



# Interim Management Report of Fund Performance

June 30, 2017

**Beutel Goodman North American Focused Equity Fund**



# Beutel Goodman North American Focused 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 North American Focused Equity Fund

## Management Discussion of Fund Performance

### Investment Objectives and Strategies

The Fund seeks long-term capital growth through investments primarily in common shares and other equity securities of issuers in Canada and the United States.

The strategy of the fund is to hold a concentrated portfolio of quality companies for the long-term. Thus, the investment portfolio of the Fund will consist of a small number of large positions with very low turnover, and is expected to deviate from the index considerably. It is not expected that the fund will invest in more than 22 issuers at one time.

Research is directed to identify companies that can grow their intrinsic value at above normal rates over long periods of time. Companies generating free cash flow are favoured. Securities are purchased when they are trading at a substantial discount to their business value.

The Fund's assets will be invested primarily in securities of Canadian and U.S. issuers. Currently, the Fund does not expect to invest more than 49% of its assets in securities of U.S. issuers.

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 seeking capital growth with a medium tolerance for risk and a long-term investment horizon.

### Results of Operations

The North American Focused Equity Fund posted a positive return for the six month period under review. Both the Canadian equity and the U.S. equity components outperformed their benchmarks, the S&P/TSX Composite Index and the S&P 500 (C\$) Index.

For the first half of 2017, the S&P/TSX Composite Index had a return of 0.74%, a weak performer versus other developed markets. All sectors were positive, with the exception of two. The main drag on the Index was the Energy sector which fell 13.3%. The Materials sector was also negative, with returns of -0.7%. Consumer Discretionary led the Index, followed by Industrials and Utilities. At the end of the first half of the year, the Bank of Canada signaled that it may be ready to raise rates as the economy strengthens, emerging from the worst of the oil shock. This sent bond yields higher, benefitting Financials, and strengthened the Canadian dollar as the market adjusted to the news.

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%.

With respect to the Canadian equity outperformance, added value was attributable to sector weighting effects, specifically underweight positions in the Energy and Materials sectors and overweight positions in the Industrials, Consumer Discretionary, and Telecom sectors. Stock selection effects were negative on a net basis. The largest negative contribution to performance on the Canadian side was Canadian Natural Resources, which declined in reaction to the weak oil price.

The U.S. equity component's outperformance in the period was due to security selection. Sector allocation effects were negative, as positive effects from overweight positions in Health Care and Information Technology were slightly outweighed by negative effects from an overweight position in Telecommunications and an underweight position in Consumer Discretionary. Industrial name Parker Hannifin 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.

In the period, four new positions were added to the portfolio: Autozone, Canadian Pacific Railway, Metro and Omnicom. Metro is Canada's third largest grocer and remains the leader in operational performance as well as delivering superior shareholder returns over time. In addition, management augments solid execution with a very disciplined and balanced capital allocation strategy. The Fund increased its positions in Finning International, Great-West Life, Magna, SNC-Lavalin, WestJet and Verizon. We believe that over the long term, Verizon will provide strong results and the Fund took advantage of the depressed stock price. Stocks trimmed over the period included Canadian Tire and Rogers. Positions sold include Canadian National Railway, Symantec, and Teradyne.

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

### Recent Developments

There have been no changes to the management of the Fund over the period.

As economic conditions continue to improve, global central banks are signaling that accommodative monetary policy may soon be coming to an end. The US Federal Reserve has raised rates and is indicating that it will begin tapering its balance sheet, albeit slowly. A tightening bias has emerged from the Bank of Canada, strengthening the Canadian dollar, sending bond yields higher and increasing the chance of an interest rate hike in July. Continued positive economic data, including strong GDP and a solid job market, support this view. The Bank has dismissed previous worries over trade policy and weak oil prices. On the other hand, inflation remains well below the 2% target set by the bank and wage growth remains muted – both risks to a possible tightening plan.

