

SIMPLIFIED PROSPECTUS

December 30, 2005

EXCEL FUNDS

Offering Series A and Series F units of:

EXCEL INDIA FUND

EXCEL CHINA FUND

EXCEL INDIA CHINA FUND

(formerly, Excel India China RSP Fund)

No securities regulatory authority has expressed an opinion about these securities. It is an offence to claim otherwise. **The mutual funds and the securities of the mutual funds offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.**

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Introduction

This simplified prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor in the mutual funds (individually referred to in this document as a “Fund” or collectively as the “Funds”) offered by Excel Funds Management Inc. (“Excel” or the “Manager”).

Please read this simplified prospectus carefully before you invest and retain it for future reference. This document is divided into two parts:

- The first part, from pages 1 to 18, contains general information applicable to all the Funds.
- The second part, from pages 19 to 30, contains specific information about each of the Funds.

Additional information about each Fund is available in the Fund’s Annual Information Form, the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance and any interim management report of fund performance filed after that annual management report of fund performance. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents at your request and at no cost, by calling us toll free at 1-888-813-9813 or from your dealer.

These documents and other information about the Funds are available at www.excelfunds.com or at www.sedar.com - the internet site of SEDAR (System for Electronic Document Analysis and Retrieval).

What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

What is a Mutual Fund?

A mutual fund is a pool of assets contributed to by investors who share similar investment objectives. Mutual funds are managed by professional portfolio managers and advisers in accordance with a disclosed investment strategy with the goal of achieving the mutual fund’s investment objective. Where a mutual fund issues more than one series, a unitholder shares in the fund’s income, expenses and any gains and losses allocated to the unitholder’s series generally in proportion to the units of the series he or she owns.

The benefits of investing in a mutual fund include:

- *Professional Management* - Experienced portfolio managers and advisers provide on-going investment and management advice regarding the investment portfolio of the mutual fund.
- *Diversification* - Subject to their investment strategy, mutual funds generally invest their assets in a variety of securities which can be spread over different issuers, industries, and/or geographic regions in order to reduce their exposure to any one particular investment. Thus, an investment in a mutual fund provides smaller investors a low-cost method of acquiring a diversified portfolio.

- *Variety* - From fixed income funds to aggressive equity funds, mutual funds offer investors a wide range of investment objectives to meet individual investor needs.
- *Liquidity* - The hallmark characteristic of an investment in a mutual fund is the unitholder's continuing right to redeem all or part of the investment at any time. Under exceptional circumstances, however, a mutual fund may suspend redemptions - please refer to "Suspending The Right to Redeem Units" below for more information.
- *Administration* - All administration matters, such as custody of assets, record keeping, reporting to investors and the reinvestment of distributions are handled or arranged by the mutual fund manager.

What are the Risks of Investing in a Mutual Fund?

Mutual funds, including the Funds, own different types of investments depending upon their investment objectives. The value of each mutual fund's portfolio of securities can change from day to day as a result of general market risks including changes in interest rates, economic conditions, and stock market and company news. As a result, the value of any mutual fund's securities fluctuates and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your investment in any of the Funds is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Below are some specific risks that can affect the value of your investment in a mutual fund. The descriptions of each Fund, provided in the second part of this simplified prospectus, identify which risks apply to each Fund.

- **Equity Risk**

The risk that the market value of a mutual fund's equity investments (also called stocks or shares) will fluctuate in response to specific company developments and prospects as well as changes in economic conditions and stock market news.

- **Credit Risk**

The risk that an issuer of fixed income or debt securities (e.g., bonds), purchased and held by the mutual fund, will default on payment. Credit risk also includes the risk that an issuer's debt securities may be given a lowered credit rating which would increase the volatility of its price. Changes in the credit rating of a bond can also affect its liquidity and make it more difficult to sell.

- **Interest Rate Risk**

In general, there is an inverse relationship between interest rate levels and the price of fixed income or debt securities. When interest rates rise, the prices of debt securities will decline. In such case, the value of the units an investor holds in a bond fund is likely to decrease. Conversely, when interest rates decline, the price of debt securities will rise. The value of the units you hold in a bond fund is then likely to increase.

In addition, the longer the average maturity of a debt instrument, the more sensitive the value of the securities will be to a given change in interest rate levels.

- **Currency Risk**

The risk that changes in the value of the Canadian dollar, in relation to foreign currencies, will affect the value of securities held by a mutual fund which are denominated in foreign currencies. If the Canadian dollar declines in value against the foreign currency, the value of an investment expressed in Canadian currency will increase. If the Canadian dollar increases in value against the foreign currency, the value of an investment expressed in Canadian currency will decrease.

- **Foreign Investment Risk**

The risk that investments in foreign companies and markets will be affected by economic, financial and political conditions located in that foreign market.

Some foreign market investments can be more volatile and less liquid than Canadian investments because of greater economic and political risk. Also, information about foreign companies may not be as complete and may not be subject to the same extensive accounting, auditing, financial reporting standards and practices and other disclosure requirements which apply in Canada and the United States.

The costs of buying, selling and holding securities may be higher than those involved in domestic transactions and are subject to the laws and regulations of the foreign market.

- **Concentration Risk**

Some mutual funds concentrate their investment holdings in specialized industries, market sectors or in a limited number of issuers. Investments in these mutual funds involve greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market or issuer could significantly and adversely affect the overall performance of the entire mutual fund.

- **Liquidity Risk**

Liquidity is a measure of how quickly an investment can be sold for cash at a fair market price. If a fund cannot sell an investment quickly, the fund may lose money or make a lower profit, especially if the fund has to meet a large number of redemption requests. In general, investments in smaller companies or smaller or emerging markets tend to be less liquid than other types of investments.

- **Derivatives Risk**

Funds that invest in derivatives enter into a contract, with another party, the value of which is based on the performance of other investments such as equities, bonds, currencies or a market index. Some of the common risks associated with using derivatives are: the use of derivatives for hedging may not be effective; there is no guarantee a market will exist when a fund wants to buy or sell a derivative contract; the other party to the derivative contract may not be able to meet its obligations; the exchanges on which some derivatives are traded may set daily trading limits on futures contracts, preventing a fund from closing a contract; if an exchange halts trading in a

certain stock option, a fund may not be able to close its position in an option; and the price of a derivative may not accurately reflect the value of the underlying security or index.

- **Small Cap Risk**

Capitalization is a measure of the value of a company. Companies with small capitalization may not have a well-developed or liquid market for their securities. Accordingly, these securities may be difficult to trade, making their prices more volatile than securities of companies with large capitalization.

- **Large Transaction Risk**

Any large transaction made by an institutional or individual investor could significantly impact a fund's cash flow. If the investor buys a large amount of securities of a fund, the fund could temporarily have a high cash balance. Conversely, if the investor redeems a large amount of securities of a fund, the fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

- **Series Risk**

Securities of some mutual funds are offered under a "multi-series" structure where each series of securities is charged, as a separate series, the expenses attributable to that particular series. There is risk, however, that the expenses of one series may affect the value of another series when one series is unable to pay its expenses. In this case, the mutual fund as a whole is responsible for paying the additional expenses.

- **Emerging Markets Risk**

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Political instability and possible corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud and other legal problems. The value of funds that buy these investments may rise and fall substantially.

Organization and Management of the Funds

Manager	
Excel Funds Management Inc. 2000 Argentia Road Plaza Four, Suite 280 Mississauga, Ontario L5N 1W1 Tel: 1-888-813-9813 Fax: 1-905-813-8884 E-mail: excel@excelfunds.com	Excel is responsible for the day-to-day management of each of the Funds including managing the overall business and operations of the Funds, retaining portfolio managers and determining policies relating to the distribution of units.
Trustee	
Excel Funds Management Inc. Mississauga, Ontario	The trustee holds actual title to the property (cash and securities) of each Fund on behalf of the investor.
Custodian	
Royal Trust Corporation of Canada Toronto, Ontario	The custodian ensures that the assets of each Fund are safely held.
Registrar and Transfer Agent	
Citigroup Funds Services Canada, Inc. Mississauga, Ontario	The registrar keeps track of the owners of units of each of the Funds, processes purchase, switch, change and redemption orders, issues investor account statements and trade confirmations and issues annual tax reporting information.
Auditors	
Deloitte & Touche LLP Toronto, Ontario.	The auditors are responsible for auditing the annual financial statements of the Funds prepared in accordance with Canadian generally accepted accounting principles.

