



SEMI-ANNUAL REPORT

EXCEL
INCOME AND GROWTH FUND
For the six months ended March 31, 2011 and 2010

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants. Important information about the Fund is contained in the Simplified Prospectus. Read the prospectus carefully before investing. Past performance is no assurance or indicator of future returns. Fund unit values and investment returns will fluctuate.

Dear Excel Investor,

As emerging markets continue to power global growth Excel Funds is exceptionally well positioned to help Canadian investors benefit from the rapid industrialization of emerging markets. Despite some turbulence in the early part of this year, emerging markets have begun to outperform again and look poised to show strength for the remainder of the year.

Having introduced three new funds in 2010, Excel now offers a total of eleven mutual funds focused on emerging markets which is more than any other company in Canada. The Excel Emerging Markets Fund, the Excel EM High Income Fund and the Excel EM Capital Income Fund are the newest additions to the Excel Funds family.

- The Excel Emerging Markets Fund – Features a diversified array of emerging market investments and is the ideal way to gain exposure to some of the fastest growing regions in the world. Furthermore, it allows investors to benefit from both capital appreciation and currency appreciation as the economies of emerging markets continue to strengthen.
- The Excel EM High Income Fund – An actively managed, diversified portfolio of sovereign and corporate emerging markets fixed income instruments, for investors seeking an income stream from emerging market debt that has a higher yield as well as currency appreciation potential.
- The Excel EM Capital Income Fund – A variation of the Excel EM High Income Fund that uses forward contracts to generate a monthly payout which is characterized as capital gains. This makes it a tax-efficient investment vehicle for investors who wish to hold the Excel High Income Fund in non-registered accounts.

A key element of our strategy is to continue engaging the world's best emerging markets asset managers. As such, we continue to maintain strong relationships with world class sub-advisers such as the major Indian mutual fund company, Birla SunLife AMC Ltd., Baring International Investment Limited, Itaú-Unibanco, the southern hemisphere's largest bank and most recently, Amundi Asset Management, the eighth largest asset manager in the world.

Overall, emerging markets continue to exhibit strengthening demographic and economic fundamentals. Middle class incomes continue to rise at a rapid rate which in turn is fuelling consumption growth. Robust foreign direct investment flows, rising infrastructure spending and improvements, steadily improving credit quality, strong fiscal management and highly responsive monetary policy all continue to underlie the strong economic performance of emerging markets.

We continue to be especially excited by India's prospects as we feel it represents the single biggest growth opportunity for at least the next few decades. This year India's GDP is slated to grow 8.3% with personal income growth continuing to trend at well over 10% per annum. Looking further out, by 2030 India will have added about 250 million to its workforce, 700 million more will live in its cities and its middle class will have expanded tenfold from about 50 million to over 500 million.

Overall we continue to believe that the strong fundamentals underpinning the performance of emerging markets will be in place for the foreseeable future. While there may be bursts of volatility and temporary macroeconomic disruptions emerging markets remain poised to deliver sustainable long-term growth.

As we enter the most exciting period of our history, I want to thank all investors for continuing to support Excel Funds as we remain firmly committed to providing the best emerging market mutual funds in Canada. For more information, please visit www.excelfunds.com or contact us at (888) 813-9813. The Excel Funds team welcomes every opportunity to assist you and contribute to your success.

Best regards,



Bhim D. Asdhir
President and Chief Executive Officer

EXCEL
INCOME AND GROWTH FUND

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This Interim Management Report of Fund Performance contains financial highlights but does not contain the annual financial statements of the investment fund. This report should be read in conjunction with the investment fund's complete interim financial statements for the period. The interim financial statements have not been reviewed by the investment fund's external auditors. Unitholders may contact us by calling 1-888-813-9813, by writing to us at Excel Funds, 2000 Argentia Road, Plaza 4, Suite 280, Mississauga, ON, L5N 1W1, or by visiting our website at www.excelfunds.com to request a copy of the investment fund's interim or annual financial statements, proxy voting policies and procedures, proxy voting disclosure record, quarterly portfolio disclosure and annual activity report prepared by the Independent Review Committee.

Interim Management Report of Fund Performance

This Interim Management Report of Fund Performance presents management's view of the significant factors and developments during the six-month period ended March 31, 2011 that have affected the Excel Income & Growth Fund's (the "Fund") performance and outlook. In this report, "Excel" or "Manager" refers to Excel Funds Management Inc, the manager of the Fund.

Results of Operations

For the six-month period ended March 31, 2011, the Fund's Series A, F and I returned 6.9%, 7.3% and 7.6% respectively. This compares to a 3.3% return for the blended benchmark of 66.7% Morgan Stanley Capital International ("MSCI") World Index and 33.3% Barclays Capital Index. The Fund's return is after the deduction of fees and expenses paid by the Fund.

The Net Assets of the Fund decreased from \$11.0 million as at September 30, 2010 to \$7.1 million as at March 31, 2011. The decrease in Net Assets is primarily attributable to investor net redemptions of \$4.3 Million. Excel Investment Counsel Inc. (the "Portfolio Manager" or "EICI") does not believe the net redemptions had a meaningful impact on the Fund's performance or the ability to implement its investment strategy. During the six months ended March 31, 2011, the Fund maintained its distribution of \$0.033 per month (\$0.396 per annum).

In anticipation of a rising Canadian dollar and declining US dollar, the Fund increased its weighting to Canadian equities approximately a year ago, and this contributed positively to performance as the Canadian dollar appreciated 4.4% against the US dollar in the twelve month period ending March 31, 2011. As at March 31, 2011, 80.6% of the Fund's portfolio was invested in global equities, 15.7% of the portfolio was invested in fixed income and the remaining 3.7% in other assets comprising primarily of cash.

