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# BEUTEL GOODMAN MANAGED FUNDS

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SEMI-ANNUAL REPORT ■ June 30, 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

Notice to Reader: The Auditors of the Funds have not reviewed these financial statements.





# A Look Inside Managed Funds

Balanced Fund	2
Canadian Equity Fund	10
Total World Equity Fund	15
North American Focused Equity Fund	20
Fundamental Canadian Equity Fund	25
Small Cap Fund	29
Canadian Dividend Fund	34
Global Dividend Fund	39
World Focus Equity Fund	44
Global Equity Fund	49
International Equity Fund	54
American Equity Fund	59
Income Fund	64
Long Term Bond Fund	70
Corporate/Provincial Active Bond Fund	75
Short Term Bond Fund	80
Money Market Fund	85
Notes to Financial Statements	90

## Semi-annual Report

June 30, 2016



# Beutel Goodman ■ Balanced Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	65,069,412	69,274,215
Financial assets at fair value through profit or loss*	3,435,516,927	3,528,007,094
Accrued interest	4,500,420	4,904,382
Dividends receivable	4,623,690	3,820,356
Due from brokers	21,523,061	28,544,152
Subscriptions receivable	811,587	1,558,738
<b>Total assets</b>	<b>3,532,045,097</b>	<b>3,636,108,937</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	374,635	354,855
Due to brokers	15,855,218	36,426,052
Redemptions payable	9,872,980	2,647,796
Distributions payable	14,674	268
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>26,117,507</b>	<b>39,428,971</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>3,505,927,590</b>	<b>3,596,679,966</b>
*Investments at average cost	3,041,444,824	3,096,963,613
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	23,155,110	21,294,240
Class D	148,274,867	143,296,033
Class F	8,114,702	7,334,635
Class I	3,326,382,911	3,424,755,058
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	11.52	11.50
Class D	19.19	19.15
Class F	11.69	11.67
Class I	19.99	19.95
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	2,010,112	1,851,562
Class D	7,725,536	7,481,511
Class F	694,215	628,573
Class I	166,371,925	171,627,888

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	48,683,277	37,532,869
Interest for distribution purposes	15,101,230	18,249,544
Realized gain (loss) on sale of investments	46,126,590	127,732,973
Change in unrealized appreciation (depreciation) in the value of investments	(36,971,378)	(23,663,334)
<b>Net gains (losses) on investments</b>	<b>72,939,686</b>	<b>159,852,052</b>
Other income		
Realized gain (loss) on foreign currency transactions	(760,708)	(1,461,258)
<b>Total income</b>	<b>72,178,978</b>	<b>158,390,794</b>
<b>Expenses</b>		
Management fees	980,610	797,316
Administrative fees	1,184,921	1,207,677
Transaction costs (note 9)	699,834	1,224,051
Withholding taxes	3,948,943	2,244,206
<b>Total expenses</b>	<b>6,814,308</b>	<b>5,473,250</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>65,364,670</b>	<b>152,917,544</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	256,091	448,788
Class D	2,125,849	4,118,112
Class F	128,122	141,921
Class I	62,854,608	148,208,723
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.13	0.34
Class D	0.28	0.67
Class F	0.19	0.31
Class I	0.37	0.89

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	256,091	448,788
Class D	2,125,849	4,118,112
Class F	128,122	141,921
Class I	62,854,608	148,208,723
	65,364,670	152,917,544
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	(187,523)	(105,607)
Class D	(1,799,537)	(1,314,700)
Class F	(103,321)	(71,675)
Class I	(59,066,462)	(53,220,208)
	(61,156,843)	(54,712,190)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	5,133,074	4,528,421
Class D	20,907,969	28,792,974
Class F	2,068,061	3,069,255
Class I	322,800,416	90,237,505
Reinvestments of distributions to holders of redeemable units		
Class B	182,744	102,958
Class D	1,753,395	1,283,763
Class F	81,891	55,319
Class I	59,065,593	53,215,418
Redemption of redeemable units		
Class B	(3,503,516)	(2,193,163)
Class D	(18,008,842)	(12,862,484)
Class F	(1,394,686)	(774,792)
Class I	(484,026,302)	(122,316,112)
	(94,960,203)	43,139,062
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	1,860,870	2,781,397
Class D	4,978,834	20,017,665
Class F	780,067	2,420,028
Class I	(98,372,147)	116,125,326
	(90,752,376)	141,344,416
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	23,155,110	17,025,677
Class D	148,274,867	132,453,768
Class F	8,114,702	6,754,285
Class I	3,326,382,911	3,472,214,855
	3,505,927,590	3,628,448,585

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	65,364,670	152,917,544
Adjustments for:		
Net realized (gain) loss on sale of investments	(46,126,590)	(127,732,973)
Change in unrealized (appreciation) depreciation in the value of investments	36,971,378	23,663,334
Purchases of investments	(1,363,346,024)	(1,074,864,503)
Proceeds from sale of investments	1,451,441,660	1,087,531,035
(Increase) decrease in accrued interest	403,962	902,496
(Increase) decrease in dividends receivable	(803,334)	(588,083)
Increase (decrease) in accrued liabilities	19,780	26,736
<b>Net cash flows from (used in) operating activities</b>	143,925,502	61,855,586
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(58,814)	(41,771)
Proceeds from redeemable units issued	351,636,671	126,018,688
Redemption of redeemable units	(499,708,162)	(138,819,689)
<b>Net cash flows from (used in) financing activities</b>	(148,130,305)	(12,842,772)
Net increase (decrease) in cash and cash equivalents	(4,204,803)	49,012,814
Cash and cash equivalents at beginning of period	69,274,215	80,761,632
<b>Cash and cash equivalents at end of period*</b>	65,069,412	129,774,446
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	15,505,192	19,152,040
Dividends received, net of withholding taxes	43,930,967	34,700,580
*Cash and cash equivalents include:		
Cash at banks	5,718,775	255,606
Short-term investments	59,350,637	129,518,840
<b>Total</b>	65,069,412	129,774,446

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

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

Short-Term Investments (2015 – 1.91%)						Corporate Bonds							
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		
<b>Treasury Bills</b>						<b>Corporate Bonds</b>							
56,550,000	Government of Canada	0.506%	8-Sep-16	56,479,108	56,479,108	1.61	150,531	Alliance Pipeline LP	5.546%	31-Dec-23	152,118	157,711	0.00
2,875,000	Government of Canada	0.490%	22-Sep-16	2,871,529	2,871,529	0.08	807,900	Alliance Pipeline LP	6.765%	31-Dec-25	877,831	913,814	0.03
				59,350,637	59,350,637	1.69	1,056,000	AltaGas Ltd.	4.550%	17-Jan-19	1,112,743	1,115,576	0.03
<b>Canadian Bonds (2015 – 30.45%)</b>													
<b>Federal Bonds</b>													
23,384,000	Canada Government	0.250%	1-May-18	23,259,689	23,270,808	0.66	1,490,000	AltaGas Ltd.	3.720%	28-Sep-21	1,547,511	1,566,869	0.04
34,124,000	Canada Government	0.750%	1-Mar-21	34,182,065	34,407,351	0.99	3,858,000	AltaGas Ltd.	3.840%	15-Jan-25	3,851,626	4,018,447	0.11
28,619,000	Canada Government	1.500%	1-Jun-26	29,048,830	29,788,125	0.85	2,873,000	AltaGas Ltd.	5.160%	13-Jan-44	2,846,062	2,985,669	0.09
35,135,000	Canada Government	3.500%	1-Dec-45	45,827,704	49,566,701	1.41	994,000	AltaGas Ltd.	4.500%	15-Aug-44	946,532	934,300	0.03
35,023,000	Canada Housing Trust No. 1	2.350%	15-Dec-18	36,400,506	36,377,017	1.04	778,000	AltaLink LP	5.243%	29-May-18	836,871	833,810	0.02
2,533,000	Canada Housing Trust No. 1	4.100%	15-Dec-18	2,792,697	2,738,092	0.08	2,935,000	AltaLink LP	2.747%	29-May-26	2,935,000	3,024,423	0.09
34,041,000	Canada Housing Trust No. 1	1.950%	15-Jun-19	35,193,765	35,162,407	1.00	4,697,000	AltaLink LP	5.381%	26-Mar-40	5,332,904	6,120,071	0.17
24,389,000	Canada Housing Trust No. 1	1.250%	15-Dec-20	24,403,666	24,697,817	0.70	1,931,000	AltaLink LP	4.872%	15-Nov-40	2,236,672	2,373,298	0.07
11,385,000	Canada Housing Trust No. 1	1.250%	15-Jun-21	11,489,742	11,514,220	0.33	1,059,000	AltaLink LP	4.446%	11-Jul-53	1,090,993	1,242,254	0.04
				243,598,664	247,533,538	7.06	1,295,000	Bank of Montreal	2.240%	11-Dec-17	1,316,752	1,314,485	0.04
<b>Provincial Bonds</b>													
9,071,000	Province of Alberta	1.350%	1-Sep-21	9,065,195	9,091,705	0.26	8,258,000	Bank of Montreal	2.430%	4-Mar-19	8,473,256	8,495,459	0.24
1,587,000	Province of Alberta	2.550%	15-Dec-22	1,633,049	1,684,173	0.05	3,013,000	Bank of Montreal	2.840%	4-Jun-20	3,162,122	3,170,121	0.09
11,676,000	Province of Alberta	2.350%	1-Jun-25	11,762,419	12,058,813	0.34	13,068,000	Bank of Montreal	2.100%	6-Oct-20	13,202,313	13,389,376	0.38
2,352,000	Province of Alberta	3.500%	1-Jun-31	2,460,601	2,588,437	0.07	7,380,000	Bank of Montreal	1.880%	31-Mar-21	7,379,631	7,487,734	0.21
3,383,000	Province of British Columbia	2.250%	1-Mar-19	3,476,311	3,505,513	0.10	4,489,000	Bank of Montreal	3.400%	23-Apr-21	4,771,463	4,865,233	0.14
5,736,000	Province of British Columbia	3.250%	18-Dec-21	6,249,144	6,345,282	0.18	6,267,000	Bank of Montreal	2.120%	16-Mar-22	6,155,831	6,407,087	0.18
1,622,000	Province of British Columbia	2.850%	18-Jun-25	1,731,339	1,769,891	0.05	3,407,000	Bank of Nova Scotia	1.330%	1-May-18	3,393,720	3,408,069	0.10
5,503,000	Province of British Columbia	6.350%	18-Jun-31	7,872,162	8,204,830	0.23	4,688,000	Bank of Nova Scotia	2.130%	15-Jun-20	4,730,943	4,791,491	0.14
3,570,000	Province of British Columbia	4.300%	18-Jun-42	4,383,866	4,644,042	0.13	1,735,000	Bank of Nova Scotia	2.090%	9-Sep-20	1,754,705	1,770,417	0.05
6,557,000	Province of British Columbia	3.200%	18-Jun-44	6,873,696	7,231,814	0.21	2,172,000	Bruce Power LP	2.844%	23-Jun-21	2,172,000	2,199,278	0.06
5,004,000	Province of Manitoba	3.300%	2-Jun-24	5,363,177	5,553,340	0.16	17,874,000	Canadian Imperial Bank of Commerce	1.700%	9-Oct-18	17,929,084	18,034,608	0.51
2,512,000	Province of Manitoba	2.450%	2-Jun-25	2,517,019	2,612,611	0.07	10,412,000	Canadian Imperial Bank of Commerce	2.350%	24-Jun-19	10,655,254	10,713,267	0.31
2,932,000	Province of Manitoba	4.400%	5-Sep-25	3,387,078	3,505,523	0.10	8,198,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	8,205,602	8,318,578	0.24
2,928,000	Province of Manitoba	3.250%	5-Sep-29	2,885,872	3,158,724	0.09	11,779,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	11,775,548	11,964,599	0.34
2,113,000	Province of Manitoba	4.600%	5-Mar-38	2,540,393	2,679,416	0.08	339,000	Centra Gas Ontario Inc.	8.650%	19-Oct-18	436,361	390,394	0.01
4,000	Province of Manitoba	4.400%	5-Mar-42	4,844	5,042	0.00	196,000	CU Inc.	9.920%	1-Apr-22	283,906	277,721	0.01
478,000	Province of Manitoba	4.700%	5-Mar-50	625,559	655,116	0.02	2,316,000	CU Inc.	4.947%	18-Nov-50	2,551,067	2,933,620	0.08
10,084,000	Province of Ontario	2.100%	8-Sep-18	10,377,761	10,354,824	0.30	5,038,000	CU Inc.	3.857%	14-Nov-52	4,683,475	5,304,976	0.15
25,220,000	Province of Ontario	4.200%	2-Jun-20	28,317,628	28,195,194	0.80	1,622,000	CU Inc.	4.558%	7-Nov-53	1,844,649	1,946,731	0.06
15,671,000	Province of Ontario	4.000%	2-Jun-41	17,689,168	17,740,653	0.51	2,177,000	Emera Inc.	2.900%	16-Jun-23	2,177,439	2,205,812	0.06
22,420,000	Province of Ontario	3.150%	2-Jun-22	24,264,340	24,666,905	0.70	2,504,000	Enbridge Gas Distribution Inc.	1.850%	24-Apr-17	2,509,441	2,517,295	0.07
32,161,000	Province of Ontario	2.850%	2-Jun-23	34,120,883	34,918,290	1.00	4,611,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	4,911,093	4,857,395	0.14
26,976,000	Province of Ontario	3.500%	2-Jun-24	29,373,676	30,593,403	0.87	850,000	Enbridge Gas Distribution Inc.	4.770%	17-Dec-21	904,770	980,580	0.03
30,530,000	Province of Ontario	2.600%	2-Jun-25	31,119,316	32,463,097	0.93	1,166,000	Enbridge Gas Distribution Inc.	9.850%	2-Dec-24	1,784,541	1,783,904	0.05
19,419,000	Province of Ontario	2.400%	2-Jun-26	19,717,741	20,186,472	0.58	509,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-25	530,429	549,109	0.02
2,821,000	Province of Ontario	6.200%	2-Jun-31	4,004,522	4,116,796	0.12	3,722,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	5,093,704	5,181,478	0.15
4,299,000	Province of Ontario	4.700%	2-Jun-37	5,368,156	5,642,005	0.16	4,495,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	5,135,129	5,585,593	0.16
2,934,000	Province of Ontario	4.650%	2-Jun-41	3,746,550	3,930,192	0.11	2,490,000	Enbridge Income Fund	3.950%	19-Nov-24	2,490,000	2,623,087	0.07
9,061,000	Province of Ontario	3.500%	2-Jun-43	9,770,518	10,333,300	0.29	1,470,000	Enbridge Pipelines Inc.	4.490%	12-Nov-19	1,591,011	1,598,432	0.05
5,960,000	Province of Ontario	3.450%	2-Jun-45	6,465,277	6,790,709	0.19	4,735,000	Enbridge Pipelines Inc.	2.930%	30-Nov-22	4,675,178	4,906,335	0.14
35,353,000	Province of Ontario	2.900%	2-Dec-46	34,274,276	36,516,235	1.04	6,598,000	Enbridge Pipelines Inc.	6.350%	17-Aug-23	7,723,549	8,123,479	0.23
8,872,000	Province of Ontario	2.800%	2-Jun-48	8,858,195	8,999,594	0.26	275,000	Enbridge Pipelines Inc.	8.200%	15-Feb-24	376,262	374,246	0.01
1,317,000	Province of Quebec	4.250%	1-Dec-21	1,504,831	1,518,007	0.04	3,412,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	4,172,601	4,143,697	0.12
765,000	Province of Quebec	3.500%	1-Dec-45	831,287	872,031	0.02	6,651,000	Enbridge Pipelines Inc.	5.330%	6-Apr-40	7,511,007	7,829,788	0.22
2,384,000	Province of Saskatchewan	5.800%	5-Sep-33	3,312,027	3,366,259	0.10	634,000	Enbridge Pipelines Inc.	4.550%	17-Aug-43	668,219	679,000	0.02
				345,947,876	356,498,238	10.16	820,000	Enmax Corp.	3.805%	5-Dec-24	820,558	866,215	0.02
							940,000	FortisAlberta Inc.	5.370%	30-Oct-39	1,117,676	1,215,522	0.03
							869,000	FortisAlberta Inc.	4.540%	18-Oct-41	991,313	1,019,454	0.03
							81,000	FortisAlberta Inc.	4.270%	22-Sep-45	88,603	92,379	0.00
							1,002,000	FortisAlberta Inc.	4.800%	27-Oct-50	1,049,081	1,232,832	0.04
							1,145,000	FortisBC Energy Inc.	6.950%	21-Sep-29	1,384,632	1,621,673	0.05
							2,626,000	FortisBC Energy Inc.	6.500%	1-May-34	3,659,826	3,697,010	0.11



# Beutel Goodman - Balanced Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

Number of Shares/ Par Value		Average Cost \$	Fair Value \$	% of Net Assets	Number of Shares/ Par Value		Average Cost \$	Fair Value \$	% of Net Assets
1,231,833	Royal Bank of Canada	74,599,674	94,038,131	2.67	746,600	Spectris PLC	25,060,910	23,655,295	0.67
449,500	SNC-Lavalin Group Inc.	17,690,751	24,389,870	0.70	2,730,800	Vesuvius PLC	19,482,606	13,601,849	0.39
60,700	Suncor Energy Inc.	1,761,226	2,175,488	0.06	5,487,200	Vodafone Group PLC	22,790,536	21,686,824	0.62
229,900	Superior Plus Corp.	2,489,053	2,450,734	0.07			<u>118,706,383</u>	<u>100,437,887</u>	<u>2.86</u>
136,615	Tahoe Resources Inc.	1,879,091	2,643,500	0.08	<b>United States</b>				
373,140	Teck Resources Ltd., Class B	10,600,917	6,347,111	0.18	372,600	Amdocs Ltd.	18,864,053	27,930,483	0.80
816,440	TELUS Corp.	21,521,523	33,963,904	0.97	398,200	American Express Co.	37,978,907	31,421,600	0.90
1,697,048	The Toronto-Dominion Bank	61,368,540	94,152,223	2.68	164,400	Ameriprise Financial Inc.	25,210,502	19,183,558	0.55
378,750	Thomson Reuters Corp.	14,187,521	19,797,263	0.56	462,000	Baxter International Inc.	19,708,156	27,132,000	0.77
25,500	Toromont Industries Ltd.	432,245	959,820	0.03	630,700	BB&T Corp.	20,780,593	29,167,827	0.83
41,200	Total Energy Services Inc.	695,975	533,952	0.02	469,000	Cadence Design Systems Inc.	13,469,576	14,800,909	0.42
183,300	Uni-Select Inc.	2,618,893	6,004,908	0.17	240,800	Caterpillar Inc.	22,385,317	30,179,855	0.68
87,500	Wajax Corp.	2,158,568	1,310,750	0.04	338,800	CSX Corp.	10,062,257	11,475,200	0.33
194,600	WestJet Airlines Ltd.	3,343,496	4,102,168	0.12	139,900	CVS Health Corp.	10,550,117	17,394,839	0.50
78,300	Wipak Ltd.	1,150,028	3,716,901	0.11	251,000	Eli Lilly & Co.	19,170,094	25,670,455	0.73
66,200	ZCL Composites Inc.	276,278	593,814	0.02	513,100	Halliburton Co.	22,905,230	30,179,609	0.86
		<u>847,256,189</u>	<u>1,081,580,620</u>	<u>30.85</u>	143,800	Johnson & Johnson	11,613,828	22,653,169	0.65
<b>Denmark</b>					509,300	JPMorgan Chase & Co.	28,669,809	41,101,171	1.17
136,600	Carlsberg A/S	16,256,315	16,808,306	0.48	299,500	Kellogg Co.	24,361,053	31,758,669	0.91
		<u>16,256,315</u>	<u>16,808,306</u>	<u>0.48</u>	269,500	Merck & Co., Inc.	12,856,035	20,163,500	0.58
<b>Finland</b>					754,500	Oracle Corp.	29,282,729	40,106,084	1.14
753,569	Konecranes OYJ	24,383,336	24,636,955	0.70	238,600	Parker-Hannifin Corp.	34,775,381	33,481,468	0.95
		<u>24,383,336</u>	<u>24,636,955</u>	<u>0.70</u>	195,300	The Procter & Gamble Co.	16,950,292	21,475,391	0.61
<b>France</b>					1,252,700	Symantec Corp.	30,920,999	33,416,179	0.95
120,600	BNP Paribas SA	9,337,499	6,917,404	0.20	1,255,370	Teradyne Inc.	27,747,061	32,101,604	0.92
203,400	Cie Générale des Établissements Michelin	21,896,238	25,006,080	0.71	91,700	United Technologies Corp.	8,980,349	12,212,773	0.35
		<u>31,233,737</u>	<u>31,923,484</u>	<u>0.91</u>	673,100	Verizon Communications Inc.	37,908,543	48,812,862	1.39
<b>Germany</b>					251,800	Wells Fargo & Co.	9,606,696	15,477,525	0.44
233,000	BASF SE	24,845,037	23,074,766	0.66			<u>494,757,577</u>	<u>610,824,730</u>	<u>17.43</u>
241,540	Bayer AG	40,452,093	31,364,305	0.89	<b>Total Common Stocks</b>				
175,200	Deutsche Boerse AG	15,882,343	18,589,248	0.53			<u>2,001,018,366</u>	<u>2,366,672,021</u>	<u>67.51</u>
513,500	GEA Group AG	25,030,448	31,320,462	0.89	<b>Transaction Costs</b>				
216,800	HeidelbergCement AG	19,394,391	21,104,452	0.60			<u>(3,011,715)</u>		
147,500	Henkel AG & Co KGaA	19,242,679	20,615,099	0.59	<b>Total Investments</b>				
340,700	Merck KGaA	43,981,319	44,756,507	1.28			<u>3,041,444,824</u>	<u>3,435,516,927</u>	<u>97.99</u>
3,766,800	Telefonica Deutschland Holding AG	23,635,713	20,070,397	0.57	<b>Total Investments and Short-Term Investments</b>				
		<u>212,464,023</u>	<u>210,895,236</u>	<u>6.01</u>			<u>3,100,795,461</u>	<u>3,494,867,564</u>	<u>99.68</u>
<b>Ireland</b>					<b>Other Assets Net of Liabilities</b>				
74,633	Allegion PLC	3,459,457	6,729,540	0.19				<u>11,060,026</u>	<u>0.32</u>
409,200	Ingersoll-Rand PLC	24,580,633	33,841,371	0.97	<b>Net Assets Attributable to Holders of Redeemable Units</b>				
		<u>28,040,090</u>	<u>40,570,911</u>	<u>1.16</u>				<u>3,505,927,590</u>	<u>100.00</u>
<b>Japan</b>									
292,600	FamilyMart Co., Ltd.	12,173,814	23,150,405	0.66					
640,000	NTT DOCOMO Inc.	10,398,722	22,413,769	0.64					
2,278,700	Resona Holdings Inc.	12,799,258	10,730,855	0.31					
		<u>35,371,794</u>	<u>56,295,029</u>	<u>1.61</u>					
<b>Netherlands</b>									
230,894	Akzo Nobel NV	17,697,305	18,778,668	0.54					
430,100	Unilever NV	19,435,230	26,007,057	0.74					
5,681,300	Koninklijke KPN NV	23,602,864	26,681,044	0.76					
		<u>60,735,399</u>	<u>71,466,769</u>	<u>2.04</u>					
<b>Norway</b>									
2,182,900	Atea ASA	24,328,952	27,018,102	0.77					
4,793,313	Norsk Hydro ASA	24,649,160	22,555,647	0.64					
617,121	TGS Nopec Geophysical Co. ASA	16,933,096	13,044,809	0.37					
		<u>65,911,208</u>	<u>62,618,558</u>	<u>1.78</u>					
<b>Singapore</b>									
1,217,800	DBS Group Holdings Ltd.	21,112,672	18,519,528	0.53					
		<u>21,112,672</u>	<u>18,519,528</u>	<u>0.53</u>					
<b>Switzerland</b>									
240,400	Cie Financière Richemont SA	19,473,891	18,187,114	0.52					
413,200	Julius Baer Group Ltd.	24,700,703	21,378,017	0.61					
		<u>44,174,594</u>	<u>39,565,131</u>	<u>1.13</u>					
<b>United Kingdom</b>									
1,153,600	IMI PLC	26,436,615	19,366,861	0.55					
135,425,430	Rolls-Royce Holdings PLC	273,603	235,114	0.01					
1,487,000	Sky PLC	24,662,113	21,891,944	0.62					



## Fund Specific Notes to the Financial Statements

As at June 30, 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 periods, 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 June 30, 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 (%)	
	Jun. 30, 2016	Dec. 31, 2015
AAA	8	11
AA	7	5
A	11	10
BBB	4	4
<b>Total</b>	<b>30</b>	<b>30</b>

\*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 June 30, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Jun. 30, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	2,517	—
1-3 years	218,180	301,327
3-5 years	244,696	224,904
Greater than 5 years	603,452	568,121
<b>Total</b>	<b>1,068,845</b>	<b>1,094,352</b>

\*Excludes cash and cash equivalents.

As at June 30, 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 \$20,757,000 (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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
Balanced Fund Benchmark*	33,138	34,231
<b>Total</b>	<b>33,138</b>	<b>34,231</b>

\*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.

