471,323	
Magna International Inc.	11,282	426,590	646,910	
Manulife Financial Corp.	60,694	1,422,138	2,211,082	
Maple Leaf Foods Inc.	8,761	267,594	200,802	
National Bank of Canada	10,900	846,716	1,182,759	
Nutrien Ltd.	18,826	1,270,354	1,311,231	
OceanaGold Corp.	57,517	167,890	180,603	
Open Text Corp.	11,961	544,818	491,358	
Pan American Silver Corp.	18,373	472,942	499,562	
Pan American Silver Corp., Rights, 2029-02-22	41,400	-	26,200	
Pet Valu Holdings Ltd.	9,591	236,799	252,339	
Power Corp. of Canada	24,576	821,824	934,380	
PrairieSky Royalty Ltd.	17,240	392,507	448,240	
Premium Brands Holdings Corp.	5,198	482,790	489,808	
RB Global Inc.	3,220	275,882	335,975	
Restaurant Brands International Inc.	7,557	580,022	728,495	
Rogers Communications Inc.	16,163	589,156	817,848	
Royal Bank of Canada	42,023	2,045,541	6,120,650	
Shopify Inc.	38,850	1,959,465	3,512,429	
SSR Mining Inc.	6,754	153,957	41,740	
Sun Life Financial Inc.	21,341	864,432	1,431,554	
Suncor Energy Inc.	30,980	1,176,810	1,615,607	

## SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited) June 30, 2024

Canadian Common Stocks (continued)	Number of shares	Average Cost	Fair Value	% of total fair value
TC Energy Corp.	25,223	\$ 1,071,242	\$ 1,308,065	
Teck Resources Ltd.	21,294	720,214	1,396,035	
TELUS Corp.	50,324	1,193,899	1,042,210	
TFI International Inc.	1,900	347,786	377,416	
Thomson Reuters Corp.	6,606	376,215	1,523,410	
Torex Gold Resources Inc.	14,815	269,572	314,078	
Toronto-Dominion Bank	46,539	2,156,036	3,499,733	
Tourmaline Oil Corp.	11,948	472,191	741,373	
Waste Connections Inc.	8,196	622,327	1,967,286	
Wheaton Precious Metals Corp.	19,565	561,572	1,403,397	
WSP Global Inc.	4,340	556,488	924,550	
Total Canadian Common Stock		54,721,918	85,461,420	57.6%

Foreign Common Stocks	Number of Shares	Average Cost	Fair Value	% of total fair value
<b>United States</b>				
Alphabet Inc.	6,984	\$ 600,554	\$ 1,740,339	
Amazon.com Inc.	12,255	1,133,030	3,239,912	
AutoZone Inc.	542	1,344,107	2,197,822	
Blackstone Inc.	5,685	302,700	962,834	
Chord Energy Corp.	1,503	360,100	344,779	
Deere & Co.	500	249,750	255,571	
Equinix Inc.	271	279,129	280,502	
Fortive Corp.	20,953	1,554,409	2,124,052	
HCA Healthcare Inc.	4,385	1,719,166	1,927,321	
Home Depot Inc.	4,439	2,009,726	2,090,485	
Intuit Inc.	1,854	1,442,185	1,666,918	
JPMorgan Chase & Co.	5,430	1,419,508	1,502,485	
Meta Platforms Inc.	525	314,876	362,143	
Micron Technology Inc.	5,592	497,092	1,006,219	
Microsoft Corp.	6,826	1,180,809	4,173,743	
Netflix Inc.	1,967	1,153,649	1,816,065	
NVIDIA Corp.	22,030	346,885	3,723,253	
Pinterest Inc.	5,200	249,779	313,507	
Procter & Gamble Co.	8,969	1,852,518	2,023,568	
Salesforce Inc.	4,339	1,159,049	1,526,132	
T-Mobile US Inc.	5,302	855,110	1,277,900	
UnitedHealth Group Inc.	3,896	1,023,730	2,714,307	
Valero Energy Corp.	6,670	1,592,130	1,430,413	
Visa Inc.	6,169	1,864,640	2,215,108	
		24,504,631	40,915,378	27.6%
<b>Belgium</b>				
Anheuser-Busch InBev SA	19,291	1,933,822	1,529,623	
		1,933,822	1,529,623	1.0%
<b>Bermuda</b>				
Brookfield Infrastructure Partners LP	10,752	302,588	404,060	
		302,588	404,060	0.3%
<b>Denmark</b>				
Novo Nordisk A/S	10,889	1,472,348	2,151,104	
		1,472,348	2,151,104	1.4%
<b>France</b>				
Safran SA	7,932	1,672,933	2,294,044	
		1,672,933	2,294,044	1.5%
<b>Hong Kong</b>				
AIA Group Ltd.	151,017	1,721,908	1,402,181	
		1,721,908	1,402,181	0.9%

## SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited) June 30, 2024

Foreign Common Stocks (continued)	Number of Shares	Average Cost	Fair Value	%of total fair value
<b>India</b>				
ICICI Bank Ltd.	24,775	\$ 873,835	\$ 976,467	
		873,835	976,467	0.7%
<b>Ireland</b>				
CRH PLC	12,694	1,360,878	1,302,100	
Kerry Group PLC	9,290	1,482,762	1,029,666	
		2,843,640	2,331,766	1.6%
<b>Japan</b>				
MISUMI Group Inc.	24,963	706,174	583,821	
Mitsubishi Electric Corp.	24,930	609,990	544,257	
		1,316,164	1,128,078	0.8%
<b>Luxembourg</b>				
Eurofins Scientific SE	5,282	447,007	360,238	
		447,007	360,238	0.2%
<b>Norway</b>				
Equinor ASA	29,064	1,126,069	1,131,901	
		1,126,069	1,131,901	0.8%
<b>Switzerland</b>				
ABB Ltd.	17,987	1,418,246	1,367,225	
		1,418,246	1,367,225	0.9%
<b>Taiwan</b>				
Taiwan Semiconductor Manufacturing Co. Ltd.	11,510	988,607	2,736,847	
		988,607	2,736,847	1.8%
<b>United Kingdom</b>				
Croda International PLC	4,862	409,274	331,953	
Endeavour Mining PLC	12,224	282,408	353,274	
InterContinental Hotels Group PLC	10,541	735,592	1,517,758	
Legal & General Group PLC	230,834	1,127,584	906,171	
National Grid PLC	71,013	1,184,620	1,083,892	
		3,739,478	4,193,048	2.9%
<b>Total foreign common stocks</b>		44,361,276	62,921,960	42.4%
Transaction costs		(107,662)		
<b>Total portfolio of investments</b>		\$ 98,975,532	\$ 148,383,380	\$ 100.0%

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

## SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited) June 30, 2024

### Summary of Investment Portfolio

All portfolio categories are included in the following table :

Portfolio by Country	Percentage of Net Assets (%)	
	As of June 30, 2024	As of December 31, 2023
Canada	57.6	58.6
United States	27.6	29.4
Belgium	1.0	1.3
Bermuda	0.3	0.3
France	1.5	1.3
Denmark	1.4	1.0
Germany	—	0.9
Hong Kong	0.9	0.9
India	0.7	—
Ireland	1.6	0.5
Japan	0.8	0.8
Luxembourg	0.2	0.4
Norway	0.8	0.9
Switzerland	0.9	—
Taiwan	1.8	1.4
United Kingdom	2.9	2.3
	100.0	100.0

### Schedule 1 - Forward Contracts June 30, 2024

Currency to Deliver	Purchase Amount	Currency	Amount	Settlement Date	Contract Price	Market Price	Appreciation/ (Depreciation)
USD	5,790,000	CAD	7,848,426	11-Jul-24	0.738	0.731	(69,959)
CAD	67,027	USD	49,000	15-Jul-24	1.368	1.367	(20)
USD	2,809,000	CAD	3,841,565	15-Jul-24	0.731	0.731	286
USD	5,000	CAD	6,825	15-Jul-24	0.733	0.731	(13)
CAD	55,140	USD	40,000	15-Jul-24	1.379	1.367	(440)
USD	40,000	CAD	54,943	15-Jul-24	0.728	0.731	243
CAD	48,080	USD	35,000	15-Jul-24	1.374	1.367	(217)
CAD	82,272	USD	60,000	15-Jul-24	1.371	1.367	(222)
USD	30,000	CAD	40,955	15-Jul-24	0.733	0.731	(70)
USD	114,000	CAD	156,186	01-Aug-24	0.730	0.732	355
USD	21,000	CAD	28,771	01-Aug-24	0.730	0.732	65
USD	55,000	CAD	75,239	01-Aug-24	0.731	0.732	57
USD	74,000	CAD	101,022	01-Aug-24	0.733	0.732	(130)
USD	260,000	CAD	357,857	01-Aug-24	0.727	0.732	2,445
USD	5,213,000	CAD	7,175,038	01-Aug-24	0.727	0.732	49,026
CAD	548,308	USD	400,000	01-Aug-24	1.371	1.367	(1,531)
USD	150,000	CAD	204,709	01-Aug-24	0.733	0.732	(328)
USD	5,481,000	CAD	7,441,576	06-Sep-24	0.737	0.732	(43,506)
							(63,959)

# NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2024

## 1. General information

Tradex Equity Fund Limited (the Fund) is a mutual fund corporation incorporated under the Canada Business Corporations Act. The address of its registered office is 340 Albert Street, Suite 1604, Ottawa, Ontario, K1R 7Y6.

The Fund's investment objective is to achieve long-term capital appreciation by investing primarily in a diversified portfolio of common shares of Canadian companies plus shares of companies in the United States and other countries. The strategy of the Fund is to build positions in high quality growing companies. To maintain adequate portfolio diversification, thus reducing concentration risk, at least five S&P/TSX Composite Index industry sectors will be represented. Foreign content will represent up to 50% of the total portfolio value.

Tradex Management Inc. is the Manager and the Trustee of the Fund. The Fund's investment activities are managed by PH&N, RBC Global Asset Management Inc. (the Investment Manager), with the administration delegated to RBC Investors Services.

The Fund is restricted to current and former Canadian public servants and their families mainly from Canada.

These financial statements were authorized for issue by the Board of Directors on August 22, 2024.

## 2. Material accounting policies

The material accounting policies applied in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (as issued by the International Accounting Standards Board) applicable to preparation of interim financial statements under IAS 34, Interim Financial Reporting.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

#### (a) New standards amendments and interpretations to existing standards effective January 1, 2024

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2024 that have a material effect on the financial statements of the Fund.

#### (b) New standards, amendments, and interpretations issued but not yet applied by the Fund

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments IFRS 9 and IFRS 7 has been amended to:

- clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance (ESG) targets; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The new amendments are effective for years beginning on or after January 1, 2026 with earlier application permitted. Restatement of comparative information is not required and is only permitted if possible without the use of hindsight. An entity can elect to early apply only the amendments discussed in (b) and (c) together without yet applying the amendments discussed in (a) and (d). The Fund is in process of assessing the impact of the new amendments on the Fund.

### IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, 'Presentation and Disclosure in Financial Statements' in response to investors' concerns about comparability and transparency of entities' performance reporting. The new presentation requirements introduced in IFRS 18 will increase comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosure requirements for 'management-defined performance measures' will enhance transparency. The standard is effective for years beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Fund is in process of assessing the impact of the new standard on the Fund.

### 2.2 Foreign currency translation

#### (a) Functional and presentation currency

The Fund's investors are mainly from Canada, with the subscriptions and redemptions of the redeemable shares denominated in Canadian dollars. The primary activity of the Fund is to invest in a diversified portfolio of common shares of Canadian companies plus shares from companies in the United States and other countries. The performance of the Fund is measured and reported to investors in Canadian dollars. Management considers the Canadian

## NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2024 (cont'd)

dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

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.

### 2.3 Financial assets and financial liabilities at fair value through profit or loss

#### (a) Classification

##### (i) Financial 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 collection of contractual cash flows is only incidental to achieving the Fund's business model objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund obligations for net assets attributable to holders of redeemable shares 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 shareholders.

##### (ii) Financial Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at 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.

### (b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognized on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

### (c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on 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 bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine 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.

If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value.



## NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2024 (cont'd)

A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

### (d) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

### 2.4 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 2.5 Other receivables

Other receivables are recognized initially at fair value and are subsequently measured at amortized cost. The other receivables balance is held for collection.

### 2.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held with a bank or such other deposit taking institution, including the Custodian or its Affiliates, and brokers and other short-term investments in an active market with original maturities of three months or less and custodian overdrafts. Custodian overdrafts, if any, will be shown in current liabilities in the statement of financial position.

### 2.7 Redeemable shares

The Fund issues redeemable shares, which are redeemable at the holder's option and have identical rights. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the shares. Shares are redeemable daily.

