
BEUTEL GOODMAN MANAGED FUNDS

ANNUAL REPORT ■ December 31, 2016

BEUTEL GOODMAN Balanced Fund

BEUTEL GOODMAN Canadian Equity Fund

BEUTEL GOODMAN Total World Equity Fund

BEUTEL GOODMAN North American Focused Equity Fund

BEUTEL GOODMAN Fundamental Canadian Equity Fund

BEUTEL GOODMAN Small Cap Fund

BEUTEL GOODMAN Canadian Dividend Fund

BEUTEL GOODMAN Global Dividend Fund

BEUTEL GOODMAN World Focus Equity Fund

BEUTEL GOODMAN Global Equity Fund

BEUTEL GOODMAN International Equity Fund

BEUTEL GOODMAN American Equity Fund

BEUTEL GOODMAN Income Fund

BEUTEL GOODMAN Long Term Bond Fund

BEUTEL GOODMAN Corporate/Provincial Active Bond Fund

BEUTEL GOODMAN Short Term Bond Fund

BEUTEL GOODMAN Money Market Fund

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Annual Report

December 31, 2016



Management's Responsibility for Financial Reporting

Beutel, Goodman & Company Ltd.

The accompanying financial statements have been prepared by Beutel, Goodman & Company Ltd., as Manager of the Beutel Goodman Managed Funds (the "BG Funds") and approved by the Board of Directors of Beutel, Goodman & Company Ltd. We are responsible for the information contained within the financial statements and other sections of this Annual Report.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (and they include certain amounts that are based on estimates and judgments). The significant accounting policies, which we believe are appropriate for the BG Funds, are described in note 3 to the financial statements.

The Board of Directors of Beutel, Goodman & Company Ltd. is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

PricewaterhouseCoopers LLP are the external auditors of the BG Funds. The auditors have been appointed by the Trustee. PricewaterhouseCoopers have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements. Their report is set out on the following page.

M.J. Gibson (signed)

Managing Director, Operations
Beutel, Goodman & Company Ltd.

Mark D. Thomson (signed)

Managing Director, Equities
Beutel, Goodman & Company Ltd.

March 21, 2017

Independent Auditor's Report

To the Unitholders and Trustee of

Beutel Goodman Balanced Fund	Beutel Goodman Global Equity Fund
Beutel Goodman Canadian Equity Fund	Beutel Goodman International Equity Fund
Beutel Goodman Total World Equity Fund	Beutel Goodman American Equity Fund
Beutel Goodman North American Focused Equity Fund	Beutel Goodman Income Fund
Beutel Goodman Fundamental Canadian Equity Fund	Beutel Goodman Long Term Bond Fund
Beutel Goodman Small Cap Fund	Beutel Goodman Corporate/Provincial Active Bond Fund
Beutel Goodman Canadian Dividend Fund	Beutel Goodman Short Term Bond Fund
Beutel Goodman Global Dividend Fund	Beutel Goodman Money Market Fund
Beutel Goodman World Focus Equity Fund	

(collectively the "BG Funds")

We have audited the accompanying financial statements of each of the BG Funds, which comprise the statements of financial position as at December 31, 2016 and 2015 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended December 31, 2016 and 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the BG Funds in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements of each of the BG Funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of each of the BG Funds present fairly, in all material respects, the financial position of each of the BG Funds as at December 31, 2016 and 2015 and the financial performance and cash flows of each of the BG Funds for the years ended December 31, 2016 and 2015 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
March 21, 2017

Beutel Goodman ■ Balanced Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	57,207,080	69,274,215
Financial assets at fair value through profit or loss*	3,636,616,789	3,528,007,094
Accrued interest	5,698,290	4,904,382
Dividends receivable	4,286,391	3,820,356
Due from brokers	4,379,603	28,544,152
Subscriptions receivable	1,915,305	1,558,738
Total assets	3,710,103,458	3,636,108,937
Liabilities		
Current liabilities		
Management and administrative fees payable	393,813	354,855
Due to brokers	4,604,619	36,426,052
Redemptions payable	1,441,769	2,647,796
Distributions payable	18	268
Total liabilities (before net assets attributable to holders of redeemable units)	6,440,219	39,428,971
Net assets attributable to holders of redeemable units	3,703,663,239	3,596,679,966
*Investments at average cost	3,089,200,178	3,096,963,613
Net assets attributable to holders of redeemable units per class		
Class B	28,229,751	21,294,240
Class D	166,135,890	143,296,033
Class F	11,147,637	7,334,635
Class I	3,498,149,961	3,424,755,058
Net assets attributable to holders of redeemable units per unit		
Class B	12.12	11.50
Class D	20.22	19.15
Class F	12.30	11.67
Class I	21.05	19.95
Number of outstanding redeemable units (note 6)		
Class B	2,328,623	1,851,562
Class D	8,216,219	7,481,511
Class F	906,082	628,573
Class I	166,145,942	171,627,888

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	77,488,521	69,344,953
Interest for distribution purposes	30,663,798	35,342,096
Realized gain (loss) on sale of investments	134,582,476	128,490,034
Change in unrealized appreciation (depreciation) in the value of investments	116,373,130	(61,134,574)
Net gains (losses) on investments	359,107,925	172,042,509
Other income		
Realized gain (loss) on foreign currency transactions	(1,591,028)	(1,446,020)
Total income	357,516,897	170,596,489
Expenses		
Management fees	2,080,392	1,726,264
Administrative fees	2,437,482	2,473,989
Transaction costs (note 9)	1,488,313	2,301,303
Withholding taxes	5,428,548	3,634,004
Total expenses	11,434,735	10,135,560
Increase (decrease) in net assets attributable to holders of redeemable units	346,082,162	160,460,929
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	1,983,333	338,615
Class D	13,400,629	3,687,598
Class F	812,553	137,577
Class I	329,885,647	156,297,139
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.98	0.23
Class D	1.74	0.56
Class F	1.12	0.26
Class I	1.98	0.94

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Balanced Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	21,294,240	14,244,280
Class D	143,296,033	112,436,103
Class F	7,334,635	4,334,257
Class I	3,424,755,058	3,356,089,529
	3,596,679,966	3,487,104,169
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,983,333	338,615
Class D	13,400,629	3,687,598
Class F	812,553	137,577
Class I	329,885,647	156,297,139
	346,082,162	160,460,929
Distribution to holders of redeemable units		
From net investment income		
Class B	(229,238)	(154,745)
Class D	(2,580,258)	(2,121,331)
Class F	(167,189)	(125,787)
Class I	(96,099,063)	(94,124,382)
From net realized gains on investments		
Class B	(437,214)	(615,611)
Class D	(2,576,287)	(4,254,616)
Class F	(167,226)	(231,923)
Class I	(54,531,960)	(103,043,441)
	(156,788,435)	(204,671,836)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	9,790,238	11,998,121
Class D	34,627,351	55,579,692
Class F	5,003,198	6,091,204
Class I	141,501,964	191,486,014
Reinvestments of distributions to holders of redeemable units		
Class B	649,964	756,300
Class D	5,032,725	6,222,535
Class F	269,703	263,031
Class I	150,631,023	197,167,720
Redemption of redeemable units		
Class B	(4,821,572)	(5,272,720)
Class D	(25,064,303)	(28,253,948)
Class F	(1,938,037)	(3,133,724)
Class I	(397,992,708)	(279,117,521)
	(82,310,454)	153,786,704
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	6,935,511	7,049,960
Class D	22,839,857	30,859,930
Class F	3,813,002	3,000,378
Class I	73,394,903	68,665,529
	106,983,273	109,575,797
Net assets attributable to holders of redeemable units at end of year		
Class B	28,229,751	21,294,240
Class D	166,135,890	143,296,033
Class F	11,147,637	7,334,635
Class I	3,498,149,961	3,424,755,058
	3,703,663,239	3,596,679,966

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	346,082,162	160,460,929
Adjustments for:		
Net realized (gain) loss on sale of investments	(134,582,476)	(128,490,034)
Change in unrealized (appreciation) depreciation in the value of investments	(116,373,130)	61,134,574
Purchases of investments	(2,858,478,706)	(2,390,197,425)
Proceeds from sale of investments	2,993,167,733	2,335,645,890
(Increase) decrease in accrued interest	(793,908)	1,771,728
(Increase) decrease in dividends receivable	(466,035)	(109,778)
Increase (decrease) in accrued liabilities	38,958	4,257
Net cash flows from (used in) operating activities	228,594,598	40,220,141
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(205,270)	(261,982)
Proceeds from redeemable units issued	190,566,184	264,244,953
Redemption of redeemable units	(431,022,647)	(315,690,529)
Net cash flows from (used in) financing activities	(240,661,733)	(51,707,558)
Net increase (decrease) in cash and cash equivalents	(12,067,135)	(11,487,417)
Cash and cash equivalents at beginning of year	69,274,215	80,761,632
Cash and cash equivalents at end of year*	57,207,080	69,274,215
Supplementary information		
Cash flow from operating activities		
Interest received	29,869,890	37,113,824
Dividends received, net of withholding taxes	71,593,938	65,601,171
*Cash and cash equivalents include:		
Cash at banks	251,389	200,498
Short-term investments	56,955,691	69,073,717
Total	57,207,080	69,274,215

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets		
Short-Term Investments (2015 – 1.91%)													
Treasury Bills													
2,750,000	Government of Canada	0.495%	23-Feb-17	2,746,417	2,746,417	0.07	3,898,000	Province of Quebec	2.750%	1-Sep-25	4,201,498	4,000,836	0.11
26,050,000	Government of Canada	0.493%	9-Mar-17	26,018,135	26,018,135	0.70	1,758,000	Province of Quebec	2.500%	1-Sep-26	1,738,521	1,756,351	0.05
25,250,000	Government of Canada	0.469%	23-Mar-17	25,219,679	25,219,679	0.68	16,655,000	Province of Quebec	3.500%	1-Dec-48	19,075,872	17,549,753	0.47
2,975,000	Government of Canada	0.448%	6-Apr-17	2,971,460	2,971,460	0.08	1,317,000	Province of Quebec	4.250%	1-Dec-21	1,504,831	1,474,094	0.04
				56,955,691	56,955,691	1.53	765,000	Province of Quebec	3.500%	1-Dec-45	831,287	798,920	0.02
							2,384,000	Province of Saskatchewan	5.800%	5-Sep-33	3,312,027	3,168,195	0.09
										430,261,569	418,461,131	11.33	
Canadian Bonds (2015 – 30.45%)						Corporate Bonds							
Federal Bonds													
41,432,000	Canada Housing Trust No. 1	1.950%	15-Jun-19	42,745,808	42,356,692	1.14	142,741	Alliance Pipeline LP	5.546%	31-Dec-23	144,246	152,239	0.00
17,976,000	Canada Housing Trust No. 1	1.250%	15-Jun-21	18,063,532	17,825,901	0.48	763,767	Alliance Pipeline LP	6.765%	31-Dec-25	829,878	865,268	0.02
8,386,000	Canadian Government Bond	1.500%	1-Mar-17	8,408,893	8,399,434	0.23	502,000	AltaGas Ltd.	4.550%	17-Jan-19	528,975	529,605	0.01
17,717,000	Canadian Government Bond	0.500%	1-Nov-18	17,682,282	17,638,602	0.48	34,000	AltaGas Ltd.	4.070%	1-Jun-20	36,005	36,129	0.00
4,721,000	Canadian Government Bond	0.500%	1-Feb-19	4,685,923	4,694,829	0.13	3,665,000	AltaGas Ltd.	3.720%	28-Sep-21	3,845,243	3,871,356	0.10
16,143,000	Canadian Government Bond	1.750%	1-Sep-19	16,712,686	16,529,800	0.45	3,338,000	AltaGas Ltd.	3.840%	15-Jan-25	3,340,114	3,469,297	0.09
25,589,000	Canadian Government Bond	0.750%	1-Sep-21	25,076,185	25,168,861	0.68	1,555,000	AltaGas Ltd.	5.160%	13-Jan-44	1,541,687	1,639,539	0.04
7,914,000	Canadian Government Bond	0.500%	1-Mar-22	7,646,269	7,639,661	0.21	3,183,000	AltaLink LP	2.747%	29-May-26	3,180,473	3,177,078	0.09
19,651,000	Canadian Government Bond	1.500%	1-Jun-26	19,463,653	19,283,526	0.52	2,031,000	AltaLink LP	5.381%	26-Mar-40	2,305,967	2,539,159	0.07
33,354,000	Canadian Government Bond	2.750%	1-Dec-48	37,615,988	36,649,613	0.99	3,280,000	AltaLink LP	3.717%	3-Dec-46	3,280,000	3,250,046	0.09
5,000,000	CPPIB Capital Inc.	1.100%	10-Jun-19	5,011,450	4,987,864	0.13	336,000	AltaLink LP	4.446%	11-Jul-53	346,498	372,016	0.01
				203,112,669	201,174,783	5.44	21,081,000	Bank of Montreal	2.100%	6-Oct-20	21,355,908	21,316,287	0.58
							14,019,000	Bank of Montreal	1.880%	31-Mar-21	14,080,566	14,005,072	0.38
							14,378,000	Bank of Montreal	1.610%	28-Oct-21	14,275,127	14,110,616	0.38
							11,551,000	Bank of Nova Scotia	2.750%	13-Aug-18	11,862,806	11,808,511	0.32
							6,000	Bank of Nova Scotia	2.400%	28-Oct-19	6,177	6,131	0.00
							770,000	Bank of Nova Scotia	1.900%	2-Dec-21	769,784	764,474	0.02
							2,990,000	Bell Canada Inc.	3.500%	10-Sep-18	3,105,891	3,090,133	0.08
							9,774,000	Bell Canada Inc.	2.000%	1-Oct-21	9,762,703	9,669,373	0.26
							2,163,000	Bruce Power LP	2.844%	23-Jun-21	2,163,000	2,198,340	0.06
							20,589,000	Canadian Imperial Bank of Commerce	1.700%	9-Oct-18	20,698,331	20,708,987	0.56
							8,562,000	Canadian Imperial Bank of Commerce	2.350%	24-Jun-19	8,762,032	8,739,533	0.24
							9,548,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	9,578,448	9,580,055	0.26
							11,779,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	11,775,548	11,774,664	0.32
							6,334,000	Canadian Imperial Bank of Commerce	1.640%	12-Jul-21	6,331,451	6,244,342	0.17
							339,000	Centra Gas Ontario Inc.	8.650%	19-Oct-18	436,361	378,464	0.01
							196,000	CU Inc.	9.920%	1-Apr-22	283,906	267,259	0.01
							3,748,000	CU Inc.	3.763%	19-Nov-46	3,748,000	3,734,537	0.10
							2,316,000	CU Inc.	4.947%	18-Nov-50	2,551,067	2,775,341	0.07
							1,473,000	CU Inc.	3.857%	14-Nov-52	1,369,345	1,464,678	0.04
							1,230,000	CU Inc.	4.558%	7-Nov-53	1,398,840	1,385,822	0.04
							2,177,000	Emera Inc.	2.900%	16-Jun-23	2,177,439	2,170,931	0.06
							19,052,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	20,032,779	19,756,644	0.53
							2,358,000	Enbridge Gas Distribution Inc.	4.040%	23-Nov-20	2,544,895	2,558,470	0.07
							850,000	Enbridge Gas Distribution Inc.	4.770%	17-Dec-21	904,770	961,591	0.03
							1,166,000	Enbridge Gas Distribution Inc.	9.850%	2-Dec-24	1,784,541	1,700,272	0.05
							9,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-25	9,379	9,426	0.00
							3,738,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	5,116,270	5,086,035	0.14
							1,644,000	Enbridge Gas Distribution Inc.	6.900%	15-Nov-32	2,322,512	2,251,044	0.06
							5,264,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	6,040,703	6,245,838	0.17
							2,490,000	Enbridge Income Fund	3.950%	19-Nov-24	2,490,000	2,630,108	0.07
							1,901,000	Enbridge Pipelines Inc.	4.490%	12-Nov-19	2,057,284	2,058,231	0.06
							4,725,000	Enbridge Pipelines Inc.	2.930%	30-Nov-22	4,665,305	4,868,339	0.13
							6,598,000	Enbridge Pipelines Inc.	6.350%	17-Nov-23	7,723,549	7,986,725	0.22

Schedule of Investment Portfolio *as at December 31, 2016*

Number of Shares/ Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
1,581,000	Enbridge Pipelines Inc.	8.200%	15-Feb-24	2,100,474	2,066,052	0.06	1,028,000	Union Gas Ltd.	4.850%	25-Apr-22	1,102,711	1,167,616	0.03
1,904,000	Enbridge Pipelines Inc.	3.000%	10-Aug-26	1,906,991	1,887,885	0.05	1,604,000	Union Gas Ltd.	8.650%	10-Nov-25	2,367,791	2,272,410	0.06
3,412,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	4,172,601	4,060,510	0.11	2,544,000	Union Gas Ltd.	2.810%	1-Jun-26	2,570,432	2,542,138	0.07
3,382,000	Enbridge Pipelines Inc.	5.330%	6-Apr-40	3,819,309	3,895,684	0.11	4,826,000	Union Gas Ltd.	5.200%	23-Jul-40	5,710,449	5,838,908	0.16
1,965,000	Enbridge Pipelines Inc.	4.130%	9-Aug-46	1,972,278	1,917,859	0.05	3,000	Union Gas Ltd.	4.880%	21-Jun-41	3,717	3,477	0.00
820,000	Enmax Corp.	3.805%	5-Dec-24	820,558	840,307	0.02	1,603,000	Veresen Inc.	3.430%	10-Nov-21	1,602,856	1,610,050	0.04
940,000	FortisAlberta Inc.	5.370%	30-Oct-39	1,117,676	1,151,603	0.03	741,000	Westcoast Energy Inc.	8.500%	4-Sep-18	903,128	818,520	0.02
601,000	FortisAlberta Inc.	3.340%	21-Sep-46	594,584	543,570	0.01	3,784,000	Westcoast Energy Inc.	5.600%	16-Jan-19	4,105,449	4,060,972	0.11
233,000	FortisAlberta Inc.	4.800%	27-Oct-50	243,948	269,757	0.01	1,819,000	Westcoast Energy Inc.	9.900%	10-Jan-20	2,437,411	2,211,085	0.06
285,000	FortisBC Energy Inc.	6.950%	21-Sep-29	379,617	387,380	0.01	4,439,000	Westcoast Energy Inc.	4.570%	2-Jul-20	4,818,042	4,799,099	0.13
2,626,000	FortisBC Energy Inc.	6.500%	1-May-34	3,659,826	3,533,471	0.10	6,464,000	Westcoast Energy Inc.	3.883%	28-Oct-21	6,808,210	6,895,134	0.19
1,996,000	FortisBC Energy Inc.	5.900%	2-Feb-35	2,462,789	2,551,123	0.07	912,000	Westcoast Energy Inc.	8.850%	21-Jul-25	1,262,926	1,275,368	0.03
958,000	FortisBC Inc.	5.000%	24-Nov-50	1,131,537	1,129,810	0.03	3,514,000	Westcoast Energy Inc.	3.770%	8-Dec-25	3,530,425	3,638,014	0.10
1,188,000	Hydro One Inc.	4.390%	26-Sep-41	1,336,262	1,301,915	0.04	5,686,000	Westcoast Energy Inc.	7.300%	18-Dec-26	7,028,774	7,311,744	0.20
1,731,000	Hydro One Inc.	5.000%	19-Oct-46	2,183,462	2,107,740	0.06	1,566,000	Westcoast Energy Inc.	6.750%	15-Dec-27	1,906,787	1,936,848	0.05
1,795,000	Inter Pipeline Corridor Inc.	4.897%	3-Feb-20	1,970,046	1,956,702	0.05	2,360,000	Westcoast Energy Inc.	7.150%	20-Mar-31	3,085,899	2,997,727	0.08
1,107,000	Inter Pipeline Ltd.	3.776%	30-May-22	1,161,282	1,177,634	0.03					504,067,329	502,970,275	13.62
15,246,000	Inter Pipeline Ltd.	2.608%	13-Sep-23	15,236,031	15,094,750	0.41					1,137,441,567	1,122,606,189	30.39
4,479,000	Inter Pipeline Ltd.	3.484%	16-Dec-26	4,479,000	4,544,717	0.12							
2,832,000	Inter Pipeline Ltd.	4.637%	30-May-44	2,896,069	2,865,321	0.08							
5,347,000	Lower Mattagami Energy LP	2.307%	21-Oct-26	5,346,947	5,114,390	0.14							
2,545,000	Lower Mattagami Energy LP	4.176%	23-Feb-46	2,649,667	2,712,108	0.07							
3,684,000	Nova Scotia Power Inc.	6.950%	25-Aug-33	5,263,110	5,044,303	0.14							
15,121,000	Royal Bank of Canada	2.770%	11-Dec-18	15,645,572	15,511,313	0.42							
14,750,000	Royal Bank of Canada	1.920%	17-Jul-20	14,794,529	14,819,863	0.40							
13,647,000	Royal Bank of Canada	2.030%	15-Mar-21	13,693,037	13,698,290	0.37							
6,517,000	Royal Bank of Canada	1.583%	13-Sep-21	6,483,961	6,385,567	0.17							
6,649,000	Royal Bank of Canada	2.333%	5-Dec-23	6,649,000	6,604,066	0.18							
4,211,000	Royal Bank of Canada	3.310%	20-Jan-26	4,291,724	4,274,084	0.12							
10,150,000	The Toronto-Dominion Bank	2.447%	2-Apr-19	10,464,050	10,370,677	0.28							
7,154,000	The Toronto-Dominion Bank	1.693%	2-Apr-20	7,161,929	7,154,708	0.19							
9,883,000	The Toronto-Dominion Bank	2.563%	24-Jun-20	10,159,174	10,159,144	0.27							
15,888,000	The Toronto-Dominion Bank	2.045%	8-Mar-21	15,955,594	15,981,533	0.44							
5,158,000	The Toronto-Dominion Bank	2.621%	22-Dec-21	5,283,848	5,300,098	0.14							
10,777,000	The Toronto-Dominion Bank	1.909%	18-Jul-23	10,800,522	10,486,832	0.28							
11,070,000	TransCanada Pipe Lines Ltd.	3.690%	19-Jul-23	11,787,675	11,874,952	0.32							
991,000	TransCanada Pipe Lines Ltd.	3.300%	17-Jul-25	1,014,080	1,028,592	0.03							
9,541,000	TransCanada Pipe Lines Ltd.	8.290%	5-Feb-26	12,981,053	12,950,474	0.35							
985,000	TransCanada Pipe Lines Ltd.	7.310%	15-Jan-27	1,278,150	1,270,519	0.03							
5,749,000	TransCanada Pipe Lines Ltd.	7.900%	15-Apr-27	8,085,993	7,692,522	0.21							
818,000	TransCanada Pipe Lines Ltd.	6.280%	26-May-28	1,000,253	997,580	0.03							
2,216,000	TransCanada Pipe Lines Ltd.	6.890%	7-Aug-28	2,877,747	2,820,940	0.08							
1,812,000	TransCanada Pipe Lines Ltd.	8.210%	25-Apr-30	2,488,801	2,451,379	0.07							
736,000	TransCanada Pipe Lines Ltd.	8.230%	16-Jan-31	1,054,173	1,023,526	0.03							
717,000	TransCanada Pipe Lines Ltd.	8.200%	15-Aug-31	1,028,752	998,752	0.03							
623,000	TransCanada Pipe Lines Ltd.	4.350%	6-Jun-46	635,141	634,134	0.02							
703,000	Union Gas Ltd.	5.350%	27-Apr-18	739,697	739,024	0.02							

Common Stocks (2015 – 67.65%)

Canada

26,800	AG Growth International Inc.	1,042,664	1,407,536	0.04
269,680	Agrium Inc.	30,209,168	36,396,013	0.98
315,100	Alamos Gold Inc.	2,300,027	2,917,826	0.08
34,600	Aritzia Inc.	553,600	605,500	0.02
204,400	Asanko Gold Inc.	1,118,256	842,128	0.02
12,300	Badger Daylighting Ltd.	271,730	394,830	0.01
959,100	Bank of Nova Scotia	51,460,479	71,702,316	1.94
1,633,277	Birchcliff Energy Ltd.	2,585,183	0.07	
1,065,530	Brookfield Asset Management Inc.	39,436,253	47,202,979	1.27
1,219,960	Cameco Corp.	25,368,697	17,128,238	0.46
397,700	Canadian Imperial Bank of Commerce	28,370,449	43,572,012	1.18
387,400	Canadian National Railway Co.	15,038,599	35,005,464	0.95
1,240,700	Canadian Natural Resources Ltd.	37,280,365	53,089,553	1.40
103,700	Canadian Pacific Railway Ltd.	10,897,533	19,864,772	0.54
257,958	Canadian Tire Corp Ltd., Class A	20,557,688	35,925,811	0.97
65,900	Canadian Western Bank	1,777,296	1,999,406	0.05
21,990	CCL Industries Inc.	905,817	5,800,962	0.16
2,751,730	Cenovus Energy Inc.	68,882,547	55,860,119	1.51
30,000	Cervus Equipment Corp.	331,585	475,500	0.01
92,300	Colliers International Group Inc.	3,423,768	4,567,927	0.12
169,800	Crew Energy Inc.	1,741,105	1,275,198	0.03
109,600	CRH Medical Corp.	549,786	785,832	0.02
1,337,600	Denison Mines Corp.	1,613,400	936,320	0.03
76,000	Enerflex Ltd.	930,810	1,295,800	0.03
88,700	Equitable Group Inc.	3,527,152	5,362,802	0.14
35,200	Evertz Technologies Ltd.	579,684	594,528	0.02
843,470	Finning International Inc.	18,719,746	22,174,826	0.60
38,900	FirstService Corp.	447,339	2,479,486	0.07
141,900	Franco-Nevada Corp.	10,666,549	11,391,732	0.31
68,500	GDI Integrated Facility Services Inc.	861,324	1,075,450	0.03
1,034,680	Great-West Lifeco Inc.	25,607,201	36,389,695	0.98
107,130	IGM Financial Inc.	4,558,490	4,092,366	0.11
80,740	Industrial Alliance Insurance & Financial Services Inc.	2,438,098	4,310,709	0.12
57,200	Intertape Polymer Group Inc.	712,349	1,440,296	0.04
65,200	Leons Furniture Ltd.	751,982	1,178,816	0.03
82,650	Linamar Corp.	2,890,483	4,768,079	0.13
120,210	Loblaw Cos Ltd.	5,555,240	8,515,676	0.23
313,900	Lundin Mining Corp.	1,675,390	2,008,960	0.05
834,570	Magna International Inc.	27,990,072	48,655,430	1.31
306,100	Major Drilling Group International Inc.	2,260,194	2,148,822	0.06
1,437,300	Manulife Financial Corp.	25,502,408	34,365,843	0.93
79,400	Maple Leaf Foods Inc.	1,087,922	2,332,728	0.06
779,700	Merus Labs International Inc.	1,343,178	904,452	0.02
233,270	Metro Inc., Class A	4,519,153	9,368,123	0.25
211,369	Molson Coors Canada Inc., Class B	8,785,367	27,604,791	0.75
295,200	NuVista Energy Ltd.	1,800,303	2,048,688	0.06

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets		
60,270	Onex Corp.	2,656,770	5,507,473	0.15	Switzerland				
351,395	Open Text Corp.	13,675,600	29,137,672	0.79	171,500	Cie Financière Richemont SA	13,855,981	15,263,403	0.41
220,500	Paramount Resources Ltd., Class A	3,188,969	3,984,435	0.11	389,200	Julius Baer Group Ltd.	23,265,181	23,227,620	0.63
562,900	Potash Corp. of Saskatchewan Inc.	22,531,948	13,672,841	0.37			37,121,162	38,491,023	1.04
709,700	Quebecor Inc., Class B	12,481,180	26,486,004	0.72	United Kingdom				
1,419,090	Rogers Communications Inc., Class B	58,014,029	73,494,671	1.98	1,654,600	British Sky Broadcasting Group PLC	26,598,731	27,171,336	0.73
1,132,333	Royal Bank of Canada	68,573,964	102,895,100	2.78	1,188,850	IMI PLC	26,439,582	20,488,243	0.55
442,560	SNC-Lavalin Group Inc.	17,690,752	25,575,542	0.69	537,300	Spectris PLC	18,040,546	20,593,814	0.56
53,900	Suncor Energy Inc.	1,563,922	2,366,210	0.06	2,080,067	Vesuvius PLC	14,824,504	13,625,375	0.37
229,900	Superior Plus Corp.	2,489,053	2,931,225	0.08	6,797,600	Vodafone Group PLC	26,876,037	22,511,481	0.61
136,615	Tahoe Resources Inc.	1,879,091	1,728,180	0.05			112,779,400	104,390,249	2.82
750,140	TELUS Corp.	19,773,842	32,068,485	0.87	United States				
1,560,148	The Toronto-Dominion Bank	56,417,970	103,313,001	2.79	365,900	Amdocs Ltd.	18,664,642	28,582,871	0.77
301,250	Thomson Reuters Corp.	11,284,464	17,701,450	0.48	412,100	American Express Co.	38,822,652	40,940,307	1.11
25,500	Toromont Industries Ltd.	432,245	1,079,925	0.03	195,000	Ameriprise Financial Inc.	29,030,968	29,011,506	0.78
84,700	Total Energy Services Inc.	1,260,227	1,234,926	0.03	294,800	AmerisourceBergen Corp.	30,437,242	30,911,934	0.83
179,700	Uni-Select Inc.	2,567,458	5,299,353	0.14	449,600	Baxter International Inc.	19,228,391	26,734,342	0.72
87,500	Wajax Corp.	2,158,568	2,017,750	0.05	205,700	BB&T Corp.	6,777,498	12,970,730	0.35
194,600	WestJet Airlines Ltd.	3,343,496	4,483,584	0.12	456,400	Cadence Design Systems Inc.	13,116,734	15,436,123	0.42
78,300	Winpak Ltd.	1,150,028	3,556,386	0.10	215,100	Caterpillar Inc.	20,000,885	26,751,923	0.72
		801,108,099	1,133,283,736	30.58	140,900	CSX Corp.	4,184,687	6,789,155	0.18
Denmark					175,500	CVS Health Corp.	14,613,336	18,571,914	0.50
216,900	Carlsberg A/S	25,672,021	25,148,914	0.68	337,400	Eli Lilly & Co.	27,002,032	33,279,383	0.90
		25,672,021	25,148,914	0.68	427,400	Halliburton Co.	19,111,165	31,002,663	0.84
Finland					88,700	Johnson & Johnson	7,163,745	13,704,440	0.37
626,869	Konecranes OYJ	20,433,259	29,952,664	0.81	190,400	JPMorgan Chase & Co.	10,742,962	22,033,065	0.59
		20,433,259	29,952,664	0.81	293,000	Kellogg Co.	23,832,348	28,962,866	0.78
France					205,700	Merck & Co., Inc.	9,847,188	16,239,619	0.44
147,800	Air Liquide SA	20,627,559	22,087,316	0.60	730,900	Oracle Corp.	28,387,795	37,687,889	1.02
115,700	BNP Paribas SA	8,960,717	9,909,381	0.27	231,100	Parker-Hannifin Corp.	33,679,755	43,388,585	1.17
169,300	Cie Générale des Établissements Michelin	18,322,190	25,312,262	0.68	1,110,200	Symantec Corp.	27,403,603	35,568,445	0.96
		47,910,466	57,308,959	1.55	1,118,870	Teradyne Inc.	24,730,043	38,111,922	1.03
Germany					190,000	The Procter & Gamble Co.	16,520,166	21,423,667	0.58
226,100	BASF SE	24,139,976	28,242,911	0.76	73,800	United Technologies Corp.	7,227,369	10,849,099	0.29
210,840	Bayer AG	35,164,516	29,563,587	0.80	644,600	Verizon Communications Inc.	36,303,441	46,144,121	1.20
211,400	Deutsche Boerse AG	19,887,780	22,851,306	0.62	241,100	Wells Fargo & Co.	9,198,469	17,818,664	0.48
460,921	GEA Group AG	22,511,870	24,924,692	0.67			476,027,116	632,915,233	17.03
169,400	HeidelbergCement AG	15,262,443	21,237,000	0.57	Total Common Stocks		1,954,729,960	2,514,010,600	67.81
160,800	Henkel AG & Co KGaA	21,204,934	22,512,955	0.61	Transaction Costs		(2,971,349)		
324,000	Merck KGaA	41,856,807	45,439,835	1.23	Total Investments		3,089,200,178	3,636,616,789	98.20
3,980,300	Telefonica Deutschland Holding AG	24,289,580	22,914,439	0.62	Total Investments and Short-Term Investments		3,146,155,869	3,693,572,480	99.73
		204,317,906	217,686,725	5.88	Other Assets Net of Liabilities		10,090,759	0.27	
Ireland					Net Assets Attributable to Holders of Redeemable Units		3,703,663,239	100.00	
71,233	Allegion PLC	3,301,856	6,113,736	0.17					
396,400	Ingersoll-Rand PLC	23,828,840	39,890,913	1.08					
		27,130,696	46,004,649	1.25					
Japan									
163,000	FamilyMart Co., Ltd.	8,296,987	14,580,949	0.39					
469,660	Kao Corp.	32,439,591	29,921,979	0.81					
614,300	NTT DOCOMO Inc.	10,125,338	18,809,198	0.51					
2,740,700	Resona Holdings Inc.	15,641,374	18,891,624	0.51					
		66,503,290	82,203,750	2.22					
Netherlands									
255,570	Akzo Nobel NV	19,813,646	21,469,514	0.58					
5,404,400	Koninklijke KPN NV	22,412,333	21,511,495	0.58					
389,900	Unilever NV	17,668,193	21,572,257	0.58					
		59,894,172	64,553,266	1.74					
Norway									
2,464,097	Atea ASA	27,751,363	30,520,054	0.82					
3,072,823	Norsk Hydro ASA	15,855,503	19,771,880	0.53					
333,042	TGS Nopec Geophysical Co. ASA	9,123,843	9,946,756	0.27					
		52,730,709	60,238,690	1.62					
Singapore									
1,356,400	DBS Group Holdings Ltd.	23,101,664	21,832,742	0.59					
		23,101,664	21,832,742	0.59					

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Balanced Fund (the "Fund") is to enhance long-term capital value by investing in cash and cash equivalents, fixed income securities and Canadian, U.S. and international equity securities. The Fund's advisor uses a value based approach to select equity investments which means the advisor looks for stocks that are undervalued in relation to the asset value or earnings power of the issuer. The Fund's fixed income portfolio is invested in a diversified group of Canadian government and Canadian corporate bonds. The asset mix process is based upon the observation that over longer years, equities have historically generated higher nominal and real rates of return than fixed income assets. The asset mix of the Fund will normally fall within a range of 60% equity and 40% fixed income. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2016	Dec. 31, 2015
AAA	6	11
AA	6	5
A	13	10
BBB	5	4
Total	30	30

*Excludes cash and cash equivalents.

