

Annual Report

December 31, 2017

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
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Beutel Goodman World Focus Equity Fund
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Beutel Goodman Income Fund
Beutel Goodman Long Term Bond Fund
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A look inside Managed Funds

Annual Report

December 31, 2017

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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.

M.J. Gibson (signed)

Managing Director, Operations
Beutel, Goodman & Company Ltd.

March 20, 2018

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

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Beutel Goodman International Equity Fund

Beutel Goodman American Equity Fund

Beutel Goodman Income Fund

Beutel Goodman Long Term Bond Fund

Beutel Goodman Corporate/Provincial Active Bond Fund

Beutel Goodman Short Term Bond Fund

Beutel Goodman Money Market Fund

(collectively the "BG Funds")

We have audited the accompanying financial statements of each of the BG Funds, which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended December 31, 2017 and 2016, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the BG Funds in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements of each of the BG Funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of each of the BG Funds present fairly, in all material respects, the financial position of each of the BG Funds as at December 31, 2017 and 2016 and the financial performance and cash flows of each of the BG Funds for the years ended December 31, 2017 and 2016 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 20, 2018

Beutel Goodman Balanced Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	86,953,856	57,207,080
Financial assets at fair value through profit or loss*	4,093,481,656	3,636,616,789
Accrued interest	6,221,880	5,698,290
Dividends receivable	4,682,713	4,286,391
Due from brokers	298,649	4,379,603
Subscriptions receivable	2,684,382	1,915,305
Total assets	4,194,323,136	3,710,103,458
Liabilities		
Current liabilities		
Management and administrative fees payable	535,051	393,813
Due to brokers	598,381	4,604,619
Redemptions payable	1,417,503	1,441,769
Distributions payable	525	18
Total liabilities (before net assets attributable to holders of redeemable units)	2,551,460	6,440,219
Net assets attributable to holders of redeemable units	4,191,771,676	3,703,663,239
*Investments at average cost	3,414,265,276	3,089,200,178
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	12.61	12.12
Class D	21.09	20.22
Class F	12.80	12.30
Class I	21.95	21.05
Number of outstanding redeemable units (Note 6)		
Class B	4,803,266	2,328,623
Class D	9,630,558	8,216,219
Class F	2,912,971	906,082
Class I	177,218,589	166,145,942

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	70,543,432	77,488,521
Interest for distribution purposes	34,465,524	30,663,798
Realized gain (loss) on sale of investments	190,909,003	134,582,476
Change in unrealized appreciation (depreciation) in the value of investments	131,799,769	116,373,130
Net gains (losses) on investments	427,717,728	359,107,925
Other income		
Realized gain (loss) on foreign currency transactions	(748,576)	(1,591,028)
Total income	426,969,152	357,516,897
Expenses		
Management fees	2,977,878	2,080,392
Administrative fees	2,735,277	2,437,482
Transaction costs (Note 9)	2,038,628	1,488,313
Withholding taxes	4,547,558	5,428,548
Total Expenses	12,299,341	11,434,735
Increase (decrease) in net assets attributable to holders of redeemable units	414,669,811	346,082,162
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	3,561,228	1,983,333
Class D	17,430,988	13,400,629
Class F	2,186,439	812,553
Class I	391,491,156	329,885,647
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.06	0.98
Class D	1.99	1.74
Class F	1.13	1.12
Class I	2.33	1.98

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	28,229,751	21,294,240
Class D	166,135,890	143,296,033
Class F	11,147,637	7,334,635
Class I	3,498,149,961	3,424,755,058
	3,703,663,239	3,596,679,966
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	3,561,228	1,983,333
Class D	17,430,988	13,400,629
Class F	2,186,439	812,553
Class I	391,491,156	329,885,647
	414,669,811	346,082,162
Distribution to holders of redeemable units		
From net investment income		
Class B	(325,893)	(229,238)
Class D	(2,489,610)	(2,580,258)
Class F	(452,825)	(167,189)
Class I	(90,856,595)	(96,099,063)
From net realized gains on investments		
Class B	(2,341,842)	(437,214)
Class D	(7,915,227)	(2,576,287)
Class F	(1,476,632)	(167,226)
Class I	(152,175,914)	(54,531,960)
	(258,034,538)	(156,788,435)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	36,336,162	9,790,238
Class D	41,487,332	34,627,351
Class F	31,611,378	5,003,198
Class I	198,165,716	141,501,964
Reinvestments of distributions to holders of redeemable units		
Class B	2,576,457	649,964
Class D	10,164,806	5,032,725
Class F	1,559,668	269,703
Class I	243,032,509	150,631,023
Redemption of redeemable units		
Class B	(7,461,031)	(4,821,572)
Class D	(21,663,507)	(25,064,303)
Class F	(7,281,391)	(1,938,037)
Class I	(197,054,935)	(397,992,708)
	331,473,164	(82,310,454)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	32,345,081	6,935,511
Class D	37,014,782	22,839,857
Class F	26,146,637	3,813,002
Class I	392,601,937	73,394,903
	488,108,437	106,983,273
Net assets attributable to holders of redeemable units at end 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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	414,669,811	346,082,162
Adjustments for:		
Net realized (gain) loss on sale of investments	(190,909,003)	(134,582,476)
Change in unrealized (appreciation) depreciation in the value of investments	(131,799,769)	(116,373,130)
Purchases of investments	(4,839,484,921)	(2,858,478,706)
Proceeds from sale of investments	4,705,403,542	2,993,167,733
(Increase) decrease in accrued interest	(523,590)	(793,908)
(Increase) decrease in dividends receivable	(396,322)	(466,035)
Increase (decrease) in accrued liabilities	141,238	38,958
Net cash flows from (used in) operating activities	(42,899,014)	228,594,598
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(700,591)	(205,270)
Proceeds from redeemable units issued	306,831,511	190,566,184
Redemption of redeemable units	(233,485,130)	(431,022,647)
Net cash flows from (used in) financing activities	72,645,790	(240,661,733)
Net increase (decrease) in cash and cash equivalents	29,746,776	(12,067,135)
Cash and cash equivalents at beginning of year	57,207,080	69,274,215
Cash and cash equivalents at end of year*	86,953,856	57,207,080
Supplementary information		
Cash flow from operating activities		
Interest received	33,941,934	29,869,890
Dividends received, net of withholding taxes	65,599,552	71,593,938
*Cash and cash equivalents include:		
Cash at banks	450,990	251,389
Short-term investments	86,502,866	56,955,691
Total	86,953,856	57,207,080

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

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

Beutel Goodman Balanced Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares / Par Value		Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value		Average Cost \$	Fair Value \$	% of Net Assets
4,700	Rocky Mountain Dealerships Inc.	46,996	64,390	0.00	Norway				
1,124,690	Rogers Communications Inc., Class B	48,665,264	72,036,394	1.73	1,554,547	Atea ASA	17,006,575	27,504,202	0.66
1,270,593	Royal Bank of Canada	83,592,241	130,426,371	3.12	902,390	Gjensidige Forsikring ASA	18,846,048	21,412,082	0.51
496,270	SNC-Lavalin Group Inc.	20,836,341	28,312,204	0.68	757,071	TGS Nopec Geophysical Co ASA	21,785,033	22,521,589	0.54
675,350	Sun Life Financial Inc.	33,041,037	35,037,158	0.84	<hr/>				
229,900	Superior Plus Corp.	2,489,053	2,728,913	0.07	57,637,656		71,437,873	1.71	
841,580	TELUS Corp.	24,348,983	40,076,040	0.96	Singapore				
1,750,018	The Toronto-Dominion Bank	71,051,283	128,888,825	3.08	788,600	DBS Group Holdings Ltd.	13,431,121	18,372,892	0.44
280,610	Thomson Reuters Corp.	11,348,244	15,374,622	0.37	<hr/>				
25,500	Toromont Industries Ltd.	432,245	1,405,050	0.03	Switzerland				
84,700	Total Energy Services Inc.	1,260,227	1,258,642	0.03	343,520	Julius Baer Group Ltd.	20,534,571	26,323,710	0.63
179,700	Uni-Select Inc.	2,567,458	5,105,277	0.12	83,320	Roche Holding AG	26,718,490	26,406,753	0.63
87,500	Wajax Corp.	2,158,568	2,158,625	0.05	<hr/>				
198,700	WestJet Airlines Ltd.	3,434,057	5,237,732	0.12	47,253,061		52,730,463	1.26	
53,200	Winpak Ltd.	781,373	2,489,760	0.06	United Kingdom				
		952,380,955	1,359,079,026	32.47	1,077,490	IMI PLC	23,767,449	24,343,969	0.58
Denmark					1,119,550	Smith & Nephew PLC	25,486,659	24,440,346	0.58
209,780	Carlsberg A/S	24,778,778	31,581,499	0.75	980,170	Smiths Group PLC	25,259,777	24,753,446	0.59
		24,778,778	31,581,499	0.75	319,430	Spectris PLC	10,725,277	13,464,787	0.32
Finland					6,034,900	Vodafone Group PLC	23,860,509	24,037,314	0.57
356,179	Konecranes OYJ	11,609,918	20,459,956	0.49	<hr/>				
		11,609,918	20,459,956	0.49	109,099,671		111,039,862	2.64	
France					United States				
144,394	Air Liquide SA	18,426,095	22,821,578	0.54	446,630	Amdocs Ltd.	26,876,880	36,642,776	0.87
177,710	Cie Générale des Établissements Michelin	19,942,254	31,964,058	0.76	255,030	American Express Co.	24,357,314	31,733,360	0.76
		38,368,349	54,785,636	1.30	121,240	Ameriprise Financial Inc.	18,329,447	25,743,676	0.61
Germany					367,480	AmerisourceBergen Corp.	38,131,681	42,276,868	1.01
200,270	BASF SE	21,382,189	27,642,358	0.66	45,805	AutoZone Inc.	35,343,460	40,826,320	0.97
121,660	Deutsche Boerse AG	11,445,352	17,718,364	0.42	124,550	Baxter International Inc.	5,620,357	10,087,345	0.24
500,040	GEA Group AG	24,815,209	30,100,503	0.72	405,820	Campbell Soup Co.	24,442,591	24,462,487	0.58
195,150	HeidelbergCement AG	19,048,069	26,498,191	0.63	323,810	Eli Lilly & Co.	27,078,732	34,266,768	0.82
176,590	Henkel AG & Co KGaA	24,269,754	26,568,471	0.63	464,830	Halliburton Co.	22,207,657	28,462,189	0.68
256,710	Merck KGaA	33,314,783	34,663,922	0.83	326,050	Harley-Davidson Inc.	21,249,610	20,785,626	0.50
392,900	Software AG	19,420,964	27,700,319	0.66	38,940	Johnson & Johnson	3,525,303	6,816,891	0.16
3,868,450	Telefonica Deutschland Holding AG	23,686,421	24,363,331	0.58	120,380	JPMorgan Chase & Co.	7,674,667	16,129,701	0.38
		177,382,741	215,255,459	5.13	418,060	Kellogg Co.	35,221,074	35,608,328	0.85
Ireland					167,350	Merck & Co Inc.	8,554,648	11,798,708	0.28
68,853	Allegion PLC	3,753,057	6,863,527	0.16	376,550	Omnicom Group Inc.	40,706,062	34,360,919	0.82
351,990	Ingersoll-Rand PLC	23,391,271	39,334,922	0.94	652,940	Oracle Corp.	27,079,309	38,679,651	0.92
		27,144,328	46,198,449	1.10	174,330	Parker-Hannifin Corp.	26,462,702	43,593,420	1.04
Italy					534,500	Symantec Corp.	13,880,766	18,791,748	0.45
239,350	Luxottica Group SpA	17,112,667	18,419,572	0.44	126,490	Teradyne Inc.	2,964,473	6,635,764	0.16
		17,112,667	18,419,572	0.44	148,450	The Procter & Gamble Co.	13,409,939	17,089,643	0.41
Japan					29,850	United Technologies Corp.	3,095,074	4,771,168	0.11
233,820	FamilyMart UNY Holdings Co Ltd.	14,019,098	20,545,151	0.49	716,330	Verizon Communications Inc.	41,258,834	47,505,821	1.13
414,080	Kao Corp.	28,600,660	35,089,956	0.84	228,880	Wells Fargo & Co.	9,609,069	17,398,574	0.42
359,350	NTT DOCOMO Inc.	5,923,067	10,635,628	0.25	<hr/>				
1,596,070	Resona Holdings Inc.	9,108,887	11,949,016	0.29	Total Common Stocks				
831,308	WPP PLC	19,010,298	18,894,645	0.45	2,140,065,363 2,819,377,327 67.29				
		76,662,010	97,114,396	2.32	Transaction Costs				
Netherlands					(2,909,506)				
220,783	Akzo Nobel NV	19,260,553	24,255,371	0.58	Total Investments				
6,234,490	Koninklijke KPN NV	25,506,512	27,276,949	0.65	3,414,265,276 4,093,481,656 97.66				
250,760	LyondellBasell Industries NV	29,719,707	34,661,258	0.83	Total Investments and Cash Equivalents				
226,000	Unilever NV	10,241,117	15,965,802	0.38	3,500,768,142 4,179,984,522 99.72				
		84,727,889	102,159,380	2.44	Other Assets Net of Liabilities				
					11,787,154 0.28				
					Net Assets Attributable to Holders of Redeemable Units				
					4,191,771,676 100.00				

Beutel Goodman Balanced Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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. The asset mix of the Fund will normally fall within a range of 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, 2017 and December 31, 2016, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2017	Dec. 31, 2016
AAA	6	6
AA	4	6
A	16	13
BBB	4	5
Total	30	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, 2017 and December 31, 2016.

Debt Instruments* by Maturity Date	Dec. 31, 2017	Dec. 31, 2016
	(\$000)	(\$000)
Less than 1 year	84,730	28,156
1-3 years	225,577	199,158
3-5 years	257,128	299,076
Greater than 5 years	704,669	596,216
Total	1,274,104	1,122,606

*Excludes cash and cash equivalents

As at December 31, 2017, if prevailing interest rates increased or decreased 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 \$23,785,000 (December 31, 2016 \$20,635,000). 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
Balanced Fund Benchmark*	39,498	34,439
Total	39,498	34,439

*The Balanced Fund Benchmark is comprised of the FTSE TMX 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, 2017 and December 31, 2016

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	369,502	1,980	371,482	10.0
British Pound	–	104,390	(3,105)	107,495	2.7
Norwegian Krone	–	60,239	635	60,874	1.6
Japanese Yen	–	82,204	211	82,415	2.2
United States Dollar	–	678,919	587	679,506	18.3
Singapore Dollar	–	21,833	–	21,833	0.6
Swiss Franc	–	38,491	–	38,491	1.0
Danish Krone	–	25,149	–	25,149	0.7
Total	–	1,380,727	308	1,381,034	37.1

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, 2017 and December 31, 2016, 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 \$14,622,000 (December 31, 2016 \$13,810,000).

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, 2017 and December 31, 2016:

Country segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	2.06%	1.53%
Canadian Bonds		
Federal Bonds	5.13%	5.44%
Provincial Bonds	9.89%	11.33%
Corporate Bonds	14.23%	13.62%
Mortgage Backed Securities	1.12%	–
Common Stocks		
Australia	0.63%	–
Canada	32.47%	30.58%
Denmark	0.75%	0.68%
Finland	0.49%	0.81%
France	1.30%	1.55%
Germany	5.13%	5.88%
Ireland	1.10%	1.25%
Italy	0.44%	–
Japan	2.32%	2.22%
Netherlands	2.44%	1.74%
Norway	1.71%	1.62%
Singapore	0.44%	0.59%
Switzerland	1.26%	1.04%
United Kingdom	2.64%	2.82%
United States	14.17%	17.03%
Total	99.72%	99.73%

Beutel Goodman **Balanced Fund**

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017, and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	2,514,010,600	–	–	2,514,010,600
Bonds	–	1,122,606,189	–	1,122,606,189
Total Assets	2,514,010,600	1,122,606,189	–	3,636,616,789

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	1,851,562	7,481,511	628,573	171,627,888
Redeemable units issued for cash	836,510	1,775,782	423,060	6,997,167
Reinvested units	54,554	254,430	22,346	7,332,887
Redeemable units redeemed	(414,003)	(1,295,504)	(167,897)	(19,812,000)
Balance, end of year	2,328,623	8,216,219	906,082	166,145,942

Beutel Goodman Canadian Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	132,217,287	67,206,165
Financial assets at fair value through profit or loss*	6,765,053,019	6,043,043,572
Accrued interest	112,302	22,178
Dividends receivable	17,761,265	18,266,530
Subscriptions receivable	1,465,311	74,002,084
Total assets	6,916,609,184	6,202,540,529
Liabilities		
Current liabilities		
Management and administrative fees payable	589,646	502,296
Due to brokers	2,799,582	3,443,945
Redemptions payable	4,417,678	13,319,644
Distributions payable	504	671
Total liabilities (before net assets attributable to holders of redeemable units)	7,807,410	17,266,556
Net assets attributable to holders of redeemable units	6,908,801,774	6,185,273,973
*Investments at average cost	4,736,775,054	4,377,382,400
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	15.81	14.75
Class D	38.59	35.84
Class F	38.83	36.10
Class I	41.51	38.53
Number of outstanding redeemable units (Note 6)		
Class B	1,389,586	841,421
Class D	2,461,530	2,375,606
Class F	1,984,959	1,521,429
Class I	161,750,084	156,565,708

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	175,545,644	161,385,603
Interest for distribution purposes	1,139,243	89,216
Realized gain (loss) on sale of investments	126,190,668	56,733,461
Change in unrealized appreciation (depreciation) in the value of investments	362,616,793	825,405,080
Net gains (losses) on investments	665,492,348	1,043,613,360
Other income		
Realized gain (loss) on foreign currency transactions	177,608	(30,762)
Total income	665,669,956	1,043,582,598
Expenses		
Management fees	2,194,320	1,612,637
Administrative fees	4,500,145	3,767,082
Transaction costs (Note 9)	2,039,363	1,251,182
Total expenses before waiver	8,733,828	6,630,901
Expenses waived by the manager	(96,954)	–
Total expenses	8,636,874	6,630,901
Increase (decrease) in net assets attributable to holders of redeemable units	657,033,082	1,036,951,697
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	1,384,144	1,720,257
Class D	7,931,043	12,977,236
Class F	5,976,091	8,571,989
Class I	641,741,804	1,013,682,215
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.23	2.32
Class D	3.23	5.69
Class F	3.48	5.91
Class I	3.97	6.60

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	12,407,699	7,933,400
Class D	85,132,740	69,983,355
Class F	54,928,480	40,835,198
Class I	6,032,805,054	5,139,555,876
	6,185,273,973	5,258,307,829
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,384,144	1,720,257
Class D	7,931,043	12,977,236
Class F	5,976,091	8,571,989
Class I	641,741,804	1,013,682,215
	657,033,082	1,036,951,697
Distribution to holders of redeemable units		
From net investment income		
Class B	(199,739)	(122,035)
Class D	(1,242,097)	(1,263,007)
Class F	(1,247,433)	(921,669)
Class I	(166,302,185)	(154,929,468)
	(168,991,454)	(157,236,179)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	11,053,884	4,589,263
Class D	18,109,080	14,871,066
Class F	31,530,317	20,398,867
Class I	939,994,250	527,768,777
Reinvestments of distributions to holders of redeemable units		
Class B	195,441	118,743
Class D	1,174,115	1,197,766
Class F	1,063,139	800,446
Class I	166,182,374	154,812,144
Redemption of redeemable units		
Class B	(2,869,637)	(1,831,929)
Class D	(16,117,625)	(12,633,676)
Class F	(15,173,567)	(14,756,351)
Class I	(899,655,598)	(648,084,490)
	235,486,173	47,250,626
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	9,564,093	4,474,299
Class D	9,854,516	15,149,385
Class F	22,148,547	14,093,282
Class I	681,960,645	893,249,178
	723,527,801	926,966,144
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	657,033,082	1,036,951,697
Adjustments for:		
Net realized (gain) loss on sale of investments	(126,190,668)	(56,733,461)
Change in unrealized (appreciation) depreciation in the value of investments	(362,616,793)	(825,405,080)
Purchases of investments	(1,088,419,566)	(458,992,035)
Proceeds from sale of investments	854,573,217	482,716,777
(Increase) decrease in accrued interest	(90,124)	47,388
(Increase) decrease in dividends receivable	505,265	(3,390,161)
Increase (decrease) in accrued liabilities	87,350	78,133
Net cash flows from (used in) operating activities	(65,118,237)	175,273,258
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(376,552)	(306,864)
Proceeds from redeemable units issued	1,073,224,304	430,805,031
Redemption of redeemable units	(942,718,393)	(670,571,370)
Net cash flows from (used in) financing activities	130,129,359	(240,073,203)
Net increase (decrease) in cash and cash equivalents	65,011,122	(64,799,945)
Cash and cash equivalents at beginning of year	67,206,165	132,006,110
Cash and cash equivalents at end of year*	132,217,287	67,206,165
Supplementary information		
Cash flow from operating activities		
Interest received	1,049,119	136,604
Dividends received, net of withholding taxes	176,050,909	157,995,442
*Cash and cash equivalents include:		
Cash at banks	10,680	36,848
Short-term investments	132,206,607	67,169,317
Total	132,217,287	67,206,165

