

AGF Master Limited Partnership

SEMI-ANNUAL REPORT
FOR THE SIX MONTHS
ENDED JUNE 30, 2007



What are you doing after work?

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

As at June 30, 2007	Market Value (in thousands)	Market Value (in thousands)	
CANADIAN EQUITY FUNDS		CANADIAN FIXED INCOME FUNDS	
AGF Canadian Large Cap Dividend Fund	\$ 140,902	AGF Canadian Money Market Fund	\$ 44,112
AGF Canadian Stock Fund	130,104	AGF Canadian Bond Fund	31,161
AGF Canadian Growth Equity Fund Limited	129,951	AGF Canadian Conservative Income Fund	15,920
AGF Canadian Small Cap Fund	20,116	AGF Canadian High Yield Bond Fund	<u>1,453</u>
AGF Canadian Real Value Fund	3,312		92,646
AGF Dividend Income Fund	3,071		
AGF Canada Class	1,442	SPECIALTY EQUITY FUNDS	
AGF Monthly High Income Fund	1,249	AGF Canadian Resources Fund Limited	\$ 38,253
AGF Diversified Dividend Income Fund	<u>503</u>	AGF Precious Metals Fund	7,352
	430,650	AGF Global Health Sciences Class	455
		AGF Global Resources Class	378
INTERNATIONAL EQUITY FUNDS		AGF Global Financial Services Class	291
AGF International Value Fund	\$ 93,519	AGF Global Real Estate Equity Class	257
AGF European Equity Class	47,853	AGF Global Technology Class	155
AGF International Stock Class	25,251	AGF Managed Futures Fund	<u>129</u>
AGF Asian Growth Class	13,484		47,270
AGF World Companies Fund	6,025	U.S. EQUITY FUNDS	
AGF Japan Class	5,432	AGF American Growth Class	\$ 12,523
AGF Emerging Markets Fund	5,305	AGF Aggressive Growth Fund	6,459
AGF Global Equity Class	4,187	AGF Special U.S. Class	2,443
AGF Elements Global Portfolio	3,770	AGF U.S. Value Class	289
AGF China Focus Class	3,566	AGF U.S. Risk Managed Class	<u>55</u>
AGF Global Perspective Class	3,005		21,769
AGF Aggressive Global Stock Fund	2,570	INTERNATIONAL BALANCED AND ASSET ALLOCATION FUNDS	
AGF Germany Class	1,454	AGF World Balanced Fund	\$ 25,175
AGF International Value Class	877	AGF Elements Growth Portfolio	<u>2,345</u>
AGF Aggressive Japan Class	51		27,520
AGF World Opportunities Fund	<u>24</u>		
	216,373		
CANADIAN BALANCED AND ASSET ALLOCATION FUNDS		INTERNATIONAL FIXED INCOME FUNDS	
AGF Canadian Balanced Fund	\$ 55,482	AGF Global Government Bond Fund	\$ 4,393
AGF Canadian Real Value Balanced Fund	52,175	AGF RSP Global Bond Fund	1,858
AGF Elements Balanced Portfolio	5,757	AGF Short-Term Income Class	1,363
AGF Elements Conservative Portfolio	1,020	AGF Global High Yield Bond Fund	<u>867</u>
AGF Elements Yield Portfolio	<u>505</u>		8,481
	114,939		
		TOTAL DISTRIBUTED SECURITIES	\$ <u>959,648</u>

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

For the six months ended June 30, 2007

This Management's Discussion and Analysis ('MD&A') presents an analysis of the financial condition of AGF Master Limited Partnership ('Master LP') as at June 30, 2007 compared with December 31, 2006, and the results of operations for the six months ended June 30, 2007 compared with the corresponding period of 2006. This discussion should be read in conjunction with our 2006 annual MD&A and 2006 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 percentage changes 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 2006 annual MD&A: 'Significant Accounting Policies and Estimates', 'Exemptive Relief' and 'Corporate Governance'. Accordingly, readers should refer to our 2006 annual MD&A to gain an understanding of how these matters may impact the Master LP's operating results.

The MD&A includes forward-looking statements about Master LP. 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 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. 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 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 June 30, 2007, 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.

