

Annual Report

December 31, 2018

Beutel Goodman Balanced Fund
Beutel Goodman Canadian Equity Fund
Beutel Goodman Total World Equity Fund
Beutel Goodman North American Focused Equity Fund
Beutel Goodman Fundamental Canadian Equity Fund
Beutel Goodman Small Cap Fund
Beutel Goodman Canadian Dividend Fund
Beutel Goodman Global Dividend Fund
Beutel Goodman World Focus Equity Fund
Beutel Goodman Global Equity Fund
Beutel Goodman International Equity Fund
Beutel Goodman American Equity Fund
Beutel Goodman Income Fund
Beutel Goodman Long Term Bond Fund
Beutel Goodman Core Plus Bond Fund
(Formerly the Beutel Goodman Corporate Provincial Active Bond Fund)
Beutel Goodman Short Term Bond Fund
Beutel Goodman Money Market Fund

A look inside Managed Funds

Annual Report

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Management's Responsibility for Financial Reporting

Beutel, Goodman & Company Ltd.

The accompanying financial statements have been prepared by Beutel, Goodman & Company Ltd., as Manager of the Beutel Goodman Managed Funds (the "BG Funds") and approved by the Board of Directors of Beutel, Goodman & Company Ltd. We are responsible for the information contained within the financial statements and other sections of this Annual Report.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (and they include certain amounts that are based on estimates and judgments). The significant accounting policies, which we believe are appropriate for the BG Funds, are described in Note 3 to the financial statements.

The Board of Directors of Beutel, Goodman & Company Ltd. is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

PricewaterhouseCoopers LLP are the external auditors of the BG Funds. The auditors have been appointed by the Trustee. PricewaterhouseCoopers have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements. Their report is set out on the following page.

Michael J. Gibson (signed)

Managing Director, Operations
Beutel, Goodman & Company Ltd.

March 25, 2019

Mark D. Thomson (signed)

Managing Director, Equities
Beutel, Goodman & Company Ltd.

Independent Auditor's Report

To the Unitholders and Trustee of

Beutel Goodman Balanced Fund
Beutel Goodman Canadian Equity Fund
Beutel Goodman Total World Equity Fund
Beutel Goodman North American Focused Equity Fund
Beutel Goodman Fundamental Canadian Equity Fund
Beutel Goodman Small Cap Fund
Beutel Goodman Canadian Dividend Fund
Beutel Goodman Global Dividend Fund
Beutel Goodman Core Plus Bond Fund
(Formerly, the Beutel Goodman Corporate Provincial Active Bond Fund)

Beutel Goodman Global Equity Fund
Beutel Goodman International Equity Fund
Beutel Goodman American Equity Fund
Beutel Goodman Income Fund
Beutel Goodman Long Term Bond Fund
Beutel Goodman Short Term Bond Fund
Beutel Goodman Money Market Fund
Beutel Goodman World Focus Equity Fund

(collectively, the Funds, individually the Fund)

Our opinion

In our opinion, the accompanying December 31, 2018 annual financial statements of each of the Funds present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the years ended indicated in Note 1 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each of the Funds comprise:

- the statements of financial position as at the period-end dates indicated in Note 1;
- the statements of comprehensive income for the periods indicated in Note 1;
- the statements of changes in net assets attributable to holders of redeemable units/equity for the periods indicated in Note 1;
- the statements of cash flows for the periods indicated in Note 1; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each of the Funds. The other information comprises the Management Report of Fund Performance of each of the Funds.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each of the Funds, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each of the Funds, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any of the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each of the Funds.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each of the Funds.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each of the Funds, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each of the Funds.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each of the Funds to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each of the Funds or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any of the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each of the Funds, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 25, 2019

Beutel Goodman Balanced Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	53,583,907	86,953,856
Financial assets at fair value through profit or loss*	3,804,591,852	4,093,481,656
Accrued interest	6,443,841	6,221,880
Dividends receivable	5,032,538	4,682,713
Due from brokers	3,232,961	298,649
Subscriptions receivable	919,529	2,684,382
Total assets	3,873,804,628	4,194,323,136
Liabilities		
Current liabilities		
Management and administrative fees payable	571,152	535,051
Due to brokers	999,118	598,381
Redemptions payable	2,538,207	1,417,503
Distributions payable	—	525
Total liabilities (before net assets attributable to holders of redeemable units)	4,108,477	2,551,460
Net assets attributable to holders of redeemable units	3,869,696,151	4,191,771,676
*Investments at average cost	3,559,073,690	3,414,265,276
Net assets attributable to holders of redeemable units per class		
Class B	72,225,746	60,574,832
Class D	201,744,663	203,150,672
Class F	49,063,797	37,294,274
Class I	3,546,661,945	3,890,751,898
Net assets attributable to holders of redeemable units per unit		
Class B	11.37	12.61
Class D	19.04	21.09
Class F	11.54	12.80
Class I	19.80	21.95
Number of outstanding redeemable units (note 6)		
Class B	6,353,975	4,803,266
Class D	10,596,183	9,630,558
Class F	4,252,276	2,912,971
Class I	179,134,522	177,218,589

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	84,105,198	70,543,432
Interest for distribution purposes	37,953,574	34,465,524
Realized gain (loss) on sale of investments	222,040,329	190,909,003
Change in unrealized appreciation (depreciation) in the value of investments	(433,698,218)	131,799,769
Net gains (losses) on investments	(89,599,117)	427,717,728
Other income		
Realized gain (loss) on foreign currency transactions	(1,500,227)	(748,576)
Total income	(91,099,344)	426,969,152
Expenses		
Management fees	4,012,152	2,977,878
Administrative fees	4,629,054	2,735,277
Transaction costs (note 9)	2,339,944	2,038,628
Withholding taxes	5,092,064	4,547,558
Total expenses before waiver	16,073,214	12,299,341
Expenses waived by the manager	(1,714,890)	—
Total Expenses	14,358,324	12,299,341
Increase (decrease) in net assets attributable to holders of redeemable units	(105,457,668)	414,669,811
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(3,231,372)	3,561,228
Class D	(7,544,370)	17,430,988
Class F	(1,921,806)	2,186,439
Class I	(92,760,120)	391,491,156
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.58)	1.06
Class D	(0.74)	1.99
Class F	(0.52)	1.13
Class I	(0.53)	2.33

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Balanced Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	60,574,832	28,229,751
Class D	203,150,672	166,135,890
Class F	37,294,274	11,147,637
Class I	3,890,751,898	3,498,149,961
	4,191,771,676	3,703,663,239
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(3,231,372)	3,561,228
Class D	(7,544,370)	17,430,988
Class F	(1,921,806)	2,186,439
Class I	(92,760,120)	391,491,156
	(105,457,668)	414,669,811
Distribution to holders of redeemable units		
From net investment income		
Class B	(591,691)	(325,893)
Class D	(3,324,205)	(2,489,610)
Class F	(893,119)	(452,825)
Class I	(103,974,677)	(90,856,595)
From net realized gains on investments		
Class B	(3,560,768)	(2,341,842)
Class D	(9,995,238)	(7,915,227)
Class F	(2,664,457)	(1,476,632)
Class I	(175,309,201)	(152,175,914)
	(300,313,356)	(258,034,538)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	31,471,505	36,336,162
Class D	40,700,502	41,487,332
Class F	31,556,353	31,611,378
Class I	253,648,744	198,165,716
Reinvestments of distributions to holders of redeemable units		
Class B	3,997,314	2,576,457
Class D	12,999,176	10,164,806
Class F	2,570,789	1,559,668
Class I	279,255,419	243,032,509
Redemption of redeemable units		
Class B	(16,434,074)	(7,461,031)
Class D	(34,241,874)	(21,663,507)
Class F	(16,878,237)	(7,281,391)
Class I	(504,950,118)	(197,054,935)
	83,695,499	331,473,164
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	11,650,914	32,345,081
Class D	(1,406,009)	37,014,782
Class F	11,769,523	26,146,637
Class I	(344,089,953)	392,601,937
	(322,075,525)	488,108,437
Net assets attributable to holders of redeemable units at end of year		
Class B	72,225,746	60,574,832
Class D	201,744,663	203,150,672
Class F	49,063,797	37,294,274
Class I	3,546,661,945	3,890,751,898
	3,869,696,151	4,191,771,676

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(105,457,668)	414,669,811
Adjustments for:		
Net realized (gain) loss on sale of investments	(222,040,329)	(190,909,003)
Change in unrealized (appreciation) depreciation in the value of investments	433,698,218	(131,799,769)
Purchases of investments	(4,136,427,144)	(4,839,484,921)
Proceeds from sale of investments	4,211,125,484	4,705,403,542
(Increase) decrease in accrued interest	(221,961)	(523,590)
(Increase) decrease in dividends receivable	(349,825)	(396,322)
Increase (decrease) in accrued liabilities	36,101	141,238
Net cash flows from (used in) operating activities	180,362,876	(42,899,014)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,491,183)	(700,591)
Proceeds from redeemable units issued	359,141,957	306,831,511
Redemption of redeemable units	(571,383,599)	(233,485,130)
Net cash flows from (used in) financing activities	(213,732,825)	72,645,790
Net increase (decrease) in cash and cash equivalents	(33,369,949)	29,746,776
Cash and cash equivalents at beginning of year	86,953,856	57,207,080
Cash and cash equivalents at end of year*	53,583,907	86,953,856
Supplementary information		
Cash flow from operating activities		
Interest received	37,731,613	33,941,934
Dividends received, net of withholding taxes	78,663,309	65,599,552
*Cash and cash equivalents include:		
Cash at banks	1,101,717	450,990
Short-term investments	52,482,190	86,502,866
Total	53,583,907	86,953,856

The accompanying notes are an integral part of these financial statements.

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Beutel Goodman Balanced Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets		
Cash Equivalents (2017 - 2.06%)						Corporate Bonds							
Treasury Bills						619,007		Alliance Pipeline LP	6.765	31-Dec-25	673,126	702,406	0.02
125,000	Government of Canada	1.712	24-Jan-19	124,473	124,473	0.01	7,155,000	AltaGas Ltd.	3.720	28-Sep-21	7,368,794	7,199,616	0.19
4,425,000	Government of Canada	1.690	7-Feb-19	4,406,933	4,406,933	0.11	5,737,000	AltaLink LP	2.978	28-Nov-22	5,721,283	5,788,923	0.15
14,775,000	Government of Canada	1.690	21-Feb-19	14,710,640	14,710,640	0.38	4,087,000	AltaLink LP	3.717	3-Dec-46	4,079,545	4,047,502	0.10
24,650,000	Government of Canada	1.623	7-Mar-19	24,547,950	24,547,950	0.64	25,900,000	Bank of Montreal	2.100	6-Oct-20	25,950,200	25,676,198	0.65
8,725,000	Government of Canada	1.640	21-Mar-19	8,692,194	8,692,194	0.22	26,407,000	Bank of Montreal	1.610	28-Oct-21	25,807,144	25,596,606	0.66
				52,482,190	52,482,190	1.36	15,356,000	Bank of Montreal	2.270	11-Jul-22	15,233,826	15,066,384	0.39
Canadian Bonds (2017 - 30.37%)						3,130,000	Bank of Montreal	3.190	1-Mar-28	3,105,148	3,134,567	0.08	
Federal Bonds						26,969,000	Bank of Nova Scotia	2.270	13-Jan-20	26,973,025	26,924,698	0.69	
3,853,000	Canadian Government Bond	0.500	1-Feb-19	3,845,910	3,849,674	0.10	1,310,000	Bank of Nova Scotia	2.130	15-Jun-20	1,320,176	1,302,080	0.03
20,598,000	Canadian Government Bond	1.250	1-Feb-20	20,364,364	20,474,388	0.52	13,369,000	Bell Canada Inc.	3.000	3-Oct-22	13,465,300	13,255,541	0.34
4,481,000	Canadian Government Bond	2.000	1-Sep-23	4,409,256	4,504,189	0.12	7,179,000	Bell Canada Inc.	2.700	27-Feb-24	6,988,490	6,932,219	0.18
15,087,000	Canadian Government Bond	2.250	1-Jun-25	15,380,868	15,391,941	0.40	2,636,000	Bell Canada Inc.	3.600	29-Sep-27	2,628,329	2,593,500	0.07
19,919,000	Canadian Government Bond	2.000	1-Jun-28	19,876,686	19,981,543	0.52	6,430,000	Brookfield Infrastructure Finance ULC	3.315	22-Feb-24	6,488,120	6,286,963	0.16
68,681,000	Canadian Government Bond	2.750	1-Dec-48	74,289,952	77,234,243	1.99	4,972,000	Brookfield Infrastructure Finance ULC	4.193	11-Sep-28	4,972,000	4,923,884	0.13
1,013,000	Canadian Government Bond	2.000	1-Dec-51	893,375	969,353	0.03	4,506,000	Brookfield Renewable Partners ULC	4.250	15-Jan-29	4,503,251	4,422,464	0.11
11,114,000	Canadian Government Real Return Bond	6.858	1-Dec-21	20,204,860	19,784,389	0.51	19,212,000	Canadian Imperial Bank of Commerce	1.900	26-Apr-21	19,024,931	18,864,931	0.49
3,442,000	CPPIB Capital Inc.	1.400	4-Jun-20	3,397,423	3,411,609	0.09	4,090,000	Canadian Imperial Bank of Commerce	2.900	14-Sep-21	4,089,877	4,103,662	0.11
				162,662,694	165,601,329	4.28	21,521,000	Canadian Imperial Bank of Commerce	2.040	21-Mar-22	21,142,141	21,007,906	0.54
Provincial Bonds						13,223,000	Canadian Imperial Bank of Commerce	3.000	28-Oct-24	13,415,225	13,245,223	0.34	
16,134,000	Province of Alberta	2.350	1-Jun-25	15,976,851	15,821,896	0.41	3,973,000	Canadian Imperial Bank of Commerce	3.300	26-May-25	3,973,000	4,028,771	0.10
37,516,000	Province of Alberta	2.900	1-Dec-28	37,379,821	37,480,839	0.97	7,235,000	Canadian Imperial Bank of Commerce	3.420	26-Jan-26	7,293,314	7,278,335	0.19
1,080,000	Province of Alberta	3.900	1-Dec-33	1,206,112	1,173,741	0.03	15,900,000	Canadian Natural Resources Ltd.	2.050	1-Jun-20	15,858,077	15,682,661	0.41
13,429,000	Province of Alberta	3.050	1-Dec-48	13,331,477	12,841,830	0.33	3,682,000	Canadian Natural Resources Ltd.	3.420	1-Dec-26	3,581,524	3,538,057	0.09
27,713,000	Province of British Columbia	2.950	18-Dec-28	27,943,267	28,249,447	0.73	3,414,000	CU Inc.	3.763	19-Nov-46	3,420,090	3,376,040	0.09
8,757,000	Province of British Columbia	2.800	18-Jun-48	8,395,155	8,301,584	0.21	2,768,000	CU Inc.	4.947	18-Nov-50	3,112,164	3,300,962	0.09
6,484,000	Province of British Columbia	2.950	18-Jun-50	6,310,524	6,346,574	0.16	1,427,000	CU Inc.	3.857	14-Nov-52	1,381,010	1,408,568	0.04
2,129,000	Province of Manitoba	4.400	5-Sep-25	2,459,444	2,346,533	0.06	1,166,000	Enbridge Gas Distribution Inc.	9.850	2-Dec-24	1,784,541	1,572,942	0.04
11,717,000	Province of Ontario	2.100	8-Sep-19	11,722,421	11,730,743	0.30	3,283,000	Enbridge Gas Distribution Inc.	7.600	29-Oct-26	4,489,086	4,222,251	0.11
15,729,000	Province of Ontario	4.200	2-Jun-20	16,350,984	16,201,541	0.42	1,464,000	Enbridge Gas Distribution Inc.	6.900	15-Nov-32	1,976,732	1,962,537	0.05
2,281,000	Province of Ontario	4.000	2-Jun-21	2,385,629	2,378,402	0.06	4,493,000	Enbridge Gas Distribution Inc.	4.950	22-Nov-50	5,159,897	5,289,513	0.14
5,013,000	Province of Ontario	3.150	2-Jun-22	5,177,439	5,146,744	0.13	6,244,000	Enbridge Pipelines Inc.	6.350	17-Nov-23	7,321,590	7,076,273	0.18
18,801,000	Province of Ontario	2.600	8-Sep-23	18,777,829	18,908,429	0.49	2,085,000	Enbridge Pipelines Inc.	8.200	15-Feb-24	2,762,995	2,551,642	0.07
47,888,000	Province of Ontario	2.600	2-Jun-25	47,340,842	47,801,261	1.25	100,000	Énergir Inc.	1.520	25-May-20	98,226	98,727	0.00
30,481,000	Province of Ontario	2.900	2-Jun-28	30,211,279	30,680,968	0.79	3,163,000	EPCOR Utilities Inc.	3.554	27-Nov-47	3,155,218	3,038,548	0.08
252,000	Province of Ontario	6.500	8-Mar-29	358,533	331,322	0.01	3,835,000	FortisAlberta Inc.	3.734	18-Sep-48	3,835,000	3,789,780	0.10
7,388,000	Province of Ontario	4.700	2-Jun-37	9,245,301	8,978,776	0.23	1,518,000	FortisAlberta Inc.	4.800	27-Oct-50	1,776,045	1,774,921	0.05
8,846,000	Province of Ontario	3.500	2-Jun-43	9,222,963	9,287,514	0.24	431,000	FortisBC Energy Inc.	6.950	21-Sep-29	582,535	572,084	0.01
18,408,000	Province of Ontario	2.800	2-Jun-48	17,129,352	17,060,691	0.44	2,063,000	FortisBC Energy Inc.	5.900	26-Feb-35	2,558,054	2,614,234	0.07
27,992,000	Province of Ontario	2.900	2-Jun-49	26,294,535	26,513,284	0.69	1,472,000	FortisBC Energy Inc.	6.000	2-Oct-37	1,955,989	1,919,103	0.05
5,833,000	Province of Quebec	4.500	1-Dec-20	6,300,218	6,098,365	0.16	3,185,000	FortisBC Energy Inc.	3.690	30-Oct-47	3,191,291	3,140,243	0.08
35,830,000	Province of Quebec	2.750	1-Sep-28	35,310,157	35,776,671	0.92	1,161,000	FortisBC Inc.	5.000	24-Nov-50	1,380,217	1,390,800	0.04
13,262,000	Province of Quebec	5.000	1-Dec-41	17,494,498	17,273,873	0.45	1,870,000	Hydro One Inc.	4.400	1-Jun-20	1,984,668	1,917,025	0.05
22,491,000	Province of Quebec	3.500	1-Dec-48	24,254,994	24,085,255	0.62	1,076,000	Keyera Corp.	3.934	21-Jun-28	1,079,432	1,059,749	0.03
894,000	Province of Saskatchewan	5.800	5-Sep-33	1,236,893	1,174,653	0.03	3,082,000	Loblaws Cos Ltd.	3.918	10-Jun-24	3,082,000	3,138,283	0.08
				391,816,518	391,990,936	10.13							
Municipal Bonds													
7,597,000	City of Montreal	3.000	1-Sep-27	7,565,548	7,585,354	0.20							
10,097,000	City of Toronto	3.900	29-Sep-23	10,728,191	10,663,229	0.27							
				18,293,739	18,248,583	0.47							

Beutel Goodman Balanced Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares		Average Cost \$	Fair Value \$	% of Net Assets	
856,000	Lower Mattagami Energy LP	4.331	18-May-21	888,905	888,600	0.02	422,120	Bank of Montreal	41,808,635	37,648,883	0.97	
1,703,000	Lower Mattagami Energy LP	4.176	23-Feb-46	1,866,341	1,816,777	0.05	839,250	Bank of Nova Scotia	50,190,988	57,110,963	1.48	
3,443,000	North West Redwater Partnership / NWR Financing Co Ltd						409,640	Birchcliff Energy Ltd.	2,284,763	1,245,306	0.03	
		2.800	1-Jun-27	3,435,135	3,263,200	0.08	1,141,160	Brookfield Asset Management Inc.	46,322,574	59,705,491	1.54	
1,279,000	North West Redwater Partnership / NWR Financing Co Ltd						1,639,410	Cameco Corp.	29,852,405	25,378,067	0.66	
		3.650	1-Jun-35	1,277,934	1,226,548	0.03	54,360	Canadian Imperial Bank of Commerce	4,511,269	5,527,325	0.14	
1,809,000	NOVA Gas Transmission Ltd.	6.590	1-Dec-27	2,181,240	2,169,441	0.06	329,970	Canadian National Railway Co.	18,105,794	33,363,267	0.86	
2,505,000	Nova Scotia Power Inc.	6.950	25-Aug-33	3,570,158	3,385,739	0.09	1,605,610	Canadian Natural Resources Ltd.	54,283,417	52,888,793	1.37	
4,998,000	Pembina Pipeline Corp.	2.990	22-Jan-24	4,941,521	4,861,002	0.13	86,170	Canadian Pacific Railway Ltd.	11,687,998	20,873,821	0.54	
6,172,000	Rogers Communications Inc.	4.700	29-Sep-20	6,508,377	6,360,683	0.16	267,088	Canadian Tire Corp Ltd.	27,018,497	38,124,141	0.99	
30,753,000	Royal Bank of Canada	2.030	15-Mar-21	30,665,796	30,328,413	0.77	67,790	Canadian Western Bank	1,961,282	1,765,252	0.05	
23,086,000	Royal Bank of Canada	3.296	26-Sep-23	23,086,000	23,192,434	0.60	1,550,340	Cenovus Energy Inc.	33,994,562	14,883,264	0.38	
15,216,000	Royal Bank of Canada	3.310	20-Jan-26	15,381,160	15,287,719	0.40	61,170	Cervus Equipment Corp.	768,010	779,918	0.02	
36,599,000	Toronto-Dominion Bank	2.045	8-Mar-21	36,223,124	36,133,245	0.93	65,710	Colliers International Group Inc.	2,886,290	4,947,306	0.13	
10,610,000	Toronto-Dominion Bank	3.005	30-May-23	10,610,000	10,672,971	0.28	261,110	CRH Medical Corp.	1,302,453	1,091,440	0.03	
11,024,000	Toronto-Dominion Bank	2.616	28-Jun-23	11,024,110	11,079,137	0.29	1,376,330	Denison Mines Corp.	1,540,595	867,088	0.02	
22,407,000	Toronto-Dominion Bank	2.692	24-Jun-25	22,559,691	22,324,152	0.58	78,650	Enerflex Ltd.	1,004,888	1,256,827	0.03	
17,334,000	Toronto-Dominion Bank	3.589	14-Sep-28	17,313,400	17,265,860	0.45	91,690	Equitable Group Inc.	4,075,682	5,420,713	0.14	
10,912,000	TransCanada Pipelines Ltd.	8.290	5-Feb-26	14,794,260	13,990,744	0.36	36,420	Evertz Technologies Ltd.	607,373	589,640	0.02	
1,068,000	TransCanada Pipelines Ltd.	7.310	15-Jan-27	1,386,066	1,324,742	0.03	898,060	Finning International Inc.	21,484,290	21,373,828	0.55	
4,420,000	TransCanada Pipelines Ltd.	7.900	15-Apr-27	6,188,701	5,675,781	0.15	19,590	FirstService Corp.	353,751	1,835,387	0.05	
2,460,000	TransCanada Pipelines Ltd.	6.280	26-May-28	3,016,508	2,904,784	0.08	228,920	Franco-Nevada Corp.	18,311,063	21,914,512	0.57	
302,000	TransCanada Pipelines Ltd.	8.210	25-Apr-30	424,745	404,023	0.01	70,120	GDI Integrated Facility Services Inc.	931,544	1,295,818	0.03	
1,375,000	TransCanada Pipelines Ltd.	8.200	15-Aug-31	1,926,219	1,857,609	0.05	1,084,460	Great-West Lifeco Inc.	29,482,559	30,560,083	0.79	
3,568,000	TransCanada Pipelines Ltd.	4.350	6-Jun-46	3,736,089	3,411,271	0.09	60,540	Heroux-Devtek Inc.	807,864	782,782	0.02	
3,178,000	TransCanada Trust	4.650	18-May-77	3,174,685	2,848,164	0.07	116,680	IGM Financial Inc.	4,887,083	3,620,580	0.09	
3,115,000	Union Gas Ltd.	4.850	25-Apr-22	3,297,570	3,313,999	0.09	88,700	Industrial Alliance Insurance & Financial Services Inc.	3,170,216	3,864,659	0.10	
3,346,000	Union Gas Ltd.	8.650	10-Nov-25	4,844,312	4,435,985	0.11	167,220	Intertape Polymer Group Inc.	2,894,688	2,829,362	0.07	
2,532,000	Union Gas Ltd.	2.880	22-Nov-27	2,500,279	2,456,151	0.06	33,140	K-Bro Linen Inc.	1,264,915	1,108,202	0.03	
3,285,000	Union Gas Ltd.	5.200	23-Jul-40	3,892,685	3,902,270	0.10	71,980	Leon's Furniture Ltd.	942,978	1,081,859	0.03	
2,978,000	Union Gas Ltd.	3.590	22-Nov-47	2,973,116	2,814,090	0.07	86,800	Linamar Corp.	3,650,346	3,932,040	0.10	
2,982,000	Westcoast Energy Inc.	5.600	16-Jan-19	3,181,243	2,984,832	0.08	168,620	Loblaw Cos Ltd.	7,566,995	10,304,368	0.27	
1,748,000	Westcoast Energy Inc.	9.900	10-Jan-20	2,238,863	1,870,399	0.05	321,760	Lundin Mining Corp.	1,885,196	1,814,726	0.05	
1,679,000	Westcoast Energy Inc.	3.883	28-Oct-21	1,768,407	1,719,068	0.04	865,980	Magna International Inc.	35,705,551	53,664,781	1.39	
1,107,000	Westcoast Energy Inc.	8.850	21-Jul-25	1,517,718	1,438,099	0.04	409,640	Major Drilling Group International Inc.	2,931,821	1,884,344	0.05	
8,179,000	Westcoast Energy Inc.	7.300	18-Dec-26	10,303,828	10,124,471	0.26	546,840	Manulife Financial Corp.	10,584,772	10,592,291	0.27	
2,314,000	Westcoast Energy Inc.	7.150	20-Mar-31	3,017,977	2,954,610	0.08	80,720	Maple Leaf Foods Inc.	1,372,441	2,206,078	0.06	
				565,458,789	557,504,335	14.41	1,290,860	Metro Inc.	48,940,738	61,109,312	1.58	
							291,089	Molson Coors Canada Inc.	18,994,125	22,929,081	0.59	
							869,823	Nutrien Ltd.	56,912,154	55,773,051	1.44	
							407,500	NuVista Energy Ltd.	2,697,746	1,662,600	0.04	
							239,760	Onex Corp.	19,299,563	17,826,156	0.46	
							747,670	Open Text Corp.	19,343,428	33,271,315	0.86	
							239,620	Paramount Resources Ltd.	3,480,062	1,720,472	0.04	
							141,830	Pinnacle Renewable Holdings Inc.	1,730,372	1,701,960	0.04	
							827,770	Quebecor Inc.	9,988,131	23,790,110	0.61	
							286,490	Real Matters Inc.	1,454,976	945,417	0.02	
							20,050	Rocky Mountain Dealerships Inc.	224,075	176,841	0.00	
							1,442,260	Rogers Communications Inc.	71,112,239	100,900,509	2.61	
							1,209,183	Royal Bank of Canada	86,325,110	112,986,057	2.92	
							744,990	Saputo Inc.	30,283,672	29,196,158	0.75	
							519,850	SNC-Lavalin Group Inc.	22,638,100	23,871,512	0.62	
							857,780	Sun Life Financial Inc.	41,973,193	38,848,856	1.00	
							302,020	Superior Plus Corp.	3,433,609	2,923,554	0.08	
							593,070	TELUS Corp.	18,301,497	26,836,418	0.69	
							134,887	Thomson Reuters Corp.	5,419,840	8,893,100	0.23	
							26,190	Toromont Industries Ltd.	608,014	1,421,069	0.04	
							1,590,268	Toronto-Dominion Bank	71,118,556	107,915,583	2.79	
Mortgage Backed Securities												
20,317,000	Canadian Mortgage Pools	1.620	1-Mar-22	17,143,937	16,978,728	0.44						
15,659,000	Canadian Mortgage Pools	1.420	1-Jun-22	14,020,035	13,735,147	0.35						
9,577,000	Canadian Mortgage Pools	1.840	1-Dec-22	8,911,916	8,838,104	0.23						
				40,075,888	39,551,979	1.02						
				1,178,307,628	1,172,897,162	30.31						
Common Stocks (2017 - 67.29%)												
Australia												
941,660	Caltex Australia Ltd.			29,964,785	23,070,448	0.60						
				29,964,785	23,070,448	0.60						
Canada												
32,980	AG Growth International Inc.			1,411,160	1,543,464	0.04						
545,010	Alamos Gold Inc.			4,381,210	2,675,999	0.07						
304,980	Aritzia Inc.			4,216,074	5,001,672	0.13						
96,180	ATS Automation Tooling Systems Inc.			1,551,739	1,384,030	0.04						
127,850	Badger Daylighting Ltd.			3,302,770	4,123,163	0.11						

Beutel Goodman Balanced Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares		Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares		Average Cost \$	Fair Value \$	% of Net Assets
87,260	Total Energy Services Inc.	1,283,780	852,530	0.02	Singapore				
193,250	Uni-Select Inc.	3,175,726	3,750,983	0.10	900,850	DBS Group Holdings Ltd.	17,799,646	21,384,976	0.55
90,480	Wajax Corp.	2,212,366	1,500,158	0.04	17,799,646		21,384,976	0.55	
236,530	WestJet Airlines Ltd.	4,422,565	4,257,540	0.11	Switzerland				
54,510	Winpak Ltd.	1,072,604	2,602,853	0.07	379,614	Julius Baer Group Ltd.	24,805,022	18,413,464	0.48
		1,043,744,742	1,240,524,728	32.06	86,420	Roche Holding AG	27,371,101	29,143,118	0.75
					52,176,123		47,556,582	1.23	
Denmark					United Kingdom				
216,690	Carlsberg A/S	26,259,534	31,400,208	0.81	983,980	GlaxoSmithKline PLC	22,680,081	25,523,778	0.66
		26,259,534	31,400,208	0.81	1,321,500	IMI PLC	28,095,028	21,700,111	0.56
Finland					1,197,250	Smith & Nephew PLC	27,301,195	30,489,389	0.78
491,509	Konecranes OYJ	20,211,216	20,251,878	0.52	1,068,510	Smiths Group PLC	27,335,013	25,352,206	0.66
		20,211,216	20,251,878	0.52	9,922,660	Vodafone Group PLC	34,075,537	26,391,155	0.68
France					139,486,854		129,456,639	3.34	
131,024	Air Liquide SA	16,864,576	22,185,787	0.57	United States				
189,920	Cie Générale des Établissements Michelin	22,607,069	25,708,943	0.66	284,750	American Express Co.	30,260,065	37,071,131	0.96
100,230	EssilorLuxottica SA	16,515,759	17,284,542	0.45	185,210	Ameriprise Financial Inc.	30,413,913	26,401,475	0.68
		55,987,404	65,179,272	1.68	342,440	AmerisourceBergen Corp.	36,293,501	34,797,296	0.90
Germany					26,215	AutoZone Inc.	20,653,087	30,016,367	0.78
244,690	BASF SE	26,466,631	23,075,312	0.60	396,610	Campbell Soup Co.	23,057,080	17,870,391	0.46
473,640	GEA Group AG	23,362,208	16,638,927	0.43	103,090	Eli Lilly & Co.	9,069,042	16,293,449	0.42
180,440	HeidelbergCement AG	17,714,191	15,038,545	0.39	520,870	Halliburton Co.	25,834,426	18,909,167	0.49
211,420	Henkel AG & Co KGaA	29,380,245	28,305,747	0.73	569,680	Harley-Davidson Inc.	34,918,467	26,547,771	0.69
238,370	Merck KGaA	30,999,348	33,488,216	0.86	109,000	JPMorgan Chase & Co.	9,101,264	14,532,936	0.38
390,600	Software AG	19,804,030	19,265,323	0.50	397,980	Kellogg Co.	33,469,230	30,988,486	0.80
		147,726,653	135,812,070	3.51	93,480	Merck & Co. Inc.	5,567,780	9,755,667	0.25
Guernsey					387,250	Omnicom Group Inc.	40,849,676	38,737,165	1.00
342,340	Amdocs Ltd.	22,676,973	27,390,192	0.71	604,400	Oracle Corp.	28,104,048	37,270,934	0.96
		22,676,973	27,390,192	0.71	171,680	Parker Hannifin Corp.	29,002,021	34,970,506	0.90
Ireland					868,560	Symantec Corp.	24,780,131	22,414,796	0.58
178,520	Ingersoll-Rand PLC	14,174,108	22,243,987	0.57	109,400	Amgen Inc.	25,285,435	29,087,368	0.75
		14,174,108	22,243,987	0.57	34,350	BlackRock Inc.	18,217,376	18,429,281	0.48
Japan					633,820	Comcast Corp.	26,849,849	29,476,175	0.76
1,310,430	Hakuhodo DY Holdings Inc.	23,415,370	25,693,097	0.66	79,590	Cummins Inc.	14,133,733	14,527,238	0.38
712,210	NTT DOCOMO Inc.	17,542,616	21,921,307	0.57	304,680	Flowserve Corp.	17,088,925	15,821,372	0.41
3,050,180	Resona Holdings Inc.	19,751,087	20,075,060	0.52	199,980	Kimberly-Clark Corp.	29,576,337	31,120,807	0.80
36,930	SMC Corp.	15,250,577	15,281,374	0.39	216,280	KLA-Tencor Corp.	28,319,929	26,434,977	0.68
116,310	Tokyo Electron Ltd.	20,402,882	18,120,492	0.47	613,010	Verizon Communications Inc.	36,763,130	47,070,246	1.22
		96,362,532	101,091,330	2.61	156,890	Wells Fargo & Co.	7,632,366	9,874,061	0.26
Netherlands					585,240,811		618,419,062	15.99	
248,890	Akzo Nobel NV	23,179,449	27,357,382	0.71	2,384,031,522		2,631,694,690	68.00	
5,729,000	Koninklijke KPN NV	23,309,967	22,898,826	0.59	Total Common Stocks				
167,930	LyondellBasell Industries NV	20,454,992	19,073,520	0.49	Transaction Costs				
204,720	Unilever NV	9,458,127	15,157,105	0.39	(3,265,460)				
		76,402,535	84,486,833	2.18	Total Investments				
Norway					3,559,073,690		3,804,591,852	98.31	
1,156,029	Atea ASA	14,356,270	20,239,720	0.52	Total Investments and Cash Equivalents				
1,197,360	Gjensidige Forsikring ASA	24,867,919	25,533,728	0.66	3,611,555,880				
536,014	TGS Nopec Geophysical Co ASA	16,593,417	17,653,037	0.46	Other Assets Net of Liabilities				
		55,817,606	63,426,485	1.64	12,622,109				
					Net Assets Attributable to Holders of Redeemable Units				
					3,869,696,151				
					100.00				

Beutel Goodman Balanced Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Balanced Fund (the "Fund") is to enhance long-term capital value by investing in cash and cash equivalents, fixed income securities and Canadian, U.S. and international equity securities. The Fund's advisor uses a value based approach to select equity investments which means the advisor looks for stocks that are undervalued in relation to the asset value or earnings power of the issuer. The Fund's fixed income portfolio is invested in a diversified group of Canadian government and Canadian corporate bonds. The asset mix process is based upon the observation that over longer years, equities have historically generated higher nominal and real rates of return than fixed income assets. Normally, the target asset mix will be 60% equity and 40% fixed income. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2018	Dec. 31, 2017
AAA	7	6
AA	9	4
A	10	16
BBB	5	4
Total	31	30

*Excludes cash and cash equivalents

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2018 and December 31, 2017.

