2026

Interim Management Report of Fund Performance
and
Interim Financial Statements

Tradex EQUITY Fund Limited

June 30, 2026

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.

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
for the six months ending June 30, 2026

I. MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

An investment in Tradex Equity Fund Limited increased in value by 7.5% during the first half of 2026 compared to an increase of 11.2% in its benchmark, the S&P/TSX Total Return Index. During the past 12 months, the Fund was up 20.2%, lagging its benchmark.

Despite market volatility rising in the first quarter amid geopolitical events, re-escalating trade tensions, and the U.S./Israel-Iran conflict, the Canadian equity market had a positive return with Energy stocks the most notable driver of index strength, and gold equities. The portfolio's underweight to gold was a notable drag and Global equity markets declined. Middle East escalations triggered an oil price surge, reigniting inflation concerns. Rapid AI advancements continued to create volatility as investors repriced valuations. Value stocks substantially outperformed growth as investors rotated towards hard assets and low obsolescence businesses. Geopolitical tensions in the Middle East eased in the second quarter, with oil prices declining meaningfully. Meanwhile macroeconomic data in Canada remained resilient. Canadian banks continued to report solid earnings results. Global equity markets staged a sharp recovery in the second quarter. Semiconductor stocks – particularly AI memory chips and equipment manufacturers – drove gains. Phillips, Hager & North (PH&N) were active in the first quarter, adding Restaurant Brands International, TFI , Snowflake and Walmart and to positions in Canadian National Railway and Canadian Pacific Kansas City. They exited our positions in Blackstone and BlackRock. At the end of the quarter, foreign equities represented 41% of the total portfolio value. The portfolio's underweight in Microsoft (as exited entirely in early January), plus positioning in Industrials and Energy contributed positively in the first quarter. Contributors included: Brookfield Renewable Partners LP, Siemens Energy, BAE Systems, Cheniere Energy and ConocoPhillips. Detractors included: Kinaxis, Topicus Badger Infrastructure Solutions, Brookfield Asset Management, AppLovin, LVMH and Unilever.

At mid-year US equities represented 28% and non-north American stocks 13% of the fund's total portfolio value. The number of stocks in the Canadian portion of the portfolio was decreased to 68 from 78 while the number of foreign stocks was increased to 47 from 43. Small and mid cap companies represent a fairly large proportion of the Canadian portfolio. Portfolio Manager Phillips, Hager and North (PH&N) was active in the Canadian holdings in the first half of the year adding 5 new names and eliminating 16.

In the 2nd quarter, PH & N added to our position in TC Energy, initiated a position in Costco plus participated in the Apotex initial public offering (IPO). They removed engineering firm WSP Global , trimmed Nvidia, and redeployed capital to Micron and Arm Holdings, plus rotated their position from Broadcom to MediaTek During the 2nd quarter, Badger Infrastructure Solutions was the largest contributor to relative performance with other top contributors TFI International, Aritzia, Twilio, TSMC and Phillips, Hager & North's (PH&N's) exit from Microsoft also proved beneficial again this quarter. Not owning BlackBerry was a notable detractor with underexposure to Micron and lack of AMD exposure while Netflix also weighed on performance along with ConocoPhillips and Cheniere Energy.

The underperformance of the US market (9.6% vs. 9.9% TSX) was offset by the Canadian dollar weakening versus its US counterpart, decreasing from 72.96 cents US at the start of the year to 70.37 cents at the end June. 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 $196.3 million compared to $185.9 million at the end of 2025. There was a capital gain distribution of $2.67 per share in January 2026. The number of shares outstanding increased by 6.4% 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 $752,257 in the first six months of 2026 (including HST) and represents 59% 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 2025, $407,681 in expenses were reduced for the Fund through such transactions. It is anticipated that a rebate will be made in the second half of 2026, although 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 2026 amounted to $523,688 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, 2026 and the five annual periods ending December 31, 2025, 2024, 2023, 2022 and 2021.