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

Beutel Goodman Canadian Equity Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 1.09%)									
Treasury Bills									
56,325,000		Government of Canada	0.865	8-Feb-18	56,203,485	56,203,485	0.81		
30,775,000		Government of Canada	0.866	22-Feb-18	30,712,038	30,712,038	0.44		
3,400,000		Government of Canada	0.886	8-Mar-18	3,392,467	3,392,467	0.05		
42,000,000		Government of Canada	1.027	22-Mar-18	41,898,617	41,898,617	0.61		
					132,206,607	132,206,607	1.91		
Common Stocks (2016 - 97.70%)									
Energy									
2,162,900		Birchcliff Energy Ltd.			12,931,429	9,516,760	0.14		
8,679,885		Cameco Corp.			169,526,300	100,773,465	1.46		
7,437,650		Canadian Natural Resources Ltd.			243,237,829	334,099,238	4.84		
8,853,830		Cenovus Energy Inc.			219,032,788	101,641,968	1.47		
7,260,900		Denison Mines Corp.			8,784,282	5,010,021	0.07		
415,800		Enerflex Ltd.			5,343,078	6,378,372	0.09		
2,150,800		NuVista Energy Ltd.			13,833,547	17,249,416	0.25		
1,266,000		Paramount Resources Ltd., Class A			18,271,570	24,585,720	0.36		
460,800		Total Energy Services Inc.			6,858,833	6,847,488	0.10		
					697,819,656	606,102,448	8.78		
Materials									
1,491,795		Agrium Inc.			169,386,461	215,683,721	3.12		
2,878,700		Alamos Gold Inc.			23,498,182	23,576,553	0.34		
372,890		CCL Industries Inc.			4,905,128	21,657,451	0.31		
791,060		Franco-Nevada Corp.			60,413,267	79,469,888	1.15		
304,000		Intertape Polymer Group Inc.			4,044,662	6,532,960	0.09		
1,699,300		Lundin Mining Corp.			9,354,593	14,206,148	0.21		
2,094,600		Major Drilling Group International Inc.			15,535,565	14,787,876	0.21		
3,116,345		Potash Corp of Saskatchewan Inc.			118,767,045	80,339,374	1.16		
287,609		Winpak Ltd.			5,232,135	13,460,101	0.19		
					411,137,038	469,714,072	6.78		
Industrial									
Capital Goods									
157,250		AG Growth International Inc.			6,407,249	8,387,715	0.12		
587,600		Badger Daylighting Ltd.			15,125,947	15,970,968	0.23		
193,200		Cervus Equipment Corp.			2,218,643	2,905,728	0.04		
4,664,935		Finning International Inc.			107,950,579	147,971,738	2.14		
362,470		GDI Integrated Facility Services Inc.			4,613,102	6,017,002	0.09		
136,300		K-Bro Linen Inc.			5,294,801	5,631,916	0.08		
26,400		Rocky Mountain Dealerships Inc.			270,215	361,680	0.01		
2,450,265		SNC-Lavalin Group Inc.			102,906,723	139,787,618	2.02		
138,300		Toromont Industries Ltd.			2,894,585	7,620,330	0.11		
477,800		Wajax Corp.			11,597,578	11,787,326	0.17		
					259,279,422	346,442,021	5.01		
Commercial Services & Supplies									
26,700		Héroux-Devtek Inc.			371,643	406,641	0.01		
					371,643	406,641	0.01		
Transportation									
2,157,800		Canadian National Railway Co.			103,428,224	223,655,970	3.25		
574,490		Canadian Pacific Railway Ltd.			66,492,139	131,937,373	1.91		
1,080,239		WestJet Airlines Ltd.			20,047,268	28,475,100	0.41		
					189,967,631	384,068,443	5.57		
					449,618,696	730,917,105	10.59		
Consumer Discretionary									
Automobiles & Components									
458,362		Linamar Corp.			18,780,069	33,556,682	0.49		
4,623,080		Magna International Inc.			162,548,925	329,348,219	4.77		
					181,328,994	362,904,901	5.26		
Media									
7,944,330		Quebecor Inc., Class B			81,214,965	188,280,621	2.73		
1,385,635		Thomson Reuters Corp.			52,856,965	75,918,942	1.10		
					134,071,930	264,199,563	3.83		
Retailing									
1,610,320		Aritzia Inc.			22,430,254	20,434,961	0.30		
1,316,839		Canadian Tire Corp Ltd., Class A			115,690,580	215,829,912	3.12		
364,440		Leons Furniture Ltd.			4,697,701	6,723,918	0.10		
963,300		Uni-Select Inc.			15,093,071	27,367,353	0.40		
					157,911,606	270,356,144	3.92		
					473,312,530	897,460,608	13.01		
Consumer Staples									
Food & Staples Retailing									
883,970		Loblaw Cos Ltd.			46,229,448	60,304,433	0.87		
5,290,320		Metro Inc., Class A			193,197,955	212,935,380	3.08		
					239,427,403	273,239,813	3.95		
Food Beverage & Tobacco									
426,100		Maple Leaf Foods Inc.			6,608,568	15,262,902	0.22		
1,247,706		Molson Coors Canada Inc., Class B			71,903,679	130,647,295	1.89		
					78,512,247	145,910,197	2.11		
					317,939,650	419,150,010	6.06		
Health Care									
Pharmaceuticals & Biotechnology									
1,331,500		CRH Medical Corp.			7,038,667	4,407,265	0.06		
					7,038,667	4,407,265	0.06		
Financials									
Banks									
5,316,365		Bank of Nova Scotia			304,404,921	431,263,529	6.25		
1,618,120		Canadian Imperial Bank of Commerce			127,283,819	198,284,425	2.87		
357,900		Canadian Western Bank			9,866,350	14,047,575	0.20		
484,146		Equitable Group Inc.			20,299,489	34,616,439	0.50		
6,274,740		Royal Bank of Canada			406,017,013	644,102,061	9.33		
8,642,930		The Toronto-Dominion Bank			353,710,720	636,551,793	9.22		
					1,221,582,312	1,958,865,822	28.37		
Diversified Financials									
594,620		IGM Financial Inc.			25,144,260	26,252,473	0.38		
630,535		Onex Corp.			45,094,500	58,129,022	0.84		
					70,238,760	84,381,495	1.22		
Insurance									
5,735,140		Great-West Lifeco Inc.			152,506,610	201,303,414	2.91		
438,206		Industrial Alliance Insurance & Financial Services Inc.			14,627,461	26,213,483	0.38		
2,912,685		Manulife Financial Corp.			52,889,890	76,370,601	1.11		
3,335,320		Sun Life Financial Inc.			163,636,027	173,036,402	2.50		
					383,659,988	476,923,900	6.90		
Real Estate									
504,256		Colliers International Group Inc			20,161,436	38,257,903	0.55		
5,898,440		Brookfield Asset Management Inc.			220,770,501	322,762,637	4.67		
103,556		FirstService Corp.			1,551,238	9,105,679	0.13		
					242,483,175	370,126,219	5.35		
					1,917,964,235	2,890,297,436	41.84		
Information Technology									
Software & Services									
3,916,050		Open Text Corp.			88,844,101	175,086,596	2.53		
					88,844,101	175,086,596	2.53		
Technology Hardware & Equipment									
191,100		Evertz Technologies Ltd.			3,168,258	3,478,020	0.05		
					3,168,258	3,478,020	0.05		
					92,012,359	178,564,616	2.58		
Telecommunication Services									
5,554,460		Rogers Communications Inc., Class B			239,940,458	355,763,163	5.15		
4,155,080		TELUS Corp.			120,610,259	197,864,910	2.86		
					360,550,717	553,628,073	8.01		
Utilities									
1,247,800		Superior Plus Corp.			13,599,499	14,811,386	0.21		
					13,599,499	14,811,386	0.21		
Total Common Stocks									
Transaction Costs									
Total Investments									
Total Investments and Cash Equivalents									
Other Assets Net of Liabilities									
Net Assets Attributable to Holders of Redeemable Units									
						6,908,801,774 100.00			

Beutel Goodman Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 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'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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
S&P/TSX Composite Index	60,781	53,082
Total	60,781	53,082

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	1.91%	1.09%
Common Stocks		
Energy	8.78%	12.11%
Materials	6.78%	7.02%
Industrial	10.59%	9.68%
Consumer Discretionary	13.01%	12.10%
Consumer Staples	6.06%	4.12%
Health Care	0.06%	0.13%
Financials	41.84%	40.59%
Information Technology	2.58%	2.55%
Telecommunication Services	8.01%	9.15%
Utilities	0.21%	0.25%
Total	99.83%	98.79%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy As at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	6,043,043,572	–	–	6,043,043,572
Total Assets	6,043,043,572	–	–	6,043,043,572

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and 2016.

Beutel Goodman Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	626,998	2,282,108	1,322,264	156,117,500
Redeemable units issued for cash	341,441	446,703	620,445	14,732,339
Reinvested units	8,005	33,281	22,051	3,997,638
Redeemable units redeemed	(135,023)	(386,486)	(443,331)	(18,281,769)
Balance, end of year	841,421	2,375,606	1,521,429	156,565,708

Beutel Goodman Total World Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	193,758	104,387
Financial assets at fair value through profit or loss*	5,440,978	3,142,193
Accrued interest	95	9
Dividends receivable	9,548	5,160
Due from brokers	—	143,893
Subscriptions receivable	14,000	—
Total assets	5,658,379	3,395,642
Liabilities		
Current liabilities		
Management and administrative fees payable	6,738	3,660
Due to brokers	61,050	—
Redemptions payable	—	144,758
Distributions payable	27,915	6,977
Total liabilities (before net assets attributable to holders of redeemable units)	95,703	155,395
Net assets attributable to holders of redeemable units	5,562,676	3,240,247
*Investments at average cost	4,800,032	2,764,021
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	13.42	12.64
Class D	15.86	14.80
Class F	13.37	12.49
Class I	17.00	15.85
Number of outstanding redeemable units (Note 6)		
Class B	111,907	32,357
Class D	121,703	106,920
Class F	135,421	84,638
Class I	18,807	12,097

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	110,711	94,404
Interest for distribution purposes	792	361
Realized gain (loss) on sale of investments	229,333	87,438
Change in unrealized appreciation (depreciation) in the value of investments	262,774	254,478
Net gains (losses) on investments	603,610	436,681
Other income		
Realized gain (loss) on foreign currency transactions	(3,497)	(3,117)
Total income	600,113	433,564
Expenses		
Management fees	53,748	37,812
Administrative fees	4,499	2,899
Transaction costs (Note 9)	4,454	2,706
Withholding taxes	6,705	7,285
Total Expenses	69,406	50,702
Increase (decrease) in net assets attributable to holders of redeemable units	530,707	382,862
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	97,295	61,723
Class D	218,694	202,334
Class F	180,281	95,268
Class I	34,437	23,537
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.62	1.38
Class D	1.95	1.82
Class F	1.78	1.94
Class I	2.24	2.13

* 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 Total World Equity Fund

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

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	409,052	558,014
Class D	1,582,186	1,451,074
Class F	1,057,307	252,316
Class I	191,702	159,264
	3,240,247	2,420,668
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	97,295	61,723
Class D	218,694	202,334
Class F	180,281	95,268
Class I	34,437	23,537
	530,707	382,862
Distribution to holders of redeemable units		
From net investment income		
Class B	(12,054)	–
Class D	(8,944)	(19,624)
Class F	(18,895)	(22,663)
Class I	(5,464)	(5,111)
From net realized gains on investments		
Class B	(72,544)	(8,227)
Class D	(92,936)	(31,744)
Class F	(87,701)	(21,326)
Class I	(15,353)	(3,846)
	(313,891)	(112,541)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	1,248,736	131,745
Class D	456,491	373,520
Class F	998,818	864,843
Class I	93,500	21,144
Reinvestments of distributions to holders of redeemable units		
Class B	76,578	7,189
Class D	97,703	51,253
Class F	90,879	38,218
Class I	20,817	8,957
Redemption of redeemable units		
Class B	(244,824)	(341,392)
Class D	(322,537)	(444,627)
Class F	(410,548)	(149,349)
Class I	–	(12,243)
	2,105,613	549,258
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,093,187	(148,962)
Class D	348,471	131,112
Class F	752,834	804,991
Class I	127,937	32,438
	2,322,429	819,579
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	530,707	382,862
Adjustments for:		
Net realized (gain) loss on sale of investments	(229,333)	(87,438)
Change in unrealized (appreciation) depreciation in the value of investments	(262,774)	(254,478)
Purchases of investments	(3,278,420)	(1,417,370)
Proceeds from sale of investments	1,676,685	983,017
(Increase) decrease in accrued interest	(86)	(8)
(Increase) decrease in dividends receivable	(4,388)	(860)
Increase (decrease) in accrued liabilities	3,078	575
Net cash flows from (used in) operating activities	(1,564,531)	(393,700)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(6,976)	(5,474)
Proceeds from redeemable units issued	2,783,545	1,392,007
Redemption of redeemable units	(1,122,667)	(947,611)
Net cash flows from (used in) financing activities	1,653,902	438,922
Net increase (decrease) in cash and cash equivalents	89,371	45,222
Cash and cash equivalents at beginning of year	104,387	59,165
Cash and cash equivalents at end of year*	193,758	104,387
Supplementary information		
Cash flow from operating activities		
Interest received	706	353
Dividends received, net of withholding taxes	99,618	86,259
*Cash and cash equivalents include:		
Cash at banks	19,159	54,448
Short-term investments	174,599	49,939
Total	193,758	104,387

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, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 1.54%)									
Treasury Bills									
50,000	Government of Canada	0.872	22-Feb-18	49,892	49,892	0.90			
50,000	Government of Canada	0.884	08-Mar-18	49,890	49,890	0.90			
75,000	Government of Canada	1.027	22-Mar-18	74,817	74,817	1.34			
				174,599	174,599	3.14			
Common Stocks (2016 - 96.98%)									
Australia									
2,110	Caltex Australia Ltd.			66,755	70,408	1.27			
				66,755	70,408	1.27			
Canada									
630	Agrium Inc.			78,302	91,085	1.64			
2,234	Bank of Nova Scotia			156,429	181,222	3.26			
2,475	Brookfield Asset Management Inc.			111,996	135,432	2.43			
3,640	Cameco Corp.			57,563	42,260	0.76			
676	Canadian Imperial Bank of Commerce			67,559	82,837	1.49			
904	Canadian National Railway Co.			72,329	93,700	1.68			
3,070	Canadian Natural Resources Ltd.			116,486	137,904	2.48			
243	Canadian Pacific Railway Ltd.			44,495	55,807	1.00			
557	Canadian Tire Corp Ltd., Class A			70,154	91,292	1.64			
3,704	Cenovus Energy Inc.			69,183	42,522	0.76			
1,951	Finning International Inc.			48,851	61,886	1.11			
330	Franco-Nevada Corp.			27,936	33,152	0.60			
2,403	Great-West Lifeco Inc.			79,400	84,345	1.52			
252	IGM Financial Inc.			10,610	11,126	0.20			
366	Loblaw Cos Ltd.			23,195	24,969	0.45			
1,942	Magna International Inc.			106,933	138,348	2.49			
1,225	Manulife Financial Corp.			26,959	32,120	0.58			
2,170	Metro Inc., Class A			86,708	87,343	1.57			
523	Molson Coors Canada Inc., Class B			50,593	54,763	0.98			
265	Onex Corp.			23,151	24,430	0.44			
1,644	Open Text Corp.			55,502	73,496	1.32			
1,305	Potash Corp of Saskatchewan Inc.			36,444	33,643	0.60			
2,908	Quebecor Inc., Class B			51,186	68,920	1.24			
2,328	Rogers Communications Inc., Class B			123,479	149,108	2.68			
2,627	Royal Bank of Canada			219,114	269,662	4.85			
1,030	SNC-Lavalin Group Inc.			51,498	58,762	1.06			
1,400	Sun Life Financial Inc.			68,015	72,632	1.31			
1,747	TELUS Corp.			70,988	83,192	1.50			
3,620	The Toronto-Dominion Bank			207,145	266,613	4.79			
576	Thomson Reuters Corp.			28,703	31,559	0.57			
				2,240,906	2,614,130	47.00			
Denmark									
510	Carlsberg A/S			62,763	76,778	1.38			
				62,763	76,778	1.38			
France									
298	Air Liquide SA			39,505	47,099	0.85			
1,950	Cie Générale des Établissements Michelin			56,186	69,926	1.26			
				95,691	117,025	2.11			
Germany									
710	BASF SE			79,705	97,998	1.76			
2,240	GEA Group AG			123,156	134,839	2.42			
710	Merck KGaA			96,504	95,872	1.72			
1,200	Software AG			62,558	84,603	1.52			
				361,923	413,312	7.42			
						Italy			
1,040	Luxottica Group SpA			73,243	80,035	1.44			
				73,243	80,035	1.44			
						Ireland			
710	Ingersoll-Rand PLC			61,692	79,343	1.43			
				61,692	79,343	1.43			
						Japan			
820	Kao Corp.			59,080	69,428	1.25			
				59,080	69,428	1.25			
						Netherlands			
1,670	Akzo Nobel NV			56,006	60,973	1.10			
25,650	Koninklijke KPN NV			110,075	112,223	2.02			
930	LyondellBasell Industries NV			108,947	128,549	2.31			
				275,028	301,745	5.43			
						Norway			
2,320	TGS Nopec Geophysical Co ASA			66,669	69,016	1.24			
				66,669	69,016	1.24			
						Singapore			
1,550	DBS Group Holdings Ltd.			26,041	36,112	0.65			
				26,041	36,112	0.65			
						Switzerland			
750	Julius Baer Group Ltd.			43,628	57,472	1.03			
300	Roche Holding AG			96,040	95,080	1.71			
				139,668	152,552	2.74			
						United Kingdom			
3,050	IMI PLC			58,444	68,909	1.24			
1,510	Smith & Nephew PLC			68,263	66,237	1.19			
3,400	Smiths Group PLC			88,649	85,864	1.54			
2,620	Vodafone Group PLC			100,708	104,719	1.88			
				316,064	325,729	5.85			
						United States			
380	American Express Co.			35,171	47,283	0.85			
820	AmerisourceBergen Corp.			81,285	94,337	1.70			
140	AutoZone Inc.			101,589	124,783	2.24			
1,170	Campbell Soup Co.			71,627	70,527	1.27			
790	Eli Lilly & Co.			78,239	83,601	1.50			
1,720	Halliburton Co.			92,895	105,318	1.89			
1,090	Harley-Davidson Inc.			71,250	69,487	1.25			
1,360	Kellogg Co.			123,156	115,838	2.08			
1,220	Omnicom Group Inc.			128,843	111,327	2.00			
350	Parker-Hannifin Corp.			56,193	87,522	1.57			
1,890	Verizon Communications Inc.			118,797	125,342	2.25			
				959,045	1,035,365	18.60			
Total Common Stocks						4,804,568	5,440,978	97.81	
Transaction Costs						(4,536)			
Total Investments						4,800,032	5,440,978	97.81	
Total Investments and Cash Equivalents						4,974,631	5,615,577	100.95	
Other Assets Net of Liabilities						(52,901)	(0.95)		
Net Assets Attributable to Holders of Redeemable Units						5,562,676	100.00		

Beutel Goodman Total World Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 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 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
Total World Equity Benchmark*	49	28
Total	49	28

* 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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	31	399	(10)	420	13.0
British Pound	–	44	–	44	1.4
Norwegian Krone	–	40	–	40	1.3
Japanese Yen	–	43	15	58	1.9
United States Dollar	–	1,065	(13)	1,052	32.5
Singapore Dollar	–	61	4	65	2.0
Swiss Franc	–	128	10	138	4.3
Total	31	1,780	6	1,817	56.4

Beutel Goodman Total World Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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, 2017 and December 31, 2016, 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 \$28,500 (December 31, 2016 \$18,100).

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, 2017 and December 31, 2016:

Country segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	3.14%	1.54%
Common Stocks		
Australia	1.27%	–
Canada	47.00%	42.57%
Denmark	1.38%	–
France	2.11%	2.68%
Germany	7.42%	8.90%
Italy	1.44%	–
Ireland	1.43%	1.96%
Japan	1.25%	4.66%
Netherlands	5.43%	3.84%
Norway	1.24%	1.24%
Singapore	0.65%	1.90%
Switzerland	2.74%	3.96%
United Kingdom	5.85%	5.68%
United States	18.60%	19.59%
Total	100.95%	98.52%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	3,080,288	61,905	–	3,142,193
Total Assets	3,080,288	61,905	–	3,142,193

The following table shows the transfers between level 1 and 2 during the year ended December 31, 2017. There were no transfers between level 1 and 2 during the year ended December 31, 2016.

December 31, 2017	Transfer from Level 1 to 2	Transfer from Level 2 to 1
	(\$)	(\$)
Assets		
Equity securities	–	60,973
Total Assets	–	60,973

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	48,631	107,331	21,988	10,999
Redeemable units issued for cash	11,086	27,511	72,199	1,366
Reinvested units	569	3,464	3,059	565
Redeemable units redeemed	(27,929)	(31,386)	(12,608)	(833)
Balance, end of year	32,357	106,920	84,638	12,097

Beutel Goodman North American Focused Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,911,831	1,189,249
Financial assets at fair value through profit or loss*	38,651,964	16,965,387
Accrued interest	1,264	176
Dividends receivable	30,357	11,288
Due from brokers	—	—
Subscriptions receivable	132,492	362,803
Total assets	40,727,908	18,528,903
Liabilities		
Current liabilities		
Management and administrative fees payable	74,394	29,411
Due to brokers	22,155	521,796
Redemptions payable	59,062	7,700
Distributions payable	28	—
Total liabilities (before net assets attributable to holders of redeemable units)	155,639	558,907
Net assets attributable to holders of redeemable units	40,572,269	17,969,996
*Investments at average cost	33,384,812	13,710,186
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	17.41	15.95
Class D	10.59	9.67
Class F	18.15	16.60
Class I	11.54	10.51
Number of outstanding redeemable units (Note 6)		
Class B	520,810	161,483
Class D	1,478,410	975,841
Class F	621,676	137,098
Class I	395,715	350,608

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	745,580	393,799
Interest for distribution purposes	18,960	2,920
Realized gain (loss) on sale of investments	1,364,336	778,346
Change in unrealized appreciation (depreciation) in the value of investments	2,011,951	1,759,037
Net gains (losses) on investments	4,140,827	2,934,102
Other income		
Realized gain (loss) on foreign currency transactions	(2,026)	(249)
Total income	4,138,801	2,933,853
Expenses		
Management fees	366,078	109,613
Administrative fees	35,169	14,143
Transaction costs (Note 9)	10,524	6,407
Withholding taxes	43,045	28,770
Total Expenses	454,816	158,933
Increase (decrease) in net assets attributable to holders of redeemable units	3,683,985	2,774,920
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	697,931	328,149
Class D	1,573,169	1,469,893
Class F	856,995	269,403
Class I	555,890	707,475
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.78	3.11
Class D	1.20	1.89
Class F	2.09	3.23
Class I	1.50	2.12

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	2,576,168	1,125,299
Class D	9,435,335	5,854,262
Class F	2,275,285	1,039,205
Class I	3,683,208	2,862,494
	17,969,996	10,881,260
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	697,931	328,149
Class D	1,573,169	1,469,893
Class F	856,995	269,403
Class I	555,890	707,475
	3,683,985	2,774,920
Distribution to holders of redeemable units		
From net investment income		
Class B	(13,816)	(17,215)
Class D	(106,208)	(125,436)
Class F	(109,491)	(26,649)
Class I	(69,448)	(76,145)
From net realized gains on investments		
Class B	(201,531)	(51,942)
Class D	(347,944)	(201,038)
Class F	(251,949)	(42,690)
Class I	(102,234)	(84,451)
	(1,202,621)	(625,566)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	6,776,250	1,366,904
Class D	7,582,079	2,639,075
Class F	9,660,299	1,009,766
Class I	436,314	231,516
Reinvestments of distributions to holders of redeemable units		
Class B	199,655	67,972
Class D	445,160	322,711
Class F	296,710	66,984
Class I	171,682	160,596
Redemption of redeemable units		
Class B	(967,035)	(242,999)
Class D	(2,927,395)	(524,132)
Class F	(1,444,156)	(40,734)
Class I	(108,654)	(118,277)
	20,120,909	4,939,382
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	6,491,454	1,450,869
Class D	6,218,861	3,581,073
Class F	9,008,408	1,236,080
Class I	883,550	820,714
	22,602,273	7,088,736
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	3,683,985	2,774,920
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,364,336)	(778,346)
Change in unrealized (appreciation) depreciation in the value of investments	(2,011,951)	(1,759,037)
Purchases of investments	(24,038,968)	(6,125,197)
Proceeds from sale of investments	5,229,065	2,621,434
(Increase) decrease in accrued interest	(1,088)	(6)
(Increase) decrease in dividends receivable	(19,069)	(2,924)
Increase (decrease) in accrued liabilities	44,983	5,446
Net cash flows from (used in) operating activities	(18,477,379)	(3,263,710)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(89,414)	(7,342)
Proceeds from redeemable units issued	24,685,253	4,885,858
Redemption of redeemable units	(5,395,878)	(939,608)
Net cash flows from (used in) financing activities	19,199,961	3,938,908
Net increase (decrease) in cash and cash equivalents	722,582	675,198
Cash and cash equivalents at beginning of year	1,189,249	514,051
Cash and cash equivalents at end of year*	1,911,831	1,189,249
Supplementary information		
Cash flow from operating activities		
Interest received	17,872	2,914
Dividends received, net of withholding taxes	683,466	362,105
*Cash and cash equivalents include:		
Cash at banks	41,296	40,623
Short-term investments	1,870,535	1,148,626
Total	1,911,831	1,189,249

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

Beutel Goodman North American Focused Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 20 issuers at one time. Companies are purchased that can grow their intrinsic value at above normal rates over a long period 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
North American Focused Equity Benchmark*	351	153
Total	351	153

* 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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	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	–	7,232	–	7,232	40.2
Total	–	7,232	–	7,232	40.2

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, 2017 and December 31, 2016, 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 \$180,000 (December 31, 2016 \$72,000).

