



Interim Management Report of Fund Performance

June 30, 2019

Beutel Goodman International Equity Fund

Beutel Goodman International 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.

Beutel Goodman Managed Funds

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Beutel Goodman International Equity Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

This Fund seeks long term capital appreciation through investments in common shares and other equity securities of non-North American issuers.

The Fund invests in equity securities selected from a universe of potential candidates whose management have consistently demonstrated a commitment to create shareholder value without undue financial leverage. A value approach is applied, and research is directed to identify stocks which can be purchased at a reasonable price.

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

International equity markets rebounded in the January 1 to June 30, 2019 period, with the MSCI EAFE Index (C\$) up 9.1%. However, it wasn't a smooth ride higher, as markets reacted both to pressure caused by global growth concerns and increased trade tensions, particularly in May, and to support from increasingly dovish central bank language suggesting lower interest rates. Information Technology, Materials and Industrials led the index. While still positive, Communication Services, Utilities, Energy and Real Estate were the weakest performers.

Despite a positive total return in the period, Beutel Goodman International Equity Fund underperformed the index. 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. At the sector level, relative underperformance was driven in large part by stock selection in Communication Services, Information Technology, Health Care and Consumer Staples. This was offset somewhat by stock selection in Financials and Consumer Discretionary, as well as zero weightings in Utilities and Real Estate, which both underperformed the broad index.

At the individual security level, Compagnie Générale des Établissements Michelin SCA, Gjensidige Forsikring ASA and Carlsberg A/S were notable contributors on an absolute-return basis. Michelin provided a positive trading update in the period that highlighted an increase in sales in a difficult market, with a strong contribution coming from newly acquired businesses. While debt following the acquisitions is slightly elevated relative to its historical levels, we believe Michelin is purchasing solid businesses at reasonable multiples and further enhancing already-stable free cash flow through diversification. Norwegian insurance company Gjensidige Forsikring ASA advanced on strong earnings, as did Carlsberg, in addition to a 13% increase in the dividend. Despite the stock posting strong performance in the period, we believe it is still trading at attractive valuations.

Vodafone Group plc, Henkel AG & Co KGaA and Resona Holdings were among the detractors. Vodafone declined after a weak fiscal third quarter, guidance for lower 2019 earnings, and the Board's decision to cut the dividend by 40% to help hit the lower end of their targeted leverage range in three years. Henkel's share price weakened considerably on disappointing earnings results, as did Resona's; however, a year-over-year drop in net income was due largely to the decrease in one-off gains associated with the integration of Kansai Mirai Financial Group announced in 2017. We believe that even with a sustainable ROE of 8%, the stock is still trading below its intrinsic value, and in the meantime pays a 3.8% dividend and is building book value at 6% annually.

No new positions were initiated to the portfolio in the period, although we added broadly to existing positions in TGS-NOPEC Geophysical Company ASA, IMI plc, DBS Group Holdings Ltd., Resona, NTT Docomo Inc., EssilorLuxottica SA, Henkel AG & Co KGaA, Software AG, Atea ASA, Akzo Nobel NV, SMC Corp., Tokyo Electron, Konecranes Abp and Julius Baer Gruppe AG. We also completed three process-driven one-third sales, as Carlsberg A/S, Air Liquide SA and Gjensidige all reached our respective target prices, and the full sale of GEA Group AG, which we sold after it breached our downside target price. Despite the sale, we continue to monitor the business and progress of the new management team and ongoing restructuring efforts.

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

Recent Developments

Looking forward, with recent strength in the markets, it has become more difficult – but not impossible – to find new high-quality opportunities trading at deep discounts to intrinsic value relative to this point last year. To us, this represents a sign that overall market expectations are high and valuations, in aggregate, are no longer as attractive as they were. In addition, the strength of the broader equity markets amid escalated trade tensions, slowing global growth, potential easing by central banks and other geopolitical concerns is, in our view, a reason to be cautious.

However, while it is harder to find new gems at a discount, we remain positive in our outlook for the portfolio, as the holdings remain attractively valued versus the market and especially versus what we view as the intrinsic value of individual positions. It is rare to have such distortions relative to both fundamental value and relative value, especially given our focus on higher-quality businesses than the market (higher returns, cleaner balance sheets, sustainable free cash flow generation etc.). This is what gives us confidence in our ability to protect capital in down markets and generate positive returns for unit holders over the long term.

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.

