Multi-Manager Limited Partnership I

SEMI ANNUAL REPORT
ENDED JUNE 30, 2012
Unaudited

Multi-Manager Limited Partnership I
Market Value of Fund Units
(Unaudited)

As at June 30, 2012

AGF FUNDS	Market Value (000s)		Market Value (000s)
AGF Traditional Balanced Fund	$ 3,755	AGF Elements Growth Portfolio	$ 67
AGF Canadian Large Cap Dividend Fund	1,930	AGF Precious Metals Fund	52
AGF Canadian Stock Fund	1,787	AGF Traditional Income Fund	41
AGF World Balanced Fund	1,332	AGF Elements Conservative Portfolio Class	35
AGF Global Value Fund	490	AGF Global Government Bond Fund	33
AGF Aggressive™ U.S. Growth Fund	214	AGF Dividend Income Fund	28
AGF Emerging Markets Fund	204	AGF European Equity Class	24
AGF Inflation Plus Bond Fund	204	AGF Canadian Large Cap Dividend Fund	23
AGF Canadian Asset Allocation Fund	164	AGF Global Dividend Fund	22
AGF Canadian Growth Equity Class	142	AGF American Growth Class	21
AGF Elements Balanced Portfolio	130	AGF Elements Yield Portfolio	16
AGF Canadian Small Cap Fund	105	AGF Asian Growth Class	15
AGF Canadian Resources Class	103	AGF Elements Global Portfolio	14
AGF Canadian Bond Fund	86	AGF Aggressive Global Stock Fund	13
AGF Canadian Money Market Fund	85	AGF Global Resources Class	11
AGF Global Equity Fund	77	AGF Canada Class	7
AGF International Stock Class	74	Others	43
AGF Monthly High Income Fund	73	**Total AGF Funds**	**11,420**

CI FUNDS	Market Value (000s)		Market Value (000s)
Signature Select Canadian Class A	7,082	CI Global Bond Corporate Class A Shares	59
Signature Canadian Balanced Class A	3,747	Synergy Canadian Corporate Class Series A	57
Harbour Class A	2,917	Signature Diversified Yield Corporate Class A	55
CI Global Class A	2,418	Signature Corporate Bond Fund F/E	55
Signature High Income Class A	1,404	Signature Short-Term Bond Fund Class A	53
CI Emerging Markets Class A	1,185	CI Canadian Investment Corporate Class A	52
Harbour Growth & Income Class A	869	Portfolio Series Growth Fund Class A	43
CI American Small Companies Class A	704	Cambridge Canadian Asset Allocation T8	43
CI Pacific Class A	591	Signature Diversified Yield Corporate T8	42
Signature Dividend Class X	449	CI Short-Term Advantage Corporate A	40
Signature Canadian Bond Fund Class A	416	Portfolio Series Balanced Growth Fund A	39
CI International Balanced Class A	346	Global High Dividend Advantage Fund A	35
CI Canadian Investment Fund Class A	327	CI Global Managers Corporate Class A	34
Signature Canadian Bond Corporate Class A	321	Signature Diversified Yield Fund Class A	32
CI Money Market Class A	302	Select 40i60e Managed Portfolio Class A	27
Signature Canadian Resource Class A	297	Cambridge Canadian Asset Allocation Class A	27
Signature Dividend Class A	285	CI Global Health Sciences Corporate Class Z	26
CI Global Corporate Class A Shares	280	Signature Dividend Corporate Class A	26
CI Global Bond Class A	279	CI Income Advantage Fund Class A	25
CI Global Health Sciences Corporate Class A	276	Cambridge Income Fund A	25
CI Emerging Markets Corporate Class A	223	Portfolio Series Income Fund Class A	24
Signature Income & Growth Fund Series A	204	Synergy American Corporate Class A Shares	24
Synergy American Class A	184	CI Value Trust Corporate Class A Shares	23

Multi-Manager Limited Partnership I
Market Value of Fund Units
(Unaudited)

