

# SEMI-ANNUAL REPORT

EXCEL **LATIN AMERICA** FUND  
For the six months ended March 31, 2016 and 2015

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants, Canada. 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,

We are pleased to present the financial statements of the Excel Funds family of funds for the semi-annual period ending March 31, 2016.

During the period from October 1, 2015 to March 31, 2016, emerging markets improved substantially, following the return of stability to the Chinese economy, a modest rebound in commodity prices, and signals from the U.S. Federal Reserve that it will take a measured and gradual approach to raising interest rates.

While China benefitted from its ongoing transition from an export-led to a consumer-driven economy, India, the world's fastest growing major economy, continued to fire on all cylinders, contributing to its strong equity markets.

Latin America has emerged as a compelling earnings recovery story, following a period of weak growth resulting primarily from depressed prices and weak global demand for commodities. This development bodes well for investors in the Excel Latin America Fund.

On the fixed income front, emerging market debt continues to provide significantly higher yields than developed market bonds in a benign interest rate environment, benefitting investors in the Excel High Income Fund.

The improving fundamentals of emerging markets are expected to benefit the long term performance of our funds. Performance was enhanced by our active country allocation and index-agnostic sector allocation strategies and on-the ground management teams, which provide us with a competitive advantage in security selection.

As emerging markets continue to evolve, Excel Funds remains committed to implementing strategies that take advantage of opportunities as they emerge. We have remained focused on creating new and innovative products that provide investors with access to untapped investment opportunities; and in making tactical shifts to our fund line-up in the interest of our investors.

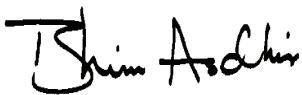
During this period we launched the Excel Billionaire Leaders Fund, a unique fund that invests in companies that are owned and operated by billionaires, a rare breed of individuals regarded as the best creators of wealth. On April 22, 2016, we also launched the Excel India Balanced Fund and the Excel New India Leaders Fund to capitalize on the unique investment opportunities found in India.

On February 16, 2016, in a tactical move to benefit our investors, Excel Funds merged the Excel BRIC Fund into the Excel Emerging Markets Fund to achieve economies of scale.

Looking ahead, we believe that emerging market economies will continue to grow significantly faster than their developed counterparts and that the capitalization of their equity markets will account for an increasingly larger share of total global market capitalization – allowing us to offer our investors a growing universe of opportunities.

We would like to thank you for the trust and confidence you have placed in Excel Funds and look forward to your continued support.

Best Regards,



Bhim D. Asdhir  
President and Chief Executive Officer

EXCEL  
**LATIN AMERICA FUND**

**Table of Contents**

Interim Management Report of Fund Performance .....	5
Financial Statements .....	14
Notes to Financial Statements.....	21

*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, 2810 Matheson Blvd East., Suite 800, Mississauga, ON, L4W 4X7, or by visiting our website at [www.excelfunds.com](http://www.excelfunds.com) to request a copy of the investment fund's 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, 2016 that have affected the Excel Latin America 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, 2016, the Fund's Series A, F and I units return by 9.3%, 10.1% and 11.0% respectively. This compares to returns of 12.3% for the Morgan Stanley Capital International ("MSCI") Latin America 10/40 total return index and 12.3% for the MSCI Latin America total return index. The Fund's return is after the deduction of fees and expenses paid by the Fund.

The Net Assets of the Fund decreased from \$8.3 million as at September 30, 2015 to \$6.2 million as at March 31, 2016. The decrease in Net Assets arose primarily as a result of the investor net redemptions of \$2.5 million which were partially offset by realized and unrealized gains of \$0.4 million recorded by the Fund on its investment portfolio.

The Fund's underweight position in Brazil was one of the key reasons for its underperformance during the reporting period. The Fund's sectoral overweight position in financial services was another detractor for its overall performance. Chile, given its more defensive characteristics, posted the best performance amongst the Andean countries. Even though Itau USA Asset Management Inc. (the "Sub-Adviser") was underweight Brazil, it maintained selective overweight exposures to retailers.

Itau Unibanco Holdings SA (Preferred) ADR, Banco Bradesco SA ADR and Cosan SA Industria e Comercio were the top contributors to the Fund's performance, while BRF- Brasil Foods SA ADR, Suzano Papel e Celulose SA Preferred "A" and JBS SA were the top detractors over the 6-month reporting period.

### Recent Developments

The recovery over the last quarter has been prompted by an increase in commodity prices, particularly oil, the more dovish stance taken by the United States Federal Reserve ("Fed") and further monetary stimulus by the European Central Bank and Japanese Central Bank. As a result, most emerging-market assets are in positive territory with Latin American equities outperforming led by high beta countries such as Brazil, Colombia and Peru.

The acceleration in the impeachment process of Brazilian President Dilma Rousseff's has been well received by the markets. Although this process promises a long and drawn out battle to any actual decision, a step towards a shift has been a sigh of relief among global investors. The Sub-Adviser is optimistic on the medium term implications of the political paradigm shift.

Colombia is investing in infrastructure developments as a driver of growth. Construction on the Fourth Generation or 4G project has already started. This is a project focused in improving roads, bridges and tunnels and is expected to deliver 5,892 kilometers of roads over the next 8 years. In Argentina, the focus on policy normalization is well underway. This may unlock significant value across many sectors. The Sub-Adviser focuses on early beneficiaries, such as financial services as well as oil & gas via YPF Sociedad Anonima ADR.

Overall, the Sub-Adviser believes the outlook for markets in Latin America in 2016 is positive with a belief that the growth outlook may improve in the second half of the year. The backdrop to this is a political paradigm shift in Latin America towards a more responsible, orthodox approach to economic policy. Elections in Argentina, Venezuela, and Peru, combined with political shifts in Chile and Brazil, all point to a move away from the populist policies of the past. The Sub-Adviser believes this top-down political shift is opening up opportunities in Latin America, especially in regulated sectors such as utilities & energy, telecommunications and infrastructure & development related concession operators. The Sub-Adviser also expects the region will see large inflows moving forward as the preference for value stocks increases across all global portfolios.

### Future Accounting Changes

The following standard has been issued by the International Accounting Standards Board (“IASB”) and has not been adopted by the Fund since it is not yet effective.

The IASB issued IFRS 9 which replaces IAS39, the current standard for accounting for financial instruments. The standard covers:

- Classification and measurement: requires that financial assets be classified at either amortized cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristic of the financial assets.
- Impairment methodology: replaces the current incurred loss model for impairment of financial assets with an expected loss model.
- Hedge accounting: replaces the current rule-based hedge accounting requirements in IAS39 with guidance that more closely aligns the accounting with an entity’s risk management activities.

The Standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management is currently assessing the impact of the standard on the financial statements of the Fund.

In December 2014, Disclosure Initiative was issued, which amends IAS 1 Presentation of Financial Statements. The amendments are designed to encourage entities to use professional judgement to determine what information to disclose in the financial statements and accompanying notes by clarifying the guidance on materiality, presentation, and note structure. These amendments are effective for annual periods beginning on or after January 1, 2016. The Manager is currently assessing the impact of these amendments on the financial statements of the Fund.

**Past Performance**

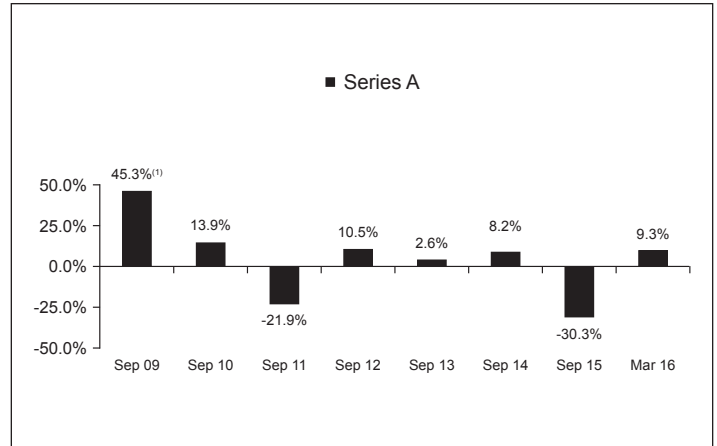
Sales commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and 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 adviser regarding your personal tax situation.