	2026	2025	2024	2023	2022	2021
Net assets per share, beginning of period	$ 34.93	$ 30.71	$ 25.99	$ 24.19	$ 29.17	$ 24.10
Increase (decrease) from operations:						
Total revenue	$ 0.33	$ 0.66	$ 0.69	$ 0.66	$ 0.63	$ 0.64
Total expenses	$ (0.23)	$ (0.35)	$ (0.31)	$ (0.33)	$ (0.29)	$ (0.30)
Realized gains for the period	$ 2.92	$ 3.89	$ 2.03	$ 1.18	$ 0.68	$ 1.59
Unrealized gains (losses) for the period	$ (0.57)	$ 1.85	$ 2.93	$ 0.75	$ (5.08)	$ 3.54
Total increase (decrease) from operations (2)	$ 2.45	$ 6.05	$ 5.34	$ 2.26	$ (4.06)	$ 5.47
Distributions to investors:						
From dividends	$ —	$ 0.48	$ 0.48	$ 0.48	$ 0.46	$ 0.41
From capital gains	$ 2.67	$ 1.40	$ 0.13	$ —	$ 0.48	$ —
Total Distributions (3)	$ 2.67	$ 1.90	$ 0.61	$ 0.48	$ 0.94	$ 0.41
Net assets per share, end of period	$ 34.67	$ 34.93	$ 30.71	$ 25.99	$ 24.19	$ 29.17

(1) The information for 2021-2025 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	2026	2025	2024	2023	2022	2021
Total net asset value, end of period (000's)	$ 196,331	$ 185,944	$ 161,943	$ 140,523	$ 139,483	$ 166,836
Weighted average net asset value (000's)	$ 190,139	$ 171,011	$ 152,855	$ 140,385	$ 147,605	$ 154,276
Number of shares outstanding, end of period	5,662,333	5,323,751	5,273,885	5,406,290	5,766,079	5,719,834
Management expense ratio (1)	1.24%	1.02%	0.97%	1.18%	1.02%	1.00%
Management expense ratio before waivers or absorptions (1)	1.24%	1.26%	1.25%	1.31%	1.32%	1.25%
Trading expense ratio (2)	0.07%	0.04%	0.03%	0.03%	0.01%	0.03%
Portfolio turnover rate (3)	33.21%	48.20%	28.30%	25.99%	20.02%	17.57%
Net asset value per share, end of period	$ 34.67	$ 34.93	$ 30.71	$ 25.99	$ 24.19	$ 29.17

(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.

III. PAST PERFORMANCE

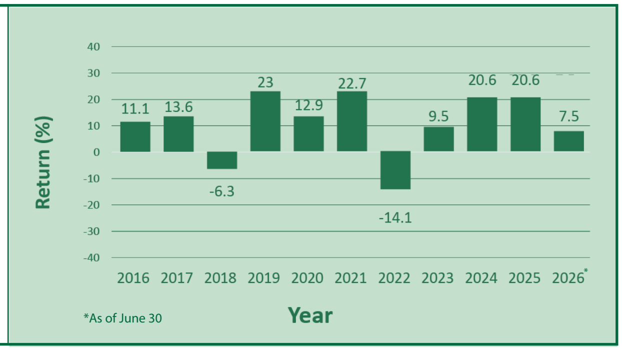
General

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.