CI International Balanced Corporate Class A	183	Portfolio Series Conservative Fund Class A		18
Harbour Corporate Class A Shares	181	Cambridge Canadian Equity Corporate A		17
Signature Select Canadian Corporate Class A	179	CI Global Small Cos Corporate Class A		16
Cambridge Global Equity Corporate Class A	147	CI European Corporate Class A Shares		15
Cambridge American Equity Fund	110	CI Global Class A $US (NAV converted to $C)		14
Harbour Foreign Equity Corporate Class A	107	Select Income Advantage Managed Corporate Class A		13
Signature Corporate Bond Corporate Class A	98	CI International Balanced Corporate Class GIF		13
CI Pacific Corporate Class A Shares	98	Portfolio Series Conservative Balanced Fund Class A		13
Signature Global Energy Corporate Class A	97	Signature Canadian Resource Corporate Class A		13
Signature High Income Corporate Class A	95	SunWise Elite CI Money Market Fund Combined G		12
CI Global Science & Technology Corporate A	88	Signature High Income Fund Class F Shares		9
CI Global Value Class A	87	CI Short-Term Corporate Class A Shares		7
Signature Income & Growth Corporate A	74	CI Canadian Investment Fund Class F		7
CI European Class A	71	Signature Canadian Balanced Class U		6
CI Global Value Corporate Class A Shares	70	Signature High Income Corporate Class A, T8		6
CI Short-Term Corporate Class A Shares $US	70	Cambridge Canadian Asset Allocation A T5		6
Signature Diversified Yield Corporate Class A, T5	68	Others		76
CI Global Small Companies Class A	65	Total CI funds		**28,184**
Portfolio Series Balanced Fund Class A	63	**Total AGF & CI Funds**	**$**	**39,604**

Multi-Manager Limited Partnership I
Management's Discussion and Analysis of Financial Condition and Results of Operations

For the six months ended June 30, 2012 and June 30, 2011

This Management's Discussion and Analysis ("MD&A") is as of August 13, 2012 and presents an analysis of the financial condition of AGF Master Limited Partnership ("The Partnership") as at June 30, 2012 compared to December 31, 2011, and the results of operations for the six months ended June 30, 2012 compared with the corresponding period of 2011. This MD&A should be read in conjunction with our unaudited interim financial statements and notes for the six months ended June 30, 2012 and our 2011 Annual MD&A and 2011 Annual Audited Financial Statements and Notes.

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, or future or conditional verbs such as 'may', 'will', 'should', 'would' and 'could'. The MD&A contains forward-looking statements that are based on current expectations and projections about future events and are inherently subject to, among other things, risks and uncertainties beyond 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. Other than specifically required by applicable laws, we are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise. Actual results could differ materially from those contemplated by the forward-looking statements.

FORMATION AND BUSINESS OF 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 Investments Inc. ("AGFI") and CI Investments Inc. ("CI") (formerly CI Mutual Funds Inc.) (together 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, 2012, the Partnership has issued and outstanding Limited Partner units of 2,200,000 (June 30, 2011 – 2,200,000). These Limited Partner 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 RSPs and RIFs. As at June 30, 2012 and 2011, the Partnership has also issued and outstanding one unit held by Multi-Manager Distribution No. 1 Limited as General Partner.

DISTRIBUTION FEE RECEIVABLE

The Partnership's primary source of income and cash flow relates to the collection of interest and principal on its distribution fee receivable in respect of the Fund Units to which it has distribution rights.

The redemption fee schedule applicable to the Fund Units has expired and the Partnership no longer receives any redemption fee revenue.

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 mutual 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.

Distribution fees received amounted to $0.1 million for the six months ended June 30, 2012 as compared to $0.2 million for the comparable period in 2011. The net asset value of Fund Units decreased from $43.1 million as at December 31, 2011 to $39.6 million as at June 30, 2012.

