

# Annual Report

December 31, 2019

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 Core Plus Bond Fund  
*(Formerly the Beutel Goodman Corporate Provincial Active Bond Fund)*  
Beutel Goodman Short Term Bond Fund  
Beutel Goodman Money Market Fund

# A look inside Managed Funds

## Annual Report

December 31, 2019

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# Management's Responsibility for Financial Reporting

## **Beutel, Goodman & Company Ltd.**

The accompanying financial statements have been prepared by Beutel, Goodman & Company Ltd., as Manager of the Beutel Goodman Managed Funds (the "BG Funds") and approved by the Board of Directors of Beutel, Goodman & Company Ltd. We are responsible for the information contained within the financial statements and other sections of this Annual Report.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (and they include certain amounts that are based on estimates and judgments). The significant accounting policies, which we believe are appropriate for the BG Funds, are described in Note 3 to the financial statements.

The Board of Directors of Beutel, Goodman & Company Ltd. is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

PricewaterhouseCoopers LLP are the external auditors of the BG Funds. The auditors have been appointed by the Trustee. PricewaterhouseCoopers have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements. Their report is set out on the following page.

**Michael J. Gibson (signed)**

Managing Director, Operations  
Beutel, Goodman & Company Ltd.

March 25, 2020

**Mark D. Thomson (signed)**

Managing Director, Equities  
Beutel, Goodman & Company Ltd.

# Independent Auditor's Report

To the Unitholders and Trustee of

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  
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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 Core Plus Bond Fund  
*(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)*  
Beutel Goodman Short Term Bond Fund  
Beutel Goodman Money Market Fund

(individually, a Fund)

## Our opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at December 31, 2019 and 2018 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

### What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at December 31, 2019 and 2018;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Other information

Management is responsible for the other information of each Fund. The other information comprises the Annual Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 25, 2020

# Beutel Goodman Balanced Fund

## Statements of Financial Position

As at December 31

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Cash and cash equivalents  | 93,393,953           | 53,583,907           |
| Financial assets at fair value through profit or loss*                                   | 4,005,583,318        | 3,804,591,852        |
| Accrued interest   | 6,744,161            | 6,443,841            |
| Dividends receivable   | 4,114,050            | 5,032,538            |
| Due from brokers   | 105,863              | 3,232,961            |
| Subscriptions receivable   | 1,036,178            | 919,529              |
| <b>Total assets</b>  | <b>4,110,977,523</b> | <b>3,873,804,628</b> |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Management and administrative fees payable   | 614,807              | 571,152              |
| Due to brokers   | —                    | 999,118              |
| Redemptions payable  | 4,581,874            | 2,538,207            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>5,196,681</b>     | <b>4,108,477</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>4,105,780,842</b> | <b>3,869,696,151</b> |
| *Investments at average cost   | 3,495,394,151        | 3,559,073,690        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                      |                      |
| Class B  | 76,672,459           | 72,225,746           |
| Class D  | 197,613,858          | 201,744,663          |
| Class F  | 58,001,757           | 49,063,797           |
| Class I  | 3,773,492,768        | 3,546,661,945        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                      |                      |
| Class B  | 12.35                | 11.37                |
| Class D  | 20.70                | 19.04                |
| Class F  | 12.53                | 11.54                |
| Class I  | 21.51                | 19.80                |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                      |                      |
| Class B  | 6,208,716            | 6,353,975            |
| Class D  | 9,548,456            | 10,596,183           |
| Class F  | 4,627,244            | 4,252,276            |
| Class I  | 175,408,861          | 179,134,522          |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019               | 2018                 |
|---|--------------------|----------------------|
|   | \$                 | \$                   |
| <b>Income</b>   |                    |                      |
| Net gains (losses) on investments   |                    |                      |
| Dividends   | 84,810,495         | 84,105,198           |
| Interest for distribution purposes  | 36,755,581         | 37,953,574           |
| Realized gain (loss) on sale of investments   | 172,798,499        | 222,040,329          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 264,671,005        | (433,698,218)        |
| <b>Net gains (losses) on investments</b>  | <b>558,035,580</b> | <b>(89,599,117)</b>  |
| Other income  |                    |                      |
| Realized gain (loss) on foreign currency transactions   | (979,949)          | (1,500,227)          |
| <b>Total income</b>   | <b>558,055,631</b> | <b>(91,099,344)</b>  |
| <b>Expenses</b>   |                    |                      |
| Management fees   | 4,189,614          | 4,012,152            |
| Administrative fees   | 4,536,449          | 4,629,054            |
| Transaction costs (note 9)  | 1,648,368          | 2,339,944            |
| Withholding taxes   | 6,417,634          | 5,092,064            |
| <b>Total expenses before waiver</b>   | <b>16,792,065</b>  | <b>16,073,214</b>    |
| Expenses waived by the manager  | (1,668,791)        | (1,714,890)          |
| <b>Total Expenses</b>   | <b>15,123,274</b>  | <b>14,358,324</b>    |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>542,932,357</b> | <b>(105,457,668)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                    |                      |
| Class B   | 8,665,655          | (3,231,372)          |
| Class D   | 25,160,758         | (7,544,370)          |
| Class F   | 6,758,193          | (1,921,806)          |
| Class I   | 502,347,751        | (92,760,120)         |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                    |                      |
| Class B   | 1.38               | (0.58)               |
| Class D   | 2.53               | (0.74)               |
| Class F   | 1.50               | (0.52)               |
| Class I   | 2.84               | (0.53)               |

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

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 years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |               |               |
| Class B  | 72,225,746    | 60,574,832    |
| Class D  | 201,744,663   | 203,150,672   |
| Class F  | 49,063,797    | 37,294,274    |
| Class I  | 3,546,661,945 | 3,890,751,898 |
|  | 3,869,696,151 | 4,191,771,676 |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |               |               |
| Class B  | 8,665,655     | (3,231,372)   |
| Class D  | 25,160,758    | (7,544,370)   |
| Class F  | 6,758,193     | (1,921,806)   |
| Class I  | 502,347,751   | (92,760,120)  |
|  | 542,932,357   | (105,457,668) |
| <b>Distribution to holders of redeemable units</b>                                       |               |               |
| From net investment income   |               |               |
| Class B  | (621,898)     | (591,691)     |
| Class D  | (3,251,331)   | (3,324,205)   |
| Class F  | (1,016,549)   | (893,119)     |
| Class I  | (104,068,800) | (103,974,677) |
| From net realized gains on investments   |               |               |
| Class B  | (1,837,866)   | (3,560,768)   |
| Class D  | (4,767,139)   | (9,995,238)   |
| Class F  | (1,387,342)   | (2,664,457)   |
| Class I  | (91,205,161)  | (175,309,201) |
|  | (208,156,086) | (300,313,356) |
| <b>Redeemable unit transactions</b>  |               |               |
| Proceeds from redeemable units issued  |               |               |
| Class B  | 14,995,351    | 31,471,505    |
| Class D  | 9,151,891     | 40,700,502    |
| Class F  | 18,401,649    | 31,556,353    |
| Class I  | 187,421,008   | 253,648,744   |
| Reinvestments of distributions to holders of redeemable units                            |               |               |
| Class B  | 2,349,854     | 3,997,314     |
| Class D  | 7,818,511     | 12,999,176    |
| Class F  | 1,818,297     | 2,570,789     |
| Class I  | 195,273,901   | 279,255,419   |
| Redemption of redeemable units   |               |               |
| Class B  | (19,104,383)  | (16,434,074)  |
| Class D  | (38,243,495)  | (34,241,874)  |
| Class F  | (15,636,288)  | (16,878,237)  |
| Class I  | (462,937,876) | (504,950,118) |
|  | (98,691,580)  | 83,695,499    |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |               |               |
| Class B  | 4,446,713     | 11,650,914    |
| Class D  | (4,130,805)   | (1,406,009)   |
| Class F  | 8,937,960     | 11,769,523    |
| Class I  | 226,830,823   | (344,089,953) |
|  | 236,084,691   | (322,075,525) |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |               |               |
| Class B  | 76,672,459    | 72,225,746    |
| Class D  | 197,613,858   | 201,744,663   |
| Class F  | 58,001,757    | 49,063,797    |
| Class I  | 3,773,492,768 | 3,546,661,945 |
|  | 4,105,780,842 | 3,869,696,151 |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | \$              | \$              |
| <b>Cash flows from operating activities</b>  |                 |                 |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 542,932,357     | (105,457,668)   |
| Adjustments for:   |                 |                 |
| Net realized (gain) loss on sale of investments                                    | (172,798,499)   | (222,040,329)   |
| Change in unrealized (appreciation) depreciation in the value of investments       | (264,671,005)   | 433,698,218     |
| Purchases of investments   | (2,682,921,002) | (4,136,427,144) |
| Proceeds from sale of investments  | 2,921,527,020   | 4,211,125,484   |
| (Increase) decrease in accrued interest  | (300,320)       | (221,961)       |
| (Increase) decrease in dividends receivable  | 918,488         | (349,825)       |
| Increase (decrease) in accrued liabilities   | 43,655          | 36,101          |
| <b>Net cash flows from (used in) operating activities</b>                          | 344,730,694     | 180,362,876     |
| <b>Cash flows from financing activities</b>  |                 |                 |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (895,523)       | (1,491,183)     |
| Proceeds from redeemable units issued  | 229,853,250     | 359,141,957     |
| Redemption of redeemable units   | (533,878,375)   | (571,383,599)   |
| <b>Net cash flows from (used in) financing activities</b>                          | (304,920,648)   | (213,732,825)   |
| Net increase (decrease) in cash and cash equivalents                               | 39,810,046      | (33,369,949)    |
| Cash and cash equivalents at beginning of year                                     | 53,583,907      | 86,953,856      |
| <b>Cash and cash equivalents at end of year*</b>                                   | 93,393,953      | 53,583,907      |
| <b>Supplementary information</b>   |                 |                 |
| Cash flow from operating activities  |                 |                 |
| Interest received  | 36,455,261      | 37,731,613      |
| Dividends received, net of withholding taxes                                       | 79,311,349      | 78,663,309      |
| *Cash and cash equivalents include:  |                 |                 |
| Cash at banks  | 177,232         | 1,101,717       |
| Short-term investments   | 93,216,721      | 52,482,190      |
| Total  | 93,393,953      | 53,583,907      |

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

# Beutel Goodman Balanced Fund

## Schedule of Investment Portfolio as at December 31, 2019

| 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>Cash Equivalents (2018 - 1.36%)</b> |                                      |                 |               |                 |               |                 | <b>Corporate Bonds</b>  |  |                 |               |                 |               |                 |
| <b>Treasury Bills</b>                  |                                      |                 |               |                 |               |                 | 548,358 Alliance Pipeline LP 6.765 31-Dec-25 596,301 627,929 0.02                       |  |                 |               |                 |               |                 |
| 2,225,000                              | Government of Canada                 | 1.660           | 2-Apr-20      | 2,215,655       | 2,215,655     | 0.05            | 8,243,000   | AltaGas Ltd.   | 2.609           | 16-Dec-22     | 8,243,000       | 8,266,274     | 0.20            |
| 47,975,000                             | Government of Canada                 | 1.653           | 19-Mar-20     | 47,780,008      | 47,780,008    | 1.17            | 7,155,000   | AltaGas Ltd.   | 3.720           | 28-Sep-21     | 7,368,794       | 7,324,931     | 0.18            |
| 2,175,000                              | Government of Canada                 | 1.653           | 5-Mar-20      | 2,166,321       | 2,166,321     | 0.05            | 2,359,000   | AltaLink LP  | 3.717           | 3-Dec-46      | 2,354,697       | 2,684,987     | 0.07            |
| 22,350,000                             | Government of Canada                 | 1.648           | 20-Feb-20     | 22,259,885      | 22,259,885    | 0.55            | 10,865,000  | AltaLink LP  | 2.978           | 28-Nov-22     | 10,977,726      | 11,133,923    | 0.27            |
| 50,000                                 | Government of Canada                 | 1.669           | 6-Feb-20      | 49,801          | 49,801        | 0.00            | 3,379,000   | Bank of Montreal   | 2.880           | 17-Sep-29     | 3,378,696       | 3,382,597     | 0.08            |
| 18,325,000                             | Government of Canada                 | 1.688           | 23-Jan-20     | 18,247,091      | 18,247,091    | 0.44            | 27,890,000  | Bank of Montreal   | 2.850           | 6-Mar-24      | 27,997,783      | 28,314,639    | 0.68            |
| 500,000                                | Government of Canada                 | 1.641           | 9-Jan-20      | 497,960         | 497,960       | 0.01            | 10,034,000  | Bank of Montreal   | 2.270           | 11-Jul-22     | 9,979,455       | 10,064,489    | 0.25            |
|  |                                      |                 |               | 93,216,721      | 93,216,721    | 2.27            | 20,122,000  | Bank of Montreal   | 1.610           | 28-Oct-21     | 19,691,178      | 19,953,186    | 0.49            |
| <b>Canadian Bonds (2018 - 30.31%)</b>  |                                      |                 |               |                 |               |                 | 2,199,000 Bank of Nova Scotia 2.836 3-Jul-29 2,199,654 2,197,375 0.05                   |  |                 |               |                 |               |                 |
| <b>Federal Bonds</b>                   |                                      |                 |               |                 |               |                 | 9,276,000 Bank of Nova Scotia 2.490 23-Sep-24 9,275,536 9,259,813 0.23                  |  |                 |               |                 |               |                 |
| 8,947,000                              | Canadian Government Bond             | 2.000           | 1-Dec-51      | 8,650,447       | 9,495,108     | 0.23            | 24,460,000  | Bank of Nova Scotia                                      | 2.380           | 1-May-23      | 24,456,331      | 24,478,511    | 0.60            |
| 67,944,000                             | Canadian Government Bond             | 2.750           | 1-Dec-48      | 85,991,906      | 83,101,821    | 2.02            | 1,629,000   | Bell Canada Inc.   | 3.600           | 29-Sep-27     | 1,629,477       | 1,697,917     | 0.04            |
| 48,341,000                             | Canadian Government Bond             | 2.250           | 1-Jun-29      | 51,814,077      | 50,654,854    | 1.23            | 14,780,000  | Bell Canada Inc.   | 3.000           | 3-Oct-22      | 14,908,318      | 15,043,384    | 0.37            |
| 28,562,000                             | Canadian Government Bond             | 1.500           | 1-Jun-26      | 28,500,045      | 28,236,338    | 0.69            | 8,546,000   | Brookfield Infrastructure Finance ULC                    | 3.315           | 22-Feb-24     | 8,635,368       | 8,712,233     | 0.21            |
| 1,406,000                              | Canadian Government Bond             | 2.500           | 1-Jun-24      | 1,490,922       | 1,454,689     | 0.04            | 2,972,000   | Canadian Imperial Bank of Commerce                       | 2.950           | 19-Jun-29     | 2,974,496       | 2,984,604     | 0.07            |
| 1,505,000                              | Canadian Government Bond             | 2.250           | 1-Mar-24      | 1,575,886       | 1,538,941     | 0.04            | 15,627,000  | Canadian Imperial Bank of Commerce                       | 3.450           | 4-Apr-28      | 16,050,113      | 16,029,516    | 0.39            |
| 9,537,000                              | Canadian Government Real Return Bond | 6.987           | 1-Dec-21      | 17,304,207      | 16,855,186    | 0.41            | 20,028,000  | Canadian Imperial Bank of Commerce                       | 3.290           | 15-Jan-24     | 20,093,926      | 20,659,433    | 0.50            |
|  |                                      |                 |               | 195,327,490     | 191,336,937   | 4.66            | 11,562,000  | Canadian Imperial Bank of Commerce                       | 2.970           | 11-Jul-23     | 11,921,694      | 11,853,186    | 0.29            |
| <b>Provincial Bonds</b>                |                                      |                 |               |                 |               |                 | 13,795,000 Canadian Imperial Bank of Commerce 2.430 9-Jun-23 13,791,275 13,817,223 0.34 |  |                 |               |                 |               |                 |
| 5,444,000                              | Province of Alberta                  | 3.050           | 1-Dec-48      | 5,404,465       | 5,915,460     | 0.14            | 36,143,000  | Canadian Imperial Bank of Commerce                       | 2.040           | 21-Mar-22     | 35,696,259      | 36,081,864    | 0.87            |
| 1,080,000                              | Province of Alberta                  | 3.900           | 1-Dec-33      | 1,206,112       | 1,248,771     | 0.03            | 5,923,000   | Canadian Natural Resources Ltd.                          | 3.420           | 1-Dec-26      | 5,947,262       | 6,058,602     | 0.15            |
| 28,372,000                             | Province of Alberta                  | 2.900           | 1-Dec-28      | 28,558,207      | 29,594,924    | 0.72            | 3,476,000   | CJ Inc.  | 4.947           | 18-Nov-50     | 4,271,745       | 4,771,496     | 0.12            |
| 1,846,000                              | Province of Alberta                  | 2.350           | 1-Jun-25      | 1,845,477       | 1,866,356     | 0.05            | 3,786,000   | Enbridge Gas Distribution Inc.                           | 4.950           | 22-Nov-50     | 4,347,957       | 5,209,730     | 0.13            |
| 4,229,000                              | Province of British Columbia         | 2.950           | 18-Jun-50     | 4,407,974       | 4,724,027     | 0.12            | 3,597,000   | Enbridge Gas Distribution Inc.                           | 7.600           | 29-Oct-26     | 4,876,874       | 4,703,247     | 0.11            |
| 2,016,000                              | Province of British Columbia         | 2.800           | 18-Jun-48     | 1,935,775       | 2,169,839     | 0.05            | 1,124,000   | Enbridge Gas Distribution Inc.                           | 9.850           | 2-Dec-24      | 1,720,261       | 1,496,310     | 0.04            |
| 20,334,000                             | Province of British Columbia         | 2.950           | 18-Dec-28     | 20,849,789      | 21,491,398    | 0.52            | 2,085,000   | Enbridge Pipelines Inc.                                  | 8.200           | 15-Feb-24     | 2,762,995       | 2,521,743     | 0.06            |
| 2,129,000                              | Province of Manitoba                 | 4.400           | 5-Sep-25      | 2,459,444       | 2,382,602     | 0.06            | 6,156,000   | Enbridge Pipelines Inc.                                  | 6.350           | 17-Nov-23     | 7,218,403       | 7,012,906     | 0.17            |
| 20,732,000                             | Province of Ontario                  | 2.600           | 2-Jun-27      | 21,628,850      | 21,240,402    | 0.52            | 2,652,000   | EPCOR Utilities Inc.                                     | 3.554           | 27-Nov-47     | 2,645,475       | 2,893,594     | 0.07            |
| 28,245,000                             | Province of Ontario                  | 2.650           | 2-Dec-50      | 29,966,712      | 29,217,103    | 0.71            | 1,518,000   | FortisAlberta Inc.                                       | 4.800           | 27-Oct-50     | 1,776,045       | 2,029,722     | 0.05            |
| 15,291,000                             | Province of Ontario                  | 2.900           | 2-Jun-49      | 14,973,487      | 16,559,155    | 0.40            | 3,489,000   | FortisAlberta Inc.                                       | 3.734           | 18-Sep-48     | 3,604,108       | 3,919,861     | 0.10            |
| 6,168,000                              | Province of Ontario                  | 2.800           | 2-Jun-48      | 6,287,401       | 6,534,725     | 0.16            | 2,754,000   | FortisBC Energy Inc.                                     | 3.690           | 30-Oct-47     | 2,759,440       | 3,123,275     | 0.08            |
| 7,029,000                              | Province of Ontario                  | 3.500           | 2-Jun-43      | 7,444,855       | 8,225,902     | 0.20            | 1,472,000   | FortisBC Energy Inc.                                     | 6.000           | 2-Oct-37      | 1,955,989       | 2,085,593     | 0.05            |
| 3,860,000                              | Province of Ontario                  | 4.700           | 2-Jun-37      | 4,880,592       | 5,043,774     | 0.12            | 1,788,000   | FortisBC Energy Inc.                                     | 5.900           | 26-Feb-35     | 2,217,063       | 2,433,369     | 0.06            |
| 44,801,000                             | Province of Ontario                  | 2.700           | 2-Jun-29      | 46,177,017      | 46,316,137    | 1.13            | 1,161,000   | FortisBC Inc.  | 5.000           | 24-Nov-50     | 1,380,217       | 1,590,083     | 0.04            |
| 1,639,000                              | Province of Ontario                  | 2.900           | 2-Jun-28      | 1,670,535       | 1,715,902     | 0.04            | 7,774,000   | Loblaws Cos Ltd.   | 3.918           | 10-Jun-24     | 8,049,561       | 8,184,502     | 0.20            |
| 94,492,000                             | Province of Ontario                  | 2.400           | 2-Jun-26      | 95,138,505      | 95,833,413    | 2.33            | 5,088,000   | Lower Mattagami Energy LP                                | 4.331           | 18-May-21     | 5,285,291       | 5,243,458     | 0.13            |
| 36,349,000                             | Province of Ontario                  | 2.600           | 2-Jun-25      | 36,335,018      | 37,295,451    | 0.91            | 1,706,000   | North West Redwater Partnership / NWR Financing Co. Ltd. | 2.800           | 1-Jun-27      | 1,702,103       | 1,705,778     | 0.04            |
| 26,798,000                             | Province of Quebec                   | 3.100           | 1-Dec-51      | 29,647,808      | 30,618,847    | 0.75            | 1,809,000   | NOVA Gas Transmission Ltd.                               | 6.590           | 1-Dec-27      | 2,181,240       | 2,212,745     | 0.05            |
| 13,720,000                             | Province of Quebec                   | 3.500           | 1-Dec-48      | 14,972,485      | 16,609,145    | 0.40            | 1,601,000   | Nova Scotia Power Inc.                                   | 6.950           | 25-Aug-33     | 2,281,766       | 2,289,338     | 0.06            |
| 12,375,000                             | Province of Quebec                   | 5.000           | 1-Dec-41      | 16,528,328      | 17,555,783    | 0.43            | 11,235,000  | Pembina Pipeline Corp.                                   | 2.990           | 22-Jan-24     | 11,126,505      | 11,388,222    | 0.28            |
| 46,139,000                             | Province of Quebec                   | 2.300           | 1-Sep-29      | 46,667,891      | 46,280,871    | 1.13            | 3,923,000   | Rogers Communications Inc.                               | 3.250           | 1-May-29      | 3,915,086       | 3,984,848     | 0.10            |
| 3,389,000                              | Province of Quebec                   | 2.750           | 1-Sep-28      | 3,368,019       | 3,521,236     | 0.09            | 16,631,000  | Royal Bank of Canada                                     | 2.880           | 23-Dec-29     | 16,629,503      | 16,640,846    | 0.41            |
| 894,000                                | Province of Saskatchewan             | 5.800           | 5-Sep-33      | 1,236,893       | 1,230,276     | 0.03            | 12,868,000  | Royal Bank of Canada                                     | 2.740           | 25-Jul-29     | 12,858,173      | 12,826,773    | 0.31            |
|  |                                      |                 |               | 443,591,639     | 453,191,499   | 11.04           | 22,618,000  | Royal Bank of Canada                                     | 3.310           | 20-Jan-26     | 22,891,019      | 22,864,165    | 0.56            |
| <b>Municipal Bonds</b>                 |                                      |                 |               |                 |               |                 |   |  |                 |               |                 |               |                 |
| 7,412,000                              | City of Montreal                     | 3.000           | 1-Sep-27      | 7,381,314       | 7,706,024     | 0.19            |   |  |                 |               |                 |               |                 |
| 9,851,000                              | City of Toronto                      | 3.900           | 29-Sep-23     | 10,466,813      | 10,495,211    | 0.26            |   |  |                 |               |                 |               |                 |
|  |                                      |                 |               | 17,848,127      | 18,201,235    | 0.45            |   |  |                 |               |                 |               |                 |





# Beutel Goodman Balanced Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares  |                              | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |
|---|------------------------------|-----------------------|---------------------|-----------------------|
| <b>Switzerland</b>  |                              |                       |                     |                       |
| 447,454   | Julius Baer Group Ltd.       | 28,469,851            | 29,918,150          | 0.73                  |
| 82,220  | Roche Holding AG             | 26,306,483            | 34,572,588          | 0.84                  |
|   |                              | 54,776,334            | 64,490,738          | 1.57                  |
| <b>United Kingdom</b>   |                              |                       |                     |                       |
| 673,560   | GlaxoSmithKline PLC          | 15,936,768            | 20,584,471          | 0.50                  |
| 1,503,580   | IMI PLC                      | 30,273,411            | 30,452,842          | 0.74                  |
| 1,062,850   | Smith & Nephew PLC           | 24,553,365            | 33,458,267          | 0.81                  |
| 1,048,210   | Smiths Group PLC             | 27,268,883            | 30,377,418          | 0.74                  |
| 9,784,380   | Vodafone Group PLC           | 32,780,681            | 24,667,691          | 0.60                  |
|   |                              | 130,813,108           | 139,540,689         | 3.39                  |
| <b>United States</b>  |                              |                       |                     |                       |
| 149,710   | American Express Co.         | 16,632,661            | 24,168,004          | 0.59                  |
| 178,360   | Ameriprise Financial Inc.    | 29,508,836            | 38,527,943          | 0.94                  |
| 303,320   | AmerisourceBergen Corp.      | 32,159,871            | 33,440,877          | 0.81                  |
| 129,880   | Amgen Inc.                   | 30,285,139            | 40,601,395          | 0.99                  |
| 10,325  | AutoZone Inc.                | 8,291,099             | 15,950,355          | 0.39                  |
| 35,850  | BlackRock Inc.               | 19,235,808            | 23,369,722          | 0.57                  |
| 341,870   | Campbell Soup Co.            | 19,817,357            | 21,908,833          | 0.53                  |
| 545,640   | Comcast Corp.                | 23,244,603            | 31,818,858          | 0.77                  |
| 134,310   | Cummins Inc.                 | 25,876,605            | 31,168,782          | 0.76                  |
| 262,950   | Flowserve Corp.              | 14,781,668            | 16,970,566          | 0.41                  |
| 639,430   | Gardner Denver Holdings Inc. | 28,585,498            | 30,414,301          | 0.74                  |
| 601,580   | Harley-Davidson Inc.         | 35,440,071            | 29,011,827          | 0.71                  |
| 62,620  | JPMorgan Chase & Co.         | 5,301,062             | 11,319,607          | 0.28                  |
| 414,120   | Kellogg Co.                  | 34,437,659            | 37,139,555          | 0.90                  |
| 172,410   | Kimberly-Clark Corp.         | 25,569,746            | 30,752,367          | 0.75                  |
| 73,590  | KLA-Tencor Corp.             | 9,652,672             | 17,002,348          | 0.41                  |
| 53,800  | Merck & Co Inc.              | 3,254,513             | 6,345,129           | 0.15                  |
| 1,248,910   | NortonLifeLock Inc.          | 36,540,469            | 41,330,182          | 1.01                  |
| 358,710   | Omnicom Group Inc.           | 37,699,542            | 37,686,971          | 0.92                  |
| 404,690   | Oracle Corp.                 | 21,353,168            | 27,802,889          | 0.68                  |
| 147,980   | Parker Hannifin Corp.        | 25,132,796            | 39,495,362          | 0.96                  |
| 528,270   | Verizon Communications Inc.  | 31,830,790            | 42,061,022          | 1.03                  |
| 135,250   | Wells Fargo & Co.            | 6,612,806             | 9,435,719           | 0.23                  |
|   |                              | 521,244,439           | 637,722,614         | 15.53                 |
| <b>Total Common Stocks</b>                                    |                              | 2,219,173,172         | 2,715,348,276       | 66.11                 |
| <b>Transaction Costs</b>                                      |                              | (2,924,589)           |                     |                       |
| <b>Total Investments</b>                                      |                              | 3,495,394,151         | 4,005,583,318       | 97.56                 |
| <b>Total Investments and Cash Equivalents</b>                 |                              | 3,588,610,872         | 4,098,800,039       | 99.83                 |
| <b>Other Assets Net of Liabilities</b>                        |                              |                       | 6,980,803           | 0.17                  |
| <b>Net Assets Attributable to Holders of Redeemable Units</b> |                              |                       | 4,105,780,842       | 100.00                |

# Beutel Goodman Balanced Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 business value 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 years, equities have historically generated higher nominal and real rates of return than fixed income assets. Normally, the target asset mix will be 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.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, as designated by a recognized rating agency:

| Debt Instruments* by Credit Rating | Percentage of net assets (%) |               |
|------------------------------------|------------------------------|---------------|
|                                    | Dec. 31, 2019                | Dec. 31, 2018 |
| AAA                                | 6                            | 7             |
| AA                                 | 12                           | 9             |
| A                                  | 8                            | 10            |
| BBB                                | 5                            | 5             |
| <b>Total</b>                       | <b>31</b>                    | <b>31</b>     |

\*Excludes cash and cash equivalents

### 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 December 31, 2019 and December 31, 2018.

| Debt Instruments* by Maturity Date | Dec. 31, 2019    | Dec. 31, 2018    |
|------------------------------------|------------------|------------------|
|                                    | (\$000)          | (\$000)          |
| Less than 1 year                   | –                | 18,565           |
| 1-3 years                          | 150,261          | 273,015          |
| 3-5 years                          | 290,659          | 189,228          |
| Greater than 5 years               | 849,315          | 692,089          |
| <b>Total</b>                       | <b>1,290,235</b> | <b>1,172,897</b> |

\*Excludes cash and cash equivalents

As at December 31, 2019, had prevailing interest rates raised or lowered 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 \$25,886,000 (2018 - \$22,043,000). 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 December 31, 2019 and December 31, 2018, 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) |               |
|--------------------------|------------------------------|---------------|
|                          | Dec. 31, 2019                | Dec. 31, 2018 |
| Balanced Fund Benchmark* | 37,509                       | 34,786        |
| <b>Total</b>             | <b>37,509</b>                | <b>34,786</b> |

\*The Balanced Fund Benchmark is comprised of the FTSE Canada Universe Bond Index (40%), Morgan Stanley EAFE Index (13%), S&P 500Cdn. (12%), S&P/TSX (30%) and the FTSE Canada 91Day T-Bill Index (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 December 31, 2019 and 2018

### Foreign Currency Risk

Currencies to which the Fund had exposure as at December 31, 2019 and December 31, 2018 are as follows:

#### Dec. 31, 2019

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total            | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|------------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)          | (%)                      |
| Euro Currency        | –                         | 296,194                        | 651                          | 296,845          | 7.2                      |
| British Pound        | –                         | 139,541                        | 335                          | 139,876          | 3.4                      |
| Norwegian Krone      | –                         | 61,313                         | –                            | 61,313           | 1.5                      |
| Japanese Yen         | –                         | 91,905                         | –                            | 91,905           | 2.2                      |
| United States Dollar | 210                       | 708,848                        | 712                          | 709,770          | 17.3                     |
| Singapore Dollar     | –                         | 26,859                         | –                            | 26,859           | 0.7                      |
| Swiss Franc          | –                         | 64,491                         | –                            | 64,491           | 1.6                      |
| Danish Krone         | –                         | 26,802                         | –                            | 26,802           | 0.7                      |
| Australian Dollar    | –                         | 34,789                         | –                            | 34,789           | 0.9                      |
| <b>Total</b>         | <b>210</b>                | <b>1,450,742</b>               | <b>1,698</b>                 | <b>1,452,650</b> | <b>35.5</b>              |

#### Dec. 31, 2018

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total            | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|------------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)          | (%)                      |
| Euro Currency        | –                         | 286,657                        | 941                          | 287,598          | 7.4                      |
| British Pound        | –                         | 129,457                        | 409                          | 129,866          | 3.4                      |
| Norwegian Krone      | –                         | 63,426                         | 18                           | 63,444           | 1.6                      |
| Japanese Yen         | –                         | 101,091                        | 44                           | 101,135          | 2.6                      |
| United States Dollar | 349                       | 687,127                        | 3,554                        | 691,030          | 17.9                     |
| Singapore Dollar     | –                         | 21,385                         | 12                           | 21,397           | 0.6                      |
| Swiss Franc          | –                         | 47,557                         | 15                           | 47,572           | 1.2                      |
| Danish Krone         | –                         | 31,400                         | 645                          | 32,045           | 0.8                      |
| Australian Dollar    | –                         | 23,070                         | 11                           | 23,081           | 0.6                      |
| <b>Total</b>         | <b>349</b>                | <b>1,391,170</b>               | <b>5,649</b>                 | <b>1,397,168</b> | <b>36.1</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$14,527,000 (December 31, 2018 \$13,972,000).

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 December 31, 2019 and December 31, 2018:

| Country segment            | Dec. 31, 2019 | Dec. 31, 2018 |
|----------------------------|---------------|---------------|
| Short-Term Investments     |               |               |
| Treasury Bills             | 2.27%         | 1.36%         |
| Canadian Bonds             |               |               |
| Federal Bonds              | 4.66%         | 4.28%         |
| Provincial Bonds           | 11.04%        | 10.13%        |
| Municipal Bonds            | 0.45%         | 0.47%         |
| Corporate Bonds            | 14.88%        | 14.41%        |
| Mortgage Backed Securities | 0.42%         | 1.02%         |
| Common Stocks              |               |               |
| Australia                  | 0.85%         | 0.60%         |
| Canada                     | 30.81%        | 32.06%        |
| Denmark                    | 0.65%         | 0.81%         |
| Finland                    | 0.69%         | 0.52%         |
| France                     | 1.48%         | 1.68%         |
| Germany                    | 3.40%         | 3.51%         |
| Guernsey                   | 0.87%         | 0.71%         |
| Ireland                    | 0.43%         | 0.57%         |
| Japan                      | 2.23%         | 2.61%         |
| Netherlands                | 2.07%         | 2.18%         |
| Norway                     | 1.49%         | 1.64%         |
| Singapore                  | 0.65%         | 0.55%         |
| Switzerland                | 1.57%         | 1.23%         |
| United Kingdom             | 3.39%         | 3.34%         |
| United States              | 15.53%        | 15.99%        |
| <b>Total</b>               | <b>99.83%</b> | <b>99.67%</b> |

# Beutel Goodman Balanced Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019          | Level 1              | Level 2              | Level 3  | Total                |
|----------------------------|----------------------|----------------------|----------|----------------------|
|                            | (\$)                 | (\$)                 | (\$)     | (\$)                 |
| <b>Assets</b>              |                      |                      |          |                      |
| Equity securities          | 2,715,348,276        | –                    | –        | 2,715,348,276        |
| Bonds                      | –                    | 1,272,991,949        | –        | 1,272,991,949        |
| Mortgage Backed Securities | –                    | 17,243,093           | –        | 17,243,093           |
| <b>Total Assets</b>        | <b>2,715,348,276</b> | <b>1,290,235,042</b> | <b>–</b> | <b>4,005,583,318</b> |

| December 31, 2018          | Level 1              | Level 2              | Level 3  | Total                |
|----------------------------|----------------------|----------------------|----------|----------------------|
|                            | (\$)                 | (\$)                 | (\$)     | (\$)                 |
| <b>Assets</b>              |                      |                      |          |                      |
| Equity securities          | 2,631,694,690        | –                    | –        | 2,631,694,690        |
| Bonds                      | –                    | 1,133,345,183        | –        | 1,133,345,183        |
| Mortgage Backed Securities | –                    | 39,551,979           | –        | 39,551,979           |
| <b>Total Assets</b>        | <b>2,631,694,690</b> | <b>1,172,897,162</b> | <b>–</b> | <b>3,804,591,852</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

#### For the years ended December 31

| 2019                             | Class B          | Class D          | Class F          | Class I            |
|----------------------------------|------------------|------------------|------------------|--------------------|
| Balance, beginning of the year   | 6,353,975        | 10,596,183       | 4,252,276        | 179,134,522        |
| Redeemable units issued for cash | 1,238,180        | 449,859          | 1,493,840        | 8,853,894          |
| Reinvested units                 | 189,950          | 377,949          | 145,133          | 9,094,866          |
| Redeemable units redeemed        | (1,573,389)      | (1,875,535)      | (1,264,005)      | (21,674,421)       |
| <b>Balance, end of year</b>      | <b>6,208,716</b> | <b>9,548,456</b> | <b>4,627,244</b> | <b>175,408,861</b> |

| 2018                             | Class B          | Class D           | Class F          | Class I            |
|----------------------------------|------------------|-------------------|------------------|--------------------|
| Balance, beginning of the year   | 4,803,266        | 9,630,558         | 2,912,971        | 177,218,589        |
| Redeemable units issued for cash | 2,522,085        | 1,932,896         | 2,492,137        | 11,597,390         |
| Reinvested units                 | 346,499          | 667,865           | 217,926          | 13,687,304         |
| Redeemable units redeemed        | (1,317,875)      | (1,635,136)       | (1,370,758)      | (23,368,761)       |
| <b>Balance, end of year</b>      | <b>6,353,975</b> | <b>10,596,183</b> | <b>4,252,276</b> | <b>179,134,522</b> |

# Beutel Goodman Canadian Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Cash and cash equivalents  | 174,292,269          | 189,616,031          |
| Financial assets at fair value through profit or loss*                                   | 6,533,210,923        | 6,062,987,198        |
| Accrued interest   | 330,195              | 293,914              |
| Dividends receivable   | 12,116,412           | 15,286,677           |
| Due from brokers   | 96,155               | –                    |
| Subscriptions receivable   | 3,234,344            | 5,791,587            |
| <b>Total assets</b>  | <b>6,723,280,298</b> | <b>6,273,975,407</b> |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Management and administrative fees payable   | 652,075              | 571,156              |
| Redemptions payable  | 2,371,651            | 2,434,648            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>3,023,726</b>     | <b>3,005,804</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>6,720,256,572</b> | <b>6,270,969,603</b> |
| *Investments at average cost   | 4,933,423,572        | 4,947,073,802        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                      |                      |
| Class B  | 29,230,517           | 25,091,205           |
| Class D  | 75,274,804           | 76,996,125           |
| Class F  | 133,496,310          | 99,752,179           |
| Class I  | 6,482,254,941        | 6,069,130,094        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                      |                      |
| Class B  | 15.65                | 14.07                |
| Class D  | 38.32                | 34.39                |
| Class F  | 38.32                | 34.47                |
| Class I  | 41.07                | 36.90                |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                      |                      |
| Class B  | 1,867,305            | 1,783,765            |
| Class D  | 1,964,577            | 2,238,734            |
| Class F  | 3,483,793            | 2,893,509            |
| Class I  | 157,839,875          | 164,492,063          |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019               | 2018                 |
|---|--------------------|----------------------|
|   | \$                 | \$                   |
| <b>Income</b>   |                    |                      |
| Net gains (losses) on investments   |                    |                      |
| Dividends   | 189,130,120        | 198,843,615          |
| Interest for distribution purposes  | 3,000,704          | 1,932,315            |
| Realized gain (loss) on sale of investments   | 239,828,502        | 386,659,741          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 483,873,955        | (912,364,569)        |
| <b>Net gains (losses) on investments</b>  | <b>915,833,281</b> | <b>(324,928,898)</b> |
| Other income  |                    |                      |
| Realized gain (loss) on foreign currency transactions   | 79,430             | 17,212               |
| <b>Total income</b>   | <b>915,912,711</b> | <b>(324,911,686)</b> |
| <b>Expenses</b>   |                    |                      |
| Management fees   | 2,805,577          | 2,600,898            |
| Administrative fees   | 7,374,930          | 7,438,826            |
| Transaction costs (note 9)  | 1,539,531          | 1,717,550            |
| <b>Total expenses before waiver</b>   | <b>11,720,038</b>  | <b>11,757,274</b>    |
| Expenses waived by the manager  | (2,938,756)        | (2,991,810)          |
| <b>Total expenses</b>   | <b>8,781,282</b>   | <b>8,765,464</b>     |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>907,131,429</b> | <b>(333,677,150)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                    |                      |
| Class B   | 3,153,384          | (1,874,380)          |
| Class D   | 9,775,977          | (5,224,841)          |
| Class F   | 13,920,899         | (6,404,393)          |
| Class I   | 880,281,169        | (320,173,536)        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                    |                      |
| Class B   | 1.68               | (1.14)               |
| Class D   | 4.67               | (2.25)               |
| Class F   | 4.54               | (2.76)               |
| Class I   | 5.57               | (2.04)               |

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

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 years ended December 31

|  | 2019            | 2018          |
|--|-----------------|---------------|
|  | \$              | \$            |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |                 |               |
| Class B  | 25,091,205      | 21,971,792    |
| Class D  | 76,996,125      | 94,987,256    |
| Class F  | 99,752,179      | 77,077,027    |
| Class I  | 6,069,130,094   | 6,714,765,699 |
|  | 6,270,969,603   | 6,908,801,774 |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |                 |               |
| Class B  | 3,153,384       | (1,874,380)   |
| Class D  | 9,775,977       | (5,224,841)   |
| Class F  | 13,920,899      | (6,404,393)   |
| Class I  | 880,281,169     | (320,173,536) |
|  | 907,131,429     | (333,677,150) |
| <b>Distribution to holders of redeemable units</b>                                       |                 |               |
| From net investment income   |                 |               |
| Class B  | (222,612)       | (254,082)     |
| Class D  | (1,073,297)     | (1,260,255)   |
| Class F  | (2,524,683)     | (2,224,496)   |
| Class I  | (181,175,229)   | (188,467,660) |
| From net realized gains on investments   |                 |               |
| Class B  | (37,151)        | (828,517)     |
| Class D  | (95,717)        | (2,573,614)   |
| Class F  | (168,269)       | (3,318,113)   |
| Class I  | (8,280,141)     | (200,537,403) |
|  | (193,577,099)   | (399,464,140) |
| <b>Redeemable unit transactions</b>  |                 |               |
| Proceeds from redeemable units issued  |                 |               |
| Class B  | 7,373,658       | 12,114,196    |
| Class D  | 3,202,983       | 9,359,024     |
| Class F  | 64,618,626      | 52,238,129    |
| Class I  | 584,204,592     | 554,577,721   |
| Reinvestments of distributions to holders of redeemable units                            |                 |               |
| Class B  | 253,837         | 1,050,812     |
| Class D  | 1,084,274       | 3,590,294     |
| Class F  | 1,918,300       | 4,345,380     |
| Class I  | 189,315,708     | 388,716,611   |
| Redemption of redeemable units   |                 |               |
| Class B  | (6,381,804)     | (7,088,616)   |
| Class D  | (14,615,541)    | (21,881,739)  |
| Class F  | (44,020,742)    | (21,961,355)  |
| Class I  | (1,051,221,252) | (879,751,338) |
|  | (264,267,361)   | 95,309,119    |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |                 |               |
| Class B  | 4,139,312       | 3,119,413     |
| Class D  | (1,721,321)     | (17,991,131)  |
| Class F  | 33,744,131      | 22,675,152    |
| Class I  | 413,124,847     | (645,635,605) |
|  | 449,286,969     | (637,832,171) |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |                 |               |
| Class B  | 29,230,517      | 25,091,205    |
| Class D  | 75,274,804      | 76,996,125    |
| Class F  | 133,496,310     | 99,752,179    |
| Class I  | 6,482,254,941   | 6,069,130,094 |
|  | 6,720,256,572   | 6,270,969,603 |

## Statements of Cash Flows

For the years ended December 31

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | \$              | \$              |
| <b>Cash flows from operating activities</b>  |                 |                 |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 907,131,429     | (333,677,150)   |
| Adjustments for:   |                 |                 |
| Net realized (gain) loss on sale of investments                                    | (239,828,502)   | (386,659,741)   |
| Change in unrealized (appreciation) depreciation in the value of investments       | (483,873,955)   | 912,364,569     |
| Purchases of investments   | (690,994,394)   | (1,296,491,425) |
| Proceeds from sale of investments  | 944,376,971     | 1,470,052,836   |
| (Increase) decrease in accrued interest  | (36,281)        | (181,612)       |
| (Increase) decrease in dividends receivable  | 3,170,265       | 2,474,588       |
| Increase (decrease) in accrued liabilities   | 80,919          | (18,490)        |
| <b>Net cash flows from (used in) operating activities</b>                          | 440,026,452     | 367,863,575     |
| <b>Cash flows from financing activities</b>  |                 |                 |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (1,004,980)     | (1,761,547)     |
| Proceeds from redeemable units issued  | 661,957,102     | 623,962,794     |
| Redemption of redeemable units   | (1,116,302,336) | (932,666,078)   |
| <b>Net cash flows from (used in) financing activities</b>                          | (455,350,214)   | (310,464,831)   |
| Net increase (decrease) in cash and cash equivalents                               | (15,323,762)    | 57,398,744      |
| Cash and cash equivalents at beginning of year                                     | 189,616,031     | 132,217,287     |
| <b>Cash and cash equivalents at end of year*</b>                                   | 174,292,269     | 189,616,031     |
| <b>Supplementary information</b>   |                 |                 |
| Cash flow from operating activities  |                 |                 |
| Interest received  | 2,964,423       | 1,750,703       |
| Dividends received, net of withholding taxes                                       | 192,300,385     | 201,318,203     |
| *Cash and cash equivalents include:  |                 |                 |
| Cash at banks/(overdraft)  | (536,884)       | 398,866         |
| Short-term investments   | 174,829,153     | 189,217,165     |
| Total  | 174,292,269     | 189,616,031     |

