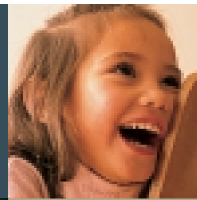
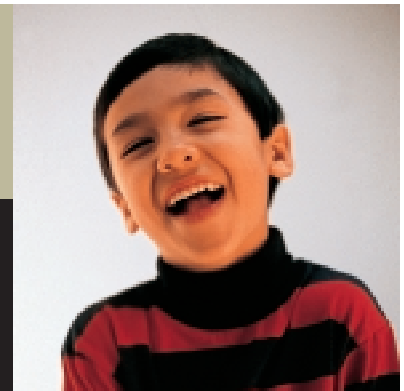
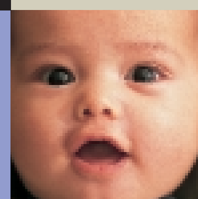
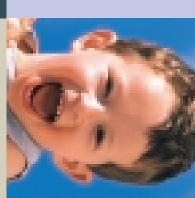





AGF MANAGEMENT LIMITED





QUARTERLY REPORT

for the six months ended May 31, 2001

Dear fellow shareholders

Over the first two quarters of fiscal year 2001, AGF worked diligently to navigate difficult markets and uncertain economic conditions. In this environment, I am very pleased to report that above-median fund performance and strong sales coverage have led to record mutual fund net sales of $1.84 billion during the first six months of the year.

As detailed further in the accompanying consolidated financial statements and Management's Discussion and Analysis, AGF has posted another excellent quarter with cash flow from operations of $75.8 million or $0.82 per share fully diluted, up 30.5 per cent from the comparable period last year, and revenue growth of 31.7 per cent to $163.2 million. This is a result of our leading net sales and rigorous cost controls.

In recognition of these stellar results, the board of directors has declared an increase of 20 per cent in the quarterly dividend rate from five cents (5¢) per share to six cents (6¢) per share. This increase in dividend rate will be effective with the quarterly dividend payable on July 23, 2001.

On a personal note, I want to thank all of our shareholders for their patience and confidence in AGF during these volatile markets. As the year unfolds, our above-median fund performance and excellent sales momentum should continue to drive success.

Blake C. Goldring, CFA
President & Chief Executive Officer
July 9, 2001

Management's Discussion and Analysis

AGF Management Limited is one of Canada's largest independent companies offering wealth management products and services to the investing public. The company and its principal subsidiaries (collectively referred to as the "Corporation") serve over one million investors through a broad range of mutual funds, private investment management for high-net-worth clients, trust products and services, investment advisory services and third-party fund administration for individual and institutional clients.

Management's Discussion and Analysis ("MD & A") presents an analysis of the Corporation's financial condition as at May 31, 2001 compared to November 30, 2000 and the results of operations for the three and six months ended May 31, 2001 compared to the corresponding periods of 2000. It should be read in conjunction with the MD & A included in the Corporation's 2000 annual report.

The MD & A contains forward-looking statements that are inherently subject to risks and uncertainties beyond the Corporation's control. These risks and uncertainties include economic conditions, market fluctuations, interest rate and foreign exchange movements, regulatory change and competitive developments. Actual results could differ materially from those contemplated by the forward-looking statements.

Results of Operations

Effective December 1, 2000, the Corporation changed its method of accounting for income taxes from the deferral method to the liability method as required by Canadian accounting standards. The requirements, as stated in Section 3465 of the Canadian Institute of Chartered Accountants ("CICA") Handbook, were applied retroactively and the financial results for the prior periods have been restated. In addition, the comparative fiscal year 2000 per share amounts have been restated to reflect the two-for-one share subdivision which took effect on August 29, 2000.

