Beutel Goodman Global Dividend Fund

Q3 - SEPTEMBER 30, 2017

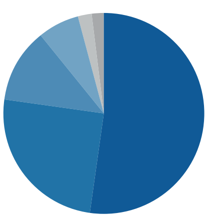
TOP 10 HOLDINGS (%)

LYONDELLBASELL INDUS	5.7
VERIZON COMMUNICATIONS	5.1
ATEA ASA	5.0
ELI LILLY & CO	4.5
KON KPN NV	4.5
AKZO NOBEL NV	4.5
IMI	4.3
KELLOGG CO	4.2
TGS NOPEC GEOPH CO	4.1
GEA GROUP AG	4.1

SECTOR WEIGHTS VS BENCHMARK

SECTOR WEIGHTS (%)			UNDERWEIGHT/OVERWEIGHT %
Sector	**BG**	**MSCI WORLD C$**	
Telecom	17.3	2.9	14.4
Materials	16.9	5.1	11.8
Industrials	16.3	11.5	4.8
Energy	7.6	6.3	1.2
Consumer S.	9.1	9.1	0.0
Utilities	0.0	3.1	-3.1
Real Estate	0.0	3.1	-3.1
Health Care	8.2	12.3	-4.1
Consumer D.	6.6	12.1	-5.5
Financials	10.6	18.1	-7.5
Info. Tech.	5.0	16.2	-11.2
Cash	2.3		

REGIONAL WEIGHTS (%)



- Europe ex U.K. (52.2)
- U.S. (25.2)
- U.K. (11.9)
- Pacific Basin ex Japan (6.6)
- Cash (2.3)
- Japan (1.8)
- Emerging Markets (0.0)

PERFORMANCE % (ANNUALIZED) TO SEPTEMBER 30, 2017

BG GLOBAL DIVIDEND FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	SINCE INCEPTION*
TOTAL PORTFOLIO	1.97	18.64	15.96	12.65	12.49	14.71	7.66
MSCI WORLD INDEX C$	0.96	12.60	10.81	11.68	14.23	16.44	6.80
MANAGEMENT EFFECT	**1.01**	**6.04**	**5.15**	**0.98**	**-1.74**	**-1.73**	**0.86**

* Inception Date = December 1, 2007

PERFORMANCE % (ANNUAL) TO SEPTEMBER 30TH

BG GLOBAL DIVIDEND FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	18.64	13.35	6.31	12.01	24.01
MSCI WORLD INDEX C$	12.60	9.05	13.42	22.27	25.69
MANAGEMENT EFFECT	**6.04**	**4.30**	**-7.11**	**-10.26**	**-1.68**

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 posted a positive return for the third quarter, finishing ahead of the MSCI World C$ Index. Energy and Materials were the best performing sectors in the index, followed by strong participation from Information Technology. The worst performer over the period was Consumer Staples, which posted negative returns for the quarter due to challenging industry headwinds, particularly food manufacturers and grocers.

During the third quarter, the U.S. Federal Reserve kept the Federal Funds rate unchanged at a target range of 1-1.25%, and in line with market expectations, 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 Committee expects that economic conditions will evolve in a manner that will warrant gradual increases in the Federal Funds rate.

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 portfolio outperformed in the quarter due to both sector allocation and stock selection. Sector allocation added value, with the positive effect from an overweight position in Materials outweighing negative effects from an underweight in Information Technology.

In terms of stock selection, the strongest contribution came from the Telecommunications sector. Weakness in Vodafone was more than offset by a very strong showing from Verizon and Telefonica Deutschland, as well as good results from KPN.

Selection in Materials was also a significant source of value added, as LyondellBasell and BASF produced double digit returns, strongly outperforming the sector.

The Energy sector had mixed, but overall positive results, with a very strong showing from TGS-Nopec which chased oil higher, offset somewhat by a weak result from Caltex, one of our new investments in the quarter.

Selection in Information Technology was the largest detractor over the period. Atea lagged after posting results that included a very weak showing from Denmark. Oracle underperformed, falling significantly after it offered disappointing guidance for its cloud revenue and profits for its second fiscal quarter.

PORTFOLIO STRATEGY & ACTIVITY

In the third quarter, the global dividend portfolio initiated three new positions:

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.

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.

Based in the United Kingdom, **Smiths Group** is a diversified industrial conglomerate with leading niche positions in infusion pumps used in healthcare settings, high performance seals used in chemical plants and refineries, and sensors and software used to detect threats from explosives, weapons, and chemicals at airports and other high risk areas. Smiths Group offers a fairly defensive mix of high-recurring revenue businesses with attractive margins, while the stock itself trades at a highly appealing multiple.

We continued to build positions in newer names **LyondellBasell, Omnicom** and **TGS Nopec**, and add to **Atea, IMI, Carlsberg, Kellogg, Verizon** and **Vodafone** on valuation considerations.

To fund our new positions and the aforementioned additions, we sold our holdings in **American Express, Oracle** and **Richemont** on risk/reward considerations. In addition, we initiated a process-driven trim in **Konecranes** and trimmed our position in **Ingersoll-Rand** in order to enhance the risk/reward profile of the portfolio.

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.

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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