

# 20/20 Group 1992 Limited Partnership

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



What are you doing after work?

20/20 Group 1992 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	\$ 34,360	AGF China Focus Class	\$ 107
AGF Canadian Stock Fund	15,653	AGF Japan Class	95
AGF World Balanced Fund	13,275	AGF Global Government Bond Fund	83
AGF International Value Fund	9,315	AGF Elements Global Portfolio	76
AGF Canadian Large Cap Dividend Fund	8,995	AGF Global Perspective Class	63
AGF International Stock Class	1,169	AGF Canadian High Yield Bond Fund	56
AGF European Equity Class	1,076	AGF Monthly High Income Fund	55
AGF Canadian Money Market Fund	1,021	AGF Canada Class	54
AGF Canadian Conservative Income Fund	998	AGF Global Real Estate Equity Class	51
AGF Canadian Small Cap Fund	957	AGF Aggressive Global Stock Fund	49
AGF Canadian Balanced Fund	924	AGF Elements Growth Portfolio	48
AGF Canadian Growth Equity Fund Limited	922	AGF Short-Term Income Class	41
AGF Aggressive Growth Fund	689	AGF Global Resources Class	35
AGF World Companies Fund	655	AGF Global High Yield Bond Fund	33
AGF Canadian Resources Fund Limited	517	AGF Managed Futures Fund	31
AGF Elements Balanced Portfolio	427	AGF Aggressive Japan Class	15
AGF Precious Metals Fund	352	AFG Global Health Sciences Class	11
AGF American Growth Class	335	AGF International Value Class	11
AGF Canadian Real Value Fund	315	AGF Elements Conservative Portfolio	9
AGF Dividend Income Fund	283	AGF World Opportunities Fund	9
AGF Canadian Bond Fund	279	AGF Global Financial Service Class	8
AGF Emerging Markets Fund	257	U.S. Risk Managed Class	7
AGF RSP Global Bond Fund	128	Others	12
AGF Asian Growth Class	113		
			<b>\$ 93,974</b>

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

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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 1992 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 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 June 30, 2006, the Partnership has total issued and outstanding units of 240,000. 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 0.55% of the net asset value of the remaining Distributed Units which remain outstanding.

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

Distribution fees amounted to \$275,822 for the six months ended June 30, 2006 as compared to \$319,619 for the comparable period in 2005. The 13.7% decrease was primarily attributable to the decline in the net asset value of Distributed Units from \$110.8 million as at June 30, 2005 to \$94.0 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	\$ 104,104	\$ 125,636
Increase in market value of Distributed Units, including reinvested distributions	3,197	3,321
Redemption of Distributed Units	(13,327)	(18,175)
Market value of Distributed Units, end of period	\$ 93,974	\$ 110,782

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 25.6% compared to 28.9% in 2005. Redemptions accounted for \$13.3 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 \$3.2 million.

### DISTRIBUTED UNITS COMPOSITION

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

(Unaudited)	<b>2006</b>	<b>2005</b>
	<b>%</b>	<b>%</b>
Canadian Balanced and Asset Allocation Funds	38	40
Canadian Equity Funds	29	26
International Equity Funds	14	16
International Balanced and Asset Allocation Funds	14	13
Canadian Fixed Income Funds and Others	4	4
U.S. Equity Funds	1	1
<b>Total</b>	<b>100</b>	<b>100</b>

# 20/20 Group 1992 Limited Partnership

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

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### **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 \$54,111, a decrease of 3.2% from \$55,928 in 2005. The decrease was primarily attributable to the decrease in administration fees.

### **FINANCIAL CONDITION AND LIQUIDITY**

Total assets were \$292,048 as at June 30, 2006 as compared to \$323,370 as at December 31, 2005. Assets as at June 30, 2006 consisted of cash and term-deposit totaling \$248,977 and receivables of \$43,071. 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 \$130,576.

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 \$0.93 per limited partnership unit as compared to \$1.10 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 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 six months ended June 30, 2006 amounted to \$6,843 as compared to \$7,295 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 \$19,268 as compared to \$24,086 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	\$ 134,395	\$ 142,866	\$ 143,326	\$ 151,057
Net income for the period	106,642	116,508	113,292	122,940
Net income and cash distribution per limited partnership unit	0.44	0.49	0.48	0.51

Three months ended (Unaudited)	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004
Revenue	\$ 154,738	\$ 165,456	\$ 174,064	\$ 183,027
Net income for the period	126,732	137,534	143,174	150,375
Net income and cash distribution per limited partnership unit	0.53	0.57	0.60	0.62

## 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 1992 Limited Partnership

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The following interim financial statements of 20/20 Group 1992 Limited Partnership for the six months ended June 30, 2006 are unaudited and have not been reviewed by our auditors.

## 20/20 Group 1992 Limited Partnership Balance Sheets

	As at June 30, 2006 (Unaudited)	As at December 31, 2005
<b>Assets</b>		
Current Assets:		
Cash and term-deposit	\$ 248,977	\$ 275,656
Distribution fees and interest receivable	43,071	47,714
<b>Total Assets</b>	<b>\$ 292,048</b>	<b>\$ 323,370</b>
<b>Liabilities and Partners' Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 54,830	\$ 81,108
Distributions payable (note 1)	237,218	242,262
	292,048	323,370
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)
	-	-
<b>Total Liabilities and Partners' Equity</b>	<b>\$ 292,048</b>	<b>\$ 323,370</b>

*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

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

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



20/20 Group 1992 Limited Partnership  
 Statements of Operations and Deficit  
 (Unaudited)

Six months ended June 30	2006	2005
<b>Operations</b>		
Revenue:		
Distribution fees	\$ 275,822	\$ 319,619
Interest	1,439	575
	<u>277,261</u>	<u>320,194</u>
Expenses:		
Administration and management fees	26,111	31,381
Transfer agent fees	10,874	11,076
Legal and audit fees	9,012	8,973
Printing, reporting and mailing	4,812	4,498
Consulting fees	3,302	-
	<u>54,111</u>	<u>55,928</u>
Net income for the period	\$ 223,150	\$ 264,266
Net income per limited partnership unit	\$ 0.93	\$ 1.10
<b>Deficit</b>		
Balance beginning of period	\$ (21,930,100)	\$ (21,930,100)
Net income for the period	223,150	264,266
Distributions to partners	(223,150)	(264,266)
Balance end of period	\$ (21,930,100)	\$ (21,930,100)

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

20/20 Group 1992 Limited Partnership  
 Statements of Cash Flow  
 (Unaudited)

Six months ended June 30	2006	2005
<b>Operating Activities:</b>		
Net income for the period	\$ 223,150	\$ 264,266
Net decrease (increase) in non-cash balances related to operations	(21,636)	42,779
	201,514	307,045
<b>Financing Activities:</b>		
Uncashed distribution cheques (note 1)	1,606	591
Distributions paid to partners	(229,799)	(280,707)
	(228,193)	(280,116)
<b>Increase (decrease) in cash during the period</b>	(26,679)	26,929
Cash beginning of period	275,656	228,204
Cash end of period	\$ 248,977	\$ 255,133

*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

### (Unaudited)

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For the six months ended June 30, 2006 and 2005

These unaudited interim financial statements of 20/20 Group 1992 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 \$130,576 (December 31, 2005 - \$128,970). For accounting purposes, this amount has been classified as cash and distributions payable in the balance sheet.



What are you doing after work?

### 20/20 Group 1992 Limited Partnership

#### Head Office

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