# Beutel Goodman ■ Balanced Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 2016 and December 31, 2015

### Foreign Currency Risk

Currencies to which the Fund had exposure as at June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	338,922	—	338,922	9.7
British Pound	—	100,438	740	101,178	2.9
Norwegian Krone	—	62,619	—	62,619	1.8
Japanese Yen	—	56,295	—	56,295	1.6
United States Dollar	—	651,396	715	652,111	18.6
Singapore Dollar	—	18,520	—	18,520	0.5
Swiss Franc	—	39,565	—	39,565	1.1
Danish Krone	—	16,808	—	16,808	0.5
<b>Total</b>	<b>—</b>	<b>1,284,563</b>	<b>1,455</b>	<b>1,286,018</b>	<b>36.7</b>

#### 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	—	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
<b>Total</b>	<b>303</b>	<b>1,369,633</b>	<b>732</b>	<b>1,370,668</b>	<b>38.2</b>

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 June 30, 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 \$12,860,000 (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 June 30, 2016 and December 31, 2015:

Country segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.69%	1.91%
Canadian Bonds		
Federal Bonds	7.06%	10.49%
Provincial Bonds	10.16%	7.92%
Corporate Bonds	13.26%	12.04%
Common Stocks		
Bermuda	0.02%	—
Canada	30.85%	29.56%
Denmark	0.48%	—
Finland	0.70%	0.72%
France	0.91%	1.01%
Germany	6.01%	5.32%
Ireland	1.16%	1.36%
Japan	1.61%	1.53%
Netherlands	2.04%	2.64%
Norway	1.78%	2.26%
Singapore	0.53%	0.50%
Spain	—	0.40%
Switzerland	1.13%	0.40%
United Kingdom	2.86%	3.94%
United States	17.43%	18.01%
<b>Total</b>	<b>99.68%</b>	<b>100.01%</b>

# Beutel Goodman ■ Balanced Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016, and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	2,366,436,907	235,114	—	2,366,672,021
Bonds	—	1,068,844,906	—	1,068,844,906
<b>Total Assets</b>	<b>2,366,436,907</b>	<b>1,069,080,020</b>	<b>—</b>	<b>3,435,516,927</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	1,851,562	7,481,511	628,573	171,627,888
Redeemable units issued for cash	450,804	1,107,080	180,368	16,269,213
Reinvested units	15,945	91,874	7,044	2,970,844
Redeemable units redeemed	(308,199)	(954,929)	(121,770)	(24,496,020)
<b>Balance, end of period</b>	<b>2,010,112</b>	<b>7,725,536</b>	<b>694,215</b>	<b>166,371,925</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	1,221,901	5,801,080	366,446	166,077,309
Redeemable units issued for cash	371,341	1,417,599	246,978	4,262,778
Reinvested units	8,522	63,827	4,510	2,534,211
Redeemable units redeemed	(180,642)	(635,745)	(62,151)	(5,781,425)
<b>Balance, end of period</b>	<b>1,421,122</b>	<b>6,646,761</b>	<b>555,783</b>	<b>167,092,873</b>

# Beutel Goodman - Canadian Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	98,577,058	132,006,110
Financial assets at fair value through profit or loss*	5,371,790,417	5,115,409,706
Accrued interest	63,189	69,566
Dividends receivable	16,926,518	14,876,369
Due from brokers	4,406,154	—
Subscriptions receivable	2,543,994	2,955,265
<b>Total assets</b>	<b>5,494,307,330</b>	<b>5,265,317,016</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	438,529	424,163
Due to brokers	2,353,124	—
Redemptions payable	8,412,768	6,584,569
Distributions payable	—	455
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>11,204,421</b>	<b>7,009,187</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>5,483,102,909</b>	<b>5,258,307,829</b>
*Investments at average cost	4,293,857,754	4,275,153,614
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	9,952,647	7,933,400
Class D	74,507,292	69,983,355
Class F	50,033,575	40,835,198
Class I	5,348,609,395	5,139,555,876
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	13.31	12.65
Class D	32.37	30.67
Class F	32.64	30.88
Class I	34.98	32.92
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	747,961	626,998
Class D	2,301,811	2,282,108
Class F	1,532,719	1,322,264
Class I	152,909,125	156,117,500

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	79,693,666	79,987,236
Interest for distribution purposes	472,545	1,234,383
Realized gain (loss) on sale of investments	7,961,535	123,271,027
Change in unrealized appreciation (depreciation) in the value of investments	237,676,571	(211,619,940)
<b>Net gains (losses) on investments</b>	<b>325,804,317</b>	<b>(7,127,294)</b>
Other income		
Realized gain (loss) on foreign currency transactions	(30,058)	(16,371)
<b>Total income</b>	<b>325,774,259</b>	<b>(7,143,665)</b>
<b>Expenses</b>		
Management fees	751,946	736,839
Administrative fees	1,774,809	1,806,169
Transaction costs (note 9)	670,647	792,670
<b>Total expenses</b>	<b>3,197,402</b>	<b>3,335,678</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>322,576,857</b>	<b>(10,479,343)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	486,183	(96,927)
Class D	3,793,601	(636,822)
Class F	2,586,177	(349,007)
Class I	315,710,896	(9,396,587)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.69	(0.16)
Class D	1.67	(0.28)
Class F	1.81	(0.31)
Class I	2.05	(0.06)

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	486,183	(96,927)
Class D	3,793,601	(636,822)
Class F	2,586,177	(349,007)
Class I	315,710,896	(9,396,587)
	322,576,857	(10,479,343)
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	(10,005)	(13,611)
Class F	—	—
Class I	—	—
	(10,005)	(13,611)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	2,641,392	1,595,096
Class D	8,878,482	8,458,482
Class F	12,641,088	7,510,059
Class I	188,935,691	278,826,086
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class D	10,005	15,073
Class F	—	—
Class I	—	—
Redemption of redeemable units		
Class B	(1,108,328)	(1,464,243)
Class D	(8,148,146)	(10,141,959)
Class F	(6,028,888)	(5,504,234)
Class I	(295,593,068)	(418,290,547)
	(97,771,772)	(138,996,187)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	2,019,247	33,926
Class D	4,523,937	(2,318,837)
Class F	9,198,377	1,656,818
Class I	209,053,519	(148,861,048)
	224,795,080	(149,489,141)
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	9,952,647	8,190,707
Class D	74,507,292	74,479,720
Class F	50,033,575	39,007,392
Class I	5,348,609,395	5,261,928,650
	5,483,102,909	5,383,606,469

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	322,576,857	(10,479,343)
Adjustments for:		
Net realized (gain) loss on sale of investments	(7,961,535)	(123,271,027)
Change in unrealized (appreciation) depreciation in the value of investments	(237,676,571)	211,619,940
Purchases of investments	(253,141,021)	(342,263,742)
Proceeds from sale of investments	240,345,386	405,197,834
(Increase) decrease in accrued interest	6,377	(14,584)
(Increase) decrease in dividends receivable	(2,050,149)	57,473
Increase (decrease) in accrued liabilities	14,366	(17,870)
<b>Net cash flows from (used in) operating activities</b>	62,113,710	140,828,681
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(455)	1,462
Proceeds from redeemable units issued	213,507,924	295,447,941
Redemption of redeemable units	(309,050,231)	(435,129,119)
<b>Net cash flows from (used in) financing activities</b>	(95,542,762)	(139,679,716)
Net increase (decrease) in cash and cash equivalents	(33,429,052)	1,148,965
Cash and cash equivalents at beginning of period	132,006,110	93,127,414
<b>Cash and cash equivalents at end of period*</b>	98,577,058	94,276,379
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	478,922	1,219,799
Dividends received, net of withholding taxes	77,643,517	80,044,709
*Cash and cash equivalents include:		
Cash at banks	4,951	31,714
Short-term investments	98,572,107	94,244,665
<b>Total</b>	98,577,058	94,276,379

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

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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
<b>Short-Term Investments (2015 – 2.51%)</b>													
<b>Treasury Bills</b>													
9,400,000	Government of Canada	0.545%	14-Jul-16	9,388,367	9,388,367	0.17		937,700	Uni-Select Inc.		13,708,693	30,719,052	0.56
30,500,000	Government of Canada	0.533%	28-Jul-16	30,458,341	30,458,341	0.56					124,469,201	225,262,484	4.11
525,000	Government of Canada	0.537%	11-Aug-16	524,309	524,309	0.01					403,035,886	668,119,012	12.19
43,150,000	Government of Canada	0.525%	25-Aug-16	43,094,127	43,094,127	0.79		<b>Consumer Staples</b>					
2,975,000	Government of Canada	0.506%	8-Sep-16	2,971,247	2,971,247	0.05		<b>Food &amp; Staples Retailing</b>					
12,150,000	Government of Canada	0.475%	22-Sep-16	12,135,716	12,135,716	0.22		646,960	Loblaw Cos Ltd.		29,042,799	44,711,406	0.82
				98,572,107	98,572,107	1.80		1,255,340	Metro Inc., Class A		24,699,542	56,502,853	1.03
											53,742,341	101,214,259	1.85
<b>Common Stocks (2015 – 97.28%)</b>													
<b>Energy</b>													
1,046,000	Birchcliff Energy Ltd.			6,071,950	7,196,480	0.13		<b>Food Beverage &amp; Tobacco</b>					
339,400	Birchcliff Energy Ltd., Sub Rcpt			2,121,250	2,335,072	0.04		398,900	Maple Leaf Foods Inc.		5,674,240	11,005,651	0.20
6,566,735	Cameco Corp.			138,308,732	93,181,970	1.70		1,136,126	Molson Coors Canada Inc., Class B		53,329,391	148,037,218	2.70
6,654,820	Canadian Natural Resources Ltd.			204,372,760	265,261,125	4.84					59,003,631	159,042,869	2.90
1,137,900	Cathedral Energy Services Ltd.			5,602,716	637,224	0.01					112,745,972	260,257,128	4.75
13,853,890	Cenovus Energy Inc.			358,849,881	247,569,014	4.52		<b>Health Care</b>					
894,400	Crew Energy Inc.			7,987,835	5,196,464	0.09		<b>Pharmaceuticals &amp; Biotechnology</b>					
7,044,400	Denison Mines Corp.			8,645,873	5,001,524	0.09		2,790,700	Merus Labs International Inc.		5,153,733	4,604,655	0.08
134,100	Enerflex Ltd.			1,604,526	1,432,188	0.03					5,153,733	4,604,655	0.08
1,269,700	NuVista Energy Ltd.			7,785,782	7,935,625	0.14		<b>Financials</b>					
829,300	Paramount Resources Ltd., Class A			12,924,185	8,890,096	0.16		<b>Banks</b>					
281,900	Suncor Energy Inc.			8,206,059	10,103,296	0.18		5,158,348	Bank of Nova Scotia		284,812,400	326,575,012	5.96
214,500	Total Energy Services Inc.			3,615,788	2,779,920	0.05		2,138,089	Canadian Imperial Bank of Commerce		160,780,044	207,480,157	3.78
354,000	ZCL Composites Inc.			1,590,886	3,175,380	0.06		335,300	Canadian Western Bank		9,076,436	8,265,145	0.15
				767,688,223	660,695,378	12.04		467,446	Equitable Group Inc.		19,040,198	26,172,302	0.48
								6,090,690	Royal Bank of Canada		375,722,458	464,963,274	8.48
								8,390,330	The Toronto-Dominion Bank		321,415,256	465,495,507	8.49
											1,170,846,792	1,498,951,397	27.34
								<b>Diversified Financials</b>					
								576,160	IGM Financial Inc.		24,512,137	20,263,547	0.37
								324,955	Onex Corp.		14,082,227	25,671,445	0.47
											38,594,364	45,934,992	0.84
								<b>Insurance</b>					
								5,415,103	Great-West Lifeco Inc.		138,117,305	184,546,710	3.37
								424,906	Industrial Alliance Insurance & Financial Services Inc.		13,740,242	17,255,433	0.31
								169,100	Intact Financial Corp.		9,293,530	15,606,239	0.28
								7,729,876	Manulife Financial Corp.		136,548,222	136,586,909	2.49
											297,699,299	353,995,291	6.45
								<b>Real Estate</b>					
								5,334,490	Brookfield Asset Management Inc.		191,033,018	227,996,102	4.16
								205,056	Colliers International Group Inc.		4,458,559	9,047,071	0.16
								205,056	FirstService Corp.		3,032,321	12,116,759	0.22
								315,700	GDI Integrated Facility Services Inc.		3,943,291	4,072,530	0.07
								3,113,500	InnVest Real Estate Investment Trust		14,330,071	21,701,095	0.40
											216,797,260	274,933,557	5.01
											1,723,937,715	2,173,815,237	39.64
								<b>Information Technology</b>					
								<b>Software &amp; Services</b>					
								1,801,384	Open Text Corp.		70,005,142	137,607,724	2.51
											70,005,142	137,607,724	2.51
								<b>Technology Hardware &amp; Equipment</b>					
								185,600	Evertz Technologies Ltd.		3,063,975	3,396,480	0.06
								320,703	exactEARTH Ltd.		1,282,812	445,777	0.01
											4,346,787	3,842,257	0.07
											74,351,929	141,449,981	2.58
								<b>Telecommunication Services</b>					
								7,628,440	Rogers Communications Inc., Class B		316,681,575	398,967,412	7.29
								4,037,350	TELUS Corp.		110,640,809	167,953,760	3.06
											427,322,384	566,921,172	10.35
								<b>Utilities</b>					
								1,207,800	Superior Plus Corp.		13,106,817	12,875,148	0.23
											13,106,817	12,875,148	0.23
								<b>Total Common Stocks</b>					
											4,297,822,538	5,371,790,417	97.97
								<b>Transaction Costs</b>					
											(3,964,784)		
								<b>Total Investments</b>					
											4,293,857,754	5,371,790,417	97.97
								<b>Total Investments and Short-Term Investments</b>					
											4,400,359,429	5,470,362,524	99.77
								<b>Other Assets Net of Liabilities</b>					
											12,740,385	0.23	
								<b>Net Assets Attributable to Holders of Redeemable Units</b>					
											5,483,102,909	100.00	

# Beutel Goodman ■ Canadian Equity Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
S&P/TSX Composite Total Return Index	47,074	46,061
<b>Total</b>	<b>47,074</b>	<b>46,061</b>

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 June 30, 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	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	821	—	—	821	0.0
<b>Total</b>	<b>821</b>	<b>—</b>	<b>—</b>	<b>821</b>	<b>0.0</b>

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 \$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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.80%	2.51%
Common Stocks		
Energy	12.04%	10.98%
Materials	6.55%	5.39%
Industrial	9.56%	9.33%
Consumer Discretionary	12.19%	12.29%
Consumer Staples	4.75%	5.75%
Health Care	0.08%	0.06%
Financials	39.64%	40.72%
Information Technology	2.58%	2.58%
Telecommunication Services	10.35%	10.18%
Utilities	0.23%	—
<b>Total</b>	<b>99.77%</b>	<b>99.79%</b>

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	5,371,790,417	—	—	5,371,790,417
<b>Total Assets</b>	<b>5,371,790,417</b>	<b>—</b>	<b>—</b>	<b>5,371,790,417</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	626,998	2,282,108	1,322,264	156,117,500
Redeemable units issued for cash	206,664	283,546	402,728	5,696,515
Reinvested units	—	311	—	—
Redeemable units redeemed	(85,701)	(264,154)	(192,273)	(8,904,890)
<b>Balance, end of period</b>	<b>747,961</b>	<b>2,301,811</b>	<b>1,532,719</b>	<b>152,909,125</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	600,930	2,333,716	1,125,355	152,965,713
Redeemable units issued for cash	116,734	254,508	223,241	7,746,264
Reinvested units	—	460	—	—
Redeemable units redeemed	(106,633)	(305,224)	(164,419)	(11,588,156)
<b>Balance, end of period</b>	<b>611,031</b>	<b>2,283,460</b>	<b>1,184,177</b>	<b>149,123,821</b>



# Beutel Goodman ■ Total World Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	238,159	59,165
Financial assets at fair value through profit or loss*	2,798,085	2,365,059
Accrued interest	9	1
Dividends receivable	6,034	4,300
Due from brokers	29,176	—
Subscriptions receivable	—	755
<b>Total assets</b>	<b>3,071,463</b>	<b>2,429,280</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	3,295	3,085
Due to brokers	143,467	—
Redemptions payable	9,776	—
Distributions payable	—	5,527
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>156,538</b>	<b>8,612</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>2,914,925</b>	<b>2,420,668</b>
*Investments at average cost	2,658,025	2,241,365
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	539,320	558,014
Class D	1,621,524	1,451,074
Class F	600,554	252,316
Class I	153,527	159,264
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	11.56	11.47
Class D	13.66	13.52
Class F	11.62	11.48
Class I	14.75	14.48
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	46,661	48,631
Class D	118,703	107,331
Class F	51,697	21,988
Class I	10,412	10,999

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	58,182	38,709
Interest for distribution purposes	179	188
Realized gain (loss) on sale of investments	(8,411)	103,523
Change in unrealized appreciation (depreciation) in the value of investments	16,366	(74,638)
<b>Net gains (losses) on investments</b>	<b>66,316</b>	<b>67,782</b>
Other income		
Realized gain (loss) on foreign currency transactions	(1,470)	(670)
<b>Total income</b>	<b>64,846</b>	<b>67,112</b>
<b>Expenses</b>		
Management fees	17,651	18,778
Administrative fees	1,190	1,289
Transaction costs (note 9)	1,342	1,363
Withholding taxes	5,296	1,320
<b>Total expenses</b>	<b>25,479</b>	<b>22,750</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>39,367</b>	<b>44,362</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	5,414	13,041
Class D	25,606	27,360
Class F	5,252	(187)
Class I	3,095	4,148
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.11	0.23
Class D	0.23	0.27
Class F	0.16	(0.01)
Class I	0.28	0.42

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
<b>Net assets attributable to holders of redeemable units at beginning of period</b>	\$	\$
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	5,414	13,041
Class D	25,606	27,360
Class F	5,252	(187)
Class I	3,095	4,148
	39,367	44,362
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	—	—
Class F	—	—
Class I	—	—
	—	—
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	83,342	517,976
Class D	274,779	331,058
Class F	390,585	149,483
Class I	3,411	1,311
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class D	—	433
Class F	—	—
Class I	—	—
Redemption of redeemable units		
Class B	(107,450)	(624,070)
Class D	(129,935)	(227,472)
Class F	(47,599)	(45,868)
Class I	(12,243)	(527)
	454,890	102,324
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(18,694)	(93,053)
Class D	170,450	131,379
Class F	348,238	103,428
Class I	(5,737)	4,932
	494,257	146,686
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	539,320	647,923
Class D	1,621,524	1,510,032
Class F	600,554	229,487
Class I	153,527	161,039
	2,914,925	2,548,481

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
<b>Cash flows from operating activities</b>	\$	\$
Increase (decrease) in net assets attributable to holders of redeemable units	39,367	44,362
Adjustments for:		
Net realized (gain) loss on sale of investments	8,411	(103,523)
Change in unrealized (appreciation) depreciation in the value of investments	(16,366)	74,638
Purchases of investments	(609,391)	(839,324)
Proceeds from sale of investments	298,611	694,755
(Increase) decrease in accrued interest	(8)	10
(Increase) decrease in dividends receivable	(1,734)	(1,032)
Increase (decrease) in accrued liabilities	210	149
<b>Net cash flows from (used in) operating activities</b>	(280,900)	(129,965)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(5,527)	(1,542)
Proceeds from redeemable units issued	752,872	1,045,906
Redemption of redeemable units	(287,451)	(901,762)
<b>Net cash flows from (used in) financing activities</b>	459,894	142,602
Net increase (decrease) in cash and cash equivalents	178,994	12,637
Cash and cash equivalents at beginning of period	59,165	64,462
<b>Cash and cash equivalents at end of period*</b>	238,159	77,099
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	171	198
Dividends received, net of withholding taxes	51,152	36,357
<b>*Cash and cash equivalents include:</b>		
Cash at banks	113,310	27,177
Short-term investments	124,849	49,922
<b>Total</b>	238,159	77,099

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

# Beutel Goodman - Total World Equity Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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	
<b>Short-Term Investments (2015 – 2.06%)</b>										
<b>Treasury Bills</b>										
125,000	Government of Canada	0.490%	22-Sep-16	124,849	124,849	4.28				
				124,849	124,849	4.28				
<b>Common Stocks (2015 – 97.71%)</b>										
<b>Bermuda</b>										
25	Brookfield Business Partners LP			762	613	0.02				
				762	613	0.02				
<b>Canada</b>										
320	Agrium Inc.			37,141	37,405	1.28				
1,294	Bank of Nova Scotia			78,267	81,923	2.81				
1,335	Brookfield Asset Management Inc.			51,280	57,058	1.96				
1,650	Cameco Corp.			32,712	23,414	0.80				
536	Canadian Imperial Bank of Commerce			46,029	52,013	1.78				
564	Canadian National Railway Co.			33,618	43,028	1.48				
1,670	Canadian Natural Resources Ltd.			55,530	66,566	2.28				
143	Canadian Pacific Railway Ltd.			22,694	23,785	0.82				
339	Canadian Tire Corp Ltd., Class A			34,315	47,714	1.64				
3,474	Cenovus Energy Inc.			82,862	62,080	2.13				
1,141	Finning International Inc.			26,105	24,007	0.82				
1,363	Great-West Lifeco Inc.			40,895	46,451	1.59				
142	IGM Financial Inc.			6,150	4,994	0.17				
166	Loblaw Cos Ltd.			8,820	11,472	0.39				
1,042	Magna International Inc.			48,438	47,255	1.62				
1,945	Manulife Financial Corp.			37,640	34,368	1.18				
320	Metro Inc., Class A			8,499	14,403	0.49				
283	Molson Coors Canada Inc., Class B			18,288	36,875	1.27				
85	Onex Corp.			5,385	6,715	0.23				
452	Open Text Corp.			20,582	34,616	1.19				
755	Potash Corp of Saskatchewan Inc.			27,642	15,855	0.54				
834	Quebecor Inc., Class B			21,914	30,875	1.06				
1,918	Rogers Communications Inc., Class B			85,491	100,311	3.44				
1,527	Royal Bank of Canada			105,614	116,571	4.00				
560	SNC-Lavalin Group Inc.			24,427	30,386	1.04				
100	Suncor Energy Inc.			2,896	3,584	0.12				
460	Teck Resources Ltd., Class B			10,278	7,825	0.27				
1,017	TELUS Corp.			36,005	42,307	1.45				
466	Thomson Reuters Corp.			19,540	24,358	0.84				
2,110	The Toronto-Dominion Bank			97,897	117,063	4.02				
				1,126,954	1,245,277	42.71				
<b>France</b>										
1,840	Cie Générale des Établissements Michelin			45,403	45,522	1.56				
				45,403	45,522	1.56				
<b>Germany</b>										
480	BASF SE			49,978	47,536	1.63				
460	Bayer AG			64,837	59,732	2.05				
1,310	GEA Group AG			71,574	79,902	2.74				
2,730	HeidelbergCement AG			56,253	53,465	1.83				
570	Merck KGaA			72,862	74,879	2.57				
				315,504	315,514	10.82				
						<b>Ireland</b>				
680	Ingersoll-Rand PLC				48,687	56,237	1.93			
					48,687	56,237	1.93			
						<b>Japan</b>				
796	NTT DoCoMo Inc., ADR				19,723	27,922	0.96			
7,870	Resona Holdings Inc.				46,260	37,061	1.27			
					65,983	64,983	2.23			
						<b>Netherlands</b>				
1,280	Akzo Nobel NV				36,226	34,976	1.20			
12,110	Koninklijke KPN NV				53,959	56,872	1.95			
					90,185	91,848	3.15			
						<b>Norway</b>				
3,290	Atea ASA				39,273	40,721	1.40			
7,800	Norsk Hydro ASA				41,147	36,704	1.26			
					80,420	77,425	2.66			
						<b>Singapore</b>				
2,700	DBS Group Holdings Ltd.				44,140	41,060	1.41			
					44,140	41,060	1.41			
						<b>Switzerland</b>				
670	Cie Financière Richemont SA				50,118	50,688	1.74			
920	Julius Baer Group Ltd.				49,664	47,599	1.63			
					99,782	98,287	3.37			
						<b>United Kingdom</b>				
2,340	IMI PLC				43,937	39,284	1.35			
114,021	Rolls-Royce Holdings PLC				230	198	0.01			
1,160	Sky PLC				82,426	69,012	2.37			
1,370	Vodafone Group PLC, ADR				57,501	54,960	1.89			
					184,094	163,454	5.62			
						<b>United States</b>				
730	American Express Co.				64,072	57,604	1.98			
560	Caterpillar Inc.				53,046	55,135	1.89			
460	Eli Lilly & Co.				42,465	47,045	1.61			
1,020	Halliburton Co.				48,938	59,995	2.06			
690	JPMorgan Chase & Co.				53,256	55,684	1.91			
590	Kellogg Co.				53,142	62,563	2.15			
720	Oracle Corp.				32,163	38,272	1.31			
340	Parker-Hannifin Corp.				46,269	47,710	1.64			
1,780	Symantec Corp.				48,078	47,482	1.63			
2,730	Teradyne Inc.				69,037	69,810	2.39			
780	Verizon Communications Inc.				48,452	56,565	1.94			
					558,918	597,865	20.51			
<b>Total Common Stocks</b>						<b>2,660,832</b>	<b>2,798,085</b>	<b>95.99</b>		
<b>Transaction Costs</b>						<b>(2,807)</b>				
<b>Total Investments</b>						<b>2,658,025</b>	<b>2,798,085</b>	<b>95.99</b>		
<b>Total Investments and Short-Term Investments</b>						<b>2,782,874</b>	<b>2,922,934</b>	<b>100.27</b>		
<b>Other Assets Net of Liabilities</b>							<b>(8,009)</b>	<b>(0.27)</b>		
<b>Net Assets Attributable to Holders of Redeemable Units</b>							<b>2,914,925</b>	<b>100.00</b>		

# Beutel Goodman ■ Total World Equity Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 Canadian issuers. In addition, the Fund may at certain times, to preserve capital, invest in short term fixed income securities. 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
Total World Equity Benchmark*	25	21
<b>Total</b>	<b>25</b>	<b>21</b>

\*The Total World Equity Fund Benchmark is comprised of the S&P/TSX (70%), the S&P 500Cdn. (15%) and the MSCI EAFE (15%).

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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	509	—	509	17.5
British Pound	—	163	—	163	5.6
Norwegian Krone	—	77	—	77	2.7
Japanese Yen	—	65	—	65	2.2
United States Dollar	—	599	2	601	20.5
Singapore Dollar	—	41	—	41	1.4
Swiss Franc	—	98	—	98	3.4
<b>Total</b>	<b>—</b>	<b>1,552</b>	<b>2</b>	<b>1,554</b>	<b>53.3</b>

#### 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
<b>Total</b>	<b>—</b>	<b>1,341</b>	<b>—</b>	<b>1,341</b>	<b>55.4</b>

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 and interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at June 30, 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 \$15,500 (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 June 30, 2016 and December 31, 2015

### Concentration Risk

The following is a summary of the Fund's concentration risk as at June 30, 2016 and December 31, 2015:

Country segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	4.28%	2.06%
Common Stocks		
Bermuda	0.02%	—
Canada	42.71%	42.89%
France	1.56%	1.85%
Germany	10.82%	9.14%
Ireland	1.93%	1.43%
Japan	2.23%	2.53%
Netherlands	3.15%	4.34%
Norway	2.66%	2.88%
Singapore	1.41%	1.39%
Spain	—	1.32%
Switzerland	3.37%	—
United Kingdom	5.62%	7.32%
United States	20.51%	22.62%
<b>Total</b>	<b>100.27%</b>	<b>99.77%</b>

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	48,631	107,331	21,988	10,999
Redeemable units issued for cash	7,354	21,017	33,939	246
Reinvested units	—	4	—	—
Redeemable units redeemed	(9,324)	(9,649)	(4,230)	(833)
<b>Balance, end of period</b>	<b>46,661</b>	<b>118,703</b>	<b>51,697</b>	<b>10,412</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	59,674	93,805	10,085	9,899
Redeemable units issued for cash	40,652	22,098	11,426	80
Reinvested units	—	29	—	—
Redeemable units redeemed	(48,953)	(15,081)	(3,527)	(32)
<b>Balance, end of period</b>	<b>51,373</b>	<b>100,851</b>	<b>17,984</b>	<b>9,947</b>

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	2,797,887	198	—	2,798,085
<b>Total Assets</b>	<b>2,797,887</b>	<b>198</b>	<b>—</b>	<b>2,798,085</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

# Beutel Goodman ■ North American Focused Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	166,012	514,051
Financial assets at fair value through profit or loss*	12,190,031	10,402,445
Accrued interest	38	170
Dividends receivable	15,581	8,364
Subscriptions receivable	45,396	1,400
<b>Total assets</b>	<b>12,417,058</b>	<b>10,926,430</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	26,703	23,965
Redemptions payable	7,960	21,166
Distributions payable	—	39
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>34,663</b>	<b>45,170</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>12,382,395</b>	<b>10,881,260</b>
*Investments at average cost	10,138,308	8,906,281
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	1,432,039	1,125,299
Class D	6,631,723	5,854,262
Class F	1,190,897	1,039,205
Class I	3,127,736	2,862,494
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	14.38	13.57
Class D	8.71	8.20
Class F	14.98	14.07
Class I	9.50	8.87
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	99,599	82,902
Class D	761,092	714,278
Class F	79,495	73,872
Class I	329,324	322,615

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	211,845	121,851
Interest for distribution purposes	11,668	8,554
Realized gain (loss) on sale of investments	79,287	111,754
Change in unrealized appreciation (depreciation) in the value of investments	555,559	75,005
<b>Net gains (losses) on investments</b>	<b>858,359</b>	<b>317,164</b>
Other income		
Realized gain (loss) on foreign currency transactions	(1,513)	(47)
<b>Total income</b>	<b>856,846</b>	<b>317,117</b>
<b>Expenses</b>		
Management fees	49,128	39,912
Administrative fees	6,102	5,125
Transaction costs (note 9)	1,401	2,712
Withholding taxes	19,788	8,066
<b>Total expenses</b>	<b>76,419</b>	<b>55,815</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>780,427</b>	<b>261,302</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	83,664	6,345
Class D	407,882	146,028
Class F	71,953	26,034
Class I	216,928	82,895
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.90	0.28
Class D	0.55	0.22
Class F	0.94	0.41
Class I	0.65	0.28

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	83,664	6,345
Class D	407,882	146,028
Class F	71,953	26,034
Class I	216,928	82,895
	780,427	261,302
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	(10,567)	(5,069)
Class F	—	—
Class I	—	—
	(10,567)	(5,069)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	393,384	61,321
Class D	681,688	597,739
Class F	89,967	64,862
Class I	164,555	274,765
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class D	10,567	5,069
Class F	—	—
Class I	—	—
Redemption of redeemable units		
Class B	(170,308)	(19,321)
Class D	(312,109)	(459,875)
Class F	(10,228)	(121,353)
Class I	(116,241)	(5,353)
	731,275	397,854
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	306,740	48,345
Class D	777,461	283,892
Class F	151,692	(30,457)
Class I	265,242	352,307
	1,501,135	654,087
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	1,432,039	336,295
Class D	6,631,723	5,600,491
Class F	1,190,897	884,416
Class I	3,127,736	2,815,954
	12,382,395	9,637,156

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	780,427	261,302
Adjustments for:		
Net realized (gain) loss on sale of investments	(79,287)	(111,754)
Change in unrealized (appreciation) depreciation in the value of investments	(555,559)	(75,005)
Purchases of investments	(2,028,284)	(851,571)
Proceeds from sale of investments	875,544	306,300
(Increase) decrease in accrued interest	132	59
(Increase) decrease in dividends receivable	(7,217)	(3,459)
Increase (decrease) in accrued liabilities	2,738	1,944
<b>Net cash flows from (used in) operating activities</b>	(1,011,506)	(472,184)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(39)	—
Proceeds from redeemable units issued	1,285,598	1,003,221
Redemption of redeemable units	(622,092)	(605,838)
<b>Net cash flows from (used in) financing activities</b>	663,467	397,383
Net increase (decrease) in cash and cash equivalents	(348,039)	(74,801)
Cash and cash equivalents at beginning of period	514,051	428,923
<b>Cash and cash equivalents at end of period*</b>	166,012	354,122
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	11,800	8,613
Dividends received, net of withholding taxes	184,840	110,326
<b>*Cash and cash equivalents include:</b>		
Cash at banks	16,193	29,661
Short-term investments	149,819	324,461
<b>Total</b>	166,012	354,122