Fund-of-Funds

Securities legislation permits mutual funds (referred to in this context as “Top Funds”) to actively manage their investment holdings in other mutual funds (referred to in this context as “Underlying Funds”). The Funds may invest in securities of other mutual funds. Where Excel is the manager of both a Top Fund and an Underlying Fund, it will not vote the securities of the Underlying Fund. Excel may, in its discretion, arrange for such securities to be voted by the unitholders of the applicable Top Fund.

Purchases, Switches and Redemptions

Generally

You may purchase, switch (redeem units of one Fund and purchase units of the same series of another Fund), change (change units of a Fund into units of another series of the same Fund) or redeem units of a Fund only through registered dealers in each jurisdiction where the units are qualified for sale.

You purchase, switch, change and redeem units of each Fund at their current net asset value per unit (“NAV”) as determined for each series of each Fund at 4:00 p.m. (eastern standard time) on each business day. A “business day” is any day that the Toronto Stock Exchange (“TSX”) is open for trading or such other time as Excel determines appropriate. On each business day, a separate NAV for each series of units of each Fund is calculated based on the market value of that series’ proportionate share of the assets of the Fund, less any liabilities of the Fund allocated to that series of units, divided by the total number of units of that series held by Fund investors. The NAV will fluctuate with the value of the Fund’s investments.

All requests received by Excel prior to 4:00 p.m. (eastern standard time) on a business day for a purchase, switch, change or redemption of units of a series of a Fund will be executed that same business day using that business day’s NAV for the applicable series. Requests received by Excel after 4:00 p.m. (eastern standard time) on a business day will be executed on the following business day using that following business day’s NAV for the applicable series.

See “Fees and Expenses” and “Dealer Compensation” below for more information.

Series of Units

When you invest in a Fund, you will receive a particular series of units of that Fund. Each Fund is permitted to have an unlimited number of series of units and may issue an unlimited number of units of each series. Excel may establish additional series of units and may determine the rights as between those series without your consent or notice to you.

Each unit of a series will entitle an investor to:

- receive a pro-rata share of all net income and net capital gains distributions attributable to that series made by the Fund (except for management fee distributions);
- share pro-rata in the net assets of that series upon the wind-up or termination of a Fund;
- vote at all meetings of the Fund (where the nature of the business to be transacted at an investor meeting concerns an issue that is relevant only to holders of a particular series, only holders of that series will be entitled to vote); and
- redeem, change units to another series of the same Fund, or switch units to the same series of another Fund as described in this document.

Each Fund offers three series of units – Series A, Series F and Series I. Only Series A and Series F units are available for sale under this document. Series I units of the Funds are sold pursuant to applicable prospectus exemptions.

Series A units: for any investor who initially invests a minimum of \$500 in Series A units under either the Initial Sales Charge Option (described below) or Deferred Sales Charge Option (described below) whether purchased directly or through a registered plan. The minimum purchase amount in respect of a purchase of Series A units made by the Volume Sales Charge Option (described below) is \$5,000. The minimum investment for all subsequent investments is \$50. Excel reserves the right to set and change minimum initial and subsequent investment requirements for each of the Funds without notice to you. Excel reserves the right to redeem your units if the value of your units falls below these set minimum investment amounts.

Series F units: for any investor investing and maintaining, in aggregate, a minimum of \$5,000 in one or more Funds, who are enrolled in a dealer sponsored “fee-for-service” or “wrap” program and who are subject to an asset-based fee (rather than paying commissions on transactions) payable to their dealer for the dealer’s on-going financial planning and advice. In this way, Excel is able to reduce the management fee charged to the Funds on Series F units because Excel does not pay commissions or service fees to dealers who sell Series F units of the Funds.

Purchases

Units of the Funds are offered for sale on a continuous basis and can be purchased by submitting a purchase order to your dealer. All purchase orders must be transmitted by your dealer to Excel on the same day that they are received. Such orders are to be transmitted by courier, priority post or telecommunications facility without charge to you.

The Funds do not intend to issue certificates for units. Ownership will be evidenced by entry in the register maintained by the Funds’ registrar. For information on the Funds’ registrar see the chart under “Organization and Management of the Funds”.

Excel has discretion to reject any purchase order. The decision to accept or reject any purchase order will be made within one business day of receipt of the order. If the purchase order is rejected, all purchase monies received with the order will be refunded immediately.

Payment of the total amount of the purchase order and all necessary documents must be received by Excel within 3 business days of receipt of your purchase order. In the event that payment or documents have not been received within this period, Excel will submit an order to redeem the number of units purchased on the next business day and will pay the redemption proceeds to the relevant Fund. Any shortfall between these redemption proceeds and the amount owing under the purchase order will initially be paid by Excel. However, Excel will be entitled to collect the shortfall, plus any costs, from your dealer which placed the order for the units. The dealer, in turn, may seek to collect this amount plus the expenses of doing so from you.

Series A Units – Purchase Options

You may choose from three purchase options when purchasing Series A units of the Funds, namely the Initial Sales Charge Option, Deferred Sales Charge Option or Volume Sales Charge Option. You will be deemed to purchase Series A units of the Funds by the Initial Sales Charge Option unless you specify otherwise at the time the purchase order is placed.

- **Initial Sales Charge Option** - you negotiate a sales charge with your dealer at the time of purchase of Series A units (see “Sales Charges” in the fees and expenses table for more information). There may be additional fees to pay if you switch or redeem your Series A units

within 90 days of purchase or switch – see “Short Term Trading Fee” below for more information.

- **Deferred Sales Charge Option** - no fee is payable by you to your dealer at the time of purchase of Series A units. However, a fee (expressed as a percentage of the purchase price of the Series A units redeemed or changed) may be payable at the time of sale if you redeem or change your Series A units during the first seven years from the date of purchase (see “Redemption Charges” in the fees and expenses table for more information). A free redemption entitlement may apply to the redemption of Series A units purchased under this purchase option – see “Free Redemption Privilege” for more information.
- **Volume Sales Charge Option** - no fee is payable by you to your dealer at the time of purchase of Series A units. However, a fee (expressed as a percentage of the purchase price of the units redeemed or changed) may be payable at the time of sale if you redeem or change your Series A units within three years from the date of purchase (see “Redemption Charges” in the fees and expenses table for more information).

Your dealer will receive different compensation depending upon the purchase option selected by you. The fees which you will pay and the time at which you will pay them will vary depending upon the purchase option selected by you. See “Dealer Compensation” for more information.

Purchasing Series F units

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. An investor in one of these programs pays a fee to his or her dealer based on the assets in that investor's account and/or for on-going financial planning and advice. Your dealer or financial adviser must enter into an agreement with Excel before selling Series F units.

There are no sales charges, redemption fees, trail or other commissions payable on the purchase or sale of Series F units.

If you cease to be eligible to hold Series F units, we may change your Series F units into Series A units of the same Fund after giving you 30 days' prior notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series F units. On a change from Series F to Series A units, unitholders will be required to choose a purchase option and pay the fees and charges applicable to that purchase option. If you do not choose a purchase option, you will be automatically deemed to have chosen the Initial Sales Charge Option - see “Series A Units - Purchase Options” above.

Switches

You can switch all or some of your units of one Fund to units of the same series of another Fund by completing a transfer order form and depositing it with your dealer. A switch constitutes a sale (redemption) by you of your units of the original Fund and a purchase of the same series of units of the new Fund. A switch may result in a capital gain or loss to you for tax purposes - see “Income Tax Considerations for Investors” for further information.