Canadian equities have faced headwinds during the first half of 2017, most importantly a low oil price environment. Bond yields have recently rebounded in light of the Bank of Canada's shift in tone. After outperforming other developed markets in 2016 with a return of 21.1%, the S&P/TSX Composite Index has underperformed other global indices year to date with return of just 0.74%. On the positive side, Canada is expected to post the strongest growth

# Beutel Goodman North American Focused Equity Fund

in the G7 this year, yet the market appears to be focused on risks in the housing market and international trade negotiations. We remain positively inclined to equity markets and expect the stable economic growth backdrop to remain supportive of corporate earnings and equity valuations. Our analysis indicates that the upside in our current holdings in Financials, Telecom Services and Consumer sectors remain attractive, while we are cautious on the fundamentals in Energy and Materials. We continue to execute our disciplined process of investing in excellent businesses at an adequate discount to grow capital while mitigating risk.

## 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>
North American Focused Equity Fund	B	1.85
North American Focused Equity Fund	D	1.25
North American Focused 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 \$152,626 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 25.49% 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
North American Focused Equity Fund	\$7,171	\$6,407	\$4,196

# Beutel Goodman North American Focused 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>	15.95	13.57	13.76	13.01	10.74	9.68
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	0.01	–	0.04	0.01	–	–
Total Dividend Revenue	0.19	0.44	0.34	0.34	0.29	0.14
Total revenue	0.20	0.44	0.38	0.35	0.29	0.14
Total expenses	(0.20)	(0.36)	(0.34)	(0.35)	(0.20)	(0.23)
Realized gains (losses) for the period	0.71	0.96	0.02	0.52	0.89	0.25
Unrealized gains (losses) for the period	(0.30)	2.07	0.29	0.75	1.85	0.52
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.41	3.11	0.35	1.27	2.83	0.68
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	0.04	0.02	–	–
Net dividend income	–	0.13	0.16	0.14	0.05	0.17
Net investment income	–	0.13	0.20	0.16	0.05	0.17
Realized gains on sale of investments	–	0.38	0.08	0.46	0.58	0.02
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.51	0.28	0.62	0.63	0.19
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	16.66	15.95	13.57	13.76	13.01	10.73

### 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>	7,152	2,576	1,125	288	81	29
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	429	161	83	21	6	3
<b>Management expense ratio <sup>(6a)</sup></b>	2.19%	2.20%	2.19%	2.20%	2.20%	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>	12%	21%	10%	28%	27%	53%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.05%	0.05%	0.04%	0.07%	0.07%	0.10%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	16.66	15.95	13.57	13.76	13.01	10.74

### 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>	9.67	8.20	8.22	7.69	6.36	5.64
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	–	–	0.02	–	–	–
Total Dividend Revenue	0.12	0.27	0.21	0.21	0.17	0.14
Total revenue	0.12	0.27	0.23	0.21	0.17	0.14
Total expenses	(0.07)	(0.12)	(0.12)	(0.11)	(0.08)	(0.07)
Realized gains (losses) for the period	0.40	0.53	0.10	0.46	0.53	0.25
Unrealized gains (losses) for the period	(0.03)	1.21	(0.08)	0.28	1.21	0.52
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.42	1.89	0.13	0.84	1.83	0.84
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	0.02	0.01	–	–
Net dividend income	–	0.11	0.07	0.10	0.15	0.06
Net investment income	–	0.11	0.09	0.11	0.15	0.06
Realized gains on sale of investments	–	0.23	0.05	0.27	0.34	0.01
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.34	0.14	0.38	0.49	0.07
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	10.13	9.67	8.20	8.22	7.69	6.36

### 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>	13,705	9,435	5,854	5,317	3,343	1,717
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	1,353	976	714	647	434	270
<b>Management expense ratio <sup>(6a)</sup></b>	1.51%	1.51%	1.51%	1.46%	1.51%	1.50%
<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>	12%	21%	10%	28%	27%	53%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.05%	0.05%	0.04%	0.07%	0.07%	0.10%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	10.13	9.67	8.20	8.22	7.69	6.36

