

India's Changing Political and Economic Landscape Set to Fuel Equity Markets

Mississauga, Ontario: May 13, 2014: Excel Funds Management Inc. ("Excel Funds"), the manager of the largest and longest-running India mutual fund in Canada, is pleased to announce that favorable developments in the political and economic landscape of India have led to a surge in India's equity markets and in the performance of the Excel India Fund.

These developments come on the back of the much anticipated political change in India following the conclusion of the country's general elections. The final results of the elections are scheduled to be announced on May 16th, 2014.

The elections in the world's largest democracy have been marked by record-high voter turnout as the population seeks to put an end to policy paralysis that has inhibited the country's progress over the past five years.

"High voter turnout has been spurred by the desire for political change in India," says Bhim D. Asdhir, President and CEO of Excel Funds. "The population believes that a new government will implement sustainable reforms that will allow India to realize its true potential as an economic superpower."

Year-to date, the Indian equity market is among the best performing in the world, with the MSCI India Index making a gain of 15%, compared to a gain of 5.7% for the MSCI Developed Markets Index, as at May 12, 2014, in Canadian dollars. Comparatively, the Excel India Fund has outperformed the Bombay Stock Exchange Sensex Index since its inception in 1998.

It is anticipated that the Indian equity markets will continue to gain momentum following the general elections, benefitting investors in India. The new government, expected to be led by Narendra Modi of the Bharatiya Janata Party (BJP), is widely favored by investors.

"Mr. Modi has an excellent track record as Chief Minister of the State of Gujarat which has experienced double digit growth rates under his tenure over the past 10 years. He is expected to bring greater stability to India in an environment of increased transparency. This will in turn attract higher levels of foreign investment, support industrial development and create more jobs – leading to long-term economic growth," says Asdhir.

Investors also stand to make gains from undervalued Indian equities. The estimated earnings-per-share growth for Indian companies, on average, is currently over 14%, compared to 7.8% for S&P 500 listed companies; whereas the price-to-book discounts on Indian companies also remain competitive relative to their 10 year averages.

In the run up to the general elections, policy reforms have led to significant improvements in the outlook for India and to strong foreign investment inflows, led by sophisticated investors. These inflows have been influenced by the implementation of policies to maintain stable interest rates and encourage foreign investment by the Reserve Bank of India. Other policy measures have led to a dramatic decline in the country's current account deficit and a stronger currency.

"Indian companies are also expected to benefit from the country's rapidly growing middle class which is larger than the entire US population; and its consumer market which is one of the largest in the world," says Asdhir.

About Excel Funds

Established in 1998, Excel Funds 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 the knowledge base of 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 "The Authority in Emerging Markets" in Canada

The Excel India Fund, the largest and longest running India fund in Canada, is managed in India by Birla Sun Life AMC Ltd., one of the largest and most respected asset managers in India.

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