

AMENDMENT NO. 2 DATED MARCH 9, 2018

TO THE SIMPLIFIED PROSPECTUS DATED SEPTEMBER 18, 2017

AS AMENDED BY AMENDMENT NO. 1 DATED FEBRUARY 16, 2018

in respect of:

Excel Emerging Markets Balanced Fund (*formerly, Excel EM Blue Chip Balanced Fund*) (Series A, F, DB and N)

Excel India Balanced Fund (Series A, F and N)

Excel High Income Fund (Series A, F, DB, I and N and Institutional Series*)

Excel Money Market Fund (Series A and F)

Excel India Fund (Series A, F, DB, I and N and Institutional Series*)

Excel New India Leaders Fund (Series A, F and N)

Excel China Fund (Series A, F, I and N and Institutional Series*)

Excel Chindia Fund (Series A and F)

Excel Emerging Markets Fund (Series A, F, DB and N and Institutional Series*)

(each a “**Fund**” and collectively, the “**Funds**”)

* Institutional Series units ceased to be available for purchase effective February 7, 2018

The simplified prospectus dated September 18, 2017, as amended by Amendment No. 1 dated February 16, 2018 (the “**Simplified Prospectus**”) relating to the offering of units of the Funds is hereby amended as noted below.

Unless otherwise specifically defined, capitalized terms used in this amendment have the meaning given to such terms in the Simplified Prospectus.

Introduction:

The Simplified Prospectus is being amended to:

1. provide notice that Excel Chindia Fund and Excel Emerging Markets Fund will each be merged into Sun Life Schroder Emerging Markets Fund and Excel Money Market Fund will be merged into Sun Life Money Market Fund, each effective at the close of business on or about June 15, 2018 (each a “**Merger**” and collectively, the “**Mergers**”), subject to receiving the requisite unitholder and regulatory approvals;
2. reflect that effective June 18, 2018, the name of each of Excel Emerging Markets Balanced Fund, Excel India Balanced Fund, Excel High Income Fund, Excel India Fund, Excel New India Leaders Fund and Excel China Fund (collectively, the “**Excel Remaining Funds**”) will be changed to include “Sun Life” before “Excel”;
3. provide notice that the Manager will implement a fixed-rate annual administration fee for the Excel Remaining Funds effective June 18, 2018, subject to receiving the requisite unitholder approvals (the “**Fixed Administration Fee Proposal**”); and
4. provide notice that the Excel Remaining Funds will amend and restate their current master declaration of trust to adopt the form of the master declaration of trust for the mutual funds

managed by Sun Life Global Investments (Canada) Inc. (the “**SLGI DoT**”) effective June 18, 2018, subject to receiving any requisite unitholder approval (the “**DoT Change**”).

Technical Amendments to the Simplified Prospectus:

1. The Mergers

Excel Chindia Fund and Excel Emerging Markets Fund will each be merged into Sun Life Schroder Emerging Markets Fund and Excel Money Market Fund will be merged into Sun Life Money Market Fund, each effective at the close of business on or about June 15, 2018, subject to receiving the requisite unitholder and regulatory approvals. The meetings of unitholders of each of Excel Chindia Fund, Excel Emerging Markets Fund and Excel Money Market Fund (each a “**Terminating Fund**”) are expected to take place on or about May 25, 2018. Effective March 7, 2018, units of the Terminating Funds will no longer be available for purchase by new investors, but will continue to be available to existing investors, including investors purchasing under pre-authorized purchase plans existing before March 7, 2018. If unitholders of a Terminating Fund approve the Merger, then such pre-authorized purchase plans will be suspended at the close of business on or about June 14, 2018 and will be re-established to purchase the same series of Sun Life Schroder Emerging Markets Fund or Sun Life Money Market Fund, as applicable, following the completion of the Merger. If unitholders of a Terminating Fund do not approve the Merger, then such pre-authorized purchase plans will be suspended immediately following the unitholder meeting and the Terminating Fund will be terminated effective on or about June 15, 2018. Additionally, if unitholders of a Terminating Fund approve the Merger, Excel Funds Management Inc. will waive any applicable redemption charges for those unitholders who submit a request to redeem securities of the Terminating Fund originally purchased under the deferred sales charge option or the low load sales charge option between the day following the meeting and the business day immediately prior to the effective date of the Merger. Upon the completion of the Merger of Excel Chindia Fund and Excel Emerging Markets Fund into Sun Life Schroder Emerging Markets Fund, Sun Life Schroder Emerging Markets Fund will be renamed “Sun Life Excel Emerging Markets Fund”.