You may only switch units if those units are purchased under the same purchase option and applicable minimum investment requirements are met. Switch charges may apply - refer to “Switch Fees” below for more information.

In order to deter certain trading activities that can be detrimental to a Fund and its investors, a switch of units of one Fund to units of the same series of another Fund may trigger the imposition of a short-term trading fee under certain specified circumstances – see “Short Term Trading Fee” below for more information. Short term trading fees are in addition to any applicable initial sales charges, deferred sales charges or switch fees that may apply. In addition to any applicable short term trading fee, Excel may, in its sole discretion, decline future purchase or switch orders if we determine that a particular investor’s trading activities are detrimental to the Fund or otherwise disruptive to efficient portfolio management. Such transactions could be rejected by Excel because of the timing or amount of the order or because of a history of excessive trading.

Changing Series

You may change Series A units of a Fund into Series F units of the same Fund through your dealer if you meet the Series F eligibility criteria set out above. Before changing any Series A units of a Fund into Series F units, a fee may be payable if the Series A units were purchased under the Volume Sales Charge Option or Deferred Sales Charge Option.

Excel may change your Series F units of a Fund into Series A units of the same Fund upon 30 days prior notice if you cease to be eligible to hold Series F units in your account. Excel will not make the change if your dealer notifies us during the notice period, and we agree, that you are once again eligible to hold Series F units. On a change from Series F to Series A units, unitholders will be required to choose a purchase option and pay the fees and charges associated with that purchase option. If you do not choose a purchase option, you will be automatically deemed to have chosen the Initial Sales Charge Option - see “Series A Units - Purchase Options” above.

Redemptions

You may redeem all or a portion of your units of the Funds on any business day by delivering a written redemption order to your dealer. Your request must be signed by you and, for the protection of investors, Excel may require that your signature be guaranteed by a guarantor acceptable to Excel.

Excel must receive all necessary documentation within 10 business days of receipt of the redemption order. The investor will be sent the redemption proceeds within 3 business days of the date the units were priced subject to Excel receiving all necessary documentation. If the documentation is not received within 10 business days of receipt of the redemption order, the redemption order will be reversed by processing a purchase order on the tenth business day for the number of units that were redeemed. The redemption proceeds will be used to pay for the units purchased. Any excess proceeds belong to the Fund. Any shortfall will be paid to the Fund by Excel. However, Excel will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request. That dealer, in turn, may seek to collect this amount plus the expenses of doing so from the investor on whose behalf the redemption request was made.

If you purchased Series A units under the Deferred Sales Charge Option or Volume Sales Charge Option, redemption charges may apply - refer to “Redemption Charges” below for more information. The charge payable by you at the time of sale will be determined by applying the fee schedule of the Fund which was originally purchased by you, regardless of whether you have since transferred all or any portion of that investment to another Fund. This redemption charge will be deducted from the redemption proceeds and will be paid to Excel or to an appropriate partnership, trust, or other entity, which paid the selling commission on the particular Series A units being redeemed or on the units to which such units are attributable.

In order to deter certain trading activities that can be detrimental to a Fund and its investors, a redemption of units of a Fund may trigger the imposition of a short term trading fee under certain specified circumstances – see “Short Term Trading Fee” below for more information. Short term trading fees are in addition to any applicable initial sales charges, deferred sales charges or switch fees that may apply.

Free Redemption Privilege

You may redeem (or switch to the Initial Sales Charge Option) in each calendar year, without paying a deferred sales charge, up to:

- 10% of the number of Series A units purchased under the Deferred Sales Charge Option and held by you at December 31 of the previous year, plus
- 10% of the number of Series A units purchased by you during the current calendar year under the Deferred Sales Charge Option on or prior to the date of redemption, less
- the number of Series A units you would have received if you had reinvested any cash distributions you received during the current calendar year.

Any unused portion of the free redemption of deferred sales charge units cannot be carried forward to subsequent years.

Suspending The Right to Redeem Units

Your right to redeem units of a Fund may be suspended for all or part of a period: (i) when normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada upon which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund’s total assets are traded (and those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund); or (ii) with the consent of any securities commission or regulatory body having jurisdiction. During any period of suspension no calculations of NAV will be made and a Fund will not be permitted to issue further securities or redeem any securities previously issued. The calculation of the NAV will resume when trading resumes on the exchange or with the permission of any securities commission or regulatory body having jurisdiction. If the right to redeem units of a Fund is suspended and you make a redemption request during that period, your units will be redeemed by the Fund in accordance with the redemption request at the NAV first calculated following the end of the suspension period.

Optional Services

Pre-Authorized Chequing Plan

Investors may purchase Series A and Series F units of a Fund through a pre-authorized chequing program (the “PAC Plan”) which allows investors to make periodic investments. Subject to the minimum initial investment requirements, the minimum purchase under a PAC Plan for Series A and Series F units is \$50 per purchase period. This program is offered free of charge, other than applicable sales charges. For more information about the PAC Plan, or to obtain an application form, please contact Excel or your dealer. Excel may cancel or change this service at any time.

Systematic Withdrawal Plan

Investors may redeem Series A and Series F units of a Fund through a systematic withdrawal program which permits the receipt of fixed dollar payments through systematic periodic redemption of Series A and Series F units of one or more of the Funds. You must have a minimum of \$5,000 of Series A and/or Series F units in your account in order to open a systematic withdrawal plan. The minimum individual redemption is \$50 for both Series A units and Series F units.

A redemption fee may apply on each withdrawal if the Series A units were purchased under the Deferred Sales Charge Option or Volume Sales Charge Option and such Series A units are not redeemed under the free sale privilege discussed above under "Free Redemption Privilege".

The program is offered free of charge, other than any applicable redemption charges. If your withdrawals pursuant to the systematic withdrawal program exceed the income distributions and net capital appreciation of your units, your withdrawals will diminish and, eventually, may exhaust your original capital investment. For more information about the systematic withdrawal program or to obtain an application form, please contact Excel or your dealer. Excel may cancel or change this service at any time.

Systematic Switching Plan

You can make regular switches of fixed dollar amounts between Funds. We will automatically sell securities of one Fund and use the proceeds to buy another Fund under the same sales charge option. You may have to pay a negotiable fee to your registered representative. See Fees and Expenses for details. The short-term trading fee does not apply to switches made under this plan. If you hold your securities in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. Please refer to "Income Tax Considerations For Investors" below for more information. Excel may cancel or change this service at any time.

Registered Plans

Investors may wish to open one of the following registered plan products through Excel:

- Registered Retirement Savings Plan (RRSP)
- Registered Retirement Income Fund (RRIF)

The terms and conditions of these registered plans are contained within the application form and in the declaration of trust that appears on the reverse side of the application form. The Royal Trust Company acts as the trustee for these registered plans (the "Plan Trustee"). Excel encourages you to consult your investment or tax adviser about the tax implications of registered plans.

Fees and Expenses

The following table lists the fees and expenses that you may have to pay if you invest in any of the Funds. You may have to pay some of these fees and expenses directly. Your Fund may have to pay some of these fees and expenses which will, therefore, reduce the value of your investment in that Fund. The consent of unitholders will be obtained if (i) the basis of the calculation of a fee or expense that is charged to a Fund or series, or directly to its unitholders by the Fund or Excel in connection with the holding of units of the Fund, is changed in a way that could result in an increase in charges to that Fund or series or to its unitholders; or (ii) a fee or expense to be charged to a Fund or series, or directly to its unitholders by the Fund or Excel in connection with the holding of units of the Fund that could result in an increase in

charges to that Fund or series or to its securityholders, is introduced. In either case, unitholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to the Fund. In this case, you will be sent a written notice at least 60 days before the effective date of the change.

