

2025 Tradex EQUITY Fund Limited



Annual Management Report of Fund Performance

and

Annual Financial Statements



December 31, 2025

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 Plus website at **www.sedarplus.ca**.

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

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TRADEX EQUITY FUND LIMITED STATEMENT OF MANAGEMENT'S RESPONSIBILITY

To our shareholders,

The accompanying Management Report of Fund Performance and Financial Statements have been prepared by Tradex Management Inc., the Manager of **Tradex Equity Fund Limited**, and approved by the Manager's and the Fund's Board of Directors. The Fund's Manager is responsible for the information and representations contained in the Management Report of Fund Performance and Financial Statements. The Management Report of Fund Performance in the front section of this document is unaudited, whereas the Financial Statements appearing in the second section are audited.

Tradex Management Inc. maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and include certain amounts that are based on estimates and judgements. The material accounting policies that management believes are appropriate for the Fund are described in Note 2 to the Financial Statements.

PricewaterhouseCoopers LLP is the external auditor of the Fund, appointed by the shareholders of Tradex Equity Fund Limited. They have audited the Financial Statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the Financial Statements.

Blair Cooper
President and CEO

Tom MacDonald
Chair and Director

March 26, 2026



ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *for the year ended December 31, 2025*

I. MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The Fund's 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. The Fund can be aggressive in the sense of stock and sector concentration, and will own a relatively high level of small cap stocks when desirable. Foreign content will represent up to 50% of the total portfolio value.

To maintain adequate portfolio diversification, thus reducing risk, at least five S&P/TSX Composite Index industry sectors will be represented. To reduce currency risk, in normal times a portion of the foreign currency exposure will be hedged into Canadian dollars through derivatives known as forward contracts. The Fund will generally be fully invested, but should market conditions temporarily deteriorate, up to 30% of the portfolio could be converted into cash.

Risk

There were no significant changes to the investment objectives and strategies that affected the Fund's overall risk level during the reporting period. The risks of investing in the Fund remain as discussed in the Fund's most recent Simplified Prospectus. The Fund is suitable for investors who have a medium to long term investment horizon, who want to invest in a broad range of Canadian and foreign stocks and who can handle the ups and downs of the stock market.

Results of Operations

An investment in TradeX Equity Fund Limited increased in value by 20.6% during 2025 compared to an increase of 17.1% in its benchmark, the S&P/TSX Total Return Index.

Trade tensions and central bank announcements dominated headlines for the first quarter. Uncertainty over the Trump administration's tariff threats and the potential for a global trade war made it difficult for the BoC to provide assumptions or guideposts for the Canadian economy, and had equity markets whipsawing. The S&P/TSX Composite Index experienced a pullback yet managed to post a gain of 1.5% for the quarter. Global equities suffered a sharp decline in April in response to the "Liberation Day" tariffs, but subsequently staged an impressive comeback and set new all-time highs in the face of heightened policy uncertainty and geopolitical tensions. The portfolio outperformed its benchmark against this challenging and volatile backdrop. Subsequent progress on trade propelled the S&P 500 back to levels which make further gains increasingly dependent on strong earnings growth and elevated investor confidence. The US dollar is one of the worst performing currencies since Donald Trump's inauguration in late January. The Canadian equity market performed strongly in the third quarter and outperformed the U.S and Global equity markets This quarter has been a tough landscape for active management, with the

relative performance lag predominantly driven by the underweight to gold stocks and security selection decisions within Technology. Global equities delivered robust gains over the quarter, extending the sharp recovery from the tariff-driven sell-off in April and propelling most major indices to record highs. The market's advance was underpinned by a concentrated group of stocks with exposure AI, which benefitted from heightened investor enthusiasm, unprecedented capital investments, and accelerating adoption. Within this context, the portfolio posted a solid absolute return but lagged its benchmark slightly. Although the portfolio posted a strong return this quarter, it underperformed the Canadian equity market. Gold equities contributed ~2% to the index thus the portfolio's underweight hurt performance. Global equities delivered their third consecutive year of double-digit gains in 2025 and reached new all-time highs in December, showcasing impressive resilience despite AI- and tariff-induced volatility earlier in the year.

At year-end 59% of the value of the Fund's investment portfolio was in Canadian equities, with 27% US and 14% non-North-American (versus 58%, 26% and 16%, respectively, at the start of the year). The number of companies held in the Canadian portion of the portfolio decreased from 81 to 78 while the number of foreign positions remained at 43. Small and mid cap companies represent a fairly large proportion of the Canadian portfolio and Portfolio Manager Phillips, Hager and North (PH&N)* was active throughout the year adding several new names in both the Canadian and foreign portions of the portfolio while eliminating and trimming several others to take advantage of opportunities as they arose.

