



Annual Management Report of Fund Performance

December 31, 2019

Beutel Goodman Money Market Fund

Beutel Goodman Money Market Fund

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

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

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

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

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Beutel Goodman Money Market Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

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

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

Risk

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

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

Results of Operations

Money market yields increased two basis points over the January 1 to December 31, 2019 period. The Canada 3-month Treasury Bill yields started the period yielding 1.64% and finished at 1.66%.

During the January 1 to December 31, 2019 period, the Bank of Canada (BoC) maintained the cautious tone struck in its December 2018 monetary policy release. However, amid a pickup in the economy in the second quarter, the BoC highlighted the beginning of a potential recovery in the oil sector, a more stable national housing market and continued strong job growth. Inflation also rose. And, despite a series of three consecutive rate cuts by the U.S. Federal Reserve (the Fed) as well as renewed quantitative easing programs by other central banks around the world in the second half of the year, the BoC held steady with an overnight rate of 1.75% for the year.

Beutel Goodman Money Market Fund saw its yield to maturity decrease over the period from 2.10% to 1.82% at December 31, 2019. As at the beginning of the reporting period, the average term increased from 38 days at December 31, 2018 to 58 days at December 31, 2019, and is shorter than its benchmark, the FTSE Canada 91-Day T-Bill Index.

Detailed performance is provided under the heading "Past Performance" in this report.

Recent Developments

As we move into a new year, it appears the U.S. Federal Reserve's (the Fed) intervention may have bought the U.S. economy some time to recover. Both the Fed and the BoC are expected to remain on hold with respect to interest rates during 2020. However, as central banks have demonstrated recently, being data dependent means that they can change policy direction and tone very quickly in response to financial and economic conditions. In addition, given President Trump's unpredictability, we would be remiss not to note that unforeseen events can dramatically impact the best-laid plans for the global economy, as the January 3rd killing of Iranian General Soleimani by the U.S. has highlighted.

Employment gains have been somewhat soft this last quarter, but as in the U.S., overall the Canadian job market remains strong, which supports consumer spending. In addition, inflation is on target, we could see a fiscal boost from possible tax cuts and other fiscal measures meted out by the federal government, and BoC policy is likely to remain unchanged in the months ahead, given Governor Poloz is stepping down in June. We note that the BoC remains sensitive to a strengthening Canadian dollar. Faced with a slowing economy and an appreciating currency that is in part being fueled by higher crude oil prices, the Bank may soften its recent hawkish commentary in an effort to weaken demand for the Canadian dollar.

We have been cautioning for some time now that we appear to be getting close to the end of the cycle, and it's not yet clear whether central banks have the firepower to navigate the exogenous risks ahead. However, as long as hiring continues and people have jobs, they will spend money and the economy will expand. As a result, while caution is warranted, we will seek out opportunities to capitalize on.

Market Risk 2020

The impact of the coronavirus ("COVID-19") outbreak on the financial performance of the Fund's 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 Fund's future investment results may be materially adversely affected.

Related Party Transactions

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

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

Beutel Goodman Money Market Fund

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

	Maximum Annual Management Fee Rate %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Class D	0.50	47	53
Class F	0.40	0	100

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

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

Beutel Goodman Money Market Fund

Financial Highlights

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

Financial Highlights per unit

Class D Units

(for the years ended December 31)

\$	2019	2018	2017	2016	2015
Net assets, beginning of year	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations					
Total Interest Revenue	0.19	0.16	0.09	0.08	0.09
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Total increase (decrease) from operations ⁽¹⁾	0.17	0.14	0.07	0.06	0.07
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.17	0.15	0.07	0.06	0.07
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
From return of capital	—	—	—	—	—
Total annual distributions ⁽²⁾	0.17	0.15	0.07	0.06	0.07
Net assets, end of year ⁽³⁾	10.00	10.00	10.00	10.00	10.00

Ratios and Supplemental Data

Class D Units

(for the years ended December 31)

