

### Unit Price

Series A	\$ 7.19
Series F	\$ 7.12
AUM	\$ 14,084,476
Distributions	Monthly (\$0.02 per unit) Distribution Yield - Series A (3.3%)

### Date of Inception

Series A	October 4, 2011
Series F	October 20, 2011

### Management Fee

Series A	2.25%
Series F	1.25%

### Risk Rating

Medium

### Style

Large Blend

### About the Fund

The Excel Blue Chip Equity Fund (the "Fund") seeks to invest largely in equity and debt securities of companies located around the world which derive a portion of their revenues through activities in emerging markets. In seeking "blue chip" companies, the Fund's portfolio adviser will seek to invest in companies which it believes are well established, have public confidence, demonstrate financial soundness and have stable and reliable growth.

### Portfolio Manager: Excel Investment Counsel Inc. ("EIC")



**Greg Placidi, CFA**  
Senior Portfolio Manager  
Excel Investment Counsel Inc.

Greg Placidi is an accomplished professional with over 25 years of financial services experience, including evaluating and dissecting companies and financial markets around the world. While working as an equity portfolio manager, strategist, and company executive in North America, Europe and Asia, Mr. Placidi co-managed over \$1 billion. Mr. Placidi has a Bachelor of Commerce (Honours) from Queens University, an MBA from the University of Toronto and has held the Chartered Financial Analyst (CFA) designation since 1989.



### Growth of \$10,000 Since Inception\*



### Annual Compound Returns (%)

	YTD	1 month	3 month	6 month	1 year	3 year	5 year	10 year	Inception
Series A	13.5	1.4	9.5	14.6	16.6	7.9	10.3	N/A	10.5
Series F	14.2	1.5	9.8	15.3	18.1	9.1	11.4	N/A	10.4

### Top Portfolio Allocations

Information Technology	24.1%
Consumer Discretionary	16.2%
Financials	15.8%
Exchange Traded Funds	9.8%
Health Care	8.1%
Industrials	6.6%
Consumer Staples	5.6%
Energy	5.0%
Materials	4.3%
Telecommunication Services	2.3%

### Top Ten Holdings

Maruti Suzuki India Limited	3.8%
Tencent Holdings Limited	3.6%
Amazon.Com Inc.	3.3%
Alibaba Group Holdings Limited ADR	3.2%
Alphabet Inc. "C"	3.2%
Facebook Inc.	3.1%
Apple Inc.	3.0%
United Health Group Inc.	3.0%
Microsoft Corporation	3.0%
JPMorgan Chase & Co.	2.8%

### Country Allocations

United States	48.6%
India	15.3%
China	11.7%
Canada	7.5%
Japan	4.0%
Germany	3.4%
Austria	2.4%
France	2.1%
**Others	5.0%

\*\*Others include regions which individually represents less than 2.1% of the Net Asset Value of the Fund

Fund Codes	Front End		Deferred		Low Load		Series F	
	C\$	US\$	C\$	US\$	C\$	US\$	C\$	US\$
	EXL 112	EXL 846	EXL 212	EXL 847	EXL 312	EXL 848	EXL 612	EXL 812

### Calendar Performance\*

Series A	4.2%	22.6%	5.7%	9.9%	-4.1%
Year	2012	2013	2014	2015	2016

### Commentary

#### Market Synopsis

The Fund's portfolio as compared to the benchmark is currently overweight in information technology and consumer discretionary and underweight in real estate, utilities, future growth telecommunications, Energy, and industrials. Excel Investment Counsel Inc. (the "Portfolio Manager") believes the Fund is optimally positioned for.

Global currencies fluctuated with the United States dollar depreciating slightly by the end of the quarter versus the Canadian dollar. The Portfolio Manager increased positions in companies that derive more revenue from outside the United States, such as Apple Inc. and Nestle SA. To capitalize on the fast-growing Indian economy, the Portfolio Manager increased positions in Maruti Suzuki India Limited and ITC Limited as these companies are expected to benefit from strong domestic demand. Over the course of the quarter, the Portfolio Manager exited positions in numerous companies based on valuations. These companies included Nike Inc., Under Armour Inc., Stryker Corp., and Tullow Oil PLC.

