

Interim Management Report of Fund Performance

June 30, 2020

Beutel Goodman World Focus Equity Fund

Beutel Goodman World Focus Equity 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.

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 World Focus Equity Fund

Management Discussion of Fund Performance

Investment Objectives and Strategies

This Fund seeks 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 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.

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

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 peak on February 12 to the period's trough reached on March 23, the MSCI World Index dropped 27.62% 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. These measures have been largely 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, equity markets appear focused on the positive. As a result, MSCI World Index (C\$) performance, although negative year to date, rebounded somewhat from its trough to end the period with a total return of -1.03%.

Against this backdrop, the Fund underperformed the benchmark in the period. Unlike the benchmark, the Fund's return is net of fees and expenses paid by the Fund. At the sector level, the main drivers of underperformance were stock selection in Communication Services, Industrials and Materials, and a combination of stock selection and relative underweightings in Consumer Discretionary and Information Technology. Offsetting this somewhat was a combination of allocation and selection effects in Financials, Energy, Consumer Staples and Health Care, as well as zero weightings in the underperforming Real Estate and Utilities sectors.

At the individual security level, some of the main detractors in the period on an absolute-return basis were Omnicom Group Inc., Harley-Davidson Inc. and Konecranes Oyj. Advertising and specialty communications firm Omnicom weakened in the period, reflecting pandemic-related ad-spending cutbacks by companies across a broad range of industries. As has been the case for much of the equity market, COVID-19 also negatively affected Harley-Davidson's share price in the period. Konecranes' stock price declined significantly on concerns of the impact from the current global slowdown, which the company is currently unable to quantify given how widespread and dynamic the impacts are.

Individual contributors on an absolute-return basis included NortonLifeLock Inc, Software AG and AmerisourceBergen Corp. Following the sale of its enterprise-security business to Broadcom, NortonLifeLock paid out a special dividend of \$12 per share on January 31, and the stock held up during the subsequent market rout. The company has expanded its subscriber base sequentially, and its focus on one core business appears to be leading to a better return on investments via improving core products, increased bundling and geographic expansion. Software AG rose in tandem with the broader tech sector and on the back of positive earnings results. The company lowered guidance for 2020, which was not a surprise given the current market situation, but they noted they started to deliver on two significant deals. In addition, key channel agreements with Microsoft Azure and Amazon AWS for middleware continue to scale up. Drug wholesale company AmerisourceBergen also contributed, as stocks in the Health Care sector proved more resilient than the broader market.

During the period, we took the opportunity to initiate a position in PPG Industries Inc. We also added broadly to existing holdings, particularly in the first quarter, and conducted process-driven one-third trims in SMC Corp., Carlsberg A/S, Roche Holding AG, NortonLifeLock and Smith & Nephew plc after they reached our target prices, as well as the full exit of our position in HeidelbergCement AG.

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

Recent Developments

During the period, there were notable changes to the U.S. and International Equity team. On March 31, 2020, Mark Thomson, Managing Director, Equities, officially retired from Beutel, Goodman & Company Ltd., and on May 25, 2020, Ryan Fitzgerald, CFA, joined us as Vice President, U.S. and International Equities. There has been no impact on the portfolios as a result of the changes, nor do we expect there to be.

The initial reaction to mass uncertainty in equity markets is mayhem – everything typically goes down, a scenario we saw in the first quarter of the year. In the rebounds that generally follow, whether months or years later, valuation and quality historically have come back into favour. Reopening efforts by countries around the world appear to have prompted an optimistic rebound, as markets look ahead to a "V"- or "U"-shaped recovery. However, the divergences we are seeing in this rally do not seem to be based on valuations. As a result, the gap between growth and value continues to widen.

Beutel Goodman World Focus Equity Fund

We do not yet think there are clear sightlines as to how the pandemic and other exogenous events will impact corporate structures, balance sheets or even whole industries. There are still too many unknowns. That said, the wider the gap between growth and value gets, the more conviction we have in our outlook for our portfolios. The market was expensive entering the drawdown, and has returned almost to pre-COVID-19 levels, but the rally has been very uneven. Thus, while the broad market looks expensive, our opportunity set, as value managers, has actually expanded.

