
BEUTEL GOODMAN MANAGED FUNDS

Interim Management Report of Fund Performance
June 30, 2016

BEUTEL GOODMAN North American Focused Equity Fund

Beutel Goodman ■ North American Focused Equity Fund

This interim management report of fund performance contains financial highlights but does not contain the complete annual or interim financial statements of the investment fund. You can get a copy of the annual or interim financial statements at your request at no cost (contact details on this page) or by visiting our website at www.beutelgoodman.com or SEDAR at www.sedar.com.

Security holders may also request the investment fund's prospectus, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

BEUTEL GOODMAN Managed Funds

www.beutelgoodman.com

20 Eglinton Avenue West

Suite 2000, P.O. Box 2005

Toronto, Ontario

M4R 1K8

416.932.6403 (local)

1.855.247.9954 (toll free)

Management Discussion of Fund Performance

Investment Objectives and Strategies

The Fund seeks long-term capital growth through investments primarily in common shares and other equity securities of issuers in Canada and the United States.

The strategy of the 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, and is expected to deviate from the index considerably. It is not expected that the fund will invest in more than 20 issuers at one time.

Research is directed to identify companies that can grow their intrinsic value at above normal rates over long years of time. Companies generating free cash flow are favoured. Securities are purchased when they are trading at a substantial discount to their business value.

The fundamental investment objective of the Fund cannot be changed without the approval of a majority of the investors who own units in the Fund.

Risk

The risks of investing in this Fund remain as discussed in the Prospectus.

This Fund continues to be suitable for investors seeking capital growth with a medium tolerance for risk and a long-term investment horizon.

Results of Operations

The Fund had a positive return and outperformed its blended benchmark over the six month period under review.

North American equity markets diverged in the six months ending June. The S&P/TSX Composite advanced 9.8%, which ranked as the best return of any developed market over this period. The Canadian market's strong performance was primarily due to a 52.3% gain for the Materials sector. The group was led by a doubling in the price of gold and silver stocks, which far outstripped the 30% and 39% respective gains for the underlying commodities in Canadian dollar terms. The demand for precious metals was driven by concerns over extreme central bank policies and the U.K. referendum. The general demand for defensive investments was also evident in the performance of the Utilities and Telecom sectors, both of which posted double-digit gains.

The S&P 500 lagged the Canadian market, returning 3.8% in the first half of the year in U.S. dollar terms and -2.4% in Canadian dollars. Energy led, as oil prices rallied to over \$50, bringing up the whole group in lockstep. Telecom and Utilities also performed strongly, as investors continued to gravitate to safety and yield; the same drivers also contributed to healthy performance for Consumer Staples. The weakest sectors in the period were Information Technology, Financials and Consumer Discretionary, with the latter pressured by the retailing space where consumer spending trends continue to disappoint.

The Fund's outperformance in the period was primarily due to stock selection effects. The largest contribution came from the Health Care sector. The main reason was a lack of exposure to Valeant Pharmaceuticals, which declined 81.5% on a number of alarming developments, including the resignation of the CEO, a violation of debt covenants and admissions of accounting problems.

Another strong area was the Financials sector. The portfolio's holding in InnVest REIT gained on a takeover bid from Bluesky Hotels and Resorts, a company with roots in Hong Kong. This positive effect more than offset relative weakness in JPMorgan Chase and BB&T Corporation.

In the Industrials sector, the portfolio's holding in SNC-Lavalin advanced after the company reported results that included a 17% jump in profits on a combination of new contracts and cost cutting measures. Finning International also performed well, gaining in response to gains in copper and oil prices. While conditions for the company remain challenging, it has taken steps to preserve cash flow in the downturn and is in a good position to benefit from any improvement in resource demand. These positive effects more than offset weakness in CNR and U.S. automation equipment manufacturer, Teradyne.

Across the rest of the portfolio, performance effects were mostly positive. The portfolio's two holdings in the Energy sector, Canadian Natural Resources and Halliburton made positive contributions. In Telecom, a gain for Verizon and an advance for Rogers added value. In the Consumer Discretionary sector, an advance for Canadian Tire was more than offset by a similar decline in our larger position in auto parts supplier Magna. Magna fell on concerns that the global auto cycle may be peaking, despite continued good results from the company and no signs of declining sales in any major market.

