

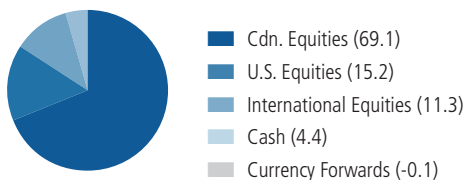
▶ TOP 10 HOLDINGS (%)

TORONTO DOMINION BK	9.5
ROYAL BANK CDA	8.9
BANK OF NOVA SCOTIA	6.9
ROGERS COMMUNICATIONS	5.1
POWER FINANCIAL CORP	4.8
CDN NATURAL RES	4.6
SUN LIFE FNCL INC	4.6
VERIZON COMMUNICATIONS	4.5
AIR LIQUIDE(L')	4.2
MAGNA INTL INC	3.7

▶ SECTOR WEIGHTS VS BENCHMARK

SECTOR WEIGHTS (%)		UNDERWEIGHT/OVERWEIGHT %	
Sector	BG S&P/TSX		
Health Care	6.8 0.6		6.2
Consumer S.	9.3 3.6		5.7
Financials	39.9 34.4		5.5
Telecom	9.6 4.8		4.9
Consumer D.	8.7 5.4		3.3
Utilities	1.9 3.8	-1.9	
Real Estate	0.0 2.8	-2.8	
Materials	8.3 11.5	-3.2	
Information Tech	0.0 3.3	-3.3	
Industrials	4.7 9.5	-4.8	
Energy	6.4 20.4	-14.0	
Cash	4.4		
Currency Forwards	-0.1		

▶ ASSET MIX (%)



▶ PERFORMANCE % (ANNUALIZED) TO SEPTEMBER 30, 2017

BG CANADIAN DIVIDEND FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
TOTAL PORTFOLIO	5.00	12.55	14.86	9.70	12.65	14.52	8.61
S&P/TSX INDEX	3.68	9.18	11.67	4.54	8.29	8.06	4.06
MANAGEMENT EFFECT	1.32	3.36	3.19	5.17	4.36	6.46	4.55

▶ PERFORMANCE % (ANNUAL) TO SEPTEMBER 30TH

BG CANADIAN DIVIDEND FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	12.55	17.22	0.08	21.98	22.29
S&P/TSX INDEX	9.18	14.21	-8.38	20.38	7.12
MANAGEMENT EFFECT	3.36	3.01	8.46	1.60	15.17

▶ INVESTMENT STRATEGY

The Fund's objective 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 in high-yield preferred stocks and interest-bearing securities. The Fund may also invest in foreign issues.

▶ INVESTMENT RESULTS

For the third quarter of 2017, the S&P/TSX Composite increased, with a return of 3.7%. Energy led the gains, as WTI rose over 12% during the quarter. The Integrated Oil & Gas subsector had the strongest performance within the Energy sector, increasing 16.4%. The Consumer Discretionary and Financials sectors also outperformed the broader Index for the period. The Health Care sector was the worst performer, declining for the quarter.

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%.

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.

For the third quarter, the Fund outperformed the S&P/TSX Composite Index due to strong stock selection. The Materials sector added the most value, with stock selection effects driving most of the outperformance in the sector. Agrium and Potash rose 14.7% and 12.8% respectively, as the tone of the merger talks between the two companies improved. Air Liquide also contributed to performance after gaining 4.0% for the period. The weak gold price also benefitted the portfolio due to our underweight exposure.

Stock selection and allocation effects in the Financials sector were positive. TD Bank was the top absolute contributor, gaining 8.6% after reporting strong earnings driven by solid performance in its Canadian and U.S. retail businesses. Earnings releases were strong across the board in our bank holdings. Although housing-related loan growth may slow, the banks should benefit from rising rates.

In Energy, positive selection effects outweighed negative allocation effects. The Energy underweight in the portfolio hurt performance due to the rally in the oil price during the period. Cenovus Energy rose 27.2% during the quarter 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. The proceeds are to be used to reduce the debt that Cenovus incurred after the acquisition from ConocoPhillips earlier this year, and has reassured the market on the company's ability to de-leverage its balance sheet.

The Consumer Staples sector detracted, driven by both allocation and selection effects. Molson Coors fell 8.8% due to ongoing concerns regarding challenging volume trends and negative market sentiment in Staples generally. Metro rose 0.5% for the period. At the end of September, Metro announced the acquisition of the Jean Coutu Group in a cash and stock deal valued at about \$4.5 billion. Unilever was additive to performance but Kellogg detracted, as negative industry sentiment surrounding food companies and private label, as well as the "Amazon" threat, hurt the stock.

USD currency hedging added value for the quarter.

At the end of the second quarter, the yield on the portfolio was 3.2% versus a yield for the S&P/TSX Composite of 2.9%.

▶ PORTFOLIO STRATEGY AND ACTIVITY

During the third quarter, one new position was added to the portfolio, **Roche Holding**. Based in Switzerland, Roche is widely recognized as one of the strongest and most innovative pharmaceutical companies in the world.

Also during the period, our positions in **Canadian Natural Resources** and **Metro** were increased, while our positions in **Cenovus**, **CIBC**, **Royal Bank**, **TD Bank**, **Potash Corp**, **Eli Lilly** and **Merck KGaA** were trimmed.

▶ OUTLOOK

Although continuing to trail other indices globally, the Canadian market exhibited some positive momentum in the third quarter, driven by strength in Energy and Consumer Discretionary. The oil price rebounded to a six month high, leading the Energy sector's outperformance for the quarter. Year-to-date Canada's GDP growth has exceeded market expectations. However, growth in the month of July has moderated and is tracking to expand by 3% for the year. Inflation remains stubbornly below the 2% target, wage growth remains muted and concerns regarding household debt persist. Together, these factors may indicate that the Bank of Canada will slow its pace of tightening going forward after raising rates in July and September.

With steady growth, low inflation and attractive valuations, our outlook is positive for equity markets. We continue to find good value opportunities in the Financials, Consumer Discretionary, Telecommunications, Consumer Staples and Industrials sectors, while we are cautious on the fundamentals of the Energy and Materials sectors.

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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