



# Annual Management Report of Fund Performance

December 31, 2017

**Beutel Goodman American Equity Fund**



# Beutel Goodman American Equity Fund

This Annual Management Report of fund performance contains financial highlights but does not contain the complete annual or interim financial statements of the investment fund. You can get a copy of the annual or interim financial statements at your request at no cost (contact details on this page) or by visiting our website at [www.beutelgoodman.com](http://www.beutelgoodman.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Security holders may also request the investment fund's prospectus, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

## **Beutel Goodman Managed Funds**

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# Beutel Goodman American Equity Fund

## Management Discussion of Fund Performance

### Investment Objectives and Strategies

This Fund invests in common shares and other equity securities of established American issuers.

The Fund's advisor selects equity securities from a universe of potential candidates whose management have consistently demonstrated a commitment to create shareholder value without undue financial leverage. A value approach is applied, and research is directed to identify stocks which can be purchased at a reasonable price by analyzing relative valuation measures such as the issuer's price/earnings, price/cash flow and price/book value relative to its own history, the overall market and to its sustainable earnings growth rate.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

The fundamental investment objective of the Fund cannot be changed without the approval of a majority of the investors who own units in the Fund.

### Risk

The risks of investing in this Fund remain as discussed in the Prospectus.

This Fund continues to be suitable for investors who seek long-term capital appreciation in American issuers with a medium tolerance for risk and a long-term investment horizon.

### Results of Operations

The Beutel Goodman American Equity Fund posted a positive return and outperformed its S&P500 (C\$) Index benchmark over the period.

As central banks tightened monetary policy and the U.S. Federal Reserve started to unwind its balance sheet, markets took their cue more from economic data than from central bank extraordinary stimulus. Global growth was buoyant, global PMIs trended higher, the U.S. labour market was robust, and consumer spending was resilient. The one piece of economic data that continued to disappoint was the lack of wage growth and inflation. While 2016 was all about headline risk (Brexit, Trump election), for the most part markets ignored the headlines in 2017. The concern that the euro zone would lay the seeds of its own destruction dissipated as the numerous European elections failed to deliver victories for the far right, euro skeptic parties. While failing to deliver a new health care bill, the Trump Administration was successful in getting its tax reform passed and threats of government sequestration and breaching the debt ceiling were kicked down the road into 2018. The U.S. Federal Reserve followed through on hiking the Federal Funds rate three times, in line with their projections, and commencing the unwind of their balance sheet. The Fed believes that the labour market has continued to strengthen and that economic activity has been rising at a solid rate. Inflation remains a thorn in the central bank's side, as the Fed noted that on a 12-month basis, both overall inflation and inflation ex-food and energy have declined and are running below 2%. Additionally, market based measures of inflation compensation remain low and measures of longer term inflation expectations are little changed. The Fed mostly stuck to its cautious language concerning the pace of future rate hikes.

The Fund outperformed over the period, primarily due to stock selection. Sector allocation effects were slightly negative, with negative effects from an overweight in Telecommunications and underweights in Consumer Discretionary and Information Technology outweighed by positive effects

from underweight positions in Energy, Utilities and Real Estate. The largest contribution to stock selection came from the Industrials and Financials sectors. Parker Hannifin in Industrials was the largest contributor to performance over the period, with strong sales growth and corresponding margin improvement reflecting its highly efficient business model. Financials holdings contributed significantly, with Ameriprise and American Express as main contributors over the period. Ameriprise benefitted from net new money inflows, strong markets, and continued growth in its wealth management business. American Express gained significantly on improving sentiment and business fundamentals, as the Costco loss has now been annualized.

During the year, the Fund sold positions in CSX, BB&T, Caterpillar, Cadence Design Systems and CVS Health and added positions in LyondellBasell, Omnicom, Autozone, Campbell Soup and Harley-Davidson. A number of holdings hit their targets prices over the period and we completed process driven one-third sales in Teradyne, Baxter, Johnson & Johnson, Symantec, American Express, Ameriprise Financial, United Technologies and JPMorgan.

