

INVESTMENT CONSULTING SERVICE

# BEUTEL GOODMAN CANADIAN EQUITY INCOME

Asset Class: Canadian Equity

Data as of March 31, 2024

## Investment manager(s)

Beutel, Goodman & Company Ltd.

Founded in 1967, Beutel, Goodman & Company Ltd. (Beutel Goodman) specializes in applying a value approach to the management of equity and fixed income mandates. The firm manages assets on behalf of institutional, as well as individual investors. Beutel Goodman’s equity investment process focuses on companies with sustainable free cash flow and strong balance sheets that are trading below their business value. Their fixed-income investment process is based on duration management, yield curve positioning and credit exposure. Beutel Goodman’s in-depth, bottom-up investment approach to fixed income and equity securities typically leads to a portfolio with less exposure to cyclical companies and lower downside risk.

## Investor suitability

The Beutel Goodman Canadian Equity Income strategy is ideal for investors:

- seeking exposure to Canadian equities and U.S. equities
- seeking income
- who are planning to hold their investments for the long term

## Volatility rating

Low	Low to Medium	Medium	Medium to High	High
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## Investment objective

The Beutel Goodman Canadian Equity Income strategy aims to achieve a balance between dividend income and capital growth, emphasizing capital preservation, and a focus on absolute return and risk. The strategy seeks to identify and invest in a diversified portfolio of high-quality common shares and preferred shares. The strategy will hold a range of primarily Canadian securities, although it may also invest in foreign issues.

## Investment philosophy & process

Beutel Goodman has been a dedicated and disciplined adherent to the value style since 1967. The preservation of capital is a central tenet of a value investment philosophy, which espouses that risk is absolute and the avoidance of a permanent loss of capital is paramount.

As a bottom-up value investor, Beutel Goodman invests in companies trading at discounts to their business values. The firm works from a foundation that stocks purchased at a discount to business value provide a margin of safety. Beutel Goodman believes this, combined with a focus on quality companies with stable, growing businesses with strong balance sheets, reduces the possibility of capital loss.

Investments are made only when there is a sufficient discount to business value to mitigate the loss of capital in the event of adverse circumstances. Business value is defined simply as the present value of sustainable free cash flow. Beutel Goodman believes business value is best determined by conducting its own internal research on portfolio candidates. An important part of the firm’s philosophy is to concentrate portfolios in a relatively small number of holdings.

## Investment style

Investment process: Bottom-up  
Investment style matrix:

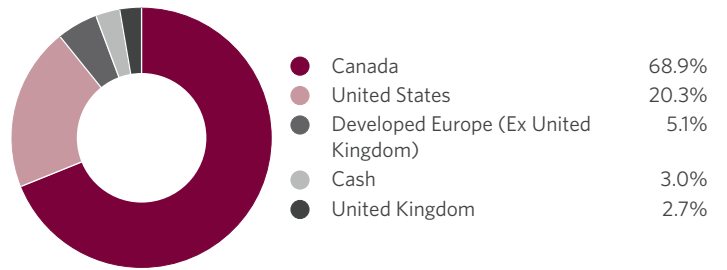
	Value	Core	Growth
Large-Cap	Traditional		
Mid-Cap			
Small-Cap			

The investment style also exhibits dividend-focused characteristics.

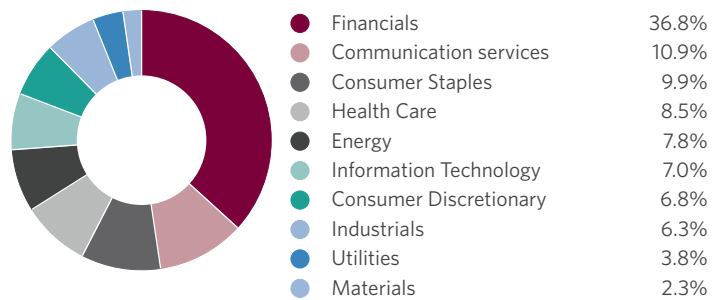
### Top 10 holdings (%)

Royal Bank of Canada	8.7
Toronto Dominion Bank (The)	6.5
TC Energy Corp.	4.0
Bank of Montreal	4.0
Sun Life Financial Inc.	3.9
Canadian National Railway Co.	3.8
Power Corp. of Canada	3.7
Amgen Inc.	3.6
Manulife Financial Corp. Common	3.5
Magna International Inc.	3.2
<b>Total</b>	<b>44.8</b>
Current number of holdings:	43

### Country asset mix (%)



### Equity sector breakdown (%)



Due to rounding, amounts presented herein may not add up precisely to the total.

## ICS strategy information

March 31, 2024

The performance returns, risk statistics, and graphs shown in this section are based on a composite of ICS accounts invested in this strategy (the "ICS Composite"). Performance returns are expressed in Canadian dollars. For details on the ICS Composite, refer to the disclaimer on the last page of this document.

