



# Interim Management Report of Fund Performance

June 30, 2017

**Beutel Goodman American Equity Fund**



# Beutel Goodman American Equity Fund

This Interim 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 portfolio posted a positive return and outperformed its S&P500 (C\$) Index benchmark over the semi-annual period.

Markets began the year with a continuation of the positive sentiment that had rounded out 2016. While headlines earlier in the period focused on the early forays of the new Trump administration, the economic backdrop for the U.S. continued to strengthen. During both the first and second quarter of the year, the U.S. Federal Reserve hiked the Federal Funds rate by 25 basis points, currently 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%.

The Fund's outperformance over the period was due to security selection. Sector allocation effects were slightly negative, as positive effects from an underweight position in Energy and an overweight position in Health Care were slightly outweighed by negative effects from an overweight position in Telecommunications and an underweight position in Consumer Discretionary. Industrial names Ingersoll-Rand, Caterpillar, Parker Hannifin and Allegion provided significant alpha, with double digit returns over the period. Stock selection in Information Technology also added significant value. Oracle was the largest contributor over the period, as changes to their business model to the cloud space continue to progress. Holdings in Symantec, Teradyne, and Cadence also outperformed over the period.

In the first half of the year, the portfolio initiated three new positions. LyondellBasell is among the largest chemical producers. LYB exhibits superior profitability due to its sustainably advantaged feedstock position, leading production process efficiency, and balanced primary/intermediate chemicals. Avoiding cash-burning, value-destructive acquisitions tends to augment FCF generation, which has enabled a 30% share count reduction and a 65% dividend increase over the last four years. 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. This is a well-run company with an exceptional business model in an attractive end-market. The business generates high returns and management has consistently bought back their shares, increased the dividend and invested back in the business (consolidating smaller agencies). Autozone is the largest retailer of automotive replacement parts and accessories in the U.S. The company benefits from an extremely strong brand driven by its nationwide presence, high customer service standards, technically competent staff, and comprehensive inventory. Its scale in turn drives a cost advantage on inventory sourcing, which all combined, drives high, stable and expanding operating margins, leading to strong free cash flow generation and a high, sustainable return on invested capital.

The portfolio also added to positions in Amdocs, Kellogg and AmerisourceBergen and trimmed positions in Teradyne, Baxter, Johnson & Johnson, and Symantec.

The fund exited positions in CSX, Caterpillar, BB&T, and Cadence Design Systems over the period.

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

### Recent Developments

Finding new opportunities that meet the portfolio manager's high hurdle rate remains a challenge. Given the relatively slow economic recovery thus far, share price returns have run far ahead of revenue growth, leaving the outperformance to be driven by significant margin expansion and/or valuation multiple expansion. In the portfolio manager's view, there are still large swaths of the market that are currently too expensive relative to fundamental values. While it is more challenging to find new ideas, there do appear to be pockets of value in some parts of the market such as Consumer Discretionary, and as a result the Fund has increased exposure to the sector.

With ultra-low interest rates in developed markets relative to historical norms, the portfolio manager is not surprised to see a high-level of M&A across a broad spectrum of industries – even highly valued acquisitions can be pitched as "accretive" to future earnings based on low-interest cash deals. While rates remain this low, the portfolio manager expects M&A activity will remain high and act as a positive back-stop to valuations. For now, the M&A party looks like a lot of fun, but for many of the deals, the morning after (when the acquirers have to integrate some of these massive deals) may be painful. The ultimate fallout may lead to some interesting buying opportunities.

Given recent portfolio actions, sector weights in the Fund have shifted. Due to the sale of Cadence Design and trim of Symantec and Teradyne, the Fund's exposure to the technology sector decreased significantly, and the Fund is now underweight the sector. The addition of Omnicom and Autozone has greatly

# Beutel Goodman American Equity Fund

increased the Fund's Consumer Discretionary weighting – from 0% at the end of last year to over 8% currently. With the sale of Caterpillar, the Fund's Industrials weight decreased, but the Fund maintains a healthy overweight in the sector. Sector weights continue to reflect bottom-up fundamentals, rather than specific investment calls on sectors.

All holdings in the portfolio continue to generate free cash flow, have strong balance sheets and capital allocation policies that strike the right balance between corporate needs and shareholder returns. High quality business models and company-specific catalysts factor into attractive risk/reward profiles and, importantly, downside protection. The portfolio continues to incorporate a high concentration of companies with under-levered balance sheets and managements that are well aligned with shareholders, which the portfolio manager expects will continue to lead to positive corporate actions like share buy-backs, dividend increases and value-enhancing deals.

