



SEMI-ANNUAL REPORT

EXCEL
EMERGING EUROPE 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
EMERGING EUROPE 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 Emerging Europe 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 units earned returns of 8.8%, 9.3% and 9.9% respectively. This compares to a return of 11.9% for the Morgan Stanley Capital International ("MSCI") Emerging Europe 10-40 total return index (net of dividends) and 14.4% for the MSCI EM total return index for the same period. The Fund's return is after the deduction of fees and expenses paid by the Fund.

Commodity related stocks were the top contributors to performance as bulk materials, metals and energy prices continued to move upwards, buoyed by positive global growth. Additionally, the combination of natural disasters and fear over political unrest in the energy-rich Middle East sparked supply worries. Gazprom, the largest Russian company by market cap did particularly well, benefitting from an improving outlook in European gas markets, its main export destination.

The Net Assets of the Fund increased from \$17.3 million as at September 30, 2010 to \$18.5 million as at March 31, 2011. The increase in Net Assets arose primarily as a result of the net realized and unrealized gains recorded on the portfolio of \$1.7 million partially offset by investor net redemptions of \$0.4 million.

Recent Developments

For the six-month period ended March 31, 2011 emerging European equity markets stood out as the best performing equity markets globally. The Russian index showed the strongest gains by a wide margin benefitting from a combination of earnings upgrades (particularly in commodity related sectors) and very attractive valuations. The European Union members Poland, Czech Republic and Hungary saw their stock markets perform average and benefitted from solid global demand and a thriving export industry while domestic demand remained rather sluggish.

Emerging European markets have become indifferent to the fiscal worries in the European periphery (countries such as Portugal, Ireland or Greece) and seem to be very well aware about the superior fiscal and growth outlook in emerging Europe. Net portfolio inflows over the period were extremely strong, especially into Russian equities.

In contrast to developed Europe, the emerging European banking sector, which is not exposed to credit risk from the European periphery, remains very well capitalised and highly liquid. The superior growth potential and solid profit margins are not overlooked by global banking multinationals such as BBVA from Spain that acquired a 25% stake in Garanti Bank from Turkey in November 2010. The fund's weighting in Garanti was reduced as the stock reached all-time highs in the positive mood surrounding this transaction.

In the commodity space, exposure to the oil and gas sector has been increased as high energy prices will support earnings going forward. Materials and mining stocks have been reduced as price targets were reached. Generally, this sector saw earnings multiple expansion and will have to cope with rising input costs such as wages and energy going forward.

As 2011 will bring parliamentary elections in the 3 major emerging European countries of Poland, Turkey and Russia, political implications are of particular importance. Where fiscally possible (especially in Russia) expect governments to focus on providing disposable income gains, social spending and infrastructure investment, all of which should prove to be supportive of domestic growth and profit margins. Further, to cover fiscal spending needs, states have speeded up the privatisation agenda and are very concerned

Recent Developments (Cont'd)

about capital markets. This creates a win-win situation of market friendly government and institutional demand, attracted by solid macro-economic fundamentals and low valuations.

Finally, Baring Asset Management LLC. (the "Portfolio Manager") believes that the investment case for the region remains compelling. While consumers in the West are over-burdened with debt, the situation across most of our investment universe is completely different. Consumers in central and eastern Europe carry a fraction of the level of debt of their Western counterparts. In Russia, the temporary halt in the growth of the middle class is now behind us and we expect this segment to expand rapidly over the medium-term as wage growth returns. Additionally, the resilience of domestic consumption elsewhere in the region, where we would highlight Poland again, has been noteworthy. The Fund is well placed to take advantage of the opportunities the region offers, i.e. vast resources, underleveraged consumers, and superior economic growth at attractive valuations.

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.

Past Performance

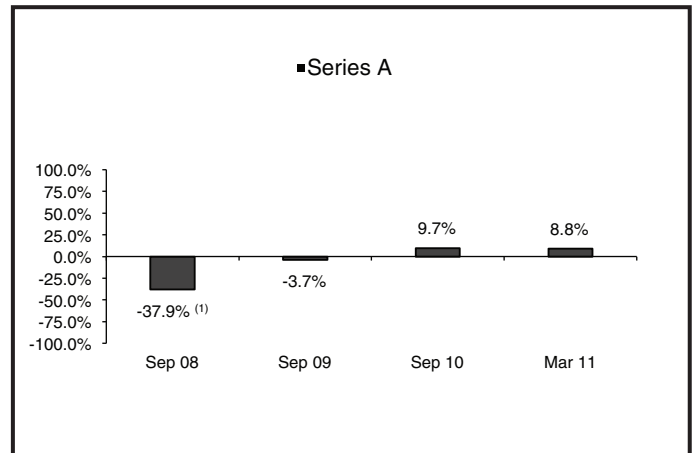
Sales commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return do not take into account sales, redemptions, distributions, optional charges or income taxes payable by 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.