Detailed performance is provided under the heading "Past Performance" in this report.

### Recent Developments

The Portfolio Manager believes that the best form of risk control is knowing what you own and what it is worth. The only factors one can control to protect investor capital on the downside and deliver superior long term returns are finding great franchises to own over the long term, paying the right price for them, and maintaining the sell discipline to lock-in gains when they are fully valued. The Portfolio Manager continues to spend all of its time searching for the next great franchise.

Given the relatively slow but steady economic recovery thus far, share price returns have run ahead of revenue and earnings growth, leaving the outperformance to be driven by significant margin expansion and/or valuation multiple expansion. Finding new opportunities that meet the Portfolio Manager's high hurdle rate remains a challenge. While there are still large swathes of the market that are currently too expensive relative to fundamental values, the Portfolio Manager is starting to see wider dispersions in share price performance that is leading to some potential opportunities for the fund down the road. Stocks that face near term headwinds have tended to deviate further from their intrinsic values, while richer multiple "can't miss" stocks have tended to garner even richer multiples. While sparse, there remains a growing pool of potential great franchises that meet the Portfolio Manager's high and strict investment guidelines and return thresholds.

Given portfolio actions, sector weights shifted slightly over the period. Due to trimming Teradyne and the full sale of Cadence Design Systems based on valuation, the Fund's exposure to the technology sector decreased slightly. New positions in Harley-Davidson, Omnicom, and Autozone led to the Fund's overweight to the Consumer Discretionary sector. The Fund also continued to build its position in Campbell Soup in Consumer Staples, but this was offset by a full sale of CVS. Sector weights continue to reflect bottom-up fundamentals, rather than specific investment calls on sectors.

# Beutel Goodman American Equity Fund

## Related Party Transactions

Beutel, Goodman & Company Ltd. is the Portfolio Advisor to this Fund. The Fund did not rely on any recommendation or approval of its Independent Review Committee to proceed with any transaction involving related parties because it did not conduct any related party transactions, except for certain inter-fund trades, as approved by the Independent Review Committee by standing instructions, and subject to regulatory requirements.

## Fees and Expenses

The following table lists the fees and expenses that you may have to pay if you invest in the Beutel Goodman Managed Funds. You may have to pay some of these fees and expenses directly. The Funds pay the other fees and expenses. This will reduce the value of your investment in a Fund.

**Management Fees:** We are entitled to a management fee from each class of each Fund based on the average daily net asset value of the particular class. The fee is payable monthly, in arrears, and is calculated at the annualized rate specified for each class of each Fund below. Management fees for Class I units are negotiated and paid directly by the investor, not by the Fund, and, therefore, are not listed.

Fund	Class	Management Fees (%) <sup>(1)</sup>
American Equity Fund	B	1.85
American Equity Fund	D	1.25
American Equity Fund	F	0.90

(1) Excludes GST/HST where applicable.

We may reduce our management fee for certain large investors who have substantial holdings in units of a Fund. To accomplish this, we reduce the management fee we charge to the Fund and the Fund pays out the difference to these investors as a special distribution. This is called a management fee distribution. We calculate and accrue the reduction daily and distribute it quarterly. The distribution is reinvested on behalf of such unitholders in additional units of the same class of the Fund. Management fee reductions for a unitholder may be increased at any time, but may only be decreased after at least 60 days' prior written notice has been given to such unitholder.

We may waive our management fee in certain circumstances.

The Fund paid the Manager management fees, inclusive of HST, of \$4,950,975 for the year ending December 31, 2017. The management fee for each class of unit is calculated as a percentage of its net asset value as of the close of business on each business day. The Fund's management fees were used by the Manager to pay costs for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio and providing other services. The Manager also used the management fees to fund commission payments and other dealer compensation (collectively called "distribution-related costs") to registered dealers and brokers and financial consultants for units of the Fund bought and held by investors, which amounted to 26.55% of total management fees paid by the Fund to the Manager in 2017.