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

# Beutel Goodman ■ North American Focused Equity Fund

## Schedule of Investment Portfolio *as at June 30, 2016 (unaudited)*

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	
<b>Short-Term Investments (2015 – 4.60%)</b>										
<b>Treasury Bills</b>						<b>Health Care</b>				
25,000	Government of Canada	0.537%	25-Aug-16	24,968	0.20	<b>Pharmaceuticals &amp; Biotechnology</b>				
100,000	Government of Canada	0.506%	8-Sep-16	99,879	0.81	3,450	Eli Lilly & Co.	252,185	352,841	2.85
25,000	Government of Canada	0.483%	22-Sep-16	24,972	0.20	<b>Financials</b>				
						<b>Banks</b>				
						9,400	Royal Bank of Canada	615,061	717,596	5.80
						14,675	The Toronto-Dominion Bank	612,355	814,169	6.58
						<b>Diversified Financials</b>				
						6,495	American Express Co.	510,917	512,515	4.14
						7,275	JPMorgan Chase & Co.	359,169	587,102	4.74
						<b>Real Estate</b>				
						105,100	InnVest Real Estate Investment Trust	555,155	732,547	5.92
						<b>Information Technology</b>				
						10,625	Oracle Corp.	402,313	564,781	4.56
						15,500	Symantec Corp.	372,968	413,468	3.34
						21,275	Teradyne Inc.	473,793	544,032	4.39
						<b>Telecommunication Services</b>				
						13,030	Rogers Communications Inc., Class B	587,108	681,469	5.50
						9,850	Verizon Communications Inc.	538,604	714,317	5.77
						<b>Total Common Stocks</b>				
						<b>Transaction Costs</b>				
						<b>Total Investments</b>				
						<b>Total Investments and Short-Term Investments</b>				
						<b>Other Assets Net of Liabilities</b>				
						<b>Net Assets Attributable to Holders of Redeemable Units</b>				



# Beutel Goodman ■ North American Focused Equity Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 established Canadian issuers. In addition, the Fund may also invest in short term fixed income securities of Canadian issuers. 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 18 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 45% 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
North American Focused Equity Benchmark*	107	93
<b>Total</b>	<b>107</b>	<b>93</b>

\*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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	5,079	2	5,081	41.0
<b>Total</b>	<b>—</b>	<b>5,079</b>	<b>2</b>	<b>5,081</b>	<b>41.0</b>

#### 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
<b>Total</b>	<b>—</b>	<b>4,687</b>	<b>—</b>	<b>4,687</b>	<b>43.0</b>

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 and interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at June 30, 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 \$51,000 (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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.21%	4.60%
Common Stocks		
Energy	10.02%	8.27%
Industrial	22.05%	19.96%
Consumer Discretionary	4.32%	4.36%
Consumer Staples	8.47%	8.32%
Health Care	2.85%	2.85%
Financials	27.18%	27.88%
Information Technology	12.29%	13.07%
Telecommunication		
Services	11.27%	10.88%
<b>Total</b>	<b>99.66%</b>	<b>100.19%</b>

# Beutel Goodman ■ North American Focused Equity Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	12,190,031	—	—	12,190,031
<b>Total Assets</b>	<b>12,190,031</b>	<b>—</b>	<b>—</b>	<b>12,190,031</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	82,902	714,278	73,872	322,615
Redeemable units issued for cash	28,990	83,612	6,339	19,037
Reinvested units	—	1,280	—	—
Redeemable units redeemed	(12,293)	(38,078)	(716)	(12,328)
<b>Balance, end of period</b>	<b>99,599</b>	<b>761,092</b>	<b>79,495</b>	<b>329,324</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	20,922	647,033	64,848	277,149
Redeemable units issued for cash	3,038	71,209	4,406	30,041
Reinvested units	—	601	—	—
Redeemable units redeemed	(70)	(54,716)	(8,270)	(587)
<b>Balance, end of period</b>	<b>23,890</b>	<b>664,127</b>	<b>60,984</b>	<b>306,603</b>

# Beutel Goodman ■ Fundamental Canadian Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,625,808	2,825,586
Financial assets at fair value through profit or loss*	283,828,516	116,433,655
Accrued interest	747	319
Dividends receivable	763,075	336,474
Subscriptions receivable	157,661	275,482
<b>Total assets</b>	<b>291,375,807</b>	<b>119,871,516</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	11,230	6,520
Due to brokers	870,638	345,385
Redemptions payable	45,636	222,390
Distributions payable	—	1,145
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>927,504</b>	<b>575,440</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>290,448,303</b>	<b>119,296,076</b>
*Investments at average cost	283,728,224	121,977,393
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	10,693	4,747
Class F	5,079	4,822
Class I	290,432,531	119,286,507
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	9.91	9.46
Class F	10.00	9.49
Class I	10.04	9.49
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	1,079	502
Class F	508	508
Class I	28,914,970	12,572,653

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	2,551,457	1,362,360
Interest for distribution purposes	10,195	10,811
Realized gain (loss) on sale of investments	(455,657)	305,357
Change in unrealized appreciation (depreciation) in the value of investments	5,644,030	(2,706,134)
<b>Net gains (losses) on investments</b>	<b>7,750,025</b>	<b>(1,027,606)</b>
Other income		
Realized gain (loss) on foreign currency transactions	2,812	(125)
<b>Total income</b>	<b>7,752,837</b>	<b>(1,027,731)</b>
<b>Expenses</b>		
Management fees	91	79
Administrative fees	50,400	28,993
Transaction costs (note 9)	60,345	34,531
<b>Total expenses</b>	<b>110,836</b>	<b>63,603</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>7,642,001</b>	<b>(1,091,334)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	(1,434)	(95)
Class F	257	(71)
Class I	7,643,178	(1,091,168)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	(1.89)	(0.19)
Class F	0.51	(0.14)
Class I	0.48	(0.13)

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
<b>Net assets attributable to holders of redeemable units at beginning of period</b>	\$	\$
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(1,434)	(95)
Class F	257	(71)
Class I	7,643,178	(1,091,168)
	7,642,001	(1,091,334)
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class F	—	—
Class I	—	—
	—	—
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	7,380	—
Class F	—	—
Class I	193,826,143	45,786,660
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class F	—	—
Class I	—	—
Redemption of redeemable units		
Class B	—	—
Class F	—	—
Class I	(30,323,297)	(15,058,172)
	163,510,226	30,728,488
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	5,946	(95)
Class F	257	(71)
Class I	171,146,024	29,637,320
	171,152,227	29,637,154
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	10,693	4,983
Class F	5,079	5,035
Class I	290,432,531	104,523,869
	290,448,303	104,533,887

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	7,642,001	(1,091,334)
Adjustments for:		
Net realized (gain) loss on sale of investments	455,657	(305,357)
Change in unrealized (appreciation) depreciation in the value of investments	(5,644,030)	2,706,134
Purchases of investments	(165,248,499)	(42,038,004)
Proceeds from sale of investments	3,567,264	10,896,171
(Increase) decrease in accrued interest	(428)	73
(Increase) decrease in dividends receivable	(426,601)	(79,479)
Increase (decrease) in accrued liabilities	4,710	1,507
<b>Net cash flows from (used in) operating activities</b>	(159,649,926)	(29,910,289)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,145)	—
Proceeds from redeemable units issued	193,951,344	45,781,774
Redemption of redeemable units	(30,500,051)	(15,094,510)
<b>Net cash flows from (used in) financing activities</b>	163,450,148	30,687,264
Net increase (decrease) in cash and cash equivalents	3,800,222	776,975
Cash and cash equivalents at beginning of period	2,825,586	1,389,554
<b>Cash and cash equivalents at end of period*</b>	6,625,808	2,166,529
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	9,767	10,884
Dividends received, net of withholding taxes	2,124,856	1,282,881
*Cash and cash equivalents include:		
Cash at banks	9,157	19,641
Short-term investments	6,616,651	2,146,888
Total	6,625,808	2,166,529

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

# Beutel Goodman - Fundamental Canadian Equity Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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
<b>Short-Term Investments (2015 – 2.37%)</b>									
<b>Treasury Bills</b>									
6,625,000	Government of Canada	0.475%	22-Sep-16	6,616,651	6,616,651	2.28			
				6,616,651	6,616,651	2.28			
<b>Common Stocks (2015 – 97.60%)</b>									
<b>Energy</b>									
375,850	Cameco Corp.			6,154,564	5,333,312	1.84			
381,120	Canadian Natural Resources Ltd.			14,081,526	15,191,443	5.23			
792,990	Cenovus Energy Inc.			16,143,456	14,170,731	4.88			
16,100	Suncor Energy Inc.			516,299	577,024	0.20			
				36,895,845	35,272,510	12.15			
<b>Materials</b>									
73,890	Agrium Inc.			8,838,408	8,637,002	2.97			
173,320	Potash Corp of Saskatchewan Inc.			4,879,675	3,639,720	1.25			
105,650	Teck Resources Ltd., Class B			1,628,703	1,797,107	0.62			
				15,346,786	14,073,829	4.84			
<b>Industrial</b>									
<b>Capital Goods</b>									
5,735	Brookfield Business Partners LP			171,122	140,565	0.05			
259,810	Finning International Inc.			5,966,549	5,466,402	1.88			
127,260	SNC-Lavalin Group Inc.			6,209,294	6,905,128	2.38			
				12,346,965	12,512,095	4.31			
<b>Transportation</b>									
129,020	Canadian National Railway Co.			9,824,240	9,842,936	3.39			
31,880	Canadian Pacific Railway Ltd.			5,918,030	5,302,600	1.83			
				15,742,270	15,145,536	5.22			
				28,089,235	27,657,631	9.53			
<b>Consumer Discretionary</b>									
<b>Automobiles &amp; Components</b>									
237,920	Magna International Inc.			12,866,926	10,789,672	3.71			
				12,866,926	10,789,672	3.71			
<b>Media</b>									
189,830	Quebecor Inc., Class B			6,381,428	7,027,507	2.42			
107,280	Thomson Reuters Corp.			5,315,508	5,607,526	1.93			
				11,696,936	12,635,033	4.35			
<b>Retailing</b>									
77,182	Canadian Tire Corp Ltd., Class A			9,879,725	10,863,367	3.74			
				9,879,725	10,863,367	3.74			
				34,443,587	34,288,072	11.80			
<b>Consumer Staples</b>									
<b>Food &amp; Staples Retailing</b>									
37,090	Loblaw Cos Ltd.			2,380,795	2,563,290	0.88			
71,870	Metro Inc., Class A			2,679,835	3,234,869	1.11			
				5,060,630	5,798,159	1.99			
						<b>Food Beverage &amp; Tobacco</b>			
64,990	Molson Coors Canada Inc., Class B			7,254,248	8,468,197	2.92			
				7,254,248	8,468,197	2.92			
				12,314,878	14,266,356	4.91			
						<b>Financials</b>			
						<b>Banks</b>			
295,280	Bank of Nova Scotia			19,120,768	18,694,177	6.44			
122,450	Canadian Imperial Bank of Commerce			12,123,110	11,882,548	4.09			
348,660	Royal Bank of Canada			26,796,911	26,616,703	9.16			
480,490	The Toronto-Dominion Bank			26,417,152	26,657,585	9.17			
				84,457,941	83,851,013	28.86			
						<b>Diversified Financials</b>			
32,980	IGM Financial Inc.			1,317,269	1,159,907	0.40			
18,640	Onex Corp.			1,404,009	1,472,560	0.51			
				2,721,278	2,632,467	0.91			
						<b>Insurance</b>			
310,130	Great-West Lifeco Inc.			10,596,917	10,569,230	3.64			
442,700	Manulife Financial Corp.			8,745,517	7,822,509	2.69			
				19,342,434	18,391,739	6.33			
						<b>Real Estate</b>			
305,490	Brookfield Asset Management Inc.			12,736,741	13,056,643	4.50			
				12,736,741	13,056,643	4.50			
				119,258,394	117,931,862	40.60			
						<b>Information Technology</b>			
						<b>Software &amp; Services</b>			
103,120	Open Text Corp.			7,154,935	7,877,337	2.71			
				7,154,935	7,877,337	2.71			
						<b>Telecommunication Services</b>			
436,880	Rogers Communications Inc., Class B			20,916,557	22,848,823	7.87			
231,060	TELUS Corp.			9,436,506	9,612,096	3.31			
				30,353,063	32,460,919	11.18			
						<b>Total Common Stocks</b>			
						<b>Transaction Costs</b>			
						(128,499)			
						<b>Total Investments</b>			
						<b>Total Investments and Short-Term Investments</b>			
						290,344,875			
						290,445,167			
						100.00			
						<b>Other Assets Net of Liabilities</b>			
						3,136			
						<b>Net Assets Attributable to Holders of Redeemable Units</b>			
						290,448,303			
						100.00			

## Fund Specific Notes to the Financial Statements

As at June 30, 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'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 June 30, 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 June 30, 2016 and December 31, 2015, the majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the

# Beutel Goodman ■ Fundamental Canadian Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2015 and December 31, 2015

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 June 30, 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 25 data points as at June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
S&P 500 Index	2,437	1,023
<b>Total</b>	<b>2,437</b>	<b>1,023</b>

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 June 30, 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	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	17	—	—	17	0.0
<b>Total</b>	<b>17</b>	<b>—</b>	<b>—</b>	<b>17</b>	<b>0.0</b>

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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	2.28%	2.37%
Common Stocks		
Energy	12.15%	9.41%
Materials	4.84%	5.80%
Industrial	9.53%	9.30%
Consumer Discretionary	11.80%	11.75%
Consumer Staples	4.91%	5.95%
Financials	40.60%	41.86%
Information Technology	2.71%	2.52%
Telecommunication Services	11.18%	11.01%
<b>Total</b>	<b>100.00%</b>	<b>99.97%</b>

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	283,828,516	—	—	283,828,516
<b>Total Assets</b>	<b>283,828,516</b>	<b>—</b>	<b>—</b>	<b>283,828,516</b>

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	116,433,655	—	—	116,433,655
<b>Total Assets</b>	<b>116,433,655</b>	<b>—</b>	<b>—</b>	<b>116,433,655</b>

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class F	Class I
Balance, beginning of period	502	508	12,572,653
Redeemable units issued for cash	577	—	19,403,180
Reinvested units	—	—	120
Redeemable units redeemed	—	—	(3,060,983)
<b>Balance, end of period</b>	<b>1,079</b>	<b>508</b>	<b>28,914,970</b>
2015	Class B	Class F	Class I
Balance, beginning of period	500	501	7,345,362
Redeemable units issued for cash	—	—	4,454,749
Reinvested units	—	—	—
Redeemable units redeemed	—	—	(1,459,581)
<b>Balance, end of period</b>	<b>500</b>	<b>501</b>	<b>10,340,730</b>

# Beutel Goodman ■ Small Cap Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	8,453,797	20,521,902
Financial assets at fair value through profit or loss*	596,192,242	549,604,266
Accrued interest	905	7,889
Dividends receivable	976,802	1,074,461
Due from brokers	5,046,766	—
Subscriptions receivable	94,818	89,093
<b>Total assets</b>	<b>610,765,330</b>	<b>571,297,611</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	145,662	140,070
Due to brokers	3,513,319	—
Redemptions payable	1,002,269	654,819
Distributions payable	—	87
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>4,661,250</b>	<b>794,976</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>606,104,080</b>	<b>570,502,635</b>
*Investments at average cost	412,427,305	422,971,285
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	4,838,759	4,427,983
Class D	68,235,307	64,116,558
Class F	11,080,653	8,322,340
Class I	521,949,361	493,635,754
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	12.46	11.38
Class D	25.53	23.22
Class F	26.06	23.67
Class I	27.52	24.87
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	388,466	389,218
Class D	2,673,193	2,761,096
Class F	425,249	351,600
Class I	18,963,368	19,850,475

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	3,498,587	4,860,324
Interest for distribution purposes	390,777	1,578,972
Realized gain (loss) on sale of investments	(3,627,099)	35,679,577
Change in unrealized appreciation (depreciation) in the value of investments	57,131,956	(3,285,832)
<b>Net gains (losses) on investments</b>	<b>57,394,221</b>	<b>38,833,041</b>
Other income		
Realized gain (loss) on foreign currency transactions	(97)	2,121
<b>Total income</b>	<b>57,394,124</b>	<b>38,835,162</b>
<b>Expenses</b>		
Management fees	517,518	571,509
Administrative fees	299,589	325,144
Transaction costs (note 9)	289,614	259,078
<b>Total expenses</b>	<b>1,106,721</b>	<b>1,155,731</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>56,287,403</b>	<b>37,679,431</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	371,264	230,162
Class D	6,081,008	3,996,734
Class F	923,735	336,315
Class I	48,911,396	33,116,220
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	1.01	0.59
Class D	2.25	1.38
Class F	2.49	1.15
Class I	2.55	1.66

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	371,264	230,162
Class D	6,081,008	3,996,734
Class F	923,735	336,315
Class I	48,911,396	33,116,220
	56,287,403	37,679,431
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	(8,598)	(11,067)
Class F	—	—
Class I	—	—
	(8,598)	(11,067)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	749,191	711,525
Class D	4,164,116	4,584,630
Class F	3,281,568	2,917,363
Class I	54,368,018	9,852,223
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class D	8,598	11,067
Class F	—	—
Class I	—	—
Redemption of redeemable units		
Class B	(709,679)	(725,830)
Class D	(6,126,375)	(9,642,864)
Class F	(1,446,990)	(528,313)
Class I	(74,965,807)	(40,485,559)
	(20,677,360)	(33,305,758)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	410,776	215,857
Class D	4,118,749	(1,061,500)
Class F	2,758,313	2,725,365
Class I	28,313,607	2,482,884
	35,601,445	4,362,606
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	4,838,759	4,910,375
Class D	68,235,307	71,001,301
Class F	11,080,653	8,889,824
Class I	521,949,361	529,619,845
	606,104,080	614,421,345

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	56,287,403	37,679,431
Adjustments for:		
Net realized (gain) loss on sale of investments	3,627,099	(35,679,577)
Change in unrealized (appreciation) depreciation in the value of investments	(57,131,956)	3,285,832
Purchases of investments	(53,237,429)	(88,162,614)
Proceeds from sale of investments	58,620,863	102,703,050
(Increase) decrease in accrued interest	6,984	17,749
(Increase) decrease in dividends receivable	97,659	36,161
Increase (decrease) in accrued liabilities	5,592	(3,531)
<b>Net cash flows from (used in) operating activities</b>	8,276,215	19,876,501
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(87)	—
Proceeds from redeemable units issued	62,557,168	18,221,849
Redemption of redeemable units	(82,901,401)	(51,148,156)
<b>Net cash flows from (used in) financing activities</b>	(20,344,320)	(32,926,307)
Net increase (decrease) in cash and cash equivalents	(12,068,105)	(13,049,806)
Cash and cash equivalents at beginning of period	20,521,902	23,792,223
<b>Cash and cash equivalents at end of period*</b>	8,453,797	10,742,417
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	397,761	1,596,721
Dividends received, net of withholding taxes	3,596,246	4,896,485
*Cash and cash equivalents include:		
Cash at banks	13,700	9,931
Short-term investments	8,440,097	10,732,486
<b>Total</b>	8,453,797	10,742,417

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



# Beutel Goodman - Small Cap Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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		
<b>Short-Term Investments (2015 – 3.59%)</b>						<b>Consumer Staples</b>					
<b>Treasury Bills</b>						<b>Food Beverage &amp; Tobacco</b>					
1,800,000	Government of Canada	0.513%	8-Sep-16	1,797,697	0.30	587,100	Maple Leaf Foods Inc.	7,585,049	16,198,089	2.67	
6,650,000	Government of Canada	0.490%	22-Sep-16	6,642,400	1.10			7,585,049	16,198,089	2.67	
				8,440,097	1.40						
<b>Common Stocks (2015 – 96.34%)</b>						<b>Health Care</b>					
<b>Energy</b>						<b>Pharmaceuticals &amp; Biotechnology</b>					
1,538,300	Birchcliff Energy Ltd.			8,927,362	10,583,504	1.75		7,404,357	6,647,520	1.10	
499,500	Birchcliff Energy Ltd., Sub Rcpt			3,121,875	3,436,560	0.57	4,028,800	Merus Labs International Inc.	7,404,357	6,647,520	1.10
1,713,500	Cathedral Energy Services Ltd.			8,920,542	959,560	0.16					
1,270,200	Crew Energy Inc.			15,339,003	7,379,862	1.22	<b>Financials</b>				
10,004,700	Denison Mines Corp.			12,272,740	7,103,337	1.17	<b>Banks</b>				
190,400	Enerflex Ltd.			1,140,510	2,033,472	0.34	493,100	Canadian Western Bank	13,362,732	12,154,915	2.01
1,803,300	NuVista Energy Ltd.			10,734,688	11,270,625	1.86	663,900	Equitable Group Inc.	25,018,783	37,171,761	6.13
1,239,800	Paramount Resources Ltd., Class A			17,232,521	13,290,656	2.19			38,381,515	49,326,676	8.14
307,500	Total Energy Services Inc.			5,273,165	3,985,200	0.66	<b>Insurance</b>				
512,700	ZCL Composites Inc.			2,066,437	4,598,919	0.76	291,190	Colliers International Group Inc.	4,379,060	12,847,303	2.12
				85,028,843	64,641,695	10.68	603,504	Industrial Alliance Insurance & Financial Services Inc.	17,657,035	24,508,297	4.04
							240,200	Intact Financial Corp.	9,565,158	22,168,058	3.66
									31,601,253	59,523,658	9.82
<b>Materials</b>						<b>Real Estate</b>					
3,191,300	Alamos Gold Inc.			23,487,968	35,455,343	5.85	291,190	FirstService Corp.	2,746,611	17,206,417	2.84
1,529,000	Asanko Gold Inc.			10,193,453	7,553,260	1.25	465,400	GDI Integrated Facility Services Inc.	5,809,829	6,003,660	0.99
188,697	CCL Industries Inc., Class B			5,465,272	42,426,633	7.00	4,521,600	InnVest Real Estate Investment Trust	20,377,839	31,515,553	5.19
707,100	HudBay Minerals Inc.			7,128,005	4,362,807	0.72			28,934,279	54,725,630	9.02
571,700	Intertape Polymer Group Inc.			6,808,287	12,051,436	1.99			98,917,047	163,575,964	26.98
1,713,700	Major Drilling Group International Inc.			13,100,482	13,401,134	2.21	<b>Information Technology</b>				
1,021,416	Tahoe Resources Inc.			14,257,812	19,764,400	3.26	<b>Technology Hardware &amp; Equipment</b>				
578,971	Winpak Ltd.			7,288,644	27,483,753	4.53	263,600	Evertz Technologies Ltd.	4,341,119	4,823,880	0.80
				87,729,923	162,498,766	26.81	472,019	exactEARTH Ltd.	1,888,076	656,106	0.11
									6,229,195	5,479,986	0.91
<b>Industrial</b>						<b>Utilities</b>					
<b>Capital Goods</b>						1,719,000 Superior Plus Corp.					
143,800	AG Growth International Inc.			5,462,414	5,888,610	0.97			18,382,814	18,324,540	3.02
92,300	Badger Daylighting Ltd.			2,025,427	2,076,750	0.34			18,382,814	18,324,540	3.02
189,700	Cervus Equipment Corp.			2,090,347	2,136,022	0.35	<b>Total Common Stocks</b>				
190,400	Toromont Industries Ltd.			3,659,494	7,166,656	1.18	413,440,063 596,192,242 98.36				
654,300	Wajax Corp.			16,110,027	9,801,414	1.62	<b>Transaction Costs</b>				
				29,347,709	27,069,452	4.46	(1,012,758)				
<b>Transportation</b>						<b>Total Investments</b>					
1,455,540	Westjet Airlines Ltd.			24,402,298	30,682,783	5.06	412,427,305 596,192,242 97.11				
				24,402,298	30,682,783	5.06	<b>Total Investments and Short-Term Investments</b>				
				53,750,007	57,752,235	9.52	420,867,402 604,632,339 99.76				
<b>Consumer Discretionary</b>						<b>Other Assets Net of Liabilities</b>					
<b>Automobiles &amp; Components</b>						1,471,741 0.24					
507,697	Linamar Corp.			14,771,187	23,364,216	3.85	<b>Net Assets Attributable to Holders of Redeemable Units</b>				
				14,771,187	23,364,216	3.85	606,104,080 100.00				
<b>Media</b>											
696,900	Quebecor Inc., Class B			8,911,248	25,799,238	4.26					
				8,911,248	25,799,238	4.26					
<b>Retailing</b>											
482,748	Leons Furniture Ltd.			5,576,791	7,303,977	1.21					
1,361,600	Uni-Select Inc.			19,153,602	44,606,016	7.35					
				24,730,393	51,909,993	8.56					
				48,412,828	101,073,447	16.67					

# Beutel Goodman ■ Small Cap Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 with an adjusted market float of up to \$1.5 billion at the time of purchase. 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 45% 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
BMO Small Cap Index	5,071	5,112
<b>Total</b>	<b>5,071</b>	<b>5,112</b>

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 June 30, 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	Total	Percentage of net assets
	(\$000)	(\$000)	(\$000)	(\$000)	(%)
United States Dollar	108	—	—	108	0.0
<b>Total</b>	<b>108</b>	<b>—</b>	<b>—</b>	<b>108</b>	<b>0.0</b>

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 and 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 \$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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.40%	3.59%
Common Stocks		
Energy	10.68%	7.90%
Materials	26.81%	22.82%
Industrial	9.52%	9.77%
Consumer Discretionary	16.67%	19.33%
Consumer Staples	2.67%	3.41%
Health Care	1.10%	0.79%
Financials	26.98%	28.76%
Information Technology	0.91%	3.56%
Utilities	3.02%	—
<b>Total</b>	<b>99.76%</b>	<b>99.93%</b>

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	596,192,242	—	—	596,192,242
<b>Total Assets</b>	<b>596,192,242</b>	<b>—</b>	<b>—</b>	<b>596,192,242</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	389,218	2,761,096	351,600	19,850,475
Redeemable units issued for cash	63,263	177,800	134,123	2,040,831
Reinvested units	—	353	—	—
Redeemable units redeemed	(64,015)	(266,056)	(60,474)	(2,927,938)
<b>Balance, end of period</b>	<b>388,466</b>	<b>2,673,193</b>	<b>425,249</b>	<b>18,963,368</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	402,644	3,032,599	253,903	20,672,986
Redeemable units issued for cash	57,539	181,907	112,890	363,796
Reinvested units	—	440	—	—
Redeemable units redeemed	(60,074)	(386,330)	(20,630)	(1,506,737)
<b>Balance, end of period</b>	<b>400,109</b>	<b>2,828,616</b>	<b>346,163</b>	<b>19,530,045</b>

# Beutel Goodman - Canadian Dividend Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,279,916	859,147
Financial assets at fair value through profit or loss*	163,860,874	129,399,652
Accrued interest	165	79
Dividends receivable	495,742	362,977
Due from brokers	—	421,590
Subscriptions receivable	733,434	58,036
<b>Total assets</b>	<b>167,370,131</b>	<b>131,101,481</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	129,371	84,352
Due to brokers	1,965,561	—
Redemptions payable	482,802	693,865
Distributions payable	51,077	60
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>2,628,811</b>	<b>778,277</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>164,741,320</b>	<b>130,323,204</b>
*Investments at average cost	155,914,807	125,768,481
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	18,290,493	11,744,064
Class D	65,513,765	53,435,537
Class F	17,261,347	8,078,934
Class I	63,675,715	57,064,669
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	13.60	13.11
Class D	8.81	8.48
Class F	13.89	13.38
Class I	9.46	9.10
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	1,345,155	895,888
Class D	7,435,310	6,299,617
Class F	1,243,049	603,618
Class I	6,731,395	6,268,141

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	3,340,746	1,922,325
Interest for distribution purposes	2,839	4,649
Realized gain (loss) on sale of investments	1,398,964	2,633,612
Change in unrealized appreciation (depreciation) in the value of investments	4,314,896	(4,911,803)
<b>Net gains (losses) on investments</b>	<b>9,057,445</b>	<b>(351,217)</b>
Other income		
Realized gain (loss) on foreign currency transactions	(21,769)	(50,025)
<b>Total income</b>	<b>9,035,676</b>	<b>(401,242)</b>
<b>Expenses</b>		
Management fees	550,241	450,771
Administrative fees	76,765	50,683
Transaction costs (note 9)	39,819	60,634
Withholding taxes	184,371	58,220
<b>Total expenses</b>	<b>851,196</b>	<b>620,308</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>8,184,480</b>	<b>(1,021,550)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	767,888	(81,535)
Class D	3,078,795	(137,601)
Class F	790,763	(25,439)
Class I	3,547,034	(776,975)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.71	(0.10)
Class D	0.46	(0.03)
Class F	0.89	(0.05)
Class I	0.55	(0.19)

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	767,888	(81,535)
Class D	3,078,795	(137,601)
Class F	790,763	(25,439)
Class I	3,547,034	(776,975)
	8,184,480	(1,021,550)
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	(196,402)	(86,230)
Class D	(885,957)	(494,402)
Class F	(247,562)	(87,362)
Class I	(1,272,387)	(717,926)
	(2,602,308)	(1,385,920)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	8,454,649	3,247,180
Class D	17,511,661	11,915,411
Class F	10,356,727	1,941,854
Class I	6,561,733	27,871,944
Reinvestments of distributions to holders of redeemable units		
Class B	170,989	72,865
Class D	820,981	469,485
Class F	186,281	71,934
Class I	1,272,382	717,899
Redemption of redeemable units		
Class B	(2,650,695)	(1,858,448)
Class D	(8,447,252)	(4,994,995)
Class F	(1,903,796)	(1,461,535)
Class I	(3,497,716)	(1,316,214)
	28,835,944	36,677,380
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	6,546,429	1,293,832
Class D	12,078,228	6,757,898
Class F	9,182,413	439,452
Class I	6,611,046	25,778,728
	34,418,116	34,269,910
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	18,290,493	11,977,692
Class D	65,513,765	49,198,581
Class F	17,261,347	7,614,974
Class I	63,675,715	53,789,254
	164,741,320	122,580,501