Although we expect to see continued volatility in the months ahead, both in markets and portfolio performance, we continue to trust in our process, which has helped us navigate through many types of drawdowns. We are confident that the quality businesses we hold are cheap not only relative to their intrinsic values, but also relative to the value market overall. As a result, we believe the portfolio is well-positioned to outperform regardless of how equity markets move.

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 D	1.25	19	81
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 World Focus Equity 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 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 B 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	14.91	12.72	14.53	13.78	13.05	12.73
Increase (decrease) from operations						
Total revenue	0.64	0.42	0.41	0.39	0.47	0.38
Total expenses	(0.27)	(0.38)	(0.39)	(0.41)	(0.35)	(0.44)
Realized gains (losses) for the period	0.22	0.17	0.65	1.76	0.55	1.32
Unrealized gains (losses) for the period	(1.37)	1.99	(1.81)	0.19	0.45	0.33
Total increase (decrease) from operations⁽¹⁾	(0.78)	2.20	(1.14)	1.93	1.12	1.59
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	0.02	0.08	0.11
From capital gains	–	–	0.59	1.42	0.31	1.34
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	–	0.59	1.44	0.39	1.45
Net assets, end of period⁽³⁾	14.25	14.91	12.72	14.53	13.78	13.05

Ratios and Supplemental Data

Class B 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⁾	928	1,160	1,079	1,465	970	978
Number of outstanding units (000's)⁽⁴⁾	65	78	85	101	70	75
Management expense ratio⁽⁵⁾	2.25%	2.25%	2.25%	2.25%	2.21%	2.23%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	14%	15%	22%	49%	27%	39%
Trading expense ratio (%)⁽⁸⁾	0.09%	0.08%	0.06%	0.15%	0.10%	0.15%
Net asset value per unit, end of period	14.25	14.91	12.72	14.53	13.78	13.05

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	5.78	4.92	5.61	5.32	5.05	4.93
Increase (decrease) from operations						
Total revenue	0.25	0.16	0.15	0.15	0.18	0.15
Total expenses	(0.08)	(0.09)	(0.09)	(0.10)	(0.06)	(0.09)
Realized gains (losses) for the period	0.09	0.05	0.26	0.70	0.24	0.52
Unrealized gains (losses) for the period	(0.50)	0.86	(0.73)	0.03	0.14	0.13
Total increase (decrease) from operations⁽¹⁾	(0.24)	0.98	(0.41)	0.78	0.50	0.71
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	0.02	0.04	0.05	0.09	0.08
From capital gains	–	–	0.23	0.55	0.12	0.52
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	0.02	0.27	0.60	0.21	0.60
Net assets, end of period⁽³⁾	5.55	5.78	4.92	5.61	5.32	5.05

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⁾	2,969	3,273	3,949	4,916	2,314	2,120
Number of outstanding units (000's)⁽⁴⁾	535	566	803	876	435	419
Management expense ratio⁽⁵⁾	1.51%	1.51%	1.51%	1.51%	1.51%	1.49%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	14%	15%	22%	49%	27%	39%
Trading expense ratio (%)⁽⁸⁾	0.09%	0.08%	0.06%	0.15%	0.10%	0.15%
Net asset value per unit, end of period	5.55	5.78	4.92	5.61	5.32	5.05

Beutel Goodman World Focus Equity 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 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 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	15.36	13.10	14.99	14.25	13.56	13.27
Increase (decrease) from operations						
Total revenue	0.64	0.43	0.41	0.40	0.47	0.42
Total expenses	(0.20)	(0.24)	(0.24)	(0.26)	(0.23)	(0.26)
Realized gains (losses) for the period	0.21	0.18	0.67	1.82	0.67	1.05
Unrealized gains (losses) for the period	(1.14)	2.00	(2.04)	(0.06)	0.56	0.97
Total increase (decrease) from operations⁽¹⁾	(0.49)	2.37	(1.20)	1.90	1.47	2.18
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	0.16	0.18	0.22	0.30	0.31
From capital gains	–	–	0.62	1.48	0.33	1.41
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	0.16	0.80	1.70	0.63	1.72
Net assets, end of period⁽³⁾	14.77	15.36	13.10	14.99	14.25	13.56

