



Interim Management Report of Fund Performance

June 30, 2019

Beutel Goodman North American Focused Equity Fund

Beutel Goodman North American Focused 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 North American Focused Equity Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

The Fund seeks long-term capital growth through investments primarily in common shares and other equity securities of issuers in Canada and the United States.

The Fund seeks to hold a concentrated portfolio of quality companies for the long-term. The investment portfolio of the Fund will therefore consist of a small number of large positions with low turnover. It is not expected that the fund will invest in more than 24 issuers at one time. Currently, the Fund does not expect to invest more than 49% of its assets in securities of U.S. issuers.

The Fund's strategy is to identify companies that can grow their intrinsic value at above normal rates over long periods of time. Companies generating free cash flow are favoured. Securities are purchased when they are trading at a substantial discount to their business value.

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.

As the result of an annual review conducted using the investment risk classification methodology set forth in National Instrument 81-102 – Investment Funds, during the period the Fund's risk rating changed from "Medium" to "Low to Medium", effective May 23, 2019.

Results of Operations

In the January 1 to June 30, 2019 period, North American equity markets reacted both to pressure caused by global growth concerns and increased trade tensions, and to support from increasingly dovish central bank language suggesting lower interest rates. In Canada, the S&P/TSX Composite rose to an all-time high in April as more accommodative policy from the Bank of Canada and strong earnings fueled the market, before retracing gains somewhat in June due to heightened trade worries. However, the index ultimately ended the period higher, posting a return of 16.2% as the prospect of rate cuts and a trade agreement between the U.S. and China buoyed sentiment. The story was much the same in the U.S., with volatility on both the upside and the downside ultimately resulting in the S&P 500 Index (C\$) returning 13.4% in the period.

While performance was positive overall, Beutel Goodman North American Focused Equity Fund underperformed its benchmark in 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, the Canadian component of the portfolio underperformed the S&P/TSX Composite Index due in large part to security selection in the Industrials, Consumer Discretionary and Consumer Staples sectors. Areas of strength included stock selection in Financials and a zero weighting in Materials, which underperformed the broad index in the period. The U.S. component of the portfolio underperformed the S&P 500 Index due in part to stock selection in Consumer Staples and Communication Services. This was offset somewhat by contributions from stock selection in Financials and Information Technology, and a combination of selection and a relative overweight in Health Care.

At the individual security level, KLA-Tencor Corp. and Brookfield Asset Management Inc. were among the notable contributors on an absolute-return basis, as were Sun Life Financial Inc. Toronto-Dominion Bank and Royal Bank of Canada. KLA gained in the period due in part to better-than-guided earnings, as well as improving investor sentiment for the semi-conductor industry. In particular, KLA is seeing strength from customers like Intel, TSMC and Samsung, and we believe the company will likely outgrow its industry peers over the next few years. 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. Bank share prices rose as market concerns about housing exposure propagated by U.S. short-sellers receded from the headlines, while Sun Life performed well due to its combination of attractive valuation and solid quarterly results that reinforced its medium-term earnings growth guidance.

SNC-Lavalin Group, Kellogg Company and Halliburton were among the main detractors on an absolute-return basis. Weakness in spending in the U.S. shale industry continued to weigh on Halliburton's revenues. However, with a growing international market and improvement in the U.S. market, we continue to believe the company has great upside. Kellogg's share price declined in the period due in part to lowered guidance and announcements of reorganization plans for its European and North American operations. However, the company continues to pay an attractive dividend while also repurchasing stock and we believe it will be rewarded for its efforts to reposition itself for sustainable growth. 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.

We initiated a new position in Amgen Inc. during the period, and added to a number of existing positions, including AmerisourceBergen Corp., Canadian Tire Corp., Comcast Corp., Finning International Inc., Kellogg Company, KLA-Tencor Corp., Magna International Inc., Parker Hannifin Corp., Saputo Inc., Sun Life Financial Inc., Verizon Communications Inc., Omnicom Group Inc. and Molson Coors Brewing Company. In addition, we fully exited our position in SNC-Lavalin

Beutel Goodman North American Focused Equity Fund

and initiated process-driven partial sales of Brookfield Asset Management and Oracle Corp. after the stocks reached our target prices.

