



Annual Management Report of Fund Performance

December 31, 2021

Beutel Goodman Core Plus Bond Fund

Beutel Goodman Core Plus Bond 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.

Beutel Goodman Managed Funds

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

www.beutelgoodman.com

Beutel Goodman Core Plus Bond Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

This Fund seeks long-term capital appreciation by actively managing a portfolio primarily consisting of (i) Canadian government and corporate short-term debt instruments; and (ii) Canadian corporate long-term fixed-income securities which have a rating of at least BBB by a recognized Canadian rating agency.

To achieve its objective, the Fund invests in a diversified portfolio of Canadian government and Canadian corporate bonds of various maturities with a weighted average term of 6 to 15 years. The corporate bonds have an average credit rating of BBB or higher by a recognized rating agency. From time to time the Fund may also invest in bonds that are rated below BBB, and in other evidences of indebtedness and in exchange-traded funds.

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

Over the 12-month period ended December 31, 2021, Beutel Goodman Core Plus Bond Fund (the "Fund"), Class B declined 1.98% versus a decline of 2.54% for the Fund's benchmark, the FTSE Canada Universe Bond Index. Unlike the benchmark, the Fund's return is net of fees and expenses paid by the Fund. Please refer to the "Annual Compound Returns" in the Past Performance section for the returns of all classes of the Fund. Detailed performance is provided under the heading "Past Performance" in this report.

As if to continue the theme from 2020, the period fueled another bumpy ride for investors. Many events contributed to volatility, including the storming of the U.S. Capitol building, strong economic growth coming off the weakness of the previous year, a sell-off in Treasuries and Government of Canada bonds, sharp declines in unemployment, rising inflation, potential contagion events from China's real estate sector, and the initial unwinding of stimulative monetary policy. Additionally, COVID-19 remained a key theme for the period which saw a ramp-up in vaccination programs, renewed lockdowns in many parts of the world, and the emergence of prominent variants of the virus, the most recent of which set new records for global cases despite not being as proportionally lethal as previous variants.

Arguably, the most important stories for the bond markets were closely connected: the rise in inflation and the shift in monetary policy. Both Canadian and U.S. inflation rates accelerated throughout the period, rising to 4.8% and 7% annualized, respectively. Much of the rise in prices was directly related to supply chain issues stemming from COVID restrictions and infections disrupting the workforce. Initially, central banks labelled inflation as a transitory issue. However, by the end of the period, inflation was recognized as being more persistent.

The rise in inflation, combined with strong economic growth and an improving job market, led many central banks to shift towards a more hawkish perspective. The Bank of Canada (BoC) became one of the first central banks to begin and complete tapering its quantitative easing program by November. The U.S. Federal Reserve began to taper its stimulus later, but accelerated the pace of its tapering prior to the end of the period. Many central banks are also projecting higher interest rates moving forward.

Key Drivers of Performance

- The Fund's exposure to corporate credit, including U.S.-dollar-denominated high-yield bonds, added value. The Fund was overweight corporate bonds amid a tightening of credit spreads as central banks maintained their easier-for-longer stance to promote more stimulus and liquidity.
- Corporate security selection added value through the Fund's high yield positions and overweight position in the Financials and Energy sectors, namely pipelines and midstream companies.
- The Fund's duration positioning was positive as the portfolio was generally short duration in a rising bond yield environment.
- The Fund's yield-curve positioning detracted due to the concentration in four- to seven-year bonds as the yield curve flattened.

Portfolio Activity

- The team employs macroeconomic analysis, rigorous bottom-up credit research and proprietary risk-management tools to search for opportunities where the market has mispriced risk and reward. As a by-product of the team's investment process, market performance and general management activity, the following changes occurred in the Fund's portfolio during the reporting period:
 - The Fund's weighting in investment grade corporate bonds decreased over the period, particularly in energy-related and cyclical sectors, reflecting the team's view to shift to a more defensive positioning.
 - The Fund's weightings in provincial government bonds, federal government bonds and term loans increased over the period.
 - The Fund's level of cash and cash equivalents increased from the beginning of the period.

Beutel Goodman Core Plus Bond Fund

Recent Developments

During the period, Beutel Goodman announced the annual management fee for the Fund will be reduced by eight basis points (0.08%) for Classes B, D and F, effective July 1, 2021.

