

Tradex

QUARTERLY

Fourth quarter 2023



President's Report to Tradex Members



The Canadian equity market ended the year up 8.1 per cent after the prior year's decline, with the S&P/TSX Composite Index increasing by 7.3% during the final three months. The US S&P 500 Index was up 11.2% during the quarter, ending the year up 24.2% and had risen 33.3% from the October low of 2022's bear market and within 0.6% of full recovery to

January 2022 high. The increase in terms of Canadian dollars was lower for the quarter as the Canadian currency increased by 2.2% from 73.96 cents to 75.61 cents. As of December 29, the dividend yield of the S&P/TSX was 3.2% and S&P500 1.5% (plus buybacks), which indicates some returning relative value in Canadian stocks as the 10-year government bond yields were 3.1% in Canada and 3.9% for US Treasuries.

The Bank of Canada (BoC) held its rate again at 5% at both the October and December announcements while continuing its policy of quantitative tightening (QT). The bank indicated "The global economy continues to slow and inflation has eased further. In the United States, growth has been stronger than expected, led by robust consumer spending. In Canada, economic growth stalled through the middle quarters of 2023." Similarly, the FOMC held its rate at 5-1/4 to 5-1/2 percent at both meetings in November and December 13th while continuing its QT. They indicated they remain "highly attentive to inflation risks" however, their "dot plots" indicated potentially three cuts in 2024. Current expectations are for rate cuts commencing in the second quarter of 2024.

Annual Rebates

Tradex operates on an "at-cost" or "break-even" basis solely for the benefit of its Members and is thus unique among Canadian mutual fund organizations. In 2023 we were able to return a total of \$339,000 in operating revenue to the three Tradex Funds (compared to \$734,500 in 2022). The return of this money to the Tradex Funds helps lower their management expenses (and management expense ratio) and is therefore a direct benefit to all Tradex investors.

Annual Reminder for Mutual Fund Reports

If you wish to receive the various regulatory documents for the Tradex Funds, please provide standing instructions by

signing and returning the attached form if you have not done so previously.

Tradex 64th Annual General Meeting on Wednesday May 1st returning to the RA Centre

This year, the Tradex Annual General Meeting will be held at 7:00 p.m. in Clark Hall, 2451 Riverside Drive, Ottawa (at the west end of the RA building). As in the past, all three investment counsellors will be present to provide outlooks and answer any questions.

Annual Calendar Year Contribution Opportunities

The Tax-Free Savings Account (TFSA) additional contribution of up to \$7,000 for 2024 is available and the deadline for Registered Retirement Savings Plan (RRSP) contributions to be deducted against your 2023 income is February 29, 2024. The new FHSA program first available in 2023 permits an additional \$8,000 contribution for 2024. For further details or to complete your contributions please contact us.

Paperless and Online access for the Tradex Funds

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

Member Survey Initiatives

As members indicated an interest in an estate planning seminar hosted by Tradex for our members and their families in our latest member survey, we are pleased to announce the first seminar will be held at the Constitution Square Conference Centre, 350 Albert Street, 2nd floor on April 17th, 2024 at 4:30 pm. Light refreshments will be included. Please reserve your spot through our website or contact us. In response to our request for suggestions of charities to which Tradex might donate, we are pleased to announce our support of a local food bank this year.

Blair Cooper
January 29, 2024



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Annual Reminder Regarding Mutual Fund Reports

We prepare Management Reports of Fund Performance (MRFPs) and Financial Statements for your mutual fund investments twice a year, for the periods ending June 30 and December 31.

The Tradex website provides comprehensive information on your investments. Visit www.tradex.ca and, under **Legal & Regulatory Documents**, you can view or download the MRFPs and Financial Statements, as well as other important information such as the Fund Facts, Simplified Prospectus and Quarterly Portfolio Disclosures. These materials are also available on the SEDAR+ website at www.sedarplus.ca.

You are entitled to receive print copies of the MRFPs and Financial Statements at no cost. **If you have previously instructed us as to which materials you would like to receive, your instructions will remain on file as long as you hold units of a fund or until we receive new instructions from you.** For more information, to change your standing instructions, or to request a printed copy of these materials, you can call **1-800-567-3863** or ask your advisor.

Annual Notice Regarding Fund Facts for Members with PACs

When you enroll in a pre-authorized chequing plan (PAC) to purchase Tradex Funds, you will receive a copy of the Fund Facts document with your initial purchase for each fund you buy. Unless specifically requested by you at the time of initial purchase, you will not be sent subsequent copies of the Fund Facts. You may request a copy of the most recent Fund Facts at any time and at no cost by: (i) calling us at 1-800-567-3863; (ii) by sending us a request by mail; (iii) by sending us an e-mail at info@tradex.ca or (iv) by asking your financial advisor. You can also download copies of the Fund Facts at no cost from our website www.tradex.ca or www.sedarplus.ca.

Under securities law, you have certain statutory rights when purchasing units of a mutual fund. These rights are described in the fund's Fund Facts and include the right to cancel the first purchase of a fund made through a PAC, provided you exercise that right within a prescribed period of time. This right does not, however, extend to subsequent purchases of the fund made through a PAC. You will, however, continue to have the right to terminate your PAC at any time before a scheduled contribution date. In the event that any misrepresentation is contained in a Fund Facts, or any document incorporated by reference in any renewal simplified prospectus, you will have the right to bring an action for damages or rescission, whether or not you have requested the Fund Facts.

Thank you for investing with Tradex Management Inc.

Redemption Procedures

We are required to inform you of the proper procedures required for us to execute a redemption of Tradex Funds. You can sell some or all of your units/shares at any time. If your order is received by our office by 4 p.m. (Eastern Time), you will receive that day's net asset value per unit calculated on the next business day. We will transfer or mail the redemption proceeds to you or your dealer within two business days of receiving a complete redemption request. Please refer to the Simplified Prospectus under Purchases, Switches, and Redemptions for detailed information.

To receive a paper copy of the Tradex Funds MRFP and the Financial Statements, please complete below and return by mail, scan or fax:

FIRST NAME (FULL)

LAST NAME

TELEPHONE NUMBER