### Portfolio characteristics

	<b>Beutel Goodman Canadian Equity Income</b>	<b>S&amp;P/TSX Composite Index</b>
<b>Weighted Average Market Cap (\$Mil)</b>	-	64,604
<b>Price/Earnings (trailing 1 yr)</b>	15.8	18.5
<b>Return on Equity (trailing 1 yr)</b>	27.8	10.3
<b>Equity Dividend Yield (trailing 1 Yr)</b>	3.9	3.0

### Trailing returns (%)

	<b>3 Mths</b>	<b>YTD</b>	<b>1 Yr</b>	<b>2 Yrs</b>	<b>3 Yrs</b>	<b>5 Yrs</b>	<b>10 Yrs</b>
<b>Beutel Goodman Canadian Equity Income</b>	4.5	4.5	9.1	4.1	7.7	8.1	8.4
<b>S&amp;P/TSX Composite Index</b>	6.6	6.6	13.9	3.9	9.1	9.9	7.7
<b>Canadian Dividend Index</b>	8.3	8.3	17.8	6.4	10.5	11.4	n/a

### Calendar year returns (%)

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Beutel Goodman Canadian Equity Income</b>	7.3	0.2	21.9	-0.1	16.1	-2.3	8.9	20.0	2.3	13.3
<b>S&amp;P/TSX Composite Index</b>	11.7	-5.8	25.1	5.6	22.9	-8.9	9.1	21.1	-8.3	10.6
<b>Canadian Dividend Index</b>	14.5	-7.4	25.8	8.3	23.4	-5.7	10.3	17.8	-1.4	n/a

# ICS strategy information

5 Years as of March 31, 2024

## Risk statistics

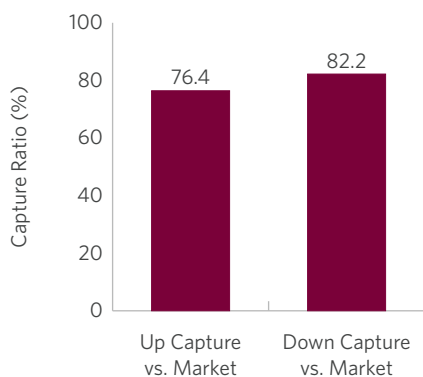
	Std Dev (%)	Sharpe Ratio
Beutel Goodman Canadian Equity Income	13.2	0.46
S&P/TSX Composite Index	15.6	0.51
Canadian Dividend Index	14.8	0.63

## Risk statistics - strategy vs. benchmark

	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Beutel Goodman Canadian Equity Income vs. S&P/TSX Composite Index	0.77	0.4	0.84
Beutel Goodman Canadian Equity Income vs. Canadian Dividend Index	0.81	-1.1	0.82

## Up/Down market capture

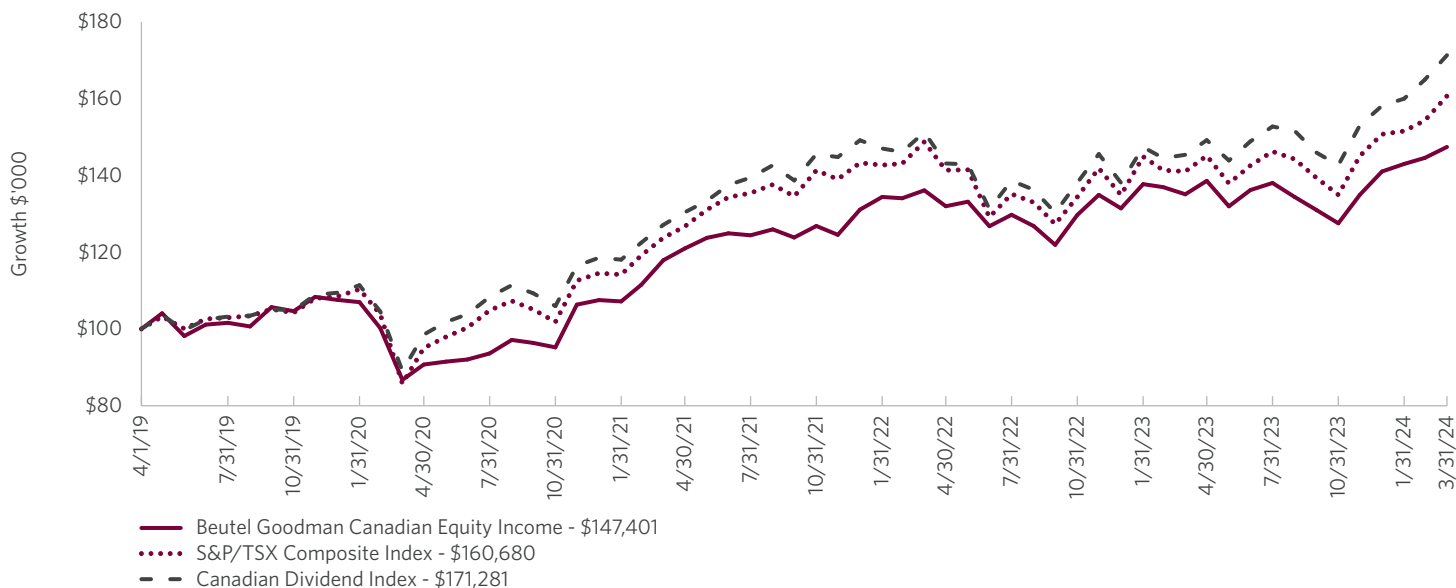
Beutel Goodman Canadian Equity Income vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000