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Dec. 31, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	28,156	—
1-3 years	199,158	301,327
3-5 years	299,076	224,904
Greater than 5 years	596,216	568,121
Total	1,122,606	1,094,352

*Excludes cash and cash equivalents.

As at December 31, 2016, if prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$20,635,000 (December 31, 2015 \$18,530,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
Balanced Fund Benchmark*	34,439	34,231
Total	34,439	34,231

*The Balanced Fund Benchmark is comprised of the FTSE TMX Canada Universe Bond Index (40%), Morgan Stanley EAFE Index (13%), S&P 500Cdn. (12%), S&P/TSX (30%) and the Scotia Capital Markets (5%).

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Percentage of net assets	
	(\$000)	(\$000)	(\$000)	Total	(%)
Euro Currency	—	369,502	1,980	371,482	10.0
British Pound	—	104,390	(3,105)	107,495	2.7
Norwegian Krone	—	60,239	635	60,874	1.6
Japanese Yen	—	82,204	211	82,415	2.2
United States Dollar	—	678,919	587	679,506	18.3
Singapore Dollar	—	21,833	—	21,833	0.6
Swiss Franc	—	38,491	—	38,491	1.0
Danish Krone	—	25,149	—	25,149	0.7
Total	—	1,380,727	308	1,381,034	37.1

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Percentage of net assets	
	(\$000)	(\$000)	(\$000)	Total	(%)
Euro Currency	—	340,311	—	340,311	9.5
British Pound	—	141,356	454	141,810	3.9
Norwegian Krone	—	81,452	—	81,452	2.3
Japanese Yen	—	55,185	—	55,185	1.6
United States Dollar	303	718,818	278	719,399	20.0
Singapore Dollar	—	18,135	—	18,135	0.5
Swiss Franc	—	14,376	—	14,376	0.4
Total	303	1,369,633	732	1,370,668	38.2

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$13,810,000 (December 31, 2015 \$13,707,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Country segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.53%	1.91%
Canadian Bonds		
Federal Bonds	5.44%	10.49%
Provincial Bonds	11.33%	7.92%
Corporate Bonds	13.62%	12.04%
Common Stocks		
Canada	30.58%	29.56%
Denmark	0.68%	—
Finland	0.81%	0.72%
France	1.55%	1.01%
Germany	5.88%	5.32%
Ireland	1.25%	1.36%
Japan	2.22%	1.53%
Netherlands	1.74%	2.64%
Norway	1.62%	2.26%
Singapore	0.59%	0.50%
Spain	—	0.40%
Switzerland	1.04%	0.40%
United Kingdom	2.82%	3.94%
United States	17.03%	18.01%
Total	99.73%	100.01%

Beutel Goodman ■ Balanced Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	2,514,010,600	—	—	2,514,010,600
Bonds	—	1,122,606,189	—	1,122,606,189
Total Assets	2,514,010,600	1,122,606,189	—	3,636,616,789

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	2,433,378,004	277,267	—	2,433,655,271
Bonds	—	1,094,351,823	—	1,094,351,823
Total Assets	2,433,378,004	1,094,629,090	—	3,528,007,094

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	1,851,562	7,481,511	628,573	171,627,888
Redeemable units issued				
for cash	836,510	1,775,782	423,060	6,997,167
Reinvested units	54,554	254,430	22,346	7,332,887
Redeemable units redeemed	(414,003)	(1,295,504)	(167,897)	(19,812,000)
Balance, end of year	2,328,623	8,216,219	906,082	166,145,942

2015	Class B	Class D	Class F	Class I
Balance, beginning of the year	1,221,901	5,801,080	366,446	166,077,309
Redeemable units issued				
for cash	1,006,485	2,776,404	499,304	9,195,715
Reinvested units	65,756	323,624	22,439	9,801,420
Redeemable units redeemed	(442,580)	(1,419,597)	(259,616)	(13,446,556)
Balance, end of year	1,851,562	7,481,511	628,573	171,627,888

Beutel Goodman - Canadian Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	67,206,165	132,006,110
Financial assets at fair value through profit or loss*	6,043,043,572	5,115,409,706
Accrued interest	22,178	69,566
Dividends receivable	18,266,530	14,876,369
Subscriptions receivable	74,002,084	2,955,265
Total assets	6,202,540,529	5,265,317,016
Liabilities		
Current liabilities		
Management and administrative fees payable	502,296	424,163
Due to brokers	3,443,945	—
Redemptions payable	13,319,644	6,584,569
Distributions payable	671	455
Total liabilities (before net assets attributable to holders of redeemable units)	17,266,556	7,009,187
Net assets attributable to holders of redeemable units	6,185,273,973	5,258,307,829
*Investments at average cost	4,377,382,400	4,275,153,614
Net assets attributable to holders of redeemable units per class		
Class B	12,407,699	7,933,400
Class D	85,132,740	69,983,355
Class F	54,928,480	40,835,198
Class I	6,032,805,054	5,139,555,876
Net assets attributable to holders of redeemable units per unit		
Class B	14.75	12.65
Class D	35.84	30.67
Class F	36.10	30.88
Class I	38.53	32.92
Number of outstanding redeemable units (note 6)		
Class B	841,421	626,998
Class D	2,375,606	2,282,108
Class F	1,521,429	1,322,264
Class I	156,565,708	156,117,500

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	161,385,603	164,381,568
Interest for distribution purposes	89,216	2,121,314
Realized gain (loss) on sale of investments	56,733,461	52,503,069
Change in unrealized appreciation (depreciation) in the value of investments	825,405,080	(429,208,953)
Net gains (losses) on investments	1,043,613,360	(210,203,002)
Other income		
Realized gain (loss) on foreign currency transactions	(30,762)	(94,960)
Total income	1,043,582,598	(210,297,962)
Expenses		
Management fees	1,612,637	1,458,871
Administrative fees	3,767,082	3,666,221
Transaction costs (note 9)	1,251,182	1,668,923
Total expenses	6,630,901	6,794,015
Increase (decrease) in net assets attributable to holders of redeemable units	1,036,951,697	(217,091,977)
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	1,720,257	(506,440)
Class D	12,977,236	(3,903,731)
Class F	8,571,989	(2,074,738)
Class I	1,013,682,215	(210,607,068)
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	2.32	(0.81)
Class D	5.69	(1.71)
Class F	5.91	(1.74)
Class I	6.60	(1.40)

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Canadian Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	7,933,400	8,156,781
Class D	69,983,355	76,798,557
Class F	40,835,198	37,350,574
Class I	5,139,555,876	5,410,789,698
	5,258,307,829	5,533,095,610
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,720,257	(506,440)
Class D	12,977,236	(3,903,731)
Class F	8,571,989	(2,074,738)
Class I	1,013,682,215	(210,607,068)
	1,036,951,697	(217,091,977)
Distribution to holders of redeemable units		
From net investment income		
Class B	(122,035)	(65,481)
Class D	(1,263,007)	(1,161,417)
Class F	(921,669)	(825,443)
Class I	(154,929,468)	(154,955,214)
	(157,236,179)	(157,007,555)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	4,589,263	3,323,065
Class D	14,871,066	15,081,423
Class F	20,398,867	15,879,016
Class I	527,768,777	568,690,511
Reinvestments of distributions to holders of redeemable units		
Class B	118,743	64,043
Class D	1,197,766	1,102,141
Class F	800,446	751,076
Class I	154,812,144	154,664,849
Redemption of redeemable units		
Class B	(1,831,929)	(3,038,568)
Class D	(12,633,676)	(17,933,618)
Class F	(14,756,351)	(10,245,287)
Class I	(648,084,490)	(629,026,900)
	47,250,626	99,311,751
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	4,474,299	(223,381)
Class D	15,149,385	(6,815,202)
Class F	14,093,282	3,484,624
Class I	893,249,178	(271,233,822)
	926,966,144	(274,787,781)
Net assets attributable to holders of redeemable units at end of year		
Class B	12,407,699	7,933,400
Class D	85,132,740	69,983,355
Class F	54,928,480	40,835,198
Class I	6,032,805,054	5,139,555,876
	6,185,273,973	5,258,307,829

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	1,036,951,697	(217,091,977)
Adjustments for:		
Net realized (gain) loss on sale of investments	(56,733,461)	(52,503,069)
Change in unrealized (appreciation) depreciation in the value of investments	(825,405,080)	429,208,953
Purchases of investments	(458,992,035)	(827,847,056)
Proceeds from sale of investments	482,716,777	762,020,446
(Increase) decrease in accrued interest	47,388	(30,161)
(Increase) decrease in dividends receivable	(3,390,161)	(1,346,764)
Increase (decrease) in accrued liabilities	78,133	(38,611)
Net cash flows from (used in) operating activities	175,273,258	92,371,761
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(306,864)	(424,991)
Proceeds from redeemable units issued	430,805,031	602,051,828
Redemption of redeemable units	(670,571,370)	(655,119,902)
Net cash flows from (used in) financing activities	(240,073,203)	(53,493,065)
Net increase (decrease) in cash and cash equivalents	(64,799,945)	38,878,696
Cash and cash equivalents at beginning of year	132,006,110	93,127,414
Cash and cash equivalents at end of year*	67,206,165	132,006,110
Supplementary information		
Cash flow from operating activities		
Interest received	136,604	2,091,153
Dividends received, net of withholding taxes	157,995,442	163,034,804
*Cash and cash equivalents include:		
Cash at banks	36,848	53,729
Short-term investments	67,169,317	131,952,381
Total	67,206,165	132,006,110

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets		
Short-Term Investments (2015 – 2.51%)											
Treasury Bills											
4,525,000	Government of Canada	0.502%	23-Feb-17	4,519,342	4,519,342	0.07					
7,750,000	Government of Canada	0.466%	26-Jan-17	7,740,749	7,740,749	0.13					
8,075,000	Government of Canada	0.483%	9-Feb-17	8,065,641	8,065,641	0.13					
19,975,000	Government of Canada	0.481%	9-Mar-17	19,950,670	19,950,670	0.32					
2,225,000	Government of Canada	0.475%	23-Mar-17	2,222,308	2,222,308	0.04					
24,700,000	Government of Canada	0.448%	6-Apr-17	24,670,607	24,670,607	0.40					
				<u>67,169,317</u>	<u>67,169,317</u>	<u>1.09</u>					
Common Stocks (2015 – 97.28%)						Consumer Staples					
Energy						Food & Staples Retailing					
1,385,400	Birchcliff Energy Ltd.			8,193,200	12,981,198	0.21					
6,542,485	Cameco Corp.			136,938,351	91,856,489	1.49					
6,484,490	Canadian Natural Resources Ltd.			199,621,027	277,471,327	4.49	29,248,545	45,654,963	0.74		
14,727,940	Cenovus Energy Inc.			375,610,172	298,977,182	4.83	25,182,735	50,205,622	0.81		
894,400	Crew Energy Inc.			7,987,835	6,716,944	0.11	<u>54,431,280</u>	<u>95,860,585</u>	<u>1.55</u>		
7,044,400	Denison Mines Corp.			8,645,873	4,931,080	0.08	Food Beverage & Tobacco				
384,000	Enerflex Ltd.			4,814,240	6,547,200	0.11					
1,523,400	NuVista Energy Ltd.			9,526,114	10,572,396	0.17	398,900	Maple Leaf Foods Inc.	5,674,240	11,217,068	0.18
1,112,200	Paramount Resources Ltd.			16,641,292	20,097,454	0.32	1,132,836	Molson Coors Canada Inc., Class B	54,700,487	147,948,382	2.39
286,400	Suncor Energy Inc.			8,369,608	12,572,960	0.20			60,374,727	159,165,450	2.57
431,100	Total Energy Services Inc.			6,425,130	6,285,438	0.10			<u>114,806,007</u>	<u>255,026,035</u>	<u>4.12</u>
				<u>782,772,842</u>	<u>749,009,668</u>	<u>12.11</u>	Health Care				
Materials						Pharmaceuticals & Biotechnology					
1,443,615	Agrium Inc.			161,746,077	194,830,280	3.15	555,300	CRH Medical Corp.	2,785,321	3,981,501	0.06
1,574,600	Alamos Gold Inc.			11,208,073	14,580,796	0.24	3,964,500	Merus Labs International Inc.	6,782,079	4,598,820	0.07
1,076,600	Asanko Gold Inc.			4,870,758	4,435,592	0.07			<u>9,567,400</u>	<u>8,580,321</u>	<u>0.13</u>
111,378	CCL Industries Inc.			5,943,390	29,381,516	0.48	Financials				
754,600	Franco-Nevada Corp.			56,722,024	60,579,288	0.98	Banks				
289,800	Intertape Polymer Group Inc.			3,704,691	7,297,164	0.12	5,141,225	Bank of Nova Scotia	284,658,697	384,357,981	6.21
1,589,200	Lundin Mining Corp.			8,481,690	10,170,880	0.16	2,131,590	Canadian Imperial Bank of Commerce	161,062,433	233,537,000	3.78
1,631,300	Major Drilling Group International Inc.			12,263,930	11,451,726	0.19	335,300	Canadian Western Bank	9,076,436	10,173,002	0.16
3,018,485	Potash Corp. of Saskatchewan Inc.			118,997,007	73,319,001	1.19	467,446	Equitable Group Inc.	19,040,198	28,261,785	0.46
719,142	Tahoe Resources Inc.			9,897,605	9,097,146	0.15	6,071,140	Royal Bank of Canada	376,132,891	551,684,492	8.92
393,409	Winpak Ltd.			6,587,540	17,868,637	0.29	8,362,930	The Toronto-Dominion Bank	322,796,588	553,793,225	8.95
				<u>400,422,785</u>	<u>433,012,026</u>	<u>7.02</u>			<u>1,172,767,243</u>	<u>1,761,807,485</u>	<u>28.48</u>
Industrial						Diversified Financials					
Capital Goods						Insurance					
134,700	AG Growth International Inc.			5,247,838	7,074,444	0.11	5,544,740	Great-West Lifeco Inc.	142,797,263	195,008,506	3.15
65,000	Badger Daylighting Ltd.			1,441,320	2,086,500	0.03	424,906	Industrial Alliance Insurance & Financial Services Inc.	13,740,242	22,685,731	0.37
146,900	Cervus Equipment Corp.			1,623,770	2,328,365	0.04	7,703,765	Manulife Financial Corp.	136,075,492	184,197,021	2.98
4,523,675	Fining International Inc.			103,668,222	118,927,416	1.92			<u>292,612,997</u>	<u>401,891,258</u>	<u>6.50</u>
2,368,835	SNC-Lavalin Group Inc.			96,739,346	136,894,975	2.21	Real Estate				
134,100	Toromont Industries Ltd.			2,630,288	5,679,135	0.09	5,707,920	Brookfield Asset Management Inc.	208,859,751	252,860,856	4.09
458,900	Wajax Corp.			11,161,796	10,582,234	0.17	485,856	Colliers International Group Inc.	18,725,032	24,045,013	0.39
				<u>222,512,580</u>	<u>283,573,069</u>	<u>4.57</u>	205,056	FirstService Corp.	3,032,321	13,070,269	0.21
Transportation						Information Technology					
2,060,290	Canadian National Railway Co.			88,440,323	186,167,804	3.01	Software & Services				
554,400	Canadian Pacific Railway Ltd.			59,927,151	106,200,864	1.72	1,866,565	Open Text Corp.	76,634,885	154,775,570	2.50
1,012,039	WestJet Airlines Ltd.			18,310,622	23,317,379	0.38			<u>76,634,885</u>	<u>154,775,570</u>	<u>2.50</u>
				<u>166,678,096</u>	<u>315,686,047</u>	<u>5.11</u>	Technology Hardware & Equipment				
				<u>389,190,676</u>	<u>599,259,116</u>	<u>9.68</u>	185,600	Evertz Technologies Ltd.	3,063,975	3,134,784	0.05
Consumer Discretionary						Telecommunication Services					
Automobiles & Components						Utilities					
416,962	Linamar Corp.			16,030,505	24,054,538	0.39	1,207,800	Superior Plus Corp.	13,106,817	15,399,450	0.25
4,466,280	Magna International Inc.			147,421,220	260,384,124	4.21			<u>13,106,817</u>	<u>15,399,450</u>	<u>0.25</u>
				<u>163,451,725</u>	<u>284,438,662</u>	<u>4.60</u>	Total Common Stocks				
Media											
3,796,640	Quebecor Inc., Class B			70,966,663	141,690,605	2.29	Transaction Costs				
1,602,215	Thomson Reuters Corp.			57,807,075	94,146,153	1.52	Total Investments				
				<u>128,773,738</u>	<u>235,836,758</u>	<u>3.81</u>	Total Investments and Short-Term Investments				
Retailing											
175,200	Aritzia Inc.			2,803,200	3,066,000	0.05	Other Assets Net of Liabilities				
1,382,069	Canadian Tire Corp Ltd., Class A			112,068,248	192,480,750	3.11					
327,840	Leons Furniture Ltd.			4,029,935	5,927,347	0.10	Net Assets Attributable to Holders of Redeemable Units				
902,700	Uni-Select Inc.			13,197,011	26,620,623	0.43					
				<u>132,098,394</u>	<u>228,094,720</u>	<u>3.69</u>	<u>6,185,273,973</u>			<u>100.00</u>	
				<u>424,323,857</u>	<u>748,370,140</u>	<u>12.10</u>					

Beutel Goodman - Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Canadian Equity Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of established Canadian issuers. The Fund's advisor attempts to buy the best economic value in the market regardless of what sector the issuer operates in. Research efforts will be directed to identifying stocks that are undervalued in relation to the asset value or earnings power of the issuer. If earnings fall short of expectations, the intrinsic value of the underlying assets of the issuer will provide important downside protection. The investment portfolio of the Fund will usually display a price-to-earnings ratio and price-to-book ratio that are well below market averages. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
S&P/TSX Composite Total Return Index	53,082	46,061
Total	53,082	46,061

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	54	—	1,757	1,811	0.0
Total	54	—	1,757	1,811	0.0

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	821	—	-	821	0.0
Total	821	—	-	821	0.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$18,000 (December 31, 2015 \$8,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.09%	2.51%
Common Stocks		
Energy	12.11%	10.98%
Materials	7.02%	5.39%
Industrial	9.68%	9.33%
Consumer Discretionary	12.10%	12.29%
Consumer Staples	4.12%	5.75%
Health Care	0.13%	0.06%
Financials	40.59%	40.72%
Information Technology	2.55%	2.58%
Telecommunication Services	9.15%	10.18%
Utilities	0.25%	—
Total	98.79%	99.79%

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	6,043,043,572	—	—	6,043,043,572
Total Assets	6,043,043,572	—	—	6,043,043,572

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	5,115,409,706	—	—	5,115,409,706
Total Assets	5,115,409,706	—	—	5,115,409,706

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	626,998	2,282,108	1,322,264	156,117,500
Redeemable units issued				
for cash	341,441	446,703	620,445	14,732,339
Reinvested units	8,005	33,281	22,051	3,997,638
Redeemable units redeemed	(135,023)	(386,486)	(443,331)	(18,281,769)
Balance, end of year	841,421	2,375,606	1,521,429	156,565,708

2015	Class B	Class D	Class F	Class I
Balance, beginning of the year	600,930	2,333,716	1,125,355	152,965,713
Redeemable units issued				
for cash	248,576	463,360	484,918	16,171,968
Reinvested units	5,068	35,963	24,362	4,708,186
Redeemable units redeemed	(227,576)	(550,931)	(312,371)	(17,728,367)
Balance, end of year	626,998	2,282,108	1,322,264	156,117,500

Beutel Goodman ■ Total World Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	104,387	59,165
Financial assets at fair value through profit or loss*	3,142,193	2,365,059
Accrued interest	9	1
Dividends receivable	5,160	4,300
Due from brokers	143,893	—
Subscriptions receivable	—	755
Total assets	3,395,642	2,429,280
Liabilities		
Current liabilities		
Management and administrative fees payable	3,660	3,085
Redemptions payable	144,758	—
Distributions payable	6,977	5,527
Total liabilities (before net assets attributable to holders of redeemable units)	155,395	8,612
Net assets attributable to holders of redeemable units	3,240,247	2,420,668
*Investments at average cost	2,764,021	2,241,365
Net assets attributable to holders of redeemable units per class		
Class B	409,052	558,014
Class D	1,582,186	1,451,074
Class F	1,057,307	252,316
Class I	191,702	159,264
Net assets attributable to holders of redeemable units per unit		
Class B	12.64	11.47
Class D	14.80	13.52
Class F	12.49	11.48
Class I	15.85	14.48
Number of outstanding redeemable units (note 6)		
Class B	32,357	48,631
Class D	106,920	107,331
Class F	84,638	21,988
Class I	12,097	10,999

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	94,404	73,895
Interest for distribution purposes	361	317
Realized gain (loss) on sale of investments	87,438	141,660
Change in unrealized appreciation (depreciation) in the value of investments	254,478	(181,620)
Net gains (losses) on investments	436,681	34,252
Other income		
Realized gain (loss) on foreign currency transactions	(3,117)	(3,221)
Total income	433,564	31,031
Expenses		
Management fees	37,812	36,013
Administrative fees	2,899	2,805
Transaction costs (note 9)	2,706	3,288
Withholding taxes	7,285	1,893
Total expenses	50,702	43,999
Increase (decrease) in net assets attributable to holders of redeemable units	382,862	(12,968)
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	61,723	(3,060)
Class D	202,334	(4,021)
Class F	95,268	(7,483)
Class I	23,537	1,596
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.38	(0.06)
Class D	1.82	(0.04)
Class F	1.94	(0.40)
Class I	2.13	0.16

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Total World Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	558,014	740,976
Class D	1,451,074	1,378,653
Class F	252,316	126,059
Class I	159,264	156,107
	2,420,668	2,401,795
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	61,723	(3,060)
Class D	202,334	(4,021)
Class F	95,268	(7,483)
Class I	23,537	1,596
	382,862	(12,968)
Distribution to holders of redeemable units		
From net investment income		
Class B	-	(2,690)
Class D	(19,624)	(21,190)
Class F	(22,663)	(5,107)
Class I	(5,111)	(4,739)
From net realized gains on investments		
Class B	(8,227)	(34,546)
Class D	(31,744)	(89,361)
Class F	(21,326)	(15,518)
Class I	(3,846)	(9,792)
	(112,541)	(182,943)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	131,745	588,976
Class D	373,520	472,782
Class F	864,843	259,309
Class I	21,144	2,137
Reinvestments of distributions to holders of redeemable units		
Class B	7,189	33,567
Class D	51,253	109,127
Class F	38,218	20,625
Class I	8,957	14,531
Redemption of redeemable units		
Class B	(341,392)	(765,209)
Class D	(444,627)	(394,916)
Class F	(149,349)	(125,569)
Class I	(12,243)	(576)
	549,258	214,784
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(148,962)	(182,962)
Class D	131,112	72,421
Class F	804,991	126,257
Class I	32,438	3,157
	819,579	18,873
Net assets attributable to holders of redeemable units at end of year		
Class B	409,052	558,014
Class D	1,582,186	1,451,074
Class F	1,057,307	252,316
Class I	191,702	159,264
	3,240,247	2,420,668

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	382,862	(12,968)
Adjustments for:		
Net realized (gain) loss on sale of investments	(87,438)	(141,660)
Change in unrealized (appreciation) depreciation in the value of investments	(254,478)	181,620
Purchases of investments	(1,417,370)	(1,901,305)
Proceeds from sale of investments	983,017	1,791,801
(Increase) decrease in accrued interest	(8)	23
(Increase) decrease in dividends receivable	(860)	451
Increase (decrease) in accrued liabilities	575	(228)
Net cash flows from (used in) operating activities	(393,700)	(82,266)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(5,474)	(1,541)
Proceeds from redeemable units issued	1,392,007	1,368,617
Redemption of redeemable units	(947,611)	(1,290,107)
Net cash flows from (used in) financing activities	438,922	76,969
Net increase (decrease) in cash and cash equivalents	45,222	(5,297)
Cash and cash equivalents at beginning of year	59,165	64,462
Cash and cash equivalents at end of year*	104,387	59,165
Supplementary information		
Cash flow from operating activities		
Interest received	353	340
Dividends received, net of withholding taxes	86,259	72,453
*Cash and cash equivalents include:		
Cash at banks	54,448	9,222
Short-term investments	49,939	49,943
Total	104,387	59,165

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Total World Equity Fund

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 2.06%)									
Treasury Bills									
50,000	Government of Canada	0.475%	23-Mar-17	49,939	49,939	1.54			
				49,939	49,939	1.54			
Common Stocks (2015 – 97.71%)									
Canada									
360	Agrium Inc.			42,370	48,586	1.50			
1,264	Bank of Nova Scotia			78,018	94,497	2.91			
1,405	Brookfield Asset Management Inc.			56,089	62,242	1.92			
1,600	Cameco Corp.			30,268	22,464	0.69			
526	Canadian Imperial Bank of Commerce			46,557	57,629	1.78			
514	Canadian National Railway Co.			32,167	46,445	1.43			
1,590	Canadian Natural Resources Ltd.			54,216	68,036	2.10			
133	Canadian Pacific Railway Ltd.			21,493	25,477	0.79			
339	Canadian Tire Corp Ltd., Class A			36,407	47,213	1.46			
3,614	Cenovus Energy Inc.			83,106	73,364	2.26			
1,111	Finning International Inc.			25,549	29,208	0.90			
190	Franco-Nevada Corp.			14,753	15,253	0.47			
1,363	Great-West Lifeco Inc.			41,836	47,937	1.48			
142	IGM Financial Inc.			5,964	5,424	0.17			
156	Loblaw Cos Ltd.			8,599	11,051	0.34			
1,102	Magna International Inc.			52,770	64,247	1.98			
1,895	Manulife Financial Corp.			36,915	45,309	1.40			
310	Metro Inc., Class A			9,047	12,450	0.38			
283	Molson Coors Canada Inc., Class B			21,308	36,960	1.14			
75	Onex Corp.			4,751	6,854	0.21			
472	Open Text Corp.			23,586	39,132	1.29			
745	Potash Corp. of Saskatchewan Inc.			25,495	18,096	0.56			
814	Quebecor Inc.			22,716	30,378	0.94			
1,868	Rogers Communications Inc., Class B			85,803	96,744	2.99			
1,487	Royal Bank of Canada			105,883	135,123	4.16			
580	SNC-Lavalin Group Inc.			26,468	33,518	1.03			
70	Suncor Energy Inc.			2,027	3,073	0.09			
987	TELUS Corp.			35,965	42,194	1.30			
2,050	The Toronto-Dominion Bank			98,993	135,751	4.18			
396	Thomson Reuters Corp.			17,336	23,269	0.72			
				1,146,455	1,377,924	42.57			
France									
320	Air Liquide SA			43,894	47,821	1.48			
1,310	Cie Générale des Établissements Michelin			32,665	39,018	1.20			
				76,559	86,839	2.68			
Germany									
500	BASF SE			51,879	62,457	1.93			
450	Bayer AG			62,407	63,098	1.95			
1,660	GEA Group AG			89,818	89,766	2.77			
520	Merck KGaA			66,793	72,928	2.25			
				270,897	288,249	8.90			
Ireland									
630	Ingersoll-Rand PLC			46,863	63,399	1.96			
				46,863	63,399	1.96			
						Japan			
1,200	Kao Corp.				82,822	76,247	2.34		
1,036	NTT DOCOMO Inc.				27,608	31,607	0.98		
6,300	Resona Holdings Inc.				36,920	43,426	1.34		
					147,350	151,280	4.66		
						Netherlands			
2,230	Akzo Nobel NV				62,642	61,905	1.91		
15,730	Koninklijke KPN NV				68,421	62,611	1.93		
					131,063	124,516	3.84		
						Norway			
3,240	Atea ASA				38,793	40,130	1.24		
					38,793	40,130	1.24		
						Singapore			
3,820	DBS Group Holdings Ltd.				60,330	61,487	1.90		
					60,330	61,487	1.90		
						Switzerland			
750	Cie Financière Richemont SA				56,873	66,750	2.06		
1,030	Julius Baer Group Ltd.				55,133	61,471	1.90		
					112,006	128,221	3.96		
						United Kingdom			
2,560	IMI PLC				46,731	44,118	1.36		
1,200	Sky PLC				80,748	78,886	2.42		
1,880	Vodafone Group PLC, ADR				73,375	61,593	1.90		
					200,854	184,597	5.68		
						United States			
770	American Express Co.				66,804	76,496	2.35		
420	Caterpillar Inc.				40,949	52,235	1.61		
780	Eli Lilly & Co.				74,473	76,935	2.37		
840	Halliburton Co.				41,987	60,932	1.88		
270	JPMorgan Chase & Co.				21,675	31,244	0.96		
780	Kellogg Co.				73,338	77,103	2.38		
880	Oracle Corp.				41,202	45,376	1.40		
330	Parker-Hannifin Corp.				46,457	61,957	1.91		
2,230	Teradyne Inc.				58,112	75,960	2.34		
1,080	Verizon Communications Inc.				70,701	77,313	2.39		
					535,698	635,551	19.59		
Total Common Stocks						2,766,868	3,142,193	96.98	
Transaction Costs						(2,847)			
Total Investments						2,764,021	3,142,193	96.98	
Total Investments and Short-Term Investments						2,813,960	3,192,132	98.52	
Other Assets Net of Liabilities							48,115	1.48	
Net Assets Attributable to Holders of Redeemable Units							3,240,247	100.00	

Beutel Goodman ■ Total World Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Total World Equity Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of issuers in Canada and abroad. At all times, a significant portion of the Fund's assets will be invested in common shares or other equity securities of Canadian issuers. The Fund's advisor uses a value based approach in deciding what securities to buy for the Fund and attempts to buy the best economic value in the market regardless of the size of the issuer and what sector the issuer operates in. The Fund will maintain a diversified investment portfolio in numerous issuers. Research efforts will be directed to identifying stocks that are undervalued in relation to the asset value or earnings power of the issuer. If earnings fall short of expectations, the intrinsic value of the underlying assets of the issuer will provide important downside protection. The investment portfolio of the Fund will usually display a price-to-earnings ratio and price-to-book ratio that are significantly below market averages. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
Total World Equity Benchmark*	28	21
Total	28	21

*The Total World Equity Fund Benchmark is comprised of: the S&P/TSX (50%), the S&P 500Cdn. (25%) and the MSCI EAFE (25%)(effective Jan. 1, 2016) the S&P/TSX (70%), the S&P 500Cdn. (15%) and the MSCI EAFE (15%)(effective since inception)

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	31	399	(10)	420	13.0
British Pound	—	44	—	44	1.4
Norwegian Krone	—	40	—	40	1.3
Japanese Yen	—	43	15	58	1.9
United States Dollar	—	1,065	(13)	1,052	32.5
Singapore Dollar	—	61	4	65	2.0
Swiss Franc	—	128	10	138	4.3
Total	31	1,780	6	1,817	56.4

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	—	207	—	207	8.5
British Pound	—	99	—	99	4.1
Norwegian Krone	—	70	—	70	2.9
Japanese Yen	—	33	—	33	1.4
United States Dollar	—	898	—	898	37.1
Singapore Dollar	—	34	—	34	1.4
Total	—	1,341	—	1,341	55.4

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$18,100 (December 31, 2015 \$13,400).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman ■ Total World Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Country segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.54%	2.06%
Common Stocks		
Canada	42.57%	42.89%
France	2.68%	1.85%
Germany	8.90%	9.14%
Ireland	1.96%	1.43%
Japan	4.66%	2.53%
Netherlands	3.84%	4.34%
Norway	1.24%	2.88%
Singapore	1.90%	1.39%
Spain	—	1.32%
Switzerland	3.96%	—
United Kingdom	5.68%	7.32%
United States	19.59%	22.62%
Total	98.52%	99.77%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	3,080,288	61,905	—	3,142,193
Total Assets	3,080,288	61,905	—	3,142,193

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	2,365,059	—	—	2,365,059
Total Assets	2,365,059	—	—	2,365,059

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	48,631	107,331	21,988	10,999
Redeemable units issued for cash	11,086	27,511	72,199	1,366
Reinvested units	569	3,464	3,059	565
Redeemable units redeemed	(27,929)	(31,386)	(12,608)	(833)
Balance, end of year	32,357	106,920	84,638	12,097

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	59,674	93,805	10,085	9,899
Redeemable units issued for cash	46,306	31,810	20,012	132
Reinvested units	2,925	8,069	1,797	1,003
Redeemable units redeemed	(60,274)	(26,353)	(9,906)	(35)
Balance, end of year	48,631	107,331	21,988	10,999

Beutel Goodman ■ North American Focused Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,189,249	514,051
Financial assets at fair value through profit or loss*	16,965,387	10,402,445
Accrued interest	176	170
Dividends receivable	11,288	8,364
Subscriptions receivable	362,803	1,400
Total assets	18,528,903	10,926,430
Liabilities		
Current liabilities		
Management and administrative fees payable	29,411	23,965
Due to brokers	521,796	—
Redemptions payable	7,700	21,166
Distributions payable	—	39
Total liabilities (before net assets attributable to holders of redeemable units)	558,907	45,170
Net assets attributable to holders of redeemable units	17,969,996	10,881,260
*Investments at average cost	13,710,186	8,906,281
Net assets attributable to holders of redeemable units per class		
Class B	2,576,168	1,125,299
Class D	9,435,335	5,854,262
Class F	2,275,285	1,039,205
Class I	3,683,208	2,862,494
Net assets attributable to holders of redeemable units per unit		
Class B	15.95	13.57
Class D	9.67	8.20
Class F	16.60	14.07
Class I	10.51	8.87
Number of outstanding redeemable units (note 6)		
Class B	161,483	82,902
Class D	975,841	714,278
Class F	137,098	73,872
Class I	350,608	322,615

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	393,799	252,061
Interest for distribution purposes	2,920	23,123
Realized gain (loss) on sale of investments	778,346	107,709
Change in unrealized appreciation (depreciation) in the value of investments	1,759,037	(89,849)
Net gains (losses) on investments	2,934,102	293,044
Other income		
Realized gain (loss) on foreign currency transactions	(249)	1,278
Total income	2,933,853	294,322
Expenses		
Management fees	109,613	79,018
Administrative fees	14,143	11,159
Transaction costs (note 9)	6,407	4,196
Withholding taxes	28,770	16,608
Total expenses	158,933	110,981
Increase (decrease) in net assets attributable to holders of redeemable units	2,774,920	183,341
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	328,149	12,253
Class D	1,469,893	89,701
Class F	269,403	14,390
Class I	707,475	66,997
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	3.11	0.36
Class D	1.89	0.13
Class F	3.23	0.22
Class I	2.12	0.22

