



Annual Management Report of Fund Performance

December 31, 2017

Beutel Goodman North American Focused Equity Fund

Beutel Goodman North American Focused 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 or SEDAR at 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 North American Focused Equity Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

The Fund seeks long-term capital growth through investments primarily in common shares and other equity securities of issuers in Canada and the United States.

The strategy of the fund is to hold a concentrated portfolio of quality companies for the long-term. Thus, the investment portfolio of the Fund will consist of a small number of large positions with very low turnover, and is expected to deviate from the index considerably. It is not expected that the fund will invest in more than 22 issuers at one time.

Research is directed to identify companies that can grow their intrinsic value at above normal rates over long periods of time. Companies generating free cash flow are favoured. Securities are purchased when they are trading at a substantial discount to their business value.

The Fund's assets will be invested primarily in securities of Canadian and U.S. issuers. Currently, the Fund does not expect to invest more than 49% of its assets in securities of U.S. issuers.

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 seeking capital growth with a medium tolerance for risk and a long-term investment horizon.

Results of Operations

The Beutel Goodman North American Focused Equity Fund posted a positive return for the annual period under review. The Fund's Canadian equity component outperformed its benchmark, the S&P/TSX Composite Index, over the one year period, while the U.S. equity component underperformed the S&P 500 (C\$).

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 Canadian and U.S. labour markets were 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 Bank of Canada moved from being on hold, to increasing the overnight rate back to 1.0% and essentially removing the extraordinary monetary policy stimulus put in place in 2015 in response to the oil shock,

to being on hold again and then embarking on a slow, data dependent hiking cycle. The Bank became cautious about the effect of the tightening on consumer debt and spending, uncertainty regarding NAFTA, and the appreciation of the Canadian dollar.

Oil prices rebounded during the year, most recently due to social unrest in Iran and the possibility of supply disruptions, along with OPEC's promised production cuts. WTI ended the period above \$60, a gain of over 12% for the year.

The Canadian equity component of the Fund outperformed the return of the S&P/TSX Composite Index for the year. Added value was attributable to positive sector weighting effects, specifically a lack of exposure to Energy. The portfolio manager had remained cautious on the sector, as valuations reflected overly optimistic views of the oil price and oil fundamentals. Consumer Discretionary was the top contributor after Energy, as a result of both positive security selection and allocation effects. Both Canadian Tire and Magna produced positive returns, the latter of which outperformed the sector in Canadian dollar terms and was the Fund's top contributor overall. Rogers Communications and Royal Bank also added significant value, while Molson Coors Canada and Metro were the largest detractors to performance.

The U.S. equity component underperformed due to negative sector allocation effects, predominantly due to the Fund's overweight exposure to Telecommunications Services, which underperformed all other sectors over the period in Canadian dollar terms. Consumer Discretionary was the most significant laggard overall, as the negative impact of our underweight position was compounded by negative stock selection effects. These losses were at least partially offset by gains made elsewhere, specifically in the Industrials sector, where Parker Hannifin was the top U.S. equity contributor overall. American Express and Teradyne were also notable contributors over the period.

In the period, two new positions were added to the portfolio: Metro and Omnicom. Metro is Canada's third largest grocer and remains the leader in operational performance as well as delivering superior shareholder returns over time. Management augments solid execution with a very disciplined and balanced capital allocation strategy. Omnicom is a collection of franchises that offer a broad range of brand building services across Advertising, Customer Relationship Management (CRM), Public Relations and Specialty Communications. It is a well-run company with an exceptional business model in an attractive end-market. The Fund also continued to build positions in Amerisource-Bergen, Eli Lilly, Halliburton, Oracle, Parker Hannifin and Verizon. Procter & Gamble, after having been increased in the earlier part of the year, was subsequently sold. As per the Fund's strict buy/sell discipline, holdings in Symantec and Teradyne were also sold over the year. Process driven trims in American Express, Canadian Tire and Rogers were undertaken during the period.

The Fund continues to be a concentrated portfolio focused entirely on individual security selection in Canada and the U.S. market - as a result equity weights can deviate significantly from the broader market. The Fund's strategy has not changed over the period; to buy businesses that generate free cash flow and trade at a discount to business value.