Debt Instruments* by Maturity Date	Dec. 31, 2018	Dec. 31, 2017
	(\$000)	(\$000)
Less than 1 year	18,565	84,730
1-3 years	273,015	225,577
3-5 years	189,228	257,128
Greater than 5 years	692,089	704,669
Total	1,172,897	1,274,104

*Excludes cash and cash equivalents

As at December 31, 2018, had prevailing interest rates raised or lowered by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$22,043,000 (2017 - \$23,785,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
Balanced Fund Benchmark*	34,786	39,498
Total	34,786	39,498

*The Balanced Fund Benchmark is comprised of the FTSE Canada Universe Bond Index (40%), Morgan Stanley EAFE Index (13%), S&P 500Cdn. (12%), S&P/TSX (30%) and the Scotia Capital Markets (5%)

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Beutel Goodman Balanced Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	286,657	941	287,598	7.4
British Pound	–	129,457	409	129,866	3.4
Norwegian Krone	–	63,426	18	63,444	1.6
Japanese Yen	–	101,091	44	101,135	2.6
United States Dollar	349	687,127	3,554	691,030	17.9
Singapore Dollar	–	21,385	12	21,397	0.6
Swiss Franc	–	47,557	15	47,572	1.2
Danish Krone	–	31,400	645	32,045	0.8
Australian Dollar	–	23,070	11	23,081	0.6
Total	349	1,391,170	5,649	1,397,168	36.1

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	376,419	443	376,862	9.0
British Pound	–	129,935	–	129,935	3.1
Norwegian Krone	–	71,438	–	71,438	1.7
Japanese Yen	–	78,220	211	78,431	1.9
United States Dollar	394	675,327	896	676,617	16.1
Singapore Dollar	–	18,373	–	18,373	0.4
Swiss Franc	–	52,730	–	52,730	1.3
Danish Krone	–	31,581	–	31,581	0.8
Australian Dollar	(246)	26,275	246	26,275	0.6
Total	148	1,460,298	1,796	1,462,242	34.9

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$13,972,000 (December 31, 2017 \$14,622,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Country segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	1.36%	2.06%
Canadian Bonds		
Federal Bonds	4.28%	5.13%
Provincial Bonds	10.13%	9.89%
Municipal Bonds	0.47%	–
Corporate Bonds	14.41%	14.23%
Mortgage Backed Securities	1.02%	1.12%
Common Stocks		
Australia	0.60%	0.63%
Canada	32.06%	32.47%
Denmark	0.81%	0.75%
Finland	0.52%	0.49%
France	1.68%	1.30%
Germany	3.51%	5.13%
Guernsey	0.71%	–
Ireland	0.57%	1.10%
Italy	–	0.44%
Japan	2.61%	2.32%
Netherlands	2.18%	2.44%
Norway	1.64%	1.71%
Singapore	0.55%	0.44%
Switzerland	1.23%	1.26%
United Kingdom	3.34%	2.64%
United States	15.99%	14.17%
Total	99.67%	99.72%

Beutel Goodman Balanced Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at Dec 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	2,631,694,690	–	–	2,631,694,690
Bonds	–	1,133,345,183	–	1,133,345,183
Mortgage Backed Securities	–	39,551,979	–	39,551,979
Total Assets	2,631,694,690	1,172,897,162	–	3,804,591,852

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	2,819,377,327	–	–	2,819,377,327
Bonds	–	1,226,805,986	–	1,226,805,986
Mortgage Backed Securities	–	47,298,343	–	47,298,343
Total Assets	2,819,377,327	1,274,104,329	–	4,093,481,656

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	4,803,266	9,630,558	2,912,971	177,218,589
Redeemable units issued for cash	2,522,085	1,932,896	2,492,137	11,597,390
Reinvested units	346,499	667,865	217,926	13,687,304
Redeemable units redeemed	(1,317,875)	(1,635,136)	(1,370,758)	(23,368,761)
Balance, end of year	6,353,975	10,596,183	4,252,276	179,134,522

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	2,328,623	8,216,219	906,082	166,145,942
Redeemable units issued for cash	2,860,709	1,960,720	2,452,286	8,983,949
Reinvested units	203,365	480,135	121,338	11,036,538
Redeemable units redeemed	(589,431)	(1,026,516)	(566,735)	(8,947,840)
Balance, end of year	4,803,266	9,630,558	2,912,971	177,218,589

Beutel Goodman Canadian Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	189,616,031	132,217,287
Financial assets at fair value through profit or loss*	6,062,987,198	6,765,053,019
Accrued interest	293,914	112,302
Dividends receivable	15,286,677	17,761,265
Subscriptions receivable	5,791,587	1,465,311
Total assets	6,273,975,407	6,916,609,184
Liabilities		
Current liabilities		
Management and administrative fees payable	571,156	589,646
Due to brokers	–	2,799,582
Redemptions payable	2,434,648	4,417,678
Distributions payable	–	504
Total liabilities (before net assets attributable to holders of redeemable units)	3,005,804	7,807,410
Net assets attributable to holders of redeemable units	6,270,969,603	6,908,801,774
*Investments at average cost	4,947,073,802	4,736,775,054
Net assets attributable to holders of redeemable units per class		
Class B	25,091,205	21,971,792
Class D	76,996,125	94,987,256
Class F	99,752,179	77,077,027
Class I	6,069,130,094	6,714,765,699
Net assets attributable to holders of redeemable units per unit		
Class B	14.07	15.81
Class D	34.39	38.59
Class F	34.47	38.83
Class I	36.90	41.51
Number of outstanding redeemable units (note 6)		
Class B	1,783,765	1,389,586
Class D	2,238,734	2,461,530
Class F	2,893,509	1,984,959
Class I	164,492,063	161,750,084

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	198,843,615	175,545,644
Interest for distribution purposes	1,932,315	1,139,243
Realized gain (loss) on sale of investments	386,659,741	126,190,668
Change in unrealized appreciation (depreciation) in the value of investments	(912,364,569)	362,616,793
Net gains (losses) on investments	(324,928,898)	665,492,348
Other income		
Realized gain (loss) on foreign currency transactions	17,212	177,608
Total income	(324,911,686)	665,669,956
Expenses		
Management fees	2,600,898	2,194,320
Administrative fees	7,438,826	4,500,145
Transaction costs (note 9)	1,717,550	2,039,363
Total expenses before waiver	11,757,274	8,733,828
Expenses waived by the manager	(2,991,810)	(96,954)
Total expenses	8,765,464	8,636,874
Increase (decrease) in net assets attributable to holders of redeemable units	(333,677,150)	657,033,082
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(1,874,380)	1,384,144
Class D	(5,224,841)	7,931,043
Class F	(6,404,393)	5,976,091
Class I	(320,173,536)	641,741,804
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(1.14)	1.23
Class D	(2.25)	3.23
Class F	(2.76)	3.48
Class I	(2.04)	3.97

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Canadian Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	21,971,792	12,407,699
Class D	94,987,256	85,132,740
Class F	77,077,027	54,928,480
Class I	6,714,765,699	6,032,805,054
	6,908,801,774	6,185,273,973
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(1,874,380)	1,384,144
Class D	(5,224,841)	7,931,043
Class F	(6,404,393)	5,976,091
Class I	(320,173,536)	641,741,804
	(333,677,150)	657,033,082
Distribution to holders of redeemable units		
From net investment income		
Class B	(254,082)	(199,739)
Class D	(1,260,255)	(1,242,097)
Class F	(2,224,496)	(1,247,433)
Class I	(188,467,660)	(166,302,185)
From net realized gains on investments		
Class B	(828,517)	—
Class D	(2,573,614)	—
Class F	(3,318,113)	—
Class I	(200,537,403)	—
	(399,464,140)	(168,991,454)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	12,114,196	11,053,884
Class D	9,359,024	18,109,080
Class F	52,238,129	31,530,317
Class I	554,577,721	939,994,250
Reinvestments of distributions to holders of redeemable units		
Class B	1,050,812	195,441
Class D	3,590,294	1,174,115
Class F	4,345,380	1,063,139
Class I	388,716,611	166,182,374
Redemption of redeemable units		
Class B	(7,088,616)	(2,869,637)
Class D	(21,881,739)	(16,117,625)
Class F	(21,961,355)	(15,173,567)
Class I	(879,751,338)	(899,655,598)
	95,309,119	235,486,173
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	3,119,413	9,564,093
Class D	(17,991,131)	9,854,516
Class F	22,675,152	22,148,547
Class I	(645,635,605)	681,960,645
	(637,832,171)	723,527,801
Net assets attributable to holders of redeemable units at end of year		
Class B	25,091,205	21,971,792
Class D	76,996,125	94,987,256
Class F	99,752,179	77,077,027
Class I	6,069,130,094	6,714,765,699
	6,270,969,603	6,908,801,774

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(333,677,150)	657,033,082
Adjustments for:		
Net realized (gain) loss on sale of investments	(386,659,741)	(126,190,668)
Change in unrealized (appreciation) depreciation in the value of investments	912,364,569	(362,616,793)
Purchases of investments	(1,296,491,425)	(1,088,419,566)
Proceeds from sale of investments	1,470,052,836	854,573,217
(Increase) decrease in accrued interest	(181,612)	(90,124)
(Increase) decrease in dividends receivable	2,474,588	505,265
Increase (decrease) in accrued liabilities	(18,490)	87,350
Net cash flows from (used in) operating activities	367,863,575	(65,118,237)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,761,547)	(376,552)
Proceeds from redeemable units issued	623,962,794	1,073,224,304
Redemption of redeemable units	(932,666,078)	(942,718,393)
Net cash flows from (used in) financing activities	(310,464,831)	130,129,359
Net increase (decrease) in cash and cash equivalents	57,398,744	65,011,122
Cash and cash equivalents at beginning of year	132,217,287	67,206,165
Cash and cash equivalents at end of year*	189,616,031	132,217,287
Supplementary information		
Cash flow from operating activities		
Interest received	1,750,703	1,049,119
Dividends received, net of withholding taxes	201,318,203	176,050,909
*Cash and cash equivalents include:		
Cash at banks	398,866	10,680
Short-term investments	189,217,165	132,206,607
Total	189,616,031	132,217,287

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Canadian Equity Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of established Canadian issuers. The Fund's advisor attempts to buy the best economic value in the market regardless of what sector the issuer operates in. Research efforts will be directed to identifying stocks 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 investment portfolio of the Fund will usually display a price-to-earnings ratio and price-to-book ratio that are well below market averages. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
S&P/TSX Composite Index	57,461	60,781
Total	57,461	60,781

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	3.02%	1.91%
Common Stocks		
Energy	8.01%	8.78%
Materials	7.05%	6.78%
Industrial	10.01%	10.59%
Consumer Discretionary	8.39%	13.01%
Consumer Staples	9.73%	6.06%
Health Care	0.10%	0.06%
Financials	38.79%	41.84%
Information Technology	2.62%	2.58%
Communication Services	11.72%	8.01%
Utilities	0.26%	0.21%
Total	99.70%	99.83%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy As at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	6,062,987,198	–	–	6,062,987,198
Total Assets	6,062,987,198	–	–	6,062,987,198

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	6,765,053,019	–	–	6,765,053,019
Total Assets	6,765,053,019	–	–	6,765,053,019

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Beutel Goodman Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	1,389,586	2,461,530	1,984,959	161,750,084
Redeemable units issued for cash	774,126	244,967	1,356,006	13,473,151
Reinvested units	73,674	102,911	124,369	10,400,222
Redeemable units redeemed	(453,621)	(570,674)	(571,825)	(21,131,394)
Balance, end of year	1,783,765	2,238,734	2,893,509	164,492,063

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	841,421	2,375,606	1,521,429	156,565,708
Redeemable units issued for cash	724,470	490,249	841,954	23,656,849
Reinvested units	12,440	30,663	27,566	4,032,016
Redeemable units redeemed	(188,745)	(434,988)	(405,990)	(22,504,489)
Balance, end of year	1,389,586	2,461,530	1,984,959	161,750,084

Beutel Goodman Total World Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	153,538	193,758
Financial assets at fair value through profit or loss*	6,132,752	5,440,978
Accrued interest	360	95
Dividends receivable	14,297	9,548
Subscriptions receivable	250	14,000
Total assets	6,301,197	5,658,379
Liabilities		
Current liabilities		
Management and administrative fees payable	7,980	6,738
Due to brokers	–	61,050
Redemptions payable	12,092	–
Distributions payable	–	27,915
Total liabilities (before net assets attributable to holders of redeemable units)	20,072	95,703
Net assets attributable to holders of redeemable units	6,281,125	5,562,676
*Investments at average cost	6,251,931	4,800,032
Net assets attributable to holders of redeemable units per class		
Class B	1,809,025	1,502,239
Class D	2,015,851	1,930,657
Class F	2,145,994	1,810,141
Class I	310,255	319,639
Net assets attributable to holders of redeemable units per unit		
Class B	11.92	13.42
Class D	14.09	15.86
Class F	11.87	13.37
Class I	15.08	17.00
Number of outstanding redeemable units (note 6)		
Class B	151,827	111,907
Class D	143,027	121,703
Class F	180,792	135,421
Class I	20,571	18,807

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	197,697	110,711
Interest for distribution purposes	2,248	792
Realized gain (loss) on sale of investments	249,582	229,333
Change in unrealized appreciation (depreciation) in the value of investments	(760,125)	262,774
Net gains (losses) on investments	(310,598)	603,610
Other income		
Realized gain (loss) on foreign currency transactions	(4,947)	(3,497)
Total income	(315,545)	600,113
Expenses		
Management fees	87,989	53,748
Administrative fees	6,949	4,499
Transaction costs (note 9)	5,224	4,454
Withholding taxes	12,235	6,705
Total Expenses	112,397	69,406
Increase (decrease) in net assets attributable to holders of redeemable units	(427,942)	530,707
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(133,127)	97,295
Class D	(140,728)	218,694
Class F	(137,036)	180,281
Class I	(17,051)	34,437
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.98)	1.62
Class D	(1.06)	1.95
Class F	(0.81)	1.78
Class I	(0.94)	2.24

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Total World Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	1,502,239	409,052
Class D	1,930,657	1,582,186
Class F	1,810,141	1,057,307
Class I	319,639	191,702
	5,562,676	3,240,247
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(133,127)	97,295
Class D	(140,728)	218,694
Class F	(137,036)	180,281
Class I	(17,051)	34,437
	(427,942)	530,707
Distribution to holders of redeemable units		
From net investment income		
Class B	(10,854)	(12,054)
Class D	(23,511)	(8,944)
Class F	(34,881)	(18,895)
Class I	(8,167)	(5,464)
From net realized gains on investments		
Class B	(71,622)	(72,544)
Class D	(79,276)	(92,936)
Class F	(85,473)	(87,701)
Class I	(12,148)	(15,353)
	(325,932)	(313,891)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	740,962	1,248,736
Class D	568,567	456,491
Class F	758,170	998,818
Class I	130,733	93,500
Reinvestments of distributions to holders of redeemable units		
Class B	78,814	76,578
Class D	99,235	97,703
Class F	108,052	90,879
Class I	20,315	20,817
Redemption of redeemable units		
Class B	(297,387)	(244,824)
Class D	(339,093)	(322,537)
Class F	(272,979)	(410,548)
Class I	(123,066)	—
	1,472,323	2,105,613
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	306,786	1,093,187
Class D	85,194	348,471
Class F	335,853	752,834
Class I	(9,384)	127,937
	718,449	2,322,429
Net assets attributable to holders of redeemable units at end of year		
Class B	1,809,025	1,502,239
Class D	2,015,851	1,930,657
Class F	2,145,994	1,810,141
Class I	310,255	319,639
	6,281,125	5,562,676

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(427,942)	530,707
Adjustments for:		
Net realized (gain) loss on sale of investments	(249,582)	(229,333)
Change in unrealized (appreciation) depreciation in the value of investments	760,125	(262,774)
Purchases of investments	(3,445,229)	(3,278,420)
Proceeds from sale of investments	2,181,862	1,676,685
(Increase) decrease in accrued interest	(265)	(86)
(Increase) decrease in dividends receivable	(4,749)	(4,388)
Increase (decrease) in accrued liabilities	1,242	3,078
Net cash flows from (used in) operating activities	(1,184,538)	(1,564,531)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(47,431)	(6,976)
Proceeds from redeemable units issued	2,212,182	2,783,545
Redemption of redeemable units	(1,020,433)	(1,122,667)
Net cash flows from (used in) financing activities	1,144,318	1,653,902
Net increase (decrease) in cash and cash equivalents	(40,220)	89,371
Cash and cash equivalents at beginning of year	193,758	104,387
Cash and cash equivalents at end of year*	153,538	193,758
Supplementary information		
Cash flow from operating activities		
Interest received	1,983	706
Dividends received, net of withholding taxes	180,713	99,618
*Cash and cash equivalents include:		
Cash at banks	4,156	19,159
Short-term investments	149,382	174,599
Total	153,538	193,758

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Total World Equity Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets		
Cash Equivalents (2017 - 3.14%)											
Treasury Bills											
50,000	Government of Canada	1.700	7-Feb-19	49,793	49,793	0.79					
50,000	Government of Canada	1.712	24-Jan-19	49,800	49,800	0.79					
50,000	Government of Canada	1.696	21-Feb-19	49,789	49,789	0.79					
				149,382	149,382	2.37					
Common Stocks (2017 - 97.81%)											
Australia											
4,920	Caltex Australia Ltd.			148,256	120,539	1.92					
				148,256	120,539	1.92					
Canada											
1,130	Bank of Montreal			112,266	100,785	1.60					
2,244	Bank of Nova Scotia			161,979	152,704	2.43					
3,045	Brookfield Asset Management Inc.			142,866	159,314	2.54					
4,370	Cameco Corp.			65,319	67,648	1.08					
146	Canadian Imperial Bank of Commerce			15,171	14,845	0.24					
884	Canadian National Railway Co.			75,027	89,381	1.42					
4,270	Canadian Natural Resources Ltd.			161,993	140,654	2.24					
233	Canadian Pacific Railway Ltd.			45,509	56,442	0.90					
707	Canadian Tire Corp Ltd., Class A			97,047	100,917	1.61					
4,134	Cenovus Energy Inc.			70,567	39,686	0.63					
2,391	Finning International Inc.			64,547	56,906	0.91					
610	Franco-Nevada Corp.			51,470	58,395	0.93					
2,893	Great-West Lifeco Inc.			96,337	81,525	1.30					
312	IGM Financial Inc.			13,039	9,681	0.15					
446	Loblaw Cos Ltd.			23,070	27,255	0.43					
2,312	Magna International Inc.			136,813	143,275	2.28					
1,465	Manulife Financial Corp.			33,440	28,377	0.45					
3,440	Metro Inc., Class A			138,218	162,850	2.59					
733	Molson Coors Canada Inc., Class B			71,777	57,738	0.92					
2,316	Nutrien Ltd.			150,088	148,502	2.36					
635	Onex Corp.			55,760	47,212	0.75					
1,994	Open Text Corp.			71,580	88,733	1.41					
1,908	Quebecor Inc., Class B			36,594	54,836	0.87					
3,848	Rogers Communications Inc., Class B			216,317	269,206	4.29					
3,217	Royal Bank of Canada			284,597	300,599	4.79					
1,990	Saputo Inc.			81,065	77,988	1.24					
1,390	SNC-Lavalin Group Inc.			70,355	63,829	1.02					
2,280	Sun Life Financial Inc.			112,347	103,261	1.64					
1,587	TELUS Corp.			66,705	71,812	1.14					
4,260	The Toronto-Dominion Bank			260,508	289,084	4.60					
362	Thomson Reuters Corp.			17,909	23,867	0.38					
				3,000,280	3,087,307	49.14					
Denmark											
570	Carlsberg A/S			74,104	82,598	1.32					
				74,104	82,598	1.32					
France											
3,720	Cie Générale des Établissements Michelin			117,942	99,583	1.59					
450	Essilor Luxottica			74,137	77,602	1.24					
				192,079	177,185	2.83					
						Germany					
							1,030	BASF SE	118,478	97,133	1.55
							3,950	GEA Group AG	203,509	138,763	2.21
							920	Merck KGaA	122,738	129,249	2.06
							1,330	Software AG	73,675	65,599	1.04
									518,400	430,744	6.86
						Ireland					
							520	Ingersoll-Rand PLC	48,018	64,793	1.03
									48,018	64,793	1.03
						Japan					
							1,980	Tokyo Electron Ltd.	82,353	76,153	1.21
									82,353	76,153	1.21
						Netherlands					
							2,870	Akzo Nobel NV	105,542	104,405	1.66
							26,670	Koninklijke KPN NV	110,003	106,600	1.70
							390	LyondellBasell Industries NV	47,488	44,296	0.71
									263,033	255,301	4.07
						Singapore					
							2,920	DBS Group Holdings Ltd.	61,102	69,317	1.10
									61,102	69,317	1.10
						Switzerland					
							390	Roche Holding AG	121,756	131,518	2.09
									121,756	131,518	2.09
						United Kingdom					
							2,640	GlaxoSmithKline PLC	62,577	68,480	1.09
							7,030	IMI PLC	133,054	115,438	1.84
							2,240	Smith & Nephew PLC	101,210	114,360	1.82
							4,570	Smiths Group PLC	120,188	108,431	1.73
							3,895	Vodafone Group PLC	132,679	102,566	1.63
									549,708	509,275	8.11
						United States					
							420	American Express Co.	42,194	54,679	0.87
							1,020	AmerisourceBergen Corp.	107,307	103,648	1.65
							2,300	Campbell Soup Co.	132,020	103,633	1.65
							2,050	Comcast Corp.	82,155	95,336	1.52
							2,680	Halliburton Co.	138,628	97,292	1.55
							2,060	Harley-Davidson Inc.	125,031	95,998	1.53
							1,530	Kellogg Co.	136,116	119,133	1.90
							460	Kimberly-Clark Corp.	67,627	71,585	1.14
							660	KLA-Tencor Corp.	81,972	80,669	1.28
							1,210	Omnicom Group Inc.	124,032	121,038	1.93
							520	Parker Hannifin Corp.	97,344	105,922	1.69
							1,030	Verizon Communications Inc.	64,941	79,089	1.26
									1,199,367	1,128,022	17.97
						Total Common Stocks					
						Transaction Costs					
						(6,525)					
						Total Investments					
						6,251,931					
						6,132,752					
						Total Investments and Cash Equivalents					
						6,401,313					
						6,282,134					
						Other Assets Net of Liabilities					
						(1,009)					
						Net Assets Attributable to Holders of Redeemable Units					
						6,281,125					
						100.00					

Beutel Goodman Total World Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Total World Equity Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of issuers in Canada and abroad. At all times, a significant portion of the Fund's assets will be invested in common shares or other equity securities of Canadian issuers. The Fund's advisor uses a value based approach in deciding what securities to buy for the Fund and attempts to buy the best economic value in the market regardless of the size of the issuer and what sector the issuer operates in. The Fund will maintain a diversified investment portfolio in numerous issuers. Research efforts will be directed to identifying stocks 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 investment portfolio of the Fund will usually display a price-to-earnings ratio and price-to-book ratio that are significantly below market averages. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
Total World Equity Benchmark*	59	49
Total	59	49

* The Beutel Goodman Total World Equity Fund Benchmark is comprised of:
 - the S&P/TSX (50%), the S&P 500Cdn. (25%) and the MSCI EAFE (25%)(effective Jan. 1, 2016)
 - the S&P/TSX (70%), the S&P 500Cdn. (15%) and the MSCI EAFE (15%)(effective since inception)

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	615	–	615	9.8
British Pound	–	292	1	293	4.7
United States Dollar	1	1,734	6	1,741	27.7
Singapore Dollar	–	69	–	69	1.1
Swiss Franc	–	132	1	133	2.1
Danish Krone	–	83	–	83	1.3
Australian Dollar	–	120	–	120	1.9
Total	1	3,045	8	3,054	48.6

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	653	–	653	11.7
British Pound	–	155	–	155	2.8
Norwegian Krone	–	69	–	69	1.2
United States Dollar	1	1,632	3	1,636	29.4
Singapore Dollar	–	36	–	36	0.7
Swiss Franc	–	153	–	153	2.7
Danish Krone	–	77	–	77	1.4
Australian Dollar	–	70	–	70	1.3
Total	1	2,845	3	2,849	51.2

Beutel Goodman Total World Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$30,500 (December 31, 2017 \$28,500).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Country segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	2.37%	3.14%
Common Stocks		
Australia	1.92%	1.27%
Canada	49.14%	47.00%
Denmark	1.32%	1.38%
France	2.83%	2.11%
Germany	6.86%	7.42%
Italy	–	1.44%
Ireland	1.03%	1.43%
Japan	1.21%	1.25%
Netherlands	4.07%	5.43%
Norway	–	1.24%
Singapore	1.10%	0.65%
Switzerland	2.09%	2.74%
United Kingdom	8.11%	5.85%
United States	17.97%	18.60%
Total	100.02%	100.95%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	5,952,194	180,558	–	6,132,752
Total Assets	5,952,194	180,558	–	6,132,752

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	5,380,055	60,973	–	5,440,978
Total Assets	5,380,055	60,973	–	5,440,978

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	111,907	121,703	135,421	18,807
Redeemable units issued for cash	55,571	35,899	56,940	7,757
Reinvested units	6,555	6,974	9,025	1,336
Redeemable units redeemed	(22,206)	(21,549)	(20,594)	(7,329)
Balance, end of year	151,827	143,027	180,792	20,571

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	32,357	106,920	84,638	12,097
Redeemable units issued for cash	92,059	29,304	74,720	5,485
Reinvested units	5,704	6,158	6,798	1,225
Redeemable units redeemed	(18,213)	(20,679)	(30,735)	–
Balance, end of year	111,907	121,703	135,421	18,807

Beutel Goodman North American Focused Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,215,812	1,911,831
Financial assets at fair value through profit or loss*	48,367,315	38,651,964
Accrued interest	3,968	1,264
Dividends receivable	46,177	30,357
Subscriptions receivable	49,570	132,492
Total assets	50,682,842	40,727,908
Liabilities		
Current liabilities		
Management and administrative fees payable	89,036	74,394
Due to brokers	–	22,155
Redemptions payable	162,862	59,062
Distributions payable	–	28
Total liabilities (before net assets attributable to holders of redeemable units)	251,898	155,639
Net assets attributable to holders of redeemable units	50,430,944	40,572,269
*Investments at average cost	46,820,009	33,384,812
Net assets attributable to holders of redeemable units per class		
Class B	10,372,573	9,067,622
Class D	15,115,644	15,654,196
Class F	16,587,704	11,283,693
Class I	8,355,023	4,566,758
Net assets attributable to holders of redeemable units per unit		
Class B	16.39	17.41
Class D	10.01	10.59
Class F	17.11	18.15
Class I	10.90	11.54
Number of outstanding redeemable units (note 6)		
Class B	632,730	520,810
Class D	1,510,511	1,478,410
Class F	969,458	621,676
Class I	766,315	395,715

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	1,138,572	745,580
Interest for distribution purposes	26,585	18,960
Realized gain (loss) on sale of investments	1,504,858	1,364,336
Change in unrealized appreciation (depreciation) in the value of investments	(3,719,846)	2,011,951
Net gains (losses) on investments	(1,049,831)	4,140,827
Other income		
Realized gain (loss) on foreign currency transactions	(14,471)	(2,026)
Total income	(1,064,302)	4,138,801
Expenses		
Management fees	562,225	366,078
Administrative fees	52,995	35,169
Transaction costs (note 9)	17,567	10,524
Withholding taxes	77,865	43,045
Total Expenses	710,652	454,816
Increase (decrease) in net assets attributable to holders of redeemable units	(1,774,954)	3,683,985
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(456,060)	697,931
Class D	(473,314)	1,573,169
Class F	(548,391)	856,995
Class I	(297,189)	555,890
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.75)	1.78
Class D	(0.30)	1.20
Class F	(0.71)	2.09
Class I	(0.56)	1.50

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman North American Focused Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	9,067,622	2,576,168
Class D	15,654,196	9,435,335
Class F	11,283,693	2,275,285
Class I	4,566,758	3,683,208
	40,572,269	17,969,996
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(456,060)	697,931
Class D	(473,314)	1,573,169
Class F	(548,391)	856,995
Class I	(297,189)	555,890
	(1,774,954)	3,683,985
Distribution to holders of redeemable units		
From net investment income		
Class B	—	(13,816)
Class D	(76,847)	(106,208)
Class F	(157,034)	(109,491)
Class I	(140,412)	(69,448)
From net realized gains on investments		
Class B	(201,654)	(201,531)
Class D	(295,410)	(347,944)
Class F	(322,255)	(251,949)
Class I	(157,552)	(102,234)
	(1,351,164)	(1,202,621)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	4,138,915	6,776,250
Class D	4,999,696	7,582,079
Class F	10,209,011	9,660,299
Class I	4,163,446	436,314
Reinvestments of distributions to holders of redeemable units		
Class B	179,616	199,655
Class D	363,919	445,160
Class F	329,556	296,710
Class I	297,964	171,682
Redemption of redeemable units		
Class B	(2,355,866)	(967,035)
Class D	(5,056,596)	(2,927,395)
Class F	(4,206,876)	(1,444,156)
Class I	(77,992)	(108,654)
	12,984,793	20,120,909
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,304,951	6,491,454
Class D	(538,552)	6,218,861
Class F	5,304,011	9,008,408
Class I	3,788,265	883,550
	9,858,675	22,602,273
Net assets attributable to holders of redeemable units at end of year		
Class B	10,372,573	9,067,622
Class D	15,115,644	15,654,196
Class F	16,587,704	11,283,693
Class I	8,355,023	4,566,758
	50,430,944	40,572,269

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,774,954)	3,683,985
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,504,858)	(1,364,336)
Change in unrealized (appreciation) depreciation in the value of investments	3,719,846	(2,011,951)
Purchases of investments	(22,384,291)	(24,038,968)
Proceeds from sale of investments	10,431,797	5,229,065
(Increase) decrease in accrued interest	(2,704)	(1,088)
(Increase) decrease in dividends receivable	(15,820)	(19,069)
Increase (decrease) in accrued liabilities	14,642	44,983
Net cash flows from (used in) operating activities	(11,516,342)	(18,477,379)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(180,137)	(89,414)
Proceeds from redeemable units issued	23,593,990	24,685,253
Redemption of redeemable units	(11,593,530)	(5,395,878)
Net cash flows from (used in) financing activities	11,820,323	19,199,961
Net increase (decrease) in cash and cash equivalents	303,981	722,582
Cash and cash equivalents at beginning of year	1,911,831	1,189,249
Cash and cash equivalents at end of year*	2,215,812	1,911,831
Supplementary information		
Cash flow from operating activities		
Interest received	23,881	17,872
Dividends received, net of withholding taxes	1,044,887	683,466
*Cash and cash equivalents include:		
Cash at banks	74,798	41,296
Short-term investments	2,141,014	1,870,535
Total	2,215,812	1,911,831

The accompanying notes are an integral part of these financial statements.