On April 26, 2021, Ryan Laird, MBA, CFA joined the company as Credit Analyst, Fixed Income. With the addition of Ryan Laird to the Fixed income team, Mary Crowe, CFA transitioned from the Fixed Income team to the Canadian Equities team. There has been no impact on the portfolios as a result of these changes, nor does Beutel Goodman expect there to be.

We continue to believe inflation will trend lower in 2022, although likely not as much as central banks expect. Regardless of where the numbers ultimately settle, stickier inflation could increase the odds of interest rate hikes. Currently, we expect to see three hikes in both Canada and the U.S. this year, but there may be potential for more, particularly if the central banks are not satisfied with the trajectory of inflation.

We have become slightly more defensive with portfolio positioning. The portfolio is positioned short duration relative to the benchmark. We are currently positioned with a view that while the BoC will raise interest rates in 2022, it will likely be less than the market is currently pricing, and we expect some volatility in 2022. We remain overweight from a credit perspective; however, we have tempered this overweight by upgrading quality, lowering the weight in high yield and moving into shorter-duration corporate bonds. As always, we will monitor the situation and our portfolio positioning will be reflective of our macroeconomic views.

Market Risk 2022

The impact of the coronavirus ("COVID-19") pandemic 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. This public health crisis 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 continue to be impacted for an extended period, the Fund's future investment results may be materially adversely affected.

In February 2022, Russian forces invaded Ukraine, resulting in an armed conflict and economic sanctions on Russia. Price volatility, trading restrictions, including the potential for extended halting of Russian market trading, and general default risk has impacted Russian securities and global financial markets. The conflict may contribute to an increase in short-term market volatility. It is uncertain how long the conflict, economic sanctions and market instability will continue and whether they will escalate further. The manager is actively monitoring the situation.

Related Party Transactions

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

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

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

	As a Percentage of Management Fees		
	Maximum Annual Management Fee Rate %	Dealer Compensation %	General Administration, Investment Advice and Profit %
Class B	1.00	49	51
Class D	0.70	18	82
Class F	0.50	0	100

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

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

Beutel Goodman Core Plus Bond Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 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 B Units

(for the years ended December 31)

\$	2021	2020	2019	2018	2017
Net assets, beginning of year	10.03	9.59	9.28	9.45	9.44
Increase (decrease) from operations					
Total revenue	0.30	0.33	0.31	0.30	0.33
Total expenses	(0.11)	(0.12)	(0.12)	(0.11)	(0.12)
Realized gains (losses) for the year	0.04	0.40	0.27	(0.10)	0.05
Unrealized gains (losses) for the year	(0.53)	0.30	0.17	(0.09)	(0.03)
Total increase (decrease) from operations ⁽¹⁾	(0.30)	0.91	0.63	–	0.23
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.16	0.21	0.19	0.19	0.20
From dividends	–	–	–	–	–
From capital gains	0.05	0.28	0.14	–	0.02
From return of capital	–	–	–	–	–
Total annual distributions ⁽²⁾	0.21	0.49	0.33	0.19	0.22
Net assets, end of year ⁽³⁾	9.62	10.03	9.59	9.28	9.45

Ratios and Supplemental Data

Class B Units

(for the years ended December 31)

	2021	2020	2019	2018	2017
Total net asset value (\$) (000's) ⁽⁴⁾	2,220	3,012	2,531	2,414	3,046
Number of outstanding units (000's) ⁽⁴⁾	231	300	264	260	322
Management expense ratio ⁽⁵⁾	1.18%	1.21%	1.21%	1.21%	1.21%
Management expense ratio before waivers or absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	132%	159%	177%	132%	86%
Trading expense ratio (%) ⁽⁸⁾	–	–	–	–	–
Net asset value per unit, end of year	9.62	10.03	9.59	9.28	9.45

Financial Highlights per unit

Class D Units

(for the years ended December 31)

\$	2021	2020	2019	2018	2017
Net assets, beginning of year	5.41	5.17	5.00	5.09	5.08
Increase (decrease) from operations					
Total revenue	0.16	0.18	0.17	0.17	0.17
Total expenses	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Realized gains (losses) for the year	0.01	0.21	0.15	(0.06)	0.03
Unrealized gains (losses) for the year	(0.23)	0.17	0.11	(0.05)	(0.01)
Total increase (decrease) from operations ⁽¹⁾	(0.10)	0.52	0.39	0.02	0.15
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.12	0.13	0.12	0.12	0.13
From dividends	–	–	–	–	–
From capital gains	0.03	0.15	0.08	–	0.01
From return of capital	–	–	–	–	–
Total annual distributions ⁽²⁾	0.15	0.28	0.20	0.12	0.14
Net assets, end of year ⁽³⁾	5.18	5.41	5.17	5.00	5.09