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

Beutel Goodman North American Focused Equity Fund

Recent Developments

Given the relatively slow but steady economic recovery thus far, share price returns have run ahead of corporate revenue and earnings growth, leaving the record-breaking market performance to be driven by significant margin expansion and/or valuation multiple expansion. 2017 certainly saw market enthusiasm in some new technology areas, such as artificial intelligence, self-driving/electric vehicles, and cryptocurrencies, to name a few. The frenzy in those areas also led to a market rotation out of some strong, well-established (but “boring”) businesses, offering opportunities to invest into those highly cash-generative businesses at unusually low valuations and always with the portfolio manager’s required high hurdle rate of return. At the same time, the portfolio manager is applying a sharpened focus on downside risk mitigation to all portfolio investments.

The outlook for U.S. growth remains bright, and even more so with the likely passage of U.S. tax reform. Financial conditions (low Treasury yields, narrower credit spreads, weaker U.S. Trade Weighted Dollar and higher equity markets) have eased and historically have foreshadowed faster growth. While Canadian growth is expected to moderate after a robust first half of 2017, it will likely be held up by a strong U.S. economy and the recent strength in crude oil prices. 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. After increasing the overnight rate back to 1.0% and essentially removing the extraordinary monetary policy stimulus put in place in 2015 in response to the oil shock, the Bank of Canada is embarking on a tightening cycle. The Canadian bond market has priced in more than two rate hikes by the Bank through to the end of 2018. The portfolio manager’s base case is for the continuation of trends of relatively strong growth, steadily increasing inflation and gradual central bank tightening.

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 (%) ⁽¹⁾
North American Focused Equity Fund	B	1.85
North American Focused Equity Fund	D	1.25
North American Focused 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 \$366,078 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 28.03% 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
North American Focused Equity Fund	\$10,524	\$6,407

Beutel Goodman North American Focused 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
Net assets attributable to holders of redeemable units per unit, beginning of year⁽¹⁾	15.95	13.57	13.76	13.01	10.74
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total Interest Revenue	0.01	—	0.04	0.01	—
Total Dividend Revenue	0.40	0.44	0.34	0.34	0.29
Total revenue	0.41	0.44	0.38	0.35	0.29
Total expenses	(0.40)	(0.36)	(0.34)	(0.35)	(0.20)
Realized gains (losses) for the year	0.71	0.96	0.02	0.52	0.89
Unrealized gains (losses) for the year	1.06	2.07	0.29	0.75	1.85
Total increase (decrease) in net assets attributable to holders of redeemable units⁽²⁾	1.78	3.11	0.35	1.27	2.83
Distribution to holders of redeemable units per unit:					
Net interest income (excluding dividend)	—	—	0.04	0.02	—
Net dividend income	0.03	0.13	0.16	0.14	0.05
Net investment income	0.03	0.13	0.20	0.16	0.05
Realized gains on sale of investments	0.40	0.38	0.08	0.46	0.58
Total distribution to holders of redeemable units⁽³⁾	0.43	0.51	0.28	0.62	0.63
Net assets attributable to holders of redeemable units, end of year⁽⁴⁾	17.41	15.95	13.57	13.76	13.01

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

\$	2017	2016	2015	2014	2013
Total net asset attributable to holders of redeemable units (\$ (000's)⁽⁵⁾	9,068	2,576	1,125	288	81
Number of outstanding redeemable units (000's)⁽⁵⁾	521	161	83	21	6
Management expense ratio^(6a)	2.19%	2.20%	2.19%	2.20%	2.20%
Management expense ratio before absorptions^(6b)	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	18%	21%	10%	28%	27%
Trading expense ratio (%)⁽⁸⁾	0.03%	0.05%	0.04%	0.07%	0.07%
Net assets attributable to holders of redeemable units, end of year⁽⁹⁾	17.41	15.95	13.57	13.76	13.01

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

\$	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units per unit, beginning of year⁽¹⁾	9.67	8.20	8.22	7.69	6.36
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total Interest Revenue	0.01	—	0.02	—	—
Total Dividend Revenue	0.24	0.27	0.21	0.21	0.17
Total revenue	0.25	0.27	0.23	0.21	0.17
Total expenses	(0.15)	(0.12)	(0.12)	(0.11)	(0.08)
Realized gains (losses) for the year	0.46	0.53	0.10	0.46	0.53
Unrealized gains (losses) for the year	0.64	1.21	(0.08)	0.28	1.21
Total increase (decrease) in net assets attributable to holders of redeemable units⁽²⁾	1.20	1.89	0.13	0.84	1.83
Distribution to holders of redeemable units per unit:					
Net interest income (excluding dividend)	—	—	0.02	0.01	—
Net dividend income	0.05	0.11	0.07	0.10	0.15
Net investment income	0.05	0.11	0.09	0.11	0.15
Realized gains on sale of investments	0.24	0.23	0.05	0.27	0.34
Total distribution to holders of redeemable units⁽³⁾	0.29	0.34	0.14	0.38	0.49
Net assets attributable to holders of redeemable units, end of year⁽⁴⁾	10.59	9.67	8.20	8.22	7.69

