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# BEUTEL GOODMAN MANAGED FUNDS

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Annual Management Report of Fund Performance  
December 31, 2016

BEUTEL GOODMAN World Focus Equity Fund



## Beutel Goodman ■ World Focus Equity Fund

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This Annual 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

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

20 Eglinton Avenue West

Suite 2000, P.O. Box 2005

Toronto, Ontario

M4R 1K8

416.932.6403 (local)

1.855.247.9954 (toll free)

## *Management Discussion of Fund Performance*

### *Investment Objectives and Strategies*

This Fund seeks long-term capital growth through investment in common stocks and other equity securities of global issuers.

The Beutel Goodman World Focus Equity Fund invests in a very limited number of mid-to-large capitalization stocks chosen from anywhere in the world, based primarily on the highest risk-adjusted return to Beutel Goodman's research target price. Each of the 20–35 holdings will be among the best businesses in their respective industries, and generators of sustainable shareholder value and free cash flow. Portfolio risk and return will be judged on an absolute – not relative – basis. At all times the Beutel Goodman World Focus Equity Fund will seek to be diversified and generally fully invested, but there will be no specific geographic or sector constraints.

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 is suitable for investors seeking long-term capital appreciation in global issuers with a medium tolerance for risk and a long-term investment horizon.

### *Results of Operations*

The Beutel Goodman World Focus Equity Fund had a positive return, outperforming its MSCI World (C\$) Index benchmark for period under review. The MSCI World (C\$) Index advanced over the period, led regionally by the U.S. and Pacific region ex Japan. All other regions underperformed the benchmark.

The year started off in a state of pessimism with thoughts of recession, and contagion from a weakening Chinese economic outlook. Positive economic data and further central bank stimulus served to reverse the early year trends until the results of the British referendum on membership in the European Union caught markets completely off guard. Immediate market reaction to Brexit was visceral, with a massive flight to quality trade that sent stocks plummeting, bond yields spiraling down, gold up, oil down, the euro and pound freefalling and the U.S. dollar appreciating. Some relative calm returned to the market as it became clear that it will be a long and winding path for Great Britain to exit the European Union. A great deal of market reaction to the referendum result reversed and attention then shifted to economic data releases, central bank think and the U.S. election.

Once again the polls and the markets got the results incorrect and the Donald Trump Presidential election victory was mostly a shock. The first reaction in the early hours after it looked like Trump would win, was the risk off safe haven flow that most had predicted reflecting the uncertainty of a Trump Presidency. Sentiment quickly shifted as the markets embraced Trump's promises of massive debt-financed infrastructure spending and tax cuts, believing that the campaign promises would be enacted as laid

out thereby leading U.S. economy out of economic malaise with strong growth and higher inflation. There was also hope that a Republican controlled Presidency and Congress would end the gridlock of the past several years. In a repeat of the taper tantrum of May 2013, bond yields increased rapidly in the days following the election from repressed and oversold levels to levels more in line with fair value given the economic backdrop. Prior to the election, U.S. economic data was improving, but the market was more focused on the election uncertainty rather than the data so there was also some catch up being played during the bond market sell-off. Stock markets and the U.S. trade-weighted dollar were also strong post-election. Markets enter 2017 with visions of growth, inflation and rate hikes dancing in their heads.

The Fund significantly outperformed in 2016, primarily due to stock selection. Sector allocation effects were slightly positive, with positive effects from overweights in Materials and Industrials and underweights in the Consumer sectors outweighing negative effects from an underweight in Financials and overweight in Health Care.

In terms of stock selection, the strongest contribution came from Health Care. Baxter, Baxalta and Merck KGaA all outperformed the negative return of the sector, with outperformance of the latter likely related to the company posting consecutive strong quarters after its acquisition of Sigma-Aldrich. Selection in Industrials also added significant value due to double digit gains from Konecranes and Caterpillar. Konecranes added value after announcing and receiving unconditional approval from the U.S. and conditional approval from the European Union to acquire Terex's Materials Handling and Port Solutions business, while Caterpillar gained on positive sentiment on growth and as their commodity related end markets began to show signs of stability. Halliburton and TGS Nopec outperformed the significant gains in Energy in a volatile oil price environment, as OPEC finally stumbled towards an agreement to cut output. Selection effects were positive in Information Technology as Teradyne, ATEA and Symantec all posted strong double digit returns. With respect to Symantec, the market reacted positively to the acquisition of Blue Coat, and the new CEO and management team. In Telecommunications, Vodafone detracted value despite an ongoing operational turnaround and KPN detracted as it reported lower revenue and EBITDA, despite company guidance that free cash flow will inflect higher.