FUND UNITS

The following is a summary of the changes in the combined Fund Units of AGF and CI funds for six months ended June 30, 2012 and 2011:

Six months ended June 30 (in thousands)	2012	2011
Market value of the Fund Units, beginning of period	$ 43,130	$ 56,424
Change in market value of the Fund Units, including reinvested distributions	1,249	213
Redemption of the Fund Units	(4,775)	(5,655)
Market value of the Fund Units, end of period	$ 39,604	$ 50,982

The annual redemption rate during the six months ended June 30, 2012 based on the market value of the Fund Units at the beginning of the year was 22.1%, (2011 – 20.0%). Redemptions of $4.8 million offset by market appreciation of $1.2 million accounted for the decrease in the value of Fund Units during 2012.

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.

In accordance with the Distribution Agreement, the Partnership was entitled to redemption fees if Fund Units were redeemed within a specified period. As at June 30, 2012, the redemption fee schedule had expired and no further redemption fees were to be received.

The Partnership will continue until March 31, 2018 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.

INTEREST ON CASH BALANCE

Interest earned on the bank account held by the Partnership was $350 in six month ended June 30, 2012 as compared to $380 in the comparable period in 2011. As at June 30, 2012, cash held by the Partnership amounted to $6,336 as compared to $82,543 at June 30, 2011.

EXPENSES

Total expenses for the six months ended June 30, 2012 were $45,341 as compared to $45,286 in the comparable period in 2011.

FINANCIAL CONDITION AND LIQUIDITY

Total assets were $900,521 as at June 30, 2012 as compared to $1,806,084 as at December 31, 2011. Assets as at June 30, 2012 consisted of cash totaling $6,336 and distribution fee receivable of $894,185. These assets are 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. 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, distribution fee receivable, accounts payable and accrued liabilities, and the Limited Partner liability.

CASH DISTRIBUTIONS AND TAXABLE INCOME

Effective January 1, 2011, the Partnership is subject to taxation on its "taxable non-portfolio earnings". Most of the income earned by the Partnership is taxable non-portfolio earnings.

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 six months ended June 30, 2012 were $0.01 per Limited Partnership unit as compared to $0.05 per Limited Partnership unit for the six months ended June 30, 2011. Cash distributions per Limited Partnership unit for the eight most recent quarters are shown in *Selected Quarterly Financial Information*.

Taxable income for the six months ended June 30, 2012 was $0.01 per Limited Partnership unit as compared to $0.05 per Limited Partnership unit for the six months ended June 30, 2011.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with IFRS 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, as defined by the Limited Partnership Agreement, 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, 2012 amounted $5,915 as compared to $5,915 a year ago.

The General Partner has arranged with AGF Management Limited, its ultimate parent, 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, 2012 amounted to $6,421 as compared to $6,421 in the prior year.

OUTLOOK AND RISKS

Risk Factors and Risk Management

The Partnership's only source of future cash flows from the distribution fee receivable is distribution fees since the redemption fee schedule for the Fund Units expired. Distribution fees are expected to continue to decline in the future as the level of Fund Units declines due to redemptions. The fair value of the distribution fee receivable is impacted by the following risks:

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks which are interest rate risk, currency risk, and other price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk.

The Partnership is indirectly exposed to interest rate risk, currency risk and other price risk since changes in these variables will impact the NAVs of the Fund Units and result in changes in the fair value of the distribution fee receivable and Limited Partner liability. Any impact on net income from changes in the fair value of the distribution fee receivable, except to the extent of the General Partner's 0.01%, would be offset by the corresponding change in the Limited Partner liability upon revaluation to fair value and consequently, no reasonably possible changes in these variables would significantly impact net income.

Liquidity Risk

Liquidity risk is defined as the risk that the Partnership may not be able to settle or meet its obligation on time or at a reasonable price. The Partnership manages its liquidity risk through maintaining sufficient cash deposits to pay its quarterly or annual cash distributions through prompt collection of its earned distribution fees. The Partnership's liquidity risk is limited due to the fact that distributions to Limited Partners are only required to be made to the extent of distribution fees that are received and after expenses and liabilities of the Partnership are settled.