# ICS strategy information

7 Years as of March 31, 2024

## Risk statistics

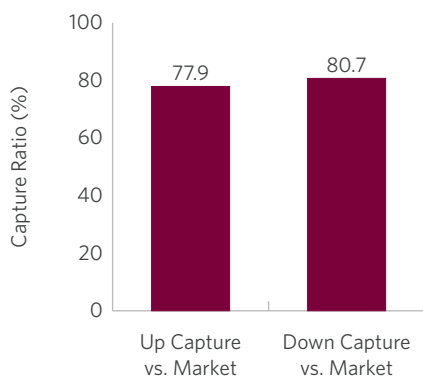
	Std Dev (%)	Sharpe Ratio
Beutel Goodman Canadian Equity Income	11.8	0.47
S&P/TSX Composite Index	14.2	0.47
Canadian Dividend Index	13.5	0.61

## Risk statistics - strategy vs. benchmark

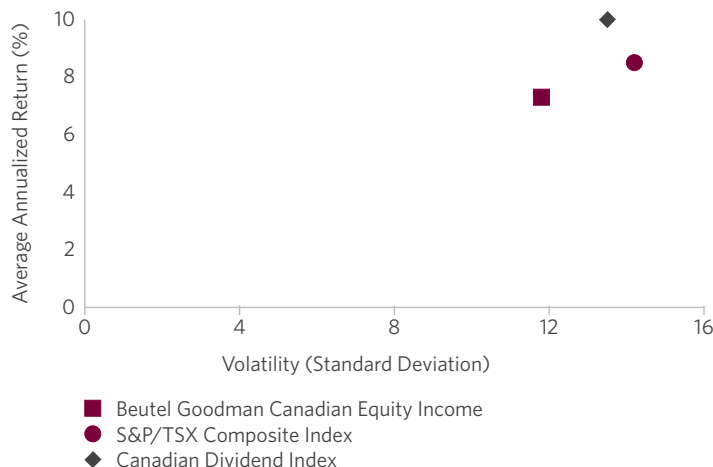
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Beutel Goodman Canadian Equity Income vs. S&P/TSX Composite Index	0.76	0.9	0.84
Beutel Goodman Canadian Equity Income vs. Canadian Dividend Index	0.80	-0.6	0.83

## Up/Down market capture

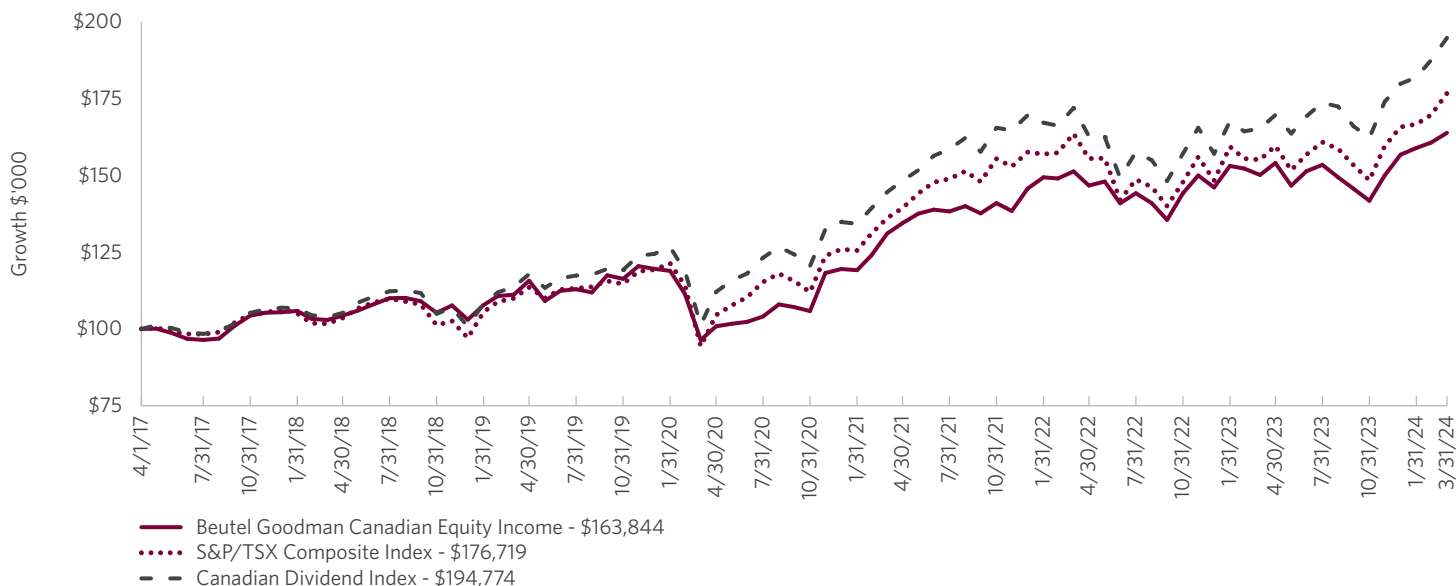
Beutel Goodman Canadian Equity Income vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000



