

Multi-Manager Limited Partnership I

2005 ANNUAL REPORT

Multi-Manager Limited Partnership I

Market Value of Fund Units

(Unaudited)

As at December 31, 2005

AGF FUNDS	Market Value (000s)		Market Value (000s)	
AGF Canadian Real Value Balanced Fund	\$	15,858	AGF Canadian Bond Fund	\$ 232
AGF World Balanced Fund		12,223	AGF American Growth Class	206
AGF Canadian Stock Fund		6,162	AGF Precious Metals Fund	167
AGF International Value Fund		5,781	AGF Emerging Markets Fund	151
AGF Canadian Large Cap Dividend Fund		4,353	AGF Canadian Real Value Fund	136
AGF Aggressive Growth Fund		902	AGF Canadian High Yield Bond Fund	64
AGF Canadian Balanced Fund		661	AGF Asian Growth Class	63
AGF Canadian Conservative Income Fund		581	AGF RSP Global Bond Fund	55
AGF International Stock Class		551	AGF Aggressive Global Stock Fund	47
AGF Canadian Money Market Fund		460	AGF Japan Class	46
AGF Canadian Growth Equity Fund Limited		456	AGF China Focus Class	36
AGF European Equity Class		419	AGF Monthly High Income Fund	30
AGF World Companies Fund		395	AGF Global High Yield Bond Fund	25
AGF Canadian Resources Fund Limited		355	AGF Global Government Bond Fund	23
AGF Canadian Small Cap Fund		319	Others	109
			Total AGF funds	\$ <u>50,866</u>

CI FUNDS	Market Value (000s)		Market Value (000s)	
CI Global Fund	\$	22,669	BPI American Equity Fund	\$ 738
Signature Select Canadian Fund		21,546	CI Global Financial Services Corporate Class	651
Signature Canadian Balanced Fund		10,930	CI European Fund	634
Harbour Fund		10,597	CI Global Science & Technology Corporate Class	572
Harbour Growth & Income Fund		4,348	CI Value Trust Corporate Class	562
Signature High Income Fund		4,086	Harbour Foreign Equity Corporate Class	432
CI Pacific Fund		3,531	CI Global Managers® Corporate Class	432
CI Emerging Markets Fund		3,092	CI Global Small Companies Fund	345
Signature Dividend Fund		2,890	CI Global Energy Corporate Class	334
CI International Balanced Fund		2,374	CI Global Biotechnology Corporate Class	264
CI Explorer Fund		2,319	CI American Small Companies Fund	162
CI Money Market Fund		1,704	CI International Fund	142
Synergy American Fund		1,206	CI International Value Fund	100
CI Global Value Fund		1,202	CI American Value Corporate Class	89
CI Global Bond Fund		1,093	CI Global Consumer Products Corporate Class	87
CI Global Health Sciences Corporate Class		1,002	Synergy Global Corporate Class	61
Signature Canadian Resource Fund		984	CI Japanese Corporate Class	31
CI Canadian Bond Fund		924	CI American Managers Corporate Class	20
CI Global Boomernomics® Corporate Class		816	Others	1
			Total CI funds	\$ <u>102,970</u>
			Total AGF & CI funds	\$ <u>153,836</u>

Multi-Manager Limited Partnership I

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 Multi-Manager Limited Partnership I (the "Partnership") 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 period 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 the Partnership. 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 the Partnership'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 MULTI-MANAGER LIMITED PARTNERSHIP I

The Partnership was formed under the laws of Ontario by a declaration of partnership on January 15, 1993 to arrange for the distribution of securities of certain open-ended mutual funds (the "Funds") managed by AGF Funds Inc. ("AGFFI") and CI Investments Inc. ("CI") (formerly CI Mutual Funds Inc.) (the "Fund Managers") sold on a contingent redemption fee basis ("Fund Units"). The Partnership arranged for the distribution of the Fund Units for the Fund Managers and paid selling commissions to registered dealers. In return for these services, the Fund Managers assigned to the Partnership distribution rights for the Fund Units.

As at December 31, 2005, the Partnership has total issued and outstanding units of 2,200,000. These units of the Partnership are listed for trading on the Toronto Stock Exchange (the "Exchange") under the symbol MMN.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

The Partnership's primary sources of revenue are distribution fees and redemption fees earned from the Fund Units to which it has distribution rights. The redemption fee schedule applicable to the Fund Units has expired. As a result, the Partnership will no longer receive any redemption fees. 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.

