

# Interim Management Report of Fund Performance

June 30, 2023

**Beutel Goodman Money Market Fund**

# Beutel Goodman Money Market Fund

This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete annual or interim financial statements of the investment fund. You can get a copy of the annual or interim financial statements at your request at no cost (contact details on this page) or by visiting our website at [www.beutelgoodman.com](http://www.beutelgoodman.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Security holders may also contact us using one of these methods to request the investment fund's prospectus, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Certain portions of this report, including, but not limited to, "Results of Operations" and "Recent Developments", may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and other similar forward-looking expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and forecasts about future events and are inherently subject to, among other things, risks, uncertainties and assumptions which could cause actual events, results, performance or prospects to be incorrect or to differ materially from those expressed in, or implied by, these forward-looking statements.

These risks, uncertainties and assumptions include, but are not limited to, general economic, political and market factors, domestic and international, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. This list of important factors is not exhaustive. Please consider these and other factors carefully before making any investment decisions and avoid placing undue reliance on forward-looking statements. The Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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# Beutel Goodman Money Market Fund

## Management Discussion of Fund Performance

### Investment Objectives and Strategies

This Fund seeks to maintain a high level of liquidity by investing in high quality Canadian dollar denominated money market instruments.

The Fund seeks to achieve its objectives by investing in a variety of instruments, such as treasury bills, short-term government and corporate bonds, commercial paper, and deposit receipts of Canadian chartered banks and trust companies having a term to maturity not exceeding one year. The Fund's average term to maturity is less than 180 days.

### Risk

There were no significant changes to the investment objectives or strategies that affected the Fund's overall level of risk during the period. The risks of investing in this Fund and the suitability of the Fund for investors remain as discussed in the Prospectus.

There were no changes to the Fund's risk rating during the reporting period.

### Results of Operations

Money market yields increased by 67 basis points over the January 1 to June 30, 2023, period. The Canada three-month Treasury Bill yields started the period yielding 4.23% and finished at 4.90% as at June 30, 2023.

During the early stages of the period, the regional banking crisis in the U.S. was front of mind for many investors. Following the collapse of Silicon Valley Bank and Signature Bank in March, First Republic Bank was next to fall, and JP Morgan acquired the beleaguered lender from the Federal Deposit Insurance Corporation at the end of April. The U.S. debt ceiling caused another dilemma which caused short-term volatility in bond markets as the U.S. flirted with a technical default on its debt. Against this backdrop, the main area of focus for bond investors was the central bank tightening cycle. The Bank of Canada has hiked the overnight rate to 4.75% by the end of the six-month period. The U.S. Federal Reserve also tightened monetary policy by hiking the Federal Funds rate to 5-5.25% by the end of the period.

Over the six-month period ended June 30, 2023, Beutel Goodman Money Market Fund (the "Fund") saw its yield increase from 4.53% to 4.84%. The average term increased from 44 days at December 31, 2022 to 55 days at June 30, 2023, and is shorter than its benchmark, the FTSE Canada 91-Day T-Bill Index. Detailed performance is provided under the heading "Past Performance" in this report.

### Key Drivers of Performance

- The key contributors Fund performance over the period was a short duration in a rising yield environment along with an overweight in credit adding extra yield.

### Portfolio Activity

- US and Canadian central banks are approaching the end of their respective hiking cycles which was the most aggressive in a generation. The portfolio management team (the "team") increased the term of the portfolio in anticipation that yields may eventually fall to neutral levels as central banks near the end of their hiking cycles.

### Recent Developments

As previously disclosed in 2022, David Gregoris, Managing Director, Fixed Income officially retired at the end of June. Derek Brown is now Head of Fixed Income, overseeing the strategy and direction of Beutel Goodman's fixed income team. There has been no impact on the Fund as a result of these changes, nor does Beutel Goodman expect there to be.

During the review period, Independent Review Committee member Gary Brent retired and was replaced by John Smeeton.

Market liquidity has become a significant concern, driven by three distinct forces: (i) the U.S. Treasury replenishing its Treasury General Account following the recent debt ceiling showdown; (ii) the Fed's continued quantitative tightening; and (iii) new banking regulations requiring banks to hold more cash post the regional banking crisis. Should these three forces further drain bank reserves, it could leave less lending capacity for businesses and consumers.