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 the North American Focused Equity mandate. Against a strong market backdrop, these holdings reached our target prices, which encompass a minimum 50% total return. The number of new opportunities in the North American equity universe is not as large as what we experienced in past years, but we believe the portfolio itself remains very attractively positioned versus the intrinsic values of the holdings as well as the broad market. It is rare for both these measures to be so far out of line, and thus our conviction remains high.

We are cognizant of the increasing noise about economic weakness in global markets, trade tensions and geopolitical uncertainty. However, we are ultimately bottom-up stock pickers and we will always remain focused on fundamentals. The portfolio holdings continue to generate free cash flow, have strong balance sheets and capital allocation policies that we feel strike the right balance between corporate needs and shareholder returns.

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.

	As a Percentage of Management Fees		
	Maximum Annual Management Fee Rate %	Dealer Compensation %	General Administration, Investment Advice and Profit %
Class B	1.85	55	45
Class D	1.25	19	81
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 North American Focused 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	16.39	17.41	15.95	13.57	13.76	13.01
Increase (decrease) from operations						
Total revenue	0.23	0.43	0.41	0.44	0.38	0.35
Total expenses	(0.20)	(0.42)	(0.40)	(0.36)	(0.34)	(0.35)
Realized gains (losses) for the period	(0.19)	0.54	0.71	0.96	0.02	0.52
Unrealized gains (losses) for the period	1.19	(1.30)	1.06	2.07	0.29	0.75
Total increase (decrease) from operations⁽¹⁾	1.03	(0.75)	1.78	3.11	0.35	1.27
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	—	—	—	—	0.04	0.02
From dividends	—	—	0.03	0.13	0.16	0.14
From capital gains	—	0.32	0.40	0.38	0.08	0.46
From return of capital	—	—	—	—	—	—
Total period distributions⁽²⁾	—	0.32	0.43	0.51	0.28	0.62
Net assets, end of period⁽³⁾	17.45	16.39	17.41	15.95	13.57	13.76

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⁾	11,496	10,373	9,068	2,576	1,125	288
Number of outstanding units (000's)⁽⁴⁾	659	633	521	161	83	21
Management expense ratio⁽⁵⁾	2.16%	2.18%	2.19%	2.20%	2.19%	2.20%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	5%	23%	18%	21%	10%	28%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.04%	0.03%	0.05%	0.04%	0.07%
Net asset value per unit, end of period	17.45	16.39	17.41	15.95	13.57	13.76

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	10.01	10.59	9.67	8.20	8.22	7.69
Increase (decrease) from operations						
Total revenue	0.14	0.26	0.25	0.27	0.23	0.21
Total expenses	(0.08)	(0.16)	(0.15)	(0.12)	(0.12)	(0.11)
Realized gains (losses) for the period	(0.11)	0.32	0.46	0.53	0.10	0.46
Unrealized gains (losses) for the period	0.75	(0.72)	0.64	1.21	(0.08)	0.28
Total increase (decrease) from operations⁽¹⁾	0.70	(0.30)	1.20	1.89	0.13	0.84
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	—	—	—	—	0.02	0.01
From dividends	—	0.03	0.05	0.11	0.07	0.10
From capital gains	—	0.20	0.24	0.23	0.05	0.27
From return of capital	—	—	—	—	—	—
Total period distributions⁽²⁾	—	0.23	0.29	0.34	0.14	0.38
Net assets, end of period⁽³⁾	10.69	10.01	10.59	9.67	8.20	8.22

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⁾	15,526	15,116	15,654	9,435	5,854	5,317
Number of outstanding units (000's)⁽⁴⁾	1,453	1,511	1,478	976	714	647
Management expense ratio⁽⁵⁾	1.50%	1.50%	1.51%	1.51%	1.51%	1.46%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	5%	23%	18%	21%	10%	28%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.04%	0.03%	0.05%	0.04%	0.07%
Net asset value per unit, end of period	10.69	10.01	10.59	9.67	8.20	8.22