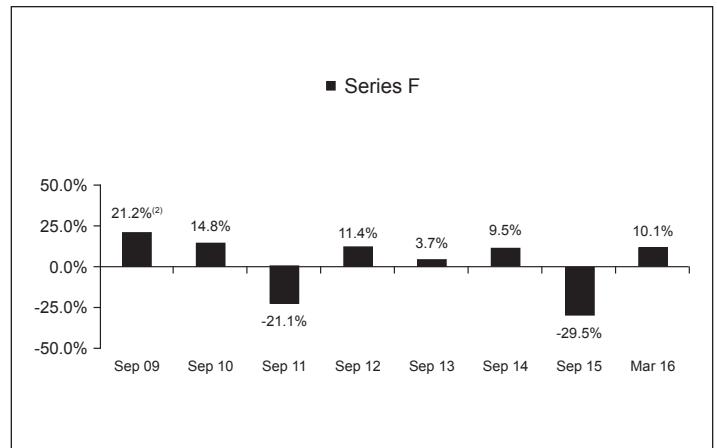
The past performance of the Fund is set out in the following charts. All returns are calculated in Canadian Dollars, and unit values are expressed in Canadian Dollars.

**Year-by-Year Returns**

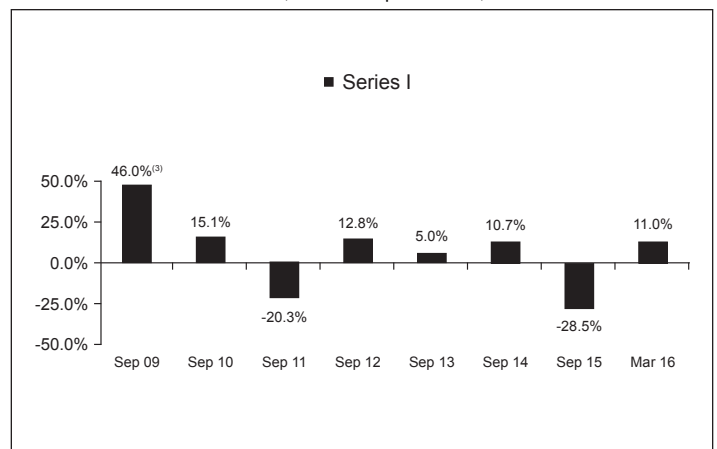
The bar charts show the performance of each series of the Fund for the six-month period ended March 31, 2016 and for each of the previous periods ended September 30. The charts show in percentage terms how an investment held on October 1 or inception would have increased or decreased by September 30 of the fiscal year. The past performance of the Fund is not necessarily an indication of how it will perform in the future.



(1) Return from December 18, 2008 to September 30, 2009.



(2) Return from June 23, 2009 to September 30, 2009.



(3) Return from December 18, 2008 to September 30, 2009.

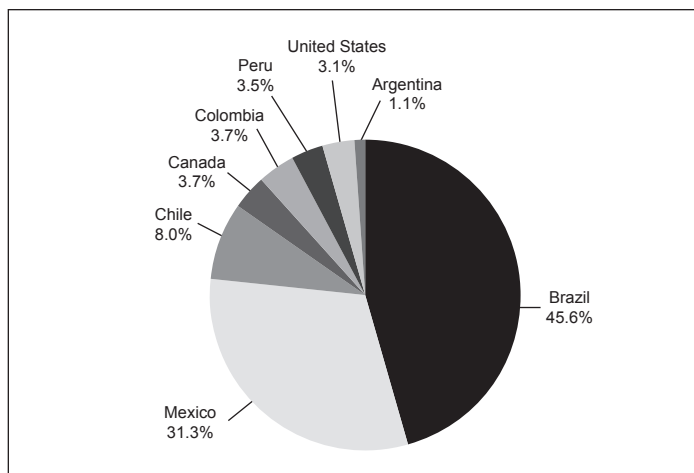
**Summary of Investment Portfolio**

As at March 31, 2016

**Portfolio Allocation**

Asset Class	% of Net Asset Value
Financial Services	33.6%
Consumer Products	11.5%
Utilities & Energy	9.5%
Materials	7.3%
Telecommunications	7.1%
Other Net Assets	7.0%
Retail & Merchandising	4.3%
Oil & Gas	3.8%
Real Estate & Property Management	3.0%
Metals & Mining	2.1%
Infrastructure & Development	2.0%
Shipping & Transportation	2.0%
Education	1.9%
Industrial & Manufacturing	1.8%
Advertising & Media	1.5%
Chemical Products	1.0%
Agricultural & Forestry Products	0.6%
<b>Total</b>	<b>100.0%</b>

**Portfolio Region Allocation**



**Top 25 Holdings**

Issuer	% of Net Asset Value
Itau Unibanco Holding SA (Preferred ADR)	7.0%
Cash & Cash Equivalents	6.5%
Banco Bradesco SA ADR	4.6%
Fomento Economico Mexicano SA de CV ADR	4.0%
Grupo Financiero Banorte SA "O"	3.4%
Credicorp Limited	3.3%
Cemex SAB de CV ADR	2.9%
BB Seguridade Participacoes SA	2.8%
Telefonica Brazil SA (Preferred)	2.7%
Empresa Nacional de Electricidad SA ADR	2.7%
Banco Bradesco SA (Preferred)	2.4%
America Movil SAB de CV 'L' ADR	2.4%
Cosan SA Industria e Comercio	2.4%
Ambev SA ADR	2.2%
Wal-Mart de Mexico SAB de CV	2.1%
TF Administradora Industrial S de RL de CV	1.9%
Kroton Educacional SA	1.9%
Fibra Uno Administracion SA	1.9%
AES Tiete SA	1.7%
Megacable Holdings SAB de CV	1.5%
Promotora y Operadora de Infraestructura SAB de CV (Pinfra)	1.5%
Grupo Televisa SA ADR	1.5%
Grupo Mexico SAB de CV "B"	1.4%
Suzano Papel e Celulose SA (Preferred) "A"	1.4%
Grupo Financiero Santander Mexico SAB de CV ADR "B"	1.3%



## 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. For financial years beginning before October 1, 2013, Net Assets Attributable to Holders of Redeemable Units are calculated in accordance with Canadian GAAP. For financial years beginning on or after October 1, 2013, Net Assets Attributable to Holders of Redeemable Units are calculated in accordance with IFRS. 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. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

### The Fund's Net Assets Attributable to Holders of Redeemable Units Per Unit (\$) <sup>(1)</sup>

Series A	Mar-16 <sup>(4)</sup>	Sep-15	Sep-14	Sep-13	Sep-12	Sep-11
<b>Net Assets Attributable to Holders of Redeemable Units, Beginning of Period</b>	<b>4.88</b>	7.00	6.47	6.29	5.69	7.40
Increase (decrease) from operations:						
Total revenue	<b>0.11</b>	0.14	0.18	0.19	0.16	0.19
Total expenses	<b>(0.09)</b>	(0.25)	(0.28)	(0.26)	(0.22)	(0.23)
Realized gains (losses) for the period	<b>(0.64)</b>	(0.96)	0.15	0.38	(0.51)	0.30
Unrealized gains (losses) for the period	<b>1.04</b>	(0.98)	0.51	(0.12)	1.04	(2.03)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.42</b>	(2.05)	0.56	0.19	0.47	(1.77)
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From capital gains	-	-	-	-	(0.01)	(0.11)
<b>Total distributions <sup>(3)</sup></b>	-	-	-	-	(0.01)	(0.11)
<b>Net Assets Attributable to Holders of Redeemable Units, End of Period</b>	<b>5.33</b>	4.88	7.00	6.45	6.29	5.69
Series F	Mar-16 <sup>(4)</sup>	Sep-15	Sep-14	Sep-13	Sep-12	Sep-11
<b>Net Assets Attributable to Holders of Redeemable Units, Beginning of Period</b>	<b>4.24</b>	6.02	5.50	5.29	4.79	6.17
Increase (decrease) from operations:						
Total revenue	<b>0.10</b>	0.12	0.15	0.16	0.14	0.16
Total expenses	<b>(0.06)</b>	(0.16)	(0.17)	(0.16)	(0.14)	(0.14)
Realized gains (losses) for the period	<b>(0.56)</b>	(0.83)	0.17	0.28	(0.42)	0.24
Unrealized gains (losses) for the period	<b>0.93</b>	(0.89)	0.35	(0.18)	0.63	(1.70)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.41</b>	(1.76)	0.50	0.10	0.21	(1.44)
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	(0.04)	-
From capital gains	-	-	-	-	(0.01)	(0.09)
<b>Total distributions <sup>(3)</sup></b>	-	-	-	-	(0.05)	(0.09)
<b>Net Assets Attributable to Holders of Redeemable Units, End of Period</b>	<b>4.67</b>	4.24	6.02	5.48	5.29	4.79
Series I	Mar-16 <sup>(4)</sup>	Sep-15	Sep-14	Sep-13	Sep-12	Sep-11
<b>Net Assets Attributable to Holders of Redeemable Units, Beginning of Period</b>	<b>5.44</b>	7.60	6.87	6.53	5.91	7.53
Increase (decrease) from operations:						
Total revenue	<b>0.13</b>	0.15	0.18	0.20	0.17	0.19
Total expenses	<b>(0.04)</b>	(0.11)	(0.13)	(0.11)	(0.09)	(0.09)
Realized gains (losses) for the period	<b>(0.84)</b>	(1.09)	0.13	0.40	(0.53)	0.31
Unrealized gains (losses) for the period	<b>0.84</b>	(1.08)	0.16	0.06	1.36	(2.06)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.09</b>	(2.13)	0.34	0.55	0.91	(1.65)
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	(0.13)	-
From capital gains	-	-	-	-	(0.01)	(0.11)
<b>Total distributions <sup>(3)</sup></b>	-	-	-	-	(0.14)	(0.11)
<b>Net Assets Attributable to Holders of Redeemable Units, End of Period</b>	<b>6.04</b>	5.44	7.60	6.85	6.53	5.91

