

Global Strategy Master LP

FIRST QUARTER REPORT

FOR THE THREE MONTHS
ENDED MARCH 31, 2006



What are you doing after work?

Global Strategy Master LP

Market Value of Distributed Securities

(Unaudited)

As at March 31, 2006

	Market Value (in thousands)		Market Value (in thousands)
CANADIAN BALANCED AND ASSET ALLOCATION FUNDS		INTERNATIONAL FIXED INCOME FUNDS	
AGF Canadian Balanced Fund	\$ 122,185	AGF RSP Global Bond Fund	\$ 24,149
AGF Canadian Real Value Balanced Fund	4,966	AGF Global Government Bond Fund	13,518
AGF Elements Balanced Portfolio	550	AGF Global High Yield Bond Fund	202
AGF Elements Conservative Portfolio	84	AGF Short-Term Income Class	114
AGF Elements Yield Portfolio	10		<u>37,983</u>
	<u>127,795</u>		
INTERNATIONAL EQUITY FUNDS		SPECIALTY EQUITY FUNDS	
AGF European Equity Class	36,495	AGF Precious Metals Fund	25,082
AGF World Companies Fund	33,450	AGF Canadian Resources Fund Limited	3,306
AGF International Value Fund	16,937	AGF Global Health Sciences Class	149
AGF International Stock Class	3,903	AGF Managed Futures Fund	149
AGF Japan Class	1,700	AGF Global Resources Class	79
AGF China Focus Class	1,039	AGF Global Technology Class	62
AGF Elements Global Portfolio	612	AGF Global Real Estate Equity Class	46
AGF Aggressive Global Stock Fund	557	AGF Global Financial Services Class	38
AGF Emerging Markets Fund	332		<u>28,911</u>
AGF Global Perspective Class	222	CANADIAN FIXED INCOME FUNDS	
AGF Global Equity Class	151	AGF Canadian Money Market Fund	6,652
AGF International Value Class	129	AGF Canadian High Yield Bond Fund	2,379
AGF World Opportunities Fund	121	AGF Canadian Bond Fund	1,798
AGF Aggressive Japan Class	81	AGF Canadian Conservative Income Fund	669
AGF Asian Growth Class	60		<u>11,498</u>
AGF Germany Class	10		
	<u>95,799</u>	U.S. EQUITY FUNDS	
CANADIAN EQUITY FUNDS		AGF Aggressive Growth Fund	1,382
AGF Canadian Real Value Fund	37,044	AGF American Growth Class	996
AGF Canadian Small Cap Fund	20,779	AGF U.S. Value Class	993
AGF Canadian Stock Fund	19,264	AGF U.S. Risk Managed Class	258
AGF Canadian Large Cap Dividend Fund	10,160	AGF Special U.S. Class	19
AGF Canadian Growth Equity Fund Limited	1,970		<u>3,648</u>
AGF Dividend Income Fund	722	INTERNATIONAL BALANCED AND ASSET ALLOCATION FUNDS	
AGF Canada Class	644	AGF World Balanced Fund	3,263
AGF Monthly High Income Fund	549	AGF Elements Growth Portfolio	150
AGF Diversified Dividend Income Fund	126		<u>3,413</u>
	<u>91,258</u>		
		TOTAL DISTRIBUTED SECURITIES	\$ <u>400,305</u>

Global Strategy Master LP

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

For the three months ended March 31, 2006

Management's Discussion and Analysis ("MD&A") presents an analysis of the financial condition of Global Strategy Master LP ("Master LP") as at March 31, 2006 compared with December 31, 2005, and the results of operations for the three months ended March 31, 2006 compared with the corresponding period of 2005. This discussion should be read in conjunction with our audited annual 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.

There have been no material changes to the information discussed in the following sections of the 2005 annual MD&A: 'Significant Accounting Policies', 'Corporate Governance' and 'Regulatory Filings'. Accordingly, readers should refer to our 2005 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 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 March 31, 2006, 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 under the symbol LPV.UN. The units also qualify for investments by registered tax plans such as RSP and RIF.

Global Strategy Master LP

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

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 has been expired and as a result, Master LP no longer receives any redemption fee revenue.

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 distribution fee rate for the three months ended March 31, 2006 compared to the same period in 2005, remained the same at 0.56%.

Distribution fees amounted to \$0.6 million for the three months ended March 31, 2006 as compared to \$0.7 million in the comparable period in 2005. The decrease of 16.6% in distribution fees was primarily attributable to the lower net asset value of Distributed Securities from \$458.2 million as at March 31, 2005 to \$400.3 million as at March 31, 2006.

The following is a summary of the changes in Distributed Securities during the three months ended March 31, 2006 and 2005:

(Unaudited)	(in millions)	
Three months ended March 31	2006	2005
Market value of Distributed Securities, beginning of period	\$ 402.5	\$ 502.1
Increase in market value of Distributed Securities, including reinvested distributions	30.4	3.0
Redemption of Distributed Securities	(32.6)	(46.9)
Market value of Distributed Securities, end of period	\$ 400.3	\$ 458.2

The annualized redemption rate during the three months ended March 31, 2006 based on the market value of Distributed Securities at the beginning of the period was 32.4% compared to 37.4% in 2005. Redemptions accounted for \$32.6 million of the decline in the value of Distributed Securities during the three months ended March 31, 2006, offset by market appreciation and reinvested distributions totaling \$30.4 million.