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

\$	2017	2016	2015	2014	2013
Total net asset attributable to holders of redeemable units (\$ (000's)⁽⁵⁾	15,654	9,435	5,854	5,317	3,343
Number of outstanding redeemable units (000's)⁽⁵⁾	1,478	976	714	647	434
Management expense ratio^(6a)	1.51%	1.51%	1.51%	1.46%	1.51%
Management expense ratio before absorptions^(6b)	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	18%	21%	10%	28%	27%
Trading expense ratio (%)⁽⁸⁾	0.03%	0.05%	0.04%	0.07%	0.07%
Net assets attributable to holders of redeemable units, end of year⁽⁹⁾	10.59	9.67	8.20	8.22	7.69

Beutel Goodman North American Focused 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
Net assets attributable to holders of redeemable units per unit, beginning of year⁽¹⁾	16.60	14.07	14.11	13.19	10.84
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total Interest Revenue	0.01	—	0.03	0.01	—
Total Dividend Revenue	0.42	0.46	0.37	0.35	0.31
Total revenue	0.43	0.46	0.40	0.36	0.31
Total expenses	(0.23)	(0.21)	(0.19)	(0.20)	(0.11)
Realized gains (losses) for the year	0.73	0.97	0.17	0.78	0.93
Unrealized gains (losses) for the year	1.16	2.01	(0.16)	0.66	1.66
Total increase (decrease) in net assets attributable to holders of redeemable units⁽²⁾	2.09	3.23	0.22	1.60	2.79
Distribution to holders of redeemable units per unit:					
Net interest income (excluding dividend)	—	—	0.04	0.02	—
Net dividend income	0.18	0.25	0.16	0.14	0.14
Net investment income	0.18	0.25	0.20	0.16	0.14
Realized gains on sale of investments	0.42	0.40	0.08	0.47	0.59
Total distribution to holders of redeemable units⁽³⁾	0.60	0.65	0.28	0.63	0.73
Net assets attributable to holders of redeemable units, end of year⁽⁴⁾	18.15	16.60	14.07	14.11	13.19

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

\$	2017	2016	2015	2014	2013
Total net asset attributable to holders of redeemable units (\$)(000's)⁽⁵⁾	11,284	2,275	1,039	915	691
Number of outstanding redeemable units (000's)⁽⁵⁾	622	137	74	65	52
Management expense ratio^(6a)	1.13%	1.13%	1.13%	1.13%	1.13%
Management expense ratio before absorptions^(6b)	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	18%	21%	10%	28%	27%
Trading expense ratio (%)⁽⁸⁾	0.03%	0.05%	0.04%	0.07%	0.07%
Net assets attributable to holders of redeemable units, end of year⁽⁹⁾	18.15	16.60	14.07	14.11	13.19

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

\$	2017	2016	2015	2014	2013
Net assets attributable to holders of redeemable units per unit, beginning of year⁽¹⁾	10.51	8.87	8.89	8.30	6.83
Increase (decrease) in net assets attributable to holders of redeemable units:					
Total Interest Revenue	0.01	—	0.02	—	—
Total Dividend Revenue	0.26	0.30	0.24	0.23	0.19
Total revenue	0.27	0.30	0.26	0.23	0.19
Total expenses	(0.03)	(0.04)	(0.03)	(0.03)	(0.01)
Realized gains (losses) for the year	0.50	0.55	0.10	0.55	0.56
Unrealized gains (losses) for the year	0.76	1.31	(0.11)	0.40	1.31
Total increase (decrease) in net assets attributable to holders of redeemable units⁽²⁾	1.50	2.12	0.22	1.15	2.05
Distribution to holders of redeemable units per unit:					
Net interest income (excluding dividend)	—	—	0.04	0.02	—
Net dividend income	0.18	0.23	0.17	0.16	0.18
Net investment income	0.18	0.23	0.21	0.18	0.18
Realized gains on sale of investments	0.27	0.25	0.05	0.30	0.37
Total distribution to holders of redeemable units⁽³⁾	0.45	0.48	0.26	0.48	0.55
Net assets attributable to holders of redeemable units, end of year⁽⁴⁾	11.54	10.51	8.87	8.89	8.30