Beutel Goodman North American Focused Equity Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2017 - 4.62%)									
Treasury Bills									
250,000	Government of Canada	1.642	21-Mar-19	249,025	249,025	0.49			
425,000	Government of Canada	1.623	7-Mar-19	423,338	423,338	0.84			
600,000	Government of Canada	1.694	21-Feb-19	597,478	597,478	1.18			
825,000	Government of Canada	1.706	7-Feb-19	821,377	821,377	1.63			
50,000	Government of Canada	1.712	24-Jan-19	49,796	49,796	0.10			
			2,141,014	2,141,014	4.24				
Common Stocks (2017 - 95.26%)									
Energy									
30,265	Halliburton Co.			1,709,261	1,098,712	2.18			
			1,709,261	1,098,712	2.18				
Industrial									
3,930	Canadian Pacific Railway Ltd.			779,385	952,003	1.89			
91,525	Finning International Inc.			2,425,799	2,178,295	4.32			
9,290	Parker Hannifin Corp.			1,733,214	1,892,335	3.75			
45,495	SNC-Lavalin Group Inc.			2,319,740	2,089,130	4.14			
			7,258,138	7,111,763	14.10				
Communication Services									
51,700	Comcast Corp.			2,402,839	2,404,339	4.77			
22,550	Omnicom Group Inc.			2,307,463	2,255,708	4.47			
34,400	Rogers Communications Inc., Class B			1,851,878	2,406,624	4.77			
38,160	Verizon Communications Inc.			2,337,789	2,930,132	5.82			
			8,899,969	9,996,803	19.83				
Consumer Discretionary									
Automobiles & Components									
37,940	Magna International Inc.			1,979,563	2,351,142	4.66			
			1,979,563	2,351,142	4.66				
Retailing									
14,750	Canadian Tire Corp Ltd., Class A			1,918,824	2,105,415	4.17			
			1,918,824	2,105,415	4.17				
			3,898,387	4,456,557	8.83				
Consumer Staples									
Household & Personal Products									
27,850	Kellogg Co.			2,230,882	2,168,524	4.30			
59,100	Metro Inc., Class A			2,448,432	2,797,794	5.55			
24,650	Molson Coors Canada Inc., Class B			2,490,268	1,890,741	3.75			
			7,169,582	6,857,059	13.60				
						Food, Beverage & Tobacco			
						7,650 Saputo Inc.			
			286,295	299,804	0.59				
			286,295	299,804	0.59				
			7,455,877	7,156,863	14.19				
						Health Care			
						Pharmaceuticals & Biotechnology			
						20,170 AmerisourceBergen Corp.			
			2,187,142	2,049,590	4.06				
			2,187,142	2,049,590	4.06				
						Financials			
						Banks			
						30,990 Royal Bank of Canada			
			2,667,958	2,895,706	5.74				
						40,585 The Toronto-Dominion Bank			
			2,370,911	2,754,098	5.46				
			5,038,869	5,649,804	11.20				
						Diversified Financials			
						12,975 American Express Co.			
			1,259,327	1,689,194	3.35				
						44,025 Great-West Lifeco Inc.			
			2,195,133	2,303,388	4.57				
			3,454,460	3,992,582	7.92				
						Insurance			
						53,975 American Express Co.			
			2,856,888	2,444,528	4.85				
			2,856,888	2,444,528	4.85				
			11,350,217	12,086,914	23.97				
						Information Technology			
						17,775 KLA-Tencor Corp.			
			2,224,037	2,172,562	4.31				
						36,285 Oracle Corp.			
			1,860,514	2,237,551	4.44				
			4,084,551	4,410,113	8.75				
			46,843,542	48,367,315	95.91				
						Total Common Stocks			
						Transaction Costs			
						(23,533)			
						Total Investments			
						46,820,009			
						48,367,315			
						95.91			
						Total Investments and Cash Equivalents			
						48,961,023			
						50,508,329			
						100.15			
						Other Assets Net of Liabilities			
						(77,385)			
						(0.15)			
						Net Assets Attributable to Holders of Redeemable Units			
						50,430,944			
						100.00			

Beutel Goodman North American Focused Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman North American Focused Equity Fund (the "Fund") is to seek long-term capital growth through investments in common shares and other equity securities of issuers in Canada and the United States. The strategy of this Fund is to hold a concentrated portfolio of quality companies for the long term. Thus, the investment portfolio of the Fund will consist of a small number of large positions with very low turnover. It is not expected that the Fund will invest in more than 22 issuers at one time. 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 substantial free cash flow are favoured. Securities of these companies are purchased when they are trading at a substantial discount to their business value. The downside risk of buying such securities is perceived to be small and the risk/reward ratio is highly favourable. The Fund may hold significant cash balances from time to time. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
North American Focused Equity Benchmark*	448	351
Total	448	351

* The North American Focused Equity Fund Benchmark is comprised of the S&P/TSX (60%) and the S&P 500Cdn. (40%)

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	9	22,789	27	22,825	45.3
Total	9	22,789	27	22,825	45.3

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	–	18,071	13	18,084	44.6
Total	–	18,071	13	18,084	44.6

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$228,000 (December 31, 2017 \$180,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman North American Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	4.24%	4.62%
Common Stocks		
Energy	2.18%	4.29%
Industrial	14.10%	19.80%
Consumer Discretionary	8.83%	13.24%
Consumer Staples	14.19%	14.69%
Health Care	4.06%	9.50%
Financials	23.97%	20.77%
Information Technology	8.75%	4.64%
Communication Services	19.83%	8.33%
Total	100.15%	99.88%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	48,367,315	–	–	48,367,315
Total Assets	48,367,315	–	–	48,367,315

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	38,651,964	–	–	38,651,964
Total Assets	38,651,964	–	–	38,651,964

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	520,810	1,478,410	621,676	395,715
Redeemable units issued for cash	235,900	470,994	559,602	350,495
Reinvested units	10,765	35,664	18,934	26,878
Redeemable units redeemed	(134,745)	(474,557)	(230,754)	(6,773)
Balance, end of year	632,730	1,510,511	969,458	766,315

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	161,483	975,841	137,098	350,608
Redeemable units issued for cash	405,378	747,563	550,564	39,792
Reinvested units	11,409	41,923	16,271	14,813
Redeemable units redeemed	(57,460)	(286,917)	(82,257)	(9,498)
Balance, end of year	520,810	1,478,410	621,676	395,715

Beutel Goodman Fundamental Canadian Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	22,095,852	5,582,924
Financial assets at fair value through profit or loss*	782,871,970	643,547,161
Accrued interest	20,083	886
Dividends receivable	1,952,906	1,701,338
Subscriptions receivable	2,595,948	1,198,415
Total assets	809,536,759	652,030,724
Liabilities		
Current liabilities		
Management and administrative fees payable	48,861	37,609
Due to brokers	–	278,750
Redemptions payable	454,831	9,357
Distributions payable	27,809	3,296
Total liabilities (before net assets attributable to holders of redeemable units)	531,501	329,012
Net assets attributable to holders of redeemable units	809,005,258	651,701,712
*Investments at average cost	768,708,935	561,746,735
Net assets attributable to holders of redeemable units per class		
Class B	685,387	259,619
Class F	1,482,815	357,653
Class I	806,837,056	651,084,440
Net assets attributable to holders of redeemable units per unit		
Class B	10.65	11.65
Class F	10.83	11.83
Class I	10.99	11.94
Number of outstanding redeemable units (note 6)		
Class B	64,365	22,285
Class F	136,944	30,239
Class I	73,422,409	54,511,688

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	22,924,176	15,332,292
Interest for distribution purposes	253,418	73,629
Realized gain (loss) on sale of investments	11,566,544	2,123,293
Change in unrealized appreciation (depreciation) in the value of investments	(67,637,391)	40,495,518
Net gains (losses) on investments	(32,893,253)	58,024,732
Other income		
Realized gain (loss) on foreign currency transactions	1,372	(496)
Total income	(32,891,881)	58,024,236
Expenses		
Management fees	17,585	7,700
Administrative fees	849,217	381,625
Transaction costs (note 9)	246,829	200,385
Total expenses before waiver	1,113,631	589,710
Expenses waived by the manager	(340,167)	–
Total expenses	773,464	589,710
Increase (decrease) in net assets attributable to holders of redeemable units	(33,665,345)	57,434,526
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(45,691)	18,085
Class F	(73,342)	19,109
Class I	(33,546,312)	57,397,332
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(1.08)	1.05
Class F	(1.02)	0.58
Class I	(0.54)	1.19

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Fundamental Canadian Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	259,619	79,614
Class F	357,653	169,841
Class I	651,084,440	488,250,214
	651,701,712	488,499,669
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(45,691)	18,085
Class F	(73,342)	19,109
Class I	(33,546,312)	57,397,332
	(33,665,345)	57,434,526
Distribution to holders of redeemable units		
From net investment income		
Class B	(10,156)	(2,267)
Class F	(34,667)	(4,351)
Class I	(22,340,388)	(14,819,808)
From net realized gains on investments		
Class B	(10,664)	(2,854)
Class F	(23,405)	(3,938)
Class I	(12,523,137)	(7,145,745)
	(34,942,417)	(21,978,963)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	592,823	199,685
Class F	1,325,078	776,296
Class I	250,056,680	164,343,861
Reinvestments of distributions to holders of redeemable units		
Class B	20,821	5,121
Class F	36,558	7,736
Class I	34,859,948	21,964,817
Redemption of redeemable units		
Class B	(121,365)	(37,765)
Class F	(105,060)	(607,040)
Class I	(60,754,175)	(58,906,231)
	225,911,308	127,746,480
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	425,768	180,005
Class F	1,125,162	187,812
Class I	155,752,616	162,834,226
	157,303,546	163,202,043
Net assets attributable to holders of redeemable units at end of year		
Class B	685,387	259,619
Class F	1,482,815	357,653
Class I	806,837,056	651,084,440
	809,005,258	651,701,712

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(33,665,345)	57,434,526
Adjustments for:		
Net realized (gain) loss on sale of investments	(11,566,544)	(2,123,293)
Change in unrealized (appreciation) depreciation in the value of investments	67,637,391	(40,495,518)
Purchases of investments	(311,321,661)	(180,372,162)
Proceeds from sale of investments	115,647,255	65,960,877
(Increase) decrease in accrued interest	(19,197)	(193)
(Increase) decrease in dividends receivable	(251,568)	(211,435)
Increase (decrease) in accrued liabilities	11,252	9,733
Net cash flows from (used in) operating activities	(173,528,417)	(99,797,465)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(577)	9
Proceeds from redeemable units issued	250,577,048	164,405,664
Redemption of redeemable units	(60,535,126)	(63,437,720)
Net cash flows from (used in) financing activities	190,041,345	100,967,953
Net increase (decrease) in cash and cash equivalents	16,512,928	1,170,488
Cash and cash equivalents at beginning of year	5,582,924	4,412,436
Cash and cash equivalents at end of year*	22,095,852	5,582,924
Supplementary information		
Cash flow from operating activities		
Interest received	234,221	73,436
Dividends received, net of withholding taxes	22,672,608	15,120,857
*Cash and cash equivalents include:		
Cash at banks/(overdraft)	(60,332)	21,271
Short-term investments	22,156,184	5,561,653
Total	22,095,852	5,582,924

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Fundamental Canadian Equity Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets			
Cash Equivalents (2017 - 0.85%)						Consumer Staples						
Treasury Bills						Food & Staples Retailing						
6,100,000	Government of Canada	1.644	21-Mar-19	6,075,633	6,075,633	0.75	120,840	Loblaw Cos Ltd.	6,576,672	7,384,532	0.91	
16,145,000	Government of Canada	1.633	7-Mar-19	16,080,551	16,080,551	1.99	906,590	Metro Inc., Class A	37,460,461	42,917,971	5.31	
				22,156,184	22,156,184	2.74			44,037,133	50,302,503	6.22	
Common Stocks (2017 - 98.75%)						Food Beverage & Tobacco						
Energy						200,030 Molson Coors Canada Inc., Class B				21,845,246	15,756,363	1.95
1,130,330	Cameco Corp.			16,585,038	17,497,508	2.16	501,030	Saputo Inc.	20,426,061	19,635,366	2.43	
1,083,900	Canadian Natural Resources Ltd.			41,429,207	35,703,666	4.41			42,271,307	35,391,729	4.38	
1,146,220	Cenovus Energy Inc.			19,530,369	11,003,712	1.36			86,308,440	85,694,232	10.60	
				77,544,614	64,204,886	7.93	Financials					
Materials						Banks						
145,170	Franco-Nevada Corp.			11,860,036	13,897,124	1.72	523,720	Bank of Nova Scotia	36,976,118	35,639,146	4.41	
605,715	Nutrien Ltd.			39,940,086	38,838,446	4.80	284,520	Bank of Montreal	28,272,820	25,376,339	3.14	
				51,800,122	52,735,570	6.52	22,330	Canadian Imperial Bank of Commerce	2,362,611	2,270,514	0.28	
Industrial						789,550 Royal Bank of Canada				69,116,183	73,775,555	9.11
Capital Goods						1,017,970 The Toronto-Dominion Bank				63,277,813	69,079,444	8.54
633,790	Finning International Inc.			16,188,409	15,084,202	1.86			200,005,545	206,140,998	25.48	
361,250	SNC-Lavalin Group Inc.			18,623,420	16,588,600	2.05	Diversified Financials					
				34,811,829	31,672,802	3.91	748,220	Brookfield Asset Management Inc.	34,858,305	39,146,870	4.84	
Commercial & Professional Services						69,240 IGM Financial Inc.				2,694,391	2,148,517	0.27
82,047	Thomson Reuters Corp.			4,312,993	5,409,359	0.67	160,080	Onex Corp.	14,114,488	11,901,948	1.47	
				4,312,993	5,409,359	0.67	Insurance					
Transportation						697,430 Great-West Lifeco Inc.				23,577,739	19,653,577	2.43
228,630	Canadian National Railway Co.			20,227,905	23,116,779	2.86	366,820	Manulife Financial Corp.	7,833,624	7,105,303	0.88	
59,060	Canadian Pacific Railway Ltd.			12,103,121	14,306,694	1.77	578,190	Sun Life Financial Inc.	28,409,641	26,186,225	3.23	
				32,331,026	37,423,473	4.63			59,821,004	52,945,105	6.54	
				71,455,848	74,505,634	9.21	Information Technology					
Communication Services						Software & Services						
1,001,790	Rogers Communications Inc., Class B			56,963,306	70,085,228	8.67	518,048	Open Text Corp.	20,803,921	23,053,136	2.85	
555,400	Quebecor Inc., Class B			11,154,063	15,962,196	1.97			20,803,921	23,053,136	2.85	
411,690	TELUS Corp.			17,777,194	18,628,973	2.30	Total Common Stocks					
				85,894,563	104,676,397	12.94	Transaction Costs					
Consumer Discretionary						(425,504)						
Automobiles & Components						Total Investments						
620,520	Magna International Inc.			36,603,364	38,453,624	4.75	768,708,935					
				36,603,364	38,453,624	4.75	Total Investments and Cash Equivalents					
Retailing						790,865,119				805,028,154	99.51	
191,012	Canadian Tire Corp Ltd., Class A			27,229,834	27,265,053	3.37	Other Assets Net of Liabilities					
				27,229,834	27,265,053	3.37	3,977,104					
				63,833,198	65,718,677	8.12	Net Assets Attributable to Holders of Redeemable Units					
							809,005,258					
							100.00					

Beutel Goodman Fundamental Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and December 31, 2017

Risk Management

The investment objective of the Beutel Goodman Fundamental Canadian Equity Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of Canadian issuers with medium to large capitalization. The Fund's advisor attempts to buy the best economic value in the market regardless of what sector the issuer operates in. Research efforts will be directed to identifying stocks 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 investment portfolio of the Fund will usually display a price-to-earnings ratio and price-to-book ratio that are well below market averages. The Fund may hold significant cash balances from time to time. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017 with all other variables held constant, is included in the table below. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
S&P/TSX Composite Index	7,305	5,649
Total	7,305	5,649

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	2.74%	0.85%
Common Stocks		
Energy	7.93%	8.73%
Materials	6.52%	5.93%
Industrial	9.21%	10.42%
Consumer Discretionary	8.12%	11.97%
Consumer Staples	10.60%	6.54%
Financials	38.60%	43.32%
Information Technology	2.85%	2.81%
Communication Services	12.94%	9.03%
Total	99.51%	99.60%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	782,871,970	–	–	782,871,970
Total Assets	782,871,970	–	–	782,871,970

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	643,547,161	–	–	643,547,161
Total Assets	643,547,161	–	–	643,547,161

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Beutel Goodman Fundamental Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and December 31, 2017

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class F	Class I
Balance, beginning of the year	22,285	30,239	54,511,688
Redeemable units issued for cash	50,798	112,314	20,786,819
Reinvested units	1,955	3,376	3,172,239
Redeemable units redeemed	(10,673)	(8,985)	(5,048,337)
Balance, end of year	64,365	136,944	73,422,409

2017	Class B	Class F	Class I
Balance, beginning of the year	7,253	15,338	43,644,638
Redeemable units issued for cash	17,952	68,092	14,143,185
Reinvested units	440	654	1,838,995
Redeemable units redeemed	(3,360)	(53,845)	(5,115,130)
Balance, end of year	22,285	30,239	54,511,688

Beutel Goodman Small Cap Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	13,785,078	9,287,710
Financial assets at fair value through profit or loss*	497,306,370	678,350,447
Accrued interest	21,881	3,880
Dividends receivable	988,561	1,055,540
Subscriptions receivable	1,444,678	207,087
Total assets	513,546,568	688,904,664
Liabilities		
Current liabilities		
Management and administrative fees payable	112,126	156,873
Redemptions payable	255,174	328,888
Total liabilities (before net assets attributable to holders of redeemable units)	367,300	485,761
Net assets attributable to holders of redeemable units	513,179,268	688,418,903
*Investments at average cost	447,601,463	444,874,582
Net assets attributable to holders of redeemable units per class		
Class B	5,305,592	6,716,625
Class D	52,288,687	76,395,409
Class F	14,218,059	21,091,893
Class I	441,366,930	584,214,976
Net assets attributable to holders of redeemable units per unit		
Class B	10.48	14.57
Class D	21.88	30.19
Class F	22.31	30.75
Class I	23.40	32.43
Number of outstanding redeemable units (note 6)		
Class B	506,349	460,971
Class D	2,389,568	2,530,861
Class F	637,341	685,981
Class I	18,859,968	18,017,351

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	9,713,298	9,018,677
Interest for distribution purposes	133,670	541,240
Realized gain (loss) on sale of investments	66,050,295	27,001,908
Change in unrealized appreciation (depreciation) in the value of investments	(183,770,958)	24,831,165
Net gains (losses) on investments	(107,873,695)	61,392,990
Other income		
Realized gain (loss) on foreign currency transactions	(9,195)	172,873
Total income	(107,882,890)	61,565,863
Expenses		
Management fees	1,222,154	1,357,338
Administrative fees	678,884	655,299
Transaction costs (note 9)	354,823	511,916
Total expenses before waiver	2,255,861	2,524,553
Expenses waived by the manager	(233,674)	–
Total Expenses	2,022,187	2,524,553
Increase (decrease) in net assets attributable to holders of redeemable units	(109,905,077)	59,041,310
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(1,299,587)	385,351
Class D	(12,378,754)	5,661,611
Class F	(3,284,510)	1,292,962
Class I	(92,942,226)	51,701,386
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(2.74)	0.92
Class D	(5.36)	2.19
Class F	(5.27)	2.14
Class I	(5.42)	2.82

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Small Cap Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	6,716,625	5,353,909
Class D	76,395,409	72,046,181
Class F	21,091,893	12,594,880
Class I	584,214,976	558,265,007
	688,418,903	648,259,977
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(1,299,587)	385,351
Class D	(12,378,754)	5,661,611
Class F	(3,284,510)	1,292,962
Class I	(92,942,226)	51,701,386
	(109,905,077)	59,041,310
Distribution to holders of redeemable units		
From net investment income		
Class B	—	—
Class D	(20,161)	(102,744)
Class F	(25,629)	(124,883)
Class I	(7,235,985)	(8,559,022)
From net realized gains on investment		
Class B	(619,387)	(2,831)
Class D	(5,923,405)	(32,369)
Class F	(1,598,332)	(8,925)
Class I	(49,360,314)	(244,474)
	(64,783,213)	(9,075,248)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	1,486,602	2,657,808
Class D	2,727,698	10,310,020
Class F	5,139,720	11,926,406
Class I	20,783,543	48,039,109
Reinvestments of distributions to holders of redeemable units		
Class B	615,049	2,788
Class D	5,790,769	132,187
Class F	1,517,337	124,797
Class I	56,596,306	8,803,488
Redemption of redeemable units		
Class B	(1,593,710)	(1,680,400)
Class D	(14,302,869)	(11,619,477)
Class F	(8,622,420)	(4,713,344)
Class I	(70,689,370)	(73,790,518)
	(551,345)	(9,807,136)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(1,411,033)	1,362,716
Class D	(24,106,722)	4,349,228
Class F	(6,873,834)	8,497,013
Class I	(142,848,046)	25,949,969
	(175,239,635)	40,158,926
Net assets attributable to holders of redeemable units at end of year		
Class B	5,305,592	6,716,625
Class D	52,288,687	76,395,409
Class F	14,218,059	21,091,893
Class I	441,366,930	584,214,976
	513,179,268	688,418,903

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(109,905,077)	59,041,310
Adjustments for:		
Net realized (gain) loss on sale of investments	(66,050,295)	(27,001,908)
Change in unrealized (appreciation) depreciation in the value of investments	183,770,958	(24,831,165)
Purchases of investments	(69,393,353)	(111,286,631)
Proceeds from sale of investments	132,716,767	107,315,511
(Increase) decrease in accrued interest	(18,001)	3,924
(Increase) decrease in dividends receivable	66,979	(111,561)
Increase (decrease) in accrued liabilities	(44,747)	(2,791)
Net cash flows from (used in) operating activities	71,143,231	3,126,689
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(263,752)	(11,988)
Proceeds from redeemable units issued	28,899,972	72,891,320
Redemption of redeemable units	(95,282,083)	(92,433,824)
Net cash flows from (used in) financing activities	(66,645,863)	(19,554,492)
Net increase (decrease) in cash and cash equivalents	4,497,368	(16,427,803)
Cash and cash equivalents at beginning of year	9,287,710	25,715,513
Cash and cash equivalents at end of year*	13,785,078	9,287,710
Supplementary information		
Cash flow from operating activities		
Interest received	115,669	545,164
Dividends received, net of withholding taxes	9,780,277	8,907,116
*Cash and cash equivalents include:		
Cash at banks	116,837	11,647
Short-term investments	13,668,241	9,276,063
Total	13,785,078	9,287,710

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Small Cap Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets		
Cash Equivalents (2017 - 1.35%)											
Treasury Bills											
10,100,000	Government of Canada	1.696	21-Feb-19	10,056,671	10,056,671	1.96					
875,000	Government of Canada	1.644	21-Mar-19	871,859	871,859	0.17					
2,750,000	Government of Canada	1.623	7-Mar-19	2,739,711	2,739,711	0.53					
			<u>13,668,241</u>	<u>13,668,241</u>	<u>2.66</u>						
Common Stocks (2017 - 98.53%)						Consumer Discretionary					
Energy						Automobiles & Components					
2,484,060	Birchcliff Energy Ltd.			14,840,115	7,551,542	1.47	526,377	Linamar Corp.	18,293,684	23,844,878	4.65
8,346,060	Denison Mines Corp.			10,142,194	5,258,018	1.02					
476,950	Enerflex Ltd.			5,146,668	7,621,661	1.49					
2,471,090	NuVista Energy Ltd.			15,531,263	10,082,047	1.96					
1,453,010	Paramount Resources Ltd., Class A			19,264,601	10,432,612	2.03					
860,047	Pinnacle Renewable Holdings Inc.			10,500,278	10,320,564	2.01					
529,160	Total Energy Services Inc.			7,952,638	5,169,893	1.01					
			<u>83,377,757</u>	<u>56,436,337</u>	<u>10.99</u>						
Materials						Retailing					
3,304,940	Alamos Gold Inc.			27,014,378	16,227,255	3.16	1,849,380	Aritzia Inc.	25,951,893	30,329,833	5.91
1,014,040	Intertape Polymer Group Inc.			16,912,048	17,157,557	3.34	436,508	Leons Furniture Ltd.	5,258,414	6,560,715	1.28
1,951,150	Lundin Mining Corp.			10,581,404	11,004,486	2.14	1,737,256	Real Matters Inc.	8,850,251	5,732,945	1.12
2,484,050	Major Drilling Group International Inc.			18,026,775	11,426,630	2.23	1,171,910	Uni-Select Inc.	17,531,807	22,746,773	4.43
330,571	Winpak Ltd.			4,572,351	15,784,765	3.08					
			<u>77,106,956</u>	<u>71,600,693</u>	<u>13.95</u>						
Industrial						Consumer Staples					
Capital Goods						Food Beverage & Tobacco					
199,860	AG Growth International Inc.			8,124,932	9,353,448	1.82	489,480	Maple Leaf Foods Inc.	6,643,389	13,377,488	2.61
582,390	ATS Automation Tooling Systems Inc.			9,397,471	8,380,592	1.63					
775,260	Badger Daylighting Ltd.			20,000,992	25,002,138	4.88					
370,900	Cervus Equipment Corp.			4,574,166	4,728,975	0.92					
365,695	Heroux-Devtek Inc.			4,877,101	4,728,436	0.92					
121,560	Rocky Mountain Dealerships Inc.			1,338,486	1,072,159	0.21					
158,810	Toromont Industries Ltd.			3,209,089	8,617,031	1.68					
548,680	Wajax Corp.			13,483,919	9,097,114	1.77					
			<u>65,006,156</u>	<u>70,979,893</u>	<u>13.83</u>						
Commercial Services & Supplies						Health Care					
425,190	GDI Integrated Facility Services Inc.			5,393,591	7,857,511	1.53	Pharmaceuticals & Biotechnology				
200,970	K-Bro Linen Inc.			7,642,297	6,720,437	1.31	1,583,350	CRH Medical Corp.	8,354,266	6,618,403	1.29
			<u>13,035,888</u>	<u>14,577,948</u>	<u>2.84</u>	<u>8,354,266</u>					
Transportation						<u>8,354,266</u>					
1,434,340	WestJet Airlines Ltd.			24,996,853	25,818,120	5.04					
			<u>24,996,853</u>	<u>25,818,120</u>	<u>5.04</u>						
			<u>103,038,897</u>	<u>111,375,961</u>	<u>21.71</u>						
Communication Services						Financials					
669,480	Quebecor Inc., Class B			4,589,206	19,240,855	3.75	Banks				
			<u>4,589,206</u>	<u>19,240,855</u>	<u>3.75</u>	411,090	Canadian Western Bank	11,200,014	10,704,784	2.09	
						556,000	Equitable Group Inc.	21,570,092	32,870,720	6.40	
						<u>32,770,106</u>					
						<u>43,575,504</u>					
						<u>8.49</u>					
						Insurance					
						537,854 Industrial Alliance Insurance & Financial Services Inc.					
						<u>16,808,793</u>					
						<u>23,434,299</u>					
						<u>4.57</u>					
						<u>16,808,793</u>					
						<u>23,434,299</u>					
						<u>4.57</u>					
						Real Estate					
						398,470 Colliers International Group Inc.					
						<u>14,734,193</u>					
						<u>30,000,806</u>					
						<u>5.84</u>					
						<u>1,397,891</u>					
						<u>11,126,624</u>					
						<u>2.17</u>					
						<u>16,132,084</u>					
						<u>41,127,430</u>					
						<u>8.01</u>					
						<u>65,710,983</u>					
						<u>108,137,233</u>					
						<u>21.07</u>					
						Information Technology					
						Technology Hardware & Equipment					
						220,860 Evertz Technologies Ltd.					
						<u>3,645,969</u>					
						<u>3,575,723</u>					
						<u>0.70</u>					
						<u>3,645,969</u>					
						<u>3,575,723</u>					
						<u>0.70</u>					
						Utilities					
						1,831,460 Superior Plus Corp.					
						<u>20,380,820</u>					
						<u>17,728,533</u>					
						<u>3.45</u>					
						<u>20,380,820</u>					
						<u>17,728,533</u>					
						<u>3.45</u>					
						Total Common Stocks					
						<u>448,734,292</u>					
						<u>497,306,370</u>					
						<u>96.91</u>					
						Transaction Costs					
						<u>(1,132,829)</u>					
						Total Investments					
						<u>447,601,463</u>					
						<u>497,306,370</u>					
						<u>96.91</u>					
						Total Investments and Cash Equivalents					
						<u>461,269,704</u>					
						<u>510,974,611</u>					
						<u>99.57</u>					
						Other Assets Net of Liabilities					
						<u>2,204,657</u>					
						<u>0.43</u>					
						Net Assets Attributable to Holders of Redeemable Units					
						<u>513,179,268</u>					
						<u>100.00</u>					

Beutel Goodman Small Cap Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective for the Beutel Goodman Small Cap Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of Canadian issuers. The Fund's advisor uses a value based approach to seek superior long-term capital appreciation at reasonable risk. The advisor believes that the value of a business is defined by its future potential to generate free cash flow for the shareholder. The advisor buys companies at a discount to that business value. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Beutel Goodman changed the Beutel Goodman SmallCap benchmark from the BMO Small Cap Index (BMO SC) to the S&P/TSX Small Cap Total Return Index (TSX SC) effective January 1, 2018. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
S&P/TSX Small Cap Total Return Index	4,027	5,319
Total	4,027	5,319

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	2.66%	1.35%
Common Stocks		
Energy	10.99%	13.08%
Materials	13.95%	17.71%
Industrial	21.71%	16.51%
Communication Services	3.75%	–
Consumer Discretionary	17.39%	21.07%
Consumer Staples	2.61%	2.87%
Health Care	1.29%	0.86%
Financials	21.07%	22.99%
Information Technology	0.70%	0.65%
Utilities	3.45%	2.79%
Total	99.57%	99.88%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	497,306,370	–	–	497,306,370
Total Assets	497,306,370	–	–	497,306,370

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	678,350,447	–	–	678,350,447
Total Assets	678,350,447	–	–	678,350,447

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Beutel Goodman Small Cap Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	460,971	2,530,861	685,981	18,017,351
Redeemable units issued for cash	107,347	96,639	178,810	720,714
Reinvested units	58,670	264,431	68,017	2,419,700
Redeemable units redeemed	(120,640)	(502,364)	(295,467)	(2,297,798)
Balance, end of year	506,349	2,389,568	637,341	18,859,968

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	392,972	2,570,186	440,223	18,535,735
Redeemable units issued for cash	185,663	350,471	397,657	1,515,031
Reinvested units	195	4,464	4,147	277,532
Redeemable units redeemed	(117,859)	(394,260)	(156,046)	(2,310,947)
Balance, end of year	460,971	2,530,861	685,981	18,017,351

Beutel Goodman Canadian Dividend Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,222,323	2,258,286
Financial assets at fair value through profit or loss*	515,148,137	468,333,259
Unrealized gain on foreign currency forward contracts	–	1,214,656
Accrued interest	2,754	753
Dividends receivable	1,730,426	1,362,503
Due from brokers	927,703	–
Subscriptions receivable	1,433,470	1,066,853
Total assets	522,464,813	474,236,310
Liabilities		
Current liabilities		
Management and administrative fees payable	395,550	308,751
Unrealized loss on foreign currency forward contracts	1,703,162	–
Due to brokers	1,432,848	648,833
Redemptions payable	926,631	397,368
Distributions payable	–	136
Total liabilities (before net assets attributable to holders of redeemable units)	4,458,191	1,355,088
Net assets attributable to holders of redeemable units	518,006,622	472,881,222
*Investments at average cost	514,822,982	426,759,667
Net assets attributable to holders of redeemable units per class		
Class B	93,021,684	66,168,985
Class D	102,235,315	112,735,482
Class F	98,200,664	75,601,629
Class I	224,548,959	218,375,126
Net assets attributable to holders of redeemable units per unit		
Class B	14.55	15.93
Class D	9.51	10.38
Class F	14.90	16.30
Class I	10.18	11.13
Number of outstanding redeemable units (note 6)		
Class B	6,394,061	4,154,619
Class D	10,746,282	10,859,510
Class F	6,590,259	4,638,807
Class I	22,060,103	19,622,793