Global Strategy Master LP

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

DISTRIBUTED SECURITIES COMPOSITION

The composition of Distributed Securities as at March 31, 2006 and 2005 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 March 31:

(Unaudited)	2006	2005
	%	%
Canadian Balanced and Asset Allocation Funds	32	32
International Equity Funds	24	25
Canadian Equity Funds	23	21
International Fixed Income Funds and Others	17	17
Canadian Fixed Income Funds	3	4
U.S. Equity Funds	1	1
Total	100	100

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:

(Unaudited)	Distributed Securities (Market Value as at March 31, 2006) (in thousands)	Weighted Average Annual Distribution Fee Rate	Distribution Fee Expiry Date (December 31)
LP 1990	\$ 8,405	0.60%	2014
LP II	6,463	0.68%	2015
LP III	33,993	0.66%	2016
LP IV	4,524	0.67%	2017
LP V	124,015	0.56%	2017
LP VI	97,695	0.56%	2018
LP VII	18,435	0.60%	2019
LP VIII	33,803	0.60%	2020
LP IX	72,972	0.47%	2012
	\$ 400,305		

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.

Global Strategy Master LP

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

GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses for the three months ended March 31, 2006 were \$96,172, a decrease of 11.8% from \$109,095 in 2005. The decrease was primarily attributable to the decrease in administration fees. 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 \$544,249 as at March 31, 2006 as compared to \$530,311 as at December 31, 2005. Assets as at March 31, 2006 consisted of cash and term-deposit totaling \$355,348 and receivables of \$188,901. 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 during the three months ended March 31, 2006 were \$0.04 per limited partnership unit and \$0.05 per limited partnership unit for the same period in 2005. Cash distributions were paid on April 28, 2006 to limited partners of record on March 31, 2006 who did not elect to receive distribution on an annual basis. Cash distributions per limited partnership unit for the eight most recent quarters are shown on page 6.

Estimated taxable income for the three months ended March 31, 2006 was \$0.04 per limited partnership unit as compared to \$0.05 per limited partnership unit in comparable period in 2005. Taxable income is allocated on an annual basis to limited partners of record on December 31 of a fiscal year.

Global Strategy Master LP

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

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 three months ended March 31, 2006 and 2005 amounted to:

(Unaudited)		2006	2005
Three months ended March 31			
Administration fees	\$	60,558	\$ 75,698
Investment management fee		375	500

SELECTED QUARTERLY INFORMATION

(in thousands, except per unit amounts)

Three months ended (Unaudited)	Mar. 31, 2006	Dec. 31, 2005	Sep. 30, 2005	Jun. 30, 2005
Revenue	\$ 558.2	\$ 569.1	\$ 603.3	\$ 617.4
Net income for the period	462.0	467.5	494.9	510.3
Net income and cash distribution per limited partnership unit	0.04	0.05	0.04	0.05

(in thousands, except per unit amounts)

Three months ended (Unaudited)	Mar. 31, 2005	Dec. 31, 2004	Sep. 30, 2004	Jun. 30, 2004
Revenue	\$ 667.6	\$ 713.4	\$ 750.3	\$ 811.8
Net income for the period	558.5	565.1	624.4	685.8
Net income and cash distribution per limited partnership unit	0.05	0.05	0.06	0.06

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.

Global Strategy Master LP

The following interim financial statements of Global Strategy Master LP for the three months ended March 31, 2006 have not been reviewed or audited by an auditor.

Global Strategy Master LP Balance Sheets

	As at March 31, 2006 (Unaudited)	As at December 31, 2005
Assets		
Current Assets:		
Cash and term-deposit	\$ 355,348	\$ 339,767
Distribution fees and interest receivable	188,901	190,544
Total Assets	\$ 544,249	\$ 530,311
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 82,270	\$ 62,845
Distributions payable	461,979	467,466
	544,249	530,311
Partners' Equity:		
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	\$ 544,249	\$ 530,311

The accompanying note is an integral part of the financial statements.

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

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

<Gregory Henderson>
Gregory Henderson, Director

Global Strategy Master LP
 Statements of Operations and Deficit
 (Unaudited)

Three months ended March 31	2006	2005
Income		
Revenue:		
Distribution fees	\$ 555,526	\$ 666,103
Interest	2,625	1,536
	558,151	667,639
Expenses:		
Administration and investment management fees	60,933	76,198
Audit, legal and filing fees	10,338	9,575
Transfer agent fees	12,606	13,175
Printing, reporting and mailing	9,698	10,147
Consulting fees	2,597	-
	96,172	109,095
Net income for the period	\$ 461,979	\$ 558,544
Net income per limited partnership unit	\$ 0.04	\$ 0.05
Deficit		
Balance beginning of period	\$ (168,406,684)	\$ (168,406,684)
Net income for the period	461,979	558,544
Distributions to partners	(461,979)	(558,544)
Balance end of period	\$ (168,406,684)	\$ (168,406,684)

The accompanying note is an integral part of the financial statements.

Global Strategy Master LP
 Statements of Cash Flow
 (Unaudited)

Three months ended March 31	2006	2005
Operating Activities:		
Net income for the period	\$ 461,979	\$ 558,544
Net decrease in non-cash balances related to operations	21,068	43,942
	483,047	602,486
Financing Activities:		
Distributions paid to partners	(467,466)	(565,129)
Increase in cash during the period	15,581	37,537
Cash beginning of period	339,767	377,412
Cash end of period	\$ 355,348	\$ 414,769

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

Global Strategy Master LP

Notes to Financial Statements

For the three months ended March 31, 2006 and March 31, 2005

These unaudited interim financial statements of Global Strategy Master LP ("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, 2005. 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, 2005, as set out in Master LP's 2005 Annual Report. Certain comparative amounts have been reclassified to conform with the current period's presentation.



What are you doing after work?

Global Strategy Master LP

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