Excel has retained EICI as of December 7, 2009 to act as the portfolio manager of the Fund; previously the portfolio manager was Toron Capital Markets Inc.

Recent Developments

The global economic recovery continues at two different rates. In both 2011 and 2012, the International Monetary Fund projects that growth in emerging and developing economies is expected to remain buoyant at approximately 6.5%, which is triple the growth projected for developed economies. The economic outlook in China continues to be positive with companies reporting positive results and earnings above expectations, both these factors have helped the global economic recovery. During the last six months, investor concerns remain somewhat heightened given a number of global events, including the European debt crisis, the upheaval in the Middle East and the earthquake in Japan.

US equity markets gained during the period, as the recovery seems to be slowly taking shape, along with positive quantitative easing by the US Federal Reserve. Employment has not made a significant improvement, but corporate acquisitions have gained momentum as companies have higher than usual cash holdings, valuations are very attractive and interest rates are low.

The Portfolio Manager's outlook remains positive and continues to focus on fundamentally attractive companies. In terms of equities, we find equity valuations compelling, and thus we remain overweight. We will continue to monitor duration and term positioning of the Fund's fixed income holdings, and will adjust the duration should global rates or expectations start to rise.

Future Accounting Changes

International Financial Reporting Standards (“IFRS”)

In January 2006, the Canadian Institute of Chartered Accountants (“CICA”) Accounting Standards Board (“AcSB”) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the AcSB confirmed in February 2008 that IFRS will replace Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) for fiscal years commencing in 2011 for profit oriented Canadian publicly accountable enterprises. In September 2010, the AcSB approved a one year deferral from IFRS adoption for investment companies that are applying Accounting Guideline 18, “Investment Companies”.

Subsequent to the September 2010 announcement, the AcSB announced in January 2011, to extend another year deferral of the mandatory IFRS changeover date to prevent Canadian investment companies and segregated accounts of life insurance enterprises from having to change their current account treatment for controlled investors while the International Accountant Standards Board finalizes its planned investment company standards. As a result the Fund will adopt IFRS for its interim and annual financial statements for its fiscal year beginning on October 1, 2013. The IFRS compliant financial statements will be on an IFRS comparative basis.

EXCEL INCOME AND GROWTH FUND

Interim Management Report of Fund Performance For the six months ended March 31, 2011

Past Performance

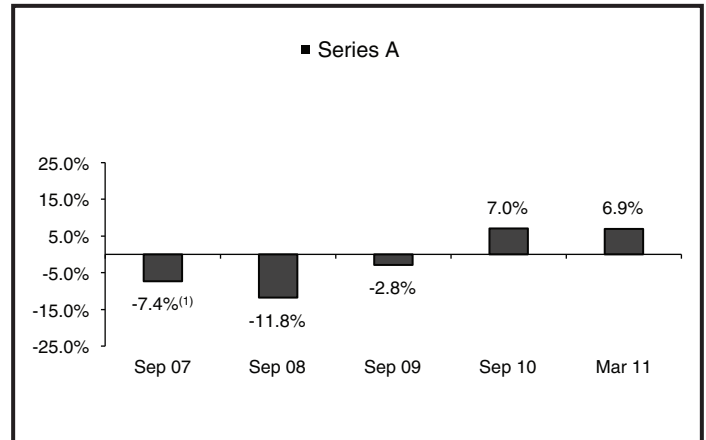
Sales commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return do not take into account sales, redemptions, distributions, optional charges or income taxes payable by any investor that would have reduced returns. It should be noted that mutual funds are not guaranteed as their value changes frequently and past performance may not be repeated. The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of the reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gains or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

The past performance of the Fund is set out in the following charts. All returns are calculated in Canadian Dollars, and unit values are expressed in Canadian Dollars.

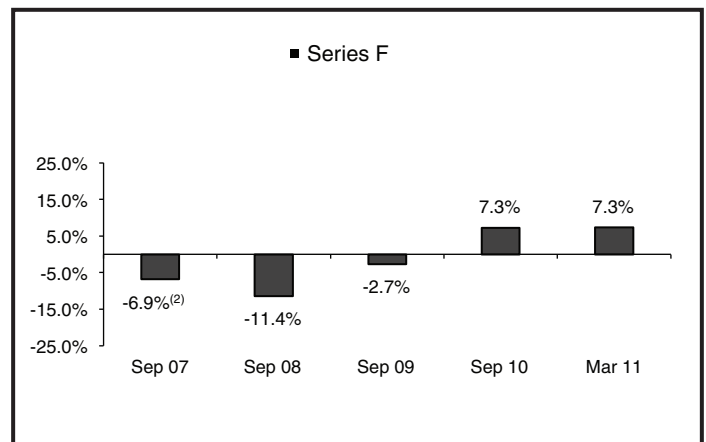
Year-by-Year Returns

The following bar charts show the performance of each series of the Fund for the six-month period ended March 31, 2011 and for each of the previous periods ended September 30. The charts show in percentage terms how an investment made on October 1 or inception would have increased or decreased by the end of the relevant period.