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	17,106,078	11,824,616
Interest for distribution purposes	49,482	23,369
Realized gain (loss) on sale of investments	12,799,165	7,838,094
Realized gain (loss) on foreign currency forward contracts	(3,593,361)	4,571,842
Change in unrealized appreciation (depreciation) in the value of investments	(41,248,437)	14,460,015
Change in unrealized appreciation (depreciation) in the value of foreign currency forward contracts	(2,917,818)	1,214,756
Net gains (losses) on investments	(17,804,891)	39,932,692
Other income		
Realized gain (loss) on foreign currency transactions	(89,770)	(28,707)
Total income	(17,894,661)	39,903,985
Expenses		
Management fees	4,114,479	2,769,038
Administrative fees	562,145	343,850
Transaction costs (note 9)	280,069	332,430
Withholding taxes	887,900	479,763
Total expenses before waiver	5,844,593	3,925,081
Expenses waived by the manager	(97,628)	–
Total Expenses	5,746,965	3,925,081
Increase (decrease) in net assets attributable to holders of redeemable units	(23,641,626)	35,978,904
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(5,634,539)	4,175,786
Class D	(5,457,861)	9,316,946
Class F	(4,714,676)	5,631,123
Class I	(7,834,550)	16,855,049
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(1.03)	1.40
Class D	(0.50)	0.93
Class F	(0.79)	1.59
Class I	(0.40)	1.10

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Canadian Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	66,168,985	26,944,005
Class D	112,735,482	84,397,818
Class F	75,601,629	31,219,003
Class I	218,375,126	81,344,926
	472,881,222	223,905,752
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(5,634,539)	4,175,786
Class D	(5,457,861)	9,316,946
Class F	(4,714,676)	5,631,123
Class I	(7,834,550)	16,855,049
	(23,641,626)	35,978,904
Distribution to holders of redeemable units		
From net investment income		
Class B	(914,311)	(376,986)
Class D	(1,635,422)	(1,132,603)
Class F	(1,924,407)	(952,873)
Class I	(6,401,536)	(4,718,377)
From net realized gains on investments		
Class B	(1,877,456)	(1,626,464)
Class D	(2,062,201)	(2,811,617)
Class F	(1,958,707)	(1,884,638)
Class I	(4,485,602)	(5,465,199)
	(21,259,642)	(18,968,757)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	49,975,233	44,218,945
Class D	25,436,544	37,598,129
Class F	60,664,815	49,606,696
Class I	50,532,824	128,067,828
Reinvestments of distributions to holders of redeemable units		
Class B	2,490,759	1,762,897
Class D	3,406,063	3,676,686
Class F	2,623,133	1,894,222
Class I	10,780,997	10,183,560
Redemption of redeemable units		
Class B	(17,186,987)	(8,929,198)
Class D	(30,187,290)	(18,309,877)
Class F	(32,091,123)	(9,911,904)
Class I	(36,418,300)	(7,892,661)
	90,026,668	231,965,323
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	26,852,699	39,224,980
Class D	(10,500,167)	28,337,664
Class F	22,599,035	44,382,626
Class I	6,173,833	137,030,200
	45,125,400	248,975,470
Net assets attributable to holders of redeemable units at end of year		
Class B	93,021,684	66,168,985
Class D	102,235,315	112,735,482
Class F	98,200,664	75,601,629
Class I	224,548,959	218,375,126
	518,006,622	472,881,222

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(23,641,626)	35,978,904
Adjustments for:		
Net realized (gain) loss on sale of investments	(12,799,165)	(7,838,094)
Change in unrealized (appreciation) depreciation in the value of investments	41,248,437	(14,460,015)
Change in unrealized (appreciation) depreciation in the value of foreign currency forward contracts	2,917,818	(1,214,756)
Purchases of investments	(192,297,684)	(316,752,602)
Proceeds from sale of investments	116,889,846	91,777,237
(Increase) decrease in accrued interest	(2,001)	(425)
(Increase) decrease in dividends receivable	(367,923)	(747,358)
Increase (decrease) in accrued liabilities	86,799	146,099
Net cash flows from (used in) operating activities	(67,965,499)	(213,111,010)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,958,826)	(1,451,256)
Proceeds from redeemable units issued	186,242,799	259,258,196
Redemption of redeemable units	(115,354,437)	(44,815,277)
Net cash flows from (used in) financing activities	68,929,536	212,991,663
Net increase (decrease) in cash and cash equivalents	964,037	(119,347)
Cash and cash equivalents at beginning of year	2,258,286	2,377,633
Cash and cash equivalents at end of year*	3,222,323	2,258,286
Supplementary information		
Cash flow from operating activities		
Interest received	47,481	22,944
Dividends received, net of withholding taxes	15,850,255	10,597,495
*Cash and cash equivalents include:		
Cash at banks/(overdraft)	(536,648)	88,782
Short-term investments	3,758,971	2,169,504
Total	3,222,323	2,258,286

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Canadian Dividend Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	
Cash Equivalents (2017 - 0.46%)						
Treasury Bills						
3,775,000	Government of Canada	1.637	21-Mar-19	3,758,971	3,758,971	0.73
				3,758,971	3,758,971	0.73
Common Stocks (2017 - 99.03%)						
Energy						
709,170	Canadian Natural Resources Ltd.			27,166,362	23,360,060	4.51
657,243	Cenovus Energy Inc.			11,244,794	6,309,533	1.22
				38,411,156	29,669,593	5.73
Materials						
137,329	Air Liquide SA			19,265,676	23,253,388	4.49
400,944	Nutrien Ltd.			26,289,305	25,708,529	4.96
				45,554,981	48,961,917	9.45
Industrial						
41,447	Parker Hannifin Corp.			7,894,830	8,442,582	1.63
				7,894,830	8,442,582	1.63
Communication Services						
181,452	Omnicom Group Inc.			19,424,204	18,150,900	3.50
461,361	Rogers Communications Inc., Class B			25,741,149	32,276,816	6.24
359,381	Verizon Communications Inc.			22,972,609	27,595,230	5.33
				68,137,962	78,022,946	15.07
Consumer Discretionary						
Automobiles & Components						
343,056	Magna International Inc.			20,083,680	21,259,180	4.10
				20,083,680	21,259,180	4.10
Retailing						
76,545	Canadian Tire Corp Ltd., Class A			10,745,706	10,926,033	2.11
				10,745,706	10,926,033	2.11
				30,829,386	32,185,213	6.21
Consumer Staples						
Food Beverage & Tobacco						
211,308	Kellogg Co.			18,795,561	16,453,377	3.18
555,320	Metro Inc., Class A			23,264,760	26,288,849	5.07
85,550	Molson Coors Canada Inc., Class B			8,970,076	6,738,774	1.30
63,814	Molson Coors Brewing Co.			5,075,816	4,894,757	0.94
138,987	Unilever NV			8,972,237	10,290,350	1.99
				65,078,450	64,666,107	12.48
Health Care						
Pharmaceuticals & Biotechnology						
600,210	GlaxoSmithKline PLC			14,783,892	15,569,043	3.01
62,295	Merck KGaA			8,733,794	8,751,724	1.69
60,391	Roche Holding AG			19,295,971	20,365,448	3.93
				42,813,657	44,686,215	8.63

Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets	
Financials				
Banks				
485,976	Bank of Nova Scotia	35,106,799	33,070,667	6.38
142,043	Brookfield Asset Management Inc.	6,737,888	7,431,690	1.43
194,388	Bank of Montreal	19,234,541	17,337,466	3.35
519,981	Royal Bank of Canada	45,960,831	48,587,026	9.38
682,621	The Toronto-Dominion Bank	42,503,613	46,322,661	8.95
		149,543,672	152,749,510	29.49
Insurance				
807,141	Power Financial Corp.	27,183,538	20,848,452	4.02
585,227	Sun Life Financial Inc.	28,847,896	26,504,931	5.12
		56,031,434	47,353,383	9.14
		205,575,106	200,102,893	38.63
Utilities				
868,871	Superior Plus Corp.	10,998,474	8,410,671	1.62
		10,998,474	8,410,671	1.62
Total Common Stocks				
		515,294,002	515,148,137	99.45
Transaction Costs				
		(471,020)		
Foreign Currency Forward Contracts (Schedule A)				
		—	(1,703,162)	(0.33)
Total Investments				
		514,822,982	513,444,975	99.12
Total Investments and Cash Equivalents				
		518,581,953	517,203,946	99.85
Other Assets Net of Liabilities				
			802,676	0.15
Net Assets Attributable to Holders of Redeemable Units				
			518,006,622	100.00

Schedule A

Foreign Currency Forward Contract (0.00%)							
Contracts	Counterparts	Credit Rating of the Counterparty	Settlement Date	Contract Rate (\$)	Pay	Receive	Unrealized Gain (Loss) (\$)
1	Canadian Imperial Bank of Commerce	A-1	January 31, 2019	1.36	(10,475,000) (US \$)	13,740,738 (CAD \$)	(554,766)
1	Canadian Imperial Bank of Commerce	A-1	January 31, 2019	1.36	(2,775,000) (US \$)	3,638,525 (CAD \$)	(148,587)
1	Toronto-Dominion Bank	A-1+	January 31, 2019	1.36	(6,900,000) (US \$)	9,052,593 (CAD \$)	(364,017)
1	Toronto-Dominion Bank	A-1+	February 28, 2019	1.36	(16,700,000) (US \$)	22,144,200 (CAD \$)	(631,583)
1	Toronto-Dominion Bank	A-1+	March 29, 2019	1.36	(13,250,000) (US \$)	18,056,703 (CAD \$)	(4,209)
Total Foreign Currency Forward Contract Value							<u>(1,703,162)</u>

Beutel Goodman Canadian Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Canadian Dividend Fund (the "Fund") is to achieve a balance between high dividend income and capital growth by investing mainly in a diversified portfolio of blue-chip Canadian common stocks and, to a lesser extent, in high-yield preferred stocks and interest-bearing securities. The Fund's advisor chooses primarily blue-chip common stocks. The Fund may also invest in preferred stocks, bonds, warrants, rights, royalty trusts, income trusts, and foreign securities up to the foreign property limit. The selection gives preference to capital growth, while providing a high and regular level of income. The portfolio advisor chooses the investments by seeking out reputable stocks that are undervalued on the market compared to their true worth, focusing on mid and large-capitalization Canadian corporations in a variety of industries, while favouring equity securities, including preferred stocks, that provide a stable income. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund may use derivatives from time to time. The Fund currently is using derivatives principally to hedge against changes in the exchange rate between the Canadian dollar and foreign currencies in which investments held by the Fund are denominated. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
S&P/TSX Composite Index	4,574	3,964
Total	4,574	3,964

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Derivatives	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	42,295	–	–	42,295	8.2
British Pound	–	15,569	–	124	15,693	3.0
United States Dollar	27	75,537	(68,339)	363	7,588	1.5
Swiss Franc	–	20,366	–	–	20,366	3.9
Total	27	153,767	(68,339)	487	85,942	16.6

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Derivatives	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	39,159	–	–	39,159	8.3
United States Dollar	20	79,861	(72,132)	256	8,005	1.7
Swiss Franc	–	16,059	–	–	16,059	3.4
Total	20	135,079	(72,132)	256	63,223	13.4

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$859,000 (December 31, 2017 \$632,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman Canadian Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	0.73%	0.46%
Common Stocks		
Energy	5.73%	5.92%
Materials	9.45%	8.96%
Industrial	1.63%	5.21%
Consumer Discretionary	6.21%	10.24%
Consumer Staples	12.48%	9.58%
Health Care	8.63%	6.93%
Financials	38.63%	40.06%
Communication Services	15.06%	10.35%
Utilities	1.62%	1.78%
Total	100.17%	99.49%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	515,148,137	–	–	515,148,137
Foreign currency forward contracts	–	(1,703,162)	–	(1,703,162)
Total Assets	515,148,137	(1,703,162)	–	513,444,975

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	468,333,259	–	–	468,333,259
Foreign currency forward contracts	–	1,214,656	–	1,214,656
Total Assets	468,333,259	1,214,656	–	469,547,915

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Offsetting of Financial Instruments

There are no financial instruments that are offset, or subject to netting agreements or other similar agreements but that are not offset, as at December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	4,154,619	10,859,510	4,638,807	19,622,793
Redeemable units issued for cash	3,172,118	2,464,031	3,774,429	4,693,590
Reinvested units	166,146	345,753	169,533	1,017,350
Redeemable units redeemed	(1,098,822)	(2,923,012)	(1,992,510)	(3,273,630)
Balance, end of year	6,394,061	10,746,282	6,590,259	22,060,103

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	1,781,341	8,594,196	2,020,504	7,719,645
Redeemable units issued for cash	2,835,898	3,716,078	3,123,355	11,700,380
Reinvested units	111,713	358,393	117,573	928,426
Redeemable units redeemed	(574,333)	(1,809,157)	(622,625)	(725,658)
Balance, end of year	4,154,619	10,859,510	4,638,807	19,622,793

Beutel Goodman Global Dividend Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	614,830	562,681
Financial assets at fair value through profit or loss*	19,953,477	23,389,196
Accrued interest	898	270
Dividends receivable	46,060	27,300
Subscriptions receivable	5,926	10,000
Total assets	20,621,191	23,989,447
Liabilities		
Current liabilities		
Management and administrative fees payable	12,310	20,238
Total liabilities (before net assets attributable to holders of redeemable units)	12,310	20,238
Net assets attributable to holders of redeemable units	20,608,881	23,969,209
*Investments at average cost	20,972,197	20,893,486
Net assets attributable to holders of redeemable units per class		
Class B	7,579,492	10,754,886
Class F	3,615,777	7,299,855
Class I	9,413,612	5,914,468
Net assets attributable to holders of redeemable units per unit		
Class B	11.62	13.40
Class F	11.87	13.75
Class I	12.41	14.39
Number of outstanding redeemable units (note 6)		
Class B	652,296	802,378
Class F	304,694	531,014
Class I	758,356	410,964

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	1,024,470	694,435
Interest for distribution purposes	8,083	3,899
Realized gain (loss) on sale of investments	1,266,556	1,376,904
Change in unrealized appreciation (depreciation) in the value of investments	(3,514,430)	1,371,626
Net gains (losses) on investments	(1,215,321)	3,446,864
Other income		
Realized gain (loss) on foreign currency transactions	(38,283)	(110,553)
Total income	(1,253,604)	3,336,311
Expenses		
Management fees	267,511	182,419
Administrative fees	38,970	28,223
Transaction costs (note 9)	44,985	33,609
Withholding taxes	113,588	59,447
Total Expenses	465,054	303,698
Increase (decrease) in net assets attributable to holders of redeemable units	(1,718,658)	3,032,613
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(780,185)	1,052,468
Class F	(164,263)	1,022,783
Class I	(774,210)	957,362
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.85)	2.04
Class F	(0.36)	2.15
Class I	(1.43)	2.46

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Global Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	10,754,886	5,348,230
Class F	7,299,855	4,237,169
Class I	5,914,468	4,973,741
	23,969,209	14,559,140
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(780,185)	1,052,468
Class F	(164,263)	1,022,783
Class I	(774,210)	957,362
	(1,718,658)	3,032,613
Distribution to holders of redeemable units		
From net investment income		
Class B	(170,250)	(112,577)
Class F	(146,310)	(141,484)
Class I	(250,248)	(162,901)
From net realized gains on investments		
Class B	(562,374)	(445,769)
Class F	(300,693)	(305,918)
Class I	(445,998)	(248,113)
	(1,875,873)	(1,416,762)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	6,498,352	6,422,304
Class F	2,186,282	2,578,460
Class I	6,395,819	259,377
Reinvestments of distributions to holders of redeemable units		
Class B	713,613	543,709
Class F	415,090	438,227
Class I	696,246	411,014
Redemption of redeemable units		
Class B	(8,874,550)	(2,053,479)
Class F	(5,674,184)	(529,382)
Class I	(2,122,465)	(276,012)
	234,203	7,794,218
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(3,175,394)	5,406,656
Class F	(3,684,078)	3,062,686
Class I	3,499,144	940,727
	(3,360,328)	9,410,069
Net assets attributable to holders of redeemable units at end of year		
Class B	7,579,492	10,754,886
Class F	3,615,777	7,299,855
Class I	9,413,612	5,914,468
	20,608,881	23,969,209

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,718,658)	3,032,613
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,266,556)	(1,376,904)
Change in unrealized (appreciation) depreciation in the value of investments	3,514,430	(1,371,626)
Purchases of investments	(13,244,172)	(14,288,043)
Proceeds from sale of investments	14,432,017	7,808,462
(Increase) decrease in accrued interest	(628)	(217)
(Increase) decrease in dividends receivable	(18,760)	(18,597)
Increase (decrease) in accrued liabilities	(7,928)	12,733
Net cash flows from (used in) operating activities	1,689,745	(6,201,579)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(50,924)	(23,812)
Proceeds from redeemable units issued	15,084,527	9,250,399
Redemption of redeemable units	(16,671,199)	(2,870,243)
Net cash flows from (used in) financing activities	(1,637,596)	6,356,344
Net increase (decrease) in cash and cash equivalents	52,149	154,765
Cash and cash equivalents at beginning of year	562,681	407,916
Cash and cash equivalents at end of year*	614,830	562,681
Supplementary information		
Cash flow from operating activities		
Interest received	7,455	3,682
Dividends received, net of withholding taxes	892,122	616,391
*Cash and cash equivalents include:		
Cash at banks	42,237	63,814
Short-term investments	572,593	498,867
Total	614,830	562,681

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Global Dividend Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets		
Cash Equivalents (2017 - 2.08%)											
Treasury Bills											
25,000	Government of Canada	1.640	21-Mar-19	24,906	24,906	0.12					
225,000	Government of Canada	1.619	7-Mar-19	224,098	224,098	1.09					
325,000	Government of Canada	1.702	21-Feb-19	323,589	323,589	1.57					
				572,593	572,593	2.78					
Common Stocks (2017 - 97.58%)											
Australia											
33,580	Caltex Australia Ltd.			1,071,671	822,702	3.99					
				1,071,671	822,702	3.99					
Finland											
22,715	Konecranes OYJ			1,088,222	935,937	4.54					
				1,088,222	935,937	4.54					
France											
6,100	Cie Générale des Établissements Michelin			915,253	825,740	4.01					
				915,253	825,740	4.01					
Germany											
6,010	BASF SE			661,816	566,769	2.75					
13,610	GEA Group AG			712,250	478,118	2.32					
				1,374,066	1,044,887	5.07					
Japan											
2,200	Ingersoll-Rand PLC			387,786	342,749	1.66					
28,340	NTT DOCOMO Inc.			887,027	872,285	4.23					
				1,274,813	1,215,034	5.89					
Netherlands											
8,137	Akzo Nobel NV			889,126	894,399	4.34					
222,500	Koninklijke KPN NV			908,732	889,333	4.32					
5,600	LyondellBasell Industries NV			648,114	636,049	3.09					
				2,445,972	2,419,781	11.75					
Norway											
46,650	Atea ASA			673,648	816,747	3.96					
31,970	Gjensidige Forsikring ASA			671,482	681,761	3.31					
				1,345,130	1,498,508	7.27					
						Singapore					
							17,100	DBS Group Holdings Ltd.	384,136	405,931	1.97
									384,136	405,931	1.97
						Switzerland					
							3,420	Roche Holding AG	1,059,672	1,153,314	5.59
									1,059,672	1,153,314	5.59
						United Kingdom					
							41,910	IMI PLC	784,999	688,196	3.34
							19,780	GlaxoSmithKline PLC	506,195	513,080	2.49
							27,100	Smiths Group PLC	701,764	642,993	3.12
							358,880	Vodafone Group PLC	1,232,983	954,508	4.63
									3,225,941	2,798,777	13.58
						United States					
							2,770	Amgen Inc.	638,807	736,490	3.57
							20,170	Campbell Soup Co.	1,165,667	908,817	4.41
							20,830	Comcast Corp.	838,561	968,712	4.70
							3,040	Eli Lilly & Co.	293,679	480,474	2.33
							20,060	Harley-Davidson Inc.	1,240,314	934,820	4.54
							11,320	Kellogg Co.	960,319	881,425	4.28
							9,290	Omnicom Group Inc.	921,971	929,292	4.51
							12,930	Verizon Communications Inc.	773,801	992,836	4.82
									6,833,119	6,832,866	33.16
									21,017,995	19,953,477	96.82
						Total Common Stocks					
						Transaction Costs					
						(45,798)					
						Total Investments					
						20,972,197					
						Total Investments and Cash Equivalents					
						21,544,790					
						Other Assets Net of Liabilities					
						82,811					
						Net Assets Attributable to Holders of Redeemable Units					
						20,608,881					

Beutel Goodman Global Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Global Dividend Fund (the "Fund") is to seek maximum portfolio returns by investing in equities offering a high, sustainable yield or high dividend growth rate as well as offering the potential for capital appreciation. The Fund may invest in stocks, bonds, warrants, rights and short term investments having a term to maturity not exceeding 1 year and other equivalent securities of both Canadian and non-Canadian issuers. There will be a minimum of 20 and a maximum of 50 equity issues held in the portfolio. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
MSCI World (CS) Index	182	215
Total	182	215

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	4,590	28	4,618	22.4
British Pound	–	2,799	7	2,806	13.6
Japanese Yen	–	1,215	–	1,215	5.9
Norwegian Krone	–	1,499	–	1,499	7.3
United States Dollar	–	7,469	11	7,480	36.3
Singapore Dollar	–	406	–	406	2.0
Swiss Franc	–	1,153	–	1,153	5.6
Australian Dollar	–	822	–	822	4.0
Total	–	19,953	46	19,999	97.1

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	6,036	20	6,056	25.2
British Pound	–	3,012	–	3,012	12.6
Norwegian Krone	–	2,866	–	2,866	12.0
United States Dollar	1	7,667	7	7,675	32.0
Singapore Dollar	–	550	–	550	2.3
Swiss Franc	–	1,316	–	1,316	5.5
Danish Krone	–	747	–	747	3.1
Australian Dollar	–	1,195	–	1,195	5.0
Total	1	23,389	27	23,417	97.7

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$200,000 (December 31, 2017 \$234,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman Global Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Country segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	2.78%	2.08%
Common Stocks		
Australia	3.99%	4.99%
Denmark	–	3.12%
Finland	4.54%	2.11%
France	4.01%	5.05%
Germany	5.07%	10.12%
Ireland	–	1.87%
Japan	5.89%	–
Netherlands	11.75%	13.58%
Norway	7.27%	11.95%
Singapore	1.97%	2.29%
Switzerland	5.59%	5.49%
United Kingdom	13.58%	12.57%
United States	33.16%	24.44%
Total	99.60%	99.66%

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class F	Class I
Balance, beginning of the year	802,378	531,014	410,964
Redeemable units issued for cash	490,075	161,609	450,000
Reinvested units	57,369	32,276	53,441
Redeemable units redeemed	(697,526)	(420,205)	(156,049)
Balance, end of year	652,296	304,694	758,356

2017	Class B	Class F	Class I
Balance, beginning of the year	440,262	340,731	383,566
Redeemable units issued for cash	480,149	196,818	18,427
Reinvested units	40,474	31,862	28,575
Redeemable units redeemed	(158,507)	(38,397)	(19,604)
Balance, end of year	802,378	531,014	410,964

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	19,953,477	–	–	19,953,477
Total Assets	19,953,477	–	–	19,953,477

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	23,389,196	–	–	23,389,196
Total Assets	23,389,196	–	–	23,389,196

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Beutel Goodman World Focus Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	756,517	813,486
Financial assets at fair value through profit or loss*	20,133,322	21,623,148
Accrued interest	492	582
Dividends receivable	32,821	20,356
Subscriptions receivable	35,777	67,030
Total assets	20,958,929	22,524,602
Liabilities		
Current liabilities		
Management and administrative fees payable	17,272	20,992
Redemptions payable	21,088	33,443
Total liabilities (before net assets attributable to holders of redeemable units)	38,360	54,435
Net assets attributable to holders of redeemable units	20,920,569	22,470,167
*Investments at average cost	20,424,702	18,956,748
Net assets attributable to holders of redeemable units per class		
Class B	1,079,246	1,464,901
Class D	3,949,256	4,916,047
Class F	2,919,788	2,531,584
Class I	12,972,279	13,557,635
Net assets attributable to holders of redeemable units per unit		
Class B	12.72	14.53
Class D	4.92	5.61
Class F	13.10	14.99
Class I	5.23	5.99
Number of outstanding redeemable units (note 6)		
Class B	84,839	100,819
Class D	803,472	876,217
Class F	222,961	168,839
Class I	2,479,486	2,262,901

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	613,140	551,825
Interest for distribution purposes	7,936	5,641
Realized gain (loss) on sale of investments	1,035,431	2,528,744
Change in unrealized appreciation (depreciation) in the value of investments	(2,957,780)	430,431
Net gains (losses) on investments	(1,301,273)	3,516,641
Other income		
Realized gain (loss) on foreign currency transactions	(8,745)	(21,151)
Total income	(1,310,018)	3,495,490
Expenses		
Management fees	107,518	88,238
Administrative fees	26,834	24,172
Transaction costs (note 9)	13,053	31,986
Withholding taxes	90,843	68,591
Total expenses before waiver	238,248	212,987
Expenses waived by the manager	(3,164)	(1,726)
Total expenses	235,084	211,261
Increase (decrease) in net assets attributable to holders of redeemable units	(1,545,102)	3,284,229
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(110,135)	170,731
Class D	(335,915)	556,166
Class F	(228,973)	194,823
Class I	(870,079)	2,362,509
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(1.14)	1.93
Class D	(0.41)	0.78
Class F	(1.20)	1.90
Class I	(0.38)	1.04

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman World Focus Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	1,464,901	970,209
Class D	4,916,047	2,313,614
Class F	2,531,584	428,001
Class I	13,557,635	12,868,990
	22,470,167	16,580,814
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(110,135)	170,731
Class D	(335,915)	556,166
Class F	(228,973)	194,823
Class I	(870,079)	2,362,509
	(1,545,102)	3,284,229
Distribution to holders of redeemable units		
From net investment income		
Class B	—	(2,560)
Class D	(41,770)	(52,268)
Class F	(36,718)	(32,168)
Class I	(295,962)	(291,041)
From net realized gains on investments		
Class B	(47,704)	(135,976)
Class D	(176,912)	(448,667)
Class F	(126,967)	(207,071)
Class I	(572,937)	(1,356,542)
	(1,298,970)	(2,526,293)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	280,275	648,836
Class D	1,470,269	3,256,487
Class F	1,538,255	2,091,890
Class I	2,160,772	2,391,178
Reinvestments of distributions to holders of redeemable units		
Class B	46,952	122,230
Class D	212,452	489,088
Class F	158,352	235,555
Class I	868,899	1,647,582
Redemption of redeemable units		
Class B	(555,043)	(308,569)
Class D	(2,094,915)	(1,198,373)
Class F	(915,745)	(179,446)
Class I	(1,876,049)	(4,065,041)
	1,294,474	5,131,417
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(385,655)	494,692
Class D	(966,791)	2,602,433
Class F	388,204	2,103,583
Class I	(585,356)	688,645
	(1,549,598)	5,889,353
Net assets attributable to holders of redeemable units at end of year		
Class B	1,079,246	1,464,901
Class D	3,949,256	4,916,047
Class F	2,919,788	2,531,584
Class I	12,972,279	13,557,635
	20,920,569	22,470,167

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,545,102)	3,284,229
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,035,431)	(2,528,744)
Change in unrealized (appreciation) depreciation in the value of investments	2,957,780	(430,431)
Purchases of investments	(5,085,569)	(12,649,758)
Proceeds from sale of investments	4,653,046	9,893,300
(Increase) decrease in accrued interest	90	(432)
(Increase) decrease in dividends receivable	(12,465)	(10,313)
Increase (decrease) in accrued liabilities	(3,720)	12,341
Net cash flows from (used in) operating activities	(71,371)	(2,429,808)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(12,315)	(31,838)
Proceeds from redeemable units issued	5,480,824	8,369,386
Redemption of redeemable units	(5,454,107)	(5,733,768)
Net cash flows from (used in) financing activities	14,402	2,603,780
Net increase (decrease) in cash and cash equivalents	(56,969)	173,972
Cash and cash equivalents at beginning of year	813,486	639,514
Cash and cash equivalents at end of year*	756,517	813,486
Supplementary information		
Cash flow from operating activities		
Interest received	8,026	5,209
Dividends received, net of withholding taxes	509,832	472,921
*Cash and cash equivalents include:		
Cash at banks	9,495	15,237
Short-term investments	747,022	798,249
Total	756,517	813,486

The accompanying notes are an integral part of these financial statements.