Effective immediately, Simplified Prospectus is amended as follows:

- (a) The following is added above the section titled “What Does the Fund Invest In?” on page 49:

“The Fund will be merged into Sun Life Money Market Fund effective at the close of business on or about June 15, 2018, subject to receiving the requisite unitholder and regulatory approvals. The unitholder vote is expected to take place on or about May 25, 2018. Effective March 7, 2018, units of the Fund will no longer be available for purchase by new investors, but will continue to be available to existing investors, including investors purchasing under pre-authorized purchase plans existing before March 7, 2018. If the merger is approved, then such pre-authorized purchase plans will be suspended at the close of business on or about June 14, 2018 and will be re-established to purchase the same series of Sun Life Money Market Fund following the completion of the merger. If the merger is not approved, then such pre-authorized purchase plans will be suspended immediately following the unitholder meeting and the Fund will be terminated effective on or about June 15, 2018. Additionally, if unitholders of the Fund approve the merger, the Manager will waive any applicable redemption charges for those unitholders who submit a request to redeem securities of the Fund originally purchased under the deferred sales charge option or the low load sales charge option between the day following the meeting and the business day immediately prior to the effective date of the merger.”

- (b) The following is added above the section titled “What Does the Fund Invest In?” on pages 72 and 75:

“The Fund will be merged into Sun Life Schroder Emerging Markets Fund effective at the close of business on or about June 15, 2018, subject to receiving the requisite unitholder and regulatory approvals. The unitholder vote is expected to take place on or about May 25, 2018. Effective March 7, 2018, units of the Fund will no longer be available for purchase by new investors, but will continue to be available to existing investors, including investors purchasing under pre-authorized purchase plans existing before March 7, 2018. If the merger is approved, then such pre-authorized purchase plans will be suspended at the close of business on or about June 14, 2018 and will be re-established to purchase the same series of Sun Life Schroder Emerging Markets Fund following the completion of the merger. If the merger is not approved, then such pre-authorized plans will be suspended immediately following the unitholder meeting and the Fund will be terminated effective on or about June 15, 2018. Additionally, if unitholders of the Fund approve the merger, the Manager will waive any applicable redemption charges for those unitholders who submit a request to redeem securities of the Fund originally purchased under the deferred sales charge option or the low load sales charge option between the day following the meeting and the business day immediately prior to the effective date of the merger.”

2. Name Changes to Excel Remaining Funds

Effective on or about June 18, 2018, the Simplified Prospectus is amended as set out below to reflect the following name changes for the Excel Remaining Funds:

- (a) The references to “Excel Emerging Markets Balanced Fund”, “Excel India Balanced Fund”, “Excel High Income Fund”, “Excel India Fund”, “Excel New India Leaders Fund” and “Excel China Fund” on the front and back covers of the Simplified Prospectus are deleted and replaced with the following:

“Sun Life Excel Emerging Markets Balanced Fund (*formerly, Excel Emerging Markets Balanced Fund*)”

“Sun Life Excel India Balanced Fund (*formerly, Excel India Balanced Fund*)”

“Sun Life Excel High Income Fund (*formerly, Excel High Income Fund*)”

“Sun Life Excel India Fund (*formerly, Excel India Fund*)”

“Sun Life Excel New India Leaders Fund (*formerly, Excel New India Leaders Fund*)”

“Sun Life Excel China Fund (*formerly, Excel China Fund*)”

- (b) Other than in the instances set out above, all references to “Excel Emerging Markets Balanced Fund”, “Excel India Balanced Fund”, “Excel High Income Fund”, “Excel India Fund”, “Excel New India Leaders Fund” and “Excel China Fund” in the Simplified Prospectus are deleted and replaced with “Sun Life Excel Emerging Markets Balanced Fund”, “Sun Life Excel India Balanced Fund”, “Sun Life Excel High Income Fund”, “Sun Life Excel India Fund”, “Sun Life Excel New India Leaders Fund” and “Sun Life Excel China Fund”, respectively.

3. Fixed Administration Fee Proposal

The Manager will implement a fixed-rate annual administration fee for the Excel Remaining Funds, subject to receiving the requisite unitholder approvals. The unitholder votes are expected to take place on or about May 25, 2018. If the Fixed Administration Fee Proposal is approved, it will come into effect on or about June 18, 2018. If the Fixed Administration Fee Proposal is not approved by an Excel Remaining Fund, such Fund will continue to operate under its existing variable expense model.

Effective immediately, the Simplified Prospectus is amended to add the following after the first paragraph under the heading “Fees and Expenses” on page 22 to reflect the Fixed Administration Fee Proposal:

“A special meeting of unitholders will be held on or about May 25, 2018 to consider the proposal of the Manager to implement a fixed-rate annual administration fee in respect of Excel Emerging Markets Balanced Fund, Excel India Balanced Fund, Excel High Income Fund, Excel India Fund, Excel New India Leaders Fund and Excel China Fund (each a “**Remaining Fund**”).

