

Interim Management Report of Fund Performance

June 30, 2019

Beutel Goodman Canadian Equity Fund

Beutel Goodman Canadian Equity Fund

This Interim Management Report of fund performance contains financial highlights but does not contain the complete annual or interim financial statements of the investment fund. You can get a copy of the annual or interim financial statements at your request at no cost (contact details on this page) or by visiting our website at www.beutelgoodman.com or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request the investment fund's prospectus, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Certain portions of this report, including, but not limited to, "Results of Operations" and "Recent Developments", may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and other similar forward-looking expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and forecasts about future events and are inherently subject to, among other things, risks, uncertainties and assumptions which could cause actual events, results, performance or prospects to be incorrect or to differ materially from those expressed in, or implied by, these forward-looking statements.

These risks, uncertainties and assumptions include, but are not limited to, general economic, political and market factors, domestic and international, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. This list of important factors is not exhaustive. Please consider these and other factors carefully before making any investment decisions and avoid placing undue reliance on forward-looking statements. The Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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Beutel Goodman Canadian Equity Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

This Fund invests in common shares and other equity securities of established Canadian issuers.

The Fund seeks to make investments in issuers that are undervalued in relation to the business value of the issuer. If financial results fall short of expectations, the intrinsic value of the underlying assets of the issuer should provide downside protection.

The Fund seeks to buy the best economic value in the market regardless of what sector an issuer operates in, therefore sector weighting differences between this Fund and the index can differ substantially. However, guidelines are in place to protect from over exposure on a sector or individual holdings basis.

The Fund focuses on absolute risk (avoiding capital loss) and a highly disciplined buy/sell process.

Risk

There were no significant changes to the investment objectives or strategies that affected the Fund's overall level of risk during the period. The risks of investing in this Fund and the suitability of the Fund for investors remain as discussed in the Prospectus.

There were no changes to the Fund's risk rating during the reporting period.

Results of Operations

Canadian equities had a strong January 1 to June 30, 2019 period, with the S&P/TSX Composite Index posting a return of 16.2%. Optimism around potential progress in U.S.-China trade talks along with increasingly dovish central bank language suggesting lower interest rates supported market sentiment. Global growth concerns were also a theme during the period, as evidenced by the drop in 10-year Government of Canada bond yields from a high of 2.03% on January 18 to a low of 1.42% on June 18, and the 10.2% gain in gold for the period. Index performance was led by the Information Technology, Health Care and Utilities sectors while Communication Services and Energy were the weakest performing.

Against this backdrop, Beutel Goodman Canadian Equity Fund underperformed its benchmark for the period. Unlike the index, the Fund's return is net of fees and expenses paid by the Fund. Please refer to the "Annual Compound Returns" in the Past Performance section for the returns of all classes of the Fund. On a relative basis, stock selection in Industrials, Consumer Staples and Communication Services was among the largest detractors. This was modestly offset by the contribution from the underweight in Materials and the Fund's allocation to small cap equities.

On an absolute basis, detractors during the six-month period included SNC-Lavalin Group Inc., Cameco Corp. and Molson Coors Canada Inc. SNC's stock price declined notably, although it was a relatively small weight in the portfolio. Our initial investment thesis was based on two key components: 1) valuable concession assets, which provide the business model and investors with downside protection or margin of safety, and 2) a profit recovery in its core Engineering and Construction business, which had been severely depressed. Our downside was based on the value of the infrastructure assets – mainly Highway 407 – and this had buttressed the stock price until the most recent operational difficulties. As a result of SNC's ongoing issues, we actively engaged