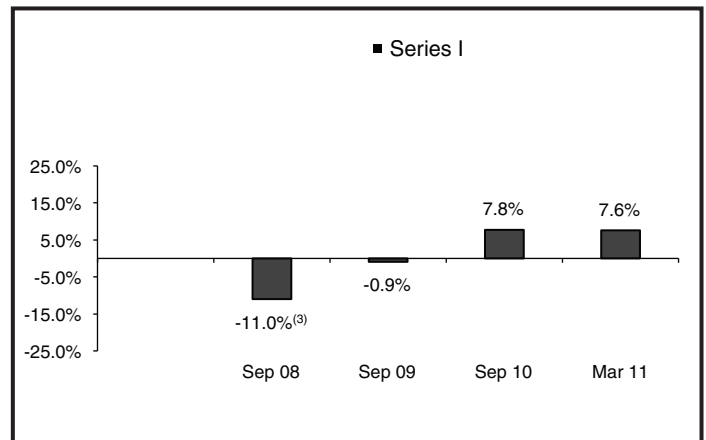
Past performance of the Fund is not necessarily an indication of how it will perform in the future.



(1) Return from January 2, 2007 to September 30, 2007



(2) Return from January 5, 2007 to September 30, 2007



(3) Return from December 7, 2007 to September 30, 2008

EXCEL INCOME AND GROWTH FUND

Interim Management Report of Fund Performance
For the six months ended March 31, 2011

Summary of Investment Portfolio

As at March 31, 2011

Portfolio Allocation*

Asset Class	% of Net Asset Value
Metals & Mining	18.3%
Pharmaceuticals & Healthcare	16.4%
Government Bond	12.2%
Telecommunications	9.5%
Utilities & Energy	9.1%
Information Technology	8.4%
Oil & Gas	5.5%
Financial Services	4.2%
Industrial & Manufacturing	3.8%
Other Net Assets	3.7%
Corporate Bond	3.4%
Automotive	3.0%
Infrastructure & Development	2.5%
Total	100.0%

*The portfolio allocation percentages are based on Net Asset Value, and accordingly differ slightly from those in the Statement of Investment Portfolio in the financial statements which are based on Canadian GAAP.

Top 25 Holdings*

Issuer	% of Net Asset Value
India Government Bond 9.39%, July 2, 2011	12.2%
Burcon NutraScience Corporation	9.7%
Capital Power Corporation	9.1%
Anvil Mining Limited	5.7%
Wi-LAN Inc.	5.0%
Royal Bank of Canada	4.2%
Cash & Cash Equivalents	4.2%
Medicago Inc.	4.0%
Research In Motion Limited	3.8%
North American Tungsten Corporation Limited	3.6%
Ithaca Energy Inc.	3.6%
Sandvine Corporation	3.4%
Yamana Gold Inc.	3.2%
Bell Aliant Inc.	3.1%
Zenn Motor Company Inc.	3.0%
Shoppers Drug Mart Corporation	2.8%
BCE Inc.	2.6%
Martinrea International Inc.	2.6%
Aecon Group Inc.	2.5%
Cline Mining Corporation	2.4%
Canadian Natural Resources 4.95% June 1, 2015	2.2%
Pengrowth Energy Corporation	1.9%
Etrion Corporation	1.3%
Western Copper Corporation (Warrants)	1.2%
International Bank for Reconstruction & Development 12.5% May 14, 2012	1.2%

* The top 25 holdings percentages are based on Net Asset Value, and accordingly differ slightly from those in the Statement of Investment Portfolio in the financial statements which are based on Canadian GAAP.

The investments and percentages may have changed by the time you purchase units of this fund. The top 25 holdings are made available quarterly. The "Quarterly Portfolio Disclosure" is posted on the Excel Funds website - www.excelfunds.com

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the indicated periods. "Net Assets" are calculated in accordance with CICA Handbook Section 3855, "Financial Instruments-Recognition and Measurement" ("Section 3855") and are used for financial reporting purposes. "Net Asset Value" is calculated in accordance with section 14.2 of National Instrument 81-106, "Investment Fund Continuous Disclosure" ("NI 81-106") and is used for transactional pricing purposes. Section 3855 requires the use of valuation techniques for certain types of investments that may differ from those prescribed by NI 81-106. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

The Fund's Net Assets Per Unit (\$) ⁽⁶⁾

Series A	Mar-11	Sep-10	Sep-09	Sep-08	Sep-07
Net Assets, beginning of period	7.16	7.06	7.68	9.14	10.00 ⁽³⁾
Increase (decrease) from operations:					
Total revenue	0.12	0.27	0.36	0.40	0.32
Total expenses	(0.17)	(0.18)	(0.25)	(0.12)	(0.04)
Realized gains (losses) for the period	0.85	0.12	(1.32)	(0.33)	(0.51)
Unrealized gains (losses) for the period	(0.40)	0.42	0.93	(0.96)	(0.64)
Total increase (decrease) from operations⁽¹⁾	0.40	0.63	(0.28)	(1.01)	(0.87)
Distributions:					
From income (excluding dividends)	(0.20)	(0.09)	(0.20)	(0.29)	(0.11)
From dividends	-	(0.08)	(0.03)	(0.03)	(0.01)
From capital gains	-	-	-	-	-
Return of capital	-	(0.23)	(0.16)	(0.09)	-
Total distributions⁽²⁾	(0.20)	(0.40)	(0.39)	(0.41)	(0.12)
Net Assets, end of period	7.43	7.16	7.06	7.68	9.14