Ratios and Supplemental Data

Class D Units

(for the years ended December 31)

	2021	2020	2019	2018	2017
Total net asset value (\$) (000's) ⁽⁴⁾	16,235	19,103	19,778	23,397	31,912
Number of outstanding units (000's) ⁽⁴⁾	3,137	3,533	3,829	4,684	6,273
Management expense ratio ⁽⁵⁾	0.73%	0.78%	0.77%	0.78%	0.78%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.89%	0.89%	0.88%	0.89%	0.89%
Portfolio turnover rate ⁽⁷⁾	132%	159%	177%	132%	86%
Trading expense ratio (%) ⁽⁸⁾	–	–	–	–	–
Net asset value per unit, end of year	5.18	5.41	5.17	5.00	5.09

Beutel Goodman Core Plus Bond Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 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 F Units

(for the years ended December 31)

\$	2021	2020	2019	2018	2017
Net assets, beginning of year	10.05	9.61	9.30	9.47	9.47
Increase (decrease) from operations					
Total revenue	0.30	0.33	0.31	0.32	0.32
Total expenses	(0.06)	(0.07)	(0.06)	(0.06)	(0.06)
Realized gains (losses) for the year	0.01	0.40	0.26	(0.10)	0.06
Unrealized gains (losses) for the year	(0.38)	0.30	0.16	(0.10)	(0.03)
Total increase (decrease) from operations ⁽¹⁾	(0.13)	0.96	0.67	0.06	0.29
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.24	0.26	0.25	0.24	0.26
From dividends	–	–	–	–	–
From capital gains	0.05	0.28	0.14	–	0.02
From return of capital	–	–	–	–	–
Total annual distributions ⁽²⁾	0.29	0.54	0.39	0.24	0.28
Net assets, end of year ⁽³⁾	9.62	10.05	9.61	9.30	9.47

Ratios and Supplemental Data

Class F Units

(for the years ended December 31)

	2021	2020	2019	2018	2017
Total net asset value (\$) (000's) ⁽⁴⁾	15,251	13,418	10,635	9,070	9,529
Number of outstanding units (000's) ⁽⁴⁾	1,586	1,335	1,107	976	1,006
Management expense ratio ⁽⁵⁾	0.61%	0.66%	0.66%	0.66%	0.65%
Management expense ratio before waivers or absorptions ⁽⁶⁾	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate ⁽⁷⁾	132%	159%	177%	132%	86%
Trading expense ratio (%) ⁽⁸⁾	–	–	–	–	–
Net asset value per unit, end of year	9.62	10.05	9.61	9.30	9.47

Financial Highlights per unit

Class I Units

(for the years ended December 31)

\$	2021	2020	2019	2018	2017
Net assets, beginning of year	5.51	5.27	5.10	5.20	5.19
Increase (decrease) from operations					
Total revenue	0.17	0.18	0.16	0.17	0.18
Total expenses	–	–	–	–	–
Realized gains (losses) for the year	–	0.22	0.15	(0.04)	0.03
Unrealized gains (losses) for the year	(0.17)	0.16	0.09	(0.04)	(0.06)
Total increase (decrease) from operations ⁽¹⁾	–	0.56	0.40	0.09	0.15
Distributions to unitholders per unit:					
From net investment income (excluding dividends)	0.16	0.18	0.17	0.17	0.18
From dividends	–	–	–	–	–
From capital gains	0.03	0.15	0.08	–	0.01
From return of capital	–	–	–	–	–
Total annual distributions ⁽²⁾	0.19	0.33	0.25	0.17	0.19
Net assets, end of year ⁽³⁾	5.27	5.51	5.27	5.10	5.20

Ratios and Supplemental Data

Class I Units

(for the years ended December 31)

	2021	2020	2019	2018	2017
Total net asset value (\$) (000's) ⁽⁴⁾	64,424	42,782	30,589	25,412	9,024
Number of outstanding units (000's) ⁽⁴⁾	12,219	7,764	5,809	4,986	1,737
Management expense ratio ⁽⁵⁾	0.04%	0.04%	0.04%	0.05%	0.05%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.11%	0.11%	0.11%	0.11%	0.11%
Portfolio turnover rate ⁽⁷⁾	132%	159%	177%	132%	86%
Trading expense ratio (%) ⁽⁸⁾	–	–	–	–	–
Net asset value per unit, end of year	5.27	5.51	5.27	5.10	5.20

