

20/20 Group 1992 Limited Partnership

2005 ANNUAL REPORT



What are you doing after work?

20/20 Group 1992 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 | \$ 39,113 | AGF Asian Growth Class | \$ 128 |
| AGF Canadian Stock Fund | 17,275 | AGF Global Government Bond Fund | 93 |
| AGF World Balanced Fund | 13,727 | AGF Canadian High Yield Bond Fund | 88 |
| AGF International Value Fund | 11,694 | AGF China Focus Class | 84 |
| AGF Canadian Large Cap Dividend Fund | 9,656 | AGF Aggressive Global Stock Fund | 76 |
| AGF European Equity Class | 1,198 | AGF Global Perspective Class | 75 |
| AGF Canadian Money Market Fund | 1,183 | AGF Monthly High Income Fund | 68 |
| AGF Canadian Conservative Income Fund | 1,175 | AGF Global Real Estate Equity Class | 47 |
| AGF International Stock Class | 1,050 | AGF Canada Class | 46 |
| AGF Canadian Balanced Fund | 1,027 | AGF Short-Term Income Class | 43 |
| AGF Canadian Small Cap Fund | 985 | AGF Managed Futures Fund | 38 |
| AGF Canadian Growth Equity Fund Limited | 947 | AGF Global High Yield Bond Fund | 33 |
| AGF Aggressive Growth Fund | 821 | AGF International Value Class | 30 |
| AGF World Companies Fund | 807 | AGF Global Resources Class | 28 |
| AGF Canadian Resources Fund Limited | 488 | AGF Global Technology Class | 20 |
| AGF American Growth Class | 418 | AGF Elements Balanced Portfolio | 16 |
| AGF Canadian Bond Fund | 333 | AGF Aggressive Japan Class | 16 |
| AGF Canadian Real Value Fund | 285 | AGF Global Health Sciences Class | 12 |
| AGF Precious Metals Fund | 272 | AGF U.S. Value Class | 9 |
| AGF Emerging Markets Fund | 239 | AGF World Opportunities Fund | 9 |
| AGF Japan Class | 146 | AGF U.S. Risk Managed Class | 7 |
| AGF RSP Global Bond Fund | 140 | AGF Global Financial Service Class | 7 |
| AGF Dividend Income Fund | 136 | Others | 16 |
| | | | \$ 104,104 |

20/20 Group 1992 Limited Partnership Management's Discussion and Analysis of Financial Condition and Results of Operations

For the years ended December 31, 2005 versus 2004

Management's Discussion and Analysis ("MD&A") presents an analysis of the financial condition of 20/20 Group 1992 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 period 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 1992 LIMITED PARTNERSHIP

The Partnership was formed under the laws of Ontario by a declaration of partnership on October 25, 1991 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.

As at December 31, 2005, the Partnership has total issued and outstanding units of 240,000. 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 0.55% of the net asset value of the remaining Distributed Units, which remain outstanding.

Distribution fees amounted to \$612,953 in 2005 as compared to \$766,516 in 2004. The decrease of 20.0% in distribution fees was primarily attributable to the lower net asset value of Distributed Units from \$125.6 million as at December 31, 2004 to \$104.1 million as at December 31, 2005.

20/20 Group 1992 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 | \$ 125,636 | \$ 157,083 |
| Increase in market value of Distributed Units, including reinvested distributions | 10,444 | 10,749 |
| Redemption of Distributed Units | (31,976) | (42,196) |
| Market value of Distributed Units, end of year | \$ 104,104 | \$ 125,636 |

The 2005 annual redemption rate based on the market value of Distributed Units at the beginning of the year was 25.5% compared to 26.9% in 2004. Redemptions accounted for \$32.0 million of the decline in the value of Distributed Units during 2005, offset by market appreciation and reinvested distributions totaling \$10.4 million.

DISTRIBUTED UNITS COMPOSITION

The composition of Distributed Units as at December 31, 2005 and 2004 is 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 |
|---|-------------|-------------|
| | % | % |
| Canadian Balanced and Asset Allocation Funds | 39 | 39 |
| Canadian Equity Funds | 28 | 24 |
| International Equity Funds | 15 | 18 |
| International Balanced and Asset Allocation Funds | 13 | 13 |
| Canadian Fixed Income Funds and Others | 4 | 4 |
| U.S. Equity Funds | 1 | 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 1992 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 \$114,079, a decrease of 9.3% from \$125,760 in 2004. The decrease was primarily attributable to the decrease in administration fees.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$323,370 as at December 31, 2005 as compared to \$285,866 as at December 31, 2004. Assets as at December 31, 2005 consisted of cash and term-deposit totaling \$275,656 and receivables of \$47,714. 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 \$128,970 as at December 31, 2005 as compared to \$127,302 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 \$2.09 per limited partnership unit as compared to \$2.67 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 1992 Limited Partnership Management's Discussion and Analysis of Financial Condition and Results of Operations