FEES AND EXPENSES PAYABLE BY THE FUNDS														
Management Fees	<p>Each Fund pays Excel an annual management fee (accrued daily and paid monthly) for day-to-day management and administration services. These management fees are unique to each series of units and are expressed as an annual percentage of the Fund's average daily net asset value attributable to the applicable series of units:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Series A</u></th> <th style="text-align: center;"><u>Series F</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Excel India Fund</td> <td style="text-align: center;">2.50%</td> <td style="text-align: center;">1.50 %</td> </tr> <tr> <td style="text-align: center;">Excel China Fund</td> <td style="text-align: center;">2.50%</td> <td style="text-align: center;">1.50 %</td> </tr> <tr> <td style="text-align: center;">Excel India China Fund</td> <td style="text-align: center;">2.25%</td> <td style="text-align: center;">1.50 %</td> </tr> </tbody> </table> <p><u>Management Fee Distributions</u></p> <p>Excel reserves the right to offer a reduced management fee to selected investors, such as institutional investors, who (among other things) hold a minimum of \$500,000 of investments with Excel. This is achieved by reducing the management fee charged by Excel to a Fund based on the net asset value of the units held by such investor and distributing the amount of the reduction (a "Management Fee Distribution") in additional units of the same series of the Fund to the investor. Management Fee Distributions are paid first out of net income and net realized capital gains and, thereafter, out of capital.</p> <p><u>Fund-of-Fund Investments</u></p> <p>Where a Fund invests in an Underlying Fund, the fees and expenses payable in connection with the management of the Underlying Fund are in addition to those payable by the Top Fund. However, Excel will ensure that any Fund that invests in an Underlying Fund does not pay duplicative management fees on the portion of its assets that it invests in that Underlying Fund. In the case of Excel India China Fund, a fee equivalent to the investment portfolio management fees arising at the Underlying Fund level will be charged at the Underlying Fund level. Excel anticipates that this fee will be 0.65%. In addition, any Fund that invests in an Underlying Fund does not pay duplicative sales fees or redemption fees with respect to the purchase or redemption by it of securities of that Underlying Fund.</p>			<u>Series A</u>	<u>Series F</u>	Excel India Fund	2.50%	1.50 %	Excel China Fund	2.50%	1.50 %	Excel India China Fund	2.25%	1.50 %
	<u>Series A</u>	<u>Series F</u>												
Excel India Fund	2.50%	1.50 %												
Excel China Fund	2.50%	1.50 %												
Excel India China Fund	2.25%	1.50 %												
Operating Expenses	<p>Each Fund pays its own operating expenses and all applicable taxes, including the goods and services tax. These expenses include the management fee set forth above, brokerage commissions and fees on portfolio transactions, interest expenses, taxes (if any), custodian fees, regulatory fees (including regulatory fees charged to Excel as manager), audit and legal fees, insurance, directors' or advisory committee's fees (if any), registrar's fees, distribution costs, the cost of reporting to unitholders (including proxy solicitation material), expenses related to the operation of the sub-funds (if any), the cost of qualifying and maintaining the qualification for sale of the units of the Fund and all other expenses incurred in the ordinary course of operation of each Fund. The operating expenses paid by the Funds are allocated among the Series A and Series F units and will vary from year-to-year. Excel may from time to time elect to bear expenses of a Fund in its discretion.</p>													

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

<p>Sales Charges</p>	<p>Initial Sales Charge Option</p>	<p>For Series A units, you pay a negotiable fee of between 0% to 5% of the purchase price to your dealer at the time of purchase.</p> <p>There is no sales charge on the purchase of Series F units. Instead, you pay a fee directly to your dealer under its “fee-for-service” or “wrap account” program.</p> <p>No fee is payable when you sell Series A or Series F units unless you switch or redeem them within 90 days of purchase or switch. See “Short Term Trading Fee” below.</p>																	
	<p>Deferred Sales Charge Option</p>	<p>There is no fee paid by you to your dealer at the time you purchase Series A units. You may pay a fee when you redeem, change or switch your Series A units depending upon how long you have held your units. See “Redemption Charges” and “Short Term Trading Fee” below.</p>																	
	<p>Volume Sales Charge Option</p>	<p>There is no fee paid by you to your dealer at the time you purchase Series A units. You may pay a fee when you redeem, change or switch your Series A units depending upon how long you have held your units. See “Redemption Charges” and “Short Term Trading Fee” below.</p>																	
<p>Redemption Charges</p>	<p>Initial Sales Charge Option</p>	<p>No fee when you redeem Series A or Series F units unless you switch or redeem them within 90 days of purchases or switch. See “Short Term Trading Fee” below.</p>																	
	<p>Deferred Sales Charge Option</p>	<p>Except for redemptions made under the free sale privilege described under “Free Redemption Privilege”, the following fees, based upon a percentage of the purchase amount, will apply if you redeem Series A units or change them to Series F units within the first 7 years from the date of your purchase:</p> <table border="0" data-bbox="914 1518 1341 1787"> <thead> <tr> <th align="center"><u>Year after purchase</u></th> <th align="center"><u>Fee</u></th> </tr> </thead> <tbody> <tr> <td align="center">1st</td> <td align="center">5.75%</td> </tr> <tr> <td align="center">2nd</td> <td align="center">5.50%</td> </tr> <tr> <td align="center">3rd</td> <td align="center">5.00%</td> </tr> <tr> <td align="center">4th</td> <td align="center">4.50%</td> </tr> <tr> <td align="center">5th</td> <td align="center">4.00%</td> </tr> <tr> <td align="center">6th</td> <td align="center">3.50%</td> </tr> <tr> <td align="center">7th</td> <td align="center">2.00%</td> </tr> <tr> <td align="center">after the 7th</td> <td align="center">Nil</td> </tr> </tbody> </table>	<u>Year after purchase</u>	<u>Fee</u>	1 st	5.75%	2 nd	5.50%	3 rd	5.00%	4 th	4.50%	5 th	4.00%	6 th	3.50%	7 th	2.00%	after the 7 th
<u>Year after purchase</u>	<u>Fee</u>																		
1 st	5.75%																		
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5 th	4.00%																		
6 th	3.50%																		
7 th	2.00%																		
after the 7 th	Nil																		

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU											
	<p>Volume Sales Charge Option</p> <p>The following fees, based upon a percentage of the purchase amount, will apply if you redeem Series A units or change them to Series F units within the first 3 years from the date of your purchase:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Year after purchase</u></th> <th style="text-align: center;"><u>Fee</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1st</td> <td style="text-align: center;">2.50%</td> </tr> <tr> <td style="text-align: center;">2nd</td> <td style="text-align: center;">2.00%</td> </tr> <tr> <td style="text-align: center;">3rd</td> <td style="text-align: center;">2.00%</td> </tr> <tr> <td style="text-align: center;">after the 3rd</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table>	<u>Year after purchase</u>	<u>Fee</u>	1 st	2.50%	2 nd	2.00%	3 rd	2.00%	after the 3 rd	Nil
<u>Year after purchase</u>	<u>Fee</u>										
1 st	2.50%										
2 nd	2.00%										
3 rd	2.00%										
after the 3 rd	Nil										
Switch Fees	Up to 2% (as negotiated between you and your dealer) of the value of the Series A units being switched between Funds. Subject to a short-term trading fee, where applicable.										
Short Term Trading Fee	<p>If you redeem or switch units of a Fund within 90 days of purchase or switch, you may be charged a short-term trading fee by that Fund equal to 2% of the NAV per unit of the units being redeemed or switched on the date of redemption or switch. Short-term trading fees do not apply to:</p> <ul style="list-style-type: none"> • units redeemed pursuant to Excel's Systematic Withdrawal Plan, including withdrawals required by law to be made from registered tax plans; • units acquired through reinvested distributions; • the settlement of an estate in connection with the death of a unitholder; • switches or redemptions initiated by Excel, another Fund or a counterparty to Excel India China Fund; • redemptions made from a registered tax plan where the beneficiary dies or becomes incapacitated; or • other circumstances as determined in Excel's sole discretion. <p>All short-term trading fees are deducted from the amount you redeem or switch and are paid to the affected Fund. Short-term trading fees are in addition to any initial sales charges, deferred sales charges or switch fees that may apply.</p>										
Registered Plan Fees	An annual administration fee of \$20 may be deducted automatically from the Registered Plan if not paid directly to Excel.										
PAC Plan	No administration fee.										
Systematic Withdrawal Plan	No administration fee.										
Courier\Wire Charges	Investor bears courier, delivery or wire order expenses if investor elects to receive redemption proceeds in such manner.										

