

Interim Management Report of Fund Performance

June 30, 2018

Beutel Goodman Fundamental Canadian Equity Fund

Beutel Goodman Fundamental Canadian Equity Fund

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

Security holders may also request the investment fund's prospectus, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Beutel Goodman Managed Funds

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Beutel Goodman Fundamental Canadian Equity Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

This Fund seeks 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 of medium and large capitalization issuers that are undervalued in relation to the asset value or earnings power of the issuer. If earnings fall short of expectations, the intrinsic value of the underlying assets of the issuer will provide important 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 may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

The fundamental investment objective of the Fund cannot be changed without the approval of a majority of the investors who own units in the Fund.

Risk

The risks of investing in this Fund remain as discussed in the Prospectus.

This Fund continues to be suitable for investors seeking capital growth with a medium tolerance for risk and a long-term investment horizon.

Results of Operations

The Fund had a positive return and outperformed the S&P/TSX Composite Index benchmark over the six month period under review.

For the first half of 2018, the S&P/TSX Composite Index had a return of 2.0%, driven by index gains in the second quarter as oil prices rose. Information Technology led the Index, followed by Industrials and Real Estate. Utilities and Telecommunications lagged due to perceptions of interest rate sensitivity.

The Bank of Canada hiked the overnight rate by 25 basis points to 1.25% in the first quarter keeping the overnight rate unchanged at 1.25% in the second quarter. The Bank believes that economic data is supportive of the Bank's outlook for growth of 2% in the first half of 2018 and expects headline inflation to run a bit higher in the near term due to recent increases in gasoline prices, while core levels of inflation remain near 2%, consistent with an economy operating close to potential. Canadian 10 year benchmark yields ended the first half marginally higher at 2.17%.

Oil prices were volatile throughout the first half of the year. WTI traded below \$60 amid inventory reports and over \$74 due to expectations of market undersupply resulting from production declines in Venezuela and the resumption of U.S. sanctions on Iran. An agreement by OPEC for modest output increases strengthened prices, as the market tried to balance itself between growing production in the U.S. and core OPEC countries, and declining production elsewhere in the world. Oil prices were further supported by the U.S.'s push for its allies to cut oil imports from Iran. At the end of the six month period, WTI was \$74.15.

With respect to the portfolio's outperformance, added value was mainly attributable to stock performance in the Energy and Consumer sectors. The Fund also benefitted from having a zero weight in Utilities, the worst performing sector in the index. Information Technology and Industrials were a source of weakness relative to the benchmark.

The largest contributor to performance came from our holding in Nutrien (the company created from the merger of Agrium and Potash) in the Materials sector. Nutrien announced the sale of a strategic stake in SQM "A" shares at a premium to market for \$1.4 billion, which will be utilized for debt reduction and share buy-backs. The company had also announced weaker than expected results due to a late spring planting season in the U.S., although raised guidance for the remainder of the year. Nutrien also benefitted from an index rebalance in the U.S., as Monsanto was delisted after being acquired by Bayer.

In Consumer Staples, Metro was a strong contributor, reporting reasonable results that reflect elevated competitive activity and the impact from the increase in the minimum wage. Overall, the business continues to perform well. The acquisition of Jean Coutu closed in May, with only modest divestitures requested by the Competition Bureau.

Across the rest of the portfolio, gains in TD Bank, Magna, Cameco and Canadian Natural Resources made strong contributions to performance.

The largest negative contribution to performance was from Bank of Nova Scotia in the Financials sector. In the second quarter, Bank of Nova Scotia announced a large acquisition with equity financing that impacted the share price. Other notable detractors included CIBC, Royal Bank of Canada and Great West Life all in the Financials sector. We remain in a benign credit environment and bank earnings growth continues to be solid as loan growth moderates.

The Fund's exposure to small cap stocks also detracted value relative to the large-cap benchmark.

During the first half of 2018, we initiated two new positions in the portfolio: Saputo Inc in Consumer Staples and Bank of Montreal in Financials.

