
BEUTEL GOODMAN MANAGED FUNDS

Interim Management Report of Fund Performance
June 30, 2016

BEUTEL GOODMAN Small Cap Fund

Beutel Goodman ■ Small Cap 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 appreciation primarily through investments in common shares and other equity securities of smaller capitalization Canadian issuers.

The Fund's advisor works to buy the best economic value in the market regardless of what sector the issuer operates in. The Fund's advisor focuses on purchasing companies at discounts to their business value, defined simply as the present value of sustainable free cash flow.

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 to high tolerance for risk and a long-term investment horizon.

Results of Operations

The Fund posted a positive return but underperformed its BMO Small Cap Index benchmark over the six month period under review.

So far this year, the BMO Small Cap Index is up 23.5%. The strong performance is mainly due to gains for gold and silver stocks. The contribution from just these two segments of the Materials sector has accounted for over 60% of the Index's total return year-to-date. The median price change for small cap gold and silver stocks combined this year is over 100%, well ahead of the 30% and 39% respective gains for the underlying commodities in Canadian dollar terms.

The demand for precious metals has had two main catalysts. Early in the year, it was concern over the increased use of negative interest rates by central banks and the related distortions in global bond markets. And then, near the end of the period, it was the surprise victory for the 'leave' side in the U.K. referendum on continued European Union membership, the so-called "Brexit" vote.

A continued recovery for oil was the other main story in the Canadian market. Prior to the Brexit vote, the benchmark WTI price had steadily moved up from this year's low of \$33 to just over \$50. Production interruptions in Nigeria and some tentative signs of tighter conditions in the U.S. were the main reasons. After the Brexit vote, oil prices came under pressure, but the Energy sector was able to hold on to a good portion of its gains, ending up 24.9% year-to-date.

The portfolio's performance shortfall in the period was mostly attributable to an underweight in gold and silver stocks. Concerns over central bank policies and the Brexit vote have fed demand for safe-haven investments. As a result, previously expensive valuations in these areas have risen to speculative levels. With very few exceptions, the considerable downside risk these stocks now pose make them ineligible for a value-oriented portfolio.

While the portfolio's underweight in gold and silver stocks detracted value, the positions the portfolio held in these areas performed well. Our other holdings in the Materials sector also had positive returns but lagged the very strong 62.2% return for the group. In Energy stock selection was modestly positive. The recovery in oil prices resulted in double-digit gains

for Paramount Resources, NuVista Energy, Crew Energy, Cathedral Energy Services and ZCL Composites.

Outside the resource sectors, stock selection effects were negative on a net basis.

In the Financials sector, InnVest REIT gained on a takeover bid from Bluesky Hotels and Resorts, a company with roots in Hong Kong. This positive effect was more than offset by relative weakness in our insurance holdings, which lagged the group on concerns over the impact of low bond yields on liabilities and the exposure to claims arising from the Fort McMurray fires.

In the Consumer Discretionary sector, good returns from our holdings in Quebecor and Leon's Furniture were outweighed by a decline in auto parts manufacture Linamar. The stock fell on concerns over the global auto cycle and the potential impact of the Brexit vote on European sales. Given that auto sales in the U.S., China and Europe have yet to show any sign of slowing down, we think the concerns are overdone.

Three new positions were added to the portfolio in the period. The first was Ag Growth International, a supplier of storage and handling equipment for the agricultural sector. The second new position was Cervus Equipment, a full service dealer in equipment for the agricultural, construction and transportation industries. The company is a disciplined operator with a good history in terms of capital allocation and cost management. Finally, we added a new position in Birchcliff Energy, a natural gas producer with operations focused on the rich shale/tight gas Montney formation in the Peace River Arch area of Alberta. Birchcliff is attractive because of its high quality, low decline natural gas assets and infrastructure control. Also in Energy, we added to our holdings in Paramount Resources and Total Energy Services. These purchases were partly funded by a reduction in ZCL Composites on valuation and the complete sale of Ensign Energy Services and Baytex Energy.

Across the rest of the portfolio, we added to some existing positions with strong upside potential, including Wajax, GDI Integrated Facility Services, WestJet Airlines, Linamar, Canadian Western Bank and Superior Plus. On the sales side, we made process-driven reductions on valuation in Winpak, Maple Leaf Foods and InnVest REIT, the latter due to a 33% increase resulting from a takeover bid. In other transactions, we participated in special warrants issued by Merus Labs with respect to their purchase of assets from Sanofi of France. The Fund also received a small position in a company called exactEarth, which was spun out as part of the takeover of COM DEV by Honeywell.

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.