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

\$	2017	2016	2015	2014	2013
Total net asset attributable to holders of redeemable units (\$)(000's)⁽⁵⁾	4,567	3,683	2,862	2,464	2,418
Number of outstanding redeemable units (000's)⁽⁵⁾	396	351	323	277	291
Management expense ratio^(6a)	0.11%	0.11%	0.11%	0.11%	0.11%
Management expense ratio before absorptions^(6b)	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	18%	21%	10%	28%	27%
Trading expense ratio (%)⁽⁸⁾	0.03%	0.05%	0.04%	0.07%	0.07%
Net assets attributable to holders of redeemable units, end of year⁽⁹⁾	11.54	10.51	8.87	8.89	8.30

Beutel Goodman North American Focused 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.

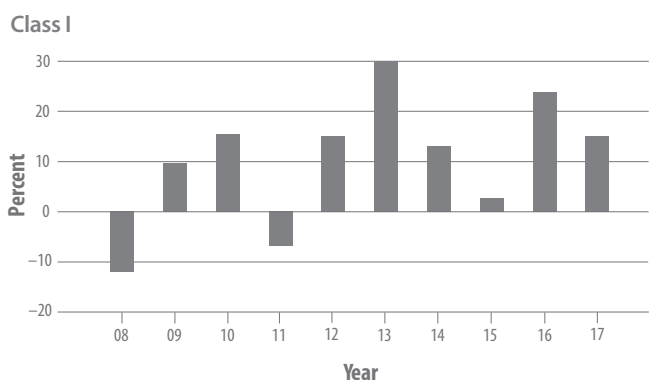
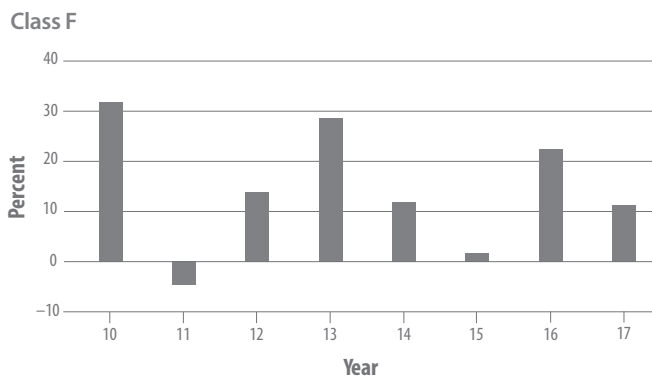
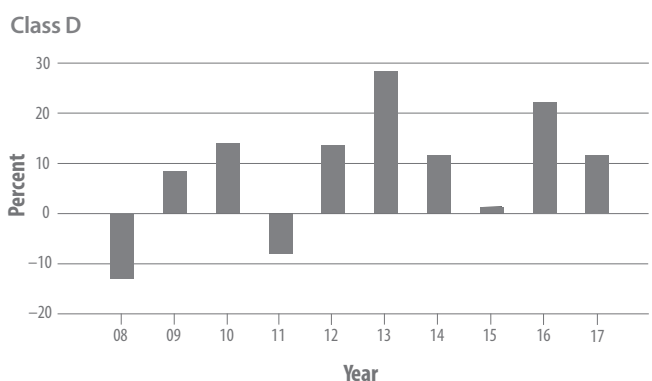
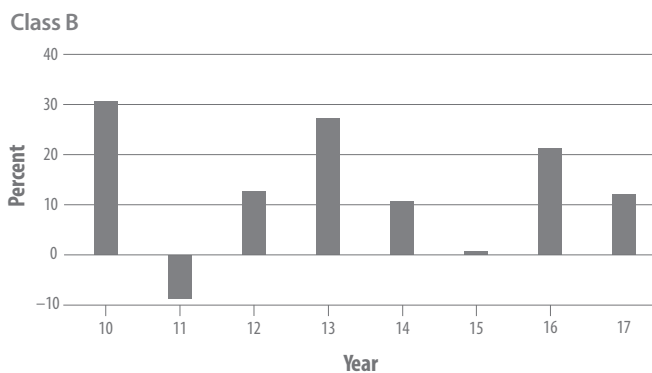
The performance returns in all cases:

- 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 North American Focused Equity Fund

