

AGF Master Limited Partnership

QUARTERLY REPORT
FOR THE THREE MONTHS
ENDED MARCH 31, 2005



What are you doing after work?

AGF Master Limited Partnership

Market Value of Distributed Securities

As at March 31, 2005
(Unaudited)

	Market Value (in thousands)		Market Value (in thousands)
CANADIAN EQUITY FUNDS		CANADIAN FIXED INCOME FUNDS	
AGF Canadian Stock Fund	\$ 191,865	AGF Canadian Bond Fund	\$ 60,910
AGF Canadian Large Cap Dividend Fund	153,967	AGF Canadian Conservative Income Fund	36,163
AGF Canadian Growth Equity Fund Limited	144,140	AGF Canadian Money Market Fund	32,992
AGF Canadian Small Cap Fund	18,157	AGF Canadian High Yield Bond Fund	<u>2,624</u>
AGF Canadian Real Value Fund	3,167		132,689
AGF Canada Class	2,237		
AGF Monthly High Income Fund	428	SPECIALTY EQUITY FUNDS	
AGF Diversified Dividend Income Fund	<u>85</u>	AGF Canadian Resources Fund Limited	36,097
	514,046	AGF Precious Metals Fund	5,472
		AGF Managed Futures Fund	1,005
		AGF Global Health Sciences Class	696
INTERNATIONAL EQUITY FUNDS		AGF Global Technology Class	478
AGF International Value Fund	152,904	AGF Global Financial Services Class	377
AGF European Equity Class	41,371	AGF Global Resources Class	173
AGF RSP International Value Fund	25,284	AGF Global Real Estate Equity Class	<u>158</u>
AGF International Stock Class	22,917		44,456
AGF Asian Growth Class	16,010		
AGF RSP European Equity Fund	8,956	U.S. EQUITY FUNDS	
AGF RSP World Companies Fund	8,620	AGF American Growth Class	16,602
AGF Japan Class	6,914	AGF Aggressive Growth Fund	10,819
AGF Global Equity Class	5,652	AGF RSP American Growth Fund	7,472
AGF Emerging Markets Value Fund	3,648	AGF Special U.S. Class	3,968
AGF China Focus Class	3,089	AGF U.S. Value Class	<u>415</u>
AGF Aggressive Global Stock Fund	2,517		39,276
AGF International Value Class	1,816		
AGF Germany Class	1,692	INTERNATIONAL BALANCED AND ASSET ALLOCATION FUNDS	
AGF RSP Japan Fund	1,270	AGF World Balanced Fund	24,780
AGF MultiManager Class	1,050	AGF RSP World Balanced Fund	<u>4,690</u>
AGF RSP MultiManager Fund	384		29,470
AGF World Companies Fund	274		
AGF Aggressive Japan Class	165	INTERNATIONAL FIXED INCOME FUNDS	
AGF World Opportunities Fund	<u>83</u>	AGF Global Government Bond Fund	9,261
	304,616	AGF RSP Global Bond Fund	4,531
		AGF Global High Yield Bond Fund	1,638
CANADIAN BALANCED AND ASSET ALLOCATION FUNDS		AGF Short –Term Income Class	<u>898</u>
AGF Canadian Real Value Balanced Fund	83,603		16,328
AGF Canadian Balanced Fund	<u>79,207</u>		
	162,810	TOTAL DISTRIBUTED SECURITIES	\$ <u>1,243,691</u>

AGF Master Limited Partnership

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 Master Limited Partnership ("Master LP") 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 Master LP's operating results.

The MD & A contains forward-looking statements that are inherently subject to risks and uncertainties beyond Master LP'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 MASTER LIMITED PARTNERSHIP

Master LP was formed through the mergers of eleven AGF and 20/20 limited partnerships (the "Merging Partnerships").