	2019	2018	2017	2016	2015
Total net asset value (\$) (000's) ⁽⁴⁾	33,270	19,824	21,905	26,765	24,065
Number of outstanding units (000's) ⁽⁴⁾	3,327	1,982	2,190	2,676	2,406
Management expense ratio ⁽⁵⁾	0.22%	0.22%	0.22%	0.22%	0.22%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.66%	0.67%	0.67%	N/A	N/A
Net asset value per unit, end of year	10.00	10.00	10.00	10.00	10.00

Financial Highlights per unit

Class F Units

(for the years ended December 31)

\$	2019	2018	2017	2016	2015
Net assets, beginning of year	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations					
Total Interest Revenue	0.19	0.17	0.10	0.08	0.09
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Total increase (decrease) from operations ⁽¹⁾	0.17	0.15	0.08	0.06	0.07
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.17	0.15	0.07	0.06	0.07
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
From return of capital	—	—	—	—	—
Total annual distributions ⁽²⁾	0.17	0.15	0.07	0.06	0.07
Net assets, end of year ⁽³⁾	10.00	10.00	10.00	10.00	10.00

Ratios and Supplemental Data

Class F Units

(for the years ended December 31)

	2019	2018	2017	2016	2015
Total net asset value (\$) (000's) ⁽⁴⁾	11,917	5,970	3,516	97	114
Number of outstanding units (000's) ⁽⁴⁾	1,192	597	352	10	11
Management expense ratio ⁽⁵⁾	0.23%	0.23%	0.23%	0.23%	0.23%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.57%	0.57%	0.57%	N/A	N/A
Net asset value per unit, end of year	10.00	10.00	10.00	10.00	10.00

Beutel Goodman Money Market Fund

Financial Highlights

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

Financial Highlights per unit

Class I Units

(for the years ended December 31)

\$	2019	2018	2017	2016	2015
Net assets, beginning of year	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations					
Total Interest Revenue	0.19	0.16	0.09	0.08	0.09
Total expenses	—	—	—	—	—
Total increase (decrease) from operations ⁽¹⁾	0.19	0.16	0.09	0.08	0.09
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.19	0.17	0.09	0.08	0.09
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
From return of capital	—	—	—	—	—
Total annual distributions ⁽²⁾	0.19	0.17	0.09	0.08	0.09
Net assets, end of year ⁽³⁾	10.00	10.00	10.00	10.00	10.00

Ratios and Supplemental Data

Class I Units

(for the years ended December 31)

	2019	2018	2017	2016	2015
Total net asset value (\$) (000's) ⁽⁴⁾	332,877	214,022	197,697	309,074	40,625
Number of outstanding units (000's) ⁽⁴⁾	33,288	21,402	19,768	30,907	4,062
Management expense ratio ⁽⁵⁾	0.02%	0.02%	0.02%	0.02%	0.04%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.11%	0.11%	0.11%	N/A	N/A
Net asset value per unit, end of year	10.00	10.00	10.00	10.00	10.00

Beutel Goodman Money Market Fund

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

Past Performance

The performance returns below:

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

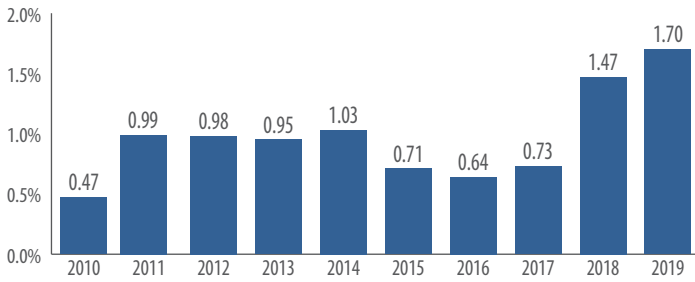
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman Money Market Fund