Impact of Sales Charges on Purchases of Series A Units

This table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in Series A units of a Fund, held that investment for one, three, five or ten years and redeemed your investment immediately before the end of each period.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Initial Sales Charge Option	up to \$50.00	-	-	-	-
Deferred Sales Charge Option*	-	\$57.50	\$50.00	\$40.00	-
Volume Sales Charge Option*	-	\$25.00	\$20.00	-	-

* Redemption charges will apply only if you redeem or change your units in a particular year. Redemption charges are shown under “Fees and Expenses” above.

Impact of Sales Charges on Purchases of Series F Units

This table shows that there are no sales charges on the purchase of Series F units and no fee on the redemption of Series F units, other than a short term trading fee, where applicable. Instead, you pay a fee directly to your dealer under its “fee-for-service” or “wrap account” program.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Series F Units	nil	nil	nil	nil	nil

Dealer Compensation

When you purchase Series A units, your dealer receives two primary types of compensation - sales commissions and service fees. Initially, your dealer is paid a sales commission. The amount of this commission and who pays that commission depends upon the purchase option selected by you (see “Sales Commissions” below). Thereafter, a service fee is accrued daily and paid quarterly by Excel and is based upon the percentage of the net asset value of all Series A units of the Fund held in your account with your dealer. The amount of the service fee also depends upon the purchase option selected by you (see “Service Fees” below).

There are no sales commissions or service fees paid in respect of Series F units.

Sales Commissions – Series A

Dealers receive sales commissions where purchases of Series A units of a Fund are made by investors through such dealers. These sales commissions vary according to the purchase option under which the purchase is made and are as follows:

- (a) *Initial Sales Charge Option* - Investors pay to their dealers a negotiable sales commission of up to 5.0% (\$50 for each \$1,000 investment) of the aggregate net asset value of Series A units of the Fund purchased under the Initial Sales Charge Option;
- (b) *Deferred Sales Charge Option* - Excel will pay to each dealer a sales commission of 5.0% (\$50 for each \$1,000 investment) of the aggregate net asset value of Series A units of the Funds purchased under the Deferred Sales Charge Option by that dealer’s clients; and

- (c) *Volume Sales Charge Option* - Excel will pay to each dealer a sales commission of 2.0% (\$20 for each \$1,000 investment) of the aggregate net asset value of Series A units of the Funds purchased under the Volume Sales Charge Option by that dealer's clients.

No sales commissions are paid on Series A or Series F units issued on the automatic reinvestment of distributions by a Fund.

Service Fees – Series A

Excel pays your dealer a portion of its management fee to assist your dealer in providing you with continuing advice and service. Excel will pay service fees at the annual rate indicated below to dealers based upon the aggregate value of Series A units of the Funds held in that dealer's client account:

Annual Rate Where Series A Units Purchased under Deferred Sales Charge Option	Annual Rate Where Series A Units Purchased under Initial Sales Charge Option	Annual Rate Where Series A Units Purchased under Volume Sales Charge Option
0.50% (\$5.00 for each \$1,000 investment)	1.00% (\$10.00 for each \$1,000 investment)	0.75% (\$7.50 for each \$1,000 investment)

The service fee is paid at the end of each quarter during each calendar year and will be calculated based on a daily average asset calculation. This fee is determined by Excel and may be changed at any time. It is expected that dealers will pay a portion of the service fee to sales representatives as compensation for providing ongoing investment advice and service to the clients.

Marketing Support Programs

In addition to the sales commissions and service fees listed above, Excel may share the costs of local advertising, dealer training seminars or other marketing or sales-related expenses with registered dealers to better serve their clients. Excel may also provide dealers non-monetary benefits of a promotional nature and of minimal value and may engage in business promotion activities that result in dealers' sales representatives receiving non-monetary benefits. Excel may also effect portfolio transactions with dealers who provide research, statistical and other similar services to a Fund, provided that the portfolio transactions are promptly executed and done at competitive rates. All sales incentive programs will adhere to applicable laws.

Dealer Compensation From Management Fees

Approximately 33% of the total management fees received by Excel from the Funds was paid by Excel to dealers who distributed units of the Funds for Excel's financial year ended September 30, 2005.

Income Tax Considerations For Investors

This is a general summary for investors of the Canadian federal income tax considerations under the *Income Tax Act* (Canada) ("Tax Act"). It assumes that you are a Canadian resident individual and hold units of the Funds as capital property. More detailed tax information is contained in the Annual Information Form.

When you earn income

If you hold units of a Fund, you earn income on your investment:

- when the Fund pays a distribution out of income or capital gains, and
- when you redeem or switch your units of the Fund and realize a capital gain or loss.

How do you calculate adjusted cost base?

In general, the aggregate adjusted cost base (“ACB”) of your investment in a particular series of units of a Fund equals:

- your initial investment
- plus additional investments
- plus reinvested distributions
- minus any returns of capital
- minus the ACB of any previous redemptions

Distributions

Distributions (including Management Fee Distributions - as defined in the “Fees and Expenses” chart) of income and capital gains are taxable in the year received. This is the case whether these amounts were paid to you in cash or were paid through reinvestment in additional units. Distributions may include capital gains and taxable Canadian dividends. Generally, these are taxed as if you had received the amounts directly. You may also be eligible for foreign tax credits in respect of foreign taxes paid by a Fund. Returns of capital are not taxable to you, but will reduce the ACB of the related units. Generally, earnings of the Funds from derivatives will result in distributions of income rather than capital gains. We will provide information slips containing detailed information about the distributions paid to you.

The unit price of a Fund may include income and capital gains that the Fund has accrued or realized but not yet distributed. If you invest in a Fund before a distribution date (generally, after December 14 and on or before December 31 of each year) you will have to pay tax on any distributions paid to you, even if the Fund earned the amount before you acquired your units.

Redeeming or switching units

If you redeem or switch units, you will realize a capital gain (or loss). The capital gain (loss) will be equal to the difference between the amount you receive for the redemption or switch and the ACB of the units, less any costs of disposition.

One-half of a capital gain is generally included in your income.

A change of units of one series of a Fund to units of the other series of the same Fund will not be a disposition and will not result in a capital gain or capital loss.

We will provide you with details of the proceeds from the redemption or switch. However, in order to calculate your gain or loss, you need to know the ACB of your units before disposition.

Registered Plans

If you hold units of the Funds in a registered plan, generally, you pay no tax on the income earned from, or proceeds realized on the disposition of, those units as long as they remain in the registered plan. Withdrawals from registered plans are subject to tax.

What Are Your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order. Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the mutual fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Specific Information About Each Of The Mutual Funds Described In This Document

EXCEL INDIA FUND

Fund Details

Type of Fund	India Equity
Nature of Securities	Units of mutual fund trust: Series A and Series F
Date started	Series A: April 14, 1998 / Series F: December 23, 2004
Registered Tax Plan Status	The units of Excel India Fund are qualified investments for RRSPs, LIRAs, RRIFs, LIFs, LRIFs, DPSPs and RESPs
Portfolio Adviser	Toron Capital Markets Inc. (“Toron”) Toronto, Ontario

What Does the Fund Invest In?

Investment Objective

The investment objective of the Excel India Fund is to seek long-term superior growth of capital.