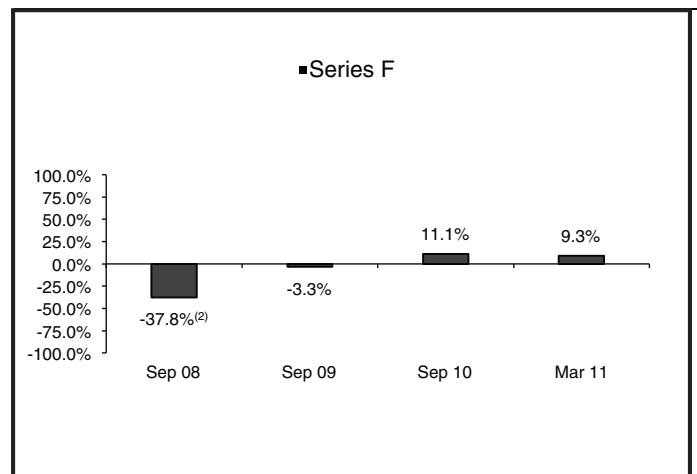
Year-by-Year Returns

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.

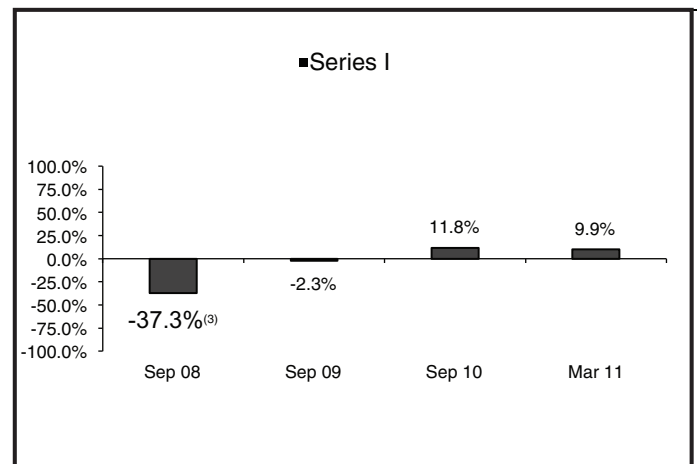
Past performance of the Fund is not necessarily an indication of how it will perform in the future.



(1) Return from December 5, 2007 to September 30, 2008



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



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

Summary of Investment Portfolio

As at March 31, 2011

Portfolio Allocation*

Asset Class	% of Net Asset Value
Financial Services	36.2%
Oil & Gas	31.7%
Metals & Mining	10.7%
Consumer Products	6.2%
Telecommunications	6.1%
Real Estate & Property Management	3.0%
Other Net Assets	2.0%
Utilities & Energy	1.6%
Pharmaceuticals & Healthcare	1.0%
Shipping & Transportation	0.9%
Infrastructure & Development	0.4%
Industrial & Manufacturing	0.2%
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
OA0 Gazprom ADR	9.8%
Sberbank	9.8%
LUKOIL	9.2%
Rosneft oil Company - GDR	6.2%
Mobile Telesystems - ADR	5.9%
Powszechna Kasa Oszczednosci Bank Polski SA	5.2%
OTP Bank Nyrt.	4.8%
VTB Bank OJSC GDR Reg S	3.5%
Tukiye Garanti Bankasi A.S.	3.4%
Turkiye Halk Bankasi A.S.	3.0%
Cash & Cash Equivalents	2.3%
Mechel - ADR	2.2%
Koc Holding A.S.	2.1%
KazMunaiGas Exploration Production	2.1%
Tupras-Turkiye Petrol Rafinerieri A.S.	1.9%
Kazakhmys PLC.	1.8%
Novolipetsk Steel (NLMK)- GDR Reg S	1.8%
Yapi ve Kredi Bankasi A.S.	1.5%
Ferrexpo PLC.	1.4%
LSR Group O.J.S.C. - GDR	1.4%
Raspadskaya	1.3%
Globe Trade Centre SA	1.3%
OA0 TMK - GDR	1.2%
Eurasia Drilling Company Limited - GDR	1.2%
Eurocash SA	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 (\$) ⁽⁴⁾

