

# 2023 Tradex GLOBAL EQUITY Fund



## Annual Management Report of Fund Performance

and

## Annual Financial Statements



December 31, 2023

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 GLOBAL EQUITY FUND STATEMENT OF MANAGEMENT'S RESPONSIBILITY

To our unitholders,

The accompanying Management Report of Fund Performance and Financial Statements have been prepared by Tradex Management Inc., the Manager and Trustee of **Tradex Global Equity Fund**, and approved by the Manager'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 Manager-Trustee of the Fund. They have audited the Financial Statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the Financial Statements.

/s/Blair Cooper

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Blair Cooper  
President and CEO

/s/Karin Zabel

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Karin Zabel  
Chair and Director

March 27, 2024



# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the year ended December 31, 2023

## 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 closed-end fund companies (CEFs) managed by some of the world's leading investment firms whose investments are principally in a diversified portfolio of equity securities of issuers based in any country.

The Fund's investment approach involves the portfolio manager assessing which of the world's stock markets, industry sectors and currencies have the best potential rate of return. Among the key economic and financial indicators studied are industrial production, short-term interest rates, the consumer price indices, balance of payments data, gross domestic product data, commodity prices, and foreign exchange rates.

The discounts at which most close-end fund companies trade form a meaningful element in the portfolio strategy. The Fund also invests in exchange-traded funds (ETFs) that are Index Participation Units (IPUs), which mirror the performance of a particular exchange index.

Diversifying across global markets allows gains in one country to be balanced by losses in another, thereby reducing risk. The Americas, Europe and Asia are all represented in the portfolio, with emerging markets up to 20% of total investments. Funds representing a single country cannot account for more than 35% of the portfolio, with the exception of the United States. The Fund also invests in Index Participation Units (IPUs or ETFs) which mirror an index and up to 25% may be invested in shares of companies that are not CEFs listed on a recognized stock exchange.

Derivatives may be used for foreign currency hedging purposes only. Should market conditions temporarily deteriorate, up to 50% of the portfolio could be converted to 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 foreign stocks and who can handle the ups and downs of the stock market.

### Results of Operations

An investment in Tradex Global Fund increased in value by 17.8% during 2023 compared to an increase of 19.4%, in terms of Canadian dollars, in its benchmark, the Dow Jones Global Total Return Index.

Global equities posted solid gains during the first quarter of 2023 despite enduring a banking crisis intra-period. The quarter began with stocks extending their fourth quarter rally as headline inflation readings came in softer than expected and this fueled

hopes that the peak of the Fed and ECB interest rate rises may occur sooner than expected. Global equities gained during the second quarter of 2023, led by the US, as inflation continued to cool and the Federal Reserve took a pause in June after its expected 25 bps rate hike in May, though two more hikes are still projected before the tightening cycle peaks. In addition, the debt ceiling negotiations that dominated the narrative mid-quarter were ultimately resolved with a bipartisan deal prior to the deadline, dispelling fears of a crisis that might paralyze the world's largest economy. Global equities pulled back during the third quarter of 2023, as the likelihood of a sustained period of elevated interest rates dampened the growth outlook and weighed on investor sentiment. The Federal Reserve hiked rates 25 bps at its July meeting but took a pause in September, leaving the rate at 5.5%, with the potential for a further hike in the fourth quarter. Inflation in the US remains on a downward trajectory while the job market shows signs of cooling, though neither trend is moving swiftly enough to prompt the Fed to change course. The fourth quarter saw strong performance in global equities, thanks to growing confidence that the world's major central banks had finished their hiking cycles. After no changes at the October or November FOMC meetings, the markets were surprised at the December meeting by the unexpectedly dovish dot plot. Inflation continued to fall through the quarter. In an "everything rally," Technology stocks were the top performing over the quarter, as the enthusiasm over the possibilities for Artificial Intelligence (AI) continues to boost sentiment.

In local currency terms, the movement in key equity markets around the world during 2023 was as follows. Japan's Nikkei 225 Index ended the year up 28%. The German DAX Index was up 20.3%, France's CAC 40 16.5%, the U.K. FTSE 100 Index was up 4%. In North America, the S&P 500 Index was up 24.2%, the Dow Jones Industrial Average rose 13.8% while the NASDAQ was up 43%. The Toronto S&P/TSX Composite Index (which excludes dividends) gained 8.1% for the year. The MSCI Emerging Markets Index closed the year up 10.3%.

There was again volatility in currency rates during the year, as the Canadian dollar from its start of the year of 73.83 cents rose to a High July 13th of 76.17 cents then reversed to end the year at 75.61 cents US, an increase of 2.4% for the year.

Portfolio manager City of London Investment Management (CLIM) made significant changes in the Fund's region/country asset allocation during 2023. The portfolio weighting to the US market decreased from 61% to 59% over the year, in contrast to a 70% benchmark weighing for the US market. Exposure to developed continental Europe remained 13% while exposure to the U.K. fell from 7% to 6% at year-end and exposure to Japan remained 11%. Total exposure to emerging markets increased from 3% to 5% while the exposure to Canada declined from 4% to 3%. Attribution analysis for the year indicated the relative performance of the selected closed-end funds detracted 2.6% for the year, country allocation 0.6%, with a 0.2% negative contribution from discount movements.

