

after...



What are you doing after work?

after

is a quest

not a

destination

work



after defines the intensity of our mission to realize the after-work dreams of advisors and investors

it is the pursuit of ideas and innovation that extends our leadership and drives the future of our business

and along the way discover new markets and new customers

for our customers, after work charts a new beginning in the story of their lives

for AGF, it is the catalyst for success

What are you doing after work?[®]

message from the chairman

“In 2001, AGF continued to build upon its solid foundations to emerge as one of the most consistently successful investment management companies in Canada. In the face of volatile markets and investor unease, your company drew upon the depth, breadth and excellence of AGF’s people, products and services to succeed in yet another year. As the economy stabilizes and confidence returns, we will capitalize on this momentum to achieve even greater success and shareholder value.”



C. Warren Goldring
Chairman

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financial highlights

27,482

mutual fund assets
under management
millions of dollars

639,994

total revenue
thousands of dollars



1.84

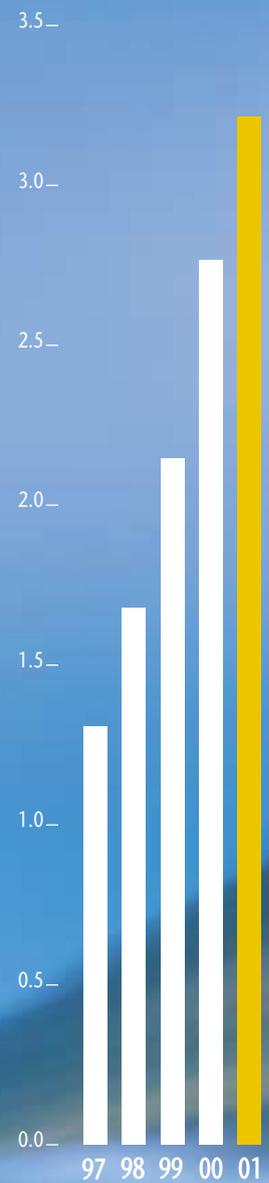
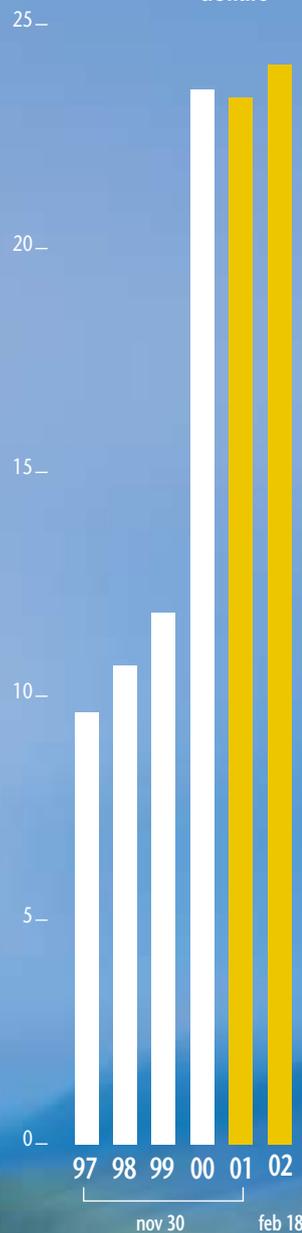
net income
per share
dollars

3.20

cash flow from
operations per share
dollars

24.25

share price
performance
dollars



after all



Blake C. Goldring, CFA
President and Chief Executive Officer



our path is clear and our strategy consistent

dear friends and fellow shareholders



AGF moved with vigour and purpose during this year of global shocks, troubled markets and waning investor confidence. Despite this volatile environment, AGF remained on track to report our sixth consecutive year of record growth and achievement.

There are many dimensions to our success. While we remain proud of our accomplishments, we are never cavalier about the enormous challenges we face each day. When I reflect on the uncertainties of the past year, I am grateful for the talents, resilience and endurance of everyone who contributes to AGF's success.

