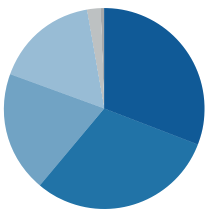
Beutel Goodman Balanced Fund

TOP 10 EQUITY HOLDINGS (%)

ROYAL BANK CDA	3.1
TORONTO DOMINION BK	3.1
BANK OF NOVA SCOTIA	2.2
ROGERS COMMUNICATION	1.8
CDN NATURAL RES	1.8
MAGNA INTL INC	1.6
BROOKFIELD ASSET MGT	1.6
CDN NATL RAILWAY	1.2
AMERICAN EXPRESS CO	1.1
PARKER HANNIFIN CORP	1.1

ASSET MIX WEIGHTINGS (%)



- Cdn. Lge. Cap Equities (30.9)
- Bonds (30.3)
- International Equities (19.4)
- U.S. Equities (16.6)
- Small Cap (2.4)
- Cash (0.4)

PERFORMANCE % (ANNUALIZED) TO SEPTEMBER 30, 2017

BG BALANCED FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
BONDS	-1.66	-2.54	1.99	2.21	2.90	2.01	4.75
FTSE TMX CANADA UNIVERSE BOND INDEX	-1.84	-2.97	1.56	2.79	3.66	2.66	4.74
COMMON STOCKS - CANADIAN	4.80	12.49	13.90	7.19	11.19	13.17	7.70
S&P/TSX	3.68	9.18	11.67	4.54	8.29	8.06	4.06
COMMON STOCKS - U.S.	0.00	17.63	17.25	16.91	20.53	22.59	12.70
S&P 500 (CDN$)	0.61	13.04	13.04	14.92	18.63	19.83	9.90
COMMON STOCKS - INTERNATIONAL	1.30	18.57	12.91	10.55	9.69	11.40	3.80
MSCI EAFE (CDN$)	1.50	13.49	8.81	8.92	10.08	13.70	3.66
CASH/SHORT TERM	0.13	0.75	0.52	0.59	0.73	0.76	0.99
TOTAL PORTFOLIO	1.31	9.72	10.52	7.89	9.69	10.49	7.16
BG BALANCED BENCHMARK	0.65	4.84	7.05	5.70	7.70	7.77	5.17
MANAGEMENT EFFECT	**0.66**	**4.88**	**3.47**	**2.19**	**1.99**	**2.72**	**1.99**

PERFORMANCE % (ANNUAL) TO SEPTEMBER 30TH

BG BALANCED FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	9.72	11.32	2.82	15.25	13.77
BG BALANCED BENCHMARK	4.84	9.30	3.06	13.92	8.05
MANAGEMENT EFFECT	**4.88**	**2.02**	**-0.24**	**1.33**	**5.72**

INVESTMENT STRATEGY

The Fund seeks to enhance long-term capital value by investing in fixed income securities and Canadian, U.S. and international equity securities.

INVESTMENT RESULTS

The Beutel Goodman balanced portfolio posted a positive return for the third quarter of 2017 and outperformed the Beutel Goodman Balanced Benchmark. Added value was due to both asset allocation and security selection. An underweight in fixed income and overweight position in Canadian and international equities added value over the period.

The oil price strengthened during the quarter due to bullish sentiment following the International Energy Agency's upward revision of global demand expectations for 2017, in addition to OPEC's adherence to and possible extension of the current production cut agreement. An unexpected decline in inventory levels, as reported by the Energy Information Administration, also provided support. Geopolitical concerns around the globe, including the crisis in Venezuela, Kurdish secession hopes in Iraq and escalating tensions between the U.S. and North Korea, further influenced the oil price. Amidst this backdrop, WTI has recently traded at a significant spread to Brent, making U.S. crude more attractive to foreign buyers.

Canadian interest rates increased by approximately 31 basis points across the curve during the quarter. While it was a quarter that swung between risk off and risk on momentum, driven by geopolitical tensions and hurricanes, the main catalyst for the increase was the two rate hikes by the Bank of Canada. With evidence of synchronized global economic strength, Canada's second quarter GDP was a barn burner, coming in at 4.5% (quarterly annualized) versus market expectations of 3.7% and the Bank of Canada's forecast of 3.4%. The Bank stated in its most recent monetary policy release that recent economic data has been stronger than expected, supporting the Bank's view that growth in Canada is becoming more broadly-based and self-sustaining. However, the Bank continues to expect a moderation in the pace of growth in the second half of the year and believes that significant geopolitical risks and uncertainties around international trade and fiscal policies remain. Inflation continues to run below the Bank's 2% target, reflecting some excess capacity in the labour market and more subdued wage and price pressures.