**Operating Expenses:** The Manager pays certain operating expenses of the Fund. These expenses include audit and legal fees; custodian and transfer agent fees; costs attributable to the issue, redemption and change of units, including the cost of the security holder record-keeping system; expenses incurred in respect of preparing and distributing all regulatory reports; fund accounting and valuation costs; independent review committee fees and filing fees, including those incurred by us. In return, the Fund pays the Manager a fixed administration fee. The administration fee may vary by class of units and by Fund.

Please refer to the Financial Highlights section for the MERs of the classes of units.

## Commissions

Commissions paid to brokers for portfolio transactions were as follows:

Fund	2017	2016
American Equity Fund	\$818,016	\$434,126

# Beutel Goodman American Equity Fund

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years ended December 31. This information is derived from the Fund's audited annual financial statements and is provided for each class of units.

### Financial Highlights for Class B Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Net assets attributable to holders of redeemable units per unit, beginning of year<sup>(1)</sup></b>	21.16	19.42	18.23	15.98	11.82
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	—	—	—
Total Dividend Revenue	0.48	0.63	0.45	0.40	0.28
Total revenue	0.48	0.63	0.45	0.40	0.28
Total expenses	(0.56)	(0.52)	(0.54)	(0.49)	(0.24)
Realized gains (losses) for the year	2.37	1.42	1.80	2.30	0.73
Unrealized gains (losses) for the year	(0.08)	0.92	0.75	1.63	3.35
<b>Total increase (decrease) in net assets attributable to holders of redeemable units<sup>(2)</sup></b>	2.21	2.45	2.46	3.84	4.12
<b>Distribution to holders of redeemable units per unit:</b>					
<b>Net interest income (excluding dividend)</b>	—	—	—	—	—
<b>Net dividend income</b>	—	0.14	—	0.01	0.20
<b>Net investment income</b>	—	0.14	—	0.01	0.20
<b>Realized gains on sale of investments</b>	1.66	0.61	1.48	1.46	0.18
<b>Total distribution to holders of redeemable units<sup>(3)</sup></b>	1.66	0.75	1.48	1.47	0.38
<b>Net assets attributable to holders of redeemable units, end of year<sup>(4)</sup></b>	22.05	21.16	19.42	18.23	15.98

### Ratios and Supplemental Data for Class B Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Total net asset attributable to holders of redeemable units (\$ (000's)<sup>(5)</sup></b>	97,107	53,042	43,843	29,672	16,785
<b>Number of outstanding redeemable units (000's)<sup>(5)</sup></b>	4,405	2,506	2,258	1,627	1,050
<b>Management expense ratio<sup>(6a)</sup></b>	2.17%	2.17%	2.18%	2.14%	2.18%
<b>Management expense ratio before absorptions<sup>(6b)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate<sup>(7)</sup></b>	37%	24%	39%	38%	24%
<b>Trading expense ratio (%)<sup>(8)</sup></b>	0.06%	0.05%	0.07%	0.08%	0.12%
<b>Net assets attributable to holders of redeemable units, end of year<sup>(9)</sup></b>	22.05	21.16	19.42	18.23	15.98

