



# Annual Management Report of Fund Performance

December 31, 2019

**Beutel Goodman Global Dividend Fund**

# Beutel Goodman Global Dividend 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](http://www.beutelgoodman.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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

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

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

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# Beutel Goodman Global Dividend Fund

## Management Discussion of Fund Performance

### Investment Objectives and Strategies

This Fund seeks to maximize returns by investing in equities offering a high, sustainable yield or high dividend growth rate as well as the potential for capital appreciation.

To achieve its objectives the Fund may invest in equities and short term investments having a term to maturity not exceeding 1 year, and other equivalent securities of Canadian and non-Canadian issuers. Investments in emerging markets will constitute no more than 10% of the Fund's portfolio and there will be a minimum of 20 and a maximum of 50 equity issues held in the portfolio.

### 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

After a sharp correction in late 2018, global markets rebounded in the January 1 to December 31, 2019 period. Equities saw one of the best months in 30 years in January, and momentum continued through April amid rising oil prices, signs the U.S. economy and job market were continuing to expand solidly, and a perceived dovish U-turn in monetary policy by the U.S. Federal Reserve (the Fed). However, the mood turned somewhat risk-off by May, amid some weakness in economic data and growing concern that a quick resolution to the U.S.-China trade war was unlikely. By the third quarter, volatility had become a main theme. In addition to central bank easing, the laundry list of distractions included – but was not limited to – another escalation of trade tensions, growing fears of a hard Brexit, unrest in Hong Kong, concern about a potential recession in Europe, an attack on Saudi Arabian oil fields and a whistleblower complaint that sparked an impeachment inquiry in the U.S. However, by the fourth quarter, the U.S. and China had shaken hands on a Phase I trade deal, the Fed had cut rates a third time and Britons handed Boris Johnson a Conservative majority and a green light to get Brexit done, calming much of the uncertainty in equity markets. As a result, the MSCI World (C\$) Index rose 21.22% in the reporting period.

Against this backdrop, Beutel Goodman Global Dividend Fund underperformed the 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. On a relative basis, underperformance was driven by stock selection in the Communication Services, Consumer Discretionary and Industrials sectors, along with an underweight to Information Technology. This was partially offset by stock selection in the Financials, Consumer Staples, Health Care and Energy sectors.

On an absolute basis, the main detractors were GEA Group AG and Vodafone Group plc. GEA Group detracted early in the year and breached our downside target, leading to a review and ultimately a full sale of the stock. Vodafone declined after a weak fiscal third quarter, guidance for lower 2019 earnings, and the Board's decision to cut the dividend by 40% to help hit the lower end of their targeted leverage range in three years.

On an absolute basis, the main contributors were The Campbell Soup Company, Tokyo Electron Limited and Comcast Corporation. Campbell posted positive organic growth in its fiscal Q4 and guided for much the same for its fiscal 2020. Debt is also expected to fall, while EBITDA will decrease following the sales of Campbell's International and Campbell Fresh. We believe the stock remains attractive. Tokyo Electron continued to gain share in its core areas of focus while maintaining a leading position in the photoresist segment. The company is expanding margins, cash flows and ROEs; has returned significant cash to shareholders; and in October, revised its fiscal 2020 financial guidance upward. Comcast was impacted by general industry noise in the media around an increase in competition as it relates to content.

Three new positions were initiated over the reporting period: Ameriprise Financial Inc., Cummins Inc. and BlackRock, Inc. Symantec Corp., which was held in the portfolio, became NortonLifeLock Inc. following the sale of its enterprise security assets to Broadcom Inc. Gjensidige Forsikring ASA, Tokyo Electron and GlaxoSmithKline plc all reached their target prices during the reporting period, and we conducted process-driven one-third trims in those holdings. After review, we fully exited Gjensidige. We also exited Eli Lilly and Company, GEA Group, Azko Nobel N.V. and LyondellBasell Industries N.V. over the reporting period.