Saputo is one of the top ten dairy processors globally, with a diverse geographic, product and customer mix. The company operates in Canada, the U.S., Argentina and Australia, producing, marketing and distributing a wide variety of cheeses, fluid milk, dairy products and dairy ingredients to retail, foodservice and industrial customers. Saputo has a very good track record of growing business value over time, primarily through acquisitions. Acquiring dairy processors (mostly outside of Canada) remains central to the company's corporate strategy and helps address two main issues confronting the business model. First, without acquisitions, the company's sales and profit growth would be modest, as dairy consumption in their primary markets is relatively flat. Second, there is an increasing likelihood that the supply management system underpinning the entire dairy industry in Canada will be modified or even dismantled over time, which could impact profitability. Overall, Saputo is a well-run company with excellent financial attributes: a diverse and resilient business model, low cost operations, consistent free cash flow generation, a solid balance sheet and sound capital allocation.

Bank of Montreal was also added to the portfolio, as it offers a favourable risk/reward opportunity. The bank's business is grounded in its Canadian personal and commercial banking franchise, which offers strong returns. BMO's U.S. operations include Harris Bank and M&I Bank, which give BMO material market

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share in Illinois and Wisconsin, two major U.S. states. The diversified nature of BMO's business and strong capital levels leave it well positioned to finance growth and pursue tuck-in U.S. acquisitions on an opportunistic basis.

With respect to existing positions, we added to Rogers Communications, Metro, Molson Coors, Onex and Royal Bank due to attractive valuations. Within the Telecommunications sector, our holding in Telus was reduced, as Rogers offered a more attractive risk/return profile. We continued our process driven trim of Canadian Natural Resources, and initiated a process driven trim of Magna. In addition, our holdings in Bank of Nova Scotia, Royal Bank, TD Bank, CIBC and Quebecor were partially sold. Various other trims were undertaken to fund our purchases.

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

Recent Developments

There have been no changes to the Fund's Manager for the review period.

The current backdrop has been one of uncertainty due to heightened global trade tensions. In the potential event that a trade war escalates further and is sustained, 80 years of trade liberalization and efficiency gains could be lost, tariffs could increase considerably and trade could decline. Extreme protectionism would result in economic losses as global trade slows. To date, the situation is fluid, with plenty of uncertainty fuelling fears in the market.

The S&P/TSX Composite has not shown much weakness in the face of current protectionist measures. The broader market reached an all-time high during June, with strength across all sectors, rather than specific strength in the Information Technology sector, as in the U.S. Despite the strength in crude oil prices, the Canadian dollar has weakened, most likely due to trade concerns and recent weak economic reports casting doubt on the timing of the BoC's next rate increase.

Our bottom-up, stock-specific process identifies valuation opportunities in companies with resilient business models. Downside protection is ingrained in our process and mitigates risk, as stocks trading at a premium to business value are sold. When a tangible risk causes a material change in the fundamentals of a business, our process requires a full review of the position. Overall, the portfolio has retained its defensive stance, with our largest overweight relative to the S&P/TSX Composite in Financials, followed by Consumer Staples, while our largest underweights are in Energy and Materials.

Related Party Transactions

Beutel, Goodman & Company Ltd. is the Portfolio Advisor to this 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, as approved by the Independent Review Committee by standing instructions, and subject to regulatory requirements.

Fees and Expenses

The following table lists the fees and expenses that you may have to pay if you invest in the Beutel Goodman Managed Funds. You may have to pay some of these fees and expenses directly. The Funds pay the other fees and expenses. This will reduce the value of your investment in a Fund.

Management Fees: We are entitled to a management fee from each class of each 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 each Fund below. Management fees for Class I units are negotiated and paid directly by the investor, not by the Fund, and, therefore, are not listed.

Fund	Class	Management Fees (%) ⁽¹⁾
Fundamental Canadian Equity Fund	B	1.85
Fundamental Canadian Equity Fund	F	0.90

(1) Excludes GST/HST where applicable.

We may reduce our management fee for certain large investors who have substantial holdings in units of a Fund. To accomplish this, we reduce the management fee we charge to the Fund and the Fund pays out the difference to these investors as a special distribution. This is called a management fee distribution. We calculate and accrue the reduction daily and distribute 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.

We may waive our management fee in certain circumstances.

