

Interim Management Report of Fund Performance

June 30, 2020

Beutel Goodman Money Market Fund

Beutel Goodman Money Market Fund

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

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

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

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

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Beutel Goodman 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 period. The risks of investing in this Fund and the suitability of the Fund for investors remain as discussed in the Prospectus.

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

Results of Operations

Money market yields decreased 147 basis points over the January 1 to June 30, 2020 period. The Canada 3-month Treasury Bill yields started the period yielding 1.66% and finished at 0.20% as at June 30, 2020.

The January 1 to June 30, 2020 period was one of unprecedented volatility across the globe. The new year (and decade) started out relatively positively, with equity markets trading higher amid easing political tensions and a Phase 1 trade agreement between China and the U.S. All-time highs were reached in February as corporate earnings, positive trade news from China and strong employment data buttressed equity markets. Then, intensifying concerns around COVID-19 – declared a pandemic on March 11 – and its potentially crippling effects on global growth led to steep equity market declines. From its all-time peak on February 20 to the period's trough reached on March 23, the S&P/TSX Composite Index dropped 36.7% as investors sold equities indiscriminately. Possibly the one thing that could be described as positive in the ensuing weeks was the speed with which central banks and governments moved to provide massive intervention and stimulus measures. In Canada, multiple emergency rate cuts were announced in March, along with plans to support the economy and financial markets through quantitative easing measures and significant fiscal stimulus. This included help for Canada's oil and gas sector, which was decimated by an oil price war between Saudi Arabia and Russia, as well as the demand destruction caused by the pandemic's negative effects on economic activity. The relief measures have been somewhat successful at calming markets, despite the severity of the downturn. Going into the second half of the year, labour data, while "less bad", remains weak; fears of a second wave of the pandemic abound; and agencies such as the OECD, World Bank and IMF have provided extremely cautious outlooks for a global economic recovery. However, with stimulus measures in place, countries around the world cautiously reopening, a potential vaccine on the horizon, and improving data on the margin, markets appear focused on the positive.

For the January 1 to June 30, 2020 period, Beutel Goodman Money Market Fund saw its yield decrease from 2.07% to 0.68%. As at the beginning of the period, the average term increased from 58 days at December 31, 2019 to 90 days at June 30, 2020 and is slightly shorter than the benchmark, the FTSE Canada 91-Day T-Bill Index.

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

Recent Developments

As countries continued with shelter-in-place orders and central banks and governments reacted with unprecedented monetary and fiscal stimulus, we believed the most likely outcome was a U-shaped recovery – with the caveat that individual sectors could experience faster or slower growth. This remains our base-case scenario.

There are three types of recessions: cyclical, structural and exogenous. The recession we are currently experiencing is exogenous. That is, it is primarily related to external factors (the pandemic and resultant global shutdown). Although this recession will likely be the deepest since the Great Depression, we also think it could be one of the shortest on record due to the way recessions are typically measured, which is from the trough. Despite continued uncertainty and the potential for further outbreaks to stall the global reopening process, at this point, given the extensive commitments to stimulus measures worldwide, we do not believe the Canadian economy is going to reach new bottoms. Rather, with a cautious, measured reopening underway, we expect the unemployment rate to rebound relatively quickly, although it will likely be several more years before we return to pre-pandemic levels. In addition, while we have seen a significant uptick in food inflation due to supply-chain issues related to COVID-19, we believe core inflation will remain muted for some time to come. Central banks are therefore likely to keep interest rates low until 2022. As a result, we believe the Canadian government bond yield curve will remain relatively flat over the next six months and then steepen as the recovery continues to unfold.

We do harbour concerns about the possible lingering effects of the recession. First and foremost, governments around the world have increased deficits to levels unseen outside of wartime, and central banks have been adding significant amounts of monetary policy liquidity and asset purchase programs, which will increase their balance sheets. If this cumulative debt is not paid down to a significant extent before the next economic crisis (hopefully several years in the future), there will be less support for fiscal policy. Relatedly, governments have in many cases supported COVID-19 affected workers and businesses through temporary income-replacement strategies, loans and other initiatives. However, many of these may soon come to an end. Should individuals and businesses suffer the effects of resultant wholesale changes to consumer spending and de-globalization, it could materially impede growth and reduce corporate margins.