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

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At year-end the net asset value of the Fund stood at \$49.5 million compared to \$43.5 million at the end of 2022. There was a decrease in the number of units outstanding during the year due to the reinvested distributions not exceeding the net redemptions of the Fund. The Fund's management expense ratio (MER) increased to 3.06% in 2023 from 2.85% in 2022 including the 1.00% (1.06% in 2022) weighted average expenses of the underlying closed-end funds (Morningstar reports that the median MER for Global equity funds is 2.29%). Over the past few years the direct expenses have declined to 2.06% for 2023 from 2.26% in 2013. This was achieved in part because Tradex Management Inc. was able to rebate a total of \$78,648 in its management fees to the Fund in 2023 (\$183,625 in 2022). At the end of the year a distribution of \$0.31 per unit net foreign income and \$0.09 capital gain was paid to unitholders.

### **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 0.6% of the Fund's net asset value, calculated and accruing daily. This amounted to \$312,950 in 2023 (including HST) and represents less than 29% of the total expenses paid by the Fund. 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 unitholders and potential unitholders. Tradex Management Inc. receives no additional fees or commissions for being the Fund's principal distributor and pays a trailer fee of 0.25% from its management fee to mutual fund dealers who distribute the Fund.

Since Tradex Management Inc. operates on an "at cost" basis, when financial conditions permits, 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 2023, \$78,648 in expenses were reduced for the Fund through such transactions (\$183,625 in 2022).

### **Other Expenses**

The other expenses incurred by the Fund in 2023 amounted to \$846,185 and were paid to third party suppliers, governments and regulatory authorities. These represent investment advisory fees (paid to City of London Investment Management Company Limited), 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 Unit <sup>(1)</sup> For the five years ended December 31

	2023	2022	2021	2020	2019
Net assets per unit, beginning of year	\$ 14.46	\$ 18.75	\$ 17.66	\$ 16.12	\$ 13.73
Increase (decrease) from operations					
Total revenue	\$ 0.67	\$ 0.65	\$ 0.83	\$ 0.76	\$ 0.74
Total expenses	\$ (0.36)	\$ (0.35)	\$ (0.40)	\$ (0.31)	\$ (0.32)
Realized gains (losses) for the year	\$ 0.25	\$ (0.12)	\$ 2.45	\$ (0.33)	\$ 0.40
Unrealized gains (losses) for the year	\$ 2.00	\$ (4.16)	\$ 0.32	\$ 1.86	\$ 2.20
Total increase (decrease) from operations (2)	\$ 2.56	\$ (3.98)	\$ 3.20	\$ 1.98	\$ 3.02
Distributions to investors:					
From investment income	\$ 0.31	\$ 0.34	\$ 0.41	\$ 0.46	\$ 0.39
From dividends	\$ —	\$ —	\$ —	\$ 0.01	\$ 0.02
From capital gains	\$ 0.09	\$ —	\$ 1.68	\$ —	\$ 0.26
Total Distributions (3)	\$ 0.40	\$ 0.34	\$ 2.09	\$ 0.47	\$ 0.67
Net assets per unit, end of year	\$ 16.64	\$ 14.46	\$ 18.75	\$ 17.66	\$ 16.12

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

Ratios and Supplemental Data	2023	2022	2021	2020	2019
Total net asset value, end of year (000's)	\$ 49,520	\$ 43,470	\$ 55,453	\$ 45,509	\$ 40,402
Weighted average net asset value (000's)	\$ 46,504	\$ 45,758	\$ 51,362	\$ 38,429	\$ 37,537
Number of units outstanding, end of year	2,976,404	3,005,300	2,957,776	2,577,387	2,506,669
Management expense ratio (1)	3.06%	2.85%	2.71%	2.79%	2.85%
Management expense ratio before waivers or absorptions (1)	3.23%	3.25%	3.06%	3.20%	3.20%
Trading expense ratio (2)	0.14%	0.11%	0.19%	0.18%	0.13%
Portfolio turnover rate (3)	32.84%	29.01%	67.82%	64.35%	45.13%
Net asset value per unit, end of year	\$ 16.64	\$ 14.46	\$ 18.75	\$ 17.66	\$ 16.12

- (1) Management expense ratio is based on total expenses (excluding broker commission and other portfolio transaction costs) of the Fund and the underlying Funds (1.0%) 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 the Fund's portfolio turnover rate in a year, 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 year. There is not necessarily a relationship between a high turnover rate and performance of a Fund.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