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⁾	4,025	4,111	2,920	2,532	428	259
Number of outstanding units (000's)⁽⁴⁾	273	268	223	169	30	19
Management expense ratio⁽⁵⁾	1.18%	1.17%	1.18%	1.13%	1.16%	1.15%
Management expense ratio before waivers or absorptions⁽⁶⁾	1.29%	1.28%	1.29%	1.24%	N/A	N/A
Portfolio turnover rate⁽⁷⁾	14%	15%	22%	49%	27%	39%
Trading expense ratio (%)⁽⁸⁾	0.09%	0.08%	0.06%	0.15%	0.10%	0.15%
Net asset value per unit, end of period	14.77	15.36	13.10	14.99	14.25	13.56

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	6.14	5.23	5.99	5.67	5.39	5.24
Increase (decrease) from operations						
Total revenue	0.26	0.17	0.16	0.16	0.20	0.16
Total expenses	(0.05)	(0.04)	(0.03)	(0.04)	(0.03)	(0.03)
Realized gains (losses) for the period	0.09	0.06	0.28	0.75	0.25	0.59
Unrealized gains (losses) for the period	(0.48)	0.82	(0.79)	0.17	0.17	0.20
Total increase (decrease) from operations⁽¹⁾	(0.18)	1.01	(0.38)	1.04	0.59	0.92
Distributions to unitholders per unit:						
From net investment income (excluding dividends)	–	–	–	–	–	–
From dividends	–	0.12	0.13	0.13	0.16	0.14
From capital gains	–	–	0.25	0.60	0.13	0.56
From return of capital	–	–	–	–	–	–
Total period distributions⁽²⁾	–	0.12	0.38	0.73	0.29	0.70
Net assets, end of period⁽³⁾	5.94	6.14	5.23	5.99	5.67	5.39

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⁾	18,889	20,775	12,972	13,558	12,869	11,417
Number of outstanding units (000's)⁽⁴⁾	3,182	3,382	2,479	2,263	2,268	2,119
Management expense ratio⁽⁵⁾	0.11%	0.11%	0.11%	0.11%	0.11%	0.10%
Management expense ratio before waivers or absorptions⁽⁶⁾	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio turnover rate⁽⁷⁾	14%	15%	22%	49%	27%	39%
Trading expense ratio (%)⁽⁸⁾	0.09%	0.08%	0.06%	0.15%	0.10%	0.15%
Net asset value per unit, end of period	5.94	6.14	5.23	5.99	5.67	5.39

Beutel Goodman World Focus Equity 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 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.
- (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 period 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 period.

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.**

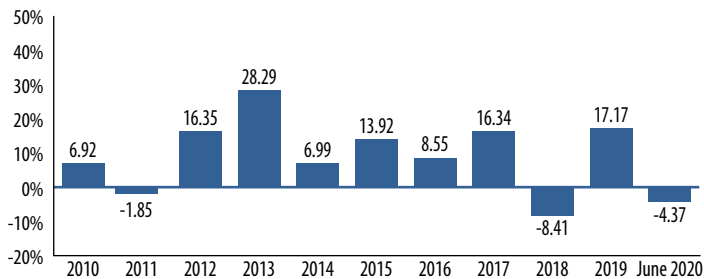
Please remember that the past performance of the Fund is not an accurate prediction of future returns.

Beutel Goodman World Focus Equity Fund

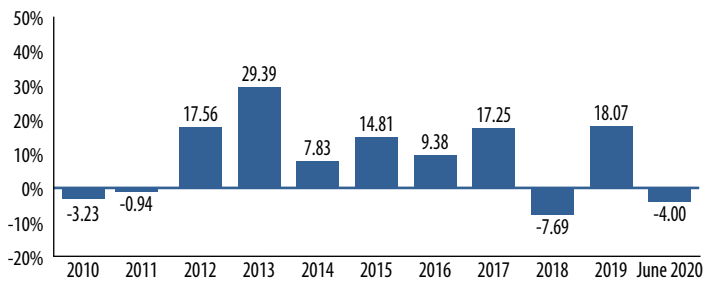
Year-by-Year Returns

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.