## 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 \$2,286,520 for the year ending June 30, 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 26.73% of total management fees paid by the Fund to the Manager in 2016.

**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	June 2017	2016	2015
American Equity Fund	\$523,977	\$434,126	\$566,472

# 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 6 month period ended June 30 of the current year and for the past 5 years ended December 31. The December 31 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 period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Net assets attributable to holders of redeemable units per unit, beginning of period <sup>(1)</sup></b>	21.16	19.42	18.23	15.98	11.82	10.81
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	–	–	–
Total Dividend Revenue	0.24	0.63	0.45	0.40	0.28	0.17
Total revenue	0.24	0.63	0.45	0.40	0.28	0.17
Total expenses	(0.29)	(0.52)	(0.54)	(0.49)	(0.24)	(0.26)
Realized gains (losses) for the period	1.56	1.42	1.80	2.30	0.73	0.40
Unrealized gains (losses) for the period	(0.38)	0.92	0.75	1.63	3.35	0.65
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	1.13	2.45	2.46	3.84	4.12	0.96
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	0.14	–	0.01	0.20	0.08
Net investment income	–	0.14	–	0.01	0.20	0.08
Realized gains on sale of investments	–	0.61	1.48	1.46	0.18	0.32
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.75	1.48	1.47	0.38	0.40
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	22.62	21.16	19.42	18.23	15.98	11.82

### Ratios and Supplemental Data for Class B Units

(for the period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Total net asset attributable to holders of redeemable units (\$) (000's) <sup>(5)</sup></b>	87,413	53,042	43,843	29,672	16,785	2,683
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	3,865	2,506	2,258	1,627	1,050	227
<b>Management expense ratio <sup>(6a)</sup></b>	2.17%	2.17%	2.18%	2.14%	2.18%	2.20%
<b>Management expense ratio before absorptions <sup>(6b)</sup></b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	21%	24%	39%	38%	24%	34%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.09%	0.05%	0.07%	0.08%	0.12%	0.15%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	22.62	21.16	19.42	18.23	15.98	11.82

### Financial Highlights for Class D Units

(for the period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Net assets attributable to holders of redeemable units per unit, beginning of period <sup>(1)</sup></b>	14.56	13.35	12.52	10.95	8.06	7.29
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	–	–	–
Total Dividend Revenue	0.16	0.43	0.31	0.27	0.19	0.17
Total revenue	0.16	0.43	0.31	0.27	0.19	0.17
Total expenses	(0.14)	(0.26)	(0.26)	(0.24)	(0.12)	(0.12)
Realized gains (losses) for the period	1.06	0.99	1.24	1.60	0.47	0.40
Unrealized gains (losses) for the period	(0.08)	0.67	0.53	1.06	2.45	0.65
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	1.00	1.83	1.82	2.69	2.99	1.10
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	0.18	0.07	0.07	0.01	0.02
Net investment income	–	0.18	0.07	0.07	0.01	0.02
Realized gains on sale of investments	–	0.42	1.02	1.00	0.12	0.22
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.60	1.09	1.07	0.13	0.24
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	15.62	14.56	13.35	12.52	10.95	8.06

### Ratios and Supplemental Data for Class D Units

(for the period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Total net asset attributable to holders of redeemable units (\$) (000's) <sup>(5)</sup></b>	157,507	128,919	106,897	76,674	46,462	11,591
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	10,087	8,853	8,009	6,126	4,243	1,438
<b>Management expense ratio <sup>(6a)</sup></b>	1.50%	1.50%	1.50%	1.47%	1.47%	1.49%
<b>Management expense ratio before absorptions <sup>(6b)</sup></b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	21%	24%	39%	38%	24%	34%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.09%	0.05%	0.07%	0.08%	0.12%	0.15%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	15.62	14.56	13.35	12.52	10.95	8.06

# Beutel Goodman American Equity Fund

## Financial Highlights for Class F Units

(for the period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Net assets attributable to holders of redeemable units per unit, beginning of period <sup>(1)</sup></b>	14.78	13.54	12.71	11.12	8.19	7.42
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	–	–	–
Total Dividend Revenue	0.16	0.43	0.32	0.28	0.20	0.17
Total revenue	0.16	0.43	0.32	0.28	0.20	0.17
Total expenses	(0.12)	(0.22)	(0.21)	(0.20)	(0.10)	(0.10)
Realized gains (losses) for the period	1.11	1.01	1.21	1.63	0.60	0.40
Unrealized gains (losses) for the period	(0.30)	0.65	0.54	1.12	2.61	0.65
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.85	1.87	1.86	2.83	3.31	1.12
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	0.24	0.13	0.11	0.22	0.06
Net investment income	–	0.24	0.13	0.11	0.22	0.06
Realized gains on sale of investments	–	0.43	1.04	1.03	0.12	0.22
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.67	1.17	1.14	0.34	0.28
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	15.88	14.78	13.54	12.71	11.12	8.19