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	8,184,480	(1,021,550)
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,398,964)	(2,633,612)
Change in unrealized (appreciation) depreciation in the value of investments	(4,314,896)	4,911,803
Purchases of investments	(39,869,474)	(52,474,783)
Proceeds from sale of investments	13,509,263	22,534,833
(Increase) decrease in accrued interest	(86)	(1,313)
(Increase) decrease in dividends receivable	(132,765)	(79,287)
Increase (decrease) in accrued liabilities	45,019	12,315
<b>Net cash flows from (used in) operating activities</b>	(23,977,423)	(28,751,594)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(100,658)	(31,682)
Proceeds from redeemable units issued	42,209,372	45,037,125
Redemption of redeemable units	(16,710,522)	(9,644,627)
<b>Net cash flows from (used in) financing activities</b>	25,398,192	35,360,816
Net increase (decrease) in cash and cash equivalents	1,420,769	6,609,222
Cash and cash equivalents at beginning of period	859,147	1,357,958
<b>Cash and cash equivalents at end of period*</b>	2,279,916	7,967,180
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	2,753	3,336
Dividends received, net of withholding taxes	3,023,610	1,784,818
<b>*Cash and cash equivalents include:</b>		
Cash at banks	357,200	23,405
Short-term investments	1,922,716	7,943,775
<b>Total</b>	2,279,916	7,967,180

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

# Beutel Goodman - Canadian Dividend Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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		
<b>Short-Term Investments (2015 – 0.65%)</b>						<b>Pharmaceuticals &amp; Biotechnology</b>					
<b>Treasury Bills</b>						31,100	Eli Lilly & Co.	2,479,562	3,180,682	1.93	
1,925,000	Government of Canada	0.490%	22-Sep-16	1,922,716	1,922,716	1.17	32,100	Merck KGaA	4,240,758	4,216,859	2.56
				1,922,716	1,922,716	1.17			6,720,320	7,397,541	4.49
<b>Common Stocks (2015 – 99.29%)</b>								12,470,094	13,076,468	7.94	
<b>Energy</b>						<b>Financials</b>					
169,100	Canadian Natural Resources Ltd.			5,912,728	6,740,326	4.09	<b>Banks</b>				
423,100	Cenovus Energy Inc.			9,751,450	7,560,797	4.59	187,526	Bank of Nova Scotia	11,601,167	11,872,271	7.21
500	Suncor Energy Inc.			15,592	17,920	0.01	45,800	Brookfield Asset Management Inc.	1,866,662	1,957,492	1.19
				15,679,770	14,319,043	8.69	67,500	Canadian Imperial Bank of Commerce	6,105,868	6,550,200	3.98
<b>Materials</b>						198,200	Royal Bank of Canada	14,235,914	15,130,588	9.18	
35,000	Agrium Inc.			4,384,257	4,091,150	2.48	278,000	The Toronto-Dominion Bank	13,898,331	15,423,440	9.35
122,600	Potash Corp. of Saskatchewan Inc.			4,245,307	2,574,600	1.56			47,707,942	50,933,991	30.91
				8,629,564	6,665,750	4.04	<b>Insurance</b>				
<b>Industrial</b>						39,400	Intact Financial Corp.	2,935,836	3,636,226	2.21	
900	Brookfield Business Partners LP			28,653	22,059	0.01	194,500	Manulife Financial Corp.	3,853,129	3,436,815	2.09
166,900	Finning International Inc.			3,697,966	3,511,576	2.13	177,600	Power Financial Corp.	6,049,104	5,265,840	3.20
24,100	Parker-Hannifin Corp.			3,544,518	3,381,825	2.05			12,838,069	12,338,881	7.50
				7,271,137	6,915,460	4.19			60,546,011	63,272,872	38.41
<b>Consumer Discretionary</b>						<b>Information Technology</b>					
<b>Automobiles &amp; Components</b>						552,286	Atea ASA	6,681,240	6,835,732	4.15	
102,300	Magna International Inc.			4,951,109	4,639,305	2.82	164,400	Symantec Corp.	4,228,703	4,385,423	2.66
				4,951,109	4,639,305	2.82			10,909,943	11,221,155	6.81
<b>Media</b>						<b>Telecommunication Services</b>					
41,500	Thomson Reuters Corp.			1,876,870	2,169,205	1.32	224,000	Rogers Communications Inc., Class B	10,010,443	11,715,200	7.11
				1,876,870	2,169,205	1.32	41,200	TELUS Corp.	1,501,934	1,713,920	1.04
<b>Retailing</b>						95,000	Verizon Communications Inc.	5,526,533	6,889,351	4.18	
31,600	Canadian Tire Corp Ltd., Class A			3,411,112	4,447,700	2.70			17,038,910	20,318,471	12.33
				3,411,112	4,447,700	2.70	<b>Total Common Stocks</b>				
				10,239,091	11,256,210	6.84			156,026,292	163,860,874	99.46
<b>Consumer Staples</b>						<b>Transaction Costs</b>					
<b>Food Beverage &amp; Tobacco</b>								(111,485)			
78,100	Kellogg Co.			6,614,532	8,281,643	5.03	<b>Total Investments</b>				
37,000	Molson Coors Canada Inc., Class B			2,964,605	4,821,100	2.93			155,914,807	163,860,874	99.46
61,400	Unilever NV			3,662,635	3,712,702	2.25	<b>Total Investments and Short-Term Investments</b>				
				13,241,772	16,815,445	10.21			157,837,523	165,783,590	100.63
<b>Health Care</b>						<b>Other Assets Net of Liabilities</b>					
<b>Health Care Equipment and Services</b>								(1,042,270)	(0.63)		
96,700	Baxter International Inc.			5,749,774	5,678,927	3.45	<b>Net Assets Attributable to Holders of Redeemable Units</b>				
				5,749,774	5,678,927	3.45			164,741,320	100.00	

# Beutel Goodman ■ Canadian Dividend Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 45% 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
Canadian Dividend Benchmark*	1,348	1,084
<b>Total</b>	<b>1,348</b>	<b>1,084</b>

\*The Canadian Dividend Fund Benchmark is comprised of the S&P/TSX (85%) and the S&P 500Cdn. (15%).

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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	7,930	—	7,930	4.8
Norwegian Krone	—	6,836	—	6,836	4.1
United States Dollar	—	31,798	13	31,811	19.3
<b>Total</b>	<b>—</b>	<b>46,564</b>	<b>13</b>	<b>46,577</b>	<b>28.2</b>

#### 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	—	3,757	—	3,757	2.9
Norwegian Krone	—	4,217	—	4,217	3.2
United States Dollar	—	30,888	11	30,899	23.7
<b>Total</b>	<b>—</b>	<b>38,862</b>	<b>11</b>	<b>38,873</b>	<b>29.8</b>

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 June 30, 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 \$470,000 (December 31, 2015 \$390,000).

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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.17%	0.65%
Common Stocks		
Energy	8.69%	7.78%
Materials	4.04%	3.99%
Industrial	4.19%	5.33%
Consumer Discretionary	6.84%	6.74%
Consumer Staples	10.21%	8.15%
Health Care	7.94%	12.15%
Financials	38.41%	37.11%
Information Technology	6.81%	6.40%
Telecommunication Services	12.33%	11.64%
<b>Total</b>	<b>100.63%</b>	<b>99.94%</b>

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	163,860,874	—	—	163,860,874
<b>Total Assets</b>	<b>163,860,874</b>	<b>—</b>	<b>—</b>	<b>163,860,874</b>

Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	129,399,652	—	—	129,399,652
<b>Total Assets</b>	<b>129,399,652</b>	<b>—</b>	<b>—</b>	<b>129,399,652</b>

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

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	895,888	6,299,617	603,618	6,268,141
Redeemable units issued for cash	638,677	2,041,633	767,969	698,453
Reinvested units	12,735	94,400	13,581	136,219
Redeemable units redeemed	(202,145)	(1,000,340)	(142,119)	(371,418)
<b>Balance, end of period</b>	<b>1,345,155</b>	<b>7,435,310</b>	<b>1,243,049</b>	<b>6,731,395</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	776,114	4,769,672	510,390	2,929,408
Redeemable units issued for cash	231,688	1,314,778	135,214	2,813,978
Reinvested units	5,276	52,568	5,102	75,119
Redeemable units redeemed	(133,427)	(549,341)	(103,284)	(133,658)
<b>Balance, end of period</b>	<b>879,681</b>	<b>5,587,677</b>	<b>547,422</b>	<b>5,684,847</b>



# Beutel Goodman - Global Dividend Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	315,220	659,689
Financial assets at fair value through profit or loss*	12,518,390	21,662,150
Accrued interest	30	77
Dividends receivable	16,026	15,393
Due from brokers	52,273	—
Subscriptions receivable	—	88,845
<b>Total assets</b>	<b>12,901,939</b>	<b>22,426,154</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	9,332	17,381
Redemptions payable	21,838	3,444
Distributions payable	585	207
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>31,755</b>	<b>21,032</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>12,870,184</b>	<b>22,405,122</b>
*Investments at average cost	12,268,987	20,266,073
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	5,730,398	5,967,491
Class F	3,716,683	4,357,472
Class I	3,423,103	12,080,159
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	10.96	11.46
Class F	11.23	11.74
Class I	11.69	12.23
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	522,931	520,767
Class F	331,083	371,137
Class I	292,769	987,820

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	479,238	551,706
Interest for distribution purposes	1,032	5,776
Realized gain (loss) on sale of investments	73,814	4,729,262
Change in unrealized appreciation (depreciation) in the value of investments	(1,146,674)	864,328
<b>Net gains (losses) on investments</b>	<b>(592,590)</b>	<b>6,151,072</b>
Other income		
Realized gain (loss) on foreign currency transactions	(38,323)	(66,747)
<b>Total income</b>	<b>(630,913)</b>	<b>6,084,325</b>
<b>Expenses</b>		
Management fees	67,781	79,929
Administrative fees	8,991	18,442
Transaction costs (note 9)	29,874	47,068
Withholding taxes	39,448	54,103
<b>Total expenses</b>	<b>146,094</b>	<b>199,542</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>(777,007)</b>	<b>5,884,783</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	(137,059)	558,175
Class F	(92,936)	422,063
Class I	(547,012)	4,904,545
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	(0.26)	1.18
Class F	(0.28)	1.24
Class I	(1.03)	2.65

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(137,059)	558,175
Class F	(92,936)	422,063
Class I	(547,012)	4,904,545
	(777,007)	5,884,783
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	(126,633)	(469,207)
Class F	(91,700)	(355,270)
Class I	(143,472)	(3,497,471)
	(361,805)	(4,321,948)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	976,224	1,599,456
Class F	596,034	1,332,465
Class I	1,983,764	5,306,064
Reinvestments of distributions to holders of redeemable units		
Class B	123,739	433,442
Class F	90,815	329,580
Class I	143,472	3,497,107
Redemption of redeemable units		
Class B	(1,073,364)	(1,382,362)
Class F	(1,143,002)	(950,140)
Class I	(10,093,808)	(32,288,726)
	(8,396,126)	(22,123,114)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(237,093)	739,504
Class F	(640,789)	778,698
Class I	(8,657,056)	(22,078,481)
	(9,534,938)	(20,560,279)
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	5,730,398	5,977,772
Class F	3,716,683	4,415,423
Class I	3,423,103	15,518,180
	12,870,184	25,911,375

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	(777,007)	5,884,783
Adjustments for:		
Net realized (gain) loss on sale of investments	(73,814)	(4,729,262)
Change in unrealized (appreciation) depreciation in the value of investments	1,146,674	(864,328)
Purchases of investments	(5,676,282)	(9,917,485)
Proceeds from sale of investments	13,694,909	36,413,831
(Increase) decrease in accrued interest	47	474
(Increase) decrease in dividends receivable	(633)	12,609
Increase (decrease) in accrued liabilities	(8,049)	(783)
<b>Net cash flows from (used in) operating activities</b>	8,305,845	26,799,839
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(3,401)	(52,749)
Proceeds from redeemable units issued	3,644,867	8,137,122
Redemption of redeemable units	(12,291,780)	(34,622,055)
<b>Net cash flows from (used in) financing activities</b>	(8,650,314)	(26,537,682)
Net increase (decrease) in cash and cash equivalents	(344,469)	262,157
Cash and cash equivalents at beginning of period	659,689	2,692,388
<b>Cash and cash equivalents at end of period*</b>	315,220	2,954,545
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	1,079	6,250
Dividends received, net of withholding taxes	439,157	510,212
*Cash and cash equivalents include:		
Cash at banks	65,519	33,942
Short-term investments	249,701	2,920,603
Total	315,220	2,954,545

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

# Beutel Goodman - Global Dividend Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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		
<b>Short-Term Investments (2015 – 2.89%)</b>						<b>Switzerland</b>					
<b>Treasury Bills</b>						3,400	Cie Financière Richemont SA	260,377	257,222	2.00	
50,000	Government of Canada	0.507%	8-Sep-16	49,936	49,936	0.39	6,400	Julius Baer Group Ltd.	334,549	331,121	2.57
200,000	Government of Canada	0.475%	22-Sep-16	199,765	199,765	1.55			594,926	588,343	4.57
				249,701	249,701	1.94					
<b>Common Stocks (2015 – 96.69%)</b>						<b>United Kingdom</b>					
<b>Denmark</b>						35,400	IMI PLC	661,456	594,302	4.62	
2,200	Carlsberg A/S			250,191	270,705	2.10	33,200	Sky PLC	583,196	488,778	3.80
				250,191	270,705	2.10	60,940	Vesuvius PLC	430,335	303,536	2.36
<b>Finland</b>						118,800	Vodafone Group PLC	497,681	469,528	3.65	
13,975	Konecranes OYJ			447,917	456,894	3.55			2,172,668	1,856,144	14.43
				447,917	456,894	3.55					
<b>France</b>						<b>United States</b>					
4,980	Cie Générale des Établissements Michelin			562,250	612,243	4.76	6,790	Caterpillar Inc.	640,754	668,506	5.19
				562,250	612,243	4.76	6,700	Eli Lilly & Co.	649,885	685,227	5.32
<b>Germany</b>						2,500	Johnson & Johnson	319,221	393,831	3.06	
5,400	BASF SE			556,475	534,780	4.16	7,700	JPMorgan Chase & Co.	584,644	621,400	4.83
2,600	Bayer AG			410,503	337,614	2.62	7,900	Kellogg Co.	654,744	837,707	6.51
2,400	Deutsche Boerse AG			269,042	254,647	1.98	11,400	Symantec Corp.	288,743	304,099	2.36
12,300	GEA Group AG			640,550	750,227	5.83	11,900	Verizon Communications Inc.	678,147	862,982	6.72
76,900	Telefonica Deutschland Holding AG			502,526	409,741	3.18			3,816,138	4,373,752	33.99
				2,379,096	2,287,009	17.77					
<b>Ireland</b>						<b>Total Common Stocks</b>					
3,400	Ingersoll-Rand PLC			254,261	281,184	2.18			12,298,097	12,518,390	97.27
				254,261	281,184	2.18	<b>Transaction Costs</b>				
<b>Netherlands</b>											
95,900	Koninklijke KPN NV			413,931	450,374	3.50			(29,110)		
				413,931	450,374	3.50	<b>Total Investments</b>				
<b>Norway</b>						12,268,987		12,518,390	97.27		
51,600	Atea ASA			564,392	638,661	4.96	<b>Total Investments and Short-Term Investments</b>				
14,700	TGS Nopec Geophysical Co ASA			405,394	310,731	2.41			12,518,688	12,768,091	99.21
				969,786	949,392	7.37	<b>Other Assets Net of Liabilities</b>				
<b>Singapore</b>											
25,800	DBS Group Holdings Ltd.			436,933	392,350	3.05			102,093	0.79	
				436,933	392,350	3.05	<b>Net Assets Attributable to Holders of Redeemable Units</b>				
										12,870,184	100.00

# Beutel Goodman ■ Global Dividend Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
MSCI World Total Return Index	114	196
<b>Total</b>	<b>114</b>	<b>196</b>

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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	4,088	—	4,088	31.8
British Pound	—	1,856	16	1,872	14.4
Norwegian Krone	—	949	—	949	7.4
United States Dollar	—	4,374	—	4,374	34.0
Singapore Dollar	—	392	—	392	3.0
Swiss Franc	—	588	—	588	4.6
Danish Krone	—	271	—	271	2.1
<b>Total</b>	<b>—</b>	<b>12,518</b>	<b>16</b>	<b>12,534</b>	<b>97.3</b>

#### 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
<b>Total</b>	<b>—</b>	<b>21,663</b>	<b>15</b>	<b>21,678</b>	<b>96.8</b>

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 June 30, 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 \$125,300 (December 31, 2015 \$216,600).

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

# Beutel Goodman ■ Global Dividend Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 2016 and December 31, 2015

### Concentration Risk

The following is a summary of the Fund's concentration risk as at June 30, 2016 and December 31, 2015:

Country segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.94%	2.89%
Common Stocks		
Denmark	2.10%	—
Finland	3.55%	3.16%
France	4.76%	5.08%
Germany	17.77%	12.28%
Ireland	2.18%	—
Netherlands	3.50%	10.33%
Norway	7.37%	10.36%
Singapore	3.05%	2.63%
Spain	—	1.97%
Switzerland	4.57%	—
United Kingdom	14.43%	14.56%
United States	33.99%	36.32%
<b>Total</b>	<b>99.21%</b>	<b>99.58%</b>

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	12,518,390	—	—	12,518,390
<b>Total Assets</b>	<b>12,518,390</b>	<b>—</b>	<b>—</b>	<b>12,518,390</b>
Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	21,662,150	—	—	21,662,150
<b>Total Assets</b>	<b>21,662,150</b>	<b>—</b>	<b>—</b>	<b>21,662,150</b>

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class F	Class I
Balance, beginning of the period	520,767	371,137	987,820
Redeemable units issued for cash	87,787	53,185	169,634
Reinvested units	11,216	8,050	12,297
Redeemable units redeemed	(96,839)	(101,289)	(876,982)
<b>Balance, end of period</b>	<b>522,931</b>	<b>331,083</b>	<b>292,769</b>
2015	Class B	Class F	Class I
Balance, beginning of the period	465,815	316,125	3,138,769
Redeemable units issued for cash	136,605	110,919	415,299
Reinvested units	36,978	27,465	279,395
Redeemable units redeemed	(118,136)	(78,667)	(2,565,427)
<b>Balance, end of period</b>	<b>521,262</b>	<b>375,842</b>	<b>1,268,036</b>

# Beutel Goodman ■ World Focus Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	390,882	545,677
Financial assets at fair value through profit or loss*	13,976,086	14,231,045
Accrued interest	149	108
Dividends receivable	20,762	10,051
Due from brokers	201,798	—
Subscriptions receivable	23,733	45,767
<b>Total assets</b>	<b>14,613,410</b>	<b>14,832,648</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	10,222	10,499
Redemptions payable	9,258	27,048
Distributions payable	—	22,436
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>19,480</b>	<b>59,983</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>14,593,930</b>	<b>14,772,665</b>
*Investments at average cost	12,833,513	12,472,376
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	1,059,799	977,553
Class D	1,969,776	2,119,551
Class F	268,256	258,681
Class I	11,296,099	11,416,880
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	12.67	13.05
Class D	4.92	5.05
Class F	13.23	13.56
Class I	5.28	5.39
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	83,669	74,896
Class D	400,019	419,313
Class F	20,278	19,076
Class I	2,138,225	2,119,265

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	383,461	233,241
Interest for distribution purposes	848	1,747
Realized gain (loss) on sale of investments	12,610	1,042,570
Change in unrealized appreciation (depreciation) in the value of investments	(616,096)	368,798
<b>Net gains (losses) on investments</b>	<b>(219,177)</b>	<b>1,646,356</b>
Other income		
Realized gain (loss) on foreign currency transactions	(1,768)	(25,941)
<b>Total income</b>	<b>(220,945)</b>	<b>1,620,415</b>
<b>Expenses</b>		
Management fees	18,466	14,177
Administrative fees	7,669	7,160
Transaction costs (note 9)	6,931	17,231
Withholding taxes	44,884	25,729
<b>Total expenses</b>	<b>77,950</b>	<b>64,297</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>(298,895)</b>	<b>1,556,118</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	(26,512)	61,143
Class D	(48,432)	163,732
Class F	(6,159)	4,533
Class I	(217,792)	1,326,710
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	(0.32)	1.26
Class D	(0.12)	0.52
Class F	(0.32)	0.94
Class I	(0.10)	0.66

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
	<u>14,772,665</u>	<u>13,709,902</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(26,512)	61,143
Class D	(48,432)	163,732
Class F	(6,159)	4,533
Class I	(217,792)	1,326,710
	<u>(298,895)</u>	<u>1,556,118</u>
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	(6,284)	(4,396)
Class F	—	—
Class I	—	—
	<u>(6,284)</u>	<u>(4,396)</u>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	235,682	111,765
Class D	494,935	252,276
Class F	132,865	47,574
Class I	908,414	1,744,492
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class D	6,284	4,396
Class F	—	—
Class I	—	5,199
Redemption of redeemable units		
Class B	(126,924)	(22,469)
Class D	(596,278)	(82,334)
Class F	(117,131)	—
Class I	(811,403)	(3,465,463)
	<u>126,444</u>	<u>(1,404,564)</u>
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	82,246	150,439
Class D	(149,775)	333,674
Class F	9,575	52,107
Class I	(120,781)	(389,062)
	<u>(178,735)</u>	<u>147,158</u>
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	1,059,799	748,188
Class D	1,969,776	1,798,096
Class F	268,256	90,559
Class I	11,296,099	11,220,217
	<u>14,593,930</u>	<u>13,857,060</u>

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	(298,895)	1,556,118
Adjustments for:		
Net realized (gain) loss on sale of investments	(12,610)	(1,042,570)
Change in unrealized (appreciation) depreciation in the value of investments	616,096	(368,798)
Purchases of investments	(1,869,706)	(3,164,803)
Proceeds from sale of investments	1,319,381	4,756,629
(Increase) decrease in accrued interest	(41)	102
(Increase) decrease in dividends receivable	(10,711)	(7,792)
Increase (decrease) in accrued liabilities	(277)	674
<b>Net cash flows from (used in) operating activities</b>	<u>(256,763)</u>	<u>1,729,560</u>
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(22,436)	(26,654)
Proceeds from redeemable units issued	1,793,930	2,187,474
Redemption of redeemable units	(1,669,526)	(3,573,741)
<b>Net cash flows from (used in) financing activities</b>	<u>101,968</u>	<u>(1,412,921)</u>
Net increase (decrease) in cash and cash equivalents	(154,795)	316,639
Cash and cash equivalents at beginning of period	545,677	574,280
<b>Cash and cash equivalents at end of period*</b>	<u>390,882</u>	<u>890,919</u>
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	807	1,849
Dividends received, net of withholding taxes	327,866	199,720
*Cash and cash equivalents include:		
Cash at banks	41,345	117,158
Short-term investments	349,537	773,761
<b>Total</b>	<u>390,882</u>	<u>890,919</u>

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

# Beutel Goodman ■ World Focus Equity Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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		
<b>Short-Term Investments (2015 – 3.56%)</b>						<b>United Kingdom</b>					
<b>Treasury Bills</b>						28,260		474,434	3.25		
75,000	Government of Canada	0.537%	11-Aug-16	74,905	74,905	0.51					
50,000	Government of Canada	0.525%	25-Aug-16	49,933	49,933	0.34					
150,000	Government of Canada	0.507%	8-Sep-16	149,799	149,799	1.03					
75,000	Government of Canada	0.503%	22-Sep-16	74,900	74,900	0.51					
				<u>349,537</u>	<u>349,537</u>	<u>2.39</u>					
<b>Common Stocks (2015 – 96.32%)</b>						<b>United States</b>					
<b>Finland</b>						4,650	Amdocs Ltd.	176,588	348,569	2.39	
17,715	Konecranes OYJ			632,590	579,169	3.97	5,600	American Express Co.	539,848	441,891	3.03
				<u>632,590</u>	<u>579,169</u>	<u>3.97</u>	9,350	Baxter International Inc.	393,657	549,100	3.76
<b>France</b>						8,920	BB&T Corp.	313,178	412,521	2.83	
3,600	Cie Générale des Établissements Michelin			394,461	442,585	3.03	5,390	Caterpillar Inc.	480,698	530,670	3.64
				<u>394,461</u>	<u>442,585</u>	<u>3.03</u>	9,350	Halliburton Co.	516,211	549,950	3.77
<b>Germany</b>						7,820	JPMorgan Chase & Co.	402,383	631,085	4.32	
5,360	BASF SE			559,641	530,819	3.64	6,630	Kellogg Co.	535,571	703,039	4.82
3,680	Bayer AG			590,755	477,853	3.27	11,640	Oracle Corp.	433,269	618,734	4.24
6,150	GEA Group AG			316,452	375,114	2.57	20,290	Symantec Corp.	471,853	541,242	3.71
4,460	HeidelbergCement AG			345,141	434,160	2.97	14,300	Teradyne Inc.	374,771	365,671	2.51
4,700	Merck KGaA			608,750	617,422	4.23	11,980	Verizon Communications Inc.	667,328	868,783	5.95
				<u>2,420,739</u>	<u>2,435,368</u>	<u>16.68</u>			<u>5,305,355</u>	<u>6,561,255</u>	<u>44.97</u>
<b>Netherlands</b>						<b>Total Common Stocks</b>					
2,905	Akzo Nobel NV			211,679	236,264	1.62			<u>12,858,740</u>	<u>13,976,086</u>	<u>95.77</u>
73,500	Koninklijke KPN NV			305,167	345,177	2.37					
8,420	Unilever NV			379,803	509,136	3.49					
				<u>896,649</u>	<u>1,090,577</u>	<u>7.48</u>					
<b>Norway</b>						<b>Transaction Costs</b>					
35,560	Atea ASA			393,462	440,132	3.02			<u>(25,227)</u>		
17,360	TGS Nopec Geophysical Co ASA			455,319	366,959	2.51					
				<u>848,781</u>	<u>807,091</u>	<u>5.53</u>					
<b>Switzerland</b>						<b>Total Investments</b>					
4,770	Cie Financière Richemont SA			397,837	360,867	2.47			<u>12,833,513</u>	<u>13,976,086</u>	<u>95.77</u>
6,350	Julius Baer Group Ltd.			369,721	328,534	2.25					
				<u>767,558</u>	<u>689,401</u>	<u>4.72</u>					
						<b>Total Investments and Short-Term Investments</b>					
									<u>13,183,050</u>	<u>14,325,623</u>	<u>98.16</u>
						<b>Other Assets Net of Liabilities</b>					
										<u>268,307</u>	<u>1.84</u>
						<b>Net Assets Attributable to Holders of Redeemable Units</b>					
										<u>14,593,930</u>	<u>100.00</u>



# Beutel Goodman ■ World Focus Equity Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
MSCI World Total Return Index	138	136
<b>Total</b>	<b>138</b>	<b>136</b>

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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	4,548	—	4,548	31.2
British Pound	—	1,371	—	1,371	9.4
Norwegian Krone	—	807	—	807	5.5
United States Dollar	—	6,561	21	6,561	45.0
Swiss Franc	—	689	—	689	4.7
<b>Total</b>	<b>—</b>	<b>13,976</b>	<b>21</b>	<b>13,997</b>	<b>95.8</b>

#### 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
<b>Total</b>	<b>—</b>	<b>14,231</b>	<b>10</b>	<b>14,241</b>	<b>96.4</b>

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 June 30, 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 \$140,000 (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 June 30, 2016 and December 31, 2015

### Concentration Risk

The following is a summary of the Fund's concentration risk as at June 30, 2016 and December 31, 2015:

Country segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	2.39%	3.56%
Common Stocks		
Finland	3.97%	3.32%
France	3.03%	3.23%
Germany	16.68%	15.77%
Netherlands	7.48%	7.27%
Norway	5.53%	5.39%
Spain	—	2.01%
Switzerland	4.72%	—
United Kingdom	9.39%	12.18%
United States	44.97%	47.15%
<b>Total</b>	<b>98.16%</b>	<b>99.88%</b>

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	13,976,086	—	—	13,976,086
<b>Total Assets</b>	<b>13,976,086</b>	<b>—</b>	<b>—</b>	<b>13,976,086</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	74,896	419,313	19,076	2,119,265
Redeemable units issued for cash	18,788	102,537	10,285	175,334
Reinvested units	110	1,271	—	204
Redeemable units redeemed	(10,125)	(123,102)	(9,083)	(156,578)
<b>Balance, end of period</b>	<b>83,669</b>	<b>400,019</b>	<b>20,278</b>	<b>2,138,225</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	46,951	297,340	2,898	2,217,133
Redeemable units issued for cash	7,768	45,687	3,243	299,879
Reinvested units	—	799	—	993
Redeemable units redeemed	(1,564)	(14,869)	—	(600,082)
<b>Balance, end of period</b>	<b>53,155</b>	<b>328,957</b>	<b>6,141</b>	<b>1,917,923</b>