## III. PAST PERFORMANCE

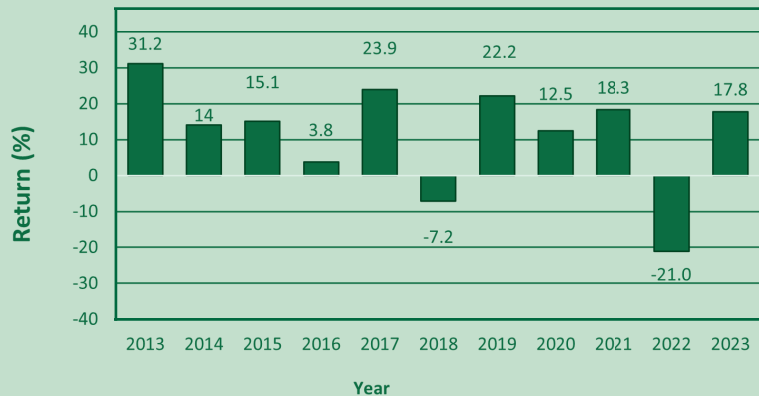
The past performance of the Fund is set out in the Year-by-Year Returns and Annual Compound Returns chart and table. All performance returns:

- are calculated as of December 31 of each year;
- assume all distributions made by the Fund were reinvested without charge to purchase additional units of the Fund; and
- are not reduced by any income taxes payable by you. You will be taxable on the distributions of net income even if you have reinvested them to purchase additional units, 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 for each of the past ten years. The chart shows in percentage terms how much an investment made on January 1 would have increased or decreased by December 31 for each year, and how the performance has varied from year to year.



### Annual Compound Returns

The following table shows the Fund's annual compound total return for the period indicated, as of December 31, 2023, compared to the Dow Jones Global Total Return Index.

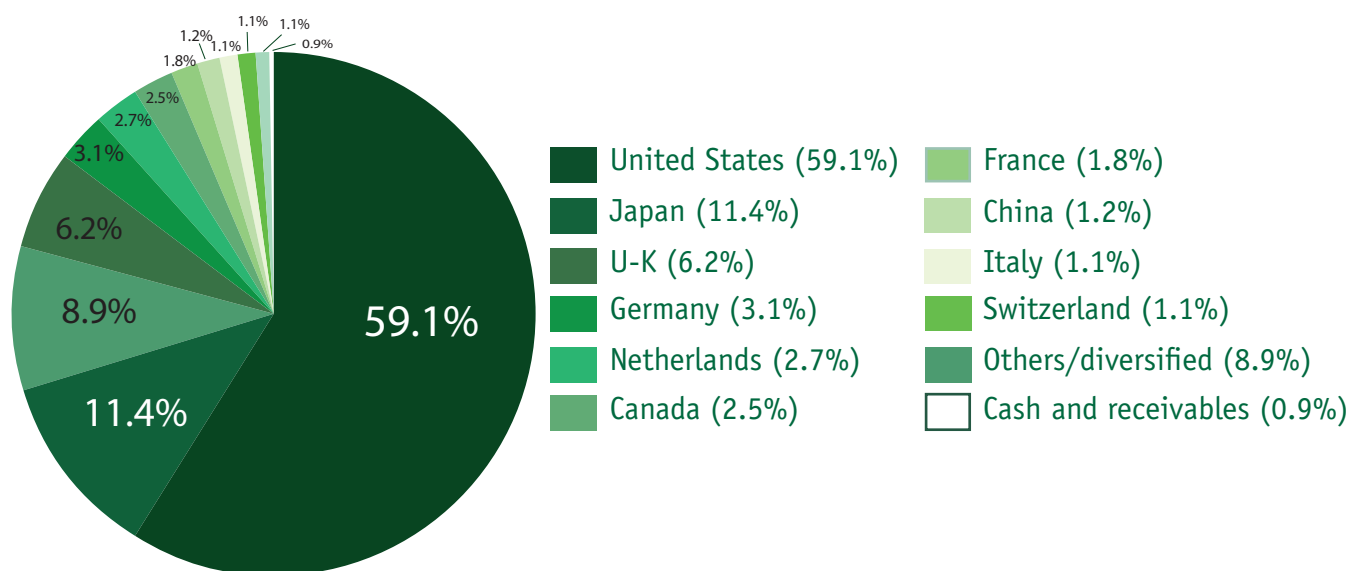
	Past 10 years	Past 5 years	Past 3 years	Past year
Tradex Global Equity Fund	9.0%	8.6%	3.2%	17.8%
Dow Jones Global Total Return Index	10.4%	11.0%	7.1%	19.4%

The Dow Jones Global Total Return Index is market-capitalization weighted index that reflects the price changes of the stocks of different national and international firms from across 29 countries. There are around 5,500 firms listed on the index among which around 700 are based in the United States.

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE *(continued)*

### IV. SUMMARY OF INVESTMENT PORTFOLIO

A summary of the investment portfolio as at December 31, 2023, broken down by the geographic location of the exposure of the companies in the portfolio, is as follows: (This represents portfolio manager City of London Investment Management's estimate of the underlying country exposure associated with the various assets held by the Fund.)



The following investments represent the top 25 holdings of the Fund as of December 31, 2023 shown as a percentage of the Fund's total 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.