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ North American Focused Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	1,125,299	287,950
Class D	5,854,262	5,316,599
Class F	1,039,205	914,873
Class I	2,862,494	2,463,647
	10,881,260	8,983,069
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	328,149	12,253
Class D	1,469,893	89,701
Class F	269,403	14,390
Class I	707,475	66,997
	2,774,920	183,341
Distribution to holders of redeemable units		
From net investment income		
Class B	(17,215)	(14,206)
Class D	(125,436)	(75,280)
Class F	(26,649)	(14,347)
Class I	(76,145)	(64,956)
From net realized gains on investments		
Class B	(51,942)	(5,500)
Class D	(201,038)	(32,798)
Class F	(42,690)	(5,826)
Class I	(84,451)	(16,011)
	(625,566)	(228,924)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	1,366,904	848,323
Class D	2,639,075	1,125,921
Class F	1,009,766	947,633
Class I	231,516	339,615
Reinvestments of distributions to holders of redeemable units		
Class B	67,972	18,639
Class D	322,711	107,325
Class F	66,984	20,173
Class I	160,596	80,967
Redemption of redeemable units		
Class B	(242,999)	(22,160)
Class D	(524,132)	(677,206)
Class F	(40,734)	(837,691)
Class I	(118,277)	(7,765)
	4,939,382	1,943,774
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	1,450,869	837,349
Class D	3,581,073	537,663
Class F	1,236,080	124,332
Class I	820,714	398,847
	7,088,736	1,898,191
Net assets attributable to holders of redeemable units at end of year		
Class B	2,576,168	1,125,299
Class D	9,435,335	5,854,262
Class F	2,275,285	1,039,205
Class I	3,683,208	2,862,494
	17,969,996	10,881,260

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	2,774,920	183,341
Adjustments for:		
Net realized (gain) loss on sale of investments	(778,346)	(107,709)
Change in unrealized (appreciation) depreciation in the value of investments	(1,759,037)	89,849
Purchases of investments	(6,125,197)	(2,749,174)
Proceeds from sale of investments	2,621,434	926,416
(Increase) decrease in accrued interest	(6)	106
(Increase) decrease in dividends receivable	(2,924)	(1,306)
Increase (decrease) in accrued liabilities	5,446	3,935
Net cash flows from (used in) operating activities	(3,263,710)	(1,654,542)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(7,342)	(1,781)
Proceeds from redeemable units issued	4,885,858	3,265,107
Redemption of redeemable units	(939,608)	(1,523,656)
Net cash flows from (used in) financing activities	3,938,908	1,739,670
Net increase (decrease) in cash and cash equivalents	675,198	85,128
Cash and cash equivalents at beginning of year	514,051	428,923
Cash and cash equivalents at end of year*	1,189,249	514,051
Supplementary information		
Cash flow from operating activities		
Interest received	2,914	23,229
Dividends received, net of withholding taxes	362,105	234,147
*Cash and cash equivalents include:		
Cash at banks	40,623	14,640
Short-term investments	1,148,626	499,411
Total	1,189,249	514,051

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ North American Focused Equity Fund

Schedule of Investment Portfolio *as at December 31, 2016*

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets		
Short-Term Investments (2015 – 4.60%)						Health Care					
Treasury Bills						Pharmaceuticals & Biotechnology					
400,000	Government of Canada	0.493%	9-Mar-17	399,518	399,518	2.22	6,775	AmerisourceBergen Corp.	699,091	710,408	3.95
325,000	Government of Canada	0.469%	23-Mar-17	324,614	324,614	1.81	8,000	Eli Lilly & Co.	691,029	789,078	4.39
425,000	Government of Canada	0.448%	6-Apr-17	424,494	424,494	2.36			1,390,120	1,499,486	8.34
				1,148,626	1,148,626	6.39					
Common Stocks (2015 – 95.59%)						Financials					
Energy						Banks					
16,875	Canadian Natural Resources Ltd.			533,735	722,081	4.02	13,650	Royal Bank of Canada	990,108	1,240,376	6.90
9,400	Halliburton Co.			447,328	681,855	3.79	18,275	The Toronto-Dominion Bank	836,586	1,210,171	6.73
				981,063	1,403,936	7.81			1,826,694	2,450,547	13.63
Industrial						Diversified Financials					
6,680	Canadian National Railway Co.			503,912	603,605	3.36	9,245	American Express Co.	758,583	918,450	5.11
26,025	Finning International Inc.			607,037	684,197	3.81	26,550	Great-West Lifeco Inc.	861,256	933,764	5.20
3,480	Parker-Hannifin Corp.			495,127	653,363	3.64			1,619,839	1,852,214	10.31
14,125	SNC-Lavalin Group Inc.			619,492	816,284	4.54			3,446,533	4,302,761	23.94
37,125	WestJet Airlines Ltd.			916,653	855,359	4.76					
				3,142,221	3,612,808	20.11					
Consumer Discretionary						Information Technology					
Automobiles & Components						Telecommunication Services					
16,175	Magna International Inc.			671,845	943,003	5.25	16,030	Rogers Communications Inc., Class B	741,569	830,194	4.62
				671,845	943,003	5.25	12,600	Verizon Communications Inc.	721,634	901,979	5.02
Consumer Staples											
Household & Personal Products											
4,975	The Procter & Gamble Co.			522,540	560,962	3.12			1,463,203	1,732,173	9.64
				522,540	560,962	3.12					
Retailing											
6,425	Canadian Tire Corp Ltd., Class A			590,856	894,810	4.98					
				590,856	894,810	4.98					
				1,113,396	1,455,772	8.10					
						Total Common Stocks					
						13,721,140				16,965,387	94.41
						Transaction Costs					
						(10,954)					
						Total Investments					
						13,710,186				16,965,387	94.41
						Total Investments and Short-Term Investments					
						14,858,812				18,114,013	100.80
						Other Assets Net of Liabilities					
						(144,017)				(0.80)	
						Net Assets Attributable to Holders of Redeemable Units					
						17,969,996				100.00	

Beutel Goodman ■ North American Focused Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman North American Focused Equity Fund (the "Fund") is to seek long-term capital growth through investments in common shares and other equity securities of issuers in Canada and the United States. The strategy of this 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. It is not expected that the Fund will invest in more than 20 issuers at one time. Companies are purchased that can grow their intrinsic value at above normal rates over a long period of time. Companies generating substantial free cash flow are favoured. Securities of these companies are purchased when they are trading at a substantial discount to their business value. The downside risk of buying such securities is perceived to be small and the risk/reward ratio is highly favourable. The Fund may hold significant cash balances from time to time. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
North American Focused Equity Benchmark*	153	93
Total	153	93

*The North American Focused Equity Fund Benchmark is comprised of the S&P/TSX (60%) and the S&P 500Cdn. (40%).

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	—	7,232	—	7,232	40.2
Total	—	7,232	—	7,232	40.2

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	—	4,687	—	4,687	43.0
Total	—	4,687	—	4,687	43.0

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$72,000 (December 31, 2015 \$46,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	6.39%	4.60%
Common Stocks		
Energy	7.81%	8.27%
Industrial	20.11%	19.96%
Consumer Discretionary	5.25%	4.36%
Consumer Staples	8.10%	8.32%
Health Care	8.34%	2.85%
Financials	23.94%	27.88%
Information Technology	11.22%	13.07%
Telecommunication Services	9.64%	10.88%
Total	100.80%	100.19%

Beutel Goodman ■ North American Focused Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	16,965,387	—	—	16,965,387
Total Assets	16,965,387	—	—	16,965,387

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	10,402,445	—	—	10,402,445
Total Assets	10,402,445	—	—	10,402,445

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	82,902	714,278	73,872	322,615
Redeemable units issued for cash	91,356	285,133	61,822	25,343
Reinvested units	4,231	33,449	4,010	15,193
Redeemable units redeemed	(17,006)	(57,019)	(2,606)	(12,543)
Balance, end of year	161,483	975,841	137,098	350,608

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	20,922	647,033	64,848	277,149
Redeemable units issued for cash	62,193	134,979	65,316	37,165
Reinvested units	1,378	13,117	1,439	9,164
Redeemable units redeemed	(1,591)	(80,851)	(57,731)	(863)
Balance, end of year	82,902	714,278	73,872	322,615

Beutel Goodman ■ Fundamental Canadian Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	4,412,436	2,825,586
Financial assets at fair value through profit or loss*	480,458,328	116,433,655
Accrued interest	693	319
Dividends receivable	1,489,903	336,474
Due from brokers	6,045,663	—
Subscriptions receivable	284,237	275,482
Total assets	492,691,260	119,871,516
Liabilities		
Current liabilities		
Management and administrative fees payable	27,876	6,520
Due to brokers	265,676	345,385
Redemptions payable	3,896,041	222,390
Distributions payable	1,998	1,145
Total liabilities (before net assets attributable to holders of redeemable units)	4,191,591	575,440
Net assets attributable to holders of redeemable units	488,499,669	119,296,076
*Investments at average cost	439,153,420	121,977,393
Net assets attributable to holders of redeemable units per class		
Class B	79,614	4,747
Class F	169,841	4,822
Class I	488,250,214	119,286,507
Net assets attributable to holders of redeemable units per unit		
Class B	10.98	9.46
Class F	11.07	9.49
Class I	11.19	9.49
Number of outstanding redeemable units (note 6)		
Class B	7,253	502
Class F	15,338	508
Class I	43,644,638	12,572,653

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	8,426,149	3,177,451
Interest for distribution purposes	39,009	17,394
Realized gain (loss) on sale of investments	2,096,304	(2,122,968)
Change in unrealized appreciation (depreciation) in the value of investments	46,848,646	(6,162,222)
Net gains (losses) on investments	57,410,108	(5,090,345)
Other income		
Realized gain (loss) on foreign currency transactions	2,829	(1,624)
Total income	57,412,937	(5,091,969)
Expenses		
Management fees	718	156
Administrative fees	186,973	66,362
Transaction costs (note 9)	159,358	60,163
Total expenses	347,049	126,681
Increase (decrease) in net assets attributable to holders of redeemable units	57,065,888	(5,218,650)
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	4,504	(331)
Class F	3,699	(284)
Class I	57,057,685	(5,218,035)
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.78	(0.66)
Class F	2.36	(0.57)
Class I	2.13	(0.53)

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Fundamental Canadian Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	4,747	5,078
Class F	4,822	5,106
Class I	119,286,507	74,886,549
	119,296,076	74,896,733
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	4,504	(331)
Class F	3,699	(284)
Class I	57,057,685	(5,218,035)
	57,065,888	(5,218,650)
Distribution to holders of redeemable units		
From net investment income		
Class B	(787)	(13)
Class F	(2,544)	(66)
Class I	(7,323,783)	(2,978,089)
From net realized gains on investments		
Class B	(35)	—
Class F	(76)	—
Class I	(217,686)	—
	(7,544,911)	(2,978,168)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	134,218	—
Class F	220,700	—
Class I	345,635,206	70,703,199
Reinvestments of distributions to holders of redeemable units		
Class B	822	13
Class F	2,620	66
Class I	7,540,613	2,976,944
Redemption of redeemable units		
Class B	(63,855)	—
Class F	(59,380)	—
Class I	(33,728,328)	(21,084,061)
	319,682,616	52,596,161
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	74,867	(331)
Class F	165,019	(284)
Class I	368,963,707	44,399,958
	369,203,593	44,399,343
Net assets attributable to holders of redeemable units at end of year		
Class B	79,614	4,747
Class F	169,841	4,822
Class I	488,250,214	119,286,507
	488,499,669	119,296,076

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	57,065,888	(5,218,650)
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,096,304)	2,122,968
Change in unrealized (appreciation) depreciation in the value of investments	(46,848,646)	6,162,222
Purchases of investments	(171,591,149)	(68,177,286)
Proceeds from sale of investments	20,640,227	17,175,301
(Increase) decrease in accrued interest	(374)	198
(Increase) decrease in dividends receivable	(1,153,429)	(152,186)
Increase (decrease) in accrued liabilities	21,356	2,025
Net cash flows from (used in) operating activities	(143,962,431)	(48,085,408)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(3)	—
Proceeds from redeemable units issued	175,727,196	70,509,740
Redemption of redeemable units	(30,177,912)	(20,988,300)
Net cash flows from (used in) financing activities	145,549,281	49,521,440
Net increase (decrease) in cash and cash equivalents	1,586,850	1,436,032
Cash and cash equivalents at beginning of year	2,825,586	1,389,554
Cash and cash equivalents at end of year*	4,412,436	2,825,586
Supplementary information		
Cash flow from operating activities		
Interest received	38,635	17,592
Dividends received, net of withholding taxes	7,272,720	3,025,265
*Cash and cash equivalents include:		
Cash at banks	17,761	3,951
Short-term investments	4,394,675	2,821,635
Total	4,412,436	2,825,586

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Fundamental Canadian Equity Fund

Schedule of Investment Portfolio *as at December 31, 2016*

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 2.37%)									
Treasury Bills									
4,400,000	Government of Canada	0.470%	23-Mar-17	4,394,675	4,394,675	0.90			
				4,394,675	4,394,675	0.90			
Common Stocks (2015 – 97.60%)									
Energy									
586,170	Cameco Corp.			8,697,121	8,229,827	1.68			
557,120	Canadian Natural Resources Ltd.			21,014,943	23,839,165	4.89			
1,280,830	Cenovus Energy Inc.			25,297,610	26,000,849	5.32			
25,300	Suncor Energy Inc.			851,733	1,110,670	0.23			
				55,861,407	59,180,511	12.12			
Materials									
125,080	Agrium Inc.			14,978,036	16,880,797	3.46			
65,500	Franco-Nevada Corp.			4,924,158	5,258,340	1.08			
260,250	Potash Corp. of Saskatchewan Inc.			6,686,699	6,321,473	1.29			
				26,588,893	28,460,610	5.83			
Industrial									
Capital Goods									
394,650	Finning International Inc.			9,083,537	10,375,349	2.12			
209,790	SNC-Lavalin Group Inc.			10,729,766	12,123,764	2.48			
				19,813,303	22,499,113	4.60			
Transportation									
184,410	Canadian National Railway Co.			14,479,241	16,663,288	3.41			
48,280	Canadian Pacific Railway Ltd.			9,111,309	9,248,517	1.89			
				23,590,550	25,911,805	5.30			
				43,403,853	48,410,918	9.90			
Consumer Discretionary									
Automobiles & Components									
405,960	Magna International Inc.			21,893,409	23,667,468	4.85			
				21,893,409	23,667,468	4.85			
Media									
303,700	Quebecor Inc., Class B			10,834,844	11,334,084	2.32			
130,620	Thomson Reuters Corp.			6,673,233	7,675,231	1.57			
				17,508,077	19,009,315	3.89			
Retailing									
125,622	Canadian Tire Corp Ltd., Class A			16,416,540	17,495,376	3.58			
				16,416,540	17,495,376	3.58			
				55,818,026	60,172,159	12.32			
Consumer Staples									
Food & Staples Retailing									
56,890	Loblaw Cos Ltd.			3,769,357	4,030,088	0.82			
113,320	Metro Inc., Class A			4,497,857	4,550,931	0.93			
				8,267,214	8,581,019	1.75			
						Food Beverage & Tobacco			
101,630	Molson Coors Canada Inc., Class B						12,203,602	13,272,878	2.72
							12,203,602	13,272,878	2.72
							20,470,816	21,853,897	4.47
						Financials			
						Banks			
412,350	Bank of Nova Scotia						27,336,604	30,827,286	6.32
173,480	Canadian Imperial Bank of Commerce						17,328,847	19,006,469	3.89
512,640	Royal Bank of Canada						40,477,999	46,583,596	9.55
688,540	The Toronto-Dominion Bank						38,720,121	45,595,118	9.33
							123,863,571	142,012,469	29.09
						Diversified Financials			
45,370	IGM Financial Inc.						1,758,287	1,733,134	0.35
25,910	Onex Corp.						2,015,076	2,367,656	0.48
							3,773,363	4,100,790	0.83
						Insurance			
452,800	Great-West Lifeco Inc.						15,311,073	15,924,976	3.26
639,360	Manulife Financial Corp.						12,487,264	15,287,098	3.13
							27,798,337	31,212,074	6.39
						Real Estate			
470,140	Brookfield Asset Management Inc.						20,155,064	20,827,202	4.26
							20,155,064	20,827,202	4.26
							175,590,335	198,152,535	40.57
						Information Technology			
						Software & Services			
166,924	Open Text Corp.						12,437,201	13,841,338	2.83
							12,437,201	13,841,338	2.83
						Telecommunication Services			
675,480	Rogers Communications Inc., Class B						34,220,637	34,983,108	7.16
360,310	TELUS Corp.						14,961,092	15,403,252	3.15
							49,181,729	50,386,360	10.31
Total Common Stocks						439,352,260 480,458,328 98.35			
Transaction Costs						(198,840)			
Total Investments						439,153,420 480,458,328 98.35			
Total Investments and Short-Term Investments						443,548,095 484,853,003 99.25			
Other Assets Net of Liabilities						3,646,666 0.75			
Net Assets Attributable to Holders of Redeemable Units						488,499,669 100.00			

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Fundamental Canadian Equity Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of Canadian issuers with medium to large capitalization. The Fund's advisor attempts to buy the best economic value in the market regardless of what sector the issuer operates in. Research efforts will be directed to identifying stocks that are undervalued in relation to the asset value or earnings power of the issuer. If earnings fall short of expectations, the intrinsic value of the underlying assets of the issuer will provide important downside protection. The investment portfolio of the Fund will usually display a price-to-earnings ratio and price-to-book ratio that are well below market averages. The Fund may hold significant cash balances from time to time. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's

assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Beutel Goodman ■ Fundamental Canadian Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015 with all other variables held constant, is included in the table below. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 31 data points as at December 31, 2016 and 19 data points as at December 31, 2015 based on the monthly net return of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
S&P/TSX Composite Total Return Index	4,151	1,023
Total	4,151	1,023

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

The Fund did not have significant exposure to foreign currency risk as at December 31, 2016.

Currencies to which the Fund had exposure as at December 31, 2015 are as follows:

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Percentage of net assets
	(\$000)	(\$000)	(\$000)	Total (%)
United States Dollar	17	—	—	17
Total	17	—	—	17

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$170.

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.90%	2.37%
Common Stocks		
Energy	12.12%	9.41%
Materials	5.83%	5.80%
Industrial	9.90%	9.30%
Consumer Discretionary	12.32%	11.75%
Consumer Staples	4.47%	5.95%
Financials	40.57%	41.86%
Information Technology	2.83%	2.52%
Telecommunication Services	10.31%	11.01%
Total	99.25%	99.97%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	480,458,328	—	—	480,458,328
Total Assets	480,458,328	—	—	480,458,328
Dec. 31, 2015				
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	116,433,655	—	—	116,433,655
Total Assets	116,433,655	—	—	116,433,655

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class F	Class I
Balance, beginning of the year	502	508	12,572,653
Redeemable units issued for cash	12,766	19,850	33,565,022
Reinvested units	75	237	674,070
Redeemable units redeemed	(6,090)	(5,257)	(3,167,107)
Balance, end of year	7,253	15,338	43,644,638
2015			
	Class B	Class F	Class I
Balance, beginning of year	500	501	7,345,362
Redeemable units issued for cash	—	—	6,977,178
Reinvested units	2	7	313,766
Redeemable units redeemed	—	—	(2,063,653)
Balance, end of year	502	508	12,572,653

Beutel Goodman - Small Cap Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	25,715,513	20,521,902
Financial assets at fair value through profit or loss*	622,920,381	549,604,266
Accrued interest	7,804	7,889
Dividends receivable	943,979	1,074,461
Subscriptions receivable	165,064	89,093
Total assets	649,752,741	571,297,611
Liabilities		
Current liabilities		
Management and administrative fees payable	159,664	140,070
Due from brokers	374,127	—
Redemptions payable	958,973	654,819
Distributions payable	—	87
Total liabilities (before net assets attributable to holders of redeemable units)	1,492,764	794,976
Net assets attributable to holders of redeemable units	648,259,977	570,502,635
*Investments at average cost	414,275,681	422,971,285
Net assets attributable to holders of redeemable units per class		
Class B	5,353,909	4,427,983
Class D	72,046,181	64,116,558
Class F	12,594,880	8,322,340
Class I	558,265,007	493,635,754
Net assets attributable to holders of redeemable units per unit		
Class B	13.62	11.38
Class D	28.03	23.22
Class F	28.61	23.67
Class I	30.12	24.87
Number of outstanding redeemable units (note 6)		
Class B	392,972	389,218
Class D	2,570,186	2,761,096
Class F	440,223	351,600
Class I	18,535,735	19,850,475

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	8,386,739	10,338,498
Interest for distribution purposes	103,541	2,565,194
Realized gain (loss) on sale of investments	30,502,299	17,861,685
Change in unrealized appreciation (depreciation) in the value of investments	82,011,719	(20,930,027)
Net gains (losses) on investments	121,004,298	9,835,350
Other income		
Realized gain (loss) on foreign currency transactions	(1,887)	262
Total income	121,002,411	9,835,612
Expenses		
Management fees	1,122,621	1,102,956
Administrative fees	650,222	665,104
Transaction costs (note 9)	738,293	375,125
Total expenses	2,511,136	2,143,185
Increase (decrease) in net assets attributable to holders of redeemable units	118,491,275	7,692,427
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	818,910	(62,794)
Class D	12,654,362	90,003
Class F	1,999,658	(118,031)
Class I	103,018,345	7,783,249
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	2.12	(0.16)
Class D	4.76	0.03
Class F	4.82	(0.37)
Class I	5.45	0.39

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Small Cap Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	4,427,983	4,694,518
Class D	64,116,558	72,062,801
Class F	8,322,340	6,164,459
Class I	493,635,754	527,136,961
	570,502,635	610,058,739
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	818,910	(62,794)
Class D	12,654,362	90,003
Class F	1,999,658	(118,031)
Class I	103,018,345	7,783,249
	118,491,275	7,692,427
Distribution to holders of redeemable units		
From net investment income		
Class B	—	—
Class D	(19,180)	(422,464)
Class F	(20,142)	(92,918)
Class I	(5,723,260)	(10,567,215)
From net realized gains on investments		
Class B	—	(63,893)
Class D	—	(915,850)
Class F	—	(118,057)
Class I	—	(7,066,470)
	(5,762,582)	(19,246,867)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	1,768,533	1,084,147
Class D	5,409,586	8,374,721
Class F	6,060,707	4,555,853
Class I	37,823,252	46,954,582
Reinvestments of distributions to holders of redeemable units		
Class B	-	62,757
Class D	19,180	1,320,094
Class F	18,689	199,552
Class I	5,723,260	17,633,677
Redemption of redeemable units		
Class B	(1,661,517)	(1,286,752)
Class D	(10,134,325)	(16,392,747)
Class F	(3,786,372)	(2,268,518)
Class I	(76,212,344)	(88,239,030)
	(34,971,351)	(28,001,664)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	925,926	(266,535)
Class D	7,929,623	(7,946,243)
Class F	4,272,540	2,157,881
Class I	64,629,253	(33,501,207)
	77,757,342	(39,556,104)
Net assets attributable to holders of redeemable units at end of year		
Class B	5,353,909	4,427,983
Class D	72,046,181	64,116,558
Class F	12,594,880	8,322,340
Class I	558,265,007	493,635,754
	648,259,977	570,502,635

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	118,491,275	7,692,427
Adjustments for:		
Net realized (gain) loss on sale of investments	(30,502,299)	(17,861,685)
Change in unrealized (appreciation) depreciation in the value of investments	(82,011,719)	20,930,027
Purchases of investments	(128,920,102)	(131,894,036)
Proceeds from sale of investments	168,492,132	164,632,554
(Increase) decrease in accrued interest	85	13,439
(Increase) decrease in dividends receivable	130,482	26,438
Increase (decrease) in accrued liabilities	19,594	(22,061)
Net cash flows from (used in) operating activities	45,699,448	43,517,103
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,540)	(30,700)
Proceeds from redeemable units issued	50,986,107	61,076,405
Redemption of redeemable units	(91,490,404)	(107,833,129)
Net cash flows from (used in) financing activities	(40,505,837)	(46,787,424)
Net increase (decrease) in cash and cash equivalents	5,193,611	(3,270,321)
Cash and cash equivalents at beginning of year	20,521,902	23,792,223
Cash and cash equivalents at end of year*	25,715,513	20,521,902
Supplementary information		
Cash flow from operating activities		
Interest received	103,626	2,578,633
Dividends received, net of withholding taxes	8,517,221	10,364,936
*Cash and cash equivalents include:		
Cash at banks	21,769	23,638
Short-term investments	25,693,744	20,498,264
Total	25,715,513	20,521,902

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Small Cap Fund

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 3.59%)									
Treasury Bills									
4,125,000	Government of Canada	0.499%	23-Feb-17	4,119,843	4,119,843	0.64			
14,125,000	Government of Canada	0.481%	9-Mar-17	14,108,336	14,108,335	2.18			
7,125,000	Government of Canada	0.475%	23-Mar-17	7,115,982	7,115,982	1.10			
350,000	Government of Canada	0.448%	6-Apr-17	349,584	349,584	0.05			
				<u>25,693,745</u>	<u>25,693,744</u>	<u>3.97</u>			
Common Stocks (2015 – 96.34%)									
Energy									
1,991,700	Birchcliff Energy Ltd.			11,777,373	18,662,229	2.88			
1,228,300	Crew Energy Inc.			14,833,017	9,224,533	1.42			
9,675,600	Denison Mines Corp.			11,869,034	6,772,920	1.04			
555,900	Enerflex Ltd.			5,869,133	9,478,095	1.46			
2,097,500	NuVista Energy Ltd.			12,812,472	14,556,650	2.25			
1,593,500	Paramount Resources Ltd.			21,861,364	28,794,545	4.45			
616,900	Total Energy Services Inc.			9,277,820	8,994,402	1.39			
				<u>88,300,213</u>	<u>96,483,374</u>	<u>14.89</u>			
Materials									
2,311,200	Alamos Gold Inc.			17,010,432	21,401,712	3.30			
1,478,700	Asanko Gold Inc.			9,858,116	6,092,244	0.94			
155,797	CCL Industries Inc.			4,512,382	41,099,247	6.34			
405,100	Intertape Polymer Group Inc.			4,824,273	10,200,418	1.57			
2,264,600	Lundin Mining Corp.			12,068,705	14,493,440	2.24			
2,252,200	Major Drilling Group International Inc.			16,602,486	15,810,444	2.44			
988,016	Tahoe Resources Inc.			13,791,586	12,498,402	1.93			
559,771	Winpak Ltd.			7,046,936	25,424,799	3.93			
				<u>85,714,916</u>	<u>147,020,706</u>	<u>22.69</u>			
Industrial									
Capital Goods									
193,900	AG Growth International Inc.			7,564,776	10,183,628	1.57			
89,200	Badger Daylighting Ltd.			1,957,401	2,863,320	0.44			
209,800	Cervus Equipment Corp.			2,319,511	3,325,330	0.51			
184,300	Toromont Industries Ltd.			3,542,252	7,805,105	1.20			
636,500	Wajax Corp.			15,671,760	14,677,690	2.26			
				<u>31,055,700</u>	<u>38,855,073</u>	<u>5.98</u>			
Transportation									
1,407,740	WestJet Airlines Ltd.			23,600,925	32,434,330	5.00			
				<u>23,600,925</u>	<u>32,434,330</u>	<u>5.00</u>			
				<u>54,656,625</u>	<u>71,289,403</u>	<u>10.98</u>			
Consumer Discretionary									
Automobiles & Components									
610,997	Linamar Corp.			20,635,973	35,248,417	5.44			
				<u>20,635,973</u>	<u>35,248,417</u>	<u>5.44</u>			
Media									
673,900	Quebecor Inc., Class B			8,617,147	25,149,948	3.88			
				<u>8,617,147</u>	<u>25,149,948</u>	<u>3.88</u>			
Retailing									
245,900	Aritzia Inc.			3,934,400	4,303,250	0.66			
466,848	Leons Furniture Ltd.			5,393,112	8,440,612	1.30			
1,283,700	Uni-Select Inc.			18,057,784	37,856,313	5.84			
				<u>27,385,296</u>	<u>50,600,175</u>	<u>7.80</u>			
				<u>56,638,416</u>	<u>110,998,540</u>	<u>17.12</u>			
Consumer Staples									
Food Beverage & Tobacco									
567,900	Maple Leaf Foods Inc.			7,336,994	15,969,348	2.46			
				<u>7,336,994</u>	<u>15,969,348</u>	<u>2.46</u>			
Health Care									
Pharmaceuticals & Biotechnology									
784,600	CRH Medical Corp.			3,934,800	5,625,582	0.87			
5,474,100	Merus Labs International Inc.			9,383,967	6,349,956	0.98			
				<u>13,318,767</u>	<u>11,975,538</u>	<u>1.85</u>			
Financials									
Banks									
476,800	Canadian Western Bank			12,921,011	14,466,112	2.23			
647,500	Equitable Group Inc.			24,400,756	39,147,850	6.04			
				<u>37,321,767</u>	<u>53,613,962</u>	<u>8.27</u>			
Insurance									
670,990	Colliers International Group Inc.			24,072,134	33,207,295	5.12			
583,804	Industrial Alliance Insurance & Financial Services Inc.			17,080,662	31,169,296	4.81			
				<u>41,152,796</u>	<u>64,376,591</u>	<u>9.93</u>			
Real Estate									
281,590	FirstService Corp.			2,656,060	17,948,547	2.77			
493,000	GDI Integrated Facility Services Inc.			6,173,092	7,740,100	1.19			
				<u>8,829,152</u>	<u>25,688,647</u>	<u>3.96</u>			
				<u>87,303,715</u>	<u>143,679,200</u>	<u>22.16</u>			
Information Technology									
Technology Hardware & Equipment									
254,800	Evertz Technologies Ltd.			4,196,196	4,303,572	0.66			
				<u>4,196,196</u>	<u>4,303,572</u>	<u>0.66</u>			
Utilities									
1,662,800	Superior Plus Corp.			17,781,817	21,200,700	3.27			
				<u>17,781,817</u>	<u>21,200,700</u>	<u>3.27</u>			
Total Common Stocks						<u>415,247,659</u>	<u>622,920,381</u>	<u>96.08</u>	
Transaction Costs						<u>(971,978)</u>			
Total Investments						<u>414,275,681</u>	<u>622,920,381</u>	<u>97.11</u>	
Total Investments and Short-Term Investments						<u>439,969,426</u>	<u>648,614,125</u>	<u>100.05</u>	
Other Assets Net of Liabilities							<u>(354,148)</u>	<u>(0.05)</u>	
Net Assets Attributable to Holders of Redeemable Units							<u>648,259,977</u>	<u>100.00</u>	

Beutel Goodman ■ Small Cap Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective for the Beutel Goodman Small Cap Fund (the "Fund") is to seek long-term capital appreciation primarily through investments in common shares and other equity securities of Canadian issuers. Currently, an issuer qualifies as a smaller capitalization Canadian issuer if its market capitalization does not exceed 2.7 billion. The Fund's advisor uses a value based approach to seek superior long-term capital appreciation at reasonable risk. The advisor believes that the value of a business is defined by its future potential to generate free cash flow for the shareholder. The advisor buys companies at a discount to that business value. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
BMO Small Cap Index	5,439	5,112
Total	5,439	5,112

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	76	-	87	163	0.0
Total	76	-	87	163	0.0

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	108	—	—	108	0.0
Total	108	—	—	108	0.0

The amounts in the above table are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$1,600 (December 31, 2015 \$1,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	3.97%	3.59%
Common Stocks		
Energy	14.89%	7.90%
Materials	22.69%	22.82%
Industrial	10.98%	9.77%
Consumer Discretionary	17.12%	19.33%
Consumer Staples	2.46%	3.41%
Health Care	1.85%	0.79%
Financials	22.16%	28.76%
Information Technology	0.66%	3.56%
Utilities	3.27%	—
Total	100.05%	99.93%

Beutel Goodman ■ Small Cap Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	622,920,381	—	—	622,920,381
Total Assets	622,920,381	—	—	622,920,381

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	549,604,266	—	—	549,604,266
Total Assets	549,604,266	—	—	549,604,266

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	389,218	2,761,096	351,600	19,850,475
Redeemable units issued for cash	139,756	209,903	232,655	1,375,926
Reinvested units	-	737	664	193,225
Redeemable units redeemed	(136,002)	(401,550)	(144,696)	(2,883,891)
Balance, end of year	392,972	2,570,186	440,223	18,535,735

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	402,644	3,032,599	253,903	20,672,986
Redeemable units issued for cash	90,225	344,757	181,633	1,850,254
Reinvested units	5,673	58,429	8,674	729,943
Redeemable units redeemed	(109,324)	(674,689)	(92,610)	(3,402,708)
Balance, end of year	389,218	2,761,096	351,600	19,850,475

Beutel Goodman ■ Canadian Dividend Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,377,633	859,147
Financial assets at fair value through profit or loss*	222,204,209	129,399,652
Accrued interest	328	79
Dividends receivable	615,145	362,977
Due from brokers	—	421,590
Subscriptions receivable	833,451	58,036
Total assets	226,030,766	131,101,481
Liabilities		
Current liabilities		
Management and administrative fees payable	162,652	84,352
Unrealized loss on foreign currency forward contract	100	—
Due to brokers	1,793,257	—
Redemptions payable	169,005	693,865
Distributions payable	—	60
Total liabilities (before net assets attributable to holders of redeemable units)	2,125,014	778,277
Net assets attributable to holders of redeemable units	223,905,752	130,323,204
*Investments at average cost	195,090,632	125,768,481
Net assets attributable to holders of redeemable units per class		
Class B	26,944,005	11,744,064
Class D	84,397,818	53,435,537
Class F	31,219,003	8,078,934
Class I	81,344,926	57,064,669
Net assets attributable to holders of redeemable units per unit		
Class B	15.13	13.11
Class D	9.82	8.48
Class F	15.45	13.38
Class I	10.54	9.10
Number of outstanding redeemable units (note 6)		
Class B	1,781,341	895,888
Class D	8,594,196	6,299,617
Class F	2,020,504	603,618
Class I	7,719,645	6,268,141