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Liquidity is abundant; in fact, we've never seen so much injected so quickly before, and we believe it has helped shape the recovery to this point. However, valuations now appear stretched in certain areas of both equity and credit markets. As a result, while we remain optimistic that the worst is behind us, we believe the next few quarters will be a relatively bumpy ride for investors. Markets will likely remain volatile into year-end; therefore, caution is warranted.

Despite these uncertainties, we believe we are now entering another long expansion phase that will be generally positive for corporate balance sheets. Although headline risks remain, including a potential second wave of the virus, we generally prefer corporate bonds over provincial bonds. However, we do not currently expect to see significant further narrowing of credit spreads, so while we remain positive on credit over the long term, we believe it is time to be selective, and are focused on the names that we believe will be well-supported through the recovery, such as utilities, financials and telecommunication companies.

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 D	0.50	50	50
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.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6 month period ended June 30 of the current year and for the past 5 years ended December 31. The December 31 information is derived from the Fund's audited annual financial statements and is provided for each class of units.

Financial Highlights per unit

Class D Units

(for the period ended June 30, 2020 and years ended December 31)

\$	June 2020	2019	2018	2017	2016	2015
Net assets, beginning of period	10.00	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations						
Total Interest Revenue	0.08	0.19	0.16	0.09	0.08	0.09
Total expenses	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Total increase (decrease) from operations⁽¹⁾	0.07	0.17	0.14	0.07	0.06	0.07
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	0.07	0.17	0.15	0.07	0.06	0.07
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	0.07	0.17	0.15	0.07	0.06	0.07
Net assets, end of period⁽³⁾	10.00	10.00	10.00	10.00	10.00	10.00

Ratios and Supplemental Data

Class D Units

(for the period ended June 30, 2020 and years ended December 31)

	June 2020	2019	2018	2017	2016	2015
Total net asset value (\$) (000's)⁽⁴⁾	52,338	33,270	19,824	21,905	26,765	24,065
Number of outstanding units (000's)⁽⁴⁾	5,234	3,327	1,982	2,190	2,676	2,406
Management expense ratio⁽⁵⁾	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
Management expense ratio before waivers or absorptions⁽⁶⁾	0.66%	0.66%	0.67%	0.67%	N/A	N/A
Net asset value per unit, end of period	10.00	10.00	10.00	10.00	10.00	10.00

Financial Highlights per unit

Class F Units

(for the period ended June 30, 2020 and years ended December 31)

\$	June 2020	2019	2018	2017	2016	2015
Net assets, beginning of period	10.00	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations						
Total Interest Revenue	0.08	0.19	0.17	0.10	0.08	0.09
Total expenses	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Total increase (decrease) from operations⁽¹⁾	0.07	0.17	0.15	0.08	0.06	0.07
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	0.07	0.17	0.15	0.07	0.06	0.07
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	0.07	0.17	0.15	0.07	0.06	0.07
Net assets, end of period⁽³⁾	10.00	10.00	10.00	10.00	10.00	10.00

Ratios and Supplemental Data

Class F Units

(for the period ended June 30, 2020 and years ended December 31)

	June 2020	2019	2018	2017	2016	2015
Total net asset value (\$) (000's)⁽⁴⁾	13,162	11,917	5,970	3,516	97	114
Number of outstanding units (000's)⁽⁴⁾	1,316	1,192	597	352	10	11
Management expense ratio⁽⁵⁾	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
Management expense ratio before waivers or absorptions⁽⁶⁾	0.56%	0.57%	0.57%	0.57%	N/A	N/A
Net asset value per unit, end of period	10.00	10.00	10.00	10.00	10.00	10.00

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6 month period ended June 30 of the current year and for the past 5 years ended December 31. The December 31 information is derived from the Fund's audited annual financial statements and is provided for each class of units.