The Fund will invest its assets primarily in equity securities of companies located in India through a “fund-on-fund” arrangement with India Excel (Mauritius) Fund (the “Mauritius Sub-fund”). The Mauritius Sub-fund is an open-end investment trust organized under the laws of Mauritius. The Mauritius Sub-fund will, in turn, invest most of its assets in India Excel (Offshore) Fund (the “India Sub-fund”), an open-end investment trust organized under the laws of India.

The balance of the Fund’s assets will be invested in Canadian equity securities with a focus on companies doing business in India, debt securities of Canadian issuers, derivatives (futures, options and forward contracts), cash or cash equivalents.

Unitholder approval is required prior to a change in the fundamental investment objective.

Investment Strategies

The Mauritius Sub-fund and India Sub-fund have been created to facilitate the investment in equity securities of companies located in India by the Excel India Fund and have the same investment objectives, strategies and guidelines as the Excel India Fund.

Excel India Fund has obtained the approval of securities regulatory authorities to allow the Fund to invest more than 10% of its assets in, and hold more than 10% of, the Mauritius Sub-fund and indirectly the India Sub-fund. Where such investments are made there will be no duplication of management fees or sales charges as management fees payable in respect of the Mauritius Sub-fund and India Sub-fund will be paid out of Excel’s management fee and no sales charges will be incurred in respect of purchases of Sub-fund units.

The chart below illustrates the securities in which the Excel India Fund, Mauritius Sub-fund and India Sub-fund may be invested:

Fund	Types of Investments Which May be Held
Excel India Fund	Units of the Mauritius Sub-fund. Canadian equity securities with a focus on companies doing business in India, debt securities of Canadian issuers, derivatives, cash or cash equivalents.
Mauritius Sub-fund	Units of the India Sub-fund. American or global depository receipts, eurobonds, euroconvertible bonds and other securities issued by Indian issuers in the international capital markets, debt securities of foreign issuers, cash and cash equivalents.
India Sub-fund	Equity and debt securities of companies located in India; American or global depository receipts, eurobonds, euroconvertible bonds or other securities issued by Indian issuers in the international capital markets; debt securities of foreign issuers; and cash and cash equivalents.

As stated above, the Mauritius Sub-fund and India Sub-fund have the same investment objectives, strategies and guidelines as the Excel India Fund. Except as necessary to implement this three-tiered fund-on-fund structure, the Mauritius Sub-fund and India Sub-fund have adopted and comply with the investment restrictions and practices of National Instrument 81-102. Any changes in the provisions of the material contracts of the Mauritius Sub-fund and the India Sub-fund which would delete or amend the foregoing will require the prior approval of Excel and the securities regulatory authorities. Excel India Fund will redeem its investment in the Mauritius Sub-fund and the Mauritius Sub-fund will redeem its position in the India Sub-fund in the event that such contractual provisions are breached.

The Mauritius Sub-fund was created pursuant to a trust deed dated November 28, 1997. The Mauritius Sub-fund is resident in Mauritius. The Commissioner of Income Tax in Mauritius issued a certificate of Mauritian tax residence to the Mauritius Sub-fund as of August 12, 1997.

The India Sub-fund was established pursuant to a Supplemental Trust Deed (the “Deed”) dated November 28, 1997 as a dedicated Sub-fund of the Birla Mutual Fund. The Deed is supplemental to a Trust Deed dated December 16, 1994 establishing the Birla Mutual Fund between Birla Global Finance Limited, as settlor, and Birla Capital International Trustee Company, as trustee. Birla Mutual Fund was registered with The Securities & Exchange Board of India (“SEBI”) on December 23, 1994.

The Mauritius Sub-fund and the India Sub-fund are managed by International Financial Services Limited (“IFS”) and Birla Sun Life AMC Limited (“BSLAMC”), respectively. The responsibilities of IFS and BSLAMC, as managers, include the day-to-day general management and administration of the Mauritius Sub-fund and India Sub-fund, respectively, and the provision of office services and facilities. IFS Trustees (a related company of IFS) is the trustee of the Mauritius Sub-fund and Excel acts as the protector of the Mauritius Sub-fund. As trustee, IFS Trustees appoints the manager of the Mauritius Sub-fund and establishes the investment objectives, policies and restrictions of the Mauritius Sub-fund.

To achieve its investment objective, the India Sub-fund employs a fundamental research-based approach for stock selection. During periods when it is considered prudent to do so, equity allocations may be reduced for a limited period in favour of debt instruments, money market instruments, cash and cash equivalents.

Some of the assets of the Mauritius Sub-fund will be invested in ADRs, GDRs and euroconvertible bonds issued by Indian corporations and other securities.

The Fund may actively trade its investments. This can increase trading costs payable by the Fund which may lower the Fund's return. It also increases the chance that you will receive a taxable capital gain if you hold units of the Fund in a non-registered account.

Excel India Fund may use derivatives to the extent permitted by Canadian securities regulations. These derivatives include, but are not limited to, exchange-listed and over-the-counter put and call options on equity and fixed-income securities and indices, financial futures contracts and options thereon including currency forward and futures contracts. These derivatives may be used without limit for hedging purposes including to attempt to protect against possible changes in the market value of securities held in, or to be purchased for, the Fund's portfolio resulting from securities markets or currency exchange rate fluctuations or to manage the effective maturity or duration of fixed-income securities in the Fund's portfolio. Derivatives may also be used by the Fund for non-hedging purposes such as to gain exposure to individual stocks or stock market indices or to seek to enhance returns.

Under adverse market, economic or political conditions or for other considerations, the Excel India Fund may invest its assets in cash or short-term fixed income securities for defensive purposes.

What are the Risks of Investing in the Fund?

Generally

The risks of investing in this Fund are:

- foreign investment risk
- equity risk
- interest rate risk
- series risk
- concentration risk
- small cap risk
- credit risk
- currency risk
- derivatives risk
- large transaction risk
- emerging markets risk
- liquidity risk

For an explanation of each of these risks, please refer to page 2.

Specifically

Securities of many issuers in the Indian market may be less liquid and more volatile than securities of comparable domestic issuers, but may offer the potential for higher returns over the long term. The securities held by the Excel India Fund will generally be denominated in foreign currency, mainly the Rupee. Accordingly, the value of the Fund will fluctuate depending on the rate of exchange between the Canadian dollar and the foreign currency. India has less developed clearance and settlement procedures, and there have been times when settlements have been unable to keep pace with the volume of securities and have been significantly delayed. The Indian stock exchanges have in the past been subject to repeated closure and there can be no certainty that this will not recur. In addition, significant delays are common in registering transfers of securities and the Excel India Fund may be unable to sell securities until the registration process is completed and may experience delays in receipt of dividends and other entitlements.

The value of the Excel India Fund may also be affected by political and economic developments, social, religious or regional tensions, changes in government regulation and government intervention, high rates of inflation or interest rates and withholding tax affecting India or Mauritius. The risk of loss may also be increased because there may be less information available about Indian issuers since they are not subject to the extensive accounting, auditing and financial reporting standards and practices which are applicable in North America. There is also a lower level of regulation and monitoring of the Indian securities market and its participants than in other more developed markets.

India's guidelines under which foreign investors, such as the Excel India Fund, may invest directly in Indian securities are new and evolving. There is no guarantee that the guidelines under which the Fund has been established will not be changed. In this case, Excel will take the necessary steps to restructure the Fund as it considers appropriate. In addition, since the India Sub-fund is a scheme of the Birla Mutual Fund and is affiliated with BSLAMC, if the contract with BSLAMC were to be terminated, the Fund may be forced to restructure the holding of its direct investments in India.

Legal counsel in India and Mauritius have given opinions relating to the tax treatment of the Excel India Fund. There may be difficulty enforcing any legal rights you may have against these legal counsel because they are resident outside Canada and all or a substantial portion of their assets are situated outside Canada.