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	6,480,022	4,208,616
Interest for distribution purposes	7,049	7,766
Realized gain (loss) on sale of investments	2,622,862	4,322,781
Change in unrealized appreciation (depreciation) in the value of investments	23,482,406	(7,580,362)
Change in unrealized appreciation (depreciation) in the value of derivatives	(100)	—
Net gains (losses) on investments	32,592,239	958,801
Other income		
Realized gain (loss) on foreign currency transactions	(37,212)	(15,603)
Total income	32,555,027	943,198
Expenses		
Management fees	1,358,246	904,709
Administrative fees	184,116	125,917
Transaction costs (note 9)	116,429	80,519
Withholding taxes	255,387	112,911
Total expenses	1,914,178	1,224,056
Increase (decrease) in net assets attributable to holders of redeemable units	30,640,849	(280,858)
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	3,182,277	(128,100)
Class D	11,507,671	75,781
Class F	3,775,136	12,207
Class I	12,175,765	(240,746)
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	2.46	(0.15)
Class D	1.59	0.01
Class F	2.82	0.02
Class I	1.81	(0.05)

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Canadian Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	11,744,064	10,683,860
Class D	53,435,537	42,440,683
Class F	8,078,934	7,175,522
Class I	57,064,669	28,010,526
	130,323,204	88,310,591
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	3,182,277	(128,100)
Class D	11,507,671	75,781
Class F	3,775,136	12,207
Class I	12,175,765	(240,746)
	30,640,849	(280,858)
Distribution to holders of redeemable units		
From net investment income		
Class B	(321,464)	(151,656)
Class D	(1,442,824)	(967,501)
Class F	(548,561)	(172,068)
Class I	(2,290,985)	(1,599,687)
From net realized gains on investments		
Class B	—	(379,820)
Class D	—	(1,680,892)
Class F	—	(261,351)
Class I	—	(1,782,263)
	(4,603,834)	(6,995,238)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	15,868,848	7,458,238
Class D	30,167,348	20,822,097
Class F	25,582,876	4,716,724
Class I	18,556,694	32,234,115
Reinvestments of distributions to holders of redeemable units		
Class B	280,974	466,456
Class D	1,338,517	2,435,232
Class F	415,099	345,612
Class I	2,290,975	3,381,950
Redemption of redeemable units		
Class B	(3,810,694)	(6,204,914)
Class D	(10,608,431)	(9,689,863)
Class F	(6,084,481)	(3,737,712)
Class I	(6,452,192)	(2,939,226)
	67,545,533	49,288,709
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	15,199,941	1,060,204
Class D	30,962,281	10,994,854
Class F	23,140,069	903,412
Class I	24,280,257	29,054,143
	93,582,548	42,012,613
Net assets attributable to holders of redeemable units at end of year		
Class B	26,944,005	11,744,064
Class D	84,397,818	53,435,537
Class F	31,219,003	8,078,934
Class I	81,344,926	57,064,669
	223,905,752	130,323,204

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	30,640,849	(280,858)
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,622,862)	(4,322,781)
Change in unrealized (appreciation) depreciation in the value of investments	(23,482,406)	7,580,362
Change in unrealized (appreciation) depreciation in the value of derivatives	100	—
Purchases of investments	(89,806,344)	(79,289,922)
Proceeds from sale of investments	25,321,902	32,592,890
(Increase) decrease in accrued interest	(249)	231
(Increase) decrease in dividends receivable	(252,168)	(132,558)
Increase (decrease) in accrued liabilities	78,300	(1,567)
Net cash flows from (used in) operating activities	(60,122,878)	(43,854,203)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(278,329)	(365,928)
Proceeds from redeemable units issued	89,400,351	65,628,902
Redemption of redeemable units	(27,480,658)	(21,907,582)
Net cash flows from (used in) financing activities	61,641,364	43,355,392
Net increase (decrease) in cash and cash equivalents	1,518,486	(498,811)
Cash and cash equivalents at beginning of year	859,147	1,357,958
Cash and cash equivalents at end of year*	2,377,633	859,147
Supplementary information		
Cash flow from operating activities		
Interest received	6,800	7,997
Dividends received, net of withholding taxes	5,972,467	3,963,147
*Cash and cash equivalents include:		
Cash at banks	55,409	10,185
Short-term investments	2,322,224	848,962
Total	2,377,633	859,147

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Canadian Dividend Fund

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets		
Short-Term Investments (2015 – 0.65%)						Financials					
Treasury Bills						Banks					
575,000	Government of Canada	0.493%	9-Mar-17	574,303	574,303	0.26	226,226	Bank of Nova Scotia	14,340,944	16,912,656	7.55
825,000	Government of Canada	0.459%	23-Mar-17	824,022	824,022	0.37	55,300	Brookfield Asset Management Inc.	2,298,820	2,449,790	1.09
925,000	Government of Canada	0.448%	6-Apr-17	923,899	923,899	0.41	81,600	Canadian Imperial Bank of Commerce	7,565,752	8,940,096	3.99
				<u>2,322,224</u>	<u>2,322,224</u>	<u>1.04</u>	236,300	Royal Bank of Canada	17,484,338	21,472,581	9.59
							331,400	The Toronto-Dominion Bank	17,171,257	21,945,308	9.81
									<u>58,861,111</u>	<u>71,720,431</u>	<u>32.03</u>
Common Stocks (2015 – 99.29%)						Insurance					
Energy						Intact Financial Corp.					
203,200	Canadian Natural Resources Ltd.			7,342,539	8,694,928	3.88	47,600		3,708,652	4,574,360	2.04
510,100	Cenovus Energy Inc.			11,440,254	10,355,030	4.62	234,600	Manulife Financial Corp.	4,658,870	5,609,286	2.51
500	Suncor Energy Inc.			15,592	21,950	0.01	213,700	Power Financial Corp.	7,185,505	7,171,772	3.20
				<u>18,798,385</u>	<u>19,071,908</u>	<u>8.51</u>			<u>15,553,027</u>	<u>17,355,418</u>	<u>7.75</u>
Materials						Information Technology					
49,900	Agrium Inc.			6,238,624	6,734,504	3.01	672,786	Atea ASA	8,220,492	8,333,059	3.72
57,800	Air Liquide SA			7,886,913	8,637,665	3.86	99,700	Symantec Corp.	2,659,652	3,194,176	1.43
147,700	Potash Corp. of Saskatchewan Inc.			4,796,913	3,587,633	1.60			<u>10,880,144</u>	<u>11,527,235</u>	<u>5.15</u>
				<u>18,922,450</u>	<u>18,959,802</u>	<u>8.47</u>	Telecommunication Services				
Industrial						Rogers Communications Inc., Class B					
201,300	Finning International Inc.			4,538,424	5,292,177	2.36	270,100		12,540,140	13,988,479	6.25
29,300	Parker-Hannifin Corp.			4,420,862	5,501,019	2.46	49,700	TELUS Corp.	1,868,778	2,124,675	0.95
				<u>8,959,286</u>	<u>10,793,196</u>	<u>4.82</u>	115,200	Verizon Communications Inc.	6,918,547	8,246,669	3.68
Consumer Discretionary						Total Common Stocks					
Automobiles & Components						<u>195,256,375</u>					
123,500	Magna International Inc.			6,106,348	7,200,050	3.22	Transaction Costs				
				<u>6,106,348</u>	<u>7,200,050</u>	<u>3.22</u>	<u>(165,743)</u>				
Media						Foreign Currency Forward Contracts (Schedule A)					
50,100	Thomson Reuters Corp.			2,359,683	2,943,876	1.31	<u>(100)</u>				
				<u>2,359,683</u>	<u>2,943,876</u>	<u>1.31</u>	Total Investments				
Retailing						<u>195,090,632</u>					
37,800	Canadian Tire Corp Ltd., Class A			4,271,094	5,264,406	2.35	Total Investments and Short-Term Investments				
				<u>4,271,094</u>	<u>5,264,406</u>	<u>2.35</u>	<u>197,412,856</u>				
				<u>12,737,125</u>	<u>15,408,332</u>	<u>6.88</u>	Other Assets Net of Liabilities				
Consumer Staples						<u>(620,581)</u>					
Food Beverage & Tobacco						Net Assets Attributable to Holders of Redeemable Units					
94,300	Kellogg Co.			8,279,287	9,321,496	4.16	<u>223,905,752</u>				
44,700	Molson Coors Canada Inc., Class B			4,021,642	5,837,820	2.61	Schedule A				
74,800	Unilever NV			4,430,881	4,138,509	1.85	Foreign Currency Forward Contract (0.0%)				
				<u>16,731,810</u>	<u>19,297,825</u>	<u>8.62</u>	Contracts: 1				
Health Care						Counterparty: The Toronto-Dominion Bank					
Pharmaceuticals & Biotechnology						Credit Rating of the Counterparty: A-1+					
84,400	Eli Lilly & Co.			7,366,985	8,324,777	3.72	Settlement Date: January 31, 2017				
38,400	Merck KGaA			5,118,587	5,385,462	2.41	Contract Rate (\$): 1.34				
				<u>12,485,572</u>	<u>13,710,239</u>	<u>6.13</u>	Pay: (100,000) US\$				
							Receive: 133,950 Canadian \$				
							Unrealized Gain (Loss) (\$): <u>(100)</u>				

Beutel Goodman ■ Canadian Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Canadian Dividend Fund (the "Fund") 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, to a lesser extent, in high-yield preferred stocks and interest-bearing securities. The Fund's advisor chooses primarily blue-chip common stocks. The Fund may also invest in preferred stocks, bonds, warrants, rights, royalty trusts, income trusts, and foreign securities up to the foreign property limit. The selection gives preference to capital growth, while providing a high and regular level of income. The portfolio advisor chooses the investments by seeking out reputable stocks that are undervalued on the market compared to their true worth, focusing on small, mid and large-capitalization Canadian corporations in a variety of industries, while favouring equity securities, including preferred stocks, that provide a stable income. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund may use derivatives from time to time. The Fund currently is using derivatives principally to hedge against changes in the exchange rate between the Canadian dollar and foreign currencies in which investments held by the Fund are denominated. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
S&P/TSX Composite Total Return Index	1,827	1,084
Total	1,827	1,084

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash & cash equivalents	Financial assets at fair value	Derivatives	Other assets & liabilities	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000) (%)
Euro Currency	—	18,162	—	—	18,162 8.1
Norwegian Krone	—	8,333	—	—	8,333 3.7
United States Dollar	—	34,588	(134)	58	34,512 5.4
Total	—	61,083	(134)	58	61,007 27.2

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000) (%)
Euro Currency	—	3,757	—	3,757 2.9
Norwegian Krone	—	4,217	—	4,217 3.2
United States Dollar	—	30,888	11	30,899 23.7
Total	—	38,862	11	38,873 29.8

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$610,000 (December 31, 2015 \$390,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman ■ Canadian Dividend Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.04%	0.65%
Common Stocks		
Energy	8.51%	7.78%
Materials	8.47%	3.99%
Industrial	4.82%	5.33%
Consumer Discretionary	6.88%	6.74%
Consumer Staples	8.62%	8.15%
Health Care	6.13%	12.15%
Financials	39.78%	37.11%
Information Technology	5.15%	6.40%
Telecommunication Services	10.88%	11.64%
Total	100.28%	99.94%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	222,204,209	—	—	222,204,209
Foreign Currency				
Forward Contracts	—	(100)	—	(100)
Total Assets	222,204,209	(100)	—	222,204,109
Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	129,399,652	—	—	129,399,652
Total Assets	129,399,652	—	—	129,399,652

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Offsetting of Financial Instruments

There are no financial instruments that are offset, or subject to netting agreements or other similar agreements as at December 31, 2016.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	895,888	6,299,617	603,618	6,268,141
Redeemable units issued for cash	1,142,530	3,340,041	1,803,283	1,886,144
Reinvested units	20,121	148,146	28,683	234,889
Redeemable units redeemed	(277,198)	(1,193,608)	(415,080)	(669,529)
Balance, end of year	1,781,341	8,594,196	2,020,504	7,719,645
2015	Class B	Class D	Class F	Class I
Balance, beginning of year	776,144	4,769,672	510,390	2,929,408
Redeemable units issued for cash	542,659	2,329,614	334,524	3,274,981
Reinvested units	35,389	284,962	25,607	368,550
Redeemable units redeemed	(458,304)	(1,084,631)	(266,903)	(304,798)
Balance, end of year	895,888	6,299,617	603,618	6,268,141

Beutel Goodman ■ Global Dividend Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	407,916	659,689
Financial assets at fair value through profit or loss*	14,457,716	21,662,150
Accrued interest	53	77
Dividends receivable	8,703	15,393
Due to brokers	217,831	—
Subscriptions receivable	258	88,845
Total assets	15,092,477	22,426,154
Liabilities		
Current liabilities		
Management and administrative fees payable	7,505	17,381
Due to brokers	514,462	—
Redemptions payable	11,370	3,444
Distributions payable	—	207
Total liabilities (before net assets attributable to holders of redeemable units)	533,337	21,032
Net assets attributable to holders of redeemable units	14,559,140	22,405,122
*Investments at average cost	13,333,632	20,266,073
Net assets attributable to holders of redeemable units per class		
Class B	5,348,230	5,967,491
Class F	4,237,169	4,357,472
Class I	4,973,741	12,080,159
Net assets attributable to holders of redeemable units per unit		
Class B	12.15	11.46
Class F	12.44	11.74
Class I	12.97	12.23
Number of outstanding redeemable units (note 6)		
Class B	440,262	520,767
Class F	340,731	371,137
Class I	383,566	987,820

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	637,558	859,131
Interest for distribution purposes	1,832	8,942
Realized gain (loss) on sale of investments	632,278	5,199,839
Change in unrealized appreciation (depreciation) in the value of investments	(271,993)	667,772
Net gains (losses) on investments	999,675	6,735,684
Other income		
Realized gain (loss) on foreign currency transactions	(51,257)	(94,585)
Total income	948,418	6,641,099
Expenses		
Management fees	130,510	167,125
Administrative fees	19,266	37,667
Transaction costs (note 9)	42,057	78,807
Withholding taxes	46,803	69,524
Total expenses	238,636	353,123
Increase (decrease) in net assets attributable to holders of redeemable units	709,782	6,287,976
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	445,192	611,819
Class F	328,073	481,605
Class I	(63,483)	5,194,552
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.89	1.22
Class F	1.00	1.35
Class I	(0.14)	3.55

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Global Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	5,967,491	5,238,268
Class F	4,357,472	3,636,725
Class I	12,080,159	37,596,661
	22,405,122	46,471,654
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	445,192	611,819
Class F	328,073	481,605
Class I	(63,483)	5,194,552
	709,782	6,287,976
Distribution to holders of redeemable units		
From net investment income		
Class B	(141,638)	(64,915)
Class F	(113,338)	(82,612)
Class I	(190,974)	(500,187)
From net realized gains on investments		
Class B	—	(460,311)
Class F	—	(333,937)
Class I	—	(3,278,941)
	(445,950)	(4,720,903)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	734,699	2,055,714
Class F	1,173,263	2,465,097
Class I	4,430,414	10,186,216
Reinvestments of distributions to holders of redeemable units		
Class B	138,745	487,351
Class F	112,292	381,954
Class I	190,974	3,779,126
Redemption of redeemable units		
Class B	(1,796,259)	(1,900,435)
Class F	(1,620,593)	(2,191,360)
Class I	(11,473,349)	(40,897,268)
	(8,109,814)	(25,633,605)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(619,261)	729,223
Class F	(120,303)	720,747
Class I	(7,106,418)	(25,516,502)
	(7,845,982)	(24,066,532)
Net assets attributable to holders of redeemable units at end of year		
Class B	5,348,230	5,967,491
Class F	4,237,169	4,357,472
Class I	4,973,741	12,080,159
	14,559,140	22,405,122

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	709,782	6,287,976
Adjustments for:		
Net realized (gain) loss on sale of investments	(632,278)	(5,199,839)
Change in unrealized (appreciation) depreciation in the value of investments	271,993	(667,772)
Purchases of investments	(8,852,208)	(21,140,275)
Proceeds from sale of investments	16,713,558	49,055,878
(Increase) decrease in accrued interest	24	1,188
(Increase) decrease in dividends receivable	6,690	44,240
Increase (decrease) in accrued liabilities	(9,876)	(1,242)
Net cash flows from (used in) operating activities	8,207,685	28,380,154
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(4,146)	(72,265)
Proceeds from redeemable units issued	6,426,963	14,675,877
Redemption of redeemable units	(14,882,275)	(45,016,465)
Net cash flows from (used in) financing activities	(8,459,458)	(30,412,853)
Net increase (decrease) in cash and cash equivalents	(251,773)	(2,032,699)
Cash and cash equivalents at beginning of year	659,689	2,692,388
Cash and cash equivalents at end of year*	407,916	659,689
Supplementary information		
Cash flow from operating activities		
Interest received	1,856	10,130
Dividends received, net of withholding taxes	597,445	833,847
*Cash and cash equivalents include:		
Cash at banks	208,148	10,468
Short-term investments	199,768	649,221
Total	407,916	659,689

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Global Dividend Fund

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 2.89%)									
Treasury Bills									
200,000	Government of Canada	0.493%	9-Mar-17	199,768	199,768	1.37			
				199,768	199,768	1.37			
Common Stocks (2015 – 96.69%)									
Denmark									
2,200	Carlsberg A/S			251,650	255,084	1.75			
				251,650	255,084	1.75			
Finland									
12,075	Konecranes OYJ			389,497	576,960	3.96			
				389,497	576,960	3.96			
France									
3,000	Air Liquide SA			423,560	448,322	3.08			
2,580	Cie Générale des Établissements Michelin			293,320	385,739	2.65			
				716,880	834,061	5.73			
Germany									
5,300	BASF SE			545,821	662,041	4.55			
2,600	Bayer AG			408,595	364,567	2.50			
3,000	Deutsche Boerse AG			327,481	324,285	2.23			
11,600	GEA Group AG			611,961	627,280	4.31			
100,600	Telefonica Deutschland Holding AG			619,526	579,150	3.98			
				2,513,384	2,557,323	17.57			
Ireland									
4,490	Ingersoll-Rand PLC			359,972	451,842	3.10			
				359,972	451,842	3.10			
Japan									
4,600	Kao Corp.			292,755	293,065	2.01			
				292,755	293,065	2.01			
Netherlands									
141,600	Koninklijke KPN NV			590,632	563,620	3.87			
				590,632	563,620	3.87			
Norway									
57,300	Atea ASA			638,678	709,712	4.87			
				638,678	709,712	4.87			
						Singapore			
							531,428	518,294	3.56
							531,428	518,294	3.56
						Switzerland			
							260,398	302,598	2.08
							329,494	375,987	2.58
							589,892	678,585	4.66
						United Kingdom			
							854,727	898,267	6.17
							656,537	606,625	4.17
							425,107	395,909	2.72
							675,846	572,258	3.93
							2,612,217	2,473,059	16.99
						United States			
							369,867	466,924	3.21
							527,652	691,496	4.75
							791,272	811,765	5.58
							661,716	707,625	4.86
							198,218	300,872	2.07
							742,992	837,255	5.75
							587,805	730,174	5.02
							3,879,522	4,546,111	31.24
						Total Common Stocks			
						13,366,507			
						14,457,716			
						99.31			
						Transaction Costs			
						(32,875)			
						Total Investments			
						13,333,632			
						14,457,716			
						99.31			
						Total Investments and Short-Term Investments			
						13,533,400			
						14,657,484			
						100.68			
						Other Assets Net of Liabilities			
						(98,344)			
						-0.68			
						Net Assets Attributable to Holders of Redeemable Units			
						14,559,140			
						100.00			

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Global Dividend Fund (the "Fund") is to seek maximum portfolio returns by investing in equities offering a high, sustainable yield or high dividend growth rate as well as offering the potential for capital appreciation. The Beutel Goodman Global Dividend Fund may invest in stocks, bonds, warrants, rights and short term investments having a term to maturity not exceeding 1 year and other equivalent securities of both Canadian and non-Canadian issuers. There will be a minimum of 20 and a maximum of 50 equity issues held in the portfolio. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
MSCI World Total Return Index	127	196
Total	127	196

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	150	4,532	(150)	4,532	31.1
British Pound	—	2,473	—	2,473	17.0
Japanese Yen	—	293	(291)	2	0.0
Norwegian Krone	—	710	—	710	4.9
United States Dollar	2	4,998	144	5,144	35.3
Singapore Dollar	—	518	—	518	3.6
Swiss Franc	—	679	—	679	4.7
Danish Krone	—	255	—	255	1.8
Total	152	14,458	(297)	14,313	98.4

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	—	6,648	—	6,648	29.7
British Pound	—	3,262	15	3,277	14.6
Norwegian Krone	—	2,321	—	2,321	10.4
United States Dollar	—	8,842	—	8,842	39.5
Singapore Dollar	—	590	—	590	2.6
Total	—	21,663	15	21,678	96.8

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$143,000 (December 31, 2015 \$216,600).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Country segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.37%	2.89%
Common Stocks		
Denmark	1.75%	—
Finland	3.96%	3.16%
France	5.73%	5.08%
Germany	17.57%	12.28%
Ireland	3.10%	—
Japan	2.01%	—
Netherlands	3.87%	10.33%
Norway	4.87%	10.36%
Singapore	3.56%	2.63%
Spain	—	1.97%
Switzerland	4.66%	—
United Kingdom	16.99%	14.56%
United States	31.24%	36.32%
Total	100.68%	99.58%

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class F	Class I
Balance, beginning of the year	520,767	371,137	987,820
Redeemable units issued for cash	65,799	100,949	369,517
Reinvested units	12,472	9,804	16,025
Redeemable units redeemed	(158,776)	(141,159)	(989,796)
Balance, end of year	440,262	340,731	383,566
2015	Class B	Class F	Class I
Balance, beginning of year	465,815	316,125	3,138,769
Redeemable units issued for cash	176,673	205,803	815,245
Reinvested units	41,741	31,977	302,679
Redeemable units redeemed	(163,462)	(182,768)	(3,268,873)
Balance, end of year	520,767	371,137	987,820

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	14,457,716	—	—	14,457,716
Total Assets	14,457,716	—	—	14,457,716

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	21,662,150	—	—	21,662,150
Total Assets	21,662,150	—	—	21,662,150

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Beutel Goodman ■ World Focus Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	639,514	545,677
Financial assets at fair value through profit or loss*	15,907,515	14,231,045
Accrued interest	150	108
Dividends receivable	10,043	10,051
Subscriptions receivable	48,025	45,767
Total assets	16,605,247	14,832,648
Liabilities		
Current liabilities		
Management and administrative fees payable	8,651	10,499
Redemptions payable	15,782	27,048
Distributions payable	—	22,436
Total liabilities (before net assets attributable to holders of redeemable units)	24,433	59,983
Net assets attributable to holders of redeemable units	16,580,814	14,772,665
*Investments at average cost	13,671,546	12,472,376
Net assets attributable to holders of redeemable units per class		
Class B	970,209	977,553
Class D	2,313,614	2,119,551
Class F	428,001	258,681
Class I	12,868,990	11,416,880
Net assets attributable to holders of redeemable units per unit		
Class B	13.78	13.05
Class D	5.32	5.05
Class F	14.25	13.56
Class I	5.67	5.39
Number of outstanding redeemable units (note 6)		
Class B	70,420	74,896
Class D	435,159	419,313
Class F	30,041	19,076
Class I	2,268,007	2,119,265

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	533,135	394,256
Interest for distribution purposes	1,952	3,060
Realized gain (loss) on sale of investments	716,246	1,400,747
Change in unrealized appreciation (depreciation) in the value of investments	477,300	462,467
Net gains (losses) on investments	1,728,633	2,260,530
Other income		
Realized gain (loss) on foreign currency transactions	(17,294)	(19,582)
Total income	1,711,339	2,240,948
Expenses		
Management fees	37,129	34,558
Administrative fees	16,353	15,174
Transaction costs (note 9)	14,397	20,778
Withholding taxes	62,700	40,834
Total expenses	130,579	111,344
Increase (decrease) in net assets attributable to holders of redeemable units	1,580,760	2,129,604
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	88,455	86,603
Class D	204,916	238,336
Class F	30,514	17,437
Class I	1,256,875	1,787,228
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	1.12	1.59
Class D	0.50	0.71
Class F	1.47	2.18
Class I	0.59	0.92

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ World Focus Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	977,553	597,749
Class D	2,119,551	1,464,422
Class F	258,681	38,452
Class I	11,416,880	11,609,279
	14,772,665	13,709,902
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	88,455	86,603
Class D	204,916	238,336
Class F	30,514	17,437
Class I	1,256,875	1,787,228
	1,580,760	2,129,604
Distribution to holders of redeemable units		
From net investment income		
Class B	(5,168)	(7,663)
Class D	(52,076)	(36,193)
Class F	(7,351)	(5,178)
Class I	(352,538)	(267,356)
From net realized gains on investments		
Class B	(21,509)	(91,748)
Class D	(52,304)	(195,964)
Class F	(8,163)	(23,890)
Class I	(283,504)	(1,052,515)
	(782,613)	(1,680,507)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	267,525	369,341
Class D	765,735	727,517
Class F	199,656	202,792
Class I	1,883,802	3,247,817
Reinvestments of distributions to holders of redeemable units		
Class B	26,677	83,563
Class D	100,631	226,666
Class F	15,513	29,068
Class I	636,042	1,319,871
Redemption of redeemable units		
Class B	(363,324)	(60,292)
Class D	(772,839)	(305,233)
Class F	(60,849)	—
Class I	(1,688,567)	(5,227,444)
	1,010,002	613,666
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(7,344)	379,804
Class D	194,063	655,129
Class F	169,320	220,229
Class I	1,452,110	(192,399)
	1,808,149	1,062,763
Net assets attributable to holders of redeemable units at end of year		
Class B	970,209	977,553
Class D	2,313,614	2,119,551
Class F	428,001	258,681
Class I	12,868,990	11,416,880
	16,580,814	14,772,665

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	1,580,760	2,129,604
Adjustments for:		
Net realized (gain) loss on sale of investments	(716,246)	(1,400,747)
Change in unrealized (appreciation) depreciation in the value of investments	(477,300)	(462,467)
Purchases of investments	(4,500,773)	(5,365,466)
Proceeds from sale of investments	4,017,849	6,117,109
(Increase) decrease in accrued interest	(42)	154
(Increase) decrease in dividends receivable	8	5,196
Increase (decrease) in accrued liabilities	(1,848)	4,445
Net cash flows from (used in) operating activities	(97,592)	1,027,828
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(26,186)	(30,756)
Proceeds from redeemable units issued	3,114,460	4,559,510
Redemption of redeemable units	(2,896,845)	(5,585,185)
Net cash flows from (used in) financing activities	191,429	(1,056,431)
Net increase (decrease) in cash and cash equivalents	93,837	(28,603)
Cash and cash equivalents at beginning of year	545,677	574,280
Cash and cash equivalents at end of year*	639,514	545,677
Supplementary information		
Cash flow from operating activities		
Interest received	1,910	3,214
Dividends received, net of withholding taxes	470,443	358,618
*Cash and cash equivalents include:		
Cash at banks	15,232	21,303
Short-term investments	624,282	524,374
Total	639,514	545,677

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ World Focus Equity Fund

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 3.56%)									
Treasury Bills									
550,000	Government of Canada	0.481%	9-Mar-17	549,374	549,374	3.31			
50,000	Government of Canada	0.475%	23-Mar-17	49,938	49,938	0.30			
25,000	Government of Canada	0.448%	6-Apr-17	24,970	24,970	0.15			
				<u>624,282</u>	<u>624,282</u>	<u>3.76</u>			
Common Stocks (2015 – 96.32%)									
Denmark									
5,100	Carlsberg A/S			577,415	591,330	3.57			
				<u>577,415</u>	<u>591,330</u>	<u>3.57</u>			
Finland									
17,715	Konecranes OYJ			632,590	846,447	5.10			
				<u>632,590</u>	<u>846,447</u>	<u>5.10</u>			
France									
2,900	Air Liquide SA			400,660	433,378	2.61			
2,400	Cie Générale des Établissements Michelin			262,974	358,827	2.16			
				<u>663,634</u>	<u>792,205</u>	<u>4.77</u>			
Germany									
5,360	BASF SE			559,641	669,536	4.04			
3,680	Bayer AG			590,755	516,003	3.11			
7,580	GEA Group AG			390,336	409,895	2.47			
2,970	HeidelbergCement AG			229,836	372,337	2.25			
4,700	Merck KGaA			608,750	659,158	3.98			
				<u>2,379,318</u>	<u>2,626,929</u>	<u>15.85</u>			
Netherlands									
5,780	Akzo Nobel NV			477,575	485,557	2.93			
73,500	Koninklijke KPN NV			305,167	292,557	1.76			
8,420	Unilever NV			379,803	465,859	2.81			
				<u>1,162,545</u>	<u>1,243,973</u>	<u>7.50</u>			
Norway									
41,660	Atea ASA			467,105	515,997	3.11			
11,550	TGS Nopec Geophysical Co ASA			302,934	344,957	2.08			
				<u>770,039</u>	<u>860,954</u>	<u>5.19</u>			
						Switzerland			
4,930	Cie Financière Richemont SA				403,260	438,767	2.65		
6,350	Julius Baer Group Ltd.				369,721	378,971	2.29		
					<u>772,981</u>	<u>817,738</u>	<u>4.94</u>		
						United Kingdom			
28,260	IMI PLC				660,815	487,023	2.94		
17,210	Vodafone Group PLC, ADR				658,632	563,835	3.40		
					<u>1,319,447</u>	<u>1,050,858</u>	<u>6.34</u>		
						United States			
4,650	Amdocs Ltd.				176,588	363,242	2.19		
6,600	American Express Co.				617,004	655,681	3.95		
4,970	AmerisourceBergen Corp.				517,992	521,141	3.14		
9,350	Baxter International Inc.				393,657	555,974	3.35		
36,750	British Sky Broadcasting Group PLC				560,907	603,497	3.65		
4,120	Caterpillar Inc.				367,436	512,403	3.09		
4,430	JPMorgan Chase & Co.				227,948	512,639	3.09		
6,630	Kellogg Co.				535,571	655,371	3.96		
11,640	Oracle Corp.				433,269	600,201	3.62		
20,290	Symantec Corp.				471,853	650,048	3.92		
17,300	Teradyne Inc.				451,298	589,288	3.55		
11,980	Verizon Communications Inc.				667,330	857,596	5.17		
					<u>5,420,853</u>	<u>7,077,081</u>	<u>42.68</u>		
Total Common Stocks						13,698,822	15,907,515	95.94	
Transaction Costs						(27,276)			
Total Investments						13,671,546	15,907,515	95.94	
Total Investments and Short-Term Investments						14,295,828	16,531,797	99.70	
Other Assets Net of Liabilities							49,017	0.30	
Net Assets Attributable to Holders of Redeemable Units							16,580,814	100.00	

Beutel Goodman ■ World Focus Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman World Focus Equity Fund (the "Fund") is to seek long term capital growth through investment in common stocks and other equity securities of global issuers. The 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 Fund will seek to be diversified and generally fully invested, but there will be no specific geographic or sector constraints. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
MSCI World Total Return Index	156	136
Total	156	136

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	—	5,510	-	5,510	33.2
British Pound	—	1,091	-	1,091	6.6
Norwegian Krone	—	861	-	861	5.2
United States Dollar	—	7,037	10	7,047	42.4
Swiss Franc	—	818	-	818	4.9
Danish Krone	—	591	-	591	3.6
Total	—	15,908	10	15,918	95.9

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	—	4,371	—	4,371	29.6
British Pound	—	1,295	—	1,295	8.8
Norwegian Krone	—	795	—	795	5.4
United States Dollar	—	7,770	10	7,780	52.6
Total	—	14,231	10	14,241	96.4

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$159,000 (December 31, 2015 \$142,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman ■ World Focus Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Country segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	3.76%	3.56%
Common Stocks		
Denmark	3.57%	—
Finland	5.10%	3.32%
France	4.77%	3.23%
Germany	15.85%	15.77%
Netherlands	7.50%	7.27%
Norway	5.19%	5.39%
Spain	—	2.01%
Switzerland	4.94%	—
United Kingdom	6.34%	12.18%
United States	42.68%	47.15%
Total	99.70%	99.88%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	15,907,515	—	—	15,907,515
Total Assets	15,907,515	—	—	15,907,515

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	14,231,045	—	—	14,231,045
Total Assets	14,231,045	—	—	14,231,045

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	74,896	419,313	19,076	2,119,265
Redeemable units issued for cash	21,178	152,473	14,247	348,126
Reinvested units	1,850	19,131	1,094	112,897
Redeemable units redeemed	(27,504)	(155,758)	(4,376)	(312,281)
Balance, end of year	70,420	435,159	30,041	2,268,007

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	46,951	297,340	2,898	2,217,133
Redeemable units issued for cash	25,774	132,573	14,034	551,428
Reinvested units	6,402	44,746	2,144	245,790
Redeemable units redeemed	(4,231)	(55,346)	—	(895,086)
Balance, end of year	74,896	419,313	19,076	2,119,265

Beutel Goodman - Global Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	6,152,549	6,388,538
Financial assets at fair value through profit or loss*	383,204,506	422,745,897
Accrued interest	510	807
Dividends receivable	316,310	331,838
Due from brokers	777,420	—
Subscriptions receivable	411,957	16,060
Total assets	390,863,252	429,483,140
Liabilities		
Current liabilities		
Management and administrative fees payable	38,011	44,821
Due to brokers	2,360,937	—
Redemptions payable	946,530	861,346
Distributions payable	5,731	25
Total liabilities (before net assets attributable to holders of redeemable units)	3,351,209	906,192
Net assets attributable to holders of redeemable units	387,512,043	428,576,948
*Investments at average cost	339,753,613	367,978,950
Net assets attributable to holders of redeemable units per class		
Class B	346,761	402,958
Class D	510,632	526,597
Class F	256,846	259,272
Class I	386,397,804	427,388,121
Net assets attributable to holders of redeemable units per unit		
Class B	11.33	11.60
Class D	11.62	11.94
Class F	11.35	11.65
Class I	12.92	13.27
Number of outstanding redeemable units (note 6)		
Class B	30,604	34,752
Class D	43,951	44,111
Class F	22,635	22,249
Class I	29,909,591	32,209,891

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	14,420,035	13,018,470
Interest for distribution purposes	33,487	52,349
Realized gain (loss) on sale of investments	31,908,987	39,780,105
Change in unrealized appreciation (depreciation) in the value of investments	(11,316,054)	11,838,323
Net gains (losses) on investments	35,046,455	64,689,247
Other income		
Realized gain (loss) on foreign currency transactions	(856,440)	(478,451)
Total income	34,190,015	64,210,796
Expenses		
Management fees	17,117	20,753
Administrative fees	441,045	527,705
Transaction costs (note 9)	627,111	665,761
Withholding taxes	1,666,360	1,406,237
Total expenses	2,751,633	2,620,456
Increase (decrease) in net assets attributable to holders of redeemable units	31,438,382	61,590,340
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	20,451	86,668
Class D	30,680	39,340
Class F	17,298	28,070
Class I	31,369,953	61,436,262
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.60	1.73
Class D	0.72	1.27
Class F	0.80	1.41
Class I	1.02	1.86