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

# Beutel Goodman Canadian Equity Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares/<br>Par Value            | Coupon<br>Rate (%) | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares | Average<br>Cost<br>\$   | Fair<br>Value<br>\$                | % of<br>Net<br>Assets |               |       |
|---|--------------------|------------------|-----------------------|---------------------|-----------------------|------------------|---|------------------------------------|-----------------------|---------------|-------|
| <b>Cash Equivalents (2018 - 3.02%)</b>    |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| <b>Treasury Bills</b>                     |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 24,300,000                                |                    |                  |                       |                     |                       | 1,517,220        |   |                                    |                       |               |       |
| 11,975,000                                | 1.660              | 2-Apr-20         | 24,195,648            | 24,195,648          | 0.36                  | 1,333,709        | Aritzia Inc.  | 22,113,477                         | 28,903,041            | 0.43          |       |
| 10,350,000                                | 1.653              | 19-Mar-20        | 11,924,578            | 11,924,578          | 0.18                  | 357,020          | Canadian Tire Corp Ltd., Class A                              | 129,218,085                        | 186,385,833           | 2.77          |       |
| 45,025,000                                | 1.653              | 5-Mar-20         | 10,309,149            | 10,309,149          | 0.15                  | 1,069,170        | Leons Furniture Ltd.  | 4,840,199                          | 5,951,523             | 0.09          |       |
| 65,030,000                                | 1.646              | 20-Feb-20        | 44,840,987            | 44,840,987          | 0.67                  | 911,180          | Real Matters Inc.   | 5,517,072                          | 13,172,174            | 0.20          |       |
| 13,350,000                                | 1.669              | 6-Feb-20         | 64,760,268            | 64,760,268          | 0.96                  |                  | Uni-Select Inc.   | 14,766,884                         | 10,378,340            | 0.15          |       |
| 5,525,000                                 | 1.688              | 23-Jan-20        | 13,295,801            | 13,295,801          | 0.20                  |                  |   | 176,455,717                        | 244,790,911           | 3.64          |       |
|   | 1.642              | 9-Jan-20         | 5,502,722             | 5,502,722           | 0.08                  |                  |   | 344,483,103                        | 554,641,095           | 8.25          |       |
|   |                    |                  | 174,829,153           | 174,829,153         | 2.60                  |                  |   |                                    |                       |               |       |
| <b>Common Stocks (2018 - 96.68%)</b>      |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| <b>Energy</b>                             |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 2,034,850                                 |                    |                  |                       |                     |                       | <b>Retailing</b> |   |                                    |                       |               |       |
| 7,666,225                                 |                    |                  | 11,408,543            | 5,270,261           | 0.08                  | 6,043,410        | Loblaw Cos Ltd.   | 42,300,941                         | 61,020,920            | 0.91          |       |
| 7,677,280                                 |                    |                  | 146,967,246           | 88,468,236          | 1.32                  |                  | Metro Inc., Class A   | 229,002,611                        | 323,866,342           | 4.82          |       |
| 7,272,940                                 |                    |                  | 258,447,187           | 322,445,760         | 4.80                  |                  |   | 271,303,552                        | 384,887,262           | 5.73          |       |
| 6,853,360                                 |                    |                  | 174,228,252           | 96,002,808          | 1.43                  |                  | <b>Food &amp; Staples Retailing</b>                           |                                    |                       |               |       |
| 391,710                                   |                    |                  | 7,794,732             | 3,700,814           | 0.06                  |                  |   |                                    |                       |               |       |
| 2,031,640                                 |                    |                  | 5,236,626             | 4,790,613           | 0.07                  |                  | <b>Food Beverage &amp; Tobacco</b>                            |                                    |                       |               |       |
| 1,192,100                                 |                    |                  | 12,374,389            | 6,480,932           | 0.10                  |                  | 401,890   | Maple Leaf Foods Inc.              | 7,065,180             | 10,400,913    | 0.15  |
| 703,550                                   |                    |                  | 16,074,511            | 8,988,434           | 0.13                  |                  | 1,363,596   | Molson Coors Canada Inc., Class B  | 86,642,487            | 98,138,004    | 1.46  |
| 4,037,880                                 |                    |                  | 8,621,062             | 6,958,109           | 0.10                  |                  | 3,641,540   | Saputo Inc.                        | 147,988,065           | 146,389,908   | 2.18  |
| 434,400                                   |                    |                  | 163,031,636           | 171,852,173         | 2.56                  |                  |   |                                    | 241,695,732           | 254,928,825   | 3.79  |
|   |                    |                  | 6,069,146             | 2,788,848           | 0.04                  |                  |   |                                    | 512,999,284           | 639,816,087   | 9.52  |
|   |                    |                  | 810,253,330           | 717,746,988         | 10.69                 |                  | <b>Health Care</b>  |                                    |                       |               |       |
| <b>Materials</b>                          |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 3,389,810                                 |                    |                  | 26,146,036            | 26,542,212          | 0.39                  |                  | <b>Pharmaceuticals &amp; Biotechnology</b>                    |                                    |                       |               |       |
| 715,190                                   |                    |                  | 57,074,478            | 95,899,827          | 1.43                  |                  | 1,297,780   | CRH Medical Corp.                  | 6,654,855             | 5,840,010     | 0.09  |
| 1,048,620                                 |                    |                  | 18,283,235            | 17,428,064          | 0.26                  |                  |   |                                    | 6,654,855             | 5,840,010     | 0.09  |
| 1,604,510                                 |                    |                  | 8,989,689             | 12,450,998          | 0.19                  |                  | <b>Financials</b>   |                                    |                       |               |       |
| 2,036,190                                 |                    |                  | 14,141,721            | 11,545,197          | 0.17                  |                  | <b>Banks</b>  |                                    |                       |               |       |
| 4,069,880                                 |                    |                  | 266,347,889           | 253,024,440         | 3.77                  |                  | 2,036,090   | Bank of Montreal                   | 201,500,579           | 204,912,098   | 3.05  |
| 3,274,230                                 |                    |                  | 82,103,202            | 73,735,660          | 1.10                  |                  | 3,928,901   | Bank of Nova Scotia                | 228,268,456           | 288,184,888   | 4.29  |
| 271,119                                   |                    |                  | 6,037,825             | 12,737,171          | 0.19                  |                  | 538,420   | Canadian Imperial Bank of Commerce | 52,347,166            | 58,181,665    | 0.87  |
|   |                    |                  | 479,124,075           | 503,363,569         | 7.50                  |                  | 338,750   | Canadian Western Bank              | 9,507,870             | 10,802,738    | 0.16  |
| <b>Industrial</b>                         |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| <b>Capital Goods</b>                      |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 515,880                                   |                    |                  | 7,815,239             | 10,271,185          | 0.15                  |                  | 399,736   | Equitable Group Inc.               | 18,727,059            | 43,711,132    | 0.65  |
| 479,290                                   |                    |                  | 12,828,528            | 16,765,294          | 0.25                  |                  | 5,660,762   | Royal Bank of Canada               | 387,067,848           | 581,643,296   | 8.65  |
| 477,100                                   |                    |                  | 3,755,750             | 2,498,100           | 0.04                  |                  | 7,441,739   | The Toronto-Dominion Bank          | 318,919,541           | 541,981,851   | 8.06  |
| 302,800                                   |                    |                  | 112,641,174           | 122,080,722         | 1.81                  |                  |   |                                    | 1,216,338,519         | 1,729,417,668 | 25.73 |
| 4,825,325                                 |                    |                  | 4,086,899             | 5,760,369           | 0.09                  |                  | <b>Diversified Financials</b>                                 |                                    |                       |               |       |
| 301,590                                   |                    |                  | 4,317,692             | 5,383,948           | 0.08                  |                  | 1,123,595   | Onex Corp.                         | 89,042,403            | 92,325,801    | 1.37  |
| 198,450                                   |                    |                  | 1,057,560             | 634,018             | 0.01                  |                  |   |                                    | 89,042,403            | 92,325,801    | 1.37  |
| 98,450                                    |                    |                  | 3,535,352             | 9,198,583           | 0.14                  |                  | <b>Insurance</b>  |                                    |                       |               |       |
| 130,310                                   |                    |                  | 10,608,105            | 6,687,084           | 0.10                  |                  | 5,074,880   | Great-West Lifeco Inc.             | 135,960,590           | 168,790,509   | 2.51  |
| 451,830                                   |                    |                  | 185,250,020           | 203,236,770         | 3.03                  |                  | 438,926   | iA Financial Corp Inc.             | 16,157,171            | 31,308,592    | 0.47  |
| <b>Commercial Services &amp; Supplies</b> |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 262,320                                   |                    |                  | 3,666,946             | 8,874,286           | 0.13                  |                  | 4,095,385   | Manulife Financial Corp.           | 83,501,725            | 107,954,349   | 1.61  |
| 165,380                                   |                    |                  | 6,260,829             | 6,954,229           | 0.10                  |                  | 4,513,590   | Sun Life Financial Inc.            | 221,153,852           | 267,249,664   | 3.97  |
| 632,677                                   |                    |                  | 24,165,384            | 58,769,366          | 0.87                  |                  |   |                                    | 456,773,338           | 575,303,114   | 8.56  |
|   |                    |                  | 34,093,159            | 74,597,881          | 1.10                  |                  | <b>Real Estate</b>  |                                    |                       |               |       |
| <b>Transportation</b>                     |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 1,544,650                                 |                    |                  | 80,280,597            | 181,450,036         | 2.70                  |                  | 3,577,469   | Brookfield Asset Management Inc.   | 138,610,654           | 268,417,499   | 3.99  |
| 282,900                                   |                    |                  | 35,352,002            | 93,648,387          | 1.39                  |                  | 327,176   | Colliers International Group Inc.  | 15,350,654            | 33,077,494    | 0.49  |
|   |                    |                  | 115,632,599           | 275,098,423         | 4.09                  |                  | 97,556  | FirstService Corp.                 | 2,849,646             | 11,793,545    | 0.18  |
|   |                    |                  | 334,975,778           | 552,933,074         | 8.22                  |                  |   |                                    | 156,810,954           | 313,288,538   | 4.66  |
|   |                    |                  |                       |                     |                       |                  |   |                                    | 1,918,965,214         | 2,710,335,121 | 40.32 |
| <b>Communication Services</b>             |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 240,610                                   |                    |                  | 5,701,120             | 8,144,649           | 0.12                  |                  | <b>Information Technology</b>                                 |                                    |                       |               |       |
| 6,750,960                                 |                    |                  | 326,944,431           | 435,301,901         | 6.48                  |                  | <b>Software &amp; Services</b>                                |                                    |                       |               |       |
| 3,330,420                                 |                    |                  | 38,361,083            | 110,370,119         | 1.64                  |                  | 2,331,890   | Open Text Corp.                    | 56,092,542            | 133,430,746   | 1.99  |
| 2,767,630                                 |                    |                  | 83,281,388            | 139,156,436         | 2.07                  |                  |   |                                    | 56,092,542            | 133,430,746   | 1.99  |
|   |                    |                  | 454,288,022           | 692,973,105         | 10.31                 |                  | <b>Technology Hardware &amp; Equipment</b>                    |                                    |                       |               |       |
| <b>Consumer Discretionary</b>             |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| <b>Automobiles &amp; Components</b>       |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |
| 432,212                                   |                    |                  | 18,172,826            | 21,234,576          | 0.32                  |                  | 180,870   | Evertz Technologies Ltd.           | 2,997,044             | 3,230,338     | 0.05  |
| 4,053,590                                 |                    |                  | 149,854,560           | 288,615,608         | 4.29                  |                  |   |                                    | 2,997,044             | 3,230,338     | 0.05  |
|   |                    |                  | 168,027,386           | 309,850,184         | 4.61                  |                  |   |                                    | 59,089,586            | 136,661,084   | 2.04  |
|   |                    |                  |                       |                     |                       |                  | <b>Utilities</b>  |                                    |                       |               |       |
|   |                    |                  |                       |                     |                       |                  | 1,504,840   | Superior Plus Corp.                | 16,957,641            | 18,900,790    | 0.28  |
|   |                    |                  |                       |                     |                       |                  |   |                                    | 16,957,641            | 18,900,790    | 0.28  |
|   |                    |                  |                       |                     |                       |                  | <b>Total Common Stocks</b>                                    |                                    |                       |               |       |
|   |                    |                  |                       |                     |                       |                  | <b>Transaction Costs</b>                                      |                                    |                       |               |       |
|   |                    |                  |                       |                     |                       |                  | <b>Total Investments</b>                                      |                                    |                       |               |       |
|   |                    |                  |                       |                     |                       |                  | <b>Total Investments and Cash Equivalents</b>                 |                                    |                       |               |       |
|   |                    |                  |                       |                     |                       |                  | <b>Other Assets Net of Liabilities</b>                        |                                    |                       |               |       |
|   |                    |                  |                       |                     |                       |                  | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                                    |                       |               |       |
|   |                    |                  |                       |                     |                       |                  |   |                                    |                       |               |       |



# Beutel Goodman Canadian Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 business value of the issuer. If financial results fall short of expectations, the intrinsic value of the underlying assets of the issuer should provide downside protection. The investment portfolio of the Fund will usually have valuations that are 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|-------------------------|------------------------------|---------------|
|                         | Dec. 31, 2019                | Dec. 31, 2018 |
| S&P/TSX Composite Index | 64,860                       | 57,461        |
| <b>Total</b>            | <b>64,860</b>                | <b>57,461</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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018:

| Market segment         | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------|---------------|---------------|
| Short-Term Investments |               |               |
| Treasury Bills         | 2.60%         | 3.02%         |
| Common Stocks          |               |               |
| Energy                 | 10.69%        | 8.01%         |
| Materials              | 7.50%         | 7.05%         |
| Industrial             | 8.22%         | 10.01%        |
| Consumer Discretionary | 8.25%         | 8.39%         |
| Consumer Staples       | 9.52%         | 9.73%         |
| Health Care            | 0.09%         | 0.10%         |
| Financials             | 40.32%        | 38.79%        |
| Information Technology | 2.04%         | 2.62%         |
| Communication Services | 10.31%        | 11.72%        |
| Utilities              | 0.28%         | 0.26%         |
| <b>Total</b>           | <b>99.82%</b> | <b>99.70%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1              | Level 2  | Level 3  | Total                |
|---------------------|----------------------|----------|----------|----------------------|
|                     | (\$)                 | (\$)     | (\$)     | (\$)                 |
| <b>Assets</b>       |                      |          |          |                      |
| Equity securities   | 6,533,210,923        | –        | –        | 6,533,210,923        |
| <b>Total Assets</b> | <b>6,533,210,923</b> | <b>–</b> | <b>–</b> | <b>6,533,210,923</b> |

| December 31, 2018   | Level 1              | Level 2  | Level 3  | Total                |
|---------------------|----------------------|----------|----------|----------------------|
|                     | (\$)                 | (\$)     | (\$)     | (\$)                 |
| <b>Assets</b>       |                      |          |          |                      |
| Equity securities   | 6,062,987,198        | –        | –        | 6,062,987,198        |
| <b>Total Assets</b> | <b>6,062,987,198</b> | <b>–</b> | <b>–</b> | <b>6,062,987,198</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

# Beutel Goodman Canadian Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Fund Unit Transactions

#### For the years ended December 31

| 2019                             | Class B          | Class D          | Class F          | Class I            |
|----------------------------------|------------------|------------------|------------------|--------------------|
| Balance, beginning of the year   | 1,783,765        | 2,238,734        | 2,893,509        | 164,492,063        |
| Redeemable units issued for cash | 483,930          | 86,131           | 1,713,513        | 14,502,469         |
| Reinvested units                 | 16,217           | 28,304           | 50,069           | 4,612,798          |
| Redeemable units redeemed        | (416,607)        | (388,592)        | (1,173,298)      | (25,767,455)       |
| <b>Balance, end of year</b>      | <b>1,867,305</b> | <b>1,964,577</b> | <b>3,483,793</b> | <b>157,839,875</b> |

| 2018                             | Class B          | Class D          | Class F          | Class I            |
|----------------------------------|------------------|------------------|------------------|--------------------|
| Balance, beginning of the year   | 1,389,586        | 2,461,530        | 1,984,959        | 161,750,084        |
| Redeemable units issued for cash | 774,126          | 244,967          | 1,356,006        | 13,473,151         |
| Reinvested units                 | 73,674           | 102,911          | 124,369          | 10,400,222         |
| Redeemable units redeemed        | (453,621)        | (570,674)        | (571,825)        | (21,131,394)       |
| <b>Balance, end of year</b>      | <b>1,783,765</b> | <b>2,238,734</b> | <b>2,893,509</b> | <b>164,492,063</b> |

# Beutel Goodman Total World Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Assets</b>  |                  |                  |
| <b>Current assets</b>  |                  |                  |
| Cash and cash equivalents  | 112,395          | 153,538          |
| Financial assets at fair value through profit or loss*                                   | 6,108,737        | 6,132,752        |
| Accrued interest   | 92               | 360              |
| Dividends receivable   | 11,785           | 14,297           |
| Subscriptions receivable   | –                | 250              |
| <b>Total assets</b>  | <b>6,233,009</b> | <b>6,301,197</b> |
| <b>Liabilities</b>   |                  |                  |
| <b>Current liabilities</b>   |                  |                  |
| Management and administrative fees payable   | 7,940            | 7,980            |
| Redemptions payable  | –                | 12,092           |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>7,940</b>     | <b>20,072</b>    |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>6,225,069</b> | <b>6,281,125</b> |
| *Investments at average cost   | 5,504,633        | 6,251,931        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                  |                  |
| Class B  | 1,707,746        | 1,809,025        |
| Class D  | 1,970,694        | 2,015,851        |
| Class F  | 2,219,302        | 2,145,994        |
| Class I  | 327,327          | 310,255          |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                  |                  |
| Class B  | 13.64            | 11.92            |
| Class D  | 16.14            | 14.09            |
| Class F  | 13.57            | 11.87            |
| Class I  | 17.26            | 15.08            |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                  |                  |
| Class B  | 125,201          | 151,827          |
| Class D  | 122,102          | 143,027          |
| Class F  | 163,571          | 180,792          |
| Class I  | 18,962           | 20,571           |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Income</b>   |                  |                  |
| Net gains (losses) on investments   |                  |                  |
| Dividends   | 193,099          | 197,697          |
| Interest for distribution purposes  | 2,489            | 2,248            |
| Realized gain (loss) on sale of investments   | 105,866          | 249,582          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 723,283          | (760,125)        |
| <b>Net gains (losses) on investments</b>  | <b>1,024,737</b> | <b>(310,598)</b> |
| Other income  |                  |                  |
| Realized gain (loss) on foreign currency transactions   | (4,835)          | (4,947)          |
| <b>Total income</b>   | <b>1,019,902</b> | <b>(315,545)</b> |
| <b>Expenses</b>   |                  |                  |
| Management fees   | 82,131           | 87,989           |
| Administrative fees   | 6,521            | 6,949            |
| Transaction costs (note 9)  | 4,023            | 5,224            |
| Withholding taxes   | 14,893           | 12,235           |
| <b>Total Expenses</b>   | <b>107,568</b>   | <b>112,397</b>   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>912,334</b>   | <b>(427,942)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                  |                  |
| Class B   | 245,966          | (133,127)        |
| Class D   | 303,629          | (140,728)        |
| Class F   | 310,594          | (137,036)        |
| Class I   | 52,145           | (17,051)         |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                  |                  |
| Class B   | 1.87             | (0.98)           |
| Class D   | 2.32             | (1.06)           |
| Class F   | 2.05             | (0.81)           |
| Class I   | 2.61             | (0.94)           |

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

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 years ended December 31

|  | 2019      | 2018      |
|--|-----------|-----------|
|  | \$        | \$        |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |           |           |
| Class B  | 1,809,025 | 1,502,239 |
| Class D  | 2,015,851 | 1,930,657 |
| Class F  | 2,145,994 | 1,810,141 |
| Class I  | 310,255   | 319,639   |
|  | 6,281,125 | 5,562,676 |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |           |           |
| Class B  | 245,966   | (133,127) |
| Class D  | 303,629   | (140,728) |
| Class F  | 310,594   | (137,036) |
| Class I  | 52,145    | (17,051)  |
|  | 912,334   | (427,942) |
| <b>Distribution to holders of redeemable units</b>                                       |           |           |
| From net investment income   |           |           |
| Class B  | (12,949)  | (10,854)  |
| Class D  | (28,061)  | (23,511)  |
| Class F  | (45,045)  | (34,881)  |
| Class I  | (9,338)   | (8,167)   |
| From net realized gains on investments   |           |           |
| Class B  | —         | (71,622)  |
| Class D  | —         | (79,276)  |
| Class F  | —         | (85,473)  |
| Class I  | —         | (12,148)  |
|  | (95,393)  | (325,932) |
| <b>Redeemable unit transactions</b>  |           |           |
| Proceeds from redeemable units issued  |           |           |
| Class B  | 179,318   | 740,962   |
| Class D  | 250,038   | 568,567   |
| Class F  | 583,945   | 758,170   |
| Class I  | 17,631    | 130,733   |
| Reinvestments of distributions to holders of redeemable units                            |           |           |
| Class B  | 12,906    | 78,814    |
| Class D  | 28,085    | 99,235    |
| Class F  | 38,123    | 108,052   |
| Class I  | 9,338     | 20,315    |
| Redemption of redeemable units   |           |           |
| Class B  | (526,520) | (297,387) |
| Class D  | (598,848) | (339,093) |
| Class F  | (814,309) | (272,979) |
| Class I  | (52,704)  | (123,066) |
|  | (872,997) | 1,472,323 |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |           |           |
| Class B  | (101,279) | 306,786   |
| Class D  | (45,157)  | 85,194    |
| Class F  | 73,308    | 335,853   |
| Class I  | 17,072    | (9,384)   |
|  | (56,056)  | 718,449   |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |           |           |
| Class B  | 1,707,746 | 1,809,025 |
| Class D  | 1,970,694 | 2,015,851 |
| Class F  | 2,219,302 | 2,145,994 |
| Class I  | 327,327   | 310,255   |
|  | 6,225,069 | 6,281,125 |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019        | 2018        |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>Cash flows from operating activities</b>  |             |             |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 912,334     | (427,942)   |
| Adjustments for:   |             |             |
| Net realized (gain) loss on sale of investments                                    | (105,866)   | (249,582)   |
| Change in unrealized (appreciation) depreciation in the value of investments       | (723,283)   | 760,125     |
| Purchases of investments   | (2,024,880) | (3,445,229) |
| Proceeds from sale of investments  | 2,878,044   | 2,181,862   |
| (Increase) decrease in accrued interest  | 268         | (265)       |
| (Increase) decrease in dividends receivable  | 2,512       | (4,749)     |
| Increase (decrease) in accrued liabilities   | (40)        | 1,242       |
| <b>Net cash flows from (used in) operating activities</b>                          | 939,089     | (1,184,538) |
| <b>Cash flows from financing activities</b>  |             |             |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (6,941)     | (47,431)    |
| Proceeds from redeemable units issued  | 1,031,182   | 2,212,182   |
| Redemption of redeemable units   | (2,004,473) | (1,020,433) |
| <b>Net cash flows from (used in) financing activities</b>                          | (980,232)   | 1,144,318   |
| Net increase (decrease) in cash and cash equivalents                               | (41,143)    | (40,220)    |
| Cash and cash equivalents at beginning of year                                     | 153,538     | 193,758     |
| <b>Cash and cash equivalents at end of year*</b>                                   | 112,395     | 153,538     |
| <b>Supplementary information</b>   |             |             |
| Cash flow from operating activities  |             |             |
| Interest received  | 2,757       | 1,983       |
| Dividends received, net of withholding taxes                                       | 180,718     | 180,713     |
| *Cash and cash equivalents include:  |             |             |
| Cash at banks  | 12,792      | 4,156       |
| Short-term investments   | 99,603      | 149,382     |
| Total  | 112,395     | 153,538     |

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

# Beutel Goodman Total World Equity Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value        | Coupon<br>Rate (%)                       | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares  | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |
|--|--|------------------|-----------------------|---------------------|-----------------------|---|-----------------------|---------------------|-----------------------|
| <b>Cash Equivalents (2018 - 2.37%)</b> |  |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Treasury Bills</b>                  |  |                  |                       |                     |                       |   |                       |                     |                       |
| 25,000                                 | Government of Canada                     | 1.660            | 19-Mar-20             | 24,890              | 24,890                | 0.40  |                       |                     |                       |
| 75,000                                 | Government of Canada                     | 1.655            | 5-Mar-20              | 74,713              | 74,713                | 1.20  |                       |                     |                       |
|  |  |                  |                       | 99,603              | 99,603                | 1.60  |                       |                     |                       |
| <b>Common Stocks (2018 - 97.65%)</b>   |  |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Australia</b>                       |  |                  |                       |                     |                       |   |                       |                     |                       |
| 4,918                                  | Caltex Australia Ltd.                    |                  |                       | 142,671             | 152,198               | 2.44  |                       |                     |                       |
|  |  |                  |                       | 142,671             | 152,198               | 2.44  |                       |                     |                       |
| <b>Canada</b>                          |  |                  |                       |                     |                       |   |                       |                     |                       |
| 982                                    | Bank of Montreal                         |                  |                       | 97,225              | 98,828                | 1.59  |                       |                     |                       |
| 1,885                                  | Bank of Nova Scotia                      |                  |                       | 136,300             | 138,265               | 2.22  |                       |                     |                       |
| 1,714                                  | Brookfield Asset Management Inc.         |                  |                       | 84,932              | 128,601               | 2.07  |                       |                     |                       |
| 3,677                                  | Cameco Corp.                             |                  |                       | 53,827              | 42,433                | 0.68  |                       |                     |                       |
| 262                                    | Canadian Imperial Bank of Commerce       |                  |                       | 28,441              | 28,312                | 0.45  |                       |                     |                       |
| 743                                    | Canadian National Railway Co.            |                  |                       | 65,406              | 87,280                | 1.40  |                       |                     |                       |
| 3,693                                  | Canadian Natural Resources Ltd.          |                  |                       | 138,357             | 155,106               | 2.49  |                       |                     |                       |
| 138                                    | Canadian Pacific Railway Ltd.            |                  |                       | 28,649              | 45,682                | 0.73  |                       |                     |                       |
| 640                                    | Canadian Tire Corp Ltd., Class A         |                  |                       | 88,365              | 89,440                | 1.44  |                       |                     |                       |
| 3,495                                  | Cenovus Energy Inc.                      |                  |                       | 57,485              | 46,134                | 0.74  |                       |                     |                       |
| 2,323                                  | Finning International Inc.               |                  |                       | 60,839              | 58,772                | 0.94  |                       |                     |                       |
| 340                                    | Franco-Nevada Corp.                      |                  |                       | 29,893              | 45,591                | 0.73  |                       |                     |                       |
| 2,434                                  | Great-West Lifeco Inc.                   |                  |                       | 80,318              | 80,955                | 1.30  |                       |                     |                       |
| 434                                    | Loblaw Cos Ltd.                          |                  |                       | 24,056              | 29,078                | 0.47  |                       |                     |                       |
| 1,946                                  | Magna International Inc.                 |                  |                       | 117,372             | 138,555               | 2.23  |                       |                     |                       |
| 1,966                                  | Manulife Financial Corp.                 |                  |                       | 45,745              | 51,824                | 0.83  |                       |                     |                       |
| 2,906                                  | Metro Inc., Class A                      |                  |                       | 121,944             | 155,733               | 2.50  |                       |                     |                       |
| 655                                    | Molson Coors Canada Inc., Class B        |                  |                       | 62,698              | 47,140                | 0.76  |                       |                     |                       |
| 1,954                                  | Nutrien Ltd.                             |                  |                       | 126,891             | 121,480               | 1.95  |                       |                     |                       |
| 538                                    | Onex Corp.                               |                  |                       | 46,798              | 44,207                | 0.71  |                       |                     |                       |
| 1,117                                  | Open Text Corp.                          |                  |                       | 42,390              | 63,915                | 1.03  |                       |                     |                       |
| 1,336                                  | Quebecor Inc., Class B                   |                  |                       | 27,352              | 44,275                | 0.71  |                       |                     |                       |
| 3,240                                  | Rogers Communications Inc., Class B      |                  |                       | 185,221             | 208,915               | 3.36  |                       |                     |                       |
| 2,719                                  | Royal Bank of Canada                     |                  |                       | 245,185             | 279,377               | 4.49  |                       |                     |                       |
| 1,746                                  | Saputo Inc.                              |                  |                       | 70,689              | 70,189                | 1.13  |                       |                     |                       |
| 2,170                                  | Sun Life Financial Inc.                  |                  |                       | 108,703             | 128,486               | 2.06  |                       |                     |                       |
| 1,940                                  | Suncor Energy Inc.                       |                  |                       | 78,293              | 82,566                | 1.33  |                       |                     |                       |
| 1,566                                  | Teck Resources Ltd.                      |                  |                       | 39,321              | 35,266                | 0.57  |                       |                     |                       |
| 1,329                                  | TELUS Corp.                              |                  |                       | 56,778              | 66,822                | 1.07  |                       |                     |                       |
| 3,577                                  | The Toronto-Dominion Bank                |                  |                       | 224,039             | 260,514               | 4.18  |                       |                     |                       |
| 299                                    | Thomson Reuters Corp.                    |                  |                       | 16,188              | 27,774                | 0.45  |                       |                     |                       |
|  |  |                  |                       | 2,589,700           | 2,901,515             | 46.61   |                       |                     |                       |
| <b>France</b>                          |  |                  |                       |                     |                       |   |                       |                     |                       |
| 2,682                                  | Cie Générale des Établissements Michelin |                  |                       | 84,606              | 85,017                | 1.37  |                       |                     |                       |
| 344                                    | Essilor Luxottica                        |                  |                       | 57,673              | 67,999                | 1.09  |                       |                     |                       |
|  |  |                  |                       | 142,279             | 153,016               | 2.46  |                       |                     |                       |
| <b>Guernsey</b>                        |  |                  |                       |                     |                       |   |                       |                     |                       |
| 1,392                                  | Amdocs Ltd.                              |                  |                       | 105,366             | 130,308               | 2.09  |                       |                     |                       |
|  |  |                  |                       | 105,366             | 130,308               | 2.09  |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Germany</b>  |                       |                     |                       |
|  |  |                  |                       |                     |                       |   | 127,243               | 119,210             | 1.91                  |
|  |  |                  |                       |                     |                       |   | 86,731                | 87,937              | 1.41                  |
|  |  |                  |                       |                     |                       |   | 112,581               | 116,847             | 1.88                  |
|  |  |                  |                       |                     |                       |   | 97,862                | 109,797             | 1.76                  |
|  |  |                  |                       |                     |                       |   | 139,119               | 132,322             | 2.13                  |
|  |  |                  |                       |                     |                       |   | 563,536               | 566,113             | 9.09                  |
|  |  |                  |                       |                     |                       | <b>Ireland</b>  |                       |                     |                       |
|  |  |                  |                       |                     |                       |   | 33,163                | 52,571              | 0.84                  |
|  |  |                  |                       |                     |                       |   | 33,163                | 52,571              | 0.84                  |
|  |  |                  |                       |                     |                       | <b>Netherlands</b>  |                       |                     |                       |
|  |  |                  |                       |                     |                       |   | 90,981                | 97,890              | 1.57                  |
|  |  |                  |                       |                     |                       |   | 100,269               | 93,992              | 1.51                  |
|  |  |                  |                       |                     |                       |   | 191,250               | 191,882             | 3.08                  |
|  |  |                  |                       |                     |                       | <b>Singapore</b>  |                       |                     |                       |
|  |  |                  |                       |                     |                       |   | 66,619                | 76,372              | 1.23                  |
|  |  |                  |                       |                     |                       |   | 66,619                | 76,372              | 1.23                  |
|  |  |                  |                       |                     |                       | <b>Switzerland</b>  |                       |                     |                       |
|  |  |                  |                       |                     |                       |   | 81,155                | 92,578              | 1.49                  |
|  |  |                  |                       |                     |                       |   | 79,918                | 105,543             | 1.70                  |
|  |  |                  |                       |                     |                       |   | 161,073               | 198,121             | 3.19                  |
|  |  |                  |                       |                     |                       | <b>United Kingdom</b>   |                       |                     |                       |
|  |  |                  |                       |                     |                       |   | 49,610                | 60,938              | 0.98                  |
|  |  |                  |                       |                     |                       |   | 132,380               | 144,813             | 2.33                  |
|  |  |                  |                       |                     |                       |   | 79,896                | 106,156             | 1.71                  |
|  |  |                  |                       |                     |                       |   | 104,498               | 114,762             | 1.84                  |
|  |  |                  |                       |                     |                       |   | 120,488               | 97,407              | 1.56                  |
|  |  |                  |                       |                     |                       |   | 486,872               | 524,076             | 8.42                  |
|  |  |                  |                       |                     |                       | <b>United States</b>  |                       |                     |                       |
|  |  |                  |                       |                     |                       |   | 94,700                | 124,730             | 2.00                  |
|  |  |                  |                       |                     |                       |   | 108,752               | 121,378             | 1.95                  |
|  |  |                  |                       |                     |                       |   | 82,444                | 106,483             | 1.71                  |
|  |  |                  |                       |                     |                       |   | 119,611               | 131,326             | 2.12                  |
|  |  |                  |                       |                     |                       |   | 130,322               | 110,920             | 1.78                  |
|  |  |                  |                       |                     |                       |   | 119,956               | 124,659             | 2.00                  |
|  |  |                  |                       |                     |                       |   | 111,461               | 132,968             | 2.14                  |
|  |  |                  |                       |                     |                       |   | 111,571               | 114,203             | 1.83                  |
|  |  |                  |                       |                     |                       |   | 86,096                | 119,303             | 1.92                  |
|  |  |                  |                       |                     |                       |   | 62,987                | 76,595              | 1.23                  |
|  |  |                  |                       |                     |                       |   | 1,027,900             | 1,162,565           | 18.68                 |
|  |  |                  |                       |                     |                       | <b>Total Common Stocks</b>                                    |                       |                     |                       |
|  |  |                  |                       |                     |                       | 5,510,429   |                       |                     |                       |
|  |  |                  |                       |                     |                       | 6,108,737   |                       |                     |                       |
|  |  |                  |                       |                     |                       | 98.13   |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Transaction Costs</b>                                      |                       |                     |                       |
|  |  |                  |                       |                     |                       | (5,796)   |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Total Investments</b>                                      |                       |                     |                       |
|  |  |                  |                       |                     |                       | 5,504,633   |                       |                     |                       |
|  |  |                  |                       |                     |                       | 6,108,737   |                       |                     |                       |
|  |  |                  |                       |                     |                       | 98.13   |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Total Investments and Cash Equivalents</b>                 |                       |                     |                       |
|  |  |                  |                       |                     |                       | 5,604,236   |                       |                     |                       |
|  |  |                  |                       |                     |                       | 6,208,340   |                       |                     |                       |
|  |  |                  |                       |                     |                       | 99.73   |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Other Assets Net of Liabilities</b>                        |                       |                     |                       |
|  |  |                  |                       |                     |                       | 16,729  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 0.27  |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                       |                     |                       |
|  |  |                  |                       |                     |                       | 6,225,069   |                       |                     |                       |
|  |  |                  |                       |                     |                       | 100.00  |                       |                     |                       |

# Beutel Goodman Total World Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 issuers in Canada and abroad. A significant portion of the Fund's assets will be invested in common shares or other equity securities of Canadian issuers. However, the proportion of the Fund's assets invested in Canadian issuers compared to non-Canadian issuers will vary based on the advisor's outlook for the capital markets. Currently, the Fund does not expect to invest more than 49% of its assets in securities of non-Canadian issuers. The Fund's advisor seeks to make investments in issuers that are undervalued in relation to the business value of the issuer. If financial results fall short of expectations, the intrinsic value of the underlying assets of the issuer should provide downside protection. 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

#### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|-------------------------------|------------------------------|---------------|
|                               | Dec. 31, 2019                | Dec. 31, 2018 |
| Total World Equity Benchmark* | 59                           | 59            |
| <b>Total</b>                  | <b>59</b>                    | <b>59</b>     |

\* The Beutel Goodman Total World Equity Fund Benchmark is comprised of:  
 - the S&P/TSX (50%), the S&P 500Cdn. (25%) and the MSCI EAFE (25%)(effective Jan. 1, 2016)  
 - the S&P/TSX (70%), the S&P 500Cdn. (15%) and the MSCI EAFE (15%)(effective since inception)

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 December 31, 2019 and December 31, 2018 are as follows:

##### Dec. 31, 2019

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total        | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|--------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)      | (%)                      |
| Euro Currency        | –                         | 611                            | –                            | 611          | 9.8                      |
| British Pound        | –                         | 321                            | 1                            | 322          | 5.2                      |
| United States Dollar | 1                         | 1,941                          | 4                            | 1,946        | 31.3                     |
| Singapore Dollar     | –                         | 76                             | –                            | 76           | 1.2                      |
| Swiss Franc          | –                         | 106                            | 2                            | 108          | 1.7                      |
| Danish Krone         | –                         | –                              | –                            | –            | 0.0                      |
| Australian Dollar    | –                         | 152                            | –                            | 152          | 2.4                      |
| <b>Total</b>         | <b>1</b>                  | <b>3,207</b>                   | <b>7</b>                     | <b>3,215</b> | <b>51.6</b>              |

##### Dec. 31, 2018

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total        | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|--------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)      | (%)                      |
| Euro Currency        | –                         | 615                            | –                            | 615          | 9.8                      |
| British Pound        | –                         | 292                            | 1                            | 293          | 4.7                      |
| United States Dollar | 1                         | 1,734                          | 6                            | 1,741        | 27.7                     |
| Singapore Dollar     | –                         | 69                             | –                            | 69           | 1.1                      |
| Swiss Franc          | –                         | 132                            | 1                            | 133          | 2.1                      |
| Danish Krone         | –                         | 83                             | –                            | 83           | 1.3                      |
| Australian Dollar    | –                         | 120                            | –                            | 120          | 1.9                      |
| <b>Total</b>         | <b>1</b>                  | <b>3,045</b>                   | <b>8</b>                     | <b>3,054</b> | <b>48.6</b>              |

# Beutel Goodman Total World Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

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

As at December 31, 2019 and December 31, 2018, 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 \$32,000 (December 31, 2018 \$30,500).

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 December 31, 2019 and December 31, 2018:

| Country segment        | Dec. 31, 2019 | Dec. 31, 2018  |
|------------------------|---------------|----------------|
| Short-Term Investments |               |                |
| Treasury Bills         | 1.60%         | 2.37%          |
| Common Stocks          |               |                |
| Australia              | 2.44%         | 1.92%          |
| Canada                 | 46.61%        | 49.14%         |
| Denmark                | –             | 1.32%          |
| France                 | 2.46%         | 2.83%          |
| Germany                | 9.09%         | 6.86%          |
| Guernsey               | 2.09%         | –              |
| Ireland                | 0.84%         | 1.03%          |
| Japan                  | –             | 1.21%          |
| Netherlands            | 3.08%         | 4.07%          |
| Singapore              | 1.23%         | 1.10%          |
| Switzerland            | 3.19%         | 2.09%          |
| United Kingdom         | 8.42%         | 8.11%          |
| United States          | 18.68%        | 17.97%         |
| <b>Total</b>           | <b>99.73%</b> | <b>100.02%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1          | Level 2        | Level 3  | Total            |
|---------------------|------------------|----------------|----------|------------------|
|                     | (\$)             | (\$)           | (\$)     | (\$)             |
| <b>Assets</b>       |                  |                |          |                  |
| Equity securities   | 5,801,421        | 307,316        | –        | 6,108,737        |
| <b>Total Assets</b> | <b>5,801,421</b> | <b>307,316</b> | <b>–</b> | <b>6,108,737</b> |

| December 31, 2018   | Level 1          | Level 2        | Level 3  | Total            |
|---------------------|------------------|----------------|----------|------------------|
|                     | (\$)             | (\$)           | (\$)     | (\$)             |
| <b>Assets</b>       |                  |                |          |                  |
| Equity securities   | 5,952,194        | 180,558        | –        | 6,132,752        |
| <b>Total Assets</b> | <b>5,952,194</b> | <b>180,558</b> | <b>–</b> | <b>6,132,752</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B        | Class D        | Class F        | Class I       |
|----------------------------------|----------------|----------------|----------------|---------------|
| Balance, beginning of the year   | 151,827        | 143,027        | 180,792        | 20,571        |
| Redeemable units issued for cash | 13,736         | 16,272         | 43,630         | 1,076         |
| Reinvested units                 | 942            | 1,733          | 2,798          | 539           |
| Redeemable units redeemed        | (41,304)       | (38,930)       | (63,649)       | (3,224)       |
| <b>Balance, end of year</b>      | <b>125,201</b> | <b>122,102</b> | <b>163,571</b> | <b>18,962</b> |

| 2018                             | Class B        | Class D        | Class F        | Class I       |
|----------------------------------|----------------|----------------|----------------|---------------|
| Balance, beginning of the year   | 111,907        | 121,703        | 135,421        | 18,807        |
| Redeemable units issued for cash | 55,571         | 35,899         | 56,940         | 7,757         |
| Reinvested units                 | 6,555          | 6,974          | 9,025          | 1,336         |
| Redeemable units redeemed        | (22,206)       | (21,549)       | (20,594)       | (7,329)       |
| <b>Balance, end of year</b>      | <b>151,827</b> | <b>143,027</b> | <b>180,792</b> | <b>20,571</b> |

# Beutel Goodman North American Focused Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019              | 2018              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Assets</b>  |                   |                   |
| <b>Current assets</b>  |                   |                   |
| Cash and cash equivalents  | 1,957,136         | 2,215,812         |
| Financial assets at fair value through profit or loss*                                   | 61,348,507        | 48,367,315        |
| Accrued interest   | 3,121             | 3,968             |
| Dividends receivable   | 47,073            | 46,177            |
| Subscriptions receivable   | 84,021            | 49,570            |
| <b>Total assets</b>  | <b>63,439,858</b> | <b>50,682,842</b> |
| <b>Liabilities</b>   |                   |                   |
| <b>Current liabilities</b>   |                   |                   |
| Management and administrative fees payable   | 98,923            | 89,036            |
| Redemptions payable  | 147,260           | 162,862           |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>246,183</b>    | <b>251,898</b>    |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>63,193,675</b> | <b>50,430,944</b> |
| *Investments at average cost   | 53,132,608        | 46,820,009        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                   |                   |
| Class B  | 12,360,369        | 10,372,573        |
| Class D  | 15,324,633        | 15,115,644        |
| Class F  | 24,637,370        | 16,587,704        |
| Class I  | 10,871,303        | 8,355,023         |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                   |                   |
| Class B  | 18.62             | 16.39             |
| Class D  | 11.39             | 10.01             |
| Class F  | 19.44             | 17.11             |
| Class I  | 12.40             | 10.90             |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                   |                   |
| Class B  | 663,863           | 632,730           |
| Class D  | 1,345,326         | 1,510,511         |
| Class F  | 1,267,436         | 969,458           |
| Class I  | 876,595           | 766,315           |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019             | 2018               |
|---|------------------|--------------------|
|   | \$               | \$                 |
| <b>Income</b>   |                  |                    |
| Net gains (losses) on investments   |                  |                    |
| Dividends   | 1,563,036        | 1,138,572          |
| Interest for distribution purposes  | 29,988           | 26,585             |
| Realized gain (loss) on sale of investments   | 510,713          | 1,504,858          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 6,668,593        | (3,719,846)        |
| <b>Net gains (losses) on investments</b>  | <b>8,772,330</b> | <b>(1,049,831)</b> |
| Other income  |                  |                    |
| Realized gain (loss) on foreign currency transactions   | (1,000)          | (14,471)           |
| <b>Total income</b>   | <b>8,771,330</b> | <b>(1,064,302)</b> |
| <b>Expenses</b>   |                  |                    |
| Management fees   | 656,801          | 562,225            |
| Administrative fees   | 65,295           | 52,995             |
| Transaction costs (note 9)  | 10,160           | 17,567             |
| Withholding taxes   | 104,788          | 77,865             |
| <b>Total Expenses</b>   | <b>837,044</b>   | <b>710,652</b>     |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>7,934,286</b> | <b>(1,774,954)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                  |                    |
| Class B   | 1,465,266        | (456,060)          |
| Class D   | 2,135,456        | (473,314)          |
| Class F   | 2,913,749        | (548,391)          |
| Class I   | 1,419,815        | (297,189)          |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                  |                    |
| Class B   | 2.24             | (0.75)             |
| Class D   | 1.50             | (0.30)             |
| Class F   | 2.44             | (0.71)             |
| Class I   | 1.75             | (0.56)             |

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

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 years ended December 31

|  | 2019        | 2018        |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |             |             |
| Class B  | 10,372,573  | 9,067,622   |
| Class D  | 15,115,644  | 15,654,196  |
| Class F  | 16,587,704  | 11,283,693  |
| Class I  | 8,355,023   | 4,566,758   |
|  | 50,430,944  | 40,572,269  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |             |             |
| Class B  | 1,465,266   | (456,060)   |
| Class D  | 2,135,456   | (473,314)   |
| Class F  | 2,913,749   | (548,391)   |
| Class I  | 1,419,815   | (297,189)   |
|  | 7,934,286   | (1,774,954) |
| <b>Distribution to holders of redeemable units</b>                                       |             |             |
| From net investment income   |             |             |
| Class B  | (43,780)    | –           |
| Class D  | (138,996)   | (76,847)    |
| Class F  | (339,342)   | (157,034)   |
| Class I  | (240,654)   | (140,412)   |
| From net realized gains on investments   |             |             |
| Class B  | –           | (201,654)   |
| Class D  | –           | (295,410)   |
| Class F  | –           | (322,255)   |
| Class I  | –           | (157,552)   |
|  | (762,772)   | (1,351,164) |
| <b>Redeemable unit transactions</b>  |             |             |
| Proceeds from redeemable units issued  |             |             |
| Class B  | 2,645,478   | 4,138,915   |
| Class D  | 2,517,170   | 4,999,696   |
| Class F  | 9,903,602   | 10,209,011  |
| Class I  | 1,261,871   | 4,163,446   |
| Reinvestments of distributions to holders of redeemable units                            |             |             |
| Class B  | 37,959      | 179,616     |
| Class D  | 138,563     | 363,919     |
| Class F  | 217,144     | 329,556     |
| Class I  | 240,654     | 297,964     |
| Redemption of redeemable units   |             |             |
| Class B  | (2,117,127) | (2,355,866) |
| Class D  | (4,443,204) | (5,056,596) |
| Class F  | (4,645,487) | (4,206,876) |
| Class I  | (165,406)   | (77,992)    |
|  | 5,591,217   | 12,984,793  |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |             |             |
| Class B  | 1,987,796   | 1,304,951   |
| Class D  | 208,989     | (538,552)   |
| Class F  | 8,049,666   | 5,304,011   |
| Class I  | 2,516,280   | 3,788,265   |
|  | 12,762,731  | 9,858,675   |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |             |             |
| Class B  | 12,360,369  | 10,372,573  |
| Class D  | 15,324,633  | 15,115,644  |
| Class F  | 24,637,370  | 16,587,704  |
| Class I  | 10,871,303  | 8,355,023   |
|  | 63,193,675  | 50,430,944  |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019         | 2018         |
|--|--------------|--------------|
|  | \$           | \$           |
| <b>Cash flows from operating activities</b>  |              |              |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 7,934,286    | (1,774,954)  |
| Adjustments for:   |              |              |
| Net realized (gain) loss on sale of investments                                    | (510,713)    | (1,504,858)  |
| Change in unrealized (appreciation) depreciation in the value of investments       | (6,668,593)  | 3,719,846    |
| Purchases of investments   | (14,482,124) | (22,384,291) |
| Proceeds from sale of investments  | 8,680,238    | 10,431,797   |
| (Increase) decrease in accrued interest  | 847          | (2,704)      |
| (Increase) decrease in dividends receivable  | (896)        | (15,820)     |
| Increase (decrease) in accrued liabilities   | 9,887        | 14,642       |
| <b>Net cash flows from (used in) operating activities</b>                          | (5,037,068)  | (11,516,342) |
| <b>Cash flows from financing activities</b>  |              |              |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (128,452)    | (180,137)    |
| Proceeds from redeemable units issued  | 16,293,670   | 23,593,990   |
| Redemption of redeemable units   | (11,386,826) | (11,593,530) |
| <b>Net cash flows from (used in) financing activities</b>                          | 4,778,392    | 11,820,323   |
| Net increase (decrease) in cash and cash equivalents                               | (258,676)    | 303,981      |
| Cash and cash equivalents at beginning of year                                     | 2,215,812    | 1,911,831    |
| <b>Cash and cash equivalents at end of year*</b>                                   | 1,957,136    | 2,215,812    |
| <b>Supplementary information</b>   |              |              |
| Cash flow from operating activities  |              |              |
| Interest received  | 30,835       | 23,881       |
| Dividends received, net of withholding taxes                                       | 1,457,352    | 1,122,752    |
| *Cash and cash equivalents include:  |              |              |
| Cash at banks  | 15,064       | 74,798       |
| Short-term investments   | 1,942,072    | 2,141,014    |
| Total  | 1,957,136    | 2,215,812    |

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

# Beutel Goodman North American Focused Equity Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value          | Coupon<br>Rate (%)                  | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares  | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |
|--|-------------------------------------|------------------|-----------------------|---------------------|-----------------------|---|-----------------------|---------------------|-----------------------|
| <b>Cash Equivalents (2018 - 4.24%)</b>   |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Treasury Bills</b>                    |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| 75,000                                   | Government of Canada                | 1.660            | 2-Apr-20              | 74,681              | 74,681                | 0.12  |                       |                     |                       |
| 425,000                                  | Government of Canada                | 1.656            | 19-Mar-20             | 423,244             | 423,244               | 0.67  |                       |                     |                       |
| 75,000                                   | Government of Canada                | 1.655            | 5-Mar-20              | 74,699              | 74,699                | 0.12  |                       |                     |                       |
| 875,000                                  | Government of Canada                | 1.646            | 20-Feb-20             | 871,590             | 871,590               | 1.37  |                       |                     |                       |
| 500,000                                  | Government of Canada                | 1.671            | 6-Feb-20              | 497,858             | 497,858               | 0.79  |                       |                     |                       |
|  |                                     |                  |                       | 1,942,072           | 1,942,072             | 3.07  |                       |                     |                       |
| <b>Common Stocks (2018 - 95.91%)</b>     |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Industrial</b>                        |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| 3,930                                    | Canadian Pacific Railway Ltd.       |                  |                       | 779,385             | 1,300,948             | 2.06  |                       |                     |                       |
| 119,025                                  | Finning International Inc.          |                  |                       | 3,056,461           | 3,011,333             | 4.77  |                       |                     |                       |
| 12,700                                   | Parker Hannifin Corp.               |                  |                       | 2,469,331           | 3,389,587             | 5.36  |                       |                     |                       |
|  |                                     |                  |                       | 6,305,177           | 7,701,868             | 12.19   |                       |                     |                       |
| <b>Communication Services</b>            |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| 54,600                                   | Comcast Corp.                       |                  |                       | 2,546,519           | 3,183,985             | 5.04  |                       |                     |                       |
| 28,390                                   | Omnicom Group Inc.                  |                  |                       | 2,908,165           | 2,982,724             | 4.72  |                       |                     |                       |
| 46,940                                   | Rogers Communications Inc., Class B |                  |                       | 2,680,983           | 3,026,691             | 4.79  |                       |                     |                       |
| 41,660                                   | Verizon Communications Inc.         |                  |                       | 2,604,076           | 3,316,982             | 5.24  |                       |                     |                       |
|  |                                     |                  |                       | 10,739,743          | 12,510,382            | 19.79   |                       |                     |                       |
| <b>Consumer Discretionary</b>            |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Automobiles &amp; Components</b>      |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| 46,315                                   | Magna International Inc.            |                  |                       | 2,519,736           | 3,297,628             | 5.22  |                       |                     |                       |
|  |                                     |                  |                       | 2,519,736           | 3,297,628             | 5.22  |                       |                     |                       |
| <b>Retailing</b>                         |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| 22,190                                   | Canadian Tire Corp Ltd., Class A    |                  |                       | 2,972,746           | 3,101,053             | 4.91  |                       |                     |                       |
|  |                                     |                  |                       | 2,972,746           | 3,101,053             | 4.91  |                       |                     |                       |
|  |                                     |                  |                       | 5,492,482           | 6,398,681             | 10.13   |                       |                     |                       |
| <b>Consumer Staples</b>                  |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Household &amp; Personal Products</b> |                                     |                  |                       |                     |                       |   |                       |                     |                       |
| 32,525                                   | Kellogg Co.                         |                  |                       | 2,580,488           | 2,916,942             | 4.62  |                       |                     |                       |
| 59,100                                   | Metro Inc., Class A                 |                  |                       | 2,448,432           | 3,167,169             | 5.01  |                       |                     |                       |
| 28,325                                   | Molson Coors Brewing Co.            |                  |                       | 2,788,560           | 1,979,767             | 3.13  |                       |                     |                       |
|  |                                     |                  |                       | 7,817,480           | 8,063,878             | 12.76   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Food, Beverage &amp; Tobacco</b>                           |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 59,590 Saputo Inc.  |                       |                     |                       |
|  |                                     |                  |                       | 2,405,820           | 2,395,518             | 3.79  |                       |                     |                       |
|  |                                     |                  |                       | 2,405,820           | 2,395,518             | 3.79  |                       |                     |                       |
|  |                                     |                  |                       | 10,223,300          | 10,459,396            | 16.55   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Health Care</b>  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Pharmaceuticals &amp; Biotechnology</b>                    |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 8,300 Amgen Inc.  |                       |                     |                       |
|  |                                     |                  |                       | 1,956,962           | 2,594,638             | 4.11  |                       |                     |                       |
|  |                                     |                  |                       | 1,956,962           | 2,594,638             | 4.11  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Health Care Equipment &amp; Services</b>                   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 26,890 AmerisourceBergen Corp.                                |                       |                     |                       |
|  |                                     |                  |                       | 2,910,118           | 2,964,609             | 4.69  |                       |                     |                       |
|  |                                     |                  |                       | 2,910,118           | 2,964,609             | 4.69  |                       |                     |                       |
|  |                                     |                  |                       | 4,867,080           | 5,559,247             | 8.80  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Financials</b>   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Banks</b>  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 39,605 Royal Bank of Canada                                   |                       |                     |                       |
|  |                                     |                  |                       | 3,560,014           | 4,069,414             | 6.44  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 54,820 The Toronto-Dominion Bank                              |                       |                     |                       |
|  |                                     |                  |                       | 3,414,297           | 3,992,541             | 6.32  |                       |                     |                       |
|  |                                     |                  |                       | 6,974,311           | 8,061,955             | 12.76   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Diversified Financials</b>                                 |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 12,590 American Express Co.                                   |                       |                     |                       |
|  |                                     |                  |                       | 1,466,814           | 2,032,430             | 3.22  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 30,025 Brookfield Asset Management Inc.                       |                       |                     |                       |
|  |                                     |                  |                       | 1,497,078           | 2,252,776             | 3.56  |                       |                     |                       |
|  |                                     |                  |                       | 2,963,892           | 4,285,206             | 6.78  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Insurance</b>  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 62,425 Sun Life Financial Inc.                                |                       |                     |                       |
|  |                                     |                  |                       | 3,287,852           | 3,696,184             | 5.85  |                       |                     |                       |
|  |                                     |                  |                       | 3,287,852           | 3,696,184             | 5.85  |                       |                     |                       |
|  |                                     |                  |                       | 13,226,055          | 16,043,345            | 25.39   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Information Technology</b>                                 |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | 38,945 Oracle Corp.   |                       |                     |                       |
|  |                                     |                  |                       | 2,302,777           | 2,675,588             | 4.23  |                       |                     |                       |
|  |                                     |                  |                       | 2,302,777           | 2,675,588             | 4.23  |                       |                     |                       |
|  |                                     |                  |                       | 53,156,614          | 61,348,507            | 97.08   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Total Common Stocks</b>                                    |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Transaction Costs</b>                                      |                       |                     |                       |
|  |                                     |                  |                       | (24,006)            |                       |   |                       |                     |                       |
|  |                                     |                  |                       | 53,132,608          | 61,348,507            | 97.08   |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Total Investments and Cash Equivalents</b>                 |                       |                     |                       |
|  |                                     |                  |                       | 55,074,680          | 63,290,579            | 100.15  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Other Assets Net of Liabilities</b>                        |                       |                     |                       |
|  |                                     |                  |                       | (96,904)            |                       | (0.15)  |                       |                     |                       |
|  |                                     |                  |                       |                     |                       | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                       |                     |                       |
|  |                                     |                  |                       | 63,193,675          |                       | 100.00  |                       |                     |                       |

# Beutel Goodman North American Focused Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 issuers in Canada and the United States. 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 24 issuers at one time. The Fund's strategy is to identify companies that can grow their intrinsic value at above normal rates over long periods 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 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|--|------------------------------|---------------|
|  | Dec. 31, 2019                | Dec. 31, 2018 |
| North American Focused Equity Benchmark* | 563                          | 448           |
| <b>Total</b>                             | <b>563</b>                   | <b>448</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 December 31, 2019 and December 31, 2018 are as follows:

#### Dec. 31, 2019

|                      | 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 | 6                         | 28,037                         | 20                           | 28,063        | 44.4                     |
| <b>Total</b>         | <b>6</b>                  | <b>28,037</b>                  | <b>20</b>                    | <b>28,063</b> | <b>44.4</b>              |

#### Dec. 31, 2018

|                      | 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 | 9                         | 22,789                         | 27                           | 22,825        | 45.3                     |
| <b>Total</b>         | <b>9</b>                  | <b>22,789</b>                  | <b>27</b>                    | <b>22,825</b> | <b>45.3</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$281,000 (December 31, 2018 \$228,000).