At the end of 2022, many economists predicted a recession for Canada in 2023, but this has not materialized so far, with GDP and the labour market proving resilient. These are lagging indicators, however, and forward guidance by many companies suggests that the Bank of Canada's cycle of rate hikes will start to slow down the economy in the second half of 2023.

# Beutel Goodman Money Market Fund

### Related Party Transactions

Beutel, Goodman & Company Ltd. ("BG") is the Manager, Trustee and Portfolio Advisor to this Fund. The Fund pays a management fee to BG as compensation for its services. The Fund pays a fixed administration fee to BG, which in turn pays certain operating expenses of the Fund. BG as trustee of the Fund earns a fee which is paid by the Manager from the fixed administration fee paid by the Fund.

The Fund did not rely on any recommendation or approval of its Independent Review Committee to proceed with any transaction involving related parties because it did not conduct any related party transactions, except for certain inter-fund trades and the management and administrative fees as described above, as approved by the Independent Review Committee by standing instructions, and subject to regulatory requirements.

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

	Maximum Annual Management Fee Rate %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Class D	0.50	50	50
Class F	0.40	0	100

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

BG, as trustee of the Fund, earns a fee which is paid by the Manager from the administration fee paid by the Fund.

# Beutel Goodman Money Market Fund

## Financial Highlights

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

### Financial Highlights per unit

#### Class D Units

(for the period ended June 30, 2023 and years ended December 31)

\$	June 2023	2022	2021	2020	2019	2018
<b>Net assets, beginning of period</b>	10.00	10.00	10.00	10.00	10.00	10.00
<b>Increase (decrease) from operations</b>						
Total Interest Revenue	0.24	0.05	0.03	0.09	0.19	0.16
Total expenses	(0.01)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	0.23	0.02	0.01	0.07	0.17	0.14
<b>Distributions to unitholders per unit:</b>						
From net investment income (excluding dividends)	0.23	0.06	0.01	0.08	0.17	0.15
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
<b>Total period distributions <sup>(2)</sup></b>	0.23	0.06	0.01	0.08	0.17	0.15
<b>Net assets, end of period <sup>(3)</sup></b>	10.00	10.00	10.00	10.00	10.00	10.00

### Ratios and Supplemental Data

#### Class D Units

(for the period ended June 30, 2023 and years ended December 31)

	June 2023	2022	2021	2020	2019	2018
<b>Total net asset value (\$) (000's) <sup>(4)</sup></b>	2,316	2,986	29,999	59,106	33,270	19,824
<b>Number of outstanding units (000's) <sup>(4)</sup></b>	232	299	3,000	5,911	3,327	1,982
<b>Management expense ratio <sup>(5)</sup></b>	0.23%	0.22%	0.22%	0.22%	0.22%	0.22%
<b>Management expense ratio before waivers or absorptions <sup>(6)</sup></b>	0.68%	0.67%	0.67%	0.66%	0.66%	0.67%
<b>Net asset value per unit, end of period</b>	10.00	10.00	10.00	10.00	10.00	10.00

### Financial Highlights per unit

#### Class F Units

(for the period ended June 30, 2023 and years ended December 31)

\$	June 2023	2022	2021	2020	2019	2018
<b>Net assets, beginning of period</b>	10.00	10.00	10.00	10.00	10.00	10.00
<b>Increase (decrease) from operations</b>						
Total Interest Revenue	0.24	0.23	0.03	0.09	0.19	0.17
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	0.22	0.21	0.01	0.07	0.17	0.15
<b>Distributions to unitholders per unit:</b>						
From net investment income (excluding dividends)	0.22	0.18	0.01	0.08	0.17	0.15
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
<b>Total period distributions <sup>(2)</sup></b>	0.22	0.18	0.01	0.08	0.17	0.15
<b>Net assets, end of period <sup>(3)</sup></b>	10.00	10.00	10.00	10.00	10.00	10.00

### Ratios and Supplemental Data

#### Class F Units

(for the period ended June 30, 2023 and years ended December 31)

