



Annual Management Report of Fund Performance

December 31, 2018

Beutel Goodman Balanced Fund

Beutel Goodman **Balanced Fund**

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

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

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

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

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Beutel Goodman Balanced Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

This Fund invests in cash and cash equivalents, fixed-income securities and Canadian, U.S. and international equity securities.

The asset mix process is based upon the observation that over longer time periods 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 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.

Risk

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

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

Results of Operations

Global markets were not short of challenges over the January 1 to December 31, 2018 period, with elevated equity volatility driven by multiple factors, including indications of moderating economic growth, extended U.S.-China trade concerns, and geopolitical tensions such as Brexit uncertainty and turmoil in Washington. In addition, the normalization of rates by central banks and the withdrawal of extraordinary monetary policy stimulus have led interest rates on a steady march upwards. The Bank of Canada (BoC) and the Fed hiked rates three and four times, respectively, in 2018. Central bank tightening has flattened the yield curve as moves in the administered rates are felt more in the short-end of the curve and the term premium remains compressed.

As a result, the FTSE Canada Universe Bond Index increased by 1.41%, the S&P/TSX Composite Index returned -8.9% and the MSCI EAFE Index (C\$) returned -6.0%. While the S&P500 Index (C\$) posted a return of 14.1% in the January 1 to September 30 period, by year-end the market had given back much of those gains, posting a lower annual return of 4.2%.

Against this backdrop, Beutel Goodman Balanced Fund underperformed its benchmark. Unlike the benchmark, the Fund's return is net of fees and expenses paid by the Fund. Please refer to the "Annual Compound Returns" in the Past Performance section for the returns of all classes of the Fund. At the asset class level, an underweight position in fixed income detracted from performance, as did an overweight position in international equities. This was largely offset by security selection in the Canadian equity segment of the portfolio.

Within the Canadian equity component, Rogers Communications Inc. was the largest contributor to performance on an absolute basis, benefitting from above-average revenue-per-subscriber gains amid a positive industry backdrop of healthy subscriber growth. Metro Inc. also posted improving performance as the year progressed, due to the smooth integration of its acquisition of Jean Coutu Group (PJC) Inc., as well as an acceleration of its deleveraging plans and reinstatement of its share-buyback program. Additionally, improving market

conditions helped pricing, which benefitted sales and margins. Uranium miner Cameco Corp. outperformed as the continued strengthening of the U.S.-dollar-denominated uranium price, coupled with a weak CAD/USD exchange rate, provided upward stimulus for the stock. The largest detractor from portfolio performance in 2018 was the allocation of small cap positions, which declined 15.96%. Canadian Natural Resources Ltd. was also a detractor, falling sharply in the fourth quarter along with other Western Canadian producers due to low crude oil prices as well as an inability to physically ship product to market. Bank of Nova Scotia and Royal Bank of Canada detracted despite good earnings and dividend hikes during the year, as more modest consumer loan growth and worries over the housing market weighed on sentiment. In addition, Bank of Nova Scotia was weak over concerns about recent acquisition activity.

During the period, we initiated two new positions in the Canadian component of the portfolio: Saputo Inc. and Bank of Montreal. The largest additions to existing positions included Rogers, Onex Corp. and Sun Life Financial Inc., all due to attractive valuations and risk/return profiles. To fund these additions and new positions, we trimmed several holdings in the Fund, including Quebecor, Canadian Imperial Bank of Commerce and Bank of Nova Scotia. We also undertook a process-driven trim of Canadian Natural Resources after it hit our price target.

Within the U.S. equity component of the portfolio, contributors to absolute performance included Eli Lilly & Co, which rose relatively steadily throughout the period due to strong operating results and continued improvement in fundamentals and sentiment in the pharmaceutical industry. AutoZone Inc. also outperformed, particularly in the second half of the year, due in part to improving same-store sales growth and a focus on shareholder returns, which led to a rebound in valuation from depressed levels. Verizon Communications Inc. added value as the stock rose in the latter three quarters of the year partly on better-than-expected earnings results. Detractors included oil-field services provider Halliburton Co., which retraced first-quarter gains amid increased oil price volatility, particularly in the final quarter of the year, and Ameriprise Financial Inc., which weakened due in part to a massive negative sentiment shift across all global asset and wealth management companies. Harley-Davidson Inc. also struggled in the period, as the company's topline challenges were compounded by a cautious tone from management for 2019.