Beutel Goodman International Equity 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	1.90	54	46
Class D	1.25	20	80
Class F	1.00	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 International 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	12.89	14.28	12.06	12.01	11.00	11.94
Increase (decrease) from operations						
Total revenue	0.37	0.44	0.37	0.41	0.31	0.47
Total expenses	(0.22)	(0.39)	(0.42)	(0.32)	(0.48)	(0.51)
Realized gains (losses) for the period	–	0.39	1.08	0.09	0.08	0.13
Unrealized gains (losses) for the period	0.68	(2.12)	0.19	(0.65)	0.09	(0.92)
Total increase (decrease) from operations⁽¹⁾	0.83	(1.68)	1.22	(0.47)	–	(0.83)
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	0.04	0.18	–	0.12	0.17
From capital gains	–	–	–	–	–	–
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	0.04	0.18	–	0.12	0.17
Net assets, end of period⁽³⁾	13.80	12.89	14.28	12.06	12.01	11.00

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⁾	2,143	1,060	750	66	153	59
Number of outstanding units (000's)⁽⁴⁾	155	82	53	5	13	5
Management expense ratio⁽⁵⁾	2.27%	2.26%	2.30%	2.31%	2.32%	2.32%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	9%	28%	44%	40%	44%	58%
Trading expense ratio (%)⁽⁸⁾	0.10%	0.15%	0.21%	0.16%	0.21%	0.34%
Net asset value per unit, end of period	13.80	12.89	14.28	12.06	12.01	11.00

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	5.31	5.90	4.90	4.93	4.49	4.88
Increase (decrease) from operations						
Total revenue	0.15	0.18	0.15	0.16	0.14	0.20
Total expenses	(0.05)	(0.08)	(0.07)	(0.08)	(0.10)	(0.11)
Realized gains (losses) for the period	–	0.18	0.40	0.09	0.13	0.07
Unrealized gains (losses) for the period	0.32	(0.94)	0.62	–	0.52	(0.47)
Total increase (decrease) from operations⁽¹⁾	0.42	(0.66)	1.10	0.17	0.69	(0.31)
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	0.08	0.02	0.09	0.06	0.14
From capital gains	–	–	–	–	–	–
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	0.08	0.02	0.09	0.06	0.14
Net assets, end of period⁽³⁾	5.71	5.31	5.90	4.90	4.93	4.49

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⁾	4,573	4,536	3,563	4,037	3,068	3,780
Number of outstanding units (000's)⁽⁴⁾	801	854	603	824	622	843
Management expense ratio⁽⁵⁾	1.51%	1.51%	1.50%	1.51%	1.51%	1.45%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	9%	28%	44%	40%	44%	58%
Trading expense ratio (%)⁽⁸⁾	0.10%	0.15%	0.21%	0.16%	0.21%	0.34%
Net asset value per unit, end of period	5.71	5.31	5.90	4.90	4.93	4.49

Beutel Goodman International 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	5.32	5.92	4.96	4.98	4.55	4.85
Increase (decrease) from operations						
Total revenue	0.15	0.20	0.15	0.17	0.15	0.22
Total expenses	(0.06)	(0.11)	(0.11)	(0.09)	(0.12)	(0.14)
Realized gains (losses) for the period	(0.01)	0.19	0.41	0.12	0.10	0.08
Unrealized gains (losses) for the period	0.32	(0.83)	(0.25)	0.08	0.33	(0.45)
Total increase (decrease) from operations⁽¹⁾	0.40	(0.55)	0.20	0.28	0.46	(0.29)
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	0.09	0.09	0.10	0.08	0.04
From capital gains	-	-	-	-	-	-
From return of capital	-	-	-	-	-	-
Total period distributions⁽²⁾	-	0.09	0.09	0.10	0.08	0.04
Net assets, end of period⁽³⁾	5.72	5.32	5.92	4.96	4.98	4.55

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⁾	1,241	1,175	1,064	129	74	52
Number of outstanding units (000's)⁽⁴⁾	217	221	180	26	15	11
Management expense ratio⁽⁵⁾	1.29%	1.30%	1.30%	1.29%	1.30%	1.30%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	9%	28%	44%	40%	44%	58%
Trading expense ratio (%)⁽⁸⁾	0.10%	0.15%	0.21%	0.16%	0.21%	0.34%
Net asset value per unit, end of period	5.72	5.32	5.92	4.96	4.98	4.55

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	5.70	6.34	5.29	5.30	4.84	5.25
Increase (decrease) from operations						
Total revenue	0.16	0.21	0.17	0.17	0.16	0.22
Total expenses	(0.03)	(0.04)	(0.04)	(0.03)	(0.03)	(0.05)
Realized gains (losses) for the period	-	0.22	0.42	0.09	0.13	0.08
Unrealized gains (losses) for the period	0.32	(0.89)	0.58	(0.10)	0.39	(0.48)
Total increase (decrease) from operations⁽¹⁾	0.45	(0.50)	1.13	0.13	0.65	(0.23)
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	0.17	0.14	0.15	0.14	0.19
From capital gains	-	-	-	-	-	-
From return of capital	-	-	-	-	-	-
Total period distributions⁽²⁾	-	0.17	0.14	0.15	0.14	0.19
Net assets, end of period⁽³⁾	6.16	5.70	6.34	5.29	5.30	4.84

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⁾	201,851	175,782	177,509	129,882	132,552	126,262
Number of outstanding units (000's)⁽⁴⁾	32,748	30,851	27,986	24,559	24,993	26,112
Management expense ratio⁽⁵⁾	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	9%	28%	44%	40%	44%	58%
Trading expense ratio (%)⁽⁸⁾	0.10%	0.15%	0.21%	0.16%	0.21%	0.34%
Net asset value per unit, end of period	6.16	5.70	6.34	5.29	5.30	4.84