Polar Capital Technology Trust PLC	6.7%	ClearBridge Energy Midstream Opportunity Fund Inc	2.4%
Neuberger Berman Next Generation Connectivity Fund Inc.	6.2%	JPMorgan European Discovery Trust PLC	2.2%
Allianz Technology Trust PLC	5.5%	Smithson Investment Trust PLC	2.1%
BlackRock Innovation & Growth Term Trust	5.3%	JPMorgan European Growth & Income PLC	2.0%
Pershing Square Holdings Ltd/Fund	5.1%	North American Income Trust PLC	2.0%
Miller/Howard High Income Equity Fund	4.7%	Monks Investment Trust PLC	2.0%
Polar Capital Global Financials Trust PLC	4.6%	Gabelli Dividend & Income Trust	2.0%
JPMorgan Japanese Investment Trust PLC	3.8%	Voya Infrastructure Industrials and Materials Fund	2.0%
abrdn Healthcare Opportunities Fund	3.5%	Aberforth Smaller Companies Trust PLC	1.9%
Adams Diversified Equity Fund Inc	3.4%	Edinburgh Investment Trust PLC	1.9%
Baillie Gifford US Growth Trust PLC	2.7%	Baillie Gifford Shin Nippon PLC	1.9%
JPMorgan US Smaller Cos Investment Trust PLC	2.6%	<b>Sub-total – largest 25 holdings</b>	<b>81.5%</b>
JPMorgan American Investment Trust PLC	2.6%	<b>Remaining holdings</b>	<b>18.5%</b>
Schroder Japan Trust PLC	2.4%	<b>Total</b>	<b>100.0%</b>





## Independent auditor's report

To the Unitholders and Trustees of Tradex Global Equity Fund (the Fund)

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP  
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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## Other information

Management is responsible for the other information. The other information comprises the December 31, 2023 Annual Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
March 27, 2024

## STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	December 31, 2023	December 31, 2022
<b>Assets</b>		
Investments at fair value through profit and loss	\$ 49,132,253	\$ 43,282,850
Cash and cash equivalents	419,382	265,947
Dividends receivable	148,276	83,944
Accrued interest receivable	4	4
Subscriptions receivable	13,500	177
<b>Total Assets</b>	<b>49,713,415</b>	<b>43,632,922</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	193,696	161,274
Distributions payable to holders of redeemable units	—	1,590
<b>Total Liabilities</b>	<b>193,696</b>	<b>162,864</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 49,519,719</b>	<b>\$ 43,470,058</b>
<b>Units issued and outstanding, end of year (Note 5)</b>	<b>2,976,404</b>	<b>3,005,300</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 16.64</b>	<b>\$ 14.46</b>

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

Approved by the Board  
of Directors of  
Tradex Management Inc.,  
Trustee for Tradex Global Equity Fund

/s/Philip E. Charko

Philip E. Charko  
Director

/s/Christine Allison

Christine Allison, FCPA, FCA  
Director

## STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31

	2023	2022
<b>Income</b>		
Dividend income	\$ 2,013,795	\$ 1,914,700
Interest income for distribution purposes	21,520	4,389
Net foreign exchange gain (loss) on cash	(10,795)	14,198
Other income (loss)	—	251
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments and derivatives	734,777	(352,702)
Net realized foreign exchange loss	(373)	(16,073)
Change in unrealized appreciation (depreciation) on investments and derivatives	5,940,196	(12,406,614)
	<b>8,699,120</b>	<b>(10,841,851)</b>
<b>Expenses</b>		
Management fees (Note 6)	312,950	301,688
Investment advisory fees	514,718	493,400
Administration costs	149,952	152,000
Independent review committee	221	203
Audit fees	22,826	19,500
Custodian fees	14,464	18,000
Registration fees and expenses	18,898	18,577
Transaction costs	66,068	50,786
Foreign withholding taxes	59,038	166,508
Expense reductions	(78,648)	(183,625)
	<b>1,080,487</b>	<b>1,037,037</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 7,618,633</b>	<b>\$ (11,878,888)</b>
<b>Weighted average units outstanding during the year</b>	<b>2,975,532</b>	<b>2,985,341</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>	<b>\$ 2.56</b>	<b>\$ (3.98)</b>

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

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Year ended December 31

	2023	2022
<b>Net assets attributable to holders of redeemable units at January 1</b>	\$ 43,470,058	\$ 55,453,150
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>7,618,633</b>	<b>(11,878,888)</b>
<b>Distributions</b>		
Distributions to holders of redeemable units from net investment income	(900,907)	(1,015,861)
Distributions to holders of redeemable units from net realized capital gains	(252,992)	—
	<b>(1,153,899)</b>	<b>(1,015,861)</b>
<b>Redeemable units transactions</b>		
Proceeds from issue of redeemable units	2,177,225	3,098,508
Reinvestment of distributions	1,143,521	1,003,182
Consideration paid for redemptions of redeemable units	(3,735,819)	(3,190,033)
<b>Net increase (decrease) from redeemable unit transactions</b>	<b>(415,073)</b>	<b>911,657</b>
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>6,049,661</b>	<b>(11,983,092)</b>
<b>Net assets attributable to holders of redeemable units at December 31</b>	<b>\$ 49,519,719</b>	<b>\$ 43,470,058</b>