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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	4.62%	6.39%
Common Stocks		
Energy	4.29%	7.81%
Industrial	19.80%	20.11%
Consumer Discretionary	13.24%	5.25%
Consumer Staples	14.69%	8.10%
Health Care	9.50%	8.34%
Financials	20.77%	23.94%
Information Technology	4.64%	11.22%
Telecommunication Services	8.33%	9.64%
Total	99.88%	100.80%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	16,965,387	–	–	16,965,387
Total Assets	16,965,387	–	–	16,965,387

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	82,902	714,278	73,872	322,615
Redeemable units issued for cash	91,356	285,133	61,822	25,343
Reinvested units	4,231	33,449	4,010	15,193
Redeemable units redeemed	(17,006)	(57,019)	(2,606)	(12,543)
Balance, end of year	161,483	975,841	137,098	350,608

Beutel Goodman Fundamental Canadian Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,582,924	4,412,436
Financial assets at fair value through profit or loss*	643,547,161	480,458,328
Accrued interest	886	693
Dividends receivable	1,701,338	1,489,903
Due from brokers	—	6,045,663
Subscriptions receivable	1,198,415	284,237
Total assets	652,030,724	492,691,260
Liabilities		
Current liabilities		
Management and administrative fees payable	37,609	27,876
Due to brokers	278,750	265,676
Redemptions payable	9,357	3,896,041
Distributions payable	3,296	1,998
Total liabilities (before net assets attributable to holders of redeemable units)	329,012	4,191,591
Net assets attributable to holders of redeemable units	651,701,712	488,499,669
*Investments at average cost	561,746,735	439,153,420
Net assets attributable to holders of redeemable units per class		
Class B	259,619	79,614
Class F	357,653	169,841
Class I	651,084,440	488,250,214
Net assets attributable to holders of redeemable units per unit		
Class B	11.65	10.98
Class F	11.83	11.07
Class I	11.94	11.19
Number of outstanding redeemable units (Note 6)		
Class B	22,285	7,253
Class F	30,239	15,338
Class I	54,511,688	43,644,638

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	15,332,292	8,426,149
Interest for distribution purposes	73,629	39,009
Realized gain (loss) on sale of investments	2,123,293	2,096,304
Change in unrealized appreciation (depreciation) in the value of investments	40,495,518	46,848,646
Net gains (losses) on investments	58,024,732	57,410,108
Other income		
Realized gain (loss) on foreign currency transactions	(496)	2,829
Total income	58,024,236	57,412,937
Expenses		
Management fees	7,700	718
Administrative fees	381,625	186,973
Transaction costs (Note 9)	200,385	159,358
Total Expenses	589,710	347,049
Increase (decrease) in net assets attributable to holders of redeemable units	57,434,526	57,065,888
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	18,085	4,504
Class F	19,109	3,699
Class I	57,397,332	57,057,685
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.05	1.78
Class F	0.58	2.36
Class I	1.19	2.13

* 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 Fundamental Canadian Equity Fund

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

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	79,614	4,747
Class F	169,841	4,822
Class I	488,250,214	119,286,507
	488,499,669	119,296,076
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	18,085	4,504
Class F	19,109	3,699
Class I	57,397,332	57,057,685
	57,434,526	57,065,888
Distribution to holders of redeemable units		
From net investment income		
Class B	(2,267)	(787)
Class F	(4,351)	(2,544)
Class I	(14,819,808)	(7,323,783)
From net realized gains on investments		
Class B	(2,854)	(35)
Class F	(3,938)	(76)
Class I	(7,145,745)	(217,686)
	(21,978,963)	(7,544,911)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	199,685	134,218
Class F	776,296	220,700
Class I	164,343,861	345,635,206
Reinvestments of distributions to holders of redeemable units		
Class B	5,121	822
Class F	7,736	2,620
Class I	21,964,817	7,540,613
Redemption of redeemable units		
Class B	(37,765)	(63,855)
Class F	(607,040)	(59,380)
Class I	(58,906,231)	(33,728,328)
	127,746,480	319,682,616
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	180,005	74,867
Class F	187,812	165,019
Class I	162,834,226	368,963,707
	163,202,043	369,203,593
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	57,434,526	57,065,888
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,123,293)	(2,096,304)
Change in unrealized (appreciation) depreciation in the value of investments	(40,495,518)	(46,848,646)
Purchases of investments	(180,372,162)	(171,591,149)
Proceeds from sale of investments	65,960,877	20,640,227
(Increase) decrease in accrued interest	(193)	(374)
(Increase) decrease in dividends receivable	(211,435)	(1,153,429)
Increase (decrease) in accrued liabilities	9,733	21,356
Net cash flows from (used in) operating activities	(99,797,465)	(143,962,431)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	9	(3)
Proceeds from redeemable units issued	164,405,664	175,727,196
Redemption of redeemable units	(63,437,720)	(30,177,912)
Net cash flows from (used in) financing activities	100,967,953	145,549,281
Net increase (decrease) in cash and cash equivalents	1,170,488	1,586,850
Cash and cash equivalents at beginning of year	4,412,436	2,825,586
Cash and cash equivalents at end of year*	5,582,924	4,412,436
Supplementary information		
Cash flow from operating activities		
Interest received	73,436	38,635
Dividends received, net of withholding taxes	15,120,857	7,272,720
*Cash and cash equivalents include:		
Cash at banks	21,271	17,761
Short-term investments	5,561,653	4,394,675
Total	5,582,924	4,412,436

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, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 0.90%)									
Treasury Bills									
5,575,000	Government of Canada	1.024	22-Mar-18	5,561,653	5,561,653	0.85			
				5,561,653	5,561,653	0.85			
Common Stocks (2016 - 98.35%)									
Energy									
911,080	Cameco Corp.			13,520,342	10,577,639	1.62			
778,060	Canadian Natural Resources Ltd.			29,957,669	34,950,455	5.36			
995,090	Cenovus Energy Inc.			18,408,807	11,423,633	1.75			
				61,886,818	56,951,727	8.73			
Materials									
157,180	Agrium Inc.			19,193,034	22,725,084	3.49			
74,270	Franco-Nevada Corp.			5,879,137	7,461,164	1.14			
327,560	Potash Corp of Saskatchewan Inc.			8,245,749	8,444,497	1.30			
				33,317,920	38,630,745	5.93			
Industrial									
Capital Goods									
507,310	Finning International Inc.			12,148,333	16,091,873	2.47			
257,540	SNC-Lavalin Group Inc.			13,393,956	14,692,657	2.25			
				25,542,289	30,784,530	4.72			
Transportation									
226,410	Canadian National Railway Co.			18,894,362	23,467,397	3.60			
59,570	Canadian Pacific Railway Ltd.			11,491,837	13,680,846	2.10			
				30,386,199	37,148,243	5.70			
				55,928,488	67,932,773	10.42			
Consumer Discretionary									
Automobiles & Components									
143,882	Canadian Tire Corp Ltd., Class A			19,549,599	23,582,260	3.62			
				19,549,599	23,582,260	3.62			
Media									
763,560	Quebecor Inc., Class B			14,316,193	18,096,372	2.78			
				14,316,193	18,096,372	2.78			
Retailing									
509,690	Magna International Inc.			28,381,685	36,310,316	5.57			
				28,381,685	36,310,316	5.57			
				62,247,477	77,988,948	11.97			
Consumer Staples									
Food & Staples Retailing									
93,930	Loblaw Cos Ltd.			6,318,353	6,407,905	0.98			
551,540	Metro Inc., Class A			22,703,982	22,199,485	3.41			
				29,022,335	28,607,390	4.39			
Food Beverage & Tobacco									
133,570	Molson Coors Canada Inc., Class B			15,808,385	13,986,115	2.15			
				15,808,385	13,986,115	2.15			
				44,830,720	42,593,505	6.54			
Financials									
Banks									
515,310	Bank of Nova Scotia			35,673,809	41,801,947	6.41			
155,370	Canadian Imperial Bank of Commerce			15,971,125	19,039,040	2.92			
633,390	Royal Bank of Canada.			52,524,184	65,017,483	9.99			
851,460	The Toronto-Dominion Bank			50,060,231	62,710,029	9.62			
				154,229,349	188,568,499	28.94			
Diversified Financials									
591,170	Brookfield Asset Management Inc.			26,288,100	32,348,822	4.96			
55,450	IGM Financial Inc.			2,181,262	2,448,118	0.38			
64,280	Onex Corp.			5,763,904	5,925,973	0.91			
132,750	Thomson Reuters Corp.			6,988,108	7,273,373	1.12			
				41,221,374	47,996,286	7.37			
Insurance									
567,150	Great-West Lifeco Inc.			19,461,612	19,906,965	3.05			
301,440	Manulife Financial Corp.			6,265,086	7,903,757	1.21			
344,860	Sun Life Financial Inc.			16,904,284	17,891,337	2.75			
				42,630,982	45,702,059	7.01			
				238,081,705	282,266,844	43.32			
Information Technology									
Software & Services									
409,968	Open Text Corp.			15,809,299	18,329,669	2.81			
				15,809,299	18,329,669	2.81			
Telecommunication Services									
594,300	Rogers Communications Inc., Class B			31,498,475	38,064,915	5.84			
436,540	TELUS Corp.			18,436,579	20,788,035	3.19			
				49,935,054	58,852,950	9.03			
				562,037,481	643,547,161	98.75			
Total Common Stocks									
Transaction Costs									
				(290,746)					
Total Investments									
				561,746,735	643,547,161	98.75			
Total Investments and Cash Equivalents									
				567,308,388	649,108,814	99.60			
Other Assets Net of Liabilities									
					2,592,898	0.40			
Net Assets Attributable to Holders of Redeemable Units									
					651,701,712	100.00			

Beutel Goodman Fundamental Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 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'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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016 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 as at December 31, 2017 and 31 data points as at December 31, 2016 based on the monthly net return 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, 2017	Dec. 31, 2016
S&P/TSX Composite Index	5,649	4,151
Total	5,649	4,151

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	0.85%	0.90%
Common Stocks		
Energy	8.73%	12.12%
Materials	5.93%	5.83%
Industrial	10.42%	9.90%
Consumer Discretionary	11.97%	12.32%
Consumer Staples	6.54%	4.47%
Financials	43.32%	40.57%
Information Technology	2.81%	2.83%
Telecommunication Services	9.03%	10.31%
Total	99.60%	99.25%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	480,458,328	–	–	480,458,328
Total Assets	480,458,328	–	–	480,458,328

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Beutel Goodman Fundamental Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class F	Class I
Balance, beginning of the year	502	508	12,572,653
Redeemable units issued for cash	12,766	19,850	33,565,022
Reinvested units	75	237	674,070
Redeemable units redeemed	(6,090)	(5,257)	(3,167,107)
Balance, end of year	7,253	15,338	43,644,638

Beutel Goodman Small Cap Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	9,287,710	25,715,513
Financial assets at fair value through profit or loss*	678,350,447	622,920,381
Accrued interest	3,880	7,804
Dividends receivable	1,055,540	943,979
Due from brokers	—	—
Subscriptions receivable	207,087	165,064
Total assets	688,904,664	649,752,741
Liabilities		
Current liabilities		
Management and administrative fees payable	156,873	159,664
Due to brokers	—	374,127
Redemptions payable	328,888	958,973
Total liabilities (before net assets attributable to holders of redeemable units)	485,761	1,492,764
Net assets attributable to holders of redeemable units	688,418,903	648,259,977
*Investments at average cost	444,874,582	414,275,681
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	14.57	13.62
Class D	30.19	28.03
Class F	30.75	28.61
Class I	32.43	30.12
Number of outstanding redeemable units (Note 6)		
Class B	460,971	392,972
Class D	2,530,861	2,570,186
Class F	685,981	440,223
Class I	18,017,351	18,535,735

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	9,018,677	8,386,739
Interest for distribution purposes	541,240	103,541
Realized gain (loss) on sale of investments	27,001,908	30,502,299
Change in unrealized appreciation (depreciation) in the value of investments	24,831,165	82,011,719
Net gains (losses) on investments	61,392,990	121,004,298
Other income		
Realized gain (loss) on foreign currency transactions	172,873	(1,887)
Total income	61,565,863	121,002,411
Expenses		
Management fees	1,357,338	1,122,621
Administrative fees	655,299	650,222
Transaction costs (Note 9)	511,916	738,293
Total Expenses	2,524,553	2,511,136
Increase (decrease) in net assets attributable to holders of redeemable units	59,041,310	118,491,275
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	385,351	818,910
Class D	5,661,611	12,654,362
Class F	1,292,962	1,999,658
Class I	51,701,386	103,018,345
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.92	2.12
Class D	2.19	4.76
Class F	2.14	4.82
Class I	2.82	5.45

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	5,353,909	4,427,983
Class D	72,046,181	64,116,558
Class F	12,594,880	8,322,340
Class I	558,265,007	493,635,754
	648,259,977	570,502,635
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	385,351	818,910
Class D	5,661,611	12,654,362
Class F	1,292,962	1,999,658
Class I	51,701,386	103,018,345
	59,041,310	118,491,275
Distribution to holders of redeemable units		
From net investment income		
Class B	—	—
Class D	(102,744)	(19,180)
Class F	(124,883)	(20,142)
Class I	(8,559,022)	(5,723,260)
From net realized gains on investment		
Class B	(2,831)	—
Class D	(32,369)	—
Class F	(8,925)	—
Class I	(244,474)	—
	(9,075,248)	(5,762,582)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	2,657,808	1,768,533
Class D	10,310,020	5,409,586
Class F	11,926,406	6,060,707
Class I	48,039,109	37,823,252
Reinvestments of distributions to holders of redeemable units		
Class B	2,788	—
Class D	132,187	19,180
Class F	124,797	18,689
Class I	8,803,488	5,723,260
Redemption of redeemable units		
Class B	(1,680,400)	(1,661,517)
Class D	(11,619,477)	(10,134,325)
Class F	(4,713,344)	(3,786,372)
Class I	(73,790,518)	(76,212,344)
	(9,807,136)	(34,971,351)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,362,716	925,926
Class D	4,349,228	7,929,623
Class F	8,497,013	4,272,540
Class I	25,949,969	64,629,253
	40,158,926	77,757,342
Net assets attributable to holders of redeemable units at end 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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	59,041,310	118,491,275
Adjustments for:		
Net realized (gain) loss on sale of investments	(27,001,908)	(30,502,299)
Change in unrealized (appreciation) depreciation in the value of investments	(24,831,165)	(82,011,719)
Purchases of investments	(111,286,631)	(128,920,102)
Proceeds from sale of investments	107,315,511	168,492,132
(Increase) decrease in accrued interest	3,924	85
(Increase) decrease in dividends receivable	(111,561)	130,482
Increase (decrease) in accrued liabilities	(2,791)	19,594
Net cash flows from (used in) operating activities	3,126,689	45,699,448
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(11,988)	(1,540)
Proceeds from redeemable units issued	72,891,320	50,986,107
Redemption of redeemable units	(92,433,824)	(91,490,404)
Net cash flows from (used in) financing activities	(19,554,492)	(40,505,837)
Net increase (decrease) in cash and cash equivalents	(16,427,803)	5,193,611
Cash and cash equivalents at beginning of year	25,715,513	20,521,902
Cash and cash equivalents at end of year*	9,287,710	25,715,513
Supplementary information		
Cash flow from operating activities		
Interest received	545,164	103,626
Dividends received, net of withholding taxes	8,907,116	8,517,221
*Cash and cash equivalents include:		
Cash at banks	11,647	21,769
Short-term investments	9,276,063	25,693,744
Total	9,287,710	25,715,513

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

Beutel Goodman Small Cap Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 3.97%)									
Treasury Bills									
9,300,000	Government of Canada	1.027	22-Mar-18	9,276,063	9,276,063	1.35			
				9,276,063	9,276,063	1.35			
Common Stocks (2016 - 96.08%)									
Energy									
2,800,200	Birchcliff Energy Ltd.			16,728,779	12,320,880	1.79			
9,401,300	Denison Mines Corp.			11,424,530	6,486,897	0.94			
538,400	Enerflex Ltd.			5,809,762	8,259,056	1.20			
2,784,700	NuVista Energy Ltd.			17,502,360	22,333,294	3.24			
1,639,200	Paramount Resources Ltd., Class A			21,733,185	31,833,264	4.62			
596,600	Total Energy Services Inc.			8,966,180	8,865,476	1.29			
				82,164,796	90,098,867	13.08			
Materials									
3,727,300	Alamos Gold Inc.			30,466,723	30,526,587	4.43			
482,785	CCL Industries Inc.			3,645,376	28,040,153	4.07			
393,600	Intertape Polymer Group Inc.			4,820,950	8,458,464	1.23			
2,200,300	Lundin Mining Corp.			11,932,585	18,394,508	2.67			
2,711,900	Major Drilling Group International Inc.			19,867,189	19,146,014	2.78			
372,471	Winpak Ltd.			5,151,898	17,431,643	2.53			
				75,884,721	121,997,369	17.71			
Industrial									
Capital Goods									
203,620	AG Growth International Inc.			8,188,616	10,861,091	1.58			
761,090	Badger Daylighting Ltd.			19,562,390	20,686,426	3.00			
250,200	Cervus Equipment Corp.			2,833,382	3,763,008	0.55			
479,100	GDI Integrated Facility Services Inc.			6,077,446	7,953,060	1.16			
176,500	K-Bro Linen Inc.			6,861,582	7,292,980	1.06			
34,200	Rocky Mountain Dealerships Inc.			344,066	468,540	0.07			
179,000	Toromont Industries Ltd.			3,617,071	9,862,900	1.43			
618,700	Wajax Corp.			15,204,674	15,263,329	2.22			
				62,689,227	76,151,334	11.07			
Commercial Services & Supplies									
34,640	Héroux-Devtek Inc.			482,210	527,567	0.08			
				482,210	527,567	0.08			
Transportation									
1,398,640	WestJet Airlines Ltd.			23,862,123	36,868,150	5.36			
				23,862,123	36,868,150	5.36			
				87,033,560	113,547,051	16.51			
Consumer Discretionary									
Automobiles & Components									
593,497	Linamar Corp.			20,626,369	43,449,915	6.31			
				20,626,369	43,449,915	6.31			
Media									
1,309,500	Quebecor Inc., Class B			8,976,466	31,035,150	4.51			
				8,976,466	31,035,150	4.51			
Retailing									
2,085,220	Aritzia Inc.			29,261,377	26,461,442	3.84			
471,848	Leons Furniture Ltd.			5,555,256	8,705,596	1.26			
1,247,200	Uni-Select Inc.			18,329,802	35,432,952	5.15			
				53,146,435	70,599,990	10.25			
				82,749,270	145,085,055	21.07			
Consumer Staples									
Food Beverage & Tobacco									
551,800	Maple Leaf Foods Inc.			7,489,217	19,765,476	2.87			
				7,489,217	19,765,476	2.87			
Health Care									
Pharmaceuticals & Biotechnology									
1,784,400	CRH Medical Corp.			9,415,071	5,906,364	0.86			
				9,415,071	5,906,364	0.86			
Financials									
Banks									
463,400	Canadian Western Bank			12,625,183	18,188,450	2.64			
626,900	Equitable Group Inc.			24,320,667	44,823,350	6.51			
				36,945,850	63,011,800	9.15			
Insurance									
567,404	Industrial Alliance Insurance & Financial Services Inc.			17,129,933	33,942,107	4.93			
				17,129,933	33,942,107	4.93			
Real Estate									
652,890	Colliers International Group Inc.			24,141,861	49,534,765	7.20			
133,990	FirstService Corp.			1,577,159	11,781,741	1.71			
				25,719,020	61,316,506	8.91			
				79,794,803	158,270,413	22.99			
Information Technology									
Technology Hardware & Equipment									
247,400	Evertz Technologies Ltd.			4,084,093	4,502,680	0.65			
				4,084,093	4,502,680	0.65			
Utilities									
1,615,600	Superior Plus Corp.			17,361,656	19,177,172	2.79			
				17,361,656	19,177,172	2.79			
Total Common Stocks									
Transaction Costs									
Total Investments									
Total Investments and Cash Equivalents									
Other Assets Net of Liabilities									
Net Assets Attributable to Holders of Redeemable Units									
							688,418,903	100.00	

Beutel Goodman Small Cap Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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. Currently, an issuer qualifies as a smaller capitalization Canadian issuer if its market capitalization does not exceed 2.7 billion. 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
BMO Small Cap Index	5,319	5,439
Total	5,319	5,439

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	1.35%	3.97%
Common Stocks		
Energy	13.08%	14.89%
Materials	17.71%	22.69%
Industrial	16.51%	10.98%
Consumer Discretionary	21.07%	17.12%
Consumer Staples	2.87%	2.46%
Health Care	0.86%	1.85%
Financials	22.99%	22.16%
Information Technology	0.65%	0.66%
Utilities	2.79%	3.27%
Total	99.88%	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, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	622,920,381	–	–	622,920,381
Total Assets	622,920,381	–	–	622,920,381

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Beutel Goodman Small Cap Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	389,218	2,761,096	351,600	19,850,475
Redeemable units issued for cash	139,756	209,903	232,655	1,375,926
Reinvested units	-	737	664	193,225
Redeemable units redeemed	(136,002)	(401,550)	(144,696)	(2,883,891)
Balance, end of year	392,972	2,570,186	440,223	18,535,735

Beutel Goodman Canadian Dividend Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,258,286	2,377,633
Financial assets at fair value through profit or loss*	468,333,259	222,204,209
Unrealized gain on forward agreement	1,214,656	-
Accrued interest	753	328
Dividends receivable	1,362,503	615,145
Due from brokers	-	-
Subscriptions receivable	1,066,853	833,451
Total assets	474,236,310	226,030,766
Liabilities		
Current liabilities		
Management and administrative fees payable	308,751	162,652
Unrealized loss on forward agreement	-	100
Due to brokers	648,833	1,793,257
Redemptions payable	397,368	169,005
Distributions payable	136	-
Total liabilities (before net assets attributable to holders of redeemable units)	1,355,088	2,125,014
Net assets attributable to holders of redeemable units	472,881,222	223,905,752
*Investments at average cost	426,759,667	195,090,632
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	15.93	15.13
Class D	10.38	9.82
Class F	16.30	15.45
Class I	11.13	10.54
Number of outstanding redeemable units (Note 6)		
Class B	4,154,619	1,781,341
Class D	10,859,510	8,594,196
Class F	4,638,807	2,020,504
Class I	19,622,793	7,719,645

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	11,824,616	6,480,022
Interest for distribution purposes	23,369	7,049
Realized gain (loss) on sale of investments	7,838,094	2,622,862
Realized gain (loss) on forwards	4,571,842	-
Change in unrealized appreciation (depreciation) in the value of investments	14,460,015	23,482,406
Change in unrealized appreciation (depreciation) in the value of derivatives	1,214,756	(100)
Net gains (losses) on investments	39,932,692	32,592,239
Other income		
Realized gain (loss) on foreign currency transactions	(28,707)	(37,212)
Total income	39,903,985	32,555,027
Expenses		
Management fees	2,769,038	1,358,246
Administrative fees	343,850	184,116
Transaction costs (Note 9)	332,430	116,429
Withholding taxes	479,763	255,387
Total Expenses	3,925,081	1,914,178
Increase (decrease) in net assets attributable to holders of redeemable units	35,978,904	30,640,849
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	4,175,786	3,182,277
Class D	9,316,946	11,507,671
Class F	5,631,123	3,775,136
Class I	16,855,049	12,175,765
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.40	2.46
Class D	0.93	1.59
Class F	1.59	2.82
Class I	1.10	1.81

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	26,944,005	11,744,064
Class D	84,397,818	53,435,537
Class F	31,219,003	8,078,934
Class I	81,344,926	57,064,669
	223,905,752	130,323,204
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	4,175,786	3,182,277
Class D	9,316,946	11,507,671
Class F	5,631,123	3,775,136
Class I	16,855,049	12,175,765
	35,978,904	30,640,849
Distribution to holders of redeemable units		
From net investment income		
Class B	(376,986)	(321,464)
Class D	(1,132,603)	(1,442,824)
Class F	(952,873)	(548,561)
Class I	(4,718,377)	(2,290,985)
From net realized gains on investments		
Class B	(1,626,464)	–
Class D	(2,811,617)	–
Class F	(1,884,638)	–
Class I	(5,465,199)	–
	(18,968,757)	(4,603,834)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	44,218,945	15,868,848
Class D	37,598,129	30,167,348
Class F	49,606,696	25,582,876
Class I	128,067,828	18,556,694
Reinvestments of distributions to holders of redeemable units		
Class B	1,762,897	280,974
Class D	3,676,686	1,338,517
Class F	1,894,222	415,099
Class I	10,183,560	2,290,975
Redemption of redeemable units		
Class B	(8,929,198)	(3,810,694)
Class D	(18,309,877)	(10,608,431)
Class F	(9,911,904)	(6,084,481)
Class I	(7,892,661)	(6,452,192)
	231,965,323	67,545,533
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	39,224,980	15,199,941
Class D	28,337,664	30,962,281
Class F	44,382,626	23,140,069
Class I	137,030,200	24,280,257
	248,975,470	93,582,548
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	35,978,904	30,640,849
Adjustments for:		
Net realized (gain) loss on sale of investments	(7,838,094)	(2,622,862)
Change in unrealized (appreciation) depreciation in the value of investments	(14,460,015)	(23,482,406)
Change in unrealized (appreciation) depreciation in the value of derivatives	(1,214,756)	100
Purchases of investments	(316,752,602)	(89,806,344)
Proceeds from sale of investments	91,777,237	25,321,902
(Increase) decrease in accrued interest	(425)	(249)
(Increase) decrease in dividends receivable	(747,358)	(252,168)
Increase (decrease) in accrued liabilities	146,099	78,300
Net cash flows from (used in) operating activities	(213,111,010)	(60,122,878)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,451,256)	(278,329)
Proceeds from redeemable units issued	259,258,196	89,400,351
Redemption of redeemable units	(44,815,277)	(27,480,658)
Net cash flows from (used in) financing activities	212,991,663	61,641,364
Net increase (decrease) in cash and cash equivalents	(119,347)	1,518,486
Cash and cash equivalents at beginning of year	2,377,633	859,147
Cash and cash equivalents at end of year*	2,258,286	2,377,633
Supplementary information		
Cash flow from operating activities		
Interest received	22,944	6,800
Dividends received, net of withholding taxes	10,597,495	5,972,467
*Cash and cash equivalents include:		
Cash at banks	88,782	55,409
Short-term investments	2,169,504	2,322,224
Total	2,258,286	2,377,633

