

# Multi-Manager Limited Partnership I

SEMI-ANNUAL REPORT  
FOR THE SIX MONTHS  
ENDED JUNE 30, 2008

# Multi-Manager Limited Partnership I

## Market Value of Fund Units

(Unaudited)

As at June 30, 2008

<b>AGF FUNDS</b>	<b>Market Value (000s)</b>		<b>Market Value (000s)</b>	
AGF Canadian Balanced Value Fund	\$	9,076	AGF Emerging Markets Fund	\$ 141
AGF World Balanced Fund		6,928	AGF Elements Growth Portfolio	136
AGF Canadian Stock Fund		4,337	AGF Canadian Value Fund	117
AGF Canadian Large Cap Dividend Fund		3,678	AGF Dividend Income Fund	92
AGF Global Value Fund		1,960	AGF Elements Global Portfolio	84
AGF Aggressive™ U.S. Growth Fund		715	AGF American Growth Class	78
AGF International Stock Class		484	AGF Aggressive Global Stock Fund	49
AGF Canadian Balanced Fund		482	AGF Elements Conservative Portfolio	47
AGF Elements Balanced Portfolio		413	AGF Asian Growth Class	45
AGF Canadian Growth Equity Fund Limited		296	AGF Global Government Bond Fund	45
AGF Canadian Conservative Income Fund		288	AGF Diversified Dividend Income Fund	33
AGF European Equity Class		264	AGF Monthly High Income Fund	30
AGF Canadian Resources Fund Limited		248	AGF Elements Yield Portfolio	30
AGF Canadian Small Cap Fund		229	AGF China Focus Class	29
AGF Global Equity Fund		221	AGF Japan Class	20
AGF Canadian Money Market Fund		208	AGF Global Perspective Class	19
AGF Canadian Bond Fund		183	AGF Canadian High Yield Bond Fund	16
AGF Precious Metals Fund		163	Others	57
		<b>Total AGF funds</b>		<b>\$ 31,241</b>

<b>CI FUNDS</b>	<b>Market Value (000s)</b>		<b>Market Value (000s)</b>	
Signature Select Canadian Fund	\$	15,553	CI Global Health Sciences Corporate Class	\$ 430
CI Global Fund		10,670	Harbour Foreign Equity Corporate Class	361
Harbour Fund		7,470	CI Global Balanced Corporate Class	351
Signature Canadian Balanced Fund		7,234	CI Global Value Fund	346
Harbour Growth & Income Fund		3,527	CI American Equity Fund	305
CI Emerging Markets Fund		2,903	CI Global Small Companies Fund	185
Signature High Income Fund		2,464	CI Global Energy Corporate Class	180
CI Pacific Fund		2,205	CI Global Financial Services Corporate Class	179
Signature Dividend Fund		1,602	CI American Value Corporate Class	170
CI American Small Companies Fund		1,275	CI Global Science & Technology Sector Class	156
Signature Canadian Resource Fund		1,040	CI Global Managers Corporate Class	127
CI International Balanced Fund		1,034	CI Value Trust Corporate Class	123
CI Money Market Fund		976	CI Global Biotechnology Corporate Class	95
CI Canadian Bond Fund		788	CI International Value Fund	87
Synergy American Fund		684	CI International Fund	65
CI Global Bond Fund		677	CI Global Consumer Product Corporate Class	42
CI European Fund		531	CI Japanese Corporate Class	21
		<b>Total CI funds</b>		<b>\$ 63,856</b>
		<b>Total AGF &amp; CI funds</b>		<b>\$ 95,097</b>

# Multi-Manager Limited Partnership I

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

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For the six months ended June 30, 2008

This Management's Discussion and Analysis ('MD&A') presents an analysis of the financial condition of Multi-Manager Limited Partnership I ('the Partnership') as at June 30, 2008 compared with December 31, 2007, and the results of operations for the six months ended June 30, 2008 compared with the corresponding period of 2007. This discussion should be read in conjunction with our 2007 annual MD&A and 2007 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 decimals that appear in this MD&A. All dollar amounts are in Canadian dollars.