(1) This information is derived from the Fund's audited annual financial statements and unaudited interim financial report, with the exception of 2014 information, which was re-stated in accordance with IFRS requirements. The Net Assets Attributable to Holders of Redeemable Units per unit presented in the financial statements may differ from the Net Asset Value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements. This table is not intended to be a reconciliation of opening and closing Net Assets Attributable to Holders of Redeemable Units per unit.

(2) Net Assets Attributable to Holders of Redeemable Units 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.

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

(4) For the six-month period ended March 31, 2016.

**Ratios and Supplemental Data**

<b>Series A</b>	<b>Mar-16 <sup>(5)</sup></b>	<b>Sep-15</b>	<b>Sep-14</b>	<b>Sep-13</b>	<b>Sep-12</b>	<b>Sep-11</b>
Net Asset Value (\$) (000's) <sup>(1)</sup>	<b>3,154</b>	3,183	7,646	9,319	10,390	7,912
Net Asset Value per unit <sup>(1)</sup>	<b>5.33</b>	4.88	7.00	6.47	6.31	5.71
Number of units outstanding (000's) <sup>(1)</sup>	<b>591</b>	653	1,092	1,440	1,648	1,385
Management expense ratio (%) <sup>(2)</sup>	<b>3.45</b>	3.52	3.50	3.40	3.11	2.98
Management expense ratio before waivers or absorptions (%) <sup>(2)</sup>	<b>5.05</b>	4.45	4.02	3.92	4.04	4.04
Portfolio turnover rate (%) <sup>(3)</sup>	<b>93.58</b>	128.28	211.69	181.83	187.39	102.4
Trading expense ratio (%) <sup>(4)</sup>	<b>0.59</b>	0.40	0.54	0.49	0.42	0.35
<b>Series F</b>	<b>Mar-16 <sup>(5)</sup></b>	<b>Sep-15</b>	<b>Sep-14</b>	<b>Sep-13</b>	<b>Sep-12</b>	<b>Sep-11</b>
Net Asset Value (\$) (000's) <sup>(1)</sup>	<b>1,903</b>	2,755	4,405	4,290	3,179	2,067
Net Asset Value per unit <sup>(1)</sup>	<b>4.67</b>	4.24	6.02	5.5	5.30	4.81
Number of units outstanding (000's) <sup>(1)</sup>	<b>407</b>	649	732	780	599	430
Management expense ratio (%) <sup>(2)</sup>	<b>2.36</b>	2.36	2.32	2.31	2.25	1.95
Management expense ratio before waivers or absorptions (%) <sup>(2)</sup>	<b>3.96</b>	3.30	2.87	2.76	2.81	2.81
Portfolio turnover rate (%) <sup>(3)</sup>	<b>93.58</b>	128.28	211.69	181.83	187.39	102.4
Trading expense ratio (%) <sup>(4)</sup>	<b>0.59</b>	0.40	0.54	0.49	0.42	0.35
<b>Series I</b>	<b>Mar-16 <sup>(5)</sup></b>	<b>Sep-15</b>	<b>Sep-14</b>	<b>Sep-13</b>	<b>Sep-12</b>	<b>Sep-11</b>
Net Asset Value (\$) (000's) <sup>(1)</sup>	<b>1,162</b>	2,339	3,752	3,392	5,277	5,730
Net Asset Value per unit <sup>(1)</sup>	<b>6.04</b>	5.44	7.60	6.87	6.54	5.93
Number of units outstanding (000's) <sup>(1)</sup>	<b>193</b>	430	493	494	807	967
Management expense ratio (%) <sup>(2)</sup>	<b>1.24</b>	1.06	1.11	1.14	0.97	0.88
Management expense ratio before waivers or absorptions (%) <sup>(2)</sup>	<b>2.54</b>	1.93	1.71	1.48	1.46	1.61
Portfolio turnover rate (%) <sup>(3)</sup>	<b>93.58</b>	128.28	211.69	181.83	187.39	102.4
Trading expense ratio (%) <sup>(4)</sup>	<b>0.59</b>	0.40	0.54	0.49	0.42	0.35

(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 adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher 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.

(5) For the six-month period ended March 31, 2016.

**Management Fees**

For the six-month period ended March 31, 2016, Excel received \$68,114 (2015: \$137,291) in management fees for day-to-day management and administration services. 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 advisers 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. 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. Other services provided by Excel also include, but are not limited to, the preparation and filing of the prospectus and related documents, maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements and the preparation of all written and printed materials for distribution to investors.

For the six-month period ended March 31, 2016, Excel absorbed \$54,695 (2015: \$45,396) in operating expenses. Excel may discontinue absorbing these expenses at any time without notice.

For the six-month period ended March 31, 2016, Excel received administration fees of \$7,404 (2015: \$5,825) 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](http://www.excelfunds.com) and [www.sedar.com](http://www.sedar.com).

Excel has retained Excel Investment Counsel Inc. ("EICI" or the "Portfolio Adviser") to act as portfolio adviser of the Fund. EICI is a wholly owned subsidiary of Asdhir Enterprises Inc. which also owns a majority of the voting shares of Excel.

**Other Related Party Transactions (Cont'd)**

During the period from October 1, 2015 to February 16, 2016 (the date when the Excel BRIC Fund merged into the Excel Emerging Markets Fund), the Excel BRIC Fund, a fund also managed by Excel, purchased 35,364 (six months to March 31, 2015: 13,565) Series I units of the Fund and redeemed 465,529 (six months to March 31, 2015: 113,339) Series I units of the Fund. As at February 16, 2016, the Excel BRIC Fund held Nil (March 31, 2015: 370,988) Series I units of the Fund.

During the six-month period ended March 31, 2016, the Excel Emerging Markets Fund, a fund also managed by Excel, purchased 224,152 (2015: Nil ) Series I units of the Fund and redeemed 31,617 (2015: 7,951) Series I units of the Fund. As at March 31, 2016, the Excel Emerging Markets Fund held 192,535 (2015: 14,638) Series I units of the Fund.

As at March 31, 2016, the Fund held 39,175 (2015: 81,050) units of Itau Unibanco Holding SA (Preferred) ADR and 5,600 (2015: 1,900) units of Itau Unibanco Holding SA (Preferred). The Sub-Adviser is a subsidiary of Itau Unibanco Holding SA.

**Fund Formation and Series Information**

Date of Formation: December 18, 2008

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

Series Offered by Excel Funds Management Inc. (2810 Matheson Boulevard East, Suite 800, Mississauga, Ontario, L4W 4X7; 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 adviser. 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 18, 2008
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 I**

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

Inception Date:	Dec 18, 2008
Management Fees:	(2)
Sales Charges:	n/a
Redemption Charges	n/a
Redemption Charges Under Low Load Option:	n/a

**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 commission 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 adviser must enter into an agreement with Excel before selling Series F units. The minimum initial investment for the F series is \$250

Inception Date:	Jun 23, 2009
Management Fees:	1.50%
Sales Charges:	(1)
Redemption Charges	n/a
Redemption Charges Under Low Load Option:	n/a

**PM Series**

PM Series units are only available to an investor who meets certain minimum investment requirements for the initial investment, subsequent investment and ongoing balance in PM Series units of the Fund.

Inception Date:	n/a
Management Fees:	0.95%
Sales Charges:	n/a
Redemption Charges	n/a
Redemption Charges Under Low Load Option:	n/a

(1) There are 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.

