

AGF Master Limited Partnership

SEMI-ANNUAL REPORT
FOR THE SIX MONTHS
ENDED JUNE 30, 2010



What are you doing after work?

AGF Master Limited Partnership

Market Value of Distributed Securities

(Unaudited)

As at June 30, 2010

	Market Value (in thousands)		Market Value (in thousands)
CANADIAN EQUITY FUNDS		CANADIAN FIXED INCOME FUNDS	
AGF Canadian Large Cap Dividend Fund Class	\$ 54,027	AGF Canadian Bond Fund	\$ 9,007
AGF Canadian Stock Fund	45,430	AGF Inflation Plus Bond Fund	3,551
AGF Canadian Growth Equity Fund Limited	22,404	AGF Canadian Money Market Fund	3,339
AGF Canadian Small Cap Fund	10,512	AGF Canadian High Yield Bond Fund	826
AGF Monthly High Income Fund	1,368		16,723
AGF Dividend Income Fund	1,247		
AGF Canadian Value Fund	711	SPECIALTY EQUITY FUNDS	
AGF Canada Class	529	AGF Canadian Resources Fund Limited	10,423
AGF Canadian Large Cap Dividend Fund	436	AGF Precious Metals Fund	2,832
AGF Canadian Large Cap Dividend Class	73	AGF Global Resources Class	374
AGF Canadian Stock Class	60	AGF Global Real Estate Equity Class	70
AGF Canadian All Cap Equity Fund	30		13,699
	136,827		
CANADIAN BALANCED AND ASSET ALLOCATION FUNDS		INTERNATIONAL BALANCED AND ASSET ALLOCATION FUND	
AGF Canadian Asset Allocation Fund	22,014	AGF World Balanced Fund	6,911
AGF Traditional Balanced Fund	16,354		
	38,368	ELEMENTS PORTFOLIOS	
INTERNATIONAL EQUITY FUNDS		AGF Elements Balanced Portfolio	3,023
AGF Global Value Fund	15,033	AGF Elements Growth Portfolio	1,225
AGF European Equity Class	6,590	AGF Elements Global Portfolio	779
AGF Emerging Markets Fund	4,151	AGF Elements Conservative Portfolio	434
AGF International Stock Class	3,335	AGF Elements Yield Portfolio	202
AGF Asian Growth Class	2,037		5,663
AGF Global Equity Fund	1,840	U.S. EQUITY FUNDS	
AGF China Focus Class	1,225	AGF American Growth Class	2,762
AGF Global Equity Class	1,145	AGF Aggressive U.S. Growth Fund	2,634
AGF Global Value Class	989	AGF U.S. Risk Managed Class	12
AGF Aggressive Global Stock Fund	833		5,408
AGF Japan Class	582	INTERNATIONAL FIXED INCOME FUNDS	
AGF Global Dividend Fund	80	AGF Global Government Bond Fund	1,127
	37,840	AGF Short-Term Income Class	491
		AGF Global High Yield Bond Fund	431
			2,049
		TOTAL DISTRIBUTED SECURITIES	\$ 263,488

AGF Master Limited Partnership

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

For the six months ended June 30, 2010

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, 2010 compared with December 31, 2009, and the results of operations for the six months ended June 30, 2010 compared with the corresponding period of 2009. This discussion should be read in conjunction with our 2009 annual MD&A and 2009 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, or future or conditional verbs such as 'may', 'will', 'should', 'would' and 'could'. 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. Other than specifically required by applicable laws, 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, 2010, 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 investments 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

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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 99.9% and 99.5% of Master LP's total revenue in the six months ended June 30, 2010 and 2009, respectively.

Distribution fees amounted to \$0.8 million for the six months ended June 30, 2010 as compared to \$0.9 million for the comparable period in 2009. The 16.9% decrease was primarily attributable to the lower net asset value of Distributed Securities from \$383.2 million as at June 30, 2009 to \$263.5 million as at June 30, 2010.

The following is a summary of the changes in Distributed Securities during the six months ended June 30, 2010 and 2009:

(Unaudited)	(in thousands)	
Six months ended June 30	2010	2009
Market Value of Distributed Securities, beginning of period	386,438	459,014
Decrease in Market Value of Distributed Securities, including reinvested distributions	(91,673)	(33,548)
Redemption of Distributed Securities	(31,277)	(42,252)
Market Value of Distributed Securities, end of period	263,488	383,214

The annualized redemption rate during the six months ended June 30, 2010 based on the market value of Distributed Securities at the beginning of the year was 16.2% compared to 18.4% in 2009. Redemptions of \$31.3 million and market decline of \$91.7 million accounted for the decrease in the value of Distributed Securities as at June 30, 2010.