Consolidated net income for the three months ended May 31, 2001 was $57.6 million, representing an increase of 91.8% from net income of $30.0 million for the three months ended May 31, 2000. Fully diluted earnings per share were $0.63, up 70.3% from $0.37 per share a year ago. Net income for the six months ended May 31, 2001 was $119.8 million or $1.30 per share fully diluted, compared with $53.9 million or $0.66 per share a year ago. The 2001 financial results include the operations of Global Strategy Holdings Inc. ("Global Strategy"), acquired on November 20, 2000, and AGF Magna Vista Private Investment Management Limited ("Magna Vista"), acquired on August 29, 2000. Further, the adoption of Section 3465 of the CICA Handbook, including the impact of declining Canadian federal and provincial income tax rates, positively impacted 2001 results with reductions in future income taxes of $36.1 million ($0.39 per share fully diluted) and $70.8 million ($0.76 per share fully diluted) respectively for the three months and six months ended May 31, 2001. Lower tax rates increased net income by $5.0 million ($0.06 per share fully diluted) and $7.6 million ($0.09 per share fully diluted) for the three months and six months ended May 31, 2000.

Wealth Management Operations

Revenue

Consolidated revenue for the three months and six months ended May 31, 2001 were $163.2 million and $325.7 million, increases of 31.7% and 38.5%, respectively, as compared with $123.9 million and $235.2 million for the corresponding periods in the prior year.

Management and advisory fee revenue, net of distribution fees, was $135.2 million for the three months ended May 31, 2001 compared with $101.5 million for the corresponding period in 2000. Management and advisory fee revenue rose 38.9% from $192.9 million for the six months ended May 31, 2000 to $267.9 million for the corresponding period in 2001. These increases reflected the growth in mutual fund assets under management, including the mutual fund assets acquired from Global Strategy.

Mutual fund assets under management stood at $30.21 billion as at May 31, 2001 as compared with $28.57 billion at November 30, 2000 and $21.79 billion at May 31, 2000. Despite volatile markets, during the first six months of fiscal 2001 the Corporation achieved record net mutual fund sales of $1.84 billion, offset by net depreciation of the fund investment portfolios of $0.20 billion. These amounts include the Rothschild Select Funds (managed by the Corporation and distributed exclusively by Investors Group Inc.) but exclude the Harmony Investment Pools. Driven by strong sales momentum and above-median investment performance, the Corporation led net mutual fund sales across the industry, except for money market funds, during the 2001 RSP season.

Administration fees and other revenue increased 40.7% to $15.5 million for the three months ended May 31, 2001 from $11.0 million a year ago. Administration fees and other revenue for the six months ended May 31, 2001 were $34.0 million, up 69.4% from the same period a year ago. The increase demonstrates the Corporation's success in positioning itself in the high-net-worth and institutional client markets as assets under management for these clients increased from approximately $1 billion at the beginning of 2000 to $4.95 billion at May 31, 2001. In addition, the Corporation's third-party administration operation, which is operated through AdminSource Inc. in Canada, increased its client base during the six months ended May 31, 2001. AdminSource (UK) Limited has also expanded its customized investment industry software business in the United Kingdom and generated revenue of $5.3 million during the first six months of 2001.

Deferred sales charge revenue amounted to $8.2 million and $15.4 million for the three months and six months ended May 31, 2001, as compared with $7.5 million and $14.9 million for the corresponding periods in the prior year. Since December 1, 1997, the Corporation has financed internally selling commissions of $545.5 million resulting in an increase in deferred sales charges received.

Expenses

Selling, general and administrative expenses ("SG & A") were $30.5 million for the three months ended May 31, 2001, an increase of 33.5% over SG & A of $22.8 million for the same period in the prior year. SG & A for the six months ended May 31, 2001 amounted to $59.0 million as compared with $44.6 million a year ago. The increase was caused by higher costs incurred to expand the Corporation's sales activities and expenses associated with growing the private investment management and third-party administration operations. During the first six months of 2001, SG & A in respect of the mutual fund operations expressed as a percentage of average assets under management declined by three basis points as the Corporation realized most of the anticipated cost synergies from integrating and rationalizing the operations of the Global Strategy funds.

Trailing commissions increased by 29.9% to $32.7 million for the three months ended May 31, 2001 from $25.2 million in the previous year. Trailing commissions for the six months ended May 31, 2001 were $63.8 million, up from $47.7 million a year ago. In addition to the growth in mutual fund assets under management, trailing commissions increased as a result of the higher equity component of assets under management.