REVENUE

Master LP's primary source of revenue is distribution fees earned from the Distributed Securities to which it has distribution rights. 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.

The redemption fee schedule applicable to the Distributed Securities has expired and Master LP no longer receives any redemption fee revenue.

AGF Master Limited Partnership

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

DISTRIBUTION FEES

Master LP receives 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 primarily affected by the market performance and redemptions of Distributed Securities. Distribution fees accounted for 98.3% and 98.8% of Master LP's total revenue in the six months ended June 30, 2007 and 2006, respectively.

Distribution fees amounted to \$2.6 million for the six months ended June 30, 2007 as compared to \$2.8 million for the comparable period in 2006. The 7.4% decrease was primarily attributable to the lower net asset value of Distributed Securities from \$1,003.8 million as at June 30, 2006 to \$959.6 million as at June 30, 2007.

The following is a summary of the changes in Distributed Securities during the six months ended June 30, 2007 and 2006:

(Unaudited)	(in millions)	
Six months ended June 30	2007	2006
Market value of Distributed Securities, beginning of period	\$ 1,027.7	\$ 1,113.2
Increase in market value of Distributed Securities, including reinvested distributions	45.6	49.8
Redemption of Distributed Securities	(113.7)	(159.2)
Market value of Distributed Securities, end of period	\$ 959.6	\$ 1,003.8

The annualized redemption rate during the six months ended June 30, 2007 based on the market value of Distributed Securities at the beginning of the year was 22.1% compared to 28.6% in 2006. Redemptions accounted for \$113.7 million of the decline in the value of Distributed Securities during the six months ended June 30, 2007, offset by market appreciation and reinvested distributions totaling \$45.6 million.

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at June 30, 2007 and 2006 are 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 June 30:

	2007	2006
	%	%
Canadian Equity Funds	45	45
International Equity Funds	22	21
Canadian Balanced and Asset Allocation Funds	12	13
Canadian Fixed Income Funds	10	10
International Fixed Income Funds and Others	9	9
U.S. Equity Funds	2	2
Total	100	100

AGF Master Limited Partnership

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

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:

(Unaudited) Partnership	Distributed Securities (Market Value as at June 30, 2007) (in thousands)	Annual Distribution Fee Rate	Distribution Fee Expiry Date (December 31)
Sunset America	\$ 8,596	0.85%	2017
20/20 1989 LP	2,632	0.90%	2017
20/20 1991 LP	28,794	0.65%	2017
AGF LP No. 3	7,359	0.50%	2006
AGF LP 1992	63,916	0.50%	2007
AGF LP 1993	152,774	0.50%	2008
AGF LP 1994	144,191	0.50%	2009
AGF LP 1995	75,832	0.51%	2010
AGF LP No. 8	25,655	0.56%	2011
AGF LP 1996	193,890	0.55%	2011
AGF LP 1997	256,009	0.53%	2012
	\$ 959,648		

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.

OPERATING EXPENSES

Total operating expenses for the six months ended June 30, 2007 were \$191,395 a decrease of 13.8% from \$222,105 in 2006. The decreases were primarily attributable to the decrease in administration fees and other costs.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$3.0 million as at June 30, 2007 as compared to \$5.6 million as at December 31, 2006. Assets as at June 30, 2007 primarily consisted of cash and term-deposit totaling \$2.9 million.

As at June 30, 2007, the total amount of uncashed distribution cheques included in cash and distributions payable was \$335,904.

The Merging Partnerships were formed to finance selling commissions during a fixed period of time, after which the Merging Partnerships collect the fees to which they are entitled with no significant ongoing financial obligation other than the ordinary operating expenses. Master LP distributes its income to limited partners on an annual basis and does not retain permanent investment assets.

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.

AGF Master Limited Partnership

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

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 six months ended June 30, 2007 was approximately \$0.29 per limited partnership unit and \$0.31 per limited partnership unit for the same period in 2006. The distributable income will be paid annually to limited partners of record on December 31, 2007 in January 2008. Selected quarterly information for the eight most recent quarters are shown below.