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

# Beutel Goodman North American Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Market segment         | Dec. 31, 2019  | Dec. 31, 2018  |
|------------------------|----------------|----------------|
| Short-Term Investments |                |                |
| Treasury Bills         | 3.07%          | 4.24%          |
| Common Stocks          |                |                |
| Energy                 | –              | 2.18%          |
| Industrial             | 12.19%         | 14.10%         |
| Consumer Discretionary | 10.13%         | 8.83%          |
| Consumer Staples       | 16.55%         | 14.19%         |
| Health Care            | 8.80%          | 4.06%          |
| Financials             | 25.39%         | 23.97%         |
| Information Technology | 4.23%          | 8.75%          |
| Communication Services | 19.79%         | 19.83%         |
| <b>Total</b>           | <b>100.15%</b> | <b>100.15%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1           | Level 2  | Level 3  | Total             |
|---------------------|-------------------|----------|----------|-------------------|
|                     | (\$)              | (\$)     | (\$)     | (\$)              |
| <b>Assets</b>       |                   |          |          |                   |
| Equity securities   | 61,348,507        | –        | –        | 61,348,507        |
| <b>Total Assets</b> | <b>61,348,507</b> | <b>–</b> | <b>–</b> | <b>61,348,507</b> |

| December 31, 2018   | Level 1           | Level 2  | Level 3  | Total             |
|---------------------|-------------------|----------|----------|-------------------|
|                     | (\$)              | (\$)     | (\$)     | (\$)              |
| <b>Assets</b>       |                   |          |          |                   |
| Equity securities   | 48,367,315        | –        | –        | 48,367,315        |
| <b>Total Assets</b> | <b>48,367,315</b> | <b>–</b> | <b>–</b> | <b>48,367,315</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B        | Class D          | Class F          | Class I        |
|----------------------------------|----------------|------------------|------------------|----------------|
| Balance, beginning of the year   | 632,730        | 1,510,511        | 969,458          | 766,315        |
| Redeemable units issued for cash | 148,193        | 233,542          | 536,241          | 104,770        |
| Reinvested units                 | 2,025          | 12,145           | 11,099           | 19,290         |
| Redeemable units redeemed        | (119,085)      | (410,872)        | (249,362)        | (13,780)       |
| <b>Balance, end of year</b>      | <b>663,863</b> | <b>1,345,326</b> | <b>1,267,436</b> | <b>876,595</b> |

| 2018                             | Class B        | Class D          | Class F        | Class I        |
|----------------------------------|----------------|------------------|----------------|----------------|
| Balance, beginning of the year   | 520,810        | 1,478,410        | 621,676        | 395,715        |
| Redeemable units issued for cash | 235,900        | 470,994          | 559,602        | 350,495        |
| Reinvested units                 | 10,765         | 35,664           | 18,934         | 26,878         |
| Redeemable units redeemed        | (134,745)      | (474,557)        | (230,754)      | (6,773)        |
| <b>Balance, end of year</b>      | <b>632,730</b> | <b>1,510,511</b> | <b>969,458</b> | <b>766,315</b> |

# Beutel Goodman Fundamental Canadian Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019                 | 2018               |
|--|----------------------|--------------------|
|  | \$                   | \$                 |
| <b>Assets</b>  |                      |                    |
| <b>Current assets</b>  |                      |                    |
| Cash and cash equivalents  | 32,191,650           | 22,095,852         |
| Financial assets at fair value through profit or loss*                                   | 1,303,804,652        | 782,871,970        |
| Accrued interest   | 29,961               | 20,083             |
| Dividends receivable   | 2,432,471            | 1,952,906          |
| Subscriptions receivable   | 4,114,172            | 2,595,948          |
| <b>Total assets</b>  | <b>1,342,572,906</b> | <b>809,536,759</b> |
| <b>Liabilities</b>   |                      |                    |
| <b>Current liabilities</b>   |                      |                    |
| Management and administrative fees payable   | 83,944               | 48,861             |
| Due to brokers   | 6,588,402            | –                  |
| Redemptions payable  | 257,068              | 454,831            |
| Distributions payable  | 87,306               | 27,809             |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>7,016,720</b>     | <b>531,501</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>1,335,556,186</b> | <b>809,005,258</b> |
| *Investments at average cost   | 1,199,070,780        | 768,708,935        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                      |                    |
| Class B  | 880,718              | 685,387            |
| Class F  | 4,497,958            | 1,482,815          |
| Class I  | 1,330,177,510        | 806,837,056        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                      |                    |
| Class B  | 11.70                | 10.65              |
| Class F  | 11.88                | 10.83              |
| Class I  | 12.08                | 10.99              |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                      |                    |
| Class B  | 75,252               | 64,365             |
| Class F  | 378,647              | 136,944            |
| Class I  | 110,107,032          | 73,422,409         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019               | 2018                |
|---|--------------------|---------------------|
|   | \$                 | \$                  |
| <b>Income</b>   |                    |                     |
| Net gains (losses) on investments   |                    |                     |
| Dividends   | 33,673,138         | 22,924,176          |
| Interest for distribution purposes  | 538,650            | 253,418             |
| Realized gain (loss) on sale of investments   | 5,946,567          | 11,566,544          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 90,570,837         | (67,637,391)        |
| <b>Net gains (losses) on investments</b>  | <b>130,729,192</b> | <b>(32,893,253)</b> |
| Other income  |                    |                     |
| Realized gain (loss) on foreign currency transactions   | 12,359             | 1,372               |
| <b>Total income</b>   | <b>130,741,551</b> | <b>(32,891,881)</b> |
| <b>Expenses</b>   |                    |                     |
| Management fees   | 50,930             | 17,585              |
| Administrative fees   | 1,296,717          | 849,217             |
| Transaction costs (note 9)  | 433,713            | 246,829             |
| <b>Total expenses before waiver</b>   | <b>1,781,360</b>   | <b>1,113,631</b>    |
| Expenses waived by the manager  | (516,866)          | (340,167)           |
| <b>Total expenses</b>   | <b>1,264,494</b>   | <b>773,464</b>      |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>129,477,057</b> | <b>(33,665,345)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                    |                     |
| Class B   | 82,777             | (45,691)            |
| Class F   | 321,639            | (73,342)            |
| Class I   | 129,072,641        | (33,546,312)        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                    |                     |
| Class B   | 1.14               | (1.08)              |
| Class F   | 1.08               | (1.02)              |
| Class I   | 1.35               | (0.54)              |

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

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 years ended December 31

|  | 2019          | 2018         |
|--|---------------|--------------|
|  | \$            | \$           |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |               |              |
| Class B  | 685,387       | 259,619      |
| Class F  | 1,482,815     | 357,653      |
| Class I  | 806,837,056   | 651,084,440  |
|  | 809,005,258   | 651,701,712  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |               |              |
| Class B  | 82,777        | (45,691)     |
| Class F  | 321,639       | (73,342)     |
| Class I  | 129,072,641   | (33,546,312) |
|  | 129,477,057   | (33,665,345) |
| <b>Distribution to holders of redeemable units</b>                                       |               |              |
| From net investment income   |               |              |
| Class B  | (4,910)       | (10,156)     |
| Class F  | (74,712)      | (34,667)     |
| Class I  | (32,776,907)  | (22,340,388) |
| From net realized gains on investments   |               |              |
| Class B  | (4,724)       | (10,664)     |
| Class F  | (22,601)      | (23,405)     |
| Class I  | (7,022,596)   | (12,523,137) |
|  | (39,906,450)  | (34,942,417) |
| <b>Redeemable unit transactions</b>  |               |              |
| Proceeds from redeemable units issued  |               |              |
| Class B  | 366,893       | 592,823      |
| Class F  | 3,291,224     | 1,325,078    |
| Class I  | 553,557,844   | 250,056,680  |
| Reinvestments of distributions to holders of redeemable units                            |               |              |
| Class B  | 9,548         | 20,821       |
| Class F  | 63,527        | 36,558       |
| Class I  | 39,736,577    | 34,859,948   |
| Redemption of redeemable units   |               |              |
| Class B  | (254,253)     | (121,365)    |
| Class F  | (563,934)     | (105,060)    |
| Class I  | (159,227,105) | (60,754,175) |
|  | 436,980,321   | 225,911,308  |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |               |              |
| Class B  | 195,331       | 425,768      |
| Class F  | 3,015,143     | 1,125,162    |
| Class I  | 523,340,454   | 155,752,616  |
|  | 526,550,928   | 157,303,546  |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |               |              |
| Class B  | 880,718       | 685,387      |
| Class F  | 4,497,958     | 1,482,815    |
| Class I  | 1,330,177,510 | 806,837,056  |
|  | 1,335,556,186 | 809,005,258  |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Cash flows from operating activities</b>  |               |               |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 129,477,057   | (33,665,345)  |
| Adjustments for:   |               |               |
| Net realized (gain) loss on sale of investments                                    | (5,946,567)   | (11,566,544)  |
| Change in unrealized (appreciation) depreciation in the value of investments       | (90,570,837)  | 67,637,391    |
| Purchases of investments   | (542,326,512) | (311,321,661) |
| Proceeds from sale of investments  | 124,499,636   | 115,647,255   |
| (Increase) decrease in accrued interest  | (9,878)       | (19,197)      |
| (Increase) decrease in dividends receivable  | (479,565)     | (251,568)     |
| Increase (decrease) in accrued liabilities   | 35,083        | 11,252        |
| <b>Net cash flows from (used in) operating activities</b>                          | (385,321,583) | (173,528,417) |
| <b>Cash flows from financing activities</b>  |               |               |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (37,301)      | (577)         |
| Proceeds from redeemable units issued  | 555,697,737   | 250,577,048   |
| Redemption of redeemable units   | (160,243,055) | (60,535,126)  |
| <b>Net cash flows from (used in) financing activities</b>                          | 395,417,381   | 190,041,345   |
| Net increase (decrease) in cash and cash equivalents                               | 10,095,798    | 16,512,928    |
| Cash and cash equivalents at beginning of year                                     | 22,095,852    | 5,582,924     |
| <b>Cash and cash equivalents at end of year*</b>                                   | 32,191,650    | 22,095,852    |
| <b>Supplementary information</b>   |               |               |
| Cash flow from operating activities  |               |               |
| Interest received  | 528,772       | 234,221       |
| Dividends received, net of withholding taxes                                       | 33,193,573    | 22,672,608    |
| *Cash and cash equivalents include:  |               |               |
| Cash at banks/(overdraft)  | (341,752)     | (60,332)      |
| Short-term investments   | 32,533,402    | 22,156,184    |
| Total  | 32,191,650    | 22,095,852    |

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

# Beutel Goodman Fundamental Canadian Equity Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value           | Coupon<br>Rate (%)                  | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares  | Average<br>Cost<br>\$                         | Fair<br>Value<br>\$                | % of<br>Net<br>Assets |             |       |
|---|-------------------------------------|------------------|-----------------------|---------------------|-----------------------|---|---|------------------------------------|-----------------------|-------------|-------|
| <b>Cash Equivalents (2018 - 2.74%)</b>    |                                     |                  |                       |                     |                       | <b>Consumer Staples</b>                                       |   |                                    |                       |             |       |
| <b>Treasury Bills</b>                     |                                     |                  |                       |                     |                       | <b>Food &amp; Staples Retailing</b>                           |   |                                    |                       |             |       |
| 6,025,000                                 | Government of Canada                | 1.660            | 2-Apr-20              | 5,999,666           | 5,999,666             | 0.45  | 196,020                                       | Loblaws Cos Ltd.                   | 11,721,009            | 13,133,340  | 0.98  |
| 14,575,000                                | Government of Canada                | 1.653            | 19-Mar-20             | 14,513,654          | 14,513,654            | 1.09  | 1,353,130                                     | Metro Inc., Class A                | 60,835,072            | 72,514,237  | 5.43  |
| 5,025,000                                 | Government of Canada                | 1.655            | 5-Mar-20              | 5,004,449           | 5,004,449             | 0.37  |   |                                    | 72,556,081            | 85,647,577  | 6.41  |
| 7,045,000                                 | Government of Canada                | 1.648            | 20-Feb-20             | 7,015,633           | 7,015,633             | 0.53  |   |                                    |                       |             |       |
|   |                                     |                  |                       | 32,533,402          | 32,533,402            | 2.44  |   |                                    |                       |             |       |
| <b>Common Stocks (2018 - 96.77%)</b>      |                                     |                  |                       |                     |                       | <b>Food Beverage &amp; Tobacco</b>                            |   |                                    |                       |             |       |
| <b>Energy</b>                             |                                     |                  |                       |                     |                       | 298,432 Molson Coors Canada Inc., Class B                     |   |                                    |                       |             |       |
| 1,691,060                                 | Cameco Corp.                        |                  |                       | 24,604,109          | 19,514,832            | 1.46  | 781,840                                       | Saputo Inc.                        | 29,352,526            | 21,478,151  | 1.61  |
| 1,656,150                                 | Canadian Natural Resources Ltd.     |                  |                       | 61,764,852          | 69,558,300            | 5.21  |   |                                    | 31,701,924            | 31,429,968  | 2.35  |
| 1,709,230                                 | Enovus Energy Inc.                  |                  |                       | 25,536,084          | 22,561,836            | 1.69  |   |                                    | 61,054,450            | 52,908,119  | 3.96  |
| 869,050                                   | Suncor Energy Inc.                  |                  |                       | 35,150,795          | 36,986,768            | 2.77  |   |                                    | 133,610,531           | 138,555,696 | 10.37 |
|   |                                     |                  |                       | 147,055,840         | 148,621,736           | 11.13   |   |                                    |                       |             |       |
| <b>Materials</b>                          |                                     |                  |                       |                     |                       | <b>Financials</b>   |   |                                    |                       |             |       |
| 144,380                                   | Franco-Nevada Corp.                 |                  |                       | 13,266,374          | 19,359,914            | 1.45  | <b>Banks</b>                                  |                                    |                       |             |       |
| 904,754                                   | Nutrien Ltd.                        |                  |                       | 60,503,169          | 56,248,556            | 4.21  | 438,370                                       | Bank of Montreal                   | 43,411,308            | 44,117,557  | 3.30  |
| 705,700                                   | Teck Resources Ltd.                 |                  |                       | 17,433,218          | 15,892,364            | 1.19  | 781,400                                       | Bank of Nova Scotia                | 55,948,787            | 57,315,690  | 4.29  |
|   |                                     |                  |                       | 91,202,761          | 91,500,834            | 6.85  | 115,630                                       | Canadian Imperial Bank of Commerce | 12,777,107            | 12,494,978  | 0.94  |
| <b>Industrial</b>                         |                                     |                  |                       |                     |                       | 1,179,620 Royal Bank of Canada                                |   |                                    |                       |             |       |
| <b>Capital Goods</b>                      |                                     |                  |                       |                     |                       | 1,520,170 The Toronto-Dominion Bank                           |   |                                    |                       |             |       |
| 1,083,820                                 | Finning International Inc.          |                  |                       | 26,987,750          | 27,420,646            | 2.05  |   |                                    | 323,322,123           | 345,848,160 | 25.90 |
|   |                                     |                  |                       | 26,987,750          | 27,420,646            | 2.05  |   |                                    |                       |             |       |
| <b>Commercial Services &amp; Supplies</b> |                                     |                  |                       |                     |                       | <b>Diversified Financials</b>                                 |   |                                    |                       |             |       |
| 122,863                                   | Thomson Reuters Corp.               |                  |                       | 7,682,332           | 11,412,744            | 0.85  | 748,210                                       | Brookfield Asset Management Inc.   | 38,888,478            | 56,138,196  | 4.20  |
|   |                                     |                  |                       | 7,682,332           | 11,412,744            | 0.85  | 239,540                                       | Onex Corp.                         | 20,177,376            | 19,683,002  | 1.47  |
| <b>Transportation</b>                     |                                     |                  |                       |                     |                       | <b>Insurance</b>  |   |                                    |                       |             |       |
| 341,130                                   | Canadian National Railway Co.       |                  |                       | 33,567,898          | 40,072,541            | 3.01  | 1,041,180                                     | Great-West Lifeco Inc.             | 33,791,938            | 34,629,647  | 2.59  |
| 62,260                                    | Canadian Pacific Railway Ltd.       |                  |                       | 14,639,113          | 20,609,928            | 1.54  | 886,550                                       | Manulife Financial Corp.           | 20,037,463            | 23,369,459  | 1.75  |
|   |                                     |                  |                       | 48,207,011          | 60,682,469            | 4.55  | 969,390                                       | Sun Life Financial Inc.            | 48,625,820            | 57,397,582  | 4.30  |
|   |                                     |                  |                       | 82,877,093          | 99,515,859            | 7.45  |   |                                    | 102,455,221           | 115,396,688 | 8.64  |
| <b>Communication Services</b>             |                                     |                  |                       |                     |                       | 484,843,198 537,066,046 40.21                                 |   |                                    |                       |             |       |
| 706,240                                   | Quebecor Inc., Class B              |                  |                       | 16,952,592          | 23,404,794            | 1.75  | <b>Information Technology</b>                 |                                    |                       |             |       |
| 1,496,080                                 | Rogers Communications Inc., Class B |                  |                       | 91,578,214          | 96,467,238            | 7.23  | <b>Software &amp; Services</b>                |                                    |                       |             |       |
| 612,210                                   | TELUS Corp.                         |                  |                       | 27,457,694          | 30,781,919            | 2.30  | 515,860                                       | Open Text Corp.                    | 22,804,386            | 29,517,509  | 2.21  |
|   |                                     |                  |                       | 135,988,500         | 150,653,951           | 11.28   |   |                                    | 22,804,386            | 29,517,509  | 2.21  |
| <b>Consumer Discretionary</b>             |                                     |                  |                       |                     |                       | <b>Total Common Stocks</b>                                    |   |                                    |                       |             |       |
| <b>Automobiles &amp; Components</b>       |                                     |                  |                       |                     |                       | 1,199,778,605 1,303,804,652 97.62                             |   |                                    |                       |             |       |
| 926,230                                   | Magna International Inc.            |                  |                       | 57,774,560          | 65,947,576            | 4.94  | <b>Transaction Costs</b>                      |                                    |                       |             |       |
|   |                                     |                  |                       | 57,774,560          | 65,947,576            | 4.94  | (707,825)                                     |                                    |                       |             |       |
| <b>Retailing</b>                          |                                     |                  |                       |                     |                       | <b>Total Investments</b>                                      |   |                                    |                       |             |       |
| 303,581                                   | Canadian Tire Corp Ltd., Class A    |                  |                       | 43,621,736          | 42,425,445            | 3.18  | 1,199,070,780 1,303,804,652 97.62             |                                    |                       |             |       |
|   |                                     |                  |                       | 43,621,736          | 42,425,445            | 3.18  | <b>Total Investments and Cash Equivalents</b> |                                    |                       |             |       |
|   |                                     |                  |                       | 101,396,296         | 108,373,021           | 8.12  | 1,231,604,182 1,336,338,054 100.06            |                                    |                       |             |       |
|   |                                     |                  |                       |                     |                       | <b>Other Assets Net of Liabilities</b>                        |   |                                    |                       |             |       |
|   |                                     |                  |                       |                     |                       | (781,868) (0.06)  |   |                                    |                       |             |       |
|   |                                     |                  |                       |                     |                       | <b>Net Assets Attributable to Holders of Redeemable Units</b> |   |                                    |                       |             |       |
|   |                                     |                  |                       |                     |                       | 1,335,556,186 100.00  |   |                                    |                       |             |       |

# Beutel Goodman Fundamental Canadian Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and December 31, 2018

### 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 business value of the issuer. If financial results fall short of expectations, the intrinsic value of the underlying assets of the issuer should provide downside protection. The investment portfolio of the Fund will usually have valuations that are well below market averages. The Fund may hold significant cash balances from time to time. 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018 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) |               |
|-------------------------|------------------------------|---------------|
|                         | Dec. 31, 2019                | Dec. 31, 2018 |
| S&P/TSX Composite Index | 12,741                       | 7,305         |
| <b>Total</b>            | <b>12,741</b>                | <b>7,305</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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018:

| Market segment         | Dec. 31, 2019  | Dec. 31, 2018 |
|------------------------|----------------|---------------|
| Short-Term Investments |                |               |
| Treasury Bills         | 2.44%          | 2.74%         |
| Common Stocks          |                |               |
| Energy                 | 11.13%         | 7.93%         |
| Materials              | 6.85%          | 6.52%         |
| Industrial             | 7.45%          | 9.21%         |
| Consumer Discretionary | 8.12%          | 8.12%         |
| Consumer Staples       | 10.37%         | 10.60%        |
| Financials             | 40.21%         | 38.60%        |
| Information Technology | 2.21%          | 2.85%         |
| Communication Services | 11.28%         | 12.94%        |
| <b>Total</b>           | <b>100.06%</b> | <b>99.51%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1              | Level 2  | Level 3  | Total                |
|---------------------|----------------------|----------|----------|----------------------|
|                     | (\$)                 | (\$)     | (\$)     | (\$)                 |
| <b>Assets</b>       |                      |          |          |                      |
| Equity securities   | 1,303,804,652        | –        | –        | 1,303,804,652        |
| <b>Total Assets</b> | <b>1,303,804,652</b> | <b>–</b> | <b>–</b> | <b>1,303,804,652</b> |

| December 31, 2018   | Level 1            | Level 2  | Level 3  | Total              |
|---------------------|--------------------|----------|----------|--------------------|
|                     | (\$)               | (\$)     | (\$)     | (\$)               |
| <b>Assets</b>       |                    |          |          |                    |
| Equity securities   | 782,871,970        | –        | –        | 782,871,970        |
| <b>Total Assets</b> | <b>782,871,970</b> | <b>–</b> | <b>–</b> | <b>782,871,970</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.



# Beutel Goodman Fundamental Canadian Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and December 31, 2018

### Fund Unit Transactions

#### For the years ended December 31

| 2019                             | Class B       | Class F        | Class I            |
|----------------------------------|---------------|----------------|--------------------|
| Balance, beginning of the year   | 64,365        | 136,944        | 73,422,409         |
| Redeemable units issued for cash | 32,200        | 284,113        | 46,725,979         |
| Reinvested units                 | 824           | 5,423          | 3,325,321          |
| Redeemable units redeemed        | (22,137)      | (47,833)       | (13,366,677)       |
| <b>Balance, end of year</b>      | <b>75,252</b> | <b>378,647</b> | <b>110,107,032</b> |

| 2018                             | Class B       | Class F        | Class I           |
|----------------------------------|---------------|----------------|-------------------|
| Balance, beginning of the year   | 22,285        | 30,239         | 54,511,688        |
| Redeemable units issued for cash | 50,798        | 112,314        | 20,786,819        |
| Reinvested units                 | 1,955         | 3,376          | 3,172,239         |
| Redeemable units redeemed        | (10,673)      | (8,985)        | (5,048,337)       |
| <b>Balance, end of year</b>      | <b>64,365</b> | <b>136,944</b> | <b>73,422,409</b> |

# Beutel Goodman Small Cap Fund

## Statements of Financial Position

As at December 31

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Assets</b>  |                    |                    |
| <b>Current assets</b>  |                    |                    |
| Cash and cash equivalents  | 27,141,754         | 13,785,078         |
| Financial assets at fair value through profit or loss*                                   | 510,672,912        | 497,306,370        |
| Accrued interest   | 60,895             | 21,881             |
| Dividends receivable   | 838,289            | 988,561            |
| Due from brokers   | 123,951            | —                  |
| Subscriptions receivable   | 43,260             | 1,444,678          |
| <b>Total assets</b>  | <b>538,881,061</b> | <b>513,546,568</b> |
| <b>Liabilities</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Management and administrative fees payable   | 122,871            | 112,126            |
| Redemptions payable  | 576,188            | 255,174            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>699,059</b>     | <b>367,300</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>538,182,002</b> | <b>513,179,268</b> |
| *Investments at average cost   | 387,693,892        | 447,601,463        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                    |                    |
| Class B  | 4,334,538          | 5,305,592          |
| Class D  | 57,461,940         | 52,288,687         |
| Class F  | 15,990,978         | 14,218,059         |
| Class I  | 460,394,546        | 441,366,930        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                    |                    |
| Class B  | 12.50              | 10.48              |
| Class D  | 26.19              | 21.88              |
| Class F  | 26.70              | 22.31              |
| Class I  | 27.99              | 23.40              |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                    |                    |
| Class B  | 346,896            | 506,349            |
| Class D  | 2,194,090          | 2,389,568          |
| Class F  | 598,946            | 637,341            |
| Class I  | 16,447,997         | 18,859,968         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019               | 2018                 |
|---|--------------------|----------------------|
|   | \$                 | \$                   |
| <b>Income</b>   |                    |                      |
| Net gains (losses) on investments   |                    |                      |
| Dividends   | 10,163,663         | 9,713,298            |
| Interest for distribution purposes  | 266,654            | 133,670              |
| Realized gain (loss) on sale of investments   | 45,725,959         | 66,050,295           |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 73,274,113         | (183,770,958)        |
| <b>Net gains (losses) on investments</b>  | <b>129,430,389</b> | <b>(107,873,695)</b> |
| Other income  |                    |                      |
| Realized gain (loss) on foreign currency transactions   | 3,946              | (9,195)              |
| <b>Total income</b>   | <b>129,434,335</b> | <b>(107,882,890)</b> |
| <b>Expenses</b>   |                    |                      |
| Management fees   | 1,054,195          | 1,222,154            |
| Administrative fees   | 601,588            | 678,884              |
| Transaction costs (note 9)  | 304,898            | 354,823              |
| <b>Total expenses before waiver</b>   | <b>1,960,681</b>   | <b>2,255,861</b>     |
| Expenses waived by the manager  | (207,093)          | (233,674)            |
| <b>Total Expenses</b>   | <b>1,753,588</b>   | <b>2,022,187</b>     |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>127,680,747</b> | <b>(109,905,077)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                    |                      |
| Class B   | 1,138,946          | (1,299,587)          |
| Class D   | 12,546,816         | (12,378,754)         |
| Class F   | 3,472,910          | (3,284,510)          |
| Class I   | 110,522,075        | (92,942,226)         |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                    |                      |
| Class B   | 2.55               | (2.74)               |
| Class D   | 5.57               | (5.36)               |
| Class F   | 5.68               | (5.27)               |
| Class I   | 6.40               | (5.42)               |

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

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 years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |               |               |
| Class B  | 5,305,592     | 6,716,625     |
| Class D  | 52,288,687    | 76,395,409    |
| Class F  | 14,218,059    | 21,091,893    |
| Class I  | 441,366,930   | 584,214,976   |
|  | 513,179,268   | 688,418,903   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |               |               |
| Class B  | 1,138,946     | (1,299,587)   |
| Class D  | 12,546,816    | (12,378,754)  |
| Class F  | 3,472,910     | (3,284,510)   |
| Class I  | 110,522,075   | (92,942,226)  |
|  | 127,680,747   | (109,905,077) |
| <b>Distribution to holders of redeemable units</b>                                       |               |               |
| From net investment income   |               |               |
| Class B  | —             | —             |
| Class D  | (249,190)     | (20,161)      |
| Class F  | (105,355)     | (25,629)      |
| Class I  | (8,358,932)   | (7,235,985)   |
| From net realized gains on investment  |               |               |
| Class B  | (169,328)     | (619,387)     |
| Class D  | (2,212,485)   | (5,923,405)   |
| Class F  | (609,359)     | (1,598,332)   |
| Class I  | (18,002,333)  | (49,360,314)  |
|  | (29,706,982)  | (64,783,213)  |
| <b>Redeemable unit transactions</b>  |               |               |
| Proceeds from redeemable units issued  |               |               |
| Class B  | 746,025       | 1,486,602     |
| Class D  | 1,920,606     | 2,727,698     |
| Class F  | 3,262,073     | 5,139,720     |
| Class I  | 13,331,811    | 20,783,543    |
| Reinvestments of distributions to holders of redeemable units                            |               |               |
| Class B  | 167,728       | 615,049       |
| Class D  | 2,400,450     | 5,790,769     |
| Class F  | 665,772       | 1,517,337     |
| Class I  | 26,361,265    | 56,596,306    |
| Redemption of redeemable units   |               |               |
| Class B  | (2,854,425)   | (1,593,710)   |
| Class D  | (9,232,944)   | (14,302,869)  |
| Class F  | (4,913,122)   | (8,622,420)   |
| Class I  | (104,826,270) | (70,689,370)  |
|  | (72,971,031)  | (551,345)     |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |               |               |
| Class B  | (971,054)     | (1,411,033)   |
| Class D  | 5,173,253     | (24,106,722)  |
| Class F  | 1,772,919     | (6,873,834)   |
| Class I  | 19,027,616    | (142,848,046) |
|  | 25,002,734    | (175,239,635) |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |               |               |
| Class B  | 4,334,538     | 5,305,592     |
| Class D  | 57,461,940    | 52,288,687    |
| Class F  | 15,990,978    | 14,218,059    |
| Class I  | 460,394,546   | 441,366,930   |
|  | 538,182,002   | 513,179,268   |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Cash flows from operating activities</b>  |               |               |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 127,680,747   | (109,905,077) |
| Adjustments for:   |               |               |
| Net realized (gain) loss on sale of investments                                    | (45,725,959)  | (66,050,295)  |
| Change in unrealized (appreciation) depreciation in the value of investments       | (73,274,113)  | 183,770,958   |
| Purchases of investments   | (39,943,361)  | (69,393,353)  |
| Proceeds from sale of investments  | 145,452,940   | 132,716,767   |
| (Increase) decrease in accrued interest  | (39,014)      | (18,001)      |
| (Increase) decrease in dividends receivable  | 150,272       | 66,979        |
| Increase (decrease) in accrued liabilities   | 10,745        | (44,747)      |
| <b>Net cash flows from (used in) operating activities</b>                          | 114,312,257   | 71,143,231    |
| <b>Cash flows from financing activities</b>  |               |               |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (111,767)     | (263,752)     |
| Proceeds from redeemable units issued  | 20,661,933    | 28,899,972    |
| Redemption of redeemable units   | (121,505,747) | (95,282,083)  |
| <b>Net cash flows from (used in) financing activities</b>                          | (100,955,581) | (66,645,863)  |
| Net increase (decrease) in cash and cash equivalents                               | 13,356,676    | 4,497,368     |
| Cash and cash equivalents at beginning of year                                     | 13,785,078    | 9,287,710     |
| <b>Cash and cash equivalents at end of year*</b>                                   | 27,141,754    | 13,785,078    |
| <b>Supplementary information</b>   |               |               |
| Cash flow from operating activities  |               |               |
| Interest received  | 227,640       | 115,669       |
| Dividends received, net of withholding taxes                                       | 10,313,935    | 9,780,277     |
| <b>*Cash and cash equivalents include:</b>   |               |               |
| Cash at banks  | 51,695        | 116,837       |
| Short-term investments   | 27,090,059    | 13,668,241    |
| <b>Total</b>   | 27,141,754    | 13,785,078    |

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

# Beutel Goodman Small Cap Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value           | Coupon<br>Rate (%)                      | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares  | Average<br>Cost<br>\$   | Fair<br>Value<br>\$               | % of<br>Net<br>Assets |            |       |
|---|---|------------------|-----------------------|---------------------|-----------------------|---|---|-----------------------------------|-----------------------|------------|-------|
| <b>Cash Equivalents (2018 - 2.66%)</b>    |   |                  |                       |                     |                       | <b>Consumer Discretionary</b>                                 |   |                                   |                       |            |       |
| <b>Treasury Bills</b>                     |   |                  |                       |                     |                       | <b>Automobiles &amp; Components</b>                           |   |                                   |                       |            |       |
| 1,700,000                                 | Government of Canada                    | 1.642            | 9-Jan-20              | 1,693,330           | 1,693,330             | 0.31  | 448,877   | Linamar Corp.                     | 15,600,252            | 22,053,327 | 4.10  |
| 11,625,000                                | Government of Canada                    | 1.688            | 23-Jan-20             | 11,577,737          | 11,577,737            | 2.15  |   |                                   | 15,600,252            | 22,053,327 | 4.10  |
| 4,375,000                                 | Government of Canada                    | 1.671            | 6-Feb-20              | 4,357,137           | 4,357,137             | 0.81  | <b>Consumer Durables &amp; Apparel</b>                        |                                   |                       |            |       |
| 3,900,000                                 | Government of Canada                    | 1.646            | 20-Feb-20             | 3,885,634           | 3,885,634             | 0.72  | 1,575,710   | Aritzia Inc.                      | 22,111,549            | 30,017,275 | 5.58  |
| 3,450,000                                 | Government of Canada                    | 1.650            | 19-Mar-20             | 3,435,441           | 3,435,441             | 0.64  |   |                                   | 22,111,549            | 30,017,275 | 5.58  |
| 2,150,000                                 | Government of Canada                    | 1.660            | 2-Apr-20              | 2,140,780           | 2,140,780             | 0.40  | <b>Retailing</b>  |                                   |                       |            |       |
|   |   |                  |                       | 27,090,059          | 27,090,059            | 5.03  | 370,788   | Leons Furniture Ltd.              | 4,466,715             | 6,181,036  | 1.15  |
| <b>Common Stocks (2018 - 96.91%)</b>      |   |                  |                       |                     |                       | <b>Consumer Staples</b>                                       |   |                                   |                       |            |       |
| <b>Energy</b>                             |   |                  |                       |                     |                       | <b>Food Beverage &amp; Tobacco</b>                            |   |                                   |                       |            |       |
| 2,113,300                                 | Birchcliff Energy Ltd.                  |                  |                       | 12,625,144          | 5,473,447             | 1.02  | 417,380   | Maple Leaf Foods Inc.             | 5,664,823             | 10,801,794 | 2.01  |
| 7,117,570                                 | Denison Mines Corp.                     |                  |                       | 8,649,324           | 3,843,488             | 0.71  |   |                                   | 5,664,823             | 10,801,794 | 2.01  |
| 406,800                                   | Enerflex Ltd.                           |                  |                       | 4,389,694           | 4,975,164             | 0.92  | <b>Financials</b>   |                                   |                       |            |       |
| 2,109,960                                 | NuVista Energy Ltd.                     |                  |                       | 13,261,493          | 6,730,772             | 1.25  | <b>Banks</b>  |                                   |                       |            |       |
| 1,238,060                                 | Paramount Resources Ltd., Class A       |                  |                       | 16,414,706          | 9,334,972             | 1.74  | 351,800   | Canadian Western Bank             | 9,584,677             | 11,218,902 | 2.08  |
| 730,667                                   | Pinnacle Renewable Holdings Inc.        |                  |                       | 8,920,683           | 7,226,297             | 1.34  | 415,150   | Equitable Group Inc.              | 16,105,798            | 45,396,653 | 8.44  |
| 451,140                                   | Total Energy Services Inc.              |                  |                       | 6,780,091           | 2,896,319             | 0.54  |   |                                   | 25,690,475            | 56,615,555 | 10.52 |
|   |   |                  |                       | 71,041,135          | 40,480,459            | 7.52  | <b>Insurance</b>  |                                   |                       |            |       |
| <b>Materials</b>                          |   |                  |                       |                     |                       | <b>Real Estate</b>  |   |                                   |                       |            |       |
| 3,520,480                                 | Alamos Gold Inc.                        |                  |                       | 28,122,479          | 27,565,358            | 5.12  | 339,790   | Colliers International Group Inc. | 12,564,387            | 34,352,769 | 6.38  |
| 1,089,040                                 | Intertape Polymer Group Inc.            |                  |                       | 18,540,264          | 18,099,845            | 3.36  | 101,320   | FirstService Corp.                | 1,192,610             | 12,248,575 | 2.28  |
| 1,666,360                                 | Lundin Mining Corp.                     |                  |                       | 9,036,941           | 12,930,954            | 2.40  |   |                                   | 13,756,997            | 46,601,344 | 8.66  |
| 2,114,680                                 | Major Drilling Group International Inc. |                  |                       | 15,346,253          | 11,990,236            | 2.23  | <b>Health Care</b>  |                                   |                       |            |       |
| 281,571                                   | Winpak Ltd.                             |                  |                       | 3,894,599           | 13,228,206            | 2.46  | <b>Health Care Equipment &amp; Services</b>                   |                                   |                       |            |       |
|   |   |                  |                       | 74,940,536          | 83,814,599            | 15.57   | 1,347,810   | CRH Medical Corp.                 | 7,111,481             | 6,065,145  | 1.13  |
| <b>Industrial</b>                         |   |                  |                       |                     |                       | <b>Information Technology</b>                                 |   |                                   |                       |            |       |
| <b>Capital Goods</b>                      |   |                  |                       |                     |                       | <b>Technology Hardware &amp; Equipment</b>                    |   |                                   |                       |            |       |
| 535,770                                   | AG Growth International Inc.            |                  |                       | 25,241,206          | 24,881,159            | 4.62  | 187,850   | Evertz Technologies Ltd.          | 3,101,041             | 3,355,001  | 0.62  |
| 497,760                                   | ATS Automation Tooling Systems Inc.     |                  |                       | 8,031,877           | 10,666,997            | 1.98  |   |                                   | 3,101,041             | 3,355,001  | 0.62  |
| 495,490                                   | Badger Daylighting Ltd.                 |                  |                       | 12,783,185          | 17,411,519            | 3.24  | <b>Utilities</b>  |                                   |                       |            |       |
| 314,460                                   | Cervus Equipment Corp.                  |                  |                       | 3,878,113           | 2,594,295             | 0.48  | 1,562,860   | Superior Plus Corp.               | 17,391,790            | 19,629,520 | 3.65  |
| 313,215                                   | Heroux-Devtek Inc.                      |                  |                       | 4,177,200           | 5,982,406             | 1.11  |   |                                   | 17,391,790            | 19,629,520 | 3.65  |
| 206,100                                   | Richelieu Hardware Ltd.                 |                  |                       | 4,449,699           | 5,591,493             | 1.04  | <b>Total Common Stocks</b>                                    |                                   |                       |            |       |
| 102,240                                   | Rocky Mountain Dealerships Inc.         |                  |                       | 1,125,755           | 658,426               | 0.12  | <b>Transaction Costs</b>                                      |                                   |                       |            |       |
| 135,340                                   | Toromont Industries Ltd.                |                  |                       | 2,734,829           | 9,553,651             | 1.78  | <b>Total Investments</b>                                      |                                   |                       |            |       |
| 469,250                                   | Wajax Corp.                             |                  |                       | 11,531,911          | 6,944,900             | 1.29  | <b>Total Investments and Cash Equivalents</b>                 |                                   |                       |            |       |
|   |   |                  |                       | 73,953,775          | 84,284,846            | 15.66   | <b>Other Assets Net of Liabilities</b>                        |                                   |                       |            |       |
| <b>Commercial Services &amp; Supplies</b> |   |                  |                       |                     |                       | <b>Net Assets Attributable to Holders of Redeemable Units</b> |   |                                   |                       |            |       |
| 272,430                                   | GDI Integrated Facility Services Inc.   |                  |                       | 3,455,810           | 9,216,307             | 1.72  | <b>Total Common Stocks</b>                                    |                                   |                       |            |       |
| 171,750                                   | K-Bro Linen Inc.                        |                  |                       | 6,531,146           | 7,222,087             | 1.34  | <b>Transaction Costs</b>                                      |                                   |                       |            |       |
|   |   |                  |                       | 9,986,956           | 16,438,394            | 3.06  | <b>Total Investments</b>                                      |                                   |                       |            |       |
|   |   |                  |                       | 83,940,731          | 100,723,240           | 18.72   | <b>Total Investments and Cash Equivalents</b>                 |                                   |                       |            |       |
| <b>Communication Services</b>             |   |                  |                       |                     |                       | <b>Other Assets Net of Liabilities</b>                        |   |                                   |                       |            |       |
| <b>Media &amp; Entertainment</b>          |   |                  |                       |                     |                       | <b>Net Assets Attributable to Holders of Redeemable Units</b> |   |                                   |                       |            |       |
| 249,890                                   | Cineplex Inc.                           |                  |                       | 5,907,256           | 8,458,776             | 1.57  | <b>Total Common Stocks</b>                                    |                                   |                       |            |       |
| 570,370                                   | Quebecor Inc., Class B                  |                  |                       | 3,909,818           | 18,902,062            | 3.51  | <b>Transaction Costs</b>                                      |                                   |                       |            |       |
|   |   |                  |                       | 9,817,074           | 27,360,838            | 5.08  | <b>Total Investments</b>                                      |                                   |                       |            |       |
|   |   |                  |                       |                     |                       |   | <b>Total Investments and Cash Equivalents</b>                 |                                   |                       |            |       |
|   |   |                  |                       |                     |                       |   | <b>Other Assets Net of Liabilities</b>                        |                                   |                       |            |       |
|   |   |                  |                       |                     |                       |   | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                                   |                       |            |       |

# Beutel Goodman Small Cap Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 smaller capitalization Canadian issuers. To achieve its objectives, the Fund seeks the best economic value in the market regardless of what sector the issuer operates in. The strategy focuses on purchasing companies which qualify as small capitalization based on industry benchmarks, at discounts to their business value. 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|--------------------------------------|------------------------------|---------------|
|                                      | Dec. 31, 2019                | Dec. 31, 2018 |
| S&P/TSX Small Cap Total Return Index | 4,099                        | 4,027         |
| <b>Total</b>                         | <b>4,099</b>                 | <b>4,027</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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018:

| Market segment         | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------|---------------|---------------|
| Short-Term Investments |               |               |
| Treasury Bills         | 5.03%         | 2.66%         |
| Common Stocks          |               |               |
| Energy                 | 7.52%         | 10.99%        |
| Materials              | 15.57%        | 13.95%        |
| Industrial             | 18.72%        | 21.71%        |
| Communication Services | 5.08%         | 3.75%         |
| Consumer Discretionary | 15.37%        | 17.39%        |
| Consumer Staples       | 2.01%         | 2.61%         |
| Health Care            | 1.13%         | 1.29%         |
| Financials             | 25.22%        | 21.07%        |
| Information Technology | 0.62%         | 0.70%         |
| Utilities              | 3.65%         | 3.45%         |
| <b>Total</b>           | <b>99.92%</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 December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1            | Level 2  | Level 3  | Total              |
|---------------------|--------------------|----------|----------|--------------------|
|                     | (\$)               | (\$)     | (\$)     | (\$)               |
| <b>Assets</b>       |                    |          |          |                    |
| Equity securities   | 510,672,912        | –        | –        | 510,672,912        |
| <b>Total Assets</b> | <b>510,672,912</b> | <b>–</b> | <b>–</b> | <b>510,672,912</b> |

| December 31, 2018   | Level 1            | Level 2  | Level 3  | Total              |
|---------------------|--------------------|----------|----------|--------------------|
|                     | (\$)               | (\$)     | (\$)     | (\$)               |
| <b>Assets</b>       |                    |          |          |                    |
| Equity securities   | 497,306,370        | –        | –        | 497,306,370        |
| <b>Total Assets</b> | <b>497,306,370</b> | <b>–</b> | <b>–</b> | <b>497,306,370</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