Investment advisory fees for the three months ended May 31, 2001 amounted to $12.3 million, as compared with $8.3 million for the corresponding period last year. Investment advisory fees for the six months ended May 31, 2001 were $24.2 million as compared with $16.0 million in 2000. Higher investment advisory fees reflect the increase in mutual fund assets advised by external investment advisors.

Amortization of deferred selling commissions increased to $25.2 million and $48.1 million for the three months and six months ended May 31, 2001, from $19.5 million and $37.2 million for the respective period in 2000. The increase is the result of the Corporation's decision to finance selling commissions internally in recent years.

Amortization of management contracts and goodwill aggregated $12.6 million and $25.2 million for the three months and six months ended May 31, 2001 as compared with $1.8 million and $3.7 million for the corresponding 2000 periods. The increase is due to the acquisitions of Magna Vista and Global Strategy and the adoption of CICA Handbook Section 3465 as described in note 1 to the interim consolidated financial statements.

Interest expense amounted to $4.2 million and $8.7 million, respectively, for the three months and six months ended May 31, 2001, as compared with $0.9 million and $1.9 million for the comparable periods a year ago. The increase is a result of the increase in bank loans and notes payable issued to finance the Global Strategy and Magna Vista acquisitions. The Corporation has entered into interest rate swap transactions which convert the floating interest rates paid by the Corporation on $64.0 million of its outstanding term loan into fixed interest rates of 5.47% to 5.56% per annum.

Trust Company Operations

Despite signs of slowing economic growth, good momentum continued in the housing market which favourably impacted the operating results of AGF Trust Company ("Trust Company"). Net investment income for the three months ended May 31, 2001 exceeded Trust Company's objective by growing 21.7% to $1.1 million, compared with $0.9 million for the three months ended May 31, 2000. For the six months ended May 31, 2001, net investment income was $2.2 million, up 29.6% from the comparable six month period last year.

Net income for the three months ended May 31, 2001 amounted to $0.5 million, up 10.7% from the comparable period last year. For the six months ended May 31, 2001, net income reached $0.9 million, up 16.7% from the comparable period last year.

The Trust Company's balance sheet and financial position remained sound. Total assets grew to $191.1 million at May 31, 2001, up 0.8% and 6.8% from February 28, 2001 and November 30, 2000 respectively. The assets to capital multiple stood at 10.5 times as of May 31, 2001, up from 10.4 times as of November 30, 2000 and well within the permitted multiple of 15 times.

Financial Position

Total assets of the Corporation amounted to $1.54 billion at May 31, 2001 as compared with $1.47 billion at November 30, 2000. Shareholders' equity increased $246.2 million during the six month period to $726.3 million at May 31, 2001. The impacts of adopting CICA Handbook Section 3465 on the Corporation's total assets and shareholders' equity are described in note 1 to the interim consolidated financial statements.

On December 6, 2000, the Corporation closed the sale of 5,500,000 Class B shares to public investors for net cash proceeds of $131.7 million. During the six months ended May 31, 2001, the Corporation repaid $101.5 million of bank loans and $3.9 million of notes payable. As at May 31, 2001, the Corporation's long-term debt (excluding the portion due within one year) to equity ratio stood at 0.38 to 1, a significant improvement from the ratio of 0.58 to 1 as at November 30, 2000.

Cash Flow and Liquidity

Cash flow from operations (before net change in non-cash balances related to operations) for the three months ended May 31, 2001 increased 30.5% as compared with last year, from $58.1 million or $0.71 per share fully diluted to $75.8 million or $0.82 per share. Cash flow from operations was $152.0 million or $1.64 per share fully diluted for the six months ended May 31, 2001, compared with $110.9 million or $1.35 per share a year ago.

The Corporation financed internally all the selling commissions paid during the six months ended May 31, 2001 which amounted to $119.6 million, including the purchase of the revenue entitlements in respect of $7.3 million of selling commissions originally paid by a third party on certain Global Strategy mutual funds sold during fiscal 2000. In the current interest rate environment, the Corporation intends to continue to internally finance the selling commissions paid during the balance of fiscal 2001.

