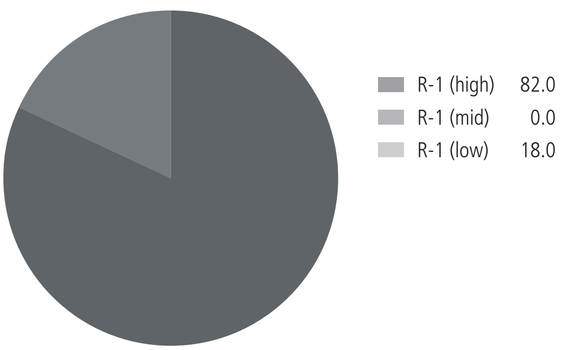
Beutel Goodman Money Market Fund

TOP 10 HOLDINGS (%)

CANADA GOVT	0.000 JUN 29 17	22.2
CANADA GOVT	0.000 JUN 15 17	13.5
BANK OF NS	0.000 JUN 05 17	8.6
TOR DOM BANK	0.000 MAY 19 17	7.5
ROY BK OF CDA	0.000 MAY 09 17	6.4
BANK OF MONTREAL	0.000 JUN 29 17	6.3
ENBRIDGE PIPE	0.000 APR 06 17	4.6
HYDRO ONE	0.000 MAY 09 17	4.6
CIBC	0.000 JUL 25 17	3.7
FORTIS BC	0.000 MAY 30 17	3.4

FUND QUALITY (%)



PERFORMANCE % (ANNUALIZED) TO MARCH 31, 2017

BG MONEY MARKET FUND	CURRENT QTR	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	10 YEARS
TOTAL PORTFOLIO	0.20	0.84	0.85	0.97	1.03	1.07	1.54
91 DAY T-BILLS	0.10	0.48	0.50	0.64	0.73	0.79	1.30
MANAGEMENT EFFECT	**0.10**	**0.36**	**0.35**	**0.33**	**0.30**	**0.28**	**0.24**

PERFORMANCE % (ANNUAL) TO MARCH 31ST

BG MONEY MARKET FUND	2017	2016	2015	2014	2013
TOTAL PORTFOLIO	0.84	0.87	1.21	1.21	1.21
91 DAY T-BILLS	0.48	0.52	0.94	1.00	1.03
MANAGEMENT EFFECT	**0.36**	**0.35**	**0.27**	**0.21**	**0.18**

PORTFOLIO CHARACTERISTICS

	BEUTEL GOODMAN MONEY MARKET FUND
AVERAGE TERM (with FRNs to next reset)	73 DAYS
(AVERAGE TERM NOT TO EXCEED 180 DAYS)	
YIELD	0.74 %
# OF SECURITIES HELD	20

INVESTMENT STRATEGY

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

MARKET COMMENTS

Money market yields increased in the first quarter of 2017. 91-day T-Bill yields started the period yielding 0.45% and finished the quarter at 0.55%.

Markets have been in risk on mode all year following the theme of reflation and growth. Animal spirits have lifted soft data such as business and consumer confidence, stock markets have set new highs, and interest rates have continued their slow march upwards. We are late in the economic recovery and closer to the next recession than the recovery. Headwinds that we are monitoring include tapering of extraordinary monetary policy, a move from "Trump Euphoria" to "Trump Fail" sentiment, European elections, and how the Federal Reserve tightening is being absorbed by the markets.

The track record to date on the Trump Administration's first 100 days in office is not encouraging, with immigration policies being struck down by the courts and the Administration failing to get enough support for health care reform in a Republican controlled Congress. The next big items on the agenda, tax reform, fiscal stimulus, and regulatory reform, are arguably the ones the markets are counting on to deliver growth. The continuing resolution to fund the government expires at the end of April, so that is first on the legislative agenda. If divisions within the Republican Party persist then gridlock could result, thereby caging some of the animal spirits.

The Bank of Canada kept the overnight rate unchanged at 0.50% during the first quarter, in-line with market expectations. The Bank of Canada's thesis of moderate growth as the Canadian economy adjusts to past declines in commodity prices is progressing. The Bank expects that GDP will grow at an annual rate of 2.1% in each of 2017 and 2018. The Bank cautions that the outlook needs to be viewed in the context of elevated policy uncertainty at the global level. The Bank is concerned about the potential ramifications of U.S. trade policy, but has not fully incorporated those concerns into their outlook due to a large degree of uncertainty.

PORTFOLIO STRATEGY AND ACTIVITY

The Beutel Goodman Money Market Fund saw its yield increase from 0.72% at the end of last quarter to 0.74% at March 31, 2017. The Fund's average term was decreased from 79 days at the end of December to 73 days at the end of March.

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

OUTLOOK

We continue to monitor the headwinds that we first highlighted in the fourth quarter and discussed in more detail earlier in this report – monetary policy tapering, Trump's first 100 days, European elections, and the Federal Reserve tightening cycle. The economic and inflation backdrop indicates that we should be in a rising interest rate environment, but we are cautious as to how much further and how quickly interest rates will rise, given some of the known unknowns in the market currently.

Growth in Canada in the fourth quarter and for January 2017 was strong, likely owing to a lag effect from the recent strength in the U.S. economy, as well as lesser impact from the decline in commodity prices. Most of the declines in business spending having likely worked their way through the economy. We still remain cautious on the Canadian economy and have concerns over anti-trade and "Buy America" policies, as well as differences in carbon regulations that could also disadvantage Canadian industry versus that of the U.S. With that backdrop, Canada and the U.S. continue on diverging paths for monetary policy. The Federal Reserve has tightened three times whereas the Bank of Canada is most likely to keep the overnight rate at its current 0.50% level for a lengthy period of time. While the Federal Reserve has finally entered its tightening phase, we believe that this phase will be unlike any other in history. First, this tightening phase will likely be, as indicated by the Federal Reserve, gradual and data dependent. Second, we believe that the terminal rate will likely be lower than in previous tightening cycles, mostly attributable to ageing demographics and reduced productivity.

We believe that while we are in the late stages of the credit cycle, the economic backdrop should allow for some additional spread compression in 2017. As interest rates rise, corporates will not have access to ultra-low debt financing, and credit metrics could deteriorate. Additionally, as credit spreads have tightened there appears to be less differentiation between companies and sectors. This is likely symptomatic of ultra-low interest rates where the extent of some credit research is to sort for the highest yielding corporates irrespective of credit quality. We believe this makes the corporate market more vulnerable to beta events, as the market is not properly compensating for credit risk.

Disclosure Notes

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

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

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

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