

Global Strategy Master LP

2005 ANNUAL REPORT



What are you doing after work?

Global Strategy Master LP

Market Value of Distributed Securities

(Unaudited)

As at December 31, 2005

	Market Value (in thousands)		Market Value (in thousands)
CANADIAN BALANCED AND ASSET ALLOCATION FUNDS		INTERNATIONAL FIXED INCOME FUNDS	
AGF Canadian Balanced Fund	\$ 125,383	AGF RSP Global Bond Fund	\$ 27,224
AGF Canadian Real Value Balanced Fund	5,190	AGF Global Government Bond Fund	15,079
AGF Elements Balanced Portfolio	48	AGF Global High Yield Bond Fund	197
	<u>130,621</u>	AGF Short-Term Income Class	117
			<u>42,617</u>
INTERNATIONAL EQUITY FUNDS		SPECIALTY EQUITY FUNDS	
AGF European Equity Class	34,405	AGF Precious Metals Fund	21,297
AGF World Companies Fund	34,315	AGF Canadian Resources Fund Limited	2,991
AGF International Value Fund	19,136	AGF Managed Futures Fund	200
AGF International Stock Class	3,591	AGF Global Health Sciences Class	135
AGF Japan Class	1,775	AGF Global Resources Class	74
AGF China Focus Class	955	AGF Global Technology Class	61
AGF Aggressive Global Stock Fund	428	AGF Global Financial Services Class	49
AGF Emerging Markets Fund	234	AGF Global Real Estate Equity Class	43
AGF Global Perspective Class	175		<u>24,850</u>
AGF Global Equity Class	138	CANADIAN FIXED INCOME FUNDS	
AGF International Value Class	136	AGF Canadian Money Market Fund	6,836
AGF World Opportunities Fund	120	AGF Canadian High Yield Bond Fund	2,646
AGF Asian Growth Class	113	AGF Canadian Bond Fund	1,863
AGF Elements Global Portfolio	56	AGF Canadian Conservative Income Fund	763
AGF Aggressive Japan Class	40		<u>12,108</u>
AGF Germany Class	12		
	<u>95,629</u>	U.S. EQUITY FUNDS	
CANADIAN EQUITY FUNDS		AGF Aggressive Growth Fund	1,342
AGF Canadian Real Value Fund	37,886	AGF American Growth Class	1,160
AGF Canadian Stock Fund	19,469	AGF U.S. Value Class	968
AGF Canadian Small Cap Fund	19,188	AGF U.S. Risk Managed Class	220
AGF Canadian Large Cap Dividend Fund	9,823	AGF Special U.S. Class	18
AGF Canadian Growth Equity Fund Limited	1,852		<u>3,708</u>
AGF Canada Class	652	INTERNATIONAL BALANCED AND ASSET ALLOCATION FUNDS	
AGF Monthly High Income Fund	485	AGF World Balanced Fund	3,086
AGF Dividend Income Fund	354	AGF Elements Growth Portfolio	51
AGF Diversified Dividend Income Fund	97		<u>3,137</u>
	<u>89,806</u>		
		TOTAL DISTRIBUTED SECURITIES	\$ <u>402,476</u>

Global Strategy Master LP

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

For the years ended December 31, 2005 and December 31, 2004

Management's Discussion and Analysis ("MD&A") presents an analysis of the financial condition of Global Strategy Master LP ("Master LP") as at December 31, 2005 compared with December 31, 2004, and the results of operations for the year ended December 31, 2005 compared with the corresponding periods of 2004. This discussion should be read in conjunction with our audited financial statements and notes for 2005. 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.

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 GLOBAL STRATEGY MASTER LP

Master LP was formed in January 1999 when eight of the nine Global Strategy Limited Partnerships (the "Merging Partnerships") merged to form the Master LP. Global Strategy Partners LP IX ("LP IX") merged with Master LP on February 18, 2000 after it had fully deducted its sales commissions for tax purposes. Master LP consists of the aggregate assets of the Merging Partnerships and is carrying on with the business activities previously carried on by those partnerships.

