

20/20 Group 1990 Limited Partnership

2005 ANNUAL REPORT



What are you doing after work?

20/20 Group 1990 Limited Partnership
Market Value of Distributed Units
(Unaudited)

As at December 31, 2005

	Market Value (in thousands)		Market Value (in thousands)
AGF Canadian Real Value Balanced Fund	\$ 4,415	AGF Aggressive Global Stock Fund	\$ 59
AGF International Value Fund	4,081	AGF Emerging Markets Fund	46
AGF Canadian Large Cap Dividend Fund	3,481	AGF Canadian Resources Fund Limited	38
AGF World Balanced Fund	3,172	AGF Dividend Income Fund	35
AGF Canadian Stock Fund	2,406	AGF Asian Growth Class	31
AGF Canadian Conservative Income Fund	615	AGF Global Government Bond Fund	28
AGF Aggressive Growth Fund	299	AGF RSP Global Bond Fund	27
AGF Canadian Money Market Fund	220	AGF Canadian Real Value Fund	21
AGF Canadian Small Cap Fund	218	AGF China Focus Class	13
AGF Canadian Growth Equity Fund Limited	170	AGF Canadian High Yield Bond Fund	12
AGF Canadian Balanced Fund	164	AGF Japan Class	12
AGF International Stock Class	162	AGF Elements Growth Portfolio	8
AGF World Companies Fund	118	AGF Germany Class	7
AGF American Growth Class	103	AGF U.S. Risk Managed Class	5
AGF Precious Metals Fund	90	AGF Managed Futures Fund	4
AGF Canada Class	87	AGF Global High Yield Bond Fund	4
AGF Canadian Bond Fund	82	AGF Global Real Estate Equity Class	3
AGF European Equity Class	78	Others	6
			\$ 20,320

20/20 Group 1990 Limited Partnership Management's Discussion and Analysis of Financial Condition and Results of Operations

For the years ended December 31, 2005 and December 31, 2004

Management's Discussion and Analysis ("MD&A") presents an analysis of the financial condition of 20/20 Group 1990 Limited Partnership (the "Partnership") as at December 31, 2005 compared with December 31, 2004, and the results of operations for the year ended December 31, 2005 compared with the corresponding periods of 2004. This discussion should be read in conjunction with our audited financial statements and notes for 2005. The financial information presented herein has been prepared on the basis of Canadian generally accepted accounting principles ("GAAP"). All dollar amounts are in Canadian dollars.

The MD&A includes forward-looking statements about the Partnership. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", or negative versions thereof and similar expressions. The MD&A contains forward-looking statements that are based on current expectations and projections about future events and are inherently subject to, among other things, risks and uncertainties beyond the Partnership's control. These risks and uncertainties include economic conditions, market fluctuations, interest rate and foreign exchange movements, political events, regulatory change and competitive developments. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. We are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise. Actual results could differ materially from those contemplated by the forward-looking statements.

FORMATION AND BUSINESS OF 20/20 GROUP 1990 LIMITED PARTNERSHIP

The Partnership was formed under the laws of Ontario by a declaration of partnership on January 20, 1990 for the purpose of arranging for the distribution of mutual fund units of certain mutual funds ("Distributed Units"), which form part of the AGF Group of Funds, which were sold on a contingent redemption fee basis. The Partnership paid the selling commissions on such securities. The original limited partnership agreement was amended and restated as of March 6, 1990.

As at December 31, 2005, the Partnership has total issued and outstanding units of 85,000. The units do not qualify as investments for registered tax plans such as RRSP, DPSP and RRIF.

REVENUE

The Partnership's primary sources of revenue are distribution fees and redemption fees earned from the Distributed Units to which it has distribution rights. The redemption fee schedule applicable to the Distributed Units has expired. As a result, the Partnership will no longer receive any redemption fees. The future stream of revenues is a function of the market value of these assets and the rate and timing of the redemptions of the underlying assets.

DISTRIBUTION FEES

The Partnership receives from AGF Funds Inc. ("AGFFI"), a subsidiary of AGF Management Limited ("AGF"), a monthly distribution fee calculated on an annual basis of 0.65% of the net asset value of the remaining Distributed Units, which remain outstanding.

Distribution fees amounted to \$139,744 in 2005 as compared to \$168,613 in 2004. The decrease of 17.1% in distribution fees was primarily attributable to the lower net asset value of Distributed Units from \$23.9 million as at December 31, 2004 to \$20.3 million as at December 31, 2005.