Series A	Mar-11	Sep-10	Sep-09	Sep-08
Net Assets, beginning of period	6.50	5.95	6.20	10.00 ⁽²⁾
Increase (decrease) from operations:				
Total revenue	0.03	0.09	0.12	0.19
Total expenses	(0.11)	(0.19)	(0.15)	(0.15)
Realized gains (losses) for the period	(0.08)	0.07	(2.55)	(0.39)
Unrealized gains (losses) for the period	0.75	0.57	2.11	(4.26)
Total increase (decrease) from operations ⁽¹⁾	0.59	0.54	(0.47)	(4.61)
Distributions: ⁽⁵⁾				
From income	-	(0.03)	-	-
Total distributions	-	(0.03)	-	-
Net Assets, end of period	7.09	6.50	5.95	6.20

Series F	Mar-11	Sep-10	Sep-09	Sep-08
Net Assets, beginning of period	6.62	5.99	6.22	10.00 ⁽³⁾
Increase (decrease) from operations:				
Total revenue	0.04	0.09	0.12	0.21
Total expenses	(0.08)	(0.12)	(0.13)	(0.13)
Realized gains (losses) for the period	(0.09)	0.08	(2.69)	(0.41)
Unrealized gains (losses) for the period	0.82	0.59	2.04	(4.80)
Total increase (decrease) from operations ⁽¹⁾	0.69	0.64	(0.66)	(5.13)
Distributions: ⁽⁵⁾				
From income	-	(0.03)	-	-
Total distributions	-	(0.03)	-	-
Net Assets, end of period	7.25	6.62	5.99	6.22

Series I	Mar-11	Sep-10	Sep-09	Sep-08
Net Assets, beginning of period	6.79	6.11	6.27	10.00 ⁽³⁾
Increase (decrease) from operations:				
Total revenue	0.03	0.10	0.12	0.15
Total expenses	(0.04)	(0.07)	(0.07)	(0.06)
Realized gains (losses) for the period	(0.09)	0.07	(2.66)	(0.36)
Unrealized gains (losses) for the period	0.77	0.55	2.45	(3.12)
Total increase (decrease) from operations ⁽¹⁾	0.67	0.65	(0.16)	(3.39)
Distributions: ⁽⁵⁾				
From income	-	(0.03)	-	-
Total distributions	-	(0.03)	-	-
Net Assets, end of period	7.48	6.79	6.11	6.27

(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) Inception date for Series "A" units is December 5, 2007 with a \$10.00 issue price.

(3) Inception date for Series "F" and "I" units is December 7, 2007 with a \$10.00 issue price.

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

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

Ratios and Supplemental Data

Series A	Mar-11	Sep-10	Sep-09	Sep-08
Net Asset Value (\$) (000's) ⁽¹⁾	9,836	9,735	10,652	10,889
Net Asset Value per unit ⁽¹⁾	7.11	6.53	5.98	6.21
Number of units outstanding (000's) ⁽¹⁾	1,383	1,490	1,789	1,754
Management expense ratio (%) ⁽²⁾	2.95	2.92	3.15	1.82
Management expense ratio before waivers or absorptions (%) ⁽²⁾	4.31	4.03	4.84	3.98
Portfolio turnover rate (%) ⁽³⁾	80.83	35.46	51.6	24.2
Trading expense ratio (%) ⁽⁴⁾	0.22	0.12	0.17	0.25

Series F	Mar-11	Sep-10	Sep-09	Sep-08
Net Asset Value (\$) (000's) ⁽¹⁾	334	861	1,319	1,348
Net Asset Value per unit ⁽¹⁾	7.28	6.66	6.02	6.22
Number of units outstanding (000's) ⁽¹⁾	46	129	219	217
Management expense ratio (%) ⁽²⁾	1.91	1.76	2.71	1.60
Management expense ratio before waivers or absorptions (%) ⁽²⁾	3.31	3.00	3.81	3.14
Portfolio turnover rate (%) ⁽³⁾	80.83	35.46	51.6	24.2
Trading expense ratio (%) ⁽⁴⁾	0.22	0.12	0.17	0.25