Canadian financial stocks continue to represent the "core" of the Canadian portion of the portfolio, including its largest holdings; Royal Bank of Canada, with all 5 of Canada's largest banks held collectively representing over 13% of the fund's net asset value. The foreign portion of the portfolio is a concentrated (typical 35-45 holdings range) strategy managed with a core investment style focused on high-quality growing companies with strong competitive dynamics. The process is designed to avoid unintended risks, while maximizing company-specific exposures. PH&N identify companies that exhibit the strongest long-term competitive dynamics and then construct the portfolio using strong risk management approaches.

Throughout the year PH&N hedged in the range of 20-40% of the Fund's US dollar exposure into Canadian dollars through derivatives known as forward contracts. This active hedging program, which is designed as a risk mitigation strategy, reduced a portion of the currency related losses that the Fund would otherwise have experienced through the strengthening of the Canadian currency.

A listing of the entire investment portfolio appears on pages 9 to 11. In addition, a summary of the weighting of the Fund's assets in various geographies appears under the heading "Summary of Investment Portfolio".

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

In 2025 there was an increase in the number of shares outstanding while the Fund's total net asset value increased from \$161.9 million at the start of the year to \$185.9 million at year-end. The Fund's management expense ratio (MER) continued to be among the lowest for actively managed Canadian equity funds. The management expense ratio increased to 1.02% in 2025 from 0.97% in 2024 (Morningstar reports that the median MER for Canadian focused equity funds is 2.29%). This was achieved in part because Tradex Management Inc. was able to rebate a total of \$407,681 in its management fees to the Fund in 2025 (\$426,575 in 2024). There was a capital gain distribution of \$1.40 per share paid at the beginning of 2025, while at the end of 2025 the year end ordinary dividend of 48 cents per share was paid to shareholders.

* Phillips, Hager & North Investment Management (PH&N) is an operating division within RBC Global Asset Management Inc., an indirect wholly owned subsidiary of Royal Bank of Canada.

Recent Developments

On January 30, 2026 there was \$2.67 in capital gains distribution paid to shareholders of the Fund.

Related Party Transactions and Management Fees

Tradex Management Inc. is the manager of the Fund, and as such, 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 \$1,337,186 in 2025 (including HST) and represents 71% 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, when financial conditions permit, for the benefit of its investors, it voluntarily rebates and/or waives a portion of the management fees paid to it by the Fund. 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 (\$426,575 in 2024).

Other Expenses

The other expenses incurred by the Fund in 2025 amounted to \$964,935 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 (paid 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 11.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

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 years

The Fund's Net Assets per Share ⁽¹⁾ For the five years ended December 31

	2025	2024	2023	2022	2021
Net assets per share, beginning of year	\$ 30.71	\$ 25.99	\$ 24.19	\$ 29.17	\$ 24.10
Increase (decrease) from operations:					
Total revenue	\$ 0.66	\$ 0.69	\$ 0.66	\$ 0.63	\$ 0.64
Total expenses	\$ (0.35)	\$ (0.31)	\$ (0.33)	\$ (0.29)	\$ (0.30)
Realized gains (losses) for the year	\$ 3.89	\$ 2.03	\$ 1.18	\$ 0.68	\$ 1.59
Unrealized gains (losses) for the year	\$ 1.85	\$ 2.93	\$ 0.75	\$ (5.08)	\$ 3.54
Total increase (decrease) from operations (2)	\$ 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	\$ 1.40	\$ 0.13	\$ —	\$ 0.48	\$ —
Total Annual Distributions (3)	\$ 1.90	\$ 0.61	\$ 0.48	\$ 0.94	\$ 0.41
Net assets per share, end of year	\$ 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 year.

(3) Distributions were paid in cash/reinvested in additional shares of the Fund, or both.

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

(1) Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs) for the year and is expressed as an annualized percentage of daily average net asset value during 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 year.

(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 year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE (continued)

III. PAST PERFORMANCE

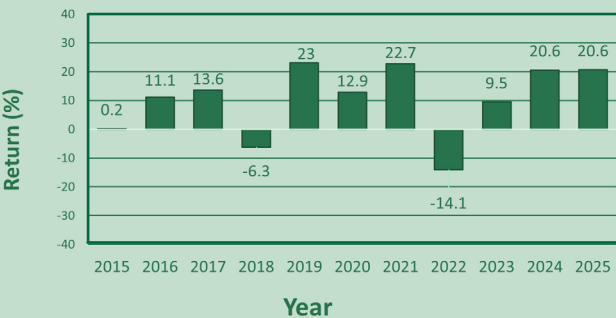
The past performance of the Fund is set out in the Year-by-Year Returns and Annual Compound Returns chart and table. All performance returns:

- are calculated as of December 31 of each year;
- assume all distributions made by the Fund were reinvested without charge to purchase additional shares of the Fund; and
- are not reduced by any income taxes payable by you. You will be taxable on the dividends and distributions of net income even if you have reinvested them to purchase additional shares, unless your investment is held in a registered tax plan.

The past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

This bar chart shows the Fund's annual performance in each of the past ten years. The chart shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 for each of the ten years, and how the performance varied from year to year.