As a fiercely Canadian company and a pioneer in the mutual fund and investment management industry, we have the experience and perspective to navigate difficult times while ensuring a steady hand to guide the company into the future. The year 2001 tested this experience and perspective, proving yet again that our course of action remains sound and enduring.

This year, we focused on strengthening our impressive financial performance, seamlessly integrating our acquisitions of Global Strategy and Magna Vista, venturing forward to extend our global initiatives and judiciously expanding our business with new investments in AGF Trust Company and AdminSource Inc.

Our trajectory is clear and our strategy consistent. Today, AGF is in an enviable position. With record-breaking sales, strong investment management, top-notch customer service, new global initiatives and a welcoming brand, we have established ourselves as an industry leader. This is our path to success.

As always, we are guided by our mission to help investors and advisors reach their financial goals and dreams throughout their lives. We are building on the wealth continuum by expanding the selection of products and services available to customers no matter what their circumstances or stage in life.

We also remain true to our vision to be a global company with a Canadian home. More than ever, it is imperative that we continue to expand beyond our own borders and to reduce our dependence on the domestic market.

This twin focus on customers and on growth of our business will guide our future progress.

The story in the numbers. It was a difficult year for the global investment management industry. Nervous markets were dealt a further blow by the tragedy of September 11 and no company emerged unscathed from these events.

Despite this uncertain environment, AGF turned in a strong performance in fiscal 2001. Our long-term focus on cost control and fund performance paid off yet again, and in this time of weakened investor confidence, we were able to draw on the strength of our brand and the committed team of investment advisors who know and trust AGF products and services.

Cash flow from operations, our key performance metric, grew to \$284.4 million compared with \$215.4 million in 2000, an increase of 32.0 per cent. Consolidated revenue for the year was \$640.0 million, up from \$508.7 million last year, an increase of 25.8 per cent.

At \$2.6 billion, AGF also topped the industry in net sales of long-term funds to post the strongest in our history – the fourth consecutive year that we have recorded annual net sales over \$2 billion. At the same time, our redemption rate remained among the lowest in the industry at 11.9 per cent, down 20 per cent over the previous year.

In addition to this strong performance, the adoption of new accounting standards for income taxes, as well as declining federal and provincial income tax rates, had a significant and positive impact on the corporation's net income.

Consolidated net income was \$163.8 million for the year ended November 30, 2001, compared with \$95.9 million one year ago.

Strong sales offset market depreciation in our mutual fund assets, which increased over the year to \$27.5 billion, up from \$27.0 billion a year ago. In addition, AGF's institutional assets were \$6.1 billion at year end compared with \$6.3 billion at November 30, 2000.

We realized significant costs savings through the integration of operations of AGF and Global Strategy. By implementing stringent cost controls, AGF was able to reduce selling, general and administrative expenses expressed as a percentage of average assets under management by three basis points in 2001 compared with fiscal 2000.

We have successfully integrated our acquisitions. Our acquisitions in fiscal 2000 of Global Strategy Holdings Inc. and Magna Vista Capital Management Inc. were important moves to increase scale, enhance our platform of products and services and expand distribution channels. Both acquisitions gave us new strength to offer investors and advisors greater flexibility in their investments and a broader span of products and services to meet their needs at every stage of life.

The success of these integrations is a testament to the professionalism of AGF employees who used their ingenuity and energy to ensure a seamless transition.

It was a year of firsts in the global arena. In 2001, we made decisive moves to expand our global platform and export AGF's superior money management to foreign markets.

In June, our wholly-owned subsidiary AGF International Advisors Co. Ltd. launched a new family of offshore funds, initially for sale in Japan through our branch office established in Tokyo in 2000. Selling under the brand name Goldrings, these five new funds offered by AGF International Advisors cover a variety of sectors and management styles.