20/20 Group 1990 Limited Partnership Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a summary of the changes in Distributed Units for 2005 and 2004:

(Unaudited)	(in thousands)	
Years ended December 31	2005	2004
Market value of Distributed Units, beginning of year	\$ 23,914	\$ 29,253
Increase in market value of Distributed Units, including reinvested distributions	1,869	1,895
Redemption of Distributed Units	(5,463)	(7,234)
Market value of Distributed Units, end of year	\$ 20,320	\$ 23,914

The 2005 annual redemption rate based on the market value of Distributed Units at the beginning of the year was 22.8% compared to 24.7% in 2004. Redemptions accounted for \$5.5 million of the decline in the value of Distributed Units during 2005, offset by market appreciation and reinvested distributions totaling \$1.9 million.

DISTRIBUTED UNITS COMPOSITION

The composition of Distributed Units as at December 31, 2005 and 2004 are shown in the table below. The relative weighting of each asset class will change over time, based on performance, redemptions, and unitholder switches between funds.

Composition of Distributed Units based on Market Value as at December 31:

(Unaudited)	2005	2004
	<u>%</u>	<u>%</u>
Canadian Equity Funds	32	27
International Equity Funds	23	26
Canadian Balanced and Asset Allocation Funds	22	22
International Balanced and Asset Allocation Funds	16	16
Canadian Fixed Income Funds and Others	5	7
U.S. Equity Funds	2	2
Total	100	100

REVENUE TERMINATION DATES

The Partnership will continue to receive distribution fee revenue as long as Distributed Units remain outstanding or until the Partnership is dissolved, whichever is earlier. The distribution fee in respect of such Distributed Units will continue to be payable to the Partnership notwithstanding the expiry or earlier termination of the Partnership's distribution right.

The redemption fee schedule applicable to the Distributed Units has expired.

20/20 Group 1990 Limited Partnership Management's Discussion and Analysis of Financial Condition and Results of Operations

OPERATING EXPENSES

Total operating expenses for the year ended December 31, 2005 were \$65,830, a decrease of 7.1% from \$70,886 in 2004. The decrease was primarily attributable to the decrease in administration fees.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$101,070 as at December 31, 2005 as compared to \$71,877 as at December 31, 2004. Assets as at December 31, 2005 consisted of cash and term-deposit totaling \$89,438 and receivables of \$11,632. These assets were used primarily to finance the quarterly distributions payable to limited partners.

The total amount of uncashed distribution cheques included in cash and distributions payable was \$38,090 as at December 31, 2005 as compared to \$37,607 as at December 31, 2004.

The Partnership was formed to finance selling commissions during a fixed period of time, after which the Partnership collects the fees to which they are entitled with no significant ongoing financial obligation other than the ordinary operating expenses. The Partnership distributes its income to limited partners on a quarterly basis and does not retain permanent investment assets.

FINANCIAL INSTRUMENTS

The Partnership's financial instruments consist of cash and term-deposit, distribution fees and interest receivable, accounts payable and accrued liabilities, and distributions payable. Unless otherwise noted, it is management's opinion that the Partnership is not exposed to significant interest rate, credit, or currency risks arising from these financial instruments.

CASH DISTRIBUTIONS AND TAXABLE INCOME

The Partnership itself is not directly subject to income tax. Instead, the Partnership's income or loss for tax purposes is calculated and flowed through to limited partners. Limited partners who beneficially hold the Partnership units on December 31 of any year are allocated income or loss for tax purposes based on the entire year's income or loss. This means that any limited partner who purchases units part way through the year and holds these units at year end is allocated taxable income or loss for the entire year, regardless of the cash distributions actually paid to them. In other words, taxable investors who purchase the Partnership units that generate taxable income part way through the year and hold these units at year-end would have a tax liability based on the taxable income of the entire year and not just on the cash distributions received.

Cash distributions are paid quarterly to limited partners of record at March 31, June 30, September 30 and December 31.

Cash distributions and taxable income for the year ended December 31, 2005 were \$0.88 per limited partnership unit as compared to \$1.15 per limited partnership unit in 2004. Cash distributions per limited partnership unit for the three most recent years are shown on page 6.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. A summary of significant accounting policies is presented in note 2 to the financial statements.

20/20 Group 1990 Limited Partnership

Management's Discussion and Analysis of Financial Condition and Results of Operations

RELATED PARTY TRANSACTIONS

20/20 Distribution GP Limited is the general partner and is responsible for the management of the Partnership on a day-to-day basis. In consideration for its services, the general partner is entitled to 0.01% of the net distributable income of the partnership and will be reimbursed by the partnership for expenses incurred on behalf of the partnership. In addition, the general partner receives a management fee, which equals 15% of such amounts reimbursed. Management fees for the year ended December 31, 2005 amounted to \$8,587 as compared to \$9,245 a year ago.