Annual Compound Returns

The following table shows the Fund's annual compound total return for the periods indicated, as of December 31, 2025, compared to the S&P/TSX Composite Total Return Index.

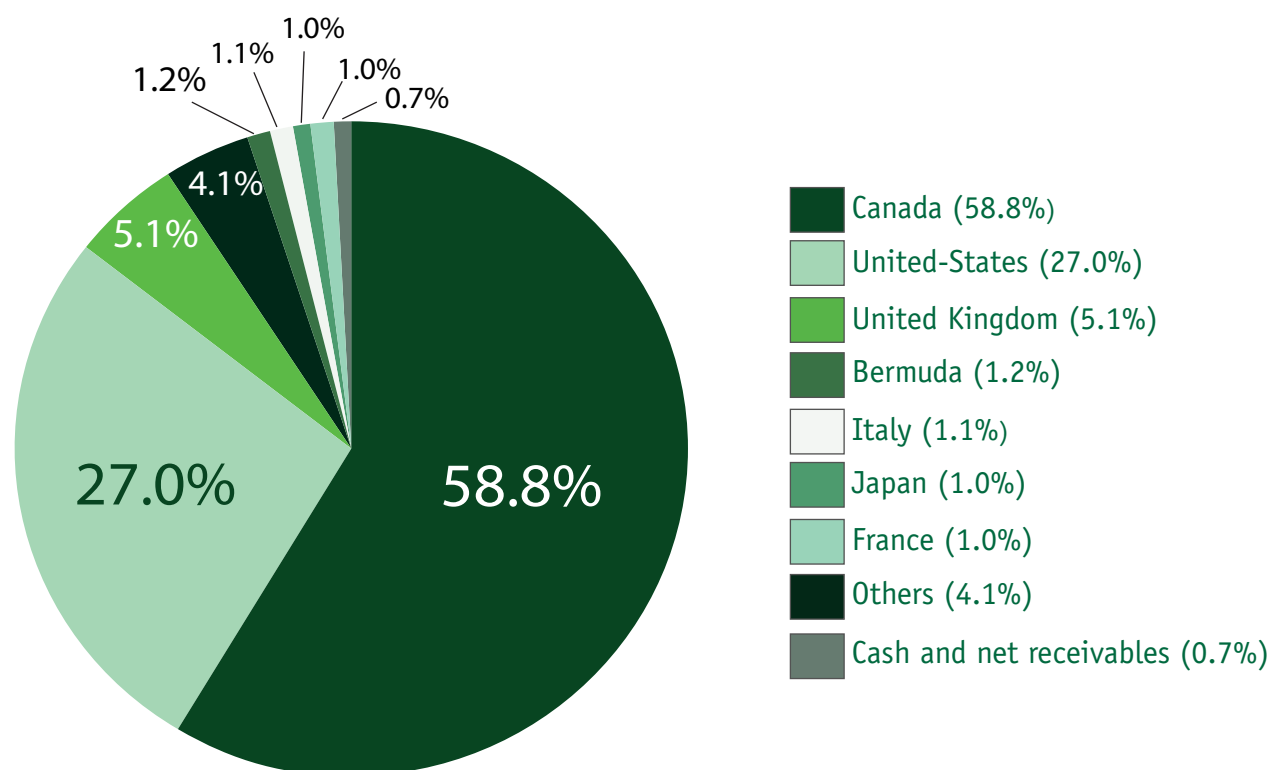
	Past 10 years	Past 5 years	Past 3 years	Past year
Tradex Equity Fund Limited	10.7%	10.9%	16.8%	20.6%
S&P/TSX Composite Total Return Index	12.7%	16.1%	21.4%	17.1%

The S&P/TSX Composite Total Return Index is the recognized standard for measuring the overall performance of the Canadian equity market. The Index covers approximately 95% of Canadian equity market capitalization and assumes the reinvestment of all dividends.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

IV. SUMMARY OF INVESTMENT PORTFOLIO

A summary of the investment portfolio as at December 31, 2025, broken down by the geographic location of the companies in the portfolio (as a percentage of net asset value), is as follows:



The following investments represent the 25 largest holdings of the Fund as of December 31, 2025, 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	4.9%	Manulife Financial Corp	1.5%
Shopify Inc.	3.6%	Eli Lilly & Co	1.4%
The Toronto-Dominion Bank	3.5%	Canadian Pacific Kansas City Ltd	1.4%
NVIDIA Corp	2.6%	Barrick Mining Corp	1.4%
Brookfield Corp	2.5%	Cameco Corp	1.2%
Enbridge Inc	2.5%	Wheaton Precious Metals Corp	1.2%
Apple Inc	2.3%	Intesa Sanpaolo SpA	1.1%
Alphabet Inc	2.3%	AstraZeneca PLC	1.1%
Agnico Eagle Mines Ltd	2.2%	Unilever PLC	1.1%
Canadian Imperial Bank of Commerce	2.1%	Fairfax Financial Holdings Ltd	1.1%
Bank of Montreal	1.8%	InterContinental Hotels Group PLC	1.1%
Broadcom Inc	1.7%	Sub-total – largest 25 holdings	48.7%
Canadian Natural Resources Ltd	1.6%	Remaining holdings	51.3%
JPMorgan Chase & Co	1.5%	Total	100.0%

