Beutel Goodman **Global Dividend Fund**

BEUTEL GOODMAN
Investment Counsel

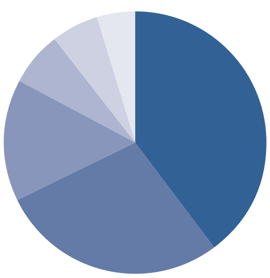
Top 10 Holdings (%)

LYONDELLBASELL INDUS	4.90
CALTEX AUSTRALIA	4.60
HARLEY DAVIDSON INC	4.50
NTT DOCOMO	4.50
KON KPN NV	4.20
CAMPBELL SOUP CO	4.20
VODAFONE GROUP	4.10
TGS NOPEC GEOPH CO	4.00
VERIZON COMMUNICATIONS	4.00
WPP PLC	3.90

Sector Weights vs Benchmark

SECTOR WEIGHTS (%)			UNDERWEIGHT/OVERWEIGHT %
Sector	**BG**	**MSCI World C$**	
Telecom	19.93	2.66	17.3
Materials	11.85	5.08	6.8
Energy	8.55	6.06	2.5
Consumer D.	14.66	12.66	2.0
Consumer S.	10.47	8.67	1.8
Industrials	12.78	11.64	1.1
Utilities	0.00	2.96	-3.0
Real Estate	0.00	3.01	-3.0
Health Care	6.90	11.72	-4.8
Financials	5.41	17.93	-12.5
Info. Tech.	3.68	17.61	-13.9
Cash	5.78		

Regional Weights (%)



- Europe excluding U.K. (39.85)
- U.S. (28.12)
- U.K. (14.80)
- Pacific Basin excluding Japan (6.94)
- Japan (4.50)
- Emerging Markets (0.0)
- Cash (5.78)

Performance % (ANNUALIZED) to March 31, 2018

BG Global Dividend Fund	Current Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
Total Portfolio	-0.56	9.60	15.08	10.13	9.43	12.10	8.38
MSCI World Index C$	1.58	9.86	13.80	8.54	11.68	15.05	8.32
Management Effect	**-2.14**	**-0.26**	**1.28**	**1.59**	**-2.25**	**-2.96**	**0.07**

Performance % (ANNUAL) to March 31, 2018

BG Global Dividend Fund	2018	2017	2016	2015	2014
Total Portfolio	9.60	20.83	0.87	7.34	23.44
MSCI World Index C$	9.86	17.89	-1.26	21.65	29.58
Management Effect	**-0.26**	**2.94**	**2.13**	**-14.31**	**-6.14**

Investment Strategy

The Fund is a global equity portfolio whose primary objective is to provide investors with a high and growing level of dividend income, combined with lower long-term volatility. The companies selected have an attractive return potential relative to downside risk and have the potential to provide a growing stream of dividend income and capital appreciation.

Investment Results

The Beutel Goodman global dividend portfolio underperformed the MSCI World C$ Index in the first quarter. Within the index, the Information Technology and Consumer Discretionary sectors led returns, while Telecommunications, Energy and Consumer Staples lagged.

Global growth may be showing initial signs of slowing, despite the International Monetary Fund (IMF) raising its global growth forecast for 2018 and 2019 to 3.9% in January, up from 3.7%. Steady global GDP improvement throughout 2017 has moderated so far in 2018, as evidenced by recent preliminary PMIs for Europe and Japan. Euro-area economic sentiment, although at 3 year highs, has begun to fall due to tariff talk from the U.S., political issues in Germany, and Brexit concerns.

During the first quarter, the U.S. Federal Reserve hiked the Federal Funds rate by 25 basis points, to a target range of 1.5-1.75%. This was new Fed Chair Jerome Powell's first meeting and it did not represent a significant change versus the Janet Yellen Federal Reserve. The Fed believes that the labour market has continued to strengthen and that economic activity has been rising at a moderate rate.

The portfolio underperformed in the quarter, primarily due to sector allocation, with a slight negative effect from stock selection. Sector allocation effects were negative, primarily due to an overweight position in Telecommunications and Materials, and an underweight position in Information Technology.

In terms of stock selection, the largest detractor over the period was in Consumer Discretionary. In spite of positive contributions from Omnicom and Michelin, newer positions Harley-Davidson and WPP underperformed on negative sentiment, the latter also hurt by sluggish growth numbers.

Selection in Industrials detracted, as GEA and IMI both underperformed with disappointing results. Negative selection effects in Health Care were due to underperformance in Eli Lilly and Roche.

These negative effects were slightly offset by positive stock selection in Information Technology, Materials and Financials. In Information Technology, our single holding, Atea, was the top contributor over the period, as strong top and bottom line growth continued to propel the stock higher.

In Materials, positive stock selection effects were driven by a strong showing from Akzo Nobel following its announcement that it had reached a deal to sell its Specialty Chemicals business. This more than offset weakness from BASF, which lagged on broader cyclicality concerns.

The Financials sector was also a solid contributor to performance, with Julius Baer and DBS as strong contributors. DBS rallied on strong results and a special dividend announcement.

Portfolio Strategy and Activity

In Q1 2018 the global dividend portfolio initiated two new positions:

NTT Docomo is Japan's largest telecommunications company with over 73 million customers. Given the company's strong market position and long history of investing in its network, the company consistently generates high levels of free cash flow which it returns to shareholders through opportunistic buybacks and a growing stream of dividends.

WPP is the world's largest advertising agency. The company helps large corporations and organizations with creating brand, planning and executing advertising campaigns, as well as managing public relations.

The portfolio also added to its investments in **Caltex, Campbell Soup, Harley-Davidson, KPN, Konecranes, Roche Holdings, Telefonica Deutschland, TGS Nopec** and **Vodafone** at attractive valuations.

To fund our new positions and the aforementioned additions, we exited our positions in **Air Liquide, Ingersoll-Rand** and **Julius Baer,** which, after previously hitting their targets, offered less attractive risk-reward than the bulk of the portfolio. Additional funds were created from a process-driven trim in **Atea.**

Outlook

The economic data points were largely as expected in Q1. Strong employment and low inflation rates were the highlights across most major economies. The U.S. Federal Reserve is set on a path to raising short-term interest rates throughout 2018. With major central banks around the world echoing that message (though likely differing in execution), a picture of global monetary tightening has formed quickly. Fixed income markets have responded quickly. Equity markets have as well.

In the U.S., the market dynamic that has been in place for years has changed. The "buy any dip" mentality, given ultra-low volatility, an improving economic backdrop globally, high liquidity, and still very low interest rate levels, is not the main playbook anymore. Volatility has increased, and we have taken a few hits to the psyche in terms of the perfect economic backdrop (via trade war threats and challenges to "can't miss" business models for tech giants like Facebook and, very late in the quarter, Amazon). That said, the movie ending is still the same. Growth and momentum stocks continued to hold or gain their strength, while value stocks continued to trap investors. The gap between the S&P 500 or Nasdaq index performance for the last 12-months versus the Russell 1000 Value Index clearly shows that.

High quality business models and company-specific catalysts factor into attractive risk/reward profiles and, importantly, downside protection. The portfolio continues to incorporate a high concentration of companies with under-levered balance sheets and managements that are well aligned with shareholders, which we expect will continue to lead to positive corporate actions like share buy-backs, dividend increases and value-enhancing deals.

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.

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