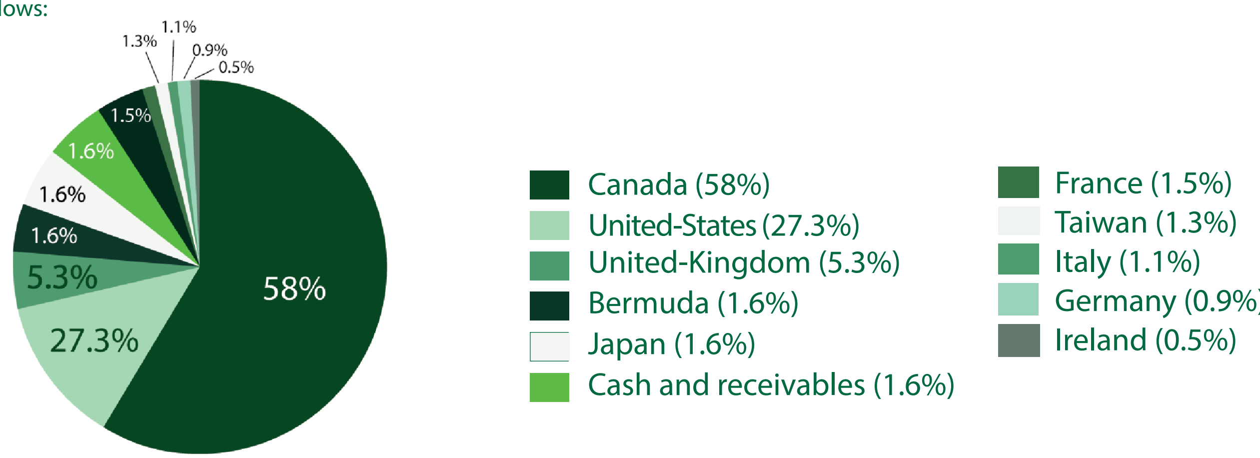
Year-by-year Returns

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, 2026. 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, 2026, 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, 2026, 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	5.2%	Agnico Eagle Mines Ltd	1.5%
Toronto Dominion Bank/The	4.0%	Canadian National Railway Co	1.4%
Enbridge Inc	2.5%	Taiwan Semiconductor Manufacturing Co Ltd	1.3%
Apple Inc	2.3%	Micron Technology Inc	1.3%
Shopify Inc	2.2%	Brookfield Corp	1.3%
Bank of Montreal	2.1%	InterContinental Hotels Group PLC	1.3%
Canadian Imperial Bank of Commerce	2.1%	Eli Lilly & Co	1.3%
Alphabet Inc	2.1%	Alimentation Couche-Tard Inc	1.2%
Amazon.com Inc	1.9%	Suncor Energy Inc	1.2%
Manulife Financial Corp	1.8%	Walmart Inc	1.2%
Canadian Pacific Kansas City Ltd	1.6%	Sun Life Financial Inc	1.2%
Canadian Natural Resources Ltd	1.6%	Sub-total – largest 25 holdings	46.9%
Bank of Nova Scotia/The	1.5%	Remaining holdings	53.1%
NVIDIA Corp	1.5%	Total Investment Portfolio	100%

INTERIM FINANCIAL STATEMENTS
for the six months ending June 30, 2026

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, 2026.

STATEMENTS OF FINANCIAL POSITION

	June 30, 2026 (Unaudited)	Dec. 31, 2025 (Audited)
Assets		
Current Assets		
Investments at fair value through profit and loss	**$ 194,457,954**	$ 184,708,552
Cash and cash equivalents	**3,017,376**	963,808
Dividends receivable	**195,225**	176,420
Subscriptions receivable	**45,024**	52,925
Derivative assets	**60,673**	470,793
Total Assets	**197,776,252**	186,372,498
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**310,287**	381,077
Redemptions payable	**500**	37,000
Distributions payable to holders of redeemable shares	**—**	6,030
Derivative liabilities	**1,134,164**	4,544
Total Liabilities	**1,444,951**	428,651
Net assets attributable to holders of redeemable shares	**$ 196,331,301**	$ 185,943,847
Shares issued and outstanding, end of period (Note 5)	**5,662,333**	5,323,751
Net assets attributable to holders of redeemable shares per share	**$ 34.67**	$ 34.93

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

Approved by the Board
of Directors of
Tradex Equity Fund Limited

s/Dena Palamedes

Dena Palamedes, CPA, CMA, CIA, CFE, CCSA, CRMA
Director

s/Philip E. Charko

Philip E. Charko
Director

STATEMENTS OF COMPREHENSIVE INCOME *(Unaudited)*

	Six months ending June 30	
	2026	**2025**
Income		
Dividend income	**$ 1,822,792**	$ 1,714,515
Interest income for distribution purposes	**11,313**	35,116
Securities lending revenue	**3,138**	2,156
Net foreign exchange (loss) gain on cash	**(13,673)**	21,218
Other income	**171**	22,031
Other changes in fair value of investments and derivatives		
Net realized gain on sale of investments	**16,315,187**	12,237,746
Net realized gain on sale of derivatives	**71,861**	(774,809)
Net realized foreign exchange gain	**23,453**	11,107
Change in unrealized (depreciation) appreciation on investments	**(1,637,897)**	364,638
Change in unrealized (depreciation) on derivatives	**(1,539,740)**	–
	15,056,605	13,633,718
Expenses		
Management fees (Note 6)	**752,257**	627,561
Investment advisory fees	**206,287**	191,626
Administration costs	**141,471**	134,361
Independent review committee	**296**	112
Audit fees	**34,464**	33,800
Custodian fees	**21,735**	14,805
Registration fees and expenses	**9,228**	10,162
Transaction costs	**69,437**	27,036
Foreign withholding taxes	**40,770**	63,856
	1,275,945	1,103,319
Increase in net assets attributable to holders of redeemable shares operations	**$ 13,780,660**	$ 12,530,399
Weighted average shares outstanding during the period	**5,622,921**	5,406,617
Increase in net assets attributable to holders of redeemable shares per share	**$ 2.45**	$ 2.32