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Global Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	402,958	771,459
Class D	526,597	307,660
Class F	259,272	211,926
Class I	427,388,121	439,683,407
	428,576,948	440,974,452
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	20,451	86,668
Class D	30,680	39,340
Class F	17,298	28,070
Class I	31,369,953	61,436,262
	31,438,382	61,590,340
Distribution to holders of redeemable units		
From net investment income		
Class B	(2,270)	(117)
Class D	(8,638)	(7,357)
Class F	(4,602)	(3,164)
Class I	(12,322,174)	(11,185,592)
From net realized gains on investments		
Class B	(26,476)	(32,577)
Class D	(38,364)	(43,679)
Class F	(19,123)	(20,742)
Class I	(31,316,001)	(38,324,220)
	(43,737,648)	(49,617,448)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	91,389	579,731
Class D	76,039	272,894
Class F	1,848	25,240
Class I	48,258,658	30,209,267
Reinvestments of distributions to holders of redeemable units		
Class B	26,945	28,443
Class D	45,486	51,036
Class F	23,724	23,906
Class I	43,633,041	49,509,802
Redemption of redeemable units		
Class B	(166,236)	(1,030,649)
Class D	(121,168)	(93,297)
Class F	(21,571)	(5,964)
Class I	(120,613,794)	(103,940,805)
	(28,765,639)	(24,370,396)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(56,197)	(368,501)
Class D	(15,965)	218,937
Class F	(2,426)	47,346
Class I	(40,990,317)	(12,295,286)
	(41,064,905)	(12,397,504)
Net assets attributable to holders of redeemable units at end of year		
Class B	346,761	402,958
Class D	510,632	526,597
Class F	256,846	259,272
Class I	386,397,804	427,388,121
	387,512,043	428,576,948

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	31,438,382	61,590,340
Adjustments for:		
Net realized (gain) loss on sale of investments	(31,908,987)	(39,780,105)
Change in unrealized (appreciation) depreciation in the value of investments	11,316,054	(11,838,323)
Purchases of investments	(153,819,307)	(173,356,668)
Proceeds from sale of investments	215,537,148	225,212,760
(Increase) decrease in accrued interest	297	4,395
(Increase) decrease in dividends receivable	15,528	80,670
Increase (decrease) in accrued liabilities	(6,810)	(641)
Net cash flows from (used in) operating activities	72,572,305	61,912,428
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(2,746)	(4,752)
Proceeds from redeemable units issued	48,032,037	31,097,590
Redemption of redeemable units	(120,837,585)	(104,209,435)
Net cash flows from (used in) financing activities	(72,808,294)	(73,116,597)
Net increase (decrease) in cash and cash equivalents	(235,989)	(11,204,169)
Cash and cash equivalents at beginning of year	6,388,538	17,592,707
Cash and cash equivalents at end of year*	6,152,549	6,388,538
Supplementary information		
Cash flow from operating activities		
Interest received	33,784	56,744
Dividends received, net of withholding taxes	12,769,203	11,692,903
*Cash and cash equivalents include:		
Cash at banks	908,761	121,101
Short-term investments	5,243,788	6,267,437
Total	6,152,549	6,388,538

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Global Equity Fund

Schedule of Investment Portfolio as at December 31, 2016

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 1.46%)									
Treasury Bills									
925,000	Government of Canada	0.481%	9-Mar-17	923,789	923,789	0.24			
1,450,000	Government of Canada	0.469%	23-Mar-17	1,448,420	1,448,420	0.37			
2,875,000	Government of Canada	0.448%	6-Apr-17	2,871,579	2,871,579	0.74			
				5,243,788	5,243,788	1.35			
Common Stocks (2015 – 98.64%)									
Denmark									
65,800	Carlsberg A/S			7,453,419	7,629,316	1.97			
				7,453,419	7,629,316	1.97			
Finland									
156,300	Konecranes OYJ			4,524,713	7,468,229	1.93			
				4,524,713	7,468,229	1.93			
France									
64,400	Air Liquide SA			9,092,189	9,623,973	2.48			
85,000	BNP Paribas SA			5,808,037	7,280,012	1.88			
33,200	Cie Générale des Établissements Michelin			3,535,015	4,963,775	1.28			
				18,435,241	21,867,760	5.64			
Germany									
79,500	BASF SE			8,326,525	9,930,612	2.56			
67,400	Bayer AG			10,499,550	9,450,701	2.44			
55,400	Deutsche Boerse AG			5,467,719	5,988,469	1.55			
165,400	GEA Group AG			8,569,056	8,944,145	2.31			
70,600	Henkel AG & Co KGaA			9,192,497	9,884,419	2.55			
91,900	Merck KGaA			11,616,171	12,888,645	3.33			
1,384,400	Telefonica Deutschland Holding AG			9,157,709	7,969,939	2.06			
				62,829,227	65,056,930	16.80			
Ireland									
117,900	Ingersoll-Rand PLC			9,412,262	11,864,628	3.06			
				9,412,262	11,864,628	3.06			
Japan									
43,800	FamilyMart Co., Ltd.			1,734,071	3,918,071	1.01			
195,500	Kao Corp.			13,392,418	12,455,280	3.21			
				15,126,489	16,373,351	4.22			
Netherlands									
3,049,500	Koninklijke KPN NV			12,883,708	12,138,129	3.13			
127,900	Unilever NV			5,769,191	7,076,408	1.83			
				18,652,899	19,214,537	4.96			
Norway									
792,522	Atea ASA			9,097,830	9,816,097	2.53			
889,434	Norsk Hydro ASA			4,862,446	5,723,005	1.48			
				13,960,276	15,539,102	4.01			
						Singapore			
488,000	DBS Group Holdings Ltd.			8,281,648	7,854,894	2.03			
				8,281,648	7,854,894	2.03			
						Switzerland			
99,200	Cie Financière Richemont SA			8,054,838	8,828,744	2.28			
169,400	Julius Baer Group Ltd.			9,921,600	10,109,863	2.61			
				17,976,438	18,938,607	4.89			
						United Kingdom			
840,700	British Sky Broadcasting Group PLC			12,769,462	13,805,719	3.56			
726,400	IMI PLC			15,140,296	12,518,534	3.23			
243,900	Spectris PLC			8,162,516	9,348,281	2.41			
3,523,400	Vodafone Group PLC			13,507,823	11,668,376	3.01			
				49,580,097	47,340,910	12.21			
						United States			
68,400	Amdocs Ltd.			5,190,632	5,343,177	1.38			
124,200	American Express Co.			11,491,527	12,338,719	3.18			
64,900	Ameriprise Financial Inc.			9,841,015	9,655,624	2.49			
111,200	AmerisourceBergen Corp.			11,454,577	11,660,133	3.01			
116,600	Baxter International Inc.			4,895,407	6,933,328	1.79			
132,600	Eli Lilly & Co.			10,597,202	13,078,975	3.38			
141,700	Halliburton Co.			6,168,470	10,278,609	2.65			
42,700	JPMorgan Chase & Co.			1,683,216	4,941,239	1.28			
91,400	Kellogg Co.			7,299,410	9,034,833	2.33			
218,800	Oracle Corp.			7,691,758	11,282,132	2.91			
68,300	Parker-Hannifin Corp.			9,978,983	12,823,195	3.31			
57,700	The Procter & Gamble Co.			5,761,535	6,506,029	1.68			
308,400	Symantec Corp.			7,708,158	9,880,480	2.55			
315,600	Teradyne Inc.			7,353,544	10,750,241	2.77			
133,400	Verizon Communications Inc.			7,183,906	9,549,528	2.46			
				114,299,340	144,056,242	37.17			
						Total Common Stocks			
						<u>340,532,049</u> <u>383,204,506</u> <u>98.89</u>			
						Transaction Costs			
						<u>(778,436)</u>			
						Total Investments			
						<u>339,753,613</u> <u>383,204,506</u> <u>98.89</u>			
						Total Investments and Short-Term Investments			
						<u>344,997,401</u> <u>388,448,294</u> <u>100.24</u>			
						Other Assets Net of Liabilities			
						<u>(936,251)</u> <u>(0.24)</u>			
						Net Assets Attributable to Holders of Redeemable Units			
						<u>387,512,043</u> <u>100.00</u>			

Beutel Goodman ■ Global Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Global Equity Fund (the "Fund") is to seek long-term enhancement of capital primarily through investments in common stocks and other equity securities of global issuers. The Fund's adviser seeks companies creating shareholder value through the sustainable generation of free cash flow. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
MSCI World Index	3,645	4,057
Total	3,645	4,057

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	786	113,607	(786)	113,607	29.3
British Pound	—	47,341	(797)	46,544	12.0
Norwegian Krone	—	15,539	—	15,539	4.0
Japanese Yen	—	16,373	88	16,461	4.3
United States Dollar	51	155,921	32	156,004	40.3
Singapore Dollar	—	7,855	—	7,855	2.0
Swiss Franc	—	18,939	—	18,939	4.9
Danish Krone	—	7,629	—	7,629	2.0
Total	837	383,204	(1,463)	382,578	98.8

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	—	105,344	—	105,344	24.6
British Pound	—	56,838	270	57,108	13.3
Norwegian Krone	—	22,862	—	22,862	5.3
Japanese Yen	—	18,572	—	18,572	4.3
United States Dollar	40	206,204	62	206,306	48.1
Singapore Dollar	—	8,969	—	8,969	2.1
Swiss Franc	—	3,957	—	3,957	0.9
Total	40	422,746	332	423,118	98.6

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$3,826,000 (December 31, 2015 \$4,231,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman ■ Global Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Country segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.35%	1.46%
Common Stocks		
Denmark	1.97%	—
Finland	1.93%	2.18%
France	5.64%	4.20%
Germany	16.80%	11.71%
Ireland	3.06%	1.99%
Japan	4.22%	4.33%
Netherlands	4.96%	7.41%
Norway	4.01%	5.34%
Singapore	2.03%	2.09%
Spain	—	1.46%
Switzerland	4.89%	0.92%
United Kingdom	12.21%	13.27%
United States	37.17%	43.74%
Total	100.24%	100.10%

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	34,752	44,111	22,249	32,209,891
Redeemable units issued for cash	8,369	6,580	162	3,729,937
Reinvested units	2,445	4,023	2,149	3,474,220
Redeemable units redeemed	(14,962)	(10,763)	(1,925)	(9,504,457)
Balance, end of year	30,604	43,951	22,635	29,909,591
2015	Class B	Class D	Class F	Class I
Balance, beginning of year	68,353	26,249	18,598	33,859,525
Redeemable units issued for cash	46,521	20,905	2,035	2,111,701
Reinvested units	2,494	4,347	2,087	3,795,583
Redeemable units redeemed	(82,616)	(7,390)	(471)	(7,556,918)
Balance, end of year	34,752	44,111	22,249	32,209,891

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	383,204,506	—	—	383,204,506
Total Assets	383,204,506	—	—	383,204,506

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	422,631,415	114,482	—	422,745,897
Total Assets	422,631,415	114,482	—	422,745,897

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Beutel Goodman ■ International Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,423,853	3,387,741
Financial assets at fair value through profit or loss*	132,884,955	132,452,931
Accrued interest	243	1,208
Dividends receivable	108,584	89,349
Due from brokers	520,376	—
Subscriptions receivable	16,632	11,826
Total assets	134,954,643	135,943,055
Liabilities		
Current liabilities		
Management and administrative fees payable	20,275	21,596
Due to brokers	808,925	—
Redemptions payable	11,343	74,204
Total liabilities (before net assets attributable to holders of redeemable units)	840,543	95,800
Net assets attributable to holders of redeemable units	134,114,100	135,847,255
*Investments at average cost	124,119,374	121,147,796
Net assets attributable to holders of redeemable units per class		
Class B	65,840	152,770
Class D	4,037,148	3,068,192
Class F	129,366	73,823
Class I	129,881,746	132,552,470
Net assets attributable to holders of redeemable units per unit		
Class B	12.06	12.01
Class D	4.90	4.93
Class F	4.96	4.98
Class I	5.29	5.30
Number of outstanding redeemable units (note 6)		
Class B	5,458	12,716
Class D	824,122	622,238
Class F	26,097	14,814
Class I	24,558,993	24,993,206

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	4,413,263	4,086,358
Interest for distribution purposes	9,070	15,806
Realized gain (loss) on sale of investments	2,328,926	3,658,298
Change in unrealized appreciation (depreciation) in the value of investments	(2,539,554)	10,001,717
Net gains (losses) on investments	4,211,705	17,762,179
Other income		
Realized gain (loss) on foreign currency transactions	(197,048)	(209,307)
Total income	4,014,657	17,552,872
Expenses		
Management fees	33,045	35,304
Administrative fees	140,737	155,225
Transaction costs (note 9)	205,548	295,021
Withholding taxes	432,117	324,615
Total expenses	811,447	810,165
Increase (decrease) in net assets attributable to holders of redeemable units	3,203,210	16,742,707
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	(4,274)	(2)
Class D	104,551	452,508
Class F	6,204	6,386
Class I	3,096,729	16,283,815
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	(0.47)	—
Class D	0.17	0.69
Class F	0.28	0.46
Class I	0.13	0.65

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ International Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	152,770	59,464
Class D	3,068,192	3,780,113
Class F	73,823	51,802
Class I	132,552,470	126,261,584
	135,847,255	130,152,963
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(4,274)	(2)
Class D	104,551	452,508
Class F	6,204	6,386
Class I	3,096,729	16,283,815
	3,203,210	16,742,707
Distribution to holders of redeemable units		
From net investment income		
Class B	-	(1,474)
Class D	(84,805)	(46,630)
Class F	(2,466)	(1,149)
Class I	(3,655,044)	(3,542,140)
	(3,742,315)	(3,591,393)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	—	116,580
Class D	1,411,553	830,167
Class F	82,656	26,285
Class I	22,770,754	13,232,070
Reinvestments of distributions to holders of redeemable units		
Class B	—	1,474
Class D	84,546	46,474
Class F	2,466	1,149
Class I	3,035,088	2,869,393
Redemption of redeemable units		
Class B	(82,656)	(23,272)
Class D	(546,889)	(1,994,440)
Class F	(33,317)	(10,650)
Class I	(27,918,251)	(22,552,252)
	(1,194,050)	(7,457,022)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(86,930)	93,306
Class D	968,956	(711,921)
Class F	55,543	22,021
Class I	(2,670,724)	6,290,886
	(1,733,155)	5,694,292
Net assets attributable to holders of redeemable units at end of year		
Class B	65,840	152,770
Class D	4,037,148	3,068,192
Class F	129,366	73,823
Class I	129,881,746	132,552,470
	134,114,100	135,847,255

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	3,203,210	16,742,707
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,328,926)	(3,658,298)
Change in unrealized (appreciation) depreciation in the value of investments	2,539,554	(10,001,717)
Purchases of investments	(50,083,529)	(59,672,364)
Proceeds from sale of investments	49,729,426	66,460,054
(Increase) decrease in accrued interest	965	(149)
(Increase) decrease in dividends receivable	(19,235)	5,607
Increase (decrease) in accrued liabilities	(1,321)	(4,457)
Net cash flows from (used in) operating activities	3,040,144	9,871,383
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(620,215)	(672,903)
Proceeds from redeemable units issued	24,260,157	14,193,276
Redemption of redeemable units	(28,643,974)	(24,507,433)
Net cash flows from (used in) financing activities	(5,004,032)	(10,987,060)
Net increase (decrease) in cash and cash equivalents	(1,963,888)	(1,115,677)
Cash and cash equivalents at beginning of year	3,387,741	4,503,418
Cash and cash equivalents at end of year*	1,423,853	3,387,741
Supplementary information		
Cash flow from operating activities		
Interest received	10,035	15,657
Dividends received, net of withholding taxes	3,961,911	3,767,350
*Cash and cash equivalents include:		
Cash at banks	75,455	91,423
Short-term investments	1,348,398	3,296,318
Total	1,423,853	3,387,741

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ International Equity Fund

Schedule of Investment Portfolio *as at December 31, 2016*

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 2.42%)									
Treasury Bills									
325,000	Government of Canada	0.483%	9-Mar-17	324,617	324,617	0.24			
1,000,000	Government of Canada	0.469%	23-Mar-17	998,811	998,811	0.74			
25,000	Government of Canada	0.448%	6-Apr-17	24,970	24,970	0.02			
				<u>1,348,398</u>	<u>1,348,398</u>	<u>1.00</u>			
Common Stocks (2015 – 97.51%)									
Denmark									
40,280	Carlsberg A/S			4,790,409	4,670,347	3.48			
				<u>4,790,409</u>	<u>4,670,347</u>	<u>3.48</u>			
Finland									
117,208	Konecranes OYJ			4,049,622	5,600,360	4.18			
				<u>4,049,622</u>	<u>5,600,360</u>	<u>4.18</u>			
France									
28,100	Air Liquide SA			3,922,469	4,199,280	3.13			
21,990	BNP Paribas SA			1,688,733	1,883,382	1.40			
31,630	Cie Générale des Établissements Michelin			3,528,633	4,729,042	3.53			
				<u>9,139,835</u>	<u>10,811,704</u>	<u>8.06</u>			
Germany									
42,990	BASF SE			4,592,704	5,370,025	4.00			
39,980	Bayer AG			6,626,162	5,605,920	4.18			
40,100	Deutsche Boerse AG			3,786,455	4,334,614	3.23			
87,460	GEA Group AG			4,459,783	4,729,473	3.53			
32,210	HeidelbergCement AG			3,008,458	4,038,039	3.01			
30,570	Henkel AG & Co KGaA			4,097,012	4,279,982	3.19			
61,600	Merck KGaA			7,997,660	8,639,178	6.45			
755,980	Telefonica Deutschland Holding AG			4,570,233	4,352,149	3.25			
				<u>39,138,467</u>	<u>41,349,380</u>	<u>30.84</u>			
Japan									
30,900	FamilyMart Co., Ltd.			1,619,744	2,764,119	2.06			
89,300	Kao Corp.			6,186,662	5,689,292	4.24			
116,700	NTT DOCOMO Inc.			2,076,464	3,573,227	2.66			
520,600	Resona Holdings Inc.			2,958,572	3,588,492	2.68			
				<u>12,841,442</u>	<u>15,615,130</u>	<u>11.64</u>			
						Netherlands			
47,489	Akzo Nobel NV			3,706,178	3,989,380	2.97			
1,026,440	Koninklijke KPN NV			4,266,720	4,085,608	3.05			
74,040	Unilever NV			3,435,500	4,096,460	3.05			
				<u>11,408,398</u>	<u>12,171,448</u>	<u>9.07</u>			
						Norway			
467,900	Atea ASA			5,380,503	5,795,362	4.32			
574,608	Norsk Hydro ASA			3,166,818	3,697,278	2.76			
63,270	TGS Nopec Geophysical Co ASA			1,756,351	1,889,645	1.41			
				<u>10,303,672</u>	<u>11,382,285</u>	<u>8.49</u>			
						Singapore			
257,600	DBS Group Holdings Ltd.			4,366,236	4,146,354	3.09			
				<u>4,366,236</u>	<u>4,146,354</u>	<u>3.09</u>			
						Switzerland			
32,610	Cie Financière Richemont SA			2,631,713	2,902,272	2.16			
73,890	Julius Baer Group Ltd.			4,415,069	4,409,786	3.29			
				<u>7,046,782</u>	<u>7,312,058</u>	<u>5.45</u>			
						United Kingdom			
314,300	British Sky Broadcasting Group PLC			5,002,700	5,161,338	3.85			
225,820	IMI PLC			4,985,393	3,891,706	2.90			
102,060	Spectris PLC			3,471,841	3,911,790	2.92			
394,960	Vesuvius PLC			2,804,940	2,587,166	1.93			
1,290,550	Vodafone Group PLC			5,119,248	4,273,889	3.19			
				<u>21,384,122</u>	<u>19,825,889</u>	<u>14.79</u>			
						Total Common Stocks			
						<u>124,468,985</u>			
						<u>132,884,955</u>			
						<u>99.09</u>			
						Transaction Costs			
						<u>(349,611)</u>			
						Total Investments			
						<u>124,119,374</u>			
						<u>132,884,955</u>			
						<u>99.09</u>			
						Total Investments and Short-Term Investments			
						<u>125,467,772</u>			
						<u>134,233,353</u>			
						<u>100.09</u>			
						Other Assets Net of Liabilities			
						<u>(119,253)</u>			
						<u>(0.09)</u>			
						Net Assets Attributable to Holders of Redeemable Units			
						<u>134,114,100</u>			
						<u>100.00</u>			

Beutel Goodman ■ International Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman International Equity Fund (the "Fund") is to seek long-term enhancement of capital primarily through investments in common stocks and other equity securities of non-North American issuers. The Fund's adviser seeks companies creating shareholder value through the sustainable generation of free cash flow. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
MSCI EAFE Total Return Index	1,269	1,280
Total	1,269	1,280

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	—	69,934	239	70,173	52.4
British Pound	—	19,826	(650)	19,176	14.3
Norwegian Krone	—	11,382	122	11,504	8.6
Japanese Yen	—	15,615	40	15,655	11.7
Singapore Dollar	—	4,146	—	4,146	3.1
Swiss Franc	—	7,312	—	7,312	5.5
Danish Krone	—	4,670	—	4,670	3.5
Total	—	132,885	(249)	132,636	99.1

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Euro Currency	—	67,032	—	67,032	49.3
British Pound	—	27,813	89	27,902	20.5
Norwegian Krone	—	15,864	—	15,864	11.7
Japanese Yen	—	10,837	—	10,837	8.0
United States Dollar	—	4,448	—	4,448	3.3
Singapore Dollar	—	3,535	—	3,535	2.6
Swiss Franc	—	2,924	—	2,924	2.2
Total	—	132,453	89	132,542	97.6

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$1,326,000 (December 31, 2015 \$1,325,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Beutel Goodman ■ International Equity Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Country segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.00%	2.42%
Common Stocks		
Denmark	3.48%	—
Finland	4.18%	3.73%
France	8.06%	5.27%
Germany	30.84%	27.95%
Japan	11.64%	7.97%
Netherlands	9.07%	13.62%
Norway	8.49%	11.67%
Singapore	3.09%	2.60%
Spain	—	2.08%
Switzerland	5.45%	2.15%
United Kingdom	14.79%	20.47%
Total	100.09%	99.93%

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	132,884,955	—	—	132,884,955
Total Assets	132,884,955	—	—	132,884,955

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	132,397,056	55,875	—	132,452,931
Total Assets	132,397,056	55,875	—	132,452,931

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	12,716	622,238	14,814	24,993,206
Redeemable units issued for cash	—	301,434	17,410	4,424,323
Reinvested units	—	17,533	505	582,539
Redeemable units redeemed	(7,258)	(117,083)	(6,632)	(5,441,075)
Balance, end of year	5,458	824,122	26,097	24,558,993
2015	Class B	Class D	Class F	Class I
Balance, beginning of the year	5,406	842,566	11,395	26,111,859
Redeemable units issued for cash	9,141	166,916	5,328	2,453,986
Reinvested units	125	9,547	235	552,603
Redeemable units redeemed	(1,956)	(396,791)	(2,144)	(4,125,242)
Balance, end of year	12,716	622,238	14,814	24,993,206

Beutel Goodman ■ American Equity Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	40,669,901	21,550,145
Financial assets at fair value through profit or loss*	998,656,450	860,232,087
Accrued interest	8,367	2,554
Dividends receivable	377,617	342,977
Subscriptions receivable	3,039,024	342,168
Total assets	1,042,751,359	882,469,931
Liabilities		
Current liabilities		
Management and administrative fees payable	371,901	314,120
Redemptions payable	843,298	873,778
Distributions payable	16	101
Total liabilities (before net assets attributable to holders of redeemable units)	1,215,215	1,187,999
Net assets attributable to holders of redeemable units	1,041,536,144	881,281,932
*Investments at average cost	771,869,448	678,750,838
Net assets attributable to holders of redeemable units per class		
Class B	53,042,286	43,842,505
Class D	128,918,987	106,897,063
Class F	72,157,343	54,805,318
Class I	787,417,528	675,737,046
Net assets attributable to holders of redeemable units per unit		
Class B	21.16	19.42
Class D	14.56	13.35
Class F	14.78	13.54
Class I	15.88	14.53
Number of outstanding redeemable units (note 6)		
Class B	2,506,315	2,257,920
Class D	8,853,095	8,009,324
Class F	4,883,420	4,047,249
Class I	49,575,978	46,502,376

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Dividends	28,686,483	18,534,409
Interest for distribution purposes	44,918	118,354
Realized gain (loss) on sale of investments	65,815,613	74,706,854
Change in unrealized appreciation (depreciation) in the value of investments	45,305,753	32,667,522
Net gains (losses) on investments	139,852,767	126,027,139
Other income		
Realized gain (loss) on foreign currency transactions	(208,735)	120,475
Unrealized gain (loss) on foreign currency transactions	(508,470)	606,302
Total income	139,135,562	126,753,916
Expenses		
Management fees	2,881,175	2,571,422
Administrative fees	999,308	938,155
Transaction costs (note 9)	434,126	566,472
Withholding taxes	4,038,254	2,532,015
Total expenses	8,352,863	6,608,064
Increase (decrease) in net assets attributable to holders of redeemable units	130,782,699	120,145,852
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	5,497,008	4,933,791
Class D	14,614,360	13,019,419
Class F	7,483,105	6,427,723
Class I	103,188,226	95,764,919
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	2.45	2.46
Class D	1.83	1.82
Class F	1.87	1.86
Class I	2.20	2.28

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ American Equity Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	43,842,505	29,671,604
Class D	106,897,063	76,673,625
Class F	54,805,318	35,693,432
Class I	675,737,046	531,248,750
	881,281,932	673,287,411
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	5,497,008	4,933,791
Class D	14,614,360	13,019,419
Class F	7,483,105	6,427,723
Class I	103,188,226	95,764,919
	130,782,699	120,145,852
Distribution to holders of redeemable units		
From net investment income		
Class B	(323,663)	—
Class D	(1,556,198)	(589,630)
Class F	(1,025,653)	(497,096)
Class I	(18,198,362)	(11,752,260)
From net realized gains on investments		
Class B	(1,444,207)	(3,113,419)
Class D	(3,530,548)	(7,586,500)
Class F	(1,854,223)	(3,892,362)
Class I	(21,713,230)	(47,980,033)
	(49,646,084)	(75,411,300)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	14,742,914	19,591,600
Class D	31,119,564	42,682,587
Class F	28,980,107	31,155,459
Class I	117,413,203	119,386,666
Reinvestments of distributions to holders of redeemable units		
Class B	1,687,269	2,890,680
Class D	4,920,806	7,876,293
Class F	2,565,190	3,899,152
Class I	39,622,302	59,360,559
Redemption of redeemable units		
Class B	(10,959,540)	(10,131,751)
Class D	(23,546,060)	(25,178,731)
Class F	(18,796,501)	(17,980,990)
Class I	(108,631,657)	(70,291,555)
	79,117,597	163,259,969
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	9,199,781	14,170,901
Class D	22,021,924	30,223,438
Class F	17,352,025	19,111,886
Class I	111,680,482	144,488,296
	160,254,212	207,994,521
Net assets attributable to holders of redeemable units at end of year		
Class B	53,042,286	43,842,505
Class D	128,918,987	106,897,063
Class F	72,157,343	54,805,318
Class I	787,417,528	675,737,046
	1,041,536,144	881,281,932

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	130,782,699	120,145,852
Adjustments for:		
Unrealized (gain) loss on foreign currency transactions	508,470	(606,302)
Net realized (gain) loss on sale of investments	(65,815,613)	(74,706,854)
Change in unrealized (appreciation) depreciation in the value of investments	(45,305,753)	(32,667,522)
Purchases of investments	(237,252,463)	(414,170,336)
Proceeds from sale of investments	209,949,466	307,394,373
(Increase) decrease in accrued interest	(5,813)	6,520
(Increase) decrease in dividends receivable	(34,640)	233,696
Increase (decrease) in accrued liabilities	57,781	72,541
Net cash flows from (used in) operating activities	(7,115,866)	(94,298,032)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(850,602)	(1,384,515)
Proceeds from redeemable units issued	189,558,932	213,658,154
Redemption of redeemable units	(161,964,238)	(122,865,762)
Net cash flows from (used in) financing activities	26,744,092	89,407,877
Unrealized gain (loss) on foreign currency transactions	(508,470)	606,302
Net increase (decrease) in cash and cash equivalents	19,628,226	(4,890,155)
Cash and cash equivalents at beginning of year	21,550,145	25,833,998
Cash and cash equivalents at end of year*	40,669,901	21,550,145
Supplementary information		
Cash flow from operating activities		
Interest received	39,105	124,874
Dividends received, net of withholding taxes	24,613,589	16,236,090
*Cash and cash equivalents include:		
Cash at banks	9,057,616	14,084,301
Short-term investments	31,612,285	7,465,844
Total	40,669,901	21,550,145

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ American Equity Fund

Schedule of Investment Portfolio *as at December 31, 2016*

Number of Shares/ Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value	Average Cost \$	Fair Value \$	% of Net Assets		
Short-Term Investments (2015 – 0.85%)						Health Care					
Treasury Bills						Pharmaceuticals & Biotechnology					
6,325,000	Government of Canada	0.490%	23-Feb-17	6,317,139	6,317,139	0.61	433,000	AmerisourceBergen Corp.	44,711,861	45,403,216	4.36
13,325,000	Government of Canada	0.481%	9-Mar-17	13,309,258	13,309,258	1.28	659,200	Baxter International Inc.	28,991,270	39,197,683	3.76
8,000,000	Government of Canada	0.469%	23-Mar-17	7,990,648	7,990,648	0.77	495,400	Eli Lilly & Co.	39,155,594	48,863,681	4.69
4,000,000	Government of Canada	0.448%	6-Apr-17	3,995,240	3,995,240	0.38	130,100	Johnson & Johnson	12,356,010	20,100,876	1.93
				<u>31,612,285</u>	<u>31,612,285</u>	<u>3.04</u>	307,100	Merck & Co., Inc.	16,888,376	24,244,954	2.33
									<u>142,103,111</u>	<u>177,810,410</u>	<u>17.07</u>
Common Stocks (2015 – 97.61%)						Financials					
United States						Banks					
Energy						301,500 BB&T Corp.					
646,400	Halliburton Co.			32,011,253	46,888,445	4.50	353,300	Wells Fargo & Co.	10,882,701	19,011,547	1.83
				<u>32,011,253</u>	<u>46,888,445</u>	<u>4.50</u>			<u>16,237,386</u>	<u>26,110,883</u>	<u>2.51</u>
Industrial						Credit Services					
Capital Goods						604,300 American Express Co.					
316,800	Caterpillar Inc.			31,242,434	39,400,322	3.78			56,664,597	60,034,524	5.76
581,100	Ingersoll-Rand PLC			38,989,888	58,477,824	5.61			<u>56,664,597</u>	<u>60,034,524</u>	<u>5.76</u>
338,800	Parker-Hannifin Corp.			50,298,897	63,609,055	6.11	Diversified Financials				
108,300	United Technologies Corp.			12,162,128	15,920,832	1.53	287,200	Ameriprise Financial Inc.	42,514,694	42,728,742	4.10
				<u>132,693,347</u>	<u>177,408,033</u>	<u>17.03</u>	279,100	JPMorgan Chase & Co.	16,472,483	32,297,418	3.10
Commercial Services & Supplies						Information Technology					
104,400	Allegion PLC			5,377,703	8,960,412	0.86	Software & Services				
				<u>5,377,703</u>	<u>8,960,412</u>	<u>0.86</u>	536,500	Amdocs Ltd.	28,705,341	41,909,566	4.02
Transportation						669,100 Cadence Design Systems Inc.					
210,800	CSX Corp.			6,643,390	10,157,231	0.98	1,071,600	Oracle Corp.	19,477,262	22,629,951	2.17
				<u>6,643,390</u>	<u>10,157,231</u>	<u>0.98</u>	1,639,900	Symantec Corp.	43,701,177	55,255,632	5.31
				<u>144,714,440</u>	<u>196,525,676</u>	<u>18.87</u>	1,647,400	Teradyne Inc.	42,707,863	52,538,905	5.04
Consumer Staples						Telecommunication Services					
Food & Staples Retailing						944,600 Verizon Communications Inc.					
257,700	CVS Health Corp.			23,712,489	27,270,554	2.62			53,765,859	67,619,821	6.49
				<u>23,712,489</u>	<u>27,270,554</u>	<u>2.62</u>			<u>53,765,859</u>	<u>67,619,821</u>	<u>6.49</u>
Household & Personal Products						Total Common Stocks					
278,600	The Procter & Gamble Co.			25,851,242	31,413,861	3.02	<u>772,631,778</u>				
				<u>25,851,242</u>	<u>31,413,861</u>	<u>3.02</u>	Transaction Costs				
							<u>(762,330)</u>				
Food Beverage & Tobacco						Total Investments					
429,900	Kellogg Co.			35,152,107	42,495,345	4.08	<u>771,869,448</u>				
				<u>35,152,107</u>	<u>42,495,345</u>	<u>4.08</u>	Total Investments and Short-Term Investments				
				<u>84,715,838</u>	<u>101,179,760</u>	<u>9.72</u>	<u>803,481,733</u>				
							Other Assets Net of Liabilities				
							<u>11,267,409</u>				
							Net Assets Attributable to Holders of Redeemable Units				
							<u>1,041,536,144</u>				
							<u>100.00</u>				

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of Beutel Goodman American Equity Fund (the "Fund") is to seek long-term enhancement of capital primarily through investments in common stocks and other equity securities of American issuers. The investment strategy for this Fund seeks companies creating shareholder value through the sustainable generation of free cash flow. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund had no significant investments in debt instruments, other than short-term investments. Accordingly, the Fund is not subject to significant amounts of credit risk.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the table below. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
S&P 500 Index	9,663	8,145
Total	9,663	8,145

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2016 and December 31, 2015 are as follows:

Dec. 31, 2016

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	9,039	998,656	378	1,008,073	96.8
Total	9,039	998,656	378	1,008,073	96.8

Dec. 31, 2015

	Cash and cash equivalents	Financial assets at fair value	Other assets and liabilities	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	14,078	860,232	343	874,653	99.2
Total	14,078	860,232	343	874,653	99.2

