



# Interim Management Report of Fund Performance

June 30, 2017

**Beutel Goodman International Equity Fund**



# Beutel Goodman International 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**

20 Eglinton Avenue West,  
Suite 2000, P.O. Box 2005  
Toronto, Ontario M4R 1K8

Telephone: (416) 932-6403

Toll-free: 1-855-247-9954

Fax: (416) 485-8194

[www.beutelgoodman.com](http://www.beutelgoodman.com)

# Beutel Goodman International Equity Fund

## Management Discussion of Fund Performance

### Investment Objectives and Strategies

This Fund invests in common shares and other equity securities of international (non-U.S. domiciled) issuers. Emerging market exposure is constrained to a maximum of 15% of the portfolio, by market weight. The portfolio is concentrated in 25 to 50 holdings.

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 non-North American issuers with a medium tolerance for risk and a long term investment horizon.

### Results of Operations

The Beutel Goodman International Equity portfolio had a positive return and significantly outperformed the 10% return of the MSCI EAFE (C\$) Index benchmark for the semi-annual period. Regionally, Europe ex-UK outperformed over the period and the UK, Pacific Region and Japan underperformed the benchmark.

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.

Economic momentum in China continues to moderate. China's official manufacturing PMI accelerated to 51.7 in June, beating expectations of 51.1 while the Caixin China manufacturing PMI rose to 50.4 vs. 49.6 in May, indicating an expansion. Non-manufacturing PMI also rose, along with new export orders. The government is targeting 6.5% growth, although inherent risks including excess leverage and an overheated property market remain. The big news in the Chinese market was the MSCI inclusion of China A shares in its emerging markets index, beginning next year. The equities market in China is the second largest by market cap, behind the U.S. In Japan, industrial output declined by 3.3% in May as inventories remained high, indicating a moderate economic recovery going forward. Q1 GDP also disappointed at only 1%, much weaker than initially estimated. Inflation remains stubbornly low, a challenge for the Bank of Japan, which revised down its inflation target to 1.4% for 2017. It plans

to continue its accommodative policy with debt purchases. North Korea's recent launch of an intercontinental ballistic missile is another source of concern for markets

The Fund outperformed the MSCI EAFE C\$ Index in the period. Outperformance was primarily attributable to stock selection. Sector allocation effects were slightly positive, as negative effects from overweight positions in Materials and Telecommunications were outweighed by positive effects from an underweight position in Energy and overweight position in Information Technology. The Financials sector was the largest contributor to stock selection. Deutsche Boerse performed well post the collapse of the deal to combine with LSE, aided further by more clarity on the company's stand-alone growth plans. Selection in Information Technology also added significant value. Atea was the largest contributor to performance over the period as it continued to climb higher on profit growth and cash generation. In Materials, outperformance was due to significant contributions from Akzo Nobel and Norsk Hydro. Akzo Nobel jumped on news that PPG had submitted a proposal to acquire the company and then climbed further following a second bid. Norsk Hydro was also a strong contributor, as it followed the price of aluminum higher.

The Fund initiated four new positions in the first half of the year. Based in Italy, Luxottica is a global leader in eyewear. Luxottica has no close seconds in either retail or wholesale channels. Software AG is a leading developer of middleware tools designed to connect disparate applications/databases/and external partners into a unified IT platform. The company is undergoing a major transition from its highly cash generative mainframe/database business unit to middleware. Gjensidige is the leading non-life insurance group in Norway with strong positions across all major lines of business. The company operates in highly concentrated markets, with rational pricing behaviour. Smith & Nephew is a diversified medical technology company with leading positions in orthopaedics reconstruction, advanced wound management, sports medicine, and trauma. Smith & Nephew is a well-known leader and innovator and boasts attractive market share in its core markets and very attractive returns.

In addition, the portfolio added to positions in TGS-Nopec, Henkel, HeidelbergCement, Carlsberg, KPN, FamilyMart, Akzo Nobel, Michelin and GEA and trimmed positions in Bayer, Unilever, Atea, Deutsche Boerse and Vesuvius.

The Fund sold its position in Sky, given the limited upside due to the bid for the company from Fox, as well as the remaining small positions in BNP Paribas and Vesuvius.