Series F	Mar-11	Sep-10	Sep-09	Sep-08	Sep-07
Net Assets, beginning of period	7.26	7.13	7.74	9.21	10.00 ⁽⁴⁾
Increase (decrease) from operations:					
Total revenue	1.24	0.27	0.37	0.37	0.31
Total expenses	(0.13)	(0.17)	(0.24)	(0.09)	(0.04)
Realized gains (losses) for the period	0.61	(0.06)	(1.36)	(0.24)	(0.46)
Unrealized gains (losses) for the period	(2.06)	0.49	0.80	(1.01)	(0.66)
Total increase (decrease) from operations⁽¹⁾	(0.34)	0.53	(0.43)	(0.97)	(0.85)
Distributions:					
From income (excluding dividends)	(0.20)	(0.09)	(0.15)	(0.31)	(0.11)
From dividends	-	(0.08)	(0.03)	(0.03)	(0.01)
From capital gains	-	-	-	-	-
Return of capital	-	(0.23)	(0.21)	(0.09)	-
Total distributions⁽²⁾	(0.20)	(0.40)	(0.39)	(0.44)	(0.12)
Net Assets, end of period	7.54	7.26	7.13	7.74	9.21

Series I	Mar-11	Sep-10	Sep-09	Sep-08	Sep-07
Net Assets, beginning of period	8.33	8.09	8.56	10.00 ⁽⁵⁾	-
Increase (decrease) from operations:					
Total revenue	0.13	0.31	0.41	0.39	-
Total expenses	(0.12)	(0.16)	(0.11)	(0.08)	-
Realized gains (losses) for the period	1.51	0.10	(1.47)	(0.45)	-
Unrealized gains (losses) for the period	(0.55)	0.40	1.08	(0.95)	-
Total increase (decrease) from operations⁽¹⁾	0.97	0.65	(0.09)	(1.09)	-
Distributions:					
From income (excluding dividends)	(0.20)	(0.08)	(0.17)	(0.23)	-
From dividends	-	(0.08)	(0.03)	(0.02)	-
From capital gains	-	-	-	-	-
Return of capital	-	(0.24)	(0.19)	(0.11)	-
Total distributions⁽²⁾	(0.20)	(0.40)	(0.39)	(0.36)	-
Net Assets, end of period	8.74	8.33	8.09	8.56	-

(1) 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 financial period.

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

(3) Inception date for Series "A" Units was January 2, 2007 with a \$10.00 issue price.

(4) Inception date for Series "F" Units was January 5, 2007 with a \$10.00 issue price.

(5) Inception date for Series "I" Units was December 7, 2007 with a \$10.00 issue price.

(6) This table is not intended to be a reconciliation of opening and closing Net Assets per unit.

Ratios and Supplemental Data

Series A	Mar-11	Sep-10	Sep-09	Sep-08	Sep-07
Net Asset Value (\$) (000's) ⁽¹⁾	6,246	4,883	3,900	4,552	7,898
Net Asset Value per unit ⁽¹⁾	7.46	7.17	7.06	7.69	8.96
Number of units outstanding (000's) ⁽¹⁾	837	681	554	592	863
Management expense ratio (%) ⁽²⁾	2.95	1.88	3.5	1.22	0.26
Management expense ratio before waivers or absorptions (%) ⁽²⁾	4.66	4.21	4.2	3.61	2.83
Portfolio turnover rate (%) ⁽³⁾	236.1	162.6	27.5	35.68	41.14
Trading expense ratio (%) ⁽⁴⁾	1.54	0.71	0.05	0.14	0.36

Series F	Mar-11	Sep-10	Sep-09	Sep-08	Sep-07
Net Asset Value (\$) (000's) ⁽¹⁾	41	17	26	41	386
Net Asset Value per unit ⁽¹⁾	7.59	7.26	7.14	7.51	9.03
Number of units outstanding (000's) ⁽¹⁾	5	2	4	5	42
Management expense ratio (%) ⁽²⁾	1.96	1.74	3.3	0.82	0.24
Management expense ratio before waivers or absorptions (%) ⁽²⁾	3.24	3.08	3.86	2.08	2.00
Portfolio turnover rate (%) ⁽³⁾	236.1	162.6	27.5	35.68	41.14
Trading expense ratio (%) ⁽⁴⁾	1.54	0.71	0.05	0.14	0.36

Series I	Mar-11	Sep-10	Sep-09	Sep-08	Sep-07
Net Asset Value (\$) (000's) ⁽¹⁾	878	6,145	5,659	6,650	-
Net Asset Value per unit ⁽¹⁾	8.77	8.34	8.10	8.57	-
Number of units outstanding (000's) ⁽¹⁾	100	737	701	776	-
Management expense ratio (%) ⁽²⁾	1.35	1.25	1.28	0.84	-
Management expense ratio before waivers or absorptions (%) ⁽²⁾	1.99	1.83	1.86	1.51	-
Portfolio turnover rate (%) ⁽³⁾	236.1	162.6	27.5	35.68	-
Trading expense ratio (%) ⁽⁴⁾	1.54	0.71	0.05	0.14	-

(1) This information is provided at March 31 or September 30, as applicable.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. In the period a series is established or reinstated, the management expense ratio is annualized from the date of inception or reinstatement.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

Management Fees

Excel was entitled to receive \$74,621 (2010: \$61,064) in management fees, but the Fund paid Excel (after fees absorbed) management fees of \$21,552 (2010: Nil). The management fee for each series is calculated as a percentage of its Net Asset Value, as of the close of business on each business day. The Fund's management fees were used to pay the portfolio managers for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio and providing other services. Excel also used the management fees to fund commission payments and other dealer compensation (collectively "distribution-related costs") to registered dealers and brokers for units of the Fund bought and held by investors.

For the six-month period ended March 31, 2011, Excel received administration fees of \$4,380 (2010: \$3,175) relating to the operation of the Fund.