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

## STATEMENTS OF CASH FLOWS

Year ended December 31

	2023	2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 7,618,633	\$ (11,878,888)
Adjustments for:		
Net foreign exchange loss (gain) on cash	(10,795)	(27,902)
Net realized (gain) loss on sale of investments and derivatives	(734,777)	352,702
Net change in unrealized (appreciation) depreciation of investments and derivatives	(5,940,196)	12,406,614
Purchase of investments	(14,966,865)	(15,419,480)
Proceeds from the sale of investments	15,792,435	13,839,407
Change in non-cash working capital items	(31,910)	202,710
	<b>1,726,525</b>	<b>(524,837)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of redeemable units	2,163,902	3,109,438
Distributions paid to holders of redeemable units, net of reinvested distributions	(11,968)	(11,089)
Consideration paid on redemptions of redeemable units	(3,735,819)	(3,227,168)
	<b>(1,583,885)</b>	<b>(128,819)</b>
Increase (decrease) in cash and cash equivalents during the year	142,640	(653,656)
Foreign exchange loss (gain) on cash	10,795	27,902
Cash and cash equivalents at beginning of year	265,947	891,701
<b>Cash and cash equivalents at end of the year</b>	<b>419,382</b>	<b>265,947</b>
Interest received	\$ 21,520	\$ 4,388
Dividends received, net of withholding taxes	\$ 1,890,425	\$ 1,983,748

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

## SCHEDULE OF INVESTMENT PORTFOLIO *As at December 31, 2023*

Foreign Equities	Number of Shares	Average Cost	Fair Value	% of total fair value
<b>United States</b>				
abrdn Healthcare Opportunities Fund	72,700	1,780,602	1,744,553	
Adams Diversified Equity Fund Inc.	72,000	\$ 1,497,616	\$ 1,689,594	
Baillie Gifford US Growth Trust PLC	445,000	1,540,208	1,355,864	
BlackRock Innovation & Growth Term Trust	269,260	4,449,275	2,615,214	
ClearBridge Energy Midstream Opportunity Fund Inc.	25,500	450,305	1,179,902	
Cohen & Steers Real Estate Opportunities and Income Fund	26,400	469,921	489,388	
Gabelli Dividend & Income Trust	34,302	977,682	983,576	
JPMorgan American Investment Trust PLC	87,993	744,160	1,276,618	
JPMorgan US Smaller Cos Investment Trust PLC	189,356	1,158,896	1,292,052	
Miller/Howard High Income Equity Fund	164,202	1,514,759	2,308,475	
Neuberger Berman Energy Infrastructure and Income Fund Inc.	50,000	439,541	455,816	
North American Income Trust PLC	203,500	888,790	996,740	
Pershing Square Holdings Ltd.	42,122	1,483,501	2,549,744	
		17,395,256	18,937,536	38.5%
<b>Europe</b>				
Aberforth Smaller Companies Trust PLC	41,068	1,056,438	955,812	
Baillie Gifford European Growth Trust PLC	545,822	814,427	857,341	
Edinburgh Investment Trust PLC	81,272	853,270	940,267	
JPMorgan European Discovery Trust PLC	154,305	833,640	1,095,887	
JPMorgan European Growth & Income PLC	611,332	984,330	1,009,801	
New Germany Fund Inc.	75,460	1,133,252	873,896	
Temple Bar Investment Trust PLC	112,485	414,171	452,159	
		6,089,528	6,185,163	12.6%
<b>Asia</b>				
Baillie Gifford Shin Nippon PLC	417,500	947,516	930,786	
Japan Smaller Capitalization Fund Inc.	72,896	801,990	733,123	
JPMorgan Japan Small Cap Growth & Income PLC	144,124	774,686	763,121	
JPMorgan Japanese Investment Trust PLC	226,807	1,642,699	1,878,949	
Schroder AsiaPacific Fund PLC	144,072	1,204,093	1,192,327	
Schroder Japan Trust PLC	230,536	722,635	903,330	
		6,093,619	6,401,636	13.0%
<b>Globally diversified/Other</b>				
Allianz Technology Trust PLC	528,339	2,004,490	2,708,264	
Blackrock Health Sciences Term Trust	47,044	1,268,838	913,215	
MainStay CBRE Global Infrastructure Megatrends Term Fund	50,436	923,134	867,455	
Monks Investment Trust PLC	55,199	979,788	990,092	
Neuberger Berman Next Generation Connectivity Fund Inc.	210,666	4,306,776	3,051,027	
Polar Capital Global Financials Trust PLC	905,194	1,907,725	2,284,083	
Polar Capital Global Healthcare Trust PLC	165,739	607,224	923,758	
Polar Capital Technology Trust PLC	75,950	2,594,240	3,328,777	
Scottish Mortgage Investment Trust PLC	40,000	466,164	545,872	
Smithson Investment Trust PLC	43,000	903,652	1,027,648	
Voya Infrastructure Industrials and Materials Fund	71,742	938,053	967,727	
		16,900,084	17,607,918	35.9%
<b>Total Foreign Equities</b>		46,478,487	49,132,253	100.0%
Transaction costs		(147,980)		
<b>Total portfolio of investments</b>		\$ 46,330,507	\$ 49,132,253	100.0%