During the period, we added seven new holdings to the U.S. component of the portfolio: Amgen Inc., Comcast Corp., Flowserve Corp., Kimberly-Clark Corp., KLA-Tencor Corp., BlackRock Inc. and Cummins Inc. We also completed process-driven one-third sales of Merck & Co. Inc., Ingersoll-Rand plc and Eli Lilly, as holdings achieved their targets, and fully exited Procter & Gamble Co., Johnson & Johnson, Allegion plc, Baxter International Inc., Teradyne Inc. and United Technologies Corp., as in our view, these stocks offered minimal upside with increasing downside risk from valuation.

Within the international equity component, GEA Group AG was a detractor, weakening in the period due in large part to disappointing operational performance, while Julius Baer declined in part due to lower-than-expected client activity and revenues driven by challenging markets. Leading global advertising agency WPP detracted largely due to the market's negative reaction to weak third-quarter sales results and lowered guidance for 2018 growth. Despite a challenging year, there were still some bright spots. Although Norwegian-based TGS-NOPEC, which provides oil and gas companies with

Beutel Goodman Balanced Fund

seismic data, declined somewhat in tandem with crude oil prices heading into year-end, we trimmed the Fund's position when the share price hit our target early in the period. In addition to generally improved sentiment in the Health Care sector in the period, Smith & Nephew, Roche Holding AG and GlaxoSmithKline plc benefitted from positive market reaction to earnings results and constructive news flow.

We initiated four new positions in the international component of the portfolio over the period: Hakuholdo DY Holdings, GlaxoSmithKline plc, Tokyo Electron and SMC Corp. We also added to several positions, including NTT Docomo Inc., Resona Holdings Inc., Konecranes Abp, Smith & Nephew plc and Akzo Nobel N.V. To fund the additions, we trimmed the Fund's weighting in Julius Baer and Atea ASA, and fully exited FamilyMart UNY Holdings Co. Ltd., Kao Corp. and Deutsche Boerse – all of which had recently hit their targets and in our view offered a less attractive risk-reward than the bulk of the portfolio – and WPP plc, after the stock breached its downside price and our review was concluded. We also exited Spectris plc and sold out of Telefonica Deutschland based on a change in the investment thesis.

The fixed income component outperformed the FTSE Canada Bond Universe Index for the period. A long tactical duration position in May and June helped add value for the year, as it captured downward movements in rates. Curve positioning detracted slightly, as the curve flattened over the period. Government and corporate security selection also contributed, as higher-quality securities outperformed riskier ones.

Relative to its stated investment objectives and strategies, the Balanced Fund maintained its quality and diversification standards, and stayed within the limits of its allowable exposures to each underlying asset class. The overall asset mix reflects the Fund Manager's view that equities will continue to outperform fixed income.

During the period, due to sector changes in the equity indices that comprise the Fund's benchmark, five portfolio holdings – Omnicom Group Inc., Comcast Corp., WPP plc, Hakuholdo DY Holdings and Quebecor – were moved from the Consumer Discretionary sector to the newly renamed Communication Services (previously Telecommunication Services) sector. Also, following the partnership transaction with Blackstone Group LP (BX), whereby BX acquired a 55% stake in Thomson Reuters's Financial & Risk (F&R) business, Thomson Reuters was re-classified from Financials to the Industrials sector.

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

Recent Developments

Synchronized global growth appeared to unravel in the latter half of 2018, with economic data in China and other emerging markets indicating roadblocks for the global economy ahead. The main culprit driving disruption over the last few quarters and into 2019 has been continued and escalating trade tensions. Looking ahead, there is no shortage of risks that may weigh on the markets. However, as bottom-up stock pickers, we generally ignore the short-term noise and focus on fundamentals.

With respect to fixed income, the key theme is that central banks and the markets are currently at odds with each other. Both BoC and Fed expect to continue to tighten, whereas markets are pricing in chances of less than one hike for each bank for the year. Whichever party proves correct has ramifications for duration positioning and the shape of the yield curve.