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

### Recent Developments

Over the past year, we have trimmed a number of positions as they've reached our target prices. However, as we have noted in previous commentaries, finding new opportunities to replace those has become somewhat more challenging. We believe this reflects the fact that stock values have been rising faster than fundamental earnings growth, leading to higher valuations, and in many swathes of the market, what we believe are stretched valuations. We are finding there are fewer quality companies trading at deep discounts. That said, we do not own the market – we own a basket of what we view as high-quality companies that generate sustainable free cash flows; have business models that allow for high returns; have strong balance sheets and capital allocation policies that we feel strike the right balance between corporate needs and shareholder returns; and trade at a discount. Despite the more challenging operating environment, we have not wavered from our disciplined and patient approach to investment management. As the market becomes more expensive, we believe increasing concentration in our holdings is a better approach than purchasing new marginal holdings.

Moving in to 2020, the portfolio is still trading at a discount to intrinsic value. As a result, while the market appears more expensive than in previous years, we don't believe our outlook for the growth and profitability of the businesses we own is stretched. We maintain conviction that our holdings will continue to outperform in the years ahead and will continue to apply our disciplined investment process.

# Beutel Goodman Global Dividend Fund

## 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.

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

	Maximum Annual Management Fee Rate %	As a Percentage of Management Fees	
		Dealer Compensation %	General Administration, Investment Advice and Profit %
Class B	1.90	53	47
Class F	1.00	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 Global Dividend 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)

\$	2019	2018	2017	2016	2015
<b>Net assets, beginning of year</b>	11.62	13.40	12.15	11.46	11.25
<b>Increase (decrease) from operations</b>					
Total revenue	0.52	0.53	0.45	0.53	0.38
Total expenses	(0.30)	(0.31)	(0.30)	(0.27)	(0.37)
Realized gains (losses) for the year	0.27	0.71	0.86	0.53	1.38
Unrealized gains (losses) for the year	1.57	(1.78)	1.03	0.10	(0.17)
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	2.06	(0.85)	2.04	0.89	1.22
<b>Distributions to unitholders per unit:</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.14	0.11	0.19	0.22	0.13
From capital gains	—	0.70	0.59	—	1.03
From return of capital	—	—	—	—	—
<b>Total annual distributions <sup>(2)</sup></b>	0.14	0.81	0.78	0.22	1.16
<b>Net assets, end of year <sup>(3)</sup></b>	13.50	11.62	13.40	12.15	11.46

### Ratios and Supplemental Data

#### Class B Units

(for the years ended December 31)

	2019	2018	2017	2016	2015
<b>Total net asset value (\$) (000's) <sup>(4)</sup></b>	5,554	7,579	10,755	5,348	5,967
<b>Number of outstanding units (000's) <sup>(4)</sup></b>	412	652	802	440	521
<b>Management expense ratio <sup>(5)</sup></b>	2.30%	2.30%	2.26%	2.24%	2.26%
<b>Management expense ratio before waivers or absorptions <sup>(6)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	21%	54%	42%	65%	80%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.06%	0.18%	0.18%	0.28%	0.28%
<b>Net asset value per unit, end of year</b>	13.50	11.62	13.40	12.15	11.46

### Financial Highlights per unit

#### Class F Units

(for the years ended December 31)

\$	2019	2018	2017	2016	2015
<b>Net assets, beginning of year</b>	11.87	13.75	12.44	11.74	11.50
<b>Increase (decrease) from operations</b>					
Total revenue	0.53	0.58	0.52	0.53	0.40
Total expenses	(0.24)	(0.26)	(0.24)	(0.23)	(0.24)
Realized gains (losses) for the year	0.32	0.91	0.94	0.56	1.42
Unrealized gains (losses) for the year	1.55	(1.59)	0.93	0.14	(0.23)
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	2.16	(0.36)	2.15	1.00	1.35
<b>Distributions to unitholders per unit:</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.32	0.29	0.29	0.34	0.22
From capital gains	—	0.72	0.60	—	1.05
From return of capital	—	—	—	—	—
<b>Total annual distributions <sup>(2)</sup></b>	0.32	1.01	0.89	0.34	1.27
<b>Net assets, end of year <sup>(3)</sup></b>	13.73	11.87	13.75	12.44	11.74

### Ratios and Supplemental Data

#### Class F Units

(for the years ended December 31)