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	
	2026	**2025**
Net assets attributable to holders of redeemable shares at beginning of period	**$ 185,943,847**	$ 161,943,264
Increase in net assets attributable to holders of redeemable shares	**13,780,660**	12,530,399
Distributions		
Distributions to holders of redeemable shares from net realized capital gains	**(14,219,259)**	(7,379,547)
Redeemable shares transactions		
Proceeds from issuance of redeemable shares	**5,160,432**	3,416,101
Reinvestment of distributions	**13,618,442**	7,083,623
Consideration paid on redemptions of redeemable shares	**(7,952,821)**	(7,007,074)
Net increase (decrease) from redeemable share transactions	**10,826,053**	3,492,650
Net assets attributable to holders of redeemable shares at end of period	**$ 196,331,301**	$ 170,586,766

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

STATEMENTS OF CASH FLOWS *(Unaudited)*

	Six months ending June 30	
	2026	**2025**
Cash Flows from Operating Activities		
Increase in net assets attributable to holder of redeemable shares	**$ 13,780,660**	$ 12,530,399
Adjustments for:		
Effect of exchange rate changes on foreign cash	**13,673**	(21,218)
Net realized (gain) on sale of investments and derivatives	**(16,315,187)**	(12,237,746)
Net change in unrealized depreciation (appreciation) of investments and derivatives	**1,637,897**	(364,638)
Net change in unrealized depreciation of derivatives	**1,539,740**	-
Purchase of investments	**(62,562,253)**	(43,193,891)
Proceeds from the sale of investments	**67,490,141**	47,485,023
Change in non-cash working capital items	**(89,595)**	149,107
	5,495,076	4,347,036
Cash Flows from Financing Activities		
Proceeds from issue of redeemable shares	**5,168,333**	3,421,851
Consideration paid on redemptions of redeemable shares	**(7,989,321)**	(7,028,324)
Distributions paid to holders of redeemable shares, net of reinvested distributions	**(606,847)**	(300,964)
	(3,427,835)	(3,907,437)
Increase (decrease) in cash and cash equivalents during the period	**2,067,241**	439,599
Effect of exchange rate change on foreign cash	**(13,673)**	21,218
Cash and cash equivalents at beginning of period	**963,808**	2,185,990
Cash and cash equivalents at end of period	**$ 3,017,376**	$ 2,646,807
Interest received	**$ 11,313**	$ 35,116
Dividends received, net of withholding taxes	**$ 1,763,217**	$ 1,740,398