There have been no material changes to the information discussed in the following sections of the 2007 annual MD&A: 'Significant Accounting Policies and Estimates', 'Exemptive Relief' and 'Corporate Governance'. Accordingly, readers should refer to our 2007 annual MD&A to gain an understanding of how these matters may impact the Partnership's operating results.

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 June 30, 2008, 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 investment by registered tax plans such as RSP and RIF.

### **REVENUE**

The Partnership's primary source of revenue is distribution fees earned from the Fund Units 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 Fund Units has expired and the Partnership no longer receives any redemption fee revenue.

# Multi-Manager Limited Partnership I

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

### DISTRIBUTION FEES

The Partnership receives 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 and 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.

Distribution fees amounted to \$285,024 for the six months ended June 30, 2008 as compared to \$375,439 for the comparable period in 2007. The 24.1% decrease was primarily attributable to the lower net asset value of Fund Units from \$125.4 million as at June 30, 2007 to \$95.1 million as at June 30, 2008. The following table shows the breakdown of distribution fee revenue by Fund Manager:

Six months ended June 30	2008	2007	% Change
AGF funds	\$ 92,011	\$ 121,879	(24.5)
CI funds	193,013	253,560	(23.9)
Total	\$ 285,024	\$ 375,439	(24.1)

### FUND UNITS

The following is a summary of the changes in the combined Fund Units of AGF and CI funds during the six months ended June 30, 2008 and 2007:

(in thousands)

Six months ended June 30

(Unaudited)	2008	2007
Market value of Distributed Units, beginning of period	\$ 109,939	\$ 139,103
Change in market value of Distributed Units, including reinvested distributions	(4,451)	3,801
Redemption of Distributed Units	(10,391)	(17,457)
Market value of Distributed Units, end of period	\$ 95,097	\$ 125,447

The annualized redemption rate during the six months ended June 30, 2008 based on the market value of the Fund Units at the beginning of the period was 18.9% compared to 25.1% in 2007. Redemptions of \$10.4 million and market decline of \$4.5 million accounted for the decrease in the market value of the Fund Units during the six months ended June 30, 2008.

### REVENUE TERMINATION DATES

The Partnership will continue to receive distribution fee revenue for 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 and any claims or right of set off between the Funds and the Fund Managers.

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.

# Multi-Manager Limited Partnership I

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

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### **OPERATING EXPENSES**

Total operating expenses for the six months ended June 30, 2008 were \$50,578, a decrease of 13.3% from \$58,306 in the same period in 2007. The decrease was primarily attributable to the decreases in administration fees, legal and audit fees and other costs.

### **FINANCIAL CONDITION AND LIQUIDITY**

Total assets were \$158,054 as at June 30, 2008 as compared to \$174,882 as at December 31, 2007. Assets as at June 30, 2008 consisted of cash and term-deposit totaling \$112,549 and receivables of \$45,505. 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 and estimated taxable income for the six months ended June 30, 2008 were \$0.11 per limited partnership unit as compared to \$0.15 per limited partnership unit for the same period in 2007. Cash distributions for the eight most recent quarters are shown on page 5.

### **RELATED PARTY TRANSACTIONS**

Multi-Manager Distribution No. I 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 six months ended June 30, 2008 amounted to \$6,593 as compared to \$7,594 in the comparable period in 2007.

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 six months ended June 30, 2008 amounted to \$8,809 as compared to \$11,011 in the comparable period in 2007.