INDEPENDENT AUDITOR'S REPORT

STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	December 31, 2025	December 31, 2024
Assets		
Investments at fair value through profit and loss	\$ 184,708,552	\$ 161,090,779
Cash and cash equivalents	963,808	2,185,990
Dividends receivable	176,420	309,237
Subscriptions receivable	52,925	10,000
Receivable for investments sold	—	93,002
Derivative assets	470,793	16,285
Total Assets	186,372,498	163,705,293
Liabilities		
Accounts payable and accrued liabilities	381,077	305,761
Redemptions payable	37,000	22,000
Distributions payable to holders of redeemable shares	6,030	5,040
Derivative liabilities	4,544	1,429,228
Total Liabilities	\$ 428,651	\$ 1,762,029
Net assets attributable to holders of redeemable shares	\$ 185,943,847	\$ 161,943,264
Shares issued and outstanding, end of year (Note 5)	5,323,751	5,273,885
Net assets attributable to holders of redeemable shares per share	\$ 34.93	\$ 30.71

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

Approved by the Board
of Directors of
Tradex Equity Fund Limited

Philip E. Charko
Director

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

STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31

	2025	2024
Income		
Dividend income	\$ 3,391,617	\$ 3,503,291
Interest income for distribution purposes	58,488	97,817
Securities lending revenue	4,611	18,369
Net Foreign exchange gain on cash	8,000	37,069
Other income	105,197	11,677
Other changes in fair value of investments and derivatives		
Net realized gain on sale of investments	21,927,335	11,192,996
Net realized loss on sale of derivatives	(1,065,737)	(379,189)
Net realized foreign exchange gain	13,650	1,042
Change in unrealized appreciation on investments	8,036,045	17,793,184
Change in unrealized appreciation (depreciation) on derivatives	1,879,192	(2,171,498)
	34,358,398	30,104,758
Expenses		
Management fees (Note 6)	1,337,186	1,201,958
Investment advisory fees	414,764	364,982
Administration costs	285,185	240,120
Independent review committee	200	169
Audit fees	62,986	68,025
Custodian fees	32,451	25,538
Registration fees and expenses	20,497	16,460
Transaction costs	60,635	49,384
Foreign withholding taxes	88,217	116,021
Expense reductions (Note 6)	(407,681)	(426,575)
	1,894,440	1,656,082
Increase in net assets attributable to holders of redeemable shares	\$ 32,463,958	\$ 28,448,676
Weighted average shares outstanding during the year	5,366,917	5,329,548
Increase in net assets attributable to holders of redeemable shares per share	\$ 6.05	\$ 5.34

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

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

Year ended December 31

	2025	2024
Net assets attributable to holders of redeemable shares at beginning of year	\$ 161,943,264	\$ 140,523,365
Increase in net assets attributable to holders of redeemable shares	32,463,958	28,448,676
Distributions		
Distributions to holders of redeemable shares from net investment income	(2,547,469)	(2,483,184)
Distributions to holders of redeemable shares from net realized capital gains	(7,379,547)	(726,579)
Net decrease from distributions	(9,927,016)	(3,209,763)
Redeemable shares transactions		
Proceeds from issue of redeemable shares	5,952,654	6,871,186
Reinvestment of distributions	9,517,657	3,079,111
Consideration paid on redemptions of redeemable shares	(14,006,670)	(13,769,311)
Net decrease from redeemable shares transactions	1,463,641	(3,819,014)
Net assets attributable to holders of redeemable shares at end of year	\$ 185,943,847	\$ 161,943,264

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

STATEMENTS OF CASH FLOWS

Year ended December 31

	2025	2024
Cash flows from operating activities		
Increase in net assets attributable to holder of redeemable shares	\$ 32,463,958	\$ 28,448,676
Adjustments for:		
Effect of exchange rate changes on foreign cash	(8,000)	(37,069)
Net realized (gain) on sale of investments	(21,927,335)	(11,192,996)
Change in unrealized (appreciation) of investments	(8,036,045)	(17,793,184)
Change in unrealized (appreciation) depreciation of derivatives	(1,879,192)	2,171,498
Purchase of investments	(81,994,176)	(42,472,151)
Proceeds from the sale of investments	88,339,783	48,910,082
Change in non-cash working capital items	301,135	(65,975)
	7,260,128	7,968,881
Cash flows from financing activities		
Proceeds from issue of redeemable shares	5,909,729	6,869,926
Consideration paid on redemptions of redeemable shares	(13,991,670)	(13,747,311)
Distributions paid to holders of redeemable shares, net of reinvested distributions	(408,369)	(129,937)
	(8,490,310)	(7,007,322)
Increase (decrease) in cash and cash equivalents during the year	(1,230,182)	961,559
Effect of exchange rate changes on foreign cash	8,000	37,069
Cash and cash equivalents at beginning of year	2,185,990	1,187,362
Cash and cash equivalents at end of year	963,808	2,185,990
Interest received	\$ 58,488	\$ 97,817
Dividends received, net of withholding taxes	\$ 3,436,217	\$ 3,383,846