The Merging Partnerships were formed for the purpose of arranging for the distribution of securities of certain of the AGF and 20/20 mutual funds, which were sold on a contingent deferred sales charge basis ("Distributed Securities"). The Merging Partnerships paid selling commissions to registered dealers ranging from 4% to 6% of the purchase price of such securities.

As at March 31, 2005, Master LP has total issued and outstanding units of 8,568,159. These units of Master LP are listed for trading on the Toronto Stock Exchange (the "Exchange") under the symbol AFP.UN. The units also qualify for investment by registered tax plans such as RSP and RIF although they constitute "foreign property" subject to the foreign content limitation for tax purposes. [The 2005 federal budget proposes to eliminate this foreign content limit. However, this proposal has yet to be enacted as law at this time.](#)

REVENUE

Master LP's primary sources of revenue are distribution fees and deferred sales charges (also referred to as "redemption fees") earned from the Distributed Securities to which it has distribution rights.

The following table illustrates the breakdown of distribution fee revenue, deferred sales charge revenue and interest revenue for the three months ended March 31, 2005 and 2004, respectively:

(in thousands)

Three months ended March 31

(Unaudited)	2005	2004	% Change
Distribution fees	\$ 1,719.0	\$ 2,229.8	(22.9)
Deferred sales charges	-	163.3	(100.0)
Interest	12.6	18.4	(31.5)

AGF Master Limited Partnership

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

DISTRIBUTION FEES

Master LP receives from AGF Funds Inc. ("AGFFI"), a subsidiary of AGF Management Limited, a monthly distribution fee calculated at annual rates ranging from 0.50% to 0.90% of the net asset value of the Distributed Securities which remain outstanding. The net asset value of Distributed Securities is mainly affected by the market performance and redemptions of Distributed Securities. Distribution fees accounted for 99.3% and 92.5% of Master LP's total revenue in the three months ended March 31, 2005 and 2004, respectively.

Distribution fees amounted to \$1.7 million for the three months ended March 31, 2005, a decrease of 22.9% from the comparable period in 2004. The decrease was mainly attributable to the decline in the net asset value of the Distributed Securities from \$1.6 billion as at March 31, 2004 to \$1.2 billion as at March 31, 2005.

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

(in millions)

Three months ended March 31

(Unaudited)

	2005	2004
Market value of Distributed Securities, beginning of period	\$ 1,354.7	\$ 1,694.7
Increase in market value of Distributed Securities, including reinvested distributions	13.6	62.7
Redemption of Distributed Securities	(124.6)	(131.0)
Market value of Distributed Securities, end of period	\$ 1,243.7	\$ 1,626.4

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 36.8% compared to 30.9% in 2004. Redemptions accounted for \$124.6 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 \$13.6 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	41	37
International Equity Funds	25	28
Canadian Balanced and Asset Allocation Funds	13	13
Canadian Fixed Income Funds	11	11
International Fixed Income Funds and Others	7	7
U.S. Equity Funds	3	4
Total	100	100

AGF Master Limited Partnership

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

DEFERRED SALES CHARGES

Master LP also receives any deferred sales charges for payable by an investor on the redemption of Distributed Securities. Redemption fees are charged based on a percentage of the original cost of Distributed Securities redeemed in accordance with a predetermined redemption fee schedule. [As at December 31, 2004, all remaining assets are off the redemption schedule, accordingly no further revenues will be earned from deferred sales charges.](#)

REVENUE TERMINATION DATES

Master LP is entitled to the same revenue streams, with the same termination dates, as the Merging Partnerships. The following table illustrates the expiry date applicable to the various pools of Distributed Securities in respect of which Master LP has the right to receive distribution fees:

Partnership	Distributed Securities (Market Value as at March 31, 2005) (Unaudited) (in thousands)			Annual Distribution Fee Rate	Distribution Fee Expiry Date (December 31)
	Sunset America	\$	9,034		0.85%
20/20 1989 LP		3,227		0.90%	2017
20/20 1991 LP		36,477		0.65%	2017
AGF LP No. 3		9,066		0.50%	2006
AGF LP 1992		80,027		0.50%	2007
AGF LP 1993		194,885		0.50%	2008
AGF LP 1994		184,815		0.50%	2009
AGF LP 1995		104,661		0.51%	2010
AGF LP No. 8		35,157		0.56%	2011
AGF LP 1996		272,911		0.55%	2011
AGF LP 1997		313,431		0.53%	2012
	\$	1,243,691			

Master LP will continue until March 31, 2018 unless procedures as specified in the Master LP partnership agreement for the dissolution of Master LP are commenced earlier upon the occurrence of certain events stated in the Master LP partnership agreement.

AMORTIZATION OF SELLING COMMISSIONS

For accounting purposes, selling commissions paid on the sales of Distributed Securities are recorded at cost and are amortized on a straight-line basis over a period which corresponds with the applicable deferred sales charge schedule (which ranges from six to 10 years). In addition, when the deferred sales charges from the redemption of Distributed Securities are earned, the related unamortized selling commissions are expensed. The selling commissions were fully amortized and expensed in December 31, 2004.

OPERATING EXPENSES

Total operating expenses for the three months ended March 31, 2005 was \$116,733, a decrease of 7.5% from \$126,222 in 2004. The decrease was mainly attributable to the decrease in administration fees.

AGF Master Limited Partnership

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

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$2.1 million as at March 31, 2005 as compared to \$8.2 million, as at December 31, 2004. Assets as at March 31, 2005 consisted of cash and term-deposit totaling \$2.0 million and receivables of \$0.1 million. Assets as at December 31, 2004 were used primarily to finance the cash distribution of \$0.9113 per limited partnership unit paid on January 28, 2005 to the limited partners of record on December 31, 2004.

As at March 31, 2005, the total amount of uncashed distribution cheques included in cash and [distributions](#) payable was \$353,030.

FINANCIAL INSTRUMENTS

Master LP'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 DISTRIBUTION AND TAXABLE INCOME

Master LP has adopted an annual distribution policy as a result of the adverse tax consequences which would have arisen for at least a significant majority of the limited partners who participated in the merger if distributions were made more frequently than annually. Master LP may reconsider the distribution frequency if changes in tax laws have the effect of eliminating such adverse tax consequences.

Master LP itself is not directly subject to income tax. Instead, Master LP's income or loss for tax purposes is calculated and flowed through to limited partners.

Distributable income earned during the three months ended March 31, 2005 was approximately \$0.1885 per limited partnership unit and \$0.2667 per limited partnership unit for the same period in 2004. The distributable income will be paid annually to limited partners of record on December 31, 2005 in January 2006.

Estimated taxable income for the three months ended March 31, 2005 was \$0.1885 per limited partnership unit as compared to \$0.2662 per limited partnership unit in comparable period in 2004. Taxable income is allocated on an annual basis to limited partners of record on December 31 of a fiscal year.

RELATED PARTY TRANSACTIONS

AGF Partners No. Five Limited is the general partner and is responsible for the management of Master LP 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 \\$60,214 \(2004 - \\$70,840\).](#)

AGF Master Limited Partnership

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

SELECTED QUARTERLY INFORMATION

(in thousands, except per unit amounts)

Three months ended (Unaudited)	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004	Jun. 30, 2004
Revenue	\$ 1,731.6	\$ 1,849.9	\$ 1,927.3	\$ 2,135.9
Net income for the period	1,614.8	1,233.4	1,315.1	1,521.5
Net income per limited partnership unit	0.19	0.15	0.15	0.18

(in thousands, except per unit amounts)

Three months ended (Unaudited)	Mar. 31, 2004	Dec. 31, 2003	Sep. 30, 2003	Jun. 30, 2003
Revenue	\$ 2,411.6	\$ 2,488.8	\$ 2,542.1	\$ 2,519.1
Net income for the period	1,139.0	980.1	1,021.4	984.0
Net income per limited partnership unit	0.13	0.11	0.12	0.12

ADDITIONAL INFORMATION

Master LP's annual and interim financial reports, Annual Information Form ("AIF") and MD&As are available at the AGF website, www.agf.com and at the Canadian Securities Administrators' website, www.sedar.com.