There were several positive developments in emerging markets. In India, the unexpected victory in the Uttar Pradesh State election has given Indian Prime Minister Narendra Modi the support he needed in the Upper House for major reforms. The GST reform passage in the Upper House last year was followed by the Lower House passage in March 2017 and is now on course to be implemented in July 2017. This will allow simplification of the tax code and enhances the country's economic growth and competitiveness. Early November 2016, 86% of circulating bills underwent demonetisation. This event created an initial short-term negative impact to the market as it coincides with the US election result, the swiftness of the implementation, and the prominence use of cash within the economy. However, the effect was short-lived and the endeavour brought in large sum of money into the official banking system. This in turn allowed the financial banks to lend at a lower rate. Post demonetisation, the Reserve Bank of India (RBI) have shown remarkable patience and surprised the market by not lowering the overnight rate any further. As a result, the Fund is overweight in India.

The Chinese economy grew at 6.7% for 2016, within the government 6.5% to 7% target. The government continues its gradual reform and capacity rationalization in several industries dominated by State Owned Entities ("SOE") such as steel, cement and iron ore. "Old China" and "SOE" companies have rallied, mainly within the industrial, materials, telecom and financial sectors. The Portfolio Manager remains bullish on selective "New China" growth sectors such as technology that will benefit from the ongoing rebalancing of the economy and secular drivers such as an aging population and automation.

#### Market Outlook

With the UK and US markets rallying after the Brexit vote in the UK and the election of President Trump, it would have appeared that populist policies were good for the equity markets and would drive them up indefinitely. However, market sentiment as always will eventually be driven by economic and company specific data and as such the actual ramifications of the UK's exit from Europe and the actual performance of the US economy will move the markets to their appropriate levels. Recently, the performance of the US and UK economies has been better than anticipated, certainly been better than expected. Whilst the US economy is holding up, the UK economy looks set to slow as Article 50 is triggered and uncertainty continues to weigh on investment. Currently, the US equity market is trading on high valuations and could be vulnerable to pullbacks if President Trump's pro-growth agenda is held up by Congress. Following the election results in the Netherlands, investors are now focused on the French presidential election, where opinion polls suggest the odds of a populist Frexit wave carrying Le Pen to victory are low and diminishing.



**The units of the fund are qualified investments for**  
RRSPs, LIRAs, RRIFFs, LIFs, LRIFs, DPSPs, RESPs, RDSPs and TFSA's.

[www.excelfunds.com](http://www.excelfunds.com)

 **EXCEL FUNDS**

1-855-EXCEL30

\*Data provided representative of Excel Blue Chip Equity Fund, Series "A". The inception date of the Fund's Series A is October 4, 2011.

Distributions are paid as a fixed amount each month, representing an amount which approximates the amount of dividends the Excel Blue Chip Equity Fund is expected to receive on average each month. A portion of the fund may be a return of capital. These amounts can be adjusted up or down from time to time as determined by the fund's manager. Unless you instruct us to pay your distributions in cash, 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 NAV thereof. As at May 31, 2017, 86.24% of Series A and 94.76% of Series F of the fund's total distribution were reinvested. Yields are calculated on average daily net asset value for each month.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. The indicated rates of return are the historical annual compounded total return including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The rates of return shown are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the returns on investment in Excel Funds.

All statements in this update, other than statements of historical fact, and including statements regarding the future economic effects of events, are "forward-looking statements". These forward-looking statements reflect the current beliefs of the Fund's portfolio manager and are based on information available to the Fund as of the date of this update. Actual results may differ materially as they are subject to a number of significant risks and uncertainties. The Fund has no obligation to update or revise the forward-looking statements in this update.