Currently, each Remaining Fund pays all of its operating expenses and all applicable taxes, including HST. We are proposing to pay the operating expenses of each Remaining Fund, other than Fund Costs (as defined below) (the “**Administration Expenses**”), in exchange for the payment by each Remaining Fund to the Manager of a fixed-rate annual administration fee (the “**administration fee**”). The administration fee will be based on the NAV of each series of the Remaining Fund. The fee will accrue daily and be paid monthly. The Administration Expenses include, but are not limited to, recordkeeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including any regulatory fees and expenses payable by the Manager in connection with acting as manager of the Funds) and trustee fees for registered plans.

The “**Fund Costs**”, which will continue to be payable by the Remaining Funds directly include: (a) borrowing costs incurred by the Remaining Funds from time to time; (b) fees and expenses payable to or in connection with the Remaining Funds’ IRC; (c) taxes payable by the Remaining Funds; and (d) the costs of complying with any new regulatory or legal requirement imposed on the Remaining Funds commencing after June 18, 2018.

We may, at our discretion, (i) waive a portion or the entire amount of the administration fee chargeable to a Remaining Fund at any given time; and (ii) pay certain Fund Costs for a Remaining Fund.

We may reduce the administration fee and Fund Costs charged to a Remaining Fund for the benefit of institutional and individual investors who invest large amounts in a Remaining Fund. These reductions are negotiable by the institutional investor or your advisor and us. To achieve this reduction, we reduce the fee and/or expense charged to the Remaining Fund and then make a special distribution to the investor of income, capital gains and/or capital of the Remaining Fund equal to the amount of the reduction. However, some institutional investors may choose to receive cash.

Currently, operating expenses are included in a Remaining Fund’s management expense ratio (the “**MER**”). Operating expenses and MERs vary from Remaining Fund to Remaining Fund and from year to year. As a result, the MER for a series of a Remaining Fund is somewhat uncertain and unpredictable. With the

implementation of this proposal, certain components of the MER will become fixed and predictable. If the proposal is implemented, the MER for each series of a Remaining Fund will consist of the management fee, the administration fee and Fund Costs. The administration fee paid to us by a Remaining Fund in respect of a series may, in any particular period, be less than or exceed the Administration Expenses that we incur for the series. Each Remaining Fund will continue to pay costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs, which are expenses of the Remaining Fund, but are not included in the MER of a series of a Remaining Fund.

Unitholder approval is required for the introduction of the administration fee. The proposed administration fee for each series of each Fund is set out below.

Fund Name	Proposed Fixed Administration Fees		
	Series A, DB and IS	Series F	Series I
Excel Emerging Markets Balanced Fund	0.20%	0.15%	--
Excel India Balanced Fund	0.20%	0.15%	--
Excel High Income Fund	0.20%	0.15%	0.03%
Excel India Fund	0.25%	0.20%	0.05%
Excel New India Leaders Fund	0.25%	0.20%	--
Excel China Fund	0.25%	0.20%	0.05%

Additional Information

The change to the payment of operating expenses is expected to be implemented by us on June 18, 2018 or on such other date determined by us, subject to receiving unitholder approval.

If the proposed introduction of the administration fee for a particular Remaining Fund does not receive the necessary unitholder approval, the applicable Remaining Fund will continue to bear its own operating expenses. In addition, we may, at our discretion, elect not to proceed with the introduction of an administration fee for some or all of the Remaining Funds, even if unitholders of a Remaining Fund have approved the introduction of an administration fee.”

Subject to the Fixed Administration Fee Proposal receiving the requisite unitholder approvals, effective on or about June 18, 2018, the Simplified Prospectus is amended as follows to reflect the adoption of the Fixed Administration Fee Proposal:

- (a) The additions set out above after the first paragraph under the heading “Fees and Expenses” on page 22 to reflect the Fixed Administration Fee Proposal are deleted.
- (b) The heading titled “Management Fee Distributions” and the paragraphs that heading under heading “Fees and Expenses” on page 22 are deleted.