During 2001, the Corporation increased its investment in NCL (Securities) Limited to 40.3% by purchasing additional shares for $11.2 million. The Corporation has hedged its currency exposure in connection with this investment through a foreign exchange forward contract to sell UK£14.5 million for Canadian dollars at an exchange rate of 2.2308 on April 17, 2002.

Cash and short-term investments declined from $107.1 million at November 30, 2000 to $84.1 million at May 31, 2001. In addition to its cash and short-term investments, the Corporation has a ten-year prime rate based revolving term loan facility to a maximum of $150.0 million, of which $57.1 million was available to be drawn as at May 31, 2001. The Corporation believes it has sufficient liquidity to support its normal business and operating activities during the remainder of 2001.

Outlook

With a mix of solidly performing funds well diversified by investment style, asset class and geographical coverage, the Corporation's sales momentum continues to be one of the strongest in the industry. At the same time, the Corporation will maintain tight financial controls to ensure that operating costs are kept in line with current market conditions. While growth in mutual fund assets may be affected by market volatility in the short term, the Corporation believes it is well positioned to continue to succeed in this highly competitive industry environment.

CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)
(unaudited)

	May 31, 2001	November 30, 2000 (restated)
ASSETS		
Wealth Management Operations		
Current assets		
Cash and term deposits	$ 46,258	$ 49,422
Short-term investments	29,121	45,454
Accounts receivable and prepaid expenses	42,967	32,351
Income taxes recoverable	9,322	–
	127,668	127,227
Investment in associated company	28,700	18,308
Other investments	796	766
Management contracts, net of accumulated amortization	576,635	597,528
Deferred selling commissions, net of accumulated amortization	466,047	394,620
Capital assets, net of accumulated amortization	32,714	27,653
Goodwill, net of accumulated amortization	118,620	122,971
	1,351,180	1,289,073
Trust Company Operations		
Cash and term deposits	8,692	12,221
Accounts receivable and other assets	2,707	3,345
Investments	6,126	6,088
Mortgages and consumer loans	173,525	157,150
	191,050	178,804
	$ 1,542,230	$ 1,467,877
LIABILITIES		
Wealth Management Operations		
Current liabilities		
Accounts payable and accrued liabilities	$ 49,108	$ 67,340
Long-term debt due within one year (note 4)	48,896	148,896
Income taxes payable	–	8,823
	98,004	225,059
Long-term debt (note 4)	272,733	278,051
Participation units	6,157	6,157
Future income taxes	266,405	316,541
Non-controlling interest in subsidiary	310	564
	643,609	826,372
Trust Company Operations		
Accounts payable and accrued liabilities	5,348	4,426
Deposits	167,014	156,988
	172,362	161,414
SHAREHOLDERS' EQUITY		
Capital stock (note 3)	356,399	221,107
Retained earnings	369,710	258,838
Foreign currency translation adjustment	150	146
	726,259	480,091
	$ 1,542,230	$ 1,467,877

CONSOLIDATED STATEMENTS OF INCOME

(in thousands of dollars, except per share amounts)
(unaudited)

	Three months ended May 31, 2001	Three months ended May 31, 2000 (restated)	Six months ended May 31, 2001	Six months ended May 31, 2000 (restated)
Revenue				
Wealth Management Operations				
Net management and advisory fees	$ 135,201	$ 101,483	$ 267,942	$ 192,928
Administration fees and other revenue	15,504	11,023	33,955	20,043
Deferred sales charges	8,225	7,461	15,382	14,887
Investment income	623	940	1,141	1,251
	159,553	120,907	318,420	229,109
Trust Company interest, dividends and administration fees	3,626	3,009	7,270	6,066
	163,179	123,916	325,690	235,175
Expenses				
Wealth Management Operations				
Selling, general and administrative	30,503	22,848	58,959	44,619
Trailing commissions	32,671	25,152	63,761	47,740
Investment advisory fees	12,254	8,348	24,174	16,044
Amortization of deferred selling commissions	25,247	19,480	48,131	37,219
Amortization of management contracts	10,448	1,425	20,893	2,849
Amortization of goodwill	2,176	410	4,351	817
Amortization of capital assets	2,926	1,290	5,783	2,563
Interest expense	4,226	936	8,746	1,900
	120,451	79,889	234,798	153,751
Trust Company Operations				
Interest on deposits	2,328	1,877	4,646	3,759
General and administrative	756	625	1,487	1,298
	3,084	2,502	6,133	5,057
	123,535	82,391	240,931	158,808
Income before income taxes and non-controlling interest	39,644	41,525	84,759	76,367
Income taxes				
Current	5,706	5,022	12,723	7,525
Future	(23,458)	6,497	(47,509)	14,982
	(17,752)	11,519	(34,786)	22,507
Net income before non-controlling interest	57,396	30,006	119,545	53,860
Non-controlling interest share of loss of subsidiary	162	—	254	—
Net income for the period	$ 57,558	$ 30,006	$ 119,799	$ 53,860
Earnings per share				
Basic	$ 0.65	$ 0.38	$ 1.35	$ 0.69
Fully diluted	$ 0.63	$ 0.37	$ 1.30	$ 0.66

