

AGF Limited Partnership 1991

QUARTERLY REPORT
FOR THE THREE MONTHS
ENDED MARCH 31, 2005



What are you doing after work?

AGF Limited Partnership 1991

Market Value of Distributed Securities

As at March 31, 2005
(Unaudited)

	Market Value (in thousands)		Market Value (in thousands)
AGF Canadian Stock Fund	\$ 8,748	AGF RSP European Equity Fund	\$ 116
AGF Canadian Bond Fund	4,134	AGF Canadian Small Cap Fund	104
AGF Canadian Large Cap Dividend Fund	3,024	AGF Precious Metals Fund	102
AGF Canadian Real Value Balanced Fund	2,997	AGF Global High Yield Bond Fund	77
AGF International Value Fund	2,957	AGF International Value Class	68
AGF Canadian Growth Equity Fund Limited	2,928	AGF Global Equity Class	64
AGF Canadian Money Market Fund	2,556	AGF China Focus Class	61
AGF Canadian Balanced Fund	2,064	AGF Emerging Markets Value Fund	56
AGF Canadian Resources Fund Limited	875	AGF RSP Global Bond Fund	42
AGF European Equity Class	754	AGF Canadian High Yield Bond Fund	32
AGF Canadian Conservative Income Fund	636	AGF Canadian Real Value Fund	30
AGF Global Government Bond Fund	631	AGF Aggressive Global Stock Fund	29
AGF RSP International Value Fund	604	AGF Global Real Estate Equity Class	22
AGF International Stock Class	539	AGF Managed Futures Fund	18
AGF World Balanced Fund	506	AGF Germany Class	13
AGF American Growth Class	462	AGF RSP Japan Fund	12
AGF Asian Growth Class	370	AGF Global Health Sciences Class	11
AGF Special U.S. Class	306	AGF MultiManager Class	9
AGF RSP World Companies Fund	253	AGF RSP MultiManager Fund	5
AGF Japan Class	171	AGF World Companies Fund	5
AGF Aggressive Growth Fund	134	AGF Short-Term Income Class	4
AGF RSP World Balanced Fund	129	AGF Aggressive Japan Class	2
AGF RSP American Growth Fund	122	Others	6
			\$ 36,788

AGF Limited Partnership 1991 Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three months ended March 31, 2005

Management's Discussion and Analysis ("MD&A") presents an analysis of the financial condition of AGF Limited Partnership 1991 ("the Partnership") as at March 31, 2005 compared with December 31, 2004, and the results of operations for the three months ended March 31, 2005 compared with the corresponding period of 2004. This discussion should be read in conjunction with our 2004 annual MD&A and 2004 annual audited financial statements and notes. The financial information presented herein has been prepared on the basis of Canadian generally accepted accounting principles ("GAAP"). Percentage changes are calculated using numbers rounded to the decimals which 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 2004 annual MD&A: 'Significant Accounting Policies', 'Corporate Governance' and 'Regulatory Filings'. Accordingly, readers should refer to our 2004 annual MD&A to gain an understanding of how these matters may impact the Partnership's operating results.

The MD & A contains forward-looking statements that are inherently subject to 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. Actual results could differ materially from those contemplated by the forward-looking statements.

FORMATION AND BUSINESS OF AGF LIMITED PARTNERSHIP 1991

The Partnership was formed on January 14, 1991 for the purpose of arranging for the distribution of securities of certain mutual funds ("Distributed Securities"), which form part of the AGF Group of Funds, which were sold on a contingent deferred sales charge basis. The Partnership paid the selling commissions on such securities.

As at March 31, 2005, the Partnership has total issued and outstanding units of 85,000. The units do not qualify as investment for registered tax plans such as RSP, DPSP and RIF.

REVENUE

The Partnership's primary sources of revenue are distribution fees and deferred sales charges earned from the Distributed Securities to which it has distribution rights. The redemption fee schedule applicable to Distributed Securities have expired. As a result, the Partnership will no longer receive any deferred sales charges. 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 0.50% of the net asset value of the remaining Distributed Securities, which remain outstanding.

Distribution fees amounted to \$47,219 for the three months ended March 31, 2005, a decrease of 20.2% from the comparable period in 2004. The decrease was mainly attributable to the decline in the net asset value of the Distributed Securities from \$46.0 million as at March 31, 2004 to \$36.8 million as at March 31, 2005.

AGF Limited Partnership 1991

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

The following is a summary of the changes in Distributed Securities during the three months ended March 31, 2005 and 2004:

(in thousands)		
Three months ended March 31		
(Unaudited)	2005	2004
Market value of Distributed Securities, beginning of period	\$ 38,684	\$ 47,790
Increase in market value of Distributed Securities, including reinvested distributions	734	1,824
Redemption of Distributed Securities	(2,630)	(3,651)
Market value of Distributed Securities, end of period	\$ 36,788	\$ 45,963

The annualized redemption rate during the three months ended March 31, 2005 based on the market value of Distributed Securities at the beginning of the period was 27.2% compared to 30.6% in 2004. Redemptions accounted for \$2.6 million of the decline in the value of Distributed Securities during the three months ended March 31, 2005, offset by market appreciation and reinvested distributions totaling \$0.7 million.

DISTRIBUTED SECURITIES COMPOSITION

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

Composition of Distributed Securities based on Market Value as at March 31:

(Unaudited)	2005	2004
	%	%
Canadian Equity Funds	40	39
Canadian Fixed Income Funds	20	18
International Equity Funds	16	19
Canadian Balanced and Asset Allocation Funds	14	14
International Fixed Income Funds and Others	7	6
U.S. Equity Funds	3	4
Total	100	100

REVENUE TERMINATION DATES

The Partnership will continue to receive distribution fee revenue for as long as Distributed Securities remain outstanding or until the Partnership is dissolved, whichever is earlier. The distribution fee in respect of such Distributed Securities 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 Securities has expired.