with senior management and the Chair of the Board. We also held discussions with outside consultants who were well-versed with the engineering and legal aspects surrounding SNC-Lavalin to assist us in our analysis of the company. In these discussions, we communicated our concerns and suggestions that could result in more consistent levels of profitability and better free cash generation. We also withheld the proxy vote for 6 of 11 directors, sending a clear message. This was in contrast to ISS's recommendation to vote for the entire slate of SNC-Lavalin's directors, and Beutel Goodman was one of the only institutional investors to do so. While it is disappointing when a business does not live up to our expectations, we closely monitored SNC, voiced our concerns with company management, and voted against status quo. Until recently, the stock had not breached our downside target. When it did, it triggered a full review, which resulted in the position being fully sold. Short-term price weakness in the uranium spot market as a result of uncertainty surrounding the Section 232 trade case in the U.S. resulted in negative sentiment in Cameco. We continue to see Cameco as undervalued and the uranium price as unsustainably low. Molson Coors posted negative returns on weaker-than-expected first-quarter revenues and operating earnings. While the company faces volume and margin pressure in its core U.S. business we remain constructive on the holding because of its attractive valuation and its ability to generate solid cash flow, in part from increased operational efficiencies.

On an absolute-return basis, the top contributors included Toronto-Dominion Bank, Royal Bank of Canada and Brookfield Asset Management. Bank share prices rose as market concerns about housing exposure propagated by U.S. short-sellers receded from the headlines, while Brookfield benefitted from the declining interest rate backdrop. The company continues to deploy capital effectively, as evidenced by the Oaktree Capital acquisition. Oaktree Capital is a credit management firm with an excellent reputation and strong investment track record. Our exposure to Canadian small cap equities also contributed.

During the period, we initiated a new position in Suncor Energy Inc. The largest additions to existing positions included Manulife Financial Corp., Canadian Imperial Bank of Commerce and Sun Life Financial Inc. We also fully exited our positions in IGM Financial and SNC-Lavalin, initiated process-driven partial sales of Brookfield Asset Management and Canadian Pacific Railway after both stocks reached our target prices, and trimmed Quebecor.

Detailed performance is provided under the heading "Past Performance" in this report.

Recent Developments

The expectation of monetary easing continues to propel equity markets higher. Most key central banks, including the U.S. Federal Reserve (the Fed) and the European Central Bank, are signalling that rate cuts may be required to mitigate the economic risks caused by tariffs. China also announced new stimulus measures to support its economy. Rates in Canada are in a holding pattern for now, following the recent strong inflation data, although bond markets appear to be pricing in one to two rate cuts. In the U.S., the S&P 500 Index traded at all-time highs, driven by the Fed's dovish signal and the 20%+ year-to-date returns in the Information Technology sector. The S&P/TSX Composite Index has not yet surpassed its high in April, but is close.

Over the last 12 months, we initiated several process-driven trims in Canadian Equity. Against a strong market backdrop, these holdings reached our target prices, which encompass a minimum 50% total return. We have also found

Beutel Goodman Canadian Equity Fund

opportunities in the Energy sector, which has been negatively affected due to oil price weakness and egress challenges. Our methodical process of purchasing stocks we believe are trading at a significant discount to intrinsic value, coupled with our strict sell discipline keeps our focus on the preservation of capital. This process has led to our largest overweights, relative to the Index, being in Financials, Consumer Staples and Communication Services. Energy remains our largest underweight.

Related Party Transactions

Beutel, Goodman & Company Ltd. ("BG") is the Manager, Trustee and Portfolio Advisor to this Fund. The Fund pays a management fee to BG as compensation for its services. The Fund pays a fixed administration fee to BG, which in turn pays certain operating expenses of the Fund. BG as trustee of the Fund earns a fee which is paid by the Manager from the fixed administration fee paid by the Fund.

The Fund did not rely on any recommendation or approval of its Independent Review Committee to proceed with any transaction involving related parties because it did not conduct any related party transactions, except for certain inter-fund trades and the management and administrative fees as described above, as approved by the Independent Review Committee by standing instructions, and subject to regulatory requirements.

Management Fees: As Manager, BG is paid a management fee from each class of the Fund based on the average daily net asset value of the particular class. The fee is payable monthly, in arrears, and is calculated at the annualized rate specified for each class of the Fund as set out in the table below. Management fees for Class I units are negotiated and paid directly by the investor, not by the Fund, and, therefore, are not listed.