# Beutel Goodman Small Cap Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Fund Unit Transactions

#### For the years ended December 31

| 2019                             | Class B        | Class D          | Class F        | Class I           |
|----------------------------------|----------------|------------------|----------------|-------------------|
| Balance, beginning of the year   | 506,349        | 2,389,568        | 637,341        | 18,859,968        |
| Redeemable units issued for cash | 63,275         | 78,537           | 127,822        | 491,896           |
| Reinvested units                 | 13,841         | 94,542           | 25,718         | 972,109           |
| Redeemable units redeemed        | (236,569)      | (368,557)        | (191,935)      | (3,875,976)       |
| <b>Balance, end of year</b>      | <b>346,896</b> | <b>2,194,090</b> | <b>598,946</b> | <b>16,447,997</b> |

| 2018                             | Class B        | Class D          | Class F        | Class I           |
|----------------------------------|----------------|------------------|----------------|-------------------|
| Balance, beginning of the year   | 460,971        | 2,530,861        | 685,981        | 18,017,351        |
| Redeemable units issued for cash | 107,347        | 96,639           | 178,810        | 720,714           |
| Reinvested units                 | 58,670         | 264,431          | 68,017         | 2,419,700         |
| Redeemable units redeemed        | (120,640)      | (502,364)        | (295,467)      | (2,297,798)       |
| <b>Balance, end of year</b>      | <b>506,349</b> | <b>2,389,568</b> | <b>637,341</b> | <b>18,859,968</b> |

# Beutel Goodman Canadian Dividend Fund

## Statements of Financial Position

As at December 31

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Assets</b>  |                    |                    |
| <b>Current assets</b>  |                    |                    |
| Cash and cash equivalents  | 4,294,500          | 3,222,323          |
| Financial assets at fair value through profit or loss*                                   | 547,110,408        | 515,148,137        |
| Unrealized gain on foreign currency forward contracts                                    | 1,022,140          | –                  |
| Accrued interest   | 2,863              | 2,754              |
| Dividends receivable   | 1,334,408          | 1,730,426          |
| Due from brokers   | 7,143              | 927,703            |
| Subscriptions receivable   | 306,753            | 1,433,470          |
| <b>Total assets</b>  | <b>554,078,215</b> | <b>522,464,813</b> |
| <b>Liabilities</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Management and administrative fees payable   | 479,859            | 395,550            |
| Unrealized loss on foreign currency forward contracts                                    | –                  | 1,703,162          |
| Due to brokers   | –                  | 1,432,848          |
| Redemptions payable  | 694,936            | 926,631            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>1,174,795</b>   | <b>4,458,191</b>   |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>552,903,420</b> | <b>518,006,622</b> |
| *Investments at average cost   | 501,470,078        | 514,822,982        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                    |                    |
| Class B  | 119,002,358        | 93,021,684         |
| Class D  | 102,558,691        | 102,235,315        |
| Class F  | 123,333,727        | 98,200,664         |
| Class I  | 208,008,644        | 224,548,959        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                    |                    |
| Class B  | 16.46              | 14.55              |
| Class D  | 10.78              | 9.51               |
| Class F  | 16.87              | 14.90              |
| Class I  | 11.53              | 10.18              |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                    |                    |
| Class B  | 7,228,477          | 6,394,061          |
| Class D  | 9,512,461          | 10,746,282         |
| Class F  | 7,310,090          | 6,590,259          |
| Class I  | 18,041,213         | 22,060,103         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019              | 2018                |
|---|-------------------|---------------------|
|   | \$                | \$                  |
| <b>Income</b>   |                   |                     |
| Net gains (losses) on investments   |                   |                     |
| Dividends   | 20,122,976        | 17,106,078          |
| Interest for distribution purposes  | 76,161            | 49,482              |
| Realized gain (loss) on sale of investments   | 20,026,696        | 12,799,165          |
| Realized gain (loss) on foreign currency forward contracts  | 504,955           | (3,593,361)         |
| Change in unrealized appreciation (depreciation) in the value of investments                        | 45,315,175        | (41,248,437)        |
| Change in unrealized appreciation (depreciation) in the value of foreign currency forward contracts | 2,725,302         | (2,917,818)         |
| <b>Net gains (losses) on investments</b>  | <b>88,771,265</b> | <b>(17,804,891)</b> |
| Other income  |                   |                     |
| Realized gain (loss) on foreign currency transactions   | 32,049            | (89,770)            |
| <b>Total income</b>   | <b>88,803,314</b> | <b>(17,894,661)</b> |
| <b>Expenses</b>   |                   |                     |
| Management fees   | 4,804,188         | 4,114,479           |
| Administrative fees   | 622,039           | 562,145             |
| Transaction costs (note 9)  | 298,657           | 280,069             |
| Withholding taxes   | 910,164           | 887,900             |
| <b>Total expenses before waiver</b>   | <b>6,635,048</b>  | <b>5,844,593</b>    |
| Expenses waived by the manager  | (104,371)         | (97,628)            |
| <b>Total Expenses</b>   | <b>6,530,677</b>  | <b>5,746,965</b>    |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>                | <b>82,272,637</b> | <b>(23,641,626)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>      |                   |                     |
| Class B   | 14,553,957        | (5,634,539)         |
| Class D   | 15,180,133        | (5,457,861)         |
| Class F   | 16,314,562        | (4,714,676)         |
| Class I   | 36,223,985        | (7,834,550)         |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b>     |                   |                     |
| Class B   | 2.07              | (1.03)              |
| Class D   | 1.49              | (0.50)              |
| Class F   | 2.28              | (0.79)              |
| Class I   | 1.73              | (0.40)              |

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

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 years ended December 31

|  | 2019         | 2018         |
|--|--------------|--------------|
|  | \$           | \$           |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |              |              |
| Class B  | 93,021,684   | 66,168,985   |
| Class D  | 102,235,315  | 112,735,482  |
| Class F  | 98,200,664   | 75,601,629   |
| Class I  | 224,548,959  | 218,375,126  |
|  | 518,006,622  | 472,881,222  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |              |              |
| Class B  | 14,553,957   | (5,634,539)  |
| Class D  | 15,180,133   | (5,457,861)  |
| Class F  | 16,314,562   | (4,714,676)  |
| Class I  | 36,223,985   | (7,834,550)  |
|  | 82,272,637   | (23,641,626) |
| <b>Distribution to holders of redeemable units</b>                                       |              |              |
| From net investment income   |              |              |
| Class B  | (1,544,806)  | (914,311)    |
| Class D  | (2,030,782)  | (1,635,422)  |
| Class F  | (2,747,521)  | (1,924,407)  |
| Class I  | (7,782,742)  | (6,401,536)  |
| From net realized gains on investments   |              |              |
| Class B  | –            | (1,877,456)  |
| Class D  | –            | (2,062,201)  |
| Class F  | –            | (1,958,707)  |
| Class I  | –            | (4,485,602)  |
|  | (14,105,851) | (21,259,642) |
| <b>Redeemable unit transactions</b>  |              |              |
| Proceeds from redeemable units issued  |              |              |
| Class B  | 36,460,720   | 49,975,233   |
| Class D  | 7,985,527    | 25,436,544   |
| Class F  | 43,104,153   | 60,664,815   |
| Class I  | 10,210,935   | 50,532,824   |
| Reinvestments of distributions to holders of redeemable units                            |              |              |
| Class B  | 1,379,121    | 2,490,759    |
| Class D  | 1,885,875    | 3,406,063    |
| Class F  | 1,525,493    | 2,623,133    |
| Class I  | 7,579,834    | 10,780,997   |
| Redemption of redeemable units   |              |              |
| Class B  | (24,868,318) | (17,186,987) |
| Class D  | (22,697,377) | (30,187,290) |
| Class F  | (33,063,624) | (32,091,123) |
| Class I  | (62,772,327) | (36,418,300) |
|  | (33,269,988) | 90,026,668   |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |              |              |
| Class B  | 25,980,674   | 26,852,699   |
| Class D  | 323,376      | (10,500,167) |
| Class F  | 25,133,063   | 22,599,035   |
| Class I  | (16,540,315) | 6,173,833    |
|  | 34,896,798   | 45,125,400   |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |              |              |
| Class B  | 119,002,358  | 93,021,684   |
| Class D  | 102,558,691  | 102,235,315  |
| Class F  | 123,333,727  | 98,200,664   |
| Class I  | 208,008,644  | 224,548,959  |
|  | 552,903,420  | 518,006,622  |

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

## Statements of Cash Flows

For the years ended December 31

|   | 2019          | 2018          |
|---|---------------|---------------|
|   | \$            | \$            |
| <b>Cash flows from operating activities</b>   |               |               |
| Increase (decrease) in net assets attributable to holders of redeemable units                       | 82,272,637    | (23,641,626)  |
| Adjustments for:  |               |               |
| Net realized (gain) loss on sale of investments   | (20,026,696)  | (12,799,165)  |
| Change in unrealized (appreciation) depreciation in the value of investments                        | (45,315,175)  | 41,248,437    |
| Change in unrealized (appreciation) depreciation in the value of foreign currency forward contracts | (2,725,302)   | 2,917,818     |
| Purchases of investments  | (140,756,080) | (192,297,684) |
| Proceeds from sale of investments   | 173,623,392   | 116,889,846   |
| (Increase) decrease in accrued interest   | (109)         | (2,001)       |
| (Increase) decrease in dividends receivable   | 396,018       | (367,923)     |
| Increase (decrease) in accrued liabilities  | 84,309        | 86,799        |
| <b>Net cash flows from (used in) operating activities</b>   | 47,552,994    | (67,965,499)  |
| <b>Cash flows from financing activities</b>   |               |               |
| Distributions paid to holders of redeemable units, net of reinvested distributions                  | (1,735,528)   | (1,958,826)   |
| Proceeds from redeemable units issued   | 98,888,052    | 186,242,799   |
| Redemption of redeemable units  | (143,633,341) | (115,354,437) |
| <b>Net cash flows from (used in) financing activities</b>   | (46,480,817)  | 68,929,536    |
| Net increase (decrease) in cash and cash equivalents  | 1,072,177     | 964,037       |
| Cash and cash equivalents at beginning of year  | 3,222,323     | 2,258,286     |
| <b>Cash and cash equivalents at end of year*</b>  | 4,294,500     | 3,222,323     |
| <b>Supplementary information</b>  |               |               |
| Cash flow from operating activities   |               |               |
| Interest received   | 76,052        | 47,481        |
| Dividends received, net of withholding taxes  | 19,608,830    | 15,850,255    |
| <b>*Cash and cash equivalents include:</b>  |               |               |
| Cash at banks/(overdraft)   | 87,165        | (536,648)     |
| Short-term investments  | 4,207,335     | 3,758,971     |
| <b>Total</b>  | 4,294,500     | 3,222,323     |

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



# Beutel Goodman Canadian Dividend Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares/<br>Par Value             | Coupon<br>Rate (%)                  | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |       |
|--|-------------------------------------|------------------|-----------------------|---------------------|-----------------------|-------|
| <b>Cash Equivalents (2018 - 0.73%)</b>     |                                     |                  |                       |                     |                       |       |
| <b>Treasury Bills</b>                      |                                     |                  |                       |                     |                       |       |
| 4,225,000                                  | Government of Canada                | 1.656            | 19-Mar-20             | 4,207,335           | 4,207,335             | 0.76  |
|  |                                     |                  |                       | 4,207,335           | 4,207,335             | 0.76  |
| <b>Common Stocks (2018 - 99.45%)</b>       |                                     |                  |                       |                     |                       |       |
| <b>Energy</b>                              |                                     |                  |                       |                     |                       |       |
| 703,700                                    | Canadian Natural Resources Ltd.     |                  |                       | 26,932,832          | 29,555,400            | 5.35  |
| 378,850                                    | Suncor Energy Inc.                  |                  |                       | 14,391,273          | 16,123,856            | 2.92  |
|  |                                     |                  |                       | 41,324,105          | 45,679,256            | 8.27  |
| <b>Materials</b>                           |                                     |                  |                       |                     |                       |       |
| 397,464                                    | Nutrien Ltd.                        |                  |                       | 26,043,556          | 24,710,337            | 4.47  |
|  |                                     |                  |                       | 26,043,556          | 24,710,337            | 4.47  |
| <b>Industrial</b>                          |                                     |                  |                       |                     |                       |       |
| 452,530                                    | Finning International Inc.          |                  |                       | 10,886,211          | 11,449,009            | 2.07  |
|  |                                     |                  |                       | 10,886,211          | 11,449,009            | 2.07  |
| <b>Communication Services</b>              |                                     |                  |                       |                     |                       |       |
| 162,562                                    | Omnicom Group Inc.                  |                  |                       | 17,362,968          | 17,079,171            | 3.09  |
| 383,801                                    | Rogers Communications Inc., Class B |                  |                       | 21,908,666          | 24,747,488            | 4.47  |
| 202,891                                    | Verizon Communications Inc.         |                  |                       | 13,060,976          | 16,154,245            | 2.92  |
|  |                                     |                  |                       | 52,332,610          | 57,980,904            | 10.48 |
| <b>Consumer Discretionary</b>              |                                     |                  |                       |                     |                       |       |
| <b>Automobiles &amp; Components</b>        |                                     |                  |                       |                     |                       |       |
| 315,006                                    | Magna International Inc.            |                  |                       | 18,570,751          | 22,428,427            | 4.06  |
|  |                                     |                  |                       | 18,570,751          | 22,428,427            | 4.06  |
| <b>Retailing</b>                           |                                     |                  |                       |                     |                       |       |
| 123,925                                    | Canadian Tire Corp Ltd., Class A    |                  |                       | 17,804,340          | 17,318,519            | 3.13  |
|  |                                     |                  |                       | 17,804,340          | 17,318,519            | 3.13  |
|  |                                     |                  |                       | 36,375,091          | 39,746,946            | 7.19  |
| <b>Consumer Staples</b>                    |                                     |                  |                       |                     |                       |       |
| <b>Food Beverage &amp; Tobacco</b>         |                                     |                  |                       |                     |                       |       |
| 258,158                                    | Kellogg Co.                         |                  |                       | 21,980,987          | 23,152,403            | 4.18  |
| 78,200                                     | Molson Coors Canada Inc., Class B   |                  |                       | 8,129,582           | 5,628,054             | 1.02  |
| 57,144                                     | Molson Coors Brewing Co.            |                  |                       | 4,551,108           | 3,994,063             | 0.72  |
| 276,180                                    | Saputo Inc.                         |                  |                       | 11,049,825          | 11,102,436            | 2.01  |
|  |                                     |                  |                       | 45,711,502          | 43,876,956            | 7.93  |
| <b>Food &amp; Staples Retailing</b>        |                                     |                  |                       |                     |                       |       |
| 456,690                                    | Metro Inc., Class A                 |                  |                       | 19,335,428          | 24,474,017            | 4.43  |
|  |                                     |                  |                       | 19,335,428          | 24,474,017            | 4.43  |
| <b>Household &amp; Personal Products</b>   |                                     |                  |                       |                     |                       |       |
| 82,590                                     | Henkel AG & Co KGaA                 |                  |                       | 10,544,514          | 10,098,341            | 1.83  |
|  |                                     |                  |                       | 10,544,514          | 10,098,341            | 1.83  |
|  |                                     |                  |                       | 75,591,444          | 78,449,314            | 14.19 |
| <b>Health Care</b>                         |                                     |                  |                       |                     |                       |       |
| <b>Pharmaceuticals &amp; Biotechnology</b> |                                     |                  |                       |                     |                       |       |
| 42,570                                     | Amgen Inc.                          |                  |                       | 10,371,011          | 13,307,679            | 2.41  |
| 445,750                                    | GlaxoSmithKline PLC                 |                  |                       | 11,010,081          | 13,622,436            | 2.46  |
| 53,811                                     | Roche Holding AG                    |                  |                       | 17,260,762          | 22,626,922            | 4.09  |
|  |                                     |                  |                       | 38,641,854          | 49,557,037            | 8.96  |

| Number of Shares  | Average<br>Cost<br>\$     | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |       |
|---|---------------------------|---------------------|-----------------------|-------|
| <b>Financials</b>   |                           |                     |                       |       |
| <b>Banks</b>  |                           |                     |                       |       |
| 477,706   | Bank of Nova Scotia       | 34,542,214          | 35,039,735            | 6.34  |
| 220,178   | Bank of Montreal          | 21,993,629          | 22,158,714            | 4.01  |
| 511,621   | Royal Bank of Canada      | 46,165,633          | 52,569,057            | 9.51  |
| 698,491   | The Toronto-Dominion Bank | 44,858,530          | 50,871,099            | 9.20  |
|   |                           | 147,560,006         | 160,638,605           | 29.06 |
| <b>Insurance</b>  |                           |                     |                       |       |
| 738,491   | Power Financial Corp.     | 24,685,197          | 25,802,876            | 4.67  |
| 537,437   | Sun Life Financial Inc.   | 26,544,218          | 31,821,645            | 5.75  |
|   |                           | 51,229,415          | 57,624,521            | 10.42 |
|   |                           | 198,789,421         | 218,263,126           | 39.48 |
| <b>Information Technology</b>                                 |                           |                     |                       |       |
| <b>Software &amp; Services</b>                                |                           |                     |                       |       |
| 315,720   | NortonLifeLock Inc.       | 11,030,221          | 10,448,123            | 1.89  |
|   |                           | 11,030,221          | 10,448,123            | 1.89  |
| <b>Utilities</b>  |                           |                     |                       |       |
| 861,971   | Superior Plus Corp.       | 10,832,327          | 10,826,356            | 1.96  |
|   |                           | 10,832,327          | 10,826,356            | 1.96  |
| <b>Total Common Stocks</b>                                    |                           |                     |                       |       |
| <b>Transaction Costs</b>                                      |                           |                     |                       |       |
| (376,762)   |                           |                     |                       |       |
| <b>Foreign Currency Forward Contracts (Schedule A)</b>        |                           |                     |                       |       |
| — 1,022,140 0.18  |                           |                     |                       |       |
| <b>Total Investments</b>                                      |                           |                     |                       |       |
| 501,470,078 548,132,548 99.14                                 |                           |                     |                       |       |
| <b>Total Investments and Cash Equivalents</b>                 |                           |                     |                       |       |
| 505,677,413 552,339,883 99.90                                 |                           |                     |                       |       |
| <b>Other Assets Net of Liabilities</b>                        |                           |                     |                       |       |
| 563,537 0.10  |                           |                     |                       |       |
| <b>Net Assets Attributable to Holders of Redeemable Units</b> |                           |                     |                       |       |
| 552,903,420 100.00  |                           |                     |                       |       |

### Schedule A

| <b>Foreign Currency Forward Contract (0.18%)</b>     |                                       |   |                      |                       |                         |                        |                                   |
|--|---------------------------------------|---|----------------------|-----------------------|-------------------------|------------------------|-----------------------------------|
| Contracts  | Counterparts                          | Credit Rating<br>of the<br>Counterparty | Settlement<br>Date   | Contract<br>Rate (\$) | Pay                     | Receive                | Unrealized<br>Gain (Loss)<br>(\$) |
| 1  | Bank of Montreal                      | A-1                                     | February 28,<br>2020 | 1.33                  | (2,065,000)<br>(US \$)  | 2,739,677<br>(CAD \$)  | 62,289                            |
| 1  | Bank of Montreal                      | A-1                                     | January 31,<br>2020  | 1.31                  | (8,120,000)<br>(US \$)  | 10,597,412<br>(CAD \$) | 69,492                            |
| 1  | Banque Nationale<br>du Canada         | A-1                                     | January 31,<br>2020  | 1.32                  | (4,135,000)<br>(US \$)  | 5,443,479<br>(CAD \$)  | 82,201                            |
| 1  | Banque Nationale<br>du Canada         | A-1                                     | January 31,<br>2020  | 1.30                  | (5,450,000)<br>(US \$)  | 7,110,452<br>(CAD \$)  | 44,302                            |
| 1  | Banque Nationale<br>du Canada         | A-1                                     | January 31,<br>2020  | 1.30                  | (1,280,000)<br>(US \$)  | 1,670,234<br>(CAD \$)  | 10,661                            |
| 1  | Canadian Imperial<br>Bank of Commerce | A-1                                     | January 31,<br>2020  | 1.31                  | (13,250,000)<br>(US \$) | 17,292,575<br>(CAD \$) | 113,396                           |
| 1  | The Toronto-<br>Dominion Bank         | A-1+                                    | March 31,<br>2020    | 1.31                  | (7,790,000)<br>(US \$)  | 10,239,410<br>(CAD \$) | 140,253                           |
| 1  | The Toronto-<br>Dominion Bank         | A-1+                                    | February 28,<br>2020 | 1.33                  | (16,260,000)<br>(US \$) | 21,581,573<br>(CAD \$) | 499,546                           |
| <b>Total Foreign Currency Forward Contract Value</b> |                                       |   |                      |                       |                         |                        | 1,022,140                         |

# Beutel Goodman Canadian Dividend Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 in the market, focusing on mid and large-capitalization Canadian corporations in a variety of industries, while favouring equity securities that provide a stable income. Investments by the Fund in non-Canadian securities will generally not exceed 49% of the Fund's assets taken at book value. The Fund may use derivatives from time to time. The Fund currently is using derivatives principally to hedge against changes in the exchange rate between the Canadian dollar and foreign currencies in which investments held by the Fund are denominated. 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.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

#### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|-------------------------|------------------------------|---------------|
|                         | Dec. 31, 2019                | Dec. 31, 2018 |
| S&P/TSX Composite Index | 5,044                        | 4,574         |
| <b>Total</b>            | <b>5,044</b>                 | <b>4,574</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 December 31, 2019 and December 31, 2018 are as follows:

##### Dec. 31, 2019

|                      | Cash and cash equivalents | Financial assets at fair value | Derivatives     | Other assets and liabilities | Total         | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|-----------------|------------------------------|---------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)         | (\$000)                      | (\$000)       | (%)                      |
| Euro Currency        | –                         | 10,098                         | –               | –                            | 10,098        | 1.8                      |
| British Pound        | –                         | 13,622                         | –               | 175                          | 13,797        | 2.5                      |
| United States Dollar | –                         | 84,136                         | (75,650)        | 117                          | 8,603         | 1.6                      |
| Swiss Franc          | –                         | 22,627                         | –               | –                            | 22,627        | 4.1                      |
| <b>Total</b>         | <b>–</b>                  | <b>130,483</b>                 | <b>(75,650)</b> | <b>292</b>                   | <b>55,125</b> | <b>10.0</b>              |

##### Dec. 31, 2018

|                      | Cash and cash equivalents | Financial assets at fair value | Derivatives     | Other assets and liabilities | Total         | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|-----------------|------------------------------|---------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)         | (\$000)                      | (\$000)       | (%)                      |
| Euro Currency        | –                         | 42,295                         | –               | –                            | 42,295        | 8.2                      |
| British Pound        | –                         | 15,569                         | –               | 124                          | 15,693        | 3.0                      |
| United States Dollar | 27                        | 75,537                         | (68,339)        | 363                          | 7,588         | 1.5                      |
| Swiss Franc          | –                         | 20,366                         | –               | –                            | 20,366        | 3.9                      |
| <b>Total</b>         | <b>27</b>                 | <b>153,767</b>                 | <b>(68,339)</b> | <b>487</b>                   | <b>85,942</b> | <b>16.6</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$551,000 (December 31, 2018 \$859,000).

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

# Beutel Goodman Canadian Dividend Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Market segment         | Dec. 31, 2019 | Dec. 31, 2018  |
|------------------------|---------------|----------------|
| Short-Term Investments |               |                |
| Treasury Bills         | 0.76%         | 0.73%          |
| Common Stocks          |               |                |
| Energy                 | 8.27%         | 5.73%          |
| Materials              | 4.47%         | 9.45%          |
| Industrial             | 2.07%         | 1.63%          |
| Consumer Discretionary | 7.19%         | 6.21%          |
| Consumer Staples       | 14.19%        | 12.48%         |
| Health Care            | 8.96%         | 8.63%          |
| Financials             | 39.48%        | 38.63%         |
| Communication Services | 10.48%        | 15.06%         |
| Information Technology | 1.89%         | –              |
| Utilities              | 1.96%         | 1.62%          |
| <b>Total</b>           | <b>99.72%</b> | <b>100.17%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019                  | Level 1            | Level 2          | Level 3  | Total              |
|------------------------------------|--------------------|------------------|----------|--------------------|
|                                    | (\$)               | (\$)             | (\$)     | (\$)               |
| <b>Assets</b>                      |                    |                  |          |                    |
| Equity securities                  | 547,110,408        | –                | –        | 547,110,408        |
| Foreign currency forward contracts | –                  | 1,022,140        | –        | 1,022,140          |
| <b>Total Assets</b>                | <b>547,110,408</b> | <b>1,022,140</b> | <b>–</b> | <b>548,132,548</b> |

| December 31, 2018                  | Level 1            | Level 2            | Level 3  | Total              |
|------------------------------------|--------------------|--------------------|----------|--------------------|
|                                    | (\$)               | (\$)               | (\$)     | (\$)               |
| <b>Assets</b>                      |                    |                    |          |                    |
| Equity securities                  | 515,148,137        | –                  | –        | 515,148,137        |
| Foreign currency forward contracts | –                  | (1,703,162)        | –        | (1,703,162)        |
| <b>Total Assets</b>                | <b>515,148,137</b> | <b>(1,703,162)</b> | <b>–</b> | <b>513,444,975</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Offsetting of Financial Instruments

There are no financial instruments that are offset, or subject to netting agreements or other similar agreements but that are not offset, as at December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

#### For the years ended December 31

| 2019                             | Class B          | Class D          | Class F          | Class I           |
|----------------------------------|------------------|------------------|------------------|-------------------|
| Balance, beginning of the year   | 6,394,061        | 10,746,282       | 6,590,259        | 22,060,103        |
| Redeemable units issued for cash | 2,325,129        | 778,167          | 2,678,242        | 930,720           |
| Reinvested units                 | 86,750           | 181,194          | 93,474           | 679,807           |
| Redeemable units redeemed        | (1,577,463)      | (2,193,182)      | (2,051,885)      | (5,629,417)       |
| <b>Balance, end of year</b>      | <b>7,228,477</b> | <b>9,512,461</b> | <b>7,310,090</b> | <b>18,041,213</b> |

| 2018                             | Class B          | Class D           | Class F          | Class I           |
|----------------------------------|------------------|-------------------|------------------|-------------------|
| Balance, beginning of the year   | 4,154,619        | 10,859,510        | 4,638,807        | 19,622,793        |
| Redeemable units issued for cash | 3,172,118        | 2,464,031         | 3,774,429        | 4,693,590         |
| Reinvested units                 | 166,146          | 345,753           | 169,533          | 1,017,350         |
| Redeemable units redeemed        | (1,098,822)      | (2,923,012)       | (1,992,510)      | (3,273,630)       |
| <b>Balance, end of year</b>      | <b>6,394,061</b> | <b>10,746,282</b> | <b>6,590,259</b> | <b>22,060,103</b> |

# Beutel Goodman Global Dividend Fund

## Statements of Financial Position

As at December 31

|  | 2019              | 2018              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Assets</b>  |                   |                   |
| <b>Current assets</b>  |                   |                   |
| Cash and cash equivalents  | 737,111           | 614,830           |
| Financial assets at fair value through profit or loss*                                   | 20,315,275        | 19,953,477        |
| Accrued interest   | 330               | 898               |
| Dividends receivable   | 34,713            | 46,060            |
| Subscriptions receivable   | 366               | 5,926             |
| <b>Total assets</b>  | <b>21,087,795</b> | <b>20,621,191</b> |
| <b>Liabilities</b>   |                   |                   |
| <b>Current liabilities</b>   |                   |                   |
| Management and administrative fees payable   | 10,825            | 12,310            |
| Redemptions payable  | 30,521            | –                 |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>41,346</b>     | <b>12,310</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>21,046,449</b> | <b>20,608,881</b> |
| *Investments at average cost   | 18,670,888        | 20,972,197        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                   |                   |
| Class B  | 5,554,158         | 7,579,492         |
| Class F  | 4,156,466         | 3,615,777         |
| Class I  | 11,335,825        | 9,413,612         |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                   |                   |
| Class B  | 13.50             | 11.62             |
| Class F  | 13.73             | 11.87             |
| Class I  | 14.37             | 12.41             |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                   |                   |
| Class B  | 411,556           | 652,296           |
| Class F  | 302,839           | 304,694           |
| Class I  | 788,792           | 758,356           |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019             | 2018               |
|---|------------------|--------------------|
|   | \$               | \$                 |
| <b>Income</b>   |                  |                    |
| Net gains (losses) on investments   |                  |                    |
| Dividends   | 874,566          | 1,024,470          |
| Interest for distribution purposes  | 16,462           | 8,083              |
| Realized gain (loss) on sale of investments   | 527,926          | 1,266,556          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 2,663,107        | (3,514,430)        |
| <b>Net gains (losses) on investments</b>  | <b>4,082,061</b> | <b>(1,215,321)</b> |
| Other income  |                  |                    |
| Realized gain (loss) on foreign currency transactions   | (13,473)         | (38,283)           |
| <b>Total income</b>   | <b>4,068,588</b> | <b>(1,253,604)</b> |
| <b>Expenses</b>   |                  |                    |
| Management fees   | 149,229          | 267,511            |
| Administrative fees   | 29,359           | 38,970             |
| Transaction costs (note 9)  | 12,363           | 44,985             |
| Withholding taxes   | 118,775          | 113,588            |
| <b>Total Expenses</b>   | <b>309,726</b>   | <b>465,054</b>     |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>3,758,862</b> | <b>(1,718,658)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                  |                    |
| Class B   | 1,040,780        | (780,185)          |
| Class F   | 671,199          | (164,263)          |
| Class I   | 2,046,883        | (774,210)          |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                  |                    |
| Class B   | 2.06             | (0.85)             |
| Class F   | 2.16             | (0.36)             |
| Class I   | 2.45             | (1.43)             |

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

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 years ended December 31

|  | 2019        | 2018        |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |             |             |
| Class B  | 7,579,492   | 10,754,886  |
| Class F  | 3,615,777   | 7,299,855   |
| Class I  | 9,413,612   | 5,914,468   |
|  | 20,608,881  | 23,969,209  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |             |             |
| Class B  | 1,040,780   | (780,185)   |
| Class F  | 671,199     | (164,263)   |
| Class I  | 2,046,883   | (774,210)   |
|  | 3,758,862   | (1,718,658) |
| <b>Distribution to holders of redeemable units</b>                                       |             |             |
| From net investment income   |             |             |
| Class B  | (96,660)    | (170,250)   |
| Class F  | (101,045)   | (146,310)   |
| Class I  | (406,824)   | (250,248)   |
| From net realized gains on investments   |             |             |
| Class B  | —           | (562,374)   |
| Class F  | —           | (300,693)   |
| Class I  | —           | (445,998)   |
|  | (604,529)   | (1,875,873) |
| <b>Redeemable unit transactions</b>  |             |             |
| Proceeds from redeemable units issued  |             |             |
| Class B  | 432,949     | 6,498,352   |
| Class F  | 536,958     | 2,186,282   |
| Class I  | 1,231,102   | 6,395,819   |
| Reinvestments of distributions to holders of redeemable units                            |             |             |
| Class B  | 93,599      | 713,613     |
| Class F  | 92,351      | 415,090     |
| Class I  | 406,824     | 696,246     |
| Redemption of redeemable units   |             |             |
| Class B  | (3,496,002) | (8,874,550) |
| Class F  | (658,774)   | (5,674,184) |
| Class I  | (1,355,772) | (2,122,465) |
|  | (2,716,765) | 234,203     |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |             |             |
| Class B  | (2,025,334) | (3,175,394) |
| Class F  | 540,689     | (3,684,078) |
| Class I  | 1,922,213   | 3,499,144   |
|  | 437,568     | (3,360,328) |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |             |             |
| Class B  | 5,554,158   | 7,579,492   |
| Class F  | 4,156,466   | 3,615,777   |
| Class I  | 11,335,825  | 9,413,612   |
|  | 21,046,449  | 20,608,881  |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019        | 2018         |
|--|-------------|--------------|
|  | \$          | \$           |
| <b>Cash flows from operating activities</b>  |             |              |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 3,758,862   | (1,718,658)  |
| Adjustments for:   |             |              |
| Net realized (gain) loss on sale of investments                                    | (527,926)   | (1,266,556)  |
| Change in unrealized (appreciation) depreciation in the value of investments       | (2,663,107) | 3,514,430    |
| Purchases of investments   | (4,272,398) | (13,244,172) |
| Proceeds from sale of investments  | 7,101,633   | 14,432,017   |
| (Increase) decrease in accrued interest  | 568         | (628)        |
| (Increase) decrease in dividends receivable  | 11,347      | (18,760)     |
| Increase (decrease) in accrued liabilities   | (1,485)     | (7,928)      |
| <b>Net cash flows from (used in) operating activities</b>                          | 3,407,494   | 1,689,745    |
| <b>Cash flows from financing activities</b>  |             |              |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (11,755)    | (50,924)     |
| Proceeds from redeemable units issued  | 2,206,569   | 15,084,527   |
| Redemption of redeemable units   | (5,480,027) | (16,671,199) |
| <b>Net cash flows from (used in) financing activities</b>                          | (3,285,213) | (1,637,596)  |
| Net increase (decrease) in cash and cash equivalents                               | 122,281     | 52,149       |
| Cash and cash equivalents at beginning of year                                     | 614,830     | 562,681      |
| <b>Cash and cash equivalents at end of year*</b>                                   | 737,111     | 614,830      |
| <b>Supplementary information</b>   |             |              |
| Cash flow from operating activities  |             |              |
| Interest received  | 17,030      | 7,455        |
| Dividends received, net of withholding taxes                                       | 767,138     | 892,122      |
| <b>*Cash and cash equivalents include:</b>   |             |              |
| Cash at banks  | 65,002      | 42,237       |
| Short-term investments   | 672,109     | 572,593      |
| <b>Total</b>   | 737,111     | 614,830      |

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

# Beutel Goodman Global Dividend Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value                               | Coupon<br>Rate (%)                       | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |        | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |
|---|--|------------------|-----------------------|---------------------|-----------------------|--------|-----------------------|---------------------|-----------------------|
| <b>Cash Equivalents (2018 - 2.78%)</b>                        |  |                  |                       |                     |                       |        |                       |                     |                       |
| <b>Treasury Bills</b>   |  |                  |                       |                     |                       |        |                       |                     |                       |
| 300,000   | Government of Canada                     | 1.658            | 2-Apr-20              | 298,689             | 298,689               | 1.42   |                       |                     |                       |
| 375,000   | Government of Canada                     | 1.653            | 19-Mar-20             | 373,420             | 373,420               | 1.77   |                       |                     |                       |
|   |  |                  |                       | 672,109             | 672,109               | 3.19   |                       |                     |                       |
| <b>Common Stocks (2018 - 96.82%)</b>                          |  |                  |                       |                     |                       |        |                       |                     |                       |
| <b>Australia</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 32,840  | Caltex Australia Ltd.                    |                  |                       | 1,032,872           | 1,016,306             | 4.83   |                       |                     |                       |
|   |  |                  |                       | 1,032,872           | 1,016,306             | 4.83   |                       |                     |                       |
| <b>Finland</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 20,595  | Konecranes OYJ                           |                  |                       | 986,346             | 821,402               | 3.90   |                       |                     |                       |
|   |  |                  |                       | 986,346             | 821,402               | 3.90   |                       |                     |                       |
| <b>France</b>   |  |                  |                       |                     |                       |        |                       |                     |                       |
| 5,530   | Cie Générale des Établissements Michelin |                  |                       | 829,356             | 878,199               | 4.17   |                       |                     |                       |
|   |  |                  |                       | 829,356             | 878,199               | 4.17   |                       |                     |                       |
| <b>Germany</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 7,540   | BASF SE                                  |                  |                       | 788,396             | 739,183               | 3.51   |                       |                     |                       |
|   |  |                  |                       | 788,396             | 739,183               | 3.51   |                       |                     |                       |
| <b>Japan</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 1,600   | Tokyo Electron Ltd.                      |                  |                       | 289,748             | 456,770               | 2.17   |                       |                     |                       |
| 14,140  | NTT DOCOMO Inc.                          |                  |                       | 442,581             | 512,582               | 2.43   |                       |                     |                       |
|   |  |                  |                       | 732,329             | 969,352               | 4.60   |                       |                     |                       |
| <b>Netherlands</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 205,830   | Koninklijke KPN NV                       |                  |                       | 835,276             | 788,266               | 3.75   |                       |                     |                       |
|   |  |                  |                       | 835,276             | 788,266               | 3.75   |                       |                     |                       |
| <b>Norway</b>   |  |                  |                       |                     |                       |        |                       |                     |                       |
| 42,270  | Atea ASA                                 |                  |                       | 612,205             | 802,183               | 3.81   |                       |                     |                       |
|   |  |                  |                       | 612,205             | 802,183               | 3.81   |                       |                     |                       |
| <b>Singapore</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 26,100  | DBS Group Holdings Ltd.                  |                  |                       | 604,496             | 651,405               | 3.10   |                       |                     |                       |
|   |  |                  |                       | 604,496             | 651,405               | 3.10   |                       |                     |                       |
|   |  |                  |                       |                     |                       |        |                       |                     |                       |
| <b>Number of Shares</b>                                       |  |                  |                       |                     |                       |        |                       |                     |                       |
| <b>Switzerland</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 2,320   | Roche Holding AG                         |                  |                       | 719,650             | 975,534               | 4.64   |                       |                     |                       |
|   |  |                  |                       | 719,650             | 975,534               | 4.64   |                       |                     |                       |
| <b>United Kingdom</b>   |  |                  |                       |                     |                       |        |                       |                     |                       |
| 11,940  | GlaxoSmithKline PLC                      |                  |                       | 305,566             | 364,895               | 1.73   |                       |                     |                       |
| 47,690  | IMI PLC                                  |                  |                       | 877,726             | 965,892               | 4.59   |                       |                     |                       |
| 24,460  | Smiths Group PLC                         |                  |                       | 645,301             | 708,858               | 3.37   |                       |                     |                       |
| 325,370   | Vodafone Group PLC                       |                  |                       | 1,114,837           | 820,300               | 3.90   |                       |                     |                       |
|   |  |                  |                       | 2,943,430           | 2,859,945             | 13.59  |                       |                     |                       |
| <b>United States</b>  |  |                  |                       |                     |                       |        |                       |                     |                       |
| 3,360   | Ameriprise Financial Inc.                |                  |                       | 588,681             | 725,801               | 3.45   |                       |                     |                       |
| 3,650   | Amgen Inc.                               |                  |                       | 857,029             | 1,141,016             | 5.43   |                       |                     |                       |
| 850   | BlackRock Inc.                           |                  |                       | 470,846             | 554,094               | 2.63   |                       |                     |                       |
| 16,620  | Campbell Soup Co.                        |                  |                       | 958,675             | 1,065,097             | 5.06   |                       |                     |                       |
| 18,870  | Comcast Corp.                            |                  |                       | 761,085             | 1,100,399             | 5.24   |                       |                     |                       |
| 2,850   | Cummins Inc.                             |                  |                       | 575,530             | 661,388               | 3.14   |                       |                     |                       |
| 18,190  | Harley-Davidson Inc.                     |                  |                       | 1,122,511           | 877,233               | 4.17   |                       |                     |                       |
| 11,110  | Kellogg Co.                              |                  |                       | 931,346             | 996,379               | 4.73   |                       |                     |                       |
| 26,420  | NortonLifeLock Inc.                      |                  |                       | 821,940             | 874,317               | 4.15   |                       |                     |                       |
| 8,420   | Omnicom Group Inc.                       |                  |                       | 835,819             | 884,626               | 4.20   |                       |                     |                       |
| 11,720  | Verizon Communications Inc.              |                  |                       | 702,578             | 933,150               | 4.43   |                       |                     |                       |
|   |  |                  |                       | 8,626,040           | 9,813,500             | 46.63  |                       |                     |                       |
|   |  |                  |                       | 18,710,396          | 20,315,275            | 96.53  |                       |                     |                       |
| <b>Total Common Stocks</b>                                    |  |                  |                       |                     |                       |        |                       |                     |                       |
| <b>Transaction Costs</b>                                      |  |                  |                       |                     |                       |        |                       |                     |                       |
|   |  |                  |                       | (39,508)            |                       |        |                       |                     |                       |
| <b>Total Investments</b>                                      |  |                  |                       |                     |                       |        |                       |                     |                       |
|   |  |                  |                       | 18,670,888          | 20,315,275            | 96.53  |                       |                     |                       |
| <b>Total Investments and Cash Equivalents</b>                 |  |                  |                       |                     |                       |        |                       |                     |                       |
|   |  |                  |                       | 19,342,997          | 20,987,384            | 99.72  |                       |                     |                       |
| <b>Other Assets Net of Liabilities</b>                        |  |                  |                       |                     |                       |        |                       |                     |                       |
|   |  |                  |                       |                     | 59,065                | 0.28   |                       |                     |                       |
| <b>Net Assets Attributable to Holders of Redeemable Units</b> |  |                  |                       |                     |                       |        |                       |                     |                       |
|   |  |                  |                       |                     | 21,046,449            | 100.00 |                       |                     |                       |

# Beutel Goodman Global Dividend Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Risk Management

The investment objective of the Beutel Goodman Global Dividend Fund (the "Fund") is to maximum portfolio returns by investing in equities offering a high, sustainable yield or high dividend growth rate as well as the potential for capital appreciation. The 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|-----------------------|------------------------------|---------------|
|                       | Dec. 31, 2019                | Dec. 31, 2018 |
| MSCI World (CS) Index | 189                          | 182           |
| <b>Total</b>          | <b>189</b>                   | <b>182</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 December 31, 2019 and December 31, 2018 are as follows:

#### Dec. 31, 2019

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total         | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|---------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)       | (%)                      |
| Euro Currency        | –                         | 3,227                          | 22                           | 3,249         | 15.4                     |
| British Pound        | –                         | 2,860                          | 6                            | 2,866         | 13.6                     |
| Japanese Yen         | –                         | 969                            | –                            | 969           | 4.6                      |
| Norwegian Krone      | –                         | 802                            | –                            | 802           | 3.8                      |
| United States Dollar | –                         | 9,813                          | 6                            | 9,819         | 46.7                     |
| Singapore Dollar     | –                         | 651                            | –                            | 651           | 3.1                      |
| Swiss Franc          | –                         | 976                            | –                            | 976           | 4.6                      |
| Australian Dollar    | –                         | 1,016                          | –                            | 1,016         | 4.8                      |
| <b>Total</b>         | <b>–</b>                  | <b>20,314</b>                  | <b>34</b>                    | <b>20,348</b> | <b>96.6</b>              |

#### Dec. 31, 2018

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total         | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|---------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)       | (%)                      |
| Euro Currency        | –                         | 4,590                          | 28                           | 4,618         | 22.4                     |
| British Pound        | –                         | 2,799                          | 7                            | 2,806         | 13.6                     |
| Japanese Yen         | –                         | 1,215                          | –                            | 1,215         | 5.9                      |
| Norwegian Krone      | –                         | 1,499                          | –                            | 1,499         | 7.3                      |
| United States Dollar | –                         | 7,469                          | 11                           | 7,480         | 36.3                     |
| Singapore Dollar     | –                         | 406                            | –                            | 406           | 2.0                      |
| Swiss Franc          | –                         | 1,153                          | –                            | 1,153         | 5.6                      |
| Australian Dollar    | –                         | 822                            | –                            | 822           | 4.0                      |
| <b>Total</b>         | <b>–</b>                  | <b>19,953</b>                  | <b>46</b>                    | <b>19,999</b> | <b>97.1</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$203,000 (December 31, 2018 \$200,000).