# ICS strategy information

10 Years as of March 31, 2024

## Risk statistics

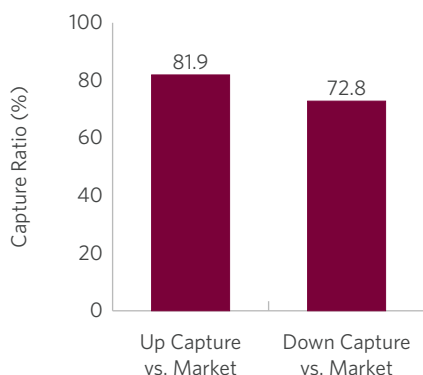
	Std Dev (%)	Sharpe Ratio
Beutel Goodman Canadian Equity Income	10.6	0.66
S&P/TSX Composite Index	12.7	0.49
Canadian Dividend Index	n/a	n/a

## Risk statistics - strategy vs. benchmark

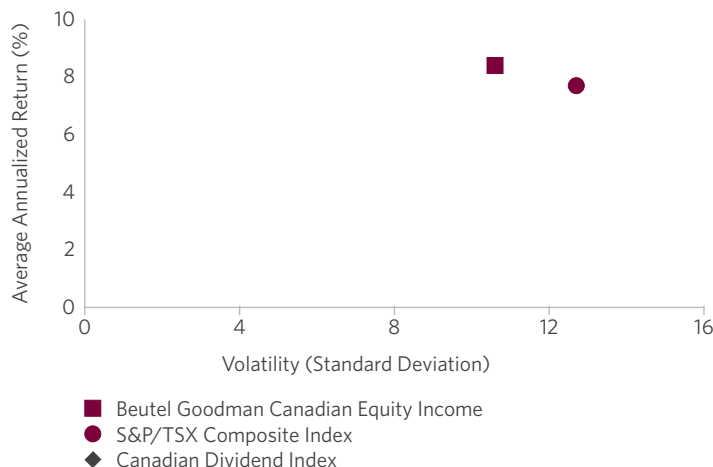
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Beutel Goodman Canadian Equity Income vs. S&P/TSX Composite Index	0.75	2.7	0.81
Beutel Goodman Canadian Equity Income vs. Canadian Dividend Index	n/a	n/a	n/a

## Up/Down market capture

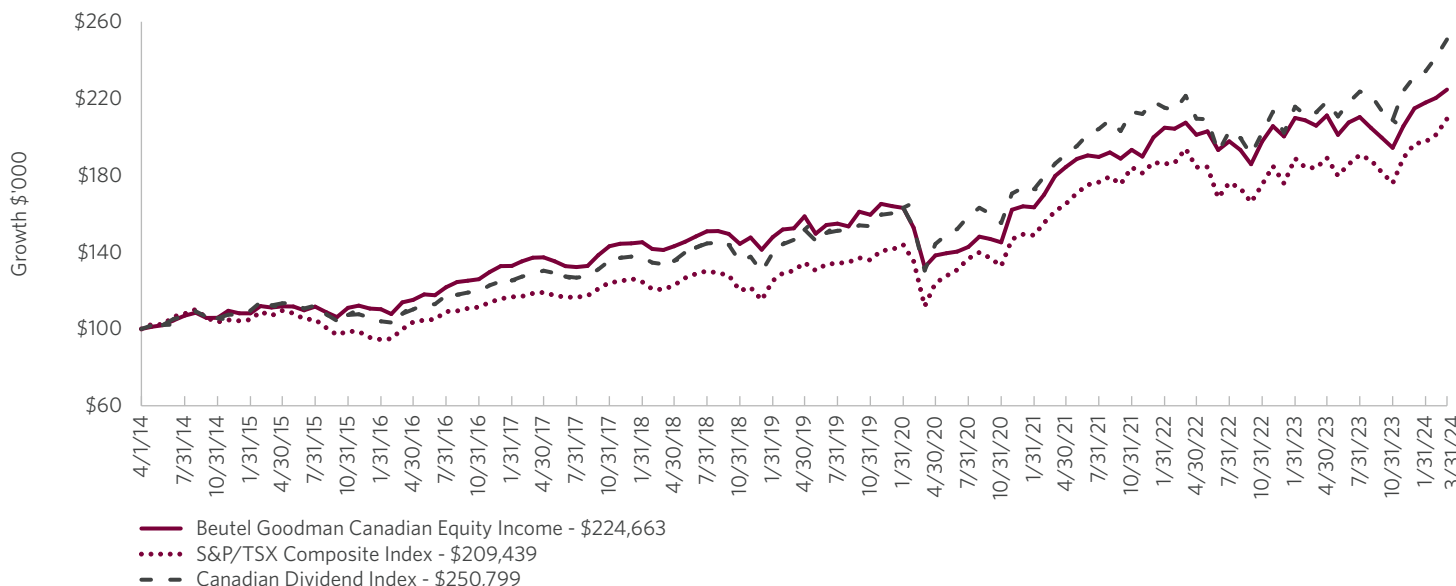
Beutel Goodman Canadian Equity Income vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000



## Additional manager information

March 31, 2024

In response to regulatory requirements, for those strategies with less than 5 years of actual ICS Composite performance history, additional manager information is provided where a technically similar manager composite is available. All Composite performance returns are expressed in Canadian dollars. For details on the manager composite, refer to the disclaimer on the last page of this document.