Estimated taxable income for the six months ended June 30, 2007 was \$0.29 per limited partnership unit as compared to \$0.31 per limited partnership unit in the comparable period in 2006. 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 six months ended June 30, 2007 amounted to \$77,074 as compared to \$96,343 in the comparable period in 2006.

SELECTED QUARTERLY INFORMATION

(in thousands, except per unit amounts)				
Three months ended (Unaudited)	Jun. 30, 2007	Mar. 31, 2007	Dec. 31, 2006	Sep. 30, 2006
Revenue	\$ 1,319.2	\$ 1,364.3	\$ 1,423.0	\$ 1,345.2
Net income for the period	1,224.0	1,268.1	1,320.4	1,231.2
Net income and cash distribution per limited partnership unit	0.14	0.15	0.14	0.14

(in thousands, except per unit amounts)				
Three months ended (Unaudited)	Jun. 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sep. 30, 2005
Revenue	\$ 1,388.8	\$ 1,492.6	\$ 1,498.4	\$ 1,563.4
Net income for the period	1,275.7	1,383.5	1,379.3	1,443.2
Net income and cash distribution per limited partnership unit	0.15	0.16	0.16	0.17

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

ADDITIONAL INFORMATION

Additional information relating to Master LP can be found in the Financial Statements and accompanying notes for the six months ended June 30, 2007, 2006 annual MD&A and Financial Statements, 2006 Annual Information Form ('AIF') and other documents 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 for the six months ended June 30, 2007 are unaudited and have not been reviewed by our auditors.

AGF Master Limited Partnership

Balance Sheets

	As at June 30, 2007 (Unaudited)	As at December 31, 2006
Assets		
Current Assets:		
Cash and term-deposit	\$ 2,929,548	\$ 5,555,868
Distribution fees and interest receivable	55,169	57,027
Total Assets	\$ 2,984,717	\$ 5,612,895
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 156,727	\$ 66,172
Distributions payable (note 1)	335,904	5,546,723
	492,631	5,612,895
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	(189,234,458)	(191,726,544)
Total Partners' Equity	2,492,086	-
Total Liabilities and Partners' Equity	\$ 2,984,717	\$ 5,612,895

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

<Greg Henderson>
Greg Henderson, Director

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

Six months ended June 30	2007	2006
Operations		
Revenue:		
Distribution fees	\$ 2,637,098	\$ 2,848,185
Interest	46,383	33,217
	<u>2,683,481</u>	<u>2,881,402</u>
Expenses:		
Administration fees	77,074	96,343
Audit, legal and filing fees	51,779	51,701
Transfer agent fees	51,835	45,768
Other costs	10,707	28,293
	<u>191,395</u>	<u>222,105</u>
Net income for the period	\$ 2,492,086	\$ 2,659,297
Net income per limited partnership unit	\$ 0.29	\$ 0.31
Deficit		
Balance beginning of period	(191,726,544)	(191,726,544)
Net income for the period	2,492,086	2,659,297
Balance end of period	\$ (189,234,458)	\$ (189,067,247)

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

AGF Master Limited Partnership
 Statements of Cash Flow
 (Unaudited)

Six months ended June 30	2007	2006
Operating Activities:		
Net income for the period	\$ 2,492,086	\$ 2,659,297
Net decrease in non-cash balances related to operations	92,413	134,961
	<u>2,584,499</u>	<u>2,794,258</u>
Financing Activities:		
Uncashed distribution cheques	-	6,338
Distributions paid to partners	(5,210,819)	(5,904,909)
	<u>(5,210,819)</u>	<u>(5,898,571)</u>
Decrease in cash during the period	(2,626,320)	(3,104,313)
Cash beginning of period	5,555,868	6,270,561
Cash end of period	\$ <u>2,929,548</u>	\$ <u>3,166,248</u>

*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

(Unaudited)

For the six months ended June 30, 2007 and 2006

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, 2006. 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, 2006, as set out in Master LP's 2006 Annual Report.

1. Uncashed Distribution Cheques

Uncashed distribution cheques as at June 30, 2007 remain unchanged at \$335,904. For accounting purposes, this amount has been classified as cash and distributions payable on the balance sheet.



What are you doing after work?

AGF Master Limited Partnership

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