## SCHEDULE OF INVESTMENT PORTFOLIO *As at December 31, 2023*

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### Summary of Investment Portfolio

All portfolio categories are included in the following table :

Portfolio by Category	Percentage of Net Assets (%)	
	As at December 31, 2023	As at December 31, 2022
United States	38.5	38.6
Europe	12.6	13.5
Asia	13.0	9.6
Globally Diversified/Other	35.9	38.3
Total	100.0	100.0

## NOTES TO FINANCIAL STATEMENTS *As at December 31, 2023*

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### 1. General information

Tradex Global Equity Fund (the Fund) is an unincorporated trust created under the laws of the Province of Ontario. 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 closed-end fund companies whose investments are principally in a diversified portfolio of equity securities of issuers based in any country. The Fund's investment approach involves the portfolio advisor assessing which of the world's stock markets, industry sectors and currencies have the best potential rate of return. Indirect investments in global stocks are made primarily through exchange traded closed-end fund companies. The Fund also invests in Index Participation Units (IPUs) or Exchange-Traded Funds (ETFs), which mirror the performance of a particular exchange index. Up to 25% of the book value of the portfolio may also be invested in shares of non-closed-end fund companies listed on a recognized stock exchange. The Americas, Europe and Asia are all represented in the portfolio, with emerging markets not accounting for more than 20% of total investments. Funds representing a single country cannot account for more than 35% of the portfolio, with the exception of the United States. Derivatives (forward contracts) may be used for foreign currency hedging purposes only.

Tradex Management Inc. is the Manager and the Trustee of the Fund. The Fund's investment activities are managed by City of London Investment Management Company Limited (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 27, 2024.

### 2. Material accounting policies

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

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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) Standards and amendments to existing standards effective January 1, 2023

The Fund adopted the following:

- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*. These amendments did not impact the accounting policies applied in the preparation of these financial statements. However, the amendments require entities to disclose their material rather than their significant accounting policies, and as such, the Fund has made certain amendments to their accounting policy disclosures.

- *Definition of Accounting Estimates (Amendments to IAS 8)*. The amendment to IAS 8 clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. There was no material impact on the Fund as a result of adopting this amendment.

#### (b) New standards, amendments, and interpretations effective after January 1, 2024.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2024, and have not been early adopted in preparing these financial statements. None of these 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 units denominated in Canadian dollars. The primary activity of the Fund is to invest primarily in closed-end funds whose investments are principally in a diversified portfolio of equity securities of issuers based in any country. 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.

### 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. Consequently, all investments are measured at fair value through profit or loss.

The Fund obligations for net assets attributable to holders of redeemable units 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 unitholders.

##### (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.

Dividend income from financial assets at fair value through profit or loss is recognized in the statement of comprehensive income within dividend income when the Fund's right to receive payments 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. Interest on debt securities at fair value through profit or loss is recognized in the statement of comprehensive income.

#### (c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. The fair value of any investment to which the foregoing principle cannot be applied shall be the fair value thereof determined in such a manner as the Manager from time to time provides.

The difference between the fair value of investments and the cost of the investments is included in "change in unrealized appreciation (depreciation) on investments and derivatives" in the statements of comprehensive income.

If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

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

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

### 2.4 Offsetting financial instruments

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

### 2.5 Other receivables

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

### 2.6 Cash and cash equivalents

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

### 2.7 Redeemable units

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

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

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

### 2.8 Interest Income

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

### 2.9 Dividend income

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

### 2.10 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.

### 2.11 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. There were no soft dollar commissions charged to the Fund for the years ended December 31, 2023, and 2022.

### 2.12 Distribution payable to holders of redeemable units

Distributions to holders of redeemable units are recognized in the statement of changes in net assets attributable to holders of redeemable units when they are authorized and no longer at the discretion of the Fund. The distributions on the redeemable units are recognized in the statement of changes in net assets attributable to holders of redeemable units.

### 2.13 Increase/decrease in net assets attributable to holders of redeemable units from operations

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

### 2.14 Taxation

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and distributes all of its net taxable income with the intent to not be subject to income tax.

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 may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

As at December 31, 2023, the Fund had \$nil non-capital and \$nil in capital losses carried forward for income tax purposes (\$nil and \$400,827, respectively, as at December 31, 2022). Capital losses may be carried forward indefinitely to be applied against future capital gains.

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 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 investment 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 foreign 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 December 31, 2023, 99.2% of the Fund's net assets were traded on global stock exchanges (98.8% as at December 31, 2022). If equity prices had increased or decreased by 10% as at the year end, with all other factors remaining constant, net assets could possibly have increased or decreased by approximately \$4,913,000 (\$4,328,000 as at December 31, 2022). 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, the closed-end funds in which the Fund invests are themselves highly diversified and professionally managed portfolios. Consistent with Ontario Securities Commission (OSC) requirements, no one investment may represent more than 10% of the value of the Fund at the time of its purchase.

##### (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 material exposure as at December 31, 2023 and 2022 are as follows (\$'000):

	31-Dec-23	31-Dec-22
US Dollars	19,078	18,714
UK Pounds	30,344	24,706

As at December 31, 2023, if the Canadian dollar had strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$2,471,000 (\$2,171,000 as at December 31, 2022). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

To partially limit foreign currency risk, the Fund may enter into commitments in the form of foreign exchange forward contracts. 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 foreign currency (the underlying foreign currency exposure).