**A Note on Forward-Looking Statements (Cont'd)**

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 Financial Position**

As at March 31, 2016 (Unaudited) and September 30, 2015 (Audited)  
(In Canadian Dollars)

2016

2015

**Assets:**

**Current assets**

Financial assets at fair value through profit or loss*	\$	5,782,566	\$	7,618,785
Cash		406,422		751,034
Subscriptions receivable		311,401		17
Receivable for investments sold		126,819		200,185
Dividends receivable		4,716		10,946
Unrealized appreciation on forward currency contracts (Schedule 1)		172		-
<b>Total Assets</b>		<b>6,632,096</b>		<b>8,580,967</b>

**Liabilities:**

**Current liabilities**

Redemptions payable		245,362		20,549
Payable for investments purchased		91,342		237,677
Accrued expenses		65,627		32,291
Management fees payable		10,690		13,134
Unrealized depreciation on forward currency contracts (Schedule 1)		96		-
<b>Total Liabilities</b>		<b>413,117</b>		<b>303,651</b>

<b>Net Assets Attributable to Holders of Redeemable Units</b>	\$	<b>6,218,979</b>	\$	<b>8,277,316</b>
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**Net Assets Attributable to Holders of Redeemable Units**

Series A	\$	3,153,656	\$	3,183,245
Series F	\$	1,903,262	\$	2,754,673
Series I	\$	1,162,061	\$	2,339,398

**Number of Units Outstanding (Note 7)**

Series A		591,327		652,540
Series F		407,251		649,020
Series I		192,535		430,165

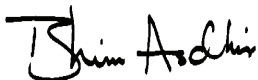
**Net Assets Attributable to Holders of Redeemable Units per Unit (Note 12)**

Series A	\$	5.33	\$	4.88
Series F	\$	4.67	\$	4.24
Series I	\$	6.04	\$	5.44

* Investments, at Average Cost	\$	5,833,024	\$	9,127,186
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The accompanying notes to financial statements are an integral part of these financial statements.

Approved by the Board of Directors of the Fund Manager:



Bhim D. Asdhir, Director



Glenn W. Cooper, Director

**Statements of Comprehensive Income (Loss) (Unaudited)**

For the six months ended March 31  
(In Canadian Dollars)

	2016	2015
<b>Income:</b>		
Dividends	\$ 172,599	\$ 164,411
Interest income for distribution purposes	2,447	81
<b>Other changes in fair value of investments and derivatives:</b>		
Net realized loss on non-derivative financial assets	(973,443)	(1,111,613)
Net realized loss on derivative financial assets	(3,904)	-
Change in unrealized appreciation (depreciation) of non-derivative financial assets	1,420,221	(899,231)
Change in unrealized appreciation of derivative financial assets	76	-
Net loss on foreign exchange	(2,302)	(5,418)
<b>Total Income (Loss)</b>	<b>615,694</b>	<b>(1,851,770)</b>
<b>Expenses (Note 9):</b>		
Management fees	68,114	137,291
Administration costs	56,409	65,316
Transaction costs	21,580	28,684
Legal fees	13,758	9,144
Foreign withholding taxes	7,473	16,550
Audit fees	6,960	6,945
Custodial fees	6,790	6,753
Securityholder reporting costs	541	1,372
Independent Review Committee	293	179
Trustee fees	162	405
<b>Total Expenses before Absorption by Manager</b>	<b>182,080</b>	<b>272,639</b>
<b>Less: Expenses Absorbed by Manager (Note 9)</b>	<b>(54,695)</b>	<b>(45,396)</b>
<b>Net Expenses after Absorption by Manager</b>	<b>127,385</b>	<b>227,243</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>		
	<b>\$ 488,309</b>	<b>\$ (2,079,013)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>		
Series A	\$ 257,297	\$ (1,001,909)
Series F	\$ 193,912	\$ (625,922)
Series I	\$ 37,100	\$ (451,182)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Series A	\$ 0.42	\$ (1.00)
Series F	\$ 0.41	\$ (0.83)
Series I	\$ 0.09	\$ (0.98)

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

**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)**

For the six months ended March 31, 2016

(In Canadian Dollars)

	Series A	Series F	Series I	Total
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	\$ 3,183,245	\$ 2,754,673	\$ 2,339,398	\$ 8,277,316
<b>Increase in Net Assets Attributable to Holders of Redeemable Units</b>	257,297	193,912	37,100	488,309
<b>Redeemable Unit Transactions:</b>				
Proceeds from redeemable units issued	297,767	571,959	1,350,000	2,219,726
Amounts paid on redemption of redeemable units	(584,653)	(1,617,282)	(2,564,437)	(4,766,372)
<b>Net Decrease from Redeemable Unit Transactions</b>	<b>(286,886)</b>	<b>(1,045,323)</b>	<b>(1,214,437)</b>	<b>(2,546,646)</b>
<b>Net Decrease in Net Assets Attributable to Holders of Redeemable Units</b>	<b>(29,589)</b>	<b>(851,411)</b>	<b>(1,177,337)</b>	<b>(2,058,337)</b>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	<b>\$ 3,153,656</b>	<b>\$ 1,903,262</b>	<b>\$ 1,162,061</b>	<b>\$ 6,218,979</b>

**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)**

For the six months ended March 31, 2015

(In Canadian Dollars)

	Series A	Series F	Series I	Total
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	\$ 7,645,621	\$ 4,405,210	\$ 3,751,609	\$ 15,802,440
<b>Decrease in Net Assets Attributable to Holders of Redeemable Units</b>	(1,001,909)	(625,922)	(451,182)	(2,079,013)
<b>Redeemable Unit Transactions:</b>				
Proceeds from redeemable units issued	217,470	668,900	95,000	981,370
Amounts paid on redemption of redeemable units	(1,499,760)	(404,616)	(845,000)	(2,749,376)
<b>Net Decrease from Redeemable Unit Transactions</b>	<b>(1,282,290)</b>	<b>264,284</b>	<b>(750,000)</b>	<b>(1,768,006)</b>
<b>Net Decrease in Net Assets Attributable to Holders of Redeemable Units</b>	<b>(2,284,199)</b>	<b>(361,638)</b>	<b>(1,201,182)</b>	<b>(3,847,019)</b>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	<b>\$ 5,361,422</b>	<b>\$ 4,043,572</b>	<b>\$ 2,550,427</b>	<b>\$ 11,955,421</b>

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



**Statements of Cash Flows (Unaudited)**

For the six months ended March 31

(In Canadian Dollars)

	2016	2015
<b>Cash Flow from Operating Activities</b>		
Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 488,309	\$ (2,079,013)
Adjustments for:		
Net loss on foreign exchange	2,302	5,418
Net realized loss on non-derivative financial assets	973,443	1,111,613
Net realized loss on derivative financial assets	3,904	-
Change in unrealized (appreciation) depreciation of non-derivative financial assets	(1,420,221)	899,231
Change in unrealized appreciation of derivative financial assets	(76)	-
Decrease (increase) in dividends receivables	6,230	(11,897)
Increase (decrease) in accrued expenses and other liabilities	30,892	(5,286)
Purchase of Investments	(6,531,860)	(8,732,357)
Proceeds from sales of Investments	8,741,888	10,236,269
Proceeds from settlement of derivative financial assets	(3,904)	-
<b>Net Cash Generated by Operating Activities</b>	<b>2,290,907</b>	<b>1,423,978</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from redeemable units issued	1,908,342	965,370
Amounts paid on redemption of redeemable units	(4,541,559)	(2,740,673)
<b>Net Cash Used in Financing Activities</b>	<b>(2,633,217)</b>	<b>(1,775,303)</b>
Net loss on foreign exchange	(2,302)	(5,418)
Net decrease in cash	(342,310)	(351,325)
Cash at beginning of period	751,034	761,630
<b>Cash at End of Period</b>	<b>\$ 406,422</b>	<b>\$ 404,887</b>
Cash and cash equivalents comprise:		
Cash at bank	\$ 406,422	\$ 404,887
	<b>\$ 406,422</b>	<b>\$ 404,887</b>

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

**Schedule of Investment Portfolio (Unaudited)**

As at March 31, 2016

(In Canadian Dollars)