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

SCHEDULE OF INVESTMENT PORTFOLIO *As at December 31, 2025*

Canadian Common Stocks	Number of shares	Average Cost	Fair Value	% of total fair value
Agnico Eagle Mines Ltd.	17,553	\$ 833,837	\$ 4,085,636	
Alamos Gold Inc.	8,151	289,116	432,003	
Alimentation Couche-Tard Inc.	25,529	702,088	1,913,654	
Altus Group Ltd.	3,715	202,393	210,678	
Aritzia Inc.	8,885	595,028	1,042,655	
ATS Corp.	9,197	216,946	347,739	
Badger Infrastructure Solutions Ltd.	14,283	641,468	1,044,516	
Bank of Montreal	18,824	1,588,005	3,355,378	
Bank of Nova Scotia	13,990	982,201	1,416,208	
Barrick Mining Corp.	43,204	1,865,544	2,583,167	
Blackline Safety Corp.	19,068	148,475	122,989	
BOYD GROUP INC	3,790	770,219	828,608	
Brookfield Corp.	73,792	1,063,120	4,650,372	
Cameco Corp.	18,170	664,611	2,283,606	
Canada Packers Inc.	3,553	51,272	57,168	
Canadian Imperial Bank of Commerce	30,852	1,726,824	3,838,914	
Canadian National Railway Co.	14,112	1,177,263	1,915,704	
Canadian Natural Resources Ltd.	63,832	1,409,601	2,967,550	
Canadian Pacific Kansas City Ltd.	26,126	1,866,029	2,640,032	
CCL Industries Inc.	10,313	825,288	894,137	
Celestica Inc.	2,920	1,150,840	1,185,549	
Cenovus Energy Inc.	59,914	1,150,175	1,391,203	
Colliers International Group Inc.	1,970	327,296	397,428	
Constellation Software Inc.	429	1,387,037	1,416,301	
Dollarama Inc.	8,818	450,672	1,808,925	
Element Fleet Management Corp.	14,350	335,878	517,318	
Emera Inc.	12,331	729,372	834,069	
Enbridge Inc.	69,670	3,571,759	4,575,926	
Fairfax Financial Holdings Ltd.	755	1,738,010	1,974,997	
First Quantum Minerals Ltd.	14,771	408,511	543,573	
FirstService Corp.	951	112,161	202,991	
Fortis Inc.	15,910	1,042,101	1,135,338	
Franco-Nevada Corp.	4,149	380,226	1,180,432	
Gildan Activewear Inc.	10,520	812,092	902,511	
Intact Financial Corp.	4,380	546,031	1,251,497	
Jamieson Wellness Inc.	10,708	379,706	360,324	
K92 Mining Inc.	26,855	153,215	609,340	
K-Bro Linen Inc.	5,761	200,331	202,269	
Keyera Corp.	16,015	459,565	704,660	
Keyera Corp. SUB RCPT	12,348	483,424	524,790	
Kinaxis Inc.	2,600	271,774	450,008	
Kinross Gold Corp.	14,157	286,679	547,310	
Magna International Inc.	6,530	416,428	477,800	
Mainstreet Equity Corp.	1,866	361,089	341,777	
Manulife Financial Corp.	55,424	1,317,474	2,762,332	
Maple Leaf Foods Inc.	18,109	470,276	451,457	
National Bank of Canada	7,205	559,687	1,243,655	
Nutrien Ltd.	12,538	846,048	1,062,219	
OceanaGold Corp.	9,279	81,255	360,953	
Open Text Corp.	6,680	319,164	298,596	
OR Royalties Inc.	6,382	222,413	310,293	
Pan American Silver Corp.	8,423	216,818	599,381	
Pan American Silver Corp., Rights, 2029-02-22	41,400	-	28,128	
Pet Valu Holdings Ltd.	9,930	285,580	276,948	
PrairieSky Royalty Ltd.	29,220	673,370	789,817	
Premium Brands Holdings Corp.	4,409	412,225	448,439	
Quebecor Inc.	18,831	811,434	973,563	
RB Global Inc.	4,640	751,164	655,678	
Real Matters Inc.	32,203	184,282	186,777	
Richelieu Hardware Ltd.	6,320	222,843	250,019	
Rogers Communications Inc.	30,083	1,280,297	1,558,600	
Royal Bank of Canada	39,263	1,911,189	9,187,144	
Saputo Inc.	22,189	590,893	916,628	
Shopify Inc.	30,517	1,698,332	6,744,257	
Stantec Inc.	1,840	263,433	238,317	

