Beutel Goodman World Focus Equity Fund

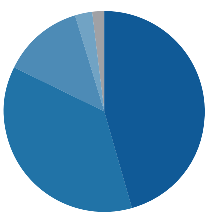
TOP 10 HOLDINGS (%)

VERIZON COMMUNICATIONS	4.7
OMNICOM GROUP INC	4.3
LYONDELLBASELL INDUS	4.2
CARLSBERG AS	4.2
MERCK KGAA	3.9
AUTOZONE INC	3.9
SMITH & NEPHEW	3.8
SOFTWARE AG	3.7
KELLOGG CO	3.6
SMITHS GROUP	3.5

SECTOR WEIGHTS VS BENCHMARK

SECTOR WEIGHTS (%)			UNDERWEIGHT/OVERWEIGHT %
Sector	**BG**	**MSCI WORLD C$**	
Materials	15.1	5.1	10.0
Telecom	10.9	2.9	8.0
Health Care	14.0	12.3	1.7
Industrials	12.3	11.5	0.7
Consumer D.	11.2	12.1	-0.9
Consumer S.	7.8	9.1	-1.3
Energy	4.7	6.3	-1.6
Utilities	0.0	3.1	-3.1
Real Estate	0.0	3.1	-3.1
Info. Tech.	12.5	16.2	-3.7
Financials	8.6	18.1	-9.6
Cash	2.8		

REGIONAL WEIGHTS (%)



- Europe ex U.K. (45.6)
- U.S. (36.8)
- U.K. (12.8)
- Cash (2.8)
- Pacific Basin ex Japan (1.9)
- Japan (0.0)
- Emerging Markets (0.0)

PERFORMANCE % (ANNUALIZED) TO SEPTEMBER 30, 2017

BG WORLD FOCUS EQUITY FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
TOTAL PORTFOLIO	0.59	18.37	16.03	14.61	15.84	17.54	8.00
MSCI WORLD INDEX C$	0.96	12.60	10.81	11.68	14.23	16.44	6.61
MANAGEMENT EFFECT	**-0.37**	**5.77**	**5.22**	**2.94**	**1.60**	**1.10**	**1.39**

PERFORMANCE % (ANNUAL) TO SEPTEMBER 30TH

BG WORLD FOCUS EQUITY FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	18.37	13.74	11.84	19.58	24.62
MSCI WORLD INDEX C$	12.60	9.05	13.42	22.27	25.69
MANAGEMENT EFFECT	**5.77**	**4.69**	**-1.58**	**-2.69**	**-1.07**

INVESTMENT STRATEGY

The Fund seeks long-term enhancement of capital primarily through investments in common stocks and other equity securities outside of Canada. The number of stocks held is between 20-35.

INVESTMENT RESULTS

The Beutel Goodman world focus equity portfolio posted a positive return for the third quarter, but underperformed 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 underperformed in the quarter due to stock selection. Sector allocation effects were positive, primarily due to an overweight position in the Materials sector.

In terms of stock selection, the strongest contribution came from the Materials sector, as LyondellBasell and BASF produced double digit returns, strongly outperforming the sector.

Selection in Telecommunications was also a significant source of value added, as weakness in Vodafone was more than offset by a very strong showing from Verizon, as well as good results from KPN.

These positive selection effects were outweighed by negative selection effects in Health Care and Information Technology. In Health Care, Smith & Nephew's good showing was not enough to offset weakness from Merck KGaA. AmerisourceBergen and Bayer also underperformed significantly over the period.

Selection in Information Technology was also a 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 world focus 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.

The portfolio continued to build its positions in **AutoZone** and **Omnicom** and added to its investments in **AmerisourceBergen**, **GEA, HeidelbergCement, Merck KGaA, Kellogg** and **TGS Nopec**.

To fund our new positions and the aforementioned additions, we initiated a process-driven trim in **Konecranes** and, subsequent to hitting our target price, sold our remaining positions in **Richemont** and **Baxter** on risk/reward considerations. We also sold the balance of our position in **Bayer** due to our disappointment with management's pursuit of Monsanto and the detrimental impact to the balance sheet.

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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