Beutel Goodman Long Term Bond Fund

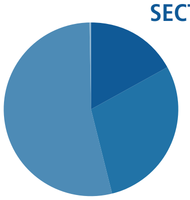
TOP 10 HOLDINGS (%)

ONTARIO PROV	4.700 JUN 02 37	11.6
ONTARIO PROV	4.650 JUN 02 41	11.0
QUEBEC PROV	5.000 DEC 01 41	7.1
CANADA GOVT	2.750 DEC 01 48	6.7
CANADA GOVT	5.000 JUN 01 37	6.6
ONTARIO PROV	2.800 JUN 02 48	5.3
QUEBEC PROV	3.500 DEC 01 48	2.7
TRANSCANADA PIPELINE	8.200 AUG 15 31-03	2.6
ALBERTA PROV	3.900 DEC 01 33	2.3
CANADA GOVT	1.000 JUN 01 27	2.1

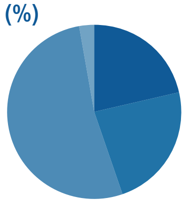
BG LONG TERM BOND FUND

FTSE TMX CANADA LONG TERM BOND

SECTOR WEIGHTS (%)

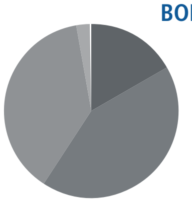


Gov't of Canada Bonds (16.5)
Corporate Bonds (28.6)
Provincial Bonds (52.3)
Cash (0.2)

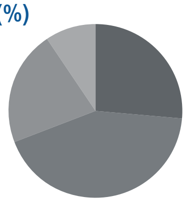


Gov't of Canada Bonds (21.5)
Corporate Bonds (23.3)
Provincial Bonds (52.7)
Municipal Bonds (2.6)

BOND QUALITY (%)



AAA (16.8)
AA (42.7)
A (37.9)
BBB (2.7)



AAA (26.6)
AA (42.8)
A (21.4)
BBB (9.2)

PERFORMANCE % (ANNUALIZED) TO SEPTEMBER 30, 2017

BG LONG TERM BOND FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
TOTAL PORTFOLIO	-4.02	-5.92	3.29	3.44	5.15	2.84	6.27
FTSE TMX CANADA LONG TERM BOND INDEX	-4.09	-5.95	2.93	4.43	6.12	3.62	6.59
MANAGEMENT EFFECT	**0.07**	**0.03**	**0.36**	**-0.99**	**-0.96**	**-0.78**	**-0.32**

PERFORMANCE % (ANNUAL) TO SEPTEMBER 30TH

BG LONG TERM BOND FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	-5.92	13.40	3.74	10.47	-5.90
FTSE TMX CANADA LONG TERM BOND INDEX	-5.95	12.64	7.49	11.34	-5.79
MANAGEMENT EFFECT	**0.03**	**0.76**	**-3.75**	**-0.87**	**-0.11**

PORTFOLIO CHARACTERISTICS

	BEUTEL GOODMAN LONG TERM BOND FUND	FTSE TMX CANADA LONG TERM BOND
AVERAGE TERM	22.11 YEARS	23.10 YEARS
AVERAGE DURATION	14.52 YEARS	14.64 YEARS
YIELD	3.29 %	3.28 %

INVESTMENT STRATEGY

The Fund seeks to earn a high rate of income by investing primarily in long-term fixed income securities of Canadian government and corporate issuers.

MARKET OVERVIEW

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. 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. The Bank believes that significant geopolitical risks and uncertainties around international trade and fiscal policies remain.

In the U.S., the Trump Administration effectively avoided a showdown in September with the U.S. Congress over funding the government and the debt ceiling, but kicked the can down the road for a reckoning on both of those issues in December. Looking for a legislative win, President Trump introduced wide sweeping, pro-growth and pro-investment tax reforms. The U.S. Tax Policy Center weighed in on the proposed tax cuts and estimated that the proposal, as currently structured, will reduce U.S. federal tax revenues by U.S. $2.4 trillion over the next ten years. The tax reform legislation will likely need to be reworked with some compromises before ultimate passage by Congress.

During the third quarter, the FTSE TMX Canada Long Term Bond Index decreased by 4.09% on a total return basis. The Municipal and Corporate sectors both outperformed the Index during the quarter returning -3.46% and -3.58%, respectively. The Federal and Provincial sectors both underperformed the Index during the quarter, returning -4.59%, and -4.14%, respectively.

During the third quarter, our portfolio outperformed the benchmark by 7 basis points. Decisions that contributed to performance include the following: (1) our short duration positioning as yields across the Canadian curve increased by 31 basis points during the quarter; (2) our curve positioning as the yield curve flattened during the quarter as the Bank of Canada hiked the overnight rate twice. This outperformance was offset by the following: (1) our government sector allocation as our slight underweight in provincials vs the index was negative as provincials outperformed during the quarter; (2) our government security selection due to the underperformance of our heaviest weightings in Ontario and Quebec versus other provinces; and (3) a negative contribution from our corporate security selection as our preferred high quality sectors of pipelines, utilities and infrastructure underperformed versus other higher beta sectors.

PORTFOLIO STRATEGY

We are short duration versus the FTSE TMX Canada Long Term 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. 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

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 consumers' wallets. 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.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

FTSE TMX Global Debt Capital Markets Inc ("FTDCM"), FTSE International Limited ("FTSE"), the London Stock Exchange Group companies (the "Exchange") or TSX INC. ("TSX" and together with FTDCM, FTSE and the Exchange, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the relevant Index and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSEDCM and all copyright in the Index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Licensor Parties shall not be under any obligation to advise any person of any error therein. "TMX" is a trade mark of TSX Inc. and is used under licence. "FTSE®" is a trade mark of the FTSE International Limited and is used by FTDCM under licence".

The index information contained in this document has been obtained from sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such.

This document does not constitute an offer to buy or sell any securities, products or services and should not be construed as specific investment advice. All opinions and estimates expressed in this document are as of the time of its publication and are subject to change. No use of the Beutel Goodman name or any information contained in this report may be copied or redistributed without the prior written approval of Beutel, Goodman & Company Ltd.