Beutel Goodman Canadian Dividend Fund

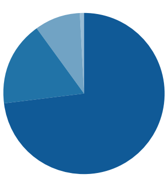
TOP 10 HOLDINGS (%)

ROYAL BANK CDA	9.5
TORONTO DOMINION BK	9.3
BANK OF NOVA SCOTIA	8.0
ROGERS COMMUNICATION	7.2
POWER FINANCIAL CORP	5.0
VERIZON COMMUNICATION	5.0
ELI LILLY & CO	4.3
CANADIAN IMPERIAL BK	4.3
KELLOGG CO	4.1
AIR LIQUIDE(L')	4.0

SECTOR WEIGHTS VS BENCHMARK

SECTOR WEIGHTS (%)			UNDERWEIGHT/OVERWEIGHT %
Sector	**BG**	**S&P/TSX**	
Financials	43.2	34.5	8.7
Telecom	12.2	4.8	7.4
Health Care	7.0	0.6	6.4
Consumer S.	9.2	3.8	5.5
Consumer D.	6.8	5.1	1.7
Info. Tech.	0.0	2.9	-2.9
Real Estate	0.0	3.0	-3.0
Utilities	0.0	3.0	-3.0
Materials	8.4	12.1	-3.6
Industrials	5.0	9.0	-3.9
Energy	7.4	21.4	-13.9
Cash	0.8		

ASSET MIX (%)



PERFORMANCE % (ANNUALIZED) TO MARCH 31, 2017

BG CANADIAN DIVIDEND FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
TOTAL PORTFOLIO	3.59	20.63	10.80	10.81	13.72	13.90	9.01
S&P/TSX INDEX	2.41	18.62	5.27	5.82	8.27	7.84	4.70
MANAGEMENT EFFECT	**1.18**	**2.01**	**5.53**	**4.99**	**5.45**	**6.06**	**4.31**

PERFORMANCE % (ANNUAL) TO MARCH 31ST

BG CANADIAN DIVIDEND FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	20.63	1.80	10.84	22.90	14.64
S&P/TSX INDEX	18.62	-6.57	6.93	15.97	6.11
MANAGEMENT EFFECT	**2.01**	**8.37**	**3.91**	**6.93**	**8.53**

INVESTMENT STRATEGY

The Fund's objective is to achieve a balance between high dividend income and capital growth by investing mainly in a diversified portfolio of blue-chip Canadian common stocks and in high-yield preferred stocks and interest-bearing securities. The Fund may also invest in foreign issues.

INVESTMENT RESULTS

The S&P/TSX Composite gained 2.41% in the first quarter of 2017, led by Utilities with gains of 7.3%, followed by Information Technology and Consumer Discretionary with returns of 7.0% each. Sector strength was generally characterized by stock specific circumstances, including strong earnings reports and general market optimism.

Economic news in Canada continued to strengthen during the quarter, signaling that Canada's economy is gaining traction. Employment statistics were very strong, exceeding expectations of a decline. CPI advanced to 2.1%, the highest in more than 2 years, as high gasoline prices and the new carbon tax created pricing pressure. The Bank of Canada, however, held rates steady at the beginning of March, as significant uncertainties clouded the outlook. February's unexpected trade deficit, following 3 months of consecutive surpluses, put some pressure on the C$ which ended the quarter weakened somewhat.

While headlines during the quarter focused on the early forays of the new Trump administration, the economic backdrop for the U.S. continued to strengthen. Both the Philly Fed and Dallas Fed surveys rose strongly, although fourth quarter GDP disappointed at 1.9%. Jobless claims fell to a near 43 year low and nonfarm payrolls exceeded expectations. The unemployment rate fell to 4.7%, complemented by steady wage growth. The Federal Reserve hiked rates during March, but mostly stuck to its cautious language concerning the pace of future rate hikes, and 10 year treasury yields finished lower, ending the quarter at 2.4%.