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 December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Country segment        | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------|---------------|---------------|
| Short-Term Investments |               |               |
| Treasury Bills         | 3.19%         | 2.78%         |
| Common Stocks          |               |               |
| Australia              | 4.83%         | 3.99%         |
| Finland                | 3.90%         | 4.54%         |
| France                 | 4.17%         | 4.01%         |
| Germany                | 3.51%         | 5.07%         |
| Japan                  | 4.60%         | 5.89%         |
| Netherlands            | 3.75%         | 11.75%        |
| Norway                 | 3.81%         | 7.27%         |
| Singapore              | 3.10%         | 1.97%         |
| Switzerland            | 4.64%         | 5.59%         |
| United Kingdom         | 13.59%        | 13.58%        |
| United States          | 46.63%        | 33.16%        |
| <b>Total</b>           | <b>99.72%</b> | <b>99.60%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1           | Level 2  | Level 3  | Total             |
|---------------------|-------------------|----------|----------|-------------------|
|                     | (\$)              | (\$)     | (\$)     | (\$)              |
| <b>Assets</b>       |                   |          |          |                   |
| Equity securities   | 20,315,275        | –        | –        | 20,315,275        |
| <b>Total Assets</b> | <b>20,315,275</b> | <b>–</b> | <b>–</b> | <b>20,315,275</b> |

| December 31, 2018   | Level 1           | Level 2  | Level 3  | Total             |
|---------------------|-------------------|----------|----------|-------------------|
|                     | (\$)              | (\$)     | (\$)     | (\$)              |
| <b>Assets</b>       |                   |          |          |                   |
| Equity securities   | 19,953,477        | –        | –        | 19,953,477        |
| <b>Total Assets</b> | <b>19,953,477</b> | <b>–</b> | <b>–</b> | <b>19,953,477</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B        | Class F        | Class I        |
|----------------------------------|----------------|----------------|----------------|
| Balance, beginning of the year   | 652,296        | 304,694        | 758,356        |
| Redeemable units issued for cash | 35,554         | 42,749         | 96,337         |
| Reinvested units                 | 7,647          | 7,338          | 30,757         |
| Redeemable units redeemed        | (283,941)      | (51,942)       | (96,658)       |
| <b>Balance, end of year</b>      | <b>411,556</b> | <b>302,839</b> | <b>788,792</b> |

| 2018                             | Class B        | Class F        | Class I        |
|----------------------------------|----------------|----------------|----------------|
| Balance, beginning of the year   | 802,378        | 531,014        | 410,964        |
| Redeemable units issued for cash | 490,075        | 161,609        | 450,000        |
| Reinvested units                 | 57,369         | 32,276         | 53,441         |
| Redeemable units redeemed        | (697,526)      | (420,205)      | (156,049)      |
| <b>Balance, end of year</b>      | <b>652,296</b> | <b>304,694</b> | <b>758,356</b> |



# Beutel Goodman World Focus Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019              | 2018              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Assets</b>  |                   |                   |
| <b>Current assets</b>  |                   |                   |
| Cash and cash equivalents  | 756,511           | 756,517           |
| Financial assets at fair value through profit or loss*                                   | 28,525,752        | 20,133,322        |
| Accrued interest   | 433               | 492               |
| Dividends receivable   | 30,970            | 32,821            |
| Subscriptions receivable   | 75,442            | 35,777            |
| <b>Total assets</b>  | <b>29,389,108</b> | <b>20,958,929</b> |
| <b>Liabilities</b>   |                   |                   |
| <b>Current liabilities</b>   |                   |                   |
| Management and administrative fees payable   | 18,257            | 17,272            |
| Redemptions payable  | 52,031            | 21,088            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>70,288</b>     | <b>38,360</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>29,318,820</b> | <b>20,920,569</b> |
| *Investments at average cost   | 25,476,197        | 20,424,702        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                   |                   |
| Class B  | 1,160,102         | 1,079,246         |
| Class D  | 3,273,004         | 3,949,256         |
| Class F  | 4,110,744         | 2,919,788         |
| Class I  | 20,774,970        | 12,972,279        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                   |                   |
| Class B  | 14.91             | 12.72             |
| Class D  | 5.78              | 4.92              |
| Class F  | 15.36             | 13.10             |
| Class I  | 6.14              | 5.23              |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                   |                   |
| Class B  | 77,833            | 84,839            |
| Class D  | 565,996           | 803,472           |
| Class F  | 267,683           | 222,961           |
| Class I  | 3,382,363         | 2,479,486         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019             | 2018               |
|---|------------------|--------------------|
|   | \$               | \$                 |
| <b>Income</b>   |                  |                    |
| Net gains (losses) on investments   |                  |                    |
| Dividends   | 683,013          | 613,140            |
| Interest for distribution purposes  | 13,499           | 7,936              |
| Realized gain (loss) on sale of investments   | 279,146          | 1,035,431          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 3,340,935        | (2,957,780)        |
| <b>Net gains (losses) on investments</b>  | <b>4,316,593</b> | <b>(1,301,273)</b> |
| Other income  |                  |                    |
| Realized gain (loss) on foreign currency transactions   | (21,100)         | (8,745)            |
| <b>Total income</b>   | <b>4,295,493</b> | <b>(1,310,018)</b> |
| <b>Expenses</b>   |                  |                    |
| Management fees   | 100,719          | 107,518            |
| Administrative fees   | 28,718           | 26,834             |
| Transaction costs (note 9)  | 17,544           | 13,053             |
| Withholding taxes   | 100,185          | 90,843             |
| <b>Total expenses before waiver</b>   | <b>247,166</b>   | <b>238,248</b>     |
| Expenses waived by the manager  | (4,008)          | (3,164)            |
| <b>Total expenses</b>   | <b>243,158</b>   | <b>235,084</b>     |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>4,052,335</b> | <b>(1,545,102)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                  |                    |
| Class B   | 179,857          | (110,135)          |
| Class D   | 631,002          | (335,915)          |
| Class F   | 591,583          | (228,973)          |
| Class I   | 2,649,893        | (870,079)          |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                  |                    |
| Class B   | 2.20             | (1.14)             |
| Class D   | 0.98             | (0.41)             |
| Class F   | 2.37             | (1.20)             |
| Class I   | 1.01             | (0.38)             |

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

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 years ended December 31

|  | 2019        | 2018        |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |             |             |
| Class B  | 1,079,246   | 1,464,901   |
| Class D  | 3,949,256   | 4,916,047   |
| Class F  | 2,919,788   | 2,531,584   |
| Class I  | 12,972,279  | 13,557,635  |
|  | 20,920,569  | 22,470,167  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |             |             |
| Class B  | 179,857     | (110,135)   |
| Class D  | 631,002     | (335,915)   |
| Class F  | 591,583     | (228,973)   |
| Class I  | 2,649,893   | (870,079)   |
|  | 4,052,335   | (1,545,102) |
| <b>Distribution to holders of redeemable units</b>                                       |             |             |
| From net investment income   |             |             |
| Class B  | —           | —           |
| Class D  | (21,931)    | (41,770)    |
| Class F  | (41,423)    | (36,718)    |
| Class I  | (398,128)   | (295,962)   |
| From net realized gains on investments   |             |             |
| Class B  | —           | (47,704)    |
| Class D  | —           | (176,912)   |
| Class F  | —           | (126,967)   |
| Class I  | —           | (572,937)   |
|  | (461,482)   | (1,298,970) |
| <b>Redeemable unit transactions</b>  |             |             |
| Proceeds from redeemable units issued  |             |             |
| Class B  | 163,462     | 280,275     |
| Class D  | 498,769     | 1,470,269   |
| Class F  | 1,435,498   | 1,538,255   |
| Class I  | 8,775,274   | 2,160,772   |
| Reinvestments of distributions to holders of redeemable units                            |             |             |
| Class B  | —           | 46,952      |
| Class D  | 21,469      | 212,452     |
| Class F  | 40,559      | 158,352     |
| Class I  | 398,128     | 868,899     |
| Redemption of redeemable units   |             |             |
| Class B  | (262,463)   | (555,043)   |
| Class D  | (1,805,561) | (2,094,915) |
| Class F  | (835,261)   | (915,745)   |
| Class I  | (3,622,476) | (1,876,049) |
|  | 4,807,398   | 1,294,474   |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |             |             |
| Class B  | 80,856      | (385,655)   |
| Class D  | (676,252)   | (966,791)   |
| Class F  | 1,190,956   | 388,204     |
| Class I  | 7,802,691   | (585,356)   |
|  | 8,398,251   | (1,549,598) |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |             |             |
| Class B  | 1,160,102   | 1,079,246   |
| Class D  | 3,273,004   | 3,949,256   |
| Class F  | 4,110,744   | 2,919,788   |
| Class I  | 20,774,970  | 12,972,279  |
|  | 29,318,820  | 20,920,569  |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019               | 2018            |
|--|--------------------|-----------------|
|  | \$                 | \$              |
| <b>Cash flows from operating activities</b>  |                    |                 |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 4,052,335          | (1,545,102)     |
| Adjustments for:   |                    |                 |
| Net realized (gain) loss on sale of investments                                    | (279,146)          | (1,035,431)     |
| Change in unrealized (appreciation) depreciation in the value of investments       | (3,340,935)        | 2,957,780       |
| Purchases of investments   | (8,244,476)        | (5,085,569)     |
| Proceeds from sale of investments  | 3,472,127          | 4,653,046       |
| (Increase) decrease in accrued interest  | 59                 | 90              |
| (Increase) decrease in dividends receivable  | 1,851              | (12,465)        |
| Increase (decrease) in accrued liabilities   | 985                | (3,720)         |
| <b>Net cash flows from (used in) operating activities</b>                          | <b>(4,337,200)</b> | <b>(71,371)</b> |
| <b>Cash flows from financing activities</b>  |                    |                 |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (1,326)            | (12,315)        |
| Proceeds from redeemable units issued  | 10,833,338         | 5,480,824       |
| Redemption of redeemable units   | (6,494,818)        | (5,454,107)     |
| <b>Net cash flows from (used in) financing activities</b>                          | <b>4,337,194</b>   | <b>14,402</b>   |
| Net increase (decrease) in cash and cash equivalents                               | (6)                | (56,969)        |
| Cash and cash equivalents at beginning of year                                     | 756,517            | 813,486         |
| <b>Cash and cash equivalents at end of year*</b>                                   | <b>756,511</b>     | <b>756,517</b>  |
| <b>Supplementary information</b>   |                    |                 |
| Cash flow from operating activities  |                    |                 |
| Interest received  | 13,558             | 8,026           |
| Dividends received, net of withholding taxes                                       | 584,679            | 509,832         |
| *Cash and cash equivalents include:  |                    |                 |
| Cash at banks  | 34,503             | 9,495           |
| Short-term investments   | 722,008            | 747,022         |
| Total  | 756,511            | 756,517         |

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

# Beutel Goodman World Focus Equity Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value        | Coupon<br>Rate (%)                       | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares  | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |
|--|--|------------------|-----------------------|---------------------|-----------------------|---|-----------------------|---------------------|-----------------------|
| <b>Cash Equivalents (2018 - 3.57%)</b> |  |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Treasury Bills</b>                  |  |                  |                       |                     |                       |   |                       |                     |                       |
| 725,000                                | Government of Canada                     | 1.664            | 19-Mar-20             | 722,008             | 722,008               | 2.46  |                       |                     |                       |
|  |  |                  |                       | 722,008             | 722,008               | 2.46  |                       |                     |                       |
| <b>Common Stocks (2018 - 96.24%)</b>   |  |                  |                       |                     |                       |   |                       |                     |                       |
| <b>Australia</b>                       |  |                  |                       |                     |                       |   |                       |                     |                       |
| 20,110                                 | Caltex Australia Ltd.                    |                  |                       | 627,592             | 622,348               | 2.12  |                       |                     |                       |
|  |  |                  |                       | 627,592             | 622,348               | 2.12  |                       |                     |                       |
| <b>Denmark</b>                         |  |                  |                       |                     |                       |   |                       |                     |                       |
| 4,680                                  | Carlsberg A/S                            |                  |                       | 594,884             | 905,987               | 3.09  |                       |                     |                       |
|  |  |                  |                       | 594,884             | 905,987               | 3.09  |                       |                     |                       |
| <b>Finland</b>                         |  |                  |                       |                     |                       |   |                       |                     |                       |
| 21,435                                 | Konecranes OYJ                           |                  |                       | 860,638             | 854,904               | 2.92  |                       |                     |                       |
|  |  |                  |                       | 860,638             | 854,904               | 2.92  |                       |                     |                       |
| <b>France</b>                          |  |                  |                       |                     |                       |   |                       |                     |                       |
| 5,530                                  | Cie Générale des Établissements Michelin |                  |                       | 785,863             | 878,199               | 3.00  |                       |                     |                       |
|  |  |                  |                       | 785,863             | 878,199               | 3.00  |                       |                     |                       |
| <b>Germany</b>                         |  |                  |                       |                     |                       |   |                       |                     |                       |
| 5,630                                  | BASF SE                                  |                  |                       | 588,089             | 551,937               | 1.88  |                       |                     |                       |
| 3,760                                  | HeidelbergCement AG                      |                  |                       | 381,196             | 355,531               | 1.21  |                       |                     |                       |
| 7,630                                  | Merck KGaA                               |                  |                       | 1,027,321           | 1,170,044             | 4.00  |                       |                     |                       |
| 18,270                                 | Software AG                              |                  |                       | 859,177             | 827,070               | 2.82  |                       |                     |                       |
|  |  |                  |                       | 2,855,783           | 2,904,582             | 9.91  |                       |                     |                       |
| <b>Guernsey</b>                        |  |                  |                       |                     |                       |   |                       |                     |                       |
| 11,910                                 | Amdocs Ltd.                              |                  |                       | 814,269             | 1,114,922             | 3.80  |                       |                     |                       |
|  |  |                  |                       | 814,269             | 1,114,922             | 3.80  |                       |                     |                       |
| <b>Japan</b>                           |  |                  |                       |                     |                       |   |                       |                     |                       |
| 48,060                                 | Hakuhodo DY Holdings Inc.                |                  |                       | 887,682             | 1,013,892             | 3.46  |                       |                     |                       |
| 920                                    | SMC Corp.                                |                  |                       | 399,846             | 552,072               | 1.88  |                       |                     |                       |
| 2,030                                  | Tokyo Electron Ltd.                      |                  |                       | 387,537             | 579,527               | 1.98  |                       |                     |                       |
|  |  |                  |                       | 1,675,065           | 2,145,491             | 7.32  |                       |                     |                       |
| <b>Netherlands</b>                     |  |                  |                       |                     |                       |   |                       |                     |                       |
| 182,400                                | Koninklijke KPN NV                       |                  |                       | 728,359             | 698,536               | 2.38  |                       |                     |                       |
|  |  |                  |                       | 728,359             | 698,536               | 2.38  |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Switzerland</b>  |                       |                     |                       |
| 14,650                                 | Julius Baer Group Ltd.                   |                  |                       |                     |                       |   | 923,598               | 979,544             | 3.34                  |
| 2,950                                  | Roche Holding AG                         |                  |                       |                     |                       |   | 966,859               | 1,240,442           | 4.23                  |
|  |  |                  |                       |                     |                       |   | 1,890,457             | 2,219,986           | 7.57                  |
|  |  |                  |                       |                     |                       | <b>Singapore</b>  |                       |                     |                       |
| 31,930                                 | DBS Group Holdings Ltd.                  |                  |                       |                     |                       |   | 779,793               | 796,911             | 2.72                  |
|  |  |                  |                       |                     |                       |   | 779,793               | 796,911             | 2.72                  |
|  |  |                  |                       |                     |                       | <b>United Kingdom</b>   |                       |                     |                       |
| 44,340                                 | IMI PLC                                  |                  |                       |                     |                       |   | 960,664               | 898,043             | 3.06                  |
| 33,850                                 | Smith & Nephew PLC                       |                  |                       |                     |                       |   | 818,742               | 1,065,590           | 3.63                  |
| 34,670                                 | Smiths Group PLC                         |                  |                       |                     |                       |   | 904,897               | 1,004,746           | 3.43                  |
|  |  |                  |                       |                     |                       |   | 2,684,303             | 2,968,379           | 10.12                 |
|  |  |                  |                       |                     |                       | <b>United States</b>  |                       |                     |                       |
| 3,950                                  | American Express Co.                     |                  |                       |                     |                       |   | 456,664               | 637,657             | 2.17                  |
| 8,850                                  | AmerisourceBergen Corp.                  |                  |                       |                     |                       |   | 939,318               | 975,708             | 3.33                  |
| 1,070                                  | BlackRock Inc.                           |                  |                       |                     |                       |   | 589,681               | 697,506             | 2.38                  |
| 19,130                                 | Campbell Soup Co.                        |                  |                       |                     |                       |   | 1,161,959             | 1,225,951           | 4.18                  |
| 18,590                                 | Comcast Corp.                            |                  |                       |                     |                       |   | 822,461               | 1,084,071           | 3.70                  |
| 20,370                                 | Harley-Davidson Inc.                     |                  |                       |                     |                       |   | 1,164,180             | 982,365             | 3.35                  |
| 12,020                                 | Kellogg Co.                              |                  |                       |                     |                       |   | 994,991               | 1,077,991           | 3.68                  |
| 4,820                                  | Kimberly-Clark Corp.                     |                  |                       |                     |                       |   | 733,729               | 859,732             | 2.93                  |
| 43,270                                 | NortonLifeLock Inc.                      |                  |                       |                     |                       |   | 1,390,649             | 1,431,933           | 4.88                  |
| 11,980                                 | Omnicom Group Inc.                       |                  |                       |                     |                       |   | 1,287,937             | 1,258,649           | 4.29                  |
| 11,890                                 | Oracle Corp.                             |                  |                       |                     |                       |   | 623,546               | 816,863             | 2.79                  |
| 17,170                                 | Verizon Communications Inc.              |                  |                       |                     |                       |   | 1,058,584             | 1,367,081           | 4.67                  |
|  |  |                  |                       |                     |                       |   | 11,223,699            | 12,415,507          | 42.35                 |
|  |  |                  |                       |                     |                       | <b>Total Common Stocks</b>                                    |                       |                     |                       |
|  |  |                  |                       |                     |                       | 25,520,705  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 28,525,752  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 97.30   |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Transaction Costs</b>                                      |                       |                     |                       |
|  |  |                  |                       |                     |                       | (44,508)  |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Total Investments</b>                                      |                       |                     |                       |
|  |  |                  |                       |                     |                       | 25,476,197  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 28,525,752  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 97.30   |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Total Investments and Cash Equivalents</b>                 |                       |                     |                       |
|  |  |                  |                       |                     |                       | 26,198,205  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 29,247,760  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 99.76   |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Other Assets Net of Liabilities</b>                        |                       |                     |                       |
|  |  |                  |                       |                     |                       | 71,060  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 0.24  |                       |                     |                       |
|  |  |                  |                       |                     |                       | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                       |                     |                       |
|  |  |                  |                       |                     |                       | 29,318,820  |                       |                     |                       |
|  |  |                  |                       |                     |                       | 100.00  |                       |                     |                       |

# Beutel Goodman World Focus Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 limited number of mid-to-large capitalization stocks chosen from anywhere in the world, based primarily on the highest risk-adjusted return to the 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 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|------------------------|------------------------------|---------------|
|                        | Dec. 31, 2019                | Dec. 31, 2018 |
| MSCI World (C\$) Index | 252                          | 187           |
| <b>Total</b>           | <b>252</b>                   | <b>187</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 December 31, 2019 and December 31, 2018 are as follows:

#### Dec. 31, 2019

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total         | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|---------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)       | (%)                      |
| Euro Currency        | –                         | 5,336                          | –                            | 5,336         | 18.2                     |
| British Pound        | –                         | 2,968                          | –                            | 2,968         | 10.1                     |
| Japanese Yen         | –                         | 2,145                          | –                            | 2,145         | 7.3                      |
| United States Dollar | –                         | 13,530                         | 31                           | 13,561        | 46.3                     |
| Singapore Dollar     | –                         | 797                            | –                            | 797           | 2.7                      |
| Swiss Franc          | –                         | 2,220                          | –                            | 2,220         | 7.6                      |
| Danish Krone         | –                         | 906                            | –                            | 906           | 3.1                      |
| Australian Dollar    | –                         | 622                            | –                            | 622           | 2.1                      |
| <b>Total</b>         | <b>–</b>                  | <b>28,524</b>                  | <b>31</b>                    | <b>28,555</b> | <b>97.4</b>              |

#### Dec. 31, 2018

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total         | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|---------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)       | (%)                      |
| Euro Currency        | –                         | 4,545                          | –                            | 4,545         | 21.7                     |
| British Pound        | –                         | 2,246                          | –                            | 2,246         | 10.7                     |
| Japanese Yen         | –                         | 1,531                          | –                            | 1,531         | 7.3                      |
| United States Dollar | –                         | 9,181                          | 33                           | 9,214         | 44.0                     |
| Swiss Franc          | –                         | 1,336                          | –                            | 1,336         | 6.4                      |
| Danish Krone         | –                         | 872                            | –                            | 872           | 4.2                      |
| Australian Dollar    | –                         | 422                            | –                            | 422           | 2.0                      |
| <b>Total</b>         | <b>–</b>                  | <b>20,133</b>                  | <b>33</b>                    | <b>20,166</b> | <b>96.3</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$286,000 (December 31, 2018 \$202,000).

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 December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Country segment               | Dec. 31, 2019 | Dec. 31, 2018 |
|-------------------------------|---------------|---------------|
| <b>Short-Term Investments</b> |               |               |
| Treasury Bills                | 2.46%         | 3.57%         |
| <b>Common Stocks</b>          |               |               |
| Australia                     | 2.12%         | 2.02%         |
| Denmark                       | 3.09%         | 4.17%         |
| Finland                       | 2.92%         | 2.44%         |
| France                        | 3.00%         | 3.07%         |
| Germany                       | 9.91%         | 13.23%        |
| Guernsey                      | 3.80%         | 3.24%         |
| Japan                         | 7.32%         | 7.32%         |
| Netherlands                   | 2.38%         | 2.99%         |
| Singapore                     | 2.72%         | –             |
| Switzerland                   | 7.57%         | 6.39%         |
| United Kingdom                | 10.12%        | 13.18%        |
| United States                 | 42.35%        | 38.19%        |
| <b>Total</b>                  | <b>99.76%</b> | <b>99.81%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1           | Level 2  | Level 3  | Total             |
|---------------------|-------------------|----------|----------|-------------------|
|                     | (\$)              | (\$)     | (\$)     | (\$)              |
| <b>Assets</b>       |                   |          |          |                   |
| Equity securities   | 28,525,752        | –        | –        | 28,525,752        |
| <b>Total Assets</b> | <b>28,525,752</b> | <b>–</b> | <b>–</b> | <b>28,525,752</b> |

| December 31, 2018   | Level 1           | Level 2  | Level 3  | Total             |
|---------------------|-------------------|----------|----------|-------------------|
|                     | (\$)              | (\$)     | (\$)     | (\$)              |
| <b>Assets</b>       |                   |          |          |                   |
| Equity securities   | 20,133,322        | –        | –        | 20,133,322        |
| <b>Total Assets</b> | <b>20,133,322</b> | <b>–</b> | <b>–</b> | <b>20,133,322</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B        | Class D        | Class F        | Class I          |
|----------------------------------|----------------|----------------|----------------|------------------|
| Balance, beginning of the year   | 84,839         | 803,472        | 222,961        | 2,479,486        |
| Redeemable units issued for cash | 12,140         | 92,331         | 99,715         | 1,454,859        |
| Reinvested units                 | –              | 3,819          | 2,622          | 64,373           |
| Redeemable units redeemed        | (19,146)       | (333,626)      | (57,615)       | (616,355)        |
| <b>Balance, end of year</b>      | <b>77,833</b>  | <b>565,996</b> | <b>267,683</b> | <b>3,382,363</b> |
| <b>2018</b>                      | <b>Class B</b> | <b>Class D</b> | <b>Class F</b> | <b>Class I</b>   |
| Balance, beginning of the year   | 100,819        | 876,217        | 168,839        | 2,626,901        |
| Redeemable units issued for cash | 19,488         | 262,525        | 103,979        | 367,736          |
| Reinvested units                 | 3,656          | 42,633         | 11,985         | 164,677          |
| Redeemable units redeemed        | (39,123)       | (377,904)      | (61,842)       | (315,827)        |
| <b>Balance, end of year</b>      | <b>84,839</b>  | <b>803,472</b> | <b>222,961</b> | <b>2,479,486</b> |

# Beutel Goodman Global Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Assets</b>  |                    |                    |
| <b>Current assets</b>  |                    |                    |
| Cash and cash equivalents  | 1,557,631          | 5,524,317          |
| Financial assets at fair value through profit or loss*                                   | 216,383,755        | 266,215,281        |
| Accrued interest   | 1,025              | 3,601              |
| Dividends receivable   | 214,619            | 344,241            |
| Due from brokers   | 867,031            | –                  |
| Subscriptions receivable   | 9,552              | 83,464             |
| <b>Total assets</b>  | <b>219,033,613</b> | <b>272,170,904</b> |
| <b>Liabilities</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Management and administrative fees payable   | 25,219             | 29,050             |
| Redemptions payable  | 703,433            | 1,034,301          |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>728,652</b>     | <b>1,063,351</b>   |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>218,304,961</b> | <b>271,107,553</b> |
| *Investments at average cost   | 189,038,396        | 268,440,737        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                    |                    |
| Class B  | 1,021,283          | 841,654            |
| Class D  | 1,388,706          | 1,414,968          |
| Class F  | 568,534            | 941,554            |
| Class I  | 215,326,438        | 267,909,377        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                    |                    |
| Class B  | 10.78              | 9.57               |
| Class D  | 11.15              | 9.88               |
| Class F  | 10.91              | 9.62               |
| Class I  | 12.40              | 10.99              |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                    |                    |
| Class B  | 94,719             | 87,987             |
| Class D  | 124,494            | 143,229            |
| Class F  | 52,096             | 97,879             |
| Class I  | 17,361,925         | 24,383,324         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019              | 2018                |
|---|-------------------|---------------------|
|   | \$                | \$                  |
| <b>Income</b>   |                   |                     |
| Net gains (losses) on investments   |                   |                     |
| Dividends   | 8,550,891         | 9,343,563           |
| Interest for distribution purposes  | 122,026           | 58,969              |
| Realized gain (loss) on sale of investments   | 17,151,353        | 27,345,486          |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 29,570,815        | (52,336,133)        |
| <b>Net gains (losses) on investments</b>  | <b>55,395,085</b> | <b>(15,588,115)</b> |
| Other income  |                   |                     |
| Realized gain (loss) on foreign currency transactions   | (238,494)         | (280,535)           |
| <b>Total income</b>   | <b>55,156,591</b> | <b>(15,868,650)</b> |
| <b>Expenses</b>   |                   |                     |
| Management fees   | 41,178            | 46,954              |
| Administrative fees   | 317,870           | 356,199             |
| Transaction costs (note 9)  | 236,481           | 359,413             |
| Withholding taxes   | 1,254,661         | 1,141,996           |
| <b>Total Expenses</b>   | <b>1,850,190</b>  | <b>1,904,562</b>    |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>53,306,401</b> | <b>(17,773,212)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                   |                     |
| Class B   | 137,210           | (71,817)            |
| Class D   | 241,877           | (102,252)           |
| Class F   | 130,236           | (88,931)            |
| Class I   | 52,797,078        | (17,510,212)        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                   |                     |
| Class B   | 1.67              | (0.96)              |
| Class D   | 1.87              | (0.81)              |
| Class F   | 1.78              | (0.80)              |
| Class I   | 2.25              | (0.71)              |

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

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

# Beutel Goodman Global Equity Fund

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

For the years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |               |               |
| Class B  | 841,654       | 712,647       |
| Class D  | 1,414,968     | 1,288,940     |
| Class F  | 941,554       | 998,258       |
| Class I  | 267,909,377   | 351,935,615   |
|  | 271,107,553   | 354,935,460   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |               |               |
| Class B  | 137,210       | (71,817)      |
| Class D  | 241,877       | (102,252)     |
| Class F  | 130,236       | (88,931)      |
| Class I  | 52,797,078    | (17,510,212)  |
|  | 53,306,401    | (17,773,212)  |
| <b>Distribution to holders of redeemable units</b>                                       |               |               |
| From net investment income   |               |               |
| Class B  | (4,610)       | (3,875)       |
| Class D  | (18,971)      | (15,554)      |
| Class F  | (5,040)       | (14,183)      |
| Class I  | (7,222,399)   | (7,620,502)   |
| From net realized gains on investments   |               |               |
| Class B  | –             | (72,648)      |
| Class D  | –             | (117,801)     |
| Class F  | –             | (99,093)      |
| Class I  | –             | (26,391,951)  |
| From return of capital   |               |               |
| Class B  | (32,287)      | –             |
| Class D  | (50,361)      | –             |
| Class F  | (21,077)      | –             |
| Class I  | (10,616,337)  | –             |
|  | (17,971,082)  | (34,335,607)  |
| <b>Redeemable unit transactions</b>  |               |               |
| Proceeds from redeemable units issued  |               |               |
| Class B  | 304,508       | 293,527       |
| Class D  | 33,968        | 970,753       |
| Class F  | 125,201       | 604,534       |
| Class I  | 21,391,732    | 45,003,253    |
| Reinvestments of distributions to holders of redeemable units                            |               |               |
| Class B  | 35,370        | 71,477        |
| Class D  | 69,108        | 131,634       |
| Class F  | 26,117        | 111,848       |
| Class I  | 17,838,736    | 34,012,460    |
| Redemption of redeemable units   |               |               |
| Class B  | (260,562)     | (87,657)      |
| Class D  | (301,883)     | (740,752)     |
| Class F  | (628,457)     | (570,879)     |
| Class I  | (126,771,749) | (111,519,286) |
|  | (88,137,911)  | (31,719,088)  |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |               |               |
| Class B  | 179,629       | 129,007       |
| Class D  | (26,262)      | 126,028       |
| Class F  | (373,020)     | (56,704)      |
| Class I  | (52,582,939)  | (84,026,238)  |
|  | (52,802,592)  | (83,827,907)  |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |               |               |
| Class B  | 1,021,283     | 841,654       |
| Class D  | 1,388,706     | 1,414,968     |
| Class F  | 568,534       | 941,554       |
| Class I  | 215,326,438   | 267,909,377   |
|  | 218,304,961   | 271,107,553   |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Cash flows from operating activities</b>  |               |               |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 53,306,401    | (17,773,212)  |
| Adjustments for:   |               |               |
| Net realized (gain) loss on sale of investments                                    | (17,151,353)  | (27,345,486)  |
| Change in unrealized (appreciation) depreciation in the value of investments       | (29,570,815)  | 52,336,133    |
| Purchases of investments   | (45,839,455)  | (106,839,688) |
| Proceeds from sale of investments  | 141,526,118   | 166,654,342   |
| (Increase) decrease in accrued interest  | 2,576         | (1,696)       |
| (Increase) decrease in dividends receivable  | 129,622       | 33,279        |
| Increase (decrease) in accrued liabilities   | (3,831)       | (8,180)       |
| <b>Net cash flows from (used in) operating activities</b>                          | 102,399,263   | 67,055,492    |
| <b>Cash flows from financing activities</b>  |               |               |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (1,751)       | (8,783)       |
| Proceeds from redeemable units issued  | 21,929,321    | 46,831,136    |
| Redemption of redeemable units   | (128,293,519) | (112,581,755) |
| <b>Net cash flows from (used in) financing activities</b>                          | (106,365,949) | (65,759,402)  |
| Net increase (decrease) in cash and cash equivalents                               | (3,966,686)   | 1,296,090     |
| Cash and cash equivalents at beginning of year                                     | 5,524,317     | 4,228,227     |
| <b>Cash and cash equivalents at end of year*</b>                                   | 1,557,631     | 5,524,317     |
| <b>Supplementary information</b>   |               |               |
| Cash flow from operating activities  |               |               |
| Interest received  | 124,602       | 57,273        |
| Dividends received, net of withholding taxes                                       | 7,425,852     | 8,234,846     |
| <b>*Cash and cash equivalents include:</b>   |               |               |
| Cash at banks  | 88,839        | 95,654        |
| Short-term investments   | 1,468,792     | 5,428,663     |
| <b>Total</b>   | 1,557,631     | 5,524,317     |

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

# Beutel Goodman Global Equity Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value        | Coupon<br>Rate (%)                       | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares  | Average<br>Cost<br>\$        | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |             |       |
|--|--|------------------|-----------------------|---------------------|-----------------------|---|------------------------------|---------------------|-----------------------|-------------|-------|
| <b>Cash Equivalents (2018 - 2.00%)</b> |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| <b>Treasury Bills</b>                  |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 1,450,000                              | Government of Canada                     | 1.653            | 19-Mar-20             | 1,443,898           | 1,443,898             | 0.66  |                              |                     |                       |             |       |
| 25,000                                 | Government of Canada                     | 1.658            | 2-Apr-20              | 24,894              | 24,894                | 0.01  |                              |                     |                       |             |       |
|  |  |                  |                       | 1,468,792           | 1,468,792             | 0.67  |                              |                     |                       |             |       |
| <b>Common Stocks (2018 - 98.20%)</b>   |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| <b>Australia</b>                       |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 148,550                                | Caltex Australia Ltd.                    |                  |                       | 4,812,263           | 4,597,206             | 2.11  |                              |                     |                       |             |       |
|  |  |                  |                       | 4,812,263           | 4,597,206             | 2.11  |                              |                     |                       |             |       |
| <b>Denmark</b>                         |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 16,660                                 | Carlsberg A/S                            |                  |                       | 1,895,390           | 3,225,159             | 1.48  |                              |                     |                       |             |       |
|  |  |                  |                       | 1,895,390           | 3,225,159             | 1.48  |                              |                     |                       |             |       |
| <b>Finland</b>                         |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 129,680                                | Konecranes OYJ                           |                  |                       | 5,543,607           | 5,172,099             | 2.37  |                              |                     |                       |             |       |
|  |  |                  |                       | 5,543,607           | 5,172,099             | 2.37  |                              |                     |                       |             |       |
| <b>France</b>                          |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 35,830                                 | Cie Générale des Établissements Michelin |                  |                       | 4,841,746           | 5,690,033             | 2.61  |                              |                     |                       |             |       |
| 24,800                                 | Essilor Luxottica                        |                  |                       | 4,085,811           | 4,902,242             | 2.25  |                              |                     |                       |             |       |
|  |  |                  |                       | 8,927,557           | 10,592,275            | 4.86  |                              |                     |                       |             |       |
| <b>Germany</b>                         |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 47,520                                 | BASF SE                                  |                  |                       | 4,868,042           | 4,658,620             | 2.13  |                              |                     |                       |             |       |
| 42,450                                 | HeidelbergCement AG                      |                  |                       | 4,113,206           | 4,013,904             | 1.84  |                              |                     |                       |             |       |
| 39,330                                 | Henkel AG & Co KGaA                      |                  |                       | 5,053,502           | 4,808,908             | 2.20  |                              |                     |                       |             |       |
| 45,940                                 | Merck KGaA                               |                  |                       | 5,888,252           | 7,044,802             | 3.23  |                              |                     |                       |             |       |
| 126,480                                | Software AG                              |                  |                       | 6,206,337           | 5,725,659             | 2.62  |                              |                     |                       |             |       |
|  |  |                  |                       | 26,129,339          | 26,251,893            | 12.02   |                              |                     |                       |             |       |
| <b>Guernsey</b>                        |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 83,100                                 | Amdocs Ltd.                              |                  |                       | 6,374,546           | 7,779,176             | 3.56  |                              |                     |                       |             |       |
|  |  |                  |                       | 6,374,546           | 7,779,176             | 3.56  |                              |                     |                       |             |       |
| <b>Japan</b>                           |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 289,190                                | Hakuhodo DY Holdings Inc.                |                  |                       | 5,657,542           | 6,100,865             | 2.79  |                              |                     |                       |             |       |
| 6,420                                  | SMC Corp.                                |                  |                       | 2,753,703           | 3,852,499             | 1.76  |                              |                     |                       |             |       |
|  |  |                  |                       | 8,411,245           | 9,953,364             | 4.55  |                              |                     |                       |             |       |
| <b>Netherlands</b>                     |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 39,587                                 | Akzo Nobel NV                            |                  |                       | 4,608,730           | 5,222,949             | 2.39  |                              |                     |                       |             |       |
| 1,253,280                              | Koninklijke KPN NV                       |                  |                       | 5,247,456           | 4,799,679             | 2.20  |                              |                     |                       |             |       |
| 35,280                                 | LyondellBasell Industries NV             |                  |                       | 4,113,440           | 4,322,390             | 1.98  |                              |                     |                       |             |       |
|  |  |                  |                       | 13,969,626          | 14,345,018            | 6.57  |                              |                     |                       |             |       |
| <b>Norway</b>                          |  |                  |                       |                     |                       |   |                              |                     |                       |             |       |
| 206,102                                | Atea ASA                                 |                  |                       | 2,781,740           | 3,911,321             | 1.79  |                              |                     |                       |             |       |
|  |  |                  |                       | 2,781,740           | 3,911,321             | 1.79  |                              |                     |                       |             |       |
|  |  |                  |                       |                     |                       | <b>Singapore</b>  |                              |                     |                       |             |       |
|  |  |                  |                       |                     |                       | 203,600   | DBS Group Holdings Ltd.      | 4,698,555           | 5,081,459             | 2.33        |       |
|  |  |                  |                       |                     |                       |   |                              | 4,698,555           | 5,081,459             | 2.33        |       |
|  |  |                  |                       |                     |                       | <b>Switzerland</b>  |                              |                     |                       |             |       |
|  |  |                  |                       |                     |                       | 82,180  | Julius Baer Group Ltd.       | 4,935,479           | 5,494,807             | 2.52        |       |
|  |  |                  |                       |                     |                       | 20,140  | Roche Holding AG             | 6,459,482           | 8,468,644             | 3.88        |       |
|  |  |                  |                       |                     |                       |   |                              | 11,394,961          | 13,963,451            | 6.40        |       |
|  |  |                  |                       |                     |                       | <b>United Kingdom</b>   |                              |                     |                       |             |       |
|  |  |                  |                       |                     |                       | 231,280   | IMI PLC                      | 4,796,374           | 4,684,242             | 2.15        |       |
|  |  |                  |                       |                     |                       | 228,840   | Smith & Nephew PLC           | 5,226,496           | 7,203,829             | 3.30        |       |
|  |  |                  |                       |                     |                       | 1,490,820   | Vodafone Group PLC           | 5,637,684           | 3,758,551             | 1.72        |       |
|  |  |                  |                       |                     |                       |   |                              | 15,660,554          | 15,646,622            | 7.17        |       |
|  |  |                  |                       |                     |                       | <b>United States</b>  |                              |                     |                       |             |       |
|  |  |                  |                       |                     |                       | 21,930  | American Express Co.         | 2,084,691           | 3,540,207             | 1.62        |       |
|  |  |                  |                       |                     |                       | 30,590  | Ameriprise Financial Inc.    | 5,025,481           | 6,607,814             | 3.03        |       |
|  |  |                  |                       |                     |                       | 53,690  | AmerisourceBergen Corp.      | 5,505,714           | 5,919,295             | 2.71        |       |
|  |  |                  |                       |                     |                       | 25,320  | Amgen Inc.                   | 5,879,275           | 7,915,210             | 3.62        |       |
|  |  |                  |                       |                     |                       | 1,689   | AutoZone Inc.                | 1,329,969           | 2,609,215             | 1.20        |       |
|  |  |                  |                       |                     |                       | 8,080   | BlackRock Inc.               | 4,325,054           | 5,267,151             | 2.41        |       |
|  |  |                  |                       |                     |                       | 75,310  | Campbell Soup Co.            | 4,553,317           | 4,826,262             | 2.21        |       |
|  |  |                  |                       |                     |                       | 115,230   | Comcast Corp.                | 4,929,098           | 6,719,698             | 3.08        |       |
|  |  |                  |                       |                     |                       | 74,410  | Gardner Denver Holdings Inc. | 3,230,622           | 3,539,290             | 1.62        |       |
|  |  |                  |                       |                     |                       | 97,740  | Harley-Davidson Inc.         | 6,178,078           | 4,713,614             | 2.16        |       |
|  |  |                  |                       |                     |                       | 72,900  | Kellogg Co.                  | 5,957,860           | 6,537,896             | 2.99        |       |
|  |  |                  |                       |                     |                       | 34,710  | Kimberly-Clark Corp.         | 5,096,268           | 6,191,141             | 2.84        |       |
|  |  |                  |                       |                     |                       | 10,360  | KLA-Tencor Corp.             | 1,369,511           | 2,393,590             | 1.10        |       |
|  |  |                  |                       |                     |                       | 223,930   | NortonLifeLock Inc.          | 6,805,380           | 7,410,517             | 3.39        |       |
|  |  |                  |                       |                     |                       | 62,680  | Omnicom Group Inc.           | 6,723,074           | 6,585,318             | 3.02        |       |
|  |  |                  |                       |                     |                       | 56,580  | Oracle Corp.                 | 2,505,312           | 3,887,142             | 1.78        |       |
|  |  |                  |                       |                     |                       | 21,600  | Parker Hannifin Corp.        | 3,399,827           | 5,764,967             | 2.64        |       |
|  |  |                  |                       |                     |                       | 68,280  | Verizon Communications Inc.  | 3,856,150           | 5,436,475             | 2.49        |       |
|  |  |                  |                       |                     |                       |   |                              | 78,754,681          | 95,864,712            | 43.91       |       |
|  |  |                  |                       |                     |                       |   |                              | 189,354,064         | 216,383,755           | 99.12       |       |
|  |  |                  |                       |                     |                       | <b>Total Common Stocks</b>                                    |                              |                     |                       |             |       |
|  |  |                  |                       |                     |                       | <b>Transaction Costs</b>                                      |                              |                     | (315,668)             |             |       |
|  |  |                  |                       |                     |                       | <b>Total Investments</b>                                      |                              |                     | 189,038,396           | 216,383,755 | 99.12 |
|  |  |                  |                       |                     |                       | <b>Total Investments and Cash Equivalents</b>                 |                              |                     | 190,507,188           | 217,852,547 | 99.79 |
|  |  |                  |                       |                     |                       | <b>Other Assets Net of Liabilities</b>                        |                              |                     | 452,414               | 0.21        |       |
|  |  |                  |                       |                     |                       | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                              |                     | 218,304,961           | 100.00      |       |



# Beutel Goodman Global Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 global issuers. The Fund's adviser seeks companies whose management have consistently demonstrated a commitment to create shareholder value without undue financial leverage, creating shareholder value through the sustainable generation of free cash flow. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|------------------|------------------------------|---------------|
|                  | Dec. 31, 2019                | Dec. 31, 2018 |
| MSCI World Index | 2,002                        | 2,530         |
| <b>Total</b>     | <b>2,002</b>                 | <b>2,530</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 December 31, 2019 and December 31, 2018 are as follows:

#### Dec. 31, 2019

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total          | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|----------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)        | (%)                      |
| Euro Currency        | –                         | 52,039                         | 99                           | 52,138         | 23.9                     |
| British Pound        | –                         | 15,647                         | –                            | 15,647         | 7.2                      |
| Japanese Yen         | –                         | 9,953                          | –                            | 9,953          | 4.6                      |
| Norwegian Krone      | –                         | 3,911                          | –                            | 3,911          | 1.8                      |
| United States Dollar | –                         | 107,966                        | 983                          | 108,949        | 49.9                     |
| Singapore Dollar     | –                         | 5,081                          | –                            | 5,081          | 2.3                      |
| Swiss Franc          | –                         | 13,963                         | –                            | 13,963         | 6.4                      |
| Danish Krone         | 41                        | 3,225                          | –                            | 3,266          | 1.5                      |
| Australian Dollar    | –                         | 4,597                          | –                            | 4,597          | 2.1                      |
| <b>Total</b>         | <b>41</b>                 | <b>216,382</b>                 | <b>1,082</b>                 | <b>217,505</b> | <b>99.7</b>              |

#### Dec. 31, 2018

|                      | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total          | Percentage of net assets |
|----------------------|---------------------------|--------------------------------|------------------------------|----------------|--------------------------|
|                      | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)        | (%)                      |
| Euro Currency        | –                         | 69,391                         | 165                          | 69,556         | 25.7                     |
| British Pound        | –                         | 19,863                         | –                            | 19,863         | 7.3                      |
| Japanese Yen         | –                         | 8,412                          | –                            | 8,412          | 3.1                      |
| Norwegian Krone      | –                         | 4,354                          | –                            | 4,354          | 1.6                      |
| United States Dollar | –                         | 134,546                        | 179                          | 134,725        | 49.7                     |
| Singapore Dollar     | –                         | 3,898                          | –                            | 3,898          | 1.4                      |
| Swiss Franc          | –                         | 15,134                         | –                            | 15,134         | 5.6                      |
| Danish Krone         | –                         | 5,312                          | –                            | 5,312          | 2.0                      |
| Australian Dollar    | –                         | 5,305                          | –                            | 5,305          | 2.0                      |
| <b>Total</b>         | <b>–</b>                  | <b>266,215</b>                 | <b>344</b>                   | <b>266,559</b> | <b>98.4</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$2,175,000 (December 31, 2018 \$2,666,000).

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 December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Country segment        | Dec. 31, 2019 | Dec. 31, 2018  |
|------------------------|---------------|----------------|
| Short-Term Investments |               |                |
| Treasury Bills         | 0.67%         | 2.00%          |
| Common Stocks          |               |                |
| Australia              | 2.11%         | 1.96%          |
| Denmark                | 1.48%         | 1.96%          |
| Finland                | 2.37%         | 2.50%          |
| France                 | 4.86%         | 6.67%          |
| Germany                | 12.02%        | 11.10%         |
| Guernsey               | 3.56%         | 2.20%          |
| Japan                  | 4.55%         | 3.11%          |
| Netherlands            | 6.57%         | 7.47%          |
| Norway                 | 1.79%         | 1.61%          |
| Singapore              | 2.33%         | 1.44%          |
| Switzerland            | 6.40%         | 5.58%          |
| United Kingdom         | 7.17%         | 7.33%          |
| United States          | 43.91%        | 45.27%         |
| <b>Total</b>           | <b>99.79%</b> | <b>100.20%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1            | Level 2  | Level 3  | Total              |
|---------------------|--------------------|----------|----------|--------------------|
|                     | (\$)               | (\$)     | (\$)     | (\$)               |
| <b>Assets</b>       |                    |          |          |                    |
| Equity securities   | 216,383,755        | –        | –        | 216,383,755        |
| <b>Total Assets</b> | <b>216,383,755</b> | <b>–</b> | <b>–</b> | <b>216,383,755</b> |

| December 31, 2018   | Level 1            | Level 2  | Level 3  | Total              |
|---------------------|--------------------|----------|----------|--------------------|
|                     | (\$)               | (\$)     | (\$)     | (\$)               |
| <b>Assets</b>       |                    |          |          |                    |
| Equity securities   | 266,215,281        | –        | –        | 266,215,281        |
| <b>Total Assets</b> | <b>266,215,281</b> | <b>–</b> | <b>–</b> | <b>266,215,281</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

#### For the years ended December 31

| 2019                             | Class B       | Class D        | Class F       | Class I           |
|----------------------------------|---------------|----------------|---------------|-------------------|
| Balance, beginning of the year   | 87,987        | 143,229        | 97,879        | 24,383,324        |
| Redeemable units issued for cash | 28,791        | 3,187          | 12,681        | 1,831,173         |
| Reinvested units                 | 3,269         | 6,189          | 2,386         | 1,434,113         |
| Redeemable units redeemed        | (25,328)      | (28,111)       | (60,850)      | (10,286,685)      |
| <b>Balance, end of year</b>      | <b>94,719</b> | <b>124,494</b> | <b>52,096</b> | <b>17,361,925</b> |

| 2018                             | Class B       | Class D        | Class F       | Class I           |
|----------------------------------|---------------|----------------|---------------|-------------------|
| Balance, beginning of the year   | 62,308        | 109,508        | 87,006        | 26,818,045        |
| Redeemable units issued for cash | 26,341        | 85,893         | 54,775        | 3,585,194         |
| Reinvested units                 | 7,009         | 12,420         | 10,828        | 2,883,927         |
| Redeemable units redeemed        | (7,671)       | (64,592)       | (54,730)      | (8,903,842)       |
| <b>Balance, end of year</b>      | <b>87,987</b> | <b>143,229</b> | <b>97,879</b> | <b>24,383,324</b> |

# Beutel Goodman International Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Assets</b>  |                    |                    |
| <b>Current assets</b>  |                    |                    |
| Cash and cash equivalents  | 6,670,066          | 2,224,503          |
| Financial assets at fair value through profit or loss*                                   | 228,066,268        | 180,104,497        |
| Accrued interest   | 6,419              | 1,154              |
| Dividends receivable   | 299,156            | 279,982            |
| Subscriptions receivable   | 97,825             | 6,145              |
| <b>Total assets</b>  | <b>235,139,734</b> | <b>182,616,281</b> |
| <b>Liabilities</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Management and administrative fees payable   | 36,432             | 30,920             |
| Redemptions payable  | 9,297              | 32,941             |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>45,729</b>      | <b>63,861</b>      |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>235,094,005</b> | <b>182,552,420</b> |
| *Investments at average cost   | 205,701,400        | 182,788,149        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                    |                    |
| Class B  | 2,043,859          | 1,059,746          |
| Class D  | 4,953,216          | 4,536,089          |
| Class F  | 1,470,962          | 1,174,752          |
| Class I  | 226,625,968        | 175,781,833        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                    |                    |
| Class B  | 14.94              | 12.89              |
| Class D  | 6.17               | 5.31               |
| Class F  | 6.17               | 5.32               |
| Class I  | 6.62               | 5.70               |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                    |                    |
| Class B  | 136,842            | 82,222             |
| Class D  | 802,903            | 854,321            |
| Class F  | 238,448            | 220,830            |
| Class I  | 34,237,657         | 30,851,318         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019              | 2018                |
|---|-------------------|---------------------|
|   | \$                | \$                  |
| <b>Income</b>   |                   |                     |
| Net gains (losses) on investments   |                   |                     |
| Dividends   | 7,271,548         | 6,348,267           |
| Interest for distribution purposes  | 106,018           | 47,873              |
| Realized gain (loss) on sale of investments   | 5,182,432         | 6,776,214           |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 25,048,520        | (27,383,605)        |
| <b>Net gains (losses) on investments</b>  | <b>37,608,518</b> | <b>(14,211,251)</b> |
| Other income  |                   |                     |
| Realized gain (loss) on foreign currency transactions   | (176,539)         | (162,011)           |
| <b>Total income</b>   | <b>37,431,979</b> | <b>(14,373,262)</b> |
| <b>Expenses</b>   |                   |                     |
| Management fees   | 83,345            | 77,878              |
| Administrative fees   | 228,602           | 215,763             |
| Transaction costs (note 9)  | 243,657           | 296,850             |
| Withholding taxes   | 1,026,495         | 737,365             |
| <b>Total Expenses</b>   | <b>1,582,099</b>  | <b>1,327,856</b>    |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>35,849,880</b> | <b>(15,701,118)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                   |                     |
| Class B   | 280,005           | (152,557)           |
| Class D   | 787,366           | (621,466)           |
| Class F   | 212,577           | (114,848)           |
| Class I   | 34,569,932        | (14,812,247)        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                   |                     |
| Class B   | 2.05              | (1.68)              |
| Class D   | 0.98              | (0.66)              |
| Class F   | 0.96              | (0.55)              |
| Class I   | 1.08              | (0.50)              |

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

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 years ended December 31

|  | 2019         | 2018         |
|--|--------------|--------------|
|  | \$           | \$           |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |              |              |
| Class B  | 1,059,746    | 750,085      |
| Class D  | 4,536,089    | 3,563,012    |
| Class F  | 1,174,752    | 1,064,383    |
| Class I  | 175,781,833  | 177,508,803  |
|  | 182,552,420  | 182,886,283  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |              |              |
| Class B  | 280,005      | (152,557)    |
| Class D  | 787,366      | (621,466)    |
| Class F  | 212,577      | (114,848)    |
| Class I  | 34,569,932   | (14,812,247) |
|  | 35,849,880   | (15,701,118) |
| <b>Distribution to holders of redeemable units</b>                                       |              |              |
| From net investment income   |              |              |
| Class B  | (14,867)     | (3,405)      |
| Class D  | (94,802)     | (108,455)    |
| Class F  | (24,102)     | (20,273)     |
| Class I  | (5,868,837)  | (5,101,313)  |
|  | (6,002,608)  | (5,233,446)  |
| <b>Redeemable unit transactions</b>  |              |              |
| Proceeds from redeemable units issued  |              |              |
| Class B  | 1,398,383    | 1,416,075    |
| Class D  | 455,507      | 3,615,464    |
| Class F  | 409,725      | 318,899      |
| Class I  | 40,614,383   | 33,139,065   |
| Reinvestments of distributions to holders of redeemable units                            |              |              |
| Class B  | 14,867       | 3,297        |
| Class D  | 91,037       | 107,350      |
| Class F  | 24,102       | 18,794       |
| Class I  | 4,895,226    | 4,316,819    |
| Redemption of redeemable units   |              |              |
| Class B  | (694,275)    | (953,749)    |
| Class D  | (821,981)    | (2,019,816)  |
| Class F  | (326,092)    | (92,203)     |
| Class I  | (23,366,569) | (19,269,294) |
|  | 22,694,313   | 20,600,701   |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |              |              |
| Class B  | 984,113      | 309,661      |
| Class D  | 417,127      | 973,077      |
| Class F  | 296,210      | 110,369      |
| Class I  | 50,844,135   | (1,726,970)  |
|  | 52,541,585   | (333,863)    |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |              |              |
| Class B  | 2,043,859    | 1,059,746    |
| Class D  | 4,953,216    | 4,536,089    |
| Class F  | 1,470,962    | 1,174,752    |
| Class I  | 226,625,968  | 175,781,833  |
|  | 235,094,005  | 182,552,420  |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019         | 2018         |
|--|--------------|--------------|
|  | \$           | \$           |
| <b>Cash flows from operating activities</b>  |              |              |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 35,849,880   | (15,701,118) |
| Adjustments for:   |              |              |
| Net realized (gain) loss on sale of investments                                    | (5,182,432)  | (6,776,214)  |
| Change in unrealized (appreciation) depreciation in the value of investments       | (25,048,520) | 27,383,605   |
| Purchases of investments   | (64,860,018) | (77,014,036) |
| Proceeds from sale of investments  | 47,129,199   | 53,301,194   |
| (Increase) decrease in accrued interest  | (5,265)      | 1,145        |
| (Increase) decrease in dividends receivable  | (19,174)     | (136,065)    |
| Increase (decrease) in accrued liabilities   | 5,512        | 2,436        |
| <b>Net cash flows from (used in) operating activities</b>                          | (12,130,818) | (18,939,053) |
| <b>Cash flows from financing activities</b>  |              |              |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (977,376)    | (787,186)    |
| Proceeds from redeemable units issued  | 42,786,318   | 38,647,534   |
| Redemption of redeemable units   | (25,232,561) | (22,327,923) |
| <b>Net cash flows from (used in) financing activities</b>                          | 16,576,381   | 15,532,425   |
| Net increase (decrease) in cash and cash equivalents                               | 4,445,563    | (3,406,628)  |
| Cash and cash equivalents at beginning of year                                     | 2,224,503    | 5,631,131    |
| <b>Cash and cash equivalents at end of year*</b>                                   | 6,670,066    | 2,224,503    |
| <b>Supplementary information</b>   |              |              |
| Cash flow from operating activities  |              |              |
| Interest received  | 100,753      | 49,018       |
| Dividends received, net of withholding taxes                                       | 6,225,879    | 5,474,837    |
| *Cash and cash equivalents include:  |              |              |
| Cash at banks  | 82,800       | 92,858       |
| Short-term investments   | 6,587,266    | 2,131,645    |
| <b>Total</b>   | 6,670,066    | 2,224,503    |