Beutel Goodman World Focus Equity Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2017 - 3.55%)									
Treasury Bills									
250,000	Government of Canada	1.630	7-Mar-19	249,033	249,033	1.19			
500,000	Government of Canada	1.642	21-Mar-19	497,989	497,989	2.38			
				747,022	747,022	3.57			
Common Stocks (2017 - 96.23%)									
Australia									
17,240	Caltex Australia Ltd.			548,199	422,376	2.02			
				548,199	422,376	2.02			
Denmark									
6,020	Carlsberg A/S			687,633	872,349	4.17			
				687,633	872,349	4.17			
Finland									
12,405	Konecranes OYJ			478,355	511,129	2.44			
				478,355	511,129	2.44			
France									
4,740	Cie Générale des Établissements Michelin			660,923	641,641	3.07			
				660,923	641,641	3.07			
Germany									
4,830	BASF SE			510,948	455,490	2.18			
10,420	GEA Group AG			552,807	366,054	1.75			
5,340	HeidelbergCement AG			544,384	445,056	2.13			
6,540	Merck KGaA			862,829	918,794	4.39			
11,800	Software AG			577,460	582,004	2.78			
				3,048,428	2,767,398	13.23			
Guernsey									
8,460	Amdocs Ltd.			517,740	676,874	3.24			
				517,740	676,874	3.24			
Japan									
37,100	Hakuhodo DY Holdings Inc.			663,156	727,405	3.48			
1,000	SMC Corp.			415,940	413,793	1.98			
2,500	Tokyo Electron Ltd.			437,564	389,487	1.86			
				1,516,660	1,530,685	7.32			
						Netherlands			
156,430	Koninklijke KPN NV			623,062	625,251	2.99			
				623,062	625,251	2.99			
						Switzerland			
9,950	Julius Baer Group Ltd.			635,446	482,632	2.31			
2,530	Roche Holding AG			798,229	853,183	4.08			
				1,433,675	1,335,815	6.39			
						United Kingdom			
37,980	IMI PLC			842,864	623,663	2.98			
36,030	Smith & Nephew PLC			831,399	917,547	4.39			
29,700	Smiths Group PLC			765,080	704,683	3.37			
19,420	Vodafone Group PLC			705,517	511,381	2.44			
				3,144,860	2,757,274	13.18			
						United States			
3,950	American Express Co.			371,537	514,244	2.46			
7,570	AmerisourceBergen Corp.			790,317	769,231	3.68			
800	BlackRock Inc.			425,124	429,212	2.05			
16,380	Campbell Soup Co.			987,057	738,047	3.53			
15,940	Comcast Corp.			658,848	741,299	3.54			
11,860	Harley-Davidson Inc.			754,767	552,690	2.64			
10,300	Kellogg Co.			844,538	802,004	3.83			
4,130	Kimberly-Clark Corp.			608,001	642,709	3.07			
10,270	Omnicom Group Inc.			1,106,087	1,027,323	4.91			
10,480	Oracle Corp.			401,997	646,260	3.09			
14,710	Verizon Communications Inc.			854,593	1,129,511	5.39			
				7,802,866	7,992,530	38.19			
						Total Common Stocks			
						20,462,401			
						20,133,322			
						96.24			
						Transaction Costs			
						(37,699)			
						Total Investments			
						20,424,702			
						20,133,322			
						96.24			
						Total Investments and Cash Equivalents			
						21,171,724			
						20,880,344			
						99.81			
						Other Assets Net of Liabilities			
						40,225			
						0.19			
						Net Assets Attributable to Holders of Redeemable Units			
						20,920,569			
						100.00			

Beutel Goodman World Focus Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman World Focus Equity Fund (the "Fund") is to seek long term capital growth through investment in common stocks and other equity securities of global issuers. The Fund invests in a very limited number of mid-to-large capitalization stocks chosen from anywhere in the world, based primarily on the highest risk-adjusted return to Beutel Goodman's research target price. Each of the 20 – 35 holdings will be among the best businesses in their respective industries, and generators of sustainable shareholder value and free cash flow. Portfolio risk and return will be judged on an absolute – not relative – basis. At all times the Fund will seek to be diversified and generally fully invested, but there will be no specific geographic or sector constraints. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
MSCI World (CS) Index	187	211
Total	187	211

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	4,545	–	4,545	21.7
British Pound	–	2,246	–	2,246	10.7
Japanese Yen	–	1,531	–	1,531	7.3
United States Dollar	–	9,181	33	9,214	44.0
Swiss Franc	–	1,336	–	1,336	6.4
Danish Krone	–	872	–	872	4.2
Australian Dollar	–	422	–	422	2.0
Total	–	20,133	33	20,166	96.3

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	6,167	–	6,167	27.5
British Pound	–	2,136	–	2,136	9.5
Norwegian Krone	–	1,031	–	1,031	4.6
United States Dollar	–	9,740	20	9,760	43.4
Swiss Franc	–	1,133	–	1,133	5.0
Danish Krone	–	947	–	947	4.2
Australian Dollar	–	468	–	468	2.1
Total	–	21,622	20	21,642	96.3

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$202,000 (December 31, 2017 \$216,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman World Focus Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Country segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	3.57%	3.55%
Common Stocks		
Australia	2.02%	2.08%
Denmark	4.17%	4.21%
Finland	2.44%	2.84%
France	3.07%	4.78%
Germany	13.23%	16.65%
Guernsey	3.24%	–
Japan	7.32%	–
Netherlands	2.99%	7.46%
Norway	–	4.59%
Switzerland	6.39%	5.04%
United Kingdom	13.18%	12.39%
United States	38.19%	36.19%
Total	99.81%	99.78%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	20,133,322	–	–	20,133,322
Total Assets	20,133,322	–	–	20,133,322

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	21,623,148	–	–	21,623,148
Total Assets	21,623,148	–	–	21,623,148

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	100,819	876,217	168,839	2,626,901
Redeemable units issued for cash	19,488	262,525	103,979	367,736
Reinvested units	3,656	42,633	11,985	164,677
Redeemable units redeemed	(39,123)	(377,904)	(61,842)	(315,827)
Balance, end of year	84,839	803,472	222,961	2,479,486

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	70,420	435,159	30,041	2,268,007
Redeemable units issued for cash	42,290	558,368	134,030	388,388
Reinvested units	8,717	90,355	16,280	285,153
Redeemable units redeemed	(20,608)	(207,665)	(11,512)	(678,647)
Balance, end of year	100,819	876,217	168,839	2,262,901

Beutel Goodman Global Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,524,317	4,228,227
Financial assets at fair value through profit or loss*	266,215,281	351,020,582
Accrued interest	3,601	1,905
Dividends receivable	344,241	377,520
Subscriptions receivable	83,464	42,533
Total assets	272,170,904	355,670,767
Liabilities		
Current liabilities		
Management and administrative fees payable	29,050	37,230
Redemptions payable	1,034,301	697,482
Distributions payable	—	595
Total liabilities (before net assets attributable to holders of redeemable units)	1,063,351	735,307
Net assets attributable to holders of redeemable units	271,107,553	354,935,460
*Investments at average cost	268,440,737	300,909,905
Net assets attributable to holders of redeemable units per class		
Class B	841,654	712,647
Class D	1,414,968	1,288,940
Class F	941,554	998,258
Class I	267,909,377	351,935,615
Net assets attributable to holders of redeemable units per unit		
Class B	9.57	11.44
Class D	9.88	11.77
Class F	9.62	11.47
Class I	10.99	13.12
Number of outstanding redeemable units (note 6)		
Class B	87,987	62,308
Class D	143,229	109,508
Class F	97,879	87,006
Class I	24,383,324	26,818,045

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	9,343,563	8,889,535
Interest for distribution purposes	58,969	39,073
Realized gain (loss) on sale of investments	27,345,486	51,475,870
Change in unrealized appreciation (depreciation) in the value of investments	(52,336,133)	6,659,784
Net gains (losses) on investments	(15,588,115)	67,064,262
Other income		
Realized gain (loss) on foreign currency transactions	(280,535)	(192,755)
Total income	(15,868,650)	66,871,507
Expenses		
Management fees	46,954	29,472
Administrative fees	356,199	396,178
Transaction costs (note 9)	359,413	473,359
Withholding taxes	1,141,996	891,809
Total Expenses	1,904,562	1,790,818
Increase (decrease) in net assets attributable to holders of redeemable units	(17,773,212)	65,080,689
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(71,817)	69,723
Class D	(102,252)	154,915
Class F	(88,931)	68,699
Class I	(17,510,212)	64,787,352
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.96)	1.55
Class D	(0.81)	1.81
Class F	(0.80)	1.55
Class I	(0.71)	2.56

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Global Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	712,647	346,761
Class D	1,288,940	510,632
Class F	998,258	256,846
Class I	351,935,615	386,397,804
	354,935,460	387,512,043
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(71,817)	69,723
Class D	(102,252)	154,915
Class F	(88,931)	68,699
Class I	(17,510,212)	64,787,352
	(17,773,212)	65,080,689
Distribution to holders of redeemable units		
From net investment income		
Class B	(3,875)	(5,640)
Class D	(15,554)	(15,811)
Class F	(14,183)	(11,152)
Class I	(7,620,502)	(7,517,205)
From net realized gains on investments		
Class B	(72,648)	(93,089)
Class D	(117,801)	(168,945)
Class F	(99,093)	(99,865)
Class I	(26,391,951)	(50,650,053)
	(34,335,607)	(58,561,760)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	293,527	447,566
Class D	970,753	1,258,177
Class F	604,534	728,175
Class I	45,003,253	24,853,748
Reinvestments of distributions to holders of redeemable units		
Class B	71,477	95,587
Class D	131,634	184,756
Class F	111,848	107,612
Class I	34,012,460	58,167,258
Redemption of redeemable units		
Class B	(87,657)	(148,261)
Class D	(740,752)	(634,784)
Class F	(570,879)	(52,057)
Class I	(111,519,286)	(124,103,289)
	(31,719,088)	(39,095,512)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	129,007	365,886
Class D	126,028	778,308
Class F	(56,704)	741,412
Class I	(84,026,238)	(34,462,189)
	(83,827,907)	(32,576,583)
Net assets attributable to holders of redeemable units at end of year		
Class B	841,654	712,647
Class D	1,414,968	1,288,940
Class F	941,554	998,258
Class I	267,909,377	351,935,615
	271,107,553	354,935,460

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(17,773,212)	65,080,689
Adjustments for:		
Net realized (gain) loss on sale of investments	(27,345,486)	(51,475,870)
Change in unrealized (appreciation) depreciation in the value of investments	52,336,133	(6,659,784)
Purchases of investments	(106,839,688)	(140,131,860)
Proceeds from sale of investments	166,654,342	228,867,921
(Increase) decrease in accrued interest	(1,696)	(1,395)
(Increase) decrease in dividends receivable	33,279	(61,210)
Increase (decrease) in accrued liabilities	(8,180)	(781)
Net cash flows from (used in) operating activities	67,055,492	95,617,710
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(8,783)	(11,683)
Proceeds from redeemable units issued	46,831,136	27,657,090
Redemption of redeemable units	(112,581,755)	(125,187,439)
Net cash flows from (used in) financing activities	(65,759,402)	(97,542,032)
Net increase (decrease) in cash and cash equivalents	1,296,090	(1,924,322)
Cash and cash equivalents at beginning of year	4,228,227	6,152,549
Cash and cash equivalents at end of year*	5,524,317	4,228,227
Supplementary information		
Cash flow from operating activities		
Interest received	57,273	37,678
Dividends received, net of withholding taxes	8,234,846	7,936,516
*Cash and cash equivalents include:		
Cash at banks	95,654	137,336
Short-term investments	5,428,663	4,090,891
Total	5,524,317	4,228,227

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Global Equity Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets	
Cash Equivalents (2017 - 1.15%)										
Treasury Bills										
2,350,000	Government of Canada	1.623	7-Mar-19	2,341,066	2,341,066	0.86				
3,100,000	Government of Canada	1.644	21-Mar-19	3,087,597	3,087,597	1.14				
				5,428,663	5,428,663	2.00				
Common Stocks (2017 - 98.90%)										
Australia										
216,560	Caltex Australia Ltd.			7,015,440	5,305,669	1.96				
				7,015,440	5,305,669	1.96				
Denmark										
36,660	Carlsberg A/S			4,170,768	5,312,343	1.96				
				4,170,768	5,312,343	1.96				
Finland										
164,680	Konecranes OYJ			7,113,251	6,785,388	2.50				
				7,113,251	6,785,388	2.50				
France										
17,280	Air Liquide SA			2,239,330	2,925,956	1.08				
56,760	Cie Générale des Établissements Michelin			7,670,039	7,683,444	2.83				
43,340	EssilorLuxottica SA			7,140,284	7,473,930	2.76				
				17,049,653	18,083,330	6.67				
Germany										
51,170	BASF SE			5,472,333	4,825,550	1.78				
145,120	GEA Group AG			7,568,897	5,098,051	1.88				
38,710	Henkel AG & Co KGaA			5,049,330	5,182,648	1.91				
66,470	Merck KGaA			8,519,636	9,338,263	3.44				
114,620	Software AG			5,722,896	5,653,332	2.09				
				32,333,092	30,097,844	11.10				
Guernsey										
74,640	Amdocs Ltd.			5,872,088	5,971,852	2.20				
				5,872,088	5,971,852	2.20				
Japan										
170,460	NTT DOCOMO Inc.			5,432,414	5,246,635	1.94				
7,650	SMC Corp.			3,150,849	3,165,516	1.17				
				8,583,263	8,412,151	3.11				
Netherlands										
64,763	Akzo Nobel NV			7,465,817	7,118,591	2.63				
1,827,730	Koninklijke KPN NV			7,652,665	7,305,441	2.69				
51,410	LyondellBasell Industries NV			5,994,103	5,839,157	2.15				
				21,112,585	20,263,189	7.47				
Norway										
248,662	Atea ASA			3,110,988	4,353,567	1.61				
				3,110,988	4,353,567	1.61				
						Singapore				
						164,200	DBS Group Holdings Ltd.	3,647,108	3,897,889	1.44
						<hr/>				
						3,647,108	3,897,889	1.44		
						Switzerland				
						109,770	Julius Baer Group Ltd.	6,657,576	5,324,477	1.96
						29,090	Roche Holding AG	9,330,006	9,809,920	3.62
						<hr/>				
						15,987,582	15,134,397	5.58		
						United Kingdom				
						337,950	IMI PLC	7,008,538	5,549,416	2.05
						334,610	Smith & Nephew PLC	7,642,186	8,521,240	3.14
						2,177,780	Vodafone Group PLC	8,235,491	5,792,210	2.14
						<hr/>				
						22,886,215	19,862,866	7.33		
						United States				
						48,050	American Express Co.	4,567,688	6,255,550	2.31
						50,470	Ameriprise Financial Inc.	8,291,469	7,194,441	2.65
						78,110	AmerisourceBergen Corp.	8,009,896	7,937,206	2.93
						29,880	Amgen Inc.	6,890,477	7,944,521	2.93
						6,009	AutoZone Inc.	4,731,664	6,880,349	2.54
						10,370	BlackRock Inc.	5,517,443	5,563,658	2.05
						109,910	Campbell Soup Co.	6,645,267	4,952,307	1.83
						167,980	Comcast Corp.	7,185,540	7,812,010	2.88
						132,340	Halliburton Co.	6,123,279	4,804,345	1.77
						142,640	Harley-Davidson Inc.	9,016,176	6,647,195	2.45
						106,280	Kellogg Co.	8,685,889	8,275,430	3.05
						50,590	Kimberly-Clark Corp.	7,427,836	7,872,795	2.90
						61,930	KLA-Tencor Corp.	8,186,661	7,569,438	2.79
						83,840	Omnicom Group Inc.	9,010,425	8,386,634	3.10
						92,890	Oracle Corp.	3,298,580	5,728,155	2.11
						31,510	Parker Hannifin Corp.	4,959,655	6,418,457	2.37
						191,410	Symantec Corp.	5,912,874	4,939,689	1.82
						98,360	Verizon Communications Inc.	5,554,939	7,552,616	2.79
								120,015,758	122,734,796	45.27
								268,897,791	266,215,281	98.20
								(457,054)		
								268,440,737	266,215,281	98.20
								273,869,400	271,643,944	100.20
								(536,391)	(0.20)	
								271,107,553	100.00	

Beutel Goodman Global Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Global Equity Fund (the "Fund") is to seek long-term enhancement of capital primarily through investments in common stocks and other equity securities of global issuers. The Fund's adviser seeks companies creating shareholder value through the sustainable generation of free cash flow. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
MSCI World Index	2,530	3,343
Total	2,530	3,343

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	69,391	165	69,556	25.7
British Pound	–	19,863	–	19,863	7.3
Japanese Yen	–	8,412	–	8,412	3.1
Norwegian Krone	–	4,354	–	4,354	1.6
United States Dollar	–	134,546	179	134,725	49.7
Singapore Dollar	–	3,898	–	3,898	1.4
Swiss Franc	–	15,134	–	15,134	5.6
Danish Krone	–	5,312	–	5,312	2.0
Australian Dollar	–	5,305	–	5,305	2.0
Total	–	266,215	344	266,559	98.4

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	101,630	216	101,846	28.7
British Pound	–	40,424	–	40,424	11.4
Japanese Yen	–	11,615	70	11,685	3.3
Norwegian Krone	–	8,181	–	8,181	2.3
United States Dollar	31	147,717	92	147,840	41.7
Singapore Dollar	–	5,776	–	5,775	1.6
Swiss Franc	–	21,003	–	21,003	5.9
Danish Krone	–	7,541	–	7,541	2.1
Australian Dollar	–	7,134	–	7,134	2.0
Total	31	351,021	378	351,429	99.0

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$2,666,000 (December 31, 2017 \$3,514,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman Global Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Country segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	2.00%	1.15%
Common Stocks		
Australia	1.96%	2.01%
Denmark	1.96%	2.12%
Finland	2.50%	0.99%
France	6.67%	3.68%
Germany	11.10%	16.09%
Guernsey	2.20%	–
Italy	–	2.81%
Ireland	–	2.15%
Japan	3.11%	3.27%
Jersey	–	1.99%
Netherlands	7.47%	8.01%
Norway	1.61%	2.30%
Singapore	1.44%	1.63%
Switzerland	5.58%	5.91%
United Kingdom	7.33%	9.40%
United States	45.27%	36.54%
Total	100.20%	100.05%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	266,215,281	–	–	266,215,281
Total Assets	266,215,281	–	–	266,215,281

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	351,020,582	–	–	351,020,582
Total Assets	351,020,582	–	–	351,020,582

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	62,308	109,508	87,006	26,818,045
Redeemable units issued for cash	26,341	85,893	54,775	3,585,194
Reinvested units	7,009	12,420	10,828	2,883,927
Redeemable units redeemed	(7,671)	(64,592)	(54,730)	(8,903,842)
Balance, end of year	87,987	143,229	97,879	24,383,324

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	30,604	43,951	22,635	29,909,591
Redeemable units issued for cash	35,819	100,672	59,186	1,804,476
Reinvested units	8,437	15,878	9,466	4,484,905
Redeemable units redeemed	(12,552)	(50,993)	(4,281)	(9,380,927)
Balance, end of year	62,308	109,508	87,006	26,818,045

Beutel Goodman International Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,224,503	5,631,131
Financial assets at fair value through profit or loss*	180,104,497	176,999,046
Accrued interest	1,154	2,299
Dividends receivable	279,982	143,917
Subscriptions receivable	6,145	164,176
Total assets	182,616,281	182,940,569
Liabilities		
Current liabilities		
Management and administrative fees payable	30,920	28,484
Redemptions payable	32,941	25,802
Total liabilities (before net assets attributable to holders of redeemable units)	63,861	54,286
Net assets attributable to holders of redeemable units	182,552,420	182,886,283
*Investments at average cost	182,788,149	152,299,093
Net assets attributable to holders of redeemable units per class		
Class B	1,059,746	750,085
Class D	4,536,089	3,563,012
Class F	1,174,752	1,064,383
Class I	175,781,833	177,508,803
Net assets attributable to holders of redeemable units per unit		
Class B	12.89	14.28
Class D	5.31	5.90
Class F	5.32	5.92
Class I	5.70	6.34
Number of outstanding redeemable units (note 6)		
Class B	82,222	52,513
Class D	854,321	603,470
Class F	220,830	179,901
Class I	30,851,318	27,985,759

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	6,348,267	4,557,475
Interest for distribution purposes	47,873	18,900
Realized gain (loss) on sale of investments	6,776,214	11,608,141
Change in unrealized appreciation (depreciation) in the value of investments	(27,383,605)	15,934,372
Net gains (losses) on investments	(14,211,251)	32,118,888
Other income		
Realized gain (loss) on foreign currency transactions	(162,011)	(149,341)
Total income	(14,373,262)	31,969,547
Expenses		
Management fees	77,878	47,610
Administrative fees	215,763	182,595
Transaction costs (note 9)	296,850	341,301
Withholding taxes	737,365	557,558
Total Expenses	1,327,856	1,129,064
Increase (decrease) in net assets attributable to holders of redeemable units	(15,701,118)	30,840,483
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(152,557)	31,807
Class D	(621,466)	975,196
Class F	(114,848)	25,213
Class I	(14,812,247)	29,808,267
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(1.68)	1.22
Class D	(0.66)	1.10
Class F	(0.55)	0.20
Class I	(0.50)	1.13

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman International Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	750,085	65,840
Class D	3,563,012	4,037,148
Class F	1,064,383	129,366
Class I	177,508,803	129,881,746
	182,886,283	134,114,100
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(152,557)	31,807
Class D	(621,466)	975,196
Class F	(114,848)	25,213
Class I	(14,812,247)	29,808,267
	(15,701,118)	30,840,483
Distribution to holders of redeemable units		
From net investment income		
Class B	(3,405)	(8,612)
Class D	(108,455)	(43,477)
Class F	(20,273)	(15,114)
Class I	(5,101,313)	(3,673,329)
	(5,233,446)	(3,740,532)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	1,416,075	1,022,418
Class D	3,615,464	2,190,570
Class F	318,899	1,376,370
Class I	33,139,065	44,900,997
Reinvestments of distributions to holders of redeemable units		
Class B	3,297	8,612
Class D	107,350	42,883
Class F	18,794	15,114
Class I	4,316,819	3,071,507
Redemption of redeemable units		
Class B	(953,749)	(369,980)
Class D	(2,019,816)	(3,639,308)
Class F	(92,203)	(466,566)
Class I	(19,269,294)	(26,480,385)
	20,600,701	21,672,232
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	309,661	684,245
Class D	973,077	(474,136)
Class F	110,369	935,017
Class I	(1,726,970)	47,627,057
	(333,863)	48,772,183
Net assets attributable to holders of redeemable units at end of year		
Class B	1,059,746	750,085
Class D	4,536,089	3,563,012
Class F	1,174,752	1,064,383
Class I	175,781,833	177,508,803
	182,552,420	182,886,283

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(15,701,118)	30,840,483
Adjustments for:		
Net realized (gain) loss on sale of investments	(6,776,214)	(11,608,141)
Change in unrealized (appreciation) depreciation in the value of investments	27,383,605	(15,934,372)
Purchases of investments	(77,014,036)	(88,519,374)
Proceeds from sale of investments	53,301,194	71,659,247
(Increase) decrease in accrued interest	1,145	(2,056)
(Increase) decrease in dividends receivable	(136,065)	(35,333)
Increase (decrease) in accrued liabilities	2,436	8,209
Net cash flows from (used in) operating activities	(18,939,053)	(13,591,337)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(787,186)	(602,416)
Proceeds from redeemable units issued	38,647,534	49,342,811
Redemption of redeemable units	(22,327,923)	(30,941,780)
Net cash flows from (used in) financing activities	15,532,425	17,798,615
Net increase (decrease) in cash and cash equivalents	(3,406,628)	4,207,278
Cash and cash equivalents at beginning of year	5,631,131	1,423,853
Cash and cash equivalents at end of year*	2,224,503	5,631,131
Supplementary information		
Cash flow from operating activities		
Interest received	49,018	16,844
Dividends received, net of withholding taxes	5,474,837	3,964,584
*Cash and cash equivalents include:		
Cash at banks	92,858	94,467
Short-term investments	2,131,645	5,536,664
Total	2,224,503	5,631,131

The accompanying notes are an integral part of these financial statements.

Beutel Goodman International Equity Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2017 - 3.03%)									
Treasury Bills									
640,000	Government of Canada	1.623	7-Mar-19	637,300	637,300	0.35			
1,500,000	Government of Canada	1.640	21-Mar-19	1,494,345	1,494,345	0.82			
				2,131,645	2,131,645	1.17			
Common Stocks (2017 - 96.78%)									
Australia									
240,890	Caltex Australia Ltd.			7,691,379	5,901,748	3.23			
				7,691,379	5,901,748	3.23			
Denmark									
55,430	Carlsberg A/S			6,980,568	8,032,274	4.40			
				6,980,568	8,032,274	4.40			
Finland									
125,748	Konecranes OYJ			5,721,191	5,181,254	2.84			
				5,721,191	5,181,254	2.84			
France									
33,516	Air Liquide SA			4,457,529	5,675,135	3.11			
48,600	Cie Générale des Établissements Michelin			6,606,585	6,578,847	3.61			
25,650	EssilorLuxottica			4,225,860	4,423,311	2.42			
				15,289,974	16,677,293	9.14			
Germany									
62,620	BASF SE			6,990,843	5,905,334	3.23			
121,170	GEA Group AG			6,328,486	4,256,690	2.33			
46,160	HeidelbergCement AG			4,921,669	3,847,147	2.11			
54,090	Henkel AG & Co KGaA			7,759,919	7,241,784	3.97			
60,980	Merck KGaA			8,134,288	8,566,981	4.69			
99,910	Software AG			5,237,683	4,927,799	2.70			
				39,372,888	34,745,735	19.03			
Japan									
335,300	Hakuhodo DY Holdings Inc.			5,993,345	6,574,098	3.61			
182,210	NTT DOCOMO Inc.			4,823,351	5,608,292	3.07			
780,490	Resona Holdings Inc.			5,123,911	5,136,872	2.81			
9,400	SMC Corp.			3,883,434	3,889,654	2.13			
29,800	Tokyo Electron Ltd.			5,225,562	4,642,685	2.54			
				25,049,603	25,851,601	14.16			
						Netherlands			
63,685	Akzo Nobel NV			6,247,713	7,000,100	3.84			
1,465,730	Koninklijke KPN NV			6,010,252	5,858,526	3.21			
52,370	Unilever NV			2,707,754	3,877,382	2.12			
				14,965,719	16,736,008	9.17			
						Norway			
295,670	Atea ASA			3,983,971	5,176,581	2.84			
306,250	Gjensidige Forsikring ASA			6,405,119	6,530,788	3.58			
137,102	TGS Nopec Geophysical Co ASA			4,234,782	4,515,305	2.47			
				14,623,872	16,222,674	8.89			
						Singapore			
230,480	DBS Group Holdings Ltd.			4,655,684	5,471,287	3.00			
				4,655,684	5,471,287	3.00			
						Switzerland			
97,100	Julius Baer Group Ltd.			6,460,476	4,709,909	2.58			
22,110	Roche Holding AG			6,975,501	7,456,079	4.08			
				13,435,977	12,165,988	6.66			
						United Kingdom			
338,120	IMI PLC			7,100,225	5,552,207	3.04			
251,740	GlaxoSmithKline PLC			5,791,592	6,529,966	3.58			
306,260	Smith & Nephew PLC			6,976,367	7,799,274	4.27			
273,390	Smiths Group PLC			7,014,651	6,486,640	3.55			
2,538,100	Vodafone Group PLC			8,628,721	6,750,548	3.70			
				35,511,556	33,118,635	18.14			
						Total Common Stocks			
						183,298,411 180,104,497 98.66			
						Transaction Costs			
						(510,262)			
						Total Investments			
						182,788,149 180,104,497 98.66			
						Total Investments and Cash Equivalents			
						184,919,794 182,236,142 99.83			
						Other Assets Net of Liabilities			
						316,278 0.17			
						Net Assets Attributable to Holders of Redeemable Units			
						182,552,420 100.00			

Beutel Goodman International Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman International Equity Fund (the "Fund") is to seek long-term enhancement of capital primarily through investments in common stocks and other equity securities of non-North American issuers. The Fund's advisor seeks companies creating shareholder value through the sustainable generation of free cash flow. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
MSCI EAFE (C\$) Index	1,716	1,735
Total	1,716	1,735

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	73,340	195	73,535	40.3
British Pound	–	33,119	85	33,204	18.2
Norwegian Krone	–	16,223	–	16,223	8.9
Japanese Yen	–	25,852	–	25,852	14.2
Singapore Dollar	–	5,471	–	5,471	3.0
Swiss Franc	–	12,166	–	12,166	6.7
Danish Krone	–	8,032	–	8,032	4.4
Australian Dollar	–	5,901	–	5,901	3.2
Total	–	180,104	280	180,384	98.9

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	84,869	96	84,965	46.4
British Pound	–	29,321	–	29,321	16.0
Norwegian Krone	–	16,105	–	16,105	8.8
Japanese Yen	–	17,634	48	17,682	9.7
Singapore Dollar	–	4,142	–	4,142	2.3
Swiss Franc	–	11,886	–	11,886	6.5
Danish Krone	–	7,119	–	7,119	3.9
Australian Dollar	–	5,924	–	5,924	3.2
Total	–	177,000	144	177,144	96.8

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$1,804,000 (December 31, 2017 \$1,771,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman International Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Country segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	1.17%	3.03%
Common Stocks		
Australia	3.23%	3.24%
Denmark	4.40%	3.89%
Finland	2.84%	2.52%
France	9.14%	6.75%
Germany	19.03%	26.53%
Italy	–	2.27%
Japan	14.16%	9.64%
Jersey	–	2.33%
Netherlands	9.17%	8.32%
Norway	8.89%	8.82%
Singapore	3.00%	2.26%
Switzerland	6.66%	6.50%
United Kingdom	18.14%	13.71%
Total	99.83%	99.81%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	180,104,497	–	–	180,104,497
Total Assets	180,104,497	–	–	180,104,497

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	176,999,046	–	–	176,999,046
Total Assets	176,999,046	–	–	176,999,046

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	52,513	603,470	179,901	27,985,759
Redeemable units issued for cash	97,499	599,805	52,952	5,210,511
Reinvested units	258	19,775	3,565	765,068
Redeemable units redeemed	(68,048)	(368,729)	(15,588)	(3,110,020)
Balance, end of year	82,222	854,321	220,830	30,851,318

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	5,458	824,122	26,097	24,558,993
Redeemable units issued for cash	73,358	399,406	234,041	7,393,381
Reinvested units	600	7,539	2,542	482,100
Redeemable units redeemed	(26,903)	(627,597)	(82,779)	(4,448,715)
Balance, end of year	52,513	603,470	179,901	27,985,759

Beutel Goodman American Equity Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	24,695,686	47,009,381
Financial assets at fair value through profit or loss*	1,305,183,185	1,348,753,970
Accrued interest	2,349	29,239
Dividends receivable	1,558,106	920,762
Due from brokers	3,333,073	—
Subscriptions receivable	1,218,739	2,054,341
Total assets	1,335,991,138	1,398,767,693
Liabilities		
Current liabilities		
Management and administrative fees payable	497,449	554,301
Due to brokers	345,411	—
Redemptions payable	1,986,000	1,354,629
Distributions payable	—	2,236
Total liabilities (before net assets attributable to holders of redeemable units)	2,828,860	1,911,166
Net assets attributable to holders of redeemable units	1,333,162,278	1,396,856,527
*Investments at average cost	1,221,082,018	1,118,497,342
Net assets attributable to holders of redeemable units per class		
Class B	80,079,205	97,106,531
Class D	123,443,114	156,797,786
Class F	150,721,789	158,074,777
Class I	978,918,170	984,877,433
Net assets attributable to holders of redeemable units per unit		
Class B	20.27	22.05
Class D	14.06	15.24
Class F	14.21	15.43
Class I	15.29	16.62
Number of outstanding redeemable units (note 6)		
Class B	3,949,943	4,404,532
Class D	8,779,279	10,291,413
Class F	10,609,259	10,244,949
Class I	64,029,619	59,274,578

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	32,773,810	27,045,482
Interest for distribution purposes	319,064	229,405
Realized gain (loss) on sale of investments	121,698,516	133,306,312
Change in unrealized appreciation (depreciation) in the value of investments	(146,155,461)	3,469,626
Net gains (losses) on investments	8,635,929	164,050,825
Other income		
Realized gain (loss) on foreign currency transactions	(354,872)	1,930,502
Unrealized gain (loss) on foreign currency transactions	611,075	(564,541)
Total income	8,892,132	165,416,786
Expenses		
Management fees	5,341,192	4,950,975
Administrative fees	1,544,778	1,257,020
Transaction costs (note 9)	549,906	818,016
Withholding taxes	4,149,256	3,462,224
Total expenses before waiver	11,585,132	10,488,235
Expenses waived by the manager	(446,178)	—
Total Expenses	11,138,954	10,488,235
Increase (decrease) in net assets attributable to holders of redeemable units	(2,246,822)	154,928,551
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(1,578,102)	8,092,673
Class D	(1,371,309)	17,158,327
Class F	(1,639,356)	13,529,367
Class I	2,341,945	116,148,184
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.38)	2.21
Class D	(0.15)	1.75
Class F	(0.16)	1.69
Class I	0.04	2.17

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman American Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	97,106,531	53,042,286
Class D	156,797,786	128,918,987
Class F	158,074,777	72,157,343
Class I	984,877,433	787,417,528
	1,396,856,527	1,041,536,144
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(1,578,102)	8,092,673
Class D	(1,371,309)	17,158,327
Class F	(1,639,356)	13,529,367
Class I	2,341,945	116,148,184
	(2,246,822)	154,928,551
Distribution to holders of redeemable units		
From net investment income		
Class B	—	—
Class D	(458,834)	(468,888)
Class F	(1,368,708)	(1,185,788)
Class I	(18,895,053)	(15,288,947)
From net realized gains on investments		
Class B	(5,143,349)	(6,775,734)
Class D	(7,887,712)	(11,023,935)
Class F	(9,626,043)	(10,681,388)
Class I	(61,404,605)	(69,176,280)
	(104,784,304)	(114,600,960)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	18,810,739	54,341,808
Class D	15,862,389	44,789,228
Class F	44,837,227	105,537,149
Class I	189,653,055	215,411,658
Reinvestments of distributions to holders of redeemable units		
Class B	4,921,728	6,419,951
Class D	8,066,119	11,078,594
Class F	8,676,086	9,186,407
Class I	80,299,663	83,988,316
Redemption of redeemable units		
Class B	(34,038,342)	(18,014,453)
Class D	(47,565,325)	(33,654,527)
Class F	(48,232,194)	(30,468,313)
Class I	(197,954,268)	(133,623,026)
	43,336,877	314,992,792
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(17,027,326)	44,064,245
Class D	(33,354,672)	27,878,799
Class F	(7,352,988)	85,917,434
Class I	(5,959,263)	197,459,905
	(63,694,249)	355,320,383
Net assets attributable to holders of redeemable units at end of year		
Class B	80,079,205	97,106,531
Class D	123,443,114	156,797,786
Class F	150,721,789	158,074,777
Class I	978,918,170	984,877,433
	1,333,162,278	1,396,856,527

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,246,822)	154,928,551
Adjustments for:		
Unrealized (gain) loss on foreign currency transactions	(611,075)	564,541
Net realized (gain) loss on sale of investments	(121,698,516)	(133,306,312)
Change in unrealized (appreciation) depreciation in the value of investments	146,155,461	(3,469,626)
Purchases of investments	(430,752,117)	(663,631,717)
Proceeds from sale of investments	446,878,295	450,310,135
(Increase) decrease in accrued interest	26,890	(20,872)
(Increase) decrease in dividends receivable	(637,344)	(543,145)
Increase (decrease) in accrued liabilities	(56,852)	182,400
Net cash flows from (used in) operating activities	37,057,920	(194,986,045)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(2,822,944)	(3,925,472)
Proceeds from redeemable units issued	269,999,012	421,064,526
Redemption of redeemable units	(327,158,758)	(215,248,988)
Net cash flows from (used in) financing activities	(59,982,690)	201,890,066
Unrealized gain (loss) on foreign currency transactions	611,075	(564,541)
Net increase (decrease) in cash and cash equivalents	(22,924,770)	6,904,021
Cash and cash equivalents at beginning of year	47,009,381	40,669,901
Cash and cash equivalents at end of year*	24,695,686	47,009,381
Supplementary information		
Cash flow from operating activities		
Interest received	345,954	208,533
Dividends received, net of withholding taxes	27,987,210	23,040,113
*Cash and cash equivalents include:		
Cash at banks	20,039,487	21,443,430
Short-term investments	4,656,199	25,565,951
Total	24,695,686	47,009,381

The accompanying notes are an integral part of these financial statements.