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Management's Discussion and Analysis of
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OPERATING EXPENSES

Total operating expenses for the three months ended March 31, 2005 was \$14,705, a decrease of 1.9% from \$14,983 in 2004. The decrease was mainly attributable to the decrease in administration fees.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$95,761 as at March 31, 2005 as compared to \$82,002, as at December 31, 2004. Assets as at March 31, 2005 consisted of cash and term-deposit totaling \$80,403 and receivables of \$15,358. [These assets were used primarily to finance the quarterly distributions payable to limited partners.](#)

[As at March 31, 2005, the total amount of uncashed distribution cheques included in cash and distributions payable was \\$39,140.](#)

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 they have received.

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

Cash distributions and estimated taxable income for the three months ended March 31, 2005 was \$0.3841 per limited partnership unit as compared to \$0.5216 per limited partnership unit for the same period in 2004. Cash distributions were paid on April 29, 2005 to limited partners of record on March 31, 2005. Cash distributions per limited partnership unit for the eight most recent quarters are shown on page 5.

RELATED PARTY TRANSACTIONS

AGF Partners No. Two 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. It also receives a fee equal to 15% of the operating expenses of the partnership and has engaged AGF Management Limited ("AGF"), its parent company, to assist it in carrying out its management obligations 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 three months ended March 31, 2005 amounted to \$6,022 (2004 - \$7,084).

AGF Limited Partnership 1991

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

SELECTED QUARTERLY INFORMATION

Three months ended (Unaudited)	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004	Jun. 30, 2004
Revenue	\$ 47,357	\$ 48,752	\$ 50,515	\$ 54,462
Net income for the period	32,652	32,083	33,748	37,625
Net income and cash distribution per limited partnership unit	0.38	0.38	0.40	0.44

Three months ended (Unaudited)	Mar. 31, 2004	Dec. 31, 2003	Sep. 30, 2003	Jun. 30, 2003
Revenue	\$ 59,323	\$ 59,622	\$ 60,853	\$ 59,914
Net income for the period	44,340	42,717	44,442	42,139
Net income and cash distribution per limited partnership unit	0.52	0.50	0.52	0.50

ADDITIONAL INFORMATION

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.

AGF Limited Partnership 1991

The following interim financial statements of AGF Limited Partnership 1991 (“the Partnership”) for the three months ended March 31, 2005 have not been reviewed or audited by an auditor.

AGF Limited Partnership 1991 Balance Sheets

	As at March 31, 2005 (Unaudited)	As at December 31, 2004
Assets		
Current assets:		
Cash and term-deposit	\$ 80,403	\$ 65,854
Distribution fees and interest receivable	15,358	16,148
Total assets	\$ 95,761	\$ 82,002
Liabilities and Partners' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 23,969	\$ 11,004
Distributions payable (note 1)	71,792	70,998
	95,761	82,002
Partners' equity:		
General partner	\$ 100	\$ 100
Limited partners – 85,000 units	8,500,000	8,500,000
Less: Issue expenses	(963,034)	(963,034)
	7,537,066	7,537,066
Deficit	(7,537,066)	(7,537,066)
	-	-
Total liabilities and partners' equity	\$ 95,761	\$ 82,002

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

Approved by the Board of Directors of
AGF Partners No. Two Limited, as General Partner

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

William D. Cameron>
William D. Cameron, Director

AGF Limited Partnership 1991

Statements of Operations and Deficit

Three months ended March 31

(Unaudited)

	2005	2004
Operations		
Revenue:		
Distribution fees	\$ 47,219	\$ 59,190
Interest	138	133
	<u>47,357</u>	<u>59,323</u>
Expenses:		
Administration	6,022	7,084
Legal and audit fees	4,469	4,076
Transfer agent fees	2,593	2,528
Printing, reporting and mailing	1,621	1,295
	<u>14,705</u>	<u>14,983</u>
Net income for the period	<u>\$ 32,652</u>	<u>\$ 44,340</u>
Net income per limited partnership unit	<u>\$ 0.38</u>	<u>\$ 0.52</u>
Deficit		
Balance beginning of period	\$ (7,537,066)	\$ (7,537,066)
Net income for the period	32,652	44,340
Distributions to partners	(32,652)	(44,340)
Balance end of period	<u>\$ (7,537,066)</u>	<u>\$ (7,537,066)</u>

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

AGF Limited Partnership 1991

Statements of Cash Flow

Three months ended March 31

(Unaudited)	2005	2004
Operating Activities:		
Net income for the period	\$ 32,652	\$ 44,340
Decrease in non-cash balances related to operations	13,755	12,254
	<u>46,407</u>	<u>56,594</u>
Financing Activities:		
Uncashed distribution cheques (note 1)	224	-
Distributions paid to partners	(32,082)	(42,717)
	<u>(31,858)</u>	<u>(42,717)</u>
Increase in cash during the period	14,549	13,877
Cash beginning of period	65,854	34,879
Cash end of period	\$ 80,403	\$ 48,756

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

AGF Limited Partnership 1991

Notes to Financial Statements

For the three months ended March 31, 2005 and 2004
(Unaudited)

These unaudited interim financial statements of AGF Limited Partnership 1991 ("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, 2004. 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, 2004, as set out in the Partnership's 2004 Annual Report.

1. Uncashed Distribution Cheques

Uncashed distribution cheques as at March 31, 2005 were \$39,140 (December 31, 2004 - \$38,916). For accounting purposes, this amount has been shown as cash and distributions payable.



What are you doing after work?

AGF Limited Partnership 1991

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