DISTRIBUTION FEES

The Partnership receives from AGFFI, a subsidiary of AGF Management Limited ("AGF"), a monthly distribution fee calculated on an annual basis of 0.55% of the market value of the Fund Units which remain outstanding in respect of the AGF funds and 0.53% to 0.60% in respect of the CI mutual funds. Distributed units include the Fund Units, any mutual fund units issued on subsequent transfers of the Fund Units within the group of funds managed by the respective Fund Manager and upon reinvestment of distributions paid on any Fund Units.

Multi-Manager Limited Partnership I

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

Distribution fees amounted to \$0.9 million in 2005 as compared to \$1.2 million in 2004. The decrease of 20.3% in distribution fees was primarily attributable to the lower net asset value of Fund Units from \$187.9 million as at December 31, 2004 to \$153.8 million as at December 31, 2005. The following table shows the breakdown of distribution fee revenue by Fund Manager:

Years ended December 31	2005	2004	% Change
AGF funds	\$ 302,875	\$ 377,954	(19.9)
CI funds	640,104	805,616	(20.5)
Total	\$ 942,979	\$ 1,183,570	(20.3)

FUND UNITS

The following is a summary of the changes in the combined Fund Units of AGF and CI funds for 2005 and 2004:

(Unaudited)	(in thousands)	
Years ended December 31	2005	2004
Market value of the Fund Units, beginning of year	\$ 187,850	\$ 230,760
Increase in market value of the Fund Units, including reinvested distributions	17,521	16,470
Redemption of the Fund Units	(51,535)	(59,380)
Market value of the Fund Units, end of year	\$ 153,836	\$ 187,850

The 2005 annual redemption rate based on the market value of the Fund Units at the beginning of the year was 27.4% compared to 25.7% in 2004. Redemptions accounted for \$51.5 million of the decline in the value of Fund Units during 2005, offset by market appreciation and reinvested distributions totaling \$17.5 million.

REVENUE TERMINATION DATES

The Partnership will continue to receive distribution fee revenue as long as the Fund Units remain outstanding or until the Partnership is dissolved, whichever is the earlier. The distribution fee in respect of such Fund Units will continue to be payable to the Partnership notwithstanding the expiry or earlier termination of the Partnership's distribution right.

The redemption fee schedule applicable to the Fund Units has expired.

The Partnership will continue until December 31, 2017 unless procedures as specified in the partnership agreement for the dissolution of the Partnership are commenced earlier upon the occurrence of certain events stated in the partnership agreement.

OPERATING EXPENSES

Total operating expenses for the year ended December 31, 2005 were \$140,994, a decrease of 2.9% from \$145,275 in 2004. The decrease was primarily attributable to the decrease in administration and management fees.

Multi-Manager Limited Partnership I

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

FINANCIAL CONDITION AND LIQUIDITY

Total assets were \$271,994 as at December 31, 2005 as compared to \$257,072 as at December 31, 2004. Assets as at December 31, 2005 consisted of cash and term-deposit totaling \$198,324 and receivables of \$73,670. These assets were used primarily to finance the quarterly distributions payable to limited partners.

The Partnership was formed to finance selling commissions during a fixed period of time, after which the Partnership collects the fees to which they are entitled with no significant ongoing financial obligation other than the ordinary operating expenses. The Partnership distributes its income to limited partners on a quarterly basis and does not retain permanent investment assets.

FINANCIAL INSTRUMENTS

The Partnership'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

The Partnership itself is not directly subject to income tax. Instead, the Partnership's income or loss for tax purposes is calculated and flowed through to limited partners. Limited partners who beneficially hold the Partnership 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 the Partnership 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 quarterly to limited partners of record on March 31, June 30, September 30 and December 31.

Cash distributions for the year ended December 31, 2005 were \$0.37 per limited partnership unit as compared to \$0.48 per limited partnership unit in 2004. Cash distributions per limited partnership unit for the three most recent years are shown on page 6.

