

AGF Limited Partnership 1991

SECOND QUARTER REPORT
FOR THE SIX MONTHS
ENDED JUNE 30, 2005



What are you doing after work?

AGF Limited Partnership 1991

Market Value of Distributed Securities

(Unaudited)

As at June 30, 2005

	Market Value (in thousands)		Market Value (in thousands)
AGF Canadian Stock Fund	\$ 8,309	AGF Global High Yield Bond Fund	\$ 81
AGF Canadian Bond Fund	4,117	AGF RSP European Equity Fund	77
AGF Canadian Large Cap Dividend Fund	2,897	AGF Precious Metals Fund	76
AGF Canadian Growth Equity Fund Limited	2,887	AGF International Value Class	67
AGF Canadian Real Value Balanced Fund	2,768	AGF Global Equity Class	59
AGF International Value Fund	2,470	AGF China Focus Class	54
AGF Canadian Money Market Fund	2,323	AGF RSP Global Bond Fund	42
AGF Canadian Balanced Fund	2,027	AGF Emerging Markets Value Fund	37
AGF Canadian Resources Fund Limited	827	AGF Aggressive Global Stock Fund	30
AGF European Equity Class	743	AGF Canadian High Yield Bond Fund	30
AGF Global Government Bond Fund	634	AGF Global Real Estate Equity Class	24
AGF Canadian Conservative Income Fund	547	AGF Diversified Dividend Income Fund	20
AGF International Stock Class	539	AGF Managed Futures Fund	18
AGF RSP International Value Fund	492	AGF Canadian Real Value Fund	14
AGF American Growth Class	450	AGF Monthly High Income Fund	12
AGF Asian Growth Class	360	AGF Germany Class	9
AGF Special U.S. Class	305	AGF Global Perspective Class	9
AGF World Balanced Fund	299	AGF Global Health Sciences Class	8
AGF RSP World Companies Fund	235	AGF RSP Japan Fund	6
AGF Japan Class	150	AGF World Companies Fund	5
AGF Aggressive Growth Fund	122	AGF RSP Global Perspective Fund	5
AGF RSP World Balanced Fund	105	AGF Short-Term Income Class	4
AGF Canadian Small Cap Fund	100	AGF Aggressive Japan Class	2
AGF RSP American Growth Fund	85	Others	4
			\$ 34,484

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

For the three and six months ended June 30, 2005

Management's Discussion and Analysis ("MD&A") presents an analysis of the financial condition of AGF Limited Partnership 1991 ("the Partnership") as at June 30, 2005 compared with December 31, 2004, and the results of operations for the three and six months ended June 30, 2005 compared with the corresponding periods 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"). 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 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 June 30, 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 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 0.50% 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 \$43,873 for the three months ended June 30, 2005, a decrease of 19.3% from the comparable period in 2004. During the six months ended June 30, 2005, distribution fees declined 19.8% to \$91,092 from \$113,530 in the same period last year. The decreases were primarily attributable to the lower net asset value of Distributed Securities for the three and six months ended June 30, 2005 as compared to the respective year-ago periods.

The following is a summary of the changes in Distributed Securities during the three and six months ended June 30, 2005 and 2004, respectively:

(in thousands) (Unaudited)	Three months ended		Six months ended	
	2005	2004	2005	2004
Market value of Distributed Securities, beginning of period	\$ 36,788	\$ 45,963	\$ 38,684	\$ 47,790
Change in market value of Distributed Securities, including reinvested distributions	682	(162)	1,416	1,662
Redemption of Distributed Securities	(2,986)	(3,228)	(5,616)	(6,879)
Market value of Distributed Securities, end of period	\$ 34,484	\$ 42,573	\$ 34,484	\$ 42,573

The annualized redemption rate during the six months ended June 30, 2005 based on the market value of Distributed Securities at the beginning of the period was 29.0% compared to 28.8% in 2004. Redemptions accounted for \$5.6 million of the decline in the value of Distributed Securities during the six months ended June 30, 2005, offset by market appreciation and reinvested distributions totaling \$1.4 million.

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at June 30, 2005 and 2004 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 June 30:

(Unaudited)	2005	2004
	%	%
Canadian Equity Funds	41	39
Canadian Fixed Income Funds	20	17
International Equity Funds	16	20
Canadian Balanced and Asset Allocation Funds	14	14
International Fixed Income Funds and Others	6	6
U.S. Equity Funds	3	4
Total	100	100

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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 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.