Financial Highlights per unit

Class I Units

(for the period ended June 30, 2020 and years ended December 31)

\$	June 2020	2019	2018	2017	2016	2015
Net assets, beginning of period	10.00	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations						
Total Interest Revenue	0.08	0.19	0.16	0.09	0.08	0.09
Total expenses	–	–	–	–	–	–
Total increase (decrease) from operations⁽¹⁾	0.08	0.19	0.16	0.09	0.08	0.09
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	0.08	0.19	0.17	0.09	0.08	0.09
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	0.08	0.19	0.17	0.09	0.08	0.09
Net assets, end of period⁽³⁾	10.00	10.00	10.00	10.00	10.00	10.00

Ratios and Supplemental Data

Class I Units

(for the period ended June 30, 2020 and years ended December 31)

	June 2020	2019	2018	2017	2016	2015
Total net asset value (\$) (000's)⁽⁴⁾	157,381	332,877	214,022	197,697	309,074	40,625
Number of outstanding units (000's)⁽⁴⁾	15,738	33,288	21,402	19,768	30,907	4,062
Management expense ratio⁽⁵⁾	0.02%	0.02%	0.02%	0.02%	0.02%	0.04%
Management expense ratio before waivers or absorptions⁽⁶⁾	0.11%	0.11%	0.11%	0.11%	N/A	N/A
Net asset value per unit, end of period	10.00	10.00	10.00	10.00	10.00	10.00

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

Past Performance

The performance returns below:

- are calculated as of **December 31** in each year and for the **first 6 months** of the current year;
- assume **all distributions** made by the Fund **are reinvested** to purchase additional units; and
- show the returns of the particular class of the Fund after any applicable management fees and operating expenses have been deducted, **but are not reduced by any redemption charges, optional charges or income taxes payable by you that would have reduced returns on performance.**

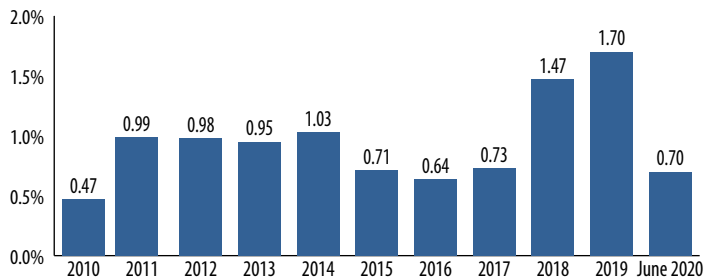
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman Money Market Fund

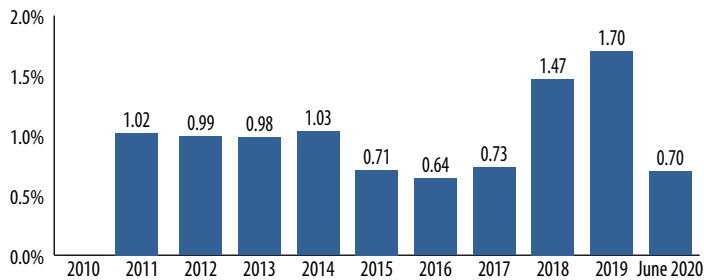
Year-by-Year Returns

The bar chart indicates the Fund's annual performance for each of the year's shown and for the current 6 month period, illustrating how the Fund's performance has changed from year to year. The bar chart shows in percentage terms how much an investment made on the first day of each financial year or period would have grown or decreased by the last day of each financial year or period.