Other Related Party Transactions

Excel has created an Independent Review Committee ("IRC") to review and provide impartial judgment on, among other things, conflict of interest matters. The IRC reviews potential conflicts of interest referred to it by Excel and makes recommendations on whether a course of action achieves a fair and reasonable result for the Excel Funds. In addition, the IRC regularly reviews Excel's policies and procedures relating to conflicts of interest. The IRC prepares, at least annually, a report of its activities for investors, which is available at www.excelfunds.com and www.sedar.com.

EICI is a wholly owned subsidiary of Asdhir Enterprises Inc., which also owns a majority of the voting shares of Excel.

Other Related Party Transactions (Cont'd)

During the six-month period ended March 31, 2011, the Excel India Fund, a fund also managed by Excel, purchased 1,368 (2010: 12,340) Series I units of the Fund and redeemed 390,458 (2010: Nil) Series I units of the Fund during the same period. As at March 31, 2011, the Excel India Fund held 61,251 (2010: 439,113) Series I units of the Fund.

During the six-month period ended March 31, 2011, the Excel China Fund, a fund also managed by Excel, purchased 868 (2010: 7,849) Series I units of the Fund and redeemed 248,474 (2010: Nil) Series I units of the Fund during the same period. As at March 31, 2011, the Excel China Fund held 38,868 (2010: 279,331) Series I units of the Fund.

As at March 31, 2011, Excel held 18,300 (2010: 17,308) Series A units of the Fund.

Fund Formation and Series Information

Date of Formation: January 2, 2007

The Fund may issue an unlimited number of units of each series. The number of units of each series that have been issued and are outstanding are disclosed in the *Financial Highlights*.

Series Offered by Excel Funds Management Inc. (2000 Argentia Road, Plaza 4, Suite 280, Mississauga, Ontario, L5N 1W1; 1-800-813-9813; www.excelfunds.com)

Series A

Units of Series A are offered for sale on a continuous basis and can be purchased by submitting a purchase order to your dealer or financial advisor. You may choose from three purchase options when purchasing Series A units of the Fund, namely the Initial Sales Charge Option, Deferred Sales Charge Option or Volume Sales Charge Option. The minimum initial investment in the Fund for the Initial Sales Charge or the Deferred Sales Charge option is \$250. The minimum initial investment in the Fund for the Volume Sales Charge is \$250.

Inception Date:	Jan 2, 2007
Management Fees:	2.25%
Sales Charges:	Up to 5.00%
Redemption Charges	Up to 5.75%
Redemption Charges	
Under Low Load Option:	Up to 2.50%

Series F

Series F units are offered to investors enrolled in a dealer sponsored fee-for-service and who are subject to an asset based fee rather than commissions on each transaction. Series F units are only available through dealers or financial planners who offer certain “wrap” or “fee-for-service” programs that have been approved by Excel. Your dealer or financial advisor must enter into an agreement with Excel before selling Series F units. The minimum initial investment for the F Series is \$250.

Inception Date:	Jan 5, 2007
Management Fees:	1.25%
Sales Charges:	⁽¹⁾
Redemption Charges	n/a
Redemption Charges	
Under Low Load Option:	n/a

Series I

Series I units are designed for institutional investors and are sold pursuant to applicable prospectus exemption.

Inception Date:	Dec 7, 2007
Management Fees:	⁽²⁾
Sales Charges:	n/a
Redemption Charges	n/a
Redemption Charges	
Under Low Load Option:	n/a

⁽¹⁾ There is no sales charges payable on Series F units, but Series F investors will generally be required to pay their dealer an advisory or asset based fee in addition to the Series F management fee payable by the Fund.

⁽²⁾ The management fee on Series I is negotiable between the Institution and Excel Funds Management Inc.

A Note on Forward-Looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and international, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

Statements of Net Assets

As at March 31, 2011 (unaudited) and September 30, 2010 (audited)

	2011	2010
Assets		
Investments, at fair value (*)	\$ 6,870,931	\$ 10,540,852
Cash	297,933	780,865
Interest and dividends receivable	53,931	62,666
Due from broker - equities	-	2,216,661
Receivable for units issued	-	120,111
	7,222,795	13,721,155
Liabilities		
Accrued expenses	47,871	51,879
Payable for units redeemed	35,643	4,259
Distribution payable	4,972	3,870
Due to broker - equities	-	2,626,665
	88,486	2,686,673
Net Assets Represented by Unitholders' Equity	\$ 7,134,309	\$ 11,034,482
Net Assets		
Series A	\$ 6,218,898	\$ 4,878,987
Series F	40,668	16,581
Series I	874,743	6,138,914
	\$ 7,134,309	\$ 11,034,482
Units Issued and Outstanding (Note 4)		
Series A	836,804	681,192
Series F	5,394	2,285
Series I	100,119	736,815
Net Assets Per Unit		
Series A	\$ 7.43	\$ 7.16
Series F	\$ 7.54	\$ 7.26
Series I	\$ 8.74	\$ 8.33
* Investments, at Average Cost	\$ 7,283,597	\$ 10,561,625

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

Approved by Fund Manager



Bhim D. Asdhir, Director



Glenn W. Cooper, Director

Statements of Investment Operations

For the six months ended March 31 (unaudited)