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(in thousands of dollars)
(unaudited)

	Three months ended May 31, 2001	Three months ended May 31, 2000 (restated)	Six months ended May 31, 2001	Six months ended May 31, 2000 (restated)
Retained earnings, beginning of period	$ 316,655	$ 199,404	$ 258,838	$ 184,579
Net income for the period	57,558	30,006	119,799	53,860
	374,213	229,410	378,637	238,439
Deduct:				
Dividends on Class A and Class B shares	4,452	3,133	8,876	6,254
Excess paid over average issue price of Class B shares purchased for cancellation	51	223	51	6,131
	4,503	3,356	8,927	12,385
Retained earnings, end of period	$ 369,710	$ 226,054	$ 369,710	$ 226,054

CONSOLIDATED STATEMENTS OF CASH FLOW

(in thousands of dollars, except per share amounts)
(unaudited)

	Three months ended May 31, 2001	Three months ended May 31, 2000 (restated)	Six months ended May 31, 2001	Six months ended May 31, 2000 (restated)
Operating activities				
Net income for the period	$ 57,558	$ 30,006	$ 119,799	$ 53,860
Items not affecting cash				
Amortization of deferred selling commissions	25,247	19,480	48,131	37,219
Future income taxes	(23,458)	6,497	(47,509)	14,982
Amortization of management contracts	10,448	1,425	20,893	2,849
Amortization of goodwill	2,176	410	4,351	817
Amortization of capital assets	2,926	1,290	5,783	2,563
Other	867	(1,049)	591	(1,418)
	75,764	58,059	152,039	110,872
Net (increase) decrease in non-cash balances related to operations	19,354	8,346	(45,696)	(5,278)
	95,118	66,405	106,343	105,594
Financing activities				
Net change in Class B shares	576	1,208	132,881	(3,913)
Dividends	(4,452)	(3,133)	(8,876)	(6,254)
Decrease in bank loan	(4,000)	(11,000)	(101,450)	(15,000)
Decrease in notes payable	(2,116)	(62)	(3,868)	(62)
Increase in Trust Company deposits	853	2,053	10,026	672
	(9,139)	(10,934)	28,713	(24,557)
Investing activities				
Deferred selling commissions paid	(58,233)	(44,540)	(119,558)	(86,121)
Investment in associated company	(1,972)	–	(11,237)	–
Purchase of capital assets	(3,724)	(2,925)	(10,844)	(4,388)
Sale (purchase) of investments	–	2,130	(30)	640
Sale (purchase) of investments: Trust Co. Operations	1	1,053	(38)	1,152
Increase in Trust Company mortgages and consumer loans	(9,591)	(5,441)	(16,375)	(5,560)
	(73,519)	(49,723)	(158,082)	(94,277)
Increase (decrease) in cash and cash equivalents during the period	12,460	5,748	(23,026)	(13,240)
Balance of cash and cash equivalents, beginning of period	71,611	53,068	107,097	72,056
Balance of cash and cash equivalents, end of period	$ 84,071	$ 58,816	$ 84,071	$ 58,816
Represented by:				
Cash and term deposits				
Wealth Management Operations	$ 46,258	$ 28,274		
Trust Company Operations	8,692	8,693		
Short-term investments	29,121	21,849		
	$ 84,071	$ 58,816		
Supplemental disclosure of cash flow information				
Interest payments during the period	$ 6,579	$ 2,823	$ 13,442	$ 5,679
Income tax payments during the period	$ 8,933	$ 4,733	$ 30,868	$ 6,931
Cash flow from operations per share (before net change in non-cash balances related to operations)				
Basic	$ 0.85	$ 0.74	$ 1.71	$ 1.42
Fully diluted	$ 0.82	$ 0.71	$ 1.64	$ 1.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months and six months ended May 31, 2001 and May 31, 2000 (in dollars, except as otherwise stated)
(unaudited)