The Fund paid the Manager management fees, inclusive of HST and net of absorptions, a total of \$5,639 for the period ending June 30, 2018. The management fee for each class of unit is calculated as a percentage of its net asset value as of the close of business on each business day. The Fund's management fees were used by the Manager to pay costs for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio and providing other services. The Manager also used the management fees to fund commission payments and other dealer compensation (collectively called "distribution-related costs") to registered dealers and brokers and financial consultants for units of the Fund bought and held by investors, which amounted to 0.00% of total management fees paid by the Fund to the Manager in 2017.

Operating Expenses: The Manager pays 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. In return, the Fund pays the Manager a fixed administration fee. The administration fee may vary by class of units and by Fund.

Please refer to the Financial Highlights section for the MERs of the classes of units.

Commissions

Commissions paid to brokers for portfolio transactions were as follows:

Fund	June 2018	2017	2016
Fundamental Canadian Equity Fund	\$126,937	\$200,385	\$159,358

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6 month period ended June 30 of the current year, for the past 3 years ended December 31 and from its inception date of June 23 to December 31, 2014. The December 31 information is derived from the Fund's audited annual financial statements and is provided for each class of units.

Financial Highlights for Class B Units

(for the period ended June 30, 2018 and years ended December 31)

\$	June 2018	2017	2016	2015	2014*
Net assets attributable to holders of redeemable units per unit, beginning of period ⁽¹⁾	11.65	10.98	9.46	10.16	10.00
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total Interest Revenue	–	–	–	–	–
Total Dividend Revenue	0.16	0.32	0.30	0.31	0.15
Total revenue	0.16	0.32	0.30	0.31	0.15
Total expenses	(0.12)	(0.24)	(0.24)	(0.41)	(0.43)
Realized gains (losses) for the period	0.15	(0.01)	0.08	(0.18)	–
Unrealized gains (losses) for the period	0.16	0.98	1.64	(0.38)	0.44
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.35	1.05	1.78	(0.66)	0.16
Distribution to holders of redeemable units per unit:					
Net interest income (excluding dividend)	–	–	–	–	–
Net dividend income	–	0.10	0.11	0.03	–
Net investment income	–	0.10	0.11	0.03	–
Realized gains on sale of investments	–	0.13	–	–	0.01
Total distribution to holders of redeemable units ⁽³⁾	–	0.23	0.11	0.03	0.01
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	11.89	11.65	10.98	9.46	10.16

Ratios and Supplemental Data for Class B Units

(for the period ended June 30, 2018 and years ended December 31)

\$	June 2018	2017	2016	2015	2014
Total net asset attributable to holders of redeemable units (\$)(000's) ⁽⁵⁾	420	260	80	5	14
Number of outstanding redeemable units (000's) ⁽⁵⁾	35	22	7	1	1
Management expense ratio ^(6a)	2.06%	2.11%	2.20%	2.20%	2.15%
Management expense ratio before absorptions ^(6b)	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	13%	11%	10%	18%	4%
Trading expense ratio (%) ⁽⁸⁾	0.04%	0.04%	0.06%	0.06%	0.10%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	11.89	11.65	10.98	9.46	10.16

* Fund launched in June 2014

Financial Highlights for Class F Units

(for the period ended June 30, 2018 and years ended December 31)

\$	June 2018	2017	2016	2015	2014*
Net assets attributable to holders of redeemable units per unit, beginning of period ⁽¹⁾	11.83	11.07	9.49	10.19	10.00
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total Interest Revenue	–	–	–	–	–
Total Dividend Revenue	0.16	0.31	0.49	0.31	0.15
Total revenue	0.16	0.31	0.49	0.31	0.15
Total expenses	(0.06)	(0.13)	(0.16)	(0.21)	(0.23)
Realized gains (losses) for the period	0.15	0.03	0.23	(0.19)	–
Unrealized gains (losses) for the period	0.22	0.37	1.80	(0.48)	0.29
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.47	0.58	2.36	(0.57)	0.21
Distribution to holders of redeemable units per unit:					
Net interest income (excluding dividend)	–	–	–	–	–
Net dividend income	–	0.15	0.17	0.13	0.02
Net investment income	–	0.15	0.17	0.13	0.02
Realized gains on sale of investments	–	0.13	0.01	–	0.01
Total distribution to holders of redeemable units ⁽³⁾	–	0.28	0.18	0.13	0.03
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	12.14	11.83	11.07	9.49	10.19

