

# 20/20 Group 1990 Limited Partnership

SEMI-ANNUAL REPORT  
FOR THE SIX MONTHS  
ENDED JUNE 30, 2006



What are you doing after work?

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

As at June 30, 2006

	<b>Market Value (in thousands)</b>		<b>Market Value (in thousands)</b>
AGF Canadian Real Value Balanced Fund	\$ 3,891	AGF Canada Class	\$ 54
AGF Canadian Large Cap Dividend Fund	3,287	AGF Elements Global Portfolio	52
AGF International Value Fund	3,248	AGF Dividend Income Fund	51
AGF World Balanced Fund	3,248	AGF Emerging Market Fund	49
AGF Canadian Stock Fund	2,136	AGF Canadian Resources Fund Limited	33
AGF Canadian Conservative Income Fund	546	AGF Asian Growth Class	32
AGF Aggressive Growth Fund	280	AGF Global Government Bond Fund	26
AGF Canadian Small Cap Fund	279	AGF Canadian Real Value Fund	22
AGF Canadian Money Market Fund	176	AGF RSP Global Bond Fund	16
AGF International Stock Class	157	AGF China Focus Class	15
AGF Canadian Balanced Fund	150	AGF Elements Growth Portfolio	13
AGF Canadian Growth Equity Fund Limited	115	AGF Canadian High Yield Bond Fund	12
AGF Precious Metals Fund	95	AGF Elements Balanced Portfolio	10
AGF World Companies Fund	93	AGF Japan Class	8
AGF American Growth Class	89	AGF Germany Class	7
AGF European Equity Class	78	AGF Managed Futures Fund	5
AGF Canadian Bond Fund	75	Others	13
AGF Aggressive Global Stock Fund	65		
	<b>TOTAL</b>		<b>\$ 18,426</b>

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

---

For the six months ended June 30, 2006

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 June 30, 2006 compared with December 31, 2005, and the results of operations for the six months ended June 30, 2006 compared with the corresponding period of 2005. This discussion should be read in conjunction with our 2005 annual MD&A and 2005 annual audited financial statements and notes. The financial information presented herein has been prepared on the basis of Canadian generally accepted accounting principles ("GAAP"). Certain amounts or percentages are calculated using numbers rounded to the decimals that appear in this MD&A. All dollar amounts are in Canadian dollars.

There have been no material changes to the information discussed in the following sections of the 2005 annual MD&A: 'Significant Accounting Policies' and 'Corporate Governance'. Accordingly, readers should refer to our 2005 annual MD&A to gain an understanding of how these matters may impact the Partnership's operating results.

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 June 30, 2006, the Partnership has total issued and outstanding units of 85,000. The units do not qualify as investment 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.

# 20/20 Group 1990 Limited Partnership

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

Distribution fees amounted to \$63,728 for the six months ended June 30, 2006 as compared to \$72,590 for the comparable period in 2005. The 12.2% decrease was primarily attributable to the decline in the net asset value of Distributed Units from \$21.3 million as at June 30, 2005 to \$18.4 million as at June 30, 2006.

The following is a summary of the changes in the market value of the Distributed Units during the six months ended June 30, 2006 and 2005:

(in thousands)

Six months ended June 30

(Unaudited)

	<b>2006</b>	<b>2005</b>
Market value of Distributed Units, beginning of period	\$ 20,320	\$ 23,914
Increase in market value of Distributed Units, including reinvested distributions	549	500
Redemption of Distributed Units	(2,443)	(3,154)
Market value of Distributed Units, end of period	\$ 18,426	\$ 21,260

The annualized redemption rate during the six months ended June 30, 2006 based on the market value of Distributed Units at the beginning of the year was 24.0% compared to 26.4% in 2005. Redemptions accounted for \$2.4 million of the decline in the value of Distributed Units during the six months ended June 30, 2006, offset by market appreciation and reinvested distributions totaling \$0.5 million.

### DISTRIBUTED UNITS COMPOSITION

The composition of Distributed Units as at June 30, 2006 and 2005 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 June 30:

(Unaudited)	<b>2006</b>	<b>2005</b>
	<b>%</b>	<b>%</b>
Canadian Equity Funds	32	28
Canadian Balanced and Asset Allocation Funds	22	23
International Equity Funds	21	25
International Balanced and Asset Allocation Funds	18	16
Canadian Fixed Income Funds and Others	5	6
U.S. Equity Funds	2	2
<b>Total</b>	<b>100</b>	<b>100</b>

# 20/20 Group 1990 Limited Partnership

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

---

### **REVENUE TERMINATION DATES**

The Partnership will continue to receive distribution fee revenue for 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.

### **OPERATING EXPENSES**

Total operating expenses for the six months ended June 30, 2006 were \$31,770, a decrease of 2.2% from \$32,494 in 2005. The decrease was primarily attributable to the decrease in administration fees.

### **FINANCIAL CONDITION AND LIQUIDITY**

Total assets were \$85,247 as at June 30, 2006 as compared to \$101,070 as at December 31, 2005. Assets as at June 30, 2006 consisted of cash and term-deposit totaling \$74,639 and receivables of \$10,608. These assets were used primarily to finance the quarterly distributions payable to limited partners.

As at June 30, 2006, the total amount of uncashed distribution cheques included in cash and distributions payable was \$38,574.