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at June 30, 2010 and 2009 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)	2010	2009
	%	%
Canadian Equity Funds	52	47
Canadian Balanced and Asset Allocation Funds	15	14
International Equity Funds	14	17
International Fixed income Funds and others	11	10
Canadian Fixed Income Funds	6	10
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, 2010) (in thousands)	Annual Distribution Fee Rate	Distribution Fee Expiry Date (December 31)
Sunset America	\$ 3,504	0.85%	2017
20/20 1989 LP	1,217	0.90%	2017
20/20 1991 LP	12,800	0.65%	2017
AGF LP 1995	31,343	0.51%	2010
AGF LP No. 8	10,695	0.56%	2011
AGF LP 1996	82,492	0.55%	2011
AGF LP 1997	121,437	0.53%	2012
	\$ 263,488		

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, 2010 were \$0.1 million, a decrease of 18.6% from \$0.2 million in 2009. The decrease was mainly attributable to the decrease in administration fees and audit fees.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$1.0 million as at June 30, 2010 as compared to \$2.1 million as at December 31, 2009. Assets as at June 30, 2010 primarily consisted of cash totaling \$0.9 million.

As at June 30, 2010, the total amount of uncashed distribution cheques included in cash and distributions payable was \$0.3 million.

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, 2010 was approximately \$0.08 per limited partnership unit and \$0.09 per limited partnership unit for the same period in 2009. The distributable income will be paid annually to limited partners of record on December 31, 2010 in January 2011. Selected quarterly information for the eight most recent quarters are shown below.

Estimated taxable income for the six months ended June 30, 2010 was \$0.08 per limited partnership unit as compared to \$0.09 per limited partnership unit in the comparable period in 2009. 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, 2010 amounted to \$0.1 million.

SELECTED QUARTERLY INFORMATION

(in thousands, except per unit amounts)				
Three months ended (Unaudited)	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2009	Sep. 30, 2009
Revenue	\$ 379.4	\$ 404.2	\$ 528.9	\$ 525.8
Net income for the period	307.1	344.6	469.3	457.1
Net distributable income per limited partnership unit	0.04	0.04	0.05	0.05

(in thousands, except per unit amounts)				
Three months ended	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

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, 2010, 2009 annual MD&A and Financial Statements, 2009 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, 2010 are unaudited and have not been reviewed by our auditors.

AGF Master Limited Partnership

Balance Sheets

	As at June 30, 2010 (Unaudited)	As at December 31, 2009
Assets		
Current Assets:		
Cash	\$ 917,094	\$ 1,969,840
Distribution fees and interest receivable	122,640	173,403
Total Assets	\$ 1,039,734	\$ 2,143,243
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 52,147	\$ 95,640
Distributions payable (note 1)	335,904	2,047,603
	388,051	2,143,243
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	(191,074,861)	(191,726,544)
Total Partners' Equity	651,683	-
Total Liabilities and Partners' Equity	\$ 1,039,734	\$ 2,143,243

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, Director



Robert J. Bogart, Director & Chief Financial Officer

AGF Master Limited Partnership

Statements of Operations and Deficit

(Unaudited)

Six months ended June 30	2010		2009	
Operations				
Revenue:				
Distribution fees	\$	782,412	\$	942,061
Interest		1,138		5,209
		783,550		947,270
Expenses:				
Administration fees		51,793		61,659
Audit, legal and filing fees		30,585		41,628
Transfer agent fees		41,289		45,980
Other costs		8,200		12,699
		131,867		161,966
Net income for the period	\$	651,683	\$	785,304
Net income per limited partnership unit	\$	0.08	\$	0.09
Deficit				
Balance beginning of period		(191,726,544)		(191,726,544)
Net income for the period		651,683		785,304
Balance end of period	\$	(191,074,861)	\$	(190,941,240)

AGF Master Limited Partnership

Statements of Cash Flow

(Unaudited)

Six months ended June 30	2010	2009
OPERATING ACTIVITIES:		
Net income for the period	\$ 651,683	\$ 785,304
Net Decrease (increase) in non-cash balances related to operations	7,270	(131,460)
	<u>658,953</u>	<u>653,844</u>
FINANCING ACTIVITIES:		
Distributions paid to partners	(1,711,699)	(3,137,116)
	<u>(1,711,699)</u>	<u>(3,137,116)</u>
Decrease in cash during the period	(1,052,746)	(2,483,272)
Cash – beginning of period	1,969,840	3,506,776
Cash – end of period	\$ 917,094	\$ 1,023,504

AGF Master Limited Partnership

Notes to Financial Statements

(Unaudited)

For the six months ended June 30, 2010 and 2009

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, 2009. 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, 2009, as set out in Master LP's 2009 Annual Report.

1. Uncashed Distribution Cheques

Uncashed distribution cheques as at June 30, 2010 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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