Taxable income for the year ended December 31, 2005 was \$0.37 per limited partnership unit as compared to \$0.47 per limited partnership unit in 2004. Reconciliation between net income per financial statements, cash distributions and income for tax purposes for the years ended December 31, 2005 and 2004 are provided below:

Years ended December 31	2005		2004	
	Total	Per Unit	Total	Per Unit
Net income per financial statements	\$ 804,180	\$ 0.3655	\$ 1,040,182	\$ 0.4728
Add:				
Adjustment to partners' equity	-	-	8,003	0.0036
Cash distributions	804,180	0.3655	1,048,185	0.4764
Deduct:				
Adjustment to partners' equity	-	-	(8,003)	(0.0036)
Income for tax purposes	\$ 804,180	\$ 0.3655	\$ 1,040,182	\$ 0.4728

Multi-Manager Limited Partnership I

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

Multi-Manager Distribution No. 1 Limited is the general partner and is responsible for the management of the Partnership 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 and will be reimbursed by the Partnership for expenses incurred on behalf of the Partnership. In addition, the general partner receives a management fee which equals 15% of such amounts reimbursed. Management fees for the year ended December 31, 2005 amounted to \$18,392 as compared to \$18,944 a year ago.

The general partner has arranged with AGF, its ultimate parent company, to provide administration services 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 year ended December 31, 2005 amounted to \$34,408 as compared to \$40,480 a year ago.

OUTLOOK AND RISKS

The Partnership's only source of future revenue is distribution fees since the redemption fee schedule for the Fund Units expired at the end of 2000. Distribution fees are expected to continue to decline in the future as the level of Fund Units declines. Distribution fees are impacted by the following risks:

Redemption Rate Risk

The amount of distribution fees to be earned by the Partnership will decrease as the level of redemptions from the Fund Units increases. The annual rate of redemptions increased slightly 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

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

CORPORATE GOVERNANCE

The Partnership's business operations are managed by the general partner, Multi-Manager Distribution No. 1 Limited, which is a subsidiary of AGFFI. The general partner carries out its duties and obligations pursuant to the terms of the Partnership agreement. The Partnership's principal sources of revenue are the distribution fees and redemption fees in respect of the Fund Units managed by the Fund Managers.

The Partnership 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 the Partnership's operations.

Multi-Manager Limited Partnership I

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

REGULATORY FILINGS

The Partnership's annual and interim financial reports 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	\$ 945.2	\$ 220.0	\$ 233.8	\$ 237.2	\$ 254.2
Net income for the period	804.2	183.5	198.2	201.8	220.7
Net income and cash distribution per limited partnership unit	0.37	0.09	0.09	0.09	0.10
Total assets	272.0				

(in thousands, except per unit amounts)

Year ended December 31, 2004	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 1,185.5	\$ 272.9	\$ 280.4	\$ 306.2	\$ 326.0
Net income for the period	1,040.2	231.2	246.0	271.3	291.7
Net income per limited partnership unit	0.47	0.11	0.11	0.12	0.13
Cash distribution per limited partnership unit	0.48	0.11	0.11	0.12	0.14
Total assets	257.1				

(in thousands, except per unit amounts)

Year ended December 31, 2003	Total	Q4*	Q3*	Q2*	Q1*
Revenue	\$ 1,350.2	\$ 328.9	\$ 337.6	\$ 334.1	\$ 349.6
Net income for the period	1,214.7	295.2	304.7	299.7	315.1
Net income and cash distribution per limited partnership unit	0.55	0.13	0.14	0.14	0.14
Total assets	333.9				

*Unaudited

January 18, 2006

Auditors' Report

To the Partners of Multi-Manager Limited Partnership I

We have audited the balance sheets of **Multi-Manager Limited Partnership I** 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

Multi-Manager Limited Partnership I

Balance Sheets

As at December 31	2005	2004
Assets		
Current Assets:		
Cash and term-deposit	\$ 198,324	\$ 166,903
Distribution fees and interest receivable	73,670	90,169
Total Assets	\$ 271,994	\$ 257,072
Liabilities and Partners' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 88,496	\$ 25,829
Distributions payable	183,498	231,243
	271,994	257,072
Partners' Equity:		
General partner	100	100
Limited partners – 2,200,000 units	44,000,000	44,000,000
Less: Issue expenses	(3,521,187)	(3,521,187)
	40,478,913	40,478,913
Deficit	(40,478,913)	(40,478,913)
	-	-
Total Liabilities and Partners' Equity	\$ 271,994	\$ 257,072

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

Approved by the Board of Directors of
Multi-Manager Distribution No. 1 Limited, as General Partner