# Multi-Manager Limited Partnership I

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

### SELECTED QUARTERLY INFORMATION

(in thousands, except per unit amounts)

Three months ended (Unaudited)	Jun. 30, 2008	Mar. 31, 2008	Dec. 31, 2007	Sep. 30, 2007
Revenue	\$ 142.3	\$ 144.4	\$ 162.6	\$ 172.7
Net income for the period	116.4	119.7	133.6	144.6
Net income and cash distribution per limited partnership unit	0.05	0.06	0.06	0.07

(in thousands, except per unit amounts)

Three months ended (Unaudited)	Jun. 30, 2007	Mar. 31, 2007	Dec. 31, 2006	Sep. 30, 2006
Revenue	\$ 185.0	\$ 192.6	\$ 198.2	\$ 195.7
Net income for the period	155.8	163.5	183.7	151.6
Net income and cash distribution per limited partnership unit	0.07	0.08	0.08	0.07

### ADDITIONAL INFORMATION

Additional information relating to the Partnership can be found in the Financial Statements and accompanying notes for the six months ended June 30, 2008, 2007 annual MD&A and Financial Statements, 2007 Annual Information Form ('AIF') and other documents available at the AGF website, [www.agf.com](http://www.agf.com) and at the Canadian Securities Administrators' website, [www.sedar.com](http://www.sedar.com).

## Multi-Manager Limited Partnership I

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The following interim financial statements of Multi-Manager Limited Partnership I for the six months ended June 30, 2008 are unaudited and have not been reviewed by our auditors.

# Multi-Manager Limited Partnership I

## Balance Sheets

	As at June 30, 2008 (Unaudited)	As at December 31, 2007
<b>Assets</b>		
Current Assets:		
Cash and term-deposit	\$ 112,549	\$ 122,028
Distribution fees and interest receivable	45,505	52,854
<b>Total Assets</b>	<b>\$ 158,054</b>	<b>\$ 174,882</b>
<b>Liabilities and Partners' Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 116,400	\$ 41,320
Distributions payable	41,654	133,562
	158,054	174,882
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)
	-	-
<b>Total Liabilities and Partners' Equity</b>	<b>\$ 158,054</b>	<b>\$ 174,882</b>

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

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

<Greg Henderson>  
Greg Henderson, Director

<David Pauli>  
David Pauli, Director



# Multi-Manager Limited Partnership I

## Statements of Operations and Deficit

(Unaudited)

Six months ended June 30	2008	2007
<b>Operations</b>		
Revenue:		
Distribution fees	\$ 285,024	\$ 375,439
Interest	1,638	2,119
	<u>286,662</u>	<u>377,558</u>
Expenses:		
Administration and management fees	15,402	18,605
Transfer agent fees	13,282	11,651
Legal and audit fees	16,015	21,683
Other costs	5,879	6,367
	<u>50,578</u>	<u>58,306</u>
Net income for the period	\$ 236,084	\$ 319,252
Net income per limited partnership unit	\$ 0.11	\$ 0.15
<b>Deficit</b>		
Balance beginning of period	\$ (40,478,913)	\$ (40,478,913)
Net income for the period	236,084	319,252
Distributions to partners	(236,084)	(319,252)
Balance end of period	\$ (40,478,913)	\$ (40,478,913)

Multi-Manager Limited Partnership I  
 Statements of Cash Flow  
 (Unaudited)

Six months ended June 30	2008	2007
<b>Operating Activities:</b>		
Net income for the period	\$ 236,084	\$ 319,252
Net decrease in non-cash balances related to operations	7,691	24,200
	243,775	343,452
<b>Financing Activities:</b>		
Distributions paid to partners	(253,254)	(347,194)
<b>Decrease in cash during the period</b>	<b>(9,479)</b>	<b>(3,742)</b>
Cash beginning of period	122,028	145,406
Cash end of period	\$ 112,549	\$ 141,664

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

# Multi-Manager Limited Partnership I

## Notes to Financial Statements

### (Unaudited)

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For the six months ended June 30, 2008 and 2007

These unaudited interim financial statements of Multi-Manager Limited Partnership I (“the Partnership”) have been prepared in accordance with Canadian generally accepted accounting principles using the same significant accounting policies as the Partnership’s financial statements for the year ended December 31, 2007. 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, 2007, as set out in the Partnership’s 2007 Annual Report.

**Multi-Manager Limited Partnership I**

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