### Trailing returns (%)

	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs
<b>Beutel Goodman Canadian Dividend Fund Composite</b>	4.9	4.9	9.4	4.3	8.1	8.4	8.5
<b>S&amp;P/TSX Composite Index</b>	6.6	6.6	13.9	3.9	9.1	9.9	7.7
<b>Canadian Dividend Index</b>	8.3	8.3	17.8	6.4	10.5	11.4	n/a

### Calendar year returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Beutel Goodman Canadian Dividend Fund Composite</b>	7.4	0.6	22.4	0.0	16.4	-2.1	9.0	19.9	1.5	12.9
<b>S&amp;P/TSX Composite Index</b>	11.7	-5.8	25.1	5.6	22.9	-8.9	9.1	21.1	-8.3	10.6
<b>Canadian Dividend Index</b>	14.5	-7.4	25.8	8.3	23.4	-5.7	10.3	17.8	-1.4	n/a

# Additional manager information

5 Years as of March 31, 2024

## Risk statistics

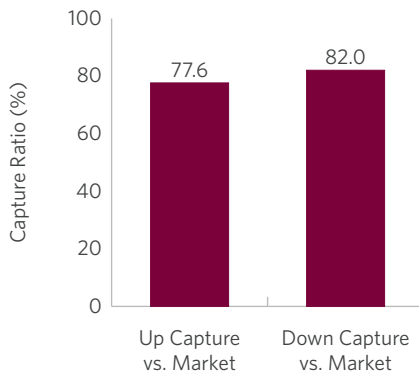
	Std Dev (%)	Sharpe Ratio
Beutel Goodman Canadian Dividend Fund Composite	13.2	0.48
S&P/TSX Composite Index	15.6	0.51
Canadian Dividend Index	14.8	0.63

## Risk statistics - strategy vs. benchmark

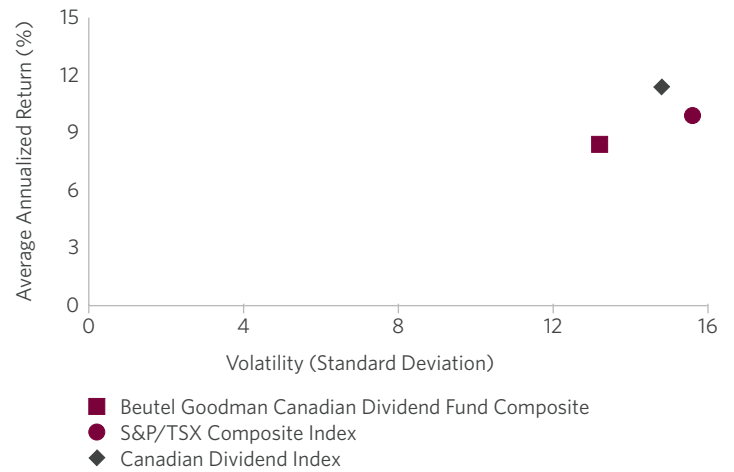
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Beutel Goodman Canadian Dividend Fund Composite vs. S&P/TSX Composite Index	0.78	0.7	0.84
Beutel Goodman Canadian Dividend Fund Composite vs. Canadian Dividend Index	0.81	-0.8	0.82