Ratios and Supplemental Data for Class F Units

(for the period ended June 30, 2018 and years ended December 31)

\$	June 2018	2017	2016	2015	2014
Total net asset attributable to holders of redeemable units (\$)(000's) ⁽⁵⁾	968	358	170	5	5
Number of outstanding redeemable units (000's) ⁽⁵⁾	80	30	15	1	1
Management expense ratio ^(6a)	1.06%	1.13%	1.13%	1.12%	1.12%
Management expense ratio before absorptions ^(6b)	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	13%	11%	10%	18%	4%
Trading expense ratio (%) ⁽⁸⁾	0.04%	0.04%	0.06%	0.06%	0.10%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	12.14	11.83	11.07	9.49	10.19

* Fund launched in June 2014

Beutel Goodman Fundamental Canadian Equity Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6 month period ended June 30 of the current year, for the past 3 years ended December 31 and from its inception date of June 23 to December 31, 2014. The December 31 information is derived from the Fund's audited annual financial statements and is provided for each class of units.

Financial Highlights for Class I Units

(for the period ended June 30, 2018 and years ended December 31)

\$	June 2018	2017	2016	2015	2014*
Net assets attributable to holders of redeemable units per unit, beginning of period ⁽¹⁾	11.94	11.19	9.49	10.20	10.00
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total Interest Revenue	–	–	–	–	–
Total Dividend Revenue	0.17	0.32	0.31	0.32	0.14
Total revenue	0.17	0.32	0.31	0.32	0.14
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	0.16	0.04	0.08	(0.21)	–
Unrealized gains (losses) for the period	0.06	0.84	1.75	(0.63)	0.14
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.38	1.19	2.13	(0.53)	0.27
Distribution to holders of redeemable units per unit:					
Net interest income (excluding dividend)	–	–	–	–	–
Net dividend income	–	0.28	0.17	0.24	0.06
Net investment income	–	0.28	0.17	0.24	0.06
Realized gains on sale of investments	–	0.14	0.01	–	0.01
Total distribution to holders of redeemable units ⁽³⁾	–	0.42	0.18	0.24	0.07
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	12.32	11.94	11.19	9.49	10.20

Ratios and Supplemental Data for Class I Units

(for the period ended June 30, 2018 and years ended December 31)

\$	June 2018	2017	2016	2015	2014
Total net asset attributable to holders of redeemable units (\$ (000's) ⁽⁵⁾	762,114	651,084	488,250	119,287	74,887
Number of outstanding redeemable units (000's) ⁽⁵⁾	61,884	54,512	43,645	12,573	7,345
Management expense ratio ^(6a)	0.07%	0.07%	0.07%	0.07%	0.07%
Management expense ratio before absorptions ^(6b)	0.11%	0.11%	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	13%	11%	10%	18%	4%
Trading expense ratio (%) ⁽⁸⁾	0.04%	0.04%	0.06%	0.06%	0.10%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	12.32	11.94	11.19	9.49	10.20

* Fund launched in June 2014

Beutel Goodman Fundamental Canadian Equity Fund

- (1) The information for each December 2017, 2016, 2015, 2014 and 2013 is derived from the Fund's annual audited financial statements prepared in accordance with IFRS. The information for June 2018 is derived from the Fund's unaudited statements prepared in accordance with IFRS.
- (2) Net assets attributable to holders of redeemable units per unit and distributions to holders of redeemable units per unit are based on the actual number of redeemable units outstanding for the relevant class at the relevant time. The increase (decrease) in net assets attributable to holders of redeemable units per unit is based on the weighted average number of redeemable units outstanding for the relevant class over the fiscal period.
- (3) Distributions were paid in cash or automatically reinvested in additional redeemable units of the Fund.
- (4) This is not a reconciliation of the beginning and ending net assets per redeemable unit.
- (5) This information is provided as at period end of the period shown.
- (6a) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily net asset value during the period.
- (6b) The Manager may have absorbed some of the fund expenses. If this had occurred, the management fee ratio before any such absorption is listed. The Manager may terminate the absorption at any time, at its discretion. It is not known when such 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 purchases or sales divided by the average value of the portfolio securities of the fund on a monthly basis, excluding short-term securities.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs disclosed in the Statements of Comprehensive Income expressed as an annualized percentage of daily average net asset value of the Fund during the period.
- (9) For the period ended June 2018 and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, the information provided for processing unitholder transactions is consistent with the information provided for reporting purposes. The information for December 31, 2017, 2016, 2015, 2014 and 2013 is derived from the Fund's annual audited financial statements in accordance with IFRS. The information for June 2018 is derived from the Fund's unaudited financial statements in accordance with IFRS.

