

Interim Management Report of Fund Performance

June 30, 2023

Beutel Goodman Short Term Bond Fund

Beutel Goodman Short Term Bond Fund

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

Security holders may also 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 Short Term Bond Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

This Fund seeks to maximize portfolio 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 rating agency. The average portfolio duration of the Fund is 2 to 4 years.

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

Over the six-month period ended June 30, 2023, Beutel Goodman Short Term Bond Fund (the "Fund"), Class B returned 0.62% versus 1.00% for the Fund's benchmark, the FTSE Canada Short Term Bond Index. Unlike the benchmark, the Fund's return is net of fees and expenses paid by the Fund. Detailed performance is provided under the heading "Past Performance" in this report.

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 has also tightened monetary policy by hiking the Federal Funds rate to 5-5.25% by the end of the period.

Key Drivers of Performance

- The Fund's long duration positioning relative to the benchmark detracted from performance in a volatile bond yield environment. Currently, the Fund is a little long duration relative to the benchmark.
- Curve positioning was positive as 5-year bonds outperformed with the 2-to-5-year area of the curve flattening.
- Sector allocation contributed to performance as the Fund was overweight corporate bonds amid a tightening of spreads.
- Corporate security selection contributed to performance due to an overweight in the infrastructure sector.

Portfolio Activity

- The portfolio management team (the "team") employs macroeconomic analysis, rigorous bottom-up credit research and proprietary risk-management tools to search for opportunities where the market has mispriced risk and reward. As a by-product of the team's investment process, market performance and general management activity, the following changes occurred in the Fund's portfolio during the reporting period:
 - The Fund's weighting in corporate bonds increased over the period.
 - The Fund's weightings in federal and provincial government bonds decreased over the period.
 - The Fund's level of cash and cash equivalents increased over the period.

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.

The debt ceiling bargaining also brought an end to the Biden administration's pandemic-era student loan moratorium, with payments due to restart this September. In late June, the Supreme Court also blocked the federal government's US\$400 billion plan to forgive up to \$20,000 in federal college loans per person. Student loan debt in the U.S. amounts to US\$1.7 trillion, and is held by approximately 43.8 million borrowers, so a resumption of student loan payments could have a significant impact on the economy.

In Canada, a recent report from the Canadian Federation of Independent Business (CFIB) revealed that almost 250,000 small businesses (19% of all small businesses in the country) may not survive to 2024 unless the federal government changes its deadline to repay Canada Emergency Business Account (CEBA) loans brought in during the pandemic.

As these situations demonstrate, the COVID-19 pandemic has had far-reaching and long-lasting consequences, both for the physical health of the world's population and for our economic and political systems.

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 Short Term Bond 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 B	1.00	54	46
Class F	0.50	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 Short Term Bond 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 B Units

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

\$	June 2023	2022	2021	2020	2019	2018
Net assets, beginning of period	8.99	9.58	9.86	9.44	9.27	9.25
Increase (decrease) from operations						
Total revenue	0.13	0.22	0.22	0.25	0.27	0.25
Total expenses	(0.05)	(0.10)	(0.11)	(0.07)	(0.06)	(0.05)
Realized gains (losses) for the period	(0.28)	(0.47)	(0.01)	0.14	0.01	(0.28)
Unrealized gains (losses) for the period	0.26	(0.11)	(0.29)	0.20	0.07	0.18
Total increase (decrease) from operations ⁽¹⁾	0.06	(0.46)	(0.19)	0.52	0.29	0.10
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	0.08	0.13	0.13	0.03	0.05	0.04
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
Total period distributions ⁽²⁾	0.08	0.13	0.13	0.03	0.05	0.04
Net assets, end of period ⁽³⁾	8.97	8.99	9.58	9.86	9.44	9.27

Ratios and Supplemental Data

Class B Units

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

	June 2023	2022	2021	2020	2019	2018
Total net asset value (\$) (000's) ⁽⁴⁾	157	158	142	63	180	270
Number of outstanding units (000's) ⁽⁴⁾	18	18	15	6	19	29
Management expense ratio ⁽⁵⁾	1.14%	1.15%	1.18%	1.23%	1.24%	1.24%
Management expense ratio before waivers or absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	74%	116%	147%	152%	120%	194%
Trading expense ratio (%) ⁽⁸⁾	—	—	—	—	—	—
Net asset value per unit, end of period	8.97	8.99	9.58	9.86	9.44	9.27