	2011	2010
Investment Income		
Interest	\$ 61,736	\$ 82,597
Dividends	59,413	118,923
Withholding taxes	(7,060)	(27,962)
	114,089	173,558
Expenses (Note 5)		
Management fees	74,621	61,064
Transaction costs	53,668	22,270
Administration costs	52,832	47,507
Legal fees	8,657	8,164
Audit fees	7,579	7,200
Custodial fees	1,395	1,963
Securityholder reporting costs	715	1,060
Trustee fees	144	224
Independent Review Committee	134	198
	199,745	149,650
Net Investment (Loss) Gain before Absorbed Expenses	(85,656)	23,908
Expenses Absorbed by Manager (Note 5a)	53,069	61,064
Net Investment (Loss) Gain	(32,587)	84,972
Realized and Unrealized Gains (Losses) on Investments		
Net realized gains (losses) on investments	874,239	(246,075)
(Losses) Gains on foreign exchange	(9,226)	14,242
Net change in unrealized (depreciation) appreciation in value of investments	(391,893)	291,432
Net Gains on Investments	473,120	59,599
Increase in Net Assets From Operations	\$ 440,533	\$ 144,571
Increase (Decrease) in Net Assets from Operations		
Series A	\$ 306,603	\$ 52,851
Series F	(1,899)	626
Series I	135,829	91,094
	\$ 440,533	\$ 144,571
Increase (Decrease) in Net Assets from Operations Per Unit		
Series A	\$ 0.40	\$ 0.10
Series F	\$ (0.34)	\$ 0.20
Series I	\$ 0.97	\$ 0.13

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

Statements of Changes in Net Assets

For the six months ended March 31 (unaudited)

	Series A		Series F	
	2011	2010	2011	2010
Net Assets,				
Beginning of the Period	\$ 4,878,987	\$ 3,906,080	\$ 16,581	\$ 26,621
Increase (Decrease) in Net Assets from Operations	306,603	52,851	(1,899)	626
Capital Transactions				
Proceeds from issuance of units	2,374,012	313,121	60,000	5,000
Amounts paid on redemption of units	(1,309,728)	(743,767)	(34,014)	(12,519)
Distribution reinvestment	122,551	97,892	830	624
Distribution paid to unitholders	(153,527)	(104,129)	(830)	(624)
Net Capital Transactions	1,033,308	(436,883)	25,986	(7,519)
Net Assets,				
End of the Period	\$ 6,218,898	\$ 3,522,048	\$ 40,668	\$ 19,728

	Series I		Total	
	2011	2010	2011	2010
Net Assets,				
Beginning of the Period	\$ 6,138,914	\$ 5,671,856	\$ 11,034,482	\$ 9,604,557
Increase (Decrease) in Net Assets from Operations	135,829	91,094	440,533	144,571
Capital Transactions				
Proceeds from issuance of units	-	-	2,434,012	318,121
Amounts paid on redemption of units	(5,400,000)	-	(6,743,742)	(756,286)
Distribution reinvestment	19,568	140,239	142,949	238,755
Distribution paid to unitholders	(19,568)	(140,239)	(173,925)	(244,992)
Net Capital Transactions	(5,400,000)	-	(4,340,706)	(444,402)
Net Assets,				
End of the Period	\$ 874,743	\$ 5,762,950	\$ 7,134,309	\$ 9,304,726

Statements of Net Realized Gains (Losses) on Investments

For the six months ended March 31 (unaudited)

	2011	2010
Proceeds from Sale of Investments	\$ 12,442,630	\$ 6,848,204
Investments at Average Cost,		
Beginning of the Period (Excluding Short-Term Investments)	10,561,625	9,765,740
Cost of Investments Purchased	8,290,363	6,311,455
	18,851,988	16,077,195
Investments at Average Cost,		
End of the Period (Excluding Short-Term Investments)	7,283,597	8,982,916
Cost of Investments Sold	11,568,391	7,094,279
Net Realized Gains (Losses) on Investments	\$ 874,239	\$ (246,075)

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

Statement of Investment Portfolio

As at March 31, 2011 (unaudited)

Description	Maturity Date	Par Value / Number of Shares	Average Cost \$	Fair Value \$
Equities (80.6%)				
Automotive (3.0%)				
Zenn Motor Company Inc.		106,200	321,800	212,400
Financial Services (4.2%)				
Royal Bank of Canada		5,053	282,577	303,028
Industrial & Manufacturing (3.9%)				
Etrion Corporation		100,000	65,371	90,004
Martinrea International Inc.		19,500	180,295	182,715
Canexus Income Fund		332	2,279	2,424
			247,945	275,143
Information Technology (8.4%)				
Sandvine Corporation		100,000	342,000	245,000
Wi-LAN Inc.		60,000	433,152	357,600
			775,152	602,600
Infrastructure & Development (2.5%)				
Aecon Group Inc.		18,200	274,222	180,180
Metals & Mining (18.0%)				
North American Tungsten Corporation Limited		600,000	300,000	249,000
Anvil Mining Limited		65,000	396,937	407,550
Champion Minerals Inc.		25,000	62,500	58,750
Cline Mining Corporation		50,000	220,655	174,000
Forbes & Manhattan Coal Corporation		20,000	91,000	77,000
Western Copper Corporation (Warrants)		100,000	20,000	88,000
Yamana Gold Inc.		19,000	242,831	226,480
			1,333,923	1,280,780
Oil & Gas (5.5%)				
Pengrowth Energy Corporation		10,137	112,896	135,734
Ithaca Energy Inc.		100,000	292,000	255,000
			404,896	390,734
Pharmaceuticals & Healthcare (16.4%)				
Shoppers Drug Mart Corporation		5,000	214,305	198,850
Burcon NutraScience Corporation		70,400	700,787	687,104
Medicago Inc.		550,000	226,325	286,000
			1,141,417	1,171,954
Telecommunications (9.6%)				
BCE Inc.		5,278	149,740	185,891
Research In Motion Limited		5,000	333,535	273,850
Bell Aliant Inc.		8,318	224,824	223,089
			708,099	682,830
Utilities & Energy (9.1%)				
Capital Power Corporation		25,100	624,990	649,839
Total Equities			6,115,021	5,749,488

The accompanying notes to financial statements are an integral part of this financial statement.