The main story in the Canadian small cap market this year has been the dominant performance of gold and silver stocks, many of which have more than doubled in price. Between these two groups, our underweight is currently just over 18%. That position is not a top-down call but an outcome of Beutel Goodman's bottom-up value investment process. At a zero discount rate to net asset value, the typical gold company with operating assets is implicitly valuing bullion at \$1,700/oz or higher, well above the June 30 price of \$1,325/

oz. So while underperformance is never desired, we are comfortable with the current stance of the portfolio from a risk/return perspective.

While tentative, we are beginning to see improving fundamentals in energy and mining. Much of the bad news has been discounted in stock prices and so we are finding good opportunities to add to selected positions in these areas. Outside resources, opportunities are being created by undue concerns over the impact of the Brexit vote, and we are taking advantage of these as well. In general, North American fundamentals remain positive and are unlikely to be impaired by the troubles in Europe.

We expect the background for small cap stocks to remain supportive. The positive side of Brexit confusion is that it should keep central banks on the sidelines for now, prolonging the stimulative monetary backdrop for equity markets. In addition, the increasing focus on fiscal stimulus is another positive factor. Direct spending on infrastructure should support economic growth more effectively than monetary policy at this point, which should help restore confidence in a post-Brexit world.

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⁾
Small Cap Fund	B	up to 1.95
Small Cap Fund	D	up to 1.25
Small Cap Fund	F	up to 1.00

(1) Excludes GST/HST where applicable.

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

We may waive our management fee in certain circumstances.

The Fund paid the Manager management fees, inclusive of HST, of \$517,518 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 20.49% 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
Small Cap Fund	\$289,614	\$375,125	\$583,214

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⁾	11.38	11.66	10.68	9.17	8.94	11.20
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.01	0.05	0.02	0.02	0.02	0.02
Total Dividend Revenue	0.07	0.21	0.20	0.16	0.27	0.26
Total revenue	0.08	0.26	0.22	0.18	0.29	0.28
Total expenses	(0.18)	(0.33)	(0.34)	(0.28)	(0.23)	(0.29)
Realized gains (losses) for the period	(0.07)	0.33	0.52	(0.19)	0.80	2.01
Unrealized gains (losses) for the period	1.18	(0.42)	0.55	1.82	0.52	(5.18)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	1.01	(0.16)	0.95	1.53	1.38	(3.18)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	—	—	—	—	—
Net dividend income	—	—	—	—	—	0.01
Net investment income	—	—	—	—	—	0.01
Realized gains on sale of investments	—	0.16	—	—	0.37	0.74
Total distribution to holders of redeemable units ⁽³⁾	—	0.16	—	—	0.37	0.75
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	12.46	11.38	11.66	10.68	9.12	8.94

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⁾	4,839	4,428	4,695	3,632	2,727	1,781
Number of outstanding redeemable units (000's) ⁽⁵⁾	388	389	403	340	297	198
Management expense ratio ⁽⁶⁾	2.29%	2.29%	2.20%	2.20%	2.32%	2.32%
Management expense ratio before absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	10%	23%	19%	19%	21%	25%
Trading expense ratio (%) ⁽⁸⁾	0.10%	0.06%	0.09%	0.11%	0.06%	0.11%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	12.46	11.38	11.66	10.68	9.17	8.98

Beutel Goodman ■ Small Cap 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⁾	23.22	23.76	21.67	18.51	17.89	22.66
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.02	0.10	0.04	0.04	0.02	0.02
Total Dividend Revenue	0.15	0.42	0.40	0.32	0.27	0.26
Total revenue	0.17	0.52	0.44	0.36	0.29	0.28
Total expenses	(0.24)	(0.43)	(0.44)	(0.37)	(0.26)	(0.34)
Realized gains (losses) for the period	(0.14)	0.75	1.01	(0.31)	0.80	2.01
Unrealized gains (losses) for the period	2.46	(0.81)	1.36	3.49	0.52	(5.18)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	2.25	0.03	2.37	3.17	1.35	(3.23)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	0.01	—	—	—	—
Net dividend income	—	0.14	0.08	0.07	0.01	0.03
Net investment income	—	0.15	0.08	0.07	0.01	0.03
Realized gains on sale of investments	—	0.34	—	—	0.75	1.83
Total distribution to holders of redeemable units ⁽³⁾	—	0.49	0.08	0.07	0.76	1.86
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	25.53	23.22	23.76	21.67	18.41	17.89

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⁾	68,235	64,117	72,063	81,962	77,708	75,748
Number of outstanding redeemable units (000's) ⁽⁵⁾	2,673	2,761	3,033	3,782	4,198	4,213
Management expense ratio ⁽⁶⁾	1.49%	1.49%	1.47%	1.48%	1.49%	1.48%
Management expense ratio before absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	10%	23%	19%	19%	21%	25%
Trading expense ratio (%) ⁽⁸⁾	0.10%	0.06%	0.09%	0.11%	0.06%	0.11%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	25.53	23.22	23.76	21.67	18.51	17.98