### Financial Highlights for Class D Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Net assets attributable to holders of redeemable units per unit, beginning of year<sup>(1)</sup></b>	14.56	13.35	12.52	10.95	8.06
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	—	—	—
Total Dividend Revenue	0.33	0.43	0.31	0.27	0.19
Total revenue	0.33	0.43	0.31	0.27	0.19
Total expenses	(0.27)	(0.26)	(0.26)	(0.24)	(0.12)
Realized gains (losses) for the year	1.66	0.99	1.24	1.60	0.47
Unrealized gains (losses) for the year	0.03	0.67	0.53	1.06	2.45
<b>Total increase (decrease) in net assets attributable to holders of redeemable units<sup>(2)</sup></b>	1.75	1.83	1.82	2.69	2.99
<b>Distribution to holders of redeemable units per unit:</b>					
<b>Net interest income (excluding dividend)</b>	—	—	—	—	—
<b>Net dividend income</b>	0.04	0.18	0.07	0.07	0.01
<b>Net investment income</b>	0.04	0.18	0.07	0.07	0.01
<b>Realized gains on sale of investments</b>	1.15	0.42	1.02	1.00	0.12
<b>Total distribution to holders of redeemable units<sup>(3)</sup></b>	1.19	0.60	1.09	1.07	0.13
<b>Net assets attributable to holders of redeemable units, end of year<sup>(4)</sup></b>	15.24	14.56	13.35	12.52	10.95

### Ratios and Supplemental Data for Class D Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Total net asset attributable to holders of redeemable units (\$ (000's)<sup>(5)</sup></b>	156,798	128,919	106,897	76,674	46,462
<b>Number of outstanding redeemable units (000's)<sup>(5)</sup></b>	10,291	8,853	8,009	6,126	4,243
<b>Management expense ratio<sup>(6a)</sup></b>	1.50%	1.50%	1.50%	1.47%	1.47%
<b>Management expense ratio before absorptions<sup>(6b)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate<sup>(7)</sup></b>	37%	24%	39%	38%	24%
<b>Trading expense ratio (%)<sup>(8)</sup></b>	0.06%	0.05%	0.07%	0.08%	0.12%
<b>Net assets attributable to holders of redeemable units, end of year<sup>(9)</sup></b>	15.24	14.56	13.35	12.52	10.95

# Beutel Goodman American Equity Fund

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years ended December 31. This information is derived from the Fund's audited annual financial statements and is provided for each class of units.

### Financial Highlights for Class F Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Net assets attributable to holders of redeemable units per unit, beginning of year<sup>(1)</sup></b>	14.78	13.54	12.71	11.12	8.19
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	—	—	—
Total Dividend Revenue	0.33	0.43	0.32	0.28	0.20
Total revenue	0.33	0.43	0.32	0.28	0.20
Total expenses	(0.23)	(0.22)	(0.21)	(0.20)	(0.10)
Realized gains (losses) for the year	1.68	1.01	1.21	1.63	0.60
Unrealized gains (losses) for the year	(0.09)	0.65	0.54	1.12	2.61
<b>Total increase (decrease) in net assets attributable to holders of redeemable units<sup>(2)</sup></b>	1.69	1.87	1.86	2.83	3.31
<b>Distribution to holders of redeemable units per unit:</b>					
<b>Net interest income (excluding dividend)</b>	—	—	—	—	—
<b>Net dividend income</b>	0.13	0.24	0.13	0.11	0.22
<b>Net investment income</b>	0.13	0.24	0.13	0.11	0.22
<b>Realized gains on sale of investments</b>	1.17	0.43	1.04	1.03	0.12
<b>Total distribution to holders of redeemable units<sup>(3)</sup></b>	1.30	0.67	1.17	1.14	0.34
<b>Net assets attributable to holders of redeemable units, end of year<sup>(4)</sup></b>	15.43	14.78	13.54	12.71	11.12

### Ratios and Supplemental Data for Class F Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Total net asset attributable to holders of redeemable units (\$)(000's)<sup>(5)</sup></b>	158,075	72,157	54,805	35,693	16,987
<b>Number of outstanding redeemable units (000's)<sup>(5)</sup></b>	10,245	4,883	4,047	2,809	1,528
<b>Management expense ratio<sup>(6a)</sup></b>	1.11%	1.10%	1.10%	1.10%	1.11%
<b>Management expense ratio before absorptions<sup>(6b)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate<sup>(7)</sup></b>	37%	24%	39%	38%	24%
<b>Trading expense ratio (%)<sup>(8)</sup></b>	0.06%	0.05%	0.07%	0.08%	0.12%
<b>Net assets attributable to holders of redeemable units, end of year<sup>(9)</sup></b>	15.43	14.78	13.54	12.71	11.12