The Fund had no foreign exchange forward contract as at December 31, 2023 and 2022.

*(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 significant amounts of 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 units. The units of the Fund are issued and redeemed on demand at the then current net asset value per unit at the option of the unitholder.

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 equity securities includes consideration of the credit worthiness of the equity issuer.

As at December 31, 2023 and 2022, the Fund held no debt instruments and therefore did not have significant exposure to credit risk.

**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, 2023	December 31, 2022
United States	38.5%	38.6%
Globally Diversified/Other	35.9%	38.3%
Asia	13.0%	9.6%
Europe	12.6%	13.5%

To mitigate concentration risk the Fund will diversify its portfolio by both sector and geographical exposure. Furthermore, the closed-end funds in which the Fund invests are themselves highly diversified and professionally managed portfolios. Consistent with OSC requirements, no one investment may represent more than 10% of the value of the Fund at the time of its purchase.

**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, 2023 and 2022.

**December 31, 2023**

('000)	Level 1	Level 2	Level 3	Total
Equities	49,132	-	-	49,132
Cash & cash equivalents	419	-	-	419
Total	49,551	-	-	49,551

**December 31, 2022**

('000)	Level 1	Level 2	Level 3	Total
Equities	43,283	-	-	43,283
Cash & cash equivalents	266	-	-	266
Total	43,549	-	-	43,549

There were no transfers between levels during the period ended December 31, 2023 and 2022.

**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**

If 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.

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

**b) IFRS 10 'Consolidated Financial Statements'**

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

**5. Redeemable units**

The capital of the Fund is represented by issued redeemable units that have no par value. Holders of units are entitled to distributions, if any, and to payment of a proportionate amount based on the Fund's net asset value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscription and redemption of units, other than minimum subscription requirements. In accordance with the investment objectives and strategies, and risk management practices outlined in Note 4, 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 units during the last two years ended December 31 were as follows:

	2023	2022
Outstanding, beginning of year	3,005,300	2,957,776
Issued for cash	141,107	191,884
Reinvestment of distributions	69,415	68,440
Redeemed	(239,418)	(212,800)
Outstanding, end of year	2,976,404	3,005,300

**6. Related party transactions**

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

The Fund is managed by Tradex Management Inc (The Manager) an investment management company incorporated under the Canada Business Corporations Act. Under the terms of the management agreement dated January 11, 1995 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 0.6% 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 2023, \$78,648 (\$183,625 in 2022) in expenses were reduced by such transactions.

**7. Investments in unconsolidated structured entities**

The Fund may invest in exchange-traded funds managed by third-party investment managers. The Fund considers all investments in such instruments (“Underlying Funds”) to be investments in unconsolidated structured entities based on the fact that the decisions made by these Underlying Funds are not governed by voting rights or any other similar rights held by the Fund. The Fund accounts for these unconsolidated structured entities at fair value.

The Underlying Funds each have their own objectives and investment strategies which assists the Fund in achieving its investment objectives. The Underlying Funds entitle the holder to a proportional stake in the respective fund’s net assets. The Fund holds units, shares or partnership interests in each of its Underlying Funds. These investments are included in “Investments at fair value through profit and loss” in the Statements of Financial Position. The change in fair value of each Underlying Fund is included in the Statements of Comprehensive income in “Change in unrealized appreciation (depreciation) on investments and derivatives”. The exposure to investments in Underlying Funds at fair value is disclosed in the Fund’s “Schedule of Investment Portfolio.” The Fund’s maximum exposure to loss from its interests in Underlying Funds is equal to the total carrying value of its investments in Underlying Funds.

The Manager has determined that all of the underlying funds in which the Fund invests are unconsolidated structured entities. In making the determination, the Manager has made a significant judgement, generally

because decision making about the underlying funds’ activities is not governed by voting or similar rights held by the Fund and other investors in any Underlying Funds.

Below is a summary of the Underlying Funds held by the Fund.