Beutel Goodman American Equity Fund

Schedule of Investment Portfolio as at December 31, 2018

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares	Average Cost \$	Fair Value \$	% of Net Assets				
Cash Equivalents (2017 - 1.82%)						Health Care							
Treasury Bills						Health Care Equipment & Services							
75,000		Government of Canada	1.619	7-Mar-19	74,691	74,691	0.01						
4,600,000		Government of Canada	1.637	21-Mar-19	4,581,508	4,581,508	0.34	68,860,405	66,095,961	4.96			
					4,656,199	4,656,199	0.35	68,860,405	66,095,961	4.96			
Common Stocks (2017 - 96.57%)						Pharmaceuticals & Biotechnology							
United States						207,800 Amgen Inc.							
Energy						195,820 Eli Lilly & Co.							
989,370		Halliburton Co.			53,190,489	35,917,143	2.69	177,550	Merck & Co Inc.	11,046,567	18,529,297	1.39	
					53,190,489	35,917,143	2.69	75,246,295	104,728,836	7.85			
Materials						144,106,700				170,824,797	12.81		
318,990		LyondellBasell Industries NV			37,995,889	36,230,941	2.72						
					37,995,889	36,230,941	2.72						
Industrial						Financials							
Capital Goods						Banks							
151,170		Cummins Inc.			26,846,877	27,592,443	2.07	298,000	Wells Fargo & Co.	15,767,672	18,754,989	1.41	
578,730		Flowserve Corp.			32,715,044	30,052,194	2.25	207,030	JPMorgan Chase & Co.	15,606,159	27,603,246	2.07	
339,090		Ingersoll-Rand PLC			26,738,113	42,251,363	3.18	31,373,831		46,358,235	3.48		
326,110		Parker Hannifin Corp.			53,096,012	66,427,258	4.98	Credit Services					
					139,396,046	166,323,258	12.48	540,880	American Express Co.	53,884,476	70,416,272	5.28	
Consumer Discretionary						53,884,476				70,416,272	5.28		
Automobiles & Components						Diversified Financials							
1,082,070		Harley-Davidson Inc.			68,889,665	50,425,760	3.78	351,790	Ameriprise Financial Inc.	57,180,630	50,147,264	3.76	
					68,889,665	50,425,760	3.78	65,250	BlackRock Inc.	34,674,469	35,007,587	2.63	
Retailing						91,855,099				85,154,851	6.39		
49,805		AutoZone Inc.			38,670,161	57,027,089	4.28	177,113,406		201,929,358	15.15		
					38,670,161	57,027,089	4.28	Information Technology					
					107,559,826	107,452,849	8.06	Software & Services					
Communication Services						650,260				Amdocs Ltd.	42,765,130	52,026,484	3.90
1,203,920		Comcast Corp.			50,025,089	55,989,013	4.20	1,148,030	Oracle Corp.	52,360,210	70,794,425	5.32	
735,560		Omnicom Group Inc.			79,119,119	73,579,107	5.52	1,649,800	Symantec Corp.	49,055,102	42,576,138	3.19	
1,164,390		Verizon Communications Inc.			68,973,943	89,408,205	6.71	144,180,442		165,397,047	12.41		
					198,118,151	218,976,325	16.43	Technology Hardware & Equipment					
Consumer Staples						410,820				KLA-Tencor Corp.	54,117,638	50,212,767	3.77
Food Beverage & Tobacco						54,117,638				50,212,767	3.77		
753,330		Campbell Soup Co.			45,333,614	33,943,424	2.55	198,298,080		215,609,814	16.17		
755,950		Kellogg Co.			64,918,709	58,861,616	4.41	Total Common Stocks					
					110,252,323	92,805,040	6.96	1,221,965,967	1,305,183,185	97.90			
Household & Personal Products						Transaction Costs							
379,860		Kimberly-Clark Corp.			55,935,057	59,113,660	4.43	(883,949)					
					55,935,057	59,113,660	4.43	Total Investments					
					166,187,380	151,918,700	11.39	1,221,082,018	1,305,183,185	97.90			
						Total Investments and Cash Equivalents							
						1,225,738,217				1,309,839,384	98.25		
						Other Assets Net of Liabilities							
										23,322,894	1.75		
						Net Assets Attributable to Holders of Redeemable Units							
										1,333,162,278	100.00		

Beutel Goodman American Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of Beutel Goodman American Equity Fund (the "Fund") is to seek long-term enhancement of capital primarily through investments in common stocks and other equity securities of American issuers. The investment strategy for this Fund seeks companies creating shareholder value through the sustainable generation of free cash flow. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the table below. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
S&P 500 Index	11,659	12,694
Total	11,659	12,694

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2018 and December 31, 2017 are as follows:

Dec. 31, 2018

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	19,524	1,305,183	4,546	1,329,253	99.7
Total	19,524	1,305,183	4,546	1,329,253	99.7

Dec. 31, 2017

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	21,418	1,348,754	921	1,371,093	98.2
Total	21,418	1,348,754	921	1,371,093	98.2

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2018 and December 31, 2017, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$13,293,000 (December 31, 2017 \$13,711,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material

Beutel Goodman American Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	0.35%	1.82%
Common Stocks		
Energy	2.69%	4.07%
Materials	2.72%	4.96%
Industrial	12.48%	13.51%
Consumer Discretionary	8.06%	13.71%
Consumer Staples	11.39%	11.03%
Health Care	12.81%	15.06%
Financials	15.15%	13.02%
Information Technology	16.17%	14.41%
Communication Services	16.43%	6.80%
Total	98.25%	98.39%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	1,305,183,185	–	–	1,305,183,185
Total Assets	1,305,183,185	–	–	1,305,183,185

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	1,348,753,970	–	–	1,348,753,970
Total Assets	1,348,753,970	–	–	1,348,753,970

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	4,404,532	10,291,413	10,244,949	59,274,578
Redeemable units issued for cash	855,993	1,036,347	2,892,197	11,413,644
Reinvested units	238,253	562,940	599,647	5,159,652
Redeemable units redeemed	(1,548,835)	(3,111,421)	(3,127,534)	(11,818,255)
Balance, end of year	3,949,943	8,779,279	10,609,259	64,029,619

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	2,506,315	8,853,095	4,883,420	49,575,978
Redeemable units issued for cash	2,412,702	2,892,149	6,705,029	12,647,028
Reinvested units	286,459	715,483	585,935	4,976,584
Redeemable units redeemed	(800,944)	(2,169,314)	(1,929,435)	(7,925,012)
Balance, end of year	4,404,532	10,291,413	10,244,949	59,274,578

Beutel Goodman Income Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	6,972,795	5,180,884
Financial assets at fair value through profit or loss*	1,037,875,207	786,711,512
Accrued interest	5,622,407	3,877,917
Due from brokers	45,919	110,596
Subscriptions receivable	67,470	4,626,775
Total assets	1,050,583,798	800,507,684
Liabilities		
Current liabilities		
Management and administrative fees payable	53,564	62,431
Due to brokers	905,853	–
Redemptions payable	318,613	313,293
Distributions payable	–	45
Total liabilities (before net assets attributable to holders of redeemable units)	1,278,030	375,769
Net assets attributable to holders of redeemable units	1,049,305,768	800,131,915
*Investments at average cost	1,042,197,013	788,255,833
Net assets attributable to holders of redeemable units per class		
Class B	1,948,628	1,977,292
Class D	35,121,346	45,684,738
Class F	2,973,996	3,303,341
Class I	1,009,261,798	749,166,544
Net assets attributable to holders of redeemable units per unit		
Class B	9.38	9.48
Class D	11.73	11.85
Class F	9.43	9.53
Class I	12.02	12.15
Number of outstanding redeemable units (note 6)		
Class B	207,811	208,666
Class D	2,993,998	3,854,999
Class F	315,288	346,557
Class I	83,949,413	61,660,377

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	28,327,719	21,862,968
Realized gain (loss) on sale of investments	(7,886,529)	(7,749,875)
Change in unrealized appreciation (depreciation) in the value of investments	(2,777,485)	7,987,961
Net gains (losses) on investments	17,663,705	22,101,054
Total income	17,663,705	22,101,054
Expenses		
Management fees	342,497	457,310
Administrative fees	1,250,977	382,273
Total expenses before waiver	1,593,474	839,583
Expenses waived by the manager	(911,138)	(58,219)
Total expenses	682,336	781,364
Increase (decrease) in net assets attributable to holders of redeemable units	16,981,369	21,319,690
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	5,604	44,901
Class D	242,197	1,081,191
Class F	25,578	98,249
Class I	16,707,990	20,095,349
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.03	0.19
Class D	0.07	0.25
Class F	0.08	0.21
Class I	0.21	0.34

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	1,977,292	2,545,669
Class D	45,684,738	59,553,219
Class F	3,303,341	4,756,136
Class I	749,166,544	634,143,326
	800,131,915	700,998,350
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	5,604	44,901
Class D	242,197	1,081,191
Class F	25,578	98,249
Class I	16,707,990	20,095,349
	16,981,369	21,319,690
Distribution to holders of redeemable units		
From net investment income		
Class B	(27,636)	(34,191)
Class D	(739,065)	(995,122)
Class F	(59,239)	(89,074)
Class I	(26,486,425)	(19,865,312)
	(27,312,365)	(20,983,699)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	524,745	319,836
Class D	1,191,260	1,483,909
Class F	818,300	1,081,935
Class I	455,817,088	175,208,410
Reinvestments of distributions to holders of redeemable units		
Class B	27,633	33,834
Class D	698,024	939,393
Class F	53,815	81,618
Class I	25,992,938	19,426,906
Redemption of redeemable units		
Class B	(559,010)	(932,757)
Class D	(11,955,808)	(16,377,852)
Class F	(1,167,799)	(2,625,523)
Class I	(211,936,337)	(79,842,135)
	259,504,849	98,797,574
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(28,664)	(568,377)
Class D	(10,563,392)	(13,868,481)
Class F	(329,345)	(1,452,795)
Class I	260,095,254	115,023,218
	249,173,853	99,133,565
Net assets attributable to holders of redeemable units at end of year		
Class B	1,948,628	1,977,292
Class D	35,121,346	45,684,738
Class F	2,973,996	3,303,341
Class I	1,009,261,798	749,166,544
	1,049,305,768	800,131,915

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	16,981,369	21,319,690
Adjustments for:		
Net realized (gain) loss on sale of investments	7,886,529	7,749,875
Change in unrealized (appreciation) depreciation in the value of investments	2,777,485	(7,987,961)
Purchases of investments	(2,456,815,622)	(2,761,925,289)
Proceeds from sale of investments	2,392,592,603	2,668,017,040
(Increase) decrease in accrued interest	(1,744,490)	(384,784)
Increase (decrease) in accrued liabilities	(8,867)	(6,742)
Net cash flows from (used in) operating activities	(38,330,993)	(73,218,171)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(540,000)	(501,906)
Proceeds from redeemable units issued	266,276,538	174,226,270
Redemption of redeemable units	(225,613,634)	(99,694,880)
Net cash flows from (used in) financing activities	40,122,904	74,029,484
Net increase (decrease) in cash and cash equivalents	1,791,911	811,313
Cash and cash equivalents at beginning of year	5,180,884	4,369,571
Cash and cash equivalents at end of year*	6,972,795	5,180,884
Supplementary information		
Cash flow from operating activities		
Interest received	26,583,229	21,518,332
*Cash and cash equivalents include:		
Cash at banks/(overdraft)	(49,824)	18,423
Short-term investments	7,022,619	5,162,461
Total	6,972,795	5,180,884

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Income Fund

Schedule of Investment Portfolio as at December 31, 2018

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2017 - 0.65%)							Corporate Bonds						
Treasury Bills							804,664	Alliance Pipeline LP	6.765	31-Dec-25	869,920	913,077	0.09
7,050,000	Government of Canada	1.644	21-Mar-19	7,022,619	7,022,619	0.67	6,051,000	AltaGas Ltd.	3.720	28-Sep-21	6,174,328	6,088,732	0.58
				7,022,619	7,022,619	0.67	4,913,000	AltaLink LP	2.978	28-Nov-22	4,899,446	4,957,465	0.47
Canadian Bonds (2017 - 98.32%)							3,718,000	AltaLink LP	3.717	3-Dec-46	3,739,208	3,682,068	0.35
Mortgage Backed Securities							22,191,000	Bank of Montreal	2.100	6-Oct-20	22,143,337	21,999,247	2.10
18,084,000	Canadian Mortgage Pools	1.620	1-Mar-22	15,192,878	15,112,631	1.44	22,753,000	Bank of Montreal	1.610	28-Oct-21	22,112,318	22,054,742	2.10
15,550,000	Canadian Mortgage Pools	1.420	1-Jun-22	13,770,478	13,639,539	1.30	13,157,000	Bank of Montreal	2.270	11-Jul-22	12,972,921	12,908,857	1.23
8,545,000	Canadian Mortgage Pools	1.840	1-Dec-22	7,939,295	7,885,726	0.75	2,722,000	Bank of Montreal	3.190	1-Mar-28	2,700,387	2,725,972	0.26
				36,902,651	36,637,896	3.49	28,265,000	Bank of Nova Scotia	2.270	13-Jan-20	28,235,532	28,218,569	2.69
Federal Bonds							1,129,000	Bank of Nova Scotia	2.130	15-Jun-20	1,123,204	1,122,174	0.11
2,505,000	Canadian Government Bond	0.500	1-Feb-19	2,500,666	2,502,837	0.24	11,455,000	Bell Canada Inc.	3.000	3-Oct-22	11,490,636	11,357,785	1.08
17,748,000	Canadian Government Bond	1.250	1-Feb-20	17,590,708	17,641,491	1.68	6,240,000	Bell Canada Inc.	2.700	27-Feb-24	6,052,504	6,025,497	0.57
3,875,000	Canadian Government Bond	2.000	1-Sep-23	3,844,315	3,895,053	0.37	2,039,000	Bell Canada Inc.	3.600	29-Sep-27	2,032,687	2,006,125	0.19
5,970,000	Canadian Government Bond	2.250	1-Jun-25	6,087,609	6,090,667	0.58	5,557,000	Brookfield Infrastructure Finance ULC	3.315	22-Feb-24	5,551,503	5,433,383	0.52
18,927,000	Canadian Government Bond	2.000	1-Jun-28	18,891,620	18,986,429	1.81	4,359,000	Brookfield Infrastructure Finance ULC	4.193	11-Sep-28	4,359,000	4,316,816	0.41
60,730,000	Canadian Government Bond	2.750	1-Dec-48	66,355,169	68,293,059	6.51	3,950,000	Brookfield Renewable Partners ULC	4.250	15-Jan-29	3,947,591	3,876,772	0.37
910,000	Canadian Government Bond	2.000	1-Dec-51	802,538	870,791	0.08	16,461,000	Canadian Imperial Bank of Commerce	1.900	26-Apr-21	16,217,308	16,163,628	1.54
9,690,000	Canadian Government Real Return Bond	6.858	1-Dec-21	17,616,467	17,249,481	1.64	3,587,000	Canadian Imperial Bank of Commerce	2.900	14-Sep-21	3,586,892	3,598,982	0.34
3,080,000	CPPIB Capital Inc.	1.400	4-Jun-20	3,042,506	3,052,805	0.29	18,543,000	Canadian Imperial Bank of Commerce	2.040	21-Mar-22	18,168,936	18,100,906	1.73
				136,731,598	138,582,613	13.20	11,330,000	Canadian Imperial Bank of Commerce	3.000	28-Oct-24	11,460,803	11,349,042	1.08
Provincial Bonds							3,401,000	Canadian Imperial Bank of Commerce	3.300	26-May-25	3,411,632	3,448,741	0.33
17,949,000	Province of Alberta	2.350	1-Jun-25	17,685,131	17,601,786	1.68	6,326,000	Canadian Imperial Bank of Commerce	3.420	26-Jan-26	6,373,791	6,363,890	0.61
33,564,000	Province of Alberta	2.900	1-Dec-28	33,541,953	33,532,542	3.20	14,385,000	Canadian Natural Resources Ltd.	2.050	1-Jun-20	14,291,730	14,188,369	1.35
1,203,000	Province of Alberta	3.900	1-Dec-33	1,298,512	1,307,417	0.12	3,331,000	Canadian Natural Resources Ltd.	3.420	1-Dec-26	3,240,795	3,200,779	0.31
12,014,000	Province of Alberta	3.050	1-Dec-48	11,918,455	11,488,700	1.09	2,925,000	CU Inc.	3.763	19-Nov-46	2,978,870	2,892,477	0.28
26,125,000	Province of British Columbia	2.950	18-Dec-28	26,367,406	26,630,707	2.54	2,499,000	CU Inc.	4.947	18-Nov-50	3,042,268	2,980,168	0.28
8,321,000	Province of British Columbia	2.800	18-Jun-48	7,975,181	7,888,259	0.75	1,015,000	CU Inc.	3.857	14-Nov-52	988,451	1,001,889	0.10
5,974,000	Province of British Columbia	2.950	18-Jun-50	5,812,620	5,847,383	0.56	563,000	Enbridge Gas Distribution Inc.	9.850	2-Dec-24	831,478	759,491	0.07
2,361,000	Province of Manitoba	4.400	5-Sep-25	2,662,244	2,602,238	0.25	2,897,000	Enbridge Gas Distribution Inc.	7.600	29-Oct-26	3,846,771	3,725,818	0.36
9,789,000	Province of Ontario	2.100	8-Sep-19	9,799,165	9,800,481	0.93	1,282,000	Enbridge Gas Distribution Inc.	6.900	15-Nov-32	1,730,991	1,718,560	0.16
13,477,000	Province of Ontario	4.200	2-Jun-20	14,006,796	13,881,885	1.32	4,137,000	Enbridge Gas Distribution Inc.	4.950	22-Nov-50	4,951,730	4,870,402	0.46
1,996,000	Province of Ontario	4.000	2-Jun-21	2,087,557	2,081,232	0.20	5,834,000	Enbridge Pipelines Inc.	6.350	17-Nov-23	6,864,483	6,611,624	0.63
4,535,000	Province of Ontario	3.150	2-Jun-22	4,705,880	4,655,991	0.44	1,632,000	Enbridge Pipelines Inc.	8.200	15-Feb-24	2,161,326	1,997,256	0.19
16,716,000	Province of Ontario	2.600	8-Sep-23	16,712,585	16,811,515	1.60	2,710,000	EPCOR Utilities Inc.	3.554	27-Nov-47	2,707,036	2,603,372	0.25
45,545,000	Province of Ontario	2.600	2-Jun-25	44,954,636	45,462,505	4.33	3,363,000	FortisAlberta Inc.	3.734	18-Sep-48	3,323,000	3,323,346	0.32
28,520,000	Province of Ontario	2.900	2-Jun-28	28,332,871	28,707,103	2.74	1,113,000	FortisAlberta Inc.	4.800	27-Oct-50	1,315,048	1,301,375	0.12
232,000	Province of Ontario	6.500	8-Mar-29	327,367	305,027	0.03	369,000	FortisBC Energy Inc.	6.950	21-Sep-29	491,236	489,789	0.05
6,877,000	Province of Ontario	4.700	2-Jun-37	8,550,248	8,357,748	0.80	1,642,000	FortisBC Energy Inc.	5.900	26-Feb-35	1,992,764	2,080,743	0.20
8,570,000	Province of Ontario	3.500	2-Jun-43	8,997,125	8,997,739	0.86	1,261,000	FortisBC Energy Inc.	6.000	2-Oct-37	1,689,325	1,644,014	0.16
16,972,000	Province of Ontario	2.800	2-Jun-48	15,854,215	15,729,794	1.50	2,425,000	FortisBC Energy Inc.	3.690	30-Oct-47	2,419,756	2,390,923	0.23
24,394,000	Province of Ontario	2.900	2-Jun-49	22,896,201	23,105,354	2.20	822,000	FortisBC Inc.	5.000	24-Nov-50	1,003,573	984,701	0.09
5,277,000	Province of Quebec	4.500	1-Dec-20	5,667,501	5,517,070	0.53	1,309,000	Hydro One Inc.	4.400	1-Jun-20	1,386,352	1,341,918	0.13
32,055,000	Province of Quebec	2.750	1-Sep-28	31,628,541	32,007,289	3.05	774,000	Keyera Corp.	3.934	21-Jun-28	777,200	762,310	0.07
11,865,000	Province of Quebec	5.000	1-Dec-41	15,724,235	15,454,268	1.47	2,811,000	Loblaws Cos Ltd.	3.918	10-Jun-24	2,811,000	2,862,334	0.27
20,348,000	Province of Quebec	3.500	1-Dec-48	21,963,839	21,790,351	2.08	747,000	Lower Mattagami Energy LP	4.331	18-May-21	775,715	775,449	0.07
1,215,000	Province of Saskatchewan	5.800	5-Sep-33	1,661,296	1,596,425	0.15							
				361,131,560	361,160,809	34.42							
Municipal Bonds													
6,879,000	City of Montreal	3.000	1-Sep-27	6,852,857	6,868,454	0.65							
9,058,000	City of Toronto	3.900	29-Sep-23	9,613,797	9,565,963	0.92							
				16,466,654	16,434,417	1.57							

Beutel Goodman Income Fund

Schedule of Investment Portfolio as at December 31, 2018

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
1,299,000	Lower Mattagami Energy LP	4.176	23-Feb-46	1,415,589	1,385,786	0.13
2,452,000	North West Redwater Partnership / NWR Financing Co. Ltd.	2.800	1-Jun-27	2,431,379	2,323,952	0.22
909,000	North West Redwater Partnership / NWR Financing Co. Ltd.	3.650	1-Jun-35	906,010	871,721	0.08
1,638,000	NOVA Gas Transmission Ltd.	6.590	1-Dec-27	1,975,667	1,964,370	0.19
1,612,000	Nova Scotia Power Inc.	6.950	25-Aug-33	2,264,604	2,178,767	0.21
4,650,000	Pembina Pipeline Corp.	2.990	22-Jan-24	4,585,903	4,522,541	0.43
5,584,000	Rogers Communications Inc.	4.700	29-Sep-20	5,864,120	5,754,708	0.55
26,497,000	Royal Bank of Canada	2.030	15-Mar-21	26,300,386	26,131,173	2.49
19,780,000	Royal Bank of Canada	3.296	26-Sep-23	19,780,000	19,871,193	1.89
13,037,000	Royal Bank of Canada	3.310	20-Jan-26	13,154,152	13,098,448	1.25
31,534,000	Toronto-Dominion Bank	2.045	8-Mar-21	31,155,412	31,132,702	2.97
20,833,000	Toronto-Dominion Bank	2.692	24-Jun-25	20,917,233	20,755,971	1.98
9,166,000	Toronto-Dominion Bank	3.005	30-May-23	9,177,246	9,220,400	0.88
9,537,000	Toronto-Dominion Bank	2.616	28-Jun-23	9,539,462	9,584,700	0.91
14,852,000	Toronto-Dominion Bank	3.589	14-Sep-28	14,833,900	14,793,617	1.41
9,489,000	TransCanada PipeLines Ltd.	8.290	5-Feb-26	13,013,729	12,166,255	1.16
1,282,000	TransCanada PipeLines Ltd.	7.310	15-Jan-27	1,663,637	1,590,186	0.15
4,013,000	TransCanada PipeLines Ltd.	7.900	15-Apr-27	5,437,883	5,153,147	0.49
2,035,000	TransCanada PipeLines Ltd.	6.280	26-May-28	2,506,669	2,402,941	0.23
191,000	TransCanada PipeLines Ltd.	8.210	25-Apr-30	268,641	255,525	0.02
1,361,000	TransCanada PipeLines Ltd.	8.230	16-Jan-31	1,895,754	1,837,671	0.18
993,000	TransCanada PipeLines Ltd.	8.200	15-Aug-31	1,391,090	1,341,532	0.13
2,809,000	TransCanada PipeLines Ltd.	4.350	6-Jun-46	2,937,615	2,685,611	0.26
2,875,000	TransCanada Trust	4.650	18-May-77	2,871,810	2,576,612	0.25
2,798,000	Union Gas Ltd.	4.850	25-Apr-22	2,961,991	2,976,747	0.28
2,228,000	Union Gas Ltd.	8.650	10-Nov-25	3,199,199	2,953,788	0.28
1,911,000	Union Gas Ltd.	2.880	22-Nov-27	1,877,383	1,853,754	0.18
2,444,000	Union Gas Ltd.	5.200	23-Jul-40	2,893,408	2,903,242	0.28
2,552,000	Union Gas Ltd.	3.590	22-Nov-47	2,547,610	2,411,538	0.23
2,416,000	Westcoast Energy Inc.	5.600	16-Jan-19	2,568,744	2,418,295	0.23
1,299,000	Westcoast Energy Inc.	9.900	10-Jan-20	1,697,825	1,389,959	0.13
1,072,000	Westcoast Energy Inc.	3.883	28-Oct-21	1,124,897	1,097,582	0.10
823,000	Westcoast Energy Inc.	8.850	21-Jul-25	1,120,226	1,069,156	0.10
7,067,000	Westcoast Energy Inc.	7.300	18-Dec-26	8,919,547	8,747,968	0.83
1,894,000	Westcoast Energy Inc.	7.150	20-Mar-31	2,481,047	2,418,337	0.23
				490,964,550	485,059,472	46.23
Total Canadian Bonds				1,042,197,013	1,037,875,207	98.91
Transaction Costs				—	—	—
Total Investments				1,042,197,013	1,037,875,207	98.91
Total Investments and Cash Equivalents				1,049,219,632	1,044,897,826	99.58
Other Assets Net of Liabilities					4,407,942	0.42
Net Assets Attributable to Holders of Redeemable Units					1,049,305,768	100.00

Beutel Goodman Income Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Income Fund (the "Fund") is to seek to earn a high rate of income return by investing primarily in fixed-income securities of Canadian government and corporate issuers. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2018	Dec. 31, 2017
AAA	21	20
AA	28	15
A	34	48
BBB	16	13
Not rated	–	2
Total	99	98

*Excludes cash and cash equivalents

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2018 and December 31, 2017.

Debt Instruments* by Maturity Date	Dec. 31, 2018	Dec. 31, 2017
	(\$000)	(\$000)
Less than 1 year	14,722	49,436
1-3 years	240,482	137,479
3-5 years	167,156	165,040
Greater than 5 years	615,515	434,757
Total	1,037,875	786,712

*Excludes cash and cash equivalents

As at December 31, 2018, had prevailing interest rates raised or lowered by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$19,417,000 (2017 - \$14,770,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
FTSE Canada Universe Bond Index	10,444	7,860
Total	10,444	7,860

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Beutel Goodman Income Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	0.67%	0.65%
Canadian Bonds		
Mortgage Backed Securities	3.49%	3.82%
Federal Bonds	13.20%	15.43%
Provincial Bonds	34.42%	31.58%
Municipal Bonds	1.57%	–
Corporate Bonds	46.23%	47.49%
Total	99.58%	98.97%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017:

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	1,001,237,311	–	1,001,237,311
Mortgage Backed Securities	–	36,637,896	–	36,637,896
Total Assets	–	1,037,875,207	–	1,037,875,207

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	756,232,288	–	756,232,288
Mortgage Backed Securities	–	30,479,224	–	30,479,224
Total Assets	–	786,711,512	–	786,711,512

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	208,666	3,854,999	346,557	61,660,377
Redeemable units issued for cash	56,072	101,698	86,905	37,826,505
Reinvested units	2,955	59,630	5,718	2,168,442
Redeemable units redeemed	(59,882)	(1,022,329)	(123,892)	(17,705,910)
Balance, end of year	207,811	2,993,998	315,288	83,949,413

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	268,811	5,027,006	499,193	52,185,236
Redeemable units issued for cash	33,624	124,039	112,682	14,386,901
Reinvested units	3,565	79,101	8,551	1,595,241
Redeemable units redeemed	(97,334)	(1,375,147)	(273,869)	(6,507,001)
Balance, end of year	208,666	3,854,999	346,557	61,660,377

Beutel Goodman Long Term Bond Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	8,286,244	2,323,326
Financial assets at fair value through profit or loss*	351,413,313	383,320,765
Accrued interest	1,787,228	1,790,399
Due from brokers	1,813	2,878,744
Subscriptions receivable	—	370,470
Total assets	361,488,598	390,683,704
Liabilities		
Current liabilities		
Management and administrative fees payable	17,006	19,718
Due to brokers	1,401,581	3,745,572
Redemptions payable	155,019	214,896
Total liabilities (before net assets attributable to holders of redeemable units)	1,573,606	3,980,186
Net assets attributable to holders of redeemable units	359,914,992	386,703,518
*Investments at average cost	353,619,533	375,522,138
Net assets attributable to holders of redeemable units per class		
Class B	93,225	101,141
Class D	5,568,191	7,568,465
Class F	320,580	358,638
Class I	353,932,996	378,675,274
Net assets attributable to holders of redeemable units per unit		
Class B	9.41	9.71
Class D	5.43	5.60
Class F	9.47	9.76
Class I	5.52	5.69
Number of outstanding redeemable units (note 6)		
Class B	9,911	10,417
Class D	1,025,136	1,350,916
Class F	33,841	36,733
Class I	64,149,284	66,505,329

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	13,023,038	20,530,414
Realized gain (loss) on sale of investments	(1,954,128)	(8,676,917)
Change in unrealized appreciation (depreciation) in the value of investments	(10,004,847)	18,300,083
Net gains (losses) on investments	1,064,063	30,153,580
Other income		
Realized gain (loss) on foreign currency transactions	—	(108)
Total income	1,064,063	30,153,472
Expenses		
Management fees	55,413	72,973
Administrative fees	393,748	254,482
Total expenses before waiver	449,161	327,455
Expenses waived by the manager	(239,677)	(9,283)
Total expenses	209,484	318,172
Increase (decrease) in net assets attributable to holders of redeemable units	854,579	29,835,300
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(785)	7,889
Class D	(57,936)	505,693
Class F	(7,106)	61,648
Class I	920,406	29,260,070
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.08)	0.48
Class D	(0.05)	0.34
Class F	(0.17)	0.52
Class I	0.01	0.29

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Long Term Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	101,141	219,835
Class D	7,568,465	9,100,467
Class F	358,638	789,318
Class I	378,675,274	497,988,627
	386,703,518	508,098,247
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(785)	7,889
Class D	(57,936)	505,693
Class F	(7,106)	61,648
Class I	920,406	29,260,070
	854,579	29,835,300
Distribution to holders of redeemable units		
From net investment income		
Class B	(2,234)	(3,250)
Class D	(177,583)	(227,615)
Class F	(9,595)	(29,853)
Class I	(12,670,670)	(20,173,894)
	(12,860,082)	(20,434,612)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	5,000	34,619
Class D	1,226,135	1,335,836
Class F	496,000	2,477,041
Class I	4,148,738	152,138,002
Reinvestments of distributions to holders of redeemable units		
Class B	2,234	3,197
Class D	171,949	218,060
Class F	9,595	29,853
Class I	12,670,681	20,173,894
Redemption of redeemable units		
Class B	(12,131)	(161,149)
Class D	(3,162,839)	(3,363,976)
Class F	(526,952)	(2,969,369)
Class I	(29,811,433)	(300,711,425)
	(14,783,023)	(130,795,417)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(7,916)	(118,694)
Class D	(2,000,274)	(1,532,002)
Class F	(38,058)	(430,680)
Class I	(24,742,278)	(119,313,353)
	(26,788,526)	(121,394,729)
Net assets attributable to holders of redeemable units at end of year		
Class B	93,225	101,141
Class D	5,568,191	7,568,465
Class F	320,580	358,638
Class I	353,932,996	378,675,274
	359,914,992	386,703,518

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	854,579	29,835,300
Adjustments for:		
Net realized (gain) loss on sale of investments	1,954,128	8,676,917
Change in unrealized (appreciation) depreciation in the value of investments	10,004,847	(18,300,083)
Purchases of investments	(607,377,940)	(1,985,029,274)
Proceeds from sale of investments	627,859,357	1,925,644,606
(Increase) decrease in accrued interest	3,171	1,184,343
Increase (decrease) in accrued liabilities	(2,712)	(5,449)
Net cash flows from (used in) operating activities	33,295,430	(37,993,640)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(5,623)	(9,608)
Proceeds from redeemable units issued	6,246,343	155,615,028
Redemption of redeemable units	(33,573,232)	(118,545,525)
Net cash flows from (used in) financing activities	(27,332,512)	37,059,895
Net increase (decrease) in cash and cash equivalents	5,962,918	(933,745)
Cash and cash equivalents at beginning of year	2,323,326	3,257,071
Cash and cash equivalents at end of year*	8,286,244	2,323,326
Supplementary information		
Cash flow from operating activities		
Interest received	13,026,209	21,714,757
*Cash and cash equivalents include:		
Cash at banks/(overdraft)	(53,855)	29,393
Short-term investments	8,340,099	2,293,933
Total	8,286,244	2,323,326