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents), other financial assets (including dividends, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2016 and December 31, 2015, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$10,081,000 (December 31, 2015 \$8,747,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	3.04%	0.85%
Common Stocks		
Energy	4.50%	3.43%
Industrial	18.87%	18.90%
Consumer Discretionary	—	1.03%
Consumer Staples	9.72%	10.22%
Health Care	17.07%	17.69%
Financials	17.30%	21.65%
Information Technology	21.93%	18.46%
Telecommunication Services	6.49%	6.23%
Total	98.92%	98.46%

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	998,656,450	—	—	998,656,450
Total Assets	998,656,450	—	—	998,656,450

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Equity securities	860,232,087	—	—	860,232,087
Total Assets	860,232,087	—	—	860,232,087

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	2,257,920	8,009,324	4,047,249	46,502,376
Redeemable units issued for cash	732,068	2,253,498	2,050,271	7,859,683
Reinvested units	78,913	334,865	171,910	2,471,251
Redeemable units redeemed	(562,586)	(1,744,592)	(1,386,010)	(7,257,332)
Balance, end of year	2,506,315	8,853,095	4,883,420	49,575,978

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	1,627,450	6,125,890	2,809,410	38,993,352
Redeemable units issued for cash	991,209	3,126,413	2,229,686	8,046,373
Reinvested units	150,822	597,936	291,851	4,142,253
Redeemable units redeemed	(511,561)	(1,840,915)	(1,283,698)	(4,679,602)
Balance, end of year	2,257,920	8,009,324	4,047,249	46,502,376

Beutel Goodman ■ Income Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	4,369,571	1,865,698
Financial assets at fair value through profit or loss*	692,160,350	946,226,504
Accrued interest	3,493,133	4,685,860
Due from brokers	515,423	54,779
Subscriptions receivable	758,955	313,896
Total assets	701,297,432	953,146,737
Liabilities		
Current liabilities		
Management and administrative fees payable	69,173	85,011
Due to brokers	—	2,132
Redemptions payable	229,906	866,075
Distributions payable	3	116
Total liabilities (before net assets attributable to holders of redeemable units)	299,082	953,334
Net assets attributable to holders of redeemable units	700,998,350	952,193,403
*Investments at average cost	701,692,632	942,156,023
Net assets attributable to holders of redeemable units per class		
Class B	2,545,669	2,589,532
Class D	59,553,219	68,739,907
Class F	4,756,136	4,547,263
Class I	634,143,326	876,316,701
Net assets attributable to holders of redeemable units per unit		
Class B	9.47	9.62
Class D	11.85	12.03
Class F	9.53	9.68
Class I	12.15	12.34
Number of outstanding redeemable units (note 6)		
Class B	268,811	269,178
Class D	5,027,006	5,713,161
Class F	499,193	469,785
Class I	52,185,236	70,988,899

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	24,846,640	49,613,008
Realized gain (loss) on sale of investments	10,982,019	16,900,537
Change in unrealized appreciation (depreciation) in the value of investments	(13,602,763)	(25,114,478)
Net gains (losses) on investments	22,225,896	41,399,067
Other income		
Realized gain (loss) on foreign currency transactions	—	(65,921)
Total income	22,225,896	41,333,146
Expenses		
Management fees	490,698	569,327
Administrative fees	427,568	773,134
Total expenses	918,266	1,342,461
Increase (decrease) in net assets attributable to holders of redeemable units	21,307,630	39,990,685
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	25,801	25,338
Class D	1,099,195	1,055,468
Class F	65,184	152,575
Class I	20,117,450	38,757,304
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.10	0.09
Class D	0.20	0.17
Class F	0.14	0.30
Class I	0.32	0.33

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	2,589,532	3,098,464
Class D	68,739,907	86,972,423
Class F	4,547,263	14,819,293
Class I	876,316,701	2,014,281,286
	952,193,403	2,119,171,466
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	25,801	25,338
Class D	1,099,195	1,055,468
Class F	65,184	152,575
Class I	20,117,450	38,757,304
	21,307,630	39,990,685
Distribution to holders of redeemable units		
From net investment income		
Class B	(44,236)	(54,538)
Class D	(1,400,011)	(1,837,736)
Class F	(108,643)	(110,264)
Class I	(22,746,014)	(47,943,330)
From net realized gains on investments		
Class B	(20,838)	—
Class D	(526,385)	—
Class F	(40,757)	—
Class I	(6,529,212)	—
	(31,416,096)	(49,945,868)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	528,866	553,716
Class D	2,389,953	9,906,336
Class F	1,245,400	2,799,685
Class I	49,129,053	102,305,351
Reinvestments of distributions to holders of redeemable units		
Class B	64,308	54,434
Class D	1,815,559	1,740,028
Class F	129,096	96,658
Class I	28,659,006	47,400,024
Redemption of redeemable units		
Class B	(597,764)	(1,087,882)
Class D	(12,564,999)	(29,096,612)
Class F	(1,081,407)	(13,210,684)
Class I	(310,803,658)	(1,278,483,934)
	(241,086,587)	(1,157,022,880)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(43,863)	(508,932)
Class D	(9,186,688)	(18,232,516)
Class F	208,873	(10,272,030)
Class I	(242,173,375)	(1,137,964,585)
	(251,195,053)	(1,166,978,063)
Net assets attributable to holders of redeemable units at end of year		
Class B	2,545,669	2,589,532
Class D	59,553,219	68,739,907
Class F	4,756,136	4,547,263
Class I	634,143,326	876,316,701
	700,998,350	952,193,403

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	21,307,630	39,990,685
Adjustments for:		
Net realized (gain) loss on sale of investments	(10,982,019)	(16,900,537)
Change in unrealized (appreciation) depreciation in the value of investments	13,602,763	25,114,478
Purchases of investments	(2,131,122,528)	(2,439,245,283)
Proceeds from sale of investments	2,383,556,640	3,588,600,136
(Increase) decrease in accrued interest	1,192,727	8,429,152
Increase (decrease) in accrued liabilities	(15,838)	(66,339)
Net cash flows from (used in) operating activities	277,539,375	1,205,922,292
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(748,240)	(654,608)
Proceeds from redeemable units issued	51,396,735	115,806,734
Redemption of redeemable units	(325,683,997)	(1,326,714,984)
Net cash flows from (used in) financing activities	(275,035,502)	(1,211,562,858)
Net increase (decrease) in cash and cash equivalents	2,503,873	(5,640,566)
Cash and cash equivalents at beginning of year	1,865,698	7,506,264
Cash and cash equivalents at end of year*	4,369,571	1,865,698
Supplementary information		
Cash flow from operating activities		
Interest received	26,039,367	58,042,160
*Cash and cash equivalents include:		
Bank overdraft	24,812	(31,988)
Short-term investments	4,344,759	1,897,686
Total	4,369,571	1,865,698

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio as at December 31, 2016

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 0.20%)													
Treasury Bills													
4,350,000	Government of Canada	0.469%	23-Mar-17	4,344,759	4,344,759	0.62	270,000	Province of Saskatchewan	6.350%	25-Jan-30	376,731	363,228	0.05
				4,344,759	4,344,759	0.62	1,290,000	Province of Saskatchewan	5.800%	5-Sep-33	1,792,353	1,714,334	0.24
											270,977,582	263,636,939	37.60
Canadian Bonds (2015 – 99.37%)							Corporate Bonds						
Federal Bonds													
17,702,000	Canada Housing Trust No. 1	1.950%	15-Jun-19	18,260,097	18,097,079	2.58	884,501	Alliance Pipeline LP	5.546%	31-Dec-23	925,344	943,352	0.13
11,558,000	Canada Housing Trust No. 1	1.250%	15-Jun-21	11,588,994	11,461,491	1.64	1,002,443	Alliance Pipeline LP	6.765%	31-Dec-25	1,083,202	1,135,663	0.16
5,676,000	Canadian Government Bond	1.500%	1-Mar-17	5,694,032	5,685,092	0.81	860,000	AltaGas Ltd.	4.550%	17-Jan-19	906,201	907,292	0.13
14,171,000	Canadian Government Bond	0.500%	1-Nov-18	14,143,200	14,108,293	2.01	473,000	AltaGas Ltd.	4.070%	1-Jun-20	500,893	502,613	0.07
3,779,000	Canadian Government Bond	0.500%	1-Feb-19	3,750,922	3,758,051	0.54	3,146,000	AltaGas Ltd.	3.720%	28-Sep-21	3,287,785	3,323,134	0.47
11,619,000	Canadian Government Bond	1.750%	1-Sep-19	11,983,120	11,897,401	1.70	1,957,000	AltaGas Ltd.	3.840%	15-Jan-25	1,967,400	2,033,977	0.29
14,777,000	Canadian Government Bond	0.750%	1-Sep-21	14,491,362	14,534,380	2.07	778,000	AltaGas Ltd.	5.160%	13-Jan-44	816,330	820,297	0.12
6,719,000	Canadian Government Bond	0.500%	1-Mar-22	6,491,696	6,486,086	0.93	9,000	AltaLink LP	5.243%	29-May-18	9,581	9,484	0.00
12,566,000	Canadian Government Bond	1.500%	1-Jun-26	12,503,134	12,331,016	1.76	87,000	AltaLink LP	2.978%	28-Nov-22	91,385	91,223	0.01
20,398,000	Canadian Government Bond	2.750%	1-Dec-48	23,006,794	22,413,468	3.21	1,691,000	AltaLink LP	2.747%	29-May-26	1,691,000	1,687,854	0.24
3,662,000	CPPIB Capital Inc.	1.100%	10-Jun-19	3,670,386	3,653,112	0.52	1,430,000	AltaLink LP	5.381%	26-Mar-40	1,665,592	1,787,788	0.26
				125,583,737	124,425,469	17.77	2,225,000	AltaLink LP	3.717%	3-Dec-46	2,225,000	2,204,681	0.31
Provincial Bonds													
7,560,000	Province of Alberta	2.350%	1-Jun-25	7,617,386	7,514,827	1.07	292,000	AltaLink LP	4.446%	11-Jul-53	304,476	323,299	0.05
5,637,000	Province of Alberta	2.200%	1-Jun-26	5,493,538	5,475,730	0.78	15,277,000	Bank of Montreal	2.100%	6-Oct-20	15,460,333	15,447,507	2.21
1,965,000	Province of Alberta	3.500%	1-Jun-31	2,142,296	2,055,733	0.29	11,480,000	Bank of Montreal	1.880%	31-Mar-21	11,529,828	11,468,593	1.64
648,000	Province of Alberta	3.900%	1-Dec-33	696,290	705,081	0.10	2,822,000	Bank of Montreal	1.610%	28-Oct-21	2,814,044	2,769,520	0.40
2,517,000	Province of British Columbia	2.250%	1-Mar-19	2,582,171	2,582,430	0.37	6,032,000	Bank of Nova Scotia	2.750%	13-Aug-18	6,193,679	6,166,474	0.88
1,275,000	Province of British Columbia	2.850%	18-Jun-25	1,361,372	1,331,582	0.19	287,000	Bank of Nova Scotia	2.400%	28-Oct-19	295,433	293,263	0.04
6,682,000	Province of British Columbia	6.350%	18-Jun-31	9,599,787	9,376,819	1.34	109,000	Bank of Nova Scotia	1.900%	2-Dec-21	108,969	108,218	0.02
199,000	Province of British Columbia	4.300%	18-Jun-42	242,107	238,191	0.03	2,149,000	Bell Canada Inc.	3.500%	10-Sep-18	2,232,154	2,220,969	0.32
4,095,000	Province of British Columbia	3.200%	18-Jun-44	4,293,220	4,126,125	0.59	6,501,000	Bell Canada Inc.	2.000%	1-Oct-21	6,489,069	6,431,409	0.92
3,317,000	Province of Manitoba	3.300%	2-Jun-24	3,602,959	3,540,623	0.51	2,077,000	Bruce Power LP	2.844%	23-Jun-21	2,080,767	2,110,935	0.30
2,539,000	Province of Manitoba	4.400%	5-Sep-25	2,878,738	2,903,684	0.41	8,532,000	Canadian Imperial Bank of Commerce	1.700%	9-Oct-18	8,575,984	8,581,722	1.22
2,319,000	Province of Manitoba	3.250%	5-Sep-29	2,318,020	2,378,097	0.34	6,367,000	Canadian Imperial Bank of Commerce	2.350%	24-Jun-19	6,518,824	6,499,020	0.93
609,000	Province of Manitoba	3.750%	5-Sep-33	679,827	643,967	0.09	6,526,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	6,554,128	6,547,909	0.93
1,353,000	Province of Manitoba	4.600%	5-Mar-38	1,643,883	1,601,340	0.23	9,274,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	9,273,758	9,270,586	1.32
403,000	Province of Manitoba	4.700%	5-Mar-50	493,140	503,508	0.07	5,786,000	Canadian Imperial Bank of Commerce	1.640%	12-Jul-21	5,783,958	5,704,099	0.81
1,988,000	Province of Manitoba	2.450%	2-Jun-25	1,982,127	1,987,714	0.28	744,000	Centra Gas Ontario Inc.	8.650%	19-Oct-18	947,640	830,611	0.12
15,241,000	Province of Ontario	2.100%	8-Sep-18	15,563,224	15,525,930	2.21	2,604,000	CU Inc.	3.763%	19-Nov-46	2,604,000	2,594,647	0.37
1,068,000	Province of Ontario	2.100%	8-Sep-19	1,103,412	1,092,582	0.16	1,203,000	CU Inc.	4.947%	18-Nov-50	1,427,052	1,441,595	0.21
11,898,000	Province of Ontario	4.200%	2-Jun-20	13,318,602	12,999,225	1.85	1,155,000	CU Inc.	3.857%	14-Nov-52	1,105,993	1,148,474	0.16
11,780,000	Province of Ontario	2.400%	2-Jun-26	11,999,450	11,694,900	1.67	961,000	CU Inc.	4.558%	7-Nov-53	1,084,516	1,082,744	0.15
9,230,000	Province of Ontario	6.200%	2-Jun-31	13,394,809	12,691,286	1.81	1,362,000	Emera Inc.	2.900%	16-Jun-23	1,362,000	1,358,203	0.19
433,000	Province of Ontario	3.500%	2-Jun-43	466,724	452,830	0.06	10,387,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	11,001,494	10,771,165	1.54
4,037,000	Province of Ontario	3.450%	2-Jun-45	4,381,943	4,196,786	0.60	1,388,000	Enbridge Gas Distribution Inc.	4.040%	23-Nov-20	1,497,236	1,506,004	0.21
19,918,000	Province of Ontario	2.900%	2-Dec-46	19,764,175	18,668,492	2.66	1,824,000	Enbridge Gas Distribution Inc.	4.770%	17-Dec-21	1,929,388	2,063,461	0.29
25,376,000	Province of Ontario	2.800%	2-Jun-48	25,282,484	23,365,951	3.33	120,000	Enbridge Gas Distribution Inc.	9.850%	2-Dec-24	192,930	174,985	0.02
24,036,000	Province of Ontario	4.000%	2-Jun-21	26,764,796	26,465,742	3.78	411,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-25	428,635	430,432	0.06
10,959,000	Province of Ontario	3.150%	2-Jun-22	11,800,531	11,693,203	1.67	1,385,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	1,858,613	1,884,473	0.27
15,502,000	Province of Ontario	2.850%	2-Jun-23	16,441,652	16,243,201	2.32	1,254,000	Enbridge Gas Distribution Inc.	6.900%	15-Nov-32	1,771,425	1,717,037	0.24
20,698,000	Province of Ontario	3.500%	2-Jun-24	22,661,049	22,479,278	3.22	3,096,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	3,551,842	3,673,464	0.52
16,925,000	Province of Ontario	2.600%	2-Jun-25	17,160,017	17,199,012	2.45	1,345,000	Enbridge Income Fund	3.950%	19-Nov-24	1,357,685	1,420,681	0.20
1,963,000	Province of Ontario	4.700%	2-Jun-37	2,478,562	2,402,135	0.34	1,442,000	Enbridge Pipelines Inc.	4.490%	12-Nov-19	1,563,921	1,561,267	0.22
1,054,000	Province of Quebec	4.250%	1-Dec-21	1,204,400	1,179,723	0.17	35,000	Enbridge Pipelines Inc.	2.930%	30-Nov-22	35,480	36,062	0.01
3,118,000	Province of Quebec	2.750%	1-Sep-25	3,360,767	3,200,258	0.46	3,484,000	Enbridge Pipelines Inc.	6.350%	17-Nov-23	4,142,763	4,217,301	0.60
1,194,000	Province of Quebec	2.500%	1-Sep-26	1,180,770	1,192,880	0.17	1,184,000	Enbridge Pipelines Inc.	8.200%	15-Feb-24	1,580,626	1,547,252	0.22
637,000	Province of Quebec	3.500%	1-Dec-45	692,903	665,245	0.09	797,000	Enbridge Pipelines Inc.	3.000%	10-Aug-26	798,251	790,255	0.11
10,615,000	Province of Quebec	3.500%	1-Dec-48	12,161,367	11,185,267	1.60	1,064,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	1,361,139	1,266,232	0.18
							1,892,000	Enbridge Pipelines Inc.	5.330%	6-Apr-40	2,175,389	2,179,371	0.31
							1,012,000	Enbridge Pipelines Inc.	4.130%	9-Aug-46	1,019,293	987,722	0.14
							665,000	Enmax Corp.	3.805%	5-Dec-24	665,000	681,469	0.10

Schedule of Investment Portfolio as at December 31, 2016

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
817,000	FortisAlberta Inc.	5.370%	30-Oct-39	1,032,221	1,000,914	0.14	987,000	Union Gas Ltd.	2.760%	2-Jun-21	1,034,870	1,022,199	0.15
368,000	FortisAlberta Inc.	3.340%	21-Sep-46	363,842	332,835	0.05	904,000	Union Gas Ltd.	4.850%	25-Apr-22	947,972	1,026,775	0.15
836,000	FortisAlberta Inc.	4.800%	27-Oct-50	962,873	967,885	0.14	1,214,000	Union Gas Ltd.	8.650%	10-Nov-25	1,784,166	1,719,892	0.25
727,000	FortisBC Energy Inc.	6.950%	21-Sep-29	947,005	988,160	0.14	1,393,000	Union Gas Ltd.	2.810%	1-Jun-26	1,407,769	1,391,980	0.20
1,295,000	FortisBC Energy Inc.	6.500%	1-May-34	1,804,250	1,742,515	0.25	3,403,000	Union Gas Ltd.	5.200%	23-Jul-40	3,962,423	4,117,241	0.59
1,239,000	FortisBC Energy Inc.	5.900%	26-Feb-35	1,468,607	1,583,588	0.23	1,135,000	Veresen Inc.	3.430%	10-Nov-21	1,134,898	1,139,992	0.16
788,000	FortisBC Inc.	5.000%	24-Nov-50	961,440	929,322	0.13	551,000	Westcoast Energy Inc.	8.500%	4-Sep-18	678,200	608,643	0.09
972,000	Hydro One Inc.	4.390%	26-Sep-41	1,093,975	1,065,203	0.15	2,490,000	Westcoast Energy Inc.	5.600%	16-Jan-19	2,709,771	2,672,257	0.38
1,405,000	Hydro One Inc.	5.000%	19-Oct-46	1,753,735	1,710,788	0.24	1,326,000	Westcoast Energy Inc.	9.900%	10-Jan-20	1,836,931	1,611,819	0.23
2,075,000	Inter Pipeline Corridor Inc.	4.897%	3-Feb-20	2,168,503	2,261,925	0.32	2,981,000	Westcoast Energy Inc.	4.570%	2-Jul-20	3,238,130	3,222,824	0.46
729,000	Inter Pipeline Ltd.	3.776%	30-May-22	779,309	775,515	0.11	1,489,000	Westcoast Energy Inc.	3.883%	28-Oct-21	1,557,411	1,588,313	0.23
9,660,000	Inter Pipeline Ltd.	2.608%	13-Sep-23	9,638,860	9,564,166	1.36	287,000	Westcoast Energy Inc.	8.850%	21-Jul-25	395,335	401,349	0.06
2,994,000	Inter Pipeline Ltd.	3.484%	16-Dec-26	2,994,000	3,037,929	0.43	1,435,000	Westcoast Energy Inc.	3.770%	8-Dec-25	1,448,201	1,485,643	0.21
627,000	Inter Pipeline Ltd.	4.637%	30-May-44	630,716	634,377	0.09	4,253,000	Westcoast Energy Inc.	7.300%	18-Dec-26	5,316,272	5,469,020	0.78
3,284,000	Lower Mattagami Energy LP	2.307%	21-Oct-26	3,283,967	3,141,137	0.45	653,000	Westcoast Energy Inc.	6.750%	15-Dec-27	792,687	807,639	0.12
874,000	Lower Mattagami Energy LP	4.176%	23-Feb-46	960,276	931,388	0.13	993,000	Westcoast Energy Inc.	7.150%	20-Mar-31	1,303,438	1,261,332	0.18
1,501,000	Nova Scotia Power Inc.	6.950%	25-Aug-33	2,144,389	2,055,239	0.29					305,131,313	304,097,942	43.37
7,212,000	Royal Bank of Canada	2.770%	11-Dec-18	7,458,962	7,398,161	1.06	Total Canadian Bonds				701,692,632	692,160,350	98.74
9,528,000	Royal Bank of Canada	1.920%	17-Jul-20	9,540,947	9,573,129	1.38	Transaction Costs				—		
9,299,000	Royal Bank of Canada	2.030%	15-Mar-21	9,325,504	9,333,949	1.33	Total Investments				701,692,632	692,160,350	98.74
701,000	Royal Bank of Canada	1.583%	13-Sep-21	700,426	686,862	0.10	Total Investments and Short-Term Investments				706,037,391	696,505,109	99.36
5,963,000	Royal Bank of Canada	2.333%	5-Dec-23	5,963,000	5,922,702	0.84	Other Assets Net of Liabilities					4,493,241	0.64
3,273,000	Royal Bank of Canada	3.310%	20-Jan-26	3,335,734	3,322,032	0.47	Net Assets Attributable to Holders of Redeemable Units					700,998,350	100.00
3,639,000	The Toronto-Dominion Bank	2.447%	2-Apr-19	3,753,877	3,718,118	0.53							
6,364,000	The Toronto-Dominion Bank	1.693%	2-Apr-20	6,409,457	6,364,630	0.91							
6,611,000	The Toronto-Dominion Bank	2.563%	24-Jun-20	6,805,605	6,795,720	0.97							
10,239,000	The Toronto-Dominion Bank	2.045%	8-Mar-21	10,276,016	10,299,277	1.48							
5,295,000	The Toronto-Dominion Bank	2.621%	22-Dec-21	5,421,053	5,440,872	0.78							
6,285,000	The Toronto-Dominion Bank	1.909%	18-Jul-23	6,299,258	6,115,778	0.87							
5,113,000	TransCanada PipeLines Ltd.	3.690%	19-Jul-23	5,458,738	5,484,790	0.78							
816,000	TransCanada PipeLines Ltd.	3.300%	17-Jul-25	835,302	846,953	0.12							
5,954,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-26	8,292,255	8,081,660	1.15							
624,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-27	813,939	804,877	0.11							
1,380,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-27	1,923,755	1,846,526	0.26							
1,101,000	TransCanada PipeLines Ltd.	6.280%	26-May-28	1,375,861	1,342,709	0.19							
1,226,000	TransCanada PipeLines Ltd.	8.210%	25-Apr-30	1,682,416	1,658,604	0.24							
564,000	TransCanada PipeLines Ltd.	8.230%	16-Jan-31	810,648	784,333	0.11							
314,000	TransCanada PipeLines Ltd.	8.200%	15-Aug-31	450,527	437,389	0.06							
799,000	TransCanada PipeLines Ltd.	4.350%	6-Jun-46	814,163	813,279	0.12							

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Income Fund (the "Fund") is to seek to earn a high rate of income return by investing primarily in fixed-income securities of Canadian government and corporate issuers. The Fund invests primarily in a well-diversified portfolio of Canadian government and Canadian corporate bonds of various maturities. The bonds usually have a credit rating of BBB or higher by a recognized rating agency. The Fund's portfolio turnover rate may exceed 70%. As a result, the Fund may incur higher trading costs and a unitholder may be more likely to receive distributions of income or capital gains which must be included in the unitholder's income. A high portfolio turnover rate does not mean that the Fund's performance will be higher. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2016	Dec. 31, 2015
AAA	20	37
AA	22	15
A	42	34
BBB	15	14
Total	99	100

*Excludes cash and cash equivalents.

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Dec. 31, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	16,456	—
1-3 years	112,182	262,158
3-5 years	193,236	184,861
Greater than 5 years	370,286	499,208
Total	692,160	946,227

*Excludes cash and cash equivalents.

As at December 31, 2016, if prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$12,915,000 (December 31, 2015 \$15,975,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
FTSE TMX Canada Universe Bond Total Return Index	6,849	9,380
Total	6,849	9,380

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2016 and December 31, 2015, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.62%	0.20%
Canadian Bonds		
Federal Bonds	17.77%	32.06%
Provincial Bonds	37.60%	23.75%
Corporate Bonds	43.37%	43.56%
Total	99.36%	99.57%

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015:

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	692,160,350	—	692,160,350
Total Assets	—	692,160,350	—	692,160,350

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	946,226,504	—	946,226,504
Total Assets	—	946,226,504	—	946,226,504

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	269,178	5,713,161	469,785	70,988,899
Redeemable units issued				
for cash	54,436	196,519	126,544	3,936,362
Reinvested units	6,603	148,999	13,172	2,292,370
Redeemable units redeemed	(61,406)	(1,031,673)	(110,308)	(25,032,395)
Balance, end of year	268,811	5,027,006	499,193	52,185,236

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	318,092	7,138,600	1,514,130	161,090,079
Redeemable units issued				
for cash	56,621	807,620	282,669	8,095,231
Reinvested units	5,573	142,460	9,860	3,770,475
Redeemable units redeemed	(111,108)	(2,375,519)	(1,336,874)	(101,966,886)
Balance, end of year	269,178	5,713,161	469,785	70,988,899

Beutel Goodman ■ Long Term Bond Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,257,071	8,373,782
Financial assets at fair value through profit or loss*	503,427,288	533,692,063
Accrued interest	2,974,742	3,425,703
Due from brokers	5,406,467	893,446
Subscriptions receivable	—	58,919
Total assets	515,065,568	546,443,913
Liabilities		
Current liabilities		
Management and administrative fees payable	25,167	26,773
Due to brokers	6,440,742	9,206,332
Redemptions payable	501,412	285,033
Total liabilities (before net assets attributable to holders of redeemable units)	6,967,321	9,518,138
Net assets attributable to holders of redeemable units	508,098,247	536,925,775
*Investments at average cost	513,928,744	526,290,770
Net assets attributable to holders of redeemable units per class		
Class B	219,835	177,399
Class D	9,100,467	10,500,174
Class F	789,318	173,845
Class I	497,988,627	526,074,357
Net assets attributable to holders of redeemable units per unit		
Class B	9.37	9.73
Class D	5.42	5.64
Class F	9.40	9.80
Class I	5.51	5.74
Number of outstanding redeemable units (note 6)		
Class B	23,467	18,237
Class D	1,678,826	1,861,759
Class F	83,996	17,743
Class I	90,363,986	91,726,911

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	19,297,769	23,095,536
Realized gain (loss) on sale of investments	16,488,558	24,022,154
Change in unrealized appreciation (depreciation) in the value of investments	(17,902,749)	(36,120,175)
Net gains (losses) on investments	17,883,578	10,997,515
Other income		
Realized gain (loss) on foreign currency transactions	—	(57,551)
Total income	17,883,578	10,939,964
Expenses		
Management fees	76,061	79,854
Administrative fees	241,127	279,606
Total expenses	317,188	359,460
Increase (decrease) in net assets attributable to holders of redeemable units	17,566,390	10,580,504
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	8,856	(364)
Class D	269,511	93,203
Class F	(51,761)	957
Class I	17,339,784	10,486,708
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.26	(0.02)
Class D	0.15	0.05
Class F	(0.74)	0.05
Class I	0.20	0.11

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Long Term Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	177,399	161,606
Class D	10,500,174	12,291,865
Class F	173,845	172,839
Class I	526,074,357	677,398,013
	536,925,775	690,024,323
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	8,856	(364)
Class D	269,511	93,203
Class F	(51,761)	957
Class I	17,339,784	10,486,708
	17,566,390	10,580,504
Distribution to holders of redeemable units		
From net investment income		
Class B	(7,349)	(5,740)
Class D	(291,476)	(344,174)
Class F	(25,174)	(5,859)
Class I	(18,722,840)	(22,622,584)
From net realized gains on investments		
Class B	(7,602)	(9,723)
Class D	(314,871)	(429,600)
Class F	(39,561)	(7,107)
Class I	(16,673,065)	(22,846,229)
	(36,081,938)	(46,271,016)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	354,796	164,582
Class D	1,217,557	2,093,738
Class F	1,597,176	37,108
Class I	6,549,235	20,058,499
Reinvestments of distributions to holders of redeemable units		
Class B	14,379	15,463
Class D	578,992	743,731
Class F	64,735	11,778
Class I	35,395,925	45,468,806
Redemption of redeemable units		
Class B	(320,644)	(148,425)
Class D	(2,859,420)	(3,948,589)
Class F	(929,942)	(35,871)
Class I	(51,974,769)	(181,868,856)
	(10,311,980)	(117,408,036)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	42,436	15,793
Class D	(1,399,707)	(1,791,691)
Class F	615,473	1,006
Class I	(28,085,730)	(151,323,656)
	(28,827,528)	(153,098,548)
Net assets attributable to holders of redeemable units at end of year		
Class B	219,835	177,399
Class D	9,100,467	10,500,174
Class F	789,318	173,845
Class I	497,988,627	526,074,357
	508,098,247	536,925,775

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	17,566,390	10,580,504
Adjustments for:		
Net realized (gain) loss on sale of investments	(16,488,558)	(24,022,154)
Change in unrealized (appreciation) depreciation in the value of investments	17,902,749	36,120,175
Purchases of investments	(756,983,119)	(538,879,310)
Proceeds from sale of investments	778,555,092	682,607,097
(Increase) decrease in accrued interest	450,961	1,820,368
Increase (decrease) in accrued liabilities	(1,606)	(8,989)
Net cash flows from (used in) operating activities	41,001,909	168,217,691
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(27,907)	(31,238)
Proceeds from redeemable units issued	9,777,683	22,420,962
Redemption of redeemable units	(55,868,396)	(186,631,214)
Net cash flows from (used in) financing activities	(46,118,620)	(164,241,490)
Net increase (decrease) in cash and cash equivalents	(5,116,711)	3,976,201
Cash and cash equivalents at beginning of year	8,373,782	4,397,581
Cash and cash equivalents at end of year*	3,257,071	8,373,782
Supplementary information		
Cash flow from operating activities		
Interest received	19,748,730	24,915,904
*Cash and cash equivalents include:		
Cash at banks	10,987	8,180
Short-term investments	3,246,084	8,365,602
Total	3,257,071	8,373,782