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

### Recent Developments

After a better-than-expected GDP performance in the first half of 2017, the global economy looks to continue its momentum in the second half of the year, especially in developed markets. The strengthening pace of the growth is likely to be driven by both industrial production and fixed asset investments, which were lacking in previous years. Europe stood out as delivering positive surprises – reflected in the strength of both equity markets and currencies in the first half of the year – and probably will continue to grow above its 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. Japan also showed clear growth pickup in the first half of the year, although tepid consumer spending might keep the GDP growth momentum range-bound. Given the

# Beutel Goodman International Equity Fund

growth strength in the last few quarters, most central banks in developed countries are sounding more hawkish in tone in their outlooks. However, we are not expecting any of the major central banks – ECB and BOJ in particular – to tighten monetary policy any time soon.

There are a few geopolitical issues, including North Korea and the Middle East, which could disrupt the momentum of the global economy. Confusion on various domestic policies, from healthcare to tax reform to trade relationships, might keep the U.S. growth rate muted. The UK is facing a challenging situation given the uncertainty around the Brexit process. Also, after a fairly long period of economic expansion, typical late-cycle-like financial risks (e.g., private leverage) are clearly present in some pockets of the global economy.

While some have argued that market valuations look stretched, the portfolio manager is quite excited about the opportunities in the portfolio, which is very different versus the broad market on both quality and revaluation potential. The portfolio manager's strictly value-oriented approach and process lead them to consistently refresh the portfolio with quality businesses that have been ignored and mispriced by the market. The portfolio manager feels comfortable that this diversified portfolio with high quality names can generate strong returns with or without exuberant global economic growth.

## 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>
International Equity Fund	B	1.90
International Equity Fund	D	1.25
International Equity Fund	F	1.00

(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 \$20,441 for the period 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 20.51% 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
International Equity Fund	\$149,774	\$205,548	\$295,021

# Beutel Goodman International 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>	12.06	12.01	11.00	11.94	10.33	8.82
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	0.01	–	–
Total Dividend Revenue	0.40	0.41	0.31	0.46	0.35	0.14
Total revenue	0.40	0.41	0.31	0.47	0.35	0.14
Total expenses	(0.23)	(0.32)	(0.48)	(0.51)	(0.21)	(0.22)
Realized gains (losses) for the period	0.31	0.09	0.08	0.13	0.26	–
Unrealized gains (losses) for the period	(0.62)	(0.65)	0.09	(0.92)	1.13	0.73
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	(0.14)	(0.47)	–	(0.83)	1.53	0.65
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	–	0.12	0.17	0.06	0.19
Net investment income	–	–	0.12	0.17	0.06	0.19
Realized gains on sale of investments	–	–	–	–	–	–
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	–	0.12	0.17	0.06	0.19
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	13.72	12.06	12.01	11.00	11.94	10.32

### 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>	402	66	153	59	55	24
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	29	5	13	5	5	2
<b>Management expense ratio <sup>(6a)</sup></b>	2.30%	2.31%	2.32%	2.32%	2.32%	2.32%
<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>	17%	40%	44%	58%	44%	59%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.20%	0.16%	0.21%	0.34%	0.29%	0.27%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	13.72	12.06	12.01	11.00	11.94	10.33

### 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>	4.90	4.93	4.49	4.88	4.22	3.55
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	–	–	–
Total Dividend Revenue	0.12	0.16	0.14	0.20	0.13	0.14
Total revenue	0.12	0.16	0.14	0.20	0.13	0.14
Total expenses	(0.05)	(0.08)	(0.10)	(0.11)	(0.06)	(0.06)
Realized gains (losses) for the period	0.14	0.09	0.13	0.07	0.17	–
Unrealized gains (losses) for the period	0.52	–	0.52	(0.47)	0.56	0.73
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.73	0.17	0.69	(0.31)	0.80	0.81
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	0.09	0.06	0.14	0.06	0.07
Net investment income	–	0.09	0.06	0.14	0.06	0.07
Realized gains on sale of investments	–	–	–	–	–	–
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.09	0.06	0.14	0.06	0.07
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	5.59	4.90	4.93	4.49	4.88	4.21

### 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>	5,230	4,037	3,068	3,780	2,970	1,785
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	935	824	622	843	608	423
<b>Management expense ratio <sup>(6a)</sup></b>	1.50%	1.51%	1.51%	1.45%	1.48%	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>	17%	40%	44%	58%	44%	59%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.20%	0.16%	0.21%	0.34%	0.29%	0.27%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	5.59	4.90	4.93	4.49	4.88	4.22