Description	Country	Number of Shares	Average Cost \$	Fair Value \$
<b>Equities (93.0%)</b>				
<b>Advertising &amp; Media (1.5%)</b>				
Grupo Televisa SA ADR	Mexico	2,600	97,377	92,636
<b>Agricultural &amp; Forestry Products (0.6%)</b>				
Klabin SA	Brazil	5,300	40,284	37,067
<b>Chemical Products (1.0%)</b>				
Mexichem SAB de CV	Mexico	10,988	31,709	34,909
Sociedad Quimica y Minera de Chile SA ADR	Chile	892	20,020	23,784
			<b>51,729</b>	<b>58,693</b>
<b>Consumer Products (11.5%)</b>				
Alfa SAB 'A'	Mexico	10,800	31,189	28,119
Ambev SA	Brazil	11,800	80,799	80,182
Ambev SA ADR	Brazil	20,260	133,990	136,169
BRF SA	Brazil	2,000	35,740	37,052
BRF SA ADR	Brazil	200	3,807	3,690
Fomento Economico Mexicano SA de CV ADR	Mexico	2,004	222,076	250,424
Gruma SAB de CV	Mexico	1,077	20,870	22,125
Grupo Lala SAB de CV	Mexico	363	951	1,283
Hoteles City Express SAB de CV	Mexico	45,865	89,772	72,531
JBS SA	Brazil	4,200	21,143	16,605
Minerva SA	Brazil	16,800	75,569	67,876
			<b>715,906</b>	<b>716,056</b>
<b>Education (1.9%)</b>				
Kroton Educacional SA	Brazil	28,100	131,114	116,473
<b>Financial Services (33.6%)</b>				
Banco Bradesco SA (Preferred)	Brazil	15,480	185,007	151,299
Banco Bradesco SA ADR	Brazil	29,840	293,068	288,445
Banco Do Brasil SA	Brazil	8,400	61,367	59,960
Bancolombia SA ADR	Colombia	500	20,270	22,174
BB Seguridade Participacoes SA	Brazil	16,100	169,582	172,647
BM&F Bovespa SA	Brazil	12,800	50,240	71,080
Cetip SA Mercados Organizado	Brazil	4,300	55,977	62,335
Cielo SA	Brazil	3,400	43,376	42,929
Credicorp Limited	Peru	1,195	185,078	203,133
Grupo Financiero Banorte SA "O"	Mexico	28,639	196,599	209,424
Grupo Financiero Galicia SA ADR	Argentina	900	31,968	33,047
Grupo Financiero Inbursa SAB de CV	Mexico	11,507	26,711	29,787
Grupo Financiero Santander Mexico SAB de CV	Mexico	2,600	5,275	6,118
Grupo Financiero Santander Mexico SAB de CV ADR "B"	Mexico	6,879	77,200	80,597
Itau Unibanco Holding SA (Preferred)*	Brazil	5,600	55,844	63,104
Itau Unibanco Holding SA (Preferred ADR)*	Brazil	39,175	462,622	436,626
Itausa - Investimentos Itau SA (Preferred)	Brazil	13,082	53,109	38,590
TF Administradora Industrial S de RL de CV	Mexico	50,367	109,252	121,082
			<b>2,082,545</b>	<b>2,092,377</b>

\* The Sub-Adviser is a subsidiary of Itau Unibanco Holding SA.

**Schedule of Investment Portfolio (Unaudited) (Cont'd)**

As at March 31, 2016

(In Canadian Dollars)

Description	Country	Number of Shares	Average Cost \$	Fair Value \$
<b>Industrial &amp; Manufacturing (1.8%)</b>				
Embraer SA	Brazil	2,300	25,152	19,806
Promotora y Operadora de Infraestructura SAB de CV (Pinfra)	Mexico	5,400	76,347	93,104
			<b>101,499</b>	<b>112,910</b>
<b>Infrastructure &amp; Development (2.0%)</b>				
Ecorodovias Infraestructura e Logistica SA	Brazil	25,200	50,471	54,592
Grupo Argos SA	Colombia	8,105	99,769	70,307
			<b>150,240</b>	<b>124,899</b>
<b>Materials (7.3%)</b>				
Cementos Argos SA	Colombia	9,863	50,980	49,560
Cementos Argos SA (Preferred)	Colombia	6,100	32,381	28,225
Cemex Latam Holdings SA	Colombia	10,794	63,726	60,212
Cemex SAB de CV	Mexico	6,660	4,217	6,273
Cemex SAB de CV ADR	Mexico	19,238	168,270	181,718
Empresas CMPC SA	Chile	5,038	14,973	15,269
Fibria Celulose SA ADR	Brazil	2,400	29,945	26,407
Suzano Papel e Celulose SA (Preferred) "A"	Brazil	18,491	95,787	84,522
			<b>460,279</b>	<b>452,186</b>
<b>Metals &amp; Mining (2.1%)</b>				
Cia de Minas Buenaventura SA ADR	Peru	1,450	14,270	13,847
Grupo Mexico SAB de CV "B"	Mexico	27,900	85,362	87,215
Industrias Penoles SAB de CV	Mexico	1,700	27,640	27,717
			<b>127,272</b>	<b>128,779</b>
<b>Oil &amp; Gas (3.8%)</b>				
Cosan SA Industria e Comercio	Brazil	13,100	115,531	148,470
Enersis SA Spons ADR	Chile	3,063	54,451	55,242
YPF Sociedad Anonima ADR	Argentina	1,400	31,927	32,479
			<b>201,909</b>	<b>236,191</b>
<b>Real Estate &amp; Property Management (3.0%)</b>				
Fibra Uno Administracion SA	Mexico	38,551	124,520	116,199
Parque Arauco SA	Chile	29,216	55,655	69,644
			<b>180,175</b>	<b>185,843</b>
<b>Retail &amp; Merchandising (4.3%)</b>				
Cencosud SA	Chile	16,460	46,612	53,924
Cencosud SA ADR	Chile	2,104	18,768	20,966
Localiza Rent a Car SA	Brazil	3,900	39,916	41,850
S.A.C.I. Falabella SA	Chile	2,346	19,879	21,281
Wal-Mart de Mexico SAB de CV	Mexico	42,443	130,273	130,607
			<b>255,448</b>	<b>268,628</b>

**Schedule of Investment Portfolio (Unaudited) (Cont'd)**

As at March 31, 2016  
(In Canadian Dollars)

Description	Country	Number of Shares	Average Cost \$	Fair Value \$
<b>Shipping &amp; Transportation (2.0%)</b>				
CCR SA	Brazil	8,609	51,787	43,610
Grupo Aeroportuario del Pacifico SAB de CV "B"	Mexico	1,720	20,128	19,898
Grupo Aeroportuario del Pacifico SAB de CV ADR	Mexico	184	21,899	21,179
Grupo Aeroportuario del Sureste SAB de CV ADR	Mexico	200	36,469	38,969
			<b>130,283</b>	<b>123,656</b>
<b>Telecommunications (7.1%)</b>				
America Movil SAB de CV 'L' ADR	Mexico	7,492	164,283	150,965
Megacable Holdings SAB de CV	Mexico	17,748	89,245	95,509
Telefonica Brasil SA ADR	Brazil	1,800	22,899	29,170
Telefonica Brazil SA (Preferred)	Brazil	10,220	202,976	166,937
			<b>479,403</b>	<b>442,581</b>
<b>Utilities &amp; Energy (9.5%)</b>				
AES Gener SA	Chile	66,587	38,571	43,710
AES Tiete SA	Brazil	19,000	91,068	106,058
Colbun SA	Chile	75,972	27,648	27,493
Companhia Paranaense de Energia-Copel (Preferred)	Brazil	5,600	74,721	57,928
Companhia Paranaense de Energia-Copel ADR	Brazil	4,300	45,599	44,188
CPFL Energia SA	Brazil	4,199	28,473	29,715
CPFL Energia SA ADR	Brazil	1,200	16,943	16,956
Empresa Nacional de Electricidad SA ADR	Chile	3,071	154,527	165,800
Infraestructura Energetica Nova SAB de CV	Mexico	5,597	33,655	29,670
QGEP Participacoes SA	Brazil	20,800	76,218	30,791
WEG SA	Brazil	8,161	47,939	41,282
			<b>635,362</b>	<b>593,591</b>
<b>Total Equities (93.0%)</b>			<b>5,840,825</b>	<b>5,782,566</b>
Transaction Costs			(7,801)	-
<b>Total Investments (93.0%)</b>			<b>\$ 5,833,024</b>	<b>\$ 5,782,566</b>
<b>Unrealized Appreciation on Forward Currency Contracts (Schedule 1) (0.0%)</b>				<b>76</b>
<b>Other Net Assets (7.0%)</b>				<b>436,337</b>
<b>Net Assets Attributable to Holders of Redeemable Units (100.0%)</b>				<b>\$ 6,218,979</b>

**Schedule 1 - Forward Currency Contracts <sup>(1)</sup> (Unaudited)**

As at March 31, 2016  
(In Canadian Dollars)

Settlement Date	Currency Buys	Currency Sells	Unrealized Appreciation/ (Depreciation)
1-Apr-2016	USD 18,638	MXN 321,027	\$ 88
1-Apr-2016	BRL 33,070	USD 9,138	84
<b>Total Unrealized Appreciation</b>			<b>\$ 172</b>
4-Apr-2016	MXN 167,012	USD 9,683	\$ (28)
4-Apr-2016	BRL 20,540	USD 5,768	(68)
<b>Total Unrealized Depreciation</b>			<b>\$ (96)</b>
<b>Net Unrealized Appreciation</b>			<b>\$ 76</b>

<sup>(1)</sup> The counterparty to each forward foreign currency contract has a credit rating of AA-

## 1. Formation and Structure of the Fund

Excel Latin America Fund (the “Fund”) is an open-end unit trust created under the laws of the Province of Ontario pursuant to the Declaration of Trust dated December 23, 2004 (amended October 22, 2007). The address of the Fund’s registered office is 2810 Matheson Blvd., East, Suite 800, Mississauga, ON, L4W 4X7. The Fund commenced operations on December 18, 2008.

