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India's Growth Set to Accelerate in a World of Slowing Growth

TORONTO: December 22, 2014: Excel Funds Management Inc. (**"Excel"**) is pleased to announce that the Indian economy is set to expand next year, growing at a rate of approximately 7% to 8%, up from the current rate of 5.5%, while growth in the global economy is expected to moderate to about 3%.

Excel manages the Excel India Fund, the largest and longest-running mutual fund in Canada solely focused on investing in India. The Excel India Fund is the best performing mutual fund in Canada, as at November 30th, 2014, according to the GlobeFund and Morningstar Canada websites.

"The implementation of a comprehensive reform program that proposes to remove the barriers to growth, support massive infrastructural development and encourage foreign and private investments by India's new business friendly government will provide impetus for stronger growth," says Bhim D. Asdhir, President and CEO of Excel Funds Management Inc.

In addition, says Asdhir, "India is also a big beneficiary of lower oil prices. As a major net importer of oil, lower prices will result in lower inflation and consequently lower interest rates – which will in turn result in more disposable incomes in the hands of consumers," he says. "At a macro level, the country will experience a significant improvement in its current account and fiscal deficits, supporting a strengthening currency; and corporations will see an improvement in earnings, driving equity prices higher." Oil prices declined to a 5-year low in November on the back of forecasts of deteriorating global demand.

The positive impact of lower oil prices on the Indian economy is supported by the Bank of America Merrill Lynch's research which shows that a 5% drop in oil prices reduces Indian inflation by 45 basis points; and for each $10 per barrel fall in oil price, the country's current account will decline by 0.4% and its fiscal deficit by 0.1%. The investment bank notes that there have been 11 occasions since 1991 where the price of Brent crude has corrected by more than 20% in 3 months. On 8 of these 11 occasions, the Indian equity markets provided an average return of nearly 17% over 3 months.

Given the positive developments in India, "we believe the Sensex, India's benchmark Index, will double in just over four years as a result of strong earnings growth," Asdhir contends. He adds, "Indian companies are expected to generate the strongest earnings growth in 2015, averaging 16%, compared to less than 10% for many developed markets."

Asdhir anticipates that the Excel India Fund will continue to benefit from the superior performance of the Indian equity market which is currently the best performing in the world and is forecast to continue to outperform next year. "The Indian super cycle is now beginning and Canadian investors should seize the opportunity now to benefit from potentially superior long-term returns in India," he says.

About Excel Funds

Established in 1998, Excel is a pioneer in investing in emerging markets in Canada, offering the widest selection of emerging markets funds to Canadian investors. Through its network of sub-advisors, Excel has access to over 200 local portfolio managers and analysts around the world. Excel's on-the ground sub-advisors, proprietary asset allocation model and best-in-class portfolio managers contribute to the firm being recognized as "Your Authority in Emerging Markets" in Canada.

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