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 estimated taxable income for the six months ended June 30, 2006 were \$0.38 per limited partnership unit as compared to \$0.47 per limited partnership unit for the same period in 2005. Cash distributions per limited partnership unit for the eight most recent quarters are shown on page 5.

# 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 six months ended June 30, 2006 amounted to \$4,014 as compared to \$4,238 in the comparable period in 2005.

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 six months ended June 30, 2006 amounted to \$9,635 as compared to \$12,043 in the comparable period in 2005.

### SELECTED QUARTERLY INFORMATION

Three months ended (Unaudited)	Jun. 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sep. 30, 2005
Revenue	\$ 30,961	\$ 33,231	\$ 32,978	\$ 34,531
Net income for the period	14,614	17,808	16,398	17,775
Net income and cash distribution per limited partnership unit	0.17	0.21	0.20	0.21

Three months ended (Unaudited)	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004
Revenue	\$ 35,162	\$ 37,626	\$ 38,733	\$ 40,101
Net income for the period	18,455	21,839	23,080	20,700
Net income and cash distribution per limited partnership unit	0.21	0.26	0.27	0.24

### ADDITIONAL INFORMATION

The Partnership's annual and interim financial statements are available at the AGF website, [www.agf.com](http://www.agf.com) and at the Canadian Securities Administrators' website, [www.sedar.com](http://www.sedar.com).

## 20/20 Group 1990 Limited Partnership

---

The following interim financial statements of 20/20 Group 1990 Limited Partnership for the six months ended June 30, 2006 are unaudited and have not been reviewed by our auditors.

## 20/20 Group 1990 Limited Partnership Balance Sheets

	As at <b>June 30, 2006</b> (Unaudited)	As at <b>December 31, 2005</b>
<b>Assets</b>		
Current Assets:		
Cash	\$ 74,639	\$ 89,438
Distribution fees and interest receivable	10,608	11,632
<b>Total Assets</b>	<b>\$ 85,247</b>	<b>\$ 101,070</b>
<b>Liabilities and Partners' Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 32,060	\$ 46,582
Distributions payable	53,187	54,488
	85,247	101,070
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)
	-	-
<b>Total Liabilities and Partners' Equity</b>	<b>\$ 85,247</b>	<b>\$ 101,070</b>

*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

<W. Robert Farquharson>  
W. Robert Farquharson, Director

20/20 Group 1990 Limited Partnership  
 Statements of Operations and Deficit  
 (Unaudited)

Six months ended June 30	2006	2005
<b>Operations</b>		
Revenue:		
Distribution fees	\$ 63,728	\$ 72,590
Interest	464	198
	64,192	72,788
Expenses:		
Administration and management fees	\$ 13,649	\$ 16,281
Legal and audit fees	8,058	8,502
Transfer agent fees	5,322	5,421
Printing, reporting and mailing	2,468	2,290
Consulting fees	2,273	-
	31,770	32,494
Net income for the year	\$ 32,422	\$ 40,294
Net income per limited partnership unit	\$ 0.38	\$ 0.47
<b>Deficit</b>		
Balance beginning of period	\$ (7,576,811)	\$ (7,576,811)
Net income for the period	32,422	40,294
Distributions to partners	(32,422)	(40,294)
Balance end of period	\$ (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  
 (Unaudited)

Six months ended June 30	2006	2005
<b>Operating Activities:</b>		
Net income for the period	\$ 32,422	\$ 40,294
Net decrease (increase) in non-cash balances related to operations	(13,498)	19,364
	18,924	59,658
<b>Financing Activities:</b>		
Uncashed distribution cheques	484	166
Distributions paid to partners	(34,207)	(44,919)
	(33,723)	(44,753)
<b>Increase (decrease) in cash during the period</b>	(14,799)	14,905
Cash beginning of period	89,438	58,912
Cash end of period	\$ 74,639	\$ 73,817

*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

### (Unaudited)

---

For the six months ended June 30, 2006 and 2005

These unaudited interim financial statements of 20/20 Group 1990 Limited Partnership (“the Partnership”) have been prepared in accordance with Canadian generally accepted accounting principles using the same significant accounting policies as the Partnership’s financial statements for the year ended December 31, 2005. These financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2005, as set out in the Partnership’s 2005 Annual Report.

#### **1. Uncashed Distribution Cheques**

Uncashed distribution cheques as at June 30, 2006 were \$38,574 (December 31, 2005 – 38,090). For accounting purposes, this amount has been classified as cash and distributions payable on the balance sheet.



What are you doing after work?

### 20/20 Group 1990 Limited Partnership

#### Head Office

P.O. Box 50  
Toronto Dominion Centre  
Toronto, ON M5K 1E9  
Toll free: 1 800 268-8583

#### Transfer Agent

CIBC MELLON TRUST COMPANY  
P.O. Box 7010, Adelaide Street Postal Station  
Toronto, ON M5C 2W9  
Telephone: 416 643-5500  
Toll free: 1 800 387-0825  
E-Mail: [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com)  
Website: [www.cibcmellon.com](http://www.cibcmellon.com)

AGF  
MUTUAL  
FUNDS

AGF TAILORED  
INVESTMENT  
PROGRAMS  
Harmony

AGF PRIVATE  
INVESTMENT  
MANAGEMENT

AGF  
TRUST

Vancouver

Calgary

Winnipeg

Toronto

Ottawa

Montreal

Halifax

Dublin

London

Singapore

Beijing

Tokyo