



**Unit Price**

Series A	\$ 6.25
Series F	\$ 6.74
AUM	\$ 38,203,772
Distributions	Annually

**Date of Inception**

Series A	November 2, 2010
Series F	November 3, 2010
Series IS	November 30, 2016
Series N	September 30, 2016

**Management Fee**

Series A	2.25%
Series F	1.25%
Series IS	0.85%
Series N	1.25%

**Risk Rating**

Medium

**Style**

Medium Blend

**About the Fund**

The Excel Emerging Markets Fund (the "Fund") seeks long-term capital appreciation by investing primarily, directly or indirectly, in equity and debt securities issued by companies located in any of the emerging markets throughout the world. The Fund may also invest in equity and debt securities of companies located anywhere in the world that are expected to benefit from the economies of the emerging markets.

**Portfolio Manager: Excel Investment Counsel Inc.**

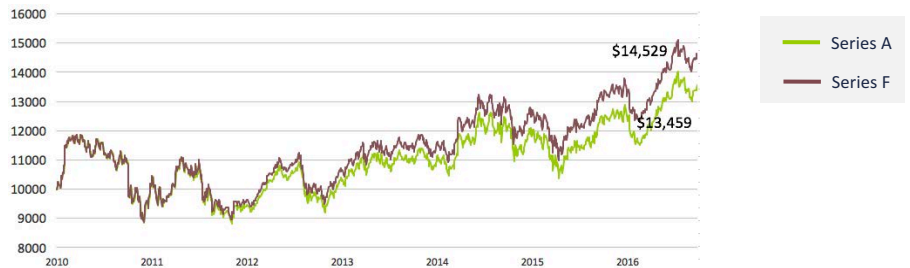


**Christine Tan, CFA**  
Chief Investment Officer  
Excel Investment Counsel Inc.

Christine Tan has over 15 years of financial industry experience and has been managing the Excel Emerging Markets Fund since January, 2013. The fund is managed by Excel Investment Counsel Inc., an affiliate of Excel Funds Management Inc.



**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	14.5	2.6	-1.1	12.0	9.6	7.1	8.0	N/A	4.5
Series F	15.4	2.7	-0.9	12.8	10.9	8.4	9.3	N/A	5.7

**Top Portfolio Allocations**

Financials	24.8%
Information Technology	18.2%
Other Net Assets (Liabilities)	13.4%
Consumer Discretionary	11.1%
Materials	8.7%
Consumer Staples	6.3%
Industrials	5.3%
Energy	3.4%
Real Estate	2.9%
Utilities	2.6%

**Top Ten Holdings**

Samsung Electronics Company Limited	5.1%
Tencent Holdings Limited	4.6%
Alibaba Group Holdings Limited ADR	3.7%
TAL Education Group ADR	3.5%
Yes Bank Limited	2.3%
Naspers Limited	2.2%
HDFC Bank Limited ADR	2.1%
Taiwan Semiconductor Manufacturing Company Limited ADR	2.1%
Ping An Insurance (Group) Company of China Limited "H"	2.1%
AIA Group Limited	1.9%

**Country Allocations**

China	22.8%
India	17.1%
South Korea	13.8%
Brazil	9.0%
Canada	8.7%
Mexico	5.5%
South Africa	4.0%
Indonesia	2.8%
**Others	16.3%

\*\*Others include regions which individually represents less than 2.8% of the Net Asset Value of the Fund

Fund Codes	Front End		Deferred		Low Load		Series F		Series IS		Series N	
	C\$	US\$	C\$	US\$	C\$	US\$	C\$	US\$	C\$	US\$	C\$	US\$
	EXL 109	EXL 819	EXL 209	EXL 829	EXL 309	EXL 839	EXL 609	EXL 809	EXL 1109	EXL 1209	EXEME	EXEME.U



**Calendar Performance\***

Series A	-17.5%	2.0%	10.3%	-1.7%	8.2%	1.3%
Year	2011	2012	2013	2014	2015	2016

**Commentary**

**Market Synopsis**

The second quarter of 2017 started strong on solid earnings and improving economic growth outlook. By mid-May, the MSCI EM Index was up 19.5% in CAD terms before pulling back to end the quarter up 14.5%, in large part attributable to a sharp rally in the Canadian dollar. The Bank of Canada hiked for the first time in seven years and hinted at more hikes even as the Federal Reserve turned slightly more dovish.

The outperformance of value and cyclical stocks that had dominated in 2016 and early 2017 reversed course as the new US administration's attempt at tax reform and healthcare reform stalled. Oil prices, which had rallied in part because of production cuts by Organization of the Petroleum Exporting Countries (OPEC), along with non-member Russia, declined as production in US shale picked up.

The United States Federal Reserve (Fed) increased interest rates by another 25 basis points in June 2017 to 1.25% but provided slightly more dovish commentary. We now expect a slower path rate hikes going into 2018. A hawkish People's Bank of China continues to gradually tighten monetary conditions. Even the European Central Bank sounded more hawkish in commentaries during the second quarter. Overall, there is a tightening bias globally which has been reflected in steeper yield curves.

There were several significant developments in EM. In India, the Goods and Services Tax (GST) came into full implementation on July 1. We expect near term economic and earnings noise as companies adjust their inventories to the new tax regime but expect the GST to be a longer-term positive for the economy as companies will be able to simplify their supply chain to address a national market rather than regional state-by-state markets under the previous convoluted tax regime. India continues to be our largest country overweight.

In South Korea, after the impeachment of President Park in 2016, a record 77% of voters came out to vote and awarded a strong 41% victory to Liberal candidate Moon Jae-In. This ends almost 10 years of Conservative leadership in Korea. President Moon won on promises of chaebol reform and policies focused on job creation and wage growth. We have increased our position in Korea to an overweight as of quarter end

reflecting very attractive valuations and strong upward revisions in earnings and return on equity (ROE). Korean exports growth has been very strong since late 2016 and we now expect President Moon's policies to further stimulate domestic economic activity.

In Latin America, the key development was the release of recordings implicating interim President Temer in bribery. The resulting decline in his popularity and support will make social security reform a bigger challenge. Since this reform is very important for the future fiscal health of Brazil, and given the strong outperformance of Brazil in the months leading up to this development, we have reduced our exposure to Brazil. We continue to monitor the situation closely.

The Chinese economy grew at 6.9% in the second quarter of 2017, identical to the first quarter and slightly ahead of expectations. The government recently announced that for the first time in 15 years, it will add healthcare, tourism and the "new economy" to the overall GDP figure. These "New China" sectors have been our investment for several years because of their resilience to cyclicality. We anticipate that adding these sectors will have a positive impact on the growth calculation.

**Current Positioning and Outlook**

The Fund's overweight in India, Philippines and Peru contributed to performance while underweight positions in Korea, Turkey and Taiwan detracted. Our overweight position in Brazil also detracted from performance.

Individual stocks contributing to performance included Tencent, Alibaba, Samsung Electronics, TAL Education, HDFC Bank and Ping An Insurance. Individual holdings that detracted from performance included Sberbank, Hikma, AviChina, Cosan and Yes Bank.

Looking forward, we continue to be focused on businesses that are benefiting from secular growth themes. We are also positive on countries where there is a renewed commitment to pursuing economic and structural reforms India, Peru, Argentina and Korea to achieve a more sustainable economic growth trajectory.



**The units of the fund are qualified investments for**

RRSPs, LIRAs, RRFs, LIFs, LRFs, DPSPs, RESPs, RDSPs and TFSA.

\*Data provided representative of Excel Emerging Markets Fund, Series "A". The inception date of the Fund's Series A is November 2, 2010.  
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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.