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Long Term Bond Fund

Schedule of Investment Portfolio as at December 31, 2018

Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets		
Cash Equivalents (2017 - 0.59%)						Corporate Bonds							
Treasury Bills						5,706,000		Alberta Powerline LP	4.065	1-Mar-54	5,824,155	5,869,742	1.63
450,000	Government of Canada	1.640	21-Mar-19	448,308	448,308	0.12	1,382,000	Alectra Inc.	3.958	30-Jul-42	1,408,349	1,424,668	0.40
6,025,000	Government of Canada	1.623	7-Mar-19	5,999,931	5,999,931	1.67	31,765	Alliance Pipeline LP	6.765	31-Dec-25	31,331	36,045	0.01
1,900,000	Government of Canada	1.696	21-Feb-19	1,891,860	1,891,860	0.53	1,438,000	Altalink LP	3.717	3-Dec-46	1,447,880	1,424,103	0.40
				8,340,099	8,340,099	2.32	2,977,000	Bell Canada Inc.	3.600	29-Sep-27	2,968,846	2,929,002	0.81
Canadian Bonds (2017 - 99.13%)						1,414,000	Brookfield Infrastructure Finance ULC	4.193	11-Sep-28	1,414,000	1,400,316	0.39	
Federal Bonds						1,200,000	Brookfield Renewable Partners ULC	4.250	15-Jan-29	1,199,268	1,177,753	0.33	
799,000	Canadian Government Bond	2.750	1-Dec-64	921,878	938,249	0.26	215,000	CU Inc.	4.558	7-Nov-53	254,743	241,131	0.07
284,000	Canadian Government Bond	2.000	1-Dec-51	250,462	271,763	0.08	283,000	CU Inc.	3.857	14-Nov-52	296,881	279,345	0.08
42,831,000	Canadian Government Bond	2.750	1-Dec-48	46,347,061	48,164,997	13.38	1,094,000	CU Inc.	4.947	18-Nov-50	1,289,837	1,304,643	0.36
3,984,000	Canadian Government Bond	2.000	1-Jun-28	3,964,200	3,996,509	1.11	3,260,000	CU Inc.	3.763	19-Nov-46	3,287,717	3,223,753	0.90
4,226,000	Canadian Government Bond	0.500	1-Feb-19	4,219,739	4,222,352	1.17	1,630,000	Enbridge Gas Distribution Inc.	4.950	22-Nov-50	1,868,436	1,918,964	0.53
				55,703,340	57,593,870	16.00	7,085,000	Enbridge Gas Distribution Inc.	6.900	15-Nov-32	9,735,589	9,497,659	2.64
Provincial Bonds						3,678,000	Enbridge Pipelines Inc.	6.050	12-Feb-29	4,322,639	4,292,454	1.19	
7,553,000	Province of Alberta	3.050	1-Dec-48	7,373,734	7,222,752	2.01	4,966,000	ENMAX Corp.	3.836	5-Jun-28	4,977,011	5,070,192	1.41
5,669,000	Province of Alberta	3.900	1-Dec-33	6,149,820	6,161,054	1.71	2,140,000	EPCOR Utilities Inc.	3.554	27-Nov-47	2,140,000	2,055,799	0.57
5,743,000	Province of Alberta	3.500	1-Jun-31	5,951,889	6,013,222	1.67	1,866,000	FortisAlberta Inc.	4.800	27-Oct-50	2,256,342	2,181,819	0.61
9,676,000	Province of Alberta	2.900	1-Dec-28	9,641,590	9,666,931	2.69	1,069,000	FortisAlberta Inc.	3.734	18-Sep-48	1,069,000	1,056,395	0.29
1,887,000	Province of British Columbia	2.950	18-Jun-50	1,836,342	1,847,006	0.51	1,996,000	FortisBC Energy Inc.	6.000	2-Oct-37	2,621,241	2,602,262	0.72
7,387,000	Province of British Columbia	2.800	18-Jun-48	6,978,386	7,002,832	1.95	276,000	FortisBC Energy Inc.	5.900	26-Feb-35	365,897	349,747	0.10
11,375,000	Province of British Columbia	6.350	18-Jun-31	15,418,417	15,502,188	4.31	1,609,000	FortisBC Energy Inc.	6.950	21-Sep-29	2,156,695	2,135,693	0.59
659,000	Province of Manitoba	4.700	5-Mar-50	826,228	832,230	0.23	2,144,000	FortisBC Inc.	5.000	24-Nov-50	2,366,488	2,568,368	0.71
1,558,000	Province of Manitoba	3.750	5-Sep-33	1,633,579	1,653,062	0.46	3,101,000	Greater Toronto Airports Authority	3.260	1-Jun-37	3,097,957	3,004,321	0.83
9,096,000	Province of Ontario	2.900	2-Jun-49	8,578,621	8,615,491	2.39	3,159,000	Keyera Corp.	3.934	21-Jun-28	3,182,526	3,111,288	0.86
31,953,000	Province of Ontario	2.800	2-Jun-48	29,695,314	29,614,313	8.23	3,234,000	Lower Mattagami Energy LP	4.176	23-Feb-46	3,468,181	3,450,063	0.96
12,741,000	Province of Ontario	2.900	2-Dec-46	12,486,755	12,024,764	3.34	4,217,000	North West Redwater Partnership / NWR Financing Co. Ltd.	4.150	1-Jun-33	4,260,477	4,307,081	1.20
1,323,000	Province of Ontario	3.500	2-Jun-43	1,411,773	1,389,032	0.39	2,910,000	Nova Scotia Power Inc.	6.950	25-Aug-33	3,956,751	3,933,134	1.09
7,805,000	Province of Ontario	4.650	2-Jun-41	9,918,102	9,611,588	2.67	514,000	Toronto Hydro Corp.	3.485	28-Feb-48	512,279	491,502	0.14
8,288,000	Province of Ontario	4.700	2-Jun-37	10,334,848	10,072,564	2.80	7,672,000	TransCanada PipeLines Ltd.	8.200	15-Aug-31	10,994,884	10,364,785	2.88
30,193,000	Province of Quebec	3.500	1-Dec-48	33,010,489	32,333,205	8.98	554,000	TransCanada PipeLines Ltd.	8.230	16-Jan-31	752,221	748,031	0.21
13,919,000	Province of Quebec	5.000	1-Dec-41	18,571,836	18,129,621	5.04	486,000	TransCanada PipeLines Ltd.	8.210	25-Apr-30	677,813	650,183	0.18
4,326,000	Province of Quebec	2.750	1-Sep-28	4,247,366	4,319,561	1.20	4,697,000	Transcanada Trust	4.650	18-May-77	4,630,363	4,209,511	1.17
4,900,000	Province of Saskatchewan	5.800	5-Sep-33	6,621,860	6,438,257	1.79	736,000	Union Gas Ltd.	3.590	22-Nov-47	734,793	695,490	0.19
3,396,000	Province of Saskatchewan	6.400	5-Sep-31	4,689,416	4,600,717	1.28	2,730,000	Westcoast Energy Inc.	7.150	20-Mar-31	3,514,321	3,485,776	0.97
				195,376,365	193,050,390	53.64					93,084,911	91,491,018	25.42
Municipal Bonds						Total Canadian Bonds							
4,767,000	City of Montreal	3.150	1-Dec-36	4,689,518	4,578,282	1.27	Transaction Costs						
4,657,000	City of Toronto	3.500	2-Jun-36	4,765,399	4,699,753	1.31	-						
				9,454,917	9,278,035	2.58	Total Investments						
							353,619,533						
							351,413,313						
							97.64						
							Total Investments and Cash Equivalents						
							361,959,632						
							359,753,412						
							99.96						
							Other Assets Net of Liabilities						
							161,580						
							0.04						
							Net Assets Attributable to Holders of Redeemable Units						
							359,914,992						
							100.00						

Beutel Goodman Long Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Long Term Bond Fund (the "Fund") is to seek to earn a high rate of income by investing primarily in long-term fixed income securities of Canadian government and corporate issuers. The Fund focuses on creating a high-quality portfolio diversified across Government of Canada, Provincial and corporate bonds with a credit rating of BBB or higher by a recognized rating agency. The average minimum quality of the fixed income portfolio will be A. The average term of the Fund is limited to a range of 9 to 25 years. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2018	Dec. 31, 2017
AAA	23	19
AA	24	17
A	38	54
BBB	13	9
Total	98	99

*Excludes cash and cash equivalents

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2018 and December 31, 2017.

Debt Instruments* by Maturity Date	Dec. 31, 2018	Dec. 31, 2017
	(\$000)	(\$000)
Less than 1 year	4,222	3,482
1-3 years	–	2,986
Greater than 5 years	347,191	376,853
Total	351,413	383,321

*Excludes cash and cash equivalents

As at December 31, 2018, had prevailing interest rates raised or lowered by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$13,116,000 (2017 - \$14,187,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
FTSE Canada Long Term Bond Index	3,586	3,831
Total	3,586	3,831

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Beutel Goodman Long Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	2.32%	0.59%
Canadian Bonds		
Federal Bonds	16.00%	16.58%
Provincial Bonds	53.64%	50.86%
Municipal Bonds	2.58%	2.36%
Corporate Bonds	25.42%	29.33%
Total	99.96%	99.72%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	351,413,313	–	351,413,313
Total Assets	–	351,413,313	–	351,413,313

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	383,320,765	–	383,320,765
Total Assets	–	383,320,765	–	383,320,765

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	10,417	1,350,916	36,733	66,505,329
Redeemable units issued for cash	522	223,615	51,487	746,071
Reinvested units	236	31,397	1,006	2,281,475
Redeemable units redeemed	(1,264)	(580,792)	(55,385)	(5,383,590)
Balance, end of year	9,911	1,025,136	33,841	64,149,284

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	23,467	1,678,826	83,996	90,363,986
Redeemable units issued for cash	3,655	239,479	258,167	27,315,575
Reinvested units	334	39,488	3,076	3,604,766
Redeemable units redeemed	(17,039)	(606,877)	(308,506)	(54,778,998)
Balance, end of year	10,417	1,350,916	36,733	66,505,329

Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	362,759	1,080,930
Financial assets at fair value through profit or loss*	59,468,981	52,112,680
Accrued interest	432,801	373,143
Due from brokers	1	1,084,766
Subscriptions receivable	75,558	435,148
Total assets	60,340,100	55,086,667
Liabilities		
Current liabilities		
Management and administrative fees payable	23,270	28,049
Due to brokers	–	1,545,788
Redemptions payable	23,384	2,510
Distributions payable	–	14
Total liabilities (before net assets attributable to holders of redeemable units)	46,654	1,576,361
Net assets attributable to holders of redeemable units	60,293,446	53,510,306
*Investments at average cost	60,024,942	52,137,964
Net assets attributable to holders of redeemable units per class		
Class B	2,414,110	3,045,650
Class D	23,397,220	31,911,943
Class F	9,070,197	9,528,953
Class I	25,411,919	9,023,760
Net assets attributable to holders of redeemable units per unit		
Class B	9.28	9.45
Class D	5.00	5.09
Class F	9.30	9.47
Class I	5.10	5.20
Number of outstanding redeemable units (note 6)		
Class B	260,146	322,134
Class D	4,683,847	6,272,643
Class F	975,588	1,005,703
Class I	4,986,481	1,737,008

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	1,906,586	1,772,162
Realized gain (loss) on sale of investments	(562,177)	285,686
Change in unrealized appreciation (depreciation) in the value of investments	(530,677)	(144,284)
Net gains (losses) on investments	813,732	1,913,564
Total income	813,732	1,913,564
Expenses		
Management fees	288,193	348,028
Administrative fees	63,873	54,603
Total expenses before waiver	352,066	402,631
Expenses waived by the manager	(41,805)	(36,066)
Total expenses	310,261	366,565
Increase (decrease) in net assets attributable to holders of redeemable units	503,471	1,546,999
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	1,048	83,861
Class D	126,061	1,013,952
Class F	55,118	322,158
Class I	321,244	127,028
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	–	0.23
Class D	0.02	0.15
Class F	0.06	0.29
Class I	0.09	0.15

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	3,045,650	3,620,612
Class D	31,911,943	35,996,184
Class F	9,528,953	9,036,991
Class I	9,023,760	1,146,018
	53,510,306	49,799,805
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,048	83,861
Class D	126,061	1,013,952
Class F	55,118	322,158
Class I	321,244	127,028
	503,471	1,546,999
Distribution to holders of redeemable units		
From net investment income		
Class B	(53,314)	(72,728)
Class D	(666,007)	(861,158)
Class F	(240,182)	(293,216)
Class I	(621,260)	(173,556)
From net realized gains on investments		
Class B	–	(6,825)
Class D	–	(70,058)
Class F	–	(21,199)
Class I	–	(16,099)
	(1,580,763)	(1,514,839)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	111,375	313,568
Class D	496,460	1,001,444
Class F	2,556,974	4,922,377
Class I	17,935,931	8,109,970
Reinvestments of distributions to holders of redeemable units		
Class B	50,517	74,719
Class D	606,188	873,557
Class F	83,586	110,591
Class I	597,623	189,655
Redemption of redeemable units		
Class B	(741,166)	(967,557)
Class D	(9,077,425)	(6,041,978)
Class F	(2,914,252)	(4,548,749)
Class I	(1,845,379)	(359,256)
	7,860,432	3,678,341
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(631,540)	(574,962)
Class D	(8,514,723)	(4,084,241)
Class F	(458,756)	491,962
Class I	16,388,159	7,877,742
	6,783,140	3,710,501
Net assets attributable to holders of redeemable units at end of year		
Class B	2,414,110	3,045,650
Class D	23,397,220	31,911,943
Class F	9,070,197	9,528,953
Class I	25,411,919	9,023,760
	60,293,446	53,510,306

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	503,471	1,546,999
Adjustments for:		
Net realized (gain) loss on sale of investments	562,177	(285,686)
Change in unrealized (appreciation) depreciation in the value of investments	530,677	144,284
Purchases of investments	(85,688,204)	(48,220,858)
Proceeds from sale of investments	76,778,026	45,990,534
(Increase) decrease in accrued interest	(59,658)	18,661
Increase (decrease) in accrued liabilities	(4,779)	(2,431)
Net cash flows from (used in) operating activities	(7,378,290)	(808,497)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(242,863)	(266,317)
Proceeds from redeemable units issued	21,460,330	13,917,262
Redemption of redeemable units	(14,557,348)	(11,973,190)
Net cash flows from (used in) financing activities	6,660,119	1,677,755
Net increase (decrease) in cash and cash equivalents	(718,171)	869,258
Cash and cash equivalents at beginning of year	1,080,930	211,672
Cash and cash equivalents at end of year*	362,759	1,080,930
Supplementary information		
Cash flow from operating activities		
Interest received	1,846,928	1,790,823
*Cash and cash equivalents include:		
Cash at banks/(overdraft)	(35,618)	8,458
Short-term investments	398,377	1,072,472
Total	362,759	1,080,930

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

Schedule of Investment Portfolio as at December 31, 2018

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	
Cash Equivalents (2017 - 2.00%)														
Treasury Bills														
100,000	Government of Canada	1.644	21-Mar-19	99,616	99,616	0.17	731,000	Canadian Natural Resources Ltd.	3.420	1-Dec-26	705,083	702,422	1.17	
300,000	Government of Canada	1.629	7-Mar-19	298,761	298,761	0.49	1,078,000	Canadian Natural Resources Ltd.	2.050	1-Jun-20	1,072,329	1,063,265	1.76	
				398,377	398,377	0.66	749,000	CU Inc.	4.947	18-Nov-50	916,327	893,216	1.48	
Canadian Bonds (2017 - 97.39%)														
Federal Bonds														
2,131,000	Canadian Government Bond	2.750	1-Dec-48	2,282,831	2,396,386	3.98	225,000	Enbridge Gas Distribution Inc.	6.900	15-Nov-32	276,356	301,619	0.50	
343,000	Canadian Government Bond	2.250	1-Jun-25	349,757	349,933	0.58	299,000	Enbridge Gas Distribution Inc.	7.600	29-Oct-26	416,903	384,543	0.64	
164,000	Canadian Government Bond	2.000	1-Sep-23	161,141	164,849	0.27	195,000	Enbridge Pipelines Inc.	8.200	15-Feb-24	257,912	238,643	0.40	
141,000	Canadian Government Bond	0.500	1-Feb-19	140,756	140,878	0.23	694,000	Enbridge Pipelines Inc.	6.350	17-Nov-23	835,977	786,504	1.30	
				2,934,485	3,052,046	5.06	179,000	FortisAlberta Inc.	3.734	18-Sep-48	179,000	176,889	0.29	
Provincial Bonds														
663,000	Province of Alberta Canada	3.050	1-Dec-48	656,221	634,011	1.05	1,454,000	Keyera Corp.	3.934	21-Jun-28	1,454,000	1,432,040	2.38	
64,000	Province of British Columbia	2.950	18-Jun-50	61,491	62,644	0.10	149,000	Loblaw Cos Ltd.	3.918	10-Jun-24	149,000	151,721	0.25	
1,307,000	Province of British Columbia	2.800	18-Jun-48	1,246,898	1,239,028	2.05	517,000	Lower Mattagami Energy LP.	4.176	23-Feb-46	585,430	551,541	0.91	
444,000	Province of Ontario	2.900	2-Jun-49	415,155	420,545	0.70	986,000	North West Redwater Partnership / NWR Financing Co. Ltd.	3.650	1-Jun-35	965,858	945,564	1.57	
214,000	Province of Ontario	2.800	2-Jun-48	195,555	198,337	0.33	190,000	NOVA Gas Transmission Ltd.	6.590	1-Dec-27	218,382	227,857	0.38	
1,212,000	Province of Ontario	2.900	2-Dec-46	1,187,504	1,143,867	1.90	822,000	Pembina Pipeline Corp.	2.990	22-Jan-24	807,162	799,469	1.33	
3,112,000	Province of Ontario	2.900	2-Jun-28	3,101,399	3,132,416	5.20	2,005,000	Rogers Communications Inc.	4.700	29-Sep-20	2,111,566	2,066,295	3.43	
1,177,000	Province of Ontario	2.600	2-Jun-25	1,165,631	1,174,868	1.95	2,114,000	Royal Bank of Canada	3.310	20-Jan-26	2,128,393	2,123,964	3.52	
216,000	Province of Ontario	2.600	8-Sep-23	215,413	217,234	0.36	1,743,000	Royal Bank of Canada	3.296	26-Sep-23	1,743,000	1,751,036	2.90	
733,000	Province of Ontario	2.100	8-Sep-19	734,275	733,860	1.22	1,152,000	Royal Bank of Canada	2.030	15-Mar-21	1,161,594	1,136,095	1.88	
3,318,000	Province of Quebec	3.500	1-Dec-48	3,573,560	3,553,188	5.88	1,000,000	Superior Plus LP	5.125	27-Aug-25	928,970	915,938	1.52	
1,700,000	Province of Quebec	2.750	1-Sep-28	1,673,516	1,697,470	2.82	1,530,000	The Toronto-Dominion Bank	3.589	14-Sep-28	1,526,015	1,523,986	2.53	
				14,226,618	14,207,468	23.56	472,000	The Toronto-Dominion Bank	2.616	28-Jun-23	472,000	474,361	0.79	
Corporate Bonds														
400,000	AltaGas Ltd.	3.720	28-Sep-21	407,512	402,494	0.67	2,945,000	The Toronto-Dominion Bank	2.045	8-Mar-21	2,941,020	2,907,522	4.82	
218,000	Bank of Montreal	3.190	1-Mar-28	216,269	218,318	0.36	1,751,000	TransCanada PipeLines Ltd.	7.900	15-Apr-27	2,405,705	2,248,483	3.73	
2,786,000	Bank of Montreal	1.610	28-Oct-21	2,757,482	2,700,502	4.48	425,000	TransCanada PipeLines Ltd.	8.290	5-Feb-26	563,588	544,911	0.90	
1,639,000	Bell Canada Inc.	2.700	27-Feb-24	1,597,244	1,582,659	2.62	241,000	Transcanada Trust	4.650	18-May-77	241,000	215,987	0.36	
310,000	Brookfield Infrastructure Finance ULC	4.193	11-Sep-28	310,000	307,000	0.51	400,000	Union Gas Ltd.	3.590	22-Nov-47	392,436	377,984	0.63	
1,571,000	Brookfield Infrastructure Finance ULC	3.315	22-Feb-24	1,571,364	1,536,053	2.55	1,140,000	Westcoast Energy Inc.	7.150	20-Mar-31	1,403,366	1,455,599	2.41	
1,050,000	Brookfield Renewable Partners ULC	4.250	15-Jan-29	1,049,360	1,030,534	1.71	977,000	Westcoast Energy Inc.	8.850	21-Jul-25	1,302,220	1,269,217	2.11	
2,080,000	Canadian Imperial Bank of Commerce	3.000	28-Oct-24	2,092,188	2,083,496	3.46					40,398,971	39,727,009	65.89	
80,000	Canadian Imperial Bank of Commerce	2.900	14-Sep-21	79,998	80,267	0.13	Mortgage Backed Securities							
2,158,000	Canadian Imperial Bank of Commerce	1.900	26-Apr-21	2,156,962	2,119,015	3.51	2,690,000	Canadian Mortgage Pools	1.840	1-Dec-22	2,464,868	2,482,458	4.12	
											2,464,868	2,482,458	4.12	
							Total Canadian Bonds							
											60,024,942	59,468,981	98.63	
							Transaction Costs							
											-			
							Total Investments							
											60,024,942	59,468,981	98.63	
							Total Investments and Cash Equivalents							
											60,423,319	59,867,358	99.29	
							Other Assets Net of Liabilities							
											426,088	0.71		
							Net Assets Attributable to Holders of Redeemable Units							
											60,293,446	100.00		

Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Core Plus Bond Fund (formerly known as Beutel Goodman Corporate/Provincial Active Bond Fund) (the "Fund") is to seek long-term capital appreciation by actively managing a portfolio primarily consisting of (i) short-term debt instruments of Canadian government and corporate issuers, and (ii) long-term fixed income securities of Canadian issuers which have a rating of at least BBB by a recognized Canadian rating agency. The Fund invests primarily in a well-diversified portfolio of Canadian provincial and Canadian corporate bonds of various maturities. The average term of the bond portfolio is limited to a range of 6 to 15 years. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2018	Dec. 31, 2017
AAA	12	–
AA	19	12
A	31	55
BBB	35	30
BB	2	–
Total	99	97

*Excludes cash and cash equivalents

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2018 and December 31, 2017.

Debt Instruments* by Maturity Date	Dec. 31, 2018	Dec. 31, 2017
	(\$000)	(\$000)
Less than 1 year	875	17
1-3 years	12,475	7,071
3-5 years	5,876	16,060
Greater than 5 years	40,243	28,965
Total	59,469	52,113

*Excludes cash and cash equivalents

As at December 31, 2018, had prevailing interest rates raised or lowered by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$1,106,000 (2017 - \$988,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
FTSE Canada Universe Bond Index	580	506
Total	580	506

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	0.66%	2.00%
Canadian Bonds		
Mortgage Backed Securities	4.12%	—
Federal Bonds	5.06%	—
Provincial Bonds	23.56%	12.35%
Corporate Bonds	65.89%	85.04%
Total	99.29%	99.39%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	56,986,523	—	56,986,523
Mortgage Backed Securities	—	2,482,458	—	2,482,458
Total Assets	—	59,468,981	—	59,468,981

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	52,112,680	—	52,112,680
Total Assets	—	52,112,680	—	52,112,680

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class D	Class F	Class I
Balance, beginning of the year	322,134	6,272,643	1,005,703	1,737,008
Redeemable units issued for cash	11,995	98,768	273,550	3,492,215
Reinvested units	5,425	120,947	8,966	117,142
Redeemable units redeemed	(79,408)	(1,808,511)	(312,661)	(359,884)
Balance, end of year	260,146	4,683,847	975,558	4,986,481

2017	Class B	Class D	Class F	Class I
Balance, beginning of the year	383,368	7,084,297	954,416	220,709
Redeemable units issued for cash	32,712	194,629	515,735	1,548,321
Reinvested units	7,865	170,884	11,612	36,355
Redeemable units redeemed	(101,811)	(1,177,167)	(476,060)	(68,377)
Balance, end of year	322,134	6,272,643	1,005,703	1,737,008

Beutel Goodman Short Term Bond Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,716,822	26,863
Financial assets at fair value through profit or loss*	65,079,889	178,018,815
Accrued interest	415,748	980,568
Due from brokers	45,190,591	–
Subscriptions receivable	–	41,793
Total assets	112,403,050	179,068,039
Liabilities		
Current liabilities		
Management and administrative fees payable	5,910	10,340
Due to brokers	10,179,605	–
Redemptions payable	35,848,927	69,535
Distributions payable	11,880	2,051
Total liabilities (before net assets attributable to holders of redeemable units)	46,046,322	81,926
Net assets attributable to holders of redeemable units	66,356,728	178,986,113
*Investments at average cost	65,535,824	181,467,416
Net assets attributable to holders of redeemable units per class		
Class B	269,562	351,728
Class F	2,487,631	1,937,674
Class I	63,599,535	176,696,711
Net assets attributable to holders of redeemable units per unit		
Class B	9.27	9.25
Class F	9.20	9.28
Class I	9.26	9.34
Number of outstanding redeemable units (note 6)		
Class B	29,087	38,020
Class F	270,291	208,734
Class I	6,869,872	18,928,074

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	3,327,328	5,358,232
Realized gain (loss) on sale of investments	(4,734,324)	(3,047,934)
Change in unrealized appreciation (depreciation) in the value of investments	2,992,666	(900,647)
Net gains (losses) on investments	1,585,670	1,409,651
Total income	1,585,670	1,409,651
Expenses		
Management fees	13,877	15,099
Administrative fees	141,761	95,040
Total expenses before waiver	155,638	110,139
Expenses waived by the manager	(83,770)	–
Total Expenses	71,868	110,139
Increase (decrease) in net assets attributable to holders of redeemable units	1,513,802	1,299,512
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	3,320	(995)
Class F	26,834	6,008
Class I	1,483,648	1,294,499
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.10	(0.03)
Class F	0.11	0.02
Class I	0.11	0.06

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Short Term Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	351,728	112,704
Class F	1,937,674	2,787,221
Class I	176,696,711	208,810,835
	178,986,113	211,710,760
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	3,320	(995)
Class F	26,834	6,008
Class I	1,483,648	1,294,449
	1,513,802	1,299,512
Distribution to holders of redeemable units		
From net investment income		
Class B	(3,269)	(5,372)
Class F	(46,304)	(41,143)
Class I	(3,202,938)	(5,202,143)
	(3,252,511)	(5,248,658)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	9,951	281,648
Class F	2,016,160	1,621,226
Class I	40,969,020	53,648,197
Reinvestments of distributions to holders of redeemable units		
Class B	3,155	5,324
Class F	2,241	5,499
Class I	3,202,180	5,198,685
Redemption of redeemable units		
Class B	(95,323)	(41,581)
Class F	(1,448,974)	(2,441,137)
Class I	(155,549,086)	(87,053,362)
	(110,890,676)	(28,775,501)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(82,166)	239,024
Class F	549,957	(849,547)
Class I	(113,097,176)	(32,114,124)
	(112,629,385)	(32,724,647)
Net assets attributable to holders of redeemable units at end of year		
Class B	269,562	351,728
Class F	2,487,631	1,937,674
Class I	63,599,535	176,696,711
	66,356,728	178,986,113

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	1,513,802	1,299,512
Adjustments for:		
Net realized (gain) loss on sale of investments	4,734,324	3,047,934
Change in unrealized (appreciation) depreciation in the value of investments	(2,992,666)	900,647
Purchases of investments	(307,596,854)	(310,340,893)
Proceeds from sale of investments	383,783,136	337,709,866
(Increase) decrease in accrued interest	564,820	304,584
Increase (decrease) in accrued liabilities	(4,430)	495
Net cash flows from (used in) operating activities	80,002,132	32,922,145
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(35,106)	(49,501)
Proceeds from redeemable units issued	43,036,924	55,509,358
Redemption of redeemable units	(121,313,991)	(89,468,184)
Net cash flows from (used in) financing activities	(78,312,173)	(34,008,327)
Net increase (decrease) in cash and cash equivalents	1,689,959	(1,086,182)
Cash and cash equivalents at beginning of year	26,863	1,113,045
Cash and cash equivalents at end of year*	1,716,822	26,863
Supplementary information		
Cash flow from operating activities		
Interest received	3,892,148	5,662,816
*Cash and cash equivalents include:		
Cash at banks	24,195	26,863
Short-term investments	1,692,627	—
Total	1,716,822	26,863

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Short Term Bond Fund

Schedule of Investment Portfolio as at December 31, 2018

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2017 - 0.00%)						
Treasury Bills						
1,700,000	Government of Canada	1.638	21-Mar-19	1,692,627	1,692,627	2.55
				<u>1,692,627</u>	<u>1,692,627</u>	<u>2.55</u>
Canadian Bonds (2017 - 99.46%)						
Federal Bonds						
3,164,000	Canadian Government Bond	2.000	1-Sep-23	3,156,535	3,180,374	4.79
693,000	Canadian Government Bond	0.500	1-Feb-19	690,762	692,402	1.04
273,000	Canadian Government Real Return Bond	6.858	1-Dec-21	496,245	485,976	0.73
6,588,000	CPPIB Capital Inc.	1.400	4-Jun-20	6,494,423	6,529,831	9.84
				<u>10,837,965</u>	<u>10,888,583</u>	<u>16.40</u>
Provincial Bonds						
3,672,000	Province of Ontario	3.150	2-Jun-22	3,748,744	3,769,967	5.68
				<u>3,748,744</u>	<u>3,769,967</u>	<u>5.68</u>
Corporate Bonds						
1,187,000	AltaGas Ltd.	3.720	28-Sep-21	1,209,304	1,194,402	1.80
237,000	AltaLink LP	2.978	28-Nov-22	236,543	239,145	0.36
870,000	Bank of Montreal	2.270	11-Jul-22	850,770	853,592	1.29
3,834,000	Bank of Montreal	1.610	28-Oct-21	3,724,787	3,716,340	5.60
1,424,000	Bell Canada Inc.	3.000	3-Oct-22	1,437,486	1,411,915	2.13
1,661,000	Canadian Imperial Bank of Commerce	3.000	28-Oct-24	1,676,504	1,663,792	2.51
4,918,000	Canadian Imperial Bank of Commerce	2.040	21-Mar-22	4,768,239	4,800,747	7.23
1,424,000	Canadian Natural Resources Ltd.	2.050	1-Jun-20	1,413,762	1,404,535	2.12
1,608,000	Énergir Inc.	1.520	25-May-20	1,605,602	1,587,522	2.39
6,016,000	Lower Mattagami Energy LP	4.331	18-May-21	6,424,327	6,245,113	9.41
2,281,000	Rogers Communications Inc.	4.700	29-Sep-20	2,389,977	2,350,732	3.54
2,083,000	Royal Bank of Canada	3.310	20-Jan-26	2,111,435	2,092,818	3.15
4,182,000	Royal Bank of Canada	3.296	26-Sep-23	4,182,070	4,201,280	6.33
3,137,000	The Bank of Nova Scotia	2.130	15-Jun-20	3,127,621	3,118,034	4.70
686,000	The Toronto-Dominion Bank	3.589	14-Sep-28	686,000	683,303	1.03
224,000	The Toronto-Dominion Bank	2.692	24-Jun-25	223,346	223,172	0.34
554,000	The Toronto-Dominion Bank	2.616	28-Jun-23	554,000	556,771	0.84
4,892,000	The Toronto-Dominion Bank	2.045	8-Mar-21	4,835,477	4,829,745	7.28
1,332,000	TransCanada Pipelines Ltd.	3.690	19-Jul-23	1,379,262	1,360,215	2.05
2,057,000	Union Gas Ltd.	4.850	25-Apr-22	2,281,829	2,188,409	3.30
976,000	Westcoast Energy Inc.	4.570	2-Jul-20	1,007,613	1,000,706	1.51
1,029,000	Westcoast Energy Inc.	9.900	10-Jan-20	1,208,787	1,101,053	1.66
				<u>47,334,741</u>	<u>46,823,341</u>	<u>70.57</u>
Mortgage Backed Securities						
1,908,000	Canadian Mortgage Pools	1.620	1-Mar-22	1,612,145	1,594,498	2.40
2,171,000	Canadian Mortgage Pools	1.840	1-Dec-22	2,002,229	2,003,500	3.02
				<u>3,614,374</u>	<u>3,597,998</u>	<u>5.42</u>
Total Canadian Bonds				<u>65,535,824</u>	<u>65,079,889</u>	<u>98.08</u>
Transaction Costs				—		
Total Investments and Cash Equivalents				<u>67,228,451</u>	<u>66,772,516</u>	<u>100.63</u>
Other Assets Net of Liabilities					<u>(415,788)</u>	<u>(0.63)</u>
Net Assets Attributable to Holders of Redeemable Units					<u>66,356,728</u>	<u>100.00</u>

Beutel Goodman Short Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Short Term Bond Fund (the "Fund") is to seek to maximize returns through capital enhancement and investment income. The Fund invests primarily in a well-diversified portfolio of short term fixed income securities of Canadian government and corporate issuers. The bonds have a credit rating of BBB or higher by a recognized agency. The average portfolio duration of the Fund is limited to a range of 2 to 4 years. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2018	Dec. 31, 2017
AAA	23	21
AA	21	17
A	38	48
BBB	16	13
Total	98	99

*Excludes cash and cash equivalents

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2018 and December 31, 2017.