Beutel Goodman Core Plus Bond Fund

- (1) Net asset value per unit and distributions to unitholders per unit are based on the actual number of units outstanding for the relevant class at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding for the relevant class over the fiscal 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.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate equals the lesser of the costs of purchases and proceeds of sales of portfolio securities for the year divided by the average value of the portfolio securities of the Fund calculated on a monthly basis, excluding short-term securities.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs disclosed in the Statements of Comprehensive Income expressed as an annualized percentage of daily average net asset value of the Fund during the year.

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.**

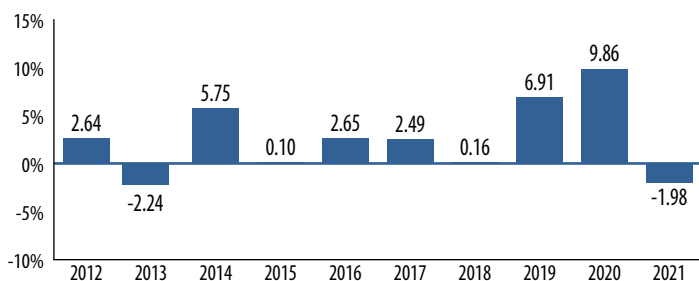
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman Core Plus Bond Fund

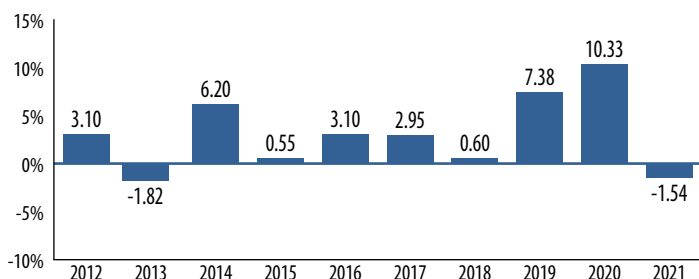
Year-by-Year Returns

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.

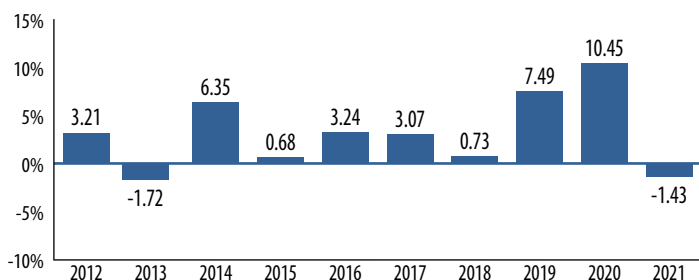
Class B



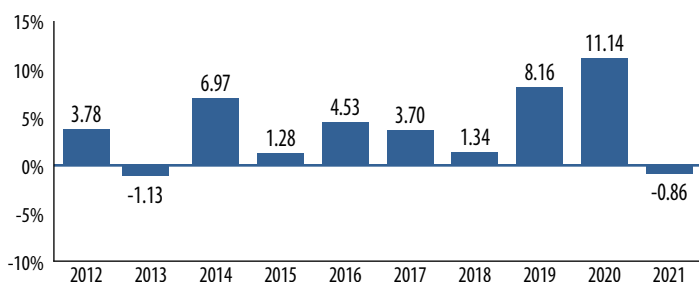
Class D



Class F



Class I



Annual Compound Returns

The following table shows the Fund's historical annual compound total returns for each of the periods indicated ended on December 31, 2021, as compared to the performance of the FTSE Canada Universe Bond Index.*

Class B

	10 Years (%)	5 Years (%)	3 Years (%)	Past Year (%)
Beutel Goodman Core Plus Bond Fund	2.57	3.40	4.81	-1.98
FTSE Canada Universe Bond Index	3.27	3.31	4.22	-2.54

Class D

	10 Years (%)	5 Years (%)	3 Years (%)	Past Year (%)
Beutel Goodman Core Plus Bond Fund	3.02	3.85	5.26	-1.54
FTSE Canada Universe Bond Index	3.27	3.31	4.22	-2.54

Class F

	10 Years (%)	5 Years (%)	3 Years (%)	Past Year (%)
Beutel Goodman Core Plus Bond Fund	3.14	3.97	5.38	-1.43
FTSE Canada Universe Bond Index	3.27	3.31	4.22	-2.54

Class I

	10 Years (%)	5 Years (%)	3 Years (%)	Past Year (%)
Beutel Goodman Core Plus Bond Fund	3.82	4.60	6.02	-0.86
FTSE Canada Universe Bond Index	3.27	3.31	4.22	-2.54

* The FTSE Canada Universe Bond Index is designed to reflect the Canadian bond market.