Credit Risk

Credit risk is the potential of financial loss arising from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Partnership. The Partnership's overall credit risk strategy and credit risk policy are developed, managed and controlled by the General Partner in accordance with the Limited Partnership Agreement. The Partnership's maximum exposure to credit risk is represented by the carrying values of all financial assets as at June 30, 2012 and December 31, 2011. The Partnership limits its credit risk exposure on cash balances by ensuring that such balances are held with large reputable Canadian banks with high credit ratings.

LIMITED PARTNER LIABILITY

As at June 30, 2012, the Partnership has total issued and outstanding units of 2,200,000. The units of the Partnership maybe transferred by a Limited Partner or his agent duly authorized in writing to any person in accordance with the provisions of the Partnership agreement. The units also qualify for investments by registered tax plans such as RSPs and RIFs. Limited partners are entitled to cash distribution when declared. The quarterly cash distribution is calculated based on the Partnership's net income for each quarter.

CORPORATE GOVERNANCE

The Partnership's business operations are managed by the General Partner, Multi-Manager Distribution No. 1 Limited, which is a subsidiary of AGFI. The General Partner carries out its duties and obligations pursuant to the terms of the Partnership agreement. The Partnership's principal source of income and cash flow is the distribution fees in respect of the Fund Units managed by the Fund Managers which comprise the Fund Units.

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.

REGULATORY FILINGS

The Partnership's annual and interim financial reports and MD&As are available online at the AGF website, www.agf.com and at the Canadian Securities Administrators' website, www.sedar.com

Multi-Manager Limited Partnership I
Management's Discussion and Analysis of
Financial Condition and Results of Operations

SELECTED QUARTERLY FINANCIAL INFORMATION
(unaudited)

(in thousands, except per unit amounts)

Three months ended (IFRS)	**Jun 30, 2012**	**Mar 31, 2012**	**Dec 31, 2011**	**Sep 30, 2011**
Interest on cash balances	$ 0.2	$ 0.2	$ 0.1	$ 0.2
Taxable income for the quarter	35.1	39.4	42.0	42.5
Taxable income and cash distribution per Limited Partnership unit	0.006	0.007	0.02	0.02
Total assets	$ 900.5			

(in thousands, except per unit amounts)

Three months ended (IFRS)	**Jun 30, 2011**	**Mar 31, 2011**	**Dec 31, 2010**	**Sep 30, 2010**
Interest on cash balances	$ 0.2	$ 0.2	$ 0.1	$ 0.1
Taxable income for the quarter	52.4	55.9	62.3	59.6
Taxable income and cash distribution per Limited Partnership unit	0.02	0.02	0.03	0.03
Total assets	$ 2,498.8			

Multi-Manager Limited Partnership I
Balance Sheet
In Canadian dollars
Unaudited

	As at June 30, 2012	As at December 31, 2011
Assets		
Cash	$ 6,336	$ 66,668
Distribution fee receivable (note 4)	894,185	1,739,416
Total Assets	$ 900,521	$ 1,806,084
Liabilities and Partners' Equity		
Accounts payable and accrued liabilities	$ 46,096	$ 50,782
Income taxes payable	19,745	54,428
Deferred income tax liabilities	224,995	433,174
Limited partner liability (note 4)	461,627	1,056,000
	752,463	1,594,384
Partners' Equity attributable to:		
General Partner unit	100	100
Retained Earnings	147,958	211,600
	148,058	211,700
Total Liabilities and Partner's Equity	$ 900,521	$ 1,806,084