In the period, we added two new positions to the portfolio, American Express and Parker Hannifin, a supplier of motion and control technologies. On the sale side, we exited positions in Caterpillar and BB&T, both on considerations of return potential relative to downside risk. In other transactions, we took advantage of volatility to add to the portfolio's holdings in CNR, Finning, WestJet, Magna, RBC, TD, Proctor & Gamble, Eli Lilly, Oracle and Teradyne.

The Fund continues to be a concentrated portfolio focused entirely on individual security selection in Canada and the U.S. market - as a result equity weights can deviate significantly from the broader market. The Fund's strategy has not changed over the period; to buy businesses that generate free cash flow and trade at a discount to business value.

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

Recent Developments

This Fund is managed by the Beutel Goodman Equity Team and this has not changed over the period.

World equity markets were clearly unprepared for the negative result in the British referendum. As with any surprise, we expect a period of volatility, as investors sort out exposures and adjust positions. Given the complex political issues involved, it is reasonable to expect this issue to drag on for some time. During that period, there is likely to be a continued bid for defensive equities, potentially stretching valuations to unsustainable levels. This is already the situation with many gold, pipeline and utility stocks, where downside risk is now significant.

With respect to our current holdings, our analysis indicates that developments out of Britain do not represent a material risk to the longer-term value of the companies affected. While there are positions in the portfolio with direct or indirect exposures to the British economy, in each case the risks are manageable. Regarding the more general concern of slower global growth, the assumptions we use in valuing our economically-sensitive positions are

Beutel Goodman ■ North American Focused Equity Fund

already quite conservative. And at this point, the higher-quality cyclical stocks we hold in the portfolio have already discounted low commodity prices and an uncertain outlook for global growth. As a result, they typically offer a more attractive risk/reward profile than many of the so-called safe-haven investments currently leading the market.

Outside the cyclical areas, the longer-term impact of the Brexit vote on the companies we hold in Industrials, Consumer, Health Care, Financials, Information Technology and Telecom sectors is likely to be negligible over a meaningful horizon. On the positive side, the confused state of affairs related to Brexit will keep central bankers on the sidelines for some time, prolonging the positive monetary backdrop for equity markets.

Related Party Transactions

Beutel, Goodman & Company Ltd. is the Portfolio Advisor to this Fund. The Fund did not rely on any recommendation or approval of its Independent Review Committee to proceed with any transaction involving related parties because it did not conduct any related party transactions, except for certain inter-fund trades, as approved by the Independent Review Committee by standing instructions, and subject to regulatory requirements.

Fees and Expenses

The following table lists the fees and expenses that you may have to pay if you invest in the Beutel Goodman Managed Funds. You may have to pay some of these fees and expenses directly. The Funds pay the other fees and expenses. This will reduce the value of your investment in a Fund.

Management Fees: We are entitled to a management fee from each class of each Fund based on the average daily net asset value of the particular class. The fee is payable monthly, in arrears, and is calculated at the annualized rate specified for each class of each Fund below. Management fees for Class I units are negotiated and paid directly by the investor, not by the Fund, and, therefore, are not listed.

Fund	Class	Management Fees (%) ⁽¹⁾
North American Focused Equity Fund	B	up to 1.85
North American Focused Equity Fund	D	up to 1.25
North American Focused Equity Fund	F	up to 0.90

(1) Excludes GST/HST where applicable.

We may reduce our management fee for certain large investors who have substantial holdings in units of a Fund. To accomplish this, we reduce the management fee we charge to the Fund and the Fund pays out the difference to these investors as a special distribution. This is called a management fee distribution. We calculate and accrue the reduction daily and distribute it quarterly. The distribution is reinvested on behalf of such unitholders in additional units of the same class of the Fund. Management fee reductions for a unitholder may be increased at any time, but may only be decreased after at least 60 days prior written notice has been given to such unitholder.

We may waive our management fee in certain circumstances.

The Fund paid the Manager management fees, inclusive of HST, of \$49,128 for the period ending June 30, 2016. The management fee for each class of unit is calculated as a percentage of its net asset value, as of the close of business on each business day. The Fund's management fees were used by the Manager to pay costs for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio and providing other services. The Manager also used the management fees to fund commission payments and other dealer compensation (collectively called "distribution-related costs") to registered dealers and brokers and financial consultants, for units of the Fund bought and held by investors, which amounted to 21.18% of total management fees paid by the Fund to the Manager in 2015.