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

Beutel Goodman Canadian Dividend Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets				
Cash Equivalents (2016 - 1.04%)						Financials							
Treasury Bills						Banks							
2,175,000	Government of Canada	1.027	22-Mar-18	2,169,504	0.46	404,486	Bank of Nova Scotia	28,842,471	6.94				
				2,169,504	0.46	115,670	Brookfield Asset Management Inc.	5,275,828	1.34				
						130,070	Canadian Imperial Bank of Commerce	13,497,852	3.37				
						432,000	Royal Bank of Canada	36,874,634	9.38				
						603,400	The Toronto-Dominion Bank	35,956,548	9.39				
								120,447,333	30.42				
Common Stocks (2016 - 99.24%)						Insurance							
Energy						658,590 Power Financial Corp.							
460,860	Canadian Natural Resources Ltd.			17,854,206	4.38	440,330	Sun Life Financial Inc.	22,822,322	4.81				
633,220	Cenovus Energy Inc.			11,824,042	1.54			21,505,706	4.83				
				29,678,248	5.92			44,328,028	9.64				
Materials						164,775,361 189,457,370 40.06							
108,000	Agrium Inc.			13,795,565	3.30	Telecommunication Services							
133,990	Air Liquide SA			18,093,953	4.48	376,350	Rogers Communications Inc., Class B	19,984,284	5.10				
216,770	Potash Corp of Saskatchewan Inc.			5,977,500	1.18	374,050	Verizon Communications Inc.	23,486,863	5.25				
				37,867,018	8.96			43,471,147	10.35				
Industrial						Utilities							
358,840	Finning International Inc.			8,721,756	2.41	709,830	Superior Plus Corp.	9,143,936	1.78				
52,930	Parker-Hannifin Corp.			9,705,545	2.80			9,143,936	1.78				
				18,427,301	5.21	Total Common Stocks							
Consumer Discretionary						427,098,601 468,333,259 99.03							
Automobiles & Components						Transaction Costs							
266,250	Magna International Inc.			14,754,080	4.01	(338,934)							
				14,754,080	4.01	Foreign Currency Forward Contracts (Schedule A)							
Media						-							
173,530	Omnicom Group Inc.			18,923,310	3.35	426,759,667 469,547,915 99.29							
76,250	Thomson Reuters Corp.			4,027,966	0.87	Total Investments and Cash Equivalents							
				22,951,276	4.22	428,929,171 471,717,419 99.75							
Retailing						Other Assets Net of Liabilities							
57,950	Canadian Tire Corp Ltd., Class A			7,763,158	2.01	1,163,803 0.25							
				7,763,158	2.01	Net Assets Attributable to Holders of Redeemable Units							
				45,468,514	10.25	472,881,222 100.00							
Consumer Staples						Schedule A							
Food Beverage & Tobacco						Foreign Currency Forward Contract (0.3%)							
202,080	Kellogg Co.			18,183,480	3.64	Contracts	Counterparts	Credit Rating of the Counterparty	Settlement Date	Contract Rate (\$)	Pay	Receive	Unrealized Gain (Loss) (\$)
259,820	Metro Inc., Class A			10,670,218	2.21	1	Canadian Imperial Bank of Commerce	A-1	January 31, 2018	1.25	(6,000,000) (US \$)	7,738,920 (CAD \$)	224,689
72,660	Molson Coors Canada Inc., Class B			7,777,137	1.61	1	Toronto-Dominion Bank	A-1+	February 28, 2018	1.25	(19,650,000) (US \$)	24,983,993 (CAD \$)	382,130
141,860	Unilever NV			8,903,775	2.12	1	Toronto-Dominion Bank	A-1+	January 31, 2018	1.25	(10,500,000) (US \$)	13,545,000 (CAD \$)	395,093
				45,534,610	9.58	1	Toronto-Dominion Bank	A-1+	March 29, 2018	1.25	(21,420,000) (US \$)	27,021,330 (CAD \$)	212,744
Health Care						Total Foreign Currency Forward Contract Value							
Pharmaceuticals & Biotechnology						1,214,656							
82,890	Eli Lilly & Co.			8,210,166	1.85								
58,950	Merck KGaA			8,303,091	1.68								
50,670	Roche Holding AG			16,219,209	3.40								
				32,732,466	6.93								

Beutel Goodman Canadian Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 small, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
S&P/TSX Composite Index	3,964	1,827
Total	3,964	1,827

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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	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	–	18,162	–	–	18,162	8.1
Norwegian Krone	–	8,333	–	–	8,333	3.7
United States Dollar	–	34,588	(134)	58	34,512	5.4
Total	–	61,083	(134)	58	61,007	27.2

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, 2017 and December 31, 2016, 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 \$632,000 (December 31, 2016 \$610,000).

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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	0.46%	1.04%
Common Stocks		
Energy	5.92%	8.51%
Materials	8.96%	8.47%
Industrial	5.21%	4.82%
Consumer Discretionary	10.24%	6.88%
Consumer Staples	9.58%	8.62%
Health Care	6.93%	6.13%
Financials	40.06%	39.78%
Information Technology	–	5.15%
Telecommunication Services	10.35%	10.88%
Utilities	1.78%	–
Total	99.49%	100.28%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	222,204,209	–	–	222,204,209
Foreign Currency Forward Contracts	–	(100)	–	(100)
Total Assets	222,204,209	(100)	–	222,204,109

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Offsetting of Financial Instruments

There are no financial instruments that are offset, or subject to netting agreements or other similar agreements, as at December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	895,888	6,299,617	603,618	6,268,141
Redeemable units issued for cash	1,142,530	3,340,041	1,803,283	1,886,144
Reinvested units	20,121	148,146	28,683	234,889
Redeemable units redeemed	(277,198)	(1,193,608)	(415,080)	(669,529)
Balance, end of year	1,781,341	8,594,196	2,020,504	7,719,645

Beutel Goodman Global Dividend Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	562,681	407,916
Financial assets at fair value through profit or loss*	23,389,196	14,457,716
Accrued interest	270	53
Dividends receivable	27,300	8,703
Due from brokers	—	217,831
Subscriptions receivable	10,000	258
Total assets	23,989,447	15,092,477
Liabilities		
Current liabilities		
Management and administrative fees payable	20,238	7,505
Due to brokers	—	514,462
Redemptions payable	—	11,370
Total liabilities (before net assets attributable to holders of redeemable units)	20,238	533,337
Net assets attributable to holders of redeemable units	23,969,209	14,559,140
*Investments at average cost	20,893,486	13,333,632
Net assets attributable to holders of redeemable units per class		
Class B	10,754,886	5,348,230
Class F	7,299,855	4,237,169
Class I	5,914,468	4,973,741
Net assets attributable to holders of redeemable units per unit		
Class B	13.40	12.15
Class F	13.75	12.44
Class I	14.39	12.97
Number of outstanding redeemable units (Note 6)		
Class B	802,378	440,262
Class F	531,014	340,731
Class I	410,964	383,566

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	694,435	637,558
Interest for distribution purposes	3,899	1,832
Realized gain (loss) on sale of investments	1,376,904	632,278
Change in unrealized appreciation (depreciation) in the value of investments	1,371,626	(271,993)
Net gains (losses) on investments	3,446,864	999,675
Other income		
Realized gain (loss) on foreign currency transactions	(110,553)	(51,257)
Total income	3,336,311	948,418
Expenses		
Management fees	182,419	130,510
Administrative fees	28,223	19,266
Transaction costs (Note 9)	33,609	42,057
Withholding taxes	59,447	46,803
Total Expenses	303,698	238,636
Increase (decrease) in net assets attributable to holders of redeemable units	3,032,613	709,782
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	1,052,468	445,192
Class F	1,022,783	328,073
Class I	957,362	(63,483)
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	2.04	0.89
Class F	2.15	1.00
Class I	2.46	(0.14)

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	5,348,230	5,967,491
Class F	4,237,169	4,357,472
Class I	4,973,741	12,080,159
	14,559,140	22,405,122
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,052,468	445,192
Class F	1,022,783	328,073
Class I	957,362	(63,483)
	3,032,613	709,782
Distribution to holders of redeemable units		
From net investment income		
Class B	(112,577)	(141,638)
Class F	(141,484)	(113,338)
Class I	(162,901)	(190,974)
From net realized gains on investments		
Class B	(445,769)	–
Class F	(305,918)	–
Class I	(248,113)	–
	(1,416,762)	(445,950)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	6,422,304	734,699
Class F	2,578,460	1,173,263
Class I	259,377	4,430,414
Reinvestments of distributions to holders of redeemable units		
Class B	543,709	138,745
Class F	438,227	112,292
Class I	411,014	190,974
Redemption of redeemable units		
Class B	(2,053,479)	(1,796,259)
Class F	(529,382)	(1,620,593)
Class I	(276,012)	(11,473,349)
	7,794,218	(8,109,814)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	5,406,656	(619,261)
Class F	3,062,686	(120,303)
Class I	940,727	(7,106,418)
	9,410,069	(7,845,982)
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	3,032,613	709,782
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,376,904)	(632,278)
Change in unrealized (appreciation) depreciation in the value of investments	(1,371,626)	271,993
Purchases of investments	(14,288,043)	(8,852,208)
Proceeds from sale of investments	7,808,462	16,713,558
(Increase) decrease in accrued interest	(217)	24
(Increase) decrease in dividends receivable	(18,597)	6,690
Increase (decrease) in accrued liabilities	12,733	(9,876)
Net cash flows from (used in) operating activities	(6,201,579)	8,207,685
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(23,812)	(4,146)
Proceeds from redeemable units issued	9,250,399	6,426,963
Redemption of redeemable units	(2,870,243)	(14,882,275)
Net cash flows from (used in) financing activities	6,356,344	(8,459,458)
Net increase (decrease) in cash and cash equivalents	154,765	(251,773)
Cash and cash equivalents at beginning of year	407,916	659,689
Cash and cash equivalents at end of year*	562,681	407,916
Supplementary information		
Cash flow from operating activities		
Interest received	3,682	1,856
Dividends received, net of withholding taxes	616,391	597,445
*Cash and cash equivalents include:		
Cash at banks (overdraft)	63,814	208,148
Short-term investments	498,867	199,768
Total	562,681	407,916

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

Beutel Goodman Global Dividend Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 1.37%)									
Treasury Bills									
225,000	0.861	22-Feb-18	224,518	224,518	0.94	64,930	828,846	1,148,791	4.79
25,000	0.886	8-Mar-18	24,946	24,946	0.10	35,180	743,715	834,758	3.48
250,000	1.027	22-Mar-18	249,403	249,403	1.04	29,670	785,551	882,633	3.68
			498,867	498,867	2.08		2,358,112	2,866,182	11.95
Common Stocks (2016 - 99.31%)									
Australia						Norway			
35,810			1,155,636	1,194,929	4.99	23,600	392,880	549,835	2.29
			1,155,636	1,194,929	4.99		392,880	549,835	2.29
Denmark						Switzerland			
4,960			640,128	746,707	3.12	6,920	373,013	530,275	2.21
			640,128	746,707	3.12	2,480	804,275	785,991	3.28
Finland						United Kingdom			
8,815			303,916	506,359	2.11	44,110	819,911	996,587	4.16
			303,916	506,359	2.11	35,720	920,763	902,081	3.76
France						United States			
3,619			470,693	571,986	2.39	15,900	953,711	958,439	4.00
3,550			467,204	638,526	2.66	8,990	866,653	951,355	3.97
			937,897	1,210,512	5.05	12,880	839,955	821,098	3.43
Germany						Total Common Stocks			
6,580			704,366	908,208	3.79		20,936,459	23,389,196	97.58
15,430			815,500	928,827	3.88		(42,973)		
93,370			575,669	588,040	2.45		20,893,486	23,389,196	97.58
			2,095,535	2,425,075	10.12		21,392,353	23,888,063	99.66
Ireland						Other Assets Net of Liabilities			
4,020			332,560	449,235	1.87			81,146	0.34
			332,560	449,235	1.87			23,969,209	100.00
Netherlands						Net Assets Attributable to Holders of Redeemable Units			
8,321			891,947	914,151	3.81				
223,960			921,270	979,863	4.09				
9,850			1,132,435	1,361,513	5.68				
			2,945,652	3,255,527	13.58				

Beutel Goodman Global Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 Beutel Goodman Global Dividend 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
MSCI World (C\$) Index	215	127
Total	215	127

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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	150	4,532	(150)	4,532	31.1
British Pound	–	2,473	–	2,473	17.0
Japanese Yen	–	293	(291)	2	0.0
Norwegian Krone	–	710	–	710	4.9
United States Dollar	2	4,998	144	5,144	35.3
Singapore Dollar	–	518	–	518	3.6
Swiss Franc	–	679	–	679	4.7
Danish Krone	–	255	–	255	1.8
Total	152	14,458	(297)	14,313	98.4

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, 2017 and December 31, 2016, 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 \$234,000 (December 31, 2016 \$143,000).

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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Country segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	2.08%	1.37%
Common Stocks		
Australia	4.99%	—
Denmark	3.12%	1.75%
Finland	2.11%	3.96%
France	5.05%	5.73%
Germany	10.12%	17.57%
Ireland	1.87%	3.10%
Japan	—	2.01%
Netherlands	13.58%	3.87%
Norway	11.95%	4.87%
Singapore	2.29%	3.56%
Switzerland	5.49%	4.66%
United Kingdom	12.57%	16.99%
United States	24.44%	31.24%
Total	99.66%	100.68%

Fund Unit Transactions

For the years ended December 31

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
<hr/>			
2016	Class B	Class F	Class I
Balance, beginning of the year	520,767	371,137	987,820
Redeemable units issued for cash	65,799	100,949	369,517
Reinvested units	12,472	9,804	16,025
Redeemable units redeemed	(158,776)	(141,159)	(989,796)
Balance, end of year	440,262	340,731	383,566

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	14,457,716	—	—	14,457,716
Total Assets	14,457,716	—	—	14,457,716

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Beutel Goodman World Focus Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	813,486	639,514
Financial assets at fair value through profit or loss*	21,623,148	15,907,515
Accrued interest	582	150
Dividends receivable	20,356	10,043
Subscriptions receivable	67,030	48,025
Total assets	22,524,602	16,605,247
Liabilities		
Current liabilities		
Management and administrative fees payable	20,992	8,651
Redemptions payable	33,443	15,782
Total liabilities (before net assets attributable to holders of redeemable units)	54,435	24,433
Net assets attributable to holders of redeemable units	22,470,167	16,580,814
*Investments at average cost	18,956,748	13,671,546
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	14.53	13.78
Class D	5.61	5.32
Class F	14.99	14.25
Class I	5.99	5.67
Number of outstanding redeemable units (Note 6)		
Class B	100,819	70,420
Class D	876,217	435,159
Class F	168,839	30,041
Class I	2,262,901	2,268,007

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	551,825	533,135
Interest for distribution purposes	5,641	1,952
Realized gain (loss) on sale of investments	2,528,744	716,246
Change in unrealized appreciation (depreciation) in the value of investments	430,431	477,300
Net gains (losses) on investments	3,516,641	1,728,633
Other income		
Realized gain (loss) on foreign currency transactions	(21,151)	(17,294)
Total income	3,495,490	1,711,339
Expenses		
Management fees	88,238	37,129
Administrative fees	24,172	16,353
Transaction costs (Note 9)	31,986	14,397
Withholding taxes	68,591	62,700
Total expenses before waiver	212,987	130,579
Expenses waived by the manager	(1,726)	—
Total expenses	211,261	130,579
Increase (decrease) in net assets attributable to holders of redeemable units	3,284,229	1,580,760
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	170,731	88,455
Class D	556,166	204,916
Class F	194,823	30,514
Class I	2,362,509	1,256,875
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.93	1.12
Class D	0.78	0.50
Class F	1.90	1.47
Class I	1.04	0.59

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	970,209	977,553
Class D	2,313,614	2,119,551
Class F	428,001	258,681
Class I	12,868,990	11,416,880
	16,580,814	14,772,665
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	170,731	88,455
Class D	556,166	204,916
Class F	194,823	30,514
Class I	2,362,509	1,256,875
	3,284,229	1,580,760
Distribution to holders of redeemable units		
From net investment income		
Class B	(2,560)	(5,168)
Class D	(52,268)	(52,076)
Class F	(32,168)	(7,351)
Class I	(291,041)	(352,538)
From net realized gains on investments		
Class B	(135,976)	(21,509)
Class D	(448,667)	(52,304)
Class F	(207,071)	(8,163)
Class I	(1,356,542)	(283,504)
	(2,526,293)	(782,613)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	648,836	267,525
Class D	3,256,487	765,735
Class F	2,091,890	199,656
Class I	2,391,178	1,883,802
Reinvestments of distributions to holders of redeemable units		
Class B	122,230	26,677
Class D	489,088	100,631
Class F	235,555	15,513
Class I	1,647,582	636,042
Redemption of redeemable units		
Class B	(308,569)	(363,324)
Class D	(1,198,373)	(772,839)
Class F	(179,446)	(60,849)
Class I	(4,065,041)	(1,688,567)
	5,131,417	1,010,002
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	494,692	(7,344)
Class D	2,602,433	194,063
Class F	2,103,583	169,320
Class I	688,645	1,452,110
	5,889,353	1,808,149
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	3,284,229	1,580,760
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,528,744)	(716,246)
Change in unrealized (appreciation) depreciation in the value of investments	(430,431)	(477,300)
Purchases of investments	(12,649,758)	(4,500,773)
Proceeds from sale of investments	9,893,300	4,017,849
(Increase) decrease in accrued interest	(432)	(42)
(Increase) decrease in dividends receivable	(10,313)	8
Increase (decrease) in accrued liabilities	12,341	(1,848)
Net cash flows from (used in) operating activities	(2,429,808)	(97,592)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(31,838)	(26,186)
Proceeds from redeemable units issued	8,369,386	3,114,460
Redemption of redeemable units	(5,733,768)	(2,896,845)
Net cash flows from (used in) financing activities	2,603,780	191,429
Net increase (decrease) in cash and cash equivalents	173,972	93,837
Cash and cash equivalents at beginning of year	639,514	545,677
Cash and cash equivalents at end of year*	813,486	639,514
Supplementary information		
Cash flow from operating activities		
Interest received	5,209	1,910
Dividends received, net of withholding taxes	472,921	470,443
*Cash and cash equivalents include:		
Cash at banks	15,237	15,232
Short-term investments	798,249	624,282
Total	813,486	639,514

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, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 3.76%)									
Treasury Bills									
225,000	0.859	8-Feb-18	224,545	224,545	1.00	26,140	285,878	462,488	2.06
50,000	0.866	22-Feb-18	49,893	49,893	0.22	19,120	517,783	568,788	2.53
400,000	0.884	8-Mar-18	399,118	399,118	1.78		803,661	1,031,276	4.59
125,000	1.027	22-Mar-18	124,693	124,693	0.55	Switzerland			
			798,249	798,249	3.55	7,380	442,547	565,525	2.52
						1,790	575,802	567,308	2.52
							1,018,349	1,132,833	5.04
Common Stocks (2016 - 95.94%)									
Australia						Norway			
14,040			452,800	468,495	2.08				
			452,800	468,495	2.08				
Denmark						United Kingdom			
6,290			718,474	946,933	4.21	26,550	617,204	599,850	2.67
			718,474	946,933	4.21	34,460	795,948	752,279	3.35
						31,020	799,084	783,386	3.49
Finland						United States			
11,115			403,020	638,478	2.84	8,840	540,995	725,258	3.23
			403,020	638,478	2.84	4,130	388,467	513,896	2.29
France						Total Common Stocks			
2,995			380,460	473,362	2.11	7,910	825,813	910,009	4.05
3,330			415,243	598,955	2.67	1,070	870,453	953,699	4.24
			795,703	1,072,317	4.78	17,110	1,031,047	1,031,376	4.59
Germany						Transaction Costs			
5,040			533,163	695,648	3.10		(33,262)		
10,880			577,211	654,935	2.91	Total Investments			
4,420			422,881	600,164	2.67	18,956,748	21,623,148	96.23	
6,830			901,089	922,265	4.10	Total Investments and Cash Equivalents			
12,320			602,907	868,587	3.87	19,754,997	22,421,397	99.78	
			3,037,251	3,741,599	16.65	Other Assets Net of Liabilities			
Netherlands						Net Assets Attributable to Holders of Redeemable Units			
163,360			650,665	714,728	3.18		48,770	0.22	
6,960			828,558	962,045	4.28		22,470,167	100.00	
			1,479,223	1,676,773	7.46				

Beutel Goodman World Focus Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
MSCI World (C\$) Index	211	156
Total	211	156

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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	5,510	–	5,510	33.2
British Pound	–	1,091	–	1,091	6.6
Norwegian Krone	–	861	–	861	5.2
United States Dollar	–	7,037	10	7,047	42.4
Swiss Franc	–	818	–	818	4.9
Danish Krone	–	591	–	591	3.6
Total	–	15,908	10	15,918	95.9

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, 2017 and December 31, 2016, 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 \$216,000 (December 31, 2016 \$159,000).