	2019	2018	2017	2016	2015
<b>Total net asset value (\$) (000's) <sup>(4)</sup></b>	4,156	3,616	7,300	4,237	4,357
<b>Number of outstanding units (000's) <sup>(4)</sup></b>	303	305	531	341	371
<b>Management expense ratio <sup>(5)</sup></b>	1.28%	1.30%	1.29%	1.28%	1.29%
<b>Management expense ratio before waivers or absorptions <sup>(6)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	21%	54%	42%	65%	80%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.06%	0.18%	0.18%	0.28%	0.28%
<b>Net asset value per unit, end of year</b>	13.73	11.87	13.75	12.44	11.74

# Beutel Goodman Global Dividend 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
<b>Net assets, beginning of year</b>	12.41	14.39	12.97	12.23	11.98
<b>Increase (decrease) from operations</b>					
Total revenue	0.56	0.50	0.55	0.47	0.36
Total expenses	(0.10)	(0.11)	(0.08)	(0.07)	(0.06)
Realized gains (losses) for the year	0.33	0.30	0.97	0.29	2.68
Unrealized gains (losses) for the year	1.66	(2.12)	1.02	(0.83)	0.57
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	2.45	(1.43)	2.46	(0.14)	3.55
<b>Distributions to unitholders per unit:</b>					
From net investment income (excluding dividends)	–	–	–	–	–
From dividends	0.48	0.48	0.42	0.50	0.37
From capital gains	–	0.75	0.63	–	1.10
From return of capital	–	–	–	–	–
<b>Total annual distributions <sup>(2)</sup></b>	0.48	1.23	1.05	0.50	1.47
<b>Net assets, end of year <sup>(3)</sup></b>	14.37	12.41	14.39	12.97	12.23

### Ratios and Supplemental Data

#### Class I Units

(for the years ended December 31)

	2019	2018	2017	2016	2015
<b>Total net asset value (\$) (000's) <sup>(4)</sup></b>	11,336	9,414	5,914	4,974	12,080
<b>Number of outstanding units (000's) <sup>(4)</sup></b>	789	758	411	384	988
<b>Management expense ratio <sup>(5)</sup></b>	0.11%	0.11%	0.11%	0.11%	0.10%
<b>Management expense ratio before waivers or absorptions <sup>(6)</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>Portfolio turnover rate <sup>(7)</sup></b>	21%	54%	42%	65%	80%
<b>Trading expense ratio (%) <sup>(8)</sup></b>	0.06%	0.18%	0.18%	0.28%	0.28%
<b>Net asset value per unit, end of year</b>	14.37	12.41	14.39	12.97	12.23

# Beutel Goodman Global Dividend 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.**

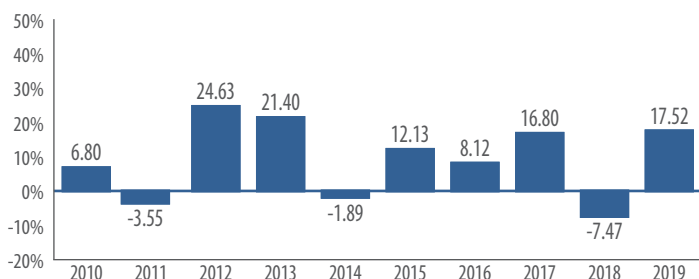
**Please remember that the past performance of the Fund is not an accurate prediction of future returns.**

# Beutel Goodman Global Dividend Fund

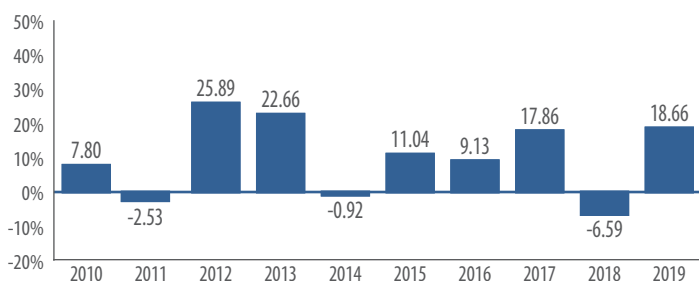
## Year-by-Year Returns

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.

