

AGF Limited Partnership 1991

FIRST QUARTER REPORT
FOR THE THREE MONTHS
ENDED MARCH 31, 2006



What are you doing after work?

AGF Limited Partnership 1991

Market Value of Distributed Securities

(Unaudited)

As at March 31, 2006

	Market Value (in thousands)		Market Value (in thousands)
AGF Canadian Stock Fund	\$ 7,607	AGF Global High Yield Bond Fund	\$ 84
AGF Canadian Growth Equity Fund Limited	3,451	AGF Precious Metals Fund	76
AGF Canadian Money Market Fund	3,409	AGF Emerging Markets Fund	72
AGF Canadian Large Cap Dividend Fund	2,977	AGF China Focus Class	55
AGF Canadian Bond Fund	2,796	AGF Global Equity Class	46
AGF Canadian Real Value Balanced Fund	2,458	AGF Elements Balanced Portfolio	44
AGF International Value Fund	2,383	AGF Monthly High Income Fund	43
AGF Canadian Balanced Fund	2,042	AGF Aggressive Global Stock Fund	42
AGF Canadian Resources Fund Limited	1,016	AGF Elements Global Portfolio	39
AGF European Equity Class	838	AGF RSP Global Bond Fund	37
AGF International Stock Class	637	AGF Dividend Income Fund	35
AGF American Growth Class	456	AGF Canadian High Yield Bond Fund	27
AGF Canadian Conservative Income Fund	379	AGF Diversified Dividend Income Fund	27
AGF Special U.S. Class	321	AGF Global Perspective Class	27
AGF World Balanced Fund	294	AGF Canadian Real Value Fund	17
AGF Global Government Bond Fund	258	AGF Germany Class	11
AGF Asian Growth Class	210	AGF Managed Futures Fund	11
AGF World Companies Fund	203	AGF Global Health Sciences Class	6
AGF Japan Class	169	AGF Global Real Estate Equity Class	3
AGF Aggressive Growth Fund	117	AGF Aggressive Japan Class	3
AGF Elements Growth Portfolio	94	Others	9
AGF Canadian Small Cap Fund	89		
			\$ 32,918

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

For the three months ended March 31, 2006

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, 2006 compared with December 31, 2005, and the results of operations for the three months ended March 31, 2006 compared with the corresponding period of 2005. This discussion should be read in conjunction with our audited annual 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.

There have been no material changes to the information discussed in the following sections of the 2005 annual MD&A: 'Significant Accounting Policies and Estimates', 'Outlook and Risks', 'Corporate Governance' and 'Regulatory Filings'. 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 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, 2006, the Partnership has total issued and outstanding units of 85,000. The units do not qualify as investments 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 has 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 0.5% of the net asset value of the remaining Distributed Securities, which remain outstanding.

AGF Limited Partnership 1991

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

Distribution fees amounted to \$41,330 for the three months ended March 31, 2006 as compared to \$47,219 in the comparable period in 2005. The decrease of 12.5% in distribution fees was primarily attributable to the lower net asset value of Distributed Securities from \$36.8 million as at March 31, 2005 to \$32.9 million as at March 31, 2006.

The following is a summary of the changes in Distributed Securities during the three months ended March 31, 2006 and 2005:

(Unaudited)	(in thousands)	
Three months ended March 31	2006	2005
Market value of Distributed Securities, beginning of period	\$ 32,931	\$ 38,684
Increase in market value of Distributed Securities, including reinvested distributions	2,135	734
Redemption of Distributed Securities	(2,148)	(2,630)
Market value of Distributed Securities, end of period	\$ 32,918	\$ 36,788

The annualized redemption rate during the three months ended March 31, 2006 based on the market value of Distributed Securities at the beginning of the period was 26.1% compared to 27.2% in 2005. Redemptions accounted for \$2.1 million of the decline in the value of Distributed Securities during the three months ended March 31, 2006, offset by market appreciation and reinvested distributions totaling \$2.1 million.

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at March 31, 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 Securities based on Market Value as at March 31:

(Unaudited)	2006	2005
	<u>%</u>	<u>%</u>
Canadian Equity Funds	43	40
Canadian Fixed Income Funds	20	20
International Equity Funds	14	16
Canadian Balanced and Asset Allocation Funds	14	14
International Fixed Income Funds and Others	6	7
U.S. Equity Funds	3	3
Total	100	100

REVENUE TERMINATION DATES

The Partnership will continue to receive distribution fee revenue 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.