Operating Expenses: The Manager pays certain operating expenses of the Fund. These expenses include audit and legal fees; custodian and transfer agent fees; costs attributable to the issue, redemption and change of units, including the cost of the security holder record-keeping system; expenses incurred in respect of preparing and distributing all regulatory reports; fund accounting and valuation costs; and filing fees, including those incurred by us. In return, the Fund pays the Manager a fixed administration fee. The administration fee may vary by class of units and by Fund.

Please refer to the Financial Highlights section for the MERs of the classes of units.

Commissions

Commissions paid to brokers for portfolio transactions were as follows:

Fund Name	June 2016	2015	2014
North American Focused Equity Fund	\$1,401	\$4,196	\$5,131

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6 month period ended June 30, and for the past 5 years ended December 31. The December 31 information is derived from the Fund's audited annual financial statements and is provided for each class of units.

Financial Highlights for Class B Units (for the 6 month period ended June 30 and for the years ended December 31)

	June					
\$	2016	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units per unit, beginning of period ⁽¹⁾	13.57	13.76	13.01	10.74	9.68	10.61
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.01	0.04	0.01	—	—	—
Total Dividend Revenue	0.25	0.34	0.34	0.29	0.14	0.14
Total revenue	0.26	0.38	0.35	0.29	0.14	0.14
Total expenses	(0.18)	(0.34)	(0.35)	(0.20)	(0.23)	(0.22)
Realized gains (losses) for the period	0.10	0.02	0.52	0.89	0.25	0.03
Unrealized gains (losses) for the period	0.72	0.29	0.75	1.85	0.52	(0.58)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.90	0.35	1.27	2.83	0.68	(0.63)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	0.04	0.02	—	—	—
Net dividend income	—	0.16	0.14	0.05	0.17	—
Net investment income	—	0.20	0.16	0.05	0.17	—
Realized gains on sale of investments	—	0.08	0.46	0.58	0.02	—
Total distribution to holders of redeemable units ⁽³⁾	—	0.28	0.62	0.63	0.19	—
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	14.38	13.57	13.76	13.01	10.73	9.68

Ratios and Supplemental Data for Class B Units (for the 6 month period ended June 30 and for the years ended December 31)

	June					
	2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units (\$) (000's) ⁽⁵⁾	1,432	1,125	288	81	29	5
Number of outstanding redeemable units (000's) ⁽⁵⁾	100	83	21	6	3	1
Management expense ratio ⁽⁶⁾	2.20%	2.19%	2.20%	2.20%	2.20%	2.17%
Management expense ratio before absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	8%	10%	28%	27%	53%	49%
Trading expense ratio (%) ⁽⁸⁾	0.02%	0.04%	0.07%	0.07%	0.10%	0.07%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	14.38	13.57	13.76	13.01	10.74	9.70

Beutel Goodman ■ North American Focused Equity Fund

Financial Highlights for Class D Units

(for the 6 month period ended June 30 and for the years ended December 31)

	June					
\$	2016	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units per unit, beginning of period ⁽¹⁾	8.20	8.22	7.69	6.36	5.64	6.18
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.01	0.02	—	—	—	—
Total Dividend Revenue	0.14	0.21	0.21	0.17	0.14	0.14
Total revenue	0.15	0.23	0.21	0.17	0.14	0.14
Total expenses	(0.06)	(0.12)	(0.11)	(0.08)	(0.07)	(0.08)
Realized gains (losses) for the period	0.06	0.10	0.46	0.53	0.25	0.03
Unrealized gains (losses) for the period	0.40	(0.08)	0.28	1.21	0.52	(0.58)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.55	0.13	0.84	1.83	0.84	(0.49)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	0.02	0.01	—	—	—
Net dividend income	—	0.07	0.10	0.15	0.06	0.04
Net investment income	—	0.09	0.11	0.15	0.06	0.04
Realized gains on sale of investments	—	0.05	0.27	0.34	0.01	—
Total distribution to holders of redeemable units ⁽³⁾	—	0.14	0.38	0.49	0.07	0.04
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	8.71	8.20	8.22	7.69	6.36	5.64