Statement of Investment Portfolio (Cont'd)

As at March 31, 2011 (unaudited)

Description	Maturity Date	Par Value / Number of Shares	Average Cost \$	Fair Value \$
Corporate Bond (3.4%)				
Canadian Natural Resources 4.95%	1-Jun-15	CAD 150,000	138,425	158,804
International Bank for Reconstruction & Development 12.50%	14-May-12	ZAR 570,000	79,391	86,931
Total Corporate Bonds			217,816	245,735
Government Bond (12.3%)				
India Government Bond 9.39%	2-Jul-11	INR 40,000,000	965,517	875,708
Total Government Bond			965,517	875,708
Transaction Costs			(14,757)	
Total Investments (96.3%)			\$ 7,283,597	\$ 6,870,931
Other Net Assets (3.7%)				\$ 263,378
Total Net Assets (100%)				\$ 7,134,309

The accompanying notes to financial statements are an integral part of this financial statement.

1. Significant Accounting Policies

The interim financial statements of the Excel Income and Growth Fund (the "Fund") have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). They follow the same accounting policies and methods of application as the Fund's financial statements for the year ended September 30, 2010. The Fund's interim financial statements do not include all disclosures required by Canadian GAAP for annual financial statements and accordingly, should be read in conjunction with the financial statements for the year ended September 30, 2010 as set out in the Excel Income and Growth Fund 2010 Annual Report.

2. Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In January 2006, the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the AcSB confirmed in February 2008 that IFRS will replace Canadian GAAP for fiscal years commencing in 2011 for profit oriented Canadian publicly accountable enterprises. In September 2010, the AcSB approved a one year deferral from IFRS adoption for investment companies that are applying Accounting Guideline 18, "Investment Companies".

Subsequent to the September 2010 announcement, the AcSB announced in January 2011, to extend another year deferral of the mandatory IFRS changeover date to prevent Canadian investment companies and segregated accounts of life insurance enterprises from having to change their current account treatment for controlled investors while the International Accountant Standards Board finalizes its planned investment company standards. As a result the Fund will adopt IFRS for its interim and annual financial statements for its fiscal year beginning on October 1, 2013. The IFRS compliant financial statements will be on an IFRS comparative basis.

3. Fair Value Disclosure

The Fund's assets recorded at fair value have been categorised based upon a fair value hierarchy in accordance with the amendments to the CICA Handbook Section 3862, "Financial Instruments - Disclosures". The following fair value hierarchy table presents information about the Fund's assets measured at fair value as at March 31, 2011 and September 30, 2010.

As at March 31, 2011:

Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equities	\$5,749,488	\$ -	\$ -	\$ 5,749,488
Corporate and Government Bonds	-	1,121,443	-	1,121,443
Total Investments	\$5,749,488	1,121,443	\$ -	\$ 6,870,931

As at September 30, 2010:

Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equities	\$ 9,009,712	\$ -	\$ -	\$ 9,009,712
Corporate and Government Bonds	-	1,531,140	-	1,531,140
Total Investments	\$ 9,009,712	\$ 1,531,140	\$ -	\$ 10,540,852

4. Unitholders' Equity

The following are units issued, redeemed and the average units outstanding for the six-month periods ended March 31.

	2011			2010		
	Units Issued	Units Redeemed	Average Units Outstanding	Units Issued	Units Redeemed	Average Units Outstanding
Series A	332,363	176,751	765,358	58,638	105,401	532,373
Series F	7,622	4,513	5,529	794	1,720	3,126
Series I	2,236	638,932	139,728	17,347	-	708,314

4. Unitholders' Equity (Cont'd)

Excel Funds Management Inc. ("Excel" or the "Manager") is the manager, trustee and promoter of the Fund.

During the six-month period ended March 31, 2011, the Excel India Fund, a fund also managed by Excel, purchased 1,368 (2010: 12,340) Series I units of the Fund and redeemed 390,458 (2010: Nil) Series I units of the Fund during the same period. As at March 31, 2011, the Excel India Fund held 61,251 (2010: 439,113) Series I units of the Fund.

During the six-month period ended March 31, 2011, the Excel China Fund, a fund also managed by Excel, purchased 868 (2010: 7,849) Series I units of the Fund and redeemed 248,474 (2010: Nil) Series I units of the Fund during the same period. As at March 31, 2011, the Excel China Fund held 38,868 (2010: 279,331) Series I units of the Fund.

As at March 31, 2011, Excel held 18,300 (2010: 17,308) Series A units of the Fund.

5. Management Fees and Other Expenses

a) Management Fees

Excel is paid a management fee calculated on each series of units as a percentage of the Net Asset Value of the series, as of the close of business on each business day as disclosed below:

	Management Fees	Actual Management Fees
Series A	2.25%	Nil - Jan 10/11 to Mar 31/11 1.2% - Oct 12/10 to Jan 9/11 2.25% - Sep 22/10 to Oct 11/10 Nil - Oct 1/09 to Sep 21/10
Series F	1.25%	Nil - Oct 1/09 to Mar 31/11
Series I	(i)	

⁽ⁱ⁾ The management fee on Series I is negotiable between the Institution and Excel.