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

SCHEDULE OF INVESTMENT PORTFOLIO *(Unaudited) As at June 30, 2026*

Canadian Common Stocks	Number of Shares		Average Cost		Fair Value	% of total fair value
Agnico Eagle Mines Ltd.	13,022	$	$648,403	$	$2,869,525	
Alimentation Couche-Tard Inc.	27,100		871,691		2,449,840	
Apotex Health Corp.	21,201		571,504		684,368	
Aritzia Inc.	8,658		588,347		1,354,025	
ATS Corp.	8,960		213,261		366,285	
Badger Infrastructure Solutions Ltd.	13,920		631,870		1,294,838	
Bank of Montreal	16,817		1,477,686		4,215,517	
Bank of Nova Scotia	24,565		2,097,216		3,028,128	
Barrick Mining Corp.	38,260		1,658,790		1,995,259	
Blackline Safety Corp.	18,951		147,824		171,886	
BOYD GROUP INC	3,691		747,976		495,664	
Brookfield Asset Management Ltd.	25,968		1,806,081		1,652,084	
Brookfield Corp.	42,442		634,409		2,568,165	
Cameco Corp.	14,030		641,411		2,028,177	
Canadian Imperial Bank of Commerce	25,425		1,449,905		4,152,411	
Canadian National Railway Co.	16,585		1,548,348		2,807,011	
Canadian Natural Resources Ltd.	55,898		1,396,711		3,136,996	
Canadian Pacific Kansas City Ltd.	25,753		1,865,562		3,166,589	
CCL Industries Inc.	10,050		805,262		929,324	
Celestica Inc.	2,846		1,125,981		1,472,065	
Cenovus Energy Inc.	57,246		1,319,240		2,014,487	
Colliers International Group Inc.	3,263		491,622		434,273	
Constellation Software Inc.	573		1,703,761		1,529,910	
Dollarama Inc.	3,304		173,369		619,896	
Element Fleet Management Corp.	30,799		855,271		901,487	
Emera Inc.	6,353		376,699		477,936	
Enbridge Inc.	62,692		3,336,931		4,821,642	
Fairfax Financial Holdings Ltd.	235		540,578		548,194	
First Quantum Minerals Ltd.	34,230		1,208,012		1,326,070	
Fortis Inc.	5,144		337,552		417,950	
Franco-Nevada Corp.	3,901		367,396		1,154,423	
G Mining Ventures Corp.	8,042		379,597		333,984	
Gildan Activewear Inc.	8,263		661,380		604,191	
Intact Financial Corp.	3,398		429,020		994,629	
Jamieson Wellness Inc.	16,329		588,398		680,593	
K92 Mining Inc.	26,164		155,157		582,411	
K-Bro Linen Inc.	13,622		541,107		589,288	
Keyera Corp.	25,013		903,992		1,424,991	
Kinaxis Inc.	4,857		611,063		739,575	
Kinross Gold Corp.	35,460		1,372,579		1,190,747	
Magna International Inc.	6,368		407,940		593,880	
Manulife Financial Corp.	62,608		1,760,482		3,601,212	
Maple Leaf Foods Inc.	19,654		520,986		599,644	
National Bank of Canada	3,614		285,684		809,211	
Nutrien Ltd.	12,220		828,280		1,091,857	
Pan American Silver Corp.	9,023		384,704		573,682	
Pan American Silver Corp., Rights, 2029-02-22	41,400		-		32,352	
PrairieSky Royalty Ltd.	42,366		1,102,463		1,344,697	
Quebecor Inc.	17,707		849,979		1,198,587	
RB Global Inc.	4,522		731,286		746,627	
Real Matters Inc.	59,377		326,446		308,760	
Restaurant Brands International Inc.	13,144		1,349,748		1,352,123	
Rogers Communications Inc.	25,339		1,095,618		1,169,141	
Royal Bank of Canada	34,929		1,784,176		10,257,949	
Saputo Inc.	21,626		579,680		888,396	
Shopify Inc.	27,075		1,796,349		4,393,190	
Stella-Jones Inc.	3,595		273,701		281,776	
Sun Life Financial Inc.	20,877		1,267,142		2,324,654	
Suncor Energy Inc.	31,720		1,570,203		2,420,236	
TC Energy Corp.	24,037		1,414,638		2,257,555	
Teck Resources Ltd.	20,963		883,785		1,770,745	
TFI International Inc.	5,494		837,812		1,121,600	
Torex Gold Resources Inc.	6,001		112,211		338,756	
Toromont Industries Ltd.	4,266		750,700		994,917	
Toronto-Dominion Bank	45,358		2,341,633		7,821,534	
Tourmaline Oil Corp.	15,661		733,801		928,697	
Waste Connections Inc.	2,833		219,136		669,693	
Wheaton Precious Metals Corp.	10,461		318,434		1,668,948	
Total Canadian Common Stocks			61,807,979		113,785,253	58.6%