# Beutel Goodman North American Focused 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>	16.60	14.07	14.11	13.19	10.84	9.64
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	0.01	–	0.03	0.01	–	–
Total Dividend Revenue	0.20	0.46	0.37	0.35	0.31	0.14
Total revenue	0.21	0.46	0.40	0.36	0.31	0.14
Total expenses	(0.11)	(0.21)	(0.19)	(0.20)	(0.11)	(0.12)
Realized gains (losses) for the period	0.75	0.97	0.17	0.78	0.93	0.25
Unrealized gains (losses) for the period	(0.39)	2.01	(0.16)	0.66	1.66	0.52
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.46	3.23	0.22	1.60	2.79	0.79
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	0.04	0.02	–	–
Net dividend income	–	0.25	0.16	0.14	0.14	0.13
Net investment income	–	0.25	0.20	0.16	0.14	0.13
Realized gains on sale of investments	–	0.40	0.08	0.47	0.59	0.02
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.65	0.28	0.63	0.73	0.15
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	17.42	16.60	14.07	14.11	13.19	10.83

## 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>	7,818	2,275	1,039	915	691	275
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	449	137	74	65	52	25
<b>Management expense ratio <sup>(6a)</sup></b>	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
<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>	12%	21%	10%	28%	27%	53%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.05%	0.05%	0.04%	0.07%	0.07%	0.10%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	17.42	16.60	14.07	14.11	13.19	10.84

## 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>	10.51	8.87	8.89	8.30	6.83	6.05
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total Interest Revenue	0.01	–	0.02	–	–	–
Total Dividend Revenue	0.13	0.30	0.24	0.23	0.19	0.14
Total revenue	0.14	0.30	0.26	0.23	0.19	0.14
Total expenses	(0.02)	(0.04)	(0.03)	(0.03)	(0.01)	(0.01)
Realized gains (losses) for the period	0.43	0.55	0.10	0.55	0.56	0.25
Unrealized gains (losses) for the period	0.02	1.31	(0.11)	0.40	1.31	0.52
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.57	2.12	0.22	1.15	2.05	0.90
<b>Distribution to holders of redeemable units per unit:</b>						
Net interest income (excluding dividend)	–	–	0.04	0.02	–	–
Net dividend income	–	0.23	0.17	0.16	0.18	0.13
Net investment income	–	0.23	0.21	0.18	0.18	0.13
Realized gains on sale of investments	–	0.25	0.05	0.30	0.37	0.01
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	–	0.48	0.26	0.48	0.55	0.14
<b>Net assets attributable to holders of redeemable units, end of period <sup>(4)</sup></b>	11.08	10.51	8.87	8.89	8.30	6.83

## 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>	4,129	3,683	2,862	2,464	2,418	1,685
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	373	351	323	277	291	247
<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>	12%	21%	10%	28%	27%	53%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.05%	0.05%	0.04%	0.07%	0.07%	0.10%
<b>Net assets attributable to holders of redeemable units, end of period <sup>(9)</sup></b>	11.08	10.51	8.87	8.89	8.30	6.83

# Beutel Goodman North American Focused 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 North American Focused 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.

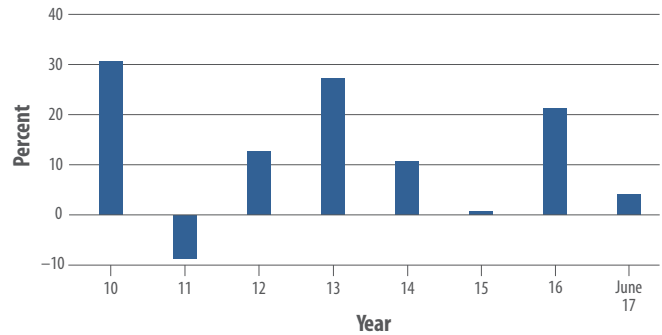
The performance returns in all cases:

- 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.**

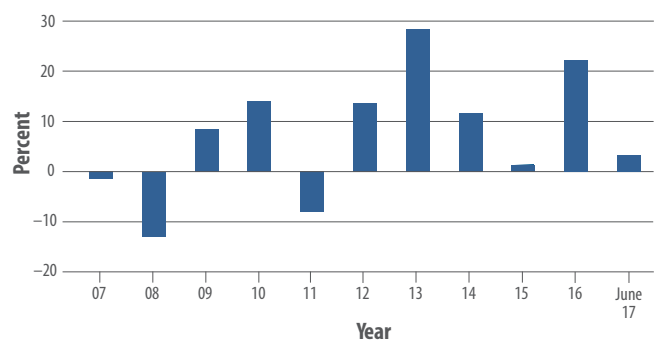
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