- (c) The following rows are added after the first row in the table under the heading “Fees and Expenses” on page 22:

Administration Fees and Operating Expenses	<p>We pay certain of the operating expenses of each Fund, other than Fund Costs (as defined below) (the “Administration Expenses”), in return for a fixed-rate annual administration fee paid to us by each Fund (“administration fee”). The administration fee is based on the NAV of each series of the Fund. The annual rate of the administration fee, excluding HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly.</p>			
	Fund	Administration Fees		
		Series A, DB and IS	Series F	Series I
	Sun Life Excel Emerging Markets Balanced Fund	0.20%	0.15%	--
	Sun Life Excel India Balanced Fund	0.20%	0.15%	--
	Sun Life Excel High Income Fund	0.20%	0.15%	0.03%
	Sun Life Excel India Fund	0.25%	0.20%	0.05%
	Sun Life Excel New India Leaders Fund	0.25%	0.20%	--
	Sun Life Excel China Fund	0.25%	0.20%	0.05%
	<p>The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including any regulatory fees and expenses payable by the Manager in connection with acting as manager of the Funds) and trustee fees for registered plans.</p>			
	<p>Each Fund also pays certain operating expenses directly (the “Fund Costs”). Fund Costs include (a) borrowing costs incurred by the Funds from time to time; (b) fees and expenses payable to or in connection with the Funds’ IRC; (c) taxes payable by the Funds; and (d) the costs of complying with any new regulatory or legal requirement imposed on the Funds commencing after June 18, 2018. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs, which are expenses of the Fund, but are not included in the management expense ratio of a series of a Fund.</p>			
	<p>We may, at our discretion, (i) waive a portion or the entire amount of the administration fee chargeable to a Fund at any given time; and (ii) pay certain Fund Costs for a Fund.</p>			
	<p>Costs associated with the IRC include compensation paid to members of the IRC in the form of an annual retainer for each IRC member, a separate retainer for the chairperson, fees payable for each meeting attended, insurance and reimbursement for reasonable expenses incurred by the members of the</p>			

	<p>IRC in the performance of their duties (“IRC Costs”). For the year ended September 30, 2017, the IRC Costs were \$64,710.13. From this amount, IRC members received \$25,858.02 (Karen Fisher), \$19,267.35 (James Simmonds) and \$19,223.67 (Michael G. Yanai) in the form of retainers, meeting costs and, in certain cases, travel expenses.</p>
	<p><u>Fee Distributions</u></p> <p>Excel Funds reserves the right to offer a reduced management fee and/or administration fee to selected investors, such as institutional investors, either in a single account or in the aggregate based on the total assets of a Financial Group, who (among other considerations) hold a minimum of \$250,000 of investments Funds with Excel Funds. A Financial Group includes all accounts belonging to a single investor, his or her spouse, his or her respective family members residing at the same address and corporate or trust or partnership entities for which the investor and other members of the Financial Group have voting control (more than 50%). In order to form a Financial Group, we require instructions from your dealer and each account in the Financial Group must be maintained with the same dealer.</p> <p>The fee reduction is achieved by reducing the management fee and/or administration fee charged by Excel Funds to a Fund based on the NAV of the units held by such investor and the Fund distributing an amount equal to the reduction (a “Fee Distribution”) in additional units of the same Series of the Fund(s) to the investor. Fee Distributions are paid first out of net income and net realized capital gains and, thereafter, out of capital. All members of the same Financial Group will receive the same reduced management fee for their units in Excel Funds. See “<i>Income Tax Considerations For Investors</i>” for more information regarding the tax consequences of a Fee Distribution.</p>

- (d) The row titled “Operating Expenses” in the table under the heading “Fees and Expenses” on page 22 is deleted.
- (e) All references to “Management Fee Distributions” or “management fee distributions” in the Simplified Prospectus are deleted and replaced with “Fee Distributions” or “fee distributions”, respectively.
- (f) The sentence “The Fund may make additional distributions from time to time throughout the year at Excel Funds’ discretion including distributions on account of reduced management fee arrangements with certain investors such as institutional investors.” in the Part B for each Excel Remaining Fund on pages 36, 43, 48, 58, 66 and 70 is deleted and replaced with the following:

“The Fund may make additional distributions from time to time throughout the year at Excel Funds’ discretion including distributions on account of reduced management fee and/or administration fee arrangements with certain investors such as institutional investors.”

4. Excel Remaining Funds to Adopt the SLGI DoT

The Excel Remaining Funds will amend and restate their current master declaration of trust to adopt the form of the SLGI DoT, effective on or about June 18, 2018, subject to receiving any requisite unitholder approvals. Unitholders should review Amendment No. 2 to the annual information form dated September

18, 2017, as amended by Amendment No. 1 dated February 16, 2018 for more details about the DoT Change.

Purchasers' Statutory Rights

Securities legislation in some provinces and territories gives unitholders the right to withdraw from an agreement to buy units of a mutual fund within two business days of receiving the simplified prospectus or fund facts, or to cancel a purchase within forty-eight hours of receiving confirmation of an order.

Securities legislation in some provinces and territories also allows unitholders to cancel an agreement to buy units of a mutual fund or to get their money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts, management reports of fund performance or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, unitholders should refer to the securities legislation of their province or territory or consult a lawyer.

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