Related Party Transactions

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

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

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

	Maximum Annual Management Fee Rate %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Class B	1.75	57	43
Class D	1.00	25	75
Class F	0.85	0	100

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

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

Beutel Goodman Balanced Fund

Financial Highlights

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

Financial Highlights per unit

Class B Units

(for the years ended December 31)

\$	2018	2017	2016	2015	2014
Net assets, beginning of year	12.61	12.12	11.50	11.66	11.39
Increase (decrease) from operations					
Total revenue	0.36	0.33	0.35	0.34	0.36
Total expenses	(0.28)	(0.28)	(0.26)	(0.33)	(0.34)
Realized gains (losses) for the year	0.66	0.61	0.45	0.39	0.58
Unrealized gains (losses) for the year	(1.32)	0.40	0.44	(0.17)	0.13
Total increase (decrease) from operations⁽¹⁾	(0.58)	1.06	0.98	0.23	0.73
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.07	0.03	0.03	0.07	0.10
From dividends	0.04	0.07	0.09	0.04	0.05
From capital gains	0.59	0.51	0.19	0.36	0.40
From return of capital	—	—	—	—	—
Total annual distributions⁽²⁾	0.70	0.61	0.31	0.47	0.55
Net assets, end of year⁽³⁾	11.37	12.61	12.12	11.50	11.66

Ratios and Supplemental Data

Class B Units

(for the years ended December 31)

	2018	2017	2016	2015	2014
Total net asset value (\$) (000's)⁽⁴⁾	72,226	60,575	28,230	21,294	14,244
Number of outstanding units (000's)⁽⁴⁾	6,354	4,803	2,329	1,852	1,222
Management expense ratio⁽⁵⁾	2.04%	2.02%	2.03%	2.03%	1.99%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	93%	105%	76%	61%	61%
Trading expense ratio (%)⁽⁸⁾	0.06%	0.05%	0.04%	0.06%	0.08%
Net asset value per unit, end of year	11.37	12.61	12.12	11.50	11.66

Financial Highlights per unit

Class D Units

(for the years ended December 31)

\$	2018	2017	2016	2015	2014
Net assets, beginning of year	21.09	20.22	19.15	19.38	18.89
Increase (decrease) from operations					
Total revenue	0.61	0.56	0.59	0.57	0.60
Total expenses	(0.28)	(0.28)	(0.26)	(0.32)	(0.33)
Realized gains (losses) for the year	1.11	1.02	0.74	0.67	0.94
Unrealized gains (losses) for the year	(2.18)	0.69	0.67	(0.36)	0.20
Total increase (decrease) from operations⁽¹⁾	(0.74)	1.99	1.74	0.56	1.41
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.20	0.09	0.08	0.20	0.24
From dividends	0.12	0.19	0.25	0.11	0.11
From capital gains	0.99	0.86	0.32	0.59	0.66
From return of capital	—	—	—	—	—
Total annual distributions⁽²⁾	1.31	1.14	0.65	0.90	1.01
Net assets, end of year⁽³⁾	19.04	21.09	20.22	19.15	19.38

Ratios and Supplemental Data

Class D Units

(for the years ended December 31)

	2018	2017	2016	2015	2014
Total net asset value (\$) (000's)⁽⁴⁾	201,745	203,151	166,136	143,296	112,436
Number of outstanding units (000's)⁽⁴⁾	10,596	9,631	8,216	7,482	5,801
Management expense ratio⁽⁵⁾	1.20%	1.20%	1.20%	1.20%	1.20%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	93%	105%	76%	61%	61%
Trading expense ratio (%)⁽⁸⁾	0.06%	0.05%	0.04%	0.06%	0.08%
Net asset value per unit, end of year	19.04	21.09	20.22	19.15	19.38

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Financial Highlights

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

Financial Highlights per unit

Class F Units

(for the years ended December 31)

