

2024 Independent Review Committee Annual Report to Holders of Tradex Mutual Funds

This Annual Report by the Tradex Independent Review Committee (IRC) to holders of Tradex Mutual Funds is submitted in accordance with Section 4.4 of National Instrument 81-107.

The Tradex IRC consists of three Members as follows:

Robert William Todd, Chair Ottawa, Ontario	Retired, formerly Manager, Special Projects, Corporate Secretariat, Human Resources and Social Development Canada, Government of Canada (and also a former Chief Advisor, Office of the Ethics Counsellor, Government. of Canada). Former Director of Tradex Management Inc.
Roger Rodolphe Leclaire Ottawa, Ontario	Retired, formerly served as a lawyer for the Department of Justice and as Judge of the Small Claims Court of Ontario. Former Chairman of Tradex Management Inc.
Hanny Toxopeus Ottawa, Ontario	Retired, formerly served as Chief Executive Officer of the Association of Professional Executives of the Public Service of Canada (APEX). Former Vice-Chair and Director of Tradex Management Inc.

Robert Todd has served on the committee since 2016. Roger Leclaire has served on the committee since 2021. Hanny Toxopeus joined the committee in 2024. Members of the Tradex IRC do not serve on any other IRC.

- We draw to the attention of Tradex Mutual Fund investors that all of the Members of the IRC are also former members of the Board of Directors of Tradex Management Inc. (TMI).
- An IRC Member is considered to be “independent” if the Member has no material relationship with the Manager, a Fund, or an entity related to the Manager that could reasonably be perceived to interfere with the Member’s judgment regarding a conflict of interest matter. In commenting on the legislation that mandates the creation of IRCs, the Canadian Securities Administrators (the “CSA”) explicitly state that, depending on the circumstances, a former independent member of the board of directors, or special committee of the board of directors, of the manager may be independent under the legislation. The CSA commentary states that the types of material relationships that may compromise the independence of a Member include ownership, commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships. The Members do not maintain any of these types of relationships with the Manager, the Funds, or an entity related to the Manager.
- TMI is indirectly owned by its investors through the following structure:
 - TMI has share capital of 10 shares and each share is worth \$1.
 - There are 10 shareholders of TMI, each of whom holds a 10% interest in the company. The 10 shareholders are the 10 directors of the company.

- A shareholder on ceasing to be a director of TMI must transfer his or her share to the replacement director for consideration of \$1.
- Ten of the eleven TMI directors are not employed by the company and are completely independent of the company's management team. All of these directors carry out their duties in the spirit of public service with the objective of ensuring that the company operates effectively and in the best interests of its investors.
- The 10 independent TMI directors receive an honorarium not to exceed \$10,000 per year for their services as directors. There is no other financial benefit in being an independent director of TMI. The management agreement between TMI and the three Tradex mutual funds states, "The Manager covenants and agrees not to declare or pay any dividends or make any other distributions to its shareholders."

Finally, as described in the section "Fund Governance" of the 2024 Simplified Prospectus, "On an annual basis, the Manager shall determine if it has any surplus funds after retaining sufficient funds to meet all working capital and regulatory requirements, such determinations to be based on a budget for the next year which has been prepared by the Manager. To the extent there are surplus funds, the Manager shall reduce the management fees that were paid by the Funds by providing a rebate pro rata to all of the mutual funds which are managed by the Manager based on the relative amounts of fees paid to the Manager by such mutual funds during the previous year. The Manager deposits cash into each Fund for these amounts. As such, all shareholders or unitholders in each Fund will be entitled to their respective proportionate share of management fee rebate/reduction in each Fund. "

Based on the CSA Multilateral Staff Notice 81-337 the committee decided compensation for its members of \$150 per meeting would be appropriate to institute going forward, although no compensation was received in 2024, although no compensation was received in 2024.

In 2024 total expenses associated with operating the IRC amounted to \$571.77.

Other than items covered under “standing instructions”, in 2024 the Manager brought one potential conflict of interest matter to the attention of the IRC for review and recommendation. The matter related to whether there were sufficient net earnings in 2024 to return any “surplus funds” to Tradex investors.

The IRC agreed with the Manager’s recommendation regarding this matter.

As in the past, in 2024 there were no instances of a breach of any of the manager’s policies or procedures of which the IRC is aware, or that it has reason to believe has occurred.

Furthermore, there were no instances of a breach of a condition imposed by the IRC in a recommendation or approval it has provided to the manager, of which the IRC is aware, or that it has reason to believe has occurred.

In November, the IRC reviewed the standing instructions it had given to TMI earlier with respect to the Manager’s policies and procedures regarding the following items:

- Monitoring the services provided by portfolio managers to the Funds including any related party transactions between Phillips, Hager & North and Royal Bank of Canada regarding Tradex Equity Fund Limited
- Proxy voting policies
- Employee personal trading policies
- Outside business activities/accepting of payments/gifts and entertaining policies
- Fair value/fund valuation policies
- Fund operating expenses and expense allocation policies
- TMI’s policy with respect to investing its retained earnings (surplus funds)

In each case, the IRC confirmed its previously issued positive recommendation to the Manager regarding its policies and procedures and granted standing instructions to the Manager to proceed with its policies and procedures, subject to periodical reporting to the IRC.

I hereby certify that this Report was delivered to the Board of Directors of Tradex Management Inc. in Ottawa on the 21st day of March 2025.

Robert Todd, Chair
Tradex Independent Review Committee