

AGF Master Limited Partnership

SEMI-ANNUAL REPORT
FOR THE SIX MONTHS
ENDED JUNE 30, 2009



What are you doing after work?

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

As at June 30, 2009

	Market Value (in thousands)		Market Value (in thousands)
CANADIAN EQUITY FUNDS		INTERNATIONAL BALANCED AND ASSET ALLOCATION FUND	
AGF Canadian Large Cap Dividend Fund Class	\$ 68,877	AGF World Balanced Fund	\$ 10,113
AGF Canadian Stock Fund	57,095		
AGF Canadian Growth Equity Fund Limited	39,270	CANADIAN FIXED INCOME FUNDS	
AGF Canadian Small Cap Fund	9,506	AGF Canadian Bond Fund	23,500
AGF Dividend Income Fund	1,474	AGF Canadian Money Market Fund	8,429
AGF Canadian Value Fund	1,016	AGF Canadian Conservative Income Fund	6,800
AGF Monthly High Income Fund	810	AGF Canadian High Yield Bond Fund	942
AGF Canada Class	796		<u>39,671</u>
AGF Canadian Large Cap Dividend Fund	522		
AGF Canadian Large Cap Dividend Class	143	SPECIALTY EQUITY FUNDS	
AGF Canadian Stock Class	98	AGF Canadian Resources Fund Limited	12,224
AGF Canadian All Cap Equity Fund	76	AGF Precious Metals Fund	3,242
	<u>179,683</u>	AGF Global Resources Class	375
		AGF Global Real Estate Equity Class	77
			<u>15,918</u>
INTERNATIONAL EQUITY FUNDS			
AGF Global Value Fund	24,549	U.S. EQUITY FUNDS	
AGF European Equity Class	13,150	AGF American Growth Class	4,730
AGF International Stock Class	6,905	AGF Aggressive U.S. Growth Fund	3,228
AGF Asian Growth Class	3,926	AGF U.S. Risk Managed Class	18
AGF Emerging Markets Fund	3,642		<u>7,976</u>
AGF Global Equity Fund	2,426		
AGF Global Equity Class	1,773	ELEMENTS PORTFOLIOS	
AGF China Focus Class	1,679	AGF Elements Balanced Portfolio	4,632
AGF Global Value Class	1,621	AGF Elements Growth Portfolio	2,204
AGF Japan Class	1,451	AGF Elements Global Portfolio	1,349
AGF Aggressive Global Stock Fund	1,073	AGF Elements Conservative Portfolio	580
AGF Global Dividend Fund	80	AGF Elements Yield Portfolio	227
	<u>62,275</u>		<u>8,992</u>
CANADIAN BALANCED AND ASSET ALLOCATION FUNDS		INTERNATIONAL FIXED INCOME FUNDS	
AGF Canadian Balanced Fund	32,040	AGF Global Government Bond Fund	2,445
AGF Canadian Value Balanced Fund	22,857	AGF Short-Term Income Class	649
	<u>54,897</u>	AGF Global High Yield Bond Fund	595
			<u>3,689</u>
		TOTAL DISTRIBUTED SECURITIES	\$ <u>383,214</u>

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

For the six months ended June 30, 2009

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, 2009 compared with December 31, 2008, and the results of operations for the six months ended June 30, 2009 compared with the corresponding period of 2008. This discussion should be read in conjunction with our 2008 annual MD&A and 2008 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 nearest two decimal places and all dollar amounts are in Canadian dollars.

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, 2009, 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 decline in market performance and the redemptions of Distributed Securities. Distribution fees accounted for 99.5% and 98.4% of Master LP's total revenue in the six months ended June 30, 2009 and 2008, respectively.

Distribution fees amounted to \$0.9 million for the six months ended June 30, 2009 as compared to \$1.9 million for the comparable period in 2008. The 51.2% decrease was primarily attributable to the lower net asset value of Distributed Securities from \$697.2 million as at June 30, 2008 to \$383.2 million as at June 30, 2009.

The following is a summary of the changes in Distributed Securities during the six months ended June 30, 2009 and 2008:

(Unaudited)	(in thousands)	
Six months ended June 30	2009	2008
Market Value of Distributed Securities, beginning of period	459,014	853,090
Decrease in Market Value of Distributed Securities, including reinvested distributions	(33,548)	(88,109)
Redemption of Distributed Securities	(42,252)	(67,814)
Market Value of Distributed Securities, end of period	383,214	697,167

The annualized redemption rate during the six months ended June 30, 2009 based on the market value of Distributed Securities at the beginning of the year was 18.4% compared to 15.9% in 2008. Redemptions of \$42.3 million and market decline of \$33.5 million accounted for the decrease in the value of Distributed Securities as at June 30, 2009.