Debt Instruments* by Maturity Date	Dec. 31, 2018	Dec. 31, 2017
	(\$000)	(\$000)
Less than 1 year	692	24,483
1-3 years	33,565	56,975
3-5 years	26,160	92,100
Greater than 5 years	4,663	4,461
Total	65,080	178,019

*Excludes cash and cash equivalents

As at December 31, 2018, had prevailing interest rates raised or lowered by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$408,000 (2017 – \$1,185,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
FTSE Canada Short Term Bond Index	653	1,775
Total	653	1,775

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Beutel Goodman Short Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	2.55%	–
Canadian Bonds		
Federal Bonds	16.40%	15.41%
Provincial Bonds	5.68%	5.14%
Corporate Bonds	70.58%	73.72%
Mortgage Backed Securities	5.42%	5.19%
Total	100.63%	99.46%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	61,481,891	–	61,481,891
Mortgage Backed Securities	–	3,597,998	–	3,597,998
Total Assets	–	65,079,889	–	65,079,889

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	168,732,876	–	168,732,876
Mortgage Backed Securities	–	9,285,939	–	9,285,939
Total Assets	–	178,018,815	–	178,018,815

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class B	Class F	Class I
Balance, beginning of the year	38,020	208,734	18,928,074
Redeemable units issued for cash	1,080	218,652	4,422,757
Reinvested units	342	243	345,780
Redeemable units redeemed	(10,355)	(157,338)	(16,826,739)
Balance, end of year	29,087	270,291	6,869,872

2017	Class B	Class F	Class I
Balance, beginning of the year	11,952	294,758	21,940,331
Redeemable units issued for cash	29,880	171,429	5,691,742
Reinvested units	573	583	551,501
Redeemable units redeemed	(4,385)	(258,036)	(9,255,500)
Balance, end of year	38,020	208,734	18,928,074

Beutel Goodman Money Market Fund

Statement of Financial Position

As at December 31

	2018	2017
	\$	\$
Assets		
Current assets		
Cash	29,115	20,585
Financial assets at fair value through profit or loss*	279,917,668	269,452,815
Accrued interest	450,570	278,722
Subscriptions receivable	869,376	500,302
Total assets	281,266,729	270,252,424
Liabilities		
Current liabilities		
Management and administrative fees payable	9,402	9,778
Redemptions payable	41,428,865	47,119,189
Distributions payable	13,117	5,187
Total liabilities (before net assets attributable to holders of redeemable units)	41,451,384	47,134,154
Net assets attributable to holders of redeemable units	239,815,345	223,118,270
*Investments at average cost	279,917,668	269,452,815
Net assets attributable to holders of redeemable units per class		
Class D	19,824,148	21,905,460
Class F	5,969,614	3,516,294
Class I	214,021,583	197,696,516
Net assets attributable to holders of redeemable units per unit		
Class D	10.00	10.00
Class F	10.00	10.00
Class I	10.00	10.00
Number of outstanding redeemable units (note 6)		
Class D	1,982,406	2,190,390
Class F	596,961	351,606
Class I	21,402,173	19,768,014

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Income		
Interest for distribution purposes	4,118,069	2,571,269
Total income	4,118,069	2,571,269
Expenses		
Management fees	138,756	141,497
Administrative fees	275,149	83,042
Total expenses before waiver	413,905	224,539
Expenses waived by the manager	(307,474)	(112,566)
Total expenses	106,431	111,973
Increase (decrease) in net assets attributable to holders of redeemable units	4,011,638	2,459,296
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class D	303,651	164,692
Class F	70,053	22,703
Class I	3,637,934	2,271,901
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class D	0.14	0.07
Class F	0.15	0.08
Class I	0.16	0.09

* Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Money Market Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class D	21,905,460	26,765,002
Class F	3,516,294	96,559
Class I	197,696,516	309,073,865
	223,118,270	335,935,426
Increase (decrease) in net assets attributable to holders of redeemable units		
Class D	303,651	164,692
Class F	70,053	22,703
Class I	3,637,934	2,271,901
	4,011,638	2,459,296
Distribution to holders of redeemable units		
From net investment income		
Class D	(305,117)	(163,711)
Class F	(70,291)	(22,468)
Class I	(3,654,453)	(2,262,002)
	(4,029,861)	(2,448,181)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class D	16,159,275	19,843,752
Class F	5,328,547	11,830,347
Class I	1,529,165,437	1,349,397,513
Reinvestments of distributions to holders of redeemable units		
Class D	294,873	157,232
Class F	70,327	22,447
Class I	3,566,447	2,219,822
Redemption of redeemable units		
Class D	(18,533,994)	(24,861,507)
Class F	(2,945,316)	(8,433,294)
Class I	(1,516,390,298)	(1,463,004,583)
	16,715,298	(112,828,271)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class D	(2,081,312)	(4,859,542)
Class F	2,453,320	3,419,735
Class I	16,325,067	(111,377,349)
	16,697,075	(112,817,156)
Net assets attributable to holders of redeemable units at end of year		
Class D	19,824,148	21,905,460
Class F	5,969,614	3,516,294
Class I	214,021,583	197,696,516
	239,815,345	223,118,270

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	4,011,638	2,459,296
Purchases of investments	(2,909,727,301)	(2,710,929,962)
Proceeds from sale of investments	2,899,262,448	2,818,089,185
(Increase) decrease in accrued interest	(171,848)	92,898
Increase (decrease) in accrued liabilities	(376)	589
Net cash flows from (used in) operating activities	(6,625,439)	109,712,006
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(90,284)	(47,972)
Proceeds from redeemable units issued	1,550,284,185	1,380,641,032
Redemption of redeemable units	(1,543,559,932)	(1,490,293,632)
Net cash flows from (used in) financing activities	6,633,969	(109,700,572)
Net increase (decrease) in cash	8,530	11,434
Cash at beginning of year	20,585	9,151
Cash at end of year*	29,115	20,585
Supplementary information		
Interest received	3,946,221	2,664,167

* This is cash flow from operating activities

The accompanying notes are an integral part of these financial statements.

Beutel Goodman Money Market Fund

Schedule of Investment Portfolio as at December 31, 2018

Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	
Cash Equivalents (2017 - 100.00%)						
Treasury Bills						
3,290,000	Government of Canada	1.633	7-Mar-19	3,277,339	3,277,339	1.37
22,575,000	Government of Canada	1.644	21-Mar-19	22,485,156	22,485,156	9.37
				<u>25,762,495</u>	<u>25,762,495</u>	<u>10.74</u>
Bankers Acceptance						
25,000,000	Canadian Imperial Bank of Commerce	2.173	5-Feb-19	24,919,510	24,919,510	10.39
25,000,000	Firstbank	2.169	19-Feb-19	24,879,762	24,879,762	10.37
25,000,000	Royal Bank of Canada	2.172	21-Jan-19	24,929,850	24,929,850	10.40
22,000,000	Toronto-Dominion Bank	2.141	11-Mar-19	21,883,180	21,883,180	9.13
				<u>96,612,302</u>	<u>96,612,302</u>	<u>40.29</u>
Bearer Deposit Notes						
14,500,000	Bank of Nova Scotia	2.161	22-Feb-19	14,422,280	14,422,280	6.01
				<u>14,422,280</u>	<u>14,422,280</u>	<u>6.01</u>
Discount Commercial Paper						
14,085,000	Enbridge Pipelines Inc.	2.207	7-Jan-19	14,059,561	14,059,561	5.86
24,500,000	Énergir Inc.	2.110	11-Feb-19	24,404,350	24,404,350	10.18
8,000,000	Hydro One Inc.	2.162	22-Jan-19	7,979,680	7,979,680	3.33
17,000,000	Hydro One Inc.	2.298	28-Feb-19	16,918,590	16,918,590	7.05
15,000,000	Inter Pipeline (Corridor) Inc.	2.225	11-Jan-19	14,979,000	14,979,000	6.25
10,000,000	TransCanada PipeLines Limited	2.240	5-Mar-19	9,946,660	9,946,660	4.15
25,000,000	Union Gas Limited	2.250	14-Jan-19	24,959,200	24,959,200	10.41
15,000,000	Greater Toronto Airports Authority	2.009	7-Jan-19	14,927,700	14,927,700	6.22
15,000,000	TransCanada PipeLines Limited	2.099	4-Jan-19	14,945,850	14,945,850	6.23
				<u>143,120,591</u>	<u>143,120,591</u>	<u>59.68</u>
Transaction Costs						
				<u>-</u>	<u>-</u>	<u>-</u>
Total Investments and Cash Equivalents				<u>279,917,668</u>	<u>279,917,668</u>	<u>116.72</u>
Other Assets Net of Liabilities				<u>(40,102,323)</u>	<u>(40,102,323)</u>	<u>(16.72)</u>
Net Assets Attributable to Holders of Redeemable Units				<u>239,815,345</u>	<u>239,815,345</u>	<u>100.00</u>

Beutel Goodman Money Market Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Risk Management

The investment objective of the Beutel Goodman Money Market Fund (the "Fund") is to seek to maintain a high level of liquidity by investing in high quality Canadian dollar denominated money market instruments such as treasury bills, short-term government and corporate securities and deposit receipts of Canadian chartered banks and trust companies having a term to maturity not exceeding one year. The Fund will invest in a variety of money market instruments including Government of Canada treasury bills, short-term government bonds, commercial paper, short-term corporate bonds, chartered bank deposit receipts with a rating of A1 or R1 (low) depending on the rating agency, with a term to maturity of less than a year. The Fund is conservatively managed with an average term to maturity of less than 183 days. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2018 and December 31, 2017, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2018	Dec. 31, 2017
R1 (high)	57	72
R1 (mid)	60	38
Not Rated	–	11
Total	117	121

*Excludes cash and cash equivalents

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments. Due to the short term nature of the investments held by the Fund, the Fund is not exposed to a significant risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2018 and December 31, 2017, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2018	Dec. 31, 2017
FTSE Canada 91-day Treasury Bills	2,098	1,407
Total	2,098	1,407

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2018 and December 31, 2017, the Fund did not have significant exposure to foreign currency risk.

Beutel Goodman Money Market Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2018 and 2017

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2018 and December 31, 2017:

Market segment	Dec. 31, 2018	Dec. 31, 2017
Short-Term Investments		
Treasury Bills	10.74%	19.81%
Bankers Acceptance	40.29%	51.86%
Bearers Deposit Notes	6.01%	—
Discount Commercial Paper	59.68%	49.10%
Total	116.72%	120.77%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Short-term investments	—	279,917,668	—	279,917,668
Total Assets	—	279,917,668	—	279,917,668

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Short-term investments	—	269,452,815	—	269,452,815
Total Assets	—	269,452,815	—	269,452,815

There were no transfers between level 1 and 2 during the years ended December 31, 2018 and December 31, 2017.

Fund Unit Transactions

For the years ended December 31

2018	Class D	Class F	Class I
Balance, beginning of the year	2,190,390	351,606	19,768,014
Redeemable units issued for cash	1,615,928	532,855	152,916,544
Reinvested units	29,487	7,033	356,645
Redeemable units redeemed	(1,853,399)	(294,532)	(151,639,030)
Balance, end of year	1,982,406	596,961	21,402,173

2017	Class D	Class F	Class I
Balance, beginning of the year	2,676,442	9,656	30,906,739
Redeemable units issued for cash	1,984,375	1,183,034	134,939,751
Reinvested units	15,723	2,245	221,982
Redeemable units redeemed	(2,486,150)	(843,329)	(146,300,458)
Balance, end of year	2,190,390	351,606	19,768,014

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

1. General Information

Beutel, Goodman & Company Ltd. (the “Manager”) is the trustee and manager of the following open-ended unit trusts formed under the laws of Ontario by Declarations of Trust on the dates noted below:

Fund Name	Short Name	Formation Date	Date of Commencement
Beutel Goodman Balanced Fund *	Balanced	August 23, 1990	December 11, 1990
Beutel Goodman Canadian Equity Fund *	Canadian	August 23, 1990	December 11, 1990
Beutel Goodman Total World Equity Fund	Total World Equity	August 17, 2001	August 17, 2001
Beutel Goodman Canadian Dividend Fund	Canadian Dividend	August 21, 2003	September 30, 2003
Beutel Goodman North American Focused Equity Fund	North American Focused	March 12, 1999	August 26, 1999
Beutel Goodman Small Cap Fund	Small Cap	January 16, 1995	January 27, 1995
Beutel Goodman American Equity Fund *	American	August 23, 1990	December 11, 1990
Beutel Goodman International Equity Fund	International	August 26, 1992	September 17, 1992
Beutel Goodman Global Dividend Fund	Global Dividend	August 13, 2010	August 13, 2010
Beutel Goodman Income Fund *	Income	August 23, 1990	December 11, 1990
Beutel Goodman Core Plus Bond Fund (formerly known as Beutel Goodman Corporate/ Provincial Active Bond Fund) ***	Core Plus	August 26, 1999	October 1, 1999
Beutel Goodman Long Term Bond Fund	Long Term	March 12, 1999	April 1, 1999
Beutel Goodman Short Term Bond Fund	Short Term	August 13, 2010	August 13, 2010
Beutel Goodman Money Market Fund *	Money Market	August 23, 1990	December 11, 1990
Beutel Goodman World Focus Equity Fund	Global	August 17, 2006	August 17, 2006
Beutel Goodman Global Equity Fund**	Global Equity	April 5, 1995	April 12, 1995
Beutel Goodman Fundamental Canadian Equity Fund	Fundamental Canadian Equity	June 23, 2014	June 23, 2014

* Third Amended Trust Indenture dated August 28, 1991.

** Amended on July 6, 2011 from Pooled Fund to Mutual Fund.

*** Name changed May 23, 2018

(collectively, the “BG Funds” or individually the “Fund”)

The address of the BG Funds registered office is 20 Eglinton Avenue West, Suite 2000, Toronto, ON M4R 1K8. The financial statements are presented in Canadian dollars, which is also the BG Funds’ functional currency. These financial statements were authorized for issue by the Manager on March 25, 2019.

The Statements of Financial Position of each of the BG Funds are as at December 31, 2018 and December 31, 2017. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the years ended December 31, 2018 and December 31, 2017.

2. Basis of Presentation and Adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB).

3. Summary of Significant Accounting Policies

The following summarizes the accounting policies of the BG Funds for the years ended December 31, 2018 and December 31, 2017:

a) Financial Instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other receivable and payables. All financial assets and liabilities are recognized in the Statements of Financial Position when the BG Funds become a party to the contractual requirements of the

instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the BG Funds have transferred substantially all risks and rewards of ownership.

b) Transition to IFRS 9

Effective January 1, 2018, the BG Funds adopted IFRS 9 – Financial Instruments. The standard has been retrospectively applied. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. The BG Funds performed a detailed impact assessment of all three aspects of IFRS 9. The adoption of the standard did not impact the measurement basis of the financial assets held by the BG Funds. There was no impact on the Net Assets and the results of the BG Funds from the adoption of IFRS 9.

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). To determine the appropriate classification and measurement category, IFRS 9 requires an entity to consider the business model for managing financial instruments and the contractual cash flow characteristics associated with the financial instruments.

The BG Funds' business model is one in which financial assets are managed with the objective of realizing cash flows through the sale of assets. Decisions are made based on the assets' fair values and assets are managed to realize these fair values. This business model is aligned with a FVTPL classification and measurement category. The BG Funds therefore measures investments and derivatives at FVTPL. Debt securities are measured at FVTPL under IFRS 9 as the BG Funds do not hold the assets to collect contractual cash flows based on their business model. Collection of the contractual cash flows is not integral to achieving the BG Funds' business model objective but is instead incidental to it.

Dividend receivable, due from broker and subscription receivable are held to collect contractual cash flows. Thus, these will continue to be measured at amortized cost under IFRS 9. All other financial assets are carried at amortized cost. Due to brokers, redemptions payable and other liabilities continued to be measured at amortized cost.

Impairment

IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized costs or FVOCI. Financial assets held by the BG Funds which are measured at FVTPL will not be subject to the new impairment requirements.

With respect to loans and receivables, the BG Funds consider both historical analysis and forward looking information in determining any expected credit loss. As at the financial statement date, all loans and receivables are due to be settled within the short term. The BG Funds consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the BG Funds to credit risk, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements.

c) Valuation of investments

The BG Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Purchases and sales of financial assets are recognized at their trade date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The BG Funds' obligation for

net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted when appropriate, at the contract's effective interest rate. As at December 31, 2018 and December 31, 2017, there are no differences between the net asset value (NAV) used for transactions with unitholders and the net assets attributable to holders of redeemable units used for reporting purposes under IFRS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The BG Funds use the last traded market price for financial assets where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The BG Funds' policy is to recognize transfers between levels as of the reporting date.

The fair value of investments as at the financial reporting period end is determined as follows:

- i. Securities listed upon a recognized public stock exchange are valued at their last prices on the valuation date. Securities with no available last prices are valued at the fair value as determined by the Manager.
- ii. Securities not listed upon a recognized public stock exchange are valued using valuation techniques, on such basis and in such manner established by the Manager.
- iii. Bonds and other debt instruments are valued at the mid prices provided by recognized investment dealers.

A Fund may, from time to time, enter into foreign currency forward contracts. Foreign currency forward contracts are valued on each valuation day based on the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk.

All unrealized gains (losses) arising from foreign currency forward contracts are recorded as part of "Change in unrealized appreciation (depreciation) in value of foreign currency forward contracts" in the Statements of Comprehensive Income and "Unrealized gain (loss) on foreign currency forward contracts" in the Statement of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized and reported as "Realized gain (loss) on foreign currency forward contracts" in the Statements of Comprehensive Income.

d) Redeemable units valuation and valuation day

Redeemable units of the BG Funds are valued at the net asset value (NAV) per unit of each class on each valuation day. A valuation day is

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

each day on which the Toronto Stock Exchange and other exchanges, if relevant, are open for trading. The net asset value per unit of each class is calculated by dividing the total NAV of each class of a Fund by the number of redeemable units of that class outstanding.

e) Recognition of income

Interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the BG Funds accounted for on an accrual basis. The BG Funds do not amortize premiums or discounts received on the purchase of fixed income securities. Dividend income is accrued and recognized on the ex-dividend date. Any related withholding tax is recognized as an expense. Investment transactions are accounted for on the trade date. Realized and unrealized gains and losses on the sale of investments are determined by using average cost. Net realized gains (losses) on sale of investments and the change in unrealized appreciation (depreciation) in the value of investments are allocated daily among the classes on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund.

f) Transaction costs

Transaction costs are expensed and included in "Transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to the agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the investment manager. The value of the research services included in the commissions paid by each fund, where applicable is disclosed in Note 9 as soft dollar commissions.

g) Foreign exchange

Foreign currency accounts are expressed in each Fund's functional currency, the Canadian Dollar, on the following basis:

- i. Fair value of investments and other assets at the rate of exchange prevailing at the period-end-date.
- ii. Purchases and sales of investments, income and expenses at the rate of exchange prevailing on the respective dates of such transactions.
- iii. Realized and unrealized gains (losses) on foreign currency investments are included under Net gains (losses) on investments in the Statements of Comprehensive Income.
- iv. Realized and unrealized gains (losses) on other foreign currency assets and liabilities are included under "Realized Gain (loss) on foreign currency transactions" in the Statements of Comprehensive Income.

h) Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit of a class in the Statements of Comprehensive Income represents the increase(decrease) in net assets attributable to holders of redeemable units of the class, divided by the weighted average number of redeemable units of that class outstanding during the year.

i) Other assets and liabilities

Cash and cash equivalents, interest and dividends receivables, subscriptions receivables and due from brokers, are classified as at amortized cost. Amounts due to brokers, accrued expenses and redemptions payables are classified as amortized cost. Other assets and liabilities are short term in nature and their carrying value approximates fair value.

j) Critical accounting estimates and judgements

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Estimates and assumptions by management may affect the reported amounts of assets, liabilities, income and expenses, realized and unrealized gains (losses) during the reported periods. Actual results could differ from estimates. The following discusses the most significant accounting judgments and estimates that the BG Funds have made in preparing the financial statements:

Classification and measurement of investments and application of the FVTPL option

In classifying and measuring the financial instruments held by the BG Funds, the Manager makes significant judgements in determining the appropriate classifications under IFRS 9. In making these judgements, the Manager has assessed the BG Funds' business model for managing the portfolios and the contractual cash flow characteristics and determined that the investments are managed on a fair value basis and that fair value is used to assess performance and make investment decisions. The contractual cash flows of the BG Funds' fixed income securities are solely for principal and interest however these securities are not held for the purpose of collecting contractual cash flows or held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the BG Funds' business model objectives. As a result all investments and derivatives are classified as FVTPL.

k) Cash and cash equivalents

Cash is composed of demand deposits with financial institutions. The BG Funds classify all short-term investments as cash equivalents due to their short term to maturity.

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

l) Classification of redeemable units issued by the BG Funds

Under IFRS, IAS 32 requires that units of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The BG Funds' units do not meet the criteria in IAS 32 for classification as equity since the BG Funds have multiple classes which enable different groups of investors to participate in each fund on different terms, including being subject to different management fee rates and therefore, are classified as liability.

m) Interests in structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Certain BG Funds may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The BG Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

4. Financial Instrument Risk

In the normal course of business, each Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and foreign currency risk). The value of investments within a Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objectives and the type of securities it invests in. Please refer to the Fund Specific Notes for a discussion of each Fund's financial instruments risk.

a) Credit Risk

The BG Funds that invest in fixed income securities (like bonds) and derivatives are vulnerable to credit risk. Credit risk is the risk that the government or company issuing a fixed income security will not be able to pay the interest as required or pay back the original principal. Credit risk exposure for derivative instruments is based on each Fund's unrealized gain on the contractual obligations with the counterparty as at the reporting date. The credit rating of a counterparty to a derivative instrument is disclosed in Schedule of Investment Portfolio or in Fund Specific Notes to the Financial Statements section of the financial statements of each Fund, if applicable. Securities that have a low credit

rating have higher credit risk. The BG Funds that invest in companies or markets with low credit risk (such as, well-established companies or markets in developed countries) may be less volatile in the short term than those mutual funds that invest in securities with higher credit risk. All transactions executed by a Fund in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

b) Liquidity Risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price. Each Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. All liabilities of each Fund are due within three months.

c) Interest Rate Risk

The value of a Fund that invests in bonds, other fixed income investments, and to a lesser extent, preferred shares and dividend yielding common shares, is directly affected by changes in the general level of interest rates.

As interest rates increase, the price of these investments tends to fall. Conversely, if interest rates fall, the price of fixed income securities increases. As a result, the BG Funds that invest in fixed income securities can experience gains or losses as interest rates change.

d) Foreign Currency Risk

The BG Funds that invest in securities denominated in currencies other than the functional currency of the Fund are vulnerable to foreign currency risk, which is the risk that the value of a financial instrument will fluctuate due to changes in the foreign exchange rates.

e) Other Price Risk

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. The portfolio manager of each Fund moderates the risk through a careful selection and diversification of securities and other financial instruments within the limits of the Fund's investments objectives and strategy. The maximum risk resulting from financial instruments is represented by the market value of the financial instruments. The Fund's overall market positions are monitored on a daily basis by the portfolio manager. Financial instruments held by each Fund are susceptible to market price risk arising from uncertainties about future prices of instruments.

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

f) Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

g) Fair Value Estimation

IFRS requires that entities classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Manager does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are value based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and forward foreign exchange contracts. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

h) Offsetting of financial instruments

In the normal course of business, the BG Funds enter into various master netting agreements or other similar agreements that do not meet the criteria of offsetting in the statements of financial position but still allow for the realized amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

The disclosures set out in the Offsetting of Financial Instruments tables in the Fund Specific Notes to Financial Statements of each Fund, where applicable, include foreign currency forward contracts assets and liabilities that are subject to netting arrangement. In the absence of such an election, contracts will be settled on a gross basis.

5. Taxation of the BG Funds

The BG Funds, with the exceptions of Short Term Bond and Fundamental Canadian Equity, which are unit trusts, qualify as mutual fund trusts as defined in the Income Tax Act (Canada).

Pursuant to the terms of the Trust Indentures establishing the BG Funds, the BG Funds pay or make payable to unitholders in the calendar year all the taxable investment income and such capital gains of a Fund as are necessary to ensure that no taxes are payable by the Fund. As a result, the BG Funds do not record income taxes. Since the BG Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred tax asset. For the BG Funds that qualify as mutual fund trusts, the amount of taxable capital gains can be reduced by taking into account applicable capital gains refunds. Under existing tax legislation the net investment income and capital gains paid to unitholders are taxable in the hands of the unitholders and not in the BG Funds. The BG Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

As at December 31, 2018, none of the BG Funds had non-capital losses and the following BG Funds had capital loss carry-forwards for income tax purposes. The capital losses may be carried forward indefinitely to be applied against future capital gains.

Fund Name	Capital Losses
	\$
Core Plus	599,805
Income	10,976,166
International	4,407,266
Short Term	11,887,346
Long Term	2,641,167

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

6. Redeemable Units

The BG Funds are authorized to issue an unlimited number of redeemable units without par value. Unitholders may as of any valuation day subscribe for or redeem all or any part of their units by delivering to the Manager a properly completed and signed request. Requests received by 4:00 p.m. Toronto time on a particular valuation day will be transacted at the unit valuation on that day. Requests received after 4:00 p.m. will be transacted on the next valuation day at the unit valuation pertaining to the next day. As a security measure, telephone or electronically transmitted redemption requests will normally not be accepted.

A unitholder may require a Fund to redeem some or all of the unitholder's units by delivering by prepaid mail or courier to the Manager, a properly completed and signed redemption request that a specified dollar amount or number of units be redeemed. The BG Funds have no restrictions or specific capital requirements on the subscription or redemption of units, other than minimum subscription requirements. The Statement of Changes in Net Assets Attributable to Holders of Redeemable Units identifies changes in each Fund's capital during the period. The Manager manages the capital of the BG Funds in accordance with the BG Funds' investment objectives, including managing their liquidity in order to be able to meet redemptions as discussed above. The Manager defines capital to include the Net Assets Attributable to Holders of Redeemable Units of the BG Funds.

The classes offered are:

Class B Units: for retail investors investing a minimum of \$5,000 in a Fund through authorized third-party dealers;

Class D Units: for retail investors investing a minimum of \$5,000 in a Fund;

Class F Units: for investors investing a minimum of \$5,000 in a Fund, who are enrolled in a dealer-sponsored fee-for-service or wrap program (where various mutual funds are bundled together) who are subject to a periodic asset-based fee, rather than commissions on each transaction and whose dealer has signed a Class F agreement, or any other investors for whom we do not incur distribution costs, such as the employees of the Manager (or affiliated corporations);

Class I Units: for investors who have invested a minimum of \$500,000 in a Fund and who have entered into an investment management agreement with us. At our discretion, we may waive the investment minimum.

The different classes of units of a Fund represent an interest in the same portfolio investments of the Fund.

The Fund Specific Notes to the Financial Statements disclose unit movements in each Fund's net assets during the years.

Short-Term Trading Penalty

To discourage excessive trading, the BG Funds may, at the Manager's sole discretion, charge a short-term trading penalty of up to 2% of the amount switched or redeemed if held in the Fund for less than 30 days. This penalty is paid directly to the BG Funds.

7. Related Party Transactions

Management and administrative fees

The Manager, in consideration of management fees received, provides management services, including key personnel, that are required in the day-to-day operation of the BG Funds, including management of the investment portfolios. The management fee is calculated as an annual percentage of the total net asset value of each Fund at the end of each business day and payable monthly. The Manager may, at its discretion, charge the Fund less than the management fees listed in the below table. Management fees charged to Class I units are negotiated and paid directly by the investors, not by the BG Funds. In addition to management fees, the BG Funds also pay a monthly administrative fee to the Manager, based on daily net asset value.

The following table lists the management fees that are payable to the Manager:

Management Fees

Fund	Management Fees (%) ⁽¹⁾	
	Class	
Balanced Fund	B	1.75
	D	1.00
	F	0.85
Canadian Equity Fund	B	1.85
	D	1.25
	F	0.90
Total World Equity Fund	B	1.85
	D	1.25
	F	0.90
North American Focused Equity Fund	B	1.85
	D	1.25
	F	0.90
Small Cap Fund	B	1.95
	D	1.25
	F	1.00
Canadian Dividend Fund	B	1.85
	D	1.25
	F	0.90
Global Dividend Fund	B	1.90
	F	1.00
	World Focus Equity Fund	B
D		1.25
F		1.00
Global Equity Fund	B	1.90
	D	1.25
	F	1.00
International Equity Fund	B	1.90
	D	1.25
	F	1.00
American Equity Fund	B	1.85
	D	1.25
	F	0.90
Income Fund	B	1.00
	D	0.70
	F	0.50

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

Fund	Class	Management Fees (%) ⁽¹⁾
Long Term Bond Fund	B	1.00
	D	0.70
	F	0.50
Core Plus Bond Fund	B	1.00
	D	0.70
	F	0.50
Short Term Bond Fund	B	1.00
	F	0.50
Money Market Fund	D	0.50
	F	0.40
Fundamental Canadian Equity Fund	B	1.85
	F	0.90

(1) Plus HST where applicable.

The Manager may reduce the management fee for certain large investors who have substantial holdings in units of a Fund. To accomplish this, the Manager will reduce the management fee it charges to the Fund and the Fund pays out the difference to these investors as a special distribution. This is called a management fee distribution. The Manager calculates and accrues the reduction daily and distributes it quarterly. The distribution is reinvested on behalf of such unitholders in additional units of the same class of the Fund. Management fee reductions for a unitholder may be increased at any time, but may only be decreased after at least 60 days' prior written notice has been given to such unitholder. The Manager may waive its management or administrative fee in certain circumstances.

The Manager pays the administrative fees of the BG Funds. These expenses include audit and legal fees; custodian and transfer agency fees; costs attributable to the issue, redemption and change of units, including the cost of the securityholder record-keeping system; expenses incurred in respect of preparing and distributing prospectuses, financial reports and other types of reports, statements and communications to securityholders; fund accounting and valuation costs; independent review committee fees and filing fees, including those incurred by the Manager. In return, each Fund pays the Manager a fixed administrative fee. The administrative fee, set out below, is subject to applicable taxes, including HST, and may vary by class of units and by Fund.

Administrative Fees

Fund	Class	Administrative Fees (%)
Balanced Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Canadian Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
Total World Equity Fund	I	up to 0.10
	B	up to 0.10
	D	up to 0.10
North American Focused Equity Fund	F	up to 0.10
	I	up to 0.10
	B	up to 0.10
	D	up to 0.10
Small Cap Fund	F	up to 0.10
	I	up to 0.10
	B	up to 0.10
	D	up to 0.10
Canadian Dividend Fund	F	up to 0.10
	I	up to 0.10
	B	up to 0.10
	D	up to 0.10
Global Dividend Fund	F	up to 0.15
	I	up to 0.10
	B	up to 0.15
World Focus Equity Fund	F	up to 0.15
	I	up to 0.10
	D	up to 0.10
	B	up to 0.15
Global Equity Fund	F	up to 0.15
	I	up to 0.10
	D	up to 0.15
	B	up to 0.15
International Equity Fund	F	up to 0.15
	I	up to 0.10
	D	up to 0.10
	B	up to 0.15
American Equity Fund	F	up to 0.10
	I	up to 0.10
	D	up to 0.10
	B	up to 0.10
Income Fund	F	up to 0.10
	I	up to 0.10
	D	up to 0.10
	B	up to 0.10
Long Term Bond Fund	F	up to 0.10
	I	up to 0.10
	D	up to 0.10
	B	up to 0.10

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2018 and 2017

Fund	Class	Administrative
		Fees (%)
Core Plus Bond Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Short Term Bond Fund	B	up to 0.10
	F	up to 0.10
	I	up to 0.10
Money Market Fund	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Fundamental Canadian Equity Fund	B	up to 0.10
	F	up to 0.10
	I	up to 0.10

The Manager has the following holdings in the BG Funds:

Fund Name	Class	Value of Redeemable units as at Dec. 31, 2018	Value of Redeemable units as at Dec. 31, 2017
		\$	\$
Money Market	I	14,057,267	10,608,534

8. Independent Review Committee

Effective January 1, 2013, Beutel, Goodman & Company Ltd. is the Manager of the BG Funds. Beutel Goodman Managed Funds Inc., the former Manager of the BG Funds appointed an Independent Review Committee ("IRC") for each of the BG Funds in accordance with the Canadian Securities Administrators' National Instrument 81-107. This Instrument has been designed to promote investor protection in mutual funds. The IRC oversees conflict of interest matters that may arise out of the management of each of the BG Funds by providing its recommendations or approvals, as required, to the Manager on how these conflicts may be fairly resolved. The IRC for each of the Beutel Goodman Managed Funds consists of three industry professionals, none of whom have an interest in the BG Funds or Beutel, Goodman & Company Ltd. outside of their roles as members of the IRC. IRC fees are included in the administrative fees.

9. Commissions

Commissions paid to brokers for portfolio transactions for the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
	\$	\$
Balanced	2,339,944	2,038,628
Canadian Equity	1,717,550	2,039,363
Total World Equity	5,224	4,454
North American Focused Equity	17,567	10,524
Canadian Dividend	280,069	332,430
Small Cap	354,823	511,916
American Equity	549,906	818,016
International Equity	296,850	341,301
Global Dividend	44,985	33,609
World Focus Equity	13,053	31,986
Global Equity	359,413	473,359
Fundamental Canadian Equity	246,829	200,385

Soft dollar commissions for the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
	\$	\$
Balanced	158,839	140,844
Canadian Equity	458,552	344,581
Total World Equity	131	60
North American Focused Equity	2,897	203
Canadian Dividend	13,953	19,734
Small Cap	72,051	21,329
American Equity	66,636	114,461
Global Dividend	60	138
World Focus Equity	216	476
Global Equity	1,098	37,485
Fundamental Canadian Equity	44,738	26,073



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