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

# Beutel Goodman International Equity Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Number of Shares /<br>Par Value                               | Coupon<br>Rate (%)                       | Maturity<br>Date | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets | Number of Shares                                   | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ | % of<br>Net<br>Assets |
|---|--|------------------|-----------------------|---------------------|-----------------------|--|-----------------------|---------------------|-----------------------|
| <b>Cash Equivalents (2018 - 1.17%)</b>                        |  |                  |                       |                     |                       |  |                       |                     |                       |
| <b>Treasury Bills</b>   |  |                  |                       |                     |                       |  |                       |                     |                       |
| 5,050,000   | Government of Canada                     | 1.656            | 19-Mar-20             | 5,029,083           | 5,029,083             | 2.14   |                       |                     |                       |
| 75,000  | Government of Canada                     | 1.656            | 5-Mar-20              | 74,702              | 74,702                | 0.03   |                       |                     |                       |
| 1,490,000   | Government of Canada                     | 1.648            | 20-Feb-20             | 1,483,481           | 1,483,481             | 0.63   |                       |                     |                       |
|   |  |                  |                       | 6,587,266           | 6,587,266             | 2.80   |                       |                     |                       |
| <b>Common Stocks (2018 - 98.66%)</b>                          |  |                  |                       |                     |                       |  |                       |                     |                       |
| <b>Australia</b>  |  |                  |                       |                     |                       |  |                       |                     |                       |
| 345,820   | Caltex Australia Ltd.                    |                  |                       | 10,480,071          | 10,702,159            | 4.55   |                       |                     |                       |
|   |  |                  |                       | 10,480,071          | 10,702,159            | 4.55   |                       |                     |                       |
| <b>Denmark</b>  |  |                  |                       |                     |                       |  |                       |                     |                       |
| 42,680  | Carlsberg A/S                            |                  |                       | 5,769,655           | 8,262,292             | 3.51   |                       |                     |                       |
|   |  |                  |                       | 5,769,655           | 8,262,292             | 3.51   |                       |                     |                       |
| <b>Finland</b>  |  |                  |                       |                     |                       |  |                       |                     |                       |
| 216,618   | Konecranes OYJ                           |                  |                       | 9,617,343           | 8,639,495             | 3.67   |                       |                     |                       |
|   |  |                  |                       | 9,617,343           | 8,639,495             | 3.67   |                       |                     |                       |
| <b>France</b>   |  |                  |                       |                     |                       |  |                       |                     |                       |
| 10,420  | Air Liquide SA                           |                  |                       | 1,330,461           | 1,914,125             | 0.81   |                       |                     |                       |
| 54,310  | Cie Générale des Établissements Michelin |                  |                       | 7,617,895           | 8,624,776             | 3.67   |                       |                     |                       |
| 41,300  | Essilor Luxottica                        |                  |                       | 6,657,403           | 8,163,814             | 3.47   |                       |                     |                       |
|   |  |                  |                       | 15,605,759          | 18,702,715            | 7.95   |                       |                     |                       |
| <b>Germany</b>  |  |                  |                       |                     |                       |  |                       |                     |                       |
| 72,860  | BASF SE                                  |                  |                       | 7,953,428           | 7,142,825             | 3.04   |                       |                     |                       |
| 81,470  | HeidelbergCement AG                      |                  |                       | 8,292,097           | 7,703,481             | 3.28   |                       |                     |                       |
| 70,490  | Henkel AG & Co KGaA                      |                  |                       | 9,776,463           | 8,618,865             | 3.67   |                       |                     |                       |
| 66,840  | Merck KGaA                               |                  |                       | 9,000,464           | 10,249,772            | 4.37   |                       |                     |                       |
| 203,450   | Software AG                              |                  |                       | 9,826,051           | 9,210,036             | 3.92   |                       |                     |                       |
|   |  |                  |                       | 44,848,503          | 42,924,979            | 18.28  |                       |                     |                       |
| <b>Japan</b>  |  |                  |                       |                     |                       |  |                       |                     |                       |
| 443,790   | Hakuhodo DY Holdings Inc.                |                  |                       | 8,264,515           | 9,362,367             | 3.98   |                       |                     |                       |
| 266,890   | NTT DOCOMO Inc.                          |                  |                       | 7,492,684           | 9,674,888             | 4.12   |                       |                     |                       |
| 7,770   | SMC Corp.                                |                  |                       | 3,442,622           | 4,662,604             | 1.98   |                       |                     |                       |
| 15,950  | Tokyo Electron Ltd.                      |                  |                       | 2,890,118           | 4,553,428             | 1.94   |                       |                     |                       |
|   |  |                  |                       | 22,089,939          | 28,253,287            | 12.02  |                       |                     |                       |
|   |  |                  |                       |                     |                       | <b>Netherlands</b>                                 |                       |                     |                       |
| 67,088  | Akzo Nobel NV                            |                  |                       | 6,766,895           | 8,851,319             | 3.77   |                       |                     |                       |
| 1,947,070   | Koninklijke KPN NV                       |                  |                       | 7,917,910           | 7,456,683             | 3.17   |                       |                     |                       |
| 59,370  | Unilever NV                              |                  |                       | 3,318,540           | 4,427,256             | 1.88   |                       |                     |                       |
|   |  |                  |                       | 18,003,345          | 20,735,258            | 8.82   |                       |                     |                       |
|   |  |                  |                       |                     |                       | <b>Norway</b>                                      |                       |                     |                       |
| 468,620   | Atea ASA                                 |                  |                       | 7,179,719           | 8,893,283             | 3.78   |                       |                     |                       |
| 252,352   | TGS Nopec Geophysical Co ASA             |                  |                       | 8,288,880           | 9,946,745             | 4.23   |                       |                     |                       |
|   |  |                  |                       | 15,468,599          | 18,840,028            | 8.01   |                       |                     |                       |
|   |  |                  |                       |                     |                       | <b>Singapore</b>                                   |                       |                     |                       |
| 329,660   | DBS Group Holdings Ltd.                  |                  |                       | 7,195,982           | 8,227,671             | 3.50   |                       |                     |                       |
|   |  |                  |                       | 7,195,982           | 8,227,671             | 3.50   |                       |                     |                       |
|   |  |                  |                       |                     |                       | <b>Switzerland</b>                                 |                       |                     |                       |
| 138,020   | Julius Baer Group Ltd.                   |                  |                       | 8,859,306           | 9,228,441             | 3.93   |                       |                     |                       |
| 25,320  | Roche Holding AG                         |                  |                       | 8,215,118           | 10,646,776            | 4.53   |                       |                     |                       |
|   |  |                  |                       | 17,074,424          | 19,875,217            | 8.46   |                       |                     |                       |
|   |  |                  |                       |                     |                       | <b>United Kingdom</b>                              |                       |                     |                       |
| 206,300   | GlaxoSmithKline PLC                      |                  |                       | 4,982,869           | 6,304,674             | 2.68   |                       |                     |                       |
| 463,260   | IMI PLC                                  |                  |                       | 9,195,393           | 9,382,662             | 3.99   |                       |                     |                       |
| 327,470   | Smith & Nephew PLC                       |                  |                       | 7,744,634           | 10,308,678            | 4.38   |                       |                     |                       |
| 321,050   | Smiths Group PLC                         |                  |                       | 8,402,461           | 9,304,119             | 3.96   |                       |                     |                       |
| 3,015,725   | Vodafone Group PLC                       |                  |                       | 9,786,579           | 7,603,034             | 3.23   |                       |                     |                       |
|   |  |                  |                       | 40,111,936          | 42,903,167            | 18.24  |                       |                     |                       |
| <b>Total Common Stocks</b>                                    |  |                  |                       |                     |                       | <b>206,265,556</b> <b>228,066,268</b> <b>97.01</b> |                       |                     |                       |
| <b>Transaction Costs</b>                                      |  |                  |                       |                     |                       | <b>(564,156)</b>                                   |                       |                     |                       |
| <b>Total Investments</b>                                      |  |                  |                       |                     |                       | <b>205,701,400</b> <b>228,066,268</b> <b>97.01</b> |                       |                     |                       |
| <b>Total Investments and Cash Equivalents</b>                 |  |                  |                       |                     |                       | <b>212,288,666</b> <b>234,653,534</b> <b>99.81</b> |                       |                     |                       |
| <b>Other Assets Net of Liabilities</b>                        |  |                  |                       |                     |                       | <b>440,471</b> <b>0.19</b>                         |                       |                     |                       |
| <b>Net Assets Attributable to Holders of Redeemable Units</b> |  |                  |                       |                     |                       | <b>235,094,005</b> <b>100.00</b>                   |                       |                     |                       |

# Beutel Goodman International Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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. The Fund invests in equity securities selected 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, and research is directed to identify stocks which can be purchased at a reasonable price. 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|-----------------------|------------------------------|---------------|
|                       | Dec. 31, 2019                | Dec. 31, 2018 |
| MSCI EAFE (C\$) Index | 2,198                        | 1,716         |
| <b>Total</b>          | <b>2,198</b>                 | <b>1,716</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 December 31, 2019 and December 31, 2018 are as follows:

#### Dec. 31, 2019

|                   | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total          | Percentage of net assets |
|-------------------|---------------------------|--------------------------------|------------------------------|----------------|--------------------------|
|                   | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)        | (%)                      |
| Euro Currency     | –                         | 91,002                         | 198                          | 91,200         | 38.8                     |
| British Pound     | –                         | 42,903                         | 102                          | 43,005         | 18.3                     |
| Norwegian Krone   | –                         | 18,840                         | –                            | 18,840         | 8.0                      |
| Japanese Yen      | –                         | 28,253                         | –                            | 28,253         | 12.0                     |
| Singapore Dollar  | –                         | 8,228                          | –                            | 8,228          | 3.5                      |
| Swiss Franc       | –                         | 19,875                         | –                            | 19,875         | 8.5                      |
| Danish Krone      | –                         | 8,262                          | –                            | 8,262          | 3.5                      |
| Australian Dollar | –                         | 10,702                         | –                            | 10,702         | 4.6                      |
| <b>Total</b>      | <b>–</b>                  | <b>228,065</b>                 | <b>300</b>                   | <b>228,365</b> | <b>97.2</b>              |

#### Dec. 31, 2018

|                   | Cash and cash equivalents | Financial assets at fair value | Other assets and liabilities | Total          | Percentage of net assets |
|-------------------|---------------------------|--------------------------------|------------------------------|----------------|--------------------------|
|                   | (\$000)                   | (\$000)                        | (\$000)                      | (\$000)        | (%)                      |
| Euro Currency     | –                         | 73,340                         | 195                          | 73,535         | 40.3                     |
| British Pound     | –                         | 33,119                         | 85                           | 33,204         | 18.2                     |
| Norwegian Krone   | –                         | 16,223                         | –                            | 16,223         | 8.9                      |
| Japanese Yen      | –                         | 25,852                         | –                            | 25,852         | 14.2                     |
| Singapore Dollar  | –                         | 5,471                          | –                            | 5,471          | 3.0                      |
| Swiss Franc       | –                         | 12,166                         | –                            | 12,166         | 6.7                      |
| Danish Krone      | –                         | 8,032                          | –                            | 8,032          | 4.4                      |
| Australian Dollar | –                         | 5,901                          | –                            | 5,901          | 3.2                      |
| <b>Total</b>      | <b>–</b>                  | <b>180,104</b>                 | <b>280</b>                   | <b>180,384</b> | <b>98.9</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$2,284,000 (December 31, 2018 \$1,804,000).

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 December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Country segment        | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------|---------------|---------------|
| Short-Term Investments |               |               |
| Treasury Bills         | 2.80%         | 1.17%         |
| Common Stocks          |               |               |
| Australia              | 4.55%         | 3.23%         |
| Denmark                | 3.51%         | 4.40%         |
| Finland                | 3.67%         | 2.84%         |
| France                 | 7.95%         | 9.14%         |
| Germany                | 18.28%        | 19.03%        |
| Japan                  | 12.02%        | 14.16%        |
| Netherlands            | 8.82%         | 9.17%         |
| Norway                 | 8.01%         | 8.89%         |
| Singapore              | 3.50%         | 3.00%         |
| Switzerland            | 8.46%         | 6.66%         |
| United Kingdom         | 18.24%        | 18.14%        |
| <b>Total</b>           | <b>99.81%</b> | <b>99.83%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1            | Level 2  | Level 3  | Total              |
|---------------------|--------------------|----------|----------|--------------------|
|                     | (\$)               | (\$)     | (\$)     | (\$)               |
| <b>Assets</b>       |                    |          |          |                    |
| Equity securities   | 228,066,268        | –        | –        | 228,066,268        |
| <b>Total Assets</b> | <b>228,066,268</b> | <b>–</b> | <b>–</b> | <b>228,066,268</b> |

| December 31, 2018   | Level 1            | Level 2  | Level 3  | Total              |
|---------------------|--------------------|----------|----------|--------------------|
|                     | (\$)               | (\$)     | (\$)     | (\$)               |
| <b>Assets</b>       |                    |          |          |                    |
| Equity securities   | 180,104,497        | –        | –        | 180,104,497        |
| <b>Total Assets</b> | <b>180,104,497</b> | <b>–</b> | <b>–</b> | <b>180,104,497</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B        | Class D        | Class F        | Class I           |
|----------------------------------|----------------|----------------|----------------|-------------------|
| Balance, beginning of the year   | 82,222         | 854,321        | 220,830        | 30,851,318        |
| Redeemable units issued for cash | 104,274        | 78,706         | 72,828         | 6,411,784         |
| Reinvested units                 | 982            | 14,937         | 3,857          | 730,554           |
| Redeemable units redeemed        | (50,636)       | (145,061)      | (59,067)       | (3,755,999)       |
| <b>Balance, end of year</b>      | <b>136,842</b> | <b>802,903</b> | <b>238,448</b> | <b>34,237,657</b> |

| 2018                             | Class B       | Class D        | Class F        | Class I           |
|----------------------------------|---------------|----------------|----------------|-------------------|
| Balance, beginning of the year   | 52,513        | 603,470        | 179,901        | 27,985,759        |
| Redeemable units issued for cash | 97,499        | 599,805        | 52,952         | 5,210,511         |
| Reinvested units                 | 258           | 19,775         | 3,565          | 765,068           |
| Redeemable units redeemed        | (68,048)      | (368,729)      | (15,588)       | (3,110,020)       |
| <b>Balance, end of year</b>      | <b>82,222</b> | <b>854,321</b> | <b>220,830</b> | <b>30,851,318</b> |

# Beutel Goodman American Equity Fund

## Statements of Financial Position

As at December 31

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Cash and cash equivalents  | 46,322,664           | 24,695,686           |
| Financial assets at fair value through profit or loss*                                   | 1,484,218,019        | 1,305,183,185        |
| Accrued interest   | 2,804                | 2,349                |
| Dividends receivable   | 1,472,346            | 1,558,106            |
| Due from brokers   | —                    | 3,333,073            |
| Subscriptions receivable   | 2,794,327            | 1,218,739            |
| <b>Total assets</b>  | <b>1,534,810,160</b> | <b>1,335,991,138</b> |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Management and administrative fees payable   | 564,520              | 497,449              |
| Due to brokers   | —                    | 345,411              |
| Redemptions payable  | 893,280              | 1,986,000            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>1,457,800</b>     | <b>2,828,860</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>1,533,352,360</b> | <b>1,333,162,278</b> |
| *Investments at average cost   | 1,198,173,656        | 1,221,082,018        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                      |                      |
| Class B  | 82,860,905           | 80,079,205           |
| Class D  | 127,607,229          | 123,443,114          |
| Class F  | 189,840,544          | 150,721,789          |
| Class I  | 1,133,043,682        | 978,918,170          |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                      |                      |
| Class B  | 24.08                | 20.27                |
| Class D  | 16.71                | 14.06                |
| Class F  | 16.86                | 14.21                |
| Class I  | 18.16                | 15.29                |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                      |                      |
| Class B  | 3,441,560            | 3,949,943            |
| Class D  | 7,638,261            | 8,779,279            |
| Class F  | 11,258,984           | 10,609,259           |
| Class I  | 62,383,056           | 64,029,619           |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019               | 2018               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| <b>Income</b>   |                    |                    |
| Net gains (losses) on investments   |                    |                    |
| Dividends   | 36,281,607         | 32,773,810         |
| Interest for distribution purposes  | 520,300            | 319,064            |
| Realized gain (loss) on sale of investments   | 77,407,949         | 121,698,516        |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 201,943,196        | (146,155,461)      |
| <b>Net gains (losses) on investments</b>  | <b>316,153,052</b> | <b>8,635,929</b>   |
| Other income  |                    |                    |
| Realized gain (loss) on foreign currency transactions   | (533,978)          | (354,872)          |
| Unrealized gain (loss) on foreign currency transactions   | (762,160)          | 611,075            |
| <b>Total income</b>   | <b>314,856,914</b> | <b>8,892,132</b>   |
| <b>Expenses</b>   |                    |                    |
| Management fees   | 5,079,893          | 5,341,192          |
| Administrative fees   | 1,605,068          | 1,544,778          |
| Transaction costs (note 9)  | 457,424            | 549,906            |
| Withholding taxes   | 4,926,985          | 4,149,256          |
| <b>Total expenses before waiver</b>   | <b>12,069,370</b>  | <b>11,585,132</b>  |
| Expenses waived by the manager  | (475,519)          | (446,178)          |
| <b>Total Expenses</b>   | <b>11,593,851</b>  | <b>11,138,954</b>  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>303,263,063</b> | <b>(2,246,822)</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                    |                    |
| Class B   | 15,745,166         | (1,578,102)        |
| Class D   | 25,421,315         | (1,371,309)        |
| Class F   | 34,696,144         | (1,639,356)        |
| Class I   | 227,400,438        | 2,341,945          |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                    |                    |
| Class B   | 4.33               | (0.38)             |
| Class D   | 3.13               | (0.15)             |
| Class F   | 3.22               | (0.16)             |
| Class I   | 3.66               | 0.04               |

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

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 years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |               |               |
| Class B  | 80,079,205    | 97,106,531    |
| Class D  | 123,443,114   | 156,797,786   |
| Class F  | 150,721,789   | 158,074,777   |
| Class I  | 978,918,170   | 984,877,433   |
|  | 1,333,162,278 | 1,396,856,527 |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |               |               |
| Class B  | 15,745,166    | (1,578,102)   |
| Class D  | 25,421,315    | (1,371,309)   |
| Class F  | 34,696,144    | (1,639,356)   |
| Class I  | 227,400,438   | 2,341,945     |
|  | 303,263,063   | (2,246,822)   |
| <b>Distribution to holders of redeemable units</b>                                       |               |               |
| From net investment income   |               |               |
| Class B  | —             | —             |
| Class D  | (848,895)     | (458,834)     |
| Class F  | (2,106,272)   | (1,368,708)   |
| Class I  | (22,939,872)  | (18,895,053)  |
| From net realized gains on investments   |               |               |
| Class B  | (1,777,095)   | (5,143,349)   |
| Class D  | (2,747,316)   | (7,887,712)   |
| Class F  | (4,053,535)   | (9,626,043)   |
| Class I  | (24,251,608)  | (61,404,605)  |
|  | (58,724,593)  | (104,784,304) |
| <b>Redeemable unit transactions</b>  |               |               |
| Proceeds from redeemable units issued  |               |               |
| Class B  | 10,445,932    | 18,810,739    |
| Class D  | 6,590,796     | 15,862,389    |
| Class F  | 41,565,101    | 44,837,227    |
| Class I  | 100,338,053   | 189,653,055   |
| Reinvestments of distributions to holders of redeemable units                            |               |               |
| Class B  | 1,724,764     | 4,921,728     |
| Class D  | 3,479,513     | 8,066,119     |
| Class F  | 4,795,120     | 8,676,086     |
| Class I  | 47,191,480    | 80,299,663    |
| Redemption of redeemable units   |               |               |
| Class B  | (23,357,067)  | (34,038,342)  |
| Class D  | (27,731,298)  | (47,565,325)  |
| Class F  | (35,777,803)  | (48,232,194)  |
| Class I  | (173,612,979) | (197,954,268) |
|  | (44,348,388)  | 43,336,877    |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |               |               |
| Class B  | 2,781,700     | (17,027,326)  |
| Class D  | 4,164,115     | (33,354,672)  |
| Class F  | 39,118,755    | (7,352,988)   |
| Class I  | 154,125,512   | (5,959,263)   |
|  | 200,190,082   | (63,694,249)  |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |               |               |
| Class B  | 82,860,905    | 80,079,205    |
| Class D  | 127,607,229   | 123,443,114   |
| Class F  | 189,840,544   | 150,721,789   |
| Class I  | 1,133,043,682 | 978,918,170   |
|  | 1,533,352,360 | 1,333,162,278 |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Cash flows from operating activities</b>  |               |               |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 303,263,063   | (2,246,822)   |
| Adjustments for:   |               |               |
| Unrealized (gain) loss on foreign currency transactions                            | 762,160       | (611,075)     |
| Net realized (gain) loss on sale of investments                                    | (77,407,949)  | (121,698,516) |
| Change in unrealized (appreciation) depreciation in the value of investments       | (201,943,196) | 146,155,461   |
| Purchases of investments   | (236,070,949) | (430,752,117) |
| Proceeds from sale of investments  | 339,374,922   | 446,878,295   |
| (Increase) decrease in accrued interest  | (455)         | 26,890        |
| (Increase) decrease in dividends receivable  | 85,760        | (637,344)     |
| Increase (decrease) in accrued liabilities   | 67,071        | (56,852)      |
| <b>Net cash flows from (used in) operating activities</b>                          | 128,130,427   | 37,057,920    |
| <b>Cash flows from financing activities</b>  |               |               |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (1,533,716)   | (2,822,944)   |
| Proceeds from redeemable units issued  | 157,364,294   | 269,999,012   |
| Redemption of redeemable units   | (261,571,867) | (327,158,758) |
| <b>Net cash flows from (used in) financing activities</b>                          | (105,741,289) | (59,982,690)  |
| Unrealized gain (loss) on foreign currency transactions                            | (762,160)     | 611,075       |
| Net increase (decrease) in cash and cash equivalents                               | 22,389,138    | (22,924,770)  |
| Cash and cash equivalents at beginning of year                                     | 24,695,686    | 47,009,381    |
| <b>Cash and cash equivalents at end of year*</b>                                   | 46,322,664    | 24,695,686    |
| <b>Supplementary information</b>   |               |               |
| Cash flow from operating activities  |               |               |
| Interest received  | 519,845       | 345,954       |
| Dividends received, net of withholding taxes                                       | 31,440,382    | 27,987,210    |
| *Cash and cash equivalents include:  |               |               |
| Cash at banks  | 40,148,574    | 20,039,487    |
| Short-term investments   | 6,174,090     | 4,656,199     |
| <b>Total</b>   | 46,322,664    | 24,695,686    |

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



# Beutel Goodman American Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### 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 seeks select companies whose management have consistently demonstrated a commitment to create shareholder value without undue financial leverage. This should provide acceptable longer-term returns and protect investors' capital by limiting downside risk. 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.

The Fund may invest in underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018, 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) |               |
|---------------|------------------------------|---------------|
|               | Dec. 31, 2019                | Dec. 31, 2018 |
| S&P 500 Index | 13,070                       | 11,659        |
| <b>Total</b>  | <b>13,070</b>                | <b>11,659</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 December 31, 2019 and December 31, 2018 are as follows:

#### Dec. 31, 2019

|                      | 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 | 40,325                    | 1,484,218                      | 1,472                        | 1,526,015        | 99.5                     |
| <b>Total</b>         | <b>40,325</b>             | <b>1,484,218</b>               | <b>1,472</b>                 | <b>1,526,015</b> | <b>99.5</b>              |

#### Dec. 31, 2018

|                      | 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 | 19,524                    | 1,305,183                      | 4,546                        | 1,329,253        | 99.7                     |
| <b>Total</b>         | <b>19,524</b>             | <b>1,305,183</b>               | <b>4,546</b>                 | <b>1,329,253</b> | <b>99.7</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 dividend receivables, interest receivables and receivables for investments sold) and financial liabilities (including payables for investments purchased).

As at December 31, 2019 and December 31, 2018, 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 \$15,260,000 (December 31, 2018 \$13,293,000).

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

# Beutel Goodman American Equity Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Market segment         | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------|---------------|---------------|
| Short-Term Investments |               |               |
| Treasury Bills         | 0.40%         | 0.35%         |
| Common Stocks          |               |               |
| Energy                 | –             | 2.69%         |
| Materials              | 2.43%         | 2.72%         |
| Industrial             | 18.55%        | 12.48%        |
| Consumer Discretionary | 6.13%         | 8.06%         |
| Consumer Staples       | 12.26%        | 11.39%        |
| Health Care            | 10.98%        | 12.81%        |
| Financials             | 14.59%        | 15.15%        |
| Information Technology | 16.62%        | 16.17%        |
| Communication Services | 15.24%        | 16.43%        |
| <b>Total</b>           | <b>97.20%</b> | <b>98.25%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1              | Level 2  | Level 3  | Total                |
|---------------------|----------------------|----------|----------|----------------------|
|                     | (\$)                 | (\$)     | (\$)     | (\$)                 |
| <b>Assets</b>       |                      |          |          |                      |
| Equity securities   | 1,484,218,019        | –        | –        | 1,484,218,019        |
| <b>Total Assets</b> | <b>1,484,218,019</b> | <b>–</b> | <b>–</b> | <b>1,484,218,019</b> |

| December 31, 2018   | Level 1              | Level 2  | Level 3  | Total                |
|---------------------|----------------------|----------|----------|----------------------|
|                     | (\$)                 | (\$)     | (\$)     | (\$)                 |
| <b>Assets</b>       |                      |          |          |                      |
| Equity securities   | 1,305,183,185        | –        | –        | 1,305,183,185        |
| <b>Total Assets</b> | <b>1,305,183,185</b> | <b>–</b> | <b>–</b> | <b>1,305,183,185</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B          | Class D          | Class F           | Class I           |
|----------------------------------|------------------|------------------|-------------------|-------------------|
| Balance, beginning of the year   | 3,949,943        | 8,779,279        | 10,609,259        | 64,029,619        |
| Redeemable units issued for cash | 465,596          | 423,691          | 2,615,225         | 5,850,864         |
| Reinvested units                 | 70,825           | 206,192          | 281,313           | 2,571,494         |
| Redeemable units redeemed        | (1,044,804)      | (1,770,901)      | (2,246,813)       | (10,068,921)      |
| <b>Balance, end of year</b>      | <b>3,441,560</b> | <b>7,638,261</b> | <b>11,258,984</b> | <b>62,383,056</b> |

  

| 2018                             | Class B          | Class D          | Class F           | Class I           |
|----------------------------------|------------------|------------------|-------------------|-------------------|
| Balance, beginning of the year   | 4,404,532        | 10,291,413       | 10,244,949        | 59,274,578        |
| Redeemable units issued for cash | 855,993          | 1,036,347        | 2,892,197         | 11,413,644        |
| Reinvested units                 | 238,253          | 562,940          | 599,647           | 5,159,652         |
| Redeemable units redeemed        | (1,548,835)      | (3,111,421)      | (3,127,534)       | (11,818,255)      |
| <b>Balance, end of year</b>      | <b>3,949,943</b> | <b>8,779,279</b> | <b>10,609,259</b> | <b>64,029,619</b> |

# Beutel Goodman Income Fund

## Statements of Financial Position

As at December 31

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Cash and cash equivalents  | 20,135,717           | 6,972,795            |
| Financial assets at fair value through profit or loss*                                   | 1,044,623,500        | 1,037,875,207        |
| Margins and unrealized gain on futures contracts   | 6,984                | –                    |
| Accrued interest   | 5,340,824            | 5,622,407            |
| Due from brokers   | 45,926               | 45,919               |
| Subscriptions receivable   | 1,912,411            | 67,470               |
| <b>Total assets</b>  | <b>1,072,065,362</b> | <b>1,050,583,798</b> |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Management and administrative fees payable   | 53,690               | 53,564               |
| Redemptions payable  | 558,108              | 318,613              |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>611,798</b>       | <b>1,278,030</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>1,071,453,564</b> | <b>1,049,305,768</b> |
| *Investments at average cost   | 1,032,947,330        | 1,042,197,013        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                      |                      |
| Class B  | 2,119,187            | 1,948,628            |
| Class D  | 31,181,581           | 35,121,346           |
| Class F  | 3,762,710            | 2,973,996            |
| Class I  | 1,034,390,086        | 1,009,261,798        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                      |                      |
| Class B  | 9.63                 | 9.38                 |
| Class D  | 12.05                | 11.73                |
| Class F  | 9.69                 | 9.43                 |
| Class I  | 12.35                | 12.02                |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                      |                      |
| Class B  | 220,040              | 207,811              |
| Class D  | 2,587,048            | 2,993,998            |
| Class F  | 388,423              | 315,288              |
| Class I  | 83,753,953           | 83,949,413           |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019              | 2018              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>Income</b>   |                   |                   |
| Net gains (losses) on investments   |                   |                   |
| Interest for distribution purposes  | 30,315,600        | 28,327,719        |
| Realized gain (loss) on sale of investments   | 27,459,840        | (7,886,529)       |
| Realized gain (loss) on futures   | (7,041)           | –                 |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 15,997,976        | (2,777,485)       |
| <b>Net gains (losses) on investments</b>  | <b>73,766,375</b> | <b>17,663,705</b> |
| <b>Total income</b>   | <b>73,766,375</b> | <b>17,663,705</b> |
| <b>Expenses</b>   |                   |                   |
| Management fees   | 302,800           | 342,497           |
| Administrative fees   | 1,181,072         | 1,250,977         |
| <b>Total expenses before waiver</b>   | <b>1,483,872</b>  | <b>1,593,474</b>  |
| Expenses waived by the manager  | (856,918)         | (911,138)         |
| <b>Total expenses</b>   | <b>626,954</b>    | <b>682,336</b>    |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>73,139,421</b> | <b>16,981,369</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                   |                   |
| Class B   | 112,291           | 5,604             |
| Class D   | 2,064,733         | 242,197           |
| Class F   | 195,576           | 25,578            |
| Class I   | 70,766,821        | 16,707,990        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                   |                   |
| Class B   | 0.53              | 0.03              |
| Class D   | 0.75              | 0.07              |
| Class F   | 0.55              | 0.08              |
| Class I   | 0.85              | 0.21              |

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

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 years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |               |               |
| Class B  | 1,948,628     | 1,977,292     |
| Class D  | 35,121,346    | 45,684,738    |
| Class F  | 2,973,996     | 3,303,341     |
| Class I  | 1,009,261,798 | 749,166,544   |
|  | 1,049,305,768 | 800,131,915   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |               |               |
| Class B  | 112,291       | 5,604         |
| Class D  | 2,064,733     | 242,197       |
| Class F  | 195,576       | 25,578        |
| Class I  | 70,766,821    | 16,707,990    |
|  | 73,139,421    | 16,981,369    |
| <b>Distribution to holders of redeemable units</b>                                       |               |               |
| From net investment income   |               |               |
| Class B  | (34,985)      | (27,636)      |
| Class D  | (676,670)     | (739,065)     |
| Class F  | (78,373)      | (59,239)      |
| Class I  | (29,203,034)  | (26,486,425)  |
| From net realized gains on investments   |               |               |
| Class B  | (26,211)      | –             |
| Class D  | (389,125)     | –             |
| Class F  | (46,621)      | –             |
| Class I  | (12,709,974)  | –             |
|  | (43,164,993)  | (27,312,365)  |
| <b>Redeemable unit transactions</b>  |               |               |
| Proceeds from redeemable units issued  |               |               |
| Class B  | 307,410       | 524,745       |
| Class D  | 1,183,048     | 1,191,260     |
| Class F  | 1,104,384     | 818,300       |
| Class I  | 94,442,280    | 455,817,088   |
| Reinvestments of distributions to holders of redeemable units                            |               |               |
| Class B  | 61,189        | 27,633        |
| Class D  | 1,007,408     | 698,024       |
| Class F  | 115,880       | 53,815        |
| Class I  | 41,506,254    | 25,992,938    |
| Redemption of redeemable units   |               |               |
| Class B  | (249,135)     | (559,010)     |
| Class D  | (7,129,159)   | (11,955,808)  |
| Class F  | (502,132)     | (1,167,799)   |
| Class I  | (139,674,059) | (211,936,337) |
|  | (7,826,632)   | 259,504,849   |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |               |               |
| Class B  | 170,559       | (28,664)      |
| Class D  | (3,939,765)   | (10,563,392)  |
| Class F  | 788,714       | (329,345)     |
| Class I  | 25,128,288    | 260,095,254   |
|  | 22,147,796    | 249,173,853   |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |               |               |
| Class B  | 2,119,187     | 1,948,628     |
| Class D  | 31,181,581    | 35,121,346    |
| Class F  | 3,762,710     | 2,973,996     |
| Class I  | 1,034,390,086 | 1,009,261,798 |
|  | 1,071,453,564 | 1,049,305,768 |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | \$              | \$              |
| <b>Cash flows from operating activities</b>  |                 |                 |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 73,139,421      | 16,981,369      |
| Adjustments for:   |                 |                 |
| Net realized (gain) loss on sale of investments                                    | (27,459,840)    | 7,886,529       |
| Change in unrealized (appreciation) depreciation in the value of investments       | (15,997,976)    | 2,777,485       |
| Purchases of investments   | (1,595,689,013) | (2,456,815,622) |
| Proceeds from sale of investments  | 1,631,492,676   | 2,392,592,603   |
| (Increase) decrease in margin on futures contracts                                 | (6,984)         | –               |
| (Increase) decrease in accrued interest  | 281,583         | (1,744,490)     |
| Increase (decrease) in accrued liabilities   | 126             | (8,867)         |
| <b>Net cash flows from (used in) operating activities</b>                          | 65,759,993      | (38,330,993)    |
| <b>Cash flows from financing activities</b>  |                 |                 |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (474,262)       | (540,000)       |
| Proceeds from redeemable units issued  | 95,192,181      | 266,276,538     |
| Redemption of redeemable units   | (147,314,990)   | (225,613,634)   |
| <b>Net cash flows from (used in) financing activities</b>                          | (52,597,071)    | 40,122,904      |
| Net increase (decrease) in cash and cash equivalents                               | 13,162,922      | 1,791,911       |
| Cash and cash equivalents at beginning of year                                     | 6,972,795       | 5,180,884       |
| <b>Cash and cash equivalents at end of year*</b>                                   | 20,135,717      | 6,972,795       |
| <b>Supplementary information</b>   |                 |                 |
| Cash flow from operating activities  |                 |                 |
| Interest received  | 30,597,183      | 26,583,229      |
| <b>*Cash and cash equivalents include:</b>   |                 |                 |
| Cash at banks/(overdraft)  | 168,437         | (49,824)        |
| Short-term investments   | 19,967,280      | 7,022,619       |
| <b>Total</b>   | 20,135,717      | 6,972,795       |

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

# Beutel Goodman Income Fund

## Schedule of Investment Portfolio as at December 31, 2019

| 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>Cash Equivalents (2018 - 0.67%)</b> |                                      |                 |               |                 |               |                 | <b>Corporate Bonds</b> |  |                 |               |                 |               |                 |
| <b>Treasury Bills</b>                  |                                      |                 |               |                 |               |                 | 713,197                | Alliance Pipeline LP                                     | 6.765           | 31-Dec-25     | 771,055         | 816,688       | 0.08            |
| 18,475,000                             | Government of Canada                 | 1.654           | 19-Mar-20     | 18,399,115      | 18,399,115    | 1.71            | 6,051,000              | AltaGas Ltd.   | 3.720           | 28-Sep-21     | 6,174,328       | 6,194,711     | 0.58            |
| 1,575,000                              | Government of Canada                 | 1.660           | 2-Apr-20      | 1,568,165       | 1,568,165     | 0.15            | 6,595,000              | AltaGas Ltd.   | 2.609           | 16-Dec-22     | 6,595,000       | 6,613,621     | 0.62            |
|  |                                      |                 |               | 19,967,280      | 19,967,280    | 1.86            | 8,050,000              | Altalink LP  | 2.978           | 28-Nov-22     | 8,120,817       | 8,249,248     | 0.77            |
| <b>Canadian Bonds (2018 - 98.91%)</b>  |                                      |                 |               |                 |               |                 | 2,113,000              | Altalink LP  | 3.717           | 3-Dec-46      | 2,134,247       | 2,404,993     | 0.22            |
| <b>Mortgage Backed Securities</b>      |                                      |                 |               |                 |               |                 | 15,985,000             | Bank of Montreal   | 1.610           | 28-Oct-21     | 15,558,042      | 15,850,893    | 1.48            |
| 11,921,000                             | Canadian Mortgage Pools              | 1.420           | 1-Jun-22      | 9,388,757       | 9,413,442     | 0.88            | 8,296,000              | Bank of Montreal   | 2.270           | 11-Jul-22     | 8,183,912       | 8,321,208     | 0.78            |
| 5,903,000                              | Canadian Mortgage Pools              | 1.840           | 1-Dec-22      | 4,982,335       | 5,015,779     | 0.47            | 22,431,000             | Bank of Montreal   | 2.850           | 6-Mar-24      | 22,445,387      | 22,772,523    | 2.12            |
|  |                                      |                 |               | 14,371,092      | 14,429,221    | 1.35            | 2,654,000              | Bank of Montreal   | 2.880           | 17-Sep-29     | 2,653,761       | 2,656,825     | 0.25            |
| <b>Federal Bonds</b>                   |                                      |                 |               |                 |               |                 | 19,523,000             | Bank of Nova Scotia                                      | 2.380           | 1-May-23      | 19,520,072      | 19,537,775    | 1.81            |
| 1,330,000                              | Canadian Government Bond             | 2.250           | 1-Mar-24      | 1,392,643       | 1,359,995     | 0.13            | 7,497,000              | Bank of Nova Scotia                                      | 2.490           | 23-Sep-24     | 7,496,625       | 7,483,917     | 0.70            |
| 1,246,000                              | Canadian Government Bond             | 2.500           | 1-Jun-24      | 1,321,258       | 1,289,149     | 0.12            | 1,934,000              | Bank of Nova Scotia                                      | 2.836           | 3-Jul-29      | 1,934,575       | 1,932,571     | 0.18            |
| 22,817,000                             | Canadian Government Bond             | 1.500           | 1-Jun-26      | 22,475,890      | 22,556,842    | 2.11            | 11,455,000             | Bell Canada Inc.   | 3.000           | 3-Oct-22      | 11,490,636      | 11,659,131    | 1.09            |
| 39,084,000                             | Canadian Government Bond             | 2.250           | 1-Jun-29      | 41,921,751      | 40,954,766    | 3.82            | 1,297,000              | Bell Canada Inc.   | 3.600           | 29-Sep-27     | 1,297,678       | 1,351,871     | 0.13            |
| 54,448,000                             | Canadian Government Bond             | 2.750           | 1-Dec-48      | 68,588,543      | 66,594,960    | 6.22            | 7,441,000              | Brookfield Infrastructure Finance ULC                    | 3.315           | 22-Feb-24     | 7,463,168       | 7,585,739     | 0.71            |
| 7,802,000                              | Canadian Government Bond             | 2.000           | 1-Dec-51      | 7,540,847       | 8,279,963     | 0.77            | 28,770,000             | Canadian Imperial Bank of Commerce                       | 2.040           | 21-Mar-22     | 28,352,661      | 28,721,336    | 2.68            |
| 7,527,000                              | Canadian Government Real Return Bond | 6.987           | 1-Dec-21      | 13,684,123      | 13,302,819    | 1.24            | 11,030,000             | Canadian Imperial Bank of Commerce                       | 2.430           | 9-Jun-23      | 11,027,022      | 11,047,769    | 1.03            |
|  |                                      |                 |               | 156,925,055     | 154,338,494   | 14.41           | 9,348,000              | Canadian Imperial Bank of Commerce                       | 2.970           | 11-Jul-23     | 9,638,816       | 9,583,427     | 0.89            |
| <b>Provincial Bonds</b>                |                                      |                 |               |                 |               |                 | 16,193,000             | Canadian Imperial Bank of Commerce                       | 3.290           | 15-Jan-24     | 16,197,091      | 16,703,525    | 1.56            |
| 1,173,000                              | Province of Alberta                  | 2.350           | 1-Jun-25      | 1,155,756       | 1,185,935     | 0.11            | 12,086,000             | Canadian Imperial Bank of Commerce                       | 3.450           | 4-Apr-28      | 12,413,630      | 12,397,308    | 1.16            |
| 22,682,000                             | Province of Alberta                  | 2.900           | 1-Dec-28      | 22,759,907      | 23,659,667    | 2.21            | 2,343,000              | Canadian Imperial Bank of Commerce                       | 2.950           | 19-Jun-29     | 2,345,057       | 2,352,936     | 0.22            |
| 1,203,000                              | Province of Alberta                  | 3.900           | 1-Dec-33      | 1,298,512       | 1,390,992     | 0.13            | 4,715,000              | Canadian Natural Resources Ltd.                          | 3.420           | 1-Dec-26      | 4,735,289       | 4,822,946     | 0.45            |
| 4,276,000                              | Province of Alberta                  | 3.050           | 1-Dec-48      | 4,251,332       | 4,646,309     | 0.43            | 2,320,000              | CU Inc.  | 4.947           | 18-Nov-50     | 2,937,080       | 3,184,658     | 0.30            |
| 16,186,000                             | Province of British Columbia         | 2.950           | 18-Dec-28     | 16,552,077      | 17,107,296    | 1.60            | 563,000                | Enbridge Gas Distribution Inc.                           | 9.850           | 2-Dec-24      | 831,478         | 749,486       | 0.07            |
| 1,677,000                              | Province of British Columbia         | 2.800           | 18-Jun-48     | 1,607,304       | 1,804,970     | 0.17            | 2,738,000              | Enbridge Gas Distribution Inc.                           | 7.600           | 29-Oct-26     | 3,631,297       | 3,580,064     | 0.33            |
| 3,625,000                              | Province of British Columbia         | 2.950           | 18-Jun-50     | 3,767,659       | 4,049,325     | 0.38            | 3,166,000              | Enbridge Gas Distribution Inc.                           | 4.950           | 22-Nov-50     | 3,789,504       | 4,356,578     | 0.41            |
| 1,811,000                              | Province of Manitoba                 | 4.400           | 5-Sep-25      | 2,042,069       | 2,026,722     | 0.19            | 5,402,000              | Enbridge Pipelines Inc.                                  | 6.350           | 17-Nov-23     | 6,356,177       | 6,153,950     | 0.57            |
| 2,000                                  | Province of Ontario                  | 2.600           | 8-Sep-23      | 2,044           | 2,044         | 0.00            | 1,632,000              | Enbridge Pipelines Inc.                                  | 8.200           | 15-Feb-24     | 2,161,326       | 1,973,853     | 0.18            |
| 29,190,000                             | Province of Ontario                  | 2.600           | 2-Jun-25      | 28,966,363      | 29,950,046    | 2.80            | 2,259,000              | EPORC Utilities Inc.                                     | 3.554           | 27-Nov-47     | 2,256,529       | 2,464,792     | 0.23            |
| 2,140,000                              | Province of Ontario                  | 2.900           | 2-Jun-28      | 2,176,293       | 2,240,409     | 0.21            | 2,790,000              | FortisAlberta Inc.                                       | 3.734           | 18-Sep-48     | 2,801,627       | 3,134,541     | 0.29            |
| 2,984,000                              | Province of Ontario                  | 4.700           | 2-Jun-37      | 3,720,233       | 3,899,125     | 0.36            | 1,113,000              | FortisAlberta Inc.                                       | 4.800           | 27-Oct-50     | 1,315,048       | 1,488,195     | 0.14            |
| 5,621,000                              | Province of Ontario                  | 3.500           | 2-Jun-43      | 5,926,559       | 6,578,147     | 0.61            | 1,642,000              | FortisBC Energy Inc.                                     | 5.900           | 26-Feb-35     | 1,992,764       | 2,234,671     | 0.21            |
| 5,339,000                              | Province of Ontario                  | 2.800           | 2-Jun-48      | 5,428,587       | 5,656,436     | 0.53            | 1,250,000              | FortisBC Energy Inc.                                     | 6.000           | 2-Oct-37      | 1,674,589       | 1,771,054     | 0.17            |
| 13,329,000                             | Province of Ontario                  | 2.900           | 2-Jun-49      | 13,051,427      | 14,434,437    | 1.35            | 2,238,000              | FortisBC Energy Inc.                                     | 3.690           | 30-Oct-47     | 2,233,161       | 2,538,087     | 0.24            |
| 76,398,000                             | Province of Ontario                  | 2.400           | 2-Jun-26      | 76,886,022      | 77,482,550    | 7.23            | 822,000                | FortisBC Inc.  | 5.000           | 24-Nov-50     | 1,003,573       | 1,125,795     | 0.11            |
| 16,264,000                             | Province of Ontario                  | 2.600           | 2-Jun-27      | 16,968,024      | 16,662,835    | 1.56            | 6,781,000              | Loblaws Cos Ltd.   | 3.918           | 10-Jun-24     | 7,014,158       | 7,139,067     | 0.67            |
| 35,741,000                             | Province of Ontario                  | 2.700           | 2-Jun-29      | 36,782,940      | 36,949,734    | 3.45            | 4,130,000              | Lower Mattagami Energy LP                                | 4.331           | 18-May-21     | 4,288,639       | 4,256,188     | 0.40            |
| 21,996,000                             | Province of Ontario                  | 2.650           | 2-Dec-50      | 23,373,515      | 22,753,032    | 2.12            | 1,358,000              | North West Redwater Partnership / NWR Financing Co. Ltd. | 2.800           | 1-Jun-27      | 1,346,579       | 1,357,823     | 0.13            |
| 3,027,000                              | Province of Quebec                   | 2.750           | 1-Sep-28      | 3,005,497       | 3,145,111     | 0.29            | 1,606,000              | NOVA Gas Transmission Ltd.                               | 6.590           | 1-Dec-27      | 1,937,070       | 1,964,438     | 0.18            |
| 9,896,000                              | Province of Quebec                   | 5.000           | 1-Dec-41      | 13,153,172      | 14,038,951    | 1.31            | 1,338,000              | Nova Scotia Power Inc.                                   | 6.950           | 25-Aug-33     | 1,885,801       | 1,913,263     | 0.18            |
| 10,921,000                             | Province of Quebec                   | 3.500           | 1-Dec-48      | 11,929,268      | 13,220,734    | 1.23            | 8,859,000              | Pembina Pipeline Corp.                                   | 2.990           | 22-Jan-24     | 8,762,864       | 8,979,819     | 0.84            |
| 37,194,000                             | Province of Quebec                   | 2.300           | 1-Sep-29      | 37,601,438      | 37,308,366    | 3.48            | 3,652,000              | Rogers Communications Inc.                               | 3.250           | 1-May-29      | 3,644,703       | 3,709,576     | 0.35            |
| 21,663,000                             | Province of Quebec                   | 3.100           | 1-Dec-51      | 23,754,187      | 24,751,701    | 2.31            | 15,850,000             | Royal Bank of Canada                                     | 3.296           | 26-Sep-23     | 15,898,168      | 16,353,056    | 1.53            |
| 760,000                                | Province of Saskatchewan             | 5.800           | 5-Sep-33      | 1,039,165       | 1,045,872     | 0.10            | 13,642,000             | Royal Bank of Canada                                     | 2.352           | 2-Jul-24      | 13,642,000      | 13,575,051    | 1.27            |
|  |                                      |                 |               | 357,199,350     | 365,990,746   | 34.16           | 30,063,000             | Royal Bank of Canada                                     | 2.609           | 1-Nov-24      | 30,109,461      | 30,201,799    | 2.81            |
| <b>Municipal Bonds</b>                 |                                      |                 |               |                 |               |                 | 18,404,000             | Royal Bank of Canada                                     | 3.310           | 20-Jan-26     | 18,599,632      | 18,604,302    | 1.74            |
| 5,900,000                              | City of Montreal                     | 3.000           | 1-Sep-27      | 5,877,578       | 6,134,045     | 0.57            |                        |  |                 |               |                 |               |                 |
| 7,841,000                              | City of Toronto                      | 3.900           | 29-Sep-23     | 8,322,122       | 8,353,766     | 0.78            |                        |  |                 |               |                 |               |                 |
|  |                                      |                 |               | 14,199,700      | 14,487,811    | 1.35            |                        |  |                 |               |                 |               |                 |