## Year-by-Year Returns

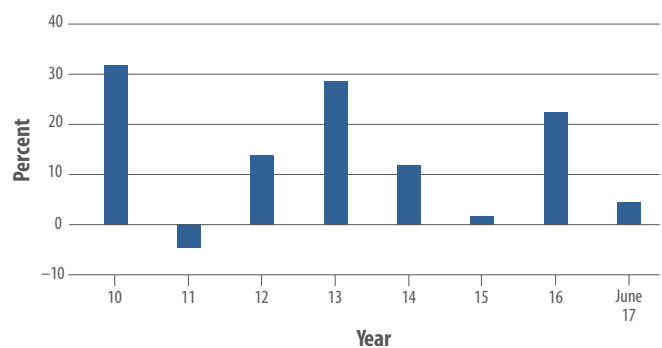
### Class B



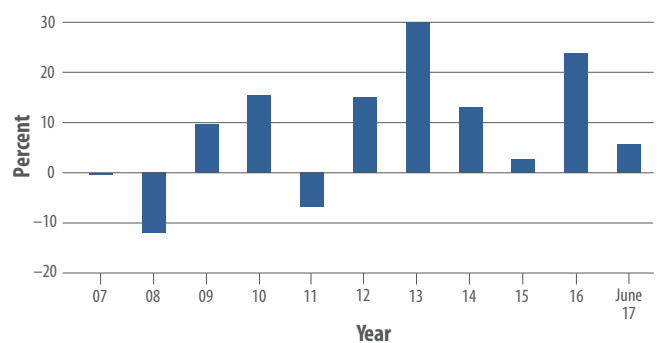
### Class D



### Class F



### Class I



# Beutel Goodman North American Focused Equity Fund

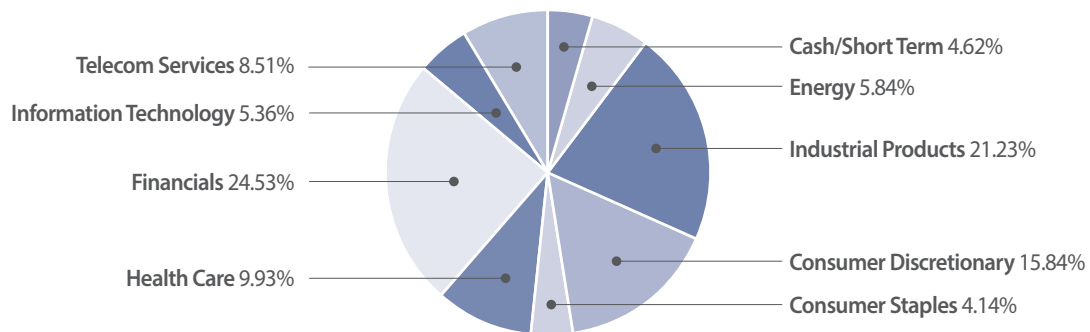
## Summary of Investment Portfolio

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	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Royal Bank of Canada	6.78	14. Omnicom Group Inc.			3.96
2. The Toronto-Dominion Bank	6.76	15. Rogers Communications Inc., Class B			3.86
3. Great-West Lifeco Inc.	5.79	16. The Procter & Gamble Co.			3.66
4. Magna International Inc	5.65	17. Parker-Hannifin Corp.			3.60
5. Oracle Corp.	5.36	18. Canadian Tire Corp Ltd., Class A			3.43
6. American Express Co.	5.23	19. Halliburton Co.			3.05
7. AmerisourceBergen Corp.	5.21	20. AutoZone Inc.			2.82
8. SNC-Lavalin Group Inc.	4.98	21. Canadian Natural Resources Ltd.			2.79
9. Eli Lilly & Co.	4.73	22. Government of Canada	0.588%	10-Aug-17	1.98
10. Verizon Communications Inc.	4.67	23. Government of Canada	0.531%	7-Sep-17	1.45
11. Canadian Pacific Railway Ltd.	4.37	24. Government of Canada	0.697%	21-Sep-17	1.22
12. Finning International Inc.	4.23	25. Metro Inc., Class A			0.48
13. WestJet Airlines Ltd.	4.07				

### Asset Mix



# Beutel Goodman North American Focused 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 North American Focused 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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