The redeemable shares are carried at amortized cost which corresponds to the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Fund.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the

net assets attributable to the holders of each class of redeemable shares with the total number of outstanding redeemable shares for each respective class. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

### 2.8 Interest Income

Interest is recognized on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

### 2.9 Dividend income

Dividend income is recognized when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Fund, and the amount of the dividend can be measured reliably.

### 2.10 Security Lending Income

The tables below show a reconciliation of the gross amount generated from the securities lending transactions of the fund to the revenue from the securities lending disclosed in the statement of comprehensive income the periods ended June 30, 2024 and 2023.

	June 30, 2024	% of Gross lending revenue
Gross securities lending revenue	24,166	100.0
Withholding taxes	(528)	(2.2)
Agent fees		
RBC IS	(9,667)	(40.0)
Securities lending Revenue	13,971	57.8

	June 30, 2023	% of Gross lending revenue
Gross securities lending revenue	10,889	100.0
Withholding taxes	(185)	(1.7)
Agent fees		
RBC IS	(4,355)	(40.0)
Securities lending Revenue	6,349	58.3

### 2.11 Transaction costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund, when incurred, are immediately recognized in the statement of comprehensive income.

### 2.12 Soft dollar commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may

## NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2024 (cont'd)

also cover research services provided to the investment manager. The value of the research services included in the commissions paid by the Fund to those brokers \$704 in the period ended June 30, 2024 (\$1,727 in 2023).

### 2.13 Distribution payable to holders of redeemable shares

Distributions to holders of redeemable units are recognized in the statement of changes in net assets attributable to holders of redeemable shares when they are authorized.

The distributions on the redeemable shares are recognized in the statement of changes in net assets attributable to holders of redeemable shares.

### 2.14 Increase/decrease in net assets attributable to holders of redeemable shares from operations

Income not distributed is included in net assets attributable to holders of redeemable shares. Movements in net assets attributable to holders of redeemable shares are recognized in the statement of changes in net assets attributable to holders of redeemable shares.

### 2.15 Taxation

The Fund qualifies as a mutual fund corporation for federal income tax purposes. The Fund is in substance not taxable and therefore does not record deferred income tax assets or liabilities in respect of temporary differences or losses available to be carried forward.

The Fund is subject to tax on taxable dividends received from taxable Canadian corporations. This tax is refundable at a rate determined by a formula when taxable dividends are paid. The Fund is subject to tax on capital gains. However, this tax is refundable if sufficient capital gains are distributed to shareholders, either as capital gains dividends or through the redemption of shares. The fund paid \$726,579 of taxable capital gains distribution in 2024. (\$nil in 2023)

The Fund may incur 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, 2023, the Fund had no capital losses and no non-capital losses carried forward for income tax purposes.

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

## 3. Financial risk

### 3.1 Financial risk factors and capital risk management

The Fund is exposed to a variety of financial risks, which may include market risk (including price risk, foreign currency risk, cash flow and fair value interest rate risk), liquidity risk, credit risk and concentration risk.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

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

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions.

The manager is responsible for managing the Fund's capital, which is its NAV and consists primarily of its financial instruments.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

#### 3.1.1 Market risk

##### (a) Price risk

Price 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, credit 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.

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain.

As at June 30, 2024, 99.3% of the Fund's assets were traded on global stock exchanges (98.4% as at December 31, 2023). If equity prices had increased or decreased by 10% as at the period end, with all other factors remaining constant, assets could possibly have increased or decreased by approximately \$14,838,000 (\$13,854,000 on



## NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2024 (cont'd)

December 31, 2023). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

To mitigate price risk the Fund will diversify its portfolio by both sector and geographical exposure. Furthermore, a minimum five industry sectors will be held and the month end market value of any one holding in the portfolio must not exceed 10% of the Fund's market value. While the Fund will generally be fully invested, should market conditions temporarily deteriorate, up to 30% of the portfolio could be converted to cash or short-term investments.

The Fund is also exposed to derivative risk through foreign exchange forward contracts. To limit the price risk associated with foreign exchange forward contracts, such contracts are limited to the market value of the foreign securities own by the Fund and quoted in that currency or where the Fund's underlying exposure is to that currency.

### (b) Foreign currency risk

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

Where equity securities are quoted in currencies other than the Canadian dollar, the price initially expressed in foreign currency and then converted into Canadian dollars will also fluctuate because of changes in foreign exchange rates.