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Long Term Bond Fund

Schedule of Investment Portfolio as at December 31, 2016

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	
Short-Term Investments (2015 – 1.56%)														
Treasury Bills														
2,300,000	Government of Canada	0.477%	23-Mar-17	2,297,214	2,297,214	0.45	615,000	FortisBC Energy Inc.	5.900%	26-Feb-35	815,314	786,043	0.15	
950,000	Government of Canada	0.448%	6-Apr-17	948,870	948,870	0.19	6,324,000	FortisBC Energy Inc.	5.550%	25-Sep-36	7,874,940	7,893,854	1.55	
				<u>3,246,084</u>	<u>3,246,084</u>	<u>0.64</u>	5,089,000	FortisBC Energy Inc.	6.000%	2-Oct-37	6,620,118	6,700,208	1.32	
Canadian Bonds (2015 – 99.40%)														
Federal Bonds														
2,081,000	Canada Government	1.500%	1-Mar-17	2,086,091	2,084,334	0.41	2,106,000	FortisBC Energy Inc.	6.050%	15-Feb-38	2,734,251	2,755,791	0.54	
12,293,000	Canada Government	1.500%	1-Jun-26	12,360,139	12,063,121	2.37	5,955,000	FortisBC Energy Inc.	5.800%	13-May-38	7,953,933	7,678,032	1.51	
56,422,000	Canada Government	2.750%	1-Dec-48	63,901,934	61,996,896	12.20	1,675,000	FortisBC Energy Inc.	3.780%	6-Mar-47	1,672,973	1,669,540	0.33	
				<u>78,348,164</u>	<u>76,144,351</u>	<u>14.98</u>	3,532,000	FortisBC Inc.	5.000%	24-Nov-50	3,898,523	4,165,438	0.82	
Provincial Bonds														
6,555,000	Province of Alberta	2.900%	20-Sep-29	6,649,392	6,514,644	1.30	180,000	Hydro One Inc.	5.000%	19-Oct-46	232,488	219,176	0.04	
1,093,000	Province of Alberta	3.500%	1-Jun-31	1,170,712	1,143,469	0.23	3,726,000	Inter Pipeline Ltd.	4.637%	30-May-44	3,867,620	3,769,840	0.74	
5,882,000	Province of Alberta	3.900%	1-Dec-33	6,217,246	6,400,134	1.26	3,662,000	Lower Mattagami Energy LP	4.176%	23-Feb-46	3,757,804	3,902,452	0.77	
2,950,000	Province of British Columbia	5.700%	18-Jun-29	4,018,873	3,854,697	0.76	9,101,000	North West Redwater Partnership / NWR Financing Co. Ltd.	4.150%	1-Jun-33	9,122,431	9,528,566	1.88	
16,200,000	Province of British Columbia	6.350%	18-Jun-31	22,557,154	22,733,383	4.47	4,140,000	Nova Gas Transmission Ltd.	6.590%	1-Dec-27	4,874,257	5,106,250	1.00	
2,761,000	Province of British Columbia	4.300%	18-Jun-42	3,306,397	3,304,749	0.65	2,580,000	Nova Scotia Power Inc.	6.950%	25-Aug-33	3,558,114	3,532,656	0.70	
8,387,000	Province of British Columbia	2.800%	18-Jun-48	8,417,025	7,838,509	1.54	5,182,000	Nova Scotia Power Inc.	5.610%	15-Jun-40	5,902,262	6,480,512	1.30	
3,986,000	Province of Manitoba	3.250%	5-Sep-29	4,184,540	4,087,579	0.80	6,060,000	Powerstream Inc.	3.958%	30-Jul-42	6,170,334	6,036,768	1.19	
506,000	Province of Manitoba	6.300%	5-Mar-31	709,210	687,134	0.14	821,000	TransCanada Pipelines Ltd.	8.290%	5-Feb-26	1,164,506	1,114,384	0.22	
5,914,000	Province of Manitoba	4.600%	5-Mar-38	6,985,698	6,999,502	1.38	446,000	TransCanada Pipelines Ltd.	7.310%	15-Jan-27	580,079	575,281	0.11	
4,819,000	Province of Manitoba	4.100%	5-Mar-41	5,330,157	5,367,549	1.06	1,195,000	TransCanada Pipelines Ltd.	7.900%	15-Apr-27	1,656,932	1,598,985	0.31	
2,146,000	Province of Manitoba	4.400%	5-Mar-42	2,529,519	2,497,909	0.49	167,000	TransCanada Pipelines Ltd.	6.280%	26-May-28	200,824	203,662	0.04	
18,402,000	Province of Ontario	2.400%	2-Jun-26	18,561,267	18,269,062	3.60	633,000	TransCanada Pipelines Ltd.	6.890%	7-Aug-28	808,620	805,801	0.16	
9,686,000	Province of Ontario	6.500%	8-Mar-29	14,197,636	13,334,229	2.62	2,048,000	TransCanada Pipelines Ltd.	8.230%	16-Jan-31	2,930,868	2,848,073	0.56	
7,953,000	Province of Ontario	6.200%	2-Jun-31	11,326,749	10,935,406	2.15	7,574,000	TransCanada Pipelines Ltd.	8.200%	15-Aug-31	10,837,826	10,550,278	2.08	
6,897,000	Province of Ontario	3.500%	2-Jun-43	7,460,750	7,212,862	1.42	3,400,000	TransCanada Pipelines Ltd.	4.350%	6-Jun-46	3,406,462	3,460,763	0.68	
35,279,000	Province of Ontario	3.450%	2-Jun-45	38,188,781	36,675,354	7.22	2,481,000	Union Gas Ltd.	5.460%	11-Sep-36	2,929,694	3,031,129	0.60	
34,715,000	Province of Ontario	2.900%	2-Dec-46	34,840,712	32,537,237	6.39	5,277,000	Union Gas Ltd.	4.880%	21-Jun-41	5,661,576	6,115,327	1.20	
25,465,000	Province of Ontario	2.800%	2-Jun-48	25,442,715	23,447,902	4.61	1,233,000	Westcoast Energy Inc.	7.300%	18-Dec-26	1,522,016	1,585,540	0.31	
11,984,000	Province of Quebec	6.250%	1-Jun-32	16,813,543	16,649,113	3.28	1,504,000	Westcoast Energy Inc.	6.750%	15-Dec-27	1,831,033	1,860,166	0.37	
10,655,000	Province of Quebec	3.500%	1-Dec-48	12,221,238	11,227,416	2.21	2,872,000	Westcoast Energy Inc.	7.150%	20-Mar-31	3,663,014	3,648,081	0.72	
2,018,000	Province of Saskatchewan	6.350%	25-Jan-30	2,782,263	2,714,794	0.53					<u>155,736,323</u>	<u>157,302,942</u>	<u>30.96</u>	
12,331,000	Province of Saskatchewan	6.400%	5-Sep-31	17,430,164	17,056,907	3.36	Total Canadian Bonds				<u>513,928,744</u>	<u>503,427,288</u>	<u>99.08</u>	
4,154,000	Province of Saskatchewan	5.800%	5-Sep-33	5,720,909	5,520,420	1.09	Transaction Costs				—			
2,701,000	Province of Saskatchewan	3.900%	2-Jun-45	2,781,607	2,970,035	0.58	Total Investments				<u>513,928,744</u>	<u>503,427,288</u>	<u>99.08</u>	
				<u>279,844,257</u>	<u>269,979,995</u>	<u>53.14</u>	Total Investments and Short-Term Investments				<u>517,174,828</u>	<u>506,673,372</u>	<u>99.72</u>	
Corporate Bonds														
40,016	Alliance Pipeline LP	6.765%	31-Dec-25	39,469	45,334	0.01	Other Assets Net of Liabilities						<u>1,424,875</u>	<u>0.28</u>
2,045,000	AltaGas Ltd.	5.160%	13-Jan-44	2,148,050	2,156,179	0.42	Net Assets Attributable to Holders of Redeemable Units						<u>508,098,247</u>	<u>100.00</u>
1,517,000	AltaLink LP	3.717%	3-Dec-46	1,517,000	1,503,146	0.30								
340,000	AltaLink LP	4.446%	11-Jul-53	340,737	376,445	0.07								
5,306,000	CU Inc.	5.580%	26-May-38	6,946,919	6,682,090	1.32								
1,787,000	CU Inc.	3.763%	19-Nov-46	1,787,000	1,780,581	0.35								
522,000	CU Inc.	4.947%	18-Nov-50	578,224	625,530	0.12								
624,000	CU Inc.	3.857%	14-Nov-52	607,367	620,475	0.12								
2,180,000	CU Inc.	4.558%	7-Nov-53	2,254,975	2,456,172	0.48								
415,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	541,535	564,661	0.11								
11,252,000	Enbridge Gas Distribution Inc.	6.900%	15-Nov-32	15,350,454	15,406,778	3.03								
3,836,000	Enbridge Gas Distribution Inc.	6.160%	16-Dec-33	5,006,256	4,950,452	0.97								
1,976,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	2,234,215	2,344,562	0.46								
1,838,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	2,109,841	2,187,344	0.43								
1,920,000	Enbridge Pipelines Inc.	5.080%	19-Dec-36	2,159,630	2,122,448	0.42								
3,277,000	FortisAlberta Inc.	5.850%	15-Apr-38	4,130,369	4,217,723	0.83								
737,000	FortisAlberta Inc.	4.800%	27-Oct-50	919,080	853,267	0.17								
585,000	FortisBC Energy Inc.	6.500%	1-May-34	816,390	787,159	0.15								

Beutel Goodman ■ Long Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Long Term Bond Fund (the "Fund") is to seek to earn a high rate of income by investing primarily in long-term fixed income securities of Canadian government and corporate issuers. The Fund invests primarily in a well-diversified portfolio of Canadian provincial and Canadian corporate bonds. The corporate bonds have a credit rating of BBB or higher by a recognized rating agency. The average term of the Fund is limited to a range of 9 to 25 years. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2016	Dec. 31, 2015
AAA	22	26
AA	12	7
A	52	48
BBB	13	18
Total	99	99

*Excludes cash and cash equivalents.

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Dec. 31, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	2,084	—
Greater than 5 years	501,343	533,692
Total	503,427	533,692

*Excludes cash and cash equivalents.

As at December 31, 2016, if prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$18,480,000 (December 31, 2015 \$18,670,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
FTSE TMX Canada Long Term Bond Index	5,020	5,323
Total	5,020	5,323

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2016 and December 31, 2015, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.64%	1.56%
Canadian Bonds		
Federal Bonds	14.98%	9.77%
Provincial Bonds	53.14%	51.00%
Corporate Bonds	30.96%	38.63%
Total	99.72%	100.96%

Beutel Goodman ■ Long Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	503,427,288	—	503,427,288
Total Assets	—	503,427,288	—	503,427,288

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	533,692,063	—	533,692,063
Total Assets	—	533,692,063	—	533,692,063

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	18,237	1,861,759	17,743	91,726,911
Redeemable units issued for cash	35,388	205,539	154,858	1,148,106
Reinvested units	1,490	104,505	6,796	6,264,810
Redeemable units redeemed	(31,648)	(492,977)	(95,401)	(8,775,841)
Balance, end of year	23,467	1,678,826	83,996	90,363,986

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	15,619	2,048,909	16,578	110,997,402
Redeemable units issued for cash	15,779	357,977	3,508	3,292,797
Reinvested units	1,539	127,523	1,166	7,643,523
Redeemable units redeemed	(14,700)	(672,650)	(3,509)	(30,206,811)
Balance, end of year	18,237	1,861,759	17,743	91,726,911

Beutel Goodman ■ Corporate/Provincial Active Bond Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	211,672	47,535
Financial assets at fair value through profit or loss*	49,254,430	52,459,382
Accrued interest	391,804	470,027
Due from brokers	25,502	—
Subscriptions receivable	5,051	8,327
Total assets	49,888,459	52,985,271
Liabilities		
Current liabilities		
Management and administrative fees payable	30,480	32,834
Redemptions payable	58,160	40,659
Distributions payable	14	10
Total liabilities (before net assets attributable to holders of redeemable units)	88,654	73,503
Net assets attributable to holders of redeemable units	49,799,805	52,911,768
*Investments at average cost	49,135,430	51,685,577
Net assets attributable to holders of redeemable units per class		
Class B	3,620,612	3,878,159
Class D	35,996,184	39,823,451
Class F	9,036,991	7,138,284
Class I	1,146,018	2,071,874
Net assets attributable to holders of redeemable units per unit		
Class B	9.44	9.42
Class D	5.08	5.07
Class F	9.47	9.45
Class I	5.19	5.17
Number of outstanding redeemable units (note 6)		
Class B	383,368	411,774
Class D	7,084,297	7,860,943
Class F	954,416	755,637
Class I	220,709	400,864

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	1,795,404	2,865,086
Realized gain (loss) on sale of investments	810,129	3,606,847
Change in unrealized appreciation (depreciation) in the value of investments	(654,805)	(3,848,846)
Net gains (losses) on investments	1,950,728	2,623,087
Other income		
Realized gain (loss) on foreign currency transactions	—	(3,328)
Total income	1,950,728	2,619,759
Expenses		
Management fees	331,404	370,975
Administrative fees	53,123	76,348
Total expenses	384,527	447,323
Increase (decrease) in net assets attributable to holders of redeemable units	1,566,201	2,172,436
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	97,910	25,954
Class D	1,216,297	245,256
Class F	240,320	20,412
Class I	11,674	1,880,814
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	0.25	0.05
Class D	0.16	0.03
Class F	0.29	0.03
Class I	0.07	0.47

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Corporate/Provincial Active Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	3,878,159	6,417,022
Class D	39,823,451	45,791,733
Class F	7,138,284	5,411,876
Class I	2,071,874	95,224,521
	52,911,768	152,845,152
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	97,910	25,954
Class D	1,216,297	245,256
Class F	240,320	20,412
Class I	11,674	1,880,814
	1,566,201	2,172,436
Distribution to holders of redeemable units		
From net investment income		
Class B	(87,116)	(148,641)
Class D	(1,062,470)	(1,502,534)
Class F	(238,199)	(224,609)
Class I	(30,898)	(699,669)
	(1,418,683)	(2,575,453)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	279,931	988,383
Class D	2,063,524	6,944,970
Class F	2,959,202	4,238,124
Class I	1,229,660	187,900
Reinvestments of distributions to holders of redeemable units		
Class B	81,712	117,589
Class D	1,002,796	1,408,499
Class F	114,211	153,698
Class I	30,898	699,666
Redemption of redeemable units		
Class B	(629,984)	(3,522,148)
Class D	(7,047,414)	(13,064,473)
Class F	(1,176,827)	(2,461,217)
Class I	(2,167,190)	(95,221,358)
	(3,259,481)	(99,530,367)
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	(257,547)	(2,538,863)
Class D	(3,827,267)	(5,968,282)
Class F	1,898,707	1,726,408
Class I	(925,856)	(93,152,647)
	(3,111,963)	(99,933,384)
Net assets attributable to holders of redeemable units at end of year		
Class B	3,620,612	3,878,159
Class D	35,996,184	39,823,451
Class F	9,036,991	7,138,284
Class I	1,146,018	2,071,874
	49,799,805	52,911,768

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	1,566,201	2,172,436
Adjustments for:		
Net realized (gain) loss on sale of investments	(810,129)	(3,606,847)
Change in unrealized (appreciation) depreciation in the value of investments	654,805	3,848,846
Purchases of investments	(53,040,652)	(121,393,984)
Proceeds from sale of investments	56,375,426	219,305,837
(Increase) decrease in accrued interest	78,223	1,183,794
Increase (decrease) in accrued liabilities	(2,354)	(12,416)
Net cash flows from (used in) operating activities	4,821,520	101,497,666
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(189,062)	(196,001)
Proceeds from redeemable units issued	6,535,593	12,363,754
Redemption of redeemable units	(11,003,914)	(114,278,887)
Net cash flows from (used in) financing activities	(4,657,383)	(102,111,134)
Net increase (decrease) in cash and cash equivalents	164,137	(613,468)
Cash and cash equivalents at beginning of year	47,535	661,003
Cash and cash equivalents at end of year*	211,672	47,535
Supplementary information		
Cash flow from operating activities		
Interest received	1,873,627	4,048,880
*Cash and cash equivalents include:		
Cash at banks	11,912	22,565
Short-term investments	199,760	24,970
Total	211,672	47,535

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Corporate/Provincial Active Bond Fund

Schedule of Investment Portfolio as at December 31, 2016

Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets	Par Value	Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets		
Short-Term Investments (2015 – 0.05 %)													
Treasury Bills													
200,000	Government of Canada	0.477%	23-Mar-17	199,760	199,760	0.40							
				199,760	199,760	0.40							
Canadian Bonds (2015 – 99.14%)													
Provincial Bonds													
641,000	Province of Ontario	3.500%	2-Jun-24	705,888	696,165	1.40							
844,000	Province of Ontario	2.400%	2-Jun-26	854,337	837,903	1.68							
1,855,000	Province of Ontario	2.900%	2-Dec-46	1,800,773	1,738,631	3.49							
1,480,000	Province of Ontario	2.800%	2-Jun-48	1,521,792	1,362,768	2.74							
				4,882,790	4,635,467	9.31							
Corporate Bonds													
167,875	Alliance Pipeline LP	5.546%	31-Dec-23	177,642	179,045	0.36	355,000	Inter Pipeline Ltd.	4.967%	2-Feb-21	386,151	393,273	0.79
282,778	Alliance Pipeline LP	6.765%	31-Dec-25	328,557	320,358	0.64	403,000	Inter Pipeline Ltd.	3.776%	30-May-22	419,838	428,714	0.86
245,000	AltaGas Ltd.	4.600%	15-Jan-18	244,831	252,791	0.51	1,338,000	Inter Pipeline Ltd.	2.608%	13-Sep-23	1,328,901	1,324,726	2.66
45,000	AltaGas Ltd.	3.720%	28-Sep-21	46,603	47,534	0.10	199,000	Inter Pipeline Ltd.	3.484%	16-Dec-26	199,000	201,920	0.41
82,000	AltaGas Ltd.	3.840%	15-Jan-25	82,333	85,225	0.17	62,000	Inter Pipeline Ltd.	4.637%	30-May-44	59,712	62,729	0.13
215,000	AltaGas Ltd.	5.160%	13-Jan-44	214,740	226,689	0.46	809,000	Lower Mattagami Energy LP	4.331%	18-May-21	821,739	890,778	1.79
136,000	AltaLink LP	2.747%	29-May-26	136,000	135,747	0.27	249,000	Lower Mattagami Energy LP	2.307%	21-Oct-26	248,998	238,168	0.48
928,000	AltaLink LP	5.381%	26-Mar-40	1,198,027	1,160,187	2.33	517,000	Lower Mattagami Energy LP	4.176%	23-Feb-46	585,430	550,947	1.11
270,000	AltaLink LP	4.446%	11-Jul-53	303,912	298,941	0.60	190,000	Nova Gas Transmission Ltd.	6.590%	1-Dec-27	218,382	234,345	0.47
5,000	Bank of Montreal	2.100%	6-Oct-20	5,034	5,056	0.01	150,000	Powerstream Inc.	3.958%	30-Jul-42	150,000	149,425	0.30
203,000	Bank of Montreal	1.880%	31-Mar-21	203,061	202,798	0.41	2,317,000	Royal Bank of Canada	2.770%	11-Dec-18	2,388,942	2,376,808	4.77
3,229,000	Bank of Montreal	1.610%	28-Oct-21	3,215,210	3,168,951	6.37	75,000	Royal Bank of Canada	1.920%	17-Jul-20	75,389	75,355	0.15
429,000	Bank of Nova Scotia	2.750%	13-Aug-18	440,454	438,564	0.88	1,217,000	Royal Bank of Canada	2.030%	15-Mar-21	1,231,744	1,221,574	2.45
932,000	Bank of Nova Scotia	2.400%	28-Oct-19	946,483	952,338	1.91	240,000	Royal Bank of Canada	1.583%	13-Sep-21	240,000	235,160	0.47
1,604,000	Bank of Nova Scotia	2.130%	15-Jun-20	1,620,701	1,624,159	3.26	687,000	Royal Bank of Canada	2.333%	5-Dec-23	687,000	682,357	1.37
79,000	Bank of Nova Scotia	1.900%	2-Dec-21	78,978	78,433	0.16	522,000	The Toronto-Dominion Bank	2.447%	2-Apr-19	536,612	533,349	1.07
365,000	Bell Canada Inc.	2.000%	1-Oct-21	364,285	361,093	0.73	130,000	The Toronto-Dominion Bank	1.693%	2-Apr-20	129,116	130,013	0.26
104,000	Bruce Power LP	2.844%	23-Jun-21	104,000	105,699	0.21	236,000	The Toronto-Dominion Bank	2.563%	24-Jun-20	241,546	242,594	0.49
25,000	Canadian Imperial Bank of Commerce	1.700%	9-Oct-18	25,008	25,146	0.05	2,249,000	The Toronto-Dominion Bank	2.045%	8-Mar-21	2,268,064	2,262,241	4.54
1,095,000	Canadian Imperial Bank of Commerce	2.350%	24-Jun-19	1,121,499	1,117,705	2.24	1,454,000	The Toronto-Dominion Bank	2.621%	22-Dec-21	1,483,424	1,494,056	3.00
1,396,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	1,392,076	1,400,687	2.81	139,000	The Toronto-Dominion Bank	1.909%	18-Jul-23	140,072	135,257	0.27
1,360,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	1,371,057	1,359,499	2.73	310,000	TransCanada Pipelines Ltd.	8.290%	5-Feb-26	400,757	420,778	0.84
273,000	Canadian Imperial Bank of Commerce	1.640%	12-Jul-21	272,883	269,136	0.54	225,000	TransCanada Pipelines Ltd.	7.310%	15-Jan-27	309,355	290,220	0.58
75,000	CU Inc.	9.920%	1-Apr-22	113,869	102,267	0.21	1,751,000	TransCanada Pipelines Ltd.	7.900%	15-Apr-27	2,405,704	2,342,949	4.70
18,000	CU Inc.	5.580%	26-May-38	23,312	22,668	0.05	83,000	TransCanada Pipelines Ltd.	6.280%	26-May-28	103,786	101,221	0.20
174,000	CU Inc.	3.763%	19-Nov-46	174,000	173,375	0.35	139,000	TransCanada Pipelines Ltd.	6.890%	7-Aug-28	186,955	176,945	0.36
749,000	CU Inc.	4.947%	18-Nov-50	916,327	897,552	1.80	772,000	TransCanada Pipelines Ltd.	8.230%	16-Jan-31	919,054	1,073,590	2.16
15,000	CU Inc.	3.857%	14-Nov-52	14,115	14,915	0.03	19,000	TransCanada Pipelines Ltd.	8.200%	15-Aug-31	27,261	26,466	0.05
110,000	CU Inc.	4.558%	7-Nov-53	118,668	123,935	0.25	52,000	TransCanada Pipelines Ltd.	4.350%	6-Jun-46	52,549	52,929	0.11
97,000	Emera Inc.	2.900%	16-Jun-23	97,000	96,730	0.19	145,000	Union Gas Ltd.	4.850%	25-Apr-22	165,677	164,693	0.33
150,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	158,879	155,548	0.31	7,000	Union Gas Ltd.	8.650%	10-Nov-25	10,136	9,917	0.02
628,000	Enbridge Gas Distribution Inc.	4.770%	17-Dec-21	717,669	710,446	1.43	90,000	Union Gas Ltd.	2.810%	1-Jun-26	90,000	89,934	0.18
130,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-25	129,956	136,146	0.27	411,000	Union Gas Ltd.	5.460%	11-Sep-36	398,955	502,134	1.01
299,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	416,903	406,828	0.82	285,000	Union Gas Ltd.	4.880%	21-Jun-41	303,967	330,276	0.66
225,000	Enbridge Gas Distribution Inc.	6.900%	15-Nov-32	276,356	308,081	0.62	76,000	Veresen Inc.	3.430%	10-Nov-21	75,993	76,334	0.15
292,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	336,251	346,464	0.70	17,000	Westcoast Energy Inc.	8.500%	4-Sep-18	19,257	18,778	0.04
115,000	Enbridge Pipelines Inc.	2.930%	30-Nov-22	115,989	118,489	0.24	19,000	Westcoast Energy Inc.	5.600%	16-Jan-19	20,706	20,391	0.04
290,000	Enbridge Pipelines Inc.	6.350%	17-Nov-23	352,590	351,038	0.70	114,000	Westcoast Energy Inc.	4.570%	2-Jul-20	123,720	123,248	0.25
195,000	Enbridge Pipelines Inc.	8.200%	15-Feb-24	257,912	254,826	0.51	977,000	Westcoast Energy Inc.	8.850%	21-Jul-25	1,302,219	1,366,267	2.74
125,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	160,350	148,758	0.30	141,000	Westcoast Energy Inc.	3.770%	8-Dec-25	141,445	145,976	0.29
470,000	Enbridge Pipelines Inc.	5.330%	6-Apr-40	588,722	541,387	1.09	525,000	Westcoast Energy Inc.	7.300%	18-Dec-26	624,392	675,108	1.36
97,000	FortisAlberta Inc.	5.850%	15-Apr-38	119,942	124,846	0.25	1,588,000	Westcoast Energy Inc.	7.150%	20-Mar-31	1,952,558	2,017,114	4.05
175,000	FortisAlberta Inc.	5.370%	30-Oct-39	215,250	214,394	0.43				44,252,640	44,618,963	89.60	
18,000	FortisAlberta Inc.	3.340%	21-Sep-46	17,389	16,280	0.03	Total Canadian Bonds			49,135,430	49,254,430	98.91	
225,000	FortisBC Energy Inc.	6.950%	21-Sep-29	298,270	305,827	0.61	Transaction Costs			—			
207,000	FortisBC Energy Inc.	6.000%	2-Oct-37	257,872	272,537	0.55	Total Investments			49,135,430	49,254,430	98.91	
235,000	FortisBC Energy Inc.	6.050%	15-Feb-38	239,410	307,508	0.62	Total Investments and Short-Term Investments			49,335,190	49,454,190	99.31	
730,000	Hydro One Inc.	2.780%	9-Oct-18	753,214	748,668	1.50	Other Assets Net of Liabilities				345,615	0.69	
12,000	Hydro One Inc.	5.000%	19-Oct-46	14,545	14,612	0.03	Net Assets Attributable to Holders of Redeemable Units				49,799,805	100.00	

Beutel Goodman ■ Corporate/Provincial Active Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Corporate/Provincial Active Bond Fund (the "Fund") is to seek long-term capital appreciation by actively managing a portfolio primarily consisting of (i) short-term debt instruments of Canadian government and corporate issuers, and (ii) long-term fixed income securities of Canadian issuers which have a rating of at least BBB by a recognized Canadian rating agency. The Fund invests primarily in a well-diversified portfolio of Canadian provincial and Canadian corporate bonds of various maturities. The corporate bonds have a credit rating of BBB or higher by a recognized rating agency. The average term of the bond portfolio is limited to a range of 6 to 15 years. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2016	Dec. 31, 2015
AA	29	26
A	44	48
BBB	26	25
Total	99	99

*Excludes cash and cash equivalents.

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Dec. 31, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	156	—
1-3 years	6,485	8,510
3-5 years	16,478	8,954
Greater than 5 years	26,135	34,992
Total	49,254	52,456

*Excludes cash and cash equivalents.

As at December 31, 2016, if prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$915,000 (December 31, 2015 \$895,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
FTSE TMX Canada Universe Bond Total Return Index	467	515
Total	467	515

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2016 and December 31, 2015, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.40%	0.05%
Canadian Bonds		
Federal Bonds	—	0.05%
Provincial Bonds	9.31%	8.37%
Corporate Bonds	89.60%	90.72%
Total	99.31%	99.19%

Beutel Goodman ■ Corporate/Provincial Active Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	49,254,430	—	49,254,430
Total Assets	—	49,254,430	—	49,254,430

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	52,459,382	—	52,459,382
Total Assets	—	52,459,382	—	52,459,382

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class D	Class F	Class I
Balance, beginning of the year	411,774	7,860,943	755,637	400,864
Redeemable units issued for cash	28,986	398,370	310,081	231,289
Reinvested units	8,544	194,915	11,912	5,895
Redeemable units redeemed	(65,936)	(1,369,931)	(123,214)	(417,339)
Balance, end of year	383,368	7,084,297	954,416	220,709

2015	Class B	Class D	Class F	Class I
Balance, beginning of year	662,879	8,784,019	556,299	17,904,101
Redeemable units issued for cash	102,176	1,336,465	438,759	35,689
Reinvested units	12,208	272,244	15,913	131,779
Redeemable units redeemed	(365,489)	(2,531,785)	(255,334)	(17,670,705)
Balance, end of year	411,774	7,860,943	755,637	400,864

Beutel Goodman ■ Short Term Bond Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,113,045	3,037,688
Financial assets at fair value through profit or loss*	209,336,369	237,733,807
Accrued interest	1,285,152	1,543,875
Subscriptions receivable	80	80,004
Total assets	211,734,646	242,395,374
Liabilities		
Current liabilities		
Management and administrative fees payable	9,845	10,154
Redemptions payable	1,639	97,178
Distributions payable	12,402	9,539
Total liabilities (before net assets attributable to holders of redeemable units)	23,886	116,871
Net assets attributable to holders of redeemable units	211,710,760	242,278,503
*Investments at average cost	211,884,323	238,646,498
Net assets attributable to holders of redeemable units per class		
Class B	112,704	69,480
Class F	2,787,221	2,149,758
Class I	208,810,835	240,059,265
Net assets attributable to holders of redeemable units per unit		
Class B	9.43	9.54
Class F	9.46	9.57
Class I	9.52	9.63
Number of outstanding redeemable units (note 6)		
Class B	11,952	7,281
Class F	294,758	224,553
Class I	21,940,331	24,919,921

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Net gains (losses) on investments		
Interest for distribution purposes	6,634,847	4,698,111
Realized gain (loss) on sale of investments	(846,795)	(1,374,506)
Change in unrealized appreciation (depreciation) in the value of investments	(1,635,263)	(206,447)
Net gains (losses) on investments	4,152,789	3,117,158
Other income		
Realized gain (loss) on foreign currency transactions	—	(6,115)
Total income	4,152,789	3,111,043
Expenses		
Management fees	15,845	10,700
Administrative fees	116,765	64,700
Total expenses	132,610	75,400
Increase (decrease) in net assets attributable to holders of redeemable units	4,020,179	3,035,643
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class B	11	1,458
Class F	21,551	23,284
Class I	3,998,617	3,010,901
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class B	—	0.16
Class F	0.08	0.13
Class I	0.16	0.20

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Short Term Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class B	69,480	79,590
Class F	2,149,758	1,031,313
Class I	240,059,265	64,121,894
	242,278,503	65,232,797
Increase (decrease) in net assets attributable to holders of redeemable units		
Class B	11	1,458
Class F	21,551	23,284
Class I	3,998,617	3,010,901
	4,020,179	3,035,643
Distribution to holders of redeemable units		
From net investment income		
Class B	(1,562)	(1,213)
Class F	(57,895)	(40,404)
Class I	(6,442,522)	(4,588,047)
	(6,501,979)	(4,629,664)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class B	173,579	29,419
Class F	1,912,822	1,607,171
Class I	168,730,207	198,537,600
Reinvestments of distributions to holders of redeemable units		
Class B	1,562	1,125
Class F	8,247	13,027
Class I	6,439,483	4,584,387
Redemption of redeemable units		
Class B	(130,366)	(40,899)
Class F	(1,247,262)	(484,633)
Class I	(203,974,215)	(25,607,470)
	(28,085,943)	178,639,727
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class B	43,224	(10,110)
Class F	637,463	1,118,445
Class I	(31,248,430)	175,937,371
	(30,567,743)	177,045,706
Net assets attributable to holders of redeemable units at end of year		
Class B	112,704	69,480
Class F	2,787,221	2,149,758
Class I	208,810,835	240,059,265
	211,710,760	242,278,503

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	4,020,179	3,035,643
Adjustments for:		
Net realized (gain) loss on sale of investments	846,795	1,374,506
Change in unrealized (appreciation) depreciation in the value of investments	1,635,263	206,447
Purchases of investments	(695,779,191)	(573,390,514)
Proceeds from sale of investments	721,694,571	398,590,546
(Increase) decrease in accrued interest	258,723	(1,046,885)
Increase (decrease) in accrued liabilities	(309)	6,953
Net cash flows from (used in) operating activities	32,676,031	(171,223,304)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(49,824)	(25,858)
Proceeds from redeemable units issued	170,896,532	200,172,900
Redemption of redeemable units	(205,447,382)	(26,040,925)
Net cash flows from (used in) financing activities	(34,600,674)	174,106,117
Net increase (decrease) in cash and cash equivalents	(1,924,643)	2,882,813
Cash and cash equivalents at beginning of year	3,037,688	154,875
Cash and cash equivalents at end of year*	1,113,045	3,037,688
Supplementary information		
Cash flow from operating activities		
Interest received	6,893,570	3,651,226
*Cash and cash equivalents include:		
Cash at banks	14,396	16,242
Short-term investments	1,098,649	3,021,446
Total	1,113,045	3,037,688

The accompanying notes are an integral part of these financial statements.

Beutel Goodman - Short Term Bond Fund

Schedule of Investment Portfolio as at December 31, 2016

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 1.25%)						
Treasury Bills						
575,000	Government of Canada	0.493%	9-Mar-17	574,290	574,290	0.27
400,000	Government of Canada	0.469%	23-Mar-17	399,508	399,508	0.19
125,000	Government of Canada	0.448%	6-Apr-17	124,851	124,851	0.06
				<u>1,098,649</u>	<u>1,098,649</u>	<u>0.52</u>
Canadian Bonds (2015 – 98.12%)						
Federal Bonds						
13,614,000	Canada Housing Trust No. 1	1.950%	15-Jun-19	13,987,919	13,917,841	6.57
5,325,000	Canada Housing Trust No. 1	1.250%	15-Jun-21	5,358,748	5,280,537	2.49
4,613,000	Canadian Government Bond	0.500%	1-Aug-18	4,606,357	4,596,473	2.17
11,246,000	Canadian Government Bond	0.500%	1-Nov-18	11,218,496	11,196,236	5.29
2,999,000	Canadian Government Bond	0.500%	1-Feb-19	2,976,717	2,982,375	1.41
4,843,000	CPPIB Capital Inc.	1.100%	10-Jun-19	4,842,128	4,831,245	2.28
				<u>42,990,365</u>	<u>42,804,707</u>	<u>20.21</u>
Provincial Bonds						
354,000	Province of British Columbia	2.250%	1-Mar-19	366,206	363,202	0.17
1,314,000	Province of Ontario	2.100%	8-Sep-18	1,349,701	1,338,565	0.63
5,772,000	Province of Ontario	2.100%	8-Sep-19	5,962,336	5,904,855	2.79
				<u>7,678,243</u>	<u>7,606,622</u>	<u>3.59</u>
Corporate Bonds						
252,000	AltaGas Ltd.	4.550%	17-Jan-19	265,523	265,858	0.13
6,457,000	AltaLink LP	5.243%	29-May-18	7,155,741	6,804,232	3.21
2,214,000	AltaLink LP	3.621%	17-Sep-20	2,385,169	2,365,331	1.12
6,306,000	Bank of Montreal	2.100%	6-Oct-20	6,371,732	6,376,382	3.01
8,829,000	Bank of Montreal	1.880%	31-Mar-21	8,913,969	8,820,228	4.16
2,517,000	Bank of Montreal	1.610%	28-Oct-21	2,510,757	2,470,192	1.17
5,780,000	Bank of Nova Scotia	2.400%	28-Oct-19	5,926,070	5,906,130	2.79
10,845,000	Bank of Nova Scotia	2.130%	15-Jun-20	10,998,732	10,981,300	5.18
30,000	Bank of Nova Scotia	1.900%	2-Dec-21	29,992	29,785	0.01
266,000	Bell Canada Inc.	3.500%	10-Sep-18	276,441	274,908	0.13
2,202,000	Bell Canada Inc.	2.000%	1-Oct-21	2,199,639	2,178,428	1.03

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
7,846,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	7,853,313	7,872,341	3.72
6,274,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	6,288,391	6,271,690	2.96
3,150,000	Canadian Imperial Bank of Commerce	1.640%	12-Jul-21	3,158,306	3,105,412	1.47
11,965,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	12,851,791	12,407,530	5.85
2,571,000	Enbridge Gas Distribution Inc.	4.040%	23-Nov-20	2,801,338	2,789,579	1.32
74,000	Enbridge Pipelines Inc.	4.490%	12-Nov-19	80,223	80,121	0.04
157,000	EPCOR Utilities Inc.	5.800%	31-Jan-18	168,742	164,631	0.08
4,501,000	Gaz Métro Inc.	1.520%	25-May-20	4,501,165	4,482,325	2.12
6,000	Greater Toronto Airports Authority	5.260%	17-Apr-18	6,383	6,312	0.00
224,000	Inter Pipeline Corridor Inc.	4.897%	3-Feb-20	245,638	244,179	0.12
5,973,000	Inter Pipeline Ltd.	3.839%	30-Jul-18	6,202,200	6,193,359	2.93
7,190,000	Lower Mattagami Energy LP	4.331%	18-May-21	8,092,373	7,916,803	3.74
8,104,000	Royal Bank of Canada	2.030%	15-Mar-21	8,093,282	8,134,457	3.84
5,673,000	Royal Bank of Canada	1.583%	13-Sep-21	5,603,879	5,558,588	2.63
5,229,000	Royal Bank of Canada	3.310%	20-Jan-26	5,336,038	5,307,334	2.51
5,376,000	The Toronto-Dominion Bank	1.693%	2-Apr-20	5,395,269	5,376,532	2.54
5,538,000	The Toronto-Dominion Bank	2.563%	24-Jun-20	5,697,472	5,692,739	2.69
6,163,000	The Toronto-Dominion Bank	2.045%	8-Mar-21	6,204,236	6,199,282	2.93
54,000	The Toronto-Dominion Bank	2.621%	22-Dec-21	55,431	55,488	0.03
8,272,000	Union Gas Ltd.	5.350%	27-Apr-18	8,972,658	8,695,881	4.11
314,000	Veresen Inc.	3.430%	10-Nov-21	313,972	315,381	0.15
7,506,000	Westcoast Energy Inc.	8.500%	4-Sep-18	8,881,296	8,291,247	3.92
5,254,000	Westcoast Energy Inc.	5.600%	16-Jan-19	5,709,180	5,638,570	2.66
583,000	Westcoast Energy Inc.	9.900%	10-Jan-20	721,275	708,666	0.33
873,000	Westcoast Energy Inc.	4.570%	2-Jul-20	948,099	943,819	0.45
				<u>161,215,715</u>	<u>158,925,040</u>	<u>75.08</u>

Total Canadian Bonds	<u>211,884,323</u>	<u>209,336,369</u>	<u>98.88</u>
Transaction Costs	—		
Total Investments	<u>211,884,323</u>	<u>209,336,369</u>	<u>98.88</u>
Total Investments and Short-Term Investments	<u>212,982,972</u>	<u>210,435,018</u>	<u>99.40</u>
Other Assets Net of Liabilities		<u>1,275,742</u>	<u>0.60</u>
Net Assets Attributable to Holders of Redeemable Units		<u>211,710,760</u>	<u>100.00</u>

Beutel Goodman ■ Short Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Short Term Bond Fund (the "Fund") is to seek to maximize returns through capital enhancement and investment income. The Fund invests primarily in a well-diversified portfolio of short term fixed income securities of Canadian government and corporate issuers. The bonds have a credit rating of BBB or higher by a recognized agency. The average portfolio duration of the Fund is limited to a range of 2 to 4 years. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2016	Dec. 31, 2015
AAA	20	20
AA	35	27
A	21	42
BBB	23	10
Total	99	99

*Excludes cash and cash equivalents.