## Up/Down market capture

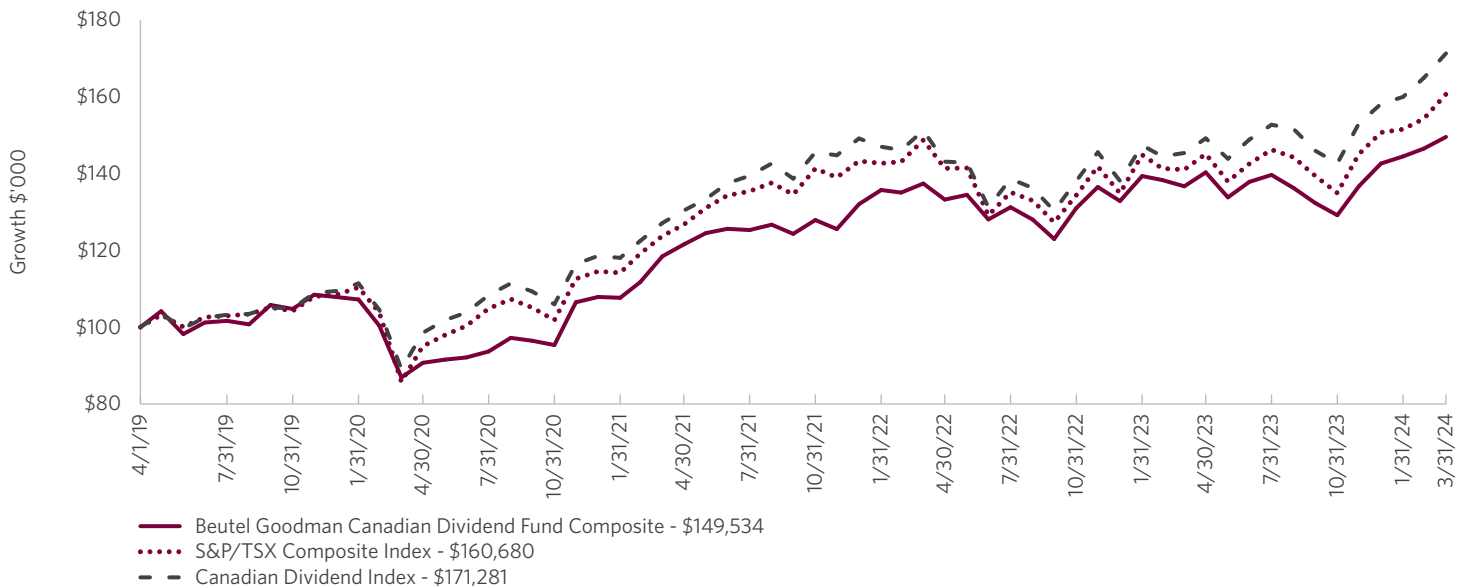
Beutel Goodman Canadian Dividend Fund Composite vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000





# Additional manager information

7 Years as of March 31, 2024

## Risk statistics

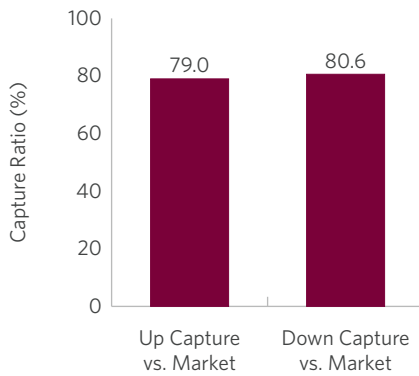
	Std Dev (%)	Sharpe Ratio
Beutel Goodman Canadian Dividend Fund Composite	11.9	0.49
S&P/TSX Composite Index	14.2	0.47
Canadian Dividend Index	13.5	0.61

## Risk statistics - strategy vs. benchmark

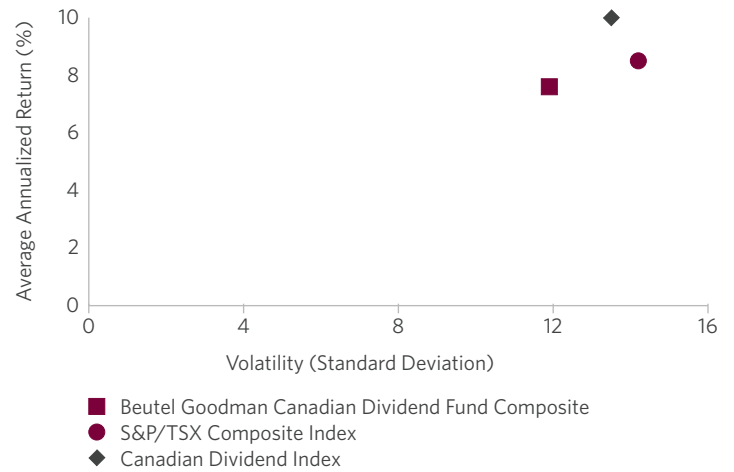
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Beutel Goodman Canadian Dividend Fund Composite vs. S&P/TSX Composite Index	0.76	1.1	0.84
Beutel Goodman Canadian Dividend Fund Composite vs. Canadian Dividend Index	0.80	-0.4	0.83