During the year, the Fund sold positions in Halliburton, Baxalta, BB&T, Aberdeen Asset Management and Banco Santander and added new positions in Amerisource-Bergen, Teradyne, Air Liquide, Richemont, Carlsberg, and Julius Baer. Other transactions in the period mostly involved taking advantage of volatility to trim some of the better performers and add to others with relatively more attractive upside potential.

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

### *Recent Developments*

On November 15, 2016, Stanley Wu joined as Vice President, U.S. and Global Equities.

Well before the U.S. election, financial markets had already begun pricing in improvements in the U.S. economy and expectations for tighter monetary policy. Equity prices and bond yields had steadily moved higher

# Beutel Goodman ■ World Focus Equity Fund

through the summer and fall, as economic data consistently came in stronger than expected. The Trump victory amplified these developments, accelerating rotation from defensive and safe-haven investments to those offering greater economic sensitivity. On top of the strong global equity gains earlier in 2016, the year-end rally made the task of adding new gems to the portfolio that meet our high hurdle rates more challenging. Among the limited new investments late in the year, there were productive opportunities to add to Health Care exposure in the U.S. Intensified political focus on pricing and healthcare costs provided the opportunity to add to positions in quality franchises that generate high returns, where the future value creation is predicated on scale advantages and innovation, not aggressive pricing schemes. As well, several investments, generally having a cyclical bias, were trimmed or sold as target prices were met.

Outside the realm of equities late in the year was the largest sell-off in the U.S. Treasury bond market since 2009, in turn leading to a global rise in bond yields. While higher bond yields normally compete with equity returns, the equity market has taken the “glass-half-full” approach, as the benefit of rising global growth prospects offsets the muted rise in interest rates. Outside of the U.S., the ECB and Bank of Japan are still in easing monetary policy cycles, and are unlikely to tighten in the near term. Real interest rates will remain negative in most developed countries, as inflation stays at a low level. A real risk conveyed to us by the managements of several of our companies is the spectre of rising trade protection disrupting established global trade flows, on which more and more companies have come to rely.

The Fund’s portfolio of investments, while not heavily driven by any specific macro factors, will benefit from stronger global economic growth. They are excellent businesses with deep competitive advantages, therefore hard to displace in any kind of trade war. A focus on investing in high quality businesses at deep discounts to their intrinsic values will continue to pay off in the current environment.

## 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>
World Focus Equity Fund	B	up to 1.90
World Focus Equity Fund	D	up to 1.25
World Focus Equity Fund	F	up to 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 \$37,129 for the year ending December 31, 2016. 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 36.81% of total management fees paid by the Fund to the Manager.

**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 Name	2016	2015
World Focus Equity Fund	\$14,397	\$20,778

## 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 past 5 years ended December 31. This 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 years ended December 31)

\$	2016	2015	2014	2013	2012
<b>Net assets attributable to holders of redeemable units per unit, beginning of year <sup>(1)</sup></b>	13.05	12.73	13.56	11.05	9.51
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	0.01	—	—
Total Dividend Revenue	0.47	0.38	0.42	0.38	0.12
Total revenue	0.47	0.38	0.43	0.38	0.12
Total expenses	(0.35)	(0.44)	(0.45)	(0.22)	(0.23)
Realized gains (losses) for the year	0.55	1.32	1.59	1.00	(0.02)
Unrealized gains (losses) for the year	0.45	0.33	(0.80)	2.17	0.63
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	1.12	1.59	0.77	3.33	0.50
<b>Distribution to holders of redeemable units per unit:</b>					
Net interest income (excluding dividend)	—	—	—	—	—
Net dividend income	0.08	0.11	0.22	0.23	0.02
Net investment income	0.08	0.11	0.22	0.23	0.02
Realized gains on sale of investments	0.31	1.34	1.56	0.39	—
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	0.39	1.45	1.78	0.62	0.02
<b>Net assets attributable to holders of redeemable units, end of year <sup>(4)</sup></b>	13.78	13.05	12.73	13.56	11.05

### Ratios and Supplemental Data for Class B Units (for the years ended December 31)

	2016	2015	2014	2013	2012
<b>Total net assets attributable to holders of redeemable units (\$) (000's) <sup>(5)</sup></b>	970	978	598	222	17
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	70	75	47	16	2
<b>Management expense ratio <sup>(6)</sup></b>	2.21%	2.23%	2.23%	2.23%	2.32%
<b>Management expense ratio before absorptions <sup>(6)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	27%	39%	48%	54%	50%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.10%	0.15%	0.15%	0.35%	0.18%
<b>Net assets attributable to holders of redeemable units, end of year <sup>(9)</sup></b>	13.78	13.05	12.73	13.56	11.05