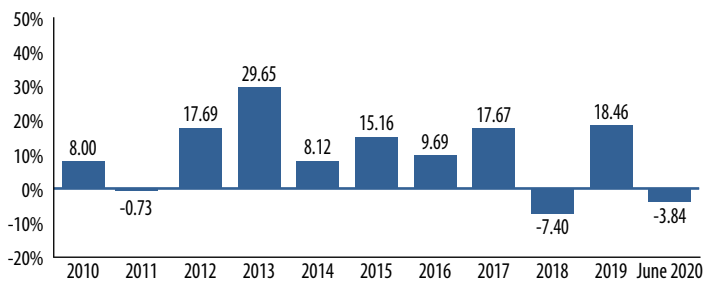
Class B



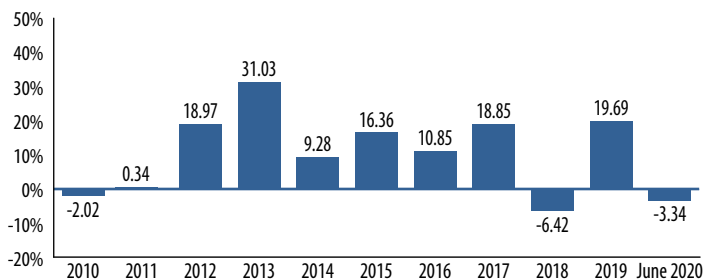
Class D



Class F



Class I



Beutel Goodman World Focus Equity Fund

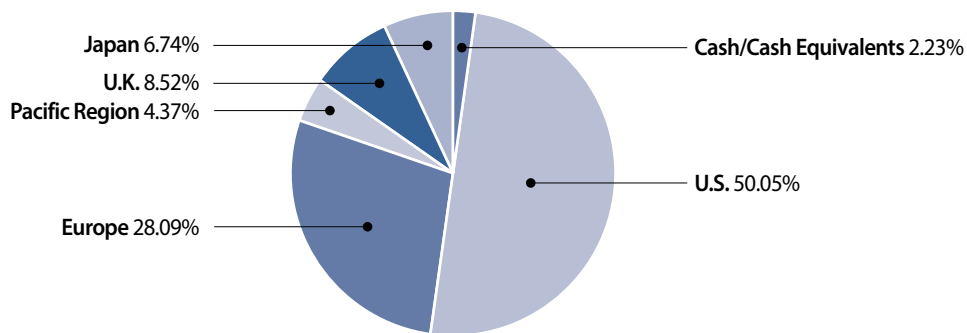
Summary of Investment Portfolio

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	% of Net Assets	Issuer Name	% of Net Assets
1. Oracle Corp.	4.56	14. NortonLifeLock Inc.	3.14
2. Campbell Soup Co.	4.53	15. Julius Baer Group Ltd.	3.13
3. Verizon Communications Inc.	4.51	16. Omnicom Group Inc.	3.11
4. Kellogg Co.	4.42	17. BlackRock Inc.	2.99
5. Software AG	4.37	18. PPG Industries Inc.	2.84
6. AmerisourceBergen Corp.	4.25	19. Hakuodo DY Holdings Inc.	2.72
7. Merck KGaA	4.22	20. Carlsberg A/S	2.68
8. Roche Holding AG	3.77	21. IMI PLC	2.58
9. Amdocs Ltd.	3.71	22. American Express Co.	2.54
10. Smiths Group PLC	3.48	23. Konecranes OYJ	2.47
11. Kimberly-Clark Corp.	3.48	24. Harley-Davidson Inc.	2.47
12. Comcast Corp., Class A	3.46	25. Smith & Nephew PLC	2.45
13. Cie Générale des Établissements Michelin	3.23		

Regional 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