Year-by-Year Returns



Annual Compound Returns

The following table shows the Fund's historical annual compound total returns, as compared to the performance of the both the North American Focused Equity Benchmark [comprised of S&P/TSX Composite Index (60%), and the S&P 500 (C\$) Index (40%) effective January 1, 2007] and respective indices. Prior to January 1, 2007, the North American Focused Equity Benchmark was comprised of S&P/TSX Composite Index (75%), and the S&P 500 (C\$) Index (25%).*

Class B	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman North American Focused Equity Fund - Class B	11.12%	13.97%	10.91%	11.80%
North American Focused Equity Benchmark	11.39%	13.69%	9.81%	11.00%
S&P/TSX Composite Index	6.88%	8.63%	6.59%	9.10%
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 North American Focused Equity Fund - Class D	8.42%	14.80%	11.69%	12.58%
North American Focused Equity Benchmark	7.42%	13.69%	9.81%	11.00%
S&P/TSX Composite Index	4.65%	8.63%	6.59%	9.10%
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	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman North American Focused Equity Fund - Class F	12.29%	15.18%	12.08%	12.98%
North American Focused Equity Benchmark	11.39%	13.69%	9.81%	11.00%
S&P/TSX Composite Index	6.88%	8.63%	6.59%	9.10%
S&P 500 (C\$) Index	18.00%	21.24%	14.29%	13.64%

For Class F 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 I	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman North American Focused Equity Fund - Class I	9.81%	16.36%	13.22%	14.13%
North American Focused Equity Benchmark	7.42%	13.69%	9.81%	11.00%
S&P/TSX Composite Index	4.65%	8.63%	6.59%	9.10%
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/TSX Composite Index is designed to represent the Canadian mid-large cap equity market.
The S&P 500 (C\$) Index is designed to represent the U.S. equity market.

Beutel Goodman North American Focused Equity Fund

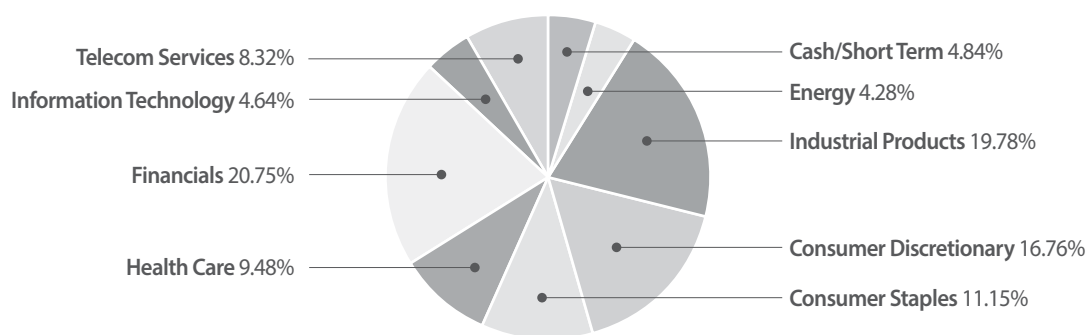
Summary of Investment Portfolio

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.

Summary of Top 25 Holdings

Issuer Name	% of Net Assets	Issuer Name	Coupon Rate	Maturity Date	% of Net Assets
1. The Toronto-Dominion Bank	6.15	14. Canadian Pacific Railway Ltd.			3.99
2. Royal Bank of Canada	5.98	15. WestJet Airlines Ltd.			3.75
3. Magna International Inc.	5.51	16. Canadian Tire Corp Ltd., Class A			3.54
4. Great-West Lifeco Inc.	5.44	17. Parker-Hannifin Corp.			3.51
5. AmerisourceBergen Corp.	5.15	18. AutoZone Inc.			3.30
6. Verizon Communications Inc.	5.07	19. Rogers Communications Inc., Class B			3.26
7. Oracle Corp.	4.64	20. American Express Co.			3.20
8. Omnicom Group Inc.	4.43	21. Metro Inc., Class A			2.98
9. Eli Lilly & Co.	4.35	22. Halliburton Co.			2.73
10. SNC-Lavalin Group Inc.	4.30	23. Government of Canada	1.027%	22-Mar-18	2.52
11. Finning International Inc.	4.25	24. Canadian Natural Resources Ltd.			1.56
12. Kellogg Co.	4.17	25. Government of Canada	0.872%	22-Feb-18	1.11
13. Molson Coors Canada Inc., Class B	4.00				

Asset Mix



Beutel Goodman North American Focused 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 North American Focused 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 or at the unitholder's request, at no cost, by contacting Beutel, Goodman & Company Ltd. at mutualfunds@beutelgoodman.com.



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