Note 7 – Subsequent Event

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

Robert J. Bogart, Director and Chief Financial Officer

David Pauli, Director

Multi-Manager Limited Partnership I
Statements of Comprehensive Loss

In Canadian dollars
Unaudited

For six months ended June 30		2012		2011
Operations				
Income:				
Interest	$	350	$	380
		350		380
Operating Expenses:				
(Gain) loss on revaluation of distribution fee receivable (note 4)		744,174		(779,700)
(Gain) loss on revaluation of Limited Partner liability (note 4)		(537,090)		580,140
Administration and management fees		12,336		12,336
Audit, legal and filing fees		13,117		13,117
Transfer agent fees		14,916		14,916
Other costs		4,973		4,917
		252,426		(154,274)
Income (loss) before income taxes		(252,076)		154,654
Income tax expense (recovery):				
Current		19,745		30,581
Deferred		(208,179)		151,000
		(188,434)		181,581
Net and comprehensive loss for the period attributable to General Partner	$	(63,642)	$	(26,927)
Basic and diluted loss per General Partner unit for the period	$	(63,642)	$	(26,927)

Unaudited

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

Multi-Manager Limited Partnership I
Statements of Cash Flows
In Canadian dollars
Unaudited

For six months ended June 30		2012		2011
Operating Activities:				
Loss for the period	$	(63,642)	$	(26,927)
Revaluation of distribution fee receivable		744,174		(779,700)
Revaluation of Limited Partner liability		(537,090)		580,140
Deferred income tax liabilities		(208,179)		151,000
Changes in non-cash items of working capital:				
Distribution fee receivable		101,057		156,327
Limited Partner liability		(57,283)		(118,140)
Income taxes payable		(34,683)		30,581
Accounts payable and accrued liabilities		(4,687)		7,777
Increase (decrease) in cash during the period		(60,332)		1,058
Cash beginning of period		66,668		81,485
Cash end of period	$	6,336	$	82,543
Income taxes paid for the period	$	54,428	$	–

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

Multi-Manager Limited Partnership I
Statements of Changes in Partner's Equity

In Canadian dollars
Unaudited

For six months ended June 30		2012		2011
Balance beginning of period	$	211,700	$	296,105
Net income (loss) for the period		(63,642)		(26,927)
Balance end of period	$	148,058	$	269,178

Multi-Manager Limited Partnership I
Notes to Financial Statements

For the six months ended June 30, 2012 and 2011

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 Investments Inc. ("AGFI") and CI Investments Inc. ("CI") (formerly CI Mutual Funds Inc.) (together the "Fund Managers"), which were sold on a contingent redemption fee basis ("Fund Units").

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 ongoing distribution fees in respect of the Fund Units. 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 mutual 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. The redemption fee schedule applicable to the Fund Units has expired.

The Partnership will continue until March 31, 2018 unless dissolved earlier upon the occurrence of certain events stated in the Limited Partnership Agreement. The address of the Partnership's registered office is Toronto-Dominion Bank Tower, 66 Wellington Street West, Toronto, Ontario.

2. Significant Accounting Policies

These unaudited interim condensed financial statements have been prepared on a going concern basis in accordance with International Reporting Financial Standards (IFRS), which assumes that the Company will be able to meet its liabilities as they fall due for the foreseeable future. These financial statements have been prepared on a consistent basis with the accounting policies disclosed in the annual audited financial statements for the year ended December 31, 2011. Refer to Note 4, Fair Value of Financial Instruments, for a discussion on changes in significant estimates.

Basis of measurement

The financial statements have been prepared under the historical cost convention, except for the distribution fee receivable and Limited Partner liability, which are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Partnership has made in the preparation of the financial statements:

Classification and measurement of financial instruments

In classifying and measuring financial instruments held or issued by the Partnership, management is required to make significant judgments about the cash flow characteristics of the instruments and the applicability of the fair value option for financial liabilities under IFRS 9, *Financial Instruments* (IFRS 9). The most significant judgments made include the determination that the expected future cash flows associated with the distribution fee receivable do not relate solely to interest and principal. As a result, the distribution fee receivable is accounted for at fair value through profit or loss (FVTPL) in accordance with IFRS 9. Due to the fact that the majority of the returns associated with the distribution fee receivable are attributable to the holders of Limited Partner units, management has also determined that an accounting mismatch exists, permitting the designation of the Limited Partner liability at FVTPL.