SCHEDULE OF INVESTMENT PORTFOLIO *As at December 31, 2025*

Canadian Common Stocks (continued)	Number of shares	Average Cost	Fair Value	% of total fair value
Stella-Jones Inc.	5,409	\$ 411,733	\$ 460,468	
Sun Life Financial Inc.	13,171	533,501	1,128,491	
Suncor Energy Inc.	31,788	1,433,803	1,936,525	
TC Energy Corp.	15,173	587,767	1,146,775	
Teck Resources Ltd.	18,518	626,323	1,216,818	
Thomson Reuters Corp.	3,006	171,193	544,477	
Topicus.com Inc.	2,743	485,730	348,772	
Torex Gold Resources Inc.	6,145	111,814	402,743	
Toromont Industries Ltd.	2,312	277,995	383,908	
Toronto-Dominion Bank	50,109	2,526,949	6,482,100	
Tourmaline Oil Corp.	17,998	840,013	1,108,137	
Waste Connections Inc.	5,646	428,704	1,359,105	
Westaim Corp.	10,821	347,381	275,936	
Wheaton Precious Metals Corp.	14,145	406,002	2,282,437	
WSP Global Inc.	3,240	421,009	805,205	
Total Canadian Common Stocks		57,501,794	109,392,148	59.2%
Foreign Common Stocks	Number of Shares	Average Cost	Fair Value	% of total fair value
United States				
Alphabet Inc., Class A	9,757	\$ 3,430,495	\$ 4,191,692	
Alphabet Inc., Class C	2,094	949,732	901,900	
Apple Inc.	11,558	4,523,291	4,312,774	
AppLovin Corp.	1,148	868,822	1,061,731	
AutoZone Inc.	378	945,891	1,759,593	
Blackrock Inc.	1,107	1,612,418	1,626,290	
Blackstone Inc.	7,621	1,104,835	1,612,338	
Boeing Co.	5,900	1,699,229	1,758,250	
Broadcom Inc.	6,589	2,245,203	3,130,040	
Cheniere Energy Inc.	6,343	1,806,193	1,692,378	
Eli Lilly & Co.	1,817	2,275,542	2,680,173	
Guidewire Software Inc.	2,685	888,232	740,782	
Home Depot Inc.	4,066	1,908,897	1,920,352	
Houlihan Lokey Inc.	3,441	858,981	822,691	
Intercontinental Exchange Inc.	8,608	1,890,853	1,913,545	
Intuit Inc.	1,745	1,403,552	1,586,564	
JPMorgan Chase & Co.	6,462	2,287,272	2,857,907	
McKesson Corp.	1,450	1,145,653	1,632,541	
Microsoft Corp.	2,787	718,852	1,849,992	
Netflix Inc.	11,985	889,348	1,542,355	
NVIDIA Corp.	18,625	2,509,396	4,767,644	
Packaging Corp. of America	3,308	904,614	936,367	
Prologis Inc.	5,886	1,007,878	1,031,345	
Thermo Fisher Scientific Inc.	2,257	1,718,453	1,795,049	
Twilio Inc.	6,501	893,460	1,269,202	
UnitedHealth Group Inc.	1,791	477,873	811,490	
		40,964,965	50,204,985	27.1%
Bermuda				
Brookfield Infrastructure Partners LP	24,263	1,062,761	1,157,588	
Brookfield Renewable Partners LP	29,844	1,122,683	1,106,914	
		2,185,444	2,264,502	1.2%
France				
Safran SA	3,782	804,563	1,814,286	
		804,563	1,814,286	1.0%
Germany				
Siemens Energy AG	6,354	1,136,002	1,234,005	
		1,136,002	1,234,005	0.7%
Hong Kong				
AIA Group Ltd.	91,388	\$ 1,112,524	\$ 1,287,759	
		1,112,524	1,287,759	0.7%
India				
ICICI Bank Ltd.	16,990	600,145	694,926	
		600,145	694,926	0.4%
Ireland				
CRH PLC	10,401	1,220,240	1,781,634	
		1,220,240	1,781,634	1.0%

SCHEDULE OF INVESTMENT PORTFOLIO *As at December 31, 2025*

Foreign Common Stocks (continued)	Number of Shares	Average Cost	Fair Value	% of total fair value
Italy				
Intesa Sanpaolo SpA	213,198	1,616,923	2,036,205	
		1,616,923	2,036,205	1.1%
Japan				
Mitsubishi Electric Corp.	45,772	1,280,511	1,838,930	
		1,280,511	1,838,930	1.0%
Switzerland				
Galderma Group AG	3,901	709,894	1,095,741	
		709,894	1,095,741	0.6%
Taiwan				
Taiwan Semiconductor Manufacturing Co., Ltd.	3,797	732,186	1,583,747	
		732,186	1,583,747	0.9%
United Kingdom				
Antofagasta PLC	11,387	589,544	690,804	
AstraZeneca PLC	7,889	1,849,028	2,012,753	
BAE Systems PLC	30,061	955,688	953,276	
Endeavour Mining PLC	5,556	128,359	392,698	
InterContinental Hotels Group PLC	10,201	723,051	1,974,144	
National Grid PLC	68,721	1,147,116	1,451,342	
Unilever PLC	22,297	1,914,495	2,004,667	
		7,307,281	9,479,684	5.1%
Total foreign common stocks		59,670,678	75,316,404	40.8%
Transaction costs		(85,173)		
Total portfolio of investments		117,087,299	184,708,552	100.0%