	June 2023	2022	2021	2020	2019	2018
<b>Total net asset value (\$) (000's) <sup>(4)</sup></b>	30,228	28,922	7,651	21,120	11,917	5,970
<b>Number of outstanding units (000's) <sup>(4)</sup></b>	3,023	2,892	765	2,112	1,192	597
<b>Management expense ratio <sup>(5)</sup></b>	0.22%	0.23%	0.23%	0.23%	0.23%	0.23%
<b>Management expense ratio before waivers or absorptions <sup>(6)</sup></b>	0.56%	0.57%	0.56%	0.56%	0.57%	0.57%
<b>Net asset value per unit, end of period</b>	10.00	10.00	10.00	10.00	10.00	10.00

# Beutel Goodman Money Market Fund

## Financial Highlights

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

### Financial Highlights per unit

#### Class I Units

(for the period ended June 30, 2023 and years ended December 31)

\$	June 2023	2022	2021	2020	2019	2018
<b>Net assets, beginning of period</b>	10.00	10.00	10.00	10.00	10.00	10.00
<b>Increase (decrease) from operations</b>						
Total Interest Revenue	0.24	0.22	0.03	0.11	0.19	0.16
Total expenses	—	—	—	—	—	—
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	0.24	0.22	0.03	0.11	0.19	0.16
<b>Distributions to unitholders per unit:</b>						
From net investment income (excluding dividends)	0.24	0.21	0.03	0.10	0.19	0.17
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
<b>Total period distributions <sup>(2)</sup></b>	0.24	0.21	0.03	0.10	0.19	0.17
<b>Net assets, end of period <sup>(3)</sup></b>	10.00	10.00	10.00	10.00	10.00	10.00

### Ratios and Supplemental Data

#### Class I Units

(for the period ended June 30, 2023 and years ended December 31)

	June 2023	2022	2021	2020	2019	2018
<b>Total net asset value (\$) (000's) <sup>(4)</sup></b>	122,436	136,225	128,630	182,058	332,877	214,022
<b>Number of outstanding units (000's) <sup>(4)</sup></b>	12,244	13,623	12,863	18,206	33,288	21,402
<b>Management expense ratio <sup>(5)</sup></b>	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
<b>Management expense ratio before waivers or absorptions <sup>(6)</sup></b>	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
<b>Net asset value per unit, end of period</b>	10.00	10.00	10.00	10.00	10.00	10.00

# Beutel Goodman Money Market Fund

- (1) Net asset value per unit and distributions to unitholders per unit are based on the actual number of units outstanding for the relevant class at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding for the relevant class over the fiscal period.
- (2) Distributions were paid in cash or automatically reinvested in additional units of the Fund.
- (3) This is not a reconciliation of the beginning and ending net assets per unit.
- (4) This information is provided as at period end of the period shown.
- (5) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (6) The Manager may have waived or absorbed some of the fund expenses. If this had occurred, the management fee ratio before any such waiver or absorption is listed. The Manager may terminate the waiver or absorption at any time, at its discretion. It is not known when such waivers or absorptions will be terminated.

## Past Performance

The performance returns below:

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

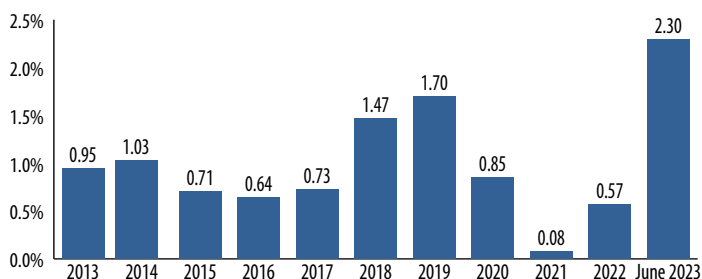
**Please remember that the past performance of the Fund is not an accurate prediction of future returns.**