### Financial Highlights for Class I Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Net assets attributable to holders of redeemable units per unit, beginning of year<sup>(1)</sup></b>	15.88	14.53	13.62	11.89	8.71
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	—	—	—
Total Dividend Revenue	0.36	0.47	0.34	0.30	0.21
Total revenue	0.36	0.47	0.34	0.30	0.21
Total expenses	(0.07)	(0.09)	(0.07)	(0.06)	(0.03)
Realized gains (losses) for the year	1.81	1.08	1.39	1.72	0.46
Unrealized gains (losses) for the year	0.07	0.74	0.62	1.11	2.84
<b>Total increase (decrease) in net assets attributable to holders of redeemable units<sup>(2)</sup></b>	2.17	2.20	2.28	3.07	3.48
<b>Distribution to holders of redeemable units per unit:</b>					
<b>Net interest income (excluding dividend)</b>	—	—	—	—	—
<b>Net dividend income</b>	0.28	0.39	0.28	0.22	0.27
<b>Net investment income</b>	0.28	0.39	0.28	0.22	0.27
<b>Realized gains on sale of investments</b>	1.27	0.46	1.13	1.11	0.13
<b>Total distribution to holders of redeemable units<sup>(3)</sup></b>	1.55	0.85	1.41	1.33	0.40
<b>Net assets attributable to holders of redeemable units, end of year<sup>(4)</sup></b>	16.62	15.88	14.53	13.62	11.89

### Ratios and Supplemental Data for Class I Units (for the years ended December 31)

\$	2017	2016	2015	2014	2013
<b>Total net asset attributable to holders of redeemable units (\$)(000's)<sup>(5)</sup></b>	984,877	787,418	675,737	531,249	402,763
<b>Number of outstanding redeemable units (000's)<sup>(5)</sup></b>	59,275	49,576	46,502	38,993	33,860
<b>Management expense ratio<sup>(6a)</sup></b>	0.07%	0.11%	0.11%	0.11%	0.11%
<b>Management expense ratio before absorptions<sup>(6b)</sup></b>	0.11%	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate<sup>(7)</sup></b>	37%	24%	39%	38%	24%
<b>Trading expense ratio (%)<sup>(8)</sup></b>	0.06%	0.05%	0.07%	0.08%	0.12%
<b>Net assets attributable to holders of redeemable units, end of year<sup>(9)</sup></b>	16.62	15.88	14.53	13.62	11.89

# Beutel Goodman American Equity Fund

- (1) The information for December 2017, December 2016, December 2015, December 2014 and December 2013 is derived from the Fund's annual audited financial statements prepared in accordance with IFRS.
- (2) Net assets attributable to holders of redeemable units per unit and distributions to holders of redeemable units per unit are based on the actual number of redeemable units outstanding for the relevant class at the relevant time. The increase (decrease) in net assets attributable to holders of redeemable units per unit is based on the weighted average number of redeemable units outstanding for the relevant class over the fiscal year.
- (3) Distributions were paid in cash or automatically reinvested in additional redeemable units of the Fund.
- (4) This is not a reconciliation of the beginning and ending net assets per redeemable unit.
- (5) This information is provided as at year end of the year shown.
- (6a) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily net asset value during the year.
- (6b) The Manager may have absorbed some of the fund expenses. If this had occurred, the management fee ratio before any such absorption is listed. The Manager may terminate the absorption at any time, at its discretion. It is not known when such absorptions will be terminated.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate equals the lesser of purchases or sales divided by the average value of the portfolio securities of the Fund on a monthly basis, excluding short-term securities.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs disclosed in the Statements of Comprehensive Income expressed as an annualized percentage of daily average net asset value of the Fund during the year.
- (9) The information for December 2017, December 2016, December 2015, December 2014 and December 2013 is derived from the Fund's annual audited financial statements prepared in accordance with IFRS. For the years ended December 31, 2017, December 31, 2016, December 31, 2015, December 31, 2014 and December 31, 2013, the information provided for processing unitholder transactions is consistent with the information provided for reporting purposes.