SCHEDULE OF INVESTMENT PORTFOLIO *As at December 31, 2025*

Summary of Investment Portfolio

All portfolio categories are included in the following table :

Portfolio by Category	Percentage of Portfolio (%)	
	As of December 31, 2025	As of December 31, 2024
Canada	59.2	58.3
United States	27.1	26.3
Bermuda	1.2	0.3
Denmark	-	0.8
France	1.0	1.5
Germany	0.7	-
Hong Kong	0.7	0.9
India	0.4	0.6
Ireland	1.0	2.1
Italy	1.1	-
Japan	1.0	1.5
Luxembourg	-	0.2
Netherlands	-	0.7
Switzerland	0.6	2.1
Taiwan	0.9	0.9
United Kingdom	5.1	3.8
	100.0	100.0

Schedule 1 - Forward Contracts December 31, 2025

Currency to Deliver	Purchase Amount	Currency	Amount	Settlement Date	Contract Price	Market Price	Appreciation/ (Depreciation)
CAD	6,987	USD	5,000	16-Jan-26	1.397	1.372	(130)
USD	3,672,000	CAD	5,104,704	16-Jan-26	0.719	0.729	68,392
USD	6,000,000	CAD	8,341,020	16-Jan-26	0.719	0.729	111,752
USD	306,000	CAD	429,582	16-Jan-26	0.712	0.729	9,885
USD	128,000	CAD	180,072	16-Jan-26	0.711	0.729	4,512
USD	10,000	CAD	13,860	16-Jan-26	0.721	0.729	145
USD	70,000	CAD	97,540	16-Jan-26	0.718	0.729	1,532
USD	50,000	CAD	69,778	16-Jan-26	0.717	0.729	1,200
USD	15,000	CAD	20,608	16-Jan-26	0.728	0.729	35
CAD	41,985	USD	30,000	16-Jan-26	1.399	1.372	(838)
USD	200,000	CAD	281,526	16-Jan-26	0.710	0.729	7,214
USD	50,000	CAD	70,382	16-Jan-26	0.710	0.729	1,803
USD	40,000	CAD	55,799	16-Jan-26	0.717	0.729	937
USD	6,500,000	CAD	9,125,415	02-Mar-26	0.712	0.730	226,484
USD	71,000	CAD	97,354	02-Mar-26	0.729	0.730	158
CAD	181,551	USD	130,000	02-Mar-26	1.397	1.369	(3,576)
USD	6,719,000	CAD	9,223,501	31-Mar-26	0.728	0.731	36,744
							466,249

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 March 26, 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).

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, 2025*

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2025 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*

i) *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.

ii) *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 loss on sale of investments" and "Change in unrealized appreciation 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 derivatives" in the statements of comprehensive income.

If a significant movement in fair value occurs subsequent

NOTES TO FINANCIAL STATEMENTS *As at December 31, 2025 (cont'd)*

to the close of trading on the year end date, valuation techniques will be applied to determine the fair value. 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. Other receivables consist of Dividends receivable and Subscriptions receivable.

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. 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.

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 by the total number of outstanding redeemable shares of the 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 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.

2.9 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 years ended December 31, 2025 and 2024.

	December 31, 2025	% of Gross lending revenue
Gross securities lending revenue	7,786	100.0
Withholding taxes	(100)	(1.3)
Agent fees		
RBC IS	(3,075)	(39.5)
Securities lending Revenue	4,611	59.2

	December 31, 2024	% of Gross lending revenue
Gross securities lending revenue	31,755	100.0
Withholding taxes	(684)	(2.2)
Agent fees		
RBC IS	(12,702)	(40.0)
Securities lending Revenue	18,369	57.8

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 \$1,370 in the year ended December 31, 2025 (\$1,525 in 2024).

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 \$1.421 per share of taxable capital gains distribution in 2025 (\$0.134 in 2024).

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, 2024).

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.