SCHEDULE OF INVESTMENT PORTFOLIO *(Unaudited) June 30, 2026*

Foreign Common Stocks	Number of Shares	Average Cost	Fair Value	% of total fair value
United States				
Akamai Technologies Inc.	5,663	$ $1,229,007	$ $949,415	
Alphabet Inc., Class A	8,133	2,871,660	4,122,155	
Alphabet Inc., Class C	2,110	954,413	1,057,349	
Amazon.com Inc.	11,310	4,003,931	3,823,094	
Apple Inc.	11,172	4,292,253	4,584,847	
AppLovin Corp.	1,156	869,080	844,723	
AutoZone Inc.	381	980,209	1,726,947	
Boeing Co.	4,643	1,339,487	1,425,450	
Cheniere Energy Inc.	4,148	1,187,716	1,406,081	
Citigroup Inc.	10,458	1,914,491	2,075,908	
ConocoPhillips	11,373	1,686,744	1,676,860	
Corteva Inc.	14,305	1,545,924	1,718,207	
Costco Wholesale Corp.	713	982,008	945,965	
CSX Corp.	24,584	1,400,450	1,657,203	
Eli Lilly & Co.	1,472	1,929,473	2,504,022	
Entergy Corp.	3,258	513,936	530,732	
Houlihan Lokey Inc.	3,467	862,502	659,531	
Ionis Pharmaceuticals Inc.	8,743	989,611	983,183	
JPMorgan Chase & Co.	3,713	1,318,645	1,723,718	
McKesson Corp.	1,543	1,337,737	1,653,535	
Micron Technology Inc.	1,576	2,407,533	2,580,041	
Monolithic Power Systems Inc.	629	1,022,840	1,233,182	
Netflix Inc.	14,760	1,277,500	1,494,652	
NVIDIA Corp.	10,456	1,538,259	2,967,197	
Packaging Corp. of America	4,464	1,284,622	1,508,576	
Prologis Inc.	7,761	1,356,432	1,491,133	
Snowflake Inc.	3,478	985,469	1,255,373	
Thermo Fisher Scientific Inc.	1,116	847,347	793,541	
Twilio Inc.	6,253	904,541	1,829,811	
Walmart Inc.	14,860	2,524,322	2,386,991	
		46,358,142	53,609,422	27.6%
Bermuda				
Brookfield Infrastructure Partners LP	32,357	1,487,471	1,676,093	
Brookfield Renewable Partners LP	29,263	1,120,684	1,439,154	
		2,608,155	3,115,247	1.6%
France				
LVMH Moet Hennessy Louis Vuitton SE	1,925	1,911,920	1,510,140	
Safran SA	2,674	820,352	1,494,968	
		2,732,272	3,005,108	1.5%
Germany				
Siemens Energy AG	6,403	1,155,733	1,720,361	
		1,155,733	1,720,361	0.9%
Ireland				
CRH PLC	6,896	816,039	1,046,493	
		816,039	1,046,493	0.5%
Italy				
Intesa Sanpaolo SpA	214,854	1,634,515	2,085,556	
		1,634,515	2,085,556	1.1%
Japan				
Mitsubishi Electric Corp.	26,725	761,844	1,369,770	
Sumitomo Mitsui Financial Group Inc.	32,781	1,871,589	1,814,557	
		2,633,433	3,184,327	1.6%
Taiwan				
Taiwan Semiconductor Manufacturing Co., Ltd.	3,826	766,856	2,591,418	
		766,856	2,591,418	1.3%

SCHEDULE OF INVESTMENT PORTFOLIO *(Unaudited) June 30, 2026*

Foreign Common Stocks (continued)	Number of Shares	Average Cost	Fair Value	%of total fair value
United Kingdom				
ARM Holdings PLC	1,908	1,079,485	959,480	
AstraZeneca PLC	6,638	1,563,155	1,760,776	
BAE Systems PLC	27,005	907,413	936,813	
Endeavour Mining PLC	5,420	129,078	385,416	
InterContinental Hotels Group PLC	10,281	757,415	2,511,597	
National Grid PLC	67,449	1,704,411	1,583,572	
Standard Chartered PLC	56,701	1,921,700	2,177,115	
		8,062,657	10,314,769	5.3%
Total foreign common stocks		66,767,802	80,672,701	41.4%
Transaction costs		(101,183)		
Total portfolio of investments		$ $128,474,598	$ $194,457,954	$ 100.0%

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

SCHEDULE OF INVESTMENT PORTFOLIO *(Unaudited) June 30, 2026*

Summary of Investment Portfolio

All portfolio categories are included in the following table :

	Percentage of Portfolio (%)	
Portfolio by Country	**As of June 30, 2026**	**As of December 31, 2025**
Canada	58.6	59.2
United States	27.6	27.1
Bermuda	1.6	1.2
France	1.5	1.0
Germany	0.9	0.70
Hong Kong	—	0.7
India	—	0.4
Ireland	0.5	1.0
Italy	1.1	1.1
Japan	1.6	1.0
Switzerland	—	0.6
Taiwan	1.3	0.9
United Kingdom	5.3	5.1
	100.0	100.0