AGF Master Limited Partnership

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

AGF Master Limited Partnership

Balance Sheets

	As at March 31, 2005 (Unaudited)	As at December 31, 2004
Assets		
Current assets:		
Cash and term-deposit	\$ 2,032,570	\$ 8,105,335
Distribution fees and interest receivable	66,123	100,623
Total assets	\$ 2,098,693	\$ 8,205,958
Liabilities and Partners' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 130,823	\$ 43,228
Distributions payable (note 1)	353,030	8,162,730
	483,853	8,205,958
Partners' equity:		
General partner	\$ 2,510	\$ 2,510
Limited partners – 8,568,159 units	209,793,390	209,793,390
Issue and merger expenses	(18,069,356)	(18,069,356)
	191,726,544	191,726,544
Deficit	(190,111,704)	(191,726,544)
	1,614,840	-
Total liabilities and partners' equity	\$ 2,098,693	\$ 8,205,958

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

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

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

<William D. Cameron>
William D. Cameron, Director

AGF Master Limited Partnership

Statements of Operations and Deficit

Three months ended March 31

(Unaudited)

	2005	2004
Operations		
Revenue:		
Distribution fees	\$ 1,718,987	\$ 2,229,808
Deferred sales charges	-	163,347
Interest	12,586	18,423
	<u>1,731,573</u>	<u>2,411,578</u>
Expenses:		
Amortization of selling commissions	-	1,146,318
Administration	60,214	70,840
Legal and audit fees	23,777	24,807
Transfer agent fees	23,392	22,592
Printing, reporting and mailing	9,350	7,983
	<u>116,733</u>	<u>1,272,540</u>
Net income for the period	<u>\$ 1,614,840</u>	<u>\$ 1,139,038</u>
Net income per limited partnership unit	<u>\$ 0.19</u>	<u>\$ 0.13</u>
Deficit		
Balance beginning of period	(191,726,544)	(189,126,620)
Net income for the period	1,614,840	1,139,038
Balance end of period	<u>\$ (190,111,704)</u>	<u>\$ (187,987,582)</u>

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

AGF Master Limited Partnership

Statements of Cash Flow

Three months ended March 31

(Unaudited)	2005	2004
Operating Activities:		
Net income for the period	\$ 1,614,840	\$ 1,139,038
Items not affecting cash		
Amortization of selling commissions	-	1,146,318
	1,614,840	2,285,356
Decrease in non-cash balances related to operations	122,095	96,504
	1,736,935	2,381,860
Financing Activities:		
Uncashed distribution cheques (note 1)	(761)	-
Distributions paid to partners	(7,808,939)	(9,784,102)
	(7,809,700)	(9,784,102)
Decrease in cash during the period	(6,072,765)	(7,402,242)
Cash beginning of period	8,105,335	9,720,506
Cash end of period	\$ 2,032,570	\$ 2,318,264

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

AGF Master Limited Partnership

Notes to Financial Statements

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

These unaudited interim financial statements of AGF Master Limited Partnership ("Master LP") have been prepared in accordance with Canadian generally accepted accounting principles using the same significant accounting policies as Master LP'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 Master LP's 2004 Annual Report.

1. Uncashed Distribution Cheques

Uncashed distribution cheques as at March 31, 2005 were \$353,030 (December 31, 2004 - \$353,791). For accounting purposes, this amount has been shown as cash and distributions payable.



What are you doing after work?

AGF Master Limited Partnership

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

Vancouver

Calgary

Winnipeg

Toronto

Ottawa

Montreal

Halifax

Dublin

London

Singapore

Beijing

Tokyo