The Merging Partnerships were formed to pay sales commissions to registered dealers who sold Global Strategy mutual funds on a back-end-load (redemption charge) basis. In return for paying sales commissions, the Merging Partnerships were entitled to ongoing distribution fee revenue on specific mutual funds units that remain outstanding and that were originally financed by that partnership ("Distributed Securities"). The Merging Partnerships were also entitled to redemption fees for up to six years, which provided some protection against a reduction in distribution fee revenue caused by early redemption of Distributed Securities. Upon merger, the Merging Partnerships transferred their rights to distribution fees and redemption fees to Master LP.

As at December 31, 2005, Master LP has total issued and outstanding units of 10,972,272. These units of Master LP are listed for trading on the Toronto Stock Exchange (the "Exchange") under the symbol LPV.UN. The units also qualify for investments by registered tax plans such as RSP and RIF although they did constitute "foreign property" subject to the foreign content limitation for tax purposes. Bill C-43 was approved on June 29, 2005 and became law which eliminated the foreign content limit retroactive to January 2005.

REVENUE

Master LP's primary sources of revenue are distribution fees and redemption 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 expired in 2003 and as a result, Master LP no longer receives any redemption fee revenue.

Global Strategy Master LP

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 ("AGF"), a monthly distribution fee calculated as a percentage of the daily net asset value of the Distributed Securities which remain outstanding based on various distribution fee rates which are shown on page 4. Distribution fees are earned at various rates per annum. These distribution fee rates vary by partnership and can also vary over time, based on the composition of outstanding Distributed Securities of a partnership. In general, Distributed Securities that were sold for a higher sales commission carry a higher distribution fee rate than those that were sold for a lower sales commission. The weighted average annual distribution fee rate for the year ended December 31, 2005 was 0.56% compared to 0.55% a year ago.

Distribution fees amounted to \$2.4 million in 2005 as compared to \$3.2 million in 2004. The decrease of 22.4% in distribution fees was primarily attributable to the lower net asset value of Distributed Securities from \$502.1 million as at December 31, 2004 to \$402.5 million as at December 31, 2005.

The following is a summary of the changes in Distributed Securities for 2005 and 2004:

(Unaudited)	(in millions)	
Years ended December 31	2005	2004
Market value of Distributed Securities, beginning of year	\$ 502.1	\$ 649.1
Increase in market value of Distributed Securities, including reinvested distributions	41.1	37.7
Redemption of Distributed Securities	(140.7)	(184.7)
Market value of Distributed Securities, end of year	\$ 402.5	\$ 502.1

The 2005 annual redemption rate based on the market value of Distributed Securities at the beginning of the year was 28.0% compared to 28.5% in 2004. Redemptions accounted for \$140.7 million of the decline in the value of Distributed Securities during 2005, offset by market appreciation and reinvested distributions totaling \$41.1 million.

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at December 31, 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 December 31:

(Unaudited)	2005	2004
	%	%
Canadian Balanced and Asset Allocation Funds	32	31
International Equity Funds	24	26
Canadian Equity Funds	22	20
International Fixed Income Funds and Others	18	18
Canadian Fixed Income Funds	3	4
U.S. Equity Funds	1	1
Total	100	100

Global Strategy Master LP

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 entitlement to redemption fee revenue for all the Merging Partnerships has expired. 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 December 31, 2005) (Unaudited) (in thousands)	Weighted Average Annual Distribution Fee Rate	Distribution Fee Expiry Date (December 31)
LP 1990	\$ 8,278	0.60%	2014
LP II	6,424	0.68%	2015
LP III	34,346	0.66%	2016
LP IV	4,493	0.67%	2017
LP V	124,613	0.56%	2017
LP VI	98,390	0.56%	2018
LP VII	18,579	0.60%	2019
LP VIII	33,374	0.60%	2020
LP IX	73,979	0.47%	2012
	\$ 402,476		

Master LP will continue until December 31, 2020 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.

INTEREST

Interest of \$7,612 was earned on short-term investments held by Master LP during the year ended December 31, 2005. The increase of 21.1% in interest revenue in 2005 as compared to 2004 was due to a higher bank interest rate in 2005.

As at December 31, 2005, cash and short-term investments held by Master LP amounted to \$339,767 as compared to \$377,412 in 2004. A significant portion of these investments have since been liquidated to fund the cash distribution made by Master LP to limited partners in January 2006.

GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses for the year ended December 31, 2005 were \$426,238, a decrease of 18.3% from \$521,449 in 2004. The decreases were primarily attributable to the decreases in administration fees; transfer agent fees and printing, reporting and mailing expenses. AGFFI provides administrative services to Master LP pursuant to an administrative services agreement. These services are in the normal course of operations and are recorded at the amount of consideration agreed to by the parties.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$530,311 as at December 31, 2005 as compared to \$615,275 as at December 31, 2004. Assets as at December 31, 2005 consisted of cash and term-deposit totaling \$339,767 and receivables of

Global Strategy Master LP

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

\$190,544. These assets were used primarily to finance the quarterly distributions payable to limited partners. 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 ordinary operating expenses. Master LP distributes all its net income to limited partners on an annual or quarterly basis, depending on each partner's election. As a result, Master LP does not have long-term 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, credit or currency risks arising from these financial instruments.

CASH DISTRIBUTIONS AND TAXABLE INCOME

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. Limited partners who beneficially hold Master LP 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 Master LP 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 either quarterly to limited partners of record on March 31, June 30, September 30 and December 31, or annually to limited partners of record at December 31 who have elected to receive annual distributions.

Cash distributions for 2005 were \$0.19 per limited partnership unit and \$0.25 per limited partnership unit in 2004. Cash distributions per limited partnership unit for the three most recent years are shown on page 7.

Taxable income for 2005 was \$0.19 per limited partnership unit as compared to \$0.24 per limited partnership unit in 2004. Reconciliation between net income per financial statements, cash distribution and income for tax purposes for fiscal years 2005 and 2004 are provided below.

Years ended December 31	2005		2004	
	Total	Per Unit	Total	Per Unit
Net income per financial statements	\$ 2,031,171	\$ 0.1851	\$ 2,641,636	\$ 0.2407
Add:				
Adjustment to partners' equity	-	-	117,069	0.0107
Cash distributions	2,031,171	0.1851	2,758,705	0.2514
Deduct:				
Adjustment to partners' equity	-	-	(117,069)	(0.0107)
Amortization of issue and merger expenses	-	-	(14,855)	(0.0013)
Income for tax purposes	\$ 2,031,171	\$ 0.1851	\$ 2,626,781	\$ 0.2394

Global Strategy Master LP

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

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. A summary of significant accounting policies is presented in note 2 to the financial statements.

RELATED PARTY TRANSACTIONS

Global Strategy Master GP Inc. 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. The general partner has engaged AGFFI, its parent company, to assist it in carrying out its management obligations to Master LP. AGFFI provides administrative services to Master LP and receives a fee equal to 15% of the operating expenses of Master LP. AGFFI also receives 0.75% per annum of the value of the assets of Master LP invested as investment management fee. These services are in the normal course of operations and are recorded at the amount of consideration agreed to by the parties.

Administration fees and investment management fees for the year ended December 31, 2005 and 2004 amounted to:

<u>Years ended December 31</u>	<u>2005</u>	<u>2004</u>
Administration fees	\$ 302,305	\$ 356,273
Investment management fee	2,242	2,316

OUTLOOK AND RISKS

Master LP's only source of future revenue is distribution fees since the redemption fee schedule for the Distributed Securities expired in 2003. Distribution fees are expected to continue to decline in the future as the level of Distributed Securities declines. Distribution fees are impacted by the following risks:

Redemption Rate Risk

The amount of distribution fees to be earned by Master LP will decrease as the level of redemptions from the Distributed Securities increases. The annual rate of redemptions remained relatively constant over the past two years. Based on the combination of the age of Distributed Securities and the expiration of the redemption fee schedules, we do not expect the rate of redemptions to decline significantly in the future.

Market Risk

Master LP's revenue stream is subject to equity market risk. Market appreciation increases the value of Distributed Securities which increases the distribution fees of Master LP. Conversely, market depreciation decreases the value of Distributed Securities which decreases the distribution fees of Master LP. Market value of Distributed Securities including reinvested distributions increased over the past two years.