These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended November 30, 2000 and the unaudited interim consolidated financial statements for the three months ended February 28, 2001. Certain comparative amounts have been reclassified to conform with the current period's presentation.

1. Significant accounting policies

These interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada, using the same significant accounting policies as set out in note 1(b) to the consolidated financial statements for the year ended November 30, 2000, on pages 51 to 53 in the 2000 Annual Report, except as noted below:

Effective December 1, 2000 the Corporation adopted Section 3465 "Accounting for Income Taxes" of the Canadian Institute of Chartered Accountants' Handbook, and changed its method of accounting for income taxes from the deferral method to the liability method. The requirements of Section 3465 were applied retroactively and financial statements for the prior periods have been restated.

Under the liability method of accounting for income taxes, future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities. These differences are remeasured at each period end using the substantively enacted tax rates and laws that are expected to be in effect in the periods in which the future income tax assets or liabilities are expected to be realized or settled.

The impacts of adopting Section 3465 on the consolidated balance sheets and statements of income were as follows:

(in thousands of dollars)	as at May 31, 2001	as at November 30, 2000
Changes in consolidated balance sheets		
Goodwill	$ 117,453	$ 121,743
Management contracts	65,483	67,845
Total assets	$ 182,936	$ 189,588
Future income taxes	$ 104,065	$ 181,545
Retained earnings	78,871	8,043
Total liabilities and shareholders' equity	$ 182,936	$ 189,588

	Three months ended May 31,		Six months ended May 31,	
	2001	2000	2001	2000
Changes in consolidated statements of income				
Amortization of goodwill	$ 2,145	$ 336	$ 4,290	$ 669
Amortization of management contracts	1,181	144	2,362	287
Future income tax expense	(39,427)	(5,472)	(77,480)	(8,604)
Net income for the period	$ 36,101	$ 4,992	$ 70,828	$ 7,648
Changes in earnings per share				
Basic	$ 0.41	$ 0.06	$ 0.80	$ 0.10
Fully diluted	$ 0.39	$ 0.06	$ 0.76	$ 0.09

2. Investment in associated company

During the period, the Corporation increased its ownership interest in NCL (Securities) Limited ("NCL") by 8.8% through two separate purchases of shares to hold a 40.3% interest as at May 31, 2001. NCL, which is based in the United Kingdom, provides private client asset management and institutional fund management and advisory services to a broad range of clients. The investment is being accounted for by the equity method. The purchase price allocation and consideration paid for the additional interest are summarized as follows:

		(000's)
Net assets acquired		
Net tangible assets	$	6,718
Goodwill		4,519
	$	11,237
Consideration paid		
Cash	$	11,237

3. Capital stock

(a) Authorized capital

The authorized capital of AGF consists of an unlimited number of Class B Non-Voting Shares ("Class B shares") and an unlimited number of Class A Voting Common Shares ("Class A shares"). The Class B shares are listed for trading on The Toronto Stock Exchange. The issued and outstanding Class B and Class A shares were subdivided on a two-for-one basis on August 29, 2000. All number of shares and per share amounts have been restated to give effect to the share subdivision.

(b) Equity offering of Class B shares

On December 6, 2000, AGF issued 5,500,000 Class B shares at $25.00 per share. The net cash proceeds amounting to $131.7 million (gross proceeds of $137.5 million less share issue costs of $5.8 million) were used to fully repay the bank bridge loan and partially repay the revolving term loan (see note 4).