### Financial Highlights for Class D Units (for the years ended December 31)

\$	2016	2015	2014	2013	2012
<b>Net assets attributable to holders of redeemable units per unit, beginning of year <sup>(1)</sup></b>	5.05	4.93	5.20	4.20	3.63
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	—	—	—
Total Dividend Revenue	0.18	0.15	0.18	0.14	0.12
Total revenue	0.18	0.15	0.18	0.14	0.12
Total expenses	(0.06)	(0.09)	(0.09)	(0.06)	(0.02)
Realized gains (losses) for the year	0.24	0.52	0.58	0.36	(0.02)
Unrealized gains (losses) for the year	0.14	0.13	(0.30)	0.88	0.63
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	0.50	0.71	0.37	1.32	0.71
<b>Distribution to holders of redeemable units per unit:</b>					
Net interest income (excluding dividend)	—	—	—	—	—
Net dividend income	0.09	0.08	0.10	0.12	0.11
Net investment income	0.09	0.08	0.10	0.12	0.11
Realized gains on sale of investments	0.12	0.52	0.60	0.15	—
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	0.21	0.60	0.70	0.27	0.11
<b>Net assets attributable to holders of redeemable units, end of year <sup>(4)</sup></b>	5.32	5.05	4.93	5.20	4.19

### Ratios and Supplemental Data for Class D Units (for the years ended December 31)

	2016	2015	2014	2013	2012
<b>Total net assets attributable to holders of redeemable units (\$) (000's) <sup>(5)</sup></b>	2,314	2,120	1,464	1,036	713
<b>Number of outstanding redeemable units (000's) <sup>(5)</sup></b>	435	419	297	199	170
<b>Management expense ratio <sup>(6)</sup></b>	1.51%	1.49%	1.45%	1.52%	1.52%
<b>Management expense ratio before absorptions <sup>(6)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	27%	39%	48%	54%	50%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.10%	0.15%	0.15%	0.35%	0.18%
<b>Net assets attributable to holders of redeemable units, end of year <sup>(9)</sup></b>	5.32	5.05	4.93	5.20	4.20

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## Financial Highlights for Class F Units (for the years ended December 31)

\$	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units per unit, beginning of year <sup>(1)</sup>	13.56	13.27	14.02	11.31	9.61
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	0.01	—	—
Total Dividend Revenue	0.47	0.42	0.48	0.41	0.12
Total revenue	0.47	0.42	0.49	0.41	0.12
Total expenses	(0.23)	(0.26)	(0.29)	(0.14)	(0.12)
Realized gains (losses) for the year	0.67	1.05	1.62	0.96	(0.02)
Unrealized gains (losses) for the year	0.56	0.97	(0.73)	2.31	0.63
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	<b>1.47</b>	<b>2.18</b>	<b>1.09</b>	<b>3.54</b>	<b>0.61</b>
<b>Distribution to holders of redeemable units per unit:</b>					
Net interest income (excluding dividend)	—	—	—	—	—
Net dividend income	0.30	0.31	0.26	0.25	—
Net investment income	0.30	0.31	0.26	0.25	—
Realized gains on sale of investments	0.33	1.41	1.63	0.40	—
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	<b>0.63</b>	<b>1.72</b>	<b>1.89</b>	<b>0.65</b>	<b>—</b>
Net assets attributable to holders of redeemable units, end of year <sup>(4)</sup>	14.25	13.56	13.27	14.02	11.30

## Ratios and Supplemental Data for Class F Units (for the years ended December 31)

	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units (\$) (000's) <sup>(5)</sup>	428	259	38	26	6
Number of outstanding redeemable units (000's) <sup>(5)</sup>	30	19	3	2	1
Management expense ratio <sup>(6)</sup>	1.16%	1.15%	1.17%	1.19%	1.30%
Management expense ratio before absorptions <sup>(6)</sup>	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate <sup>(7)</sup>	27%	39%	48%	54%	50%
Trading expense ratio (%) <sup>(8)</sup>	0.10%	0.15%	0.15%	0.35%	0.18%
Net assets attributable to holders of redeemable units, end of year <sup>(9)</sup>	14.25	13.56	13.27	14.02	11.31