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity as at December 31, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Dec. 31, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	12,408	—
1-3 years	87,452	159,084
3-5 years	104,169	78,650
Greater than 5 years	5,307	—
Total	209,336	237,734

*Excludes cash and cash equivalents.

As at December 31, 2016 if prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$1,495,000 (December 31, 2015 \$1,630,000). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
FTSE TMX Canada Short Term Bond Total Return Index	2,086	2,389
Total	2,086	2,389

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2016 and December 31, 2015, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.52%	1.25%
Canadian Bonds		
Federal Bonds	20.21%	19.98%
Provincial Bonds	3.59%	6.92%
Corporate Bonds	75.08%	71.22%
Total	99.40%	99.37%

Beutel Goodman ■ Short Term Bond Fund

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	209,336,369	—	209,336,369
Total Assets	—	209,336,369	—	209,336,369

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	237,733,807	—	237,733,807
Total Assets	—	237,733,807	—	237,733,807

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class B	Class F	Class I
Balance, beginning of the year	7,281	224,553	24,919,921
Redeemable units issued for cash	18,182	199,743	17,488,093
Reinvested units	164	866	670,524
Redeemable units redeemed	(13,675)	(130,404)	(21,138,207)
Balance, end of year	11,952	294,758	21,940,331

2015	Class B	Class F	Class I
Balance, beginning of year	8,327	107,381	6,639,676
Redeemable units issued for cash	3,073	166,167	20,445,426
Reinvested units	117	1,351	473,683
Redeemable units redeemed	(4,236)	(50,346)	(2,638,864)
Balance, end of year	7,281	224,553	24,919,921

Beutel Goodman ■ Money Market Fund

Statements of Financial Position

As at December 31

	2016	2015
	\$	\$
Assets		
Current assets		
Cash	9,151	13,113
Financial assets at fair value through profit or loss*	376,612,038	64,511,888
Accrued interest	371,620	287,068
Subscriptions receivable	69,722	—
Total assets	377,062,531	64,812,069
Liabilities		
Current liabilities		
Management and administrative fees payable	9,189	5,990
Redemptions payable	41,113,437	—
Distributions payable	4,479	2,735
Total liabilities (before net assets attributable to holders of redeemable units)	41,127,105	8,725
Net assets attributable to holders of redeemable units	335,935,426	64,803,344
*Investments at average cost	376,612,038	64,511,888
Net assets attributable to holders of redeemable units per class		
Class D	26,765,002	24,064,704
Class F	96,559	113,957
Class I	309,073,865	40,624,683
Net assets attributable to holders of redeemable units per unit		
Class D	10.00	10.00
Class F	10.00	10.00
Class I	10.00	10.00
Number of outstanding redeemable units (note 6)		
Class D	2,676,442	2,406,463
Class F	9,656	11,396
Class I	30,906,739	4,062,481

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

For the years ended December 31 (note 1)

	2016	2015
	\$	\$
Income		
Interest for distribution purposes	1,543,455	569,935
Total income	1,543,455	569,935
Expenses		
Management fees	26,971	24,756
Administrative fees	63,018	41,250
Total expenses	89,989	66,006
Increase (decrease) in net assets attributable to holders of redeemable units	1,453,466	503,929
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class D	153,800	156,566
Class F	817	904
Class I	1,298,849	346,459
Increase (decrease) in net assets attributable to holders of redeemable units per unit*		
Class D	0.06	0.07
Class F	0.06	0.07
Class I	0.08	0.09

*Based on the weighted average number of redeemable units outstanding during the year.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Money Market Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31 (note 1)

	2016	2015
Net assets attributable to holders of redeemable units at beginning of year	\$	\$
Class D	24,064,704	20,881,106
Class F	113,957	135,359
Class I	40,624,683	37,030,669
	64,803,344	58,047,134
Increase (decrease) in net assets attributable to holders of redeemable units		
Class D	153,800	156,566
Class F	817	904
Class I	1,298,849	346,459
	1,453,466	503,929
Distribution to holders of redeemable units		
From net investment income		
Class D	(153,294)	(156,568)
Class F	(815)	(905)
Class I	(1,292,248)	(346,456)
	(1,446,357)	(503,929)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class D	17,835,972	13,504,150
Class F	92,125	84,717
Class I	1,073,468,412	19,136,529
Reinvestments of distributions to holders of redeemable units		
Class D	147,491	148,052
Class F	771	905
Class I	1,237,148	321,261
Redemption of redeemable units		
Class D	(15,283,671)	(10,468,602)
Class F	(110,296)	(107,023)
Class I	(806,262,979)	(15,863,779)
	271,124,973	6,756,210
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class D	2,700,298	3,183,598
Class F	(17,398)	(21,402)
Class I	268,449,182	3,594,014
	271,132,082	6,756,210
Net assets attributable to holders of redeemable units at end of year		
Class D	26,765,002	24,064,704
Class F	96,559	113,957
Class I	309,073,865	40,624,683
	335,935,426	64,803,344

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31 (note 1)

	2016	2015
Cash flows from operating activities	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	1,453,466	503,929
Purchases of investments	(1,617,873,189)	(310,645,410)
Proceeds from sale of investments	1,305,773,039	304,133,963
(Increase) decrease in accrued interest	(84,552)	(231,582)
Increase (decrease) in accrued liabilities	3,199	20
Net cash flows from (used in) operating activities	(310,728,037)	(6,239,080)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(59,203)	(35,463)
Proceeds from redeemable units issued	1,091,326,787	32,725,396
Redemption of redeemable units	(780,543,509)	(26,439,404)
Net cash flows from (used in) financing activities	310,724,075	6,250,529
Net increase (decrease) in cash	(3,962)	11,449
Cash at beginning of year	13,113	1,664
Cash at end of year	9,151	13,113
Supplementary information*		
Interest received	1,458,903	338,353

* This is cash flow from operating activities.

The accompanying notes are an integral part of these financial statements.

Beutel Goodman ■ Money Market Fund

Schedule of Investment Portfolio *as at December 31, 2016*

Par Value		Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets			Coupon Rate (%)	Maturity Date	Average Cost \$	Fair Value \$	% of Net Assets
Short-Term Investments (2015 – 61.01%)							Short-Term Bonds (2015 – 38.54%)						
Treasury Bills							Provincial Bonds						
24,770,000	Government of Canada	0.483%	9-Mar-17	24,739,615	24,739,615	7.36	3,650,000	Province of Ontario	0.670%	1-Mar-17	3,625,764	3,625,764	1.08
104,450,000	Government of Canada	0.459%	23-Mar-17	104,326,060	104,326,060	31.05					3,625,764	3,625,764	1.08
10,175,000	Government of Canada	0.448%	6-Apr-17	10,162,892	10,162,892	3.03	Corporate Bonds						
				<u>139,228,567</u>	<u>139,228,567</u>	<u>41.44</u>	9,550,000	Canadian Imperial Bank of Commerce	1.170%	3-Feb-17	9,550,000	9,550,000	2.84
Bankers Acceptance											<u>9,550,000</u>	<u>9,550,000</u>	<u>2.84</u>
11,800,000	Bank of Nova Scotia	0.900%	5-Apr-17	11,722,828	11,722,828	3.49	Total Short-Term Bonds						
15,000,000	Bank of Nova Scotia	0.838%	11-Apr-17	14,964,600	14,964,600	4.45					<u>13,175,764</u>	<u>13,175,764</u>	<u>3.92</u>
10,000,000	Canadian Imperial Bank of Commerce	0.831%	11-Apr-17	9,976,600	9,976,600	2.97	Transaction Costs						
8,550,000	Canadian Imperial Bank of Commerce	0.839%	28-Apr-17	8,525,120	8,525,120	2.54	<u>—</u>						
5,000,000	Firstbank	0.839%	30-Mar-17	4,989,450	4,989,450	1.49	Total Investments						
10,000,000	Firstbank	0.838%	11-Apr-17	9,976,400	9,976,400	2.97					<u>376,612,038</u>	<u>376,612,038</u>	<u>3.92</u>
13,750,000	Firstbank	0.871%	29-Jun-17	13,673,638	13,673,638	4.07	Total Investments and Short-Term Investments						
11,125,000	Royal Bank of Canada	0.869%	14-Feb-17	11,068,576	11,068,576	3.29					<u>376,612,038</u>	<u>376,612,038</u>	<u>112.11</u>
10,000,000	Royal Bank of Canada	0.830%	27-Mar-17	9,979,800	9,979,800	2.97	Other Assets Net of Liabilities						
7,000,000	Royal Bank of Canada	1.020%	23-Nov-17	6,934,340	6,934,340	2.06					<u>(40,676,612)</u>	<u>(12.11)</u>	
11,500,000	The Toronto-Dominion Bank	0.831%	30-Mar-17	11,475,965	11,475,965	3.42	Net Assets Attributable to Holders of Redeemable Units						
				<u>113,287,317</u>	<u>113,287,317</u>	<u>33.72</u>					<u>335,935,426</u>	<u>100.00</u>	
Discount Commercial Paper													
19,200,000	Enbridge Pipelines Inc.	0.862%	6-Jan-17	19,159,161	19,159,161	5.70							
4,000,000	FortisBC Energy Inc.	0.779%	30-Jan-17	3,993,440	3,993,440	1.19							
5,000,000	FortisBC Energy Inc.	0.760%	27-Feb-17	4,990,650	4,990,650	1.49							
10,000,000	Gaz Métro Inc.	0.841%	10-Mar-17	9,981,600	9,981,600	2.97							
10,000,000	Gaz Métro Inc.	0.811%	24-Jan-17	9,981,600	9,981,600	2.97							
18,025,000	Hydro One Inc.	0.899%	7-Feb-17	17,960,298	17,960,298	5.35							
15,000,000	Inter Pipeline Corridor Inc.	0.900%	30-Jan-17	14,967,150	14,967,150	4.46							
4,300,000	Inter Pipeline Corridor Inc.	0.891%	2-Feb-17	4,291,099	4,291,099	1.28							
1,990,000	TransCanada PipeLines Limited	0.857%	19-Jan-17	1,987,294	1,987,294	0.59							
11,375,000	TransCanada PipeLines Limited	0.872%	2-Mar-17	11,351,681	11,351,681	3.38							
				<u>98,663,973</u>	<u>98,663,973</u>	<u>29.38</u>							
Bearer Deposit Notes													
7,250,000	Toronto Dominion Bank	1.001%	9-May-17	7,194,973	7,194,973	2.14							
5,100,000	Toronto Dominion Bank	1.000%	10-May-17	5,061,444	5,061,444	1.51							
				<u>12,256,417</u>	<u>12,256,417</u>	<u>3.65</u>							
				<u>363,436,274</u>	<u>363,436,274</u>	<u>108.19</u>							

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Risk Management

The investment objective of the Beutel Goodman Money Market Fund (the "Fund") is to seek to maintain 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. The Fund will invest in a variety of money market instruments including Government of Canada treasury bills, short-term government bonds, commercial paper, short-term corporate bonds, chartered bank deposit receipts with a rating of A1 or R1 (low) depending on the rating agency, with a term to maturity of less than a year. The Fund is conservatively managed with an average term to maturity of less than 183 days. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective.

Credit Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of net assets (%)	
	Dec. 31, 2016	Dec. 31, 2015
R1 (high)	70	13
R1 (mid)	33	77
R1 (low)	—	10
Not Rated	9	—
Total	112	100

*Excludes cash and cash equivalents.

Credit ratings are obtained primarily from Dominion Bond Rating Service, Standard & Poor's and Moody's.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments. Due to the short term nature of the investments held by the Fund, the Fund is not exposed to a significant risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

Other Price Risk

The impact on net assets of the Fund due to a 1 percent change in benchmark, using historical correlation between the Fund's return as compared to the return of the Fund's benchmark, as at December 31, 2016 and December 31, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 data points based on the monthly net returns of the Fund. The returns of all classes of units of the Fund are substantially similar except for the differences in expense structure.

Benchmark	Impact on net assets (\$000)	
	Dec. 31, 2016	Dec. 31, 2015
FTSE TMX Canada 91-day Treasury Bills	2,276	431
Total	2,276	431

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

Foreign Currency Risk

As at December 31, 2016 and December 31, 2015, the Fund did not have significant exposure to foreign currency risk.

Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2016 and December 31, 2015:

Market segment	Dec. 31, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	41.44%	0.35%
Bankers Acceptance	33.72%	13.08%
Discount Commercial Paper	29.38%	47.58%
Bearer Deposit Notes	3.65%	—
Short-Term Bonds		
Provincial Bonds	1.08%	—
Corporate Bonds	2.84%	38.54%
Total	112.11%	99.55%

Fund Specific Notes to the Financial Statements

As at December 31, 2016 and December 31, 2015

Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2016 and December 31, 2015.

Dec. 31, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	13,175,764	—	13,175,764
Short-term investments	—	363,436,274	—	363,436,274
Total Assets	—	376,612,038	—	376,612,038

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Assets				
Bonds	—	24,974,726	—	24,974,726
Short-term investments	—	39,537,162	—	39,537,162
Total Assets	—	64,511,888	—	64,511,888

There were no transfers between level 1 and 2 during the years ended December 31, 2016 and 2015.

Fund Unit Transactions

For the years ended December 31

2016	Class D	Class F	Class I
Balance, beginning of the year	2,406,463	11,396	4,062,481
Redeemable units issued for cash	1,783,597	9,213	107,346,841
Reinvested units	14,749	77	123,715
Redeemable units redeemed	(1,528,367)	(11,030)	(80,626,298)
Balance, end of year	2,676,442	9,656	30,906,739

2015	Class D	Class F	Class I
Balance, beginning of year	2,088,104	13,535	3,703,079
Redeemable units issued for cash	1,350,415	8,472	1,913,654
Reinvested units	14,805	91	32,126
Redeemable units redeemed	(1,046,861)	(10,702)	(1,586,378)
Balance, end of year	2,406,463	11,396	4,062,481

Beutel Goodman ■ Notes to Financial Statements

1. General Information

Beutel, Goodman & Company Ltd. (the "Manager") is the trustee and manager of the following open-ended unit trusts formed under the laws of Ontario by Declarations of Trust on the dates noted below:

Fund Name	Short Name	Formation Date	Date of Commencement
Beutel Goodman Balanced Fund *	Balanced	August 23, 1990	December 11, 1990
Beutel Goodman Canadian Equity Fund *	Canadian	August 23, 1990	December 11, 1990
Beutel Goodman Total World Equity Fund	Total World Equity	August 17, 2001	August 17, 2001
Beutel Goodman Canadian Dividend Fund	Canadian Dividend	August 21, 2003	September 30, 2003
Beutel Goodman North American Focused Equity Fund	North American Focused	March 12, 1999	August 26, 1999
Beutel Goodman Small Cap Fund	Small Cap	January 16, 1995	January 27, 1995
Beutel Goodman American Equity Fund *	American	August 23, 1990	December 11, 1990
Beutel Goodman International Equity Fund	International	August 26, 1992	September 17, 1992
Beutel Goodman Global Dividend Fund	Global Dividend	August 13, 2010	August 13, 2010
Beutel Goodman Income Fund *	Income	August 23, 1990	December 11, 1990
Beutel Goodman Corporate/Provincial Active Bond Fund	Active	August 26, 1999	October 1, 1999
Beutel Goodman Long Term Bond Fund	Long Term	March 12, 1999	April 1, 1999
Beutel Goodman Short Term Bond Fund	Short Term	August 13, 2010	August 13, 2010
Beutel Goodman Money Market Fund *	Money Market	August 23, 1990	December 11, 1990
Beutel Goodman World Focus Equity Fund	Global	August 17, 2006	August 17, 2006
Beutel Goodman Global Equity Fund**	Global Equity	April 5, 1995	April 12, 1995
Beutel Goodman Fundamental Canadian Equity Fund	Fundamental Canadian Equity	June 23, 2014	June 23, 2014

* Third Amended Trust Indenture dated August 28, 1991.

** Amended on July 6, 2011 from Pooled Fund to Mutual Fund.

(collectively, the "BG Funds" or individually the "Fund")

The address of the BG Funds registered office is 20 Eglinton Avenue West, Suite 2000, Toronto, ON M4R 1K8. The financial statements are presented in Canadian dollars, which is also the BG Funds' functional currency. These financial statements were authorized for issue by the Manager on March 21, 2017.

The Statements of Financial Position of each of the BG Funds are as at December 31, 2016, and December 31, 2015. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the years ended December 31, 2016 and December 31, 2015..

2. Basis of Presentation and Adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

3. Summary of Significant Accounting Policies

The following summarizes the accounting policies of the BG Funds for the years ended December 31, 2016 and December 31, 2015:

a) Financial instruments

The BG Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Purchases and sales of financial assets are recognized at their trade date. The BG Funds' investments are designated at fair value through profit or loss (FVTPL). The BG Funds derivatives are classified as held for trading. The BG Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount, which approximates fair value due to its short term nature. All other financial assets and liabilities are measured

at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted when appropriate, at the contract's effective interest rate. As at December 31, 2016 and December 31, 2015, there are no differences between the net asset value (NAV) used for transactions with unitholders and the net assets attributable to holders of redeemable units used for reporting purposes under IFRS.

b) Valuation of investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. BG Funds use the last traded market price for financial assets where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The BG Funds' policy is to recognize transfers between levels as of the reporting date.

The fair value of investments as at the financial reporting year end is determined as follows:

- i. Securities listed upon a recognized public stock exchange are valued at their last prices on the valuation date. Securities with no available last prices are valued at the fair value as determined by the Manager.
- ii. Securities not listed upon a recognized public stock exchange are valued using valuation techniques, on such basis and in such manner established by the Manager.
- iii. Bonds and other debt instruments are valued at the mean of bid/ask prices provided by recognized investment dealers.

A Fund may, from time to time, enter into foreign currency forward contracts. Foreign currency forward contracts are valued on each valuation day based on the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk.

All unrealized gains (losses) arising from foreign currency forward contracts are recorded as part of "Change in unrealized appreciation (depreciation) in value of derivatives" in the Statements of Comprehensive Income and "Unrealized gain (loss) on forward agreement" in the Statement of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized and reported as "Net realized gain (loss) on sale of derivatives" in the Statements of Comprehensive Income.

c) Redeemable units valuation and valuation day

Redeemable units of the BG Funds are valued at the net asset value (NAV) per unit of each class on each valuation day. A valuation day is each day on which the Toronto Stock Exchange and other exchanges, if relevant, are open for trading. The net asset value per unit of each class is calculated by dividing the total NAV of each class of a Fund by the number of redeemable units of that class outstanding.

d) Recognition of income

Interest for distribution shown on the Statements of Comprehensive Income represents the coupon interest received by the BG Funds accounted for on an accrual basis. The BG Funds do not amortize premiums or discounts received on the purchase of fixed income securities except for zero coupon bonds. Dividend income is accrued and recognized on the ex-dividend date. Any related withholding tax is recognized as an expense. Investment transactions are accounted for on the trade date. Realized and unrealized gains and losses on the sale of investments are determined by using average cost. Net realized gains (losses) on sale of investments and the change in unrealized appreciation (depreciation) in the value of investments are allocated daily among the classes on a pro-rata basis to each class based on the relative net assets

of each class to the total net assets of the Fund. All net gains (losses) on investments are from investments designated at FVTPL.

e) Transaction costs

Transaction costs are expensed and included in "Transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to the agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

f) Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

g) Foreign exchange

Foreign currency accounts are expressed in each Fund's functional currency, the Canadian Dollar, on the following basis:

- i. Fair value of investments and other assets at the rate of exchange prevailing at the year-end-date.
- ii. Purchases and sales of investments, income and expenses at the rate of exchange prevailing on the respective dates of such transactions.
- iii. Realized and unrealized gains (losses) on foreign currency investments are included under Net gains (losses) on investments in the Statements of Comprehensive Income.
- iv. Realized and unrealized gains (losses) on other foreign currency assets and liabilities are included under "Other Income" in the Statements of Comprehensive Income.

h) Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit of a class in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units of the class, divided by the weighted average number of redeemable units of that class outstanding during the year.

i) Other assets and liabilities

Cash and cash equivalents, interest and dividends receivables, subscriptions receivables and due from brokers, are designated as loans and receivables and recorded at amortized cost. Amounts due to brokers, accrued expenses and redemptions payables are designated as financial liabilities and reported at amortized cost. Other assets and liabilities are short term in nature and their carrying value approximates fair value.

j) Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Estimates and assumptions by management may affect the reported amounts of assets, liabilities, income and expenses, realized and unrealized gains (losses) during the reported periods. Actual results could differ from estimates. The following discusses the most significant accounting judgments and estimates that the BG Funds have made in preparing the financial statements:

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the BG Funds, the Manager is required to make significant judgments about whether or not the business of the BG Funds is to invest on a total return basis for the purpose of applying the fair value option for the financial assets under IAS 39, Financial instruments – Recognition and Measurement (IAS 39). The most significant judgments made include the determination that the fair value option can be applied to the BG Funds' investments.

k) Cash and cash equivalents

Cash is composed of deposits with financial institutions. The BG Funds classify all short-term investments as cash equivalents due to their short term to maturity.

l) Accounting policies issued but not yet adopted

The final version of IFRS 9, Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however, is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Manager is in the process of assessing the impact of IFRS 9.

m) Classification of redeemable units issued by the BG Funds

Under IFRS, IAS 32 requires that units of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. In addition, the BG funds' units do not meet the criteria in IAS 32 for classification as equity since the BG Funds have multiple classes which enable different groups of investors to participate in the fund on different terms, including being subject to different management fee rates and therefore, are classified as liability.

4. Financial Instrument Risk

In the normal course of business, each Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and foreign currency risk). The value of investments within a Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objectives and the type of securities it invests in. Please refer to the Fund Specific Notes for a discussion of each Fund's financial instruments risk.

a) Credit Risk

The BG Funds that invest in fixed income securities (like bonds) and derivatives are vulnerable to credit risk. Credit risk is the risk that the government or company issuing a fixed income security will not be able to pay the interest as required or pay back the original principal. Credit risk exposure for derivative instruments is based on each Fund's unrealized gain on the contractual obligations with the counterparty as at the reporting date. The credit rating of a counterparty to a derivative instrument is disclosed in Schedule of Investment Portfolio or in Fund Specific Notes to the Financial Statements section of the financial statements of each Fund, if applicable. Securities that have a low credit rating have higher credit risk. The BG Funds that invest in companies or markets with low credit risk (such as well established companies or markets in developed countries) may be less volatile in the short term than those mutual funds that invest in securities with higher credit risk. All transactions executed by a Fund in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

b) Liquidity Risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price. Each Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. All liabilities of each Fund are due within three months.

c) Interest Rate Risk

The value of a Fund that invests in bonds, other fixed income investments, and to a lesser extent, preferred shares and dividend yielding common shares, is directly affected by changes in the general level of interest rates. As interest rates increase, the price of these investments tends to fall. Conversely, if interest rates fall, the price of fixed income securities increases. As a result, the BG Funds that invest in fixed income securities can experience gains or losses as interest rates change.

d) Foreign Currency Risk

The BG Funds that invest in securities denominated in currencies other than the functional currency of the Funds are vulnerable to foreign

currency risk, which is the risk that the value of a financial instrument will fluctuate due to changes in the foreign exchange rates.

e) Other Price Risk

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. The portfolio manager of each Fund moderates the risk through a careful selection and diversification of securities and other financial instruments within the limits of the Fund's investments objectives and strategy. The maximum risk resulting from financial instruments is represented by the market value of the financial instruments. The Fund's overall market positions are monitored on a daily basis by the portfolio manager. Financial instruments held by each Fund are susceptible to market price risk arising from uncertainties about future prices of instruments.

f) Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

g) Fair Value Estimation

IFRS requires that entities classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Manager does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are value based on quoted market prices, dealer quotations or

alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and forward foreign exchange contracts. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

h) Offsetting of financial instruments

In the normal course of business, the Funds enter into various master netting agreements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the realized amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

The disclosures set out in the Offsetting of Financial Instruments tables in the Fund Specific Notes to Financial Statements of each Fund, where applicable, include foreign currency forward contracts assets and liabilities that are subject to netting arrangements. In the absence of such an agreement, contracts will be settled on a gross basis

5. Taxation of the BG Funds

The BG Funds, with the exceptions of Total World Equity, Short Term Bond, Global Equity, and Fundamental Canadian Equity, which are unit trusts, qualify as mutual fund trusts as defined in the Income Tax Act (Canada).

Pursuant to the terms of the Trust Indentures establishing the BG Funds, the BG Funds pay or make payable to unitholders in the calendar year all the taxable investment income and such capital gains of a Fund as are necessary to ensure that no taxes are payable by the Fund. As a result, the BG Funds do not record income taxes. Since the BG Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred tax asset. For the BG Funds that qualify as mutual fund trusts, the amount of taxable capital gains can be reduced by taking into account applicable capital gains refunds. Under existing tax legislation the net investment income and capital gains paid to unitholders are taxable in the hands of the unitholders and not in the BG Funds. The BG Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

As at December 31, 2016, none of the BG Funds had non-capital losses and the following BG Funds had capital loss carry-forwards for income tax purposes. The capital losses may be carried forward indefinitely to be applied against future capital gains.

Fund Name	Capital Losses
	\$
Corporate/Provincial	87,096
Income	2,568,238
International	17,613,985
Short Term Bond	4,575,622

6. Redeemable Units

The BG Funds are authorized to issue an unlimited number of redeemable units without par value. Unitholders may as of any valuation day subscribe for or redeem all or any part of their units by delivering to the Manager a properly completed and signed request. Requests received by 4:00 p.m. Toronto time on a particular valuation day will be transacted at the unit valuation on that day. Requests received after 4:00 p.m. will be transacted on the next valuation day at the unit valuation pertaining to the next day. As a security measure, telephone or electronically transmitted redemption requests will normally not be accepted.

A unitholder may require a Fund to redeem some or all of the unitholder's units by delivering by prepaid mail or courier to the Manager, a properly completed and signed redemption request that a specified dollar amount or number of units be redeemed. The BG Funds have no restrictions or specific capital requirements on the subscription or redemption of units, other than minimum subscription requirements. The Statement of Changes in Net Assets Attributable to Holders of Redeemable Units identifies changes in each Fund's capital during the year. The Manager manages the capital of the BG Funds in accordance with the BG Funds' investment objectives, including managing their liquidity in order to be able to meet redemptions as discussed above. The Manager defines capital to include the Net Assets Attributable to Holders of Redeemable Units of the BG Funds.

The classes offered are:

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 the employees of the Manager (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.

The different classes of units of a Fund represent an interest in the same portfolio investments of the Fund.

The Fund Specific Notes to the Financial Statements disclose unit movements in each Fund's net assets during the years.

Short-Term Trading Penalty

To discourage excessive trading, the BG Funds may, at the Manager's sole discretion, charge a short-term trading penalty of up to 2% of the amount switched or redeemed if held in the Fund for less than 30 days. This penalty is paid directly to the BG Funds.

7. Related Party Transactions

Management and administrative fees

The Manager, in consideration of management fees received, provides management services, including key personnel, that are required in the day-

to-day operation of the BG Funds, including management of the investment portfolios. The management fee is calculated as an annual percentage of the total net asset value of each Fund at the end of each business day and payable monthly. Management fees charged to Class I units are negotiated and paid directly by the investors, not by the BG Funds. In addition to management fees, the BG Funds also pay a monthly administrative fee to the Manager, based on daily net asset value.

The following table lists the management fees that are payable to the Manager:

Management Fees

Fund Name	Class	Management Fees (%) ⁽¹⁾
Balanced Fund	B	up to 1.75
	D	up to 1.00
	F	up to 0.85
Canadian Equity Fund	B	up to 1.85
	D	up to 1.25
	F	up to 0.90
Total World Equity Fund	B	up to 1.85
	D	up to 1.25
	F	up to 0.90
North American Focused Fund	B	up to 1.85
	D	up to 1.25
	F	up to 0.90
Small Cap Fund	B	up to 1.95
	D	up to 1.25
	F	up to 1.00
Canadian Dividend Fund	B	up to 1.85
	D	up to 1.25
	F	up to 0.90
Global Dividend Fund	B	up to 1.90
	F	up to 1.00
World Focus Equity Fund	B	up to 1.90
	D	up to 1.25
	F	up to 1.00
Global Equity Fund	B	up to 1.90
	D	up to 1.25
	F	up to 1.00
International Equity Fund	B	up to 1.90
	D	up to 1.25
	F	up to 1.00
American Equity Fund	B	up to 1.85
	D	up to 1.25
	F	up to 0.90

Beutel Goodman ■ Notes to Financial Statements

Management Fees

Fund Name	Class	Management Fees (%) ⁽¹⁾
Income Fund	B	up to 1.00
	D	up to 0.70
	F	up to 0.50
Long Term Bond Fund	B	up to 1.00
	D	up to 0.70
	F	up to 0.50
Corporate/Provincial Active Bond Fund	B	up to 1.00
	D	up to 0.70
	F	up to 0.50
Short Term Bond Fund	B	up to 1.00
	F	up to 0.50
Money Market Fund	D	up to 0.50
	F	up to 0.40
Fundamental Canadian Equity Fund	B	up to 1.85
	F	up to 0.90

(1) Plus HST where applicable.

The Manager may reduce the management fee for certain large investors who have substantial holdings in units of a Fund. To accomplish this, the Manager will reduce the management fee it charges to the Fund and the Fund pays out the difference to these investors as a special distribution. This is called a management fee distribution. The Manager calculates and accrues the reduction daily and distributes it quarterly. The distribution is reinvested on behalf of such unitholders in additional units of the same class of 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. The Manager may waive the management fee in certain circumstances.

The Manager pays the administrative fees of the BG Funds. These expenses include audit and legal fees; custodian and transfer agency fees; costs attributable to the issue, redemption and change of units, including the cost of the securityholder record-keeping system; expenses incurred in respect of preparing and distributing prospectuses, financial reports and other types of reports, statements and communications to securityholders; fund accounting and valuation costs; independent review committee fees and filing fees, including those incurred by the Manager. In return, each Fund pays the Manager a fixed administrative fee. The administrative fee, set out below, is subject to applicable taxes, including HST, and may vary by class of units and by Fund.

Administrative Fees

Fund Name	Class	Administrative Fees (%)
Balanced Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Canadian Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
Total World Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
North American Focused Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
Small Cap Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
Canadian Dividend Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
Global Dividend Fund	B	up to 0.15
	F	up to 0.15
	I	up to 0.10
World Focus Equity Fund	B	up to 0.15
	D	up to 0.10
	F	up to 0.15
Global Equity Fund	B	up to 0.15
	D	up to 0.15
	F	up to 0.15
International Equity Fund	B	up to 0.15
	D	up to 0.10
	F	up to 0.15
	I	up to 0.10

Beutel Goodman ■ Notes to Financial Statements

Administrative Fees

Fund Name	Class	Administrative Fees (%)
American Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Income Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Long Term Bond Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Corporate/Provincial Active Bond Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Short Term Bond Fund	B	up to 0.10
	F	up to 0.10
	I	up to 0.10
Money Market Fund	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Fundamental Canadian Equity Fund	B	up to 0.10
	F	up to 0.10
	I	up to 0.10

The Manager has the following holdings in the BG Funds:

Fund Name	Unit Type	Value of redeemable units as at	
		December 31, 2016	December 31, 2015
		\$	\$
Total World Equity	F	9,091	8,005
North American Focused Equity	B	9,524	7,857
International Equity	B	6,554	6,528
World Focus Equity	B	9,858	9,082
	F	10,551	9,619
Short Term Bond	F	5,549	5,501
Money Market	F	5,250	5,216
	I	11,626,288	—
Global Equity	B	8,970	8,420
	D	9,315	8,688
Fundamental Canadian Equity	B	5,565	4,747
	F	5,715	4,822

8. Independent Review Committee

Effective January 1, 2013, Beutel, Goodman & Company Ltd. is the Manager of the BG Funds. Beutel Goodman Managed Funds Inc., the former Manager of the BG Funds appointed an Independent Review Committee ("IRC") for each of the BG Funds in accordance with the Canadian Securities Administrators' National Instrument 81-107. This Instrument has been designed to promote investor protection in mutual funds. The IRC oversees conflict of interest matters that may arise out of the management of each of the BG 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 BG Funds or Beutel, Goodman & Company Ltd. outside of their roles as members of the IRC. IRC fees are included in the administrative fees.

9. Commissions

Commissions paid to brokers for portfolio transactions for the years ended December 31, 2016 and 2015 were as follows:

	2016	2015
	\$	\$
Balanced	1,488,313	2,301,303
Canadian Equity	1,251,182	1,668,923
Total World Equity	2,705	3,288
North American Focused Equity	6,407	4,196
Canadian Dividend	116,429	80,519
Small Cap	738,293	375,125
American Equity	434,126	566,472
International	205,548	295,021
Global Dividend	42,057	78,807
World Focus Equity	14,397	20,778
Global Equity	627,111	665,761
Fundamental Canadian Equity	159,358	60,163

There were no soft dollar commissions for the years ended December 31, 2016 and 2015.

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
Web: www.beutelgoodman.com