For the six-month period ended March 31, 2011, Excel absorbed Management fees of \$53,069 (2010: \$61,064). Excel may discontinue absorbing these expenses at any time in the future without notice.

b) Operating Expenses

For the six-month period ended March 31, 2011, Excel received administration fees of \$4,380 (2010: \$3,175) relating to the operation of the Fund.

6. Brokerage Commissions and Soft Dollars

Brokerage commissions paid on portfolio transactions for the six-months ended March 31 were as follows:

2011	2010
\$52,757	\$22,264

There were no soft dollar transactions during the six-month periods ended March 31, 2011 and 2010.

7. Income Taxes and Distributions

The Fund has accumulated net realized capital losses as at the end of its previous taxation year. These losses are available for utilization against net realized gains in the future years. Capital losses may be carried forward indefinitely to reduce capital gains. As at March 31, 2011, the amount of capital losses is \$2,422,334 (September 30, 2010: \$ 3,176,419).

8. Net Assets and Net Asset Value

CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" prescribes the valuation techniques for calculating net assets for financial reporting purposes ("Net Assets"). National Instrument 81-106, "Investment Fund Continuous Disclosure" prescribes the valuation techniques for calculating net asset value for transactional pricing purposes ("Net Asset Value"). Net Assets are calculated based on the fair value of investments using the last bid price and the Net Asset Value of investment funds is calculated based on the fair value of investments using the close or last trade price.

8. Net Assets and Net Asset Value (Cont'd)

The following are the Net Assets and Net Asset Values per unit:

	Series A		Series F		Series I	
	March 31, 2011	September 30, 2010	March 31, 2011	September 30, 2010	March 31, 2011	September 30, 2010
Net Assets per unit	\$ 7.43	\$ 7.16	\$ 7.54	\$ 7.26	\$ 8.74	\$8.33
Net Asset Value per unit	\$ 7.46	\$ 7.17	\$ 7.59	\$ 7.26	\$ 8.77	\$8.34

The Net Assets per unit and Net Asset Value per unit may differ due to the use of different valuation techniques.

9. Financial Instruments and Risk Management

The Fund is exposed to the following financial risks: liquidity risk, currency risk, credit risk, interest rate risk, and other market risk. There have been no significant changes to liquidity risk since September 30, 2010.

Currency Risk

The Fund is exposed to currency risk through the following financial instruments:

Currency exposure as at March 31, 2011:

	Cash and Short-term Investments (\$)	Equities and Bonds(\$)	Total(\$)	% of Total Net Assets
Indian Rupee	-	875,708	875,708	12.27
Swedish Krona	-	90,004	90,004	1.26
South African Rand	-	86,931	86,931	1.22
U.S Dollars	11,681	-	11,681	0.17

Currency Exposure as of September 30, 2010:

	Cash and Short-term Investments (\$)	Equities and Bonds(\$)	Total(\$)	% of Total Net Assets
Indian Rupee	36,555	934,752	971,307	8.80
South African Rand	-	90,888	90,888	0.82
U.S Dollars	5,238	794,265	799,503	7.25
Euro	3,825	807,578	811,403	7.35
Hong Kong Dollars	-	512,890	512,890	4.65
Japanese Yen	219,898	-	219,898	1.99
Czech Republic Koruna	-	183,443	183,443	1.66
Singapore Dollar	-	158,779	158,779	1.44
Australian Dollars	-	109,292	109,292	0.99
British Pounds	-	73,013	73,013	0.66

Based on the currency exposures at March 31, 2011, a 1% change in the Canadian dollar in relation to all the currencies would result in an approximately \$11,000 (September 30, 2010: \$39,000) change in Net Assets of the Fund as at March 31, 2011, with all other factors held constant. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

9. Financial Instruments and Risk Management (Cont'd)

Credit Risk

As at March 31, 2011 and September 30, 2010 the Fund was invested in debt securities with the following credit ratings:

Debt Instruments by Credit Rating*	As a % of Net Assets	
	March 31, 2011	September 30, 2010
Ba1	12.3	8.5
BBB	2.2	2.9
Aaa	1.2	0.8
AA	-	1.0
A (Low)	-	0.7

* Credit ratings from Standard & Poor's and Moody's

Interest Rate Risk

The table below summarizes the Fund's exposure to interest rate risk through debt instruments by remaining term to maturity as at March 31, 2011 and September 30, 2010:

Financial Instruments by Maturity Date	March 31, 2011	September 30, 2010
Less than 1 year	875,708	\$1,117,057
1 to 5 years	245,735	\$414,083

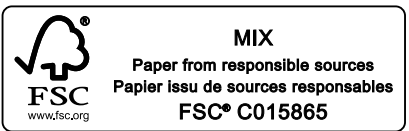
Based on the above exposures as at March 31, 2011 a 1 % change in all prevailing interest rates across the yield curve would result in an approximately \$8,400 (September 30, 2010: \$26,490) or 0.1% (September 30, 2010: 0.24%) change in the Net Assets of the Fund as at March 31, 2011, with all other factors held constant. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

Other Market Risk

The impact on Net Assets of the Fund due to a 1% change in the benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at March 31, 2011, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points (September 30, 2010: 36 data points) based on the monthly net returns of the Series A Units of the Fund.

Benchmark	Impact on Net Assets	
	March 31, 2011	September 30, 2010
66.7% MSCI World Index & 33.3% Barclays Capital	+or- \$49,647	+or- \$80,161

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the differences could be material.



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