Fair values of financial instruments

The preparation of the Partnership's financial statements requires that management make significant estimates in respect of the fair values of the distribution fee receivable and the Limited Partner liability. Refer to note 4 for further information about the fair value measurement of the Partnership's financial instruments.

Financial Instruments

The Partnership has elected to adopt IFRS 9, *Financial Instruments* and IFRS 13, *Fair Value Measurement* (IFRS 13) prior to the dates of mandatory adoption. IFRS 9 and IFRS 13 have been adopted as of January 1, 2010, the date of the Partnership's transition to IFRS. Accounting policies described in these financial statements reflect the Partnership's accounting policies subsequent to the adoption of these standards.

Financial assets and liabilities are recognized when the Partnership becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Partnership has transferred substantially all risks and rewards of ownership. Regular way purchases and sales of financial assets are accounted for at the trade date.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

The Partnership's financial instruments include: cash, distribution fee receivable, accounts payable and accrued liabilities and Limited Partner liability. At initial recognition, the Partnership classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

a) Financial assets: A financial asset is carried at amortized cost using the effective interest rate method when the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are carried at FVTPL. The Partnership carries cash at amortized cost and the distribution fee receivable at FVTPL.

b) Financial liabilities: A financial liability is measured at amortized cost using the effective interest rate method except for financial liabilities that are required to be treated as FVTPL or have been designated as such. The Partnership carries accounts payable and accrued liabilities at amortized cost and has designated its Limited Partner liability at FVTPL.

Transaction costs are included in the initial carrying amount of financial assets and liabilities not at FVTPL, and are expensed as incurred for those at FVTPL.

Impairment of financial assets

At each reporting date, the Partnership assesses whether there is objective evidence that a financial asset (other than a financial asset classified as fair value through profit or loss) is impaired.

The criteria used to determine if objective evidence of an impairment loss include:

(i) significant financial difficulty of the obligor;
(ii) delinquencies in interest or principal payments; and
(iii) it becomes probable that the borrower will enter bankruptcy or other financial reorganization.

If such evidence exists, the Partnership recognizes an impairment loss as the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Partner's equity
Incremental costs directly attributable to the issuance of General Partner units are recognized as a deduction from equity.

Loss per General Partner unit
Basic earnings (loss) per General Partner unit ("EPS") is calculated by dividing the net income (loss) for the period attributable to equity owners of the Partnership by the weighted average number of General Partner units outstanding during the period. The Partnership has no securities outstanding which impose any dilutive effect on its EPS.

Income tax
Income tax comprises current and deferred tax. Income tax is recognized in net income except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Risk Management

The Partnership's financial instruments consist of cash, distribution fee receivable, accounts payable and accrued liabilities, and Limited Partner liability. In the normal course of business, The Partnership manages risks that arise as a result of its use of financial instruments. These risks include market, liquidity and credit risks.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks which are interest rate risk, currency risk, and other price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk.

The Partnership is indirectly exposed to interest rate risk, currency risk and other price risk since changes in these variables will impact the NAVs of the Fund Units and result in changes in the fair value of the distribution fee receivable and Limited Partner liability. Any impact on net income from changes in the fair value of the distribution fee receivable, except to the extent of the General Partner's 0.01%, would be offset by the change in the Limited Partner liability upon revaluation to fair value and consequently, no reasonably possible changes in these variables would significantly impact net income.

Liquidity Risk

Liquidity risk is defined as the risk that the Partnership may not be able to settle or meet its obligation on time or at a reasonable price. The Partnership manages its liquidity risk through maintaining sufficient cash deposits to pay its quarterly or annual cash distributions through prompt collection of its earned distribution fees. All of the partnership's financial liabilities are current and amounts due in respect of the Limited Partner liability are required to be paid upon collection of the distribution fee receivable. The Partnership's liquidity risk is limited due to the fact that distributions to Limited Partners are only required to be made to the extent of distribution fees that are received and after expenses and liabilities of the Partnership are settled.