CORPORATE GOVERNANCE

Master LP's business operations are managed by the general partner, Global Strategy Master GP Inc., which is a wholly-owned subsidiary of AGFFI. The general partner carries out its duties and obligations pursuant to the terms of the Master LP's partnership agreement. Master LP's principal sources of revenue are the distribution fees and redemption fees in respect of the AGF mutual funds managed by AGFFI.

Global Strategy Master LP

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

Master LP is responsible for the existence of appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Board of Directors of the general partner has been charged with the oversight role to ensure the integrity and fair presentation of the reported information. Given the nature of the business, the general partner has determined that the corporate governance guidelines set out by the Exchange are not pertinent to Master LP's operations.

REGULATORY FILINGS

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.

SELECTED QUARTERLY AND ANNUAL INFORMATION

(in thousands, except per unit amounts)

Year ended December 31, 2005	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 2,457.4	\$ 569.1	\$ 603.3	\$ 617.4	\$ 667.6
Net income for the period	2,031.2	467.5	494.9	510.3	558.5
Net income and cash distribution per limited partnership unit	0.19	0.05	0.04	0.05	0.05
Total assets	530.3				

(in thousands, except per unit amounts)

Year ended December 31, 2004	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 3,163.1	\$ 713.4	\$ 750.3	\$ 811.8	\$ 887.6
Net income for the period	2,641.6	565.1	624.4	685.8	766.3
Net income per limited partnership unit	0.24	0.05	0.06	0.06	0.07
Cash distribution per limited partnership unit	0.25	0.05	0.06	0.06	0.08
Total assets	615.3				

(in thousands, except per unit amounts)

Year ended December 31, 2003	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 3,934.3	\$ 903.5	\$ 933.9	\$ 970.3	\$ 1,126.6
Net income for the period	3,447.8	782.4	815.3	850.4	999.7
Net income and cash distribution per limited partnership unit	0.31	0.07	0.07	0.08	0.09
Total assets	\$ 965.0				

*Unaudited

January 18, 2006

Auditors' Report

To the Partners of Global Strategy Master LP

We have audited the balance sheets of **Global Strategy Master LP** as at December 31, 2005 and 2004 and the statements of operations and deficit and cash flow for the years then ended. These financial statements are the responsibility of the general partner. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the partnership as at December 31, 2005 and 2004 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants

Toronto, Ontario

Global Strategy Master LP Balance Sheets

As at December 31	2005	2004
Assets		
Current Assets:		
Cash and term-deposit	\$ 339,767	\$ 377,412
Distribution fees and interest receivable	190,544	237,863
Total Assets	\$ 530,311	\$ 615,275
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 62,845	\$ 50,146
Distributions payable	467,466	565,129
	530,311	615,275
Partners' Equity (notes 1 and 2):		
Limited partners – 10,972,272 units	185,083,600	185,083,600
Issue and merger expenses	(16,676,916)	(16,676,916)
	168,406,684	168,406,684
Deficit	(168,406,684)	(168,406,684)
	-	-
Total Liabilities and Partners' Equity	\$ 530,311	\$ 615,275

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

Approved by the Board of Directors of
Global Strategy Master GP Inc., as General Partner

<C. Warren Goldring>
C. Warren Goldring, Director

<Gregory Henderson>
Gregory Henderson, Director

Global Strategy Master LP

Statements of Operations and Deficit

For the years ended December 31	2005	2004
Income		
Revenue:		
Distribution fees	\$ 2,449,797	\$ 3,156,799
Interest	7,612	6,286
	2,457,409	3,163,085
Expenses (note 7):		
Administration and investment management fees (note 4)	304,547	358,589
Audit, legal and filing fees	45,477	40,235
Transfer agent fees	45,444	68,836
Printing, reporting and mailing	30,770	53,789
	426,238	521,449
Net income for the year	\$ 2,031,171	\$ 2,641,636
Net income per limited partnership unit	\$ 0.19	\$ 0.24
Deficit		
Balance beginning of year	\$ (168,406,684)	\$ (168,289,615)
Net income for the year	2,031,171	2,641,636
Distributions to partners	(2,031,171)	(2,758,705)
Balance end of year	\$ (168,406,684)	\$ (168,406,684)

