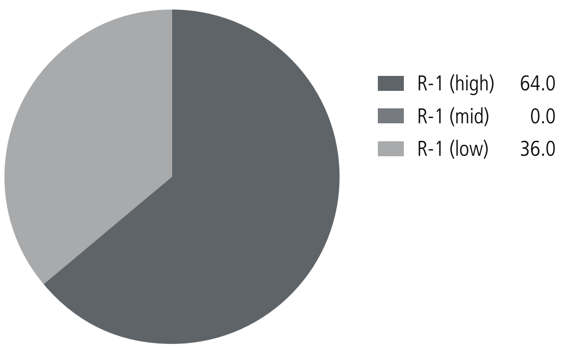
Beutel Goodman Money Market Fund

TOP 10 HOLDINGS (%)

CANADA GOVT	0.000 AUG 10 17	28.7
BANK OF NS	0.000 SEP 15 17	6.2
CANADA GOVT	0.000 SEP 21 17	5.9
CIBC	0.000 SEP 25 17	5.4
ENBRIDGE PIPE	0.000 JUL 10 17	5.3
GAZ METRO INC	0.000 AUG 28 17	5.2
FORTIS BC	0.000 AUG 28 17	5.0
ROY BK OF CDA	0.000 AUG 09 17	3.6
GREATER TORONTO	0.000 SEP 13 17	3.6
BANK OF MONTREAL	0.000 AUG 28 17	3.6

FUND QUALITY (%)



PERFORMANCE % (ANNUALIZED) TO JUNE 30, 2017

BG MONEY MARKET FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
TOTAL PORTFOLIO	0.20	0.82	0.83	0.93	1.01	1.05	1.46
91 DAY T-BILLS	0.09	0.45	0.47	0.60	0.69	0.76	1.20
MANAGEMENT EFFECT	**0.11**	**0.37**	**0.36**	**0.33**	**0.32**	**0.29**	**0.26**

PERFORMANCE % (ANNUAL) TO JUNE 30TH

BG MONEY MARKET FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	0.82	0.84	1.12	1.25	1.20
91 DAY T-BILLS	0.45	0.49	0.87	0.97	1.00
MANAGEMENT EFFECT	**0.37**	**0.35**	**0.25**	**0.28**	**0.20**

PORTFOLIO CHARACTERISTICS

	BEUTEL GOODMAN MONEY MARKET FUND
AVERAGE TERM (with FRNs to next reset)	56 DAYS
(AVERAGE TERM NOT TO EXCEED 180 DAYS)	
YIELD	0.74 %
# OF SECURITIES HELD	23

INVESTMENT STRATEGY

The Fund seeks to earn a competitive short-term rate of return while maintaining a high level of liquidity by investing in high quality Canadian money market instruments such as treasury bills, short-term government and corporate securities and deposit receipts of Canadian chartered banks and trust companies having a term to maturity not exceeding one year.

MARKET COMMENTS

Money Market yields increased in the second quarter of 2017. 91-day T-Bill yields started the period yielding 0.55% and finished the quarter at 0.72%

Trump's pro-growth policies appear to have been sideswiped by investigations into Russian interference in the U.S. elections and an inability as of yet to get major items on his legislative agenda such as health care and tax reform passed. The bond market has faded the Trump euphoria trade and is no longer factoring in policy inspired growth nor inflationary pressures. Yields at the end of the quarter were almost at the same level as they were before the November election.

The Bank of Canada kept the overnight rate unchanged at 0.50% during the second quarter, in-line with market expectations. The Bank believes that the Canadian economy's adjustment to lower oil prices is largely complete and that recent economic data have been encouraging, including indicators of business investment, as well as strength in consumer spending and the housing sector. On the inflation front, all three measures of the Bank's indicators of core inflation remain below the 2% target and wage growth is still subdued. The Bank believes this is due to ongoing excess capacity in the economy as well as the temporary effect of declines in food prices due to intense retail competition. During June, Senior Deputy Governor Carolyn Wilkins delivered a rather hawkish assessment of the Canadian economy that started to pull forward market expectations for the first Bank of Canada rate increase. 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.

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. Analysis of the dot plots indicates that the FOMC expects one more rate hike in 2017 and three 25 basis point rate hikes in 2018. Projections for the longer-run rate (i.e. terminal rate) remain centred around 3%, ranging from 2.5% to 3.5%.

PORTFOLIO STRATEGY AND ACTIVITY

The Beutel Goodman Money Market Fund saw its yield remain at 0.74% from the previous quarter. The Fund's average term was decreased from 73 days at the end of March to 56 days at the end of June.

The Fund's term to maturity is shorter than its benchmark, the 91-day T-Bill. The quality of the Fund has remained consistent and the Fund only contains securities rated R-1 (low) or higher as per the Dominion Bond Rating Service. We continue to have no exposure to ABCP.

OUTLOOK

The path of interest rates in the near term will likely be determined by whether or not the central banks make good on their warnings to markets that they are planning to withdraw monetary policy stimulus. The change in central bank rhetoric has served to flatten the yield curve significantly. Another major factor that is keeping the yield curve flat is the lack of inflation. As rates continue to increase, it can start to bite on certain parts of the economy, for example corporations will no longer have access to easy money and consumers may no longer rely on low mortgage rates. Also, the flow of funds that have flooded into bond markets with positive yields may dissipate and even reverse, thereby lifting the downward pressure on Canadian and U.S. interest rates. Further, the positive backdrop to credit spreads that occurred when the ECB announced that it was extending its QE program to corporates may also reverse if the ECB starts to taper.

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 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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