	Maximum Annual Management Fee Rate %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Class B	1.85	55	45
Class D	1.25	22	78
Class F	0.90	0	100

Administration Fee: The Manager receives a fixed administration fee to pay certain operating expenses of the Fund. These expenses include audit and legal fees; custodian and transfer agent fees; costs attributable to the issue, redemption and change of units, including the cost of the security holder record-keeping system; expenses incurred in respect of preparing and distributing all regulatory reports; fund accounting and valuation costs; independent review committee fees and filing fees, including those incurred by us. The administration fee may vary by class of units and by Fund.

BG, as trustee of the Fund, earns a fee which is paid by the Manager from the administration fee paid by the Fund.

Beutel Goodman Canadian Equity Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6 month period ended June 30 of the current year and for the past 5 years ended December 31. The December 31 information is derived from the Fund's audited annual financial statements and is provided for each class of units.

Financial Highlights per unit

Class B Units

(for the period ended June 30, 2019 and years ended December 31)

\$	June 2019	2018	2017	2016	2015	2014
Net assets, beginning of period	14.07	15.81	14.75	12.65	13.57	12.54
Increase (decrease) from operations						
Total revenue	0.21	0.47	0.40	0.38	0.42	0.38
Total expenses	(0.16)	(0.34)	(0.33)	(0.29)	(0.38)	(0.36)
Realized gains (losses) for the period	0.27	0.90	0.29	0.15	0.14	0.24
Unrealized gains (losses) for the period	0.87	(2.17)	0.87	2.08	(0.99)	0.78
Total increase (decrease) from operations⁽¹⁾	1.19	(1.14)	1.23	2.32	(0.81)	1.04
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	0.15	0.15	0.15	0.11	0.14
From capital gains	–	0.49	–	–	–	–
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	0.64	0.15	0.15	0.11	0.14
Net assets, end of period⁽³⁾	15.30	14.07	15.81	14.75	12.65	13.57

Ratios and Supplemental Data

Class B Units

(for the period ended June 30, 2019 and years ended December 31)

	June 2019	2018	2017	2016	2015	2014
Total net asset value (\$) (000's)⁽⁴⁾	28,743	25,091	21,972	12,408	7,933	8,157
Number of outstanding units (000's)⁽⁴⁾	1,879	1,784	1,390	841	627	601
Management expense ratio⁽⁵⁾	2.16%	2.15%	2.14%	2.14%	2.15%	2.11%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	4%	20%	13%	9%	14%	6%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.03%	0.03%	0.02%	0.03%	0.02%
Net asset value per unit, end of period	15.30	14.07	15.81	14.75	12.65	13.57

Financial Highlights per unit

Class D Units

(for the period ended June 30, 2019 and years ended December 31)

\$	June 2019	2018	2017	2016	2015	2014
Net assets, beginning of period	34.39	38.59	35.84	30.67	32.91	30.26
Increase (decrease) from operations						
Total revenue	0.53	1.14	0.99	0.95	1.00	0.91
Total expenses	(0.26)	(0.52)	(0.51)	(0.45)	(0.58)	(0.52)
Realized gains (losses) for the period	0.65	2.22	0.71	0.34	0.33	0.60
Unrealized gains (losses) for the period	2.32	(5.09)	2.04	4.85	(2.46)	2.08
Total increase (decrease) from operations⁽¹⁾	3.24	(2.25)	3.23	5.69	(1.71)	3.07
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	0.57	0.49	0.53	0.51	0.46
From capital gains	–	1.20	–	–	–	–
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	1.77	0.49	0.53	0.51	0.46
Net assets, end of period⁽³⁾	37.54	34.39	38.59	35.84	30.67	32.91

Ratios and Supplemental Data

Class D Units

(for the period ended June 30, 2019 and years ended December 31)