(c) Movement during the period

The movement in capital stock during the six months ended May 31, 2001 is summarized as follows:

	Number of shares issued		Amount (000's)
Class B shares			
Balance, November 30, 2000	83,046,454	$	221,107
Issued on equity offering	5,500,000		134,103
Issued through dividend reinvestment plan	681		17
Stock options exercised	320,875		1,185
Purchased for cancellation	(3,000)		(13)
Balance, May 31, 2001	88,865,010		356,399
Class A shares			
Balance, May 31, 2001 and November 30, 2000	57,600		–
Total stated capital		$	356,399

(d) Class B shares purchased for cancellation

AGF has obtained applicable regulatory approval to purchase for cancellation, from time to time, certain of its Class B shares through the facilities of The Toronto Stock Exchange. Present approval for such purchases extends through to February 2002.

(e) Stock option plans

AGF has established stock option plans for senior employees under which stock options to purchase an aggregate maximum of 5,809,071 Class B shares could have been granted as at May 31, 2001. Stock options are vested to the extent of 25% to 33% of the individual's entitlement per annum.

The movement in stock options during the six months ended May 31, 2001 is summarized as follows:

	Number of options	Weighted average exercise price
Class B share options		
Balance outstanding, November 30, 2000	4,241,340	$ 6.98
Options granted	–	
Options cancelled	–	
Options exercised	320,875	$ 3.69
Balance outstanding, May 31, 2001	3,920,465	$ 7.25

4. Long-term debt

	(000's) May 31, 2000	November 30, 2000
Bank loans		
Fully amortizing term loan	$ 159,300	$ 177,000
Bridge loan	–	100,000
Revolving term loan	92,850	76,600
Notes payable due November 22, 2004	19,259	19,875
Notes payable due April 30, 2013	32,553	35,675
Instalment payable due July 31, 2002	17,054	17,054
Loan notes due September 30, 2004	613	743
	321,629	426,947
Less: amount included in current liabilities	48,896	148,896
	$ 272,733	$ 278,051

(a) Bank loans

Fully amortizing term loan

Fully amortizing 5-year term loan with a Canadian chartered bank, repayable in equal quarterly instalments over the period of 20 quarters following advance plus interest payable. The facility can be funded by direct advances and/or bankers' acceptances ("BAs"). At May 31, 2001, the Corporation has drawn the facility in the form of 60-day and 63-day BAs at an effective interest rate of 5.11% per annum.

Revolving term loan

The Corporation has arranged a 10-year prime rate based revolving term loan to a maximum of $150.0 million with a Canadian chartered bank. Under the loan agreement, the Corporation is permitted to avail the revolving term loan by direct advances and/or bankers' acceptances. The revolving term loan is available at any time for a period of 364 days from commencement of the loan (the "Commitment Period"). The expiration of the current Commitment Period is June 30, 2001. The Corporation has requested a recommencement of the 10-year term at the expiry of the current Commitment Period. No repayment of the principal amount outstanding pursuant to the revolving term loan is required during the first three years of the then applicable term. Thereafter, the loan balance shall be repaid in minimum monthly instalments of at least one-eighty-fourth of the amount of principal outstanding.

As at May 31, 2001, the Corporation has drawn $92.9 million against the available loan amount in the form of 2-day to 63-day bankers' acceptances at an effective interest rate of 5.09% per annum.

Security for the bank loans includes a specific claim over the management fees owing from the mutual funds (subject to the existing claims of related limited partnerships) for which the Corporation acts as manager and, depending upon the amount of the loan outstanding, an assignment of AGF's investments in 20/20 Financial Corporation and AGF International Company Limited.

(b) Notes payable due November 22, 2004

Amortizing 4-year notes payable relating to the acquisition of Global Strategy, repayable in equal annual instalments of $5.0 million. Interest is payable monthly based on the 30-day BA rate plus 0.40% per annum. The notes are secured by irrevocable letters of credit from a Canadian chartered bank.