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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Country segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	3.55%	3.76%
Common Stocks		
Australia	2.08%	–
Denmark	4.21%	3.57%
Finland	2.84%	5.10%
France	4.78%	4.77%
Germany	16.65%	15.85%
Netherlands	7.46%	7.50%
Norway	4.59%	5.19%
Switzerland	5.04%	4.94%
United Kingdom	12.39%	6.34%
United States	36.19%	42.68%
Total	99.78%	99.70%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	15,907,515	–	–	15,907,515
Total Assets	15,907,515	–	–	15,907,515

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	74,896	419,313	19,076	2,119,265
Redeemable units issued for cash	21,178	152,473	14,247	348,126
Reinvested units	1,850	19,131	1,094	112,897
Redeemable units redeemed	(27,504)	(155,758)	(4,376)	(312,281)
Balance, end of year	70,420	435,159	30,041	2,268,007

Beutel Goodman Global Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	4,228,227	6,152,549
Financial assets at fair value through profit or loss*	351,020,582	383,204,506
Accrued interest	1,905	510
Dividends receivable	377,520	316,310
Due from brokers	—	777,420
Subscriptions receivable	42,533	411,957
Total assets	355,670,767	390,863,252
Liabilities		
Current liabilities		
Management and administrative fees payable	37,230	38,011
Due to brokers	—	2,360,937
Redemptions payable	697,482	946,530
Distributions payable	595	5,731
Total liabilities (before net assets attributable to holders of redeemable units)	735,307	3,351,209
Net assets attributable to holders of redeemable units	354,935,460	387,512,043
*Investments at average cost	300,909,905	339,753,613
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	11.44	11.33
Class D	11.77	11.62
Class F	11.47	11.35
Class I	13.12	12.92
Number of outstanding redeemable units (Note 6)		
Class B	62,308	30,604
Class D	109,508	43,951
Class F	87,006	22,635
Class I	26,818,045	29,909,591

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	8,889,535	14,420,035
Interest for distribution purposes	39,073	33,487
Realized gain (loss) on sale of investments	51,475,870	31,908,987
Change in unrealized appreciation (depreciation) in the value of investments	6,659,784	(11,316,054)
Net gains (losses) on investments	66,064,262	35,046,455
Other income		
Realized gain (loss) on foreign currency transactions	(192,755)	(856,440)
Total income	66,871,507	34,190,015
Expenses		
Management fees	29,472	17,117
Administrative fees	396,178	441,045
Transaction costs (Note 9)	473,359	627,111
Withholding taxes	891,809	1,666,360
Total Expenses	1,790,818	2,751,633
Increase (decrease) in net assets attributable to holders of redeemable units	65,080,689	31,438,382
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	69,723	20,451
Class D	154,915	30,680
Class F	68,699	17,298
Class I	64,787,352	31,369,953
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.55	0.60
Class D	1.81	0.72
Class F	1.55	0.80
Class I	2.56	1.02

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	346,761	402,958
Class D	510,632	526,597
Class F	256,846	259,272
Class I	386,397,804	427,388,121
	387,512,043	428,576,948
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	69,723	20,451
Class D	154,915	30,680
Class F	68,699	17,298
Class I	64,787,352	31,369,953
	65,080,689	31,438,382
Distribution to holders of redeemable units		
From net investment income		
Class B	(5,640)	(2,270)
Class D	(15,811)	(8,638)
Class F	(11,152)	(4,602)
Class I	(7,517,205)	(12,322,174)
From net realized gains on investments		
Class B	(93,089)	(26,476)
Class D	(168,945)	(38,364)
Class F	(99,865)	(19,123)
Class I	(50,650,053)	(31,316,001)
	(58,561,760)	(43,737,648)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	447,566	91,389
Class D	1,258,177	76,039
Class F	728,175	1,848
Class I	24,853,748	48,258,658
Reinvestments of distributions to holders of redeemable units		
Class B	95,587	26,945
Class D	184,756	45,486
Class F	107,612	23,724
Class I	58,167,258	43,633,041
Redemption of redeemable units		
Class B	(148,261)	(166,236)
Class D	(634,784)	(121,168)
Class F	(52,057)	(21,571)
Class I	(124,103,289)	(120,613,794)
	(39,095,512)	(28,765,639)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	365,886	(56,197)
Class D	778,308	(15,965)
Class F	741,412	(2,426)
Class I	(34,462,189)	(40,990,317)
	(32,576,583)	(41,064,905)
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	65,080,689	31,438,382
Adjustments for:		
Net realized (gain) loss on sale of investments	(51,475,870)	(31,908,987)
Change in unrealized (appreciation) depreciation in the value of investments	(6,659,784)	11,316,054
Purchases of investments	(140,131,860)	(153,819,307)
Proceeds from sale of investments	228,867,921	215,537,148
(Increase) decrease in accrued interest	(1,395)	297
(Increase) decrease in dividends receivable	(61,210)	15,528
Increase (decrease) in accrued liabilities	(781)	(6,810)
Net cash flows from (used in) operating activities	95,617,710	72,572,305
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(11,683)	(2,746)
Proceeds from redeemable units issued	27,657,090	48,032,037
Redemption of redeemable units	(125,187,439)	(120,837,585)
Net cash flows from (used in) financing activities	(97,542,032)	(72,808,294)
Net increase (decrease) in cash and cash equivalents	(1,924,322)	(235,989)
Cash and cash equivalents at beginning of year	6,152,549	6,388,538
Cash and cash equivalents at end of year*	4,228,227	6,152,549
Supplementary information		
Cash flow from operating activities		
Interest received	37,678	33,784
Dividends received, net of withholding taxes	7,936,516	12,769,203
*Cash and cash equivalents include:		
Cash at banks	137,336	908,761
Short-term investments	4,090,891	5,243,788
Total	4,228,227	6,152,549

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

Beutel Goodman Global Equity Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets	
Cash Equivalents (2016 - 1.35%)										
Treasury Bills										
3,100,000	0.886	8-Mar-18	3,093,340	3,093,340	0.87					
1,000,000	1.027	22-Mar-18	997,551	997,551	0.28					
			4,090,891	4,090,891	1.15					
Common Stocks (2016 - 98.89%)										
Australia										
213,800			6,968,073	7,134,209	2.01					
			6,968,073	7,134,209	2.01					
Denmark										
50,090			5,673,887	7,540,839	2.12					
			5,673,887	7,540,839	2.12					
Finland										
61,250			1,773,120	3,518,378	0.99					
			1,773,120	3,518,378	0.99					
France										
53,840			6,949,759	8,509,451	2.40					
25,320			2,695,982	4,554,217	1.28					
			9,645,741	13,063,668	3.68					
Germany										
60,390			6,325,017	8,335,357	2.35					
188,170			9,833,350	11,327,117	3.19					
53,570			6,975,100	8,059,760	2.27					
85,350			10,945,288	11,524,934	3.26					
159,050			7,908,158	11,213,377	3.16					
1,051,000			6,952,291	6,619,153	1.86					
			48,939,204	57,079,698	16.09					
Ireland										
68,400			5,460,549	7,643,708	2.15					
			5,460,549	7,643,708	2.15					
Italy										
129,570			9,296,567	9,971,272	2.81					
			9,296,567	9,971,272	2.81					
Japan										
137,060			9,389,078	11,614,735	3.27					
			9,389,078	11,614,735	3.27					
Jersey										
310,170			7,144,546	7,049,796	1.99					
			7,144,546	7,049,796	1.99					
Netherlands										
64,770			7,492,224	7,115,676	2.00					
2,487,070			10,430,267	10,881,352	3.07					
75,510			8,771,569	10,437,357	2.94					
			26,694,060	28,434,385	8.01					
						Norway				
						462,392	Atea ASA	5,363,757	8,180,983	2.30
								5,363,757	8,180,983	2.30
						Singapore				
						247,900	DBS Group Holdings Ltd.	4,207,009	5,775,602	1.63
								4,207,009	5,775,602	1.63
						Switzerland				
						128,920	Julius Baer Group Ltd.	7,550,724	9,879,054	2.78
						35,100	Roche Holding AG	11,397,541	11,124,304	3.13
								18,948,265	21,003,358	5.91
						United Kingdom				
						403,750	IMI PLC	8,415,328	9,122,013	2.57
						373,490	Smith & Nephew PLC	8,575,812	8,153,477	2.30
						102,260	Spectris PLC	3,422,300	4,310,519	1.21
						2,959,490	Vodafone Group PLC	11,212,184	11,787,799	3.32
								31,625,624	33,373,808	9.40
						United States				
						100,470	Amdocs Ltd.	7,885,101	8,242,840	2.32
						58,680	American Express Co.	5,429,330	7,301,547	2.06
						32,590	Ameriprise Financial Inc.	4,941,736	6,920,046	1.95
						104,970	AmerisourceBergen Corp.	10,738,121	12,076,311	3.40
						13,905	AutoZone Inc.	10,926,383	12,393,626	3.50
						118,280	Campbell Soup Co.	7,162,129	7,129,819	2.01
						100,280	Eli Lilly & Co.	8,014,234	10,611,999	2.99
						120,350	Halliburton Co.	5,362,824	7,369,198	2.08
						109,850	Harley-Davidson Inc.	7,161,934	7,002,917	1.97
						143,520	Kellogg Co.	11,715,013	12,224,339	3.45
						107,200	Omnicom Group Inc.	11,573,527	9,782,208	2.76
						165,640	Oracle Corp.	5,822,956	9,812,383	2.76
						35,480	Parker-Hannifin Corp.	5,183,812	8,872,223	2.50
						149,230	Verizon Communications Inc.	8,412,799	9,896,687	2.79
								110,329,899	129,636,143	36.54
								301,459,379	351,020,582	98.90
						Total Common Stocks				
						Transaction Costs		(549,474)		
						Total Investments		300,909,905	351,020,582	98.90
						Total Investments and Cash Equivalents		305,000,796	355,111,473	100.05
						Other Assets Net of Liabilities		(176,013)	(0.05)	
						Net Assets Attributable to Holders of Redeemable Units		354,935,460	100.00	

Beutel Goodman Global Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
MSCI World Index	3,343	3,645
Total	3,343	3,645

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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	786	113,607	(786)	113,607	29.3
British Pound	–	47,341	(797)	46,544	12.0
Norwegian Krone	–	15,539	–	15,539	4.0
Japanese Yen	–	16,373	88	16,461	4.3
United States Dollar	51	155,921	32	156,004	40.3
Singapore Dollar	–	7,855	–	7,855	2.0
Swiss Franc	–	18,939	–	18,939	4.9
Danish Krone	–	7,629	–	7,629	2.0
Total	837	383,204	(1,463)	382,578	98.8

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, 2017 and December 31, 2016, 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 \$3,514,000 (December 31, 2016 \$3,826,000).

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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Country segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	1.15%	1.35%
Common Stocks		
Australia	2.01%	—
Denmark	2.12%	1.97%
Finland	0.99%	1.93%
France	3.68%	5.64%
Germany	16.09%	16.80%
Italy	2.81%	—
Ireland	2.15%	3.06%
Japan	3.27%	4.22%
Jersey	1.99%	—
Netherlands	8.01%	4.96%
Norway	2.30%	4.01%
Singapore	1.63%	2.03%
Switzerland	5.91%	4.89%
United Kingdom	9.40%	12.21%
United States	36.54%	37.17%
Total	100.05%	100.24%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	383,204,506	—	—	383,204,506
Total Assets	383,204,506	—	—	383,204,506

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	34,752	44,111	22,249	32,209,891
Redeemable units issued for cash	8,369	6,580	162	3,729,937
Reinvested units	2,445	4,023	2,149	3,474,220
Redeemable units redeemed	(14,962)	(10,763)	(1,925)	(9,504,457)
Balance, end of year	30,604	43,951	22,635	29,909,591

Beutel Goodman International Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,631,131	1,423,853
Financial assets at fair value through profit or loss*	176,999,046	132,884,955
Accrued interest	2,299	243
Dividends receivable	143,917	108,584
Due from brokers	—	520,376
Subscriptions receivable	164,176	16,632
Total assets	182,940,569	134,954,643
Liabilities		
Current liabilities		
Management and administrative fees payable	28,484	20,275
Due to brokers	—	808,925
Redemptions payable	25,802	11,343
Total liabilities (before net assets attributable to holders of redeemable units)	54,286	840,543
Net assets attributable to holders of redeemable units	182,886,283	134,114,100
*Investments at average cost	152,299,093	124,119,374
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	14.28	12.06
Class D	5.90	4.90
Class F	5.92	4.96
Class I	6.34	5.29
Number of outstanding redeemable units (Note 6)		
Class B	52,513	5,458
Class D	603,470	824,122
Class F	179,901	26,097
Class I	27,985,759	24,558,993

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	4,557,475	4,413,263
Interest for distribution purposes	18,900	9,070
Realized gain (loss) on sale of investments	11,608,141	2,328,926
Change in unrealized appreciation (depreciation) in the value of investments	15,934,372	(2,539,554)
Net gains (losses) on investments	32,118,888	4,211,705
Other income		
Realized gain (loss) on foreign currency transactions	(149,341)	(197,048)
Total income	31,969,547	4,014,657
Expenses		
Management fees	47,610	33,045
Administrative fees	182,595	140,737
Transaction costs (Note 9)	341,301	205,548
Withholding taxes	557,558	432,117
Total Expenses	1,129,064	811,447
Increase (decrease) in net assets attributable to holders of redeemable units	30,840,483	3,203,210
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	31,807	(4,274)
Class D	975,196	104,551
Class F	25,213	6,204
Class I	29,808,267	3,096,729
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.22	(0.47)
Class D	1.10	0.17
Class F	0.20	0.28
Class I	1.13	0.13

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	65,840	152,770
Class D	4,037,148	3,068,192
Class F	129,366	73,823
Class I	129,881,746	132,552,470
	134,114,100	135,847,255
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	31,807	(4,274)
Class D	975,196	104,551
Class F	25,213	6,204
Class I	29,808,267	3,096,729
	30,840,483	3,203,210
Distribution to holders of redeemable units		
From net investment income		
Class B	(8,612)	—
Class D	(43,477)	(84,805)
Class F	(15,114)	(2,466)
Class I	(3,673,329)	(3,655,044)
	(3,740,532)	(3,742,315)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	1,022,418	—
Class D	2,190,570	1,411,553
Class F	1,376,370	82,656
Class I	44,900,997	22,770,754
Reinvestments of distributions to holders of redeemable units		
Class B	8,612	—
Class D	42,883	84,546
Class F	15,114	2,466
Class I	3,071,507	3,035,088
Redemption of redeemable units		
Class B	(369,980)	(82,656)
Class D	(3,639,308)	(546,889)
Class F	(466,566)	(33,317)
Class I	(26,480,385)	(27,918,251)
	21,672,232	(1,194,050)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	684,245	(86,930)
Class D	(474,136)	968,956
Class F	935,017	55,543
Class I	47,627,057	(2,670,724)
	48,772,183	(1,733,155)
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	30,840,483	3,203,210
Adjustments for:		
Net realized (gain) loss on sale of investments	(11,608,141)	(2,328,926)
Change in unrealized (appreciation) depreciation in the value of investments	(15,934,372)	2,539,554
Purchases of investments	(88,519,374)	(50,083,529)
Proceeds from sale of investments	71,659,247	49,729,426
(Increase) decrease in accrued interest	(2,056)	965
(Increase) decrease in dividends receivable	(35,333)	(19,235)
Increase (decrease) in accrued liabilities	8,209	(1,321)
Net cash flows from (used in) operating activities	(13,591,337)	3,040,144
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(602,416)	(620,215)
Proceeds from redeemable units issued	49,342,811	24,260,157
Redemption of redeemable units	(30,941,780)	(28,643,974)
Net cash flows from (used in) financing activities	17,798,615	(5,004,032)
Net increase (decrease) in cash and cash equivalents	4,207,278	(1,963,888)
Cash and cash equivalents at beginning of year	1,423,853	3,387,741
Cash and cash equivalents at end of year*	5,631,131	1,423,853
Supplementary information		
Cash flow from operating activities		
Interest received	16,844	10,035
Dividends received, net of withholding taxes	3,964,584	3,961,911
*Cash and cash equivalents include:		
Cash at banks	94,467	75,455
Short-term investments	5,536,664	1,348,398
Total	5,631,131	1,423,853

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

Beutel Goodman International Equity Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 1.00%)									
Treasury Bills									
1,275,000	0.886	8-Mar-18	1,272,221	1,272,221	0.70				
4,275,000	1.042	22-Mar-18	4,264,443	4,264,443	2.33				
			5,536,664	5,536,664	3.03				
Common Stocks (2016 - 99.09%)									
Australia									
177,520	Caltex Australia Ltd.		5,730,725	5,923,596	3.24				
			5,730,725	5,923,596	3.24				
Denmark									
47,290	Carlsberg A/S		5,764,578	7,119,311	3.89				
			5,764,578	7,119,311	3.89				
Finland									
80,298	Konecranes OYJ		3,113,018	4,612,550	2.52				
			3,113,018	4,612,550	2.52				
France									
32,556	Air Liquide SA		4,277,398	5,145,500	2.81				
40,110	Cie Générale des Établissements Michelin		5,234,579	7,214,441	3.94				
			9,511,977	12,359,941	6.75				
Germany									
45,150	BASF SE		4,997,251	6,231,849	3.41				
27,430	Deutsche Boerse AG		2,763,718	3,994,861	2.18				
112,730	GEA Group AG		5,905,338	6,785,917	3.71				
43,990	HeidelbergCement AG		4,647,971	5,973,125	3.27				
39,810	Henkel AG & Co KGaA		5,697,807	5,989,528	3.28				
57,870	Merck KGaA		7,740,959	7,814,268	4.27				
88,580	Software AG		4,504,340	6,245,086	3.41				
872,100	Telefonica Deutschland Holding AG		5,377,606	5,492,448	3.00				
			41,634,990	48,527,082	26.53				
Italy									
53,960	Luxottica Group SpA		3,918,580	4,152,580	2.27				
			3,918,580	4,152,580	2.27				
Japan									
52,710	FamilyMart UNY Holdings Co Ltd.		3,445,934	4,631,490	2.53				
93,350	Kao Corp.		6,596,794	7,910,661	4.33				
81,010	NTT DOCOMO Inc.		1,631,275	2,397,641	1.31				
359,820	Resona Holdings Inc.		2,115,170	2,693,801	1.47				
			13,789,173	17,633,593	9.64				
Jersey									
187,410	WPP PLC		4,286,785	4,259,607	2.33				
			4,286,785	4,259,607	2.33				
Netherlands									
49,772	Akzo Nobel NV		4,621,614	5,467,986	2.99				
1,405,490	Koninklijke KPN NV		5,806,112	6,149,257	3.36				
50,950	Unilever NV		2,580,535	3,599,370	1.97				
			13,008,261	15,216,613	8.32				
Norway									
350,460	Atea ASA		4,224,886	6,200,599	3.40				
203,440	Gjensidige Forsikring ASA		4,282,481	4,827,263	2.64				
170,670	TGS Nopec Geophysical Co ASA		4,911,466	5,077,146	2.78				
			13,418,833	16,105,008	8.82				
Singapore									
177,780	DBS Group Holdings Ltd.		3,101,082	4,141,938	2.26				
			3,101,082	4,141,938	2.26				
Switzerland									
77,440	Julius Baer Group Ltd.		4,776,866	5,934,176	3.25				
18,780	Roche Holding AG		6,012,273	5,951,978	3.25				
			10,789,139	11,886,154	6.50				
United Kingdom									
242,910	IMI PLC		5,264,706	5,488,118	3.00				
253,690	Smith & Nephew PLC		5,772,445	5,538,182	3.03				
220,970	Smiths Group PLC		5,691,471	5,580,428	3.06				
72,010	Spectris PLC		2,574,438	3,035,405	1.66				
1,360,500	Vodafone Group PLC		5,326,149	5,418,940	2.96				
			24,629,209	25,061,073	13.71				
Total Common Stocks						152,696,350 176,999,046 96.78			
Transaction Costs						(397,257)			
Total Investments						152,299,093 176,999,046 96.78			
Total Investments and Cash Equivalents						157,835,757 182,535,710 99.81			
Other Assets Net of Liabilities						350,573 0.19			
Net Assets Attributable to Holders of Redeemable Units						182,886,283 100.00			

Beutel Goodman International Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
MSCI EAFE (C\$) Index	1,735	1,269
Total	1,735	1,269

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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	–	69,934	239	70,173	52.4
British Pound	–	19,826	(650)	19,176	14.3
Norwegian Krone	–	11,382	122	11,504	8.6
Japanese Yen	–	15,615	40	15,655	11.7
Singapore Dollar	–	4,146	–	4,146	3.1
Swiss Franc	–	7,312	–	7,312	5.5
Danish Krone	–	4,670	–	4,670	3.5
Total	–	132,885	(249)	132,636	99.1

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, 2017 and December 31, 2016, 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 \$1,771,000 (December 31, 2016 \$1,326,000).

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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Country segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	3.03%	1.00%
Common Stocks		
Australia	3.24%	–
Denmark	3.89%	3.48%
Finland	2.52%	4.18%
France	6.75%	8.06%
Germany	26.53%	30.84%
Italy	2.27%	–
Japan	9.64%	11.64%
Jersey	2.33%	–
Netherlands	8.32%	9.07%
Norway	8.82%	8.49%
Singapore	2.26%	3.09%
Switzerland	6.50%	5.45%
United Kingdom	13.71%	14.79%
Total	99.81%	100.09%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	132,884,955	–	–	132,884,955
Total Assets	132,884,955	–	–	132,884,955

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	12,716	622,238	14,814	24,993,206
Redeemable units issued for cash	–	301,434	17,410	4,424,323
Reinvested units	–	17,533	505	582,539
Redeemable units redeemed	(7,258)	(117,083)	(6,632)	(5,441,075)
Balance, end of year	5,458	824,122	26,097	24,558,993

Beutel Goodman American Equity Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	47,009,381	40,669,901
Financial assets at fair value through profit or loss*	1,348,753,970	998,656,450
Accrued interest	29,239	8,367
Dividends receivable	920,762	377,617
Subscriptions receivable	2,054,341	3,039,024
Total assets	1,398,767,693	1,042,751,359
Liabilities		
Current liabilities		
Management and administrative fees payable	554,301	371,901
Redemptions payable	1,354,629	843,298
Distributions payable	2,236	16
Total liabilities (before net assets attributable to holders of redeemable units)	1,911,166	1,215,215
Net assets attributable to holders of redeemable units	1,396,856,527	1,041,536,144
*Investments at average cost	1,118,497,342	771,869,448
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	22.05	21.16
Class D	15.24	14.56
Class F	15.43	14.78
Class I	16.62	15.88
Number of outstanding redeemable units (Note 6)		
Class B	4,404,532	2,506,315
Class D	10,291,413	8,853,095
Class F	10,244,949	4,883,420
Class I	59,274,578	49,575,978

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	27,045,482	28,686,483
Interest for distribution purposes	229,405	44,918
Realized gain (loss) on sale of investments	133,306,312	65,815,613
Change in unrealized appreciation (depreciation) in the value of investments	3,469,626	45,305,753
Net gains (losses) on investments	164,050,825	139,852,767
Other income		
Realized gain (loss) on foreign currency transactions	1,930,502	(208,735)
Unrealized gain (loss) on foreign currency transactions	(564,541)	(508,470)
Total income	165,416,786	139,135,562
Expenses		
Management fees	4,950,975	2,881,175
Administrative fees	1,257,020	999,308
Transaction costs (Note 9)	818,016	434,126
Withholding taxes	3,462,224	4,038,254
Total Expenses	10,488,235	8,352,863
Increase (decrease) in net assets attributable to holders of redeemable units	154,928,551	130,782,699
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	8,092,673	5,497,008
Class D	17,158,327	14,614,360
Class F	13,529,367	7,483,105
Class I	116,148,184	103,188,226
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	2.21	2.45
Class D	1.75	1.83
Class F	1.69	1.87
Class I	2.17	2.20

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	53,042,286	43,842,505
Class D	128,918,987	106,897,063
Class F	72,157,343	54,805,318
Class I	787,417,528	675,737,046
	1,041,536,144	881,281,932
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	8,092,673	5,497,008
Class D	17,158,327	14,614,360
Class F	13,529,367	7,483,105
Class I	116,148,184	103,188,226
	154,928,551	130,782,699
Distribution to holders of redeemable units		
From net investment income		
Class B	—	(323,663)
Class D	(468,888)	(1,556,198)
Class F	(1,185,788)	(1,025,653)
Class I	(15,288,947)	(18,198,362)
From net realized gains on investments		
Class B	(6,775,734)	(1,444,207)
Class D	(11,023,935)	(3,530,548)
Class F	(10,681,388)	(1,854,223)
Class I	(69,176,280)	(21,713,230)
	(114,600,960)	(49,646,084)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	54,341,808	14,742,914
Class D	44,789,228	31,119,564
Class F	105,537,149	28,980,107
Class I	215,411,658	117,413,203
Reinvestments of distributions to holders of redeemable units		
Class B	6,419,951	1,687,269
Class D	11,078,594	4,920,806
Class F	9,186,407	2,565,190
Class I	83,988,316	39,622,302
Redemption of redeemable units		
Class B	(18,014,453)	(10,959,540)
Class D	(33,654,527)	(23,546,060)
Class F	(30,468,313)	(18,796,501)
Class I	(133,623,026)	(108,631,657)
	314,992,792	79,117,597
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	44,064,245	9,199,781
Class D	27,878,799	22,021,924
Class F	85,917,434	17,352,025
Class I	197,459,905	111,680,482
	355,320,383	160,254,212
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	154,928,551	130,782,699
Adjustments for:		
Unrealized (gain) loss on foreign currency transactions	564,541	508,470
Net realized (gain) loss on sale of investments	(133,306,312)	(65,815,613)
Change in unrealized (appreciation) depreciation in the value of investments	(3,469,626)	(45,305,753)
Purchases of investments	(663,631,717)	(237,252,463)
Proceeds from sale of investments	450,310,135	209,949,466
(Increase) decrease in accrued interest	(20,872)	(5,813)
(Increase) decrease in dividends receivable	(543,145)	(34,640)
Increase (decrease) in accrued liabilities	182,400	57,781
Net cash flows from (used in) operating activities	(194,986,045)	(7,115,866)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(3,925,472)	(850,602)
Proceeds from redeemable units issued	421,064,526	189,558,932
Redemption of redeemable units	(215,248,988)	(161,964,238)
Net cash flows from (used in) financing activities	201,890,066	26,744,092
Unrealized gain (loss) on foreign currency transactions	(564,541)	(508,470)
Net increase (decrease) in cash and cash equivalents	6,904,021	19,628,226
Cash and cash equivalents at beginning of year	40,669,901	21,550,145
Cash and cash equivalents at end of year*	47,009,381	40,669,901
Supplementary information		
Cash flow from operating activities		
Interest received	208,533	39,105
Dividends received, net of withholding taxes	23,040,113	24,613,589
*Cash and cash equivalents include:		
Cash at banks	21,443,430	9,057,616
Short-term investments	25,565,951	31,612,285
Total	47,009,381	40,669,901