	June 2019	2018	2017	2016	2015	2014
Total net asset value (\$) (000's)⁽⁴⁾	79,004	76,996	94,987	85,133	69,983	76,799
Number of outstanding units (000's)⁽⁴⁾	2,105	2,239	2,462	2,376	2,282	2,334
Management expense ratio⁽⁵⁾	1.39%	1.39%	1.39%	1.39%	1.38%	1.37%
Management expense ratio before waivers or absorptions⁽⁶⁾	1.50%	1.50%	1.50%	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	4%	20%	13%	9%	14%	6%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.03%	0.03%	0.02%	0.03%	0.02%
Net asset value per unit, end of period	37.54	34.39	38.59	35.84	30.67	32.91

Beutel Goodman Canadian Equity Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6 month period ended June 30 of the current year and for the past 5 years ended December 31. The December 31 information is derived from the Fund's audited annual financial statements and is provided for each class of units.

Financial Highlights per unit

Class F Units

(for the period ended June 30, 2019 and years ended December 31)

\$	June 2019	2018	2017	2016	2015	2014
Net assets, beginning of period	34.47	38.83	36.10	30.88	33.19	30.54
Increase (decrease) from operations						
Total revenue	0.54	1.18	1.01	0.96	1.01	0.92
Total expenses	(0.21)	(0.44)	(0.43)	(0.38)	(0.48)	(0.45)
Realized gains (losses) for the period	0.63	2.18	0.72	0.35	0.28	0.58
Unrealized gains (losses) for the period	2.19	(5.68)	2.18	4.98	(2.55)	2.04
Total increase (decrease) from operations⁽¹⁾	3.15	(2.76)	3.48	5.91	(1.74)	3.09
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	0.81	0.64	0.62	0.64	0.55
From capital gains	—	1.21	—	—	—	—
From return of capital	—	—	—	—	—	—
Total period distributions⁽²⁾	—	2.02	0.64	0.62	0.64	0.55
Net assets, end of period⁽³⁾	37.68	34.47	38.83	36.10	30.88	33.19

Ratios and Supplemental Data

Class F Units

(for the period ended June 30, 2019 and years ended December 31)

	June 2019	2018	2017	2016	2015	2014
Total net asset value (\$) (000's)⁽⁴⁾	112,856	99,752	77,077	54,928	40,835	37,351
Number of outstanding units (000's)⁽⁴⁾	2,995	2,894	1,985	1,521	1,322	1,125
Management expense ratio⁽⁵⁾	1.10%	1.11%	1.11%	1.11%	1.11%	1.10%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	4%	20%	13%	9%	14%	6%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.03%	0.03%	0.02%	0.03%	0.02%
Net asset value per unit, end of period	37.68	34.47	38.83	36.10	30.88	33.19

Financial Highlights per unit

Class I Units

(for the period ended June 30, 2019 and years ended December 31)

\$	June 2019	2018	2017	2016	2015	2014
Net assets, beginning of period	36.90	41.51	38.53	32.92	35.37	32.53
Increase (decrease) from operations						
Total revenue	0.57	1.24	1.07	1.02	1.08	0.99
Total expenses	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)
Realized gains (losses) for the period	0.70	2.40	0.76	0.36	0.34	0.64
Unrealized gains (losses) for the period	2.50	(5.64)	2.18	5.25	(2.79)	2.19
Total increase (decrease) from operations⁽¹⁾	3.75	(2.04)	3.97	6.60	(1.40)	3.79
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	1.23	1.05	1.03	1.03	0.92
From capital gains	—	1.30	—	—	—	—
From return of capital	—	—	—	—	—	—
Total period distributions⁽²⁾	—	2.53	1.05	1.03	1.03	0.92
Net assets, end of period⁽³⁾	40.53	36.90	41.51	38.53	32.92	35.37

Ratios and Supplemental Data

Class I Units

(for the period ended June 30, 2019 and years ended December 31)