# Beutel Goodman International 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>	4.96	4.98	4.55	4.85	4.18	3.54
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	0.01	–	–
Total Dividend Revenue	0.16	0.17	0.15	0.21	0.13	0.14
Total revenue	0.16	0.17	0.15	0.22	0.13	0.14
Total expenses	(0.07)	(0.09)	(0.12)	(0.14)	(0.05)	(0.06)
Realized gains (losses) for the period	0.11	0.12	0.10	0.08	0.19	–
Unrealized gains (losses) for the period	(0.61)	0.08	0.33	(0.45)	0.48	0.73
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	(0.41)	0.28	0.46	(0.29)	0.75	0.81
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	0.10	0.08	0.04	0.05	0.09
Net investment income	–	0.10	0.08	0.04	0.05	0.09
Realized gains on sale of investments	–	–	–	–	–	–
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.10	0.08	0.04	0.05	0.09
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	5.66	4.96	4.98	4.55	4.85	4.17

## 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>	960	129	74	52	136	115
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	170	26	15	11	28	28
<b>Management expense ratio <sup>(6a)</sup></b>	1.30%	1.29%	1.30%	1.30%	1.30%	1.30%
<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>	17%	40%	44%	58%	44%	59%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.20%	0.16%	0.21%	0.34%	0.29%	0.27%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	5.66	4.96	4.98	4.55	4.85	4.18

## 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>	5.29	5.30	4.84	5.25	4.52	3.82
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	–	0.01	–	–
Total Dividend Revenue	0.12	0.17	0.16	0.21	0.14	0.14
Total revenue	0.12	0.17	0.16	0.22	0.14	0.14
Total expenses	(0.02)	(0.03)	(0.03)	(0.05)	(0.02)	(0.02)
Realized gains (losses) for the period	0.14	0.09	0.13	0.08	0.19	–
Unrealized gains (losses) for the period	0.52	(0.10)	0.39	(0.48)	0.57	0.73
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.76	0.13	0.65	(0.23)	0.88	0.85
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	–	–	–	–
Net dividend income	–	0.15	0.14	0.19	0.11	0.13
Net investment income	–	0.15	0.14	0.19	0.11	0.13
Realized gains on sale of investments	–	–	–	–	–	–
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.15	0.14	0.19	0.11	0.13
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	6.08	5.29	5.30	4.84	5.25	4.52

## 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>	165,914	129,882	132,552	126,262	129,863	83,009
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	27,294	24,559	24,993	26,112	24,715	18,345
<b>Management expense ratio <sup>(6a)</sup></b>	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
<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>	17%	40%	44%	58%	44%	59%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.20%	0.16%	0.21%	0.34%	0.29%	0.27%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	6.08	5.29	5.30	4.84	5.25	4.52

# Beutel Goodman International 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 International 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.

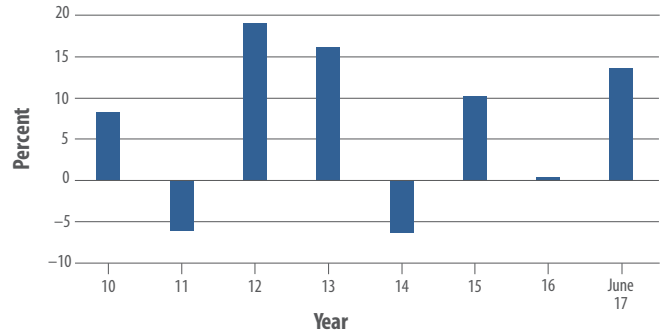
The performance returns in all cases:

- 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.**

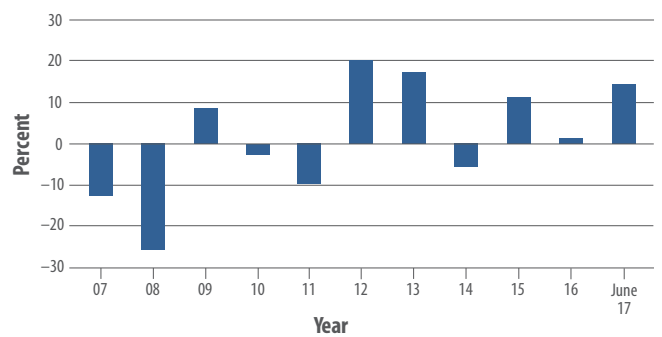
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