A discussion of the relative performance of the Fund is under the Results of Operations section of this report.

Beutel Goodman Core Plus Bond Fund

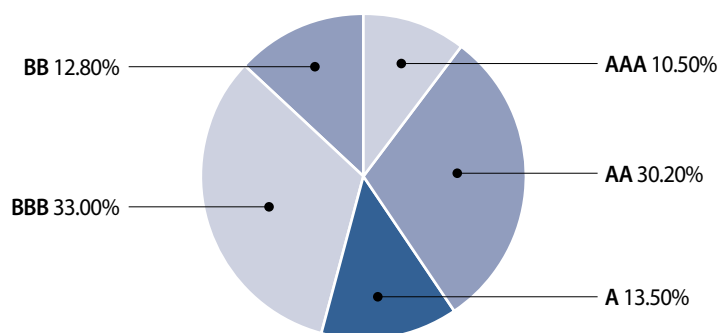
Summary of Investment Portfolio

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

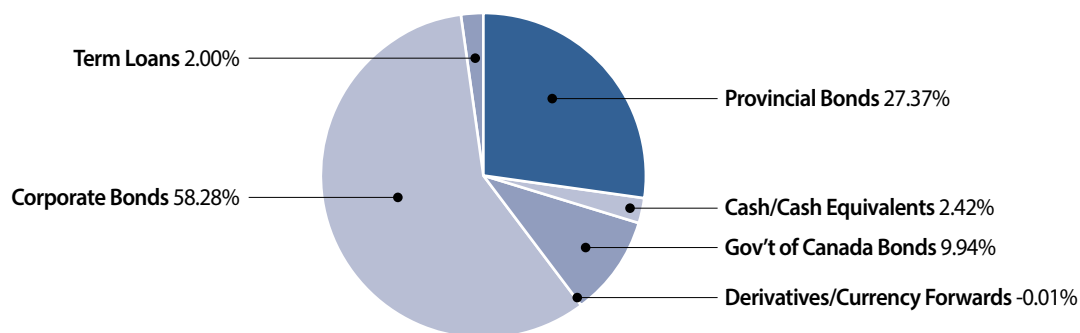
Summary of Top 25 Holdings

Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Province of Ontario	1.900	2-Dec-51	6.38	14. Canadian Government Bond	1.500	1-Jun-23	1.77
2. Canadian Government Bond	2.000	1-Dec-51	4.39	15. Royal Bank of Canada	4.500	24-Nov-80	1.75
3. Province of Alberta	2.050	1-Jun-30	2.94	16. Province of Alberta	3.100	1-Jun-50	1.70
4. Canadian Imperial Bank of Commerce	1.960	21-Apr-31	2.42	17. Bank of Montreal	2.850	6-Mar-24	1.65
5. Rogers Communications Inc.	5.000	17-Dec-81	2.39	18. Bank of America Corp.	1.978	15-Sep-27	1.64
6. Province of Quebec	3.500	1-Dec-45	2.38	19. Province of Quebec	3.500	1-Dec-48	1.59
7. Air Canada	4.625	15-Aug-29	2.26	20. Canadian Government Bond	1.250	1-Mar-27	1.55
8. TransCanada PipeLines Ltd.	7.900	15-Apr-27	2.22	21. Province of Quebec	3.100	1-Dec-51	1.50
9. Province of Alberta	2.350	1-Jun-25	1.99	22. New Economy Assets Phase 1 Sponsor LLC	1.910	20-Oct-61	1.40
10. Royal Bank of Canada	4.000	24-Feb-81	1.96	23. Mileage Plus Holdings LLC	6.250	20-Jun-27	1.36
11. Enbridge Gas Distribution Inc.	7.600	29-Oct-26	1.90	24. Canadian Mortgage Pools	1.840	1-Dec-22	1.25
12. Province of Ontario	1.050	8-Sep-27	1.80	25. Westcoast Energy Inc.	8.850	21-Jul-25	1.22
13. Province of Ontario	3.450	2-Jun-45	1.79				

Bond Quality



Asset Mix





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

www.beutelgoodman.com