Later in the year, we made an investment in Maruhachi Securities Co., Ltd., a brokerage firm based in Nagoya, Japan, and an associated company of Nomura Securities, Ltd. This move gives us leverage in the distribution of our funds in Japan. In another first, AGF signed an agreement to manage

we made decisive moves to expand our global platform and export AGF's superior money management to foreign markets

investments for a leading institutional client in Singapore. We expect this initial agreement will open new doors in the future.

In the U.K., we raised our ownership stake in the high-net-worth investment company NCL (Securities) Limited to 40.3 per cent. At fiscal year end, assets under management by NCL were CDN\$7.5 billion.

Along with our established investment advisory presence in Dublin and Singapore, and the offices opened last year in Tokyo and Beijing, AGF continues to make important progress towards our global goals.

We have reinvigorated our subsidiaries. This year we took bold steps to strengthen and reposition two important subsidiaries, AGF Trust Co. and AdminSource Inc.

AGF Trust has been charged with a new vision to establish a closer strategic fit with the priorities and goals of AGF and to develop products and services that meet the needs of advisors and their clients. Within this new framework, AGF Trust's most important achievement was the recent launch of our first RSP loan program for the 2002 RSP season. In addition, AGF Trust has broadened distribution of its Investment Loan Program across the country.

At AdminSource, 2001 was the third consecutive year of strong revenue growth, with another record established for accounts and assets under administration.

Subsequent to year end, AdminSource announced the acquisition of the fund valuation and recordkeeping businesses from TD Bank Financial Group, which doubled assets under administration to approximately \$20 billion and the



we will take advantage of the trend toward consolidation and seek out innovation and economies of scale

number of clients to more than 70. This acquisition makes AdminSource the leading full-service, third-party administrative services provider to Canada's investment industry.

We have aggressively situated ourselves at the forefront of consolidation in this industry to benefit from the trend toward outsourcing all back-office administrative responsibilities. AdminSource is now able to offer clients the benefits of greater scale and value-added service in this area.

During its second full year of operations, Investmaster (formerly AdminSource (UK) Ltd.), a company that develops and licenses customized investment industry software in the U.K., continued its rapid growth in that market. The company is well-positioned to accelerate this expansion as we move into new areas of the U.K. wealth management market.

Good news for shareholders. In a year when the Toronto Stock Exchange declined by 13.9 per cent, the AGF Class B non-voting shares gained 0.8 per cent over the year. Over the last five years, AGF.B shares have returned 38 per cent per year compounded.

To reflect higher cash flow, we implemented a 20-per-cent dividend increase in June 2001, to six cents per share per quarter.

At the beginning of the 2001 fiscal year, we strengthened the balance sheet of the company with an equity offering of 5.5 million Class B non-voting shares, which sold out in a swift 90 minutes. The net proceeds of \$131.7 million were used to retire debt incurred to finance the acquisition of Global Strategy.

The forecast for the future. AGF has pursued a consistent and unwavering strategy to bring us gratifying success during the last six years. We intend to continue along this road. We will seek new opportunities to grow our business at home while strengthening our global operations. We will take advantage of the trend towards consolidation in the industry and seek out innovation and economies of scale. We will build on momentum and potential to ensure our preeminent competitive position in both the Canadian and international arenas.

In 2002, we expect the economy to recover, which will restore investor confidence and spark a resurgence in the sale of long-term funds. With our top-performing and broad-based product offerings, AGF is well-suited to benefit from this resurgence.

Thank you. There are many people who contribute to AGF's success. I want to thank our employees, the directors of the company and the directors of the funds for dedication to their work, for upholding our values, and for helping to make us a different kind of investment management company.