# Beutel Goodman Money Market Fund

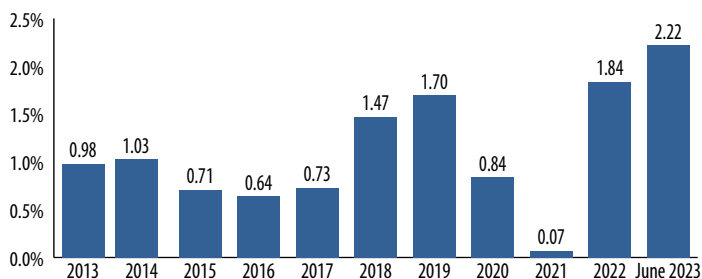
## Year-by-Year Returns

The bar chart indicates the Fund's annual performance for each of the year's shown and for the current 6 month period, illustrating how the Fund's performance has changed from year to year. The bar chart shows in percentage terms how much an investment made on the first day of each financial year or period would have grown or decreased by the last day of each financial year or period.

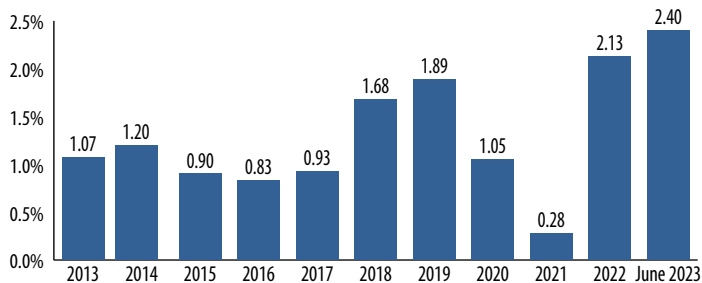
### Class D



### Class F



### Class I





# Beutel Goodman Money Market Fund

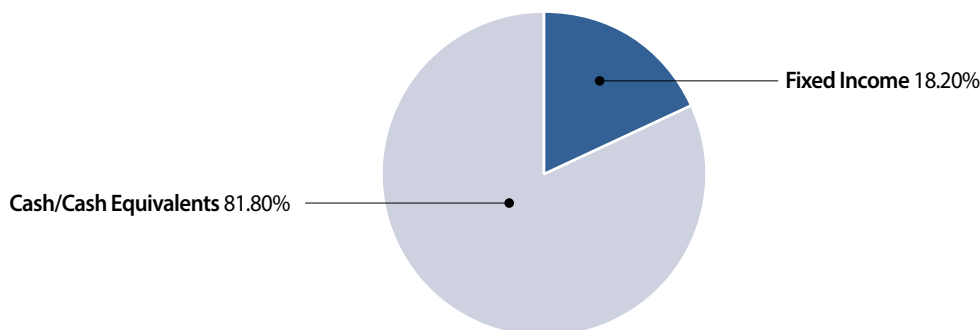
## Summary of Investment Portfolio

The following information may change due to the ongoing portfolio transactions of the Fund. More current information regarding the holdings of the Fund may be obtained on our website at [www.beutelgoodman.com](http://www.beutelgoodman.com).

### Summary of Top Holdings

Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Government of Canada	4.741	7-Dec-23	14.76	9. TransCanada PipeLines Ltd.	5.040	8-Aug-23	6.36
2. Toyota Credit Canada Inc.	5.023	8-Aug-23	9.62	10. Inter Pipeline (Corridor) Inc.	5.145	17-Jul-23	5.14
3. Royal Bank of Canada	3.296	26-Sep-23	9.51	11. Toronto Hydro Corporation	4.810	4-Jul-23	4.56
4. Honda Canada Finance Inc.	4.845	11-Jul-23	9.41	12. TransCanada PipeLines Ltd.	5.031	18-Aug-23	3.12
5. Union Gas Ltd.	3.790	10-Jul-23	8.46	13. Suncor Energy Inc.	5.201	8-Sep-23	2.46
6. Government of Canada	4.790	17-Aug-23	8.25	14. Inter Pipeline (Corridor) Inc.	5.133	10-Jul-23	2.25
7. Hydro One Inc.	4.925	18-Jul-23	7.22	15. Enbridge Pipelines Inc.	5.048	20-Jul-23	0.31
8. Suncor Energy Inc.	5.032	30-Aug-23	7.01				

### Asset Mix





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