Schedule 1 - Forward Contracts June 30, 2026

Currency to Deliver	Purchase Amount	Currency	Amount	Settlement Date	Contract Price	Market Price	Appreciation/ (Depreciation)
USD	40,000	CAD	55,114	14-Jul-26	0.726	0.706	(1,576)
USD	185,000	CAD	254,903	14-Jul-26	0.726	0.706	(7,291)
USD	300,000	CAD	406,265	14-Jul-26	0.738	0.706	(18,907)
CAD	117,399	USD	85,000	14-Jul-26	1.381	1.417	3,069
USD	50,000	CAD	69,217	14-Jul-26	0.722	0.706	(1,647)
USD	80,000	CAD	108,145	14-Jul-26	0.740	0.706	(5,234)
USD	450,000	CAD	610,952	14-Jul-26	0.737	0.706	(26,809)
USD	35,000	CAD	47,730	14-Jul-26	0.733	0.706	(1,874)
USD	200,000	CAD	274,277	14-Jul-26	0.729	0.706	(9,175)
CAD	628,589	USD	450,000	14-Jul-26	1.397	1.417	9,190
USD	50,000	CAD	68,451	14-Jul-26	0.730	0.706	(2,412)
USD	200,000	CAD	279,324	14-Jul-26	0.716	0.706	(4,133)
USD	40,000	CAD	55,865	14-Jul-26	0.716	0.706	(827)
USD	300,000	CAD	409,675	14-Jul-26	0.732	0.706	(15,501)
USD	14,000	CAD	19,211	14-Jul-26	0.729	0.706	(631)
USD	3,000	CAD	4,117	14-Jul-26	0.729	0.706	(135)
CAD	352,960	USD	257,000	14-Jul-26	1.373	1.417	11,276
CAD	71,416	USD	52,000	14-Jul-26	1.373	1.417	2,282
CAD	71,025	USD	50,000	14-Jul-26	1.421	1.417	(160)
CAD	19,887	USD	14,000	14-Jul-26	1.421	1.417	(45)
USD	6,351,000	CAD	8,782,506	14-Jul-26	0.723	0.706	(218,585)
CAD	277,328	USD	200,000	14-Jul-26	1.387	1.417	6,127
CAD	593,702	USD	430,000	22-Jul-26	1.381	1.417	15,485
USD	250,000	CAD	345,969	22-Jul-26	0.723	0.706	(8,211)
CAD	139,083	USD	100,000	22-Jul-26	1.391	1.417	2,590
CAD	166,960	USD	120,000	22-Jul-26	1.391	1.417	3,048
CAD	118,694	USD	85,000	22-Jul-26	1.396	1.417	1,729
USD	350,000	CAD	479,010	22-Jul-26	0.731	0.706	(16,833)
USD	4,167,000	CAD	5,699,923	22-Jul-26	0.731	0.706	(203,438)

Schedule 1 - Forward Contracts June 30, 2026 ***(continued)***

Currency to Deliver	Purchase Amount	Currency	Amount	Settlement Date	Contract Price	Market Price	Appreciation/ (Depreciation)
USD	7,287,000	CAD	9,967,683	22-Jul-26	0.731	0.706	(355,762)
USD	65,000	CAD	88,733	22-Jul-26	0.733	0.706	(3,351)
CAD	70,485	USD	50,000	22-Jul-26	1.410	1.417	353
CAD	7,049	USD	5,000	22-Jul-26	1.410	1.417	35
USD	102,000	CAD	138,735	22-Jul-26	0.735	0.706	(5,766)
USD	432,000	CAD	611,786	22-Jul-26	0.706	0.706	(258)
USD	463,000	CAD	655,707	22-Jul-26	0.706	0.706	(257)
CAD	28,280	USD	20,000	22-Jul-26	1.414	1.417	56
USD	45,000	CAD	63,732	22-Jul-26	0.706	0.706	(23)
USD	950,000	CAD	1,351,211	22-Jul-26	0.703	0.706	5,271
USD	60,000	CAD	85,168	22-Jul-26	0.704	0.706	162
USD	7,480,000	CAD	10,348,543	10-Sep-26	0.723	0.707	(224,166)
CAD	283,885	USD	200,000	10-Sep-26	1.419	1.414	(1,157)

All counterparties to forward contracts have a credit rating of A or higher.

1. General information

Tradex Equity Fund Limited (the Fund) is 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 20, 2026.

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 (IFRS Accounting Standards) 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, 2026

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified 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.

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

IFRS 18 – Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures);
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Fund is currently assessing the effect of the new standard on the Fund.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of 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 achieve long-term capital appreciation by investing primarily in a diversified portfolio of equity securities, mainly common shares of Canadian companies, with additional exposure to 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 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 on sale of investments" and "Change in unrealized appreciation (depreciation) on investments", 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's 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" in the statements of comprehensive income.

(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 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.

2.6 Redeemable shares

The Fund issues redeemable shares, which are redeemable at the holder's option and have identical rights. In accordance with IAS 32, Financial Instruments: Presentation, the redeemable shares are classified as financial liabilities as they contain a contractual obligation for the Fund to deliver cash to shareholders upon redemption and therefore do not meet the definition of equity instruments. Redeemable shares can be put back to the Fund on any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the shares and are redeemable on a daily basis.

The redeemable shares are carried at the redemption amount that is payable at the statement of financial position date if the holder exercised the right to redeem the shares.