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

Global Strategy Master LP

Statements of Cash Flow

For the years ended December 31	2005	2004
Operating Activities:		
Net income for the year	\$ 2,031,171	\$ 2,641,636
Decrease in non-cash balances related to operations	60,018	51,063
	<u>2,091,189</u>	<u>2,692,699</u>
Financing Activities:		
Distributions paid to partners	(2,128,834)	(2,975,977)
	<u>(37,645)</u>	<u>(283,278)</u>
Decrease in cash during the year	(37,645)	(283,278)
Cash beginning of year	377,412	660,690
Cash end of year	<u>\$ 339,767</u>	<u>\$ 377,412</u>

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

Global Strategy Master LP

Notes to Financial Statements

For the years ended December 31, 2005 and 2004

1. Formation of the Partnership

Global Strategy Master LP ("Master LP") was formed on January 29, 1999 through the merger of the following Global Strategy Limited Partnerships (except for the merger of Global Strategy LP IX which took effect on February 18, 2000) (collectively, the "Merging Partnerships"):

Global Strategy Limited Partnership 1990 ("LP 1990")
Global Strategy Limited Partnership II ("LP II")
Global Strategy Limited Partnership III ("LP III")
Global Strategy Partners LP IV ("LP IV")
Global Strategy Partners LP V ("LP V")
Global Strategy Partners LP VI ("LP VI")
Global Strategy Partners LP VII ("LP VII")
Global Strategy Partners LP VIII ("LP VIII")
Global Strategy Partners LP IX ("LP IX")

The mergers have been accounted for using the pooling of interests method. The effect of the pooling of interests method on the balance sheets and the statements of income, deficit, and cash flow is to reflect the book values recorded by each of the Merging Partnerships on a combined basis for the periods in which the consolidation occurred and for all prior periods.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

Selling Commissions

The selling commissions of the Master LP have been fully amortized.

Offering and Merger Expenses

Expenses related to the initial offering of the Merging Partnerships and expenses resulting from the mergers have been recorded as a reduction of partners' equity.

Financial Instruments

Master LP's financial instruments consist of cash, distribution fees receivable, accounts payable and accrued liabilities, and distributions payable. Unless otherwise noted, it is management's opinion that Master LP is not exposed to significant interest rate, credit or currency risks arising from these financial instruments.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. Partnership Operations

In return for arranging for the distribution of mutual fund units and paying selling commissions, Master LP receives distribution fees and redemption fees (also known as contingent deferred sales charge

Global Strategy Master LP

Notes to Financial Statements

fees). Upon merger, the Merging Partnerships transferred their rights to distribution fees and redemption fees to Master LP.

In accordance with the Limited Partnership Agreement, as amended by a special resolution, Master LP will be dissolved no later than December 31, 2020.

4. Related Party Transactions

Global Strategy Master GP Inc. 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. The general partner has engaged AGF Funds Inc. ("AGFFI"), its parent company, to assist it in carrying out its management obligations to Master LP. AGFFI provides administrative services to Master LP and receives a fee equal to 15% of the operating expenses of Master LP. AGFFI receives also 0.75% per annum of the value of the assets of Master LP invested as investment management fee. These services are in the normal course of operations and are recorded at the amount of consideration agreed to by the parties.

Administration fees and investment management fees for the years ended December 31, 2005 and 2004 amounted to:

Years ended December 31	2005	2004
Administrative Service Fee	\$ 302,305	\$ 356,273
Investment Management Fee	2,242	2,316

5. Adjustment to Partners' Equity

Partners' equity was reduced from \$117,069 as at December 31, 2003 to nil on March 31, 2004 due to an adjustment in partners' equity which was paid on April 23, 2004 to limited partners of record as at March 31, 2004.

6. Taxation of the Partnership

These financial statements include only the assets and liabilities of Master LP and do not include the other assets and liabilities, including income taxes, of the partners. Master LP allocated its income for income tax purposes for the year ended December 31, 2005 to partners of record on December 31, 2005.

7. Comparative Figures

Certain 2004 and 2005 figures have been reclassified to conform to the presentation adopted in 2005.



What are you doing after work?

Global Strategy Master LP

Head Office

P.O. Box 50
Toronto Dominion Centre
Toronto, ON M5K 1E9
Telephone: 416 367-1900
Toll free: 1 800 268-8583

Transfer Agent and Registrar

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Telephone: 1 800 663-9097

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