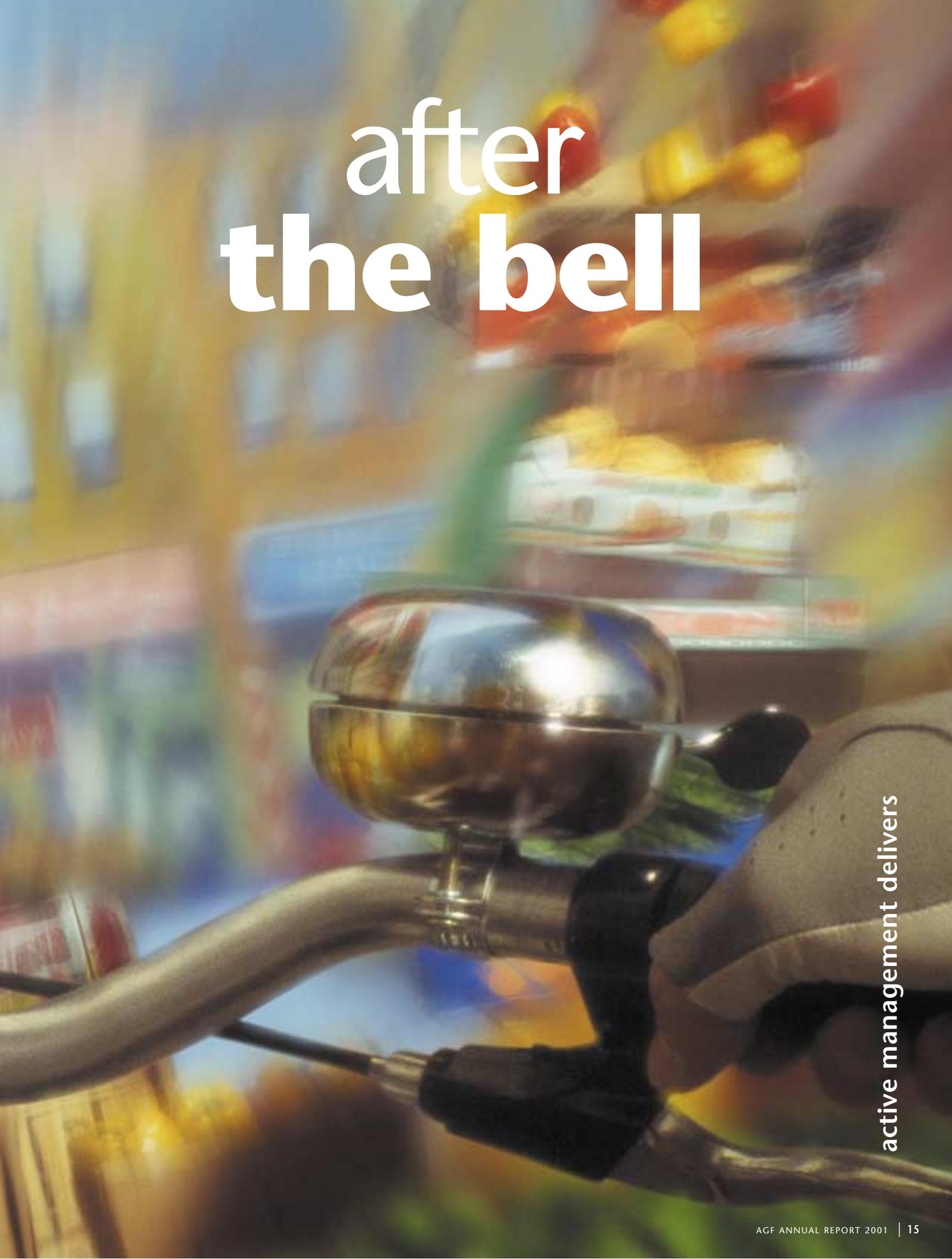
I want to recognize all the investment advisors across Canada who allow us to participate in managing the savings and dreams of their clients. And I want to thank our shareholders for their confidence and support during this challenging year.

After all, together we are building wonderful dreams.



Blake C. Goldring, CFA
President and Chief Executive Officer





after the bell

active management delivers

Fund management excellence is the calling card for success at home and around the world.