Conditions in Europe also showed improvement, yet the ECB held rates steady and continued with its bond buying program. It is expected that the central bank will begin tapering its bond purchases in April. PMIs nearing 6 year highs suggest that manufacturing is picking up, although unemployment remains high at 9.5%. Inflation declined to 1.5%, short of the ECB's goal of just under 2%, further evidence that stimulus efforts will continue in the Eurozone.

The portfolio outperformed the S&P/TSX Composite Index in the first quarter of 2017, with a return of 3.6%. Positive stock selection effects were the primary driver of outperformance, led by Health Care, Information Technology and Consumer Staples. Sector allocation added value in the quarter, primarily due to an underweight in Energy.

Information Technology generated the greatest alpha, where our holdings Atea and Symantec each advanced over 20%.

Stock selection added significant value in Health Care. Both Eli Lilly and Merck KGaA gained during the quarter, advancing 14.8% and 7.4% respectively.

Stock selection added value in the Financials sector. Royal Bank gained 6.6%, as the company reported better than expected results. Brookfield Asset Management rose 9.5% during the quarter on good results and several accretive acquisitions. Telecommunications was another positive area of the portfolio.

Stock selection effects and, to a lesser extent, sector weighting effects were both negative in the Materials sector. Agrium and Potash declined 5.5% and 5.8% respectively, weak performers due to a soft fertilizer pricing environment. In addition, our underweight in gold hurt performance, as gold rose over 8% in the quarter. Industrials was another negative area of the portfolio.

At the end of the first quarter, the yield on the portfolio was 3.06% versus a yield for the S&P/TSX Composite of 2.84%.

PORTFOLIO STRATEGY AND ACTIVITY

In the first quarter of 2017, we initiated two new positions: **Sun Life Financial** and **Omnicom Group**.

Sun Life is a very well-managed, well-capitalized life insurance company with excellent earnings quality, an attractive mix of stable businesses and good long term growth prospects. Omnicom Group 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. It is a well-run company with an exceptional business model in an attractive end-market.

We added to our positions in **Power Financial** and **Verizon**, and reduced our position in **Unilever**.

During the quarter we exited our position in **Manulife Financial**, as Sun Life offered a better risk/return profile. **Telus, Symantec** and **Atea** were also sold on valuation.

OUTLOOK

While expectations of pro-business measures from the Trump administration have gotten much of the credit for moves up in equity markets this year, the more probable catalyst is the steady improvement in both corporate earnings and global fundamentals. Earnings for the S&P 500 are on pace for 12% growth this year after a weak 2016. Economic data in North America has consistently exceeded expectations for several months now, and conditions in Europe are better than they have been in years. Against this background, the U.S. Federal Reserve increased its key benchmark rate in March for the third time since December 2015 and signaled further increases to come.

We continue to remain cautious in resource cyclicals, focusing on companies that can produce a meaningful return at current commodity prices. Valuations for our other holdings in the Industrial, Consumer, Financial, Information Technology and Telecom sectors continue to offer attractive upside potential, based on a combination of free cash flow support, verifiable asset values and strong business models.

Disclosure Notes

Investment returns are expressed in Canadian dollars unless otherwise noted, gross of investment management fees and net of operating expenses for Beutel Goodman funds. Returns are time weighted and annualized for periods greater than one year. Client returns may vary due to cash flow timing and client-specific constraints.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit values and reinvestment of all dividends or distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The I class units of the Short Term Bond Fund were not offered under a prospectus for the period since performance inception to October 4, 2010 (the prospectus start date). The I class units of the Global Dividend Fund were not offered under a prospectus for the period since performance inception to September 14, 2010 (the prospectus start date). Please see the related product profiles for the inception dates of these funds. The I class units of the Global Equity Fund were not offered under a prospectus for the period since its 1995 performance inception to July 6, 2011 (the prospectus start date). Performance for each of these Funds is combined to include both of these periods. The expenses of these Funds would have been higher during these periods had these Funds been subject to additional regulatory requirements applicable to a fund whose units are offered under a prospectus.

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