Currencies to which the Fund had exposure as at June 30, 2024 and December 31, 2023 are as follows (\$'000):

	30-June-24	31-Dec-23
US Dollars	19,435	18,262
Euro	5,236	5,960
UK Pounds	3,877	2,842
Danish Krone	2,151	1,346
Hong Kong Dollars	1,402	1,314
Swiss Franc	1,400	18
Norwegian Krone	1,133	1,308
Japanese Yen	1,128	1,071

To partially limit foreign currency risk, the Fund enters into commitments in the form of foreign exchange forward contracts for the sale of U.S. dollars only, as a material portion of the Fund's foreign currency exposure is in U.S. dollars. The purpose of these contracts is to partially

preserve the fair value of Fund assets by offsetting the impact of increases in the Canadian dollar relative to the U.S. dollar (the underlying foreign currency exposure).

In the case of a decrease in the Canadian dollar relative to the US dollar, foreign exchange forward contracts in place decrease in value while the relative value of the US funds increase.

The Fund's net foreign currency exposure in Canadian dollars, after giving effect to the notional value of foreign currency forward contracts, at June 30, 2024 and December 31, 2023 is as follows (\$'000):

	Foreign Cur- rency Exposure	Notional value of foreign exchange of forward contracts	Net foreign currency exposure
June 30, 2024 U.S. Dollars	46,054	(26,620)	19,434
Dec 31, 2023 U.S. Dollars	42,782	(24,520)	18,262

As at June 30, 2024, if the Canadian dollar had strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the Fund's net assets would have increased or decreased, net of foreign currency hedges, by approximately \$1,788,000 (\$1,606,000 on December 31, 2023). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Cash flow and fair value 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 any significant risk due to fluctuations in the prevailing level of market interest rates.

#### 3.1.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of redeemable shares. The shares of the Fund are issued and redeemed on demand at the then current net asset value per share at the option of the shareholder.

Liquidity risk is managed by investing the majority (if not all) of the Fund's assets in investments that are traded in

## NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2024 (cont'd)

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.

### 3.1.3 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.

The Fund is subject to credit risk arising from foreign currency hedging and securities lending activities. This risk is managed by entering into contracts with creditworthy counterparties subject to minimum credit-rating requirements, by setting limits on the amount of exposure and by requiring collateral of at least 102%. The securities lending agent indemnifies the Fund for any shortfall.

As at June 30, 2024, securities on loan totalled \$5,704,973, whereas collateral held (non-cash) totalled \$5,819,076 (\$4,125,284 and \$4,207,795 on December 31, 2023, respectively).

### 3.1.4 Concentration risk

The 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. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions. The Fund's concentration risk is summarized in the table below:

As at	June 30, 2024	December 31, 2023
Canada	57.6%	58.6%
United States	27.6%	29.4%
United Kingdom	2.9%	2.3%
Taiwan	1.8%	1.4%
Ireland	1.6%	0.5%
France	1.5%	1.3%
Denmark	1.4%	1.0%
Belgium	1.0%	1.3%
Hong Kong	0.9%	0.9%
Switzerland	0.9%	—
Others	2.8%	3.3%

### 3.2 Fair value estimation

#### 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 following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2024 and December 31, 2023.

#### June 30, 2024

('000)	Level 1	Level 2	Level 3	Total
Equities	148,357	26	—	148,383
Cash & cash equivalents	1,004	—	—	1,004
Forward foreign exchange contracts assets	—	52	—	52
Forward foreign exchange contracts liabilities	—	(116)	—	(116)
Total	149,361	(38)	—	149,323

#### December 31, 2023

('000)	Level 1	Level 2	Level 3	Total
Equities	138,515	28	-	138,543
Cash & cash equivalents	1,187	-	-	1,187
Forward foreign exchange contracts assets	-	779	-	779
Forward foreign exchange contracts liabilities	-	(21)	-	(21)
Total	139,702	786	-	140,488

There were no transfers between the levels within the fair value hierarchy during the period ended June 30, 2024 or year ended December 31, 2023.

### 4. Critical accounting estimates and judgements

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

#### (a) Fair value measurement of derivatives and securities not quoted in an active market

The Fund holds financial instruments that are not quoted in active markets, including derivatives. Fair values of such

## NOTES TO FINANCIAL STATEMENTS (Unaudited) June 30, 2024 (cont'd)

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 3.2 for further information about the fair value measurement of the Fund's financial instruments.