Series I	Mar-11	Sep-10	Sep-09	Sep-08
Net Asset Value (\$) (000's) ⁽¹⁾	8,411	6,824	3,988	4,080
Net Asset Value per unit ⁽¹⁾	7.50	6.83	6.13	6.27
Number of units outstanding (000's) ⁽¹⁾	1,121	999	650	650
Management expense ratio (%) ⁽²⁾	0.90	1.00	1.47	0.54
Management expense ratio before waivers or absorptions (%) ⁽²⁾	1.62	1.58	2.16	1.57
Portfolio turnover rate (%) ⁽³⁾	80.83	35.46	51.6	24.2
Trading expense ratio (%) ⁽⁴⁾	0.22	0.12	0.17	0.25

(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 \$170,075 (2010: \$181,204) in management fees but the Fund paid Excel (after fees absorbed) management fees of \$71,200 (2010: \$96,681). 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 \$9,372 (2010: \$6,029) 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.

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 Nil (2010: 2,080) Series I units of the Fund and did not redeem (2010: Nil) any Series I units of the Fund during the same period. As at March 31, 2011, the Excel India Fund held 502,080 (2010: 502,080) 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 Nil (2010: 626) Series I units of the Fund and did not redeem (2010: Nil) any Series I units of the Fund during the same period. As at March 31, 2011, the Excel China Fund held 151,058 (2010: 151,058) Series I units of the Fund.

During the six-month period ended March 31, 2011, the Excel BRIC Fund, a fund also managed by Excel, purchased 90,430 (2010: 229,440) Series I units of the Fund and did not redeem (2010: Nil) any Series I units of the Fund during the same period. As at March 31, 2011, the Excel BRIC Fund held 436,646 (2010: 229,440) Series I units of the Fund.

The Excel Emerging Market Fund, a fund also managed by Excel was incepted on October 27, 2010. For the period October 27, 2010 to March 31, 2011, the Excel Emerging Market Fund purchased 31,279 Series I units of the Fund and did not redeem any Series I units of the Fund during the same period. As at March 31, 2011, the Excel Emerging Markets Fund held 31,279 Series I units of the Fund.

As at March 31, 2011, Excel held 15,062 (2010: 15,062) Series A units of the Fund.

Fund Formation and Series Information

Date of Formation: November 30, 2007

The Fund may issue an unlimited number of units of each series. The numbers 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; 1-888-813-9813; 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:	Dec 5, 2007
Management Fees:	2.50%
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:	Dec 7, 2007
Management Fees:	1.50%
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, 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 (*)	\$ 18,190,469	\$ 17,099,311
Cash	435,662	203,208
Receivable for units issued	41,076	8,322
Interest and dividends receivable	9,508	64,452
Due from brokers - equities	5,556	177,034
	18,682,271	17,552,327
Liabilities		
Payable for units redeemed	77,561	157,104
Accrued expenses	68,249	64,175
Due to brokers - equities	16,052	-
	161,862	221,279
Net Assets Represented by Unitholders' Equity	\$ 18,520,409	\$ 17,331,048
Net Assets		
Series A	\$ 9,803,507	\$ 9,685,322
Series F	333,163	856,605
Series I	8,383,739	6,789,121
	\$ 18,520,409	\$ 17,331,048
Units Issued and Outstanding (Note 4)		
Series A	1,383,029	1,489,733
Series F	45,932	129,349
Series I	1,121,063	999,354
Net Assets Per Unit		
Series A	\$ 7.09	\$ 6.50
Series F	\$ 7.25	\$ 6.62
Series I	\$ 7.48	\$ 6.79
* Investments, at Average Cost	\$ 17,324,545	\$ 18,202,726