Ratios and Supplemental Data for Class D Units

(for the 6 month period ended June 30 and for the years ended December 31)

	June					
	2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units (\$) (000's) ⁽⁵⁾	6,632	5,854	5,317	3,343	1,717	1,522
Number of outstanding redeemable units (000's) ⁽⁵⁾	761	714	647	434	270	269
Management expense ratio ⁽⁶⁾	1.51%	1.51%	1.46%	1.51%	1.50%	1.48%
Management expense ratio before absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	8%	10%	28%	27%	53%	49%
Trading expense ratio (%) ⁽⁸⁾	0.02%	0.04%	0.07%	0.07%	0.10%	0.07%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	8.71	8.20	8.22	7.69	6.36	5.65

Financial Highlights for Class F Units

(for the 6 month period ended June 30 and for the years ended December 31)

	June					
\$	2016	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units per unit, beginning of period ⁽¹⁾	14.07	14.11	13.19	10.84	9.64	10.63
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.01	0.03	0.01	—	—	—
Total Dividend Revenue	0.27	0.37	0.35	0.31	0.14	0.14
Total revenue	0.28	0.40	0.36	0.31	0.14	0.14
Total expenses	(0.11)	(0.19)	(0.20)	(0.11)	(0.12)	(0.11)
Realized gains (losses) for the period	0.10	0.17	0.78	0.93	0.25	0.03
Unrealized gains (losses) for the period	0.67	(0.16)	0.66	1.66	0.52	(0.58)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.94	0.22	1.60	2.79	0.79	(0.52)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	0.04	0.02	—	—	—
Net dividend income	—	0.16	0.14	0.14	0.13	0.15
Net investment income	—	0.20	0.16	0.14	0.13	0.15
Realized gains on sale of investments	—	0.08	0.47	0.59	0.02	—
Total distribution to holders of redeemable units ⁽³⁾	—	0.28	0.63	0.73	0.15	0.15
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	14.98	14.07	14.11	13.19	10.83	9.64

Ratios and Supplemental Data for Class F Units

(for the 6 month period ended June 30 and for the years ended December 31)

	June					
	2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units (\$) (000's) ⁽⁵⁾	1,191	1,039	915	691	275	26
Number of outstanding redeemable units (000's) ⁽⁵⁾	79	74	65	52	25	3
Management expense ratio ⁽⁶⁾	1.13%	1.13%	1.13%	1.13%	1.13%	1.14%
Management expense ratio before absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	8%	10%	28%	27%	53%	49%
Trading expense ratio (%) ⁽⁸⁾	0.02%	0.04%	0.07%	0.07%	0.10%	0.07%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	14.98	14.07	14.11	13.19	10.84	9.66

Beutel Goodman ■ North American Focused Equity Fund

Financial Highlights for Class I Units (for the 6 month period ended June 30 and for the years ended December 31)

	June					
\$	2016	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units per unit, beginning of period ⁽¹⁾	8.87	8.89	8.30	6.83	6.05	6.65
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.01	0.02	—	—	—	—
Total Dividend Revenue	0.17	0.24	0.23	0.19	0.14	0.14
Total revenue	0.18	0.26	0.23	0.19	0.14	0.14
Total expenses	(0.02)	(0.03)	(0.03)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	0.06	0.10	0.55	0.56	0.25	0.03
Unrealized gains (losses) for the period	0.43	(0.11)	0.40	1.31	0.52	(0.58)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	0.65	0.22	1.15	2.05	0.90	(0.42)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	0.04	0.02	—	—	—
Net dividend income	—	0.17	0.16	0.18	0.13	0.14
Net investment income	—	0.21	0.18	0.18	0.13	0.14
Realized gains on sale of investments	—	0.05	0.30	0.37	0.01	—
Total distribution to holders of redeemable units ⁽³⁾	—	0.26	0.48	0.55	0.14	0.14
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	9.50	8.87	8.89	8.30	6.83	6.05

Ratios and Supplemental Data for Class I Units (for the 6 month period ended June 30 and for the years ended December 31)