# Beutel Goodman - Global Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,710,150	6,388,538
Financial assets at fair value through profit or loss*	375,733,589	422,745,897
Accrued interest	2,573	807
Dividends receivable	491,946	331,838
Due from brokers	3,324,349	—
Subscriptions receivable	28,012	16,060
<b>Total assets</b>	<b>389,290,619</b>	<b>429,483,140</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	37,037	44,821
Redemptions payable	512,760	861,346
Distributions payable	—	25
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>549,797</b>	<b>906,192</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>388,740,822</b>	<b>428,576,948</b>
*Investments at average cost	353,830,383	367,978,950
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	366,728	402,958
Class D	489,232	526,597
Class F	227,162	259,272
Class I	387,657,700	427,388,121
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	10.93	11.60
Class D	11.29	11.94
Class F	11.04	11.65
Class I	12.64	13.27
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	33,539	34,752
Class D	43,318	44,111
Class F	20,579	22,249
Class I	30,678,049	32,209,891

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	10,520,865	7,687,083
Interest for distribution purposes	17,988	32,829
Realized gain (loss) on sale of investments	8,694,958	28,270,017
Change in unrealized appreciation (depreciation) in the value of investments	(32,863,741)	14,910,990
<b>Net gains (losses) on investments</b>	<b>(13,629,930)</b>	<b>50,900,919</b>
Other income		
Realized gain (loss) on foreign currency transactions	(426,271)	(396,896)
<b>Total income</b>	<b>(14,056,201)</b>	<b>50,504,023</b>
<b>Expenses</b>		
Management fees	8,796	11,274
Administrative fees	215,518	251,794
Transaction costs (note 9)	281,629	339,750
Withholding taxes	1,328,166	960,054
<b>Total expenses</b>	<b>1,834,109</b>	<b>1,562,872</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>15,890,310</b>	<b>48,941,151</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	(18,164)	80,132
Class D	(23,060)	29,079
Class F	(10,557)	22,907
Class I	(15,838,529)	48,809,033
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	(0.48)	1.32
Class D	(0.53)	1.06
Class F	(0.48)	1.17
Class I	(0.51)	1.46

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

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

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

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(18,164)	80,132
Class D	(23,060)	29,079
Class F	(10,557)	22,907
Class I	(15,838,529)	48,809,033
	(15,890,310)	48,941,151
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	—	(3)
Class F	—	—
Class I	(209,714)	—
From net realized gains on investments		
Class B	(4,649)	—
Class D	(5,486)	—
Class F	(2,756)	—
Class I	(4,547,442)	—
	(4,770,047)	(3)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	149,657	474,520
Class D	20,206	91,981
Class F	184,006	17,497
Class I	171,680,311	15,086,668
Reinvestments of distributions to holders of redeemable units		
Class B	4,132	—
Class D	5,486	3
Class F	2,756	—
Class I	4,757,152	—
Redemption of redeemable units		
Class B	(167,206)	(788,220)
Class D	(34,511)	(27,790)
Class F	(205,559)	(5,964)
Class I	(195,572,199)	(29,960,488)
	(19,175,769)	(15,111,793)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(36,230)	(233,568)
Class D	(37,365)	93,270
Class F	(32,110)	34,440
Class I	(39,730,421)	33,935,213
	(39,836,126)	33,829,355
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	366,728	537,891
Class D	489,232	400,930
Class F	227,162	246,366
Class I	387,657,700	473,618,620
	388,740,822	474,803,807

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	(15,890,310)	48,941,151
Adjustments for:		
Net realized (gain) loss on sale of investments	(8,694,958)	(28,270,017)
Change in unrealized (appreciation) depreciation in the value of investments	32,863,741	(14,910,990)
Purchases of investments	(77,884,482)	(90,593,705)
Proceeds from sale of investments	97,403,658	101,667,329
(Increase) decrease in accrued interest	(1,766)	278
(Increase) decrease in dividends receivable	(160,108)	(295,074)
Increase (decrease) in accrued liabilities	(7,784)	2,392
<b>Net cash flows from (used in) operating activities</b>	27,627,991	16,541,364
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(546)	(516)
Proceeds from redeemable units issued	172,022,228	15,652,545
Redemption of redeemable units	(196,328,061)	(30,130,650)
<b>Net cash flows from (used in) financing activities</b>	(24,306,379)	(14,478,621)
Net increase (decrease) in cash and cash equivalents	3,321,612	2,062,743
Cash and cash equivalents at beginning of period	6,388,538	17,592,707
<b>Cash and cash equivalents at end of period*</b>	9,710,150	19,655,450
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	16,222	33,107
Dividends received, net of withholding taxes	9,032,591	6,431,955
*Cash and cash equivalents include:		
Cash at banks	1,295,898	94,914
Short-term investments	8,414,252	19,560,536
<b>Total</b>	9,710,150	19,655,450

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

# Beutel Goodman - Global Equity Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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			
<b>Short-Term Investments (2015 – 1.46%)</b>						<b>United Kingdom</b>						
<b>Treasury Bills</b>						668,200	IMI PLC	14,513,611	11,217,872	2.89		
7,850,000	Government of Canada	0.513%	8-Sep-16	7,839,901	7,839,901	2.02	55,916,640	Rolls-Royce Holdings PLC	112,970	97,078	0.02	
575,000	Government of Canada	0.475%	22-Sep-16	574,351	574,351	0.15	644,200	Sky PLC	10,124,243	9,484,056	2.44	
				8,414,252	8,414,252	2.17	285,800	Spectris PLC	9,564,768	9,055,295	2.33	
<b>Common Stocks (2015 – 98.64%)</b>						3,003,900	Vodafone Group PLC	11,985,516	11,872,185	3.05		
<b>Finland</b>								46,301,108	41,726,486	10.73		
248,200	Konecranes OYJ			7,185,117	8,114,575	2.09	<b>United States</b>					
				7,185,117	8,114,575	2.09	80,200	Amdocs Ltd.	6,086,092	6,011,875	1.55	
<b>France</b>								145,500	American Express Co.	13,462,296	11,481,273	2.95
148,600	BNP Paribas SA			10,153,815	8,523,435	2.19	66,500	Ameriprise Financial Inc.	10,264,099	7,759,773	2.00	
61,600	Cie Générale des Établissements Michelin			6,558,944	7,573,129	1.95	145,800	Baxter International Inc.	6,121,358	8,562,436	2.20	
				16,712,759	16,096,564	4.14	85,800	BB&T Corp.	3,525,513	3,967,971	1.02	
<b>Germany</b>								66,300	Cadence Design Systems Inc.	1,894,253	2,092,325	0.54
96,100	BASF SE			10,060,495	9,517,103	2.45	130,600	Eli Lilly & Co.	10,206,884	13,356,818	3.44	
78,900	Bayer AG			12,291,017	10,245,275	2.64	198,100	Halliburton Co.	8,623,669	11,651,882	3.00	
207,700	GEA Group AG			10,567,595	12,668,471	3.26	121,500	JPMorgan Chase & Co.	4,789,478	9,805,208	2.52	
55,300	HeidelbergCement AG			4,571,696	5,383,193	1.38	107,000	Kellogg Co.	8,545,262	11,346,169	2.92	
82,600	Henkel AG & Co KGaA			10,754,961	11,544,455	2.97	256,500	Oracle Corp.	9,017,074	13,634,474	3.51	
107,600	Merck KGaA			13,600,653	14,135,017	3.63	80,100	Parker-Hannifin Corp.	11,703,024	11,240,006	2.89	
1,145,000	Telefonica Deutschland Holding AG			8,251,977	6,100,830	1.57	67,600	The Procter & Gamble Co.	6,750,083	7,433,366	1.91	
				70,098,394	69,594,344	17.90	450,700	Symantec Corp.	11,264,809	12,022,569	3.09	
<b>Ireland</b>								369,800	Teradyne Inc.	8,616,416	9,456,314	2.43
113,000	Ingersoll-Rand PLC			8,878,311	9,345,247	2.40	156,300	Verizon Communications Inc.	8,417,125	11,334,795	2.92	
				8,878,311	9,345,247	2.40	<b>Total Common Stocks</b>					
<b>Japan</b>								354,615,608	375,733,589	96.65		
118,700	FamilyMart Co., Ltd.			4,699,412	9,391,500	2.42	<b>Transaction Costs</b>					
1,299,300	Resona Holdings Inc.			7,522,314	6,118,664	1.57		(785,225)				
				12,221,726	15,510,164	3.99	<b>Total Investments</b>					
<b>Netherlands</b>								353,830,383	375,733,589	96.65		
2,800,800	Koninklijke KPN NV			12,012,650	13,153,375	3.38	<b>Total Investments and Short-Term Investments</b>					
149,800	Unilever NV			6,757,035	9,058,026	2.33		362,244,635	384,147,841	98.82		
				18,769,685	22,211,401	5.71	<b>Other Assets Net of Liabilities</b>					
<b>Norway</b>									4,592,981	1.18		
844,900	Atea ASA			9,659,950	10,457,462	2.69	<b>Net Assets Attributable to Holders of Redeemable Units</b>					
1,231,634	Norsk Hydro ASA			6,733,219	5,795,637	1.49		388,740,822	100.00			
				16,393,169	16,253,099	4.18						
<b>Singapore</b>												
504,500	DBS Group Holdings Ltd.			8,680,898	7,672,115	1.97						
				8,680,898	7,672,115	1.97						
<b>Switzerland</b>												
104,100	Cie Financière Richemont SA			8,566,471	7,875,535	2.03						
196,700	Julius Baer Group Ltd.			11,520,535	10,176,805	2.62						
				20,087,006	18,052,340	4.65						

## Fund Specific Notes to the Financial Statements

As at June 30, 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 non-North American issuers. The Fund's investment strategy is relative value-driven stock selection. The Fund's Manager seeks issuers trying to create shareholder value with strong management depth, which can be purchased at reasonable prices in terms of price/earnings and discount/asset values relative to anticipated growth and profitability. 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
MSCI World Index	3,705	4,057
<b>Total</b>	<b>3,705</b>	<b>4,057</b>

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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	125,363	—	125,362	32.2
British Pound	—	41,726	405	42,131	10.8
Norwegian Krone	—	16,253	—	16,253	4.2
Japanese Yen	—	15,510	—	15,510	4.0
United States Dollar	—	151,158	87	151,245	38.8
Singapore Dollar	—	7,672	—	7,672	2.0
Swiss Franc	—	18,052	—	18,052	4.6
<b>Total</b>	<b>—</b>	<b>375,734</b>	<b>492</b>	<b>376,226</b>	<b>96.6</b>

#### 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
<b>Total</b>	<b>40</b>	<b>422,746</b>	<b>332</b>	<b>423,118</b>	<b>98.6</b>

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 June 30, 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 \$3,762,000 (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 June 30, 2016 and December 31, 2015

### Concentration Risk

The following is a summary of the Fund's concentration risk as at June 30, 2016 and December 31, 2015:

Country segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	2.17%	1.46%
Common Stocks		
Finland	2.09%	2.18%
France	4.14%	4.20%
Germany	17.90%	11.71%
Ireland	2.40%	1.99%
Japan	3.99%	4.33%
Netherlands	5.71%	7.41%
Norway	4.18%	5.34%
Singapore	1.97%	2.09%
Spain	—	1.46%
Switzerland	4.65%	0.92%
United Kingdom	10.73%	13.27%
United States	38.89%	43.74%
<b>Total</b>	<b>98.82%</b>	<b>100.10%</b>

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	375,636,512	97,077	—	375,733,589
<b>Total Assets</b>	<b>375,636,512</b>	<b>97,077</b>	<b>—</b>	<b>375,733,589</b>
Dec. 31, 2015	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	422,631,415	114,482	—	422,745,897
<b>Total Assets</b>	<b>422,631,415</b>	<b>114,482</b>	<b>—</b>	<b>422,745,897</b>

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	34,752	44,111	22,249	32,209,891
Redeemable units issued for cash	13,830	1,815	17,140	13,960,401
Reinvested units	384	495	255	385,970
Redeemable units redeemed	(15,427)	(3,103)	(19,065)	(15,878,213)
<b>Balance, end of period</b>	<b>33,539</b>	<b>43,318</b>	<b>20,579</b>	<b>30,678,049</b>
2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	68,353	26,249	18,598	33,859,525
Redeemable units issued for cash	37,994	7,046	1,453	1,048,911
Reinvested units	—	—	—	—
Redeemable units redeemed	(63,002)	(2,279)	(471)	(2,072,642)
<b>Balance, end of period</b>	<b>43,345</b>	<b>31,016</b>	<b>19,580</b>	<b>32,835,794</b>

# Beutel Goodman ■ International Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,171,348	3,387,741
Financial assets at fair value through profit or loss*	118,601,790	132,452,931
Accrued interest	297	1,208
Dividends receivable	140,799	89,349
Due from brokers	258,239	—
Subscriptions receivable	80,003	11,826
<b>Total assets</b>	<b>121,252,476</b>	<b>135,943,055</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	21,120	21,596
Due to brokers	755,669	—
Redemptions payable	14,425	74,204
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>791,214</b>	<b>95,800</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>120,461,262</b>	<b>135,847,255</b>
*Investments at average cost	118,873,714	121,147,796
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	88,120	152,770
Class D	2,711,588	3,068,192
Class F	120,456	73,823
Class I	117,541,098	132,552,470
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	11.03	12.01
Class D	4.55	4.93
Class F	4.60	4.98
Class I	4.92	5.30
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	7,986	12,716
Class D	596,237	622,238
Class F	26,183	14,814
Class I	23,867,054	24,993,206

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	3,358,339	2,824,083
Interest for distribution purposes	4,883	7,931
Realized gain (loss) on sale of investments	(806,920)	4,629,810
Change in unrealized appreciation (depreciation) in the value of investments	(11,577,059)	9,212,860
<b>Net gains (losses) on investments</b>	<b>(9,020,757)</b>	<b>16,674,684</b>
Other income		
Realized gain (loss) on foreign currency transactions	(81,259)	(91,238)
<b>Total income</b>	<b>(9,102,016)</b>	<b>16,583,446</b>
<b>Expenses</b>		
Management fees	19,014	13,762
Administrative fees	68,895	78,086
Transaction costs (note 9)	83,245	173,351
Withholding taxes	351,454	256,060
<b>Total expenses</b>	<b>522,608</b>	<b>521,259</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>(9,624,624)</b>	<b>16,062,187</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	(11,623)	1,969
Class D	(225,561)	464,821
Class F	(6,394)	6,782
Class I	(9,381,046)	15,588,615
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	(1.08)	0.26
Class D	(0.37)	0.66
Class F	(0.33)	0.52
Class I	(0.38)	0.61

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
	<u>135,847,255</u>	<u>130,152,963</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(11,623)	1,969
Class D	(225,561)	464,821
Class F	(6,394)	6,782
Class I	(9,381,046)	15,588,615
	<u>(9,624,624)</u>	<u>16,062,187</u>
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	(2,010)	(10,639)
Class F	—	—
Class I	—	—
	<u>(2,010)</u>	<u>(10,639)</u>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	—	116,477
Class D	361,666	485,907
Class F	53,027	18,285
Class I	12,247,908	7,270,812
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class D	2,010	7,791
Class F	—	—
Class I	—	—
Redemption of redeemable units		
Class B	(53,027)	—
Class D	(492,709)	(1,611,989)
Class F	—	—
Class I	(17,878,234)	(11,037,165)
	<u>(5,759,359)</u>	<u>(4,749,882)</u>
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(64,650)	118,446
Class D	(356,604)	(664,109)
Class F	46,633	25,067
Class I	(15,011,372)	11,822,262
	<u>(15,385,993)</u>	<u>11,301,666</u>
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	88,120	177,910
Class D	2,711,588	3,116,004
Class F	120,456	76,869
Class I	117,541,098	138,083,846
	<u>120,461,262</u>	<u>141,454,629</u>

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	(9,624,624)	16,062,187
Adjustments for:		
Net realized (gain) loss on sale of investments	806,920	(4,629,810)
Change in unrealized (appreciation) depreciation in the value of investments	11,577,059	(9,212,860)
Purchases of investments	(20,885,534)	(35,220,029)
Proceeds from sale of investments	22,850,126	34,371,681
(Increase) decrease in accrued interest	911	614
(Increase) decrease in dividends receivable	(51,450)	(95,563)
Increase (decrease) in accrued liabilities	(476)	(3,409)
<b>Net cash flows from (used in) operating activities</b>	<u>4,672,932</u>	<u>1,272,811</u>
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	—	(2,848)
Proceeds from redeemable units issued	12,594,424	7,873,957
Redemption of redeemable units	(18,423,970)	(12,650,070)
<b>Net cash flows from (used in) financing activities</b>	<u>(5,889,325)</u>	<u>(4,778,961)</u>
Net increase (decrease) in cash and cash equivalents	(1,216,393)	(3,506,150)
Cash and cash equivalents at beginning of period	3,387,741	4,503,418
<b>Cash and cash equivalents at end of period*</b>	<u>2,171,348</u>	<u>997,268</u>
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	5,794	8,545
Dividends received, net of withholding taxes	2,955,435	2,472,460
<b>*Cash and cash equivalents include:</b>		
Cash at banks	1,072,697	98,691
Short-term investments	1,098,651	898,577
<b>Total</b>	<u>2,171,348</u>	<u>997,268</u>

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

# Beutel Goodman ■ International Equity Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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
<b>Short-Term Investments (2015 – 2.42%)</b>									
<b>Treasury Bills</b>									
200,000	Government of Canada	0.537%	25-Aug-16	199,740	199,740	0.17			
700,000	Government of Canada	0.506%	8-Sep-16	699,148	699,148	0.58			
200,000	Government of Canada	0.490%	22-Sep-16	199,763	199,763	0.17			
				1,098,651	1,098,651	0.92			
<b>Common Stocks (2015 – 97.51%)</b>									
<b>Denmark</b>									
26,080	Carlsberg A/S			3,106,050	3,209,082	2.66			
				3,106,050	3,209,082	2.66			
<b>Finland</b>									
138,608	Konecranes OYJ			4,686,943	4,531,608	3.76			
				4,686,943	4,531,608	3.76			
<b>France</b>									
22,890	BNP Paribas SA			1,769,391	1,312,930	1.09			
37,430	Cie Générale des Établissements Michelin			4,084,997	4,601,660	3.82			
				5,854,388	5,914,590	4.91			
<b>Germany</b>									
44,690	BASF SE			4,769,911	4,425,799	3.67			
46,480	Bayer AG			7,820,673	6,035,494	5.01			
32,100	Deutsche Boerse AG			2,888,209	3,405,907	2.83			
94,760	GEA Group AG			4,713,797	5,779,799	4.80			
41,610	HeidelbergCement AG			3,796,415	4,050,536	3.36			
27,370	Henkel AG & Co KGaA			3,571,918	3,825,324	3.18			
64,000	Merck KGaA			8,257,096	8,407,445	6.98			
696,380	Telefonica Deutschland Holding AG			4,357,396	3,710,477	3.08			
				40,175,415	39,640,781	32.91			
<b>Japan</b>									
53,900	FamilyMart Co Ltd.			2,192,087	4,264,548	3.54			
121,700	NTT DOCOMO Inc.			2,020,807	4,262,118	3.54			
431,500	Resona Holdings Inc.			2,407,576	2,032,020	1.69			
				6,620,470	10,558,686	8.77			
<b>Netherlands</b>									
44,023	Akzo Nobel NV			3,379,380	3,580,402	2.97			
1,069,240	Koninklijke KPN NV			4,453,669	5,021,463	4.17			
77,140	Unilever NV			3,502,178	4,664,460	3.87			
				11,335,227	13,266,325	11.01			
						<b>Norway</b>			
437,700	Atea ASA			4,949,223	5,417,483	4.50			
882,608	Norsk Hydro ASA			4,866,115	4,153,243	3.45			
113,570	TGS Nopec Geophysical Co ASA			3,191,549	2,400,662	1.99			
				13,006,887	11,971,388	9.94			
						<b>Singapore</b>			
223,400	DBS Group Holdings Ltd.			3,918,377	3,397,325	2.82			
				3,918,377	3,397,325	2.82			
						<b>Switzerland</b>			
44,110	Cie Financière Richemont SA			3,583,635	3,337,078	2.77			
77,090	Julius Baer Group Ltd.			4,619,382	3,988,459	3.31			
				8,203,017	7,325,537	6.08			
						<b>United Kingdom</b>			
212,120	IMI PLC			4,875,166	3,561,112	2.96			
27,290,880	Rolls-Royce Holdings PLC			55,136	47,380	0.04			
277,500	Sky PLC			4,579,348	4,085,417	3.39			
137,360	Spectris PLC			4,674,829	4,352,118	3.61			
525,060	Vesuvius PLC			3,747,955	2,615,273	2.17			
1,043,750	Vodafone Group PLC			4,373,929	4,125,168	3.42			
				22,306,363	18,786,468	15.59			
<b>Total Common Stocks</b>						119,213,137	118,601,790	98.45	
<b>Transaction Costs</b>						(339,423)			
<b>Total Investments</b>						118,873,714	118,601,790	98.45	
<b>Total Investments and Short-Term Investments</b>						119,972,365	119,700,441	99.37	
<b>Other Assets Net of Liabilities</b>						760,821		0.63	
<b>Net Assets Attributable to Holders of Redeemable Units</b>						120,461,262		100.00	

# Beutel Goodman ■ International Equity Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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. This Fund's investment strategy is relative value driven stock selection. The Fund's advisor seeks issuers trying to create shareholder value with strong management depth which can be purchased at reasonable prices in terms of price/earnings and discount/asset values relative to anticipated growth and profitability. 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
MSCI EAFE Total Return Index	1,143	1,280
<b>Total</b>	<b>1,143</b>	<b>1,280</b>

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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	—	63,354	—	63,353	52.5
British Pound	—	18,786	141	18,927	15.6
Norwegian Krone	—	11,971	—	11,971	9.9
Japanese Yen	—	10,559	—	10,559	8.8
Singapore Dollar	—	3,397	—	3,397	2.8
Swiss Franc	—	7,326	—	7,326	6.1
Danish Krone	—	3,209	—	3,209	2.7
<b>Total</b>	<b>—</b>	<b>118,602</b>	<b>141</b>	<b>118,743</b>	<b>98.5</b>

#### 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
<b>Total</b>	<b>—</b>	<b>132,453</b>	<b>89</b>	<b>132,542</b>	<b>97.6</b>

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 June 30, 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 \$1,187,000 (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 June 30, 2016 and December 31, 2015

### Concentration Risk

The following is a summary of the Fund's concentration risk as at June 30, 2016 and December 31, 2015:

Country segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.92%	2.42%
Common Stocks		
Denmark	2.66%	—
Finland	3.76%	3.73%
France	4.91%	5.27%
Germany	32.91%	27.95%
Japan	8.77%	7.97%
Netherlands	11.01%	13.62%
Norway	9.94%	11.67%
Singapore	2.82%	2.60%
Spain	—	2.08%
Switzerland	6.08%	2.15%
United Kingdom	15.59%	20.47%
<b>Total</b>	<b>99.37%</b>	<b>99.93%</b>

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	118,554,410	47,380	—	118,601,790
<b>Total Assets</b>	<b>118,554,410</b>	<b>47,380</b>	<b>—</b>	<b>118,601,790</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	12,716	622,238	14,814	24,993,206
Redeemable units issued for cash	—	80,031	11,369	2,489,482
Reinvested units	—	435	—	—
Redeemable units redeemed	(4,730)	(106,467)	—	(3,615,634)
<b>Balance, end of period</b>	<b>7,986</b>	<b>596,237</b>	<b>26,183</b>	<b>23,867,054</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	5,406	842,566	11,395	26,111,859
Redeemable units issued for cash	9,140	98,365	3,742	1,327,907
Reinvested units	—	1,539	—	—
Redeemable units redeemed	—	(320,325)	—	(2,027,112)
<b>Balance, end of period</b>	<b>14,546</b>	<b>622,145</b>	<b>15,137</b>	<b>25,412,654</b>

# Beutel Goodman ■ American Equity Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	19,660,898	21,550,145
Financial assets at fair value through profit or loss*	866,168,321	860,232,087
Accrued interest	3,334	2,554
Dividends receivable	550,430	342,977
Due from brokers	7,668,307	—
Subscriptions receivable	1,268,119	342,168
<b>Total assets</b>	<b>895,319,409</b>	<b>882,469,931</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	296,404	314,120
Redemptions payable	1,183,648	873,778
Distributions payable	—	101
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>1,480,052</b>	<b>1,187,999</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>893,839,357</b>	<b>881,281,932</b>
*Investments at average cost	720,081,747	678,750,838
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	42,469,449	43,842,505
Class D	106,227,094	106,897,063
Class F	52,297,341	54,805,318
Class I	692,845,473	675,737,046
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	19.31	19.42
Class D	13.32	13.35
Class F	13.54	13.54
Class I	14.60	14.53
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	2,199,638	2,257,920
Class D	7,977,648	8,009,324
Class F	3,863,501	4,047,249
Class I	47,463,199	46,502,376

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Dividends	18,410,215	9,072,514
Interest for distribution purposes	16,312	75,117
Realized gain (loss) on sale of investments	25,053,904	67,494,464
Change in unrealized appreciation (depreciation) in the value of investments	(35,394,675)	(3,764,272)
<b>Net gains (losses) on investments</b>	<b>8,085,756</b>	<b>72,877,823</b>
Other income		
Realized gain (loss) on foreign currency transactions	136,859	(1,646,967)
Unrealized gain (loss) on foreign currency transactions	(622,978)	1,002,518
<b>Total income</b>	<b>7,599,637</b>	<b>72,233,374</b>
<b>Expenses</b>		
Management fees	1,343,164	1,197,987
Administrative fees	467,114	421,783
Transaction costs (note 9)	215,922	362,066
Withholding taxes	2,603,852	1,210,734
<b>Total expenses</b>	<b>4,630,052</b>	<b>3,192,570</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>2,969,585</b>	<b>69,040,804</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	(307,045)	2,788,592
Class D	(248,626)	7,346,616
Class F	(137,777)	3,515,226
Class I	3,663,033	55,390,370
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	(0.14)	1.46
Class D	(0.03)	1.07
Class F	(0.04)	1.10
Class I	0.08	1.34

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(307,045)	2,788,592
Class D	(248,626)	7,346,616
Class F	(137,777)	3,515,226
Class I	3,663,033	55,390,370
	2,969,585	69,040,804
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	—	—
Class D	(26,808)	(24,231)
Class F	—	—
Class I	—	—
	(26,808)	(24,231)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	6,881,764	12,178,662
Class D	14,266,490	26,784,769
Class F	11,235,719	16,198,505
Class I	53,851,624	81,139,604
Reinvestments of distributions to holders of redeemable units		
Class B	—	—
Class D	26,808	24,231
Class F	—	—
Class I	—	—
Redemption of redeemable units		
Class B	(7,947,775)	(4,081,918)
Class D	(14,687,833)	(10,703,478)
Class F	(13,605,919)	(7,167,600)
Class I	(40,406,230)	(38,866,324)
	9,614,648	75,506,451
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(1,373,056)	10,885,336
Class D	(669,969)	23,427,907
Class F	(2,507,977)	12,546,131
Class I	17,108,427	97,663,650
	12,557,425	144,523,024
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	42,469,449	40,556,940
Class D	106,227,094	100,101,532
Class F	52,297,341	48,239,563
Class I	692,845,473	628,912,400
	893,839,357	817,810,435

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	2,969,585	69,040,804
Adjustments for:		
Unrealized (gain) loss on foreign currency transactions	622,978	(1,002,518)
Net realized (gain) loss on sale of investments	(25,053,904)	(67,494,464)
Change in unrealized (appreciation) depreciation in the value of investments	35,394,675	3,764,272
Purchases of investments	(109,050,305)	(247,526,903)
Proceeds from sale of investments	85,104,993	221,124,530
(Increase) decrease in accrued interest	(780)	(4,239)
(Increase) decrease in dividends receivable	(207,453)	(105,843)
Increase (decrease) in accrued liabilities	(17,716)	59,208
<b>Net cash flows from (used in) operating activities</b>	(10,237,927)	(22,145,153)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(101)	—
Proceeds from redeemable units issued	85,309,646	135,462,474
Redemption of redeemable units	(76,337,887)	(60,015,730)
<b>Net cash flows from (used in) financing activities</b>	8,971,658	75,446,744
Unrealized gain (loss) on foreign currency transactions	(622,978)	1,002,518
Net increase (decrease) in cash and cash equivalents	(1,266,269)	54,304,109
Cash and cash equivalents at beginning of period	21,550,145	25,833,998
<b>Cash and cash equivalents at end of period*</b>	19,660,898	80,138,107
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	15,532	70,878
Dividends received, net of withholding taxes	15,598,910	7,755,937
*Cash and cash equivalents include:		
Cash at banks	5,053,572	60,144,057
Short-term investments	14,607,326	19,994,050
<b>Total</b>	19,660,898	80,138,107