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at June 30, 2009 and 2008 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:

(Unaudited)	2009	2008
	%	%
Canadian Equity Funds	47	52
International Equity Funds	17	18
Canadian Balanced and Asset Allocation Funds	14	13
Canadian Fixed Income Funds	10	6
International Fixed Income Funds and Others	10	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, 2009) (in thousands)	Annual Distribution Fee Rate	Distribution Fee Expiry Date (December 31)
Sunset America	\$ 4,437	0.85%	2017
20/20 1989 LP	1,380	0.90%	2017
20/20 1991 LP	14,752	0.65%	2017
AGF LP 1994	76,021	0.50%	2009
AGF LP 1995	38,060	0.51%	2010
AGF LP No. 8	12,635	0.56%	2011
AGF LP 1996	98,599	0.55%	2011
AGF LP 1997	137,330	0.53%	2012
	\$ 383,214		

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, 2009 were \$161,966, an increase of 7.2% from \$151,021 in 2008. The increase was primarily attributable to the increase in audit, legal and filing fees and other costs.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$1.2 million as at June 30, 2009 as compared to \$3.7 million as at December 31, 2008. Assets as at June 30, 2009 primarily consisted of cash totaling \$1.0 million.

As at June 30, 2009, 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, distribution fees and interest receivable, accounts payable and accrued liabilities, and distributions payable.

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, 2009 was approximately \$0.09 per limited partnership unit and \$0.21 per limited partnership unit for the same period in 2008. The distributable income will be paid annually to limited partners of record on December 31, 2009 in January 2010. Selected quarterly information for the eight most recent quarters are shown below.

Estimated taxable income for the six months ended June 30, 2009 was \$0.09 per limited partnership unit as compared to \$0.21 per limited partnership unit in the comparable period in 2008. 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 Master LP and will be reimbursed by Master LP for expenses incurred on behalf of Master LP. It also receives an administration fee as consideration for its management of the business and affairs of Master LP and has engaged AGF Management Limited ("AGF"), its parent company, to assist it in carrying out its management obligations to Master LP. These services are in the normal course of operations and are recorded at the amount of consideration agreed to by the parties. The administration fees for the six months ended June 30, 2009 amounted to \$61,659.

SELECTED QUARTERLY INFORMATION

(in thousands, except per unit amounts)				
Three months ended (Unaudited)	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sep. 30, 2008
Revenue	\$ 507.7	\$ 439.6	\$ 611.4	\$ 853.0
Net income for the period	426.6	358.7	547.7	778.6
Net distributable income per limited partnership unit	0.05	0.04	0.06	0.09

(in thousands, except per unit amounts)				
Three months ended	Jun. 30, 2008	Mar. 31, 2008	Dec. 31, 2007	Sep. 30, 2007
Revenue	\$ 973.1	\$ 988.7	\$ 1,202.1	\$ 1,256.1
Net income for the period	900.6	910.2	1,104.7	1,162.6
Net distributable income per limited partnership unit	0.10	0.11	0.13	0.14

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, 2009, 2008 annual MD&A and Financial Statements, 2008 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, 2009 are unaudited and have not been reviewed by our auditors.

AGF Master Limited Partnership Balance Sheets

	As at June 30, 2009 (Unaudited)	As at December 31, 2008
Assets		
Current Assets:		
Cash and term-deposit	\$ 1,023,504	\$ 3,506,776
Distribution fees and interest receivable	171,558	195,546
Total Assets	\$ 1,195,062	\$ 3,702,322
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 73,854	\$ 229,302
Distributions payable (note 1)	335,904	3,473,020
	409,758	3,702,322
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	(190,941,240)	(191,726,544)
Total Partners' Equity	785,304	-
Total Liabilities and Partners' Equity	\$ 1,195,062	\$ 3,702,322

The accompanying note is 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	2009	2008
Operations		
Revenue:		
Distribution fees	\$ 942,061	\$ 1,930,802
Interest	5,209	30,956
	<u>947,270</u>	<u>1,961,758</u>
Expenses:		
Administration fees	61,659	61,659
Audit, legal and filing fees	41,628	33,745
Transfer agent fees	45,980	51,586
Other costs	12,699	4,031
	<u>161,966</u>	<u>151,021</u>
Net income for the period	\$ 785,304	\$ 1,810,737
Net income per limited partnership unit	\$ 0.09	\$ 0.21
Deficit		
Balance beginning of period	(191,726,544)	(191,726,544)
Net income for the period	785,304	1,810,737
Balance end of period	\$ (190,941,240)	\$ (189,915,897)

AGF Master Limited Partnership
 Statements of Cash Flow
 (Unaudited)

Six months ended June 30	2009	2008
OPERATING ACTIVITIES:		
Net income for the period	\$ 785,304	\$ 1,810,737
Net Decrease(increase) in non-cash balances related to operations	(131,460)	88,032
	653,844	1,898,769
FINANCING ACTIVITIES:		
Uncashed Distribution cheques	-	-
Distributions paid to partners	(3,137,116)	(4,758,375)
	(3,137,116)	(4,758,375)
Decrease in cash during the period	(2,483,272)	(2,859,606)
Cash – beginning of period	3,506,776	4,847,041
Cash – end of period	\$ 1,023,504	\$ 1,987,435

AGF Master Limited Partnership

Notes to Financial Statements

(Unaudited)

For the six months ended June 30, 2009 and 2008

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, 2008. 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, 2008, as set out in Master LP's 2008 Annual Report.

1. Uncashed Distribution Cheques

Uncashed distribution cheques as at June 30, 2009 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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