## Up/Down market capture

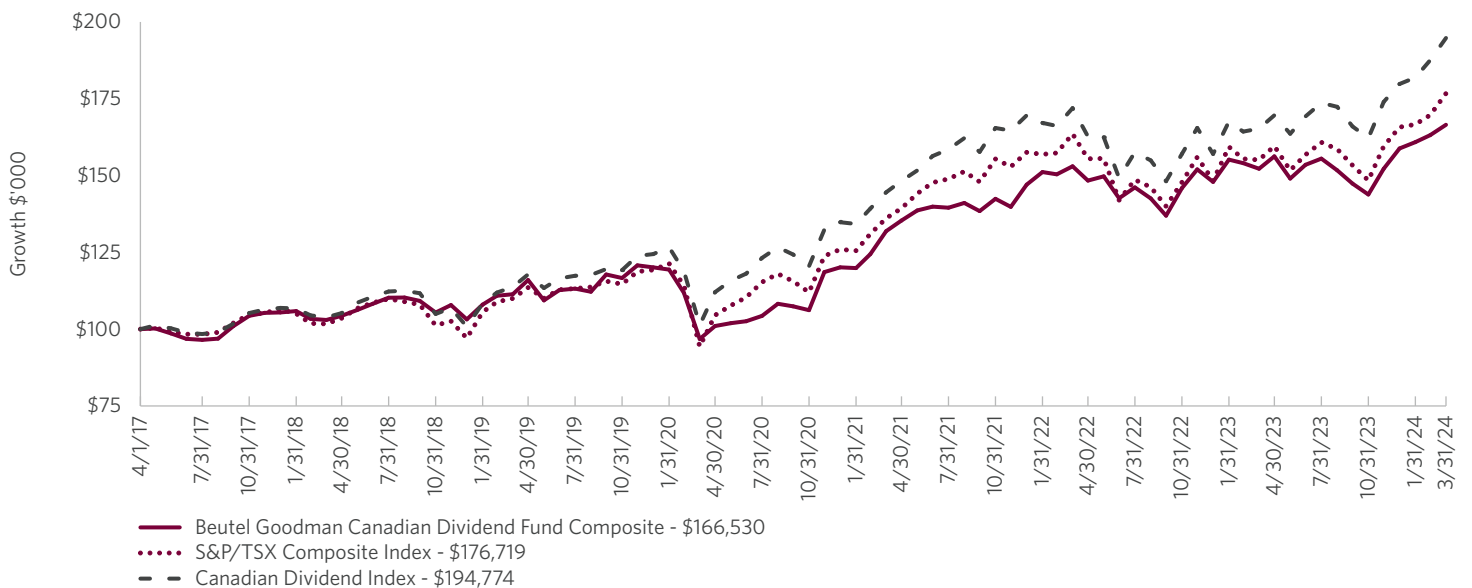
Beutel Goodman Canadian Dividend Fund Composite vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000



# Additional manager information

10 Years as of March 31, 2024

## Risk statistics

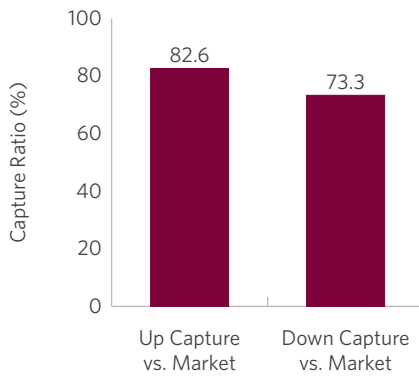
	Std Dev (%)	Sharpe Ratio
Beutel Goodman Canadian Dividend Fund Composite	10.6	0.67
S&P/TSX Composite Index	12.7	0.49
Canadian Dividend Index	n/a	n/a

## Risk statistics - strategy vs. benchmark

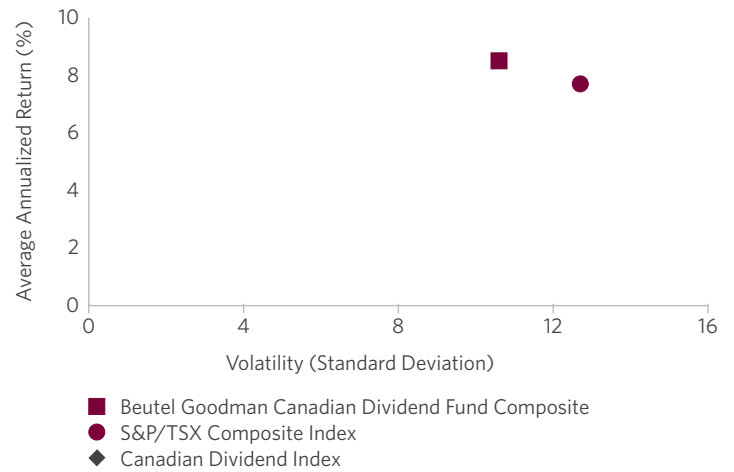
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Beutel Goodman Canadian Dividend Fund Composite vs. S&P/TSX Composite Index	0.75	2.7	0.81
Beutel Goodman Canadian Dividend Fund Composite vs. Canadian Dividend Index	n/a	n/a	n/a