## Past Performance

The past performance of each class of units of a Fund, if the class has been in continuous existence and offered to the public for at least 12 months (at the date of this document), is explained under the Year-by-Year Returns, and Annual Compound Returns headings found on the next page. In years where the class of a Fund has less than 12 months of performance data, the annual rate has been annualized.

The performance returns in all cases:

- are calculated as of **December 31** in each year;
- assume **all distributions** made by the Fund are **reinvested** to purchase additional redeemable units; and
- show the returns of the particular class of the Fund after any applicable management fees and operating expenses have been deducted, **but are not reduced by any redemption charges, optional charges or income taxes payable by you.**

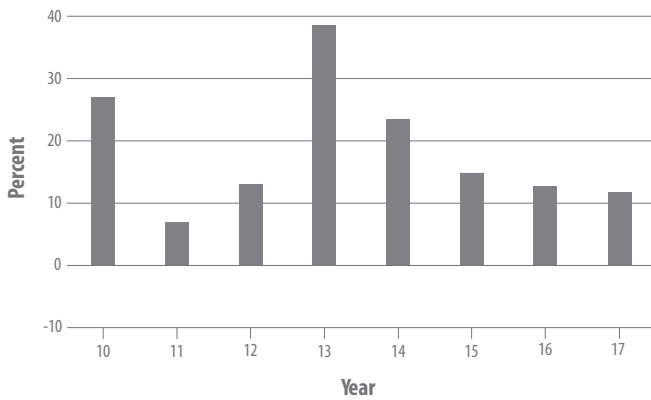
**Please remember that the past performance of the Fund is not an accurate prediction of future returns.**