During the third quarter, the U.S. Federal Reserve kept the Federal Funds rate unchanged at a target range of 1-1.25%. In line with market expectations, the Federal Reserve announced that its balance sheet normalization program will commence in October. The Fed believes that near-term risks to the economic outlook appear roughly balanced, but the Committee is monitoring inflation developments closely. The Fed mostly stuck to its cautious language concerning the pace of future rate hikes. The Committee expects that economic conditions will evolve in a manner that will warrant gradual increases in the Federal Funds rate and that the rate is likely to remain, for some time, below levels that are expected to prevail in the longer run.

Encouraging economic news from China continues. Second quarter 2017 growth of 6.9% year-over-year was announced and provided positive sentiment for global markets.

The Canadian equity component outperformed the S&P/TSX Composite Index for the quarter. The majority of the added value was due to stock selection, with neutral sector allocation effects. Negative effects from an underweight position in Energy were outweighed by positive effects from a lack of exposure to Utilities, Real Estate and Health Care. The Energy sector was the largest source of added value from stock selection. Cenovus Energy rose significantly as the company announced asset sales. Cenovus sold its Pelican Lake heavy oil operations to Canadian Natural Resources, as well as its Suffield crude oil and natural gas operations to International Petroleum Corp in order to reduce the debt incurred after the acquisition from ConocoPhillips earlier this year, and has reassured the market on the company's ability to de-lever its balance sheet. Canadian Natural Resources was also a strong contributor, mostly due to the strength of the oil price, as well as

Asset Class	Performance Benchmark Return	BG Balanced Fund Return	Performance Benchmark Weight	Closing Weight 3Q 2017	Closing Weight 2Q 2017
Cash & Cash Equivalents	0.1%	0.1%	5.0%	0.4%	1.5%
Fixed Income	-1.8%	-1.6%	40.0%	30.3%	30.5%
Equity	2.5%	2.6%	55.0%	69.3%	68.0%
- Canada	3.7%	4.8%	30.0%	33.3%	32.3%
- U.S.	0.6%	0.0%	12.0%	16.6%	16.5%
- EAFE	1.5%	1.3%	13.0%	19.4%	19.2%
Total Returns	0.6%	1.3%			
Total Added Value		0.7%			

Equity=S&P/TSX Composite Index / US Equity=C$ S&P500 Index / International Equity=C$ MSCI EAFE Index. Returns are gross of fees & expenses.

reporting earnings that were better than expectations. Selection in Consumer Discretionary added significant value as Magna gained and was one of the top relative contributors to performance for the quarter. Magna continues to execute well and generate good margins with the potential to grow further. Additionally, the launch of new vehicles at Magna Steyr is going well. Quebecor and Canadian Tire were both also contributors to performance. In Materials, Agrium and Potash rose significantly, as the merger process progressed. China, India and the U.S. have requested reasonable asset divestitures. The deal also gained Canadian regulatory approval. The weak gold price also benefitted the portfolio due to our underweight exposure, while our only gold holding, Franco Nevada, rose in the quarter.

The U.S. equity component's underperformance for the quarter was primarily due to stock selection. Sector weighting effects were neutral. The negative effect was primarily due to our underweight in Information Technology, our underweight in Energy and slight overweight in Consumer Staples. The largest benefit from sector allocation came from an underweight in Consumer Discretionary, with an overweight in Telecommunications also adding value. With respect to stock selection, the main detractors for the quarter included AmerisourceBergen in Health Care, Omnicom Group in Consumer Discretionary and Kellogg in Consumer Staples. Further underperformance came from Oracle in Information Technology and Ingersoll-Rand in the Industrials sector. The Financials, Materials and Telecommunication Services sectors provided areas of relative outperformance, the majority being from stock selection. Our Financials holdings, Ameriprise Financial and American Express, provided significant alpha, while LyondellBasell was a positive contributor in the Materials sector. In Telecommunication Services, our high conviction weight in Verizon was a positive contributor. Both Teradyne and Symantec in Information Technology contributed with strong returns. Parker Hannifin, while detracting in the second quarter, was a notable contributor in the third quarter.