## Up/Down market capture

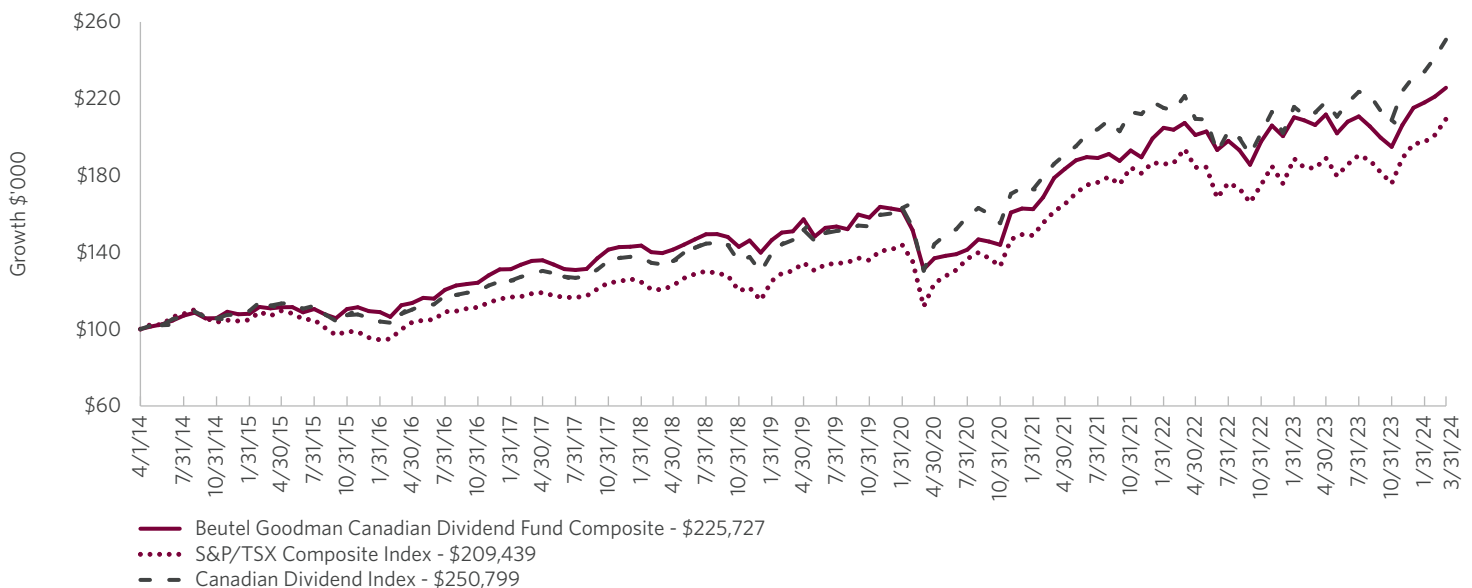
Beutel Goodman Canadian Dividend Fund Composite vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000



## ICS Composite

Performance results set out in this document are based on a composite of CIBC Wood Gundy Investment Consulting Service (“ICS”) retail accounts with more than \$90,000 invested in the CIBC Wood Gundy ICS Beutel, Goodman & Company Ltd. (“Beutel Goodman”) Canadian Equity Income strategy (the “Strategy”). The composite includes open fee-paying discretionary managed ICS accounts held in the Strategy through a purchase or a switch from another investment or ICS strategy. ICS accounts are included at the start of the second month following their inception. Also included in the composite are closed ICS accounts that held the Strategy, up to the last full month the Strategy was held. The composite was created in January 2013. It includes account performance data from April 1, 2013, the second month after the inception of the first account in the Strategy.

Composite performance returns are geometrically linked and calculated by weighting each ICS account’s monthly performance, including changes in securities’ values, and accrued income (i.e. dividends and interest), against its market value at the beginning of each month, as represented by the market value at the opening of the first business day of each month. Performance returns are expressed in CAD and are gross of ICS investment management fees, and other expenses, if any. Each ICS account’s performance returns will be reduced by these costs.

### Beutel Goodman Canadian Dividend Fund Composite

Performance results set out in this document are based on Beutel Goodman Canadian Dividend Fund Composite.

Investment returns of the Beutel Goodman Canadian Dividend Fund (The Composite) are expressed in Canadian dollars, gross of investment management fees and include reinvestment of dividends and income. The inception date of the Composite is September 1, 2003. Returns are time weighted and annualized for periods greater than one year. Values change frequently and past investment performance may not be repeated. Beutel Goodman’s management of separately-managed wrap accounts and other accounts under the same investment strategy is consistent, however, individual separately-managed wrap account holders may experience performance dispersion versus our funds due to differences in the underlying portfolio. This may be attributed to higher levels of portfolio concentration, specific sponsor constraints, fees charged by the plan sponsor and the timing of transactions.

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Individual account performance results for clients of ICS invested in the Strategy may also materially differ from the performance results set out in this document, which are based on the Composite due to the factors described above, and other factors such as an account’s size, the length of time the Strategy has been held, cash flows in and out of the individual ICS client account, trade execution timing, market conditions and movements, trading prices, foreign exchange rates, specific client constraints, and constraints against purchasing securities of related and connected issuers to CIBC Wood Gundy, the investment manager and/or either of their affiliates. Past performance may not be repeated and is not indicative of future results. Consideration of individual circumstances and current events is critical to sound investment planning. All investments carry a certain degree of risk. It is important to review objectives, risk tolerance, liquidity needs, tax consequences and any other considerations before choosing an ICS strategy. Clients are advised to seek advice regarding their particular circumstances from their tax and legal advisors. Some investment managers may be situated outside of Canada and may not be registered as an advisor in Canada.

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### Benchmark Index

The Canadian Dividend Index is a blended benchmark comprised of 75% S&P/TSX Composite Index (CAD) and 25% S&P 500 Index (CAD).

S&P/TSX Composite Index Source: TSX © Copyright 2024 TSX Inc. All Rights Reserved.

S&P 500 Index Source: Standard & Poor’s © Copyright 2024 Standard & Poor’s All Rights Reserved.

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