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

# Beutel Goodman ■ American Equity Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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		
<b>Short-Term Investments (2015 – 0.85%)</b>						<b>Financials</b>					
<b>Treasury Bills</b>						<b>Banks</b>					
14,050,000	Government of Canada	0.517%	8-Sep-16	14,033,066	14,033,066	1.57					
575,000	Government of Canada	0.510%	22-Sep-16	574,260	574,260	0.06	825,600	BB&T Corp.	29,554,918	38,181,319	4.27
				14,607,326	14,607,326	1.63	329,700	Wells Fargo & Co.	14,612,869	20,265,845	2.27
									44,167,787	58,447,164	6.54
<b>Common Stocks (2015 – 97.61%)</b>						<b>Credit Services</b>					
<b>United States</b>						<b>Diversified Financials</b>					
<b>Energy</b>						563,800 American Express Co.					
683,000	Halliburton Co.			33,077,140	40,172,818	4.49			53,000,458	44,488,945	4.98
				33,077,140	40,172,818	4.49			53,000,458	44,488,945	4.98
<b>Industrial</b>						<b>Other Assets Net of Liabilities</b>					
<b>Capital Goods</b>						13,934,936					
320,600	Caterpillar Inc.			31,231,850	31,564,527	3.53			145,117,188	160,727,804	17.98
542,200	Ingersoll-Rand PLC			35,318,601	44,840,644	5.02					
316,100	Parker-Hannifin Corp.			46,436,336	44,356,630	4.96					
120,000	United Technologies Corp.			13,249,582	15,981,818	1.79					
				126,236,369	136,743,619	15.30					
<b>Commercial Services &amp; Supplies</b>						<b>Telecommunication Services</b>					
99,400	Allegion PLC			4,945,883	8,962,782	1.00	881,400	Verizon Communications Inc.	49,407,896	63,918,671	7.15
				4,945,883	8,962,782	1.00			49,407,896	63,918,671	7.15
<b>Transportation</b>						<b>Total Common Stocks</b>					
443,500	CSX Corp.			13,934,936	15,021,403	1.68			720,842,466	866,168,321	96.91
				13,934,936	15,021,403	1.68					
				145,117,188	160,727,804	17.98			(760,719)		
<b>Consumer Staples</b>						<b>Total Investments</b>					
<b>Food &amp; Staples Retailing</b>						<b>Total Investments and Short-Term Investments</b>					
185,400	CVS Health Corp.			15,539,473	23,052,203	2.58			734,689,073	880,775,647	98.54
				15,539,473	23,052,203	2.58					
<b>Household &amp; Personal Products</b>						<b>Net Assets Attributable to Holders of Redeemable Units</b>					
260,000	The Procter & Gamble Co.			23,780,267	28,589,870	3.20				13,063,710	1.46
				23,780,267	28,589,870	3.20				893,839,357	100.00
<b>Food Beverage &amp; Tobacco</b>											
409,300	Kellogg Co.			33,141,452	43,401,747	4.86					
				33,141,452	43,401,747	4.86					
				72,461,192	95,043,820	10.64					
<b>Health Care</b>											
<b>Pharmaceuticals &amp; Biotechnology</b>											
615,000	Baxter International Inc.			26,374,078	36,117,273	4.04					
332,600	Eli Lilly & Co.			24,476,992	34,015,909	3.81					
191,400	Johnson & Johnson			17,671,305	30,151,714	3.37					
358,600	Merck & Co., Inc.			19,090,369	26,829,800	3.00					
				87,612,744	127,114,696	14.22					

# Beutel Goodman ■ American Equity Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 focuses on stock selection which the Fund's advisor believes is the primary catalyst for superior portfolio return. The selection process is sourced from a universe of potential candidates whose management have consistently demonstrated a commitment to create shareholder value without undue financial leverage. A value approach is applied to purchase stocks at a reasonable price by analyzing relative valuation measures such as the issuer's price/earnings, price/cash flow and price/book value relative to its own history, the overall market and to its sustainable earnings growth rate. 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 June 30, 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 June 30, 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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
S&P 500 Index	8,422	8,145
<b>Total</b>	<b>8,422</b>	<b>8,145</b>

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 June 30, 2016 and December 31, 2015 are as follows:

#### Jun. 30, 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	5,030	866,168	550	871,748	97.5
<b>Total</b>	<b>5,030</b>	<b>866,168</b>	<b>550</b>	<b>871,748</b>	<b>97.5</b>

#### 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
<b>Total</b>	<b>14,078</b>	<b>860,232</b>	<b>343</b>	<b>874,653</b>	<b>99.2</b>

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 June 30, 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 \$8,717,000 (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 June 30, 2016, and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	1.63%	0.85%
Common Stocks		
Energy	4.49%	3.43%
Industrial	17.98%	18.90%
Consumer Discretionary	—	1.03%
Consumer Staples	10.64%	10.22%
Health Care	14.22%	17.69%
Financials	20.45%	21.65%
Information Technology	21.98%	18.46%
Telecommunication Services	7.15%	6.23%
<b>Total</b>	<b>98.54%</b>	<b>98.46%</b>



## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Equity securities	866,168,321	—	—	866,168,321
<b>Total Assets</b>	<b>866,168,321</b>	<b>—</b>	<b>—</b>	<b>866,168,321</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	2,257,920	8,009,324	4,047,249	46,502,376
Redeemable units issued for cash	369,209	1,109,890	859,568	3,839,709
Reinvested units	—	2,059	—	—
Redeemable units redeemed	(427,491)	(1,143,625)	(1,043,316)	(2,878,886)
<b>Balance, end of period</b>	<b>2,199,638</b>	<b>7,977,648</b>	<b>3,863,501</b>	<b>47,463,199</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	1,627,450	6,125,890	2,809,410	38,993,352
Redeemable units issued for cash	620,716	1,978,953	1,170,223	5,535,781
Reinvested units	—	1,757	—	—
Redeemable units redeemed	(206,688)	(790,697)	(512,980)	(2,586,810)
<b>Balance, end of period</b>	<b>2,041,478</b>	<b>7,315,903</b>	<b>3,466,653</b>	<b>41,942,323</b>

# Beutel Goodman ■ Income Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,600,373	1,865,698
Financial assets at fair value through profit or loss*	881,836,042	946,226,504
Accrued interest	3,835,766	4,685,860
Due from brokers	6,303,433	54,779
Subscriptions receivable	473,904	313,896
<b>Total assets</b>	<b>897,049,518</b>	<b>953,146,737</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	77,067	85,011
Due to brokers	7,391,480	2,132
Redemptions payable	6,784,680	866,075
Distributions payable	144,909	116
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>14,398,136</b>	<b>953,334</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>882,651,382</b>	<b>952,193,403</b>
*Investments at average cost	862,953,593	942,156,023
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	2,449,612	2,589,532
Class D	66,782,868	68,739,907
Class F	4,745,916	4,547,263
Class I	808,672,986	876,316,701
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	9.87	9.62
Class D	12.34	12.03
Class F	9.93	9.68
Class I	12.66	12.34
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	248,218	269,178
Class D	5,410,974	5,713,161
Class F	478,038	469,785
Class I	63,867,759	70,988,899

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Interest for distribution purposes	13,145,102	30,490,426
Realized gain (loss) on sale of investments	9,123,127	21,437,879
Change in unrealized appreciation (depreciation) in the value of investments	14,811,968	(15,344,051)
<b>Net gains (losses) on investments</b>	<b>37,080,197</b>	<b>36,584,254</b>
Other income		
Realized gain (loss) on foreign currency transactions	—	(65,921)
<b>Total income</b>	<b>37,080,197</b>	<b>36,518,333</b>
<b>Expenses</b>		
Management fees	249,375	298,860
Administrative fees	219,798	441,464
<b>Total expenses</b>	<b>469,173</b>	<b>740,324</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>36,611,024</b>	<b>35,778,009</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	89,948	27,388
Class D	2,533,385	949,396
Class F	179,133	141,106
Class I	33,808,558	34,660,119
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.35	0.09
Class D	0.46	0.14
Class F	0.38	0.26
Class I	0.51	0.24

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	89,948	27,388
Class D	2,533,385	949,396
Class F	179,133	141,106
Class I	33,808,558	34,660,119
	36,611,024	35,778,009
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	(25,725)	(32,727)
Class D	(827,142)	(1,081,765)
Class F	(60,692)	(59,258)
Class I	(13,028,942)	(31,553,932)
	(13,942,501)	(32,727,682)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	369,032	331,552
Class D	3,366,976	5,775,012
Class F	601,387	2,111,942
Class I	140,710,477	79,897,694
Reinvestments of distributions to holders of redeemable units		
Class B	25,423	32,724
Class D	779,784	1,024,769
Class F	52,744	52,372
Class I	12,757,516	31,254,015
Redemption of redeemable units		
Class B	(598,598)	(646,582)
Class D	(7,810,042)	(16,916,997)
Class F	(573,919)	(12,257,045)
Class I	(241,891,324)	(731,959,674)
	(92,210,544)	(641,300,218)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(139,920)	(287,645)
Class D	(1,957,039)	(10,249,585)
Class F	198,653	(10,010,883)
Class I	(67,643,715)	(617,701,778)
	(69,542,021)	(638,249,891)
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	2,449,612	2,810,819
Class D	66,782,868	76,722,838
Class F	4,745,916	4,808,410
Class I	808,672,986	1,396,579,508
	882,651,382	1,480,921,575

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	36,611,024	35,778,009
Adjustments for:		
Net realized (gain) loss on sale of investments	(9,123,127)	(21,437,879)
Change in unrealized (appreciation) depreciation in the value of investments	(14,811,968)	15,344,051
Purchases of investments	(1,208,991,989)	(1,354,502,848)
Proceeds from sale of investments	1,298,458,240	2,011,094,983
(Increase) decrease in accrued interest	850,094	5,532,310
Increase (decrease) in accrued liabilities	(7,944)	(38,569)
<b>Net cash flows from (used in) operating activities</b>	102,984,330	691,770,057
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(182,241)	(329,225)
Proceeds from redeemable units issued	144,887,864	84,734,671
Redemption of redeemable units	(244,955,278)	(765,715,916)
<b>Net cash flows from (used in) financing activities</b>	(100,249,655)	(681,310,470)
Net increase (decrease) in cash and cash equivalents	2,734,675	10,459,587
Cash and cash equivalents at beginning of period	1,865,698	7,506,264
<b>Cash and cash equivalents at end of period*</b>	4,600,373	17,965,851
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	13,995,196	36,022,736
*Cash and cash equivalents include:		
Bank overdraft	(93,734)	(28,180)
Short-term investments	4,694,107	17,994,031
<b>Total</b>	4,600,373	17,965,851

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

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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		
<b>Short-Term Investments (2015 – 0.20%)</b>						<b>Corporate Bonds</b>							
<b>Treasury Bills</b>													
375,000	Government of Canada	0.517%	8-Sep-16	374,507	374,507	0.04	803,000	Alliance Pipeline LP	4.928%	16-Dec-19	861,771	841,901	0.10
4,325,000	Government of Canada	0.475%	22-Sep-16	4,319,600	4,319,600	0.49	837,145	Alliance Pipeline LP	5.546%	31-Dec-23	875,240	877,076	0.10
				4,694,107	4,694,107	0.53	1,059,806	Alliance Pipeline LP	6.765%	31-Dec-25	1,145,157	1,198,745	0.14
<b>Canadian Bonds (2015 – 99.37%)</b>													
<b>Federal Bonds</b>													
18,169,000	Canada Government	0.250%	1-May-18	18,073,334	18,081,052	2.05	847,000	AltaGas Ltd.	4.550%	17-Jan-19	892,452	894,785	0.10
27,961,000	Canada Government	0.750%	1-Mar-21	28,115,307	28,193,176	3.19	1,850,000	AltaGas Ltd.	3.720%	28-Sep-21	1,924,236	1,945,441	0.22
23,638,000	Canada Government	1.500%	1-Jun-26	24,018,462	24,612,730	2.79	2,179,000	AltaGas Ltd.	3.840%	15-Jan-25	2,186,344	2,269,621	0.26
28,945,000	Canada Government	3.500%	1-Dec-45	38,613,775	40,834,159	4.63	3,032,000	AltaGas Ltd.	5.160%	13-Jan-44	3,181,785	3,150,904	0.36
20,824,000	Canada Housing Trust No. 1	4.100%	15-Dec-18	22,926,337	22,510,079	2.55	1,240,000	AltaGas Ltd.	4.500%	15-Aug-44	1,119,920	1,165,525	0.13
2,616,000	Canada Housing Trust No. 1	2.350%	15-Dec-18	2,715,666	2,717,137	0.31	641,000	AltaLink LP	5.243%	29-May-18	689,504	686,982	0.08
28,649,000	Canada Housing Trust No. 1	1.950%	15-Jun-19	29,655,467	29,592,779	3.35	100,000	AltaLink LP	2.978%	28-Nov-22	105,040	106,780	0.01
19,381,000	Canada Housing Trust No. 1	1.250%	15-Dec-20	19,389,577	19,626,405	2.22	2,391,000	AltaLink LP	2.747%	29-May-26	2,391,000	2,463,848	0.28
20,745,000	Canada Housing Trust No. 1	1.250%	15-Jun-21	20,866,612	20,980,053	2.38	3,988,000	AltaLink LP	5.381%	26-Mar-40	4,645,021	5,196,262	0.59
				204,374,537	207,147,570	23.47	1,713,000	AltaLink LP	4.872%	15-Nov-40	1,988,778	2,105,365	0.24
<b>Provincial Bonds</b>													
7,650,000	Province of Alberta	1.350%	1-Sep-21	7,645,104	7,667,462	0.87	857,000	AltaLink LP	4.446%	11-Jul-53	892,746	1,005,299	0.11
1,365,000	Province of Alberta	2.550%	15-Dec-22	1,398,743	1,448,580	0.16	1,291,000	Bank of Montreal	2.430%	4-Mar-19	1,321,711	1,328,123	0.15
9,583,000	Province of Alberta	2.350%	1-Jun-25	9,653,100	9,897,191	1.12	4,093,000	Bank of Montreal	2.840%	4-Jun-20	4,293,913	4,306,440	0.49
1,826,000	Province of Alberta	3.500%	1-Jun-31	1,986,185	2,009,561	0.23	8,457,000	Bank of Montreal	2.100%	6-Oct-20	8,541,016	8,664,980	0.98
406,000	Province of Alberta	3.900%	1-Dec-33	419,296	466,480	0.05	7,182,000	Bank of Montreal	1.880%	31-Mar-21	7,188,347	7,286,843	0.83
2,517,000	Province of British Columbia	2.250%	1-Mar-19	2,582,171	2,608,152	0.30	4,678,000	Bank of Montreal	3.400%	23-Apr-21	5,002,819	5,070,074	0.57
4,362,000	Province of British Columbia	3.250%	18-Dec-21	4,750,442	4,825,334	0.55	6,441,000	Bank of Montreal	2.120%	16-Mar-22	6,323,483	6,584,976	0.75
1,286,000	Province of British Columbia	2.850%	18-Jun-25	1,372,689	1,403,255	0.16	244,000	Bank of Nova Scotia	1.330%	1-May-18	244,012	244,077	0.03
4,302,000	Province of British Columbia	6.350%	18-Jun-31	6,051,912	6,414,171	0.73	181,000	Bank of Nova Scotia	2.400%	28-Oct-19	186,282	186,312	0.02
2,931,000	Province of British Columbia	4.300%	18-Jun-42	3,565,453	3,812,797	0.43	1,579,000	Bank of Nova Scotia	2.130%	15-Jun-20	1,593,164	1,613,857	0.18
6,047,000	Province of British Columbia	3.200%	18-Jun-44	6,339,463	6,669,327	0.76	2,077,000	Bruce Power LP	2.844%	23-Jun-21	2,080,767	2,103,085	0.24
3,967,000	Province of Manitoba	3.300%	2-Jun-24	4,308,995	4,402,498	0.50	14,677,000	Canadian Imperial Bank of Commerce	1.700%	9-Oct-18	14,727,745	14,808,881	1.68
1,988,000	Province of Manitoba	2.450%	2-Jun-25	1,982,127	2,067,624	0.23	6,367,000	Canadian Imperial Bank of Commerce	2.350%	24-Jun-19	6,518,824	6,551,227	0.74
2,539,000	Province of Manitoba	4.400%	5-Sep-25	2,878,738	3,035,649	0.34	9,795,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	9,836,992	9,939,067	1.13
2,319,000	Province of Manitoba	3.250%	5-Sep-29	2,318,020	2,501,735	0.28	9,174,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	9,171,788	9,318,552	1.06
1,676,000	Province of Manitoba	4.600%	5-Mar-38	2,036,172	2,125,272	0.24	1,422,000	Centra Gas Ontario Inc.	8.650%	19-Oct-18	1,811,474	1,637,582	0.19
6,000	Province of Manitoba	4.400%	5-Mar-42	7,267	7,562	0.00	1,874,000	CU Inc.	4.947%	18-Nov-50	2,223,022	2,373,750	0.27
397,000	Province of Manitoba	4.700%	5-Mar-50	484,741	544,102	0.06	4,234,000	CU Inc.	3.857%	14-Nov-52	4,054,350	4,458,370	0.51
12,116,000	Province of Ontario	2.100%	8-Sep-18	12,465,779	12,441,397	1.41	1,341,000	CU Inc.	4.558%	7-Nov-53	1,513,356	1,609,474	0.18
17,853,000	Province of Ontario	4.200%	2-Jun-20	20,069,922	19,959,112	2.26	1,712,000	Emera Inc.	2.900%	16-Jun-23	1,712,000	1,734,658	0.20
14,612,000	Province of Ontario	4.000%	2-Jun-21	16,462,833	16,541,792	1.87	1,821,000	Enbridge Gas Distribution Inc.	1.850%	24-Apr-17	1,826,125	1,830,669	0.21
19,445,000	Province of Ontario	3.150%	2-Jun-22	20,920,024	21,393,754	2.42	5,987,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	6,532,536	6,306,923	0.71
26,258,000	Province of Ontario	2.850%	2-Jun-23	27,849,626	28,509,202	3.23	1,824,000	Enbridge Gas Distribution Inc.	4.770%	17-Dec-21	1,929,388	2,104,209	0.24
21,289,000	Province of Ontario	3.500%	2-Jun-24	23,153,202	24,143,792	2.74	1,470,000	Enbridge Gas Distribution Inc.	9.850%	2-Dec-24	2,363,395	2,249,004	0.25
28,631,000	Province of Ontario	2.600%	2-Jun-25	29,015,239	30,443,856	3.44	416,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-25	433,514	448,781	0.05
12,501,000	Province of Ontario	2.400%	2-Jun-26	12,683,745	12,995,061	1.47	1,882,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	2,525,313	2,619,974	0.30
2,233,000	Province of Ontario	6.200%	2-Jun-31	3,159,606	3,258,705	0.37	3,662,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	4,201,177	4,550,488	0.52
3,235,000	Province of Ontario	4.700%	2-Jun-37	4,084,143	4,245,612	0.48	1,340,000	Enbridge Income Fund	3.950%	19-Nov-24	1,352,261	1,411,621	0.16
2,469,000	Province of Ontario	4.650%	2-Jun-41	3,123,321	3,307,309	0.37	745,000	Enbridge Pipelines Inc.	4.490%	12-Nov-19	805,823	810,089	0.09
7,293,000	Province of Ontario	3.500%	2-Jun-43	7,857,862	8,317,046	0.94	35,000	Enbridge Pipelines Inc.	2.930%	30-Nov-22	35,480	36,266	0.00
4,871,000	Province of Ontario	3.450%	2-Jun-45	5,283,554	5,549,923	0.63	4,849,000	Enbridge Pipelines Inc.	6.350%	17-Nov-23	5,765,860	5,970,104	0.68
28,408,000	Province of Ontario	2.900%	2-Dec-46	27,535,006	29,342,721	3.32	486,000	Enbridge Pipelines Inc.	8.200%	15-Feb-24	657,306	661,394	0.07
7,344,000	Province of Ontario	2.800%	2-Jun-48	7,332,560	7,449,619	0.84	1,064,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	1,361,139	1,292,173	0.15
1,043,000	Province of Quebec	4.250%	1-Dec-21	1,191,753	1,202,188	0.14	5,559,000	Enbridge Pipelines Inc.	5.330%	6-Apr-40	6,391,643	6,544,248	0.74
628,000	Province of Quebec	3.500%	1-Dec-45	682,416	715,863	0.08	589,000	Enbridge Pipelines Inc.	4.550%	17-Aug-43	623,165	630,806	0.07
270,000	Province of Saskatchewan	6.350%	25-Jan-30	376,731	383,868	0.04	1,015,000	Enmax Corp.	3.805%	5-Dec-24	1,015,000	1,072,205	0.12
1,890,000	Province of Saskatchewan	5.800%	5-Sep-33	2,626,005	2,668,720	0.30	806,000	FortisAlberta Inc.	5.370%	30-Oct-39	1,017,656	1,042,246	0.12
				285,653,945	294,776,292	33.36	1,593,000	FortisAlberta Inc.	4.540%	18-Oct-41	1,808,746	1,868,803	0.21
							67,000	FortisAlberta Inc.	4.270%	22-Sep-45	73,325	76,412	0.01
							828,000	FortisAlberta Inc.	4.800%	27-Oct-50	952,699	1,018,748	0.12
							1,543,000	FortisBC Energy Inc.	6.950%	21-Sep-29	2,009,943	2,185,363	0.25
							1,290,000	FortisBC Energy Inc.	6.500%	1-May-34	1,797,099	1,816,125	0.21
							1,630,000	FortisBC Energy Inc.	5.900%	26-Feb-35	1,930,486	2,177,640	0.25
							776,000	FortisBC Inc.	5.000%	24-Nov-50	945,858	975,253	0.11
							20,000	Hydro One Inc.	5.180%	18-Oct-17	21,114	21,014	0.00

## Schedule of Investment Portfolio *as at June 30, 2016 (unaudited)*

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
962,000	Hydro One Inc.	4.390%	26-Sep-41	1,082,058	1,115,048	0.13	901,000	Union Gas Ltd.	4.850%	25-Apr-22	944,473	1,045,982	0.12
1,399,000	Hydro One Inc.	5.000%	19-Oct-46	1,745,809	1,796,617	0.20	2,462,000	Union Gas Ltd.	8.650%	10-Nov-25	3,618,268	3,629,679	0.41
2,075,000	Inter Pipeline Corridor Inc.	4.897%	3-Feb-20	2,168,503	2,283,224	0.26	1,592,000	Union Gas Ltd.	2.810%	1-Jun-26	1,592,000	1,635,708	0.19
5,180,000	Inter Pipeline Ltd.	4.637%	30-May-44	5,208,624	5,267,486	0.60	3,793,000	Union Gas Ltd.	5.200%	23-Jul-40	4,416,536	4,809,900	0.54
2,177,000	Lower Mattagami Energy LP	2.228%	23-Oct-17	2,201,985	2,203,684	0.25	544,000	Union Gas Ltd.	4.200%	2-Jun-44	595,264	610,149	0.07
3,869,000	Lower Mattagami Energy LP	4.331%	18-May-21	4,171,308	4,354,482	0.49	1,348,000	Westcoast Energy Inc.	8.500%	4-Sep-18	1,659,516	1,530,215	0.17
161,000	Lower Mattagami Energy LP	4.944%	21-Sep-43	175,130	202,239	0.02	1,777,000	Westcoast Energy Inc.	5.600%	16-Jan-19	1,939,617	1,933,035	0.22
2,001,000	Lower Mattagami Energy LP	4.176%	23-Feb-46	2,202,468	2,251,064	0.26	4,330,000	Westcoast Energy Inc.	9.900%	10-Jan-20	5,998,717	5,414,441	0.61
1,056,000	Nova Gas Transmission Ltd.	6.590%	1-Dec-27	1,252,788	1,331,641	0.15	2,564,000	Westcoast Energy Inc.	4.570%	2-Jul-20	2,782,724	2,793,013	0.32
3,495,000	Nova Scotia Power Inc.	5.610%	15-Jun-40	4,152,887	4,614,138	0.52	1,448,000	Westcoast Energy Inc.	3.883%	28-Oct-21	1,513,016	1,555,579	0.18
6,151,000	Royal Bank of Canada	2.260%	12-Mar-18	6,249,408	6,253,700	0.71	943,000	Westcoast Energy Inc.	8.850%	21-Jul-25	1,297,176	1,317,890	0.15
17,571,000	Royal Bank of Canada	2.770%	11-Dec-18	18,194,079	18,162,302	2.06	1,421,000	Westcoast Energy Inc.	3.770%	8-Dec-25	1,433,478	1,491,764	0.17
16,589,000	Royal Bank of Canada	1.400%	26-Apr-19	16,587,625	16,650,043	1.89	5,353,000	Westcoast Energy Inc.	7.300%	18-Dec-26	6,691,278	6,998,514	0.79
280,000	Royal Bank of Canada	2.350%	9-Dec-19	286,624	288,205	0.03	653,000	Westcoast Energy Inc.	6.750%	15-Dec-27	792,687	828,451	0.09
14,266,000	Royal Bank of Canada	1.920%	17-Jul-20	14,256,366	14,474,761	1.64	1,481,000	Westcoast Energy Inc.	7.150%	20-Mar-31	1,943,536	1,923,297	0.22
11,878,000	Royal Bank of Canada	2.030%	15-Mar-21	11,911,854	12,105,422	1.37					372,925,111	379,912,180	43.08
7,627,000	Royal Bank of Canada	1.968%	2-Mar-22	7,410,308	7,715,466	0.87	<b>Total Canadian Bonds</b>				<b>862,953,593</b>	<b>881,836,042</b>	<b>99.91</b>
978,000	The Toronto-Dominion Bank	2.171%	2-Apr-18	992,911	993,524	0.11	<b>Transaction Costs</b>				—		
7,879,000	The Toronto-Dominion Bank	2.447%	2-Apr-19	8,131,338	8,116,453	0.92	<b>Total Investments</b>				<b>862,953,593</b>	<b>881,836,042</b>	<b>99.91</b>
1,650,000	The Toronto-Dominion Bank	1.693%	2-Apr-20	1,643,676	1,663,464	0.19	<b>Total Investments and Short-Term Investments</b>				<b>867,647,700</b>	<b>886,530,149</b>	<b>100.44</b>
3,753,000	The Toronto-Dominion Bank	2.563%	24-Jun-20	3,862,782	3,906,973	0.44	<b>Other Assets Net of Liabilities</b>					<b>(3,878,767)</b>	<b>(0.44)</b>
12,704,000	The Toronto-Dominion Bank	2.045%	8-Mar-21	12,745,369	12,981,662	1.47	<b>Net Assets Attributable to Holders of Redeemable Units</b>					<b>882,651,382</b>	<b>100.00</b>
10,025,000	The Toronto-Dominion Bank	2.621%	22-Dec-21	10,262,595	10,523,839	1.19							
1,585,000	Toronto Hydro Corp.	2.520%	25-Aug-26	1,584,746	1,610,222	0.18							
100,000	TransCanada PipeLines Ltd.	11.800%	20-Nov-20	139,210	139,099	0.02							
1,318,000	TransCanada PipeLines Ltd.	3.650%	15-Nov-21	1,403,253	1,421,943	0.16							
5,828,000	TransCanada PipeLines Ltd.	3.690%	19-Jul-23	6,205,702	6,313,405	0.72							
804,000	TransCanada PipeLines Ltd.	3.300%	17-Jul-25	822,725	844,299	0.10							
7,420,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-26	10,334,131	10,259,252	1.16							
60,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-27	80,310	78,050	0.01							
3,474,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-27	4,842,848	4,703,064	0.53							
1,241,000	TransCanada PipeLines Ltd.	6.280%	26-May-28	1,550,811	1,534,917	0.17							
3,435,000	TransCanada PipeLines Ltd.	8.210%	25-Apr-30	4,713,784	4,914,562	0.56							
246,000	TransCanada PipeLines Ltd.	8.230%	16-Jan-31	355,177	349,629	0.04							
4,403,000	TransCanada PipeLines Ltd.	4.550%	15-Nov-41	4,478,573	4,776,433	0.54							
2,629,000	TransCanada PipeLines Ltd.	4.350%	6-Jun-46	2,678,890	2,744,831	0.31							

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 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 (%)	
	Jun. 30, 2016	Dec. 31, 2015
AAA	29	37
AA	21	15
A	38	34
BBB	12	14
<b>Total</b>	<b>100</b>	<b>100</b>

\*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 June 30, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Jun. 30, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	1,831	—
1-3 years	176,273	262,158
3-5 years	215,846	184,861
Greater than 5 years	487,886	499,208
<b>Total</b>	<b>881,836</b>	<b>946,227</b>

\*Excludes cash and cash equivalents.

As at June 30, 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 \$17,130,000 (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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
FTSE TMX Canada Universe Bond Total Return Index	8,600	9,380
<b>Total</b>	<b>8,600</b>	<b>9,380</b>

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 June 30, 2016 and December 31, 2015, the Fund did not have significant exposure to foreign currency risk.