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

Beutel Goodman American Equity Fund

Schedule of Investment Portfolio as at December 31, 2017

Number of Shares / Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares / Par Value	Average Cost \$	Fair Value \$	% of Net Assets	
Cash Equivalents (2016 - 3.04%)						Health Care				
Treasury Bills						Pharmaceuticals & Biotechnology				
3,000,000	Government of Canada	0.879	25-Jan-18	2,993,402	2,993,402	0.21	77,579,832	84,452,495	6.05	
14,750,000	Government of Canada	0.867	8-Feb-18	14,716,178	14,716,178	1.05	248,630	20,136,625	1.44	
1,225,000	Government of Canada	0.861	22-Feb-18	1,222,311	1,222,311	0.09	646,700	68,436,177	4.90	
1,325,000	Government of Canada	0.887	8-Mar-18	1,322,029	1,322,029	0.09	77,820	8,626,916	0.98	
5,325,000	Government of Canada	1.027	22-Mar-18	5,312,031	5,312,031	0.38	334,400	20,697,777	1.69	
				25,565,951	25,565,951	1.82		174,548,201	210,224,839	15.06
Common Stocks (2016 - 95.88%)						Financials				
United States						Banks				
Energy						457,040 Wells Fargo & Co.				
928,340	Halliburton Co.			49,576,672	56,843,552	4.07		23,958,261	34,742,416	2.49
				49,576,672	56,843,552	4.07		23,958,261	34,742,416	2.49
Industrial						Credit Services				
Capital Goods						509,440 American Express Co.				
703,060	Ingersoll-Rand PLC			54,537,790	78,567,034	5.62		49,139,030	63,389,574	4.54
348,150	Parker-Hannifin Corp.			55,806,769	87,059,311	6.23		49,139,030	63,389,574	4.54
59,680	United Technologies Corp.			7,202,121	9,539,139	0.68				
				117,546,680	175,165,484	12.53				
Commercial Services & Supplies						Diversified Financials				
137,420	Allegion PLC			8,729,242	13,698,611	0.98		242,090	36,946,238	3.68
				8,729,242	13,698,611	0.98		240,470	17,483,568	2.31
				126,275,922	188,864,095	13.51		54,429,806	83,625,087	5.99
Consumer Discretionary						Information Technology				
Automobiles & Components						Software & Services				
91,355	AutoZone Inc.			70,582,206	81,425,358	5.83	892,300	57,952,221	73,206,791	5.24
650,910	Harley-Davidson Inc.			42,421,623	41,495,390	2.97	1,304,500	58,768,484	77,277,552	5.53
				113,003,829	122,920,748	8.80	1,068,190	30,268,923	37,555,019	2.69
Media						252,705 Teradyne Inc.				
751,830	Omnicom Group Inc.			81,517,895	68,605,948	4.91		6,389,322	13,257,102	0.95
				81,517,895	68,605,948	4.91		153,378,950	201,296,464	14.41
				194,521,724	191,526,696	13.71				
Consumer Staples						Telecommunication Services				
Food & Staples Retailing						1,430,860 Verizon Communications Inc.				
811,010	Campbell Soup Co.			48,877,006	48,886,998	3.50		84,536,276	94,892,272	6.80
				48,877,006	48,886,998	3.50		84,536,276	94,892,272	6.80
Household & Personal Products						Total Common Stocks				
296,320	The Procter & Gamble Co.			29,154,287	34,112,516	2.44		1,119,324,410	1,348,753,970	96.57
				29,154,287	34,112,516	2.44		(827,068)		
Food Beverage & Tobacco						Transaction Costs				
834,980	Kellogg Co.			71,611,047	71,119,556	5.09				
				71,611,047	71,119,556	5.09				
				149,642,340	154,119,070	11.03				
						Total Investments				
						1,144,063,293				
						Total Investments and Cash Equivalents				
						1,348,753,970				
						Other Assets Net of Liabilities				
						22,536,606				
						Net Assets Attributable to Holders of Redeemable Units				
						1,396,856,527				
						100.00				

Beutel Goodman American Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
S&P 500 Index	12,694	9,663
Total	12,694	9,663

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, 2017 and December 31, 2016 are as follows:

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

Dec. 31, 2016

	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	9,039	998,656	378	1,008,073	96.8
Total	9,039	998,656	378	1,008,073	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, 2017 and December 31, 2016, 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 \$13,711,000 (December 31, 2016 \$10,081,000).

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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	1.82%	3.04%
Common Stocks		
Energy	4.07%	4.50%
Materials	4.96%	–
Industrial	13.51%	18.87%
Consumer Discretionary	13.71%	–
Consumer Staples	11.03%	9.72%
Health Care	15.06%	17.07%
Financials	13.02%	17.30%
Information Technology	14.41%	21.93%
Telecommunication Services	6.80%	6.49%
Total	98.39%	98.92%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	998,656,450	–	–	998,656,450
Total Assets	998,656,450	–	–	998,656,450

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	2,257,920	8,009,324	4,047,249	46,502,376
Redeemable units issued for cash	732,068	2,253,498	2,050,271	7,859,683
Reinvested units	78,913	334,865	171,910	2,471,251
Redeemable units redeemed	(562,586)	(1,744,592)	(1,386,010)	(7,257,332)
Balance, end of year	2,506,315	8,853,095	4,883,420	49,575,978

Beutel Goodman Income Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,180,884	4,369,571
Financial assets at fair value through profit or loss*	786,711,512	692,160,350
Accrued interest	3,877,917	3,493,133
Due from brokers	110,596	515,423
Subscriptions receivable	4,626,775	758,955
Total assets	800,507,684	701,297,432
Liabilities		
Current liabilities		
Management and administrative fees payable	62,431	69,173
Due to brokers	—	—
Redemptions payable	313,293	229,906
Distributions payable	45	3
Total liabilities (before net assets attributable to holders of redeemable units)	375,769	299,082
Net assets attributable to holders of redeemable units	800,131,915	700,998,350
*Investments at average cost	788,255,833	701,692,632
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	9.48	9.47
Class D	11.85	11.85
Class F	9.53	9.53
Class I	12.15	12.15
Number of outstanding redeemable units (Note 6)		
Class B	208,666	268,811
Class D	3,854,999	5,027,006
Class F	346,557	499,193
Class I	61,660,377	52,185,236

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	21,862,968	24,846,640
Realized gain (loss) on sale of investments	(7,749,875)	10,982,019
Change in unrealized appreciation (depreciation) in the value of investments	7,987,961	(13,602,763)
Net gains (losses) on investments	22,101,054	22,225,896
Other income		
Realized gain (loss) on foreign currency transactions	—	—
Total income	22,101,054	22,225,896
Expenses		
Management fees	457,310	490,698
Administrative fees	382,273	427,568
Total expenses before waiver	839,583	918,266
Expenses waived by the manager	(58,219)	—
Total expenses	781,364	918,266
Increase (decrease) in net assets attributable to holders of redeemable units	21,319,690	21,307,630
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	44,901	25,801
Class D	1,081,191	1,099,195
Class F	98,249	65,184
Class I	20,095,349	20,117,450
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.19	0.10
Class D	0.25	0.20
Class F	0.21	0.14
Class I	0.34	0.32

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	2,545,669	2,589,532
Class D	59,553,219	68,739,907
Class F	4,756,136	4,547,263
Class I	634,143,326	876,316,701
	700,998,350	952,193,403
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	44,901	25,801
Class D	1,081,191	1,099,195
Class F	98,249	65,184
Class I	20,095,349	20,117,450
	21,319,690	21,307,630
Distribution to holders of redeemable units		
From net investment income		
Class B	(34,191)	(44,236)
Class D	(995,122)	(1,400,011)
Class F	(89,074)	(108,643)
Class I	(19,865,312)	(22,746,014)
From return of capital		
Class B	—	(20,838)
Class D	—	(526,385)
Class F	—	(40,757)
Class I	—	(6,529,212)
	(20,983,699)	(31,416,096)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	319,836	528,866
Class D	1,483,909	2,389,953
Class F	1,081,935	1,245,400
Class I	175,208,410	49,129,053
Reinvestments of distributions to holders of redeemable units		
Class B	33,834	64,308
Class D	939,393	1,815,559
Class F	81,618	129,096
Class I	19,426,906	28,659,006
Redemption of redeemable units		
Class B	(932,757)	(597,764)
Class D	(16,377,852)	(12,564,999)
Class F	(2,625,523)	(1,081,407)
Class I	(79,842,135)	(310,803,658)
	98,797,574	(241,086,587)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(568,377)	(43,863)
Class D	(13,868,481)	(9,186,688)
Class F	(1,452,795)	208,873
Class I	115,023,218	(242,173,375)
	99,133,565	(251,195,053)
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	21,319,690	21,307,630
Adjustments for:		
Net realized (gain) loss on sale of investments	7,749,875	(10,982,019)
Change in unrealized (appreciation) depreciation in the value of investments	(7,987,961)	13,602,763
Purchases of investments	(2,761,925,289)	(2,131,122,528)
Proceeds from sale of investments	2,668,017,040	2,383,556,640
(Increase) decrease in accrued interest	(384,784)	1,192,727
Increase (decrease) in accrued liabilities	(6,742)	(15,838)
Net cash flows from (used in) operating activities	(73,218,171)	277,539,375
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(501,906)	(748,240)
Proceeds from redeemable units issued	174,226,270	51,396,735
Redemption of redeemable units	(99,694,880)	(325,683,997)
Net cash flows from (used in) financing activities	74,029,484	(275,035,502)
Net increase (decrease) in cash and cash equivalents	811,313	2,503,873
Cash and cash equivalents at beginning of year	4,369,571	1,865,698
Cash and cash equivalents at end of year*	5,180,884	4,369,571
Supplementary information		
Cash flow from operating activities		
Interest received	21,518,332	26,039,367
*Cash and cash equivalents include:		
Cash at banks	18,423	24,812
Short-term investments	5,162,461	4,344,759
Total	5,180,884	4,369,571

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

Beutel Goodman Income Fund

Schedule of Investment Portfolio as at December 31, 2017

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 (2016 - 0.62%)						Corporate Bonds									
Treasury Bills						779,160		Alliance Pipeline LP	5.546	31-Dec-23	815,138	817,346	0.10		
5,175,000		Government of Canada	1.027	22-Mar-18	5,162,461	5,162,461	0.65	886,593		Alliance Pipeline LP	6.765	31-Dec-25	958,019	1,010,864	0.13
					5,162,461	5,162,461	0.65	1,333,000		AltaGas Ltd.	4.070	1-Jun-20	1,417,369	1,379,808	0.17
Canadian Bonds (2016 - 98.74%)						3,146,000		AltaGas Ltd.	3.720	28-Sep-21	3,287,785	3,246,770	0.41		
Mortgage Backed Securities						1,957,000		AltaGas Ltd.	3.840	15-Jan-25	1,967,400	2,008,910	0.25		
14,448,000		Canadian Mortgage Pools	1.620	1-Mar-22	13,442,080	13,338,966	1.68	2,547,000		AltaLink LP	3.717	3-Dec-46	2,518,995	2,659,561	0.33
10,185,000		Canadian Mortgage Pools	1.420	1-Jun-22	9,869,703	9,667,398	1.21	15,069,000		Bank of Montreal	2.100	6-Oct-20	15,256,757	14,996,523	1.87
7,544,000		Canadian Mortgage Pools	1.840	1-Dec-22	7,474,405	7,472,860	0.93	16,573,000		Bank of Montreal	1.610	28-Oct-21	16,256,268	16,082,933	2.01
					30,786,188	30,479,224	3.82	9,569,000		Bank of Montreal	2.270	11-Jul-22	9,571,376	9,470,647	1.18
Federal Bonds						12,094,000		Bank of Nova Scotia	1.330	1-May-18	12,071,182	12,085,834	1.51		
11,907,000		Canadian Government Bond	1.250	1-Feb-18	11,913,027	11,908,921	1.49	16,796,000		Bank of Nova Scotia	1.473	12-Oct-18	16,796,000	16,801,459	2.10
9,631,000		Canadian Government Bond	1.250	1-Nov-19	9,568,591	9,556,065	1.19	10,120,000		Bank of Nova Scotia	2.130	15-Jun-20	10,184,471	10,092,082	1.26
15,174,000		Canadian Government Bond	1.000	1-Sep-22	14,679,540	14,592,362	1.82	5,828,000		Bank of Nova Scotia	2.360	8-Nov-22	5,825,393	5,772,882	0.72
37,862,000		Canadian Government Bond	1.000	1-Jun-27	34,930,402	34,505,219	4.32	4,500,000		Bell Canada Inc.	3.350	18-Jun-19	4,589,190	4,577,754	0.57
5,055,000		Canadian Government Bond	5.000	1-Jun-37	7,101,052	7,257,658	0.91	3,487,000		Bell Canada Inc.	2.000	1-Oct-21	3,479,563	3,414,661	0.43
28,129,000		Canadian Government Bond	2.750	1-Dec-48	31,193,964	31,156,149	3.90	6,956,000		Bell Canada Inc.	3.000	3-Oct-22	7,022,841	7,040,216	0.88
14,561,000		CPPIB Capital Inc.	1.100	10-Jun-19	14,434,587	14,425,406	1.80	1,988,000		Bell Canada Inc.	3.350	22-Mar-23	2,031,875	2,036,181	0.25
					123,821,163	123,401,780	15.43	5,261,000		Bell Canada Inc.	2.700	27-Feb-24	5,238,807	5,174,743	0.65
Provincial Bonds						2,677,000		Bell Canada Inc.	3.600	29-Sep-27	2,669,210	2,708,008	0.34		
3,351,000		Province of Alberta	2.550	15-Dec-22	3,426,163	3,397,096	0.42	6,535,000		Brookfield Infrastructure Finance ULC	3.315	22-Feb-24	6,593,883	6,509,679	0.81
7,865,000		Province of Alberta	2.350	1-Jun-25	7,879,109	7,768,340	0.97	13,441,000		Canadian Imperial Bank of Commerce	1.564	28-Jan-19	13,441,000	13,446,512	1.69
2,993,000		Province of Alberta	2.200	1-Jun-26	2,925,268	2,901,338	0.36	10,893,000		Canadian Imperial Bank of Commerce	1.900	26-Apr-21	10,912,251	10,733,530	1.34
4,521,000		Province of Alberta	2.550	1-Jun-27	4,485,284	4,481,900	0.56	4,588,000		Canadian Imperial Bank of Commerce	2.040	21-Mar-22	4,633,302	4,508,384	0.56
1,635,000		Province of Alberta	3.500	1-Jun-31	1,749,846	1,754,012	0.22	3,398,000		Canadian Imperial Bank of Commerce	3.000	28-Oct-24	3,475,581	3,429,432	0.43
921,000		Province of Alberta	3.900	1-Dec-33	989,737	1,036,699	0.13	10,671,000		Canadian Natural Resources Ltd.	2.050	1-Jun-20	10,647,431	10,560,286	1.32
9,194,000		Province of Alberta	3.050	1-Dec-48	9,039,047	9,296,140	1.16	2,152,000		CU Inc.	3.763	19-Nov-46	2,154,508	2,262,535	0.28
4,101,000		Province of British Columbia	2.800	18-Jun-48	3,763,781	4,047,230	0.51	1,603,000		CU Inc.	4.947	18-Nov-50	1,906,211	2,028,121	0.25
1,988,000		Province of Manitoba	2.450	2-Jun-25	1,982,127	1,974,388	0.25	939,000		CU Inc.	3.857	14-Nov-52	899,158	990,853	0.12
2,539,000		Province of Manitoba	4.400	5-Sep-25	2,878,738	2,855,885	0.36	811,000		CU Inc.	4.558	7-Nov-53	915,236	970,598	0.12
609,000		Province of Manitoba	3.750	5-Sep-33	679,827	665,147	0.08	502,000		Enbridge Gas Distribution Inc.	9.850	2-Dec-24	746,544	715,854	0.09
403,000		Province of Manitoba	4.700	5-Mar-50	493,140	535,477	0.07	2,047,000		Enbridge Gas Distribution Inc.	7.600	29-Oct-26	2,752,468	2,753,868	0.34
385,000		Province of Ontario	4.400	2-Jun-19	405,128	399,320	0.05	875,000		Enbridge Gas Distribution Inc.	6.900	15-Nov-32	1,236,042	1,232,725	0.15
11,092,000		Province of Ontario	1.494	26-Aug-19	11,131,931	11,142,301	1.39	2,551,000		Enbridge Gas Distribution Inc.	4.950	22-Nov-50	2,992,648	3,206,246	0.40
1,020,000		Province of Ontario	4.200	2-Jun-20	1,076,314	1,074,820	0.13	3,953,000		Enbridge Pipelines Inc.	6.350	17-Nov-23	4,714,864	4,638,250	0.58
7,225,000		Province of Ontario	4.000	2-Jun-21	7,717,926	7,686,337	0.96	1,475,000		Enbridge Pipelines Inc.	8.200	15-Feb-24	1,964,313	1,887,613	0.24
10,159,000		Province of Ontario	3.150	2-Jun-22	10,637,173	10,569,444	1.32	1,049,000		Enbridge Pipelines Inc.	6.050	12-Feb-29	1,341,950	1,277,339	0.16
3,229,000		Province of Ontario	2.850	2-Jun-23	3,402,551	3,318,571	0.41	1,865,000		EPCOR Utilities Inc.	3.554	27-Nov-47	1,865,000	1,876,541	0.23
4,400,000		Province of Ontario	3.500	2-Jun-24	4,786,418	4,683,472	0.59	633,000		FortisAlberta Inc.	3.340	21-Sep-46	605,818	614,052	0.08
10,719,000		Province of Ontario	2.600	2-Jun-25	10,882,819	10,788,843	1.35	965,000		FortisAlberta Inc.	4.800	27-Oct-50	1,142,223	1,194,590	0.15
6,900,000		Province of Ontario	2.600	2-Jun-27	6,948,750	6,893,054	0.86	727,000		FortisBC Energy Inc.	6.950	21-Sep-29	947,005	988,680	0.12
1,537,000		Province of Ontario	6.500	8-Mar-29	2,186,765	2,092,863	0.26	1,295,000		FortisBC Energy Inc.	6.500	1-May-34	1,804,250	1,791,658	0.22
5,461,000		Province of Ontario	6.200	2-Jun-31	7,783,891	7,540,630	0.94	1,239,000		FortisBC Energy Inc.	5.900	26-Feb-35	1,468,607	1,632,248	0.20
13,250,000		Province of Ontario	4.700	2-Jun-37	16,594,755	16,793,144	2.10	2,071,000		FortisBC Energy Inc.	3.690	30-Oct-47	2,069,509	2,134,723	0.27
36,082,000		Province of Ontario	4.650	2-Jun-41	45,453,030	46,502,628	5.82	533,000		FortisBC Inc.	5.000	24-Nov-50	648,542	671,772	0.08
5,473,000		Province of Ontario	3.500	2-Jun-43	5,691,373	6,013,169	0.75	1,941,000		Husky Energy Inc.	3.600	10-Mar-27	1,936,807	1,935,644	0.24
10,532,000		Province of Ontario	2.900	2-Dec-46	10,326,360	10,435,117	1.30	1,172,000		Hydro One Inc.	4.400	1-Jun-20	1,243,867	1,233,948	0.15
851,000		Province of Ontario	2.800	2-Jun-48	800,754	828,215	0.10	2,098,000		Inter Pipeline Ltd.	2.608	13-Sep-23	2,090,022	2,049,388	0.26
2,301,000		Province of Quebec	4.500	1-Dec-19	2,502,844	2,415,979	0.30	5,603,000		Inter Pipeline Ltd.	2.734	18-Apr-24	5,605,442	5,459,969	0.68
19,728,000		Province of Quebec	4.500	1-Dec-20	21,559,291	21,126,965	2.64	1,508,000		Lower Mattagami Energy LP	2.307	21-Oct-26	1,496,142	1,451,923	0.18
11,924,000		Province of Quebec	2.750	1-Sep-27	12,138,137	12,084,124	1.51	1,480,000		Lower Mattagami Energy LP	4.176	23-Feb-46	1,613,022	1,661,557	0.21
17,941,000		Province of Quebec	5.000	1-Dec-41	23,637,572	24,316,451	3.05								
3,155,000		Province of Quebec	3.500	1-Dec-48	3,474,031	3,529,390	0.44								
1,290,000		Province of Saskatchewan	5.800	5-Sep-33	1,792,353	1,762,613	0.22								
					251,222,233	252,711,102	31.58								

Beutel Goodman Income Fund

Schedule of Investment Portfolio as at December 31, 2017

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
2,151,000	North West Redwater Partnership / NWR Financing Co Ltd.	2.800	1-Jun-27	2,146,128	2,082,631	0.26
852,000	North West Redwater Partnership / NWR Financing Co Ltd.	3.650	1-Jun-35	851,429	861,381	0.11
2,525,000	Nova Scotia Power Inc.	6.950	25-Aug-33	3,571,143	3,541,652	0.44
6,272,000	Pembina Pipeline Corp.	2.990	22-Jan-24	6,227,155	6,182,765	0.77
7,085,000	Royal Bank of Canada	1.564	30-Jul-18	7,085,000	7,090,207	0.89
5,067,000	Royal Bank of Canada	1.920	17-Jul-20	5,081,815	5,024,593	0.63
13,562,000	Royal Bank of Canada	2.030	15-Mar-21	13,614,218	13,418,800	1.69
3,765,000	Royal Bank of Canada	2.000	21-Mar-22	3,765,856	3,693,168	0.46
6,115,000	Royal Bank of Canada	2.360	5-Dec-22	6,114,450	6,055,446	0.76
7,643,000	Royal Bank of Canada	3.040	17-Jul-24	7,798,870	7,714,539	0.96
3,520,000	Royal Bank of Canada	3.310	20-Jan-26	3,587,318	3,580,410	0.45
11,269,000	The Toronto-Dominion Bank	2.563	24-Jun-20	11,602,435	11,360,591	1.42
10,729,000	The Toronto-Dominion Bank	2.045	8-Mar-21	10,815,581	10,637,921	1.33
650,000	The Toronto-Dominion Bank	2.621	22-Dec-21	658,963	655,069	0.08
9,653,000	The Toronto-Dominion Bank	2.692	24-Jun-25	9,780,985	9,680,394	1.21
12,578,000	The Toronto-Dominion Bank	3.224	25-Jul-29	12,578,000	12,574,856	1.57
1,719,000	Toronto Hydro Corp.	3.485	28-Feb-48	1,717,780	1,729,098	0.22
2,322,000	TransCanada Pipelines Ltd.	3.690	19-Jul-23	2,488,746	2,445,449	0.31
7,056,000	TransCanada Pipelines Ltd.	8.290	5-Feb-26	9,807,593	9,570,002	1.20
1,750,000	TransCanada Pipelines Ltd.	7.310	15-Jan-27	2,284,213	2,278,172	0.28
2,801,000	TransCanada Pipelines Ltd.	7.900	15-Apr-27	3,842,271	3,790,401	0.47
1,351,000	TransCanada Pipelines Ltd.	6.280	26-May-28	1,683,748	1,669,600	0.21
613,000	TransCanada Pipelines Ltd.	6.890	7-Aug-28	792,619	802,676	0.10
80,000	TransCanada Pipelines Ltd.	8.230	16-Jan-31	114,401	115,308	0.01
1,517,000	TransCanada Pipelines Ltd.	4.350	6-Jun-46	1,593,221	1,630,332	0.20
1,479,000	TransCanada Pipelines Ltd.	4.330	16-Sep-47	1,478,749	1,583,369	0.20
2,174,000	TransCanada Trust	4.650	18-May-77	2,174,000	2,171,689	0.27
583,000	Union Gas Ltd.	8.750	3-Aug-18	612,698	606,083	0.08
266,000	Union Gas Ltd.	4.850	25-Apr-22	294,135	292,222	0.04
1,717,000	Union Gas Ltd.	8.650	10-Nov-25	2,508,874	2,385,168	0.30
733,000	Union Gas Ltd.	2.810	1-Jun-26	740,772	733,277	0.09
3,394,000	Union Gas Ltd.	2.880	22-Nov-27	3,391,658	3,390,887	0.42
2,503,000	Union Gas Ltd.	5.200	23-Jul-40	2,914,471	3,161,238	0.40
2,523,000	Union Gas Ltd.	3.590	22-Nov-47	2,518,862	2,559,908	0.32
906,000	Westcoast Energy Inc.	8.500	4-Sep-18	1,063,123	943,466	0.12
2,436,000	Westcoast Energy Inc.	5.600	16-Jan-19	2,632,572	2,521,734	0.32
1,880,000	Westcoast Energy Inc.	9.900	10-Jan-20	2,505,230	2,141,614	0.27
3,143,000	Westcoast Energy Inc.	3.883	28-Oct-21	3,304,047	3,293,968	0.41
456,000	Westcoast Energy Inc.	8.850	21-Jul-25	636,536	613,483	0.08
4,848,000	Westcoast Energy Inc.	7.300	18-Dec-26	6,142,305	6,200,903	0.77
350,000	Westcoast Energy Inc.	6.750	15-Dec-27	424,870	437,158	0.05
1,271,000	Westcoast Energy Inc.	7.150	20-Mar-31	1,658,124	1,672,078	0.21
				382,426,249	380,119,406	47.49
Total Canadian Bonds				788,255,833	786,711,512	98.32
Transaction Costs				—		
Total Investments				788,255,833	786,711,512	98.32
Total Investments and Cash Equivalents				793,418,294	791,873,973	98.97
Other Assets Net of Liabilities					8,257,942	1.03
Net Assets Attributable to Holders of Redeemable Units					800,131,915	100.00

Beutel Goodman Income Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 invests primarily in a well-diversified portfolio of Canadian government and Canadian corporate bonds of various maturities. The bonds usually have a credit rating of BBB or higher by a recognized rating agency. The Fund's portfolio turnover rate may exceed 70%. As a result, the Fund may incur higher trading costs and a unitholder may be more likely to receive distributions of income or capital gains which must be included in the unitholder's income. A high portfolio turnover rate does not mean that the Fund's performance will be higher. 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, 2017 and December 31, 2016, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2017	Dec. 31, 2016
AAA	20	20
AA	15	22
A	48	42
BBB	13	15
Not rated	2	—
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, 2017 and December 31, 2016.