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		
Dividends	\$ 98,600	\$ 27,311
Interest	2,258	11,035
Withholding taxes	(15,801)	(1,448)
	<u>85,057</u>	<u>36,898</u>
Expenses (Note 5)		
Management fees	170,075	181,204
Administration costs	91,630	78,574
Transaction costs	20,080	9,750
Custodial fees	12,474	11,027
Legal fees	8,495	8,027
Audit fees	7,579	9,400
Securityholder reporting costs	2,055	4,453
Independent Review Committee	349	356
Trustee fees	232	379
	<u>312,969</u>	<u>303,170</u>
Net Investment Loss Before Absorbed Expenses	(227,912)	(266,272)
Expenses Absorbed by Manager (Note 5a)	98,875	84,523
Net Investment Loss	(129,037)	(181,749)
Realized and Unrealized Gains (Losses) on Investments		
Net realized (losses) gains on investments	(126,113)	272,370
Loss on foreign exchange	(91,160)	(43,369)
Net change in unrealized appreciation in value of investments	1,969,339	1,765,743
	<u>1,752,066</u>	<u>1,994,744</u>
Net Gains on Investments	1,752,066	1,994,744
Increase in Net Assets from Operations	\$ 1,623,029	\$ 1,812,995
Increase In Net Assets from Operations		
Series A	\$ 852,481	\$ 1,140,276
Series F	60,930	145,589
Series I	709,618	527,130
	<u>\$ 1,623,029</u>	<u>\$ 1,812,995</u>
Increase in Net Assets from Operations Per Unit		
Series A	\$ 0.59	\$ 0.62
Series F	\$ 0.69	\$ 0.70
Series I	\$ 0.67	\$ 0.72

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	\$ 9,685,322	\$ 10,650,357	\$ 856,605	\$ 1,313,592
Increase in Net Assets				
from Operations	852,481	1,140,276	60,930	145,589
Capital Transactions				
Proceeds from issuance of units	1,703,203	2,675,679	17,328	87,331
Amounts paid on redemption of units	(2,437,499)	(3,101,514)	(601,700)	(239,283)
Distribution reinvestment	-	50,238	-	5,473
Distribution paid to unitholders	-	(50,238)	-	(5,473)
Net Capital Transactions	(734,296)	(425,835)	(584,372)	(151,952)
Net Assets,				
End of the Period	\$ 9,803,507	\$ 11,364,798	\$ 333,163	\$ 1,307,229

	Series I		Total	
	2011	2010	2011	2010
Net Assets,				
Beginning of the Period	\$ 6,789,121	\$ 3,971,174	\$ 17,331,048	\$ 15,935,123
Increase in Net Assets				
from Operations	709,618	527,130	1,623,029	1,812,995
Capital Transactions				
Proceeds from issuance of units	885,000	1,515,992	2,605,531	4,279,002
Amounts paid on redemption of units	-	-	(3,039,199)	(3,340,797)
Distribution reinvestment	-	19,330	-	75,041
Distribution paid to unitholders	-	(19,330)	-	(75,041)
Net Capital Transactions	885,000	1,515,992	(433,668)	938,205
Net Assets,				
End of the Period	\$ 8,383,739	\$ 6,014,296	\$ 18,520,409	\$ 18,686,323

Statements of Net Realized (Losses) Gains on Investments

For the six months ended March 31 (unaudited)

	2011	2010
Proceeds from Sale of Investments	\$ 7,842,412	\$ 2,143,325
Investments at Average Cost,		
Beginning of the Period	18,202,726	17,857,468
Cost of Investments Purchased	7,090,344	2,867,672
	25,293,070	20,725,140
Investments at Average Cost,		
End of the Period	17,324,545	18,854,185
Cost of Investments Sold	7,968,525	1,870,955
Net Realized (Losses) Gains		
on Investments	\$ (126,113)	\$ 272,370