The Excel India Fund's Indian legal advisors have, proceeding on the basis that the Mauritius Sub-fund is a bonafide resident of Mauritius and recognized as such under the *Mauritius Offshore Business Activities Act, 1992* and that there has been no modification to the Indo-Mauritius Tax Treaty, advised that the Mauritius Sub-fund will not be liable to pay any income tax on capital gains made by it on sale, transfer or redemption of units held by it in the India Sub-fund. The Mauritius Sub-fund will also not be liable to pay any tax in India on income distribution received by it on the units from the India Sub-fund. While the India Sub-fund is not liable to pay any tax on dividend or short-term or long-term capital gain made by it on sale, transfer or redemption of any securities in which it would have invested, under Section 115-R of the *Income-Tax Act, 1961*, the India Sub-fund will be liable to pay tax calculated at 12.5% of the income distributed by it to unit holders which will be subject to a further surcharge of 2.5% on the tax calculated at the rate of 12.5%. The tax opinion relating to the India Sub-fund is based on the assumption that the Mauritius Sub-fund has obtained a certificate of residence in Mauritius from the Commissioner of Income Tax in Mauritius, that the central management and control of the Mauritius Sub-fund is exercised within Mauritius, that the Mauritius Sub-fund does not have a permanent establishment outside Mauritius, that the Mauritius Sub-fund has not been set up solely for the purpose of availing of the benefits under the *India-Mauritius Tax Treaty* and is not controlled from outside Mauritius. Excel has confirmed that these assumptions are true. If, however, the assumptions are determined to be incorrect, Indian withholding tax

may be imposed on capital gains realized by the Mauritius Sub-fund which could negatively impact its return.

The Mauritius Sub-fund was established in Mauritius as an offshore trust and obtained an Offshore Certificate pursuant to the *Mauritius Offshore Business Activities Act 1992* with the result that its income will not be subject to income tax in Mauritius unless it elects to pay tax at a specified rate not exceeding 35 percent. The *Mauritius Offshore Business Activities Act 1992* was repealed on December 1, 2001 and has been replaced by the *Financial Services Development Act 2001*. The Mauritius Sub-fund is now deemed to hold a Category 1 Global Business Licence. Holders of Category 1 Global Business Licenses are taxed as from the assessment year starting July 1, 2003 at 15%. However, the Mauritius Sub-fund will be entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritius tax on its foreign source income resulting in an effective tax rate of 3%. No capital gains tax will be payable in Mauritius in respect of the gains made on the disposal of the Mauritius Sub-fund's investments. The Excel India Fund's Mauritius advisers have advised that distributions of income from the Mauritius Sub-fund to the Fund and capital gains on the redemption of units of the Mauritius Sub-fund will not be subject to Mauritius withholding tax.

In order to provide for Indian settlement procedures, the India Sub-fund has received an exemption from securities regulators to allow payment of redemption proceeds within 10 business days of a redemption by the Mauritius Sub-fund. In the event of excessive redemptions, the Excel India Fund may not be able to make payment of redemption proceeds within three business days of a redemption date. This risk is being managed by both Excel India Fund and the Mauritius Sub-fund by holding sufficient liquid assets in their respective investment portfolios.

Who Should Invest in this Fund?

This Fund may be suitable for you if you:

- want exposure to equity and debt securities of companies located in India;
- are investing for the medium to long term; and
- can tolerate higher risk.

Distribution Policy

It is the policy of the Fund to distribute to unitholders between December 14 and December 31 in each calendar year sufficient net income (including net realized capital gains) of the Fund as will result in the Fund paying no tax under Part I of the Tax Act. The Fund may make additional distributions from time to time throughout the year in Excel's discretion including distributions on account of reduced management fee arrangements with certain investors such as institutional investors. Management Fee Distributions (as defined in the "Fees and Expenses" chart) will be distributed on such basis as Excel may determine, generally, first out of net income and/or net capital gains of the Fund and thereafter out of capital.

All distributions by the Fund will be reinvested automatically in additional units of the same series of the Fund held by the investor at the net asset value thereof. No commissions are payable upon automatic reinvestment of distributions. Reinvested distributions will be redeemed on a pro rata basis with the units upon which the distributions were paid.

Fund Expenses Indirectly Borne by Investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that (i) you make an initial investment of \$1,000 in Excel India Fund for the time periods indicated; (ii) your investment has a total annual return of 5% in each year; and (iii) Excel India Fund had the same management expense ratio each year as it did in its last financial year. See “Fees and Expenses” on page 11 for more information.

<u>Time Period</u>	<u>Series A</u>	<u>Series F</u>
One Year	\$47.87	\$29.32
Three Years	\$150.90	\$92.42
Five Years	\$264.50	\$161.98
Ten Years	\$602.07	\$368.72

Additional Information

IFS and BSLAMC are non-resident portfolio advisers. In order for IFS and BSLAMC to be able to provide investment management services to the Excel India Fund, Toron has agreed, in its capacity as the portfolio adviser (investment counsel\portfolio manager) to this Fund, to be responsible for the advice received from IFS and BSLAMC. Further, and to the extent applicable, there may be difficulty in enforcing legal rights against IFS and BSLAMC because they are resident outside of Canada and all or a substantial portion of their assets are situated outside of Canada.

EXCEL CHINA FUND

Fund Details

Type of Fund	Equity (Far East)
Nature of Securities	Units of mutual fund trust: Series A and Series F
Date started	Series A: January 29, 2000 / Series F: December 23, 2004
Registered Tax Plan Status	The units of Excel China Fund are qualified investments for RRSPs, LIRAs, RRIFs, LIFs, LRIFs, DPSPs and RESPs
Portfolio Adviser	Toron Capital Markets Inc. (“Toron”) Toronto, Ontario
Portfolio Sub-Adviser	Hamon Asset Management Limited (“Hamon”) Central, Hong Kong

What Does the Fund Invest In?

Investment Objective

To seek long-term superior growth of capital by investing in equity securities of companies located in China, Hong Kong, Taiwan and other Far East countries. The Fund may also invest in Canadian equity securities which focus on companies doing business in the China region, debt securities of Canadian issuers, derivatives (futures, options and forward contracts) and cash or cash equivalents.

As an alternative to direct investments, the Fund may invest in index futures in order to gain exposure to equity securities based in these countries. The Fund may also invest in companies in other parts of the world that are currently participating or intending to participate in the economic development and opportunities in China.

Unitholder approval is required prior to a change in the fundamental investment objective.

Investment Strategies

The Fund will invest the majority of its assets in equity securities of superior companies in China, Hong Kong and Taiwan, and from time to time other parts of Asia. The Fund may also invest in other companies outside this region that are engaged in the economic development and opportunities in China. The portfolio adviser or sub-adviser will look for companies that it believes have one or more of the following factors: excellent management, sustainable competitive advantages, high profit margins, positive cash flows and high return on equity.

In addition to qualitative factors stated above, the portfolio adviser or sub-adviser may employ a wide range of fundamental analysis including growth factors, risk factors, value factors and market factors to seek to identify what it believes are superior companies.

The Fund may invest in Canadian equity securities which focus on companies doing business in the China region. The portfolio adviser or sub-adviser may use derivatives to the extent permitted by Canadian securities regulations. These derivatives include, but are not limited to, exchange-listed and over-the-

counter put and call options on equity and fixed-income securities and indices, financial futures contracts and options thereon including currency forward and futures contracts. These derivatives may be used without limit for hedging purposes including to attempt to protect against possible changes in the market value of securities held in, or to be purchased for, the Fund's portfolio resulting from securities markets or currency exchange rate fluctuations or to manage the effective maturity or duration of fixed-income securities in the Fund's portfolio. Currency hedging is also a risk management and defensive strategy. Derivatives may also be used by the Fund for non-hedging purposes such as to gain exposure to individual stocks or stock market indices or to seek to enhance returns.

The portfolio adviser or sub-adviser may invest in American or global depository receipts, eurobonds, euro convertible bonds or other securities issued by China issuers in the international capital markets, debt securities of foreign issuers, cash and cash equivalents.

Under adverse market, economic or political conditions or for other considerations, the Excel China Fund may invest its assets in cash or short-term fixed income securities for defensive purposes.