The general partner has arranged with AGF, its ultimate parent company, to provide administration services to the partnership. These services are in the normal course of operations and are recorded at the amount of consideration agreed to by the parties. Administration fees for the year ended December 31, 2005 amounted to \$24,086 as compared to \$28,336 a year ago.

OUTLOOK AND RISKS

The Partnership's only source of future revenue is distribution fees since the redemption fee schedule for the Distributed Units expired at the end of 1996. Distribution fees are expected to continue to decline in the future as the level of Distributed Units declines. Distribution fees are impacted by the following risks:

Redemption Rate Risk

The amount of distribution fees to be earned by the Partnership will decrease as redemptions from the Distributed Units continue. The annual rate of redemptions decreased slightly over the past two years. Based on the combination of the age of Distributed Securities and the expiration of the redemption fee schedules, we do not expect the rate of redemptions to decline significantly in the future.

Market Risk

The Partnership's revenue stream is subject to equity market risk. Market appreciation increases the value of Distributed Units which increases the distribution fees of the Partnership. Conversely, market depreciation decreases the value of Distributed Units which decreases the distribution fees of the Partnership. Market value of Distributed Securities including reinvested distributions increased over the past two years.

CORPORATE GOVERNANCE

The Partnership's business operations are managed by the general partner, 20/20 Distribution GP Limited, which is a wholly-owned subsidiary of AGFFI. The general partner carries out its duties and obligations pursuant to the terms of the Partnership agreement. The Partnership's principal sources of revenue are the distribution fees and redemption fees in respect of the AGF mutual funds managed by AGFFI.

The Partnership is responsible for the existence of appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Board of Directors of the general partner has been charged with the oversight role to ensure the integrity and fair presentation of the reported information.

REGULATORY FILINGS

The Partnership's annual and interim financial statements are available at the AGF website, www.agf.com and at the Canadian Securities Administrators' website, www.sedar.com.

20/20 Group 1990 Limited Partnership Management's Discussion and Analysis of Financial Condition and Results of Operations

SELECTED QUARTERLY AND ANNUAL INFORMATION

Year ended December 31, 2005	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 140,297	\$ 32,978	\$ 34,531	\$ 35,162	\$ 37,626
Net income for the period	74,467	16,398	17,775	18,455	21,839
Net income and cash distribution per limited partnership unit	0.88	0.20	0.21	0.21	0.26
Total assets	101,070				

Year ended December 31, 2004	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 169,020	\$ 38,733	\$ 40,101	\$ 43,607	\$ 46,579
Net income for the period	98,134	23,080	20,700	24,219	30,135
Net income and cash distribution per limited partnership unit	1.15	0.27	0.24	0.29	0.35
Total assets	71,877				

Year ended December 31, 2003	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 199,730	\$ 47,567	\$ 48,991	\$ 50,910	\$ 52,262
Net income for the period	131,551	31,444	32,873	32,941	34,293
Net income and cash distribution per limited partnership unit	1.55	0.37	0.39	0.39	0.40
Total assets	43,031				

*Unaudited

January 18, 2006

Auditors' Report

To the Partners of 20/20 Group 1990 Limited Partnership

We have audited the balance sheets of **20/20 Group 1990 Limited Partnership** as at December 31, 2005 and 2004 and the statements of operations and deficit and cash flow for the years then ended. These financial statements are the responsibility of the general partner. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the partnership as at December 31, 2005 and 2004 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants

Toronto, Ontario

20/20 Group 1990 Limited Partnership Balance Sheets

As at December 31	2005	2004
Assets		
Current Assets:		
Cash and term-deposit	\$ 89,438	\$ 58,912
Distribution fees and interest receivable	11,632	12,965
Total Assets	\$ 101,070	\$ 71,877
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 46,582	\$ 11,190
Distributions payable (note 4)	54,488	60,687
	101,070	71,877
Partners' Equity:		
General partner	100	100
Limited partners – 85,000 units	8,500,100	8,500,100
Less: Issue expenses	(923,389)	(923,389)
	7,576,811	7,576,811
Deficit	(7,576,811)	(7,576,811)
	-	-
Total Liabilities and Partners' Equity	\$ 101,070	\$ 71,877

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors of
20/20 Distribution GP Limited, as General Partner