	June					
	2016	2015	2014	2013	2012	2011
Total net assets attributable to holders of redeemable units (\$) (000's) ⁽⁵⁾	3,128	2,862	2,464	2,418	1,685	1,354
Number of outstanding redeemable units (000's) ⁽⁵⁾	329	323	277	291	247	223
Management expense ratio ⁽⁶⁾	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
Management expense ratio before absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	8%	10%	28%	27%	53%	49%
Trading expense ratio (%) ⁽⁸⁾	0.02%	0.04%	0.07%	0.07%	0.10%	0.07%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	9.50	8.87	8.89	8.30	6.83	6.07

- (1) The information for June 2016, December 2015, December 2014 and December 2013 is derived from the Fund's financial statements prepared in accordance with IFRS. The information for prior years is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP.
- (2) Net assets attributable to holders of redeemable units per unit and distributions to holders of redeemable units per unit are based on the actual number of redeemable units outstanding for the relevant class at the relevant time. The increase (decrease) in net assets attributable to holders of redeemable units per unit is based on the weighted average number of redeemable units outstanding for the relevant class over the fiscal period.
- (3) Distributions were paid in cash or automatically reinvested in additional redeemable units of the Fund.
- (4) This is not a reconciliation of the beginning and ending net assets per redeemable unit.
- (5) This information is provided as at period end of the period shown.
- (6) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily net asset value during the period.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate equals the lesser of purchases or sales divided by the average value of the portfolio securities of the Fund on a monthly basis, excluding short-term securities.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs disclosed in the Statements of Comprehensive Income expressed as an annualized percentage of daily average net asset value of the Fund during the period.
- (9) The information for June 2016, December 2015, December 2014 and December 2013 is derived from the Fund's financial statements prepared in accordance with IFRS. Prior to January 1, 2013, for the purpose of processing unitholder transactions, net assets were calculated based on the closing market price, while for financial statement purposes net assets were calculated based on bid/ask price. For the period ending June 30, 2016 and for the years ended December 31, 2015, December 31, 2014 and December 31, 2013, the information provided for processing unitholder transactions is consistent with the information provided for reporting purposes.

Past Performance

The past performance of each class of units of a Fund, if the class has been in continuous existence and offered to the public for at least 12 months (at the date of this document), is explained under the Year-by-Year Returns and Annual Compound Returns headings found below. In years where the class of a Fund has less than 12 months of performance data, the annual rate of return has been annualized.

The performance returns in all cases:

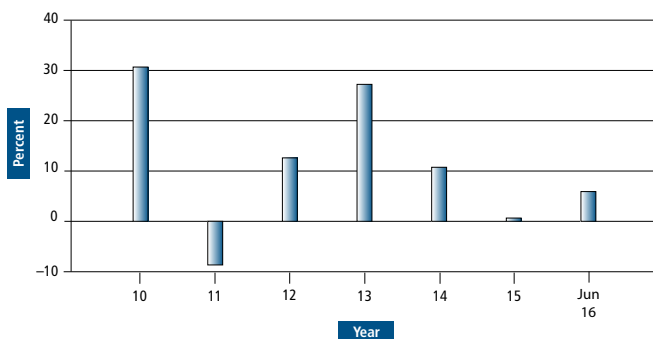
- are calculated as of **December 31** in each year and for the first 6 months of the current year;
- assume **all distributions** made by the Fund are reinvested to purchase additional redeemable units; and
- show the returns of the particular class of the Fund after any applicable management fees and operating expenses have been deducted, **but are not reduced by any redemption charges, optional charges or income taxes payable by you.**

Please remember that the past performance of the Fund is not an accurate prediction of future returns.

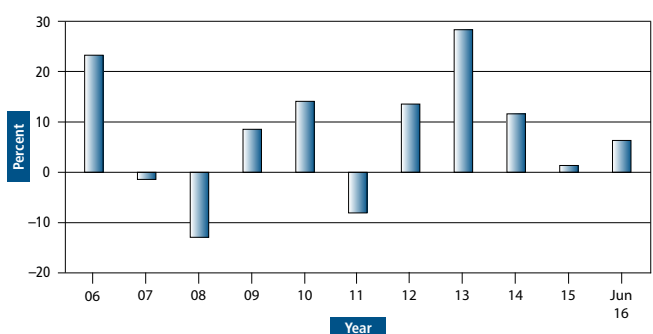
Beutel Goodman ■ North American Focused Equity Fund