AGF Limited Partnership 1991

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

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

OPERATING EXPENSES

Total operating expenses for the three months ended March 31, 2006 were \$13,935, a decrease of 5.2% from \$14,705 in 2005. The decrease was primarily attributable to the decrease in administration fees.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$92,123 as at March 31, 2006 as compared to \$80,837 as at December 31, 2005. Assets as at March 31, 2006 consisted of cash and term-deposit totaling \$78,407 and receivables of \$13,716. 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 \$40,065 as at March 31, 2006 as compared to \$39,767 as at December 31, 2005.

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 long-term 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 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, 2006 were \$0.33 per limited partnership unit as compared to \$0.38 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.

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, its parent company, to assist it in carrying out its management obligations to the Partnership. These services are in the normal course of operations

AGF Limited Partnership 1991

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

and are recorded at the amount of consideration agreed to by the parties. Administration fees for the three months ended March 31, 2006 amounted to \$4,817 (2005 - \$6,022).

SELECTED QUARTERLY INFORMATION

Three months ended (Unaudited)	Mar. 31, 2006	Dec. 31, 2005	Sep. 30, 2005	Jun. 30, 2005
Revenue	\$ 41,580	\$ 41,112	\$ 43,268	\$ 44,047
Net income for the period	27,645	25,733	28,248	29,064
Net income and cash distribution per limited partnership unit	0.33	0.31	0.33	0.34

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

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 for the three months ended March 31, 2006 have not been reviewed or audited by an auditor.

AGF Limited Partnership 1991 Balance Sheets

	As at March 31, 2006 (Unaudited)	As at December 31, 2005
Assets		
Current Assets:		
Cash and term-deposit	\$ 78,407	\$ 67,116
Distribution fees and interest receivable	13,716	13,721
Total assets	\$ 92,123	\$ 80,837
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 24,413	\$ 15,338
Distributions payable (note 1)	67,710	65,499
	92,123	80,837
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	\$ 92,123	\$ 80,837

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

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

AGF Limited Partnership 1991
 Statements of Operations and Deficit
 (Unaudited)

For the three months ended March 31	2006	2005
Operations		
Revenue:		
Distribution fees	\$ 41,330	\$ 47,219
Interest	250	138
	<u>41,580</u>	<u>47,357</u>
Expenses:		
Administration fees	4,817	6,022
Audit, legal and filing fees	4,743	4,469
Transfer agent fees	2,336	2,593
Printing, reporting and mailing	1,545	1,621
Consulting fees	494	-
	<u>13,935</u>	<u>14,705</u>
Net income for the period	\$ 27,645	\$ 32,652
Net income per limited partnership unit	\$ 0.33	\$ 0.38
Deficit		
Balance beginning of period	\$ (7,537,066)	\$ (7,537,066)
Net income for the period	27,645	32,652
Distributions to partners	(27,645)	(32,652)
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
 (Unaudited)

For the three months ended March 31	2006	2005
Operating Activities:		
Net income for the period	\$ 27,645	\$ 32,652
Net decrease in non-cash balances related to operations	9,080	13,755
	<u>36,725</u>	<u>46,407</u>
Financing Activities:		
Uncashed distribution cheques (note 1)	298	224
Distributions paid to partners	(25,732)	(32,082)
	<u>(25,434)</u>	<u>(31,858)</u>
Increase in cash during the period	11,291	14,549
Cash beginning of period	67,116	65,854
Cash end of period	\$ 78,407	\$ 80,403

*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, 2006 and March 31, 2005

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, 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. Certain comparative amounts have been reclassified to conform with the current period's presentation.

1. Uncashed Distribution Cheques

The total amount of uncashed distribution cheques as at March 31, 2006 was \$40,065 (December 31, 2005 - \$39,767). For accounting purposes, this amount has been classified as cash and distributions payable on the balance sheet.



What are you doing after work?

AGF Limited Partnership 1991

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
Website: www.cibcmellon.com

AGF
MUTUAL
FUNDS

AGF TAILORED
INVESTMENT
PROGRAMS
Harmony

AGF PRIVATE
INVESTMENT
MANAGEMENT

AGF
TRUST