

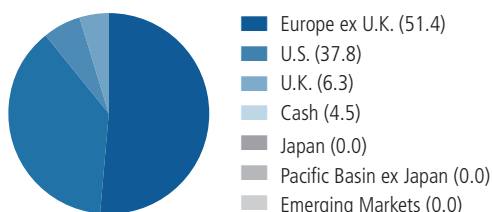
## ▶ TOP 10 HOLDINGS (%)

|                       |     |
|-----------------------|-----|
| VERIZON COMMUNICATION | 4.7 |
| KONECRANES OYJ        | 4.5 |
| CARLSBERG AS          | 4.5 |
| KELLOGG CO            | 3.9 |
| MERCK KGAA            | 3.9 |
| BASF SE               | 3.8 |
| AMERICAN EXPRESS CO   | 3.8 |
| SOFTWARE AG           | 3.7 |
| ORACLE CORP           | 3.7 |
| AKZO NOBEL NV         | 3.5 |

## ▶ SECTOR WEIGHTS VS BENCHMARK

| SECTOR WEIGHTS (%) | UNDERWEIGHT/OVERWEIGHT % |                |      |
|--------------------|--------------------------|----------------|------|
| Sector             | BG                       | MSCI WORLD C\$ |      |
| Materials          | 14.4                     | 5.1            | 9.4  |
| Telecom            | 11.4                     | 3.1            | 8.3  |
| Industrials        | 13.3                     | 11.3           | 2.1  |
| Health Care        | 12.4                     | 12.2           | 0.2  |
| Info. Tech.        | 15.3                     | 15.4           | -0.1 |
| Consumer S.        | 8.4                      | 9.8            | -1.4 |
| Utilities          | 0.0                      | 3.2            | -3.2 |
| Real Estate        | 0.0                      | 3.2            | -3.2 |
| Energy             | 2.5                      | 6.6            | -4.1 |
| Consumer D.        | 8.2                      | 12.4           | -4.1 |
| Financials         | 9.4                      | 17.7           | -8.3 |
| Cash               | 4.5                      |                |      |

## ▶ REGIONAL WEIGHTS (%)



## ▶ PERFORMANCE % (ANNUALIZED) TO MARCH 31, 2017

| BG WORLD FOCUS EQUITY FUND | CURRENT QTR | 1 YEAR | 2 YEARS | 3 YEARS | 4 YEARS | 5 YEARS | 10 YEARS |
|----------------------------|-------------|--------|---------|---------|---------|---------|----------|
| TOTAL PORTFOLIO            | 8.40        | 25.09  | 11.30   | 12.48   | 17.59   | 16.98   | 6.78     |
| MSCI WORLD INDEX C\$       | 5.55        | 17.89  | 7.89    | 12.29   | 16.39   | 15.84   | 5.73     |
| MANAGEMENT EFFECT          | 2.85        | 7.20   | 3.41    | 0.19    | 1.20    | 1.14    | 1.05     |

## ▶ PERFORMANCE % (ANNUAL) TO MARCH 31ST

| BG WORLD FOCUS EQUITY FUND | 2017  | 2016  | 2015  | 2014  | 2013  |
|----------------------------|-------|-------|-------|-------|-------|
| TOTAL PORTFOLIO            | 25.09 | -0.95 | 14.90 | 34.36 | 14.54 |
| MSCI WORLD INDEX C\$       | 17.89 | -1.26 | 21.65 | 29.58 | 13.70 |
| MANAGEMENT EFFECT          | 7.20  | 0.31  | -6.75 | 4.78  | 0.84  |

## ▶ INVESTMENT STRATEGY

The Fund seeks long-term enhancement of capital primarily through investments in common stocks and other equity securities outside of Canada. The number of stocks held is between 20-35.

## ▶ INVESTMENT RESULTS

The Beutel Goodman world focus equity portfolio posted a positive return for the first quarter, finishing well ahead of the MSCI World C\$ Index. Information Technology was the best performing sector over the period followed by strong participation from both defensives and cyclicals. Energy, Telecommunications, Financials and Real Estate were the only sectors to lag the index.

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%, as consumer spending grew at a faster rate but state and local government spending and businesses equipment purchases weakened. Jobless claims fell to a near 43 year low and nonfarm payrolls exceeded expectations. 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 in the quarter, primarily due to stock selection. Sector allocation effects also contributed to performance, with positive effects from an underweight in Energy and Financials and an overweight in Information Technology outweighing negative effects from an overweight in Telecommunications.

In terms of stock selection, the strongest contribution came from Information Technology, as Symantec, ATEA, Teradyne and Oracle outperformed the sector, contributing strong double digit returns.

Stock selection in Materials added value, as Akzo Nobel jumped on news that PPG had submitted a proposal to acquire the company and then climbed further following a second bid. The portfolio also benefited from strong selection within the Consumer Discretionary sector.

In Health Care, stock selection added value, as all Health Care names in the portfolio outperformed the sector over the period in Canadian dollar terms.

## ▶ PORTFOLIO STRATEGY & ACTIVITY

In Q1 2017 the world focus equity portfolio initiated three new positions.

**LyondellBasell** is among the largest chemical producers, with production facilities in the U.S. and Europe. 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.

**Software AG** is a leading developer of middleware tools designed to connect disparate applications/databases and external partners into a unified IT platform.

The portfolio added to its investments in **Amdocs, Carlsberg, GEA Group, Julius Baer, Kellogg, KPN, Michelin, TGS Nopec** and **Verizon**. To fund these additions and our new names, we initiated process-driven trims in **Atea, Teradyne** and **Baxter**.

During the quarter we sold our holding in **Sky**, given its limited upside potential. **Symantec** was also sold during the period, as was **Unilever** after hitting our target price.

## ▶ OUTLOOK

Across global markets, more than seven years of highly supportive money policy and improving economic data have struggled to substantially lift the economic growth that generates corporate profits – until recently. In the first quarter, industrial production and labor markets showed improvements across most developed economies. Inflation, stuck at extremely low levels since the onset of the financial crisis, is trending towards a more healthy level of 2% in recent months. Unemployment rates have improved back to pre-crisis levels in key developed economies. In Japan, which has had the most severe deflationary pressure, workers' wages and consumer pricing have started to show upward movements. A sustained improvement in industrial production and the labour market could move up capacity utilization and, potentially, trigger a new investment cycle, which has been the key missing piece in this recovery.

As we've said in the past, our portfolio holdings are not overly dependent on any specific macro factors, but will certainly benefit from a strong global economy. An environment of low to moderate global GDP growth, the current consensus amongst economists, tends to be the best time for those excellent businesses with deep competitive advantages. All of our global investments continue to generate free cash flow, have strong balance sheets and capital allocation policies that strike the right balance between sustaining the business long term and shareholder returns. Our focus hasn't changed. Investing in high quality businesses at a deep discount to their intrinsic value will pay off in the long run.

## 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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