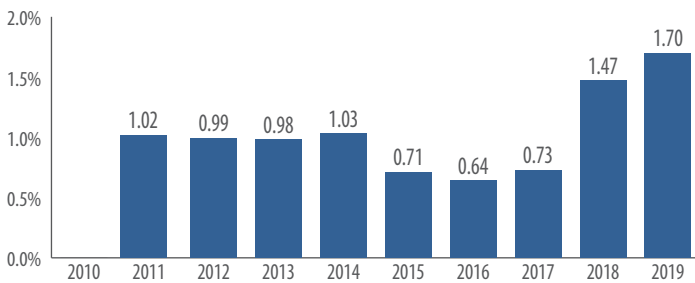
Year-by-Year Returns

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

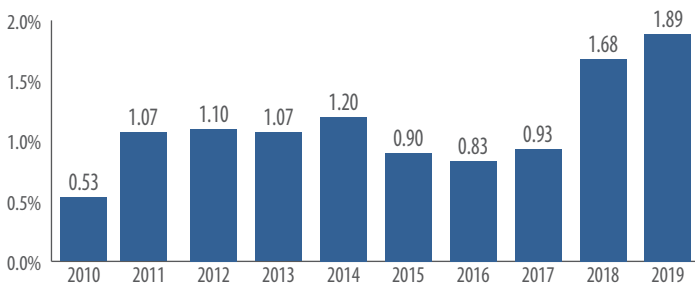
Class D



Class F



Class I



Beutel Goodman Money Market Fund

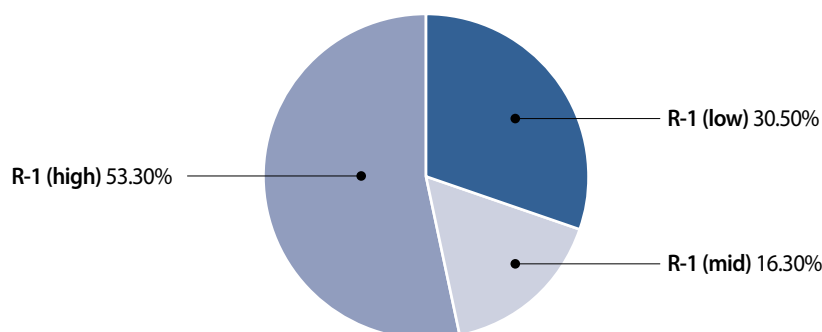
Summary of Investment Portfolio

The following information may change due to the ongoing portfolio transactions of the Fund. More current information regarding the holdings of the Fund may be obtained on our website at www.beutelgoodman.com.

Summary of Top 25 Holdings

Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Government of Canada	1.660	2-Apr-20	15.41	14. Government of Canada	1.656	5-Mar-20	3.93
2. Government of Canada	1.653	19-Mar-20	6.89	15. Inter Pipeline (Corridor) Inc.	1.955	10-Jan-20	3.42
3. Province of Ontario	1.776	4-Mar-20	6.58	16. Canadian Imperial Bank of Commerce	1.967	31-Mar-20	2.63
4. Province of Quebec	1.765	6-Mar-20	6.58	17. Firstbank	1.956	30-Mar-20	2.63
5. Firstbank	1.834	10-Feb-20	5.69	18. Royal Bank of Canada	1.964	30-Mar-20	2.63
6. The Toronto-Dominion Bank	1.837	3-Feb-20	5.67	19. The Toronto-Dominion Bank	1.964	27-Mar-20	2.63
7. TransCanada PipeLines Limited	1.934	17-Jan-20	5.67	20. FortisBC Energy Inc.	1.933	24-Mar-20	2.63
8. Bank of Nova Scotia	1.833	15-Jan-20	5.66	21. Enbridge Gas Distribution Inc.	2.077	27-Jan-20	2.38
9. Royal Bank of Canada	1.834	3-Feb-20	5.66	22. TransCanada PipeLines Limited	1.996	4-Mar-20	2.11
10. Canadian Imperial Bank of Commerce	1.846	28-Feb-20	5.65	23. Inter Pipeline (Corridor) Inc.	1.957	8-Jan-20	1.84
11. Province of Manitoba	1.773	26-Feb-20	5.27	24. Enbridge Pipelines Inc.	2.077	24-Jan-20	1.80
12. Hydro One Inc.	1.890	19-Feb-20	4.35	25. Hydro One Inc.	1.886	30-Jan-20	1.53
13. Bank of Nova Scotia	1.976	31-Mar-20	4.21				

Quality Mix





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