During this year of turbulent markets and investor uncertainty, AGF fund management enhanced its reputation for excellence in performance consistency and diversification. We demonstrated that active management ultimately prevails and delivers performance, thanks to the skill and discipline of our fund managers.

As customers demand greater flexibility in products and services, we continue to anticipate and meet these needs. We have strengthened our offerings in the Harmony wrap program and Private Investment Management, while streamlining our lineup of mutual funds to maximize performance and efficiency.

Through the troubled markets of 2001, AGF investment management has consistently proven that winners can shine even in the darkest times.

core business



Building on our broad distribution channels through banks, insurance companies, brokerage houses and independent financial planners, we continued to grow our customer base for investment management through new institutional mandates and the launch of the Goldrings family of offshore funds. Also in the global arena, AGF was chosen to manage a significant institutional account in Singapore that opens the door to new opportunities.

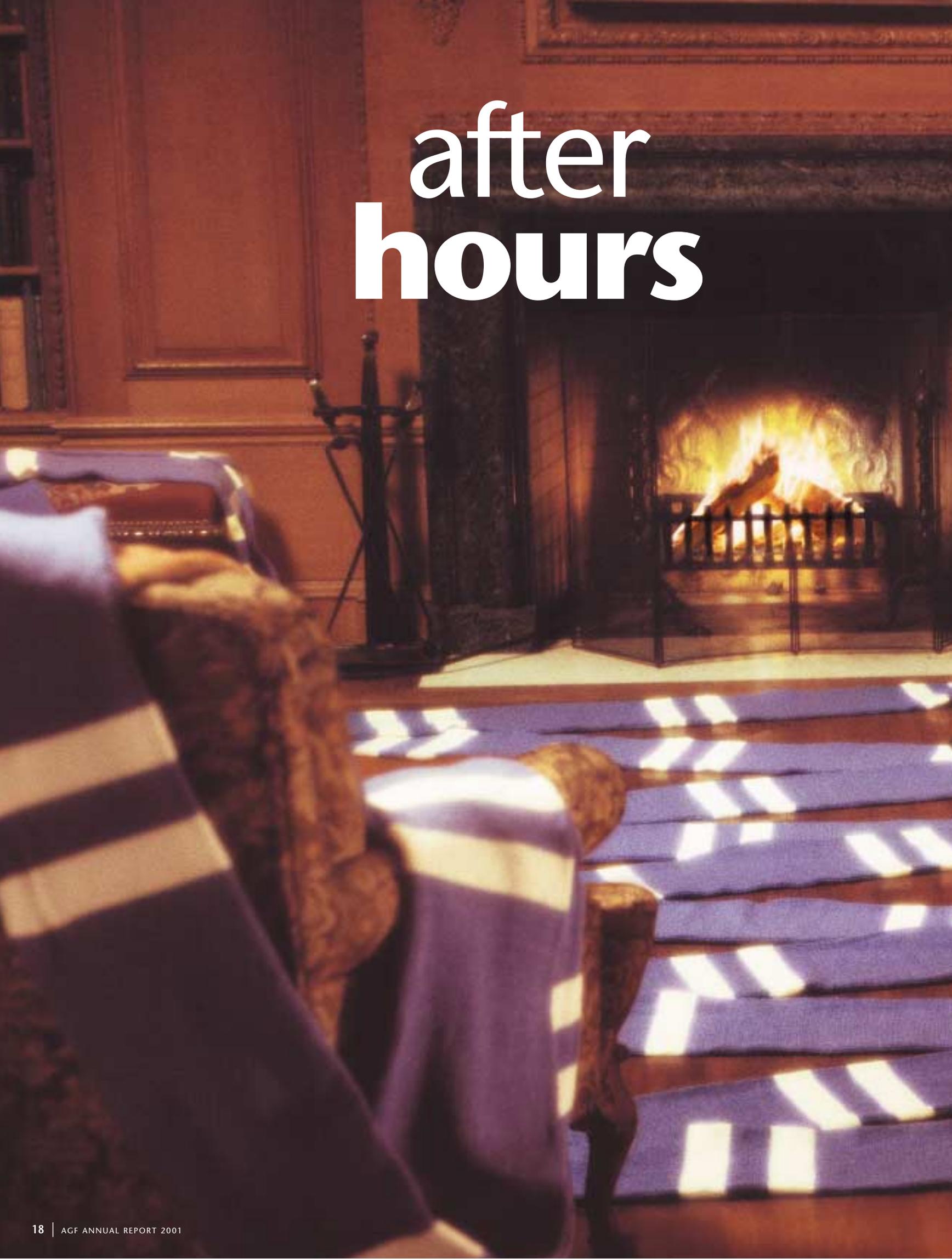
We hit key milestones this year with a number of our funds. Morningstar ranked AGF Global Total Return Bond Fund first in Canada this year with an exceptional return of 19.6 per cent. Portfolio manager Martin Hubbes, manager of AGF Canadian Stock Fund, outpaced the TSE 300 for the fifth straight year. AGF International Value Fund was Canada's top-selling fund in 2001 and outperformed the MSCI by 12.2 per cent.