## Year-by-Year Returns

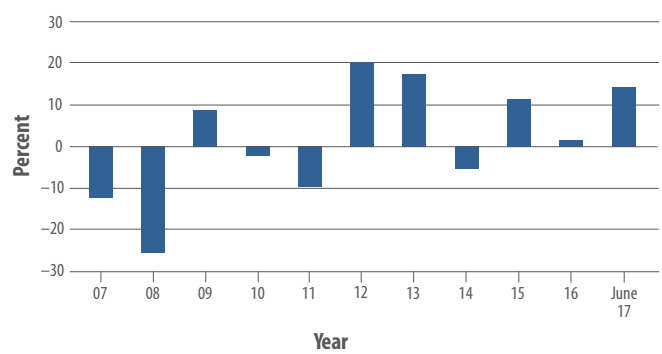
### Class B



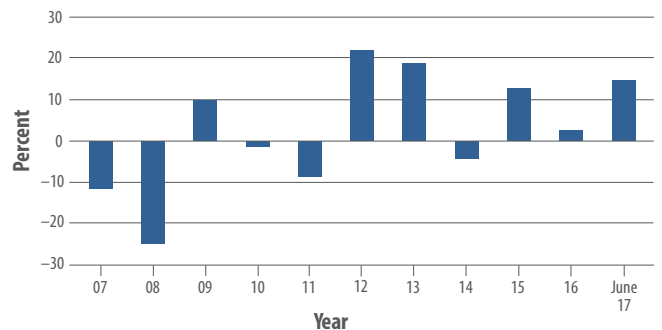
### Class D



### Class F



### Class I



# Beutel Goodman International Equity Fund

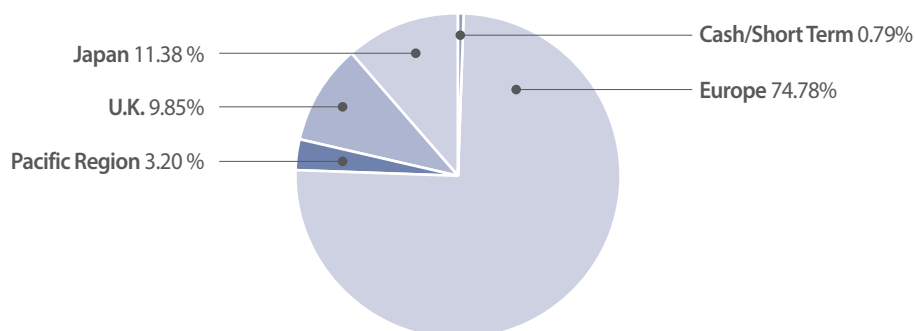
## Summary of Investment Portfolio

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. Merck KGaA	6.14	14. Julius Baer Group Ltd.	3.20
2. Kao Corp.	4.37	15. Software AG	3.10
3. Cie Générale des Établissements Michelin	4.12	16. Akzo Nobel NV	3.10
4. Carlsberg A/S	4.02	17. Vodafone Group PLC	3.01
5. Konecranes OYJ	3.94	18. IMI PLC	3.00
6. Henkel AG & Co KGaA	3.81	19. Air Liquide SA	2.85
7. Atea ASA	3.73	20. Gjensidige Forsikring ASA	2.72
8. GEA Group AG	3.59	21. TGS Nopec Geophysical Co ASA	2.71
9. Koninklijke KPN NV	3.53	22. Norsk Hydro ASA	2.62
10. Telefonica Deutschland Holding AG	3.42	23. Bayer AG	2.54
11. HeidelbergCement AG	3.37	24. FamilyMart Co., Ltd.	2.36
12. BASF SE	3.28	25. Resona Holdings Inc.	2.36
13. DBS Group Holdings Ltd.	3.20		

### Regional Mix



# Beutel Goodman International 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 International 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).



Beutel, Goodman & Company Ltd.  
20 Eglinton Avenue West, Suite 2000  
P.O. Box 2005, Toronto, Ontario  
M4R 1K8

Telephone: (416) 932-6403  
Toll-free: 1-855-247-9954  
Fax: (416) 485-8194

E-mail: [mutualfunds@beutelgoodman.com](mailto:mutualfunds@beutelgoodman.com)

[www.beutelgoodman.com](http://www.beutelgoodman.com)