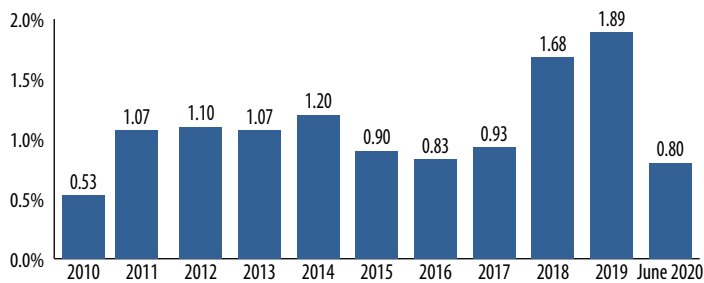
Class D



Class F



Class I



Beutel Goodman Money Market Fund

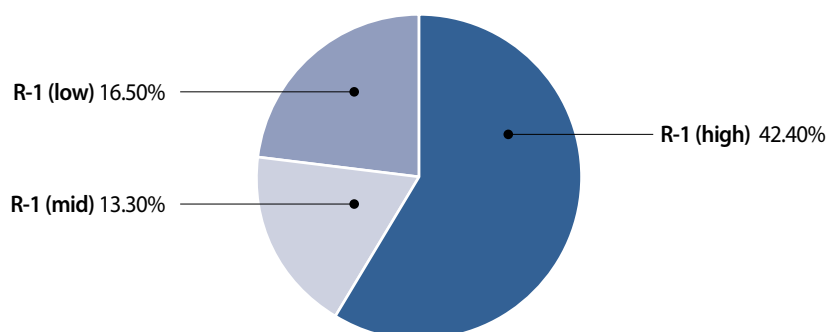
Summary of Investment Portfolio

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.

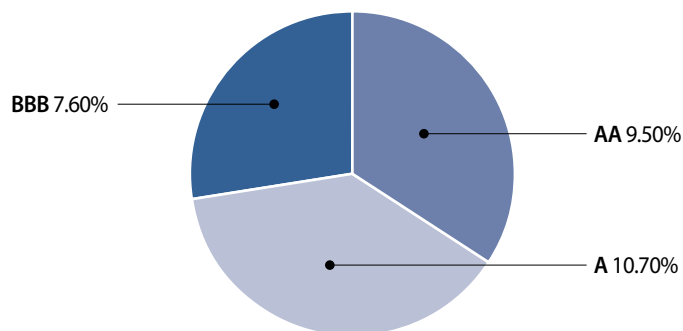
Summary of Top Holdings

Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets	Issuer Name	Coupon Rate (%)	Maturity Date	% of Net Assets
1. Enbridge Pipelines Inc.	1.607	16-Jul-20	9.01	12. Canadian Imperial			
2. Inter Pipeline (Corridor) Inc.	0.660	13-Aug-20	8.96	Bank of Commerce	0.262	14-Sep-20	4.37
3. Westcoast Energy Inc.	4.570	2-Jul-20	7.44	13. Province of British Columbia	0.401	16-Oct-20	4.37
4. Bank of Nova Scotia	0.281	23-Sep-20	6.71	14. Government of Canada	0.322	6-Nov-20	4.00
5. AltaLink LP	3.621	17-Sep-20	5.26	15. The Toronto-Dominion Bank	0.902	24-Aug-20	3.42
6. Enbridge Gas Distribution Inc.	4.040	23-Nov-20	5.22	16. Bank of Montreal	1.104	2-Sep-20	2.68
7. Government of Canada	0.204	1-Oct-20	5.20	17. Suncor Energy Inc.	1.684	4-Aug-20	2.68
8. Royal Bank of Canada	0.303	24-Sep-20	5.06	18. Government of Canada	0.209	17-Sep-20	2.54
9. Canadian Imperial				19. Royal Bank of Canada	2.860	4-Mar-21	2.51
Bank of Commerce	0.259	28-Aug-20	4.93	20. FirstBank	0.551	23-Sep-20	2.27
10. Bank of Montreal	1.880	31-Mar-21	4.53	21. Bank of Nova Scotia	3.270	11-Jan-21	2.27
11. Suncor Energy Inc.	1.646	5-Aug-20	4.47	22. Inter Pipeline (Corridor) Inc.	0.571	3-Sep-20	0.08

Asset Mix



Bond Quality





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