December 31, 2023	Fair Value	Ownership percentage in Underlying Fund
Adams Diversified Equity Fund Inc.	\$1,689,594	0.1%
Baillie Gifford US Growth Trust PLC	1,355,864	0.1%
BlackRock Innovation & Growth Trust	2,615,214	0.1%
ClearBridge Energy Midstream Opportunity Fund Inc.	1,179,902	0.2%
Cohen & Steers Real Estate Opportunities and Income Fund	489,388	0.2%
Gabelli Dividend & Income Trust	983,576	0.0%
JPMorgan American Investment Trust PLC	1,276,618	0.0%
JPMorgan US Smaller Cos Investment Trust PLC	1,292,052	0.3%
Miller/Howard High Dividend Fund	2,308,475	0.9%
Neuberger Berman Energy Infrastructure and Income Fund Inc.	455,816	0.2%
Neuberger Berman Next Generation Connectivity Fund Inc.	3,051,027	0.3%
North American Income Trust PLC	996,740	0.1%
Pershing Square Holdings Ltd.	2,549,744	0.0%
abrdn Healthcare Opportunities Fund	1,744,553	0.2%
Aberforth Smaller Companies Trust PLC	955,812	0.1%
Allianz Technology Trust PLC	2,708,264	0.1%
Baillie Gifford European Growth Trust PLC	857,341	0.2%
Edinburgh Investment Trust PLC	940,267	0.1%
JPMorgan European Discovery Trust PLC	1,095,887	0.1%
JPMorgan European Growth & Income PLC	1,009,801	0.2%
Monks Investment Trust PLC	990,092	0.0%
New Germany Fund Inc.	873,896	0.4%
Smithson Investment Trust PLC	1,027,648	0.2%
Temple Bar Investment Trust PLC	452,159	0.0%
Baillie Gifford Shin Nippon PLC	930,786	0.1%
Japan Smaller Capitalization Fund Inc.	733,123	0.3%
JPMorgan Japan Small Cap Growth & Income PLC	763,121	0.2%
JPMorgan Japanese Investment Trust PLC	1,878,949	0.2%
Schroder AsiaPacific Fund PLC	1,192,327	0.1%
Schroder Japan Growth Fund PLC	903,330	0.2%



## NOTES TO FINANCIAL STATEMENTS *As at December 31, 2023*

Blackrock Health Sciences Trust II	913,215	0.0%	JPMorgan Japanese Investment Trust PLC	893,511	0.1%
MainStay CBRE Global Infrastructure Megatrends Fund	867,455	0.1%	JPMorgan US Smaller Cos Investment Trust PLC	484,830	0.1%
Polar Capital Global Financials Trust PLC	2,284,083	0.3%	MainStay CBRE Global Infrastructure Megatrends Fund	926,160	0.1%
Polar Capital Global Healthcare Trust PLC	923,758	0.1%	Miller/Howard High Income Equity Fund	2,473,334	0.9%
Polar Capital Technology Trust PLC	3,328,777	0.1%	Monks Investment Trust PLC	428,867	0.0%
Scottish Mortgage Investment Trust PLC	545,872	0.0%	Neuberger Berman Next Generation Connectivity Fund Inc.	2,608,038	0.3%
Voya Infrastructure Industrials and Materials Fund	967,727	0.5%	New Germany Fund Inc.	364,935	0.2%
	49,132,253		North American Income Trust PLC	913,145	0.1%
			Pershing Square Holdings Ltd.	2,019,457	0.0%
December 31, 2022		Ownership percentage in Underlying Fund	Polar Capital Global Financials Trust PLC	1,731,202	0.2%
	Fair Value		Polar Capital Global Healthcare Trust PLC	1,331,324	0.2%
Aberforth Smaller Companies Trust PLC	888,720	0.0%	Polar Capital Technology Trust PLC	2,541,976	0.1%
Aberdeen Japan Equity Fund Inc.	568,607	0.6%	Schroder Japan Growth Fund PLC	967,035	0.2%
Adams Diversified Equity Fund Inc.	3,510,585	0.1%	Tekla Healthcare Opportunities Fund	438,741	0.0%
Allianz Technology Trust PLC	2,536,136	0.2%	Temple Bar Investment Trust PLC	478,195	0.0%
ASA Gold and Precious Metals Ltd.	884,951	0.2%	Tortoise Midstream Energy Fund Inc.	390,315	0.0%
AVI Japan Opportunity Trust PLC	606,111	0.2%		43,282,850	
Baillie Gifford European Growth Trust PLC	457,631	0.1%			
Baillie Gifford US Growth Trust PLC	732,792	0.1%			
Blackrock Health Sciences Trust II	1,244,010	0.1%			
BlackRock Innovation & Growth Trust	2,713,175	0.1%			
ClearBridge Energy Midstream Opportunity Fund Inc.	987,475	0.2%			
Cohen & Steers Real Estate Opportunities and Income Fund	876,095	0.3%			
Edinburgh Investment Trust PLC	1,033,300	0.1%			
European Opportunities Trust PLC	887,903	0.1%			
European Smaller Companies Trust PLC	923,436	0.1%			
Japan Smaller Capitalization Fund Inc.	633,725	0.3%			
JPMorgan American Investment Trust PLC	1,181,768	0.1%			
JPMorgan European Discovery Trust PLC	803,209	0.1%			
JPMorgan Global Growth & Income PLC	2,321,271	0.1%			
JPMorgan Japan Small Cap Growth & Income PLC	500,885	0.2%			

### 8. 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 audits of the financial statements of the Fund for the year ended December 31, 2023, the following fees (excluding applicable taxes) were paid or payable to PricewaterhouseCoopers LLP: fees for the audit of financial statements were \$12,800 and fees for other services were \$3,700.

## BOARD OF DIRECTORS AND OFFICERS OF THE MANAGER

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

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

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

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

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

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

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

**Tom MacDonald,** *Ottawa, Ont.*  
*Global Affairs Canada (retired)*  
*Director and Vice-Chair*

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

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

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

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

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

## CORPORATE AND SHAREHOLDER INFORMATION

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