Past Performance

The past performance of each class of units of a Fund, if the class has been in continuous existence and offered to the public for at least 12 months (at the date of this document), is explained under the Year-by-Year Returns heading found on the next page.

The performance returns in all cases:

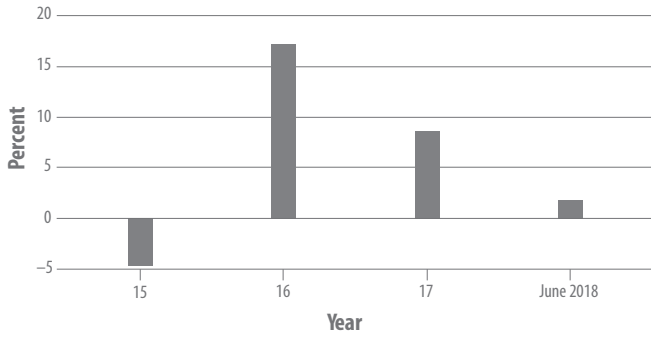
- are calculated as of **December 31** in each year and for the **first 6 months** of the current year;
- assume **all distributions** made by the Fund are **reinvested** to purchase additional redeemable units; and
- show the returns of the particular class of the Fund after any applicable management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

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

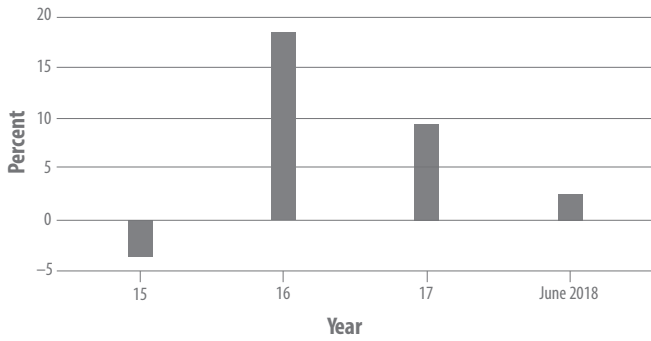
Beutel Goodman Fundamental Canadian Equity Fund