OPERATING EXPENSES

Total operating expenses for the three months ended June 30, 2005 were \$14,983, a decrease of 11.0% from \$16,837 in 2004. During the six months ended June 30, 2005, total operating expenses amounted to \$29,688, a decrease of 6.7% from \$31,820 in the same period in 2004. The decreases were primarily attributable to the decrease in administration fees.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$94,102 as at June 30, 2005 as compared to \$82,002, as at December 31, 2004. Assets as at June 30, 2005 consisted of cash and term-deposit totaling \$79,734 and receivables of \$14,368. These assets were used primarily to finance the quarterly distributions payable to limited partners.

As at June 30, 2005, the total amount of uncashed distribution cheques included in cash and distributions payable was \$39,333.

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 they have received.

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

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Cash distributions and estimated taxable income for the three months ended June 30, 2005 were \$0.3419 per limited partnership unit as compared to \$0.4426 per limited partnership unit for the same period in 2004. Cash distributions for the six months ended June 30, 2005 amounted to \$0.7260 per unit and \$0.9642 per unit for the same period in 2004. 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 June 30, 2005 amounted to \$6,021 as compared to \$7,084 in the comparable period in 2004. During the six months ended June 30, 2005, administration fees amounted to \$12,043, a decrease of 15.0% from \$14,168 for the same period in 2004.

SELECTED QUARTERLY INFORMATION

Three months ended (Unaudited)	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004
Revenue	\$ 44,047	\$ 47,357	\$ 48,752	\$ 50,515
Net income for the period	29,064	32,652	32,083	33,748
Net income and cash distribution per Limited partnership unit	0.34	0.38	0.38	0.40

Three months ended (Unaudited)	Jun. 30, 2004	Mar. 31, 2004	Dec. 31, 2003	Sep. 30, 2003
Revenue	\$ 54,462	\$ 59,323	\$ 59,622	\$ 60,853
Net income for the period	37,625	44,340	42,717	44,442
Net income and cash distribution per limited partnership unit	0.44	0.52	0.50	0.52

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 and six months ended June 30, 2005 have not been reviewed or audited by an auditor.

AGF Limited Partnership 1991

Balance Sheets

	As at June 30, 2005 (Unaudited)	As at December 31, 2004 (Audited)
Assets		
Current assets:		
Cash and term-deposit	\$ 79,734	\$ 65,854
Distribution fees and interest receivable	14,368	16,148
Total assets	\$ 94,102	\$ 82,002
Liabilities and Partners' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 25,705	\$ 11,004
Distributions payable (note 1)	68,397	70,998
	94,102	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	\$ 94,102	\$ 82,002

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

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

	Three months ended June 30		Six months ended June 30	
	2005	2004	2005	2004
Operations				
Revenue:				
Distribution fees	\$ 43,873	\$ 54,340	\$ 91,092	\$ 113,530
Interest	174	122	312	255
	44,047	54,462	91,404	113,785
Expenses:				
Administration	6,021	7,084	12,043	14,168
Legal and audit fees	4,925	5,768	9,394	9,844
Transfer agent fees	2,419	2,947	5,012	5,475
Printing, reporting and mailing	1,618	1,038	3,239	2,333
	14,983	16,837	29,688	31,820
Net income for the period	\$ 29,064	\$ 37,625	\$ 61,716	\$ 81,965
Net income per limited partnership unit	\$ 0.34	\$ 0.44	\$ 0.72	\$ 0.96
Deficit				
Balance beginning of period	\$ (7,537,066)	\$ (7,537,066)	\$ (7,537,066)	\$ (7,537,066)
Net income for the period	29,064	37,625	61,716	81,965
Distributions to partners	(29,064)	(37,625)	(61,716)	(81,965)
Balance end of period	\$ (7,537,066)	\$ (7,537,066)	\$ (7,537,066)	\$ (7,537,066)

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

AGF Limited Partnership 1991
 Statements of Cash Flow
 (Unaudited)

	Three months ended		Six months ended	
	June 30		June 30	
	2005	2004	2005	2004
Operating Activities:				
Net income for the period	\$ 29,064	\$ 37,625	\$ 61,716	\$ 81,965
Decrease in non-cash balances related to operations	2,726	4,453	16,481	16,707
	31,790	42,078	78,197	98,672
Financing Activities:				
Uncashed distribution cheques (note 1)	193	-	417	-
Distribution paid to partners	(32,652)	(44,340)	(64,734)	(87,057)
	(32,459)	(44,340)	(64,317)	(87,057)
Increase (decrease) in cash				
during the period	(669)	(2,262)	13,880	11,615
Cash beginning of period	80,403	48,756	65,854	34,879
Cash end of period	\$ 79,734	\$ 46,494	\$ 79,734	\$ 46,494

*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

(Unaudited)

For the three and six months ended June 30, 2005 and 2004

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 June 30, 2005 were \$39,333 (December 31, 2004 - \$38,916). 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

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