Year-by-Year Returns

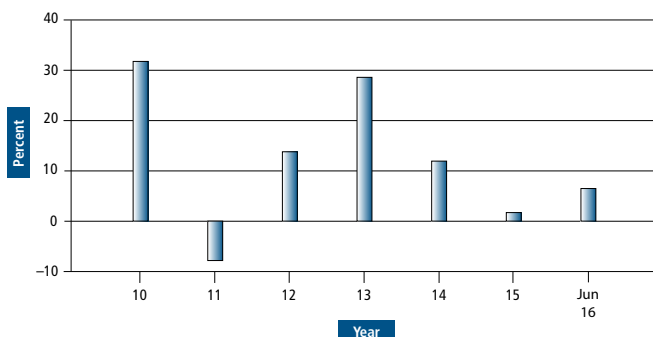
Class B



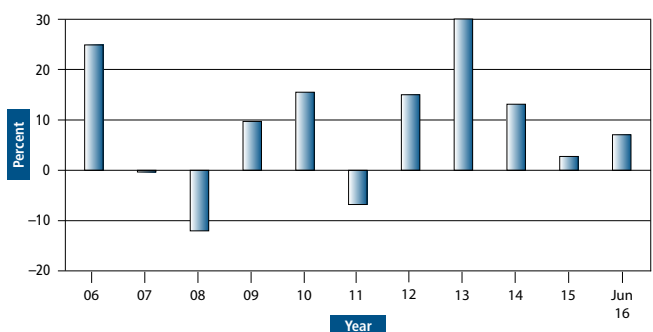
Class D



Class F



Class I



Annual Compound Returns

The following table shows the historical annual compound total returns, as compared to the performance of the S&P/TSX Index and the S&P 500 Index (60%/40% respectively).

Class B	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman North American Focused Equity Fund - Class B	9.26%	9.43%	10.30%	4.24%
S&P/TSX Index	5.32%	4.21%	8.27%	-0.20%
S&P 500 Index	18.27%	19.02%	19.88%	8.46%

For Class B units, a return calculated since its inception of October 4, 2010 and ended June 30, 2016, and for the past five, three and one year periods ended June 30, 2016 has been provided.

Class D	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman North American Focused Equity Fund - Class D	7.51%	10.24%	11.10%	4.99%
S&P/TSX Index	4.94%	4.21%	8.27%	-0.20%
S&P 500 Index	9.09%	19.02%	19.88%	8.46%

For Class D units, a return calculated for the past ten, five, three and one year periods ended on June 30, 2016 has been provided.

Class F	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman North American Focused Equity Fund - Class F	10.39%	10.58%	11.47%	5.35%
S&P/TSX Index	5.32%	4.21%	8.27%	-0.20%
S&P 500 Index	18.27%	19.02%	19.88%	8.46%

For Class F units, a return calculated since its inception of October 4, 2010 and ended June 30, 2016, and for the past five, three and one year periods ended June 30, 2016 has been provided.

Class I	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman North American Focused Equity Fund - Class I	8.86%	11.72%	12.62%	6.44%
S&P/TSX Index	4.94%	4.21%	8.27%	-0.20%
S&P 500 Index	9.09%	19.02%	19.88%	8.46%

For Class I units, a return calculated for the past ten, five, three and one year periods ended June 30, 2016 has been provided.

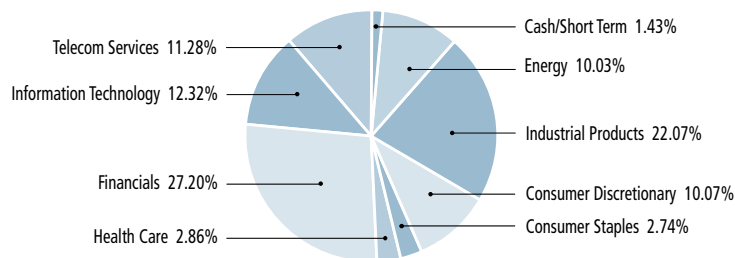
Summary of Investment Portfolio

The following information may change due to the ongoing portfolio transactions of the Fund. More current information regarding the holdings of the Fund may be obtained on our website at www.beutelgoodman.com.