## Financial Highlights for Class I Units (for the years ended December 31)

\$	2016	2015	2014	2013	2012
Net assets attributable to holders of redeemable units per unit, beginning of year <sup>(1)</sup>	5.39	5.24	5.54	4.45	3.84
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>					
Total Interest Revenue	—	—	—	—	—
Total Dividend Revenue	0.20	0.16	0.19	0.16	0.12
Total revenue	0.20	0.16	0.19	0.16	0.12
Total expenses	(0.03)	(0.03)	(0.04)	(0.02)	(0.01)
Realized gains (losses) for the year	0.25	0.59	0.65	0.31	(0.02)
Unrealized gains (losses) for the year	0.17	0.20	(0.27)	0.87	0.63
<b>Total increase (decrease) in net assets attributable to holders of redeemable units <sup>(2)</sup></b>	<b>0.59</b>	<b>0.92</b>	<b>0.53</b>	<b>1.32</b>	<b>0.72</b>
<b>Distribution to holders of redeemable units per unit:</b>					
Net interest income (excluding dividend)	—	—	—	—	—
Net dividend income	0.16	0.14	0.16	0.14	0.12
Net investment income	0.16	0.14	0.16	0.14	0.12
Realized gains on sale of investments	0.13	0.56	0.65	0.16	—
<b>Total distribution to holders of redeemable units <sup>(3)</sup></b>	<b>0.29</b>	<b>0.70</b>	<b>0.81</b>	<b>0.30</b>	<b>0.12</b>
Net assets attributable to holders of redeemable units, end of year <sup>(4)</sup>	5.67	5.39	5.24	5.54	4.45

## Ratios and Supplemental Data for Class I Units (for the years ended December 31)

	2016	2015	2014	2013	2012
Total net assets attributable to holders of redeemable units (\$) (000's) <sup>(5)</sup>	12,869	11,417	11,609	12,277	546
Number of outstanding redeemable units (000's) <sup>(5)</sup>	2,268	2,119	2,217	2,218	123
Management expense ratio <sup>(6)</sup>	0.11%	0.10%	0.10%	0.11%	0.11%
Management expense ratio before absorptions <sup>(6)</sup>	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate <sup>(7)</sup>	27%	39%	48%	54%	50%
Trading expense ratio (%) <sup>(8)</sup>	0.10%	0.15%	0.15%	0.35%	0.18%
Net assets attributable to holders of redeemable units, end of year <sup>(9)</sup>	5.67	5.39	5.24	5.54	4.45

- (1) The information for December 2016, December 2015, December 2014 and December 2013 is derived from the Fund's annual audited 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 year.
- (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 year end of the year shown.
- (6) 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 year.
- (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 year.
- (9) The information for December 2016, December 2015, December 2014 and December 2013 is derived from the Fund's annual audited 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 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.

## ***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 and Annual Compound Returns headings found below. In years where the class of a Fund has less than 12 months of performance data, the annual rate of return has been annualized.

The performance returns in all cases:

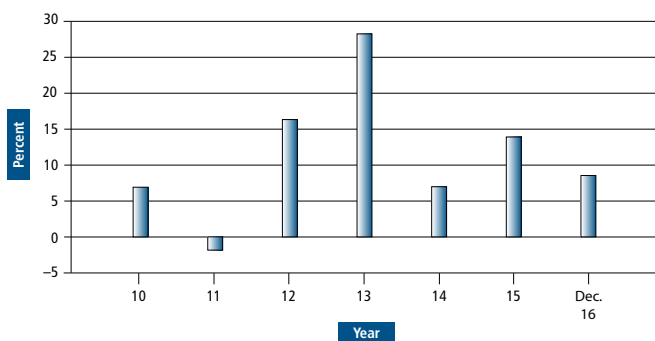
- are calculated as of **December 31** in each year;
- assume **all distributions** made by the Fund are **reinvested** to purchase additional redeemable units; and
- show the returns of the particular class of the Fund after any applicable management fees and operating expenses have been deducted, **but 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.**