\$	2018	2017	2016	2015	2014
Net assets, beginning of year	12.80	12.30	11.67	11.83	11.54
Increase (decrease) from operations					
Total revenue	0.38	0.34	0.35	0.35	0.37
Total expenses	(0.16)	(0.16)	(0.15)	(0.18)	(0.19)
Realized gains (losses) for the year	0.66	0.62	0.47	0.38	0.57
Unrealized gains (losses) for the year	(1.40)	0.33	0.45	(0.29)	0.04
Total increase (decrease) from operations ⁽¹⁾	(0.52)	1.13	1.12	0.26	0.79
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.14	0.07	0.06	0.14	0.17
From dividends	0.09	0.15	0.17	0.08	0.08
From capital gains	0.60	0.52	0.20	0.36	0.40
From return of capital	—	—	—	—	—
Total annual distributions ⁽²⁾	0.83	0.74	0.43	0.58	0.65
Net assets, end of year ⁽³⁾	11.54	12.80	12.30	11.67	11.83

Ratios and Supplemental Data

Class F Units

(for the years ended December 31)

	2018	2017	2016	2015	2014
Total net asset value (\$) (000's) ⁽⁴⁾	49,064	37,294	11,148	7,335	4,334
Number of outstanding units (000's) ⁽⁴⁾	4,252	2,913	906	629	366
Management expense ratio ⁽⁵⁾	1.05%	1.05%	1.06%	1.05%	1.04%
Management expense ratio before waivers or absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	93%	105%	76%	61%	61%
Trading expense ratio (%) ⁽⁸⁾	0.06%	0.05%	0.04%	0.06%	0.08%
Net asset value per unit, end of year	11.54	12.80	12.30	11.67	11.83

Financial Highlights per unit

Class I Units

(for the years ended December 31)

\$	2018	2017	2016	2015	2014
Net assets, beginning of year	21.95	21.05	19.95	20.21	19.69
Increase (decrease) from operations					
Total revenue	0.64	0.58	0.61	0.60	0.63
Total expenses	(0.05)	(0.05)	(0.05)	(0.04)	(0.06)
Realized gains (losses) for the year	1.14	1.06	0.76	0.73	0.99
Unrealized gains (losses) for the year	(2.26)	0.74	0.66	(0.35)	0.25
Total increase (decrease) from operations ⁽¹⁾	(0.53)	2.33	1.98	0.94	1.81
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.37	0.17	0.15	0.36	0.40
From dividends	0.22	0.37	0.43	0.20	0.19
From capital gains	1.03	0.90	0.34	0.62	0.69
From return of capital	—	—	—	—	—
Total annual distributions ⁽²⁾	1.62	1.44	0.92	1.18	1.28
Net assets, end of year ⁽³⁾	19.80	21.95	21.05	19.95	20.21

Ratios and Supplemental Data

Class I Units

(for the years ended December 31)

	2018	2017	2016	2015	2014
Total net asset value (\$) (000's) ⁽⁴⁾	3,546,662	3,890,752	3,498,150	3,424,755	3,356,090
Number of outstanding units (000's) ⁽⁴⁾	179,135	177,219	166,146	171,628	166,077
Management expense ratio ⁽⁵⁾	0.07%	0.07%	0.07%	0.07%	0.07%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.11%	0.11%	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	93%	105%	76%	61%	61%
Trading expense ratio (%) ⁽⁸⁾	0.06%	0.05%	0.04%	0.06%	0.08%
Net asset value per unit, end of year	19.80	21.95	21.05	19.95	20.21

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

Past Performance

The performance returns below:

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

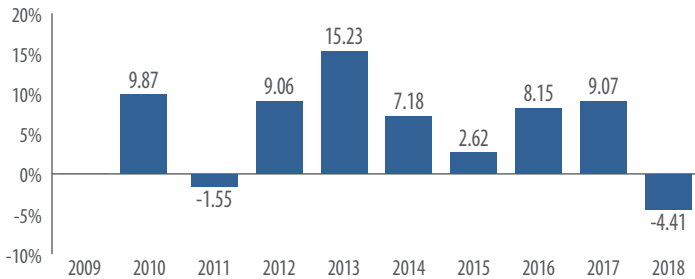
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman Balanced Fund