RELATED PARTY TRANSACTIONS

20/20 Distribution No. 2 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 \$14,879 as compared to \$16,403 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 \$48,171 as compared to \$56,672 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 1998. 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 the level of redemptions from the Distributed Units increases. The annual rate of redemptions decreased slightly over the past two years. Based on the combination of the age of Distributed Units and the expiration of the redemption fee schedule, 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 the 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 No. 2 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 1992 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 | \$ 614,577 | \$ 143,326 | \$ 151,057 | \$ 154,738 | \$ 165,456 |
| Net income for the period | 500,498 | 113,292 | 122,940 | 126,732 | 137,534 |
| Net income and cash distribution per limited partnership unit | 2.09 | 0.48 | 0.51 | 0.53 | 0.57 |
| Total assets | 323,370 | | | | |

| Year ended December 31, 2004 | Total | Q4* | Q3* | Q2* | Q1* |
|--|------------|------------|------------|------------|------------|
| Revenue | \$ 767,728 | \$ 174,064 | \$ 183,027 | \$ 197,349 | \$ 213,288 |
| Net income for the period | 641,968 | 143,174 | 150,375 | 164,657 | 183,762 |
| Net income and cash distribution per limited partnership unit | 2.67 | 0.60 | 0.62 | 0.69 | 0.76 |
| Total assets | 285,866 | | | | |

| Year ended December 31, 2003 | Total | Q4* | Q3* | Q2* | Q1* |
|--|------------|------------|------------|------------|------------|
| Revenue | \$ 906,391 | \$ 216,679 | \$ 225,365 | \$ 228,195 | \$ 236,152 |
| Net income for the period | 781,349 | 187,171 | 194,923 | 195,643 | 203,612 |
| Net income and cash distribution per limited partnership unit | 3.26 | 0.78 | 0.81 | 0.82 | 0.85 |
| Total assets | 202,163 | | | | |

*Unaudited

January 18, 2006

Auditors' Report

To the Partners of 20/20 Group 1992 Limited Partnership

We have audited the balance sheets of **20/20 Group 1992 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 1992 Limited Partnership Balance Sheets

| As at December 31 | 2005 | 2004 |
|---|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and term-deposit | \$ 275,656 | \$ 228,204 |
| Distribution fees and interest receivable | 47,714 | 57,662 |
| Total Assets | \$ 323,370 | \$ 285,866 |
| Liabilities and Partners' Equity | | |
| Current Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 81,108 | \$ 15,390 |
| Distributions payable (note 4) | 242,262 | 270,476 |
| | 323,370 | 285,866 |
| Partners' Equity: | | |
| General partner | 100 | 100 |
| Limited partners – 240,000 units | 24,000,000 | 24,000,000 |
| Less: Issue expenses | (2,070,000) | (2,070,000) |
| | 21,930,100 | 21,930,100 |
| Deficit | (21,930,100) | (21,930,100) |
| | - | - |
| Total Liabilities and Partners' Equity | \$ 323,370 | \$ 285,866 |

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

Approved by the Board of Directors of
20/20 Distribution No. 2 Limited, as General Partner

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

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

20/20 Group 1992 Limited Partnership Statements of Operations and Deficit

| For the years ended December 31 | 2005 | 2004 |
|---|------------------------|------------------------|
| Operations | | |
| Revenue: | | |
| Distribution fees | \$ 612,953 | \$ 766,516 |
| Interest | 1,624 | 1,212 |
| | <u>614,577</u> | <u>767,728</u> |
| Expenses: | | |
| Administration and management fees (note 3) | 63,050 | 73,075 |
| Audit, legal and filing fees | 19,429 | 20,013 |
| Transfer agent fees | 23,389 | 22,009 |
| Printing, reporting and mailing | 8,211 | 10,663 |
| | <u>114,079</u> | <u>125,760</u> |
| Net income for the year | <u>\$ 500,498</u> | <u>\$ 641,968</u> |
| Net income per limited partnership unit | <u>\$ 2.09</u> | <u>\$ 2.67</u> |
| Deficit | | |
| Balance beginning of year | \$ (21,930,100) | \$ (21,930,100) |
| Net income for the year | 500,498 | 641,968 |
| Distributions to partners | (500,498) | (641,968) |
| Balance end of year | <u>\$ (21,930,100)</u> | <u>\$ (21,930,100)</u> |

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

20/20 Group 1992 Limited Partnership Statements of Cash Flow

| For the years ended December 31 | 2005 | 2004 |
|---|------------------|------------------|
| Operating Activities: | | |
| Net income for the year | \$ 500,498 | \$ 641,968 |
| Decrease in non-cash balances related to operations | 75,666 | 14,848 |
| | <u>576,164</u> | <u>656,816</u> |
| Financing Activities: | | |
| Uncashed distribution cheques (note 4) | 1,668 | 127,302 |
| Distributions paid to partners | (530,380) | (685,965) |
| | <u>(528,712)</u> | <u>(558,663)</u> |
| Increase in cash during the period | 47,452 | 98,153 |
| Cash beginning of year | 228,204 | 130,051 |
| Cash end of year | \$ 275,656 | \$ 228,204 |

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

20/20 Group 1992 Limited Partnership

Notes to Financial Statements

For the years ended December 31, 2005 and 2004

1. Partnership Operations

20/20 Group 1992 Limited Partnership (the "Partnership") is a limited partnership formed under the laws of Ontario by a declaration of partnership on October 25, 1991.

The Partnership was appointed to arrange for the distribution of mutual fund 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 Funds' management fee. The distribution fee is calculated at the annual rate of 0.55% 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 No. 2 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 \$14,879 (2004 - \$16,403).

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 \$48,171 (2004 - \$56,672).

20/20 Group 1992 Limited Partnership

Notes to Financial Statements

4. Uncashed Distribution Cheques

The total amount of uncashed distribution cheques as at December 31, 2005 was \$128,970 (December 31, 2004 - \$127,302). 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 1992 Limited Partnership

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