Beutel Goodman Global Equity Fund

TOP 10 HOLDINGS (%)

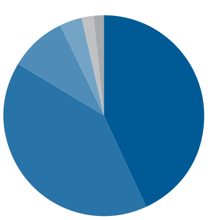
KAO CORP	3.5
MERCK KGAA	3.3
VODAFONE GROUP	3.3
ORACLE CORP	3.3
ELI LILLY & CO	3.2
SOFTWARE AG	3.2
AMERISOURCE-BERGEN	3.1
KON KPN NV	3.1
AMERICAN EXPRESS CO	3.1
GEA GROUP AG	3.0

SECTOR WEIGHTS VS BENCHMARK

SECTOR WEIGHTS (%) — UNDERWEIGHT/OVERWEIGHT %

Sector	BG	MSCI WORLD C$	Underweight/Overweight %
Telecom	11.1	3.0	8.1
Materials	10.6	4.9	5.7
Consumer S.	11.8	9.7	2.1
Health Care	14.3	12.6	1.7
Industrials	12.6	11.5	1.0
Consumer D.	10.3	12.3	-2.0
Info. Tech.	13.4	15.7	-2.2
Utilities	0.0	3.2	-3.2
Real Estate	0.0	3.2	-3.2
Energy	1.8	6.0	-4.2
Financials	12.8	18.0	-5.2
Cash	1.4		

REGIONAL WEIGHTS (%)



PERFORMANCE % (ANNUALIZED) TO JUNE 30, 2017

BG GLOBAL EQUITY FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
TOTAL PORTFOLIO	3.06	27.71	12.35	12.49	15.21	17.09	7.02
MSCI WORLD INDEX C$	1.35	17.93	9.35	12.32	15.59	16.90	6.06
MANAGEMENT EFFECT	**1.71**	**9.78**	**3.00**	**0.17**	**-0.38**	**0.19**	**0.96**

PERFORMANCE % (ANNUAL) TO JUNE 30TH

BG GLOBAL EQUITY FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	27.71	-1.16	12.77	23.76	24.95
MSCI WORLD INDEX C$	17.93	1.39	18.51	25.98	22.32
MANAGEMENT EFFECT	**9.79**	**-2.55**	**-5.74**	**-2.22**	**2.63**

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 40-70.

INVESTMENT RESULTS

The Beutel Goodman global equity portfolio posted a positive return for the second quarter, finishing ahead of the MSCI World C$ Index. Health Care was the best performing sector in the index, followed by strong participation from Industrials, Financials and Information Technology. Energy and Telecommunication Services were the more notable laggards.

During the second quarter, the U.S. Federal Reserve hiked the Federal Funds rate by 25 basis points to a target range of 1-1.25%. The Fed noted that the labour market has continued to strengthen and that economic activity has been rising moderately. While the Federal Reserve is maintaining its existing policy of reinvesting principal payments from its U.S. Treasury and MBS holdings, it currently expects to implement a balance sheet normalization program sometime this year, provided that the economy evolves broadly, as anticipated.

In Europe, the risk of a move to far right, anti-euro sentiment has lessened. The markets were relieved that the populist, euro-skeptic parties did not win enough votes to make a difference in the Dutch and French elections. The snap British election did not deliver a stronger majority for Prime Minister Theresa May and may lead to a softer Brexit. German elections are in the fall and early polls show that Chancellor Angela Merkel is leading. The largest election risk likely lies with Italy where elections could be triggered this year and the anti-euro party has significant support. The European political backdrop has also been strengthened by economic growth and financial institution stability.

The portfolio outperformed in the quarter due to stock selection. Sector allocation effects were neutral, with positive effects from an underweight in Energy offset by negative effects from an overweight in Telecommunications.

In terms of stock selection, the strongest contribution came from Information Technology. Oracle was the largest contributor over the quarter, as changes to their business model to the cloud space continue to progress. Atea climbed higher on another solid quarter, while Software AG added to the positive sentiment from its buyback with strong growth in license revenue.

The Telecommunications sector was the second largest contributor to stock selection. KPN reversed some of the weakness from Q1 as signs of easing competitive pressure emerged in its market. Vodafone also outperformed following important consolidation in Germany, as well as a strong set of operational results.

Selection in Consumer Staples added value. Carlsberg outperformed in the quarter, although this is in light of unspectacular performance over the past twelve months. Kao, Unilever and Henkel outperformed the sector as well.

In Financials, high conviction position American Express continued prior period strength with very positive returns. Deutsche Boerse performed well in the quarter post the collapse of the deal to combine with LSE, aided further by more clarity on the company's stand-alone growth plans.

PORTFOLIO STRATEGY & ACTIVITY

In Q2 2017 the global portfolio initiated four new positions:

Akzo Nobel is the world's second largest paint and coatings producer – manufacturer and distributor, with another leg comprised of a global specialty chemicals business.

AutoZone is the largest retailer of automotive replacement parts and accessories in the USA.

LyondellBasell is among the largest chemical producers, with production facilities in the U.S. and Europe.

Smith & Nephew is a diversified medical technology company with leading positions in orthopaedics reconstruction, advanced wound management, sports medicine, and trauma.

The portfolio continued to build positions in newer names **Omnicom** and **Software AG**, and added to its investments in **Amdocs, GEA Group, Kellogg,** and **Verizon**. We sold the balance of our position in **Sky**, as well as the remaining small position in **BNP Paribas**. **Teradyne** reached its target and was sold, as were **Unilever** and **Baxter** on risk/reward. Process driven one-third sales in **Deutsche Boerse** and **Symantec** reduced the weights in these names, and we also trimmed positions in **IMI, Ingersoll-Rand, Parker Hannifin, Procter & Gamble,** and **Spectris** in order to enhance the risk adjusted return profile of the portfolio.

OUTLOOK

The strengthening pace of the developed market economic growth in the first half of 2017 is likely to be further driven by both industrial production and fixed asset investments, which have been lacking in previous years. Europe in particular stands out as delivering positive surprises – reflected in the strength of both the equity markets and currencies in the first half of the year – and looks set to continue to grow above its recent sub-historical trend line for the rest of the year. Inflation in Europe has also been steadily picking up, given the strength of private consumption across the Eurozone. Given the emerging broad economic activity strength in the last few quarters, most central banks in developed countries, including Canada, are sounding more hawkish in tone in their outlooks. But despite this, GDP in most major countries remains stubbornly anchored to the lowly 2% level, meaning that with the exception of Canada and the U.S., we are not expecting any of the major international central banks to tighten monetary policy any time soon.

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 does 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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