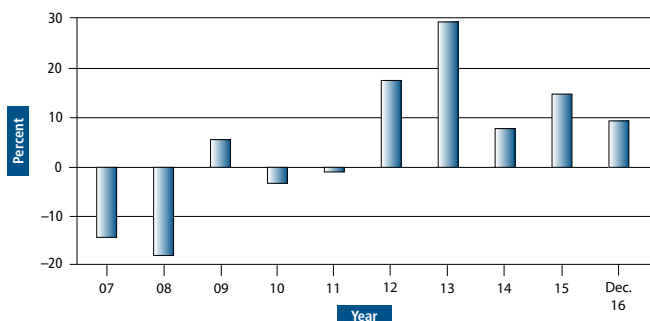


## Year-by-Year Returns

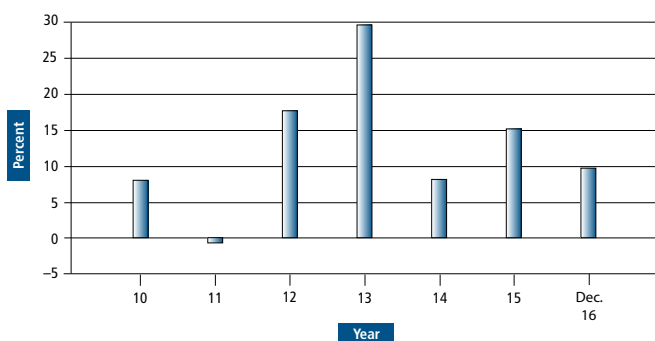
### Class B



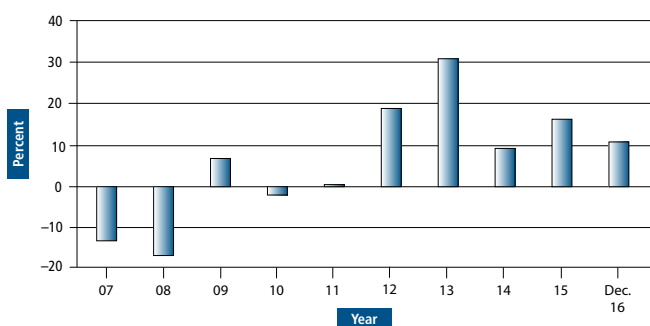
### Class D



### Class F



### Class I



## Annual Compound Returns

The following table shows the historical annual compound total returns, as compared to the performance of the MSCI World Index.\*

Class B	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman World Focus Equity Fund – Class B	11.47%	14.58%	9.78%	8.55%
MSCI World Index	13.44%	16.72%	12.18%	4.29%

For Class B units, a return calculated since its inception of October 4, 2010 and ended December 31, 2016, and for the past five, three and one year periods ended December 31, 2016 has been provided.

Class D	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman World Focus Equity Fund – Class D	3.93%	15.55%	10.63%	9.38%
MSCI World Index	5.31%	16.72%	12.18%	4.29%

For Class D units, a return calculated for the past ten, five, three and one year periods ended December 31, 2016 has been provided.

Class F	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman World Focus Equity Fund – Class F	12.69%	15.82%	10.95%	9.69%
MSCI World Index	13.44%	16.72%	12.18%	4.29%

For Class F units, a return calculated since its inception of October 4, 2010 and ended December 31, 2016, and for the past five, three and one year periods ended December 31, 2016 has been provided.

Class I	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman World Focus Equity Fund – Class I	5.26%	17.05%	12.12%	10.85%
MSCI World Index	5.31%	16.72%	12.18%	4.29%

For Class I units, a return calculated for the past ten, five, three and one year periods ended December 31, 2016 has been provided.

\* The MSCI World (CS) Index is designed to represent the global equity market.

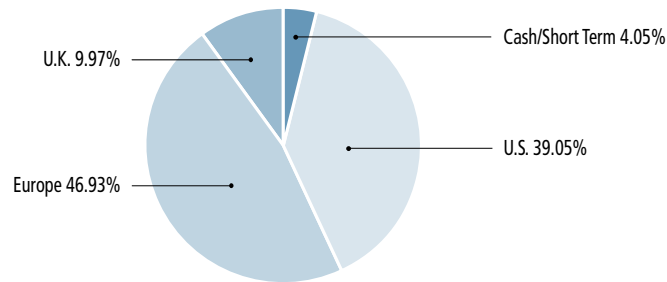
## Summary of Investment Portfolio

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. Verizon Communications Inc.	5.17	14. Government of Canada	0.481%	9-Mar-17	3.31
2. Konecranes OYJ	5.10	15. AmerisourceBergen Corp.			3.14
3. BASF SE	4.04	16. Bayer AG			3.11
4. Merck KGaA	3.98	17. Atea ASA			3.11
5. American Express Co.	3.96	18. Caterpillar Inc.			3.09
6. Kellogg Co.	3.95	19. JPMorgan Chase & Co.			3.09
7. Symantec Corp.	3.92	20. IMI PLC			2.94
8. British Sky Broadcasting Group PLC	3.65	21. Akzo Nobel NV			2.93
9. Oracle Corp.	3.62	22. Unilever NV			2.81
10. Carlsberg A/S	3.57	23. Cie Financière Richemont SA			2.65
11. Teradyne Inc.	3.55	24. Air Liquide SA			2.61
12. Vodafone Group PLC, ADR	3.40	25. GEA Group AG			2.47
13. Baxter International Inc.	3.35				

## Regional Mix



## *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 World Focus 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

Tel: (416) 932-6403

Fax: (416) 485-8194

Toll Free: 1 (855) 247-9954

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

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