The international equity component underperformed in the quarter, with positive stock selection outweighed by negative sector allocation, as the benefit from our overweight in Materials was more than offset by the weakness from our overweights in Telecommunications and Consumer Staples. In terms of stock selection, the strongest contribution came from Telecommunications. Weakness in NTT Docomo and Vodafone was more than offset by a very strong showing from Telefonica Deutschland, as well as good results from KPN. The Materials sector was the second largest contributor to stock selection, although most of this came from Norsk Hydro, our best performing stock in the period. BASF also contributed. The Industrials sector was a contributor to stock selection. GEA jumped on the news that GBL, Europe's second largest listed holding company, had bought 3% of GEA's shares. Konecranes also posted a good return after showing strong results, while IMI's returns were largely in-line. These positive effects were offset by negative selection effects in Financials, Health Care and Information Technology. Resona and Deutsche Boerse were the main culprits in weak stock selection within Financials, as the former followed the sector lower, while the latter was hit with poor investor sentiment. Julius Baer offset this somewhat on results that showed healthy asset growth as well as margin expansion. In Health Care, Smith & Nephew's good showing was not enough to offset weakness from Merck KGaA, which lagged due to the results in its Performance Materials segment, as well as a muted Investor Day towards the end of the quarter. Stock selection was quite weak within Information Technology. Atea lagged after posting results that included a very weak showing from Denmark. The company has initiated a cost-out initiative and is confident that Denmark will be stabilized before year end. Spectris was also weak after disappointing with weaker than expected margins.

During the third quarter, the FTSE TMX Canada Universe Bond Index decreased by 1.84% on a total return basis. The Corporate and Federal sectors both outperformed the Index during the quarter returning -1.34% and -1.57%, respectively. The Provincial and Municipal sectors both underperformed the Index during the quarter, returning -2.52%, and -1.93%, respectively.

The fixed income portfolio outperformed its benchmark in the third quarter. Duration positioning added value as yields increased. Curve positioning added value due to our underweight position in the mid part of the curve during the periods of time in which the mid part underperformed. Sector allocation added value, as the portfolio was overweight corporates and underweight federal bonds. Corporate security selection detracted, as higher quality credits underperformed riskier names.

PORTFOLIO STRATEGY AND ACTIVITY

In the Canadian equity component, our positions in **Canadian Natural Resources, Loblaw, Metro, Onex** and **Sun Life** were increased and our positions in **Cenovus, CIBC** and **Thomson Reuters** were trimmed.

With respect to the U.S. equity component, no new positions were added to the portfolio, although we continued to build positions in newer names **AutoZone** and **Omnicom** and add to **Kellogg** and **AmerisourceBergen** on valuation considerations. Also during the quarter, a process driven one-third sale in **Baxter** reduced the weight in this name, which continues to be held. **Oracle, Teradyne** and **Ingersoll-Rand** were trimmed on strength.

In the third quarter of 2017, the international equity portfolio initiated three new positions. **Smiths Group** is a diversified industrial conglomerate that offers a fairly defensive mix of high-recurring revenue businesses with attractive margins, while the stock itself trades at a highly appealing multiple. **Roche** is widely recognized as one of the strongest and most innovative pharmaceutical companies in the world. Given the quality of the franchise and below-average valuation, Roche offers a very attractive risk-reward proposition. As the supplier of close to one-third of Australian transport fuel, **Caltex** is well positioned to leverage the strong and stable cash flows of its supply business to reinvest into the leading retail footprint of service stations, while returning the majority of free cash flow to shareholders. We only added to one position during the quarter, Healthcare company **Smith & Nephew**, which was new to the portfolio last quarter. To fund our new positions and the aforementioned addition, we sold the balance of our position in **Bayer** due to our disappointment with management's pursuit of Monsanto and the detrimental impact to the balance sheet. We also performed a small trim on **Merck KGaA**, given the larger position size. Additional funds were created from process-driven trims in **Konecranes** and **Richemont**.