# Beutel Goodman Income Fund

## Schedule of Investment Portfolio as at December 31, 2019

| Par Value   |                            | Coupon Rate (%) | Maturity Date | Average Cost \$      | Fair Value \$        | % of Net Assets |
|---|----------------------------|-----------------|---------------|----------------------|----------------------|-----------------|
| 10,349,000  | Royal Bank of Canada       | 2.740           | 25-Jul-29     | 10,349,000           | 10,315,844           | 0.96            |
| 13,417,000  | Royal Bank of Canada       | 2.880           | 23-Dec-29     | 13,415,792           | 13,424,943           | 1.25            |
| 2,889,000   | TELUS Corp.                | 2.750           | 8-Jul-26      | 2,885,331            | 2,870,529            | 0.27            |
| 1,115,000   | TELUS Corp.                | 3.150           | 19-Feb-30     | 1,111,086            | 1,111,945            | 0.10            |
| 19,817,000  | The Toronto-Dominion Bank  | 3.005           | 30-May-23     | 20,165,305           | 20,345,887           | 1.89            |
| 5,751,000   | The Toronto-Dominion Bank  | 2.376           | 28-Jun-23     | 5,752,485            | 5,799,158            | 0.54            |
| 15,886,000  | The Toronto-Dominion Bank  | 2.850           | 8-Mar-24      | 15,886,000           | 16,147,258           | 1.51            |
| 6,560,000   | The Toronto-Dominion Bank  | 2.982           | 30-Sep-25     | 6,616,301            | 6,598,227            | 0.62            |
| 17,354,000  | The Toronto-Dominion Bank  | 3.589           | 14-Sep-28     | 17,436,392           | 17,946,102           | 1.67            |
| 8,651,000   | TransCanada Pipelines Ltd. | 8.290           | 5-Feb-26      | 11,781,947           | 11,151,726           | 1.04            |
| 1,133,000   | TransCanada Pipelines Ltd. | 7.310           | 15-Jan-27     | 1,460,656            | 1,421,024            | 0.13            |
| 4,757,000   | TransCanada Pipelines Ltd. | 7.900           | 15-Apr-27     | 6,423,352            | 6,203,866            | 0.58            |
| 2,343,000   | TransCanada Pipelines Ltd. | 6.280           | 26-May-28     | 2,882,804            | 2,857,078            | 0.27            |
| 411,000   | TransCanada Pipelines Ltd. | 8.210           | 25-Apr-30     | 568,604              | 557,805              | 0.05            |
| 880,000   | TransCanada Pipelines Ltd. | 8.200           | 15-Aug-31     | 1,245,189            | 1,244,298            | 0.12            |
| 2,875,000   | TransCanada Trust          | 4.650           | 18-May-77     | 2,871,810            | 2,793,729            | 0.26            |
| 1,448,000   | Union Gas Ltd.             | 4.850           | 25-Apr-22     | 1,532,867            | 1,537,978            | 0.14            |
| 2,369,000   | Union Gas Ltd.             | 3.790           | 10-Jul-23     | 2,468,831            | 2,489,981            | 0.23            |
| 2,505,000   | Union Gas Ltd.             | 8.650           | 10-Nov-25     | 3,566,765            | 3,322,550            | 0.31            |
| 1,870,000   | Union Gas Ltd.             | 3.590           | 22-Nov-47     | 1,866,783            | 2,056,022            | 0.19            |
| 1,072,000   | Westcoast Energy Inc.      | 3.883           | 28-Oct-21     | 1,124,897            | 1,102,088            | 0.10            |
| 823,000   | Westcoast Energy Inc.      | 8.850           | 21-Jul-25     | 1,120,226            | 1,075,591            | 0.10            |
| 6,788,000   | Westcoast Energy Inc.      | 7.300           | 18-Dec-26     | 8,576,567            | 8,586,458            | 0.80            |
| 1,894,000   | Westcoast Energy Inc.      | 7.150           | 20-Mar-31     | 2,481,046            | 2,546,074            | 0.24            |
|   |                            |                 |               | 490,252,133          | 495,377,228          | 46.23           |
| <b>Total Canadian Bonds</b>                                   |                            |                 |               | <b>1,032,947,330</b> | <b>1,044,623,500</b> | <b>97.50</b>    |
| <b>Transaction Costs</b>                                      |                            |                 |               | <b>—</b>             | <b>—</b>             | <b>—</b>        |
| <b>Total Investments</b>                                      |                            |                 |               | <b>1,032,947,330</b> | <b>1,044,623,500</b> | <b>97.50</b>    |
| <b>Total Investments and Cash Equivalents</b>                 |                            |                 |               | <b>1,052,914,610</b> | <b>1,064,590,780</b> | <b>99.36</b>    |
| <b>Other Assets Net of Liabilities</b>                        |                            |                 |               |                      | <b>6,862,784</b>     | <b>0.64</b>     |
| <b>Net Assets Attributable to Holders of Redeemable Units</b> |                            |                 |               |                      | <b>1,071,453,564</b> | <b>100.00</b>   |



# Beutel Goodman Income Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Risk Management

The investment objective of the Beutel Goodman Income Fund (the "Fund") is to earn a high rate of income return by investing primarily in fixed-income securities of Canadian government and corporate issuers. 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.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, as designated by a recognized rating agency:

| Debt Instruments* by Credit Rating | Percentage of net assets (%) |               |
|------------------------------------|------------------------------|---------------|
|                                    | Dec. 31, 2019                | Dec. 31, 2018 |
| AAA                                | 18                           | 21            |
| AA                                 | 40                           | 28            |
| A                                  | 25                           | 34            |
| BBB                                | 14                           | 16            |
| Not rated                          | 1                            | —             |
| <b>Total</b>                       | <b>98</b>                    | <b>99</b>     |

\*Excludes cash and cash equivalents

### 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 December 31, 2019 and December 31, 2018.

| Debt Instruments* by Maturity Date | Dec. 31, 2019    | Dec. 31, 2018    |
|------------------------------------|------------------|------------------|
|                                    | (\$000)          | (\$000)          |
| Less than 1 year                   | —                | 14,722           |
| 1-3 years                          | 120,238          | 240,482          |
| 3-5 years                          | 235,628          | 167,156          |
| Greater than 5 years               | 688,758          | 615,515          |
| <b>Total</b>                       | <b>1,044,624</b> | <b>1,037,875</b> |

\*Excludes cash and cash equivalents

As at December 31, 2019, had prevailing interest rates raised or lowered 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 \$20,902,000 (2018 - \$19,417,000). 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 December 31, 2019 and December 31, 2018, 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) |               |
|---------------------------------|------------------------------|---------------|
|                                 | Dec. 31, 2019                | Dec. 31, 2018 |
| FTSE Canada Universe Bond Index | 10,690                       | 10,444        |
| <b>Total</b>                    | <b>10,690</b>                | <b>10,444</b> |

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

# Beutel Goodman Income Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Foreign Currency Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018:

| Market segment             | Dec. 31, 2019 | Dec. 31, 2018 |
|----------------------------|---------------|---------------|
| Short-Term Investments     |               |               |
| Treasury Bills             | 1.86%         | 0.67%         |
| Canadian Bonds             |               |               |
| Mortgage Backed Securities | 1.35%         | 3.49%         |
| Federal Bonds              | 14.41%        | 13.20%        |
| Provincial Bonds           | 34.16%        | 34.42%        |
| Municipal Bonds            | 1.35%         | 1.57%         |
| Corporate Bonds            | 46.23%        | 46.23%        |
| <b>Total</b>               | <b>99.36%</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 December 31, 2019 and December 31, 2018:

| December 31, 2019          | Level 1  | Level 2              | Level 3  | Total                |
|----------------------------|----------|----------------------|----------|----------------------|
|                            | (\$)     | (\$)                 | (\$)     | (\$)                 |
| <b>Assets</b>              |          |                      |          |                      |
| Bonds                      | –        | 1,030,194,279        | –        | 1,030,194,279        |
| Mortgage Backed Securities | –        | 14,429,221           | –        | 14,429,221           |
| <b>Total Assets</b>        | <b>–</b> | <b>1,044,623,500</b> | <b>–</b> | <b>1,044,623,500</b> |

| December 31, 2018          | Level 1  | Level 2              | Level 3  | Total                |
|----------------------------|----------|----------------------|----------|----------------------|
|                            | (\$)     | (\$)                 | (\$)     | (\$)                 |
| <b>Assets</b>              |          |                      |          |                      |
| Bonds                      | –        | 1,001,237,311        | –        | 1,001,237,311        |
| Mortgage Backed Securities | –        | 36,637,896           | –        | 36,637,896           |
| <b>Total Assets</b>        | <b>–</b> | <b>1,037,875,207</b> | <b>–</b> | <b>1,037,875,207</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B        | Class D          | Class F        | Class I           |
|----------------------------------|----------------|------------------|----------------|-------------------|
| Balance, beginning of the year   | 207,811        | 2,993,998        | 315,288        | 83,949,413        |
| Redeemable units issued for cash | 31,662         | 95,455           | 112,566        | 7,520,171         |
| Reinvested units                 | 6,284          | 82,636           | 11,822         | 3,321,029         |
| Redeemable units redeemed        | (25,717)       | (585,041)        | (51,253)       | (11,036,660)      |
| <b>Balance, end of year</b>      | <b>220,040</b> | <b>2,587,048</b> | <b>388,423</b> | <b>83,753,953</b> |

| 2018                             | Class B        | Class D          | Class F        | Class I           |
|----------------------------------|----------------|------------------|----------------|-------------------|
| Balance, beginning of the year   | 208,666        | 3,854,999        | 346,557        | 61,660,377        |
| Redeemable units issued for cash | 56,072         | 101,698          | 86,905         | 37,826,505        |
| Reinvested units                 | 2,955          | 59,630           | 5,718          | 2,168,442         |
| Redeemable units redeemed        | (59,882)       | (1,022,329)      | (123,892)      | (17,705,910)      |
| <b>Balance, end of year</b>      | <b>207,811</b> | <b>2,993,998</b> | <b>315,288</b> | <b>83,949,413</b> |

# Beutel Goodman Long Term Bond Fund

## Statements of Financial Position

As at December 31

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Assets</b>  |                    |                    |
| <b>Current assets</b>  |                    |                    |
| Cash and cash equivalents  | 18,741,200         | 8,286,244          |
| Financial assets at fair value through profit or loss*                                   | 378,339,096        | 351,413,313        |
| Accrued interest   | 2,006,477          | 1,787,228          |
| Due from brokers   | 1,813              | 1,813              |
| Subscriptions receivable   | 105,222            | —                  |
| <b>Total assets</b>  | <b>399,193,808</b> | <b>361,488,598</b> |
| <b>Liabilities</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Management and administrative fees payable   | 20,083             | 17,006             |
| Due to brokers   | —                  | 1,401,581          |
| Redemptions payable  | 132,249            | 155,019            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>152,332</b>     | <b>1,573,606</b>   |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>399,041,476</b> | <b>359,914,992</b> |
| *Investments at average cost   | 362,919,820        | 353,619,533        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                    |                    |
| Class B  | 821,964            | 93,225             |
| Class D  | 6,163,831          | 5,568,191          |
| Class F  | 189,552            | 320,580            |
| Class I  | 391,866,129        | 353,932,996        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                    |                    |
| Class B  | 9.99               | 9.41               |
| Class D  | 5.79               | 5.43               |
| Class F  | 10.10              | 9.47               |
| Class I  | 5.88               | 5.52               |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                    |                    |
| Class B  | 82,314             | 9,911              |
| Class D  | 1,065,183          | 1,025,136          |
| Class F  | 18,763             | 33,841             |
| Class I  | 66,661,811         | 64,149,284         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019              | 2018             |
|---|-------------------|------------------|
|   | \$                | \$               |
| <b>Income</b>   |                   |                  |
| Net gains (losses) on investments   |                   |                  |
| Interest for distribution purposes  | 12,220,450        | 13,023,038       |
| Realized gain (loss) on sale of investments   | 14,886,433        | (1,954,128)      |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 17,625,496        | (10,004,847)     |
| <b>Net gains (losses) on investments</b>  | <b>44,732,379</b> | <b>1,064,063</b> |
| Other income  |                   |                  |
| Realized gain (loss) on foreign currency transactions   | 690               | —                |
| <b>Total income</b>   | <b>44,733,069</b> | <b>1,064,063</b> |
| <b>Expenses</b>   |                   |                  |
| Management fees   | 55,261            | 55,413           |
| Administrative fees   | 410,768           | 393,748          |
| <b>Total expenses before waiver</b>   | <b>466,029</b>    | <b>449,161</b>   |
| Expenses waived by the manager  | (249,043)         | (239,677)        |
| <b>Total expenses</b>   | <b>216,986</b>    | <b>209,484</b>   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>44,516,083</b> | <b>854,579</b>   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                   |                  |
| Class B   | 20,559            | (785)            |
| Class D   | 650,195           | (57,936)         |
| Class F   | 30,468            | (7,106)          |
| Class I   | 43,814,861        | 920,406          |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                   |                  |
| Class B   | 0.46              | (0.08)           |
| Class D   | 0.61              | (0.05)           |
| Class F   | 1.29              | (0.17)           |
| Class I   | 0.69              | 0.01             |

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

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 years ended December 31

|  | 2019         | 2018         |
|--|--------------|--------------|
|  | \$           | \$           |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |              |              |
| Class B  | 93,225       | 101,141      |
| Class D  | 5,568,191    | 7,568,465    |
| Class F  | 320,580      | 358,638      |
| Class I  | 353,932,996  | 378,675,274  |
|  | 359,914,992  | 386,703,518  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |              |              |
| Class B  | 20,559       | (785)        |
| Class D  | 650,195      | (57,936)     |
| Class F  | 30,468       | (7,106)      |
| Class I  | 43,814,861   | 920,406      |
|  | 44,516,083   | 854,579      |
| <b>Distribution to holders of redeemable units</b>                                       |              |              |
| From net investment income   |              |              |
| Class B  | (11,198)     | (2,234)      |
| Class D  | (150,210)    | (177,583)    |
| Class F  | (5,734)      | (9,595)      |
| Class I  | (11,844,300) | (12,670,670) |
| From net realized gains on investments   |              |              |
| Class B  | (20,586)     | —            |
| Class D  | (150,888)    | —            |
| Class F  | (4,661)      | —            |
| Class I  | (9,624,670)  | —            |
|  | (21,812,247) | (12,860,082) |
| <b>Redeemable unit transactions</b>  |              |              |
| Proceeds from redeemable units issued  |              |              |
| Class B  | 746,739      | 5,000        |
| Class D  | 2,674,009    | 1,226,135    |
| Class F  | 43,562       | 496,000      |
| Class I  | 21,129,008   | 4,148,738    |
| Reinvestments of distributions to holders of redeemable units                            |              |              |
| Class B  | 27,788       | 2,234        |
| Class D  | 287,358      | 171,949      |
| Class F  | 10,395       | 9,595        |
| Class I  | 21,468,973   | 12,670,681   |
| Redemption of redeemable units   |              |              |
| Class B  | (34,563)     | (12,131)     |
| Class D  | (2,714,824)  | (3,162,839)  |
| Class F  | (205,058)    | (526,952)    |
| Class I  | (27,010,739) | (29,811,433) |
|  | 16,422,648   | (14,783,023) |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |              |              |
| Class B  | 728,739      | (7,916)      |
| Class D  | 595,640      | (2,000,274)  |
| Class F  | (131,028)    | (38,058)     |
| Class I  | 37,933,133   | (24,742,278) |
|  | 39,126,484   | (26,788,526) |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |              |              |
| Class B  | 821,964      | 93,225       |
| Class D  | 6,163,831    | 5,568,191    |
| Class F  | 189,552      | 320,580      |
| Class I  | 391,866,129  | 353,932,996  |
|  | 399,041,476  | 359,914,992  |

## Statements of Cash Flows

For the years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Cash flows from operating activities</b>  |               |               |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 44,516,083    | 854,579       |
| Adjustments for:   |               |               |
| Net realized (gain) loss on sale of investments                                    | (14,886,433)  | 1,954,128     |
| Change in unrealized (appreciation) depreciation in the value of investments       | (17,625,496)  | 10,004,847    |
| Purchases of investments   | (658,045,557) | (607,377,940) |
| Proceeds from sale of investments  | 662,230,122   | 627,859,357   |
| (Increase) decrease in accrued interest  | (219,249)     | 3,171         |
| Increase (decrease) in accrued liabilities   | 3,077         | (2,712)       |
| <b>Net cash flows from (used in) operating activities</b>                          | 15,972,547    | 33,295,430    |
| <b>Cash flows from financing activities</b>  |               |               |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (17,733)      | (5,623)       |
| Proceeds from redeemable units issued  | 24,488,096    | 6,246,343     |
| Redemption of redeemable units   | (29,987,954)  | (33,573,232)  |
| <b>Net cash flows from (used in) financing activities</b>                          | (5,517,591)   | (27,332,512)  |
| Net increase (decrease) in cash and cash equivalents                               | 10,454,956    | 5,962,918     |
| Cash and cash equivalents at beginning of year                                     | 8,286,244     | 2,323,326     |
| <b>Cash and cash equivalents at end of year*</b>                                   | 18,741,200    | 8,286,244     |
| <b>Supplementary information</b>   |               |               |
| Cash flow from operating activities  |               |               |
| Interest received  | 12,001,201    | 13,026,209    |
| *Cash and cash equivalents include:  |               |               |
| Cash at banks/(overdraft)  | (24,912)      | (53,855)      |
| Short-term investments   | 18,766,112    | 8,340,099     |
| <b>Total</b>   | 18,741,200    | 8,286,244     |

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

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



# Beutel Goodman Long Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Risk Management

The investment objective of the Beutel Goodman Long Term Bond Fund (the "Fund") is to earn a high rate of income by investing primarily in long-term fixed income securities of Canadian government and corporate issuers. The Fund focuses on creating a high-quality portfolio diversified across Government of Canada, Provincial and corporate bonds, with a credit rating of BBB or higher by a recognized rating agency. The average minimum quality of the fixed income portfolio will be A. 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 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.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, as designated by a recognized rating agency:

| Debt Instruments* by Credit Rating | Percentage of net assets (%) |               |
|------------------------------------|------------------------------|---------------|
|                                    | Dec. 31, 2019                | Dec. 31, 2018 |
| AAA                                | 16                           | 23            |
| AA                                 | 43                           | 24            |
| A                                  | 19                           | 38            |
| BBB                                | 17                           | 13            |
| <b>Total</b>                       | <b>95</b>                    | <b>98</b>     |

\*Excludes cash and cash equivalents

### 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 December 31, 2019 and December 31, 2018.

| Debt Instruments* by Maturity Date | Dec. 31, 2019  | Dec. 31, 2018  |
|------------------------------------|----------------|----------------|
|                                    | (\$000)        | (\$000)        |
| Less than 1 year                   | –              | 4,222          |
| Greater than 5 years               | 378,339        | 347,191        |
| <b>Total</b>                       | <b>378,339</b> | <b>351,413</b> |

\*Excludes cash and cash equivalents

As at December 31, 2019, had prevailing interest rates raised or lowered 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 \$15,290,000 (2018 - \$13,116,000). 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 December 31, 2019 and December 31, 2018, 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) |               |
|----------------------------------|------------------------------|---------------|
|                                  | Dec. 31, 2019                | Dec. 31, 2018 |
| FTSE Canada Long Term Bond Index | 3,988                        | 3,586         |
| <b>Total</b>                     | <b>3,988</b>                 | <b>3,586</b>  |

The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

# Beutel Goodman Long Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Foreign Currency Risk

As at December 31, 2019 and December 31, 2018, 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 December 31, 2019 and December 31, 2018:

| Market segment         | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------|---------------|---------------|
| Short-Term Investments |               |               |
| Treasury Bills         | 4.70%         | 2.32%         |
| Canadian Bonds         |               |               |
| Federal Bonds          | 13.20%        | 16.00%        |
| Provincial Bonds       | 48.42%        | 53.64%        |
| Municipal Bonds        | 2.42%         | 2.58%         |
| Corporate Bonds        | 30.77%        | 25.42%        |
| <b>Total</b>           | <b>99.51%</b> | <b>99.96%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019   | Level 1  | Level 2            | Level 3  | Total              |
|---------------------|----------|--------------------|----------|--------------------|
|                     | (\$)     | (\$)               | (\$)     | (\$)               |
| <b>Assets</b>       |          |                    |          |                    |
| Bonds               | –        | 378,339,096        | –        | 378,339,096        |
| <b>Total Assets</b> | <b>–</b> | <b>378,339,096</b> | <b>–</b> | <b>378,339,096</b> |

| December 31, 2018   | Level 1  | Level 2            | Level 3  | Total              |
|---------------------|----------|--------------------|----------|--------------------|
|                     | (\$)     | (\$)               | (\$)     | (\$)               |
| <b>Assets</b>       |          |                    |          |                    |
| Bonds               | –        | 351,413,313        | –        | 351,413,313        |
| <b>Total Assets</b> | <b>–</b> | <b>351,413,313</b> | <b>–</b> | <b>351,413,313</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B       | Class D          | Class F       | Class I           |
|----------------------------------|---------------|------------------|---------------|-------------------|
| Balance, beginning of the year   | 9,911         | 1,025,136        | 33,841        | 64,149,284        |
| Redeemable units issued for cash | 73,051        | 447,011          | 4,195         | 3,464,976         |
| Reinvested units                 | 2,735         | 48,837           | 1,015         | 3,591,526         |
| Redeemable units redeemed        | (3,383)       | (455,801)        | (20,288)      | (4,543,975)       |
| <b>Balance, end of year</b>      | <b>82,314</b> | <b>1,065,183</b> | <b>18,763</b> | <b>66,661,811</b> |

| 2018                             | Class B      | Class D          | Class F       | Class I           |
|----------------------------------|--------------|------------------|---------------|-------------------|
| Balance, beginning of the year   | 10,417       | 1,350,916        | 36,733        | 66,505,329        |
| Redeemable units issued for cash | 522          | 223,615          | 51,487        | 746,071           |
| Reinvested units                 | 236          | 31,397           | 1,006         | 2,281,475         |
| Redeemable units redeemed        | (1,264)      | (580,792)        | (55,385)      | (5,383,590)       |
| <b>Balance, end of year</b>      | <b>9,911</b> | <b>1,025,136</b> | <b>33,841</b> | <b>64,149,284</b> |

# Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

## Statements of Financial Position

As at December 31

|  | 2019              | 2018              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Assets</b>  |                   |                   |
| <b>Current assets</b>  |                   |                   |
| Cash and cash equivalents  | 495,486           | 362,759           |
| Financial assets at fair value through profit or loss*                                   | 62,774,669        | 59,468,981        |
| Unrealized gain on foreign currency forward contracts                                    | 19,230            | –                 |
| Accrued interest   | 398,877           | 432,801           |
| Due from brokers   | –                 | 1                 |
| Subscriptions receivable   | 152,460           | 75,558            |
| <b>Total assets</b>  | <b>63,840,722</b> | <b>60,340,100</b> |
| <b>Liabilities</b>   |                   |                   |
| <b>Current liabilities</b>   |                   |                   |
| Management and administrative fees payable   | 23,516            | 23,270            |
| Redemptions payable  | 284,329           | 23,384            |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>307,845</b>    | <b>46,654</b>     |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>63,532,877</b> | <b>60,293,446</b> |
| *Investments at average cost   | 62,180,584        | 60,024,942        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                   |                   |
| Class B  | 2,530,602         | 2,414,110         |
| Class D  | 19,778,349        | 23,397,220        |
| Class F  | 10,634,672        | 9,070,197         |
| Class I  | 30,589,254        | 25,411,919        |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                   |                   |
| Class B  | 9.59              | 9.28              |
| Class D  | 5.17              | 5.00              |
| Class F  | 9.61              | 9.30              |
| Class I  | 5.27              | 5.10              |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                   |                   |
| Class B  | 263,885           | 260,146           |
| Class D  | 3,829,221         | 4,683,847         |
| Class F  | 1,107,204         | 975,558           |
| Class I  | 5,808,621         | 4,986,481         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019             | 2018           |
|---|------------------|----------------|
|   | \$               | \$             |
| <b>Income</b>   |                  |                |
| Net gains (losses) on investments   |                  |                |
| Interest for distribution purposes  | 2,039,773        | 1,906,586      |
| Realized gain (loss) on sale of investments   | 1,782,481        | (562,177)      |
| Realized gain (loss) on foreign currency forward contracts  | (27,333)         | –              |
| Change in unrealized appreciation (depreciation) in the value of investments                        | 1,150,046        | (530,677)      |
| Change in unrealized appreciation (depreciation) in the value of foreign currency forward contracts | 19,230           | –              |
| <b>Net gains (losses) on investments</b>  | <b>4,964,197</b> | <b>813,732</b> |
| Other income  |                  |                |
| Realized gain (loss) on foreign currency transactions   | 1,703            | –              |
| <b>Total income</b>   | <b>4,965,900</b> | <b>813,732</b> |
| <b>Expenses</b>   |                  |                |
| Management fees   | 253,934          | 288,193        |
| Administrative fees   | 70,859           | 63,873         |
| <b>Total expenses before waiver</b>   | <b>324,793</b>   | <b>352,066</b> |
| Expenses waived by the manager  | (43,438)         | (41,805)       |
| <b>Total expenses</b>   | <b>281,355</b>   | <b>310,261</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>                | <b>4,684,545</b> | <b>503,471</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>      |                  |                |
| Class B   | 173,458          | 1,048          |
| Class D   | 1,657,880        | 126,061        |
| Class F   | 693,313          | 55,118         |
| Class I   | 2,159,894        | 321,244        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b>     |                  |                |
| Class B   | 0.63             | –              |
| Class D   | 0.39             | 0.02           |
| Class F   | 0.67             | 0.06           |
| Class I   | 0.40             | 0.09           |

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

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



# Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

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

For the years ended December 31

|  | 2019         | 2018        |
|--|--------------|-------------|
|  | \$           | \$          |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |              |             |
| Class B  | 2,414,110    | 3,045,650   |
| Class D  | 23,397,220   | 31,911,943  |
| Class F  | 9,070,197    | 9,528,953   |
| Class I  | 25,411,919   | 9,023,760   |
|  | 60,293,446   | 53,510,306  |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |              |             |
| Class B  | 173,458      | 1,048       |
| Class D  | 1,657,880    | 126,061     |
| Class F  | 693,313      | 55,118      |
| Class I  | 2,159,894    | 321,244     |
|  | 4,684,545    | 503,471     |
| <b>Distribution to holders of redeemable units</b>                                       |              |             |
| From net investment income   |              |             |
| Class B  | (52,493)     | (53,314)    |
| Class D  | (507,992)    | (666,007)   |
| Class F  | (260,267)    | (240,182)   |
| Class I  | (933,204)    | (621,260)   |
| From net realized gains on investments   |              |             |
| Class B  | (36,350)     | –           |
| Class D  | (286,909)    | –           |
| Class F  | (155,127)    | –           |
| Class I  | (440,730)    | –           |
|  | (2,673,072)  | (1,580,763) |
| <b>Redeemable unit transactions</b>  |              |             |
| Proceeds from redeemable units issued  |              |             |
| Class B  | 769,840      | 111,375     |
| Class D  | 1,048,236    | 496,460     |
| Class F  | 3,161,228    | 2,556,974   |
| Class I  | 13,257,835   | 17,935,931  |
| Reinvestments of distributions to holders of redeemable units                            |              |             |
| Class B  | 85,741       | 50,517      |
| Class D  | 742,280      | 606,188     |
| Class F  | 148,686      | 83,586      |
| Class I  | 1,290,280    | 597,623     |
| Redemption of redeemable units   |              |             |
| Class B  | (823,704)    | (741,166)   |
| Class D  | (6,272,366)  | (9,077,425) |
| Class F  | (2,023,358)  | (2,914,252) |
| Class I  | (10,156,740) | (1,845,379) |
|  | 1,227,958    | 7,860,432   |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |              |             |
| Class B  | 116,492      | (631,540)   |
| Class D  | (3,618,871)  | (8,514,723) |
| Class F  | 1,564,475    | (458,756)   |
| Class I  | 5,177,335    | 16,388,159  |
|  | 3,239,431    | 6,783,140   |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |              |             |
| Class B  | 2,530,602    | 2,414,110   |
| Class D  | 19,778,349   | 23,397,220  |
| Class F  | 10,634,672   | 9,070,197   |
| Class I  | 30,589,254   | 25,411,919  |
|  | 63,532,877   | 60,293,446  |

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

## Statements of Cash Flows

For the years ended December 31

|   | 2019          | 2018         |
|---|---------------|--------------|
|   | \$            | \$           |
| <b>Cash flows from operating activities</b>   |               |              |
| Increase (decrease) in net assets attributable to holders of redeemable units                       | 4,684,545     | 503,471      |
| Adjustments for:  |               |              |
| Net realized (gain) loss on sale of investments   | (1,782,481)   | 562,177      |
| Change in unrealized (appreciation) depreciation in the value of investments                        | (1,150,046)   | 530,677      |
| Change in unrealized (appreciation) depreciation in the value of foreign currency forward contracts | (19,230)      | –            |
| Purchases of investments  | (111,836,260) | (85,688,204) |
| Proceeds from sale of investments   | 111,463,100   | 76,778,026   |
| (Increase) decrease in accrued interest   | 33,924        | (59,658)     |
| Increase (decrease) in accrued liabilities  | 246           | (4,779)      |
| <b>Net cash flows from (used in) operating activities</b>   | 1,393,798     | (7,378,290)  |
| <b>Cash flows from financing activities</b>   |               |              |
| Distributions paid to holders of redeemable units, net of reinvested distributions                  | (406,085)     | (242,863)    |
| Proceeds from redeemable units issued   | 18,160,237    | 21,460,330   |
| Redemption of redeemable units  | (19,015,223)  | (14,557,348) |
| <b>Net cash flows from (used in) financing activities</b>   | (1,261,071)   | 6,660,119    |
| Net increase (decrease) in cash and cash equivalents  | 132,727       | (718,171)    |
| Cash and cash equivalents at beginning of year  | 362,759       | 1,080,930    |
| <b>Cash and cash equivalents at end of year*</b>  | 495,486       | 362,759      |
| <b>Supplementary information</b>  |               |              |
| Cash flow from operating activities   |               |              |
| Interest received   | 2,073,697     | 1,846,928    |
| *Cash and cash equivalents include:   |               |              |
| Cash at banks/(overdraft)   | 22,460        | (35,618)     |
| Short-term investments  | 473,026       | 398,377      |
| <b>Total</b>  | 495,486       | 362,759      |

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

# Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

## Schedule of Investment Portfolio as at December 31, 2019

| 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>Cash Equivalents (2018 - 0.66%)</b> |                                       |               |                 |               |                 |           |   |                                |                 |               |                 |            |       |
| <b>Treasury Bills</b>                  |                                       |               |                 |               |                 |           |   |                                |                 |               |                 |            |       |
| 100,000                                | Government of Canada                  | 1.658         | 2-Apr-20        | 99,569        | 99,569          | 0.16      | 1,000,000   | Loblaw Cos Ltd.                | 3.918           | 10-Jun-24     | 1,057,213       | 1,052,804  | 1.66  |
| 375,000                                | Government of Canada                  | 1.653         | 19-Mar-20       | 373,457       | 373,457         | 0.58      | 784,000   | Manitoba Telecom Services Inc. | 4.000           | 27-May-24     | 830,201         | 824,753    | 1.30  |
|  |                                       |               |                 | 473,026       | 473,026         | 0.74      | 190,000   | NOVA Gas Transmission Ltd.     | 6.590           | 1-Dec-27      | 218,382         | 232,406    | 0.37  |
| <b>Canadian Bonds (2018 - 98.63%)</b>  |                                       |               |                 |               |                 |           |   |                                |                 |               |                 |            |       |
| <b>Federal Bonds</b>                   |                                       |               |                 |               |                 |           |   |                                |                 |               |                 |            |       |
| 1,958,000                              | Canadian Government Bond              | 2.750         | 1-Dec-48        | 2,506,675     | 2,394,816       | 3.77      | 1,000,000   | Parkland Fuel Corp.            | 6.000           | 1-Apr-26      | 1,347,655       | 1,372,154  | 2.16  |
| 4,762,000                              | Canadian Government Bond              | 2.250         | 1-Jun-29        | 5,113,848     | 4,989,934       | 7.85      | 1,135,000   | Pembina Pipeline Corp.         | 2.990           | 22-Jan-24     | 1,117,551       | 1,150,479  | 1.81  |
| 267,000                                | Canadian Government Bond              | 1.500         | 1-Sep-24        | 267,568       | 264,833         | 0.42      | 781,000   | Royal Bank of Canada           | 2.880           | 23-Dec-29     | 780,930         | 781,462    | 1.23  |
| 280,000                                | Canadian Government Bond              | 1.250         | 1-Feb-20        | 279,443       | 279,855         | 0.44      | 649,000   | Royal Bank of Canada           | 2.740           | 25-Jul-29     | 649,000         | 646,921    | 1.02  |
|  |                                       |               |                 | 8,167,534     | 7,929,438       | 12.48     | 691,000   | Royal Bank of Canada           | 3.310           | 20-Jan-26     | 695,705         | 698,521    | 1.10  |
| <b>Provincial Bonds</b>                |                                       |               |                 |               |                 |           |   |                                |                 |               |                 |            |       |
| 663,000                                | Province of Alberta                   | 3.050         | 1-Dec-48        | 656,221       | 720,417         | 1.13      | 1,026,000   | Royal Bank of Canada           | 2.352           | 2-Jul-24      | 1,026,000       | 1,020,965  | 1.61  |
| 72,000                                 | Province of British Columbia          | 2.950         | 18-Jun-50       | 79,258        | 80,428          | 0.13      | 1,050,000   | Royal Bank of Canada           | 3.296           | 26-Sep-23     | 1,054,885       | 1,083,326  | 1.71  |
| 852,000                                | Province of British Columbia          | 2.800         | 18-Jun-48       | 812,821       | 917,015         | 1.44      | 985,000   | Superior Plus LP               | 5.125           | 27-Aug-25     | 915,035         | 999,775    | 1.57  |
| 125,000                                | Province of British Columbia          | 2.950         | 18-Dec-28       | 134,191       | 132,115         | 0.21      | 67,000  | TELUS Corp.                    | 3.150           | 19-Feb-30     | 66,765          | 66,816     | 0.11  |
| 964,000                                | Province of Ontario                   | 2.650         | 2-Dec-50        | 1,007,918     | 997,178         | 1.57      | 248,000   | TELUS Corp.                    | 2.750           | 8-Jul-26      | 247,685         | 246,414    | 0.39  |
| 1,357,000                              | Province of Ontario                   | 2.900         | 2-Jun-49        | 1,373,269     | 1,469,542       | 2.31      | 1,666,000   | The Toronto-Dominion Bank      | 3.589           | 14-Sep-28     | 1,667,539       | 1,722,842  | 2.71  |
| 868,000                                | Province of Ontario                   | 2.800         | 2-Jun-48        | 844,476       | 919,608         | 1.45      | 511,000   | The Toronto-Dominion Bank      | 2.850           | 8-Mar-24      | 511,000         | 519,404    | 0.82  |
| 4,449,000                              | Province of Ontario                   | 2.700         | 2-Jun-29        | 4,642,964     | 4,599,462       | 7.24      | 472,000   | The Toronto-Dominion Bank      | 2.376           | 28-Jun-23     | 472,000         | 475,952    | 0.75  |
| 1,611,000                              | Province of Ontario                   | 2.900         | 2-Jun-28        | 1,632,599     | 1,686,588       | 2.65      | 1,751,000   | TransCanada Pipelines Ltd.     | 7.900           | 15-Apr-27     | 2,405,701       | 2,283,576  | 3.59  |
| 2,950,000                              | Province of Ontario                   | 2.400         | 2-Jun-26        | 2,975,435     | 2,991,878       | 4.72      | 425,000   | TransCanada Pipelines Ltd.     | 8.290           | 5-Feb-26      | 563,588         | 547,854    | 0.86  |
| 886,000                                | Province of Quebec                    | 3.100         | 1-Dec-51        | 954,706       | 1,012,326       | 1.59      | 241,000   | TransCanada Trust              | 4.650           | 18-May-77     | 241,000         | 234,187    | 0.37  |
| 1,465,000                              | Province of Quebec                    | 3.500         | 1-Dec-48        | 1,581,439     | 1,773,498       | 2.79      | 985,000   | Videotron Ltd.                 | 4.500           | 15-Jan-30     | 985,000         | 998,174    | 1.57  |
| 2,205,000                              | Province of Quebec                    | 2.300         | 1-Sep-29        | 2,226,763     | 2,211,780       | 3.48      | 977,000   | Westcoast Energy Inc.          | 8.850           | 21-Jul-25     | 1,302,220       | 1,276,856  | 2.01  |
|  |                                       |               |                 | 18,922,060    | 19,511,835      | 30.71     |   |                                |                 |               | 32,974,199      | 33,172,609 | 52.22 |
| <b>Corporate Bonds</b>                 |                                       |               |                 |               |                 |           |   |                                |                 |               |                 |            |       |
| 395,000                                | AltaGas Ltd.                          | 2.609         | 16-Dec-22       | 395,000       | 396,115         | 0.62      | <b>Mortgage Backed Securities</b>                             |                                |                 |               |                 |            |       |
| 400,000                                | AltaGas Ltd.                          | 3.720         | 28-Sep-21       | 407,512       | 409,500         | 0.64      | 2,543,000   | Canadian Mortgage Pools        | 1.840           | 1-Dec-22      | 2,116,791       | 2,160,787  | 3.40  |
| 211,000                                | Bank of Montreal                      | 2.880         | 17-Sep-29       | 210,981       | 211,225         | 0.33      |   |                                |                 |               | 2,116,791       | 2,160,787  | 3.40  |
| 700,000                                | Bank of Montreal                      | 2.850         | 6-Mar-24        | 700,447       | 710,658         | 1.12      | <b>Total Canadian Bonds</b>                                   |                                |                 |               |                 |            |       |
| 919,000                                | Bank of Nova Scotia                   | 2.836         | 3-Jul-29        | 919,129       | 918,321         | 1.45      |   |                                |                 |               | 62,180,584      | 62,774,669 | 98.81 |
| 1,168,000                              | Bank of Nova Scotia                   | 2.380         | 1-May-23        | 1,167,825     | 1,168,884       | 1.84      | <b>Transaction Costs</b>                                      |                                |                 |               |                 |            |       |
| 1,651,000                              | Brookfield Infrastructure Finance ULC | 3.315         | 22-Feb-24       | 1,652,840     | 1,683,114       | 2.65      |   |                                |                 |               |                 |            |       |
| 424,000                                | Canadian Imperial Bank of Commerce    | 2.950         | 19-Jun-29       | 424,390       | 425,798         | 0.67      | <b>Foreign Currency Forward Contracts (Schedule A)</b>        |                                |                 |               |                 |            |       |
| 1,000,000                              | Canadian Imperial Bank of Commerce    | 3.450         | 4-Apr-28        | 1,028,270     | 1,025,758       | 1.61      |   |                                |                 |               | 19,230          | 0.03       |       |
| 300,000                                | Canadian Imperial Bank of Commerce    | 3.290         | 15-Jan-24       | 302,018       | 309,458         | 0.49      | <b>Total Investments</b>                                      |                                |                 |               |                 |            |       |
| 660,000                                | Canadian Imperial Bank of Commerce    | 2.430         | 9-Jun-23        | 659,822       | 661,063         | 1.04      |   |                                |                 |               | 62,180,584      | 62,793,899 | 98.84 |
| 901,000                                | Canadian Natural Resources Ltd.       | 3.420         | 1-Dec-26        | 880,372       | 921,628         | 1.45      | <b>Total Investments and Cash Equivalents</b>                 |                                |                 |               |                 |            |       |
| 575,000                                | CU Inc.                               | 4.947         | 18-Nov-50       | 703,455       | 789,301         | 1.24      |   |                                |                 |               | 62,653,610      | 63,266,925 | 99.58 |
| 987,000                                | Enbridge Gas Distribution Inc.        | 7.600         | 29-Oct-26       | 1,331,194     | 1,290,549       | 2.03      | <b>Other Assets Net of Liabilities</b>                        |                                |                 |               |                 |            |       |
| 195,000                                | Enbridge Pipelines Inc.               | 8.200         | 15-Feb-24       | 257,912       | 235,846         | 0.37      |   |                                |                 |               | 265,952         | 0.42       |       |
| 694,000                                | Enbridge Pipelines Inc.               | 6.350         | 17-Nov-23       | 835,977       | 790,604         | 1.24      | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                                |                 |               |                 |            |       |
| 484,000                                | ENMAX Corp.                           | 2.922         | 18-Oct-22       | 484,000       | 488,868         | 0.77      |   |                                |                 |               | 63,532,877      | 100.00     |       |
| 1,968,000                              | Inter Pipeline (Corridor) Inc.        | 6.625         | 19-Nov-79       | 1,968,000     | 1,986,545       | 3.13      |   |                                |                 |               |                 |            |       |
| 490,000                                | Keyera Corp.                          | 6.875         | 13-Jun-79       | 490,000       | 513,733         | 0.81      |   |                                |                 |               |                 |            |       |

### Schedule A

#### Foreign Currency Forward Contract (0.03%)

| Contracts  | Counterparts                       | Credit Rating of the Counterparty | Settlement Date   | Contract Rate (\$) | Pay               | Receive            | Unrealized Gain (Loss) (\$) |
|--|------------------------------------|-----------------------------------|-------------------|--------------------|-------------------|--------------------|-----------------------------|
| 1  | Bank of Montreal                   | A-1                               | February 28, 2020 | 1.30               | (20,000) (US \$)  | 26,534 (CAD \$)    | 603                         |
| 1  | Canadian Imperial Bank of Commerce | A-1                               | March 31, 2020    | 1.30               | (995,000) (US \$) | 1,308,574 (CAD \$) | 18,627                      |
| <b>Total Foreign Currency Forward Contract Value</b> |                                    |                                   |                   |                    |                   |                    | 19,230                      |

# Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Risk Management

The investment objective of the Beutel Goodman Core Plus Bond Fund (formerly known as 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 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 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.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, as designated by a recognized rating agency:

| Debt Instruments* by Credit Rating | Percentage of net assets (%) |               |
|------------------------------------|------------------------------|---------------|
|                                    | Dec. 31, 2019                | Dec. 31, 2018 |
| AAA                                | 18                           | 12            |
| AA                                 | 30                           | 19            |
| A                                  | 16                           | 31            |
| BBB                                | 28                           | 35            |
| BB                                 | 6                            | 2             |
| Not rated                          | 1                            | —             |
| <b>Total</b>                       | <b>99</b>                    | <b>99</b>     |

\*Excludes cash and cash equivalents

### 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 December 31, 2019 and December 31, 2018.

| Debt Instruments* by Maturity Date | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------------------|---------------|---------------|
|                                    | (\$000)       | (\$000)       |
| Less than 1 year                   | 280           | 875           |
| 1-3 years                          | 3,455         | 12,475        |
| 3-5 years                          | 11,952        | 5,876         |
| Greater than 5 years               | 47,088        | 40,243        |
| <b>Total</b>                       | <b>62,775</b> | <b>59,469</b> |

\*Excludes cash and cash equivalents

As at December 31, 2019, had prevailing interest rates raised or lowered 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 \$1,257,000 (2018 - \$1,106,000). 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 December 31, 2019 and December 31, 2018, 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) |               |
|---------------------------------|------------------------------|---------------|
|                                 | Dec. 31, 2019                | Dec. 31, 2018 |
| FTSE Canada Universe Bond Index | 627                          | 580           |
| <b>Total</b>                    | <b>627</b>                   | <b>580</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 December 31, 2019 and December 31, 2018, the Fund did not have significant exposure to foreign currency risk.