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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	17.11	18.15	16.60	14.07	14.11	13.19
Increase (decrease) from operations						
Total revenue	0.24	0.45	0.43	0.46	0.40	0.36
Total expenses	(0.12)	(0.24)	(0.23)	(0.21)	(0.19)	(0.20)
Realized gains (losses) for the period	(0.21)	0.57	0.73	0.97	0.17	0.78
Unrealized gains (losses) for the period	1.14	(1.49)	1.16	2.01	(0.16)	0.66
Total increase (decrease) from operations⁽¹⁾	1.05	(0.71)	2.09	3.23	0.22	1.60
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	—	—	—	—	0.04	0.02
From dividends	—	0.17	0.18	0.25	0.16	0.14
From capital gains	—	0.34	0.42	0.40	0.08	0.47
From return of capital	—	—	—	—	—	—
Total period distributions⁽²⁾	—	0.51	0.60	0.65	0.28	0.63
Net assets, end of period⁽³⁾	18.30	17.11	18.15	16.60	14.07	14.11

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⁾	22,477	16,588	11,284	2,275	1,039	915
Number of outstanding units (000's)⁽⁴⁾	1,228	969	622	137	74	65
Management expense ratio⁽⁵⁾	1.11%	1.12%	1.13%	1.13%	1.13%	1.13%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	5%	23%	18%	21%	10%	28%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.04%	0.03%	0.05%	0.04%	0.07%
Net asset value per unit, end of period	18.30	17.11	18.15	16.60	14.07	14.11

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	10.90	11.54	10.51	8.87	8.89	8.30
Increase (decrease) from operations						
Total revenue	0.15	0.30	0.27	0.30	0.26	0.23
Total expenses	(0.02)	(0.04)	(0.03)	(0.04)	(0.03)	(0.03)
Realized gains (losses) for the period	(0.13)	0.41	0.50	0.55	0.10	0.55
Unrealized gains (losses) for the period	0.79	(1.23)	0.76	1.31	(0.11)	0.40
Total increase (decrease) from operations⁽¹⁾	0.79	(0.56)	1.50	2.12	0.22	1.15
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	—	—	—	—	0.04	0.02
From dividends	—	0.20	0.18	0.23	0.17	0.16
From capital gains	—	0.22	0.27	0.25	0.05	0.30
From return of capital	—	—	—	—	—	—
Total period distributions⁽²⁾	—	0.42	0.45	0.48	0.26	0.48
Net assets, end of period⁽³⁾	11.72	10.90	11.54	10.51	8.87	8.89

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⁾	9,617	8,355	4,567	3,683	2,862	2,464
Number of outstanding units (000's)⁽⁴⁾	820	766	396	351	323	277
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⁾	5%	23%	18%	21%	10%	28%
Trading expense ratio (%)⁽⁸⁾	0.02%	0.04%	0.03%	0.05%	0.04%	0.07%
Net asset value per unit, end of period	11.72	10.90	11.54	10.51	8.87	8.89

Beutel Goodman North American Focused 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.**

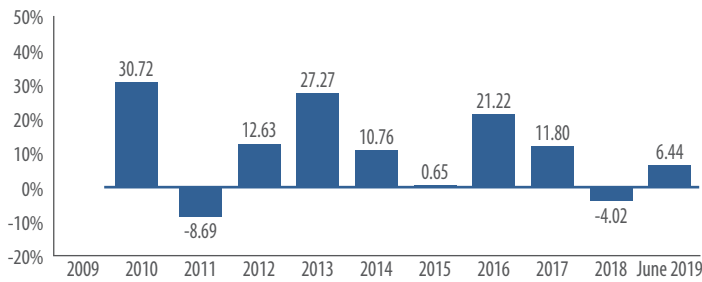
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman North American Focused Equity Fund

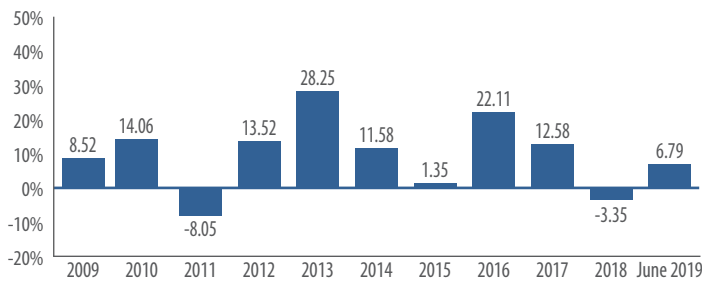
Year-by-Year Returns

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.