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	Number of Shares	Average Cost \$	Fair Value \$
Equities (98.2%)			
Consumer Products (6.2%)			
Banvit Bandirma Vitaminli Yem Sanayii Ticaret A.S.	33,000	130,089	98,389
BIM Birlesik Magazalar A.S.	2,968	95,002	97,078
Bizim Toptan Satis Magazalari AS	4,004	62,795	79,082
Dogus Otomotiv Servis ve Ticaret A.S.	53,020	175,489	194,762
Eurocash SA	20,130	122,789	214,013
O'Key Group LLC SA	16,520	179,671	200,595
Pinar Sut Mamulleri Sanayii A.S.	7,653	52,216	65,708
X5 Retail Group N.V.	5,005	162,534	204,928
		980,585	1,154,555
Financial Services (36.2%)			
Anadolu Hayat Emeklilik A.S.	21,559	62,296	69,024
Getin Holdings SA	554	2,239	2,677
Koc Holding A.S.	88,253	440,952	398,571
OTP Bank Nyrt.	31,089	694,864	893,341
Powszechna Kasa Oszczednosci Bank Polski SA	65,213	1,076,567	973,893
Powszechny Zaklad Ubezpieczen SA	1,689	217,715	205,194
Sberbank	500,184	1,380,306	1,797,754
Tekfen Holding A.S.	30,126	129,652	114,454
Turkiye Garanti Bankasi A.S.	140,730	464,268	637,340
Turkiye Halk Bankasi A.S.	73,303	391,706	548,682
VTB Bank OJSC GDR Reg S	94,913	602,671	644,007
Warsaw Stock Exchange	7,557	130,759	125,924
Yapi ve Kredi Bankasi A.S.	100,000	300,053	278,648
		5,894,048	6,689,509
Industrial & Manufacturing (0.2%)			
Turk Traktor ve Ziraat Makineleri AS	2,034	33,262	42,476
Infrastructure & Development (0.4%)			
Enka Insaat ve Sanayi A.S.	22,000	89,328	81,921
Metals & Mining (10.7%)			
Eurasian Natural Resources Corporation	12,134	216,584	177,201
Ferrexpo PLC.	38,973	217,851	262,404
Kazakhmys PLC.	15,673	153,398	340,516
Mechel ADR	13,879	292,448	414,979
Novolipetsk Steel (NLMK) - GDR Reg S	7,782	197,561	332,616
OADO TMK - GDR	10,727	203,214	218,095
Raspadskaya	37,500	264,981	243,336
		1,546,037	1,989,147

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	Number of Shares	Average Cost \$	Fair Value \$
Oil & Gas (31.8%)			
Eurasia Drilling Company Limited - GDR	6,563	171,136	215,868
KazMunaiGas Exploration Production	18,000	407,758	390,620
LUKOIL	24,688	1,708,604	1,713,511
OAQ Gazprom ADR	58,148	2,072,653	1,827,856
PBG SA	2,000	163,072	126,512
Polski Koncern Naftowy Orlen SA	5,561	93,677	100,057
Rosneft Oil Company - GDR	130,150	1,167,804	1,154,918
Tupras-Turkiye Petrol Rafinerileri A.S.	12,628	270,682	358,231
		6,055,386	5,887,573
Pharmaceuticals & Healthcare (1.0%)			
Pharmstandard - GDR	4,167	110,134	112,935
Protek	48,429	143,080	67,273
		253,214	180,208
Real Estate & Property Management (3.0%)			
Globe Trade Centre SA	33,392	357,579	242,264
LSR Group O.J.S.C. - GDR	27,000	234,533	249,165
Raven Russia Limited	70,000	48,071	70,369
		640,183	561,798
Shipping & Transportation (0.9%)			
Globaltrans Investment Plc	9,818	118,686	175,390
Telecommunications (6.2%)			
Mobile Telesystems - ADR	53,620	1,337,473	1,106,840
Sistema JSFC - GDR	1,152	31,488	32,565
		1,368,961	1,139,405
Utilities & Energy (1.6%)			
CEZ A.S.	3,947	284,619	195,718
OGK-4 OJSC	1,000,000	90,385	92,769
		375,004	288,487
Total Equities		17,354,694	18,190,469
Transaction Costs		(30,149)	
Total Investments (98.2%)		\$ 17,324,545	\$ 18,190,469
Other Net Assets (1.8%)			\$ 329,940
Total Net Assets (100.0%)			\$ 18,520,409

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 Emerging Europe 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 Emerging Europe 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 Fund’s investments are traded on an active market and are therefore categorised as Level I investments as at March 31, 2011 and September 30, 2010. The Fund had no financial instruments classified as Level 2 or Level 3 as at March 31, 2011 and September 30, 2010.

4. Unitholders’ Equity

The following are units issued, redeemed and 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	247,675	354,379	1,446,244	426,560	487,857	1,846,023
Series F	2,452	85,869	87,942	14,223	37,178	208,428
Series I	121,709	-	1,058,035	232,146	-	734,597

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 Nil (2010: 2,080) Series I units of the Fund and did not redeem (2010: Nil) any Series I units of the Fund during the same period. As at March 31, 2011, the Excel India Fund held 502,080 (2010: 502,080) 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 Nil (2010: 626) Series I units of the Fund and did not redeem (2010: Nil) any Series I units of the Fund during the same period. As at March 31, 2011, the Excel China Fund held 151,058 (2010: 151,058) Series I units of the Fund.