## Ratios and Supplemental Data for Class F Units

(for the period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Total net asset attributable to holders of redeemable units (\$)(000's) <sup>(5)</sup></b>	136,206	72,157	54,805	35,693	16,987	1,589
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	8,580	4,883	4,047	2,809	1,528	194
<b>Management expense ratio <sup>(6a)</sup></b>	1.11%	1.10%	1.10%	1.10%	1.11%	1.06%
<b>Management expense ratio before absorptions <sup>(6b)</sup></b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	21%	24%	39%	38%	24%	34%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.09%	0.05%	0.07%	0.08%	0.12%	0.15%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	15.88	14.78	13.54	12.71	11.12	8.19

## Financial Highlights for Class I Units

(for the period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Net assets attributable to holders of redeemable units per unit, beginning of period <sup>(1)</sup></b>	15.88	14.53	13.62	11.89	8.71	7.86
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	–	–	–
Total Dividend Revenue	0.18	0.47	0.34	0.30	0.21	0.17
Total revenue	0.18	0.47	0.34	0.30	0.21	0.17
Total expenses	(0.04)	(0.09)	(0.07)	(0.06)	(0.03)	(0.02)
Realized gains (losses) for the period	1.15	1.08	1.39	1.72	0.46	0.40
Unrealized gains (losses) for the period	(0.07)	0.74	0.62	1.11	2.84	0.65
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	1.22	2.20	2.28	3.07	3.48	1.20
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	0.39	0.28	0.22	0.27	0.12
Net investment income	–	0.39	0.28	0.22	0.27	0.12
Realized gains on sale of investments	–	0.46	1.13	1.11	0.13	0.24
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.85	1.41	1.33	0.40	0.36
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	17.15	15.88	14.53	13.62	11.89	8.71

## Ratios and Supplemental Data for Class I Units

(for the period ended June 30, 2017 and years ended December 31)

\$	June 2017	2016	2015	2014	2013	2012
<b>Total net asset attributable to holders of redeemable units (\$)(000's) <sup>(5)</sup></b>	928,418	787,418	675,737	531,249	402,763	174,805
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	54,139	49,576	46,502	38,993	33,860	20,072
<b>Management expense ratio <sup>(6a)</sup></b>	0.10%	0.11%	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	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	21%	24%	39%	38%	24%	34%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.09%	0.05%	0.07%	0.08%	0.12%	0.15%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	17.15	15.88	14.53	13.62	11.89	8.71

# Beutel Goodman American Equity Fund

- (1) The information for June 2017, December 2016, December 2015, December 2014 and December 2013 is derived from the Fund's financial statements prepared in accordance with IFRS. The information for prior years is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP.
- (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 period.
- (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 period end of the period 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 period.
- (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 period.
- (9) The information for June 2017, December 2016, December 2015, December 2014 and December 2013 is derived from the Fund's financial statements prepared in accordance with IFRS. Prior to January 1, 2013, for the purpose of processing unitholder transactions, net assets were calculated based on the closing market price, while for financial statement purposes net assets were calculated based on bid/ask price. For the period ended June 30, 2017 and for years ended 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.



# Beutel Goodman American Equity Fund

## 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 heading.

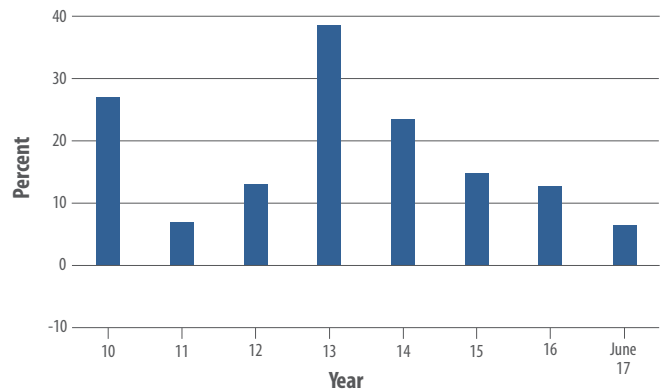
The performance returns in all cases:

- are calculated as of **December 31** in each year and for the **first 6 months** of the current 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.**