Year-by-Year Returns

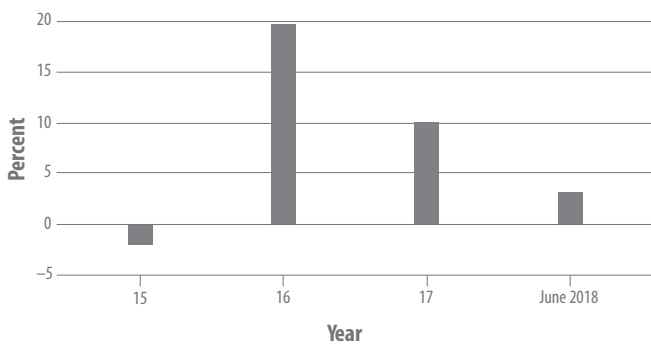
Class B



Class F



Class I



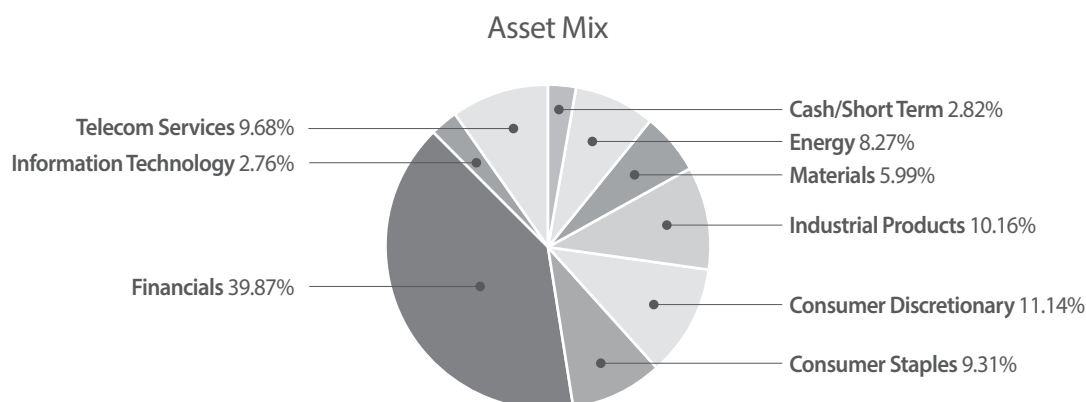
Beutel Goodman Fundamental Canadian Equity Fund

Summary of Investment Portfolio

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

Summary of Top 25 Holdings

Issuer Name	% of Net Assets	Issuer Name	Coupon Rate	Maturity Date	% of Net Assets
1. Royal Bank of Canada.	9.33	14. Sun Life Financial Inc.			2.60
2. The Toronto-Dominion Bank	9.09	15. Great-West Lifeco Inc.			2.59
3. Rogers Communications Inc., Class B	7.20	16. TELUS Corp.			2.46
4. Magna International Inc.	5.31	17. Finning International Inc.			2.37
5. Nutrien Ltd.	4.98	18. Quebecor Inc., Class B			2.19
6. Metro Inc., Class A	4.66	19. SNC-Lavalin Group Inc.			2.16
7. Brookfield Asset Management Inc.	4.59	20. Canadian Pacific Railway Ltd.			2.08
8. Bank of Nova Scotia	4.49	21. Molson Coors Canada Inc., Class B			2.02
9. Canadian Natural Resources Ltd.	4.40	22. Cenovus Energy Inc.			1.94
10. Canadian Tire Corp Ltd., Class A	3.60	23. Cameco Corp.			1.92
11. Canadian National Railway Co.	3.53	24. Saputo Inc.			1.61
12. Bank of Montreal	3.33	25. Government of Canada	1.253%	4-Oct-18	1.32
13. Open Text Corp.	2.76				



Beutel Goodman Fundamental Canadian Equity Fund

Other Material Information

Classes of Units: Each of the Funds in the Beutel Goodman family of Funds issues Class B, Class D (formerly Class A), Class F and Class I units, with the exception of the Beutel Goodman Fundamental Canadian Equity Fund, Beutel Goodman Global Dividend Fund and Beutel Goodman Short Term Bond Fund, which issue only Class B, Class F and Class I units. Expenses of each class are tracked separately and a separate net asset is calculated for each class.

The Beutel Goodman Fundamental Canadian Equity Fund is available in 3 classes of units: Class B, Class F and Class I.

Each Fund may issue an unlimited number of classes of units and may issue an unlimited number of units of each class. The different classes of units of a Fund represent an interest in the same portfolio investments of the Fund.

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

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, or any other investors for whom we do not incur distribution costs; and

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, and for our employees (or employees of our affiliates). At our discretion, we may waive the investment minimum.

Additional Information

Independent Review Committee

Beutel Goodman Managed Funds Inc., the former Manager of the Beutel Goodman Managed Funds, appointed an Independent Review Committee ("IRC") on May 1, 2007, for each of its public mutual Funds in accordance with the Canadian Securities Administrators' National Instrument 81-107. This Instrument has been designed to promote investor protection in mutual funds. Effective January 1, 2013, as the result of the amalgamation between Beutel Goodman Managed Funds Inc. and Beutel, Goodman & Company Ltd., Beutel, Goodman & Company Ltd. is the Manager of the Beutel Goodman Managed Funds. The IRC actively assumed its role and responsibilities on November 1, 2007. The IRC oversees conflict of interest matters that may arise out of the management of each of the 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 Funds or Beutel, Goodman & Company Ltd. outside of their roles as members of the IRC. The IRC 2017 Report to Unitholders is available on the Beutel Goodman Managed Funds' website at www.beutelgoodman.com or at the unitholder's request, at no cost, by contacting Beutel, Goodman & Company Ltd. at mutualfunds@beutelgoodman.com.



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