Debt Instruments* by Maturity Date	Dec. 31, 2017	Dec. 31, 2016
	(\$000)	(\$000)
Less than 1 year	49,436	16,456
1-3 years	137,479	112,182
3-5 years	165,040	193,236
Greater than 5 years	434,757	370,286
Total	786,712	692,160

*Excludes cash and cash equivalents

As at December 31, 2017, if prevailing interest rates increased or decreased 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 \$14,770,000 (December 31, 2016 \$12,915,000). 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
FTSE TMX Canada Universe Bond Index	7,860	6,849
Total	7,860	6,849

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, 2017 and December 31, 2016

Foreign Currency Risk

As at December 31, 2017 and December 31, 2016, 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, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	0.65%	0.62%
Canadian Bonds		
Mortgage Backed Securities	3.82%	—
Federal Bonds	15.43%	17.77%
Provincial Bonds	31.58%	37.60%
Corporate Bonds	47.49%	43.37%
Total	98.97%	99.36%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016:

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	692,160,350	—	692,160,350
Total Assets	—	692,160,350	—	692,160,350

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	269,178	5,713,161	469,785	70,988,899
Redeemable units issued for cash	54,436	196,519	126,544	3,936,362
Reinvested units	6,603	148,999	13,172	2,292,370
Redeemable units redeemed	(61,406)	(1,031,673)	(110,308)	(25,032,395)
Balance, end of year	268,811	5,027,006	499,193	52,185,236

Beutel Goodman Long Term Bond Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,323,326	3,257,071
Financial assets at fair value through profit or loss*	383,320,765	503,427,288
Accrued interest	1,790,399	2,974,742
Due from brokers	2,878,744	5,406,467
Subscriptions receivable	370,470	-
Total assets	390,683,704	515,065,568
Liabilities		
Current liabilities		
Management and administrative fees payable	19,718	25,167
Due to brokers	3,745,572	6,440,742
Redemptions payable	214,896	501,412
Total liabilities (before net assets attributable to holders of redeemable units)	3,980,186	6,967,321
Net assets attributable to holders of redeemable units	386,703,518	508,098,247
*Investments at average cost	375,522,138	513,928,744
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	9.71	9.37
Class D	5.60	5.42
Class F	9.76	9.40
Class I	5.69	5.51
Number of outstanding redeemable units (Note 6)		
Class B	10,417	23,467
Class D	1,350,916	1,678,826
Class F	36,733	83,996
Class I	66,505,329	90,363,986

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	20,530,414	19,297,769
Realized gain (loss) on sale of investments	(8,676,917)	16,488,558
Change in unrealized appreciation (depreciation) in the value of investments	18,300,083	(17,902,749)
Net gains (losses) on investments	30,153,580	17,883,578
Other income		
Realized gain (loss) on foreign currency transactions	(108)	-
Total income	30,153,472	17,883,578
Expenses		
Management fees	72,973	76,061
Administrative fees	254,482	241,127
Total expenses before waiver	327,455	317,188
Expenses waived by the manager	(9,283)	-
Total expenses	318,172	317,188
Increase (decrease) in net assets attributable to holders of redeemable units	29,835,300	17,566,390
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	7,889	8,856
Class D	505,693	269,511
Class F	61,648	(51,761)
Class I	29,260,070	17,339,784
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.48	0.26
Class D	0.34	0.15
Class F	0.52	(0.74)
Class I	0.29	0.20

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	219,835	177,399
Class D	9,100,467	10,500,174
Class F	789,318	173,845
Class I	497,988,627	526,074,357
	508,098,247	536,925,775
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	7,889	8,856
Class D	505,693	269,511
Class F	61,648	(51,761)
Class I	29,260,070	17,339,784
	29,835,300	17,566,390
Distribution to holders of redeemable units		
From net investment income		
Class B	(3,250)	(7,349)
Class D	(227,615)	(291,476)
Class F	(29,853)	(25,174)
Class I	(20,173,894)	(18,722,840)
From net realized gains on investments		
Class B	—	(7,602)
Class D	—	(314,871)
Class F	—	(39,561)
Class I	—	(16,673,065)
	(20,434,612)	(36,081,938)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	34,619	354,796
Class D	1,335,836	1,217,557
Class F	2,477,041	1,597,176
Class I	152,138,002	6,549,235
Reinvestments of distributions to holders of redeemable units		
Class B	3,197	14,379
Class D	218,060	578,992
Class F	29,853	64,735
Class I	20,173,894	35,395,925
Redemption of redeemable units		
Class B	(161,149)	(320,644)
Class D	(3,363,976)	(2,859,420)
Class F	(2,969,369)	(929,942)
Class I	(300,711,425)	(51,974,769)
	(130,795,417)	(10,311,980)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(118,694)	42,436
Class D	(1,532,002)	(1,399,707)
Class F	(430,680)	615,473
Class I	(119,313,353)	(28,085,730)
	(121,394,729)	(28,827,528)
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	29,835,300	17,566,390
Adjustments for:		
Net realized (gain) loss on sale of investments	8,676,917	(16,488,558)
Change in unrealized (appreciation) depreciation in the value of investments	(18,300,083)	17,902,749
Purchases of investments	(1,985,029,274)	(756,983,119)
Proceeds from sale of investments	1,925,644,606	778,555,092
(Increase) decrease in accrued interest	1,184,343	450,961
Increase (decrease) in accrued liabilities	(5,449)	(1,606)
Net cash flows from (used in) operating activities	(37,993,640)	41,001,909
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(9,608)	(27,907)
Proceeds from redeemable units issued	155,615,028	9,777,683
Redemption of redeemable units	(118,545,525)	(55,868,396)
Net cash flows from (used in) financing activities	37,059,895	(46,118,620)
Net increase (decrease) in cash and cash equivalents	(933,745)	(5,116,711)
Cash and cash equivalents at beginning of year	3,257,071	8,373,782
Cash and cash equivalents at end of year*	2,323,326	3,257,071
Supplementary information		
Cash flow from operating activities		
Interest received	21,714,757	19,748,730
*Cash and cash equivalents include:		
Cash at banks	29,393	10,987
Short-term investments	2,293,933	3,246,084
Total	2,323,326	3,257,071

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

Beutel Goodman Long Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 invests primarily in a well-diversified portfolio of Canadian provincial and Canadian corporate bonds. The corporate bonds have a credit rating of BBB or higher by a recognized rating agency. 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, 2017 and December 31, 2016, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2017	Dec. 31, 2016
AAA	19	22
AA	17	12
A	54	52
BBB	9	13
Total	99	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, 2017 and December 31, 2016.

Debt Instruments* by Maturity Date	Dec. 31, 2017	Dec. 31, 2016
	(\$000)	(\$000)
Less than 1 year	3,482	2,084
1-3 years	2,986	–
Greater than 5 years	376,853	501,343
Total	383,321	503,427

*Excludes cash and cash equivalents

As at December 31, 2017, if prevailing interest rates increased or decreased 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 \$14,187,000 (December 31, 2016 \$18,480,000). 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
FTSETMX Canada Long Term Bond Index	3,831	5,020
Total	3,831	5,020

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, 2017 and December 31, 2016

Foreign Currency Risk

As at December 31, 2017 and December 31, 2016, 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, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	0.59%	0.64%
Canadian Bonds		
Federal Bonds	16.58%	14.98%
Provincial Bonds	50.86%	53.14%
Municipal Bonds	2.36%	—
Corporate Bonds	29.33%	30.96%
Total	99.72%	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, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	503,427,288	—	503,427,288
Total Assets	—	503,427,288	—	503,427,288

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	18,237	1,861,759	17,743	91,726,911
Redeemable units issued for cash	35,388	205,539	154,858	1,148,106
Reinvested units	1,490	104,505	6,796	6,264,810
Redeemable units redeemed	(31,648)	(492,977)	(95,401)	(8,775,841)
Balance, end of year	23,467	1,678,826	83,996	90,363,986

Beutel Goodman Corporate/Provincial Active Bond Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,080,930	211,672
Financial assets at fair value through profit or loss*	52,112,680	49,254,430
Accrued interest	373,143	391,804
Due from brokers	1,084,766	25,502
Subscriptions receivable	435,148	5,051
Total assets	55,086,667	49,888,459
Liabilities		
Current liabilities		
Management and administrative fees payable	28,049	30,480
Due to brokers	1,545,788	–
Redemptions payable	2,510	58,160
Distributions payable	14	14
Total liabilities (before net assets attributable to holders of redeemable units)	1,576,361	88,654
Net assets attributable to holders of redeemable units	53,510,306	49,799,805
*Investments at average cost	52,137,964	49,135,430
Net assets attributable to holders of redeemable units per class		
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
Net assets attributable to holders of redeemable units per unit		
Class B	9.45	9.44
Class D	5.09	5.08
Class F	9.47	9.47
Class I	5.20	5.19
Number of outstanding redeemable units (Note 6)		
Class B	322,134	383,368
Class D	6,272,643	7,084,297
Class F	1,005,703	954,416
Class I	1,737,008	220,709

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	1,772,162	1,795,404
Realized gain (loss) on sale of investments	285,686	810,129
Change in unrealized appreciation (depreciation) in the value of investments	(144,284)	(654,805)
Net gains (losses) on investments	1,913,564	1,950,728
Other income		
Realized gain (loss) on foreign currency transactions	–	–
Total income	1,913,564	1,950,728
Expenses		
Management fees	348,028	331,404
Administrative fees	54,603	53,123
Total expenses before waiver	402,631	384,527
Expenses waived by the manager	(36,066)	–
Total expenses	366,565	384,527
Increase (decrease) in net assets attributable to holders of redeemable units	1,546,999	1,566,201
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	83,861	97,910
Class D	1,013,952	1,216,297
Class F	322,158	240,320
Class I	127,028	11,674
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.23	0.25
Class D	0.15	0.16
Class F	0.29	0.29
Class I	0.15	0.07

* 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 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	3,620,612	3,878,159
Class D	35,996,184	39,823,451
Class F	9,036,991	7,138,284
Class I	1,146,018	2,071,874
	49,799,805	52,911,768
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	83,861	97,910
Class D	1,013,952	1,216,297
Class F	322,158	240,320
Class I	127,028	11,674
	1,546,999	1,566,201
Distribution to holders of redeemable units		
From net investment income		
Class B	(72,728)	(87,116)
Class D	(861,158)	(1,062,470)
Class F	(293,216)	(238,199)
Class I	(173,556)	(30,898)
From net realized gains on investments		
Class B	(6,825)	–
Class D	(70,058)	–
Class F	(21,199)	–
Class I	(16,099)	–
	(1,514,839)	(1,418,683)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	313,568	279,931
Class D	1,001,444	2,063,524
Class F	4,922,377	2,959,202
Class I	8,109,970	1,229,660
Reinvestments of distributions to holders of redeemable units		
Class B	74,719	81,712
Class D	873,557	1,002,796
Class F	110,591	114,211
Class I	189,655	30,898
Redemption of redeemable units		
Class B	(967,557)	(629,984)
Class D	(6,041,978)	(7,047,414)
Class F	(4,548,749)	(1,176,827)
Class I	(359,256)	(2,167,190)
	3,678,341	(3,259,481)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(574,962)	(257,547)
Class D	(4,084,241)	(3,827,267)
Class F	491,962	1,898,707
Class I	7,877,742	(925,856)
	3,710,501	(3,111,963)
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	1,546,999	1,566,201
Adjustments for:		
Net realized (gain) loss on sale of investments	(285,686)	(810,129)
Change in unrealized (appreciation) depreciation in the value of investments	144,284	654,805
Purchases of investments	(48,220,858)	(53,040,652)
Proceeds from sale of investments	45,990,534	56,375,426
(Increase) decrease in accrued interest	18,661	78,223
Increase (decrease) in accrued liabilities	(2,431)	(2,354)
Net cash flows from (used in) operating activities	(808,497)	4,821,520
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(266,317)	(189,062)
Proceeds from redeemable units issued	13,917,262	6,535,593
Redemption of redeemable units	(11,973,190)	(11,003,914)
Net cash flows from (used in) financing activities	1,677,755	(4,657,383)
Net increase (decrease) in cash and cash equivalents	869,258	164,137
Cash and cash equivalents at beginning of year	211,672	47,535
Cash and cash equivalents at end of year*	1,080,930	211,672
Supplementary information		
Cash flow from operating activities		
Interest received	1,790,823	1,873,627
*Cash and cash equivalents include:		
Cash at banks	8,458	11,912
Short-term investments	1,072,472	199,760
Total	1,080,930	211,672

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

Beutel Goodman Corporate/Provincial Active Bond Fund

Schedule of Investment Portfolio as at December 31, 2017

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 (2016 - 0.40%)													
Treasury Bills													
1,075,000	Government of Canada	1.027	22-Mar-18	1,072,472	1,072,472	2.00							
				1,072,472	1,072,472	2.00							
Canadian Bonds (2016 - 98.91%)													
Provincial Bonds													
327,000	Province of Ontario	4.000	2-Jun-21	354,238	347,880	0.65							
60,000	Province of Ontario	3.150	2-Jun-22	64,739	62,424	0.12							
1,309,000	Province of Ontario	4.650	2-Jun-41	1,689,014	1,687,044	3.15							
2,970,000	Province of Ontario	2.900	2-Dec-46	2,920,641	2,942,680	5.50							
1,511,000	Province of Ontario	2.800	2-Jun-48	1,515,475	1,470,544	2.75							
70,000	Province of Quebec	5.000	1-Dec-41	90,416	94,875	0.18							
				6,634,523	6,605,447	12.35							
Corporate Bonds													
150,000	Alectra Inc.	3.958	30-Jul-42	150,000	161,404	0.30	130,000	EPCOR Utilities Inc.	3.554	27-Nov-47	130,000	130,804	0.24
147,881	Alliance Pipeline LP	5.546	31-Dec-23	156,485	155,129	0.29	18,000	FortisAlberta Inc.	3.340	21-Sep-46	17,389	17,461	0.03
250,098	Alliance Pipeline LP	6.765	31-Dec-25	290,586	285,154	0.53	225,000	FortisBC Energy Inc.	6.950	21-Sep-29	298,270	305,988	0.57
245,000	AltaGas Ltd.	4.070	1-Jun-20	261,089	253,603	0.47	207,000	FortisBC Energy Inc.	6.000	2-Oct-37	257,872	280,994	0.53
45,000	AltaGas Ltd.	3.720	28-Sep-21	46,603	46,441	0.09	235,000	FortisBC Energy Inc.	6.050	15-Feb-38	239,410	320,503	0.60
82,000	AltaGas Ltd.	3.840	15-Jan-25	82,333	84,175	0.16	138,000	FortisBC Energy Inc.	3.690	30-Oct-47	137,901	142,246	0.27
215,000	AltaGas Ltd.	4.990	4-Oct-47	221,295	227,362	0.42	44,000	Hydro One Inc.	4.400	1-Jun-20	46,698	46,326	0.09
184,000	Bank of Montreal	2.100	6-Oct-20	186,980	183,115	0.34	1,543,000	Inter Pipeline Ltd.	2.608	13-Sep-23	1,534,276	1,507,248	2.82
3,411,000	Bank of Montreal	1.610	28-Oct-21	3,395,613	3,310,137	6.18	131,000	Inter Pipeline Ltd.	3.484	16-Dec-26	135,506	130,606	0.24
1,051,000	Bank of Montreal	2.270	11-Jul-22	1,050,667	1,040,198	1.94	809,000	Lower Mattagami Energy LP	4.331	18-May-21	821,739	861,886	1.61
1,817,000	Bank of Nova Scotia	2.130	15-Jun-20	1,842,809	1,811,988	3.39	517,000	Lower Mattagami Energy LP	4.176	23-Feb-46	585,430	580,422	1.08
710,000	Bank of Nova Scotia	2.360	8-Nov-22	709,901	703,285	1.31	286,000	North West Redwater Partnership / NWR Financing Co. Ltd.	3.650	1-Jun-35	285,808	289,149	0.54
3,222,000	Bell Canada Inc.	3.350	18-Jun-19	3,286,956	3,277,673	6.12	190,000	NOVA Gas Transmission Ltd.	6.590	1-Dec-27	218,382	239,066	0.45
674,000	Bell Canada Inc.	3.000	3-Oct-22	680,295	682,160	1.27	900,000	Pembina Pipeline Corp.	2.990	22-Jan-24	893,565	887,195	1.66
846,000	Bell Canada Inc.	2.700	27-Feb-24	845,036	832,129	1.56	1,052,000	Royal Bank of Canada	2.030	15-Mar-21	1,062,666	1,040,892	1.95
201,000	Bell Canada Inc.	3.600	29-Sep-27	200,415	203,328	0.38	996,000	Royal Bank of Canada	2.000	21-Mar-22	1,001,982	976,997	1.83
1,046,000	Brookfield Infrastructure Finance ULC	3.315	22-Feb-24	1,056,890	1,041,947	1.95	281,000	Royal Bank of Canada	2.360	5-Dec-22	280,975	278,263	0.53
2,837,000	Canadian Imperial Bank of Commerce	1.900	26-Apr-21	2,838,578	2,795,468	5.22	152,000	Royal Bank of Canada	3.040	17-Jul-24	154,061	153,423	0.29
91,000	Canadian Imperial Bank of Commerce	2.040	21-Mar-22	90,970	89,421	0.17	888,000	The Toronto-Dominion Bank	2.563	24-Jun-20	913,819	895,217	1.67
590,000	Canadian Natural Resources Ltd.	2.050	1-Jun-20	589,864	583,879	1.09	2,249,000	The Toronto-Dominion Bank	2.045	8-Mar-21	2,268,065	2,229,908	4.17
75,000	CU Inc.	9.920	1-Apr-22	113,869	96,299	0.18	806,000	The Toronto-Dominion Bank	2.621	22-Dec-21	817,647	812,285	1.52
174,000	CU Inc.	3.763	19-Nov-46	174,000	182,937	0.34	173,000	The Toronto-Dominion Bank	2.692	24-Jun-25	173,946	173,491	0.32
900,000	CU Inc.	3.548	22-Nov-47	900,000	910,365	1.70	857,000	The Toronto-Dominion Bank	3.224	25-Jul-29	857,000	856,786	1.60
749,000	CU Inc.	4.947	18-Nov-50	916,327	947,637	1.77	300,000	Toronto Hydro Corp.	3.485	28-Feb-48	299,787	301,762	0.56
15,000	CU Inc.	3.857	14-Nov-52	14,115	15,828	0.03	425,000	TransCanada PipeLines Ltd.	8.290	5-Feb-26	563,588	576,424	1.08
110,000	CU Inc.	4.558	7-Nov-53	118,668	131,647	0.25	225,000	TransCanada PipeLines Ltd.	7.310	15-Jan-27	309,355	292,908	0.55
628,000	Enbridge Gas Distribution Inc.	4.770	17-Dec-21	717,669	685,529	1.28	1,751,000	TransCanada PipeLines Ltd.	7.900	15-Apr-27	2,405,705	2,369,507	4.43
299,000	Enbridge Gas Distribution Inc.	7.600	29-Oct-26	416,903	402,250	0.75	39,000	TransCanada PipeLines Ltd.	4.350	6-Jun-46	39,412	41,914	0.08
225,000	Enbridge Gas Distribution Inc.	6.900	15-Nov-32	276,356	316,986	0.59	102,000	TransCanada PipeLines Ltd.	4.330	16-Sep-47	101,983	109,198	0.20
292,000	Enbridge Gas Distribution Inc.	4.950	22-Nov-50	336,251	367,003	0.69	241,000	TransCanada Trust	4.650	18-May-77	241,000	240,744	0.45
590,000	Enbridge Pipelines Inc.	6.350	17-Nov-23	716,793	692,276	1.29	7,000	Union Gas Ltd.	8.650	10-Nov-25	10,136	9,724	0.02
195,000	Enbridge Pipelines Inc.	8.200	15-Feb-24	257,912	249,549	0.47	621,000	Union Gas Ltd.	2.880	22-Nov-27	620,248	620,430	1.16
125,000	Enbridge Pipelines Inc.	6.050	12-Feb-29	160,350	152,209	0.28	350,000	Union Gas Ltd.	5.200	23-Jul-40	443,293	442,043	0.83
							165,000	Union Gas Ltd.	3.590	22-Nov-47	164,729	167,414	0.31
							17,000	Westcoast Energy Inc.	8.500	4-Sep-18	19,257	17,703	0.03
							19,000	Westcoast Energy Inc.	5.600	16-Jan-19	20,706	19,669	0.04
							977,000	Westcoast Energy Inc.	8.850	21-Jul-25	1,302,220	1,314,414	2.46
							640,000	Westcoast Energy Inc.	7.300	18-Dec-26	774,479	818,601	1.53
							1,588,000	Westcoast Energy Inc.	7.150	20-Mar-31	1,952,558	2,089,111	3.90
										45,503,441	45,507,233	85.04	
										52,137,964	52,112,680	97.39	
										-	-	-	
										52,137,964	52,112,680	97.39	
										53,210,436	53,185,152	99.39	
											325,154	0.61	
											53,510,306	100.00	

Beutel Goodman Corporate/Provincial Active Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

Risk Management

The investment objective of the 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 corporate bonds have a credit rating of BBB or higher by a recognized rating agency. 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, 2017 and December 31, 2016, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2017	Dec. 31, 2016
AA	12	29
A	55	44
BBB	30	26
Total	97	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, 2017 and December 31, 2016.

Debt Instruments* by Maturity Date	Dec. 31, 2017	Dec. 31, 2016
	(\$000)	(\$000)
Less than 1 year	17	156
1-3 years	7,071	6,485
3-5 years	16,060	16,478
Greater than 5 years	28,965	26,135
Total	52,113	49,254

*Excludes cash and cash equivalents

As at December 31, 2017, if prevailing interest rates increased or decreased 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 \$988,000 (December 31, 2016 \$915,000). 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
FTSE TMX Canada Universe Bond Index	506	467
Total	506	467

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, 2017 and December 31, 2016, the Fund did not have significant exposure to foreign currency risk.