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⁾	23.67	24.28	22.21	18.95	18.28	23.22
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.02	0.11	0.04	0.04	0.02	0.02
Total Dividend Revenue	0.15	0.44	0.42	0.33	0.27	0.26
Total revenue	0.17	0.55	0.46	0.37	0.29	0.28
Total expenses	(0.20)	(0.36)	(0.39)	(0.31)	(0.24)	(0.30)
Realized gains (losses) for the period	(0.08)	0.48	0.99	(0.22)	0.80	2.01
Unrealized gains (losses) for the period	2.60	(1.04)	0.99	3.23	0.52	(5.18)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	2.49	(0.37)	2.05	3.07	1.37	(3.19)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	0.02	—	—	—	—
Net dividend income	—	0.25	0.21	0.09	—	0.08
Net investment income	—	0.27	0.21	0.09	—	0.08
Realized gains on sale of investments	—	0.34	—	—	0.77	1.93
Total distribution to holders of redeemable units ⁽³⁾	—	0.61	0.21	0.09	0.77	2.01
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	26.06	23.67	24.28	22.21	18.85	18.28

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⁾	11,081	8,322	6,164	4,891	5,492	4,864
Number of outstanding redeemable units (000's) ⁽⁵⁾	425	352	254	220	290	265
Management expense ratio ⁽⁶⁾	1.20%	1.21%	1.19%	1.19%	1.21%	1.21%
Management expense ratio before absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	10%	23%	19%	19%	21%	25%
Trading expense ratio (%) ⁽⁸⁾	0.10%	0.06%	0.09%	0.11%	0.06%	0.11%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	26.06	23.67	24.28	22.21	18.95	18.37

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⁾	24.87	25.50	23.31	19.91	19.22	24.44
Increase (decrease) in net assets attributable to holders of redeemable units:						
Total Interest Revenue	0.02	0.11	0.04	0.04	0.02	0.02
Total Dividend Revenue	0.16	0.45	0.44	0.36	0.27	0.26
Total revenue	0.18	0.56	0.48	0.40	0.29	0.28
Total expenses	(0.02)	(0.03)	(0.04)	(0.03)	(0.03)	(0.05)
Realized gains (losses) for the period	(0.17)	0.78	1.12	(0.36)	0.80	2.01
Unrealized gains (losses) for the period	2.56	(0.92)	1.18	3.74	0.52	(5.18)
Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾	2.55	0.39	2.74	3.75	1.58	(2.94)
Distribution to holders of redeemable units per unit:						
Net interest income (excluding dividend)	—	0.03	—	—	—	—
Net dividend income	—	0.51	0.46	0.36	0.23	0.40
Net investment income	—	0.54	0.46	0.36	0.23	0.40
Realized gains on sale of investments	—	0.37	—	—	0.82	1.98
Total distribution to holders of redeemable units ⁽³⁾	—	0.91	0.46	0.36	1.05	2.38
Net assets attributable to holders of redeemable units, end of period ⁽⁴⁾	27.52	24.87	25.50	23.31	19.80	19.22

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⁾	521,949	493,636	527,137	507,259	455,871	427,261
Number of outstanding redeemable units (000's) ⁽⁵⁾	18,963	19,850	20,673	21,760	22,899	22,127
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⁾	10%	23%	19%	19%	21%	25%
Trading expense ratio (%) ⁽⁸⁾	0.10%	0.06%	0.09%	0.11%	0.06%	0.11%
Net assets attributable to holders of redeemable units, end of period ⁽⁹⁾	27.52	24.87	25.50	23.31	19.91	19.31

- (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.

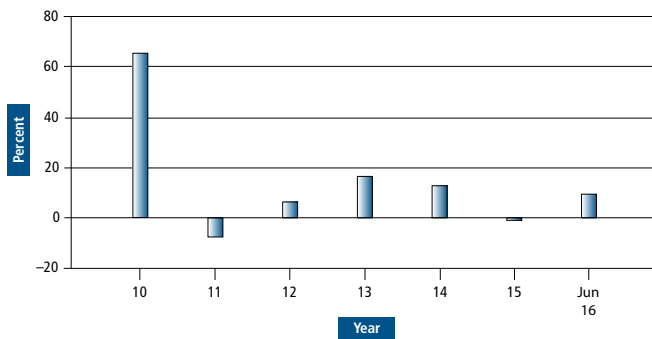
The performance returns in all cases:

- 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.**

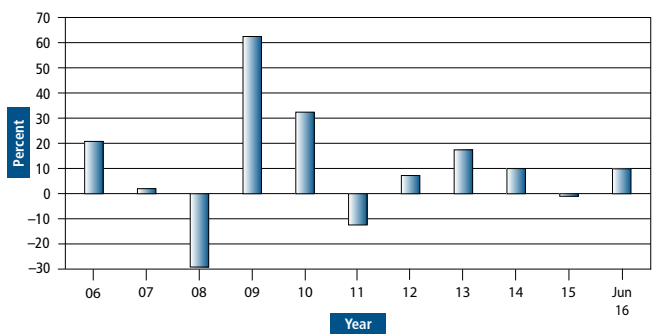
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Year-by-Year Returns

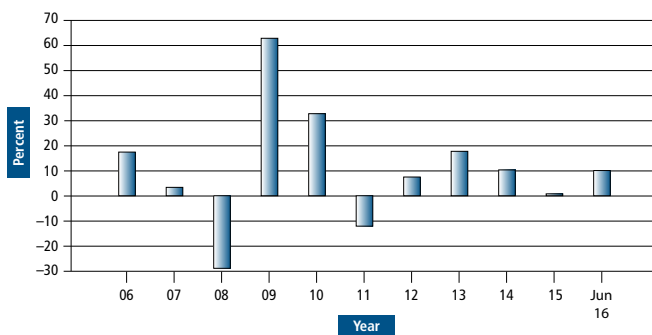
Class B



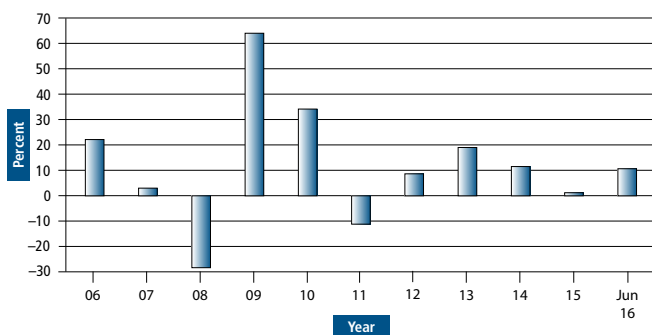
Class D



Class F



Class I



Annual Compound Returns

The following table shows the historical annual compound total returns, as compared to the performance of the BMO NBSC Index.

Class B	Since Inception	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman Small Cap Fund – Class B	7.07%	5.31%	10.72%	2.95%
BMO NBSC Index	3.33%	1.03%	7.04%	5.52%

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 Small Cap Fund – Class D	8.39%	6.15%	11.58%	3.82%
BMO NBSC Index	3.73%	1.03%	7.04%	5.52%

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	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Beutel Goodman Small Cap Fund – Class F	8.92%	6.43%	11.89%	4.13%
BMO NBSC Index	3.53%	1.03%	7.04%	5.52%

For Class F units, a return calculated since its inception of July 25, 2006 and ended June 30, 2016, and for the past ten, 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 Small Cap Fund – Class I	9.73%	7.60%	13.12%	5.28%
BMO NBSC Index	3.73%	1.03%	7.04%	5.52%

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

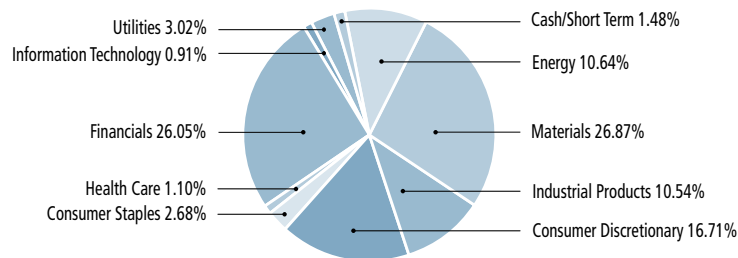
Summary of Investment Portfolio

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	% of Net Assets
1. Uni-Select Inc.	7.35	13. Superior Plus Corp.	3.02
2. CCL Industries Inc., Class B	7.00	14. FirstService Corp.	2.84
3. Equitable Group Inc.	6.13	15. Maple Leaf Foods Inc.	2.67
4. Alamos Gold Inc.	5.85	16. Major Drilling Group International Inc.	2.21
5. InnVest Real Estate Investment Trust	5.19	17. Paramount Resources Ltd., Class A	2.19
6. WestJet Airlines Ltd.	5.06	18. Colliers International Group Inc.	2.12
7. Winpak Ltd.	4.53	19. Canadian Western Bank	2.01
8. Quebecor Inc., Class B	4.26	20. Intertape Polymer Group Inc.	1.99
9. Industrial Alliance Insurance & Financial Services Inc.	4.04	21. NuVista Energy Ltd.	1.86
10. Linamar Corp.	3.85	22. Birchcliff Energy Ltd.	1.75
11. Intact Financial Corp.	3.66	23. Wajax Corp.	1.62
12. Tahoe Resources Inc.	3.26	24. Asanko Gold Inc.	1.25
		25. Crew Energy Inc.	1.22

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 Small Cap 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