(c) Notes payable due April 30, 2013

Proceeds from notes payable issued to Multi-Fund Income Trust ("Multi-Fund") were used to pay sales commissions incurred on the sale of units of the Global Strategy funds purchased on a contingent deferred sales charge basis from July 30, 1997 to June 30, 1998.

The notes payable bear interest at 5% per annum accrued daily and payable monthly. Monthly repayments of interest and principal are required until the full principal amount of the notes is repaid or until April 30, 2013, whichever comes first. Monthly repayments are determined based on a specified percentage (up to 0.47% per annum) of the net asset value of mutual fund assets financed by Multi-Fund ("distributed securities"). Monthly repayments will also include all contingent deferred sales charges received by the Corporation related to distributed securities.

Multi-Fund has no recourse to any other assets of the Corporation to satisfy any amount payable in respect of the notes.

(d) Instalment payable due July 31, 2002

Instalment payable relates to the acquisition of AGF Magna Vista Private Investment Management Limited. It is non-interest bearing and unsecured.

(e) Loan notes due September 30, 2004

Loan notes are payable in British pounds. Interest is payable semi-annually at an interest rate that is reset semi-annually based on LIBOR.

5. Interest rate swap and foreign exchange hedge transactions

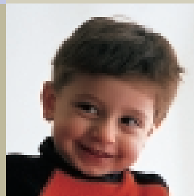
The Corporation has entered into, for hedging purposes, three interest rate swap transactions ("Swap Transactions") with a Canadian chartered bank. The Swap Transactions expire between October 28, 2007 and January 27, 2008. They involve the exchange of three-month bankers' acceptance floating interest rates for fixed interest rates of 5.47% to 5.56% per annum. As at May 31, 2001, the aggregate notional amount of the Swap Transactions was $64.0 million. The aggregate fair value of the Swap Transactions which represents the amount that would be paid (received) by the Corporation if the transactions were terminated at May 31, 2001 was $29,000.

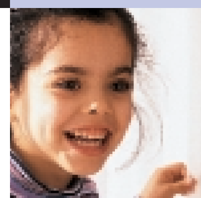
To hedge its currency exposure in connection with its investment in U.K.-based NCL (Securities) Limited, an associated company, the Corporation has entered into a foreign exchange forward contract to sell UK£14,500,000 on April 17, 2002 at an exchange rate of 2.2308 for Cdn$32,347,000. The fair value of the forward contract at May 31, 2001 has been included in the foreign currency translation adjustment.

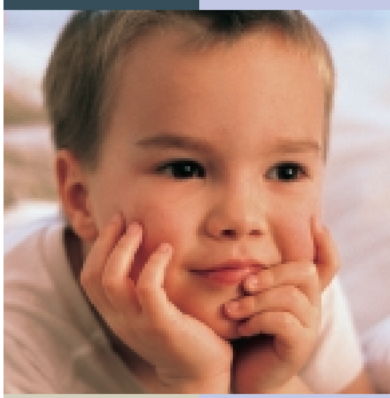
6. Other deferred selling commission financing

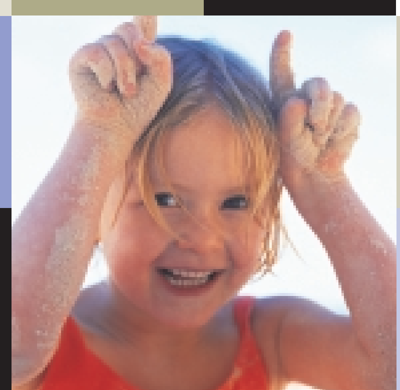
On January 25, 2001, the agreement between Global Strategy Financial Inc. and Putnam, Lovell, de Guardiola & Thornton ("PLGT") was amended to provide for the termination, effective October 31, 2000, of funding in connection with the program whereby PLGT financed sales commissions paid on the sale of Global Strategy mutual funds sold on a back-end-load basis.

Also on January 25, 2001, the Corporation purchased for $7.3 million, PLGT's title, interest and right to receive distribution fees and deferred sales charges payable in respect of distributed mutual fund units of the Global Strategy funds sold during the period from April 1, 2000 to October 31, 2000, for which PLGT financed the sales commissions.









What are you doing after work?

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