## Fund Specific Notes to the Financial Statements

As at June 30, 2016 and December 31, 2015

### Concentration Risk

The following is a summary of the Fund's concentration risk as at June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.53%	0.20%
Canadian Bonds		
Federal Bonds	23.47%	32.06%
Provincial Bonds	33.36%	23.75%
Corporate Bonds	43.08%	43.56%
<b>Total</b>	<b>100.44%</b>	<b>99.57%</b>

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at June 30, 2016 and December 31, 2015:

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Bonds	—	881,836,042	—	881,836,042
<b>Total Assets</b>	<b>—</b>	<b>881,836,042</b>	<b>—</b>	<b>881,836,042</b>

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	269,178	5,713,161	469,785	70,988,899
Redeemable units issued for cash	37,823	277,296	61,716	11,157,061
Reinvested units	2,610	63,957	5,376	1,019,469
Redeemable units redeemed	(61,393)	(643,440)	(58,839)	(19,297,670)
<b>Balance, end of period</b>	<b>248,218</b>	<b>5,410,974</b>	<b>478,038</b>	<b>63,867,759</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	318,092	7,138,600	1,514,130	161,090,079
Redeemable units issued for cash	33,639	465,390	211,943	6,289,230
Reinvested units	3,314	82,948	5,279	2,461,380
Redeemable units redeemed	(65,370)	(1,365,431)	(1,238,913)	(57,700,390)
<b>Balance, end of period</b>	<b>289,675</b>	<b>6,321,507</b>	<b>492,439</b>	<b>112,140,299</b>

# Beutel Goodman ■ Long Term Bond Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,796,450	8,373,782
Financial assets at fair value through profit or loss*	535,328,637	533,692,063
Accrued interest	2,690,235	3,425,703
Due from brokers	3,426,462	893,446
Subscriptions receivable	63,439	58,919
<b>Total assets</b>	<b>543,305,223</b>	<b>546,443,913</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	25,956	26,773
Due to brokers	3,347,686	9,206,332
Redemptions payable	380,959	285,033
Distributions payable	3,834	—
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>3,758,435</b>	<b>9,518,138</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>539,546,788</b>	<b>536,925,775</b>
*Investments at average cost	506,414,567	526,290,770
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	506,176	177,399
Class D	10,438,016	10,500,174
Class F	740,672	173,845
Class I	527,861,924	526,074,357
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	10.33	9.73
Class D	6.00	5.64
Class F	10.41	9.80
Class I	6.10	5.74
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	48,980	18,237
Class D	1,740,189	1,861,759
Class F	71,180	17,743
Class I	86,540,078	91,726,911

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Interest for distribution purposes	9,850,645	12,706,780
Realized gain (loss) on sale of investments	12,413,966	22,333,093
Change in unrealized appreciation (depreciation) in the value of investments	21,512,777	(26,367,055)
<b>Net gains (losses) on investments</b>	<b>43,777,388</b>	<b>8,672,818</b>
Other income		
Realized gain (loss) on foreign currency transactions	—	(57,551)
<b>Total income</b>	<b>43,777,388</b>	<b>8,615,267</b>
<b>Expenses</b>		
Management fees	36,533	41,481
Administrative fees	119,819	154,467
<b>Total expenses</b>	<b>156,352</b>	<b>195,948</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>43,621,036</b>	<b>8,419,319</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	26,959	(3,311)
Class D	800,489	98,466
Class F	35,584	711
Class I	42,758,004	8,323,453
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.93	(0.15)
Class D	0.45	0.05
Class F	1.03	0.04
Class I	0.48	0.08

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	26,959	(3,311)
Class D	800,489	98,466
Class F	35,584	711
Class I	42,758,004	8,323,453
	43,621,036	8,419,319
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	(4,848)	(12,273)
Class D	(167,533)	(557,347)
Class F	(9,087)	(9,057)
Class I	(10,409,011)	(32,906,376)
	(10,590,479)	(33,485,053)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	316,886	127,993
Class D	479,978	828,390
Class F	711,763	37,108
Class I	3,359,899	13,139,364
Reinvestments of distributions to holders of redeemable units		
Class B	4,596	12,273
Class D	159,928	535,793
Class F	9,087	8,172
Class I	10,409,011	32,906,359
Redemption of redeemable units		
Class B	(14,816)	(2,607)
Class D	(1,335,020)	(1,818,305)
Class F	(180,520)	(18,723)
Class I	(44,330,336)	(168,702,427)
	(30,409,544)	(122,946,610)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	328,777	122,075
Class D	(62,158)	(913,003)
Class F	566,827	18,211
Class I	1,787,567	(147,239,627)
	2,621,013	(148,012,344)
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	506,176	283,681
Class D	10,438,016	11,378,862
Class F	740,672	191,050
Class I	527,861,924	530,158,386
	539,546,788	542,011,979

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	43,621,036	8,419,319
Adjustments for:		
Net realized (gain) loss on sale of investments	(12,413,966)	(22,333,093)
Change in unrealized (appreciation) depreciation in the value of investments	(21,512,777)	26,367,055
Purchases of investments	(477,545,448)	(402,296,718)
Proceeds from sale of investments	501,443,955	468,406,416
(Increase) decrease in accrued interest	735,468	1,733,861
Increase (decrease) in accrued liabilities	(817)	(4,065)
<b>Net cash flows from (used in) operating activities</b>	34,327,451	80,292,775
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(4,023)	(9,155)
Proceeds from redeemable units issued	4,864,006	14,244,383
Redemption of redeemable units	(45,764,766)	(104,185,564)
<b>Net cash flows from (used in) financing activities</b>	(40,904,783)	(89,950,336)
Net increase (decrease) in cash and cash equivalents	(6,577,332)	(9,657,561)
Cash and cash equivalents at beginning of period	8,373,782	4,397,581
<b>Cash and cash equivalents at end of period*</b>	1,796,450	(5,259,980)
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	10,586,113	14,440,641
*Cash and cash equivalents include:		
Cash at banks	(1,245)	(15,393,994)
Short-term investments	1,797,695	10,134,014
<b>Total</b>	1,796,450	(5,259,980)

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

# Beutel Goodman - Long Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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
<b>Short-Term Investments (2015 – 1.56%)</b>													
<b>Treasury Bills</b>													
1,800,000	Government of Canada	0.475%	22-Sep-16	1,797,695	1,797,695	0.33	3,677,000	FortisAlberta Inc.	5.850%	15-Apr-38	4,634,533	4,972,548	0.92
				<u>1,797,695</u>	<u>1,797,695</u>	<u>0.33</u>	1,310,000	FortisAlberta Inc.	4.270%	22-Sep-45	1,383,502	1,494,029	0.28
<b>Canadian Bonds (2015 – 99.40%)</b>													
<b>Federal Bonds</b>													
13,820,000	Canada Government	1.500%	1-Jun-26	14,095,252	14,389,878	2.67	155,000	FortisAlberta Inc.	4.800%	27-Oct-50	177,001	190,708	0.04
42,145,000	Canada Government	3.500%	1-Dec-45	55,559,445	59,456,059	11.02	476,000	FortisBC Energy Inc.	6.500%	1-May-34	663,638	670,136	0.12
				<u>69,654,697</u>	<u>73,845,937</u>	<u>13.69</u>	65,000	FortisBC Energy Inc.	5.900%	26-Feb-35	81,779	86,838	0.02
<b>Provincial Bonds</b>													
7,030,000	Province of Alberta	2.900%	20-Sep-29	7,131,232	7,320,522	1.36	6,686,000	FortisBC Energy Inc.	5.550%	25-Sep-36	8,325,132	8,686,122	1.61
1,093,000	Province of Alberta	3.500%	1-Jun-31	1,170,712	1,202,875	0.22	5,089,000	FortisBC Energy Inc.	6.000%	2-Oct-37	6,620,118	7,011,733	1.30
5,885,000	Province of Alberta	3.900%	1-Dec-33	6,183,733	6,761,662	1.25	5,955,000	FortisBC Energy Inc.	5.800%	13-May-38	7,953,933	8,090,271	1.50
1,915,000	Province of British Columbia	5.700%	18-Jun-29	2,577,636	2,649,190	0.49	2,106,000	FortisBC Energy Vancouver Island Inc.	6.050%	15-Feb-38	2,734,251	2,888,509	0.54
20,433,000	Province of British Columbia	6.350%	18-Jun-31	28,451,256	30,465,074	5.65	3,532,000	FortisBC Inc.	5.000%	24-Nov-50	3,898,523	4,438,910	0.82
5,315,000	Province of British Columbia	4.700%	18-Jun-37	6,258,286	7,056,029	1.31	5,299,000	Inter Pipeline Ltd.	4.637%	30-May-44	5,500,407	5,388,495	1.00
2,569,000	Province of British Columbia	4.300%	18-Jun-42	2,909,338	3,341,889	0.62	4,424,000	Lower Mattagami Energy LP	4.176%	23-Feb-46	4,539,739	4,976,865	0.92
10,865,000	Province of British Columbia	2.800%	18-Jun-48	10,903,898	11,195,371	2.07	8,576,000	North West Redwater Partnership / NWR Financing Co Ltd	4.150%	1-Jun-33	8,554,303	8,800,460	1.63
3,986,000	Province of Manitoba	3.250%	5-Sep-29	4,184,540	4,300,094	0.80	2,112,000	Nova Gas Transmission Ltd.	6.590%	1-Dec-27	2,374,119	2,663,282	0.49
506,000	Province of Manitoba	6.300%	5-Mar-31	709,210	728,106	0.13	3,141,000	Nova Scotia Power Inc.	6.950%	25-Aug-33	4,269,810	4,513,909	0.84
5,914,000	Province of Manitoba	4.600%	5-Mar-38	6,985,698	7,499,321	1.39	5,182,000	Nova Scotia Power Inc.	5.610%	15-Jun-40	5,902,262	6,841,335	1.27
7,106,000	Province of Manitoba	4.100%	5-Mar-41	7,859,742	8,538,379	1.58	6,252,000	Powerstream Inc.	3.958%	30-Jul-42	6,365,830	6,597,392	1.22
3,006,000	Province of Manitoba	4.400%	5-Mar-42	3,515,694	3,788,738	0.70	821,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-26	1,164,506	1,135,154	0.21
23,952,000	Province of Ontario	2.400%	2-Jun-26	24,133,594	24,898,624	4.62	175,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-27	226,749	227,647	0.04
2,369,000	Province of Ontario	6.200%	2-Jun-31	3,353,556	3,457,175	0.64	1,195,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-27	1,656,932	1,617,778	0.30
4,706,000	Province of Ontario	4.700%	2-Jun-37	5,875,169	6,176,151	1.14	167,000	TransCanada PipeLines Ltd.	6.280%	26-May-28	200,824	206,552	0.04
23,747,000	Province of Ontario	4.650%	2-Jun-41	29,834,842	31,809,910	5.91	633,000	TransCanada PipeLines Ltd.	6.890%	7-Aug-28	808,620	820,059	0.15
19,499,000	Province of Ontario	3.500%	2-Jun-43	21,079,515	22,236,951	4.13	274,000	TransCanada PipeLines Ltd.	8.230%	16-Jan-31	389,968	389,424	0.07
34,204,000	Province of Ontario	3.450%	2-Jun-45	36,973,380	38,971,377	7.23	5,600,000	TransCanada PipeLines Ltd.	8.200%	15-Aug-31	8,001,570	8,007,414	1.48
29,894,000	Province of Ontario	2.900%	2-Dec-46	29,236,024	30,877,615	5.73	7,063,000	TransCanada PipeLines Ltd.	4.550%	15-Nov-41	7,351,440	7,662,037	1.42
4,441,000	Province of Ontario	2.800%	2-Jun-48	4,434,201	4,504,869	0.83	4,256,000	TransCanada PipeLines Ltd.	4.350%	6-Jun-46	4,264,089	4,443,514	0.82
2,097,000	Province of Saskatchewan	6.350%	25-Jan-30	2,891,182	2,981,373	0.55	2,481,000	Union Gas Ltd.	5.460%	11-Sep-36	2,929,694	3,180,123	0.59
5,178,000	Province of Saskatchewan	6.400%	5-Sep-31	7,056,593	7,579,179	1.40	5,277,000	Union Gas Ltd.	4.880%	21-Jun-41	5,661,576	6,439,987	1.19
3,854,000	Province of Saskatchewan	5.800%	5-Sep-33	5,301,746	5,441,930	1.01	181,000	Union Gas Ltd.	4.200%	2-Jun-44	181,912	203,009	0.04
5,032,000	Province of Saskatchewan	4.750%	1-Jun-40	6,038,999	6,604,893	1.22	1,233,000	Westcoast Energy Inc.	7.300%	18-Dec-26	1,522,016	1,612,025	0.30
2,518,000	Province of Saskatchewan	3.900%	2-Jun-45	2,577,779	3,001,467	0.56	1,504,000	Westcoast Energy Inc.	6.750%	15-Dec-27	1,831,033	1,908,102	0.35
				<u>267,627,555</u>	<u>283,388,764</u>	<u>52.54</u>	5,226,000	Westcoast Energy Inc.	7.150%	20-Mar-31	6,676,632	6,786,733	1.26
<b>Corporate Bonds</b>													
1,390,000	Aerports De Montreal	3.919%	26-Sep-42	1,388,552	1,567,867	0.29	<b>Total Canadian Bonds</b>						
42,328	Alliance Pipeline LP	6.765%	31-Dec-25	41,750	47,877	0.01	<u>506,414,567</u>						
2,045,000	AltaGas Ltd.	5.160%	13-Jan-44	2,148,050	2,125,197	0.39	<b>Transaction Costs</b>						
2,530,000	AltaGas Ltd.	4.500%	15-Aug-44	2,555,275	2,378,048	0.44	<u>—</u>						
580,000	AltaLink LP	5.381%	26-Mar-40	654,988	755,725	0.14	<b>Total Investments</b>						
854,000	AltaLink LP	4.872%	15-Nov-40	944,180	1,049,610	0.19	<u>506,414,567</u>						
340,000	AltaLink LP	4.446%	11-Jul-53	340,737	398,835	0.07	<b>Total Investments and Short-Term Investments</b>						
5,837,000	CU Inc.	5.580%	26-May-38	7,572,490	7,694,170	1.43	<u>508,212,262</u>						
522,000	CU Inc.	4.947%	18-Nov-50	578,224	661,205	0.12	<b>Other Assets Net of Liabilities</b>						
2,403,000	CU Inc.	3.857%	14-Nov-52	2,338,946	2,530,341	0.47	<u>2,420,456</u>						
5,587,000	CU Inc.	4.558%	7-Nov-53	5,779,148	6,705,541	1.24	<b>Net Assets Attributable to Holders of Redeemable Units</b>						
415,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	541,535	577,731	0.11	<u>539,546,788</u>						
11,649,000	Enbridge Gas Distribution Inc.	6.900%	15-Nov-32	15,892,057	16,653,761	3.09							
3,836,000	Enbridge Gas Distribution Inc.	6.160%	16-Dec-33	5,006,256	5,150,467	0.95							
1,976,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	2,234,215	2,455,424	0.46							
1,838,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	2,109,841	2,232,156	0.41							
1,920,000	Enbridge Pipelines Inc.	5.080%	19-Dec-36	2,159,630	2,158,881	0.40							

# Beutel Goodman ■ Long Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 45% 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 June 30, 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 (%)	
	Jun. 30, 2016	Dec. 31, 2015
AAA	29	26
AA	13	7
A	41	48
BBB	16	18
<b>Total</b>	<b>99</b>	<b>99</b>

\*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 June 30, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Jun. 30, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Greater than 5 periods	535,329	533,692
<b>Total</b>	<b>535,329</b>	<b>533,692</b>

\*Excludes cash and cash equivalents.

As at June 30, 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 \$20,223,000 (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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
FTSE TMX Canada Long Term Bond Index	5,320	5,323
<b>Total</b>	<b>5,320</b>	<b>5,323</b>

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 June 30, 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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.33%	1.56%
Canadian Bonds		
Federal Bonds	13.69%	9.77%
Provincial Bonds	52.54%	51.00%
Corporate Bonds	32.99%	38.63%
<b>Total</b>	<b>99.55%</b>	<b>100.96%</b>

# Beutel Goodman ■ Long Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Bonds	—	535,328,637	—	535,328,637
<b>Total Assets</b>	—	535,328,637	—	535,328,637

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	18,237	1,861,759	17,743	91,726,911
Redeemable units issued for cash	31,735	83,114	70,641	576,287
Reinvested units	452	27,379	887	1,751,379
Redeemable units redeemed	(1,444)	(232,063)	(18,091)	(7,514,499)
<b>Balance, end of period</b>	<b>48,980</b>	<b>1,740,189</b>	<b>71,180</b>	<b>86,540,078</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	15,619	2,048,909	16,578	110,997,402
Redeemable units issued for cash	12,045	133,739	3,508	2,118,252
Reinvested units	1,208	90,385	795	5,436,712
Redeemable units redeemed	(248)	(295,073)	(1,767)	(27,944,917)
<b>Balance, end of period</b>	<b>28,624</b>	<b>1,977,960</b>	<b>19,114</b>	<b>90,607,449</b>

# Beutel Goodman - Corporate/Provincial Active Bond Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	436,001	47,535
Financial assets at fair value through profit or loss*	50,557,875	52,459,382
Accrued interest	367,819	470,027
Due from brokers	217,357	—
Subscriptions receivable	85,803	8,327
<b>Total assets</b>	<b>51,664,855</b>	<b>52,985,271</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	32,468	32,834
Due to brokers	365,526	—
Redemptions payable	194,692	40,659
Distributions payable	45,320	10
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>638,006</b>	<b>73,503</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>51,026,849</b>	<b>52,911,768</b>
*Investments at average cost	48,931,315	51,685,577
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	3,771,136	3,878,159
Class D	38,817,584	39,823,451
Class F	8,072,769	7,138,284
Class I	365,360	2,071,874
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	9.66	9.42
Class D	5.20	5.07
Class F	9.69	9.45
Class I	5.30	5.17
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	390,298	411,774
Class D	7,468,980	7,860,943
Class F	833,235	755,637
Class I	68,876	400,864

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Interest for distribution purposes	915,262	1,701,709
Realized gain (loss) on sale of investments	519,947	3,682,277
Change in unrealized appreciation (depreciation) in the value of investments	852,755	(2,854,070)
<b>Net gains (losses) on investments</b>	<b>2,287,964</b>	<b>2,529,916</b>
Other income		
Realized gain (loss) on foreign currency transactions	(16)	(3,328)
<b>Total income</b>	<b>2,287,948</b>	<b>2,526,588</b>
<b>Expenses</b>		
Management fees	167,346	193,864
Administrative fees	26,514	38,192
<b>Total expenses</b>	<b>193,860</b>	<b>232,056</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>2,094,088</b>	<b>2,294,532</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	146,127	31,450
Class D	1,599,717	288,559
Class F	323,706	28,266
Class I	24,538	1,946,257
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.37	0.05
Class D	0.21	0.03
Class F	0.41	0.05
Class I	0.13	0.31

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	146,127	31,450
Class D	1,599,717	288,559
Class F	323,706	28,266
Class I	24,538	1,946,257
	2,094,088	2,294,532
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	(50,565)	(107,402)
Class D	(610,293)	(939,656)
Class F	(128,516)	(122,510)
Class I	(15,187)	(548,189)
	(804,561)	(1,717,757)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	137,489	708,685
Class D	2,089,724	4,037,839
Class F	1,328,343	1,718,470
Class I	306,206	78,590
Reinvestments of distributions to holders of redeemable units		
Class B	47,461	78,820
Class D	576,721	882,115
Class F	63,486	98,387
Class I	15,187	548,158
Redemption of redeemable units		
Class B	(387,535)	(1,589,069)
Class D	(4,661,736)	(6,407,689)
Class F	(652,534)	(1,061,345)
Class I	(2,037,258)	(76,143,555)
	(3,174,446)	(77,050,594)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(107,023)	(877,516)
Class D	(1,005,867)	(2,138,832)
Class F	934,485	661,268
Class I	(1,706,514)	(74,118,739)
	(1,884,919)	(76,473,819)
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	3,771,136	5,539,506
Class D	38,817,584	43,652,901
Class F	8,072,769	6,073,144
Class I	365,360	21,105,782
	51,026,849	76,371,333

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	2,094,088	2,294,532
Adjustments for:		
Net realized (gain) loss on sale of investments	(519,947)	(3,682,277)
Change in unrealized (appreciation) depreciation in the value of investments	(852,755)	2,854,070
Purchases of investments	(37,134,855)	(59,265,260)
Proceeds from sale of investments	40,557,233	135,102,968
(Increase) decrease in accrued interest	102,208	878,512
Increase (decrease) in accrued liabilities	(366)	(5,545)
<b>Net cash flows from (used in) operating activities</b>	4,245,606	78,177,000
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(56,396)	(65,458)
Proceeds from redeemable units issued	3,784,286	6,507,132
Redemption of redeemable units	(7,585,030)	(85,173,747)
<b>Net cash flows from (used in) financing activities</b>	(3,857,140)	(78,732,073)
Net increase (decrease) in cash and cash equivalents	388,466	(555,073)
Cash and cash equivalents at beginning of period	47,535	661,003
<b>Cash and cash equivalents at end of period*</b>	436,001	105,930
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	1,017,470	2,580,221
*Cash and cash equivalents include:		
Cash at banks	11,525	(18,891)
Short-term investments	424,476	124,821
<b>Total</b>	436,001	105,930

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

# Beutel Goodman - Corporate/Provincial Active Bond Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

Short-Term Investments (2015 – 0.05%)							Canadian Bonds (2015 – 99.14%)						
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
<b>Treasury Bills</b>							<b>Provincial Bonds</b>						
425,000	Government of Canada	0.480%	22-Sep-16	424,476	424,476	0.83	791,000	Province of Ontario	3.500%	2-Jun-24	871,073	897,071	1.76
							1,092,000	Province of Ontario	2.400%	2-Jun-26	1,096,520	1,135,158	2.22
							2,828,000	Province of Ontario	2.900%	2-Dec-46	2,745,330	2,921,051	5.72
							457,000	Province of Ontario	2.800%	2-Jun-48	456,889	463,572	0.91
											5,169,812	5,416,852	10.61
<b>Corporate Bonds</b>							<b>Corporate Bonds</b>						
177,037	Alliance Pipeline LP	5.546%	31-Dec-23	187,337	185,481	0.36	235,000	FortisBC Energy					
299,118	Alliance Pipeline LP	6.765%	31-Dec-25	347,542	338,332	0.66		Vancouver Island Inc.	6.050%	15-Feb-38	239,410	322,317	0.63
245,000	AltaGas Ltd.	4.600%	15-Jan-18	244,831	253,834	0.50	1,300,000	Hydro One Inc.	2.780%	9-Oct-18	1,341,340	1,343,257	2.63
45,000	AltaGas Ltd.	3.720%	28-Sep-21	46,603	47,322	0.09	12,000	Hydro One Inc.	5.000%	19-Oct-46	14,545	15,411	0.03
82,000	AltaGas Ltd.	3.840%	15-Jan-25	82,333	85,410	0.17	135,000	Inter Pipeline Ltd.	4.967%	2-Feb-21	141,500	150,578	0.30
215,000	AltaGas Ltd.	5.160%	13-Jan-44	214,740	223,432	0.44	1,230,000	Inter Pipeline Ltd.	3.776%	30-May-22	1,281,070	1,311,658	2.57
305,000	AltaGas Ltd.	4.500%	15-Aug-44	304,802	286,682	0.56	62,000	Inter Pipeline Ltd.	4.637%	30-May-44	59,712	63,047	0.12
136,000	AltaLink LP	2.747%	29-May-26	136,000	140,144	0.27	809,000	Lower Mattagami Energy LP	4.331%	18-May-21	821,739	910,513	1.78
23,000	AltaLink LP	5.381%	26-Mar-40	28,676	29,968	0.06	17,000	Lower Mattagami Energy LP	4.176%	23-Feb-46	18,030	19,124	0.04
905,000	AltaLink LP	4.872%	15-Nov-40	1,048,025	1,112,291	2.18	190,000	Nova Gas Transmission Ltd.	6.590%	1-Dec-27	218,382	239,594	0.47
270,000	AltaLink LP	4.446%	11-Jul-53	303,912	316,722	0.62	150,000	Powerstream Inc.	3.958%	30-Jul-42	150,000	158,287	0.31
738,000	Bank of Montreal	2.430%	4-Mar-19	757,921	759,221	1.49	2,570,000	Royal Bank of Canada	2.770%	11-Dec-18	2,649,798	2,656,486	5.21
5,000	Bank of Montreal	2.840%	4-Jun-20	5,224	5,261	0.01	67,000	Royal Bank of Canada	2.350%	9-Dec-19	68,483	68,963	0.14
102,000	Bank of Montreal	1.880%	31-Mar-21	101,995	103,489	0.20	18,000	Royal Bank of Canada	1.920%	17-Jul-20	18,017	18,263	0.04
2,228,000	Bank of Montreal	3.400%	23-Apr-21	2,376,290	2,414,735	4.73	1,251,000	Royal Bank of Canada	2.030%	15-Mar-21	1,266,155	1,274,952	2.50
1,160,000	Bank of Montreal	2.120%	16-Mar-22	1,142,368	1,185,930	2.32	680,000	Royal Bank of Canada	1.968%	2-Mar-22	662,893	687,887	1.35
932,000	Bank of Nova Scotia	2.400%	28-Oct-19	946,483	959,351	1.88	522,000	The Toronto-Dominion Bank	2.447%	2-Apr-19	536,612	537,732	1.05
1,129,000	Bank of Nova Scotia	2.130%	15-Jun-20	1,130,005	1,153,923	2.26	130,000	The Toronto-Dominion Bank	1.693%	2-Apr-20	129,116	131,061	0.26
325,000	Bank of Nova Scotia	2.090%	9-Sep-20	331,110	331,634	0.65	16,000	The Toronto-Dominion Bank	2.563%	24-Jun-20	16,528	16,656	0.03
104,000	Bruce Power LP	2.844%	23-Jun-21	104,000	105,306	0.21	2,249,000	The Toronto-Dominion Bank	2.045%	8-Mar-21	2,268,065	2,298,155	4.50
298,000	Canadian Imperial Bank of Commerce	1.700%	9-Oct-18	298,094	300,678	0.59	1,492,000	The Toronto-Dominion Bank	2.621%	22-Dec-21	1,521,157	1,566,241	3.07
1,420,000	Canadian Imperial Bank of Commerce	2.350%	24-Jun-19	1,454,364	1,461,087	2.86	90,000	Toronto Hydro Corp.	2.520%	25-Aug-26	89,986	91,432	0.18
1,396,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	1,392,076	1,416,533	2.78	100,000	TransCanada PipeLines Ltd.	11.800%	20-Nov-20	156,331	139,099	0.27
1,360,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	1,371,057	1,381,429	2.71	310,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-26	400,757	428,621	0.84
97,000	Canadian Imperial Bank of Commerce	2.900%	16-Jun-23	97,000	98,284	0.19	200,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-27	276,760	260,168	0.51
75,000	CU Inc.	9.920%	1-Apr-22	113,869	106,271	0.21	1,751,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-27	2,405,706	2,370,485	4.66
18,000	CU Inc.	5.580%	26-May-38	23,312	23,727	0.05	83,000	TransCanada PipeLines Ltd.	6.280%	26-May-28	103,786	102,658	0.20
749,000	CU Inc.	4.947%	18-Nov-50	916,327	948,740	1.86	139,000	TransCanada PipeLines Ltd.	6.890%	7-Aug-28	186,955	180,076	0.35
15,000	CU Inc.	3.857%	14-Nov-52	14,115	15,795	0.03	772,000	TransCanada PipeLines Ltd.	8.230%	16-Jan-31	919,054	1,097,209	2.15
110,000	CU Inc.	4.558%	7-Nov-53	118,668	132,022	0.26	258,000	TransCanada PipeLines Ltd.	4.550%	15-Nov-41	265,618	279,882	0.55
150,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	158,879	158,015	0.31	52,000	TransCanada PipeLines Ltd.	4.350%	6-Jun-46	52,549	54,291	0.11
628,000	Enbridge Gas Distribution Inc.	4.770%	17-Dec-21	717,669	724,475	1.42	145,000	Union Gas Ltd.	4.850%	25-Apr-22	165,677	168,332	0.33
130,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-25	129,956	140,244	0.27	7,000	Union Gas Ltd.	8.650%	10-Nov-25	10,136	10,320	0.02
299,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-26	416,903	416,245	0.82	90,000	Union Gas Ltd.	2.810%	1-Jun-26	90,000	92,471	0.18
225,000	Enbridge Gas Distribution Inc.	6.900%	15-Nov-32	276,356	321,667	0.63	411,000	Union Gas Ltd.	5.460%	11-Sep-36	398,955	526,816	1.03
292,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-50	336,251	362,846	0.71	285,000	Union Gas Ltd.	4.880%	21-Jun-41	303,967	347,811	0.68
115,000	Enbridge Pipelines Inc.	2.930%	30-Nov-22	115,989	119,161	0.23	47,000	Union Gas Ltd.	4.200%	2-Jun-44	46,453	52,715	0.10
290,000	Enbridge Pipelines Inc.	6.350%	17-Nov-23	352,590	357,049	0.70	17,000	Westcoast Energy Inc.	8.500%	4-Sep-18	19,257	19,298	0.04
155,000	Enbridge Pipelines Inc.	8.200%	15-Feb-24	204,328	210,939	0.41	19,000	Westcoast Energy Inc.	5.600%	16-Jan-19	20,706	20,668	0.04
125,000	Enbridge Pipelines Inc.	6.050%	12-Feb-29	160,350	151,806	0.30	114,000	Westcoast Energy Inc.	4.570%	2-Jul-20	123,720	124,182	0.24
470,000	Enbridge Pipelines Inc.	5.330%	6-Apr-40	588,722	553,300	1.08	977,000	Westcoast Energy Inc.	8.850%	21-Jul-25	1,302,220	1,365,407	2.68
97,000	FortisAlberta Inc.	5.850%	15-Apr-38	119,942	131,177	0.26	141,000	Westcoast Energy Inc.	3.770%	8-Dec-25	141,445	148,022	0.29
175,000	FortisAlberta Inc.	5.370%	30-Oct-39	215,250	226,294	0.44	525,000	Westcoast Energy Inc.	7.300%	18-Dec-26	624,392	686,385	1.35
85,000	FortisAlberta Inc.	4.540%	18-Oct-41	90,202	99,716	0.20	1,588,000	Westcoast Energy Inc.	7.150%	20-Mar-31	1,952,558	2,062,253	4.04
195,000	FortisAlberta Inc.	4.270%	22-Sep-45	203,355	222,394	0.44							
225,000	FortisBC Energy Inc.	6.950%	21-Sep-29	298,270	318,669	0.62							
207,000	FortisBC Energy Inc.	6.000%	2-Oct-37	257,872	285,209	0.56							
							<b>Total Canadian Bonds</b>						
							48,931,315 50,557,875 99.08						
							<b>Transaction Costs</b>						
							—						
							<b>Total Investments</b>						
							48,931,315 50,557,875 99.08						
							<b>Total Investments and Short-Term Investments</b>						
							49,355,791 50,982,351 99.91						
							<b>Other Assets Net of Liabilities</b>						
							44,498 0.09						
							<b>Net Assets Attributable to Holders of Redeemable Units</b>						
							51,026,849 100.00						

# Beutel Goodman ■ Corporate/Provincial Active Bond Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 45% 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 June 30, 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 (%)	
	Jun. 30, 2016	Dec. 31, 2015
AA	31	26
A	44	48
BBB	24	25
<b>Total</b>	<b>99</b>	<b>99</b>

\*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 June 30, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Jun. 30, 2016	Dec. 31, 2015
	(\$000)	(\$000)
1-3 years	7,510	8,510
3-5 years	13,004	8,954
Greater than 5 years	30,044	34,992
<b>Total</b>	<b>50,558</b>	<b>52,456</b>

\*Excludes cash and cash equivalents.