	June 2019	2018	2017	2016	2015	2014
Total net asset value (\$) (000's)⁽⁴⁾	6,322,478	6,069,130	6,714,766	6,032,805	5,139,556	5,410,790
Number of outstanding units (000's)⁽⁴⁾	155,990	164,492	161,750	156,566	156,118	152,966
Management expense ratio⁽⁵⁾	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
Management expense ratio before waivers or absorptions⁽⁶⁾	0.11%	0.11%	0.11%	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	4%	20%	13%	9%	14%	6%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.03%	0.03%	0.02%	0.03%	0.02%
Net asset value per unit, end of period	40.53	36.90	41.51	38.53	32.92	35.37

Beutel Goodman Canadian Equity Fund

- (1) Net asset value per unit and distributions to unitholders per unit are based on the actual number of units outstanding for the relevant class at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding for the relevant class over the fiscal period.
- (2) Distributions were paid in cash or automatically reinvested in additional units of the Fund.
- (3) This is not a reconciliation of the beginning and ending net assets per unit.
- (4) This information is provided as at period end of the period shown.
- (5) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (6) The Manager may have waived or absorbed some of the fund expenses. If this had occurred, the management fee ratio before any such waiver or absorption is listed. The Manager may terminate the waiver or absorption at any time, at its discretion. It is not known when such waivers or absorptions will be terminated.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate equals the lesser of the costs of purchases and proceeds of sales of portfolio securities for the year divided by the average value of the portfolio securities of the Fund calculated on a monthly basis, excluding short-term securities.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs disclosed in the Statements of Comprehensive Income expressed as an annualized percentage of daily average net asset value of the Fund during the period.

Past Performance

The performance returns below:

- are calculated as of **December 31** in each year and for the **first 6 months** of the current year;
- assume **all distributions** made by the Fund **are reinvested** to purchase additional units; and
- show the returns of the particular class of the Fund after any applicable management fees and operating expenses have been deducted, **but are not reduced by any redemption charges, optional charges or income taxes payable by you that would have reduced returns on performance.**

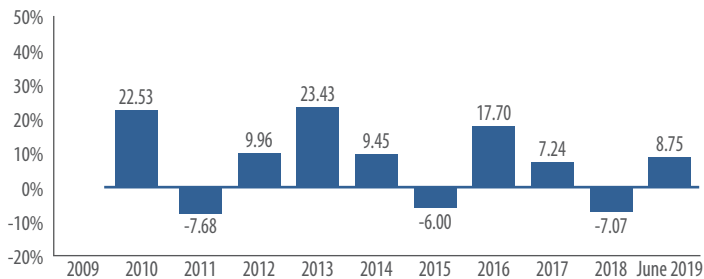
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman Canadian Equity Fund

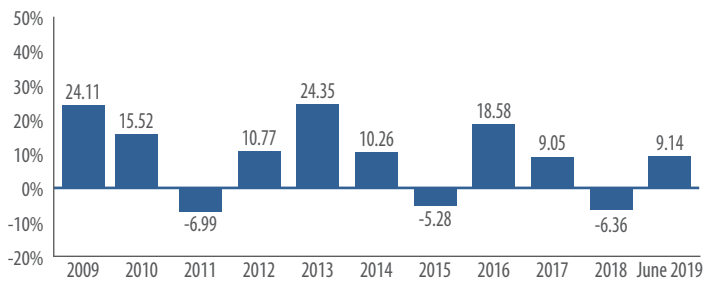
Year-by-Year Returns

The bar chart indicates the Fund's annual performance for each of the year's shown and for the current 6 month period, illustrating how the Fund's performance has changed from year to year. The bar chart shows in percentage terms how much an investment made on the first day of each financial year or period would have grown or decreased by the last day of each financial year or period.