At the Canadian Mutual Fund Awards, AGF International Value Fund picked up the award for Best International Equity Fund for the second year in a row, and AGF European Equity Class was honoured with the award for Best Regional Equity Fund.

As stability returns to shaky markets, and investor confidence is strengthened, AGF stands to gain substantially.



after hours





reliability, accountability, speed and precision
(don't forget knowledge and insight)

What's sound portfolio management without sales and service to reinforce our relationships with customers?

The strength of AGF doesn't come simply from our products.

It comes from sales and service relationships with all our clients and lends visibility and personality to the intangibility of all investment products.

These relationships are built through reliability, accountability, speed and precision. And a healthy dose of knowledge and insight.

An expanded sales team and e-business solutions enable us to fine-tune service and identify new customers and markets.

In 2001, more than 30,000 investment advisors across Canada picked AGF as one of their top companies to help meet the needs of their own clients. These are relationships we nurture to help advisors – and us – keep our competitive edge.

customers



AGF again demonstrated sales leadership with record-breaking net sales of \$2.6 billion and the fourth consecutive year that we surpassed the \$2-billion mark. In a year of economic uncertainty and an investor flight to money market funds, AGF sales bucked this trend to lead the entire mutual fund industry in net sales of long-term funds. We also reduced redemptions of mutual funds by 20 per cent from the previous year. With the integration of Global Strategy, we strengthened our sales team and distribution channels. We launched the AGF After-Work Planning Program to help advisors guide their clients through life planning for retirement.

Productivity improvements in client services yielded significant results in 2001 by meeting or exceeding service targets in key areas such as accuracy and productivity. The agf.com website has been strengthened with the addition of competitive e-business capabilities, which adds a new layer to the branded information on the site. As a result, the percentage of financial orders delivered to AGF electronically has increased to 70 per cent and, through automated account-inquiry access, successfully reduced client service calls by 20 per cent. AGF will reap new advantages as we implement a new client relationship management initiative that will give shape and strength to our goal to be a more customer-centric organization.

after my own heart





the power to delight the heart and intrigue the mind

The AGF brand has **passion**. It has the power to delight the heart and intrigue the mind.

You might not be able to see it, touch it or lock it in a safety deposit box, but it has value that gives AGF a resonant and unique competitive advantage.

The expression of our brand in advertising, customer information and sponsorships shines in a world known more for drab convention than inventive communication with customers.

Why does this matter? Advisors and investors have come to see AGF as a company that takes investing seriously but knows not to take itself too seriously. We know how to inject fun, humanity and understanding into planning for one of life's most important milestones.