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
Net assets, beginning of period	8.77	9.34	9.59	9.28	9.20	9.28
Increase (decrease) from operations						
Total revenue	0.12	0.21	0.21	0.25	0.26	0.25
Total expenses	(0.02)	(0.05)	(0.06)	(0.06)	(0.06)	(0.06)
Realized gains (losses) for the period	(0.27)	(0.45)	—	0.15	0.01	(0.27)
Unrealized gains (losses) for the period	0.25	(0.06)	(0.24)	0.15	0.06	0.19
Total increase (decrease) from operations ⁽¹⁾	0.08	(0.35)	(0.09)	0.49	0.27	0.11
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	0.09	0.17	0.16	0.18	0.20	0.18
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
Total period distributions ⁽²⁾	0.09	0.17	0.16	0.18	0.20	0.18
Net assets, end of period ⁽³⁾	8.75	8.77	9.34	9.59	9.28	9.20

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
Total net asset value (\$) (000's) ⁽⁴⁾	3,984	4,030	3,493	2,589	2,713	2,488
Number of outstanding units (000's) ⁽⁴⁾	455	460	374	270	292	270
Management expense ratio ⁽⁵⁾	0.55%	0.56%	0.60%	0.64%	0.65%	0.66%
Management expense ratio before waivers or absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	74%	116%	147%	152%	120%	194%
Trading expense ratio (%) ⁽⁸⁾	—	—	—	—	—	—
Net asset value per unit, end of period	8.75	8.77	9.34	9.59	9.28	9.20

Beutel Goodman Short Term Bond 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
Net assets, beginning of period	8.82	9.40	9.65	9.33	9.26	9.34
Increase (decrease) from operations						
Total revenue	0.12	0.21	0.22	0.25	0.26	0.24
Total expenses	—	—	—	—	—	—
Realized gains (losses) for the period	(0.29)	(0.48)	—	0.15	0.01	(0.35)
Unrealized gains (losses) for the period	0.30	(0.18)	(0.26)	0.13	0.05	0.22
Total increase (decrease) from operations ⁽¹⁾	0.13	(0.45)	(0.04)	0.53	0.32	0.11
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	0.12	0.22	0.21	0.24	0.26	0.24
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
From return of capital	—	—	—	—	—	—
Total period distributions ⁽²⁾	0.12	0.22	0.21	0.24	0.26	0.24
Net assets, end of period ⁽³⁾	8.80	8.82	9.40	9.65	9.33	9.26

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
Total net asset value (\$) (000's) ⁽⁴⁾	31,930	53,498	94,342	101,464	86,232	63,600
Number of outstanding units (000's) ⁽⁴⁾	3,629	6,068	10,039	10,520	9,239	6,870
Management expense ratio ⁽⁵⁾	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
Portfolio turnover rate ⁽⁷⁾	74%	116%	147%	152%	120%	194%
Trading expense ratio (%) ⁽⁸⁾	—	—	—	—	—	—
Net asset value per unit, end of period	8.80	8.82	9.40	9.65	9.33	9.26

Beutel Goodman Short Term Bond 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.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate equals the lesser of the costs of purchases and proceeds of sales of portfolio securities for the period divided by the average value of the portfolio securities of the Fund calculated on a monthly basis, excluding short-term securities.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs disclosed in the Statements of Comprehensive Income expressed as an annualized percentage of daily average net asset value of the Fund during the period.

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.**

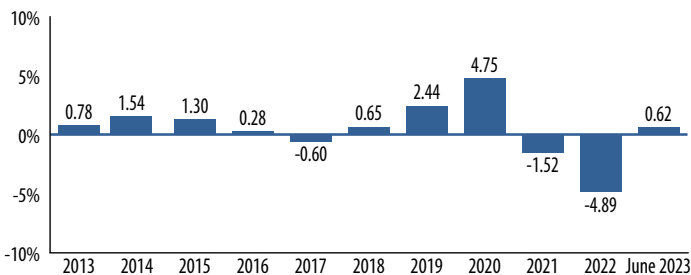
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman Short Term Bond Fund

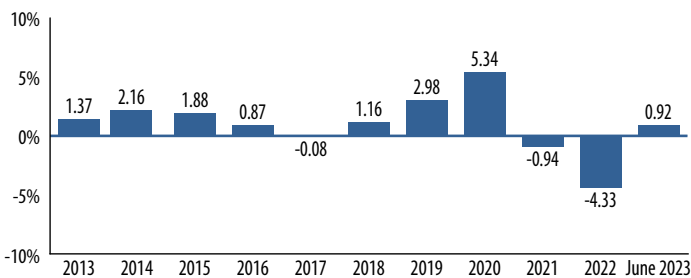
Year-by-Year Returns

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.