Credit Risk

Credit risk is the potential of financial loss arising from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Partnership. The Partnership's overall credit risk strategy and credit risk policy are developed, managed and controlled by the General Partner in accordance with the Limited Partnership Agreement. The Partnership's maximum exposure to credit risk is represented by the carrying values of all financial assets as at June 30, 2012 and December 31, 2011. The Partnership limits its credit risk exposure on cash balances by ensuring that such balances are held with large reputable Canadian banks with high credit ratings.

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, as defined by the Limited Partnership Agreement, 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 six month ended June 30, 2012 amounted to $5,915 (2011 - $5,915).

The General Partner has arranged with AGF Management Limited, its ultimate parent Partnership, 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 six months ended June 30, 2012 amounted to $6,421 (2011 - $6,421).

Included in accounts payable and accrued liabilities are the following amounts due to related parties:

	June 30, 2012	**December 31, 2011**
Fees payable to Multi-Manager Distribution No. 1 Ltd	$ 6	$ 21
Fees payable to AGF Management Ltd.	49,000	2,640

4. Fair values of financial instruments

The Partnership's financial instruments carried at fair value include its distribution fee receivable and Limited Partner liability. Fair value is measured in accordance with IFRS 13, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at each measurement date.

The Limited Partner units are traded on the Toronto Stock Exchange (TSX). In circumstances when the trading of these units is considered to be in an active market, the associated liability is measured based on the closing price of the units on the TSX. In cases where an observable price in an active market cannot be obtained, fair value is determined using valuation techniques which maximize the use of observable data, including the impact of changes in market conditions on expected future cash flows from distribution fees and recent transactions involving units of similar structures, adjusted for the composition of underlying distributed securities, terms of the distribution arrangements and distribution fee rates.

As at June 30, 2012, management determined, as a result of a reduction in volume associated with the Limited Partner units traded on the TSX, that the market for the limited partner units was not active. As at June 30, 2012, the measurement of the fair value of the limited partner liability was reclassified to a Level 3 measurement from a Level 2 measurement. The fair values of the limited partner liability and distribution fee receivable at June 30, 2012 have been determined using a discounted cash flow approach, which incorporates information about the fair values of distributed securities and management's expectations about the timing of future cash flows and redemptions of distributed securities as well as the expected levels and timing of expenses and liabilities.

The fair values of the Partnership's cash and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

Fair value hierarchy

The following table classifies financial assets and liabilities that are recognized on the balance sheet at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	June 30, 2012	**December 31, 2011**
	$	$
Level 2		
Limited Partner liability	-	1,056,000
Level 3		
Distribution fee receivable	894,185	1,739,416
Limited Partner Liability	461,627	-

The following is a reconciliation of Level 3 fair value measurements from December 31, 2011 to June 30, 2012:

	Distribution Fee Receivable	**Limited Partner Liability**
	$	$
Balance at December 31, 2011	1,739,416	1,056,000
Change in fair value	(744,174)	(537,090)
Distribution fees received	(101,057)	(57,283)
Balance at June 30, 2012	894,185	461,627

5. Partner's equity

At June 30, 2012, the Partnership has issued and outstanding one General Partner unit.

6. Taxation

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The weighted average applicable tax rate for the six months ended June 30, 2012 was 26.5% (2011 – 28.3%).

7. Subsequent Event

On August 13, 2012, the Board of Directors of the General Partners approved a proposal to the limited partners of Multi-Manager LP to approve the dissolution of the limited partnership. Pursuant to the limited partnership agreement, in connection with the dissolution of Multi-Manager LP, the General Partner must first sell the assets of the LP to the extent appropriate. AGF Investments Inc. is willing to purchase from the Company the right to the Distribution Fees remaining payable to Multi-Manager LP in respect of the period on and after October 31, 2012. A special meeting will be held on October 3, 2012. If the limited partners of Multi-Manager LP pass a resolution approving the dissolution, by selling the distribution fees remaining payable to Multi-Manager LP and by making a final payment to the limited partners, Multi-Manager LP will be dissolved November 5, 2012.

Multi-Manager Limited Partnership I

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