<Gregory Henderson>
Gregory Henderson, Director

<David Pauli>
David Pauli, Director

Multi-Manager Limited Partnership I

Statements of Operations and Deficit

For the years ended December 31	2005	2004
Operations		
Income:		
Distribution fees	\$ 942,979	\$ 1,183,570
Interest	2,195	1,887
	945,174	1,185,457
Operating Expenses:		
Administration and management fees (note 3)	52,800	59,424
Audit, legal and filing fees	48,143	41,365
Transfer agent fees	19,961	25,398
Printing, reporting and mailing	20,090	19,088
	140,994	145,275
Net income for the year	\$ 804,180	\$ 1,040,182
Net income per limited partnership unit	\$ 0.37	\$ 0.47
Deficit		
Balance beginning of year	\$ (40,470,913)	\$ (40,470,910)
Net income for the year	804,180	1,040,182
Distributions to partners	(804,180)	(1,048,185)
Balance end of year	\$ (40,478,913)	\$ (40,478,913)

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

Multi-Manager Limited Partnership I

Statements of Cash Flow

For the years ended December 31	2005	2004
Operating Activities:		
Net income for the year	\$ 804,180	\$ 1,040,182
Decrease in non-cash balances related to operations	79,166	15,324
	<u>883,346</u>	<u>1,055,506</u>
Financing Activities:		
Distributions paid to partners	(851,925)	(1,112,211)
Increase (decrease) in cash during the year	31,421	(56,705)
Cash beginning of year	166,903	223,608
Cash end of year	<u>\$ 198,324</u>	<u>\$ 166,903</u>

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

Multi-Manager Limited Partnership I

Notes to Financial Statements

For the years ended December 31, 2005 and 2004

1. Partnership Operations

Multi-Manager Limited Partnership I (the "Partnership") is a limited partnership formed under the laws of Ontario by a declaration of partnership on January 15, 1993.

The Partnership was formed to arrange for the distribution of securities of certain open-ended mutual funds (the "Funds") managed by AGF Funds Inc. ("AGFFI") and CI Investments Inc. ("CI") (formerly CI Mutual Funds Inc.) (the "Fund Managers"), which were sold on a contingent redemption fee basis ("Fund Units").

The Partnership's distribution rights commenced and ended as follows:

	Commencement	End
AGF funds	January 18, 1993	October 23, 1993
CI funds (including former BPI funds)	March 5, 1993	December 31, 1993

In return for arranging for the distribution of the Fund Units, including paying the selling commissions to registered dealers, each of the Fund Managers has assigned to the Partnership the redemption fees relating to the Fund Units and a portion of its management fees ("distribution fees"). The Partnership receives monthly distribution fees calculated at the annual rate of 0.55% of the market value of the Fund Units which remain outstanding in respect of the AGF funds and 0.53% to 0.60% in respect of the CI mutual funds. Distributed units include the Fund Units, any mutual fund units issued on subsequent transfers of the Fund Units within the group of funds managed by the respective Fund Manager and upon reinvestment of distributions paid on any Fund Units. In addition, the Partnership is entitled to any redemption charges on the redemption of the distributed units. The redemption fee schedule applicable to the Fund Units has expired.

The Partnership will continue until December 31, 2017 unless dissolved earlier upon the occurrence of certain events stated in the Limited Partnership Agreement.

2. Significant Accounting Policies

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

Financial Instruments

The Partnership'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.

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.

Multi-Manager Limited Partnership I

Notes to Financial Statements

3. Related Party Transactions

Multi-Manager Distribution No. 1 Limited is the general partner and is responsible for the management of the Partnership 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 and will be reimbursed by the Partnership for expenses incurred on behalf of the Partnership. In addition, the general partner receives a management fee which equals 15% of such amounts reimbursed. Management fees during the year 2005 amounted to \$18,392 (2004 - \$18,944).

The general partner has arranged with AGF Management Limited ("AGF"), its ultimate parent company, to provide administration services 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. The administration fees for these services during the year 2005 amounted to \$34,408 (2004 - \$40,480).

4. Adjustment to Partners' Equity

Partners' equity was reduced from \$8,003 as at December 31, 2003 to nil on March 31, 2004 due to an adjustment in partners' equity which was paid on April 29, 2004 to limited partners of record as at March 31, 2004.

5. Taxation of the Partnership

These financial statements include only the assets and liabilities of the Partnership and do not include the other assets and liabilities, including income taxes, of the partners.

The Partnership is not taxable. An individual who is a limited partner on December 31 of each year will be allocated a pro-rata share of the income or loss for tax purposes for the whole year of the Partnership.

Multi-Manager Limited Partnership I

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