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

Excel has retained Excel Investment Counsel Inc. (“EICI” or the “Portfolio Adviser”) to act as the portfolio adviser of the Fund; EICI is a wholly owned subsidiary of Asdhir Enterprises Inc. (“Asdhir”), which also owns a majority of the voting shares of Excel. Asdhir is controlled by a shareholder of Excel. Itaú USA Asset Management Inc. is the sub-adviser of the Fund.

The investment objective of the Fund is to seek long-term capital appreciation by investing primarily in equity securities of companies located in or otherwise benefiting from the emerging markets of Latin America. The Fund may also invest in debt securities in the Latin America region, including, but not limited to, Brazil, Mexico, Argentina, Chile, Colombia and Peru. The Fund may invest in other emerging markets for diversification purposes.

While the Fund intends to maintain a diversified portfolio of holdings across a number of different Latin American markets, the Fund may at times be concentrated in a small or select number of geographic regions depending upon available investment opportunities and prevailing market conditions.

The Fund may invest in securities of other mutual funds (including other funds managed by Excel), American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and /or exchange traded funds rather than investing directly in individual securities. The Fund may also use derivatives like options, futures, and forward contracts for hedging purposes, to gain exposure to individual securities and markets (instead of buying the securities directly) to generate income.

## 2. Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

## 3. Summary of Significant Accounting Policies

### a) Financial Instruments

The Fund’s financial instruments may include, equities, short-term investments, bonds (collectively referred to as “investments”), futures contracts, cash, interest and dividends receivable, subscriptions receivable, receivable for investments sold, accrued expenses, management fees payable, payable for investments purchased and redemptions payable. The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund’s investments and derivative assets and liabilities are measured at fair value through profit or loss (“FVTPL”). The Fund’s obligation for Net Assets Attributable to Holders of Redeemable Units is presented at redemption amount. All other financial assets and liabilities are measured at amortized costs. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract’s effective interest rate.

The Fund only offsets financial assets and financial liabilities if the Fund has a legally enforceable right to offset recognized amounts and either intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 3. Summary of Significant Accounting Policies (Cont'd)

#### b) Redeemable Units and Net Assets Attributable to Holders of Redeemable Units

The Fund has three series of redeemable units in issue: Series A, Series F and Series I. All the series rank pari passu in all material respects and have the same terms and conditions other than the management fee rate (disclosed in Note 9).

The Fund may issue an unlimited number of units of each series. The number of units issued and redeemed is disclosed in Note 7.

- Series A units are available to retail investors who initially invest a minimum of \$250.
- Series F units are available to any investor investing and maintaining, in aggregate, a minimum of \$250 in one or more Excel 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.
- Series I units are available to institutional investors and are sold pursuant to applicable prospectus exemption.

Series	Inception Date	Sales Charges	Redemption Charges	Redemption Charges Under Low-Load Option
Series A	December 18, 2008	Up to 5.00%	Up to 5.75%	Up to 2.50%
Series F	June 23, 2009	(i)	n/a	n/a
Series I	December 18, 2008	n/a	n/a	n/a

(i) There are 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.

Redeemable units of each series can be put back to the Fund at any time for cash equal to a proportionate share of the Fund’s NAV attributable to the unit class.

Redeemable units of each series of the Fund are issued and redeemed based on the NAV per unit of each series which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The NAV per unit is calculated by dividing the net assets per series calculated in accordance with the Fund’s Master Declaration of Trust, by the total number of outstanding units of each series.

Unitholders are entitled to distributions when declared. Distributions on units of the Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash. The Fund’s capital is managed in accordance with the Fund’s investment objectives, policies and restrictions, as outlined in the Fund’s simplified prospectus. The Fund has no specific restrictions or specific capital requirements on the subscriptions or redemptions of units, other than minimum subscription requirements.

#### *Classification of Redeemable Units Issued by the Fund*

The Fund’s units do not meet the criteria in IAS 32, Financial Instruments: Presentation (“IAS 32”), for classification as equity and therefore, have been classified as financial liabilities. The Fund’s outstanding units include a contractual obligation to distribute any net income and net realized capital gains annually, therefore the ongoing redemption feature is not the unit’s only contractual obligation. In addition, the Fund has multiple features across the different series of the Fund. Consequently, the Fund’s outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32.

#### c) Financial Instruments by Category

The Fund classifies its investments at FVTPL. This category has two sub-categories: financial assets and liabilities held for trading and those designated at FVTPL at inception.

A financial asset or liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial instruments that are managed together and which there is evidence of a recent actual pattern of short-term profit taking.

Financial assets and financial liabilities designated at FVTPL at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund’s investment strategy. The Fund’s derivative financial instruments are classified as held for trading. All other investments are designated at FVTPL at inception. All other financial assets are classified as loans and receivables. Net Assets Attributable to Holders of Redeemable Units are classified as liabilities and carried at the redemption amount and all other financial liabilities are classified as “other financial liabilities”.

### 3. Summary of Significant Accounting Policies (Cont'd)

#### d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities as at the financial reporting period end date are determined as follows:

- i) Equities are valued at the last traded market price recorded by the security exchange on which the security is principally traded.
- ii) Short-term debt instruments are carried at amortized cost which generally approximates fair value.
- iii) Investments in underlying funds are valued based on the NAV per unit of the underlying funds at the end of each valuation date.
- iv) Open forward currency contracts are valued at the gain or loss that would arise as a result of closing the position on the valuation date. The gain or loss is based on the difference between the contract rate and the current market rates. The change in the value of forward contracts for the period is reflected in the Statements of Comprehensive Income as "Change in unrealized appreciation (depreciation) on derivative financial assets". Realized gains or losses on forward currency contracts would arise as a result of the closing of a position on the settlement date. The net realized gain or loss is reported as part of "Realized gains (losses) on derivative financial assets" in the Statements of Comprehensive Income.
- v) Financial assets and liabilities (other than investment securities), including cash, interest and dividends receivable, subscriptions receivable, receivable for investments sold, accrued expenses, management fees payable, payable for investments purchased and redemptions payable are valued at cost or amortized cost. These balances are short-term in nature; therefore, their carrying values approximate fair values.

#### e) Investment Transactions and Income recognition

Investment transactions are accounted for on a trade date basis. Transaction costs directly attributable to the acquisition or disposal of an investment are expensed and are included in "Transaction costs" in the Statements of Comprehensive Income. The investment cost of a security represents the amount paid and is determined on an average cost basis excluding transaction costs.

Realized gains and losses on the sale of investments and change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Interest income for distribution purposes is recognized on an accrual basis based on the coupon rate. The interest income for distribution purposes is the tax basis of calculating the interest received subject to tax. Dividend income is recognized at the ex-dividend date.

Income, net realized and unrealized gains (losses) are allocated among the series on a pro rata basis.

#### f) Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on deposit and short-term debt instruments with terms to maturity of less than 90 days, as applicable.

#### g) Functional Currency and Foreign Exchange Translation

The functional currency of the Fund is the Canadian dollar. Any other currency other than functional currency represents foreign currency to the Fund.

Foreign currency amounts are translated into Canadian dollars as follows: fair value of investments, forward currency contracts and other financial assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

#### h) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units Per Unit

"Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit" is disclosed in the Statements of Comprehensive Income and represents, for each series of units, the increase or decrease in Net Assets Attributable to Holders of Redeemable Units from operations for the period attributable to each series divided by the weighted average number of units outstanding for the corresponding series during the period.

### 3. Summary of Significant Accounting Policies (Cont'd)

#### i) Future Accounting Changes

The following standard has been issued by the International Accounting Standards Board ("IASB") and has not been adopted by the Fund since it is not yet effective.

The IASB issued IFRS 9 which replaces IAS 39, the current standard for accounting for financial instruments. The standard covers:

- Classification and measurement: requires that financial assets be classified at either amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristic of the financial assets.
- Impairment methodology: replaces the current incurred loss model for impairment of financial assets with an expected loss model.
- Hedge accounting: replaces the current rule-based hedge accounting requirements in IAS 39 with guidance that more closely aligns the accounting with an entity's risk management activities.

The Standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management is currently assessing the impact of the standard on the financial statements of the Fund.

In December 2014, Disclosure Initiative was issued, which amends IAS 1 Presentation of Financial Statements. The amendments are designed to encourage entities to use professional judgement to determine what information to disclose in the financial statements and accompanying notes by clarifying the guidance on materiality, presentation, and note structure. These amendments are effective for annual periods beginning on or after January 1, 2016. The Manager is currently assessing the impact of these amendments on the financial statements of the Fund.

### 4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. These estimates are made based on information available as at the date of issuance of the financial statements. Actual results could materially differ from those estimates.

#### Use of Estimates

*Fair value measurement of derivatives and securities not quoted in an active market*

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 3 for further information about the fair value measurement of the Fund's financial instruments.

#### Use of Judgments

*Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value option for the financial assets under IAS 39, Financial Instruments – Recognition and Measurement. The most significant judgment made includes the determination that certain investments are held-for-trading and that the fair value option can be applied to those which are not.

*Investment entity*

In determining whether the Fund is an investment entity, Excel may be required to make significant judgments about whether the Fund has the typical characteristics of an investment entity. Consistent with the investment entity definition, the Fund primarily obtains funds from one or more investors for the purpose of providing investment management services, commits to its investors that the business purpose is to invest the funds solely for returns from capital appreciation, investment income or both, and measures and evaluates the performance of its investments on a fair value basis.



#### 4. Significant Accounting Judgments, Estimates and Assumptions (Cont'd)

##### Use of Judgments (Cont'd)

##### Functional currency

Management considers various economic indicators and other factors when determining the functional currency. Despite investments and related income being primarily in foreign currencies, management has determined that the Canadian dollar is the functional currency as the Fund incurs majority of its expenses, measures its performance and issues and redeems units in Canadian dollars.

#### 5. Fair Value Disclosure

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The tables below summarize the fair value of the Fund's financial instruments as at March 31, 2016 and September 30, 2015 using the following fair value hierarchy:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable and where there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

As at March 31, 2016

Description	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 5,782,566	\$ -	\$ -	\$5,782,566
Forward Currency Contracts	-	172	-	172
<b>Total Financial Assets</b>	<b>\$ 5,782,566</b>	<b>\$ 172</b>	<b>\$ -</b>	<b>\$5,782,738</b>
<b>Financial Liabilities</b>				
Forward Currency Contracts	\$ -	\$ (96)	\$ -	\$ (96)
<b>Total Financial Liabilities</b>	<b>\$ -</b>	<b>\$ (96)</b>	<b>\$ -</b>	<b>\$ (96)</b>
<b>Total Financial Assets and Liabilities</b>	<b>\$ 5,782,566</b>	<b>\$ 76</b>	<b>\$ -</b>	<b>\$5,782,642</b>

As at September 30, 2015

Description	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 7,618,785	\$ -	\$ -	\$7,618,785
Forward Currency Contracts	-	-	-	-
<b>Total Financial Assets</b>	<b>\$ 7,618,785</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$7,618,785</b>
<b>Financial Liabilities</b>				
Forward Currency Contracts	\$ -	\$ -	\$ -	\$ -
<b>Total Financial Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Financial Assets and Liabilities</b>	<b>\$ 7,618,785</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$7,618,785</b>

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

## 5. Fair Value Disclosure (Cont'd)

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's investments in common shares do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at March 31, 2016, the Fund did not hold any Level 3 securities (September 30, 2015: \$Nil). The unobservable inputs used in the valuation of these financial instruments primarily include key variables, current market conditions and recent financings by the company, if any. These securities are affected by market activity in their relevant sectors and therefore generally fluctuated similarly.

The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the transfer for transfers in and out of Level 3. During the six-month period ended March 31, 2016 and the year ended September 30, 2015, there were no transfers between any of the fair value levels.

All fair value measurements above are recurring. The carrying values of cash, interest and dividends receivable, subscriptions receivable, receivable for investments sold, accrued expenses, management fees payable, payable for investments purchased, redemptions payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

## 6. Financial Risk Management

The Fund's activities expose it to a variety of financial risks. Excel seeks to minimize the potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisers, by daily monitoring of the Fund's positions and market events and by diversifying the investment portfolio. The Sub-Adviser will maintain a mix of equities, and cash that represents its view of the most optimal combination of these investments based on economic outlook, market conditions, and the relative value of these investments. The Fund did not engage in any derivative transactions during the six-month period ended March 31, 2016 and the year ended September 30, 2015. The most significant risks to the Fund are described below:

### Price Risk

Price risk is the risk that changes in the prices of the Fund's investments will affect the Fund's income or the value of its financial instruments. The Fund's price risk is driven primarily by volatility in commodity and equity prices. Rising commodity and equity prices may increase the price of an investment while declining commodity and equity prices may have the opposite effect. The Fund mitigates price risk by making investing decisions based upon various factors, including comprehensive fundamental analysis prepared by industry experts to forecast future commodity and equity price movements.

The Fund's market positions are monitored on a daily basis by the portfolio manager and regular financial reviews of publicly available information related to the Fund's investments are performed to ensure that any risks are within established levels of risk tolerance.

The impact on Net Assets Attributable to Holders of Redeemable Units of the Fund due to a 1% change in the benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at March 31, 2016 and September 30, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Series A units of the Fund.

Benchmark	Impact on Net Assets Attributable to Holders of Redeemable Units	
	March 31, 2016	September 30, 2015
Morgan Stanley Capital International Latin America 10/40 Index	+ or - \$62,000	+ or - \$85,000

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

### Currency Risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. The Fund is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. 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. The Fund does not engage in currency hedging.

The Fund is exposed to Currency risk through the following financial instruments. The tables below indicate the currencies to which the Fund had significant exposure. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 1% in relation to each of the other currencies, with all other variable held constant.

**6. Financial Risk Management (Cont'd)**

**Currency Risk (Cont'd)**

Currency exposure as at March 31, 2016, expressed in Canadian dollars:

	Cash (\$)	Equities (\$)	Total (\$)	Impact if Canadian dollar had strengthened or weakened by 1% (\$)	% of Total Net Assets
US Dollar	191,675	2,368,611	2,560,286	25,603	41.2
Brazilian Real	9,919	1,842,760	1,852,679	18,527	29.8
Mexican Peso	1,030	1,131,570	1,132,600	11,326	18.2
Chilean Peso	-	231,321	231,321	2,313	3.7
Colombian Peso	763	208,304	209,067	2,091	3.4
Peru Nuevo Sol	1	-	1	-	-

Currency exposure as at September 30, 2015, expressed in Canadian dollars:

	Cash (\$)	Equities (\$)	Total (\$)	Impact if Canadian dollar had strengthened or weakened by 1% (\$)	% of Total Net Assets
US Dollar	105,314	3,424,080	3,529,394	35,294	42.6
Brazilian Real	6,386	1,821,441	1,827,827	18,278	22.1
Mexican Peso	39,484	1,709,983	1,749,467	17,495	21.1
Chilean Peso	-	369,409	369,409	3,694	4.5
Colombian Peso	-	237,448	237,448	2,374	2.9
Peru Nuevo Sol	3,949	-	3,949	39	-

**Liquidity Risk**

Liquidity is a measure of how quickly an investment can be sold for cash at a fair market price. Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund is exposed to daily cash redemptions of redeemable units. The risk is minimal since the Fund's investments are traded on an active market and can be readily disposed. In addition, the securities that compose the Fund are equity securities issued by large, well-recognized corporations in their respective countries. These securities generally have large, liquid markets in which the securities can be sold promptly at a fair price. The Fund also retains sufficient cash and cash equivalent positions to maintain liquidity.

**Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing financial instruments. The Fund's exposure to interest rate risk is concentrated in its investments in debt securities (such as bonds and debentures) and interest rate derivative instruments, if any. Short-term investments and other assets and liabilities are short-term in nature and/or non-interest bearing and are not subject to a significant amount of interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Fund has low exposure to interest rate risk since the Fund does not usually hold interest bearing securities as part of its portfolio.