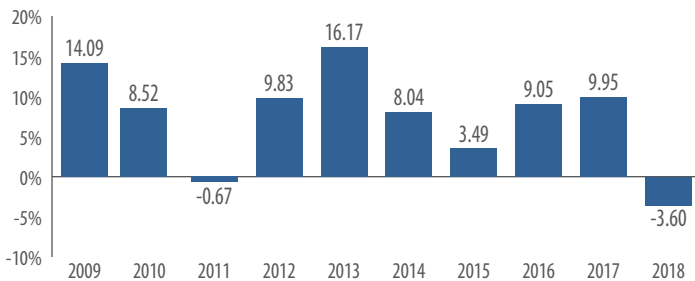
Year-by-Year Returns

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

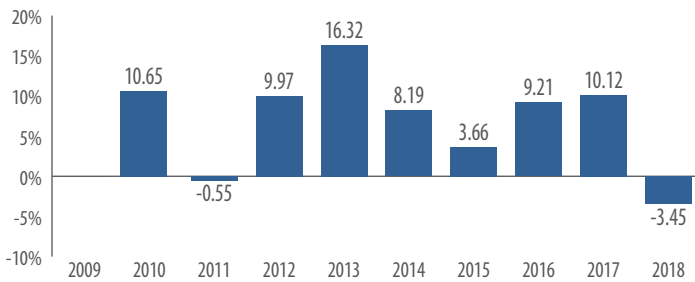
Class B



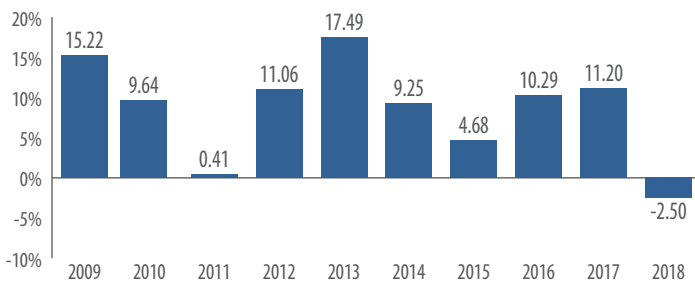
Class D



Class F



Class I



Annual Compound Returns

The following table shows the Fund's historical annual compound total returns for each of the periods indicated ended on December 31, 2018, as compared to the performance of both the Balanced Fund Benchmark [comprised of FTSE Canada Universe Bond Index (40%), MSCI EAFE (C\$) Index (13%), S&P 500 (C\$) Index (12%), S&P/TSX Composite Index (30%) and FTSE Canada 91Day T-Bill Index (5%)] and respective indices.*

Class B

	Since Inception	10 Years	5 Years	3 Years	Past Year
Beutel Goodman Balanced Fund	% 5.75	–	4.40	4.08	-4.41
Balanced Fund Benchmark	% 6.01	–	5.32	4.30	-2.16
FTSE Canada Universe Bond Index	% 3.49	–	3.54	1.86	1.41
MSCI EAFE (C\$) Index	% 7.65	–	5.68	2.40	-6.03
S&P 500 (C\$) Index	% 16.24	–	14.05	8.76	4.23
S&P/TSX Composite Index	% 5.01	–	4.06	6.37	-8.89
FTSE Canada 91Day T-Bill Index	% 0.88	–	0.80	0.81	1.38

Class B units have been available for sale to unitholders since September 27, 2010.

Class D

	10 Years	5 Years	3 Years	Past Year
Beutel Goodman Balanced Fund	% 7.33	5.26	4.95	-3.60
Balanced Fund Benchmark	% 7.01	5.32	4.30	-2.16
FTSE Canada Universe Bond Index	% 4.16	3.54	1.86	1.41
MSCI EAFE (C\$) Index	% 7.48	5.68	2.40	-6.03
S&P 500 (C\$) Index	% 14.35	14.05	8.76	4.23
S&P/TSX Composite Index	% 7.92	4.06	6.37	-8.89
FTSE Canada 91Day T-Bill Index	% 0.82	0.80	0.81	1.38

Class F

	Since Inception	10 Years	5 Years	3 Years	Past Year
Beutel Goodman Balanced Fund	% 6.79	–	5.42	5.10	-3.45
Balanced Fund Benchmark	% 6.01	–	5.32	4.30	-2.16
FTSE Canada Universe Bond Index	% 3.49	–	3.54	1.86	1.41
MSCI EAFE (C\$) Index	% 7.65	–	5.68	2.40	-6.03
S&P 500 (C\$) Index	% 16.24	–	14.05	8.76	4.23
S&P/TSX Composite Index	% 5.01	–	4.06	6.37	-8.89
FTSE Canada 91Day T-Bill Index	% 0.88	–	0.80	0.81	1.38

Class F units have been available for sale to unitholders since September 27, 2010.