<Blake C. Goldring>
Blake C. Goldring, Director

<C. Warren Goldring>
C. Warren Goldring, Director

20/20 Group 1990 Limited Partnership Statements of Operations and Deficit

Fort the years ended December 31	2005	2004
Operations		
Revenue:		
Distribution fees	\$ 139,744	\$ 168,613
Interest	553	407
	<u>140,297</u>	<u>169,020</u>
Expenses:		
Administration and management fees (note 3)	32,673	37,581
Audit, legal and filing fees	17,585	17,825
Transfer agent fees	11,429	10,709
Printing, reporting and mailing	4,143	4,771
	<u>65,830</u>	<u>70,886</u>
Net income for the year	\$ 74,467	\$ 98,134
Net income per limited partnership unit	\$ 0.88	\$ 1.15
Deficit		
Balance beginning of year	\$ (7,576,811)	\$ (7,576,811)
Net income for the year	74,467	98,134
Distributions to partners	(74,467)	(98,134)
Balance end of year	\$ (7,576,811)	\$ (7,576,811)

The accompanying notes are an integral part of the financial statements.

20/20 Group 1990 Limited Partnership Statements of Cash Flow

For the years ended December 31	2005	2004
Operating Activities:		
Net income for the year	\$ 74,467	\$ 98,134
Decrease in non-cash balances related to operations	36,725	2,504
	111,192	100,638
Financing Activities:		
Uncashed distribution cheques (note 4)	483	37,607
Distributions paid to partners	(81,149)	(106,499)
	(80,666)	(68,892)
Increase in cash during the year	30,526	31,746
Cash beginning of year	58,912	27,166
Cash end of year	\$ 89,438	\$ 58,912

*Note: Cash is defined as cash and term-deposit.
The accompanying notes are an integral part of the financial statements.*

20/20 Group 1990 Limited Partnership

Notes to Financial Statements

For the years ended December 31, 2005 and 2004

1. Partnership Operations

20/20 Group 1990 Limited Partnership (the "Partnership") is a limited partnership formed under the laws of Ontario by a declaration of partnership on January 20, 1990. The original limited partnership was amended and restated as of March 6, 1990.

The Partnership was appointed to arrange for the distribution of mutual funds units of certain mutual funds, which form part of the AGF Group of Funds (the "Funds"), which were sold on a contingent redemption fee basis. The Partnership paid the selling commissions on such securities.

In return for arranging for the distribution of mutual fund units (the "Distributed Units") and paying the selling commissions, the Partnership receives a monthly distribution fee, which is a portion of the Fund's management fee. The distribution fee is calculated at the annual rate of 0.65% of the average net asset value of the Distributed Units remaining, including any distributions on such units of the Funds automatically re-invested in additional units. In addition, the Partnership is entitled to any redemption charges on the redemption of the Distributed Units. The redemption fee schedule applicable to the Distributed units has expired.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

Selling Commissions

The selling commissions were fully amortized and expensed.

Financial Instruments

The Partnership's financial instruments consist of cash and term-deposit, distribution fees and interest receivable, accounts payable and accrued liabilities, and distributions payable. Unless otherwise noted, it is management's opinion that the Partnership is not exposed to significant interest, credit or currency risks arising from these financial instruments.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. Related Party Transactions

20/20 Distribution GP Limited is the general partner and is responsible for the management of the Partnership on a day-to-day basis. In consideration for its services, the general partner is entitled to 0.01% of the net distributable income of the Partnership and will be reimbursed by the Partnership for expenses incurred on behalf of the Partnership. In addition, the general partner receives a management fee which equals 15% of such amounts reimbursed. Management fees during the year 2005 amounted to \$8,587 (2004 - \$9,245).

20/20 Group 1990 Limited Partnership

Notes to Financial Statements

The general partner has arranged with AGF Management Limited, its ultimate parent company, to provide administration services to the Partnership. These services are in the normal course of operations and are recorded at the amount of consideration agreed to by the parties. Administration fees during the year 2005 amounted to \$24,086 (2004 - \$28,336).

4. Uncashed Distribution Cheques

The total amount of uncashed distribution cheques as at December 31, 2005 was \$38,090 (December 31, 2004 - \$37,607). For accounting purposes, this amount has been classified as cash and distributions payable on the balance sheet.

5. Taxation of the Partnership

These financial statements include only the assets and liabilities of the Partnership and do not include the other assets and liabilities, including income taxes, of the partners.

The Partnership is not taxable. An individual who is a limited partner on December 31 of each year will be allocated a pro-rata share of the income or loss for tax purposes for the whole year of the Partnership.



What are you doing after work?

20/20 Group 1990 Limited Partnership

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