Beutel Goodman International 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.**

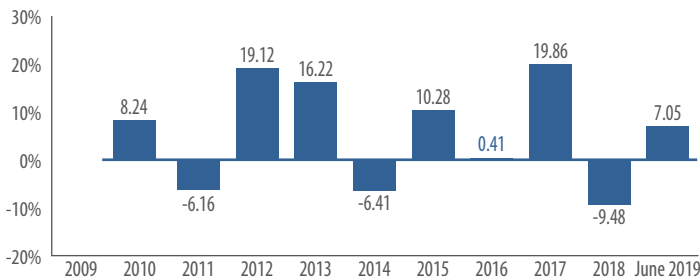
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman International Equity Fund

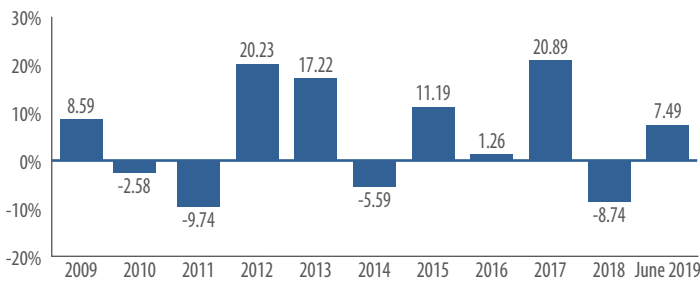
Year-by-Year Returns

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.

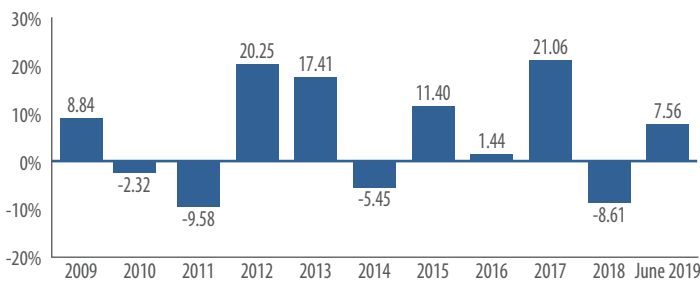
Class B



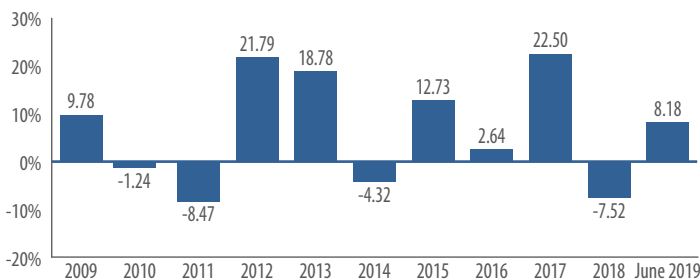
Class D



Class F



Class I



Beutel Goodman International Equity Fund

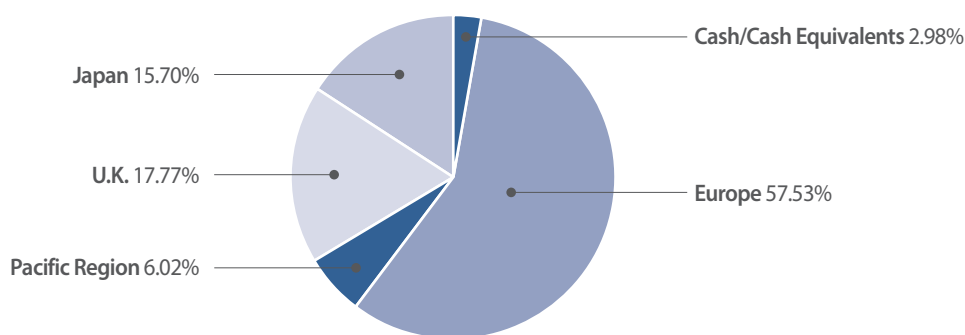
Summary of Investment Portfolio

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	% of Net Assets
1. Smith & Nephew PLC	4.41	14. Tokyo Electron Ltd.	3.35
2. Merck KGaA	4.24	15. GlaxoSmithKline PLC	3.35
3. Roche Holding AG	4.13	16. Carlsberg A/S	3.25
4. Cie Générale des Établissements Michelin	4.09	17. Atea ASA	3.25
5. Akzo Nobel NV	3.84	18. DBS Group Holdings Ltd.	3.23
6. Hakuodo DY Holdings Inc.	3.75	19. Julius Baer Group Ltd.	3.17
7. TGS Nopec Geophysical Co ASA	3.64	20. Software AG	3.13
8. Smiths Group PLC	3.61	21. BASF SE	3.02
9. Henkel AG & Co KGaA	3.59	22. Koninklijke KPN NV	2.99
10. IMI PLC	3.58	23. Caltex Australia Ltd.	2.78
11. NTT DOCOMO Inc.	3.56	24. Vodafone Group PLC	2.77
12. Konecranes OYJ	3.49	25. SMC Corp.	2.66
13. Essilor Luxottica	3.35		

Regional Mix





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