Building the brand is a constant process that embraces every touchpoint of communication and mobilizes every one of our employees. It culminates in the experience of knowing AGF understands your investment needs and dreams better than anyone.

connections



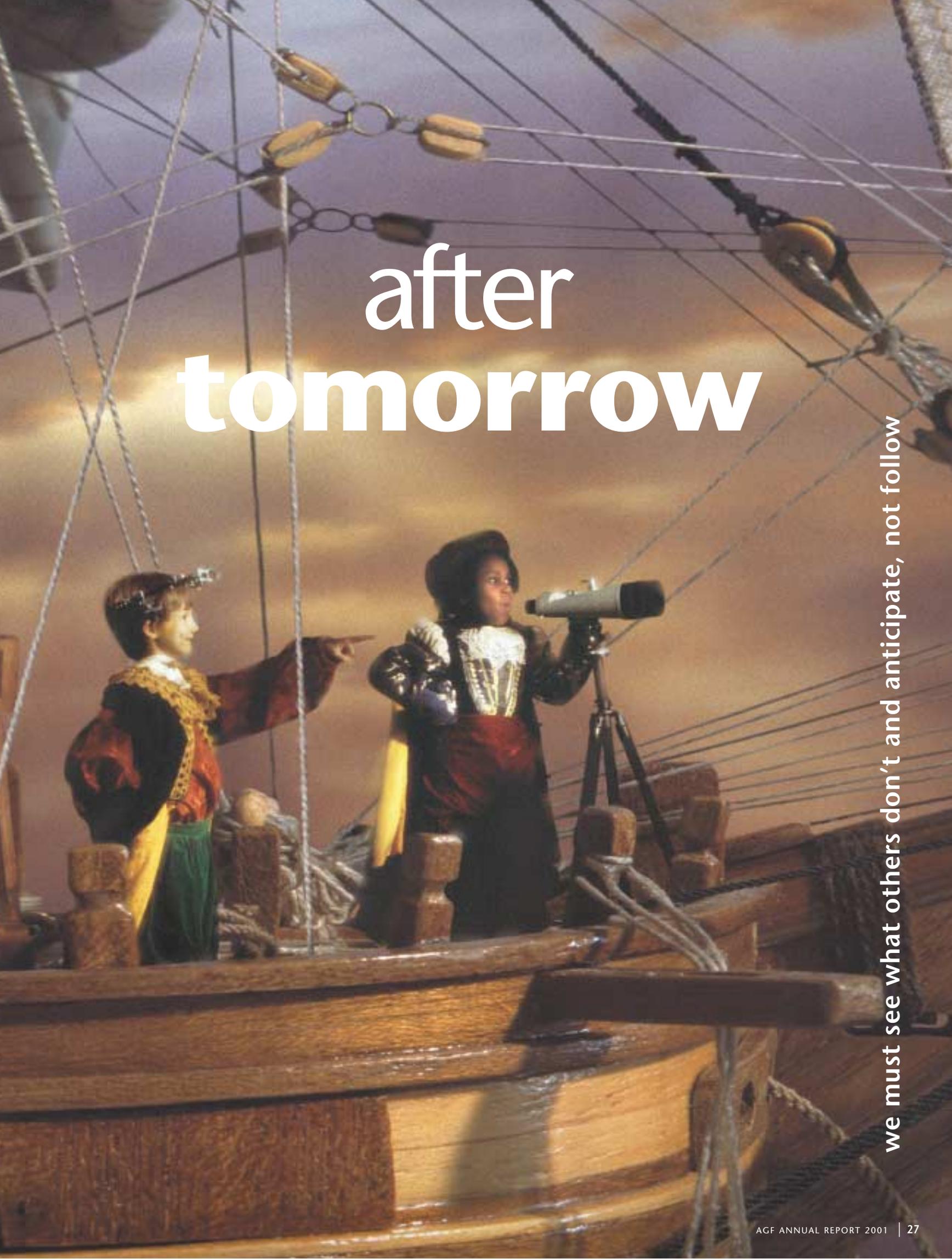
For the first time, AGF's 2001 advertising campaign captured the number one position in unaided top-of-mind advertising awareness among investment advisors, according to independent research conducted by Ascot Marketing. Our advertising and marketing was honoured with three Marquee Awards at the Canadian Mutual Fund Awards. AGF's 2000 Annual Report picked up three international awards at the 2001 International ARC Awards in the categories of cover design, writing and financial services. We are reinforcing our brand identity company-wide through a relaunch of all client communications designed to connect with all our constituents.