### (b) IFRS 10 'Consolidated Financial Statements'

In determining whether the Fund exhibits instances of control or significant influence, IFRS 10 "Consolidated Financial Statements" provides an exception to any financial statement consolidation requirements for entities that meet the definition of an "investment entity". Amongst other factors, the Fund meets the definition of investment entity as it obtains funds from one or more investors for the purpose of providing those investor(s) with professional investment management services and commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

### (c) 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

### 5. Redeemable units

The capital of the Fund is represented by issued redeemable shares that have no par value. Holders of shares are entitled to distributions, if any, and to payment of a proportionate amount based on the Fund's net asset value per share upon redemption. The Fund has no restrictions or specific capital requirements on the subscription and redemption of shares, other than minimum subscription requirements. 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 shares during the last two periods ended June 30 were as follows:

	2024	2023
Outstanding, beginning of period	5,406,290	5,766,079
Issued for cash	151,727	113,339
Reinvestment of distributions	26,805	—
Redeemed	(259,434)	(318,468)
Outstanding, end of period	5,325,388	5,660,950

### 6. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund is managed by Tradex Management Inc (The Manager) an investment management company incorporated under the Canada Business Corporations Act. Under the terms of the management agreement dated May 1, 1988 the Fund appointed Tradex Management Inc as a Manager to provide management services, including the provision of key management personnel, for an annual fee of 0.7% of the Fund's net asset value, calculated and accrued 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 the second half of 2023, \$178,992 in expenses were reduced by such transactions. It is anticipated that a rebate will be made in the second half of 2024, although it is not possible to estimate the amount at this time.

## BOARD OF DIRECTORS AND OFFICERS OF THE MANAGER

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**Christine Allison, FCPA, FCA** *Ottawa, Ont.*  
*MD Financial Management (retired)*  
*Director*

**Bob Baldwin,** *Ottawa, Ont.*  
*Consultant*  
*Director*

**Natalya G. Calabina, CPA,** *Ottawa, Ont.*  
*Tradex Management Inc.*  
*Chief Financial Officer*

**Philip E. Charko,** *Ottawa, Ont.*  
*Canada Employment Insurance Financing Board (retired)*  
*Director*

**Monique Collette,** *Ottawa, Ont.*  
*Atlantic Canada Opportunities Agency (retired)*  
*Director and Treasurer*

**Blair R. Cooper, CFA, MBA,** *Ottawa, Ont.*  
*Tradex Management Inc.*  
*Director, President, CEO*

**Franklin Blake Johnston,** *Ottawa, Ont.*  
*President, Diligence Public Affairs Inc.*  
*Director*

**Tom MacDonald,** *Ottawa, Ont.*  
*Global Affairs Canada (retired)*  
*Director*

**Brien I.R. Marshall,** *Ottawa, Ont.*  
*Tradex Management Inc.*  
*Senior Vice President and Chief Operating Officer*

**David Plunkett,** *Ottawa, Ont.*  
*Global Affairs Canada (retired)*  
*Director*

**Hanny Toxopeus,** *Ottawa, Ont.*  
*Association of Professional Executives of the Public Service of Canada (retired)*  
*Director and Vice-Chair*

**Irit Weiser, LLB** *Ottawa, Ont.*  
*Department of Justice (retired)*  
*Director and Corporate Secretary*

**Karin Zabel, CPA,** *Ottawa, Ont.*  
*Consultant*  
*Director and Chair*

## CORPORATE AND SHAREHOLDER INFORMATION

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### REGISTRAR

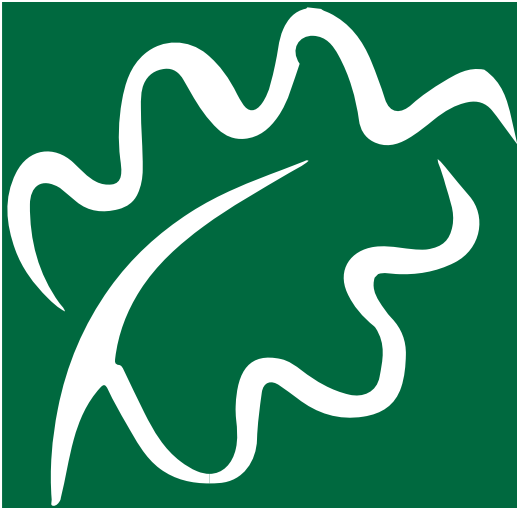
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