# Beutel Goodman Core Plus Bond Fund

(formerly the Beutel Goodman Corporate/Provincial Active Bond Fund)

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Market segment             | Dec. 31, 2019 | Dec. 31, 2018 |
|----------------------------|---------------|---------------|
| Short-Term Investments     |               |               |
| Treasury Bills             | 0.74%         | 0.66%         |
| Canadian Bonds             |               |               |
| Mortgage Backed Securities | 3.40%         | 4.12%         |
| Federal Bonds              | 12.48%        | 5.06%         |
| Provincial Bonds           | 30.71%        | 23.56%        |
| Corporate Bonds            | 52.22%        | 65.89%        |
| <b>Total</b>               | <b>99.55%</b> | <b>99.29%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019                  | Level 1  | Level 2           | Level 3  | Total             |
|------------------------------------|----------|-------------------|----------|-------------------|
|                                    | (\$)     | (\$)              | (\$)     | (\$)              |
| <b>Assets</b>                      |          |                   |          |                   |
| Bonds                              | –        | 60,613,882        | –        | 60,613,882        |
| Mortgage Backed Securities         | –        | 2,160,787         | –        | 2,160,787         |
| Foreign currency forward contracts | –        | 19,230            | –        | 19,230            |
| <b>Total Assets</b>                | <b>–</b> | <b>62,793,899</b> | <b>–</b> | <b>62,793,899</b> |

| December 31, 2018                  | Level 1  | Level 2           | Level 3  | Total             |
|------------------------------------|----------|-------------------|----------|-------------------|
|                                    | (\$)     | (\$)              | (\$)     | (\$)              |
| <b>Assets</b>                      |          |                   |          |                   |
| Bonds                              | –        | 56,986,523        | –        | 56,986,523        |
| Mortgage Backed Securities         | –        | 2,482,458         | –        | 2,482,458         |
| Foreign currency forward contracts | –        | –                 | –        | –                 |
| <b>Total Assets</b>                | <b>–</b> | <b>59,468,981</b> | <b>–</b> | <b>59,468,981</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Offsetting of Financial Instruments

There are no financial instruments that are offset, or subject to netting agreements or other similar agreements but that are not offset, as at December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B        | Class D          | Class F          | Class I          |
|----------------------------------|----------------|------------------|------------------|------------------|
| Balance, beginning of the year   | 260,146        | 4,683,847        | 975,558          | 4,986,481        |
| Redeemable units issued for cash | 78,688         | 199,138          | 323,912          | 2,487,463        |
| Reinvested units                 | 8,844          | 142,185          | 15,310           | 242,179          |
| Redeemable units redeemed        | (83,793)       | (1,195,949)      | (207,576)        | (1,907,502)      |
| <b>Balance, end of year</b>      | <b>263,885</b> | <b>3,829,221</b> | <b>1,107,204</b> | <b>5,808,621</b> |

| 2018                             | Class B        | Class D          | Class F        | Class I          |
|----------------------------------|----------------|------------------|----------------|------------------|
| Balance, beginning of the year   | 322,134        | 6,272,643        | 1,005,703      | 1,737,008        |
| Redeemable units issued for cash | 11,995         | 98,768           | 273,550        | 3,492,215        |
| Reinvested units                 | 5,425          | 120,947          | 8,966          | 117,142          |
| Redeemable units redeemed        | (79,408)       | (1,808,511)      | (312,661)      | (359,884)        |
| <b>Balance, end of year</b>      | <b>260,146</b> | <b>4,683,847</b> | <b>975,558</b> | <b>4,986,481</b> |

# Beutel Goodman Short Term Bond Fund

## Statements of Financial Position

As at December 31

|  | 2019              | 2018               |
|--|-------------------|--------------------|
|  | \$                | \$                 |
| <b>Assets</b>  |                   |                    |
| <b>Current assets</b>  |                   |                    |
| Cash and cash equivalents  | 2,870,213         | 1,716,822          |
| Financial assets at fair value through profit or loss*                                   | 86,949,116        | 65,079,889         |
| Accrued interest   | 530,069           | 415,748            |
| Due from brokers   | –                 | 45,190,591         |
| Subscriptions receivable   | 937               | –                  |
| <b>Total assets</b>  | <b>90,350,335</b> | <b>112,403,050</b> |
| <b>Liabilities</b>   |                   |                    |
| <b>Current liabilities</b>   |                   |                    |
| Management and administrative fees payable   | 5,430             | 5,910              |
| Due to brokers   | 1,205,710         | 10,179,605         |
| Redemptions payable  | –                 | 35,848,927         |
| Distributions payable  | 13,078            | 11,880             |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>1,224,218</b>  | <b>46,046,322</b>  |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>89,126,117</b> | <b>66,356,728</b>  |
| *Investments at average cost   | 87,019,446        | 65,535,824         |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                   |                    |
| Class B  | 180,447           | 269,562            |
| Class F  | 2,713,225         | 2,487,631          |
| Class I  | 86,232,445        | 63,599,535         |
| <b>Net assets attributable to holders of redeemable units per unit</b>                   |                   |                    |
| Class B  | 9.44              | 9.27               |
| Class F  | 9.28              | 9.20               |
| Class I  | 9.33              | 9.26               |
| <b>Number of outstanding redeemable units (note 6)</b>                                   |                   |                    |
| Class B  | 19,107            | 29,087             |
| Class F  | 292,405           | 270,291            |
| Class I  | 9,238,741         | 6,869,872          |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Income</b>   |                  |                  |
| Net gains (losses) on investments   |                  |                  |
| Interest for distribution purposes  | 2,265,296        | 3,327,328        |
| Realized gain (loss) on sale of investments   | 95,914           | (4,734,324)      |
| Change in unrealized appreciation (depreciation) in the value of investments                    | 385,605          | 2,992,666        |
| <b>Net gains (losses) on investments</b>  | <b>2,746,815</b> | <b>1,585,670</b> |
| <b>Total income</b>   | <b>2,746,815</b> | <b>1,585,670</b> |
| <b>Expenses</b>   |                  |                  |
| Management fees   | 15,462           | 13,877           |
| Administrative fees   | 88,973           | 141,761          |
| <b>Total expenses before waiver</b>   | <b>104,435</b>   | <b>155,638</b>   |
| Expenses waived by the manager  | (51,538)         | (83,770)         |
| <b>Total Expenses</b>   | <b>52,897</b>    | <b>71,868</b>    |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>2,693,918</b> | <b>1,513,802</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                  |                  |
| Class B   | 6,042            | 3,320            |
| Class F   | 77,497           | 26,834           |
| Class I   | 2,610,379        | 1,483,648        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                  |                  |
| Class B   | 0.29             | 0.10             |
| Class F   | 0.27             | 0.11             |
| Class I   | 0.32             | 0.11             |

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

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 years ended December 31

|  | 2019        | 2018          |
|--|-------------|---------------|
|  | \$          | \$            |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |             |               |
| Class B  | 269,562     | 351,728       |
| Class F  | 2,487,631   | 1,937,674     |
| Class I  | 63,599,535  | 176,696,711   |
|  | 66,356,728  | 178,986,113   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |             |               |
| Class B  | 6,042       | 3,320         |
| Class F  | 77,497      | 26,834        |
| Class I  | 2,610,379   | 1,483,648     |
|  | 2,693,918   | 1,513,802     |
| <b>Distribution to holders of redeemable units</b>                                       |             |               |
| From net investment income   |             |               |
| Class B  | (1,992)     | (3,269)       |
| Class F  | (55,855)    | (46,304)      |
| Class I  | (2,162,907) | (3,202,938)   |
|  | (2,220,754) | (3,252,511)   |
| <b>Redeemable unit transactions</b>  |             |               |
| Proceeds from redeemable units issued  |             |               |
| Class B  | —           | 9,951         |
| Class F  | 847,497     | 2,016,160     |
| Class I  | 28,775,224  | 40,969,020    |
| Reinvestments of distributions to holders of redeemable units                            |             |               |
| Class B  | 1,919       | 3,155         |
| Class F  | 4,320       | 2,241         |
| Class I  | 2,162,907   | 3,202,180     |
| Redemption of redeemable units   |             |               |
| Class B  | (95,084)    | (95,323)      |
| Class F  | (647,865)   | (1,448,974)   |
| Class I  | (8,752,693) | (155,549,086) |
|  | 22,296,225  | (110,890,676) |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |             |               |
| Class B  | (89,115)    | (82,166)      |
| Class F  | 225,594     | 549,957       |
| Class I  | 22,632,910  | (113,097,176) |
|  | 22,769,389  | (112,629,385) |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |             |               |
| Class B  | 180,447     | 269,562       |
| Class F  | 2,713,225   | 2,487,631     |
| Class I  | 86,232,445  | 63,599,535    |
|  | 89,126,117  | 66,356,728    |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Cash flows from operating activities</b>  |               |               |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 2,693,918     | 1,513,802     |
| Adjustments for:   |               |               |
| Net realized (gain) loss on sale of investments                                    | (95,914)      | 4,734,324     |
| Change in unrealized (appreciation) depreciation in the value of investments       | (385,605)     | (2,992,666)   |
| Purchases of investments   | (139,438,729) | (307,596,854) |
| Proceeds from sale of investments  | 154,267,717   | 383,783,136   |
| (Increase) decrease in accrued interest  | (114,321)     | 564,820       |
| Increase (decrease) in accrued liabilities   | (480)         | (4,430)       |
| <b>Net cash flows from (used in) operating activities</b>                          | 16,926,586    | 80,002,132    |
| <b>Cash flows from financing activities</b>  |               |               |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (50,410)      | (35,106)      |
| Proceeds from redeemable units issued  | 29,621,784    | 43,036,924    |
| Redemption of redeemable units   | (45,344,569)  | (121,313,991) |
| <b>Net cash flows from (used in) financing activities</b>                          | (15,773,195)  | (78,312,173)  |
| Net increase (decrease) in cash and cash equivalents                               | 1,153,391     | 1,689,959     |
| Cash and cash equivalents at beginning of year                                     | 1,716,822     | 26,863        |
| <b>Cash and cash equivalents at end of year*</b>                                   | 2,870,213     | 1,716,822     |
| <b>Supplementary information</b>   |               |               |
| Cash flow from operating activities  |               |               |
| Interest received  | 2,150,975     | 3,892,148     |
| *Cash and cash equivalents include:  |               |               |
| Cash at banks  | 7,190         | 24,195        |
| Short-term investments   | 2,863,023     | 1,692,627     |
| <b>Total</b>   | 2,870,213     | 1,716,822     |

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

# Beutel Goodman Short Term Bond Fund

## Schedule of Investment Portfolio as at December 31, 2019

| 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>Cash Equivalents (2018 - 2.55%)</b> |                                      |               |                 |               |                 |   |                                   |                                    |                 |               |                 |            |       |
| <b>Treasury Bills</b>                  |                                      |               |                 |               |                 |   |                                   |                                    |                 |               |                 |            |       |
| 50,000                                 | Government of Canada                 | 1.658         | 2-Apr-20        | 49,785        | 49,785          | 0.06  | 888,000                           | Canadian Imperial Bank of Commerce | 3.290           | 15-Jan-24     | 892,711         | 915,996    | 1.03  |
| 2,600,000                              | Government of Canada                 | 1.664         | 19-Mar-20       | 2,589,119     | 2,589,119       | 2.90  | 914,000                           | Canadian Imperial Bank of Commerce | 2.430           | 9-Jun-23      | 913,753         | 915,472    | 1.03  |
| 225,000                                | Government of Canada                 | 1.653         | 5-Mar-20        | 224,119       | 224,119         | 0.25  | 4,737,000                         | Canadian Imperial Bank of Commerce | 2.040           | 21-Mar-22     | 4,639,057       | 4,728,987  | 5.31  |
|  |                                      |               |                 | 2,863,023     | 2,863,023       | 3.21  | 808,000                           | Enbridge Pipelines Inc.            | 2.930           | 30-Nov-22     | 807,804         | 822,986    | 0.92  |
| <b>Canadian Bonds (2018 - 98.08%)</b>  |                                      |               |                 |               |                 |   |                                   |                                    |                 |               |                 |            |       |
| <b>Federal Bonds</b>                   |                                      |               |                 |               |                 |   |                                   |                                    |                 |               |                 |            |       |
| 4,557,000                              | Canadian Government Bond             | 1.500         | 1-Sep-24        | 4,567,973     | 4,520,012       | 5.07  | 1,255,000                         | EPCOR Utilities Inc.               | 1.949           | 8-Jul-22      | 1,255,000       | 1,251,799  | 1.40  |
| 3,288,000                              | Canadian Government Bond             | 0.750         | 1-Sep-21        | 3,239,962     | 3,237,085       | 3.63  | 7,609,000                         | Lower Mattagami Energy LP          | 4.331           | 18-May-21     | 8,075,030       | 7,841,484  | 8.80  |
| 1,372,000                              | Canadian Government Bond             | 1.250         | 1-Feb-20        | 1,370,819     | 1,371,287       | 1.54  | 358,000                           | Pembina Pipeline Corp.             | 2.990           | 22-Jan-24     | 355,014         | 362,882    | 0.41  |
| 292,000                                | Canadian Government Real Return Bond | 6.987         | 1-Dec-21        | 530,131       | 516,065         | 0.58  | 1,087,000                         | Royal Bank of Canada               | 2.880           | 23-Dec-29     | 1,086,902       | 1,087,644  | 1.22  |
| 1,390,000                              | PSP Capital Inc.                     | 2.090         | 22-Nov-23       | 1,405,568     | 1,396,601       | 1.57  | 2,009,000                         | Royal Bank of Canada               | 3.310           | 20-Jan-26     | 2,036,521       | 2,030,865  | 2.28  |
|  |                                      |               |                 | 11,114,453    | 11,041,050      | 12.39   | 1,252,000                         | Royal Bank of Canada               | 2.352           | 2-Jul-24      | 1,252,000       | 1,245,856  | 1.40  |
| <b>Provincial Bonds</b>                |                                      |               |                 |               |                 |   |                                   |                                    |                 |               |                 |            |       |
| 6,958,000                              | Province of Ontario                  | 2.600         | 2-Jun-25        | 7,216,211     | 7,139,173       | 8.00  | 4,137,000                         | Royal Bank of Canada               | 3.296           | 26-Sep-23     | 4,171,172       | 4,268,302  | 4.79  |
| 2,856,000                              | Province of Ontario                  | 2.600         | 8-Sep-23        | 2,925,647     | 2,919,433       | 3.28  | 1,399,000                         | The Toronto-Dominion Bank          | 3.589           | 14-Sep-28     | 1,418,728       | 1,446,733  | 1.62  |
| 3,180,000                              | Province of Quebec                   | 4.500         | 1-Dec-20        | 3,270,312     | 3,257,573       | 3.66  | 1,705,000                         | The Toronto-Dominion Bank          | 2.850           | 8-Mar-24      | 1,721,612       | 1,733,040  | 1.94  |
|  |                                      |               |                 | 13,412,170    | 13,316,179      | 14.94   | 772,000                           | The Toronto-Dominion Bank          | 2.376           | 28-Jun-23     | 773,707         | 778,465    | 0.87  |
| <b>Corporate Bonds</b>                 |                                      |               |                 |               |                 |   |                                   |                                    |                 |               |                 |            |       |
| 1,668,000                              | AltaGas Ltd.                         | 3.720         | 28-Sep-21       | 1,702,941     | 1,707,615       | 1.92  | 3,826,000                         | The Toronto-Dominion Bank          | 2.045           | 8-Mar-21      | 3,788,935       | 3,826,491  | 4.29  |
| 937,000                                | AltaLink LP                          | 2.978         | 28-Nov-22       | 955,151       | 960,192         | 1.08  | 2,081,000                         | TransCanada PipeLines Ltd.         | 3.690           | 19-Jul-23     | 2,160,006       | 2,168,451  | 2.43  |
| 1,808,000                              | Bank of Montreal                     | 2.850         | 6-Mar-24        | 1,817,544     | 1,835,528       | 2.06  | 4,201,000                         | Union Gas Ltd.                     | 4.850           | 25-Apr-22     | 4,568,272       | 4,462,047  | 5.01  |
| 3,439,000                              | Bank of Montreal                     | 2.270         | 11-Jul-22       | 3,430,409     | 3,449,450       | 3.87  |                                   |                                    |                 |               | 57,615,723      | 57,701,014 | 64.74 |
| 2,788,000                              | Bank of Montreal                     | 1.610         | 28-Oct-21       | 2,718,564     | 2,764,610       | 3.10  | <b>Mortgage Backed Securities</b> |                                    |                 |               |                 |            |       |
| 1,526,000                              | Bank of Nova Scotia                  | 2.836         | 3-Jul-29        | 1,523,101     | 1,524,873       | 1.71  | 5,756,000                         | Canadian Mortgage Pools            | 1.840           | 1-Dec-22      | 4,877,100       | 4,890,873  | 5.49  |
| 1,612,000                              | Bank of Nova Scotia                  | 2.380         | 1-May-23        | 1,611,758     | 1,613,220       | 1.81  |                                   |                                    |                 | 4,877,100     | 4,890,873       | 5.49       |       |
| 1,761,000                              | Bell Canada Inc.                     | 3.000         | 3-Oct-22        | 1,778,674     | 1,792,382       | 2.01  | <b>Total Canadian Bonds</b>       |                                    |                 |               |                 |            |       |
| 1,656,000                              | Canadian Imperial Bank of Commerce   | 2.950         | 19-Jun-29       | 1,657,680     | 1,663,023       | 1.87  | <b>Transaction Costs</b>          |                                    |                 |               |                 |            |       |
| 490,000                                | Canadian Imperial Bank of Commerce   | 3.450         | 4-Apr-28        | 503,677       | 502,621         | 0.56  | -                                 |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | <b>Total Investments and Cash Equivalents</b>                 |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | <b>Other Assets Net of Liabilities</b>                        |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | <b>Net Assets Attributable to Holders of Redeemable Units</b> |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | 89,882,469  |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | 89,812,139  |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | 100.77  |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | (686,022)   |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | (0.77)  |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | 89,126,117  |                                   |                                    |                 |               |                 |            |       |
|  |                                      |               |                 |               |                 | 100.00  |                                   |                                    |                 |               |                 |            |       |

# Beutel Goodman Short Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Risk Management

The investment objective of the Beutel Goodman Short Term Bond Fund (the "Fund") is 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 rating 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.

The Fund may invest in derivatives and/or underlying Funds from time to time. Please refer to the Simplified Prospectus for additional information.

### Credit Risk

As at December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, as designated by a recognized rating agency:

| Debt Instruments* by Credit Rating | Percentage of net assets (%) |               |
|------------------------------------|------------------------------|---------------|
|                                    | Dec. 31, 2019                | Dec. 31, 2018 |
| AAA                                | 19                           | 23            |
| AA                                 | 30                           | 21            |
| A                                  | 35                           | 38            |
| BBB                                | 13                           | 16            |
| Not rated                          | 1                            | —             |
| <b>Total</b>                       | <b>98</b>                    | <b>98</b>     |

\*Excludes cash and cash equivalents

### 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 December 31, 2019 and December 31, 2018.

| Debt Instruments* by Maturity Date | Dec. 31, 2019 | Dec. 31, 2018 |
|------------------------------------|---------------|---------------|
|                                    | (\$000)       | (\$000)       |
| Less than 1 year                   | 4,629         | 692           |
| 1-3 years                          | 42,252        | 33,565        |
| 3-5 years                          | 24,673        | 26,160        |
| Greater than 5 years               | 15,395        | 4,663         |
| <b>Total</b>                       | <b>86,949</b> | <b>65,080</b> |

\*Excludes cash and cash equivalents

As at December 31, 2019, had prevailing interest rates raised or lowered 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 \$598,000 (2018 – \$408,000). 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 December 31, 2019 and December 31, 2018, 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) |               |
|-----------------------------------|------------------------------|---------------|
|                                   | Dec. 31, 2019                | Dec. 31, 2018 |
| FTSE Canada Short Term Bond Index | 880                          | 653           |
| <b>Total</b>                      | <b>880</b>                   | <b>653</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 December 31, 2019 and December 31, 2018, the Fund did not have significant exposure to foreign currency risk.



# Beutel Goodman Short Term Bond Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Market segment             | Dec. 31, 2019  | Dec. 31, 2018  |
|----------------------------|----------------|----------------|
| Short-Term Investments     |                |                |
| Treasury Bills             | 3.21%          | 2.55%          |
| Canadian Bonds             |                |                |
| Federal Bonds              | 12.39%         | 16.40%         |
| Provincial Bonds           | 14.94%         | 5.68%          |
| Corporate Bonds            | 64.74%         | 70.58%         |
| Mortgage Backed Securities | 5.49%          | 5.42%          |
| <b>Total</b>               | <b>100.77%</b> | <b>100.63%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019          | Level 1  | Level 2           | Level 3  | Total             |
|----------------------------|----------|-------------------|----------|-------------------|
|                            | (\$)     | (\$)              | (\$)     | (\$)              |
| <b>Assets</b>              |          |                   |          |                   |
| Bonds                      | –        | 82,058,243        | –        | 82,058,243        |
| Mortgage Backed Securities | –        | 4,890,873         | –        | 4,890,873         |
| <b>Total Assets</b>        | <b>–</b> | <b>86,949,116</b> | <b>–</b> | <b>86,949,116</b> |

| December 31, 2018          | Level 1  | Level 2           | Level 3  | Total             |
|----------------------------|----------|-------------------|----------|-------------------|
|                            | (\$)     | (\$)              | (\$)     | (\$)              |
| <b>Assets</b>              |          |                   |          |                   |
| Bonds                      | –        | 61,481,891        | –        | 61,481,891        |
| Mortgage Backed Securities | –        | 3,597,998         | –        | 3,597,998         |
| <b>Total Assets</b>        | <b>–</b> | <b>65,079,889</b> | <b>–</b> | <b>65,079,889</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class B       | Class F        | Class I          |
|----------------------------------|---------------|----------------|------------------|
| Balance, beginning of the year   | 29,087        | 270,291        | 6,869,872        |
| Redeemable units issued for cash | –             | 90,966         | 3,065,793        |
| Reinvested units                 | 204           | 464            | 230,792          |
| Redeemable units redeemed        | (10,184)      | (69,316)       | (927,716)        |
| <b>Balance, end of year</b>      | <b>19,107</b> | <b>292,405</b> | <b>9,238,741</b> |

| 2018                             | Class B       | Class F        | Class I          |
|----------------------------------|---------------|----------------|------------------|
| Balance, beginning of the year   | 38,020        | 208,734        | 18,928,074       |
| Redeemable units issued for cash | 1,080         | 218,652        | 4,422,757        |
| Reinvested units                 | 342           | 243            | 345,780          |
| Redeemable units redeemed        | (10,355)      | (157,338)      | (16,826,739)     |
| <b>Balance, end of year</b>      | <b>29,087</b> | <b>270,291</b> | <b>6,869,872</b> |

# Beutel Goodman Money Market Fund

## Statements of Financial Position

As at December 31

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Assets</b>  |                    |                    |
| <b>Current assets</b>  |                    |                    |
| Cash   | 43,294             | 29,115             |
| Financial assets at fair value through profit or loss*                                   | 428,910,837        | 279,917,668        |
| Accrued interest   | 617,255            | 450,570            |
| Subscriptions receivable   | 803,921            | 869,376            |
| <b>Total assets</b>  | <b>430,375,307</b> | <b>281,266,729</b> |
| <b>Liabilities</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Management and administrative fees payable   | 13,313             | 9,402              |
| Redemptions payable  | 52,280,634         | 41,428,865         |
| Distributions payable  | 18,034             | 13,117             |
| <b>Total liabilities (before net assets attributable to holders of redeemable units)</b> | <b>52,311,981</b>  | <b>41,451,384</b>  |
| <b>Net assets attributable to holders of redeemable units</b>                            | <b>378,063,326</b> | <b>239,815,345</b> |
| *Investments at average cost   | 428,910,837        | 279,917,668        |
| <b>Net assets attributable to holders of redeemable units per class</b>                  |                    |                    |
| Class D  | 33,270,098         | 19,824,148         |
| Class F  | 11,916,726         | 5,969,614          |
| Class I  | 332,876,502        | 214,021,583        |
| <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  | 3,326,999          | 1,982,406          |
| Class F  | 1,191,669          | 596,961            |
| Class I  | 33,287,664         | 21,402,173         |

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

## Statements of Comprehensive Income

For the years ended December 31

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Income</b>   |                  |                  |
| Interest for distribution purposes  | 5,428,463        | 4,118,069        |
| <b>Total income</b>   | <b>5,428,463</b> | <b>4,118,069</b> |
| <b>Expenses</b>   |                  |                  |
| Management fees   | 188,988          | 138,756          |
| Administrative fees   | 320,097          | 275,149          |
| <b>Total expenses before waiver</b>   | <b>509,085</b>   | <b>413,905</b>   |
| Expenses waived by the manager  | (373,416)        | (307,474)        |
| <b>Total expenses</b>   | <b>135,669</b>   | <b>106,431</b>   |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>            | <b>5,292,794</b> | <b>4,011,638</b> |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>  |                  |                  |
| Class D   | 448,412          | 303,651          |
| Class F   | 147,856          | 70,053           |
| Class I   | 4,696,526        | 3,637,934        |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit**</b> |                  |                  |
| Class D   | 0.17             | 0.14             |
| Class F   | 0.17             | 0.15             |
| Class I   | 0.19             | 0.16             |

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

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 years ended December 31

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | \$              | \$              |
| <b>Net assets attributable to holders of redeemable units at beginning of year</b>       |                 |                 |
| Class D  | 19,824,148      | 21,905,460      |
| Class F  | 5,969,614       | 3,516,294       |
| Class I  | 214,021,583     | 197,696,516     |
|  | 239,815,345     | 223,118,270     |
| <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>     |                 |                 |
| Class D  | 448,412         | 303,651         |
| Class F  | 147,856         | 70,053          |
| Class I  | 4,696,526       | 3,637,934       |
|  | 5,292,794       | 4,011,638       |
| <b>Distribution to holders of redeemable units</b>                                       |                 |                 |
| From net investment income   |                 |                 |
| Class D  | (448,400)       | (305,117)       |
| Class F  | (147,821)       | (70,291)        |
| Class I  | (4,696,573)     | (3,654,453)     |
|  | (5,292,794)     | (4,029,861)     |
| <b>Redeemable unit transactions</b>  |                 |                 |
| Proceeds from redeemable units issued  |                 |                 |
| Class D  | 33,173,133      | 16,159,275      |
| Class F  | 16,463,242      | 5,328,547       |
| Class I  | 1,749,882,647   | 1,529,165,437   |
| Reinvestments of distributions to holders of redeemable units                            |                 |                 |
| Class D  | 435,795         | 294,873         |
| Class F  | 147,821         | 70,327          |
| Class I  | 4,517,947       | 3,566,447       |
| Redemption of redeemable units   |                 |                 |
| Class D  | (20,162,990)    | (18,533,994)    |
| Class F  | (10,663,986)    | (2,945,316)     |
| Class I  | (1,635,545,628) | (1,516,390,298) |
|  | 138,247,981     | 16,715,298      |
| <b>Net increase (decrease) in net assets attributable to holders of redeemable units</b> |                 |                 |
| Class D  | 13,445,950      | (2,081,312)     |
| Class F  | 5,947,112       | 2,453,320       |
| Class I  | 118,854,919     | 16,325,067      |
|  | 138,247,981     | 16,697,075      |
| <b>Net assets attributable to holders of redeemable units at end of year</b>             |                 |                 |
| Class D  | 33,270,098      | 19,824,148      |
| Class F  | 11,916,726      | 5,969,614       |
| Class I  | 332,876,502     | 214,021,583     |
|  | 378,063,326     | 239,815,345     |

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

## Statements of Cash Flows

For the years ended December 31

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | \$              | \$              |
| <b>Cash flows from operating activities</b>  |                 |                 |
| Increase (decrease) in net assets attributable to holders of redeemable units      | 5,292,794       | 4,011,638       |
| Purchases of investments   | (2,753,171,734) | (2,909,727,301) |
| Proceeds from sale of investments  | 2,604,178,565   | 2,899,262,448   |
| (Increase) decrease in accrued interest  | (166,685)       | (171,848)       |
| Increase (decrease) in accrued liabilities   | 3,911           | (376)           |
| <b>Net cash flows from (used in) operating activities</b>                          | (143,863,149)   | (6,625,439)     |
| <b>Cash flows from financing activities</b>  |                 |                 |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (186,314)       | (90,284)        |
| Proceeds from redeemable units issued  | 1,799,584,477   | 1,550,284,185   |
| Redemption of redeemable units   | (1,655,520,835) | (1,543,559,932) |
| <b>Net cash flows from (used in) financing activities</b>                          | 143,877,328     | 6,633,969       |
| Net increase (decrease) in cash  | 14,179          | 8,530           |
| Cash at beginning of year  | 29,115          | 20,585          |
| <b>Cash at end of year*</b>  | 43,294          | 29,115          |
| <b>Supplementary information</b>   |                 |                 |
| Interest received  | 5,261,778       | 3,946,221       |

\* 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 December 31, 2019

| Par Value   |                                    | Coupon Rate (%) | Maturity Date | Average Cost \$     | Fair Value \$       | % of Net Assets |
|---|------------------------------------|-----------------|---------------|---------------------|---------------------|-----------------|
| <b>Short-Term Investments (2018 - 116.72%)</b>                |                                    |                 |               |                     |                     |                 |
| <b>Treasury Bills</b>   |                                    |                 |               |                     |                     |                 |
| 58,485,000  | Government of Canada               | 1.660           | 2-Apr-20      | 58,237,206          | 58,237,206          | 15.41           |
| 26,165,000  | Government of Canada               | 1.653           | 19-Mar-20     | 26,062,623          | 26,062,623          | 6.89            |
| 14,932,000  | Government of Canada               | 1.656           | 5-Mar-20      | 14,872,144          | 14,872,144          | 3.93            |
| 20,000,000  | Province of Manitoba               | 1.773           | 26-Feb-20     | 19,912,200          | 19,912,200          | 5.27            |
| 25,000,000  | Province of Ontario                | 1.776           | 4-Mar-20      | 24,892,500          | 24,892,500          | 6.58            |
| 25,000,000  | Province of Quebec                 | 1.765           | 6-Mar-20      | 24,890,750          | 24,890,750          | 6.58            |
|   |                                    |                 |               | <u>168,867,423</u>  | <u>168,867,423</u>  | <u>44.66</u>    |
| <b>Bankers Acceptance</b>                                     |                                    |                 |               |                     |                     |                 |
| 16,000,000  | Bank of Nova Scotia                | 1.976           | 31-Mar-20     | 15,921,760          | 15,921,760          | 4.21            |
| 21,450,000  | Bank of Nova Scotia                | 1.833           | 15-Jan-20     | 21,358,991          | 21,358,991          | 5.66            |
| 10,000,000  | Canadian Imperial Bank of Commerce | 1.967           | 31-Mar-20     | 9,950,800           | 9,950,800           | 2.63            |
| 21,450,000  | Canadian Imperial Bank of Commerce | 1.846           | 28-Feb-20     | 21,351,974          | 21,351,974          | 5.65            |
| 10,000,000  | Firstbank                          | 1.956           | 30-Mar-20     | 9,951,600           | 9,951,600           | 2.63            |
| 21,625,000  | Firstbank                          | 1.834           | 10-Feb-20     | 21,528,985          | 21,528,985          | 5.69            |
| 10,000,000  | Royal Bank of Canada               | 1.964           | 30-Mar-20     | 9,951,400           | 9,951,400           | 2.63            |
| 10,000,000  | The Toronto-Dominion Bank          | 1.964           | 27-Mar-20     | 9,953,000           | 9,953,000           | 2.63            |
| 21,500,000  | The Toronto-Dominion Bank          | 1.837           | 3-Feb-20      | 21,417,225          | 21,417,225          | 5.67            |
|   |                                    |                 |               | <u>141,385,735</u>  | <u>141,385,735</u>  | <u>37.40</u>    |
| <b>Discount Commercial Paper</b>                              |                                    |                 |               |                     |                     |                 |
| 9,000,000   | Enbridge Gas Distribution Inc.     | 2.077           | 27-Jan-20     | 8,986,230           | 8,986,230           | 2.38            |
| 6,800,000   | Enbridge Pipelines Inc.            | 2.077           | 24-Jan-20     | 6,790,752           | 6,790,752           | 1.80            |
| 10,000,000  | FortisBC Energy Inc.               | 1.933           | 24-Mar-20     | 9,955,300           | 9,955,300           | 2.63            |
| 16,500,000  | Hydro One Inc.                     | 1.890           | 19-Feb-20     | 16,435,485          | 16,435,485          | 4.35            |
| 5,825,000   | Hydro One Inc.                     | 1.886           | 30-Jan-20     | 5,799,894           | 5,799,894           | 1.53            |
| 13,000,000  | Inter Pipeline (Corridor) Inc.     | 1.955           | 10-Jan-20     | 12,936,430          | 12,936,430          | 3.42            |
| 7,000,000   | Inter Pipeline (Corridor) Inc.     | 1.957           | 8-Jan-20      | 6,966,470           | 6,966,470           | 1.84            |
| 21,510,000  | Royal Bank of Canada               | 1.834           | 3-Feb-20      | 21,411,953          | 21,411,953          | 5.66            |
| 8,000,000   | TransCanada PipeLines Ltd.         | 1.996           | 4-Mar-20      | 7,965,680           | 7,965,680           | 2.11            |
| 21,500,000  | TransCanada PipeLines Ltd.         | 1.934           | 17-Jan-20     | 21,409,485          | 21,409,485          | 5.67            |
|   |                                    |                 |               | <u>118,657,679</u>  | <u>118,657,679</u>  | <u>31.39</u>    |
| <b>Transaction Costs</b>                                      |                                    |                 |               |                     |                     |                 |
|   |                                    |                 |               | <u>—</u>            | <u>—</u>            | <u>—</u>        |
| <b>Total Investments</b>                                      |                                    |                 |               | <u>428,910,837</u>  | <u>428,910,837</u>  | <u>113.45</u>   |
| <b>Other Assets Net of Liabilities</b>                        |                                    |                 |               | <u>(50,847,511)</u> | <u>(50,847,511)</u> | <u>(13.45)</u>  |
| <b>Net Assets Attributable to Holders of Redeemable Units</b> |                                    |                 |               | <u>378,063,326</u>  | <u>378,063,326</u>  | <u>100.00</u>   |

# Beutel Goodman Money Market Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Risk Management

The investment objective of the Beutel Goodman Money Market Fund (the "Fund") is to maintain a high level of liquidity by investing in high quality Canadian dollar denominated money market instruments. 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 one year. The Fund is conservatively managed with an average term to maturity of less than 180 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 December 31, 2019 and December 31, 2018, the Fund invested in debt instruments with the following credit ratings, as designated by a recognized rating agency:

| Debt Instruments* by Credit Rating | Percentage of net assets (%) |               |
|------------------------------------|------------------------------|---------------|
|                                    | Dec. 31, 2019                | Dec. 31, 2018 |
| R1 (high)                          | 69                           | 57            |
| R1 (mid)                           | 42                           | 60            |
| Not Rated                          | 2                            | –             |
| <b>Total</b>                       | <b>113</b>                   | <b>117</b>    |

\*Excludes cash and cash equivalents

### 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 December 31, 2019 and December 31, 2018, 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) |               |
|-----------------------------------|------------------------------|---------------|
|                                   | Dec. 31, 2019                | Dec. 31, 2018 |
| FTSE Canada 91-day Treasury Bills | 3,489                        | 2,098         |
| <b>Total</b>                      | <b>3,489</b>                 | <b>2,098</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 December 31, 2019 and December 31, 2018, the Fund did not have significant exposure to foreign currency risk.

# Beutel Goodman Money Market Fund

## Fund Specific Notes to the Financial Statements

As at December 31, 2019 and 2018

### Concentration Risk

The following is a summary of the Fund's concentration risk as at December 31, 2019 and December 31, 2018:

| Market segment            | Dec. 31, 2019  | Dec. 31, 2018  |
|---------------------------|----------------|----------------|
| Short-Term Investments    |                |                |
| Treasury Bills            | 44.66%         | 10.74%         |
| Bankers Acceptance        | 37.40%         | 40.29%         |
| Bearers Deposit Notes     | –              | 6.01%          |
| Discount Commercial Paper | 31.39%         | 59.68%         |
| <b>Total</b>              | <b>113.45%</b> | <b>116.72%</b> |

### Fair Value Hierarchy

The following tables analyze the Fund's financial instruments carried at FVTPL within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

| December 31, 2019      | Level 1  | Level 2            | Level 3  | Total              |
|------------------------|----------|--------------------|----------|--------------------|
|                        | (\$)     | (\$)               | (\$)     | (\$)               |
| <b>Assets</b>          |          |                    |          |                    |
| Short-term investments | –        | 428,910,837        | –        | 428,910,837        |
| <b>Total Assets</b>    | <b>–</b> | <b>428,910,837</b> | <b>–</b> | <b>428,910,837</b> |

| December 31, 2018      | Level 1  | Level 2            | Level 3  | Total              |
|------------------------|----------|--------------------|----------|--------------------|
|                        | (\$)     | (\$)               | (\$)     | (\$)               |
| <b>Assets</b>          |          |                    |          |                    |
| Short-term investments | –        | 279,917,668        | –        | 279,917,668        |
| <b>Total Assets</b>    | <b>–</b> | <b>279,917,668</b> | <b>–</b> | <b>279,917,668</b> |

There were no transfers between level 1 and 2 during the years ended December 31, 2019 and December 31, 2018.

### Fund Unit Transactions

For the years ended December 31

| 2019                             | Class D          | Class F          | Class I           |
|----------------------------------|------------------|------------------|-------------------|
| Balance, beginning of the year   | 1,982,406        | 596,961          | 21,402,173        |
| Redeemable units issued for cash | 3,317,313        | 1,646,325        | 174,988,259       |
| Reinvested units                 | 43,579           | 14,782           | 451,795           |
| Redeemable units redeemed        | (2,016,299)      | (1,066,399)      | (163,554,563)     |
| <b>Balance, end of year</b>      | <b>3,326,999</b> | <b>1,191,669</b> | <b>33,287,664</b> |

| 2018                             | Class D          | Class F        | Class I           |
|----------------------------------|------------------|----------------|-------------------|
| Balance, beginning of the year   | 2,190,390        | 351,606        | 19,768,014        |
| Redeemable units issued for cash | 1,615,928        | 532,855        | 152,916,544       |
| Reinvested units                 | 29,487           | 7,033          | 356,645           |
| Redeemable units redeemed        | (1,853,399)      | (294,532)      | (151,639,030)     |
| <b>Balance, end of year</b>      | <b>1,982,406</b> | <b>596,961</b> | <b>21,402,173</b> |

# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

### 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 27, 2001      |
| Beutel Goodman Canadian Dividend Fund   | Canadian Dividend           | August 21, 2003  | August 21, 2003      |
| Beutel Goodman North American Focused Equity Fund   | North American Focused      | March 12, 1999   | April 9, 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  | September 14, 2010   |
| Beutel Goodman Income Fund *  | Income                      | August 23, 1990  | December 11, 1990    |
| Beutel Goodman Core Plus Bond Fund<br>(formerly known as Beutel Goodman<br>Corporate/Provincial Active Bond Fund) *** | Core Plus                   | 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  | October 4, 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    | July 15, 2011        |
| Beutel Goodman Fundamental Canadian Equity Fund   | Fundamental Canadian Equity | June 23, 2014    | June 23, 2014        |

\* Third Amended Trust Indenture dated August 28, 1991.

\*\* Amended on July 6, 2011 from Pooled Fund to Mutual Fund.

\*\*\* Name changed May 23, 2018

(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 March 25, 2020.

The Statements of Financial Position of each of the BG Funds are as at December 31, 2019 and December 31, 2018. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the years ended December 31, 2019 and December 31, 2018.

### 2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB).

### 3. Summary of Significant Accounting Policies

The following summarizes the significant accounting policies of the BG Funds:

#### a) Financial Instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other receivable and payables. All financial assets and liabilities are recognized in the Statements of Financial Position when the BG Funds become a party to the contractual requirements of the

instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the BG Funds have transferred substantially all risks and rewards of ownership.

Classification and measurement categories of financial instruments under IFRS 9 – Financial Instruments are amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The BG Funds’ business model is one in which financial assets are managed with the objective of realizing cash flows through the sale of assets. Decisions are made based on the assets’ fair values and assets are managed to realize these fair values. This business model is aligned with a FVTPL classification and measurement category. The BG Funds therefore measure investments and derivatives at FVTPL. Debt securities are measured at FVTPL as the BG Funds do not hold the assets to collect

# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

contractual cash flows based on their business model. Collection of the contractual cash flows is not integral to achieving the BG Funds' business model objective but is instead incidental to it.

The BG Funds' obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value at the reporting date. All other financial assets and liabilities are measured at amortized cost.

### Impairment

IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized costs or FVOCI. Financial assets held by the BG Funds which are measured at FVTPL are not subject to impairment.

With respect to receivables, the BG Funds consider both historical analysis and forward looking information in determining any expected credit loss. As at the financial statement date, all receivables are due to be settled within the short term. The BG Funds consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the BG Funds to credit risk, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements.

### b) Valuation of investments

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 fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The BG Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. 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 December 31, 2019 and December 31, 2018, 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.

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. The 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 end 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 mid of bid/ask prices provided by recognized investment dealers.

A Fund may, from time to time, enter into foreign currency forward contracts. Foreign currency forward contracts are valued on each valuation day based on the difference between the contract rate and the current forward rate at the measurement date applied to the contract's notional amount and adjusted for counterparty risk.

All unrealized gains (losses) arising from foreign currency forward contracts are recorded as part of "Change in unrealized appreciation (depreciation) in value of foreign currency forward contracts" in the Statements of Comprehensive Income and "Unrealized gain (loss) on foreign currency forward contracts" in the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized and reported as "Realized gain (loss) on foreign currency forward contracts" in the Statements of Comprehensive Income.

### c) Redeemable units valuation and valuation day

Redeemable units of the BG Funds are valued at the net asset value (NAV) per unit of each class 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 of each class is calculated by dividing the total NAV of each class of a Fund by the number of redeemable units of that class outstanding.

### d) Recognition of income

Interest for distribution purposes 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. 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)



# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

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.

### 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. In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the investment manager. The value of the research services included in the commissions paid by each fund, where applicable is disclosed in Note 9 as soft dollar commissions.

### f) 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 year-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 "Realized gain (loss) on foreign currency transactions" in the Statements of Comprehensive Income.

### g) Futures contracts

Futures contracts are valued on each valuation day using the closing price posted on the relevant public exchange. Cash and cash equivalents held as margin against futures contracts and all unrealized gains (losses) arising from futures contracts are reflected in the "Margins and unrealized gain on futures contracts" in the Statements of Financial Position. When the contracts are closed out or expire, the gains (losses) are realized and reported as "Realized gain (loss) on futures" in the Statements of Comprehensive Income. All unrealized gains (losses) arising from futures contracts are recorded as part of "Change in unrealized appreciation (depreciation) in the value of futures" 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 year.

### i) Other assets and liabilities

Cash and cash equivalents, interest and dividends receivables, subscriptions receivables and due from brokers, are classified as at amortized cost. Amounts due to brokers, accrued expenses and redemptions payables are classified as amortized cost. Other assets and liabilities are short term in nature and their carrying value approximates fair value.

### j) Critical accounting estimates and judgements

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 years. Actual results could differ from estimates.

### k) Cash and cash equivalents

Cash is composed of demand deposits with financial institutions. The BG Funds classify all short-term investments as cash equivalents due to their short term to maturity.

### l) 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. 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 each fund on different terms, including being subject to different management fee rates and therefore, are classified as financial liability.

### m) Interests in structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Certain BG Funds may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The BG Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

### 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) and derivatives 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. Credit risk exposure for derivative instruments is based on each Fund's unrealized gain on the contractual obligations with the counterparty as at the reporting date. The credit rating of a counterparty to a derivative instrument is disclosed in Schedule of Investment Portfolio or in Fund Specific Notes to the Financial Statements section of the financial statements of each Fund, if applicable. 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 Funds 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.

#### 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,

# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

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 and foreign currency forward contracts. 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.

### h) Offsetting of financial instruments

In the normal course of business, the BG Funds enter into various master netting agreements or other similar agreements that do not meet the criteria of offsetting in the statements of financial position but still allow for the realized amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

The disclosures set out in the Offsetting of Financial Instruments tables in the Fund Specific Notes to Financial Statements of each Fund, where applicable, include foreign currency forward contracts assets and liabilities that are subject to netting arrangement. In the absence of such an election, contracts will be settled on a gross basis.

## 5. Taxation of the BG Funds

The BG Funds, with the exceptions of Short Term 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 December 31, 2019, 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                   | Capital Losses |
|------------------------|----------------|
|                        | \$             |
| International          | 4,407,266      |
| North American Focused | 203,163        |
| Short Term             | 11,868,574     |

## 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 Statements of Changes in Net Assets Attributable to Holders of Redeemable Units identify changes in each Fund's capital during the year. 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, or any other investors for whom we do not incur distribution costs; and

**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, and for our employees (or employees of our affiliates). At our discretion, we may waive the investment minimum.

# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

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 years.

### 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

For services provided to each Fund, the Manager is entitled to a management fee from each class of the Fund based on the average daily net asset value of the particular class. These services include, without limitation, making decisions concerning the investment of the assets of the Fund, authorizing the payment of all fees and operating expenses, preparing financial statements, income tax returns, financial and accounting information as required, ensuring that unitholders are provided with financial statements (including unaudited interim and audited annual financial statements) and other reports and continuous disclosure materials, ensuring that the Fund complies with regulatory requirements, preparing the Fund's reports to unitholders and the Canadian securities regulators, determining the amount of distributions to be paid by the Fund, and retaining and negotiating contractual agreements with third party providers of services, including advisers, record keepers, auditors and printers. The fee is payable monthly, in arrears, and is calculated at the annualized rate specified for each class of each Fund below. Management fees for Class I units are negotiated and paid directly by the investor, not by the Fund, and, therefore, are not listed. The negotiated management fee for Class I units will not exceed the management fee as listed below for Class D units of the same Fund (Class B units in the case of Beutel Goodman Fundamental Canadian Equity Fund, Beutel Goodman Global Dividend Fund and Beutel Goodman Short Term Bond Fund).

### Management Fees

| Fund                    | Class | Management              |
|-------------------------|-------|-------------------------|
|                         |       | Fees (%) <sup>(1)</sup> |
| Balanced Fund           | B     | 1.75                    |
|                         | D     | 1.00                    |
|                         | F     | 0.85                    |
| Canadian Equity Fund    | B     | 1.85                    |
|                         | D     | 1.25                    |
|                         | F     | 0.90                    |
| Total World Equity Fund | B     | 1.85                    |
|                         | D     | 1.25                    |
|                         | F     | 0.90                    |

| Fund                               | Class | Management              |
|------------------------------------|-------|-------------------------|
|                                    |       | Fees (%) <sup>(1)</sup> |
| North American Focused Equity Fund | B     | 1.85                    |
|                                    | D     | 1.25                    |
|                                    | F     | 0.90                    |
| Small Cap Fund                     | B     | 1.95                    |
|                                    | D     | 1.25                    |
|                                    | F     | 1.00                    |
| Canadian Dividend Fund             | B     | 1.85                    |
|                                    | D     | 1.25                    |
|                                    | F     | 0.90                    |
| Global Dividend Fund               | B     | 1.90                    |
|                                    | F     | 1.00                    |
| World Focus Equity Fund            | B     | 1.90                    |
|                                    | D     | 1.25                    |
|                                    | F     | 1.00                    |
| Global Equity Fund                 | B     | 1.90                    |
|                                    | D     | 1.25                    |
|                                    | F     | 1.00                    |
| International Equity Fund          | B     | 1.90                    |
|                                    | D     | 1.25                    |
|                                    | F     | 1.00                    |
| American Equity Fund               | B     | 1.85                    |
|                                    | D     | 1.25                    |
|                                    | F     | 0.90                    |
| Income Fund                        | B     | 1.00                    |
|                                    | D     | 0.70                    |
|                                    | F     | 0.50                    |
| Long Term Bond Fund                | B     | 1.00                    |
|                                    | D     | 0.70                    |
|                                    | F     | 0.50                    |
| Core Plus Bond Fund                | B     | 1.00                    |
|                                    | D     | 0.70                    |
|                                    | F     | 0.50                    |
| Short Term Bond Fund               | B     | 1.00                    |
|                                    | F     | 0.50                    |
| Money Market Fund                  | D     | 0.50                    |
|                                    | F     | 0.40                    |
| Fundamental Canadian Equity Fund   | B     | 1.85                    |
|                                    | F     | 0.90                    |

(1) Plus HST where applicable.

The Manager pays certain operating expenses 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 unitholder record-keeping; expenses incurred in respect of preparing and distributing prospectuses, financial reports and other types of reports, statements and communications to unitholders; fund accounting and valuation costs; and filing fees, including those incurred by the Manager. In return, each Fund pays the Manager a fixed administration fee. The administration fee, set out below, is subject to applicable taxes including HST and may vary by class of units and by Fund.

# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

### Administrative Fees

| Fund                               | 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 Equity 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     |
| 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     |

| Fund                             | Class | Administrative |
|----------------------------------|-------|----------------|
|                                  |       | Fees (%)       |
| Core Plus 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     |

The Manager has the following holdings in the BG Funds:

| Fund         | Class | Value of                                   | Value of                                   |
|--------------|-------|--|--|
|              |       | Redeemable<br>units as at<br>Dec. 31, 2019 | Redeemable<br>units as at<br>Dec. 31, 2018 |
|              |       | \$   | \$   |
| Money Market | I     | 11,242,996                                 | 14,057,267                                 |

## 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.

# Beutel Goodman Managed Funds

## Notes to Financial Statements

For the years ended December 31, 2019 and 2018

### 9. Commissions

Commissions paid to brokers for portfolio transactions for the years ended December 31, 2019 and 2018 were as follows:

|                               | 2019      | 2018      |
|-------------------------------|-----------|-----------|
|                               | \$        | \$        |
| Balanced                      | 1,648,368 | 2,339,944 |
| Canadian Equity               | 1,539,531 | 1,717,550 |
| Total World Equity            | 4,023     | 5,224     |
| North American Focused Equity | 10,160    | 17,567    |
| Canadian Dividend             | 298,657   | 280,069   |
| Small Cap                     | 304,898   | 354,823   |
| American Equity               | 457,424   | 549,906   |
| International Equity          | 243,657   | 296,850   |
| Global Dividend               | 12,363    | 44,985    |
| World Focus Equity            | 17,544    | 13,053    |
| Global Equity                 | 236,481   | 359,413   |
| Fundamental Canadian Equity   | 433,713   | 246,829   |

Soft dollar commissions for the years ended December 31, 2019 and 2018 were as follows:

|                               | 2019    | 2018    |
|-------------------------------|---------|---------|
|                               | \$      | \$      |
| Balanced                      | 132,716 | 158,839 |
| Canadian Equity               | 282,340 | 458,552 |
| Total World Equity            | 50      | 131     |
| North American Focused Equity | 1,807   | 2,897   |
| Canadian Dividend             | 13,187  | 13,953  |
| Small Cap                     | 13,201  | 72,051  |
| American Equity               | 72,887  | 66,636  |
| Global Dividend               | 122     | 60      |
| World Focus Equity            | 447     | 216     |
| Global Equity                 | 7,087   | 1,098   |
| Fundamental Canadian Equity   | 61,941  | 44,738  |

### 10. Subsequent Events

The impact of the coronavirus ("COVID-19") outbreak on the financial performance of the Funds' investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Funds' future investment results may be materially adversely affected.



Beutel, Goodman & Company Ltd.  
20 Eglinton Avenue West, Suite 2000  
P.O. Box 2005, Toronto, Ontario  
M4R 1K8

Telephone: (416) 932-6403  
Toll-free: 1-855-247-9954  
Fax: (416) 485-8194

E-mail: [mutualfunds@beutelgoodman.com](mailto:mutualfunds@beutelgoodman.com)

[www.beutelgoodman.com](http://www.beutelgoodman.com)