EXCEL CHINDIA FUND

EQUITY

Fund Category | Emerging Markets Equity

Performance and Portfolio Allocations as at May 31, 2017.

Unit Price

Series A	$ 10.57
Series F	$ 16.11
AUM	$ 41,045,653
Distributions	Annually

Date of Inception

Series A	January 10, 1999
Series F	April 6, 2005

Management Fee

Series A	2.25%
Series F	1.50%

Risk Rating

Medium to High

Style

Medium Blend

About the Fund

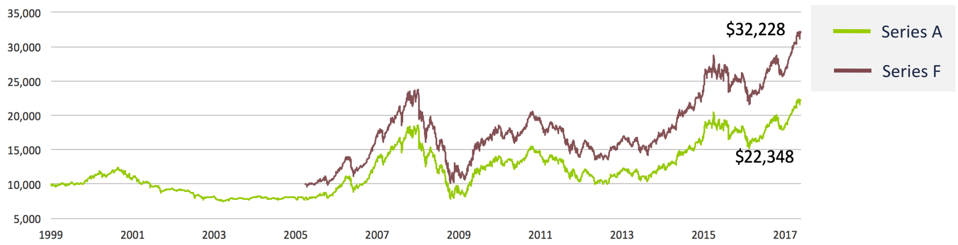
The Excel Chindia Fund (the "Fund") seeks long-term capital appreciation by investing primarily in mutual fund securities in order to gain exposure to the equity and debt markets of India, China, Hong Kong, Taiwan and other Far East countries. The Fund may also invest in both mutual fund and non-mutual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

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

EXCEL INVESTMENT COUNSEL INC.

EIC provides investment advisory and portfolio management services to the mutual funds managed by Excel Funds Management Inc. ("EFM"), Canada's only emerging markets focused mutual fund provider.

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	22.6	1.4	11.8	20.0	31.1	16.8	16.8	3.8	4.5
Series F	23.2	1.4	11.9	20.6	32.4	18.0	18.4	5.2	10.1

Top Portfolio Allocations

Financials	27.4%
Information Technology	14.8%
Consumer Discretionary	13.5%
Materials	9.0%
Industrials	8.9%
Health Care	5.5%
Energy	5.1%
Consumer Staples	5.0%
Other Net Assets (Liabilities)	3.8%
Utilities	2.8%

Top Ten Holdings

Tencent Holdings Limited	4.7%
HDFC Bank Limited	3.5%
Alibaba Group Holdings Limited ADR	3.1%
Maruti Suzuki India Limited	3.1%
ICICI Bank Limited	2.9%
Yes Bank Limited	2.4%
CITIC Limited	2.3%
Infosys Limited	2.1%
ITC Limited	2.0%
Tata Motors Limited	1.9%

Country Allocations

India	60.3%
China	34.8%
Canada	1.9%
United States	1.8%
South Africa	1.2%

Fund Codes	Front End		Deferred		Low Load		Series F	
	C$	US$	C$	US$	C$	US$	C$	US$
	EXL 101	EXL 811	EXL 201	EXL 821	EXL 301	EXL 831	EXL 601	EXL 801

EXCEL FUNDS

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Calendar Performance*

Series A	48.5%	35.2%	-47.8%	47.7%	5.6%	-28.8%	12.9%	6.7%	31.0%	12.7%	-1.4%
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

Commentary

Market Synopsis

The Portfolio is constructed based on an asset allocation framework that allocates to the two Underlying Funds, each representing distinct asset class opportunities, and with unique risk and return expectations. At March 31, 2017, the Fund had an asset mix of 62.3% Excel India Fund and 37.3% Excel China Fund with the remainder in cash & equivalent. The allocation of the portfolio to these various categories remained relatively consistent during the quarter. In India, demonetisation resulted in earnings downgrades in the near term and for fiscal year 2017 (April 2016 – March 2017) earnings growth should only be reduced 8-9% which is meaningfully lower than previous estimates of 14-15%. However, fiscal year 2018 (April 2017 – March 2018) earnings growth are estimated to rebound and should come in at approximately 18%. Excel Investment Counsel Inc. (the "Portfolio Adviser") believes the impact on various sectors will vary depending on the level of cash transactions and operating leverage across the sector. The impact on demand to be short lived and demand to bounce back as the cash crunch normalises with post remonetisation from the Reserve Bank of India (RBI).

In China, consumption, especially luxury consumption picked up noticeably towards the end of 2016. Macau gaming, luxury cars, luxury watches, alcohol (expensive Chinese liquors), and jewelry showed robust sales volume growth. There are two reasons for the positive consumption trend: first, the wealth effect from the recovery of the "old economy"; and second, the marginal loosening of anti-corruption policies. Since the middle of 2016 the liquidity flowing through the economy as well as companies' willingness to invest has increased. The Chinese central government has shown strong resolve in delivering the supply-side reforms to eliminate excessive production capacity and reduce tier 3 and tier 4 city housing inventory. On the monetary side, since the end of 2016, domestic market rates have spiked upward. Continued liquidity tightening is expected during 2017, but at slower pace so that economic growth momentum is maintained. Given relatively stable monetary policy and mounting foreign reserve pressure, the Chinese yuan (RMB) is unlikely to experience large fluctuations.

Market Outlook

In India, the GST Bill is expected to be rolled out nationwide this July. The GST implementation will simplify the current complex tax structure and more importantly, unify India into a single common marketplace. The Portfolio Adviser expects the formal economy to benefit and gain market share from the cash economy which in turn will be a positive for publicly listed companies. The Portfolio Adviser believes both demonetization and the GST Bill are immensely beneficial to India over the long-run. The "tax net" will widen, tax compliance will improve, banking services will be more widely accessible, and more businesses will move into the organized sector. The Portfolio Adviser believes the paradigm in India has shifted. Economic Development is not only an economic necessity, but a political one as elections have recently and will continue to be won and lost based on economic development. Indian citizens are increasingly voting for economic development and governance rather than for entitlements and identity.

Since the third quarter of 2016, China's key economic indicators such as GDP growth, PMI, and CPI data have beaten market expectations. The Portfolio Adviser believes that in 2017, manufacturing investment could grow by as much as 10% to 15%, a significant growth after three years of decline and capital investment will likely exceeded 2016 levels for most provinces. The Portfolio Adviser feels that the recovery in manufacturing investment will permeate high value add industries such as auto and technology and mid-stream industries like papermaking and chemical. Export and import data have also been promising. Nominal GDP growth rate could possibly reach 10% in the second and third quarter of 2017, thereby boosting corporate earnings.

Historically the H-share market (Hong Kong) has tended to outperform the A-share market (Shanghai) during earnings recovery cycles. The Portfolio-Adviser believes that global investors have yet to fully recognize the magnitude of the current recovery, as prominent sell-side participants have just recently upgraded the Chinese equity market to a buy. Although the H-share market has performed well, many companies are still trading at deep discounts compared with the A-share market.

China and India are now undoubtedly the growth driver of the world economy. The Portfolio Adviser believes that the two countries are well positioned for long-term secular growth and the Fund will benefit over the long-term.

YES!

The units of the fund are qualified investments for
RRSPs, LIRAs, RRIFs, LIFs, LRIFs, DPSPs, RESPs, RDSPs and TFSAs.

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*Data provided representative of Excel Chindia Fund, Series "A". The inception date of the Fund's Series A is January 10, 1999.