In 2001, AGF added the Calgary International Film Festival to its lineup of major sponsorships in Canada's top film festivals in Montreal, Toronto and Vancouver, to give us a truly national presence. AGF continued to support key initiatives of World Wildlife Fund and the Toronto Zoo focused on preservation of the Sumatran tiger species.

Moneyworld, the cutting-edge financial television show, is building our brand while generating revenue through advertising and licensing. This year, moneyworld signed a broadcast agreement with CNBC Asia – the first time the network has licensed external programming. Moneyworld is now broadcast in 30 countries from New Zealand to India to Canada.







after tomorrow

we must see what others don't and anticipate, not follow

The measure of a great leader is the skill to design sound **strategy** and stay the course when others falter.

In a crowded market, we must see what others don't and anticipate, not follow. This is how our business will thrive.

Innovative products, customer-centric services and new global markets will pave the way to future growth. We continue to take steps in our pursuit of profitable growth and competitive advantage.

The wealth continuum remains our broad product and service strategy. Our ultimate goal is to meet the investment needs of advisors and investors at all stages of their lives.

Globally, we continue to map our way with AGF offices in Dublin, London, Singapore, Tokyo and Beijing.

At home, we will benefit from transformations in the industry and deploy resources to be a truly global company with a Canadian home.

competition



With the integration of Magna Vista and Global Strategy, we have reinforced our commitment to the wealth continuum. AGF Private Investment Management has the depth, breadth and national scope to serve the needs of advisors and their clients at the high net worth level. Our enhanced Harmony wrap program ensures those clients looking for a fee-based investment solution have their needs met. With both Private Investment Management and Harmony complementing our core mutual fund business, AGF is best-suited to provide investment solutions at any stage in life.

In the global arena, AGF International Advisors Co. Ltd., based in Dublin, launched a suite of offshore funds for sale initially in Japan. The Goldrings family of funds consists of five funds across a broad cross-section of sectors and economies. We also extended our commitment to the Japanese market this year with an investment in Maruhachi Securities, a brokerage firm based in Nagoya, Japan. Our new presence in Japan attracted the attention of the Canadian Chamber of Commerce in Tokyo who named AGF Best New Company in Japan at the Canada-Japan Business Awards. The award recognizes outstanding achievement by companies and individuals in Canada-Japan ventures. During the year, we also increased our ownership stake to 40.3 per cent in U.K.-based high net worth company NCL (Securities) Limited.

On the homefront, we have realigned and reenergized two of our subsidiaries, AGF Trust and AdminSource, to fuel growth and position us strategically for the future.



AGF is a global company with a Canadian home and is proud to be a pioneer in helping people reach their most important goals and dreams in life. Through great investment products and service to customers, AGF has reinforced its position as one of the top fund companies in Canada.

AGF was founded in 1957 with a handful of investors and one fund – our flagship American Growth Fund – which gave us the AGF name.

Today we manage total assets exceeding \$34 billion and serve a growing network of financial advisors and more than one million investors.

Across Canada, we have offices in Halifax, Montreal, Toronto, Calgary and Vancouver. International operations are located in London, Dublin, Singapore, Tokyo and Beijing. AGF Management Ltd. is an independent Canadian-owned company listed on the Toronto Stock Exchange (AGF.B)



What are you doing after work?

work