Summary of Top 25 Holdings

Issuer Name	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. The Toronto-Dominion Bank	6.58	14. Magna International Inc.			4.32
2. InnVest Real Estate Investment Trust	5.92	15. Finning International Inc.			4.20
3. Royal Bank of Canada	5.80	16. American Express Co.			4.14
4. Verizon Communications Inc.	5.77	17. Canadian National Railway Co.			3.95
5. Canadian Tire Corp Ltd., Class A	5.74	18. Parker-Hannifin Corp.			3.72
6. SNC-Lavalin Group Inc.	5.50	19. Symantec Corp.			3.34
7. Rogers Communications Inc., Class B	5.50	20. Eli Lilly & Co.			2.85
8. Canadian Natural Resources Ltd.	5.25	21. The Procter & Gamble Co.			2.73
9. Halliburton Co.	4.77	22. Government of Canada	0.506%	8-Sep-16	0.81
10. JPMorgan Chase & Co.	4.74	23. Government of Canada	0.537%	25-Aug-16	0.20
11. WestJet Airlines Ltd.	4.68	24. Government of Canada	0.483%	22-Sep-16	0.20
12. Oracle Corp.	4.56				
13. Teradyne Inc.	4.39				

Asset Mix



Other Material Information

Classes of Units: Each of the Funds in the Beutel Goodman family of Funds issues Class B, Class D (formerly Class A), Class F and Class I units, with the exception of the Beutel Goodman Fundamental Canadian Equity Fund, Beutel Goodman Global Dividend Fund and Beutel Goodman Short Term Bond Fund, which issue only Class B, Class F and Class I units. Expenses of each class are tracked separately and a separate net asset is calculated for each class.

The Beutel Goodman North American Focused Equity Fund is available in 4 classes of units: Class B, Class D (formerly Class A), Class F and Class I.

Each Fund may issue an unlimited number of classes of units and may issue an unlimited number of units of each class. The different classes of units of a Fund represent an interest in the same portfolio investments of the Fund.

Class B Units: for retail investors investing a minimum of \$5,000 in a Fund through authorized third-party dealers;

Class D* Units: for retail investors investing a minimum of \$5,000 in a Fund;

Class F Units: for investors investing a minimum of \$5,000 in a Fund, who are enrolled in a dealer-sponsored fee-for-service or wrap program (where various mutual funds are bundled together) who are subject to a periodic asset-based fee, rather than commissions on each transaction and whose dealer has signed a Class F agreement, or any other investors for whom we do not incur distribution costs, such as our employees (or affiliated corporations);

Class I Units: for investors who have invested a minimum of \$500,000 in a Fund and who have entered into an investment management agreement with us. At our discretion, we may waive the investment minimum.

*Class A units distributed under prior simplified prospectuses have been renamed "Class D" units as of August 13, 2010.

Additional Information

Independent Review Committee

Beutel Goodman Managed Funds Inc., the former Manager of the Beutel Goodman Managed Funds, appointed an Independent Review Committee ("IRC") on May 1, 2007, for each of its public mutual Funds in accordance with the Canadian Securities Administrators' National Instrument 81-107. This Instrument has been designed to promote investor protection in mutual funds. Effective January 1, 2013, as the result of the amalgamation between Beutel Goodman Managed Funds Inc. and Beutel, Goodman & Company Ltd., Beutel, Goodman & Company Ltd. is the Manager of the Beutel Goodman Managed Funds. The IRC actively assumed its role and responsibilities on November 1, 2007. The IRC oversees conflict of interest matters that may arise out of the management of each of the Funds by providing its recommendations or approvals, as required, to the Manager on how these conflicts may be fairly resolved. The IRC for each of the Beutel Goodman Managed Funds consists of three industry professionals, none of whom have an interest in the Funds or Beutel, Goodman & Company Ltd. outside of their roles as members of the IRC. The IRC 2015 Report to Unitholders is available on the Beutel Goodman Managed Funds' website at www.beutelgoodman.com or at the unitholder's request, at no cost, by contacting Beutel, Goodman & Co. Ltd. at mutualfunds@beutelgoodman.com.

Beutel, Goodman & Company Ltd.

20 Eglinton Avenue West

Suite 2000

P.O. Box 2005

Toronto, Ontario

M4R 1K8

Tel: (416) 932-6403

Fax: (416) 485-8194

Toll Free: 1 (855) 247-9954

E-Mail: mutualfunds@beutelgoodman.com

Web: www.beutelgoodman.com