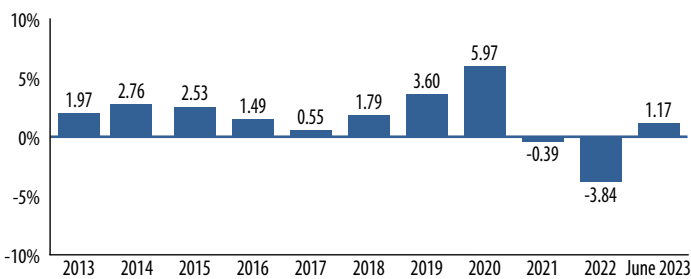
Class B



Class F



Class I



Beutel Goodman Short Term Bond Fund

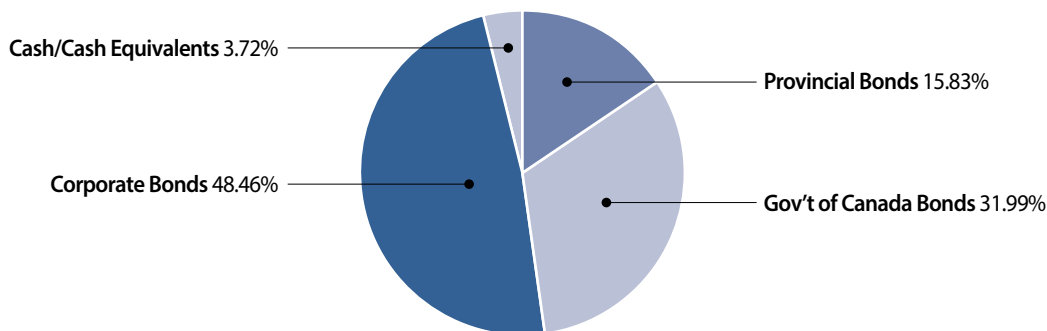
Summary of Investment Portfolio

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.

Summary of Top 25 Holdings

Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Canadian Government Bond	3.500	17-Aug-23	9.76	14. TransCanada PipeLines Ltd.	5.419	10-Mar-26	2.34
2. Canadian Government Bond	2.750	1-Sep-27	7.19	15. Manulife Bank of Canada	5.409	10-Mar-33	2.34
3. Canadian Government Bond	1.500	1-Apr-25	5.53	16. Bank of Nova Scotia	1.950	10-Jan-25	2.18
4. CDP Financial Inc.	3.700	8-Mar-28	5.37	17. Bank of Nova Scotia	5.500	29-Dec-25	2.09
5. Province of Ontario	3.600	8-Mar-28	4.26	18. Royal Bank of Canada	3.369	29-Sep-25	2.08
6. PSP Capital Inc.	0.900	15-Jun-26	3.98	19. Chip Mortgage Trust	1.503	15-Nov-24	2.08
7. Government of Canada	4.790	1-Mar-28	3.71	20. HSBC Bank Canada	4.810	16-Dec-24	1.99
8. Province of Ontario	1.850	1-Feb-27	3.59	21. Chip Mortgage Trust	1.738	15-Dec-25	1.78
9. Royal Bank of Canada	4.642	17-Jan-28	3.51	22. Province of Alberta	2.350	1-Jun-25	1.69
10. Canadian Government Bond	1.000	1-Sep-26	3.51	23. Honda Canada Finance Inc.	4.873	23-Sep-27	1.68
11. Equitable Bank	1.983	9-May-24	3.28	24. Manulife Bank of Canada	1.337	26-Feb-26	1.59
12. Vancouver Airport Fuel Facilities Corp.	2.168	23-Jun-25	3.07	25. The Toronto-Dominion Bank	2.260	7-Jan-27	1.43
13. John Deere Financial Inc.	4.950	14-Jun-27	2.37				

Asset Mix





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