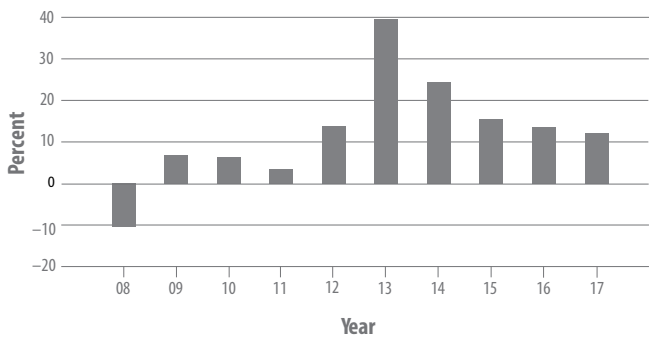
# Beutel Goodman American Equity Fund

## Year-by-Year Returns

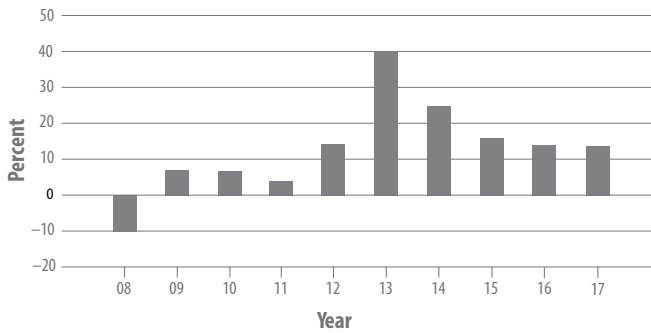
### Class B



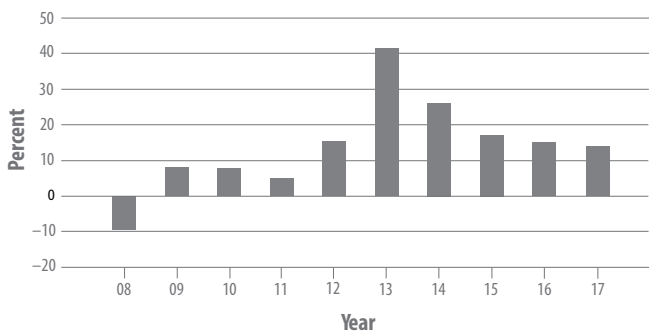
### Class D



### Class F



### Class I



## Annual Compound Returns

The following table shows the Fund's historical annual compound total returns, as compared to the performance of the S&P 500 (C\$) Index.\*

Class B	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman American Equity Fund – Class B	16.95%	19.90%	13.13%	11.88%
S&P 500 (C\$) Index	18.00%	21.24%	14.29%	13.64%

For Class B units of the Fund, a return calculated since its inception of October 4, 2010 and ended December 31, 2017, for the past five, three and one year periods ended December 31, 2017 has been provided.

Class D	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman American Equity Fund – Class D	11.88%	20.72%	13.89%	12.64%
S&P 500 (C\$) Index	11.10%	21.24%	14.29%	13.64%

For Class D units of the Fund, a return calculated for the past ten, five, three and one year periods ended December 31, 2017 has been provided.

Class F	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman American Equity Fund – Class F	13.37%	22.38%	15.48%	14.21%
S&P 500 (C\$) Index	11.10%	21.24%	14.29%	13.64%

For Class F units of the Fund, a return calculated for the past ten, five, three and one year periods ended December 31, 2017 has been provided.

Class I	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman American Equity Fund – Class I	12.29%	21.17%	14.33%	13.07%
S&P 500 (C\$) Index	11.10%	21.24%	14.29%	13.64%

For Class I units of the Fund, a return calculated for the past ten, five, three and one year periods ended December 31, 2017 has been provided.

\* The S&P 500 (C\$) Index is designed to represent the U.S. equity market.

# Beutel Goodman American Equity Fund

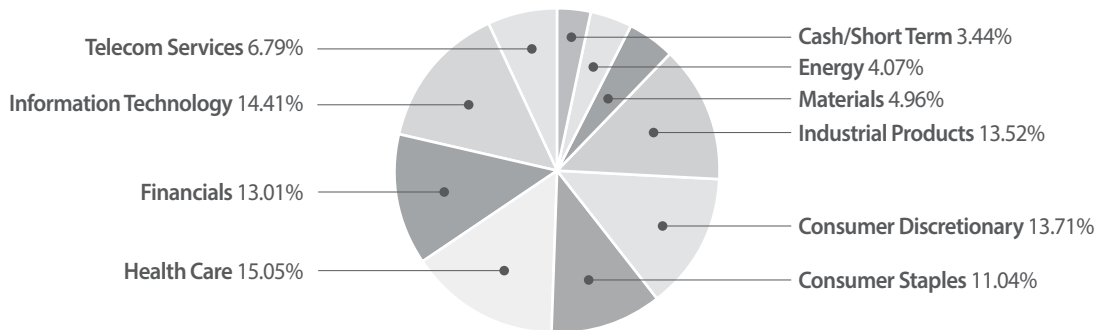
## Summary of Investment Portfolio

The following information may change due to the ongoing portfolio transactions of the Fund. More current information regarding the holdings of the Fund may be obtained on our website at [www.beutelgoodman.com](http://www.beutelgoodman.com).