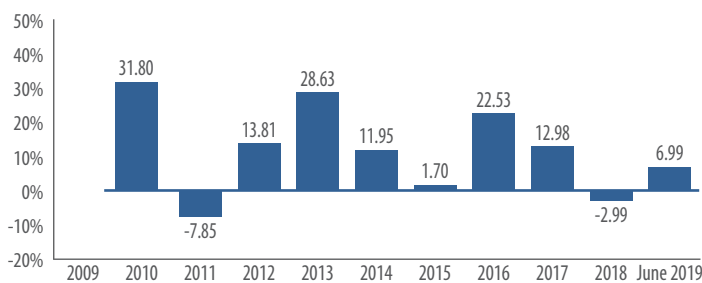
Class B



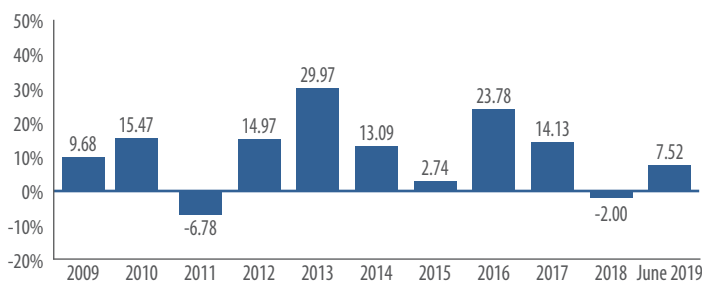
Class D



Class F



Class I



Beutel Goodman North American Focused Equity Fund

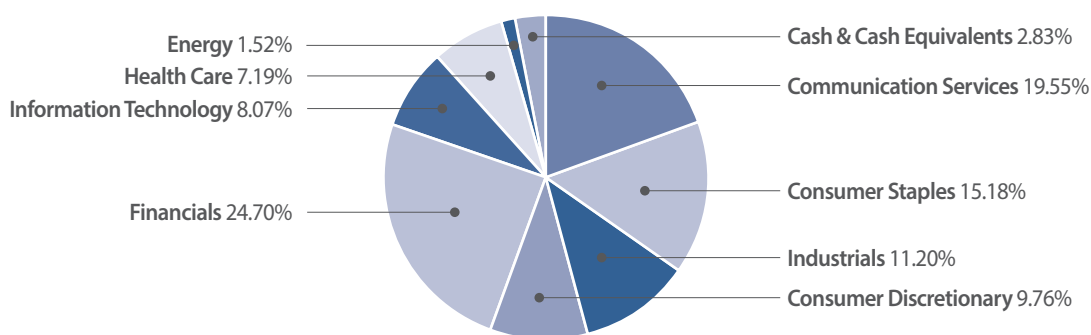
Summary of Investment Portfolio

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. The Toronto-Dominion Bank	6.28	14. Omnicom Group Inc.			4.28
2. Royal Bank of Canada	6.01	15. Kellogg Co.			3.85
3. Sun Life Financial Inc.	5.73	16. American Express Co.			3.54
4. Verizon Communications Inc.	5.27	17. Molson Coors Brewing Co.			3.51
5. Comcast Corp.	5.10	18. Brookfield Asset Management Inc.			3.18
6. Magna International Inc.	5.10	19. Oracle Corp.			3.06
7. KLA-Tencor Corp.	5.01	20. Saputo Inc.			2.93
8. Rogers Communications Inc., Class B	4.91	21. Amgen Inc.			2.53
9. Metro Inc., Class A	4.91	22. Government of Canada	1.664	19-Sep-19	2.27
10. Finning International Inc.	4.80	23. Canadian Pacific Railway Ltd.			2.05
11. Canadian Tire Corp Ltd., Class A	4.67	24. Halliburton Co.			1.52
12. AmerisourceBergen Corp.	4.66	25. Government of Canada	1.666	5-Sep-19	0.34
13. Parker Hannifin Corp.	4.36				

Asset Mix





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