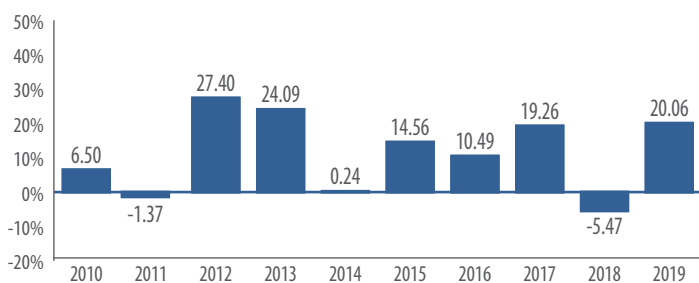
### Class B



### Class 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, 2019, as compared to the performance of the MSCI World (C\$) Index.\*

### Class B

		Since Inception	10 Years	5 Years	3 Years	Past Year
Beutel Goodman Global Dividend Fund	%	9.12	—	9.01	8.29	17.52
MSCI World (C\$) Index	%	12.74	—	11.18	11.25	21.22

Class B units have been available for sale to unitholders since October 4, 2010.

### Class F

		Since Inception	10 Years	5 Years	3 Years	Past Year
Beutel Goodman Global Dividend Fund	%	10.19	—	10.05	9.32	18.66
MSCI World (C\$) Index	%	12.74	—	11.18	11.25	21.22

Class F units have been available for sale to unitholders since October 4, 2010.

### Class I

		10 Years	5 Years	3 Years	Past Year
Beutel Goodman Global Dividend Fund	%	11.05	11.37	10.62	20.06
MSCI World (C\$) Index	%	11.83	11.18	11.25	21.22

The Fund was not a reporting issuer for the period since its inception of December 1, 2007 to August 13, 2010. The expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer. The financial statements of the Fund for such period are available to Class I investors upon request.

\* The MSCI World (C\$) Index is designed to represent the global equity market.

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



# Beutel Goodman Global Dividend Fund

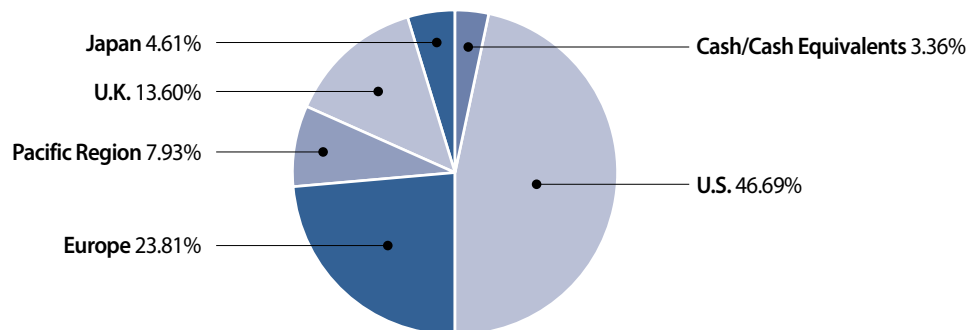
## Summary of Investment Portfolio

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

### Summary of Top 25 Holdings

Issuer Name	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Amgen Inc.	5.43	14. Vodafone Group PLC			3.90
2. Comcast Corp.	5.24	15. Atea ASA			3.81
3. Campbell Soup Co.	5.06	16. Koninklijke KPN NV			3.75
4. Caltex Australia Ltd.	4.83	17. BASF SE			3.51
5. Kellogg Co.	4.73	18. Ameriprise Financial Inc.			3.45
6. Roche Holding AG	4.64	19. Smiths Group PLC			3.37
7. IMI PLC	4.59	20. Cummins Inc.			3.14
8. Verizon Communications Inc.	4.43	21. DBS Group Holdings Ltd.			3.10
9. Omnicom Group Inc.	4.20	22. BlackRock Inc.			2.63
10. Cie Générale des Établissements Michelin	4.17	23. NTT DOCOMO Inc.			2.43
11. Harley-Davidson Inc.	4.17	24. Tokyo Electron Ltd.			2.17
12. NortonLifeLock Inc.	4.15	25. Government of Canada	1.653	19-Mar-20	1.77
13. Konecranes OYJ	3.90				

### Regional Mix





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