In fixed income, we are short duration versus the FTSE TMX Canada Universe Bond Index. We believe that as central banks have adjusted their biases to removing monetary policy stimulus, both through hiking interest rates and tapering QE and balance sheets, interest rates will likely increase in accordance. The Canadian bond market has fully priced in a full tightening cycle by the Bank of Canada, in line with our expectations, so there are no opportunities for rates to increase significantly in the short-end of the curve. We are positioned for the yield curve to continue to flatten, as is reflective of tightening cycles. Our projected roll return versus that of the benchmark remains positive. We are overweight corporate bonds and are maintaining our defensive and safe haven positioning. We are underweight Government of Canada bonds and are slightly underweight provincial bonds.

OUTLOOK

The slower rate of continuous growth seen since 2009, now well synchronized globally, extends the business cycle, drives down volatility and discount rates while also promoting corporate cost vigilance and the return of capital to shareholders. Most economists are expecting global GDP growth to reach 3% in 2017 and continue to grow at that pace in 2018. Europe and Japan continue to deliver positive surprises. China has steadied its growth trajectory and added to the business confidence of the broad region of Asia Pacific. Inflation, showing signs of picking up across many markets, is still at a low level globally. Seeing the economic strength, more central banks are moving towards an uncharted path of normalization after the unprecedented massive quantitative easing. Yet the actual tightening, especially from the ECB and the BoJ, won't happen for some time.

Given the relatively slow but steady economic recovery thus far, share price returns globally have run far ahead of revenue growth, leaving the outperformance to be driven by significant margin expansion and/or valuation multiple expansion. However as revenues are highly linked to overall measures of economic growth, companies should now be entering a period of accelerating revenues, which in turn will support further cash flow growth. In this environment of generally higher valuations, finding new opportunities that meet our high hurdle rate remains a challenge. But the task has recently become easier, as companies that face near term headwinds have tended to deviate further from their intrinsic values, creating wider dispersions in share price performance, in turn leading to further potential global equity opportunities.

With respect to fixed income, after removing the 50 basis points of monetary policy stimulus, the Bank of Canada is embarking on a tightening cycle. The Canadian bond market has completely priced in three rate hikes by the Bank through to the end of 2018. While there is no doubt that the Canadian economy is strong and that the slack in the economy is being used up, there are a few areas of concern for the economic forecast. A significant amount of the strong growth has been led by the services sector and not by manufacturing, nor by the export sectors that the Bank of Canada had expected to benefit from a lower Canadian dollar. As the Bank of Canada has repeatedly warned, consumer indebtedness is at very high levels. While a slowdown in the housing market will likely not lead to a rash of foreclosures in Canada as it did in the U.S., it will likely constrain consumer spending, as mortgage payments take up a greater share of the consumers' wallet. There remains concern that anti-trade and "Buy America" policies, as well as differences in carbon regulations and corporate taxes, could also disadvantage Canadian industry versus that of the U.S. These uncertainties are holding back business investment in Canada. On the other hand, strong U.S. economic growth will have positive spillover effects in Canada and continued tightening by the Federal Reserve gives the Bank of Canada room for additional hiking as well. The Bank of Canada is unlikely to hike its overnight rate higher than that of the U.S. without risking a significant and unwanted appreciation of the Canadian dollar.

We believe that while we are in the late stages of the credit cycle, the economic backdrop should allow for some additional spread compression in 2017. We also believe that the corporate market is more vulnerable to beta events, as the market is not properly compensating for credit risk.

Disclosure Notes

Investment returns are expressed in Canadian dollars unless otherwise noted, gross of investment management fees and net of operating expenses for Beutel Goodman funds. Returns are time weighted and annualized for periods greater than one year. Client returns may vary due to cash flow timing and client-specific constraints.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit values and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The I class units of the Short Term Bond Fund were not offered under a prospectus for the period since performance inception to October 4, 2010 (the prospectus start date). The I class units of the Global Dividend Fund were not offered under a prospectus for the period since performance inception to September 14, 2010 (the prospectus start date). Please see the related product profiles for the inception dates of these funds. The I class units of the Global Equity Fund were not offered under a prospectus for the period since its 1995 performance inception to July 6, 2011 (the prospectus start date). Performance for each of these Funds is combined to include both of these periods. The expenses of these Funds would have been higher during these periods had these Funds been subject to additional regulatory requirements applicable to a fund whose units are offered under a prospectus.

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