### Summary of Top 25 Holdings

Issuer Name	% of Net Assets	Issuer Name	Coupon Rate	Maturity Date	% of Net Assets
1. Verizon Communications Inc.	6.80	14. Ameriprise Financial Inc.			3.68
2. Parker-Hannifin Corp.	6.23	15. Campbell Soup Co.			3.50
3. AmerisourceBergen Corp.	6.05	16. Harley-Davidson Inc.			2.97
4. AutoZone Inc.	5.83	17. Symantec Corp.			2.69
5. Ingersoll-Rand PLC	5.62	18. Wells Fargo & Co.			2.49
6. Oracle Corp.	5.53	19. The Procter & Gamble Co.			2.44
7. Amdocs Ltd.	5.24	20. JPMorgan Chase & Co.			2.31
8. Kellogg Co.	5.09	21. Merck & Co Inc.			1.69
9. LyondellBasell Industries NV	4.96	22. Baxter International Inc.			1.44
10. Omnicom Group Inc.	4.91	23. Government of Canada	0.867%	8-Feb-18	1.05
11. Eli Lilly & Co.	4.90	24. Allegion PLC			0.98
12. American Express Co.	4.54	25. Johnson & Johnson			0.98
13. Halliburton Co.	4.07				

### Asset Mix



# Beutel Goodman American Equity Fund

## Other Material Information

**Classes of Units:** Each of the Funds in the Beutel Goodman family of Funds issues Class B, Class D (formerly Class A), Class F and Class I units, with the exception of the Beutel Goodman Fundamental Canadian Equity Fund, Beutel Goodman Global Dividend Fund and Beutel Goodman Short Term Bond Fund, which issue only Class B, Class F and Class I units. Expenses of each class are tracked separately and a separate net asset is calculated for each class.

The Beutel Goodman American Equity Fund is available in 4 classes of units: Class B, Class D (formerly Class A), Class F and Class I.

Each Fund may issue an unlimited number of classes of units and may issue an unlimited number of units of each class. The different classes of units of a Fund represent an interest in the same portfolio investments of the Fund.

**Class B Units:** for retail investors investing a minimum of \$5,000 in a Fund through authorized third-party dealers;

**Class D\* Units:** for retail investors investing a minimum of \$5,000 in a Fund;

**Class F Units:** for investors investing a minimum of \$5,000 in a Fund, who are enrolled in a dealer-sponsored fee-for-service or wrap program (where various mutual funds are bundled together) who are subject to a periodic asset-based fee, rather than commissions on each transaction and whose dealer has signed a Class F agreement, or any other investors for whom we do not incur distribution costs, such as our employees (or affiliated corporations);

**Class I Units:** for investors who have invested a minimum of \$500,000 in a Fund and who have entered into an investment management agreement with us. At our discretion, we may waive the investment minimum.

\* Class A units distributed under prior simplified prospectuses have been renamed "Class D" units as of August 13, 2010.

## Additional Information

### Independent Review Committee

Beutel Goodman Managed Funds Inc., the former Manager of the Beutel Goodman Managed Funds, appointed an Independent Review Committee ("IRC") on May 1, 2007, for each of its public mutual Funds in accordance with the Canadian Securities Administrators' National Instrument 81-107. This Instrument has been designed to promote investor protection in mutual funds. Effective January 1, 2013, as the result of the amalgamation between Beutel Goodman Managed Funds Inc. and Beutel, Goodman & Company Ltd., Beutel, Goodman & Company Ltd. is the Manager of the Beutel Goodman Managed Funds. The IRC actively assumed its role and responsibilities on November 1, 2007. The IRC oversees conflict of interest matters that may arise out of the management of each of the Funds by providing its recommendations or approvals, as required, to the Manager on how these conflicts may be fairly resolved. The IRC for each of the Beutel Goodman Managed Funds consists of three industry professionals, none of whom have an interest in the Funds or Beutel, Goodman & Company Ltd. outside of their roles as members of the IRC. The IRC 2017 Report to Unitholders is available on the Beutel Goodman Managed Funds' website at [www.beutelgoodman.com](http://www.beutelgoodman.com) or at the unitholder's request, at no cost, by contacting Beutel, Goodman & Company Ltd. at [mutualfunds@beutelgoodman.com](mailto:mutualfunds@beutelgoodman.com).



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