As at June 30, 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 \$978,000 (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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
FTSE TMX Canada Universe Bond Total Return Index	476	515
<b>Total</b>	<b>476</b>	<b>515</b>

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 June 30, 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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.83%	0.05%
Canadian Bonds		
Federal Bonds	—	0.05%
Provincial Bonds	10.61%	8.37%
Corporate Bonds	88.47%	90.72%
<b>Total</b>	<b>99.91%</b>	<b>99.19%</b>



# Beutel Goodman ■ Corporate/Provincial Active Bond Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Bonds	—	50,557,875	—	50,557,875
<b>Total Assets</b>	—	50,557,875	—	50,557,875

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class D	Class F	Class I
Balance, beginning of the period	411,774	7,860,943	755,637	400,864
Redeemable units issued for cash	14,538	408,817	139,682	58,005
Reinvested units	4,973	112,340	6,630	2,903
Redeemable units redeemed	(40,987)	(913,120)	(68,714)	(392,896)
<b>Balance, end of period</b>	<b>390,298</b>	<b>7,468,980</b>	<b>833,235</b>	<b>68,876</b>

2015	Class B	Class D	Class F	Class I
Balance, beginning of the period	662,879	8,784,019	556,299	17,904,101
Redeemable units issued for cash	72,571	767,838	175,072	14,608
Reinvested units	8,089	168,284	10,055	102,524
Redeemable units redeemed	(163,031)	(1,222,288)	(107,707)	(13,994,279)
<b>Balance, end of period</b>	<b>580,508</b>	<b>8,497,853</b>	<b>633,719</b>	<b>4,026,954</b>

# Beutel Goodman ■ Short Term Bond Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	54,363	3,037,688
Financial assets at fair value through profit or loss*	214,190,627	237,733,807
Accrued interest	1,075,728	1,543,875
Subscriptions receivable	26,400	80,004
<b>Total assets</b>	<b>215,347,118</b>	<b>242,395,374</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	9,716	10,154
Redemptions payable	2,796	97,178
Distributions payable	8,648	9,539
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>21,160</b>	<b>116,871</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>215,325,958</b>	<b>242,278,503</b>
*Investments at average cost	214,327,472	238,646,498
<b>Net assets attributable to holders of redeemable units per class</b>		
Class B	69,296	69,480
Class F	3,026,675	2,149,758
Class I	212,229,987	240,059,265
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class B	9.55	9.54
Class F	9.57	9.57
Class I	9.64	9.63
<b>Number of outstanding redeemable units (note 6)</b>		
Class B	7,255	7,281
Class F	316,168	224,553
Class I	22,025,650	24,919,921

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Net gains (losses) on investments		
Interest for distribution purposes	3,808,766	1,301,908
Realized gain (loss) on sale of investments	(693,482)	(142,662)
Change in unrealized appreciation (depreciation) in the value of investments	775,846	679,373
<b>Net gains (losses) on investments</b>	<b>3,891,130</b>	<b>1,838,619</b>
Other income		
Realized gain (loss) on foreign currency transactions	—	(6,115)
<b>Total income</b>	<b>3,891,130</b>	<b>1,832,504</b>
<b>Expenses</b>		
Management fees	7,314	4,637
Administrative fees	66,611	16,077
<b>Total expenses</b>	<b>73,925</b>	<b>20,714</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>3,817,205</b>	<b>1,811,790</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class B	651	1,516
Class F	27,647	19,872
Class I	3,788,907	1,790,402
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class B	0.06	0.14
Class F	0.11	0.13
Class I	0.13	0.24

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	651	1,516
Class F	27,647	19,872
Class I	3,788,907	1,790,402
	3,817,205	1,811,790
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class B	(754)	(647)
Class F	(28,839)	(15,938)
Class I	(3,704,811)	(1,266,474)
	(3,734,404)	(1,283,059)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class B	121,500	29,419
Class F	1,361,536	813,032
Class I	160,883,134	133,149,329
Reinvestments of distributions to holders of redeemable units		
Class B	754	559
Class F	2,395	6,379
Class I	3,703,752	1,264,762
Redemption of redeemable units		
Class B	(122,335)	(11,074)
Class F	(485,822)	(71,763)
Class I	(192,500,260)	(5,333,324)
	(27,035,346)	129,847,319
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class B	(184)	19,773
Class F	876,917	751,582
Class I	(27,829,278)	129,604,695
	(26,952,545)	130,376,050
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class B	69,296	99,363
Class F	3,026,675	1,782,895
Class I	212,229,987	193,726,589
	215,325,958	195,608,847

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	3,817,205	1,811,790
Adjustments for:		
Net realized (gain) loss on sale of investments	693,482	142,662
Change in unrealized (appreciation) depreciation in the value of investments	(775,846)	(679,373)
Purchases of investments	(515,308,561)	(160,580,351)
Proceeds from sale of investments	538,934,105	90,819,039
(Increase) decrease in accrued interest	468,147	(826,620)
Increase (decrease) in accrued liabilities	(438)	1,864
<b>Net cash flows from (used in) operating activities</b>	27,828,094	(69,310,989)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(28,394)	(12,786)
Proceeds from redeemable units issued	162,419,774	134,023,456
Redemption of redeemable units	(193,202,799)	(5,421,262)
<b>Net cash flows from (used in) financing activities</b>	(30,811,419)	128,589,408
Net increase (decrease) in cash and cash equivalents	(2,983,325)	59,278,419
Cash and cash equivalents at beginning of period	3,037,688	154,875
<b>Cash and cash equivalents at end of period*</b>	54,363	59,433,294
<b>Supplementary information</b>		
Cash flow from operating activities		
Interest received	4,276,913	475,288
*Cash and cash equivalents include:		
Cash at banks	4,421	24,492
Short-term investments	49,942	59,408,802
<b>Total</b>	54,363	59,433,294

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

# Beutel Goodman ■ Short Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2016 (unaudited)

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
<b>Short-Term Investments (2015 – 1.25%)</b>														
<b>Treasury Bills</b>														
50,000	Government of Canada	0.480%	22-Sep-16	49,942	49,942	0.02		533,000	Enbridge Gas Distribution Inc.	1.850%	24-Apr-17	535,665	535,830	0.25
				49,942	49,942	0.02		11,232,000	Enbridge Gas Distribution Inc.	5.160%	4-Dec-17	12,085,647	11,832,197	5.49
<b>Canadian Bonds (2015 – 98.12%)</b>														
<b>Federal Bonds</b>														
17,048,000	Canada Government	0.250%	1-May-18	16,944,123	16,965,478	7.87		157,000	EPCOR Utilities Inc.	5.800%	31-Jan-18	168,742	167,941	0.08
5,213,000	Canada Government	0.750%	1-Mar-21	5,212,513	5,256,287	2.44		4,049,000	Gaz Metro Inc.	1.520%	25-May-20	4,047,583	4,066,744	1.89
8,306,000	Canada Housing Trust No. 1	2.350%	15-Dec-18	8,654,459	8,627,116	4.01		5,848,000	Hydro One Inc.	2.780%	9-Oct-18	6,058,024	6,042,589	2.81
8,518,000	Canada Housing Trust No. 1	1.250%	15-Dec-20	8,583,686	8,625,856	4.01		5,987,000	Inter Pipeline Ltd.	3.839%	30-Jul-18	6,216,738	6,223,469	2.89
2,315,000	Canada Housing Trust No. 1	1.250%	15-Jun-21	2,336,298	2,341,275	1.09		1,642,000	Lower Mattagami Energy LP	2.228%	23-Oct-17	1,662,761	1,662,126	0.77
4,843,000	CPPIB Capital Inc.	1.100%	10-Jun-19	4,842,128	4,849,609	2.25		4,042,000	Royal Bank of Canada	2.770%	11-Dec-18	4,177,708	4,178,022	1.94
				46,573,207	46,665,621	21.67		10,135,000	Royal Bank of Canada	2.350%	9-Dec-19	10,354,640	10,432,004	4.84
<b>Provincial Bonds</b>														
354,000	Province of British Columbia	2.250%	1-Mar-19	366,206	366,820	0.17		3,083,000	Royal Bank of Canada	1.920%	17-Jul-20	3,086,796	3,128,115	1.45
3,314,000	Province of Ontario	2.100%	8-Sep-18	3,404,041	3,403,004	1.58		1,429,000	Royal Bank of Canada	2.030%	15-Mar-21	1,428,457	1,456,360	0.68
4,772,000	Province of Ontario	2.100%	8-Sep-19	4,931,936	4,934,561	2.29		6,342,000	The Toronto-Dominion Bank	2.447%	2-Apr-19	6,504,948	6,533,132	3.03
				8,702,183	8,704,385	4.04		1,267,000	The Toronto-Dominion Bank	1.693%	2-Apr-20	1,259,738	1,277,339	0.59
<b>Corporate Bonds</b>														
252,000	AltaGas Ltd.	4.550%	17-Jan-19	265,523	266,217	0.12		4,207,000	The Toronto-Dominion Bank	2.563%	24-Jun-20	4,335,971	4,379,599	2.03
6,181,000	AltaLink LP	5.243%	29-May-18	6,861,921	6,624,397	3.08		7,613,000	The Toronto-Dominion Bank	2.045%	8-Mar-21	7,663,051	7,779,392	3.61
4,539,000	AltaLink LP	3.621%	17-Sep-20	4,877,382	4,910,938	2.28		8,480,000	Union Gas Ltd.	5.350%	27-Apr-18	9,309,028	9,067,240	4.21
807,000	Bank of Montreal	3.210%	13-Sep-18	843,259	840,983	0.39		7,416,000	Westcoast Energy Inc.	8.500%	4-Sep-18	8,780,667	8,418,451	3.91
4,891,000	Bank of Montreal	2.430%	4-Mar-19	5,010,193	5,031,641	2.34		2,112,000	Westcoast Energy Inc.	5.600%	16-Jan-19	2,317,058	2,297,451	1.07
4,805,000	Bank of Montreal	2.840%	4-Jun-20	5,023,356	5,055,569	2.35		310,000	Westcoast Energy Inc.	4.570%	2-Jul-20	336,062	337,689	0.16
5,323,000	Bank of Montreal	2.100%	6-Oct-20	5,376,148	5,453,906	2.53						159,052,082	158,820,621	73.77
2,900,000	Bank of Montreal	1.880%	31-Mar-21	2,900,890	2,942,334	1.37		<b>Total Canadian Bonds</b>				214,327,472	214,190,627	99.48
4,820,000	Bank of Nova Scotia	1.330%	1-May-18	4,807,106	4,821,513	2.24		<b>Transaction Costs</b>				—		
4,529,000	Bank of Nova Scotia	2.400%	28-Oct-19	4,638,079	4,661,910	2.17		<b>Total Investments</b>				214,327,472	214,190,627	99.48
8,376,000	Bank of Nova Scotia	2.130%	15-Jun-20	8,482,235	8,560,906	3.98		<b>Total Investments and Short-Term Investments</b>				214,377,414	214,240,569	99.50
1,655,000	Canadian Imperial Bank of Commerce	1.700%	9-Oct-18	1,662,515	1,669,871	0.78		<b>Other Assets Net of Liabilities</b>					1,085,389	0.50
6,765,000	Canadian Imperial Bank of Commerce	2.350%	24-Jun-19	6,928,558	6,960,743	3.23		<b>Net Assets Attributable to Holders of Redeemable Units</b>					215,325,958	100.00
8,521,000	Canadian Imperial Bank of Commerce	1.850%	14-Jul-20	8,528,942	8,646,328	4.02								
2,518,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-21	2,516,691	2,557,675	1.19								

# Beutel Goodman ■ Short Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 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 (%)	
	Jun. 30, 2016	Dec. 31, 2015
AAA	22	20
AA	31	27
A	28	42
BBB	18	10
<b>Total</b>	<b>99</b>	<b>99</b>

\*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 June 30, 2016 and December 31, 2015.

Debt Instruments* by Maturity Date	Jun. 30, 2016	Dec. 31, 2015
	(\$000)	(\$000)
Less than 1 year	534	—
1-3 years	116,851	159,084
3-5 years	96,806	78,650
<b>Total</b>	<b>214,191</b>	<b>237,734</b>

\*Excludes cash and cash equivalents.

As at June 30, 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 \$1,556,000 (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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
FTSE TMX Canada Short Term Bond Total Return Index	2,116	2,389
<b>Total</b>	<b>2,116</b>	<b>2,389</b>

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 June 30, 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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	0.02%	1.25%
Canadian Bonds		
Federal Bonds	21.67%	19.98%
Provincial Bonds	4.04%	6.92%
Corporate Bonds	73.77%	71.22%
<b>Total</b>	<b>99.50%</b>	<b>99.37%</b>

# Beutel Goodman ■ Short Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Bonds	—	214,190,627	—	214,190,627
<b>Total Assets</b>	—	214,190,627	—	214,190,627

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class B	Class F	Class I
Balance, beginning of the period	7,281	224,553	24,919,921
Redeemable units issued for cash	12,742	142,058	16,670,971
Reinvested units	79	250	384,636
Redeemable units redeemed	(12,847)	(50,693)	(19,949,878)
<b>Balance, end of period</b>	<b>7,255</b>	<b>316,168</b>	<b>22,025,650</b>

2015	Class B	Class F	Class I
Balance, beginning of the period	8,327	107,381	6,639,676
Redeemable units issued for cash	3,072	83,706	13,684,883
Reinvested units	58	658	129,865
Redeemable units redeemed	(1,141)	(7,415)	(546,790)
<b>Balance, end of period</b>	<b>10,316</b>	<b>184,330</b>	<b>19,907,634</b>

# Beutel Goodman ■ Money Market Fund

## Statements of Financial Position

As at June 30, 2016 (unaudited) and December 31, 2015 (audited)

	2016	2015
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	24,598	13,113
Financial assets at fair value through profit or loss*	215,941,217	64,511,888
Accrued interest	548,845	287,068
Subscriptions receivable	750,000	—
<b>Total assets</b>	<b>217,264,660</b>	<b>64,812,069</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Management and administrative fees payable	8,567	5,990
Redemptions payable	8,706,000	—
Distributions payable	8,358	2,735
<b>Total liabilities (before net assets attributable to holders of redeemable units)</b>	<b>8,722,925</b>	<b>8,725</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>208,541,735</b>	<b>64,803,344</b>
*Investments at average cost	215,941,217	64,511,888
<b>Net assets attributable to holders of redeemable units per class</b>		
Class D	22,884,677	24,064,704
Class F	188,416	113,957
Class I	185,468,642	40,624,683
<b>Net assets attributable to holders of redeemable units per unit</b>		
Class D	10.00	10.00
Class F	10.00	10.00
Class I	10.00	10.00
<b>Number of outstanding redeemable units (note 6)</b>		
Class D	2,288,461	2,406,463
Class F	18,842	11,396
Class I	18,546,876	4,062,481

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

## Statements of Comprehensive Income

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Income</b>		
Interest for distribution purposes	482,433	291,954
<b>Total income</b>	<b>482,433</b>	<b>291,954</b>
<b>Expenses</b>		
Management fees	13,372	11,709
Administrative fees	25,128	19,122
<b>Total expenses</b>	<b>38,500</b>	<b>30,831</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>443,933</b>	<b>261,123</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class D	76,363	81,870
Class F	341	523
Class I	367,229	178,730
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit*</b>		
Class D	0.03	0.04
Class F	0.03	0.04
Class I	0.04	0.05

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

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 periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		
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
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class D	76,363	81,870
Class F	341	523
Class I	367,229	178,730
	443,933	261,123
<b>Distribution to holders of redeemable units</b>		
From net investment income		
Class D	(76,363)	(81,874)
Class F	(341)	(524)
Class I	(367,227)	(178,727)
	(443,931)	(261,125)
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued		
Class D	10,152,427	6,299,287
Class F	92,126	—
Class I	388,548,104	9,717,827
Reinvestments of distributions to holders of redeemable units		
Class D	73,234	77,053
Class F	334	524
Class I	348,163	165,184
Redemption of redeemable units		
Class D	(11,405,688)	(5,727,840)
Class F	(18,001)	(2,841)
Class I	(244,052,310)	(6,830,493)
	143,738,389	3,698,701
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		
Class D	(1,180,027)	648,496
Class F	74,459	(2,318)
Class I	144,843,959	3,052,521
	143,738,391	3,698,699
<b>Net assets attributable to holders of redeemable units at end of period</b>		
Class D	22,884,677	21,529,602
Class F	188,416	133,041
Class I	185,468,642	40,083,190
	208,541,735	61,745,833

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

## Statements of Cash Flows

For the periods ended June 30 (note 1) (unaudited)

	2016	2015
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	443,933	261,123
Purchases of investments	(599,993,584)	(168,350,178)
Proceeds from sale of investments	448,564,255	164,785,580
(Increase) decrease in accrued interest	(261,777)	(48,464)
Increase (decrease) in accrued liabilities	2,577	(238)
<b>Net cash flows from (used in) operating activities</b>	(151,244,596)	(3,352,177)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(16,577)	(19,762)
Proceeds from redeemable units issued	398,042,657	15,943,557
Redemption of redeemable units	(246,769,999)	(12,561,174)
<b>Net cash flows from (used in) financing activities</b>	151,256,081	3,362,621
Net increase (decrease) in cash	11,485	10,444
Cash at beginning of period	13,113	1,664
<b>Cash at end of period</b>	24,598	12,108
<b>Supplementary information*</b>		
Interest received	220,656	243,490

\* 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 June 30, 2016 (unaudited)

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
<b>Short-Term Investments (2015 – 61.01%)</b>							<b>Canadian Bonds (2015 – 38.54%)</b>						
<b>Treasury Bills</b>							<b>Provincial Bonds</b>						
19,805,000	Government of Canada	0.483%	22-Sep-16	19,780,082	19,780,082	9.48	3,000,000	Province of British Columbia	0.610%	6-Jul-16	2,997,503	2,997,503	1.44
				19,780,082	19,780,082	9.48	3,650,000	Province of Ontario	0.672%	1-Mar-17	3,625,764	3,625,764	1.74
<b>Bankers Acceptance</b>													
11,800,000	Bank of Nova Scotia	0.792%	29-Jul-16	11,785,722	11,785,722	5.65							
500,000	Canadian Imperial Bank of Commerce	0.861%	29-Jul-16	499,036	499,036	0.24							
128,000	Firstbank	0.803%	12-Jul-16	127,703	127,703	0.06							
6,500,000	Firstbank	0.858%	12-Aug-16	6,486,773	6,486,773	3.11							
5,000,000	Firstbank	0.741%	26-Sep-16	4,990,900	4,990,900	2.39							
9,632,000	Royal Bank of Canada	0.818%	2-Aug-16	9,613,414	9,613,414	4.61							
5,191,000	Royal Bank of Canada	0.909%	21-Oct-16	5,170,944	5,170,944	2.48							
1,000,000	Toronto Dominion Bank	0.823%	25-Jul-16	996,460	996,460	0.48							
700,000	Toronto Dominion Bank	0.861%	26-Sep-16	697,832	697,832	0.33							
7,250,000	Toronto Dominion Bank	0.881%	18-Oct-16	7,220,207	7,220,207	3.46							
3,000,000	Toronto Dominion Bank	0.873%	25-Oct-16	2,988,525	2,988,525	1.43							
				50,577,516	50,577,516	24.24							
<b>Discount Commercial Paper</b>							<b>Corporate Bonds</b>						
7,850,000	Enbridge Gas Distribution Inc.	1.032%	5-Jul-16	7,842,700	7,842,700	3.76	8,000,000	Bank of Montreal	2.960%	2-Aug-16	8,014,115	8,014,115	3.84
6,270,000	Enbridge Gas Distribution Inc.	1.062%	30-Sep-16	6,249,685	6,249,685	3.00	10,000,000	Canadian Imperial Bank of Commerce	1.086%	23-Sep-16	10,000,000	10,000,000	4.80
4,500,000	Enbridge Pipelines Inc.	1.073%	8-Sep-16	4,489,605	4,489,605	2.15	9,550,000	Canadian Imperial Bank of Commerce	1.108%	3-Feb-17	9,550,000	9,550,000	4.58
14,520,000	Enbridge Pipelines Inc.	1.053%	30-Sep-16	14,468,004	14,468,004	6.94	6,000,000	Royal Bank of Canada	3.030%	26-Jul-16	6,008,534	6,008,534	2.88
10,000,000	FortisBC Energy Inc.	0.813%	30-Aug-16	9,980,500	9,980,500	4.79	5,000,000	Toronto Dominion Bank	2.948%	2-Aug-16	5,008,731	5,008,731	2.40
4,800,000	Hydro One Inc.	1.063%	15-Nov-16	4,774,752	4,774,752	2.29	17,000,000	TransCanada PipeLines Ltd.	4.650%	3-Oct-16	17,139,798	17,139,798	8.22
13,000,000	Hydro One Inc.	0.963%	17-Nov-16	12,947,870	12,947,870	6.21					55,721,178	55,721,178	26.72
1,700,000	Inter Pipeline Corridor Inc.	0.941%	24-Aug-16	1,696,294	1,696,294	0.81	<b>Total Short-Term Bonds</b>						
2,500,000	Inter Pipeline Corridor Inc.	0.921%	1-Sep-16	2,494,725	2,494,725	1.20							
15,835,000	Inter Pipeline Corridor Inc.	0.913%	15-Sep-16	15,801,114	15,801,114	7.58	<b>Transaction Costs</b>						
2,500,000	TransCanada PipeLines Limited.	1.061%	9-Aug-16	2,493,925	2,493,925	1.20							
				83,239,174	83,239,174	39.93	<b>Total Investments</b>						
				153,596,772	153,596,772	73.65							
							<b>Total Investments and Short-Term Investments</b>						
							<b>Other Assets Net of Liabilities</b>						
							<b>Net Assets Attributable to Holders of Redeemable Units</b>						

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 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 (%)	
	Jun. 30, 2016	Dec. 31, 2015
R1 (high)	30	13
R1 (mid)	56	77
R1 (low)	12	10
Not Rated	6	—
<b>Total</b>	<b>104</b>	<b>100</b>

\*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 June 30, 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)	
	Jun. 30, 2016	Dec. 31, 2015
FTSE TMX Canada 91-day Treasury Bills	1,497	431
<b>Total</b>	<b>1,497</b>	<b>431</b>

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 June 30, 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 June 30, 2016 and December 31, 2015:

Market segment	Jun. 30, 2016	Dec. 31, 2015
Short-Term Investments		
Treasury Bills	9.48%	0.35%
Bankers Acceptance	24.24%	13.08%
Discount Commercial Paper	39.93%	47.58%
Short-Term Bonds		
Provincial Bonds	3.18%	—
Corporate Bonds	26.72%	38.54%
<b>Total</b>	<b>103.55%</b>	<b>99.55%</b>

## Fund Specific Notes to the Financial Statements

As at June 30, 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 June 30, 2016 and December 31, 2015.

Jun. 30, 2016	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
<b>Assets</b>				
Bonds	—	62,344,445	—	62,344,445
Short-term investments	—	153,596,772	—	153,596,772
<b>Total Assets</b>	—	215,941,217	—	215,941,217

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

There were no transfers between level 1 and 2 during the periods ended June 30, 2016 and December 31, 2015.

### Fund Unit Transactions

For the periods ended June 30

2016	Class D	Class F	Class I
Balance, beginning of the period	2,406,463	11,396	4,062,481
Redeemable units issued for cash	1,015,243	9,213	38,854,810
Reinvested units	7,323	33	34,816
Redeemable units redeemed	(1,140,568)	(1,800)	(24,405,231)
<b>Balance, end of period</b>	<b>2,288,461</b>	<b>18,842</b>	<b>18,546,876</b>

2015	Class D	Class F	Class I
Balance, beginning of the period	2,088,104	13,535	3,703,079
Redeemable units issued for cash	629,928	—	971,783
Reinvested units	7,705	53	16,518
Redeemable units redeemed	(572,784)	(284)	(683,049)
<b>Balance, end of period</b>	<b>2,152,953</b>	<b>13,304</b>	<b>4,008,331</b>

# 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, 2015	June 23, 2015

\* 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 August 19, 2016.

The Statements of Financial Position of each of the BG Funds are as at June 30, 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 periods ended June 30, 2016 and June 30, 2015.

## 2. Basis of Presentation and Adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") International Accounting Standard ("IAS") 34, Interim Financial Reporting as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board. These financial statements are not audited by external auditors.

## 3. Summary of Significant Accounting Policies

The following summarizes the accounting policies of the BG Funds for the periods ended June 30, 2016 and June 30, 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' 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 June 30, 2016 and June 30, 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 period 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.

**c) Redeemable units valuation and valuation day**

Redeemable units of the BG Funds are valued at the net asset value per unit of the Fund 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 or unit valuation is determined by dividing the aggregate fair value of the net assets of a Fund by the total number of redeemable units of that Fund outstanding as at 4:00 p.m. Toronto time on the valuation day.

**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, which are amortized on a straight line basis. 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 period-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 period.

**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 and have not yet determined when the new standard will be adopted.

## 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, be required to be 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) 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. 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 Fund 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. Conversely, if the Canadian dollar falls in value relative to the U.S. dollar, there is a corresponding gain in the value of the security attributable solely to the change in the exchange rate.

### 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. 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.

## 5. Taxation of the BG Funds

The BG Funds, with the exceptions of Total World Equity, Short Term Bond, Global Equity, World Focus 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 June 30, 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	884,055
Income	7,149,876
International	19,377,708
Short Term Bond	3,784,463

## 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 period. 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

# Beutel Goodman ■ Notes to Financial Statements

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 periods.

## 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 (%) <sup>(1)</sup>
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

Fund Name	Class	Management Fees (%) <sup>(1)</sup>
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
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



# Beutel Goodman ■ Notes to Financial Statements

reduction daily and distributes 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. The Manager may waive its management or administrative 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; 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
	I	up to 0.10
Total World Equity Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
North American Focused Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Small Cap Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10
Canadian Dividend Fund	B	up to 0.10
	D	up to 0.10
	F	up to 0.10
	I	up to 0.10

Fund Name	Class	Administrative Fees (%)
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
	I	up to 0.10
Global Equity Fund	B	up to 0.15
	D	up to 0.15
	F	up to 0.15
	I	up to 0.10
International Equity Fund	B	up to 0.15
	D	up to 0.10
	F	up to 0.15
	I	up to 0.10
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

# Beutel Goodman ■ Notes to Financial Statements

The Manager has the following holdings in the BG Funds:

Fund Name	Redeemable Unit Type	Value of redeemable units as at	
		June 30, 2016	December 31, 2015
		\$	\$
Total World Equity	F	8,104	8,005
North American Focused Equity	B	8,322	7,857
International Equity	B	5,995	6,528
World Focus Equity	B	8,814	9,082
	F	9,383	9,619
Short Term Bond	F	5,561	5,501
Money Market	F	5,233	5,216
	I	7,090,896	—
Global Equity	B	8,031	8,420
	D	8,313	8,688
Fundamental Canadian Equity	B	4,974	4,747
	F	5,079	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 periods ended June 30, 2016 and 2015 were as follows:

	2016	2015
	\$	\$
Balanced	699,834	1,224,051
Canadian Equity	670,647	792,670
Total World Equity	1,342	1,363
North American Focused Equity	1,401	2,712
Canadian Dividend	39,819	60,634
Small Cap	289,614	259,078
American	215,922	362,066
International	83,245	173,351
Global Dividend	29,874	47,068
World Focus Equity	6,931	17,231
Global Equity	281,629	339,750
Fundamental Canadian Equity	60,345	34,531

There were no soft dollar commissions for the periods ended June 30, 2016 and 2015.







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