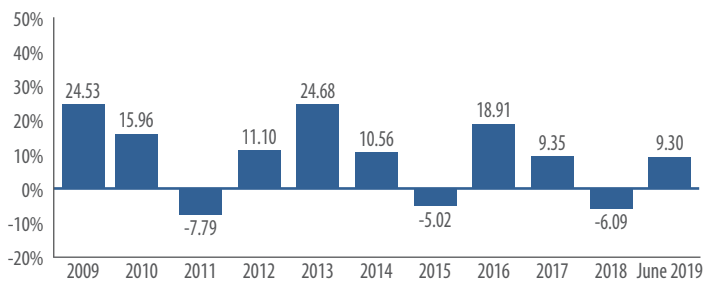
Class B



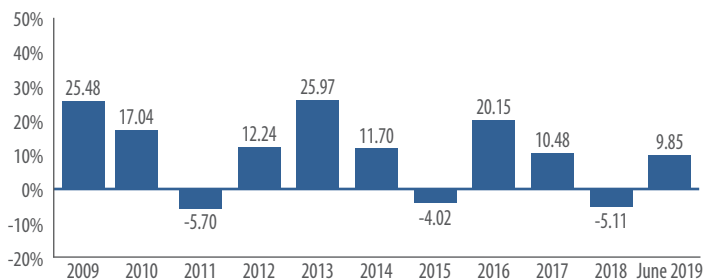
Class D



Class F



Class I



Beutel Goodman Canadian Equity Fund

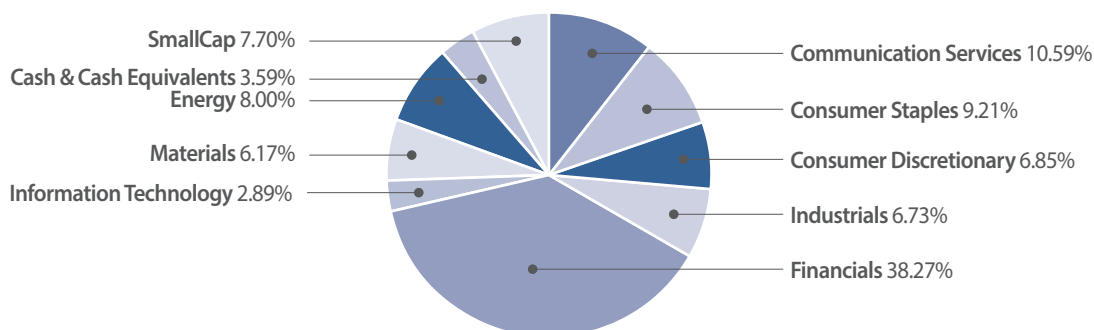
Summary of Investment Portfolio

The following information may change due to the ongoing portfolio transactions of the Fund. More current information regarding the holdings of the Fund may be obtained on our website at www.beutelgoodman.com.

Summary of Top 25 Holdings

Issuer Name	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Royal Bank of Canada	8.97	14. Canadian Tire Corp Ltd., Class A			2.81
2. The Toronto-Dominion Bank	8.67	15. Great-West Lifeco Inc.			2.33
3. Rogers Communications Inc., Class B	7.21	16. Saputo Inc.			2.18
4. Metro Inc., Class A	4.52	17. TELUS Corp.			2.04
5. Nutrien Ltd.	4.34	18. Franco-Nevada Corp.			1.82
6. Bank of Nova Scotia	4.21	19. Finning International Inc.			1.73
7. Canadian Natural Resources Ltd.	4.13	20. Cameco Corp.			1.64
8. Magna International Inc.	4.02	21. Quebecor Inc., Class B			1.59
9. Sun Life Financial Inc.	3.74	22. Molson Coors Canada Inc., Class B			1.56
10. Brookfield Asset Management Inc.	3.53	23. Manulife Financial Corp.			1.48
11. Bank of Montreal	3.07	24. Government of Canada	1.660	5-Sep-19	1.40
12. Open Text Corp.	2.88	25. Onex Corp.			1.35
13. Canadian National Railway Co.	2.85				

Asset Mix





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