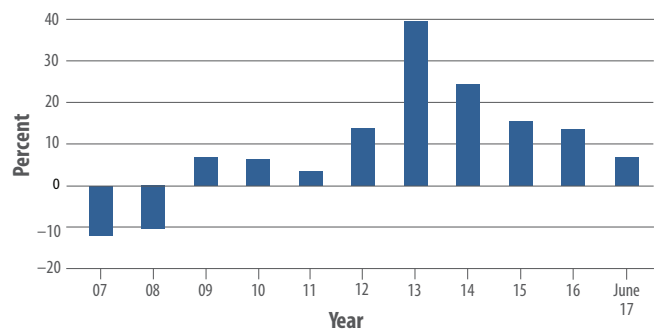
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

## Year-by-Year Returns

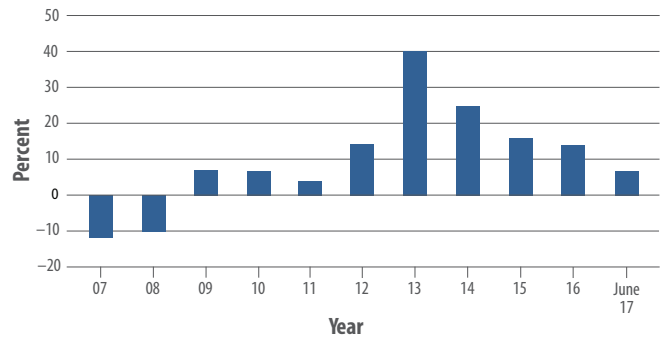
### Class B



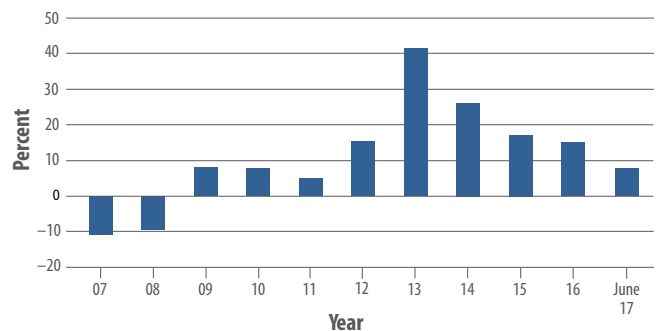
### Class D



### Class F



### Class I



# Beutel Goodman American Equity Fund

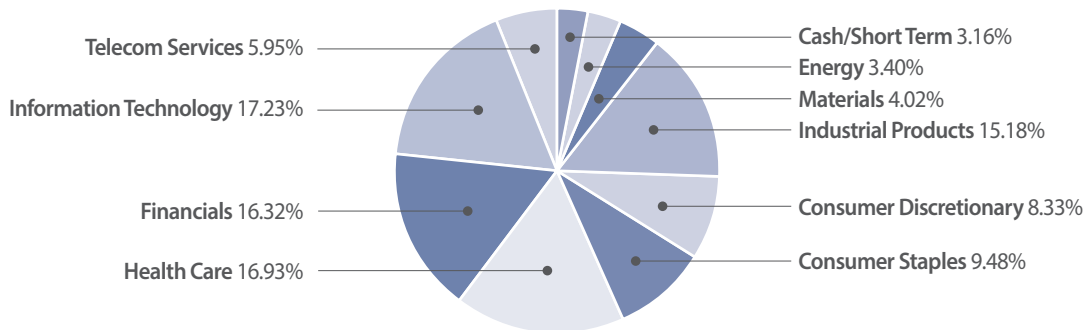
## Summary of Investment Portfolio

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	% of Net Assets
1. Oracle Corp.	6.61	14. Halliburton Co.	3.40
2. Ingersoll-Rand PLC	6.54	15. Baxter International Inc.	3.14
3. American Express Co.	6.27	16. JPMorgan Chase & Co.	3.14
4. Parker-Hannifin Corp.	6.01	17. Symantec Corp.	2.87
5. Verizon Communications Inc.	5.95	18. CVS Health Corp.	2.55
6. Amdocs Ltd.	5.43	19. The Procter & Gamble Co.	2.46
7. AmerisourceBergen Corp.	5.37	20. Wells Fargo & Co.	2.41
8. Eli Lilly & Co.	5.02	21. Teradyne Inc.	2.31
9. Omnicom Group Inc.	4.77	22. Merck & Co., Inc.	2.01
10. Ameriprise Financial Inc.	4.50	23. United Technologies Corp.	1.59
11. Kellogg Co.	4.47	24. Johnson & Johnson	1.38
12. LyondellBasell Industries	4.02	25. Allegion PLC	1.04
13. AutoZone Inc.	3.56		

### 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 2016 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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