

▶ INVESTMENT OBJECTIVE & STRATEGY

The Fund aims to provide capital growth through investments in smaller, primarily Canadian companies. The Fund applies a highly disciplined value investing approach, emphasizing capital preservation and a focus on absolute return and risk. This process supports the objective of identifying companies with a market float up to \$1.5 billion at time of purchase and which have the potential to be leaders in their field. Every investment needs to show, through fundamental, independent research, that it is significantly undervalued and has the ability to appreciate to true value within an investment time frame of 4 years - thereby contributing to our objective of achieving a margin of safety. To evaluate this, we rely exclusively on our own research. The Fund is suitable for investors wishing a more aggressive and potentially more volatile Canadian equity exposure.

▶ AVAILABLE CLASSES

Class D

Fund Code: **BTG 799**

Creation Date: January 16, 1995

Management Expense Ratio (MER): 1.53%

Class F

Fund Code: **BTG 104**

Class B

Fund Code: **BTG 304**

▶ RISK METER



▶ PORTFOLIO CHARACTERISTICS

BEUTEL GOODMAN SMALL CAP FUND	
P/E RATIO	12.19 X
PRICE/BOOK VALUE	1.43 X
PRICE TO CASH FLOW	6.19 X
CAPITALIZATION (AVERAGE) \$BIL	\$1.64 BIL
BETA (5 YEAR)	1.12
STANDARD DEVIATION (5 YEAR)	18.71 %
CURRENT NUMBER OF HOLDINGS	41
TURNOVER (1 YEAR)	23.16 %
DIVIDEND YIELD	1.29 %

▶ PORTFOLIO MANAGERS

BEUTEL, GOODMAN & COMPANY LTD.

CANADIAN EQUITY TEAM

Mark D. Thomson, Managing Director, Equities Research

Stephen J. Arpin, MA, CFA

William Otton, B. Eng., CFA

Pat Palozzi, B.Comm, CFA

James W. Black, CA, CFA

▶ TOP 10 HOLDINGS

PARAMOUNT RES LTD	6.2%
INTACT FINANCIAL	6.1%
QUEBECOR INC	6.1%
ALLIED NEVADA GOLD	5.1%
MINEFINDERS CORP LTD	4.6%
IND ALLNCE & FNCL	4.1%
UNI SELECT INC	3.5%
CCL INDUSTRIES INC	3.5%
ALTAGAS LTD	3.0%
LINAMAR CORPORATION	2.7%
TOTAL	44.9%

▶ SECTOR WEIGHTS VS BENCHMARK

Sector	SECTOR WEIGHTS (%)		UNDERWEIGHT/OVERWEIGHT %
	BG	BMOSC	
Energy	27.0	20.2	6.9
Consumer D.	16.1	10.3	5.8
Telecom	0.0	0.0	0.0
Financials	14.9	15.4	-0.4
Info. Tech.	3.2	4.7	-1.5
Consumer S.	0.0	2.6	-2.6
Health Care	0.0	2.6	-2.6
Utilities	0.0	3.6	-3.6
Materials	26.3	30.3	-4.0
Industrials	3.8	10.5	-6.7
Cash	8.7		

▶ ANNUALIZED PERFORMANCE % AS AT DECEMBER 31, 2011

ANNUALIZED RETURNS	3 MTHS	6 MTHS	YTD	1 YR	3 YRS	5 YRS	10 YRS
SMALL CAP FUND, CLASS D*	1.21	-11.23	-12.38	-12.38	23.46	6.38	10.45
BMO SMALL CAP INDEX	5.23	-10.43	-14.17	-14.17	27.69	2.54	9.83

▶ CALENDAR PERFORMANCE % AS AT DECEMBER 31

CALENDAR RETURNS	2011	2010	2009	2008	2007	2006
SMALL CAP FUND, CLASS D*	-12.38	32.33	62.31	-29.04	2.01	20.74
BMO SMALL CAP INDEX	-14.17	38.53	75.10	-46.61	2.01	16.64

* Mutual Fund Performance is net of fees.

▶ FUND ASSETS

\$509,105,889

The Beutel Goodman Small Cap Fund is qualified for use in registered plans under the Income Tax Act of Canada. This Fund is only available for sale through Investment Advisors.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus to obtain more information before investing. The indicated rates of return are Canadian dollar historical total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Only periods greater than a year are

annualized. Annualized rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the mutual fund or returns on investment in the mutual fund.

Mutual funds are not guaranteed, their values change frequently and past performance may not be repeatable. Securities noted herein are not to be construed as recommendations to buy or sell and are not representative of Beutel Goodman Managed Funds as a whole.

The Index information contained in this document has been obtained from sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such.