EXCEL CHINDIA FUND

Performance and Portfolio Allocations as at September 30, 2017.

EQUITY

Fund Category | **Emerging Markets Equity**

Unit Price

Series A	$ 10.60
Series F	$ 16.20
AUM	$ 40,315,239
Distributions	Annually

Date of Inception

Series A	January 11, 1999
Series F	April 6, 2005

Management Fee

Series A	2.25%
Series F	1.50%

Risk Rating

Medium to High

Style

Medium Blend

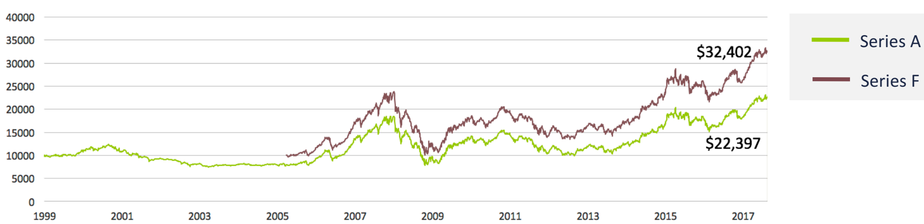
About the Fund

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")

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	22.9	-1.5	3.2	7.1	16.4	14.3	15.0	2.6	4.4
Series F	23.8	-1.4	3.5	7.5	17.6	15.6	16.4	3.9	9.9

Top Portfolio Allocations

Financials	23.4%
Other Net Assets (Liabilities)	19.1%
Consumer Discretionary	14.9%
Information Technology	13.5%
Materials	6.8%
Industrials	5.2%
Energy	4.9%
Health Care	4.2%
Consumer Staples	3.4%
Short Term Notes	1.5%

Top Ten Holdings

Tencent Holdings Limited	3.7%
Alibaba Group Holdings Limited ADR	3.5%
HDFC Bank Limited	2.8%
Maruti Suzuki India Limited	2.5%
ICICI Bank Limited	2.1%
Yes Bank Limited	1.8%
Bajaj Finance Limited	1.6%
CBLO 03-Oct-2017	1.5%
Guangzhou Automobile Group Company Limited "H"	1.5%
China Construction Bank Corporation "H"	1.4%

Country Allocations

India	48.8%
China	30.2%
Canada	17.1%
United States	2.9%
South Africa	1.0%

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

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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

Indian equities had a mixed month in June heading into the GST rollout and ahead of the Q1 earnings season for which expectations have been lowered. Indian equities marginally underperformed its regional peers during the quarter. However, year-to-date, MSCI India is up 19% in CAD terms and is amongst the best performing country within the emerging markets.

Over the quarter, policy related news flow was mostly supportive with progress on the GST roll out, increasing expectations of monetary easing post the sharp decline in inflation, and steps taken towards a resolution in asset quality by the Reserve Bank of India (RBI). In addition, the monsoon has been slightly above normal levels.

India equities have been consolidating over the near term because of near-term uncertainty over earnings growth in the wake of the GST transition challenge. The RBI have kept policy rates on hold, lowered its inflation expectations for the year and softened its tone materially.

China's Manufacturing Purchasing Managers' Index (PMI) and Non-Manufacturing PMI continued to hold steady within the expansion range as domestic demand continues to grow. Meanwhile, as the inventory cycle approaches the latter stage, the Consumer Price Index (CPI) grew and the Producer Price Index (PPI) fell. The current dynamics between CPI and PPI is consistent with previous expectations. While CPI in May alluded to the relief of inflationary pressures over the short-term, it is likely to increase in the near future.

The central government has intensified its de-leveraging efforts with the medium and long-term goal of tightening liquidity. However, over the quarter, market liquidity was loosened for the Belt and Road Summit. CNY/USD exchange rate remained range-bound from March until early June when the US Fed gave indications of further interest rate hikes and balance sheet normalization. We believe that the People's Bank of China (PBoC) is committed to targeting its mid-to-long-term exchange rate targets by tightening money supply.

Market Outlook

In India, as we enter the earnings season, the fund manager believes the results will likely be lower than expectations. Demand is likely to remain benign amid channel destocking ahead of GST implementation and the subsequent time lag for demand recovery. However, the short-term decline will be outweighed by the medium and long-term gain.

With the strong year-to-date performance, the Indian equity market is trading slightly above its long-term price earnings multiples. However, progressive reforms, robust macro-economic fundamentals, and strong liquidity from FIIs as well as domestic mutual funds has helped stabilized and maintained the gain. The fund manager is keenly watching the impact of GST on demand and its subsequent recovery. In the near-term, the fund manager expects consolidation.

In China, the Hang Seng China Enterprise Index and the Hang Seng Index continued to receive sustained support from southbound capital inflows. Under the catalyst of President Xi's visit to the Hong Kong 20th anniversary repatriation, magnitude of fund flow and linkage between Hong Kong and the mainland is expected to increase.

Low valuation and sustained inflow from Chinese and Global capital would likely move Hong Kong large caps positively in the next few months. Sector-wise, we are bullish on technology and consumer names with low valuations. Cyclical stocks also reported gains as pessimism dissipated. At the same time, we should be cautious about potential risks associated with liquidity.

As of quarter end, the Fund is overweighed in India. We believe the allocation is positioned well for the near future.

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 11, 1999.