NOTES TO FINANCIAL STATEMENTS *As at December 31, 2025 (cont'd)*

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 December 31, 2025, 99.1% of the Fund's assets were traded on global stock exchanges (98.4% as at December 31, 2024). If equity prices had increased or decreased by 10% as at the year end, with all other factors remaining constant, assets could possibly have increased or decreased by approximately \$18,471,000 (\$16,109,000 as at December 31, 2024). 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 December 31, 2025 and 2024 are as follows (\$'000):

	31-Dec-25	31-Dec-24
US Dollars	21,955	19,490
UK Pounds	9,108	5,692
Euro	5,110	4,022
Japanese Yen	1,839	2,362
Hong Kong Dollars	1,288	1,519
Swiss Franc	1,108	1,724
Norwegian Krone	1	1
Danish Krone	—	1,310

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 December 31, 2025 and 2024 is as follows (\$'000):

	Foreign Currency Exposure	Notional value of foreign exchange of forward contracts	Net foreign currency exposure
Dec 31, 2025 U.S. Dollars	54,438	(32,483)	21,955
Dec 31, 2024 U.S. Dollars	49,908	(30,418)	19,490

As at December 31, 2025, 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 \$2,020,000 (\$1,806,000 as at December 31, 2024). 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.

NOTES TO FINANCIAL STATEMENTS *As at December 31, 2025 (cont'd)*

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 December 31, 2025, securities on loan totaled \$3,244,977, whereas collateral held (non-cash) totaled \$3,309,878 (\$3,426,650 and \$3,495,185 as at December 31, 2024, 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	December 31, 2025	December 31, 2024
Canada	59.2%	58.3%
United States	27.1%	26.3%
United Kingdom	5.1%	3.8%
Bermuda	1.2%	0.3%
Italy	1.1%	0.0%
France	1.0%	1.5%
Ireland	1.0%	2.1%
Japan	1.0%	1.5%
Taiwan	0.9%	0.9%
Hong Kong	0.7%	0.9%
Others	1.7%	4.4%

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 December 31, 2025 and 2024.

December 31, 2025

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

NOTES TO FINANCIAL STATEMENTS *As at December 31, 2025 (cont'd)*

December 31, 2024

('000)	Level 1	Level 2	Level 3	Total
Equities	161,069	22	—	161,091
Cash & cash equivalents	2,186	—	—	2,186
Forward foreign exchange contracts assets	—	16	—	16
Forward foreign exchange contracts liabilities	—	(1,429)	—	(1,429)
Total	163,255	(1,391)	—	161,864

There were no transfers between levels during the year ended December 31, 2025 and 2024.

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.

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 appreciation (depreciation) on derivatives". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized 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 years ended December 31 were as follows:

	2025	2024
Outstanding, beginning of year	5,273,885	5,406,290
Issued for cash	186,923	238,231
Reinvestment of distributions	302,353	104,327
Redeemed	(439,410)	(474,963)
Outstanding, end of year	5,323,751	5,273,885

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 (\$426,575 in 2024) in expenses were reduced by such transactions.

7. IESBA DISCLOSURE

In compliance with the International Ethics Standards Board for Accountants' ("IESBA") Code of Ethics for Professional Accountants, the auditor is required to publicly disclose the audit and non-audit fees charged to public interest entities, including the Fund, on an annual basis.

In connection with the audit of the financial statements of the Fund for the year ended December 31, 2025, the following fees (excluding applicable taxes) were paid or payable to PricewaterhouseCoopers LLP: fees for the audits of financial statements were \$48,405 and fees for other services were \$6,615.

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

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

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

Tom MacDonald, *Ottawa, Ont.*
Global Affairs Canada (retired)
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Dena Palamedes, CPA, CMA, CIA, CFE, CCSA, CRMA
Ottawa, Ont.
Canada Border Services Agency (retired)
Director, Treasurer and Chair of the Audit Committee

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

Christine Thomas, *Ottawa, Ont.*
Canadian Medical Association (retired)
Director

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

CORPORATE AND SHAREHOLDER INFORMATION

MANAGER

Tradex Management Inc.
340 Albert Street, Suite 1604
Ottawa, Ontario K1R 7Y6
Telephone: 613-233-3394 or 1-800-567-3863
Fax: 613-233-8191
e-mail: info@tradex.ca
web site: www.tradex.ca



INVESTMENT COUNSEL

Phillips, Hager & North Investment Management
(a division of RBC Global Asset Management Inc.)
200 Burrard Street, 20th Floor
Vancouver, B.C. V6C 3N5

CUSTODIAN

RBC Investor Services
155 Wellington St W, 3rd Floor
Toronto, ON M5V 3L3

REGISTRAR

RBC Investor Services
155 Wellington St W, 3rd Floor
Toronto, ON M5V 3L3

AUDITORS

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710
Ottawa, Ontario K1P 1E4

LEGAL COUNSEL

Borden Ladner Gervais LLP
22 Adelaide Street West
Bay Adelaide Centre, East Tower
Toronto, Ontario M5H 4E3



We encourage you to visit
www.tradex.ca to learn more
about investing with
Tradex Management Inc.

340 Albert Street, Suite 1604
Ottawa, Ontario K1R 7Y6
Telephone: 613-233-3394 or 1-800-567-3863
Fax: 613-233-8191
E-mail: info@tradex.ca
Web site: www.tradex.ca

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