Beutel Goodman Corporate/Provincial Active Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	2.00%	0.40%
Canadian Bonds		
Provincial Bonds	12.35%	9.31%
Corporate Bonds	85.04%	89.60%
Total	99.39%	99.31%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	49,254,430	–	49,254,430
Total Assets	–	49,254,430	–	49,254,430

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	411,774	7,860,943	755,637	400,864
Redeemable units issued for cash	28,986	398,370	310,081	231,289
Reinvested units	8,544	194,915	11,912	5,895
Redeemable units redeemed	(65,936)	(1,369,931)	(123,214)	(417,339)
Balance, end of year	383,368	7,084,297	954,416	220,709

Beutel Goodman Short Term Bond Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	26,863	1,113,045
Financial assets at fair value through profit or loss*	178,018,815	209,336,369
Accrued interest	980,568	1,285,152
Subscriptions receivable	41,793	80
Total assets	179,068,039	211,734,646
Liabilities		
Current liabilities		
Management and administrative fees payable	10,340	9,845
Redemptions payable	69,535	1,639
Distributions payable	2,051	12,402
Total liabilities (before net assets attributable to holders of redeemable units)	81,926	23,886
Net assets attributable to holders of redeemable units	178,986,113	211,710,760
*Investments at average cost	181,467,416	211,884,323
Net assets attributable to holders of redeemable units per class		
Class B	351,728	112,704
Class F	1,937,674	2,787,221
Class I	176,696,711	208,810,835
Net assets attributable to holders of redeemable units per unit		
Class B	9.25	9.43
Class F	9.28	9.46
Class I	9.34	9.52
Number of outstanding redeemable units (Note 6)		
Class B	38,020	11,952
Class F	208,734	294,758
Class I	18,928,074	21,940,331

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	5,358,232	6,634,847
Realized gain (loss) on sale of investments	(3,047,934)	(846,795)
Change in unrealized appreciation (depreciation) in the value of investments	(900,647)	(1,635,263)
Net gains (losses) on investments	1,409,651	4,152,789
Other income		
Realized gain (loss) on foreign currency transactions	—	—
Total income	1,409,651	4,152,789
Expenses		
Management fees	15,099	15,845
Administrative fees	95,040	116,765
Total Expenses	110,139	132,610
Increase (decrease) in net assets attributable to holders of redeemable units	1,299,512	4,020,179
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(995)	11
Class F	6,008	21,551
Class I	1,294,499	3,998,617
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.03)	-
Class F	0.02	0.08
Class I	0.06	0.16

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class B	112,704	69,480
Class F	2,787,221	2,149,758
Class I	208,810,835	240,059,265
	211,710,760	242,278,503
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(995)	11
Class F	6,008	21,551
Class I	1,294,499	3,998,617
	1,299,512	4,020,179
Distribution to holders of redeemable units		
From net investment income		
Class B	(5,372)	(1,562)
Class F	(41,143)	(57,895)
Class I	(5,202,143)	(6,442,522)
	(5,248,658)	(6,501,979)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	281,648	173,579
Class F	1,621,226	1,912,822
Class I	53,648,197	168,730,207
Reinvestments of distributions to holders of redeemable units		
Class B	5,324	1,562
Class F	5,499	8,247
Class I	5,198,685	6,439,483
Redemption of redeemable units		
Class B	(41,581)	(130,366)
Class F	(2,441,137)	(1,247,262)
Class I	(87,053,362)	(203,974,215)
	(28,775,501)	(28,085,943)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	239,024	43,224
Class F	(849,547)	637,463
Class I	(32,114,124)	(31,248,430)
	(32,724,647)	(30,567,743)
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	1,299,512	4,020,179
Adjustments for:		
Net realized (gain) loss on sale of investments	3,047,934	846,795
Change in unrealized (appreciation) depreciation in the value of investments	900,647	1,635,263
Purchases of investments	(310,340,893)	(695,779,191)
Proceeds from sale of investments	337,709,866	721,694,571
(Increase) decrease in accrued interest	304,584	258,723
Increase (decrease) in accrued liabilities	495	(309)
Net cash flows from (used in) operating activities	32,922,145	32,676,031
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(49,501)	(49,824)
Proceeds from redeemable units issued	55,509,358	170,896,532
Redemption of redeemable units	(89,468,184)	(205,447,382)
Net cash flows from (used in) financing activities	(34,008,327)	(34,600,674)
Net increase (decrease) in cash and cash equivalents	(1,086,182)	(1,924,643)
Cash and cash equivalents at beginning of year	1,113,045	3,037,688
Cash and cash equivalents at end of year*	26,863	1,113,045
Supplementary information		
Cash flow from operating activities		
Interest received	5,662,816	6,893,570
*Cash and cash equivalents include:		
Cash at banks	26,863	14,396
Short-term investments	-	1,098,649
Total	26,863	1,113,045

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, 2017

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				
Canadian Bonds (2016 - 98.88%)						Mortgage Backed Securities									
Federal Bonds						3,973,000		Canadian Mortgage Pools	1.620	1-Mar-22	3,706,079	3,668,031	2.05		
3,962,000		Canadian Government Bond	1.250	1-Feb-18	3,964,119	3,962,639	2.21	4,131,000		Canadian Mortgage Pools	1.420	1-Jun-22	3,996,932	3,921,062	2.19
10,599,000		Canadian Government Bond	1.250	1-Nov-19	10,533,661	10,516,534	5.88	1,713,000		Canadian Mortgage Pools	1.840	1-Dec-22	1,696,846	1,696,846	0.95
459,000		Canadian Government Bond	1.000	1-Sep-22	446,031	441,406	0.25					9,399,857	9,285,939	5.19	
12,772,000		CPPIB Capital Inc	1.100	10-Jun-19	12,696,148	12,653,065	7.07	Total Canadian Bonds				181,467,416	178,018,815	99.46	
					27,639,959	27,573,644	15.41	Transaction Costs				-			
Provincial Bonds						Total Investments						181,467,416	178,018,815	99.46	
698,000		Province of Ontario	4.200	8-Mar-18	704,540	701,920	0.39	Other Assets Net of Liabilities				967,298	0.54		
3,444,000		Province of Ontario	4.200	2-Jun-20	3,734,848	3,629,097	2.03	Net Assets Attributable to Holders of Redeemable Units				178,986,113	100.00		
811,000		Province of Ontario	4.000	2-Jun-21	876,843	862,785	0.48								
962,000		Province of Ontario	3.150	2-Jun-22	1,028,426	1,000,867	0.56								
2,813,000		Province of Quebec	4.500	1-Dec-20	3,108,640	3,012,477	1.68								
					9,453,297	9,207,146	5.14								
Corporate Bonds															
674,000		AltaGas Ltd.	4.070	1-Jun-20	715,152	697,667	0.39								
10,187,000		AltaLink LP	2.978	28-Nov-22	10,618,851	10,455,368	5.83								
4,184,000		Bank of Montreal	2.100	6-Oct-20	4,223,803	4,163,876	2.33								
10,235,000		Bank of Montreal	1.610	28-Oct-21	10,144,192	9,932,349	5.55								
1,857,000		Bank of Montreal	2.270	11-Jul-22	1,855,741	1,837,913	1.03								
6,528,000		Bank of Nova Scotia	1.473	12-Oct-18	6,528,353	6,530,122	3.65								
6,410,000		Bank of Nova Scotia	2.130	15-Jun-20	6,490,748	6,392,317	3.57								
3,520,000		Bank of Nova Scotia	2.360	8-Nov-22	3,517,823	3,486,710	1.95								
3,529,000		Bell Canada Inc.	3.000	3-Oct-22	3,567,090	3,571,726	2.00								
230,000		Canadian Imperial Bank of Commerce	1.564	28-Jan-19	230,013	230,094	0.13								
14,787,000		Canadian Imperial Bank of Commerce	1.900	26-Apr-21	14,720,775	14,570,523	8.13								
658,000		Canadian Imperial Bank of Commerce	2.040	21-Mar-22	655,677	646,582	0.36								
1,966,000		Canadian Natural Resources Ltd.	2.050	1-Jun-20	1,962,816	1,945,602	1.09								
61,000		Enbridge Pipelines Inc.	4.490	12-Nov-19	65,868	63,769	0.04								
4,767,000		Gaz Métro Inc.	1.520	25-May-20	4,759,892	4,698,456	2.63								
5,269,000		Inter Pipeline Ltd.	3.839	30-Jul-18	5,449,767	5,327,762	2.98								
8,145,000		Lower Mattagami Energy LP	4.331	18-May-21	9,088,960	8,677,452	4.85								
10,270,000		Royal Bank of Canada	2.030	15-Mar-21	10,305,861	10,161,560	5.68								
1,408,000		Royal Bank of Canada	2.000	21-Mar-22	1,404,852	1,381,137	0.77								
980,000		Royal Bank of Canada	2.360	5-Dec-22	979,912	970,456	0.54								
553,000		Royal Bank of Canada	3.040	17-Jul-24	560,476	558,176	0.31								
3,837,000		Royal Bank of Canada	3.310	20-Jan-26	3,916,461	3,902,850	2.18								
5,152,000		The Toronto-Dominion Bank	2.563	24-Jun-20	5,293,766	5,193,874	2.90								
6,759,000		The Toronto-Dominion Bank	2.045	8-Mar-21	6,802,962	6,701,622	3.74								
3,555,000		The Toronto-Dominion Bank	2.621	22-Dec-21	3,609,442	3,582,722	2.00								
4,126,000		Union Gas Ltd.	4.850	25-Apr-22	4,682,041	4,532,730	2.53								
7,644,000		Westcoast Energy Inc.	8.500	4-Sep-18	8,873,214	7,960,104	4.45								
2,871,000		Westcoast Energy Inc.	5.600	16-Jan-19	3,097,153	2,972,044	1.66								
708,000		Westcoast Energy Inc.	9.900	10-Jan-20	852,642	806,523	0.45								
					134,974,303	131,952,086	73.72								

Beutel Goodman Short Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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, 2017 and December 31, 2016, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2017	Dec. 31, 2016
AAA	21	20
AA	17	35
A	48	21
BBB	13	23
Total	99	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, 2017 and December 31, 2016.

Debt Instruments* by Maturity Date	Dec. 31, 2017	Dec. 31, 2016
	(\$000)	(\$000)
Less than 1 year	24,483	12,408
1-3 years	56,975	87,452
3-5 years	92,100	104,169
Greater than 5 years	4,461	5,307
Total	178,019	209,336

*Excludes cash and cash equivalents

As at December 31, 2017, if prevailing interest rates increased or decreased 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 \$1,185,000 (December 31, 2016 \$1,495,000). 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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
FTSE/TSX Canada Short Term Bond Index	1,775	2,086
Total	1,775	2,086

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	–	0.52%
Canadian Bonds		
Federal Bonds	15.41%	20.21%
Provincial Bonds	5.14%	3.59%
Corporate Bonds	73.72%	75.08%
Mortgage Backed Securities	5.19%	–
Total	99.46%	99.40%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	209,336,369	–	209,336,369
Total Assets	–	209,336,369	–	209,336,369

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and December 31, 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class B	Class F	Class I
Balance, beginning of the year	7,281	224,553	24,919,921
Redeemable units issued for cash	18,182	199,743	17,488,093
Reinvested units	164	866	670,524
Redeemable units redeemed	(13,675)	(130,404)	(21,138,207)
Balance, end of year	11,952	294,758	21,940,331

Beutel Goodman Money Market Fund

Statement of Financial Position

As at December 31

	2017	2016
	\$	\$
Assets		
Current assets		
Cash	20,585	9,151
Financial assets at fair value through profit or loss*	269,452,815	376,612,038
Accrued interest	278,722	371,620
Subscriptions receivable	500,302	69,722
Total assets	270,252,424	377,062,531
Liabilities		
Current liabilities		
Management and administrative fees payable	9,778	9,189
Redemptions payable	47,119,189	41,113,437
Distributions payable	5,187	4,479
Total liabilities (before net assets attributable to holders of redeemable units)	47,134,154	41,127,105
Net assets attributable to holders of redeemable units	223,118,270	335,935,426
*Investments at average cost	269,452,815	376,612,038
Net assets attributable to holders of redeemable units per class		
Class D	21,905,460	26,765,002
Class F	3,516,294	96,559
Class I	197,696,516	309,073,865
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	2,190,390	2,676,442
Class F	351,606	9,656
Class I	19,768,014	30,906,739

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

Statements of Comprehensive Income

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Income		
Interest for distribution purposes	2,571,269	1,543,455
Total income	2,571,269	1,543,455
Expenses		
Management fees	141,497	26,971
Administrative fees	83,042	63,018
Total expenses before waiver	224,539	89,989
Expenses waived by the manager	(112,566)	–
Total expenses	111,973	89,989
Increase (decrease) in net assets attributable to holders of redeemable units	2,459,296	1,453,466
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class D	164,692	153,800
Class F	22,703	817
Class I	2,271,901	1,298,849
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class D	0.07	0.06
Class F	0.08	0.06
Class I	0.09	0.08

* 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)

	2017	2016
	\$	\$
Net assets attributable to holders of redeemable units at beginning of year		
Class D	26,765,002	24,064,704
Class F	96,559	113,957
Class I	309,073,865	40,624,683
	335,935,426	64,803,344
Increase (decrease) in net assets attributable to holders of redeemable units		
Class D	164,692	153,800
Class F	22,703	817
Class I	2,271,901	1,298,849
	2,459,296	1,453,466
Distribution to holders of redeemable units		
From net investment income		
Class D	(163,711)	(153,294)
Class F	(22,468)	(815)
Class I	(2,262,002)	(1,292,248)
	(2,448,181)	(1,446,357)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class D	19,843,752	17,835,972
Class F	11,830,347	92,125
Class I	1,349,397,513	1,073,468,412
Reinvestments of distributions to holders of redeemable units		
Class D	157,232	147,491
Class F	22,447	771
Class I	2,219,822	1,237,148
Redemption of redeemable units		
Class D	(24,861,507)	(15,283,671)
Class F	(8,433,294)	(110,296)
Class I	(1,463,004,583)	(806,262,979)
	(112,828,271)	271,124,973
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class D	(4,859,542)	2,700,298
Class F	3,419,735	(17,398)
Class I	(111,377,349)	268,449,182
	(112,817,156)	271,132,082
Net assets attributable to holders of redeemable units at end 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

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

Statements of Cash Flows

For the years ended December 31 (Note 1)

	2017	2016
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	2,459,296	1,453,466
Purchases of investments	(2,710,929,962)	(1,617,873,189)
Proceeds from sale of investments	2,818,089,185	1,305,773,039
(Increase) decrease in accrued interest	92,898	(84,552)
Increase (decrease) in accrued liabilities	589	3,199
Net cash flows from (used in) operating activities	109,712,006	(310,728,037)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(47,972)	(59,203)
Proceeds from redeemable units issued	1,380,641,032	1,091,326,787
Redemption of redeemable units	(1,490,293,632)	(780,543,509)
Net cash flows from (used in) financing activities	(109,700,572)	310,724,075
Net increase (decrease) in cash	11,434	(3,962)
Cash at beginning of year	9,151	13,113
Cash at end of year*	20,585	9,151
Supplementary information		
Interest received	2,664,167	1,458,903

* 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, 2017

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
Cash Equivalents (2016 - 108.19%)						
Treasury Bills						
44,300,000	Government of Canada	1.027	22-Mar-18	44,195,450	44,195,450	19.81
				<u>44,195,450</u>	<u>44,195,450</u>	<u>19.81</u>
Bankers Acceptance						
13,000,000	Firstbank	1.362	21-Mar-18	12,960,350	12,960,350	5.81
5,000,000	Firstbank	1.380	21-Mar-18	4,984,550	4,984,550	2.23
6,000,000	Firstbank	1.381	22-Mar-18	5,981,220	5,981,220	2.68
23,600,000	Bank of Nova Scotia	1.360	5-Mar-18	23,524,485	23,524,485	10.54
24,000,000	Canadian Imperial Bank of Commerce	1.311	5-Mar-18	23,925,037	23,925,037	10.72
20,000,000	Royal Bank of Canada	1.243	29-Jan-18	19,942,750	19,942,750	8.94
3,500,000	Royal Bank of Canada	1.292	1-Feb-18	3,489,500	3,489,500	1.56
21,000,000	The Toronto-Dominion Bank	1.350	16-Jan-18	20,928,810	20,928,810	9.38
				<u>115,736,702</u>	<u>115,736,702</u>	<u>51.86</u>
Discount Commercial Paper						
10,000,000	Enbridge Pipelines Inc.	1.401	1-Feb-18	9,964,800	9,964,800	4.47
8,000,000	FortisBC Energy Inc.	1.280	15-Feb-18	7,982,640	7,982,640	3.58
15,000,000	Gaz Métro Limited Partnership	1.253	25-Jan-18	14,966,100	14,966,100	6.71
10,000,000	Gaz Métro Limited Partnership	1.372	2-Mar-18	9,973,000	9,973,000	4.47
5,000,000	Hydro One Inc.	1.248	27-Feb-18	4,986,700	4,986,700	2.24
15,000,000	Hydro One Inc.	1.350	13-Mar-18	14,954,100	14,954,100	6.70
9,000,000	Inter Pipeline (Corridor) Inc.	1.421	1-Feb-18	8,967,870	8,967,870	4.02
8,900,000	Inter Pipeline (Corridor) Inc.	1.401	15-Feb-18	8,868,672	8,868,672	3.97
4,900,000	Inter Pipeline (Corridor) Inc.	1.429	12-Mar-18	4,882,801	4,882,801	2.19
14,000,000	Union Gas Limited	1.214	8-Jan-18	13,985,580	13,985,580	6.27
10,000,000	Union Gas Limited	1.325	16-Jan-18	9,988,400	9,988,400	4.48
Total Short-Term Investments				<u>109,520,663</u>	<u>109,520,663</u>	<u>49.10</u>
Transaction Costs				—		
Total Investments and Cash Equivalents				<u>269,452,815</u>	<u>269,452,815</u>	<u>120.77</u>
Other Assets Net of Liabilities				<u>(46,334,545) (20.77)</u>		
Net Assets Attributable to Holders of Redeemable Units				<u>223,118,270</u>		<u>100.00</u>

Beutel Goodman Money Market Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2017 and December 31, 2016

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 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, 2017 and December 31, 2016, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2017	Dec. 31, 2016
R1 (high)	72	70
R1 (mid)	38	33
Not Rated	11	9
Total	121	112

*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, 2017 and December 31, 2016, 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, 2017	Dec. 31, 2016
FTSE TMX Canada 91-day Treasury Bills	1,407	2,276
Total	1,407	2,276

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, 2017 and December 31, 2016, 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, 2017 and December 31, 2016

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2017 and December 31, 2016:

Market segment	Dec. 31, 2017	Dec. 31, 2016
Short-Term Investments		
Treasury Bills	19.81%	41.44%
Bankers Acceptance	51.86%	33.72%
Discount Commercial Paper	49.10%	29.38%
Bearer Deposit Notes	–	3.65%
Short-Term Bonds		
Provincial Bonds	–	1.08%
Corporate Bonds	–	2.84%
Total	120.77%	112.11%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	–	13,175,764	–	13,175,764
Short-term investments	–	363,436,274	–	363,436,274
Total Assets	–	376,612,038	–	376,612,038

There were no transfers between level 1 and 2 during the years ended December 31, 2017 and 2016.

Fund Unit Transactions

For the years ended December 31

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

2016	Class D	Class F	Class I
Balance, beginning of the year	2,406,463	11,396	4,062,481
Redeemable units issued for cash	1,783,597	9,213	107,346,841
Reinvested units	14,749	77	123,715
Redeemable units redeemed	(1,528,367)	(11,030)	(80,626,298)
Balance, end of year	2,676,442	9,656	30,906,739

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2017 and December 31, 2016

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 Corporate/Provincial Active Bond Fund	Active	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.

(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 20, 2018.

The Statements of Financial Position of each of the BG Funds are as at December 31, 2017 and December 31, 2016. 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, 2017 and December 31, 2016.

2. Basis of Presentation and Adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published 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, 2017 and December 31, 2016:

a) Financial Instruments

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 BG Funds' investments are designated at fair value through profit or loss (FVTPL). The BG Funds

derivatives are classified as held for trading. The BG Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount, which approximates fair value due to its short term nature. 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, 2017 and December 31, 2016, 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.

b) Valuation of investments

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. BG Funds use the last traded market price for

Beutel Goodman Managed Funds

Notes to Financial Statements

For the years ended December 31, 2017 and December 31, 2016

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 mean of bid/ask 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 derivatives" in the Statements of Comprehensive Income and "Unrealized gain (loss) on forward agreement" 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 "Net realized gain (loss) on sale of derivatives" in the Statements of Comprehensive Income.

c) 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 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.

d) 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 except for zero coupon bonds. 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. All net gains (losses) on investments are from investments designated at FVTPL.

e) 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.

f) Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

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 year-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

Beutel Goodman Managed Funds

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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 designated as loans and receivables and recorded at amortized cost. Amounts due to brokers, accrued expenses and redemptions payables are designated as financial liabilities and reported at 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 fair value option

In classifying and measuring financial instruments held by the BG Funds, the Manager is required to make significant judgments about whether or not the business of the BG Funds is to invest on a total return basis for the purpose of applying the fair value option for the financial assets under IAS 39, *Financial instruments – Recognition and Measurement (IAS39)*. The most significant judgments made include the determination that the fair value option can be applied to the BG Funds' investments.

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.

l) Accounting policies issued but not yet adopted

The following IFRS standard has been issued, but is not yet in effect:

IFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classifications and measurement models in IAS 39 and is effective for reporting periods beginning on or after January 1, 2018. Classification and measurement of debt assets will be driven by an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. On adoption of IFRS 9, the Funds' investment portfolios will continue

to be classified at fair value through profit or loss. Other financial assets which are held for collection will continue to be measured at amortized cost with no material impact expected from application of the new impairment model introduced in IFRS 9. As a result, the adoption of IFRS 9 is not expected to have a material impact on the BG Funds' financial statements.

m) 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 the fund on different terms, including being subject to different management fee rates and therefore, are classified as liability.

n) Interests in structured entities and related party transactions

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.

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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.

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.

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For the years ended December 31, 2017 and December 31, 2016

h) Offsetting of financial instruments

In the normal course of business, the 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 Total World Equity, Short Term Bond, Global Equity, 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 Fund. 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, 2017, 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
	\$
Income	2,598,384
International	10,956,368
Short Term Bond	7,682,256
Long Term Bond	24,737

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 year. 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.

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For the years ended December 31, 2017 and December 31, 2016

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. 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	Class	Management
		Fees (%) ⁽¹⁾
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	1.90
	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

Fund	Class	Management
		Fees (%) ⁽¹⁾
Income Fund	B	1.00
	D	0.70
	F	0.50
Long Term Bond Fund	B	1.00
	D	0.70
	F	0.50
Corporate/Provincial Active 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.

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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
	I	up to 0.10
Total World Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
North American Focused Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Small Cap Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Canadian Dividend Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Global Dividend Fund	B	up to 0.15
	F	up to 0.15
	I	up to 0.10
	I	up to 0.10
World Focus Equity Fund	B	up to 0.15
	D	up to 0.10
	F	up to 0.15
	I	up to 0.10
Global Equity Fund	B	up to 0.15
	D	up to 0.15
	F	up to 0.15
	I	up to 0.10
International Equity Fund	B	up to 0.15
	D	up to 0.10
	F	up to 0.15
	I	up to 0.10
American Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Income Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Long Term Bond Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10

Fund	Class	Administrative Fees (%)
Corporate/Provincial Active 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	Unit Type	Value of Redeemable units as at Dec. 31, 2017	Value of Redeemable units as at Dec. 31, 2016
		\$	\$
Total World Equity	F	-	9,091
North American Focused Equity	B	-	9,524
International Equity	B	-	6,554
World Focus Equity	B	-	9,858
	F	-	10,551
Short Term Bond	F	-	5,549
Money Market	F	-	5,250
	I	10,608,534	11,626,288
Global Equity	B	-	8,970
	D	-	9,315
Fundamental Canadian Equity	B	-	5,565
	F	-	5,715

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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, 2017 and 2016 were as follows:

	2017	2016
	\$	\$
Balanced	2,038,628	1,488,313
Canadian Equity	2,039,363	1,251,182
Total World Equity	4,454	2,705
North American Focused Equity	10,524	6,407
Canadian Dividend	332,430	116,429
Small Cap	511,916	738,293
American Equity	818,016	434,126
International Equity	341,301	205,548
Global Dividend	33,609	42,057
World Focus Equity	31,986	14,397
Global Equity	473,359	627,111
Fundamental Canadian Equity	200,385	159,358

Soft dollar commissions for the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
	\$	\$
Balanced	140,844	189,432
Canadian Equity	344,581	279,089
Total World Equity	60	226
North American Focused Equity	203	545
Canadian Dividend	19,734	11,223
Small Cap	21,329	118,519
American Equity	114,461	104,886
International Equity	-	863
Global Dividend	138	393
World Focus Equity	476	2,996
Global Equity	37,485	55,126
Fundamental Canadian Equity	26,073	19,389



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