## 6. Financial Risk Management (Cont'd)

### Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries, investment sectors or geographical locations. The Manager moderates this risk through careful selection of securities in several industries, investment sectors and geographical locations. The tables below summarize the Fund's concentration risk:

Sector	As a % of Total Net Assets	
	March 31, 2016	September 30, 2015
Financial Services	33.6	33.1
Consumer Products	11.5	12.0
Utilities & Energy	9.5	7.8
Materials	7.3	5.0
Telecommunications	7.1	6.0
Retail & Merchandising	4.3	4.1
Oil & Gas	3.8	2.3
Real Estate & Property Management	3.0	2.8
Metals & Mining	2.1	3.0
Infrastructure & Development	2.0	1.0
Shipping & Transportation	2.0	3.6
Education	1.9	1.2
Industrial & Manufacturing	1.8	2.5
Advertising & Media	1.5	1.7
Chemical Products	1.0	-
Agricultural & Forestry Products	0.6	4.1
Conglomerates	-	1.3
Automotive Services	-	0.5
<b>Total</b>	<b>93.0</b>	<b>92.0</b>

Geographical Location	As a % of Total Net Assets	
	March 31, 2016	September 30, 2015
Brazil	45.6	40.4
Mexico	31.3	33.7
Chile	8.0	9.1
Canada	3.7	6.8
Colombia	3.7	3.4
Peru	3.5	4.2
United States	3.1	1.3
Argentina	1.1	0.5
Panama	-	0.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Credit Risk

Credit risk represents the financial loss that the Fund would experience if a counterparty to a financial asset failed to meet its obligations to the Fund. The carrying amounts of financial assets represent the maximum credit exposure. All transactions executed by the Fund in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase only once the broker has received the securities. The trade will fail if either party fails to meet its obligations. There is no significant credit risk related to the Fund's receivables.

The Fund has established various internal controls to help mitigate credit risk, including prior approval of all investments by the adviser whose mandate includes conducting financial and other assessments of these investments on a regular basis. The Fund has also implemented policies which ensure that investments can only be made with counterparties that have a minimum acceptable credit rating.

## 7. Redeemable Units

Each unitholder in the Fund acquires units that represent an undivided interest in the NAV of the Fund. All units of the same series have equal rights and privileges. Each unit is entitled to one vote at any meeting of unitholders and to equal participation in any distributions made by the Fund. Fractional units are proportionately entitled to these rights. All units are fully paid when issued and are not transferable. Units are redeemable at the option of the unitholder. The number of units, which may be issued, is unlimited. The units of the Fund are issued and redeemed at the NAV per unit, which is determined daily.

The NAV for each series of units of the Fund is calculated based on the fair 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.

Changes in issued mutual fund units of the Fund are summarized as follows:

During the six-month period ended March 31, 2016:

	Units Outstanding at Beginning of Period	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Outstanding at End of Period
Series A	652,540	21,201	(82,414)	(61,213)	591,327
Series F	649,020	88,697	(330,466)	(241,769)	407,251
Series I	430,165	259,516	(497,146)	(237,630)	192,535

During the six-month period ended March 31, 2015:

	Units Outstanding at Beginning of Period	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Outstanding at End of Period
Series A	1,092,180	33,538	(234,264)	(200,726)	891,454
Series F	731,776	117,800	(72,034)	45,766	777,542
Series I	493,351	13,565	(121,290)	(107,725)	385,626

The average number of Series A units outstanding during the six-month period ended March 31, 2016 was 618,094 (2015: 1,000,917), the average number of Series F units outstanding during the six-month period ended March 31, 2016 was 475,489 (2015: 757,334) and the average number of Series I units outstanding during the six-month period ended March 31, 2016 was 394,812 (2015: 458,727). These numbers were used to calculate the respective increase (decrease) in Net Assets Attributable to Holders of Redeemable Units per unit.

During the period from October 1, 2015 to February 16, 2016 (the date when the Excel BRIC Fund merged into the Excel Emerging Markets Fund), the Excel BRIC Fund, a fund also managed by Excel, purchased 35,364 (six months to March 31, 2015: 13,565) Series I units of the Fund and redeemed 465,529 (six months to March 31, 2015: 113,339) Series I units of the Fund. As at February 16, 2016, the Excel BRIC Fund held Nil (March 31, 2015: 370,988) Series I units of the Fund.

During the six-month period ended March 31, 2016, Excel Emerging Markets Fund, a fund also managed by Excel purchased 224,152 (2015: Nil) Series I units of the Fund and redeemed 31,617 (2015: 7,951) Series I units of the Fund. As at March 31, 2016, the Excel Emerging Markets Fund held 192,535 (2015: 14,638) Series I units of the Fund.

## 8. Capital Management

The capital of the Fund is represented by the Net Assets Attributable to Holders of Redeemable Units. The amount of Net Assets Attributable to Holders of Redeemable Units can change significantly on a daily basis, as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within 3 days and adjust the amount of distributions the Fund pays to redeemable unitholders.

The Fund Manager monitors capital on the basis of the value of Net Assets Attributable to Holders of Redeemable Units.

## 9. Management Fees and Operating Expenses

### a) Management Fees

Excel as manager of the Fund, is responsible for the day-to-day management of the Fund activities including, but not limited to, managing the overall business and operations of the Fund, retaining portfolio advisers, filing of the prospectus and related documents, maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, the preparation of all written and printed materials for distribution to investors and determining policies relating to the distribution of units. For its services Excel is paid a management fee calculated on each series of units as a percentage of the NAV of the series, as of the close of business on each business day as disclosed below:

	<b>Management Fees</b>
Series A	2.50%
Series F	1.50%
Series I	(i)

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

### b) Operating Expenses

The Fund pays its own operating expenses and all applicable taxes. Fees paid to the third party administrator for fund accounting and transfer agency services are recorded in administration expenses. Other operating expenses include the brokerage commissions and fees on portfolio transactions, interest expense, taxes (if any), custodial fees, audit and legal fees, insurance, registrar's fees, distribution costs, the cost of reporting to unitholders (including proxy solicitation material), the cost of qualifying and maintaining the qualification for sale of units of the Fund and all other expenses incurred in the ordinary course of operation of the Fund.

During the six-month period ended March 31, 2016, Excel absorbed \$54,695 (2015: \$45,396) in operating expenses. Excel may discontinue absorbing these expenses at any time without notice.

During the six-month period ended March 31, 2016, Excel received administration expenses of \$7,404 (2015: \$5,825) relating to the operation of the Fund.

## 10. Brokerage Commissions and Soft Dollars

Brokerage commissions paid on portfolio transactions for the six-month periods ended March 31, 2016 and 2015 were as follows:

<u>2016</u>	<u>2015</u>
\$21,491	\$28,684

There were no soft dollar transactions during the six-month periods ended March 31, 2016 and 2015.

## 11. Income Taxes and Distributions

The Fund qualifies as a "mutual fund trust" under the Income Tax Act (Canada) and, is not taxed on that portion of the taxable income, which is paid or allocated to unitholders. The tax year-end of the Fund is December 15. Income from foreign sources may be subject to foreign withholding tax. Income earned from the units and capital gains realized when units are redeemed or exchanged, may be subject to tax.

It is the policy of the Fund to distribute to unitholders on or before their taxation year end, sufficient net income (including net realized capital gains) of the Fund, this will result in the Fund paying no tax under Part I of the Income Tax Act (Canada). The Fund may make additional distributions from time to time throughout the year at Excel's discretion including distributions on account of reduced management fee arrangements with certain investors such as institutional investors.

The Fund has accumulated net realized capital and non-capital tax 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, 2016, the amount of capital losses was \$2,437,237, and non-capital losses was \$29,064. The non-capital losses will expire in the taxation year ending December 15, 2033.

**11. Income Taxes and Distributions (Cont'd)**

*Withholding Taxes*

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

**12. Net Assets Attributable to Holders of Redeemable Units and NAV**

In accordance with Section 3.6 (1) 5 of NI 81-106, the NAV per unit compared to the Net Assets Attributable to Holders of Redeemable Units per unit and an explanation of significant differences is required to be disclosed in the financial statements. As the last traded market price for both financial assets and financial liabilities of the Fund fell within that day's bid-ask spread, there was no difference between NAV per unit compared to the Net Assets Attributable to Holders of Redeemable Units per unit as at March 31, 2016 and September 30, 2015.

**13. Offsetting Financial Assets and Financial Liabilities**

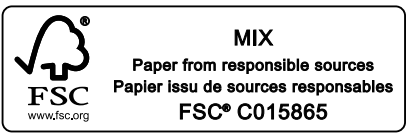
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

March 31, 2016

	<b>Gross amounts of recognized financial assets</b>	<b>Gross amounts of recognized financial liabilities offset</b>	<b>Net amounts of financial assets</b>	<b>Gross amounts not offset</b>	<b>Net amount</b>
Forward Currency Contracts	\$172	\$ -	\$172	\$ -	\$172

	<b>Gross amounts of recognized financial liabilities</b>	<b>Gross amounts of recognized financial assets offset</b>	<b>Net amounts of financial liabilities</b>	<b>Gross amounts not offset</b>	<b>Net amount</b>
Forward Currency Contracts	\$96	\$ -	\$96	\$ -	\$96

The Fund did not hold any derivative financial assets as at March 31, 2015.



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