During the six-month period ended March 31, 2011, the Excel BRIC Fund, a fund also managed by Excel, purchased 90,430 (2010: 229,440) Series I units of the Fund and did not redeem any (2010: Nil) Series I units of the Fund during the same period. As at March 31, 2011, the Excel BRIC Fund held 436,646 (2010: 229,440) Series I units of the Fund.

The Excel Emerging Market Fund, a fund also managed by Excel was inception on October 27, 2010. For the period October 27, 2010 to March 31, 2011, the Excel Emerging Market Fund purchased 31,279 Series I units of the Fund and did not redeem any Series I units of the Fund during the same period. As at March 31, 2011, the Excel Emerging Markets Fund held 31,279 Series I units of the Fund.

As at March 31, 2011, Excel held 15,062 (2010: 15,062) Series A units of the Fund.

5. Management Fees and Operating 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	2.50%	Nil-Mar 17/11 to Mar 31/11 1.3%-Oct 12/10 to Mar 16/11 2.50%-Sep 22/10 to Oct 11/10 Nil - Jul 29/10 to Sep 21/10 2.00% - Jan 28/10 to Jul 28/10 1.25% - Oct 1/09 to Jan 27/10
Series F	1.50%	Nil-Mar 17/11 to Mar 31/11 0.3%-Oct 12/10 to Mar 16/11 Nil - Jul 29/10 to Oct 11/10 0.50% - Jan 28/10 to Jul 28/10 0.25 % - Oct 1/09 to Jan 27/10
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 \$98,875 (2010: \$84,523). Excel may discontinue absorbing these expenses at any time without notice.

As at March 31, 2011 the management fee payable was \$6,605 (2010: \$22,875) which is included in accrued expenses.

b) Operating Expenses

During the six-month period ended March 31, 2011, Excel received administration fees of \$9,372 (2010: \$6,029) 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, 2011 and 2010 were as follows:

2011	2010
\$18,253	\$9,750

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 and non-capital losses as at the end of its previous taxation year. These losses are available for utilization against net realized gains or net income for tax purposes in the future years. Capital losses may be carried forward indefinitely to reduce realized gains. Non-capital losses generated for the years beginning 2006 or later may be carried forward up to 20 taxation years. As at March 31, 2011 the amount of capital and non-capital losses are as follows:

Capital	Non-Capital
\$6,388,083	\$150,606
Non-Capital Losses expire in the taxation year ending December 15:	
2030	
\$150,606	

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.

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	\$7.09	\$6.50	\$7.25	\$6.62	\$7.48	\$6.79
Net Asset Value per unit	\$7.11	\$6.53	\$7.28	\$6.66	\$7.50	\$6.83

The Net Assets per unit and Net Asset Value per unit 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 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

Currency	Cash (\$)	Equities (\$)	Total(\$)	% of Total Net Assets
US Dollars	259,001	11,196,022	11,455,023	61.85
Turkish Lira	-	3,064,365	3,064,365	16.55
Polish Zloty	3	1,990,534	1,990,537	10.75
Hungarian Forint	-	893,341	893,341	4.82
British Pound	-	850,489	850,489	4.60
Czech Republic Koruna	-	195,718	195,718	1.06
Euro	12	-	12	-

Currency exposure as at September 30, 2010

Currency	Cash (\$)	Equities (\$)	Total(\$)	% of Total Net Assets
US Dollars	136,187	10,219,782	10,355,969	59.75
Turkish Lira	-3,420	3,265,006	3,261,646	18.82
Polish Zloty	2	1,285,427	1,285,429	7.42
Hungarian Forint	-	834,368	834,368	4.81
British Pound	88,321	703,575	791,896	4.57
Czech Republic Koruna	-	561,472	561,472	3.24
Swedish Krona	-	229,620	229,620	1.32
Euro	13	-	13	-

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 \$184,500 (September 30, 2010: \$171,000) 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.

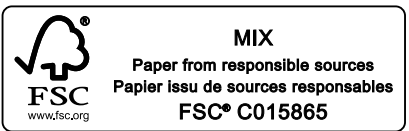
9. Financial Instruments and Risk Management (Cont'd)

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, 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 40 data points (September 30, 2010: 34 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
MSCI Emerging Europe 10-40	+ or - \$188,000	+ or - \$177,000

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



At Excel Funds we believe we have a responsibility to minimize our impact on the environment. We have also chosen as our print partner Informco, one of the most environmentally progressive printers in Canada and an ISO Environment 14001 and Forest Stewardship Council® (FSC®) certified company. This paper comes from responsible sources.



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