Class I

	10 Years	5 Years	3 Years	Past Year
Beutel Goodman Balanced Fund	% 8.51	6.46	6.14	-2.50
Balanced Fund Benchmark	% 7.01	5.32	4.30	-2.16
FTSE Canada Universe Bond Index	% 4.16	3.54	1.86	1.41
MSCI EAFE (C\$) Index	% 7.48	5.68	2.40	-6.03
S&P 500 (C\$) Index	% 14.35	14.05	8.76	4.23
S&P/TSX Composite Index	% 7.92	4.06	6.37	-8.89
FTSE Canada 91Day T-Bill Index	% 0.82	0.80	0.81	1.38

* The Balanced Fund Benchmark is a benchmark prepared by the Manager and is designed to reflect the average asset mix of a universe of balanced fund managers, which consists of: The S&P/TSX Composite Index is designed to represent the Canadian mid-large cap equity market (30%); The S&P 500 (C\$) Index is designed to represent the U.S. equity market (12%); The MSCI EAFE (C\$) Index is designed to reflect non-North American stock markets (13%); The FTSE Canada Universe Bond Index is designed to reflect the Canadian bond market (40%); The FTSE Canada 91Day T-Bill Index is designed to reflect short term securities (5%).

A discussion of the relative performance of the Fund is under the Results of Operations section of this report.

Beutel Goodman Balanced Fund

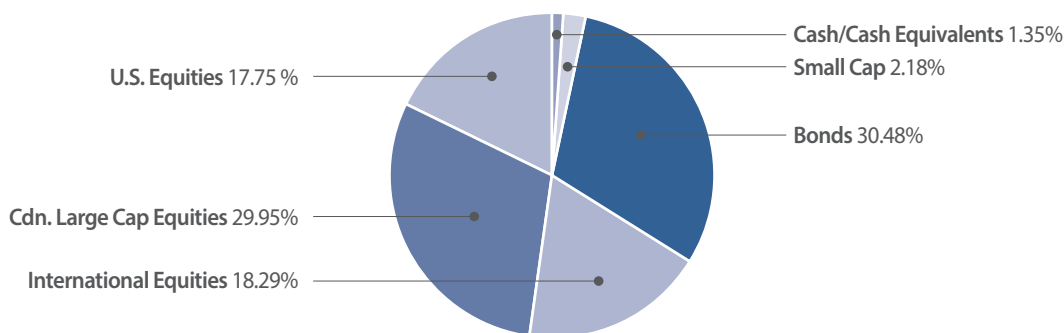
Summary of Investment Portfolio

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

Summary of Top 25 Holdings

Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Royal Bank of Canada			2.92	14. Omnicom Group Inc.			1.00
2. Toronto-Dominion Bank			2.79	15. Canadian Tire Corp Ltd.			0.99
3. Rogers Communications Inc.			2.61	16. Province of Alberta	2.900	1-Dec-28	0.97
4. Canadian Government Bond	2.750	1-Dec-48	1.99	17. Bank of Montreal			0.97
5. Metro Inc.			1.58	18. American Express Co.			0.96
6. Brookfield Asset Management Inc.			1.54	19. Oracle Corp.			0.96
7. Bank of Nova Scotia			1.48	20. Toronto-Dominion Bank	2.045	8-Mar-21	0.93
8. Nutrien Ltd.			1.44	21. Province of Quebec	2.750	1-Sep-28	0.92
9. Magna International Inc.			1.39	22. AmerisourceBergen Corp.			0.90
10. Canadian Natural Resources Ltd.			1.37	23. Parker Hannifin Corp.			0.90
11. Province of Ontario	2.600	2-Jun-25	1.25	24. Canadian National Railway Co.			0.86
12. Verizon Communications Inc.			1.22	25. Open Text Corp.			0.86
13. Sun Life Financial Inc.			1.00				

Asset Mix





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