What are the Risks of Investing in the Fund?

Generally

The risks of investing in this Fund are:

- small cap risk
- concentration risk
- credit risk
- series risk
- equity risk
- foreign investment risk
- currency risk
- interest rate risk
- derivatives risk
- large transaction risk
- emerging markets risk
- liquidity risk

For an explanation of each of these risks, please refer to page 2.

Specifically

Securities of many issuers in the China market may be less liquid and more volatile than securities of comparable domestic issuers, but may offer the potential for higher returns over the long term. The securities held by the Excel China Fund will generally be denominated in foreign currency, mainly the renminbi or yuan. Accordingly, the value of the Fund will fluctuate depending on the rate of exchange between the Canadian dollar and the foreign currencies. China has less developed clearance and settlement procedures and delays may occur in registering transfers of securities. Excel China Fund may, therefore, be unable to sell securities until the registration process is completed or may experience delays in receipt of dividends and other entitlements.

The value of the Excel China Fund may also be affected by political and economic developments, social or regional tensions, changes in government regulation and government intervention, high rates of inflation or interest rates. The risk of loss may also be increased because there may be less information available about Chinese issuers since they are not subject to the extensive accounting, auditing and financial reporting standards and practices which are applicable in North America. There is also a lower level of regulation and monitoring of the Chinese securities market and its participants than in other more developed markets.

Who Should Invest in this Fund?

This Fund may be suitable for you if you:

- want exposure to equity and debt securities of companies located in China, Hong Kong, Taiwan and other Far East markets;
- are investing for the medium to long term; and
- can tolerate medium to higher risk.

Distribution Policy

It is the policy of the Fund to distribute to unitholders between December 14 and December 31 in each calendar year sufficient net income (including net realized capital gains) of the Fund as will result in the Fund paying no tax under Part I of the Tax Act. The Fund may make additional distributions from time to time throughout the year in Excel's discretion including distributions on account of reduced management fee arrangements with certain investors such as institutional investors. Management Fee Distributions (as defined in the "Fees and Expenses" chart) will be distributed on such basis as Excel may determine, generally, first out of net income and/or net capital gains of the Fund and thereafter out of capital.

All distributions by the Fund will be reinvested automatically in additional units of the same series of the Fund held by the investor at the net asset value thereof. No commissions are payable upon automatic reinvestment of distributions. Reinvested distributions will be redeemed on a pro rata basis with the units upon which the distributions were paid.

Fund Expenses Indirectly Borne by Investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that (i) you make an initial investment of \$1,000 in Excel China Fund for the time periods indicated; (ii) your investment has a total annual return of 5% in each year; and (iii) Excel China Fund had the same management expense ratio each year as it did in its last financial year. See "Fees and Expenses" on page 11 for more information.

<u>Time Period</u>	<u>Series A</u>	<u>Series F</u>
One Year	\$72.98	\$31.57
Three Years	\$230.07	\$99.52
Five Years	\$403.26	\$174.44
Ten Years	\$917.93	\$397.08

Additional Information

Hamon is a non-resident portfolio adviser. In order for Hamon to be able to provide investment management services to the Excel China Fund, Toron has agreed, in its capacity as the portfolio adviser (investment counsel/portfolio manager) to this Fund, to be responsible for the advice received from Hamon. Further, and to the extent applicable, there may be difficulty in enforcing legal rights against Hamon because it is resident outside of Canada and all or a substantial portion of Hamon's assets are situated outside of Canada.

EXCEL INDIA CHINA FUND (formerly, Excel India China RSP Fund)

Fund Details

Type of Fund	Emerging Markets (India and China)
Nature of Securities	Units of mutual fund trust: Series A and Series F
Date started	Series A: January 10, 1999 / Series F: December 23, 2004
Registered Tax Plan Status	The units of Excel India China Fund are qualified investments for RRSPs, LIRAs, RRIFs, LIFs, LRIFs, DPSPs and RESPs
Portfolio Adviser	Toron Capital Markets Inc., Toronto, Ontario

What Does the Fund Invest In?

Investment Objective

The investment objective of Excel India China Fund is to seek long-term capital appreciation by investing primarily in mutual fund securities in order to gain exposure to the equity and debt markets of India and China, Hong Kong, Taiwan and other Far East countries. Excel India China Fund may also invest in non-mutual fund securities which provide exposure to the above markets or seek exposure to other international emerging markets.

Unitholder approval is required prior to a change in the fundamental investment objective.

Investment Strategies

To achieve its investment objective, Excel India China Fund may invest (either directly or through derivative instruments) up to 100% of its assets in mutual funds which, in turn, invest primarily in equity and debt securities located in the markets of India and China, Hong Kong, Taiwan and other Far East countries. Excel India China Fund may also invest directly in equity and/or debt securities of companies providing exposure to these markets. In addition, the Fund may seek exposure to other international emerging markets.

Currently, Excel India China Fund is primarily invested in units of the Excel India Fund (see page 19 for more information about this Fund) and Excel China Fund (see page 25 for more information about this Fund).

Under adverse market, economic or political conditions or for other considerations, the Excel India China Fund may invest its assets in cash or short-term fixed income securities for defensive purposes.

What are the Risks of Investing in the Fund?

Because the Fund will be primarily invested in units of the Underlying Funds, the risks of investing in this Fund are the same as the risks of the Underlying Funds, see pages 21 and 26. In addition, the Fund will be subject to its own series risk.

For an explanation about each of these risks, please refer to page 2.

Who Should Invest in this Fund?

Excel India China Fund would be suitable for investors:

- seeking capital growth over the long term;
- looking for exposure to equity and debt securities located primarily in India, China and Far East countries and international emerging markets;
- who have an investment horizon of at least five years and who are willing to accept high investment risk; and
- planning to hold for the long term.

Distribution Policy

It is the policy of the Fund to distribute to unitholders between December 14 and December 31 in each calendar year sufficient net income (including net realized capital gains) of the Fund as will result in the Fund paying no tax under Part I of the Tax Act. The Fund may make additional distributions from time to time throughout the year in Excel's discretion including distributions on account of reduced management fee arrangements with certain investors such as institutional investors. Management Fee Distributions (as defined in the "Fees and Expenses" chart) will be distributed on such basis as Excel may determine, generally, first out of net income and/or net capital gains of the Fund and thereafter out of capital.

All distributions by the Fund will be reinvested automatically in additional units of the same series of the Fund held by the investor at the net asset value thereof. No commissions are payable upon automatic reinvestment of distributions. Reinvested distributions will be redeemed on a pro rata basis with the units upon which the distributions were paid.

Fund Expenses Indirectly Borne by Investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that (i) you make an initial investment of \$1,000 in Excel India China Fund for the time periods indicated; (ii) your investment has a total annual return of 5% in each year; and (iii) Excel India China Fund had the same management expense ratio each year as it did in its last financial year. See "Fees and Expenses" on page 11 for more information.

<u>Time Period</u>	<u>Series A</u>	<u>Series F</u>
One Year	\$70.11	\$49.92
Three Years	\$221.02	\$157.36
Five Years	\$387.40	\$275.83
Ten Years	\$881.83	\$627.85

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EXCEL FUNDS

EXCEL INDIA FUND

EXCEL CHINA FUND

EXCEL INDIA CHINA FUND

(formerly, Excel India China RSP Fund)

Additional information about the Funds is available in the Annual Information Form, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents at your request and at no cost, by calling Excel toll free at 1-888-813-9813 or by contacting your dealer.

These documents and other information about the Funds, such as information circulars and material contracts, are also available at the Internet site of Excel at www.excelfunds.com or on SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com

MANAGER OF THE FUNDS

Excel Funds Management Inc.
Plaza Four
2000 Argentinia Road, Suite 280
Mississauga, Ontario
L5N 1W1
Tel: 1-888-813-9813
Fax: 1-905-813-8884
E-mail: excel@excelfunds.com

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