2.7 Interest Income

Interest income for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Funds, accounted for on an accrual basis. Zero coupon bonds are purchased at a discount and are amortized over the term of the bond.

2.8 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.

2.9 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, 2026 and 2025.

	June 30, 2026	% of Gross lending revenue
Gross securities lending revenue	5,230	100.0
Withholding taxes	-	-
Agent fees RBC IS	(2,092)	(40.0)
Securities lending Revenue	3,138	60.0

	June 30, 2025	% of Gross lending revenue
Gross securities lending revenue	3,685	100.0
Withholding taxes	(55)	(1.5)
Agent fees RBC IS	(1,474)	(40.0)
Securities lending Revenue	2,156	58.5

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 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 was $1,324 in the period ended June 30, 2026 ($1,370 in 2025).

2.13 Distribution payable to holders of redeemable shares

Distributions to holders of redeemable shares 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 $2.670 per share of taxable capital gains distribution in 2026 ($1,402 in 2025).

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, 2025, the Fund had no capital losses and no non-capital losses carried forward for income tax purposes ($nil and $nil as at December 31, 2025).

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, 2026, 98.3% of the Fund's assets were traded on global stock exchanges (99.1% as at December 31, 2025). 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 $19,446,000 ($18,471,000 as at December 31, 2025). 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, 2026 and December 31, 2025 are as follows ($'000):

	30-June-26	31-Dec-25
US Dollars	21,486	21,955
Euro	6,836	5,110
UK Pounds	6,500	9,108
Japanese Yen	3,184	1,839
Swiss Franc	12	1,108
Norwegian Krone	1	1
Hong Kong Dollars	-	1,288

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, 2026 and December 31, 2025 is as follows ($'000):

	Foreign Currency Exposure	Notional value of foreign exchange of forward contracts	Net foreign currency exposure
June 30, 2026 U.S. Dollars	60,957	(39,471)	21,486
Dec 31, 2025 U.S. Dollars	54,438	(32,483)	21,955

As at June 30, 2026, 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 $1,901,000 ($2,020,000 as at December 31, 2025).
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 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, 2026, securities on loan totaled $3,408,803, whereas collateral held (non-cash) totaled $3,476,984 ($3,244,977 and $3,309,878 as at December 31, 2025, 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, 2026	December 31, 2025
Canada	58.6%	59.2%
United States	27.6%	27.1%
United Kingdom	5.3%	5.1%
Bermuda	1.6%	1.2%
Japan	1.6%	1.0%
France	1.5%	1.0%
Taiwan	1.3%	0.9%
Italy	1.1%	1.1%
Germany	0.9%	0.7%
Ireland	0.5%	1.0%
Others	-	1.7%

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, 2026 and December 31, 2025.

June 30, 2026

('000)	Level 1	Level 2	Level 3	Total
Equities	194,426	32	-	194,458
Cash & cash equivalents	3,017	-	-	3,017
Forward foreign exchangecontracts assets	-	61	-	61
Forward foreign exchangecontracts liabilities	-	(1,134)	-	(1,134)
Total	197,443	(1,041)	-	196,402

December 31, 2025

('000)	Level 1	Level 2	Level 3	Total
Equities	184,681	28	—	184,709
Cash & cash equivalents	964	—	—	964
Forward foreign exchangecontracts assets	—	471	—	471
Forward foreign exchangecontracts liabilities	—	(5)	—	(5)
Total	185,645	494	—	186,139

There were no transfers between levels during the period ended June 30, 2026 and year ended December 31, 2025.

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 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.

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 investors with professional investment management services and commit to its investors 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 depreciation on derivatives". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized gain (loss) on sale of 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 shares

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:

	2026	2025
Outstanding, beginning of period	5,323,751	5,273,885
Issued for cash	150,519	112,557
Reinvestment of distributions	422,795	232,665
Redeemed	(234,732)	(233,307)
Outstanding, end of period	5,662,333	5,385,800

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 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 2025, $407,681 in expenses were reduced by such transactions. It is anticipated that a rebate will be made in the second half of 2026, although it is not possible to estimate the amount at this time.

BOARD OF DIRECTORS AND OFFICERS OF THE MANAGER

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

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

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

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

Chuck Hamilton, *Ottawa, Ont.*
Educators Financial Group (retired)
Director

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

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Global Affairs Canada (retired)
Director

Christine Thomas, *Ottawa, Ont.*
MD Financial Management (retired)
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Director and Corporate Secretary

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