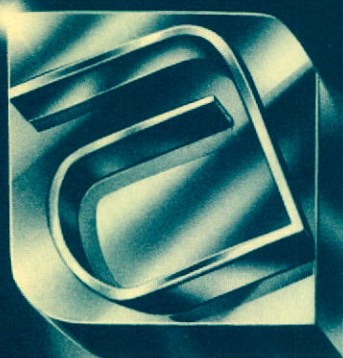


A.G.F. Management Ltd.

# ANNUAL REPORT

1982



the  
agf  
companies

JAN 4 1984



# The AGF Companies

## Who We Are

### Mutual Funds

The AGF Companies have been leaders in the field of asset management for a quarter of a century. Our first fund was formed in 1957, and the group has grown to eleven mutual funds under management. The group has a variety of investment objectives including aggressive growth, moderate growth, income and fixed income. The group also provides access to securities in the U.S. and Japan, in addition to its diverse investments in Canadian securities. The convenience, liquidity, and interconvertability of the group, combined with the income and capital growth opportunities generated have made our fund group attractive investments for investors at home and abroad.

### MFS Limited

This Company was formed five years ago by A.G.F. Management Limited, which owns 20% of its shares, and by the Canada Systems Group (the nation's leading computer company), which owns 80%. The function of the organization is to provide a wide range of administrative and data processing services to several major mutual fund groups, trust companies and banks.

### AGF Securities, Inc.

The AGF Companies maintain a seat on the Pacific Stock Exchange in Los Angeles through a subsidiary, AGF Securities, Inc. This division primarily operates as a floor broker, carrying out transactions for other financial organizations. The division also operates a Specialist Post on the San Francisco trading floor.

### Investment Counsel

Our Investment Counsel division manages investment portfolios for individuals and for family accounts. We provide service in the form of individually managed accounts, tailored to investors' personal objectives and needs. In selecting securities for these individual accounts, we draw on the same knowledge, experience and sources of information used to direct the AGF Mutual Funds. Continued steady growth is anticipated in this aspect of our operations.

### Strathy & Simmons Limited

The straight Deposit Cash Market between the new and established Canadian Chartered Banks continues to expand through the inter-bank brokerage service which Strathy & Simmons Limited pioneered in 1979. In addition, this division extends a money market advisory service to corporate and institutional treasurers who require independent advice for the successful planning of their asset and liability management in the Canadian and U.S. Money Markets.





# Consolidated Five Year Review

(\$000s)	1982	1981	1980	1979	1978
<b>Operations</b>					
Total revenue	9,555	14,084	9,930	5,504	4,560
Income from operations before extraordinary items	1,401	1,984	1,441	526	395
Net income	1,287	1,999	1,452	539	487
Dividends paid	1,147	944	636	410	513
<b>Financial position</b>					
Working capital	2,520	2,932	2,472	2,122	2,040
Invested capital**	6,147	6,060	4,949	4,347	4,219
Long-term debt	—	—	—	245	251
Shareholders' equity	5,893	5,775	4,720	3,903	3,775
Return on invested capital	22.8%	32.7%	29.1%	12.1%	9.4%
<b>Per share Class B &amp; common</b>					
Net income before extraordinary items	.68	.96	.70	.25	.19
Net income	.63	.97	.71	.26	.24
Dividends	.56	.46	.31	.20	.25
Book value	2.88	2.81	2.30	1.90	1.84
<b>Investment fund assets under management</b>					
(\$ millions)	403	381	420	272	212

\*\*Invested Capital = Total assets less current liabilities



# Report to Shareholders



C.W. Goldring,  
President and Chief Executive Officer

The fiscal year ended November 30, 1982 was comprised of two distinct parts, with the dividing point being Friday, August 13, 1982. The 8½ months leading up to that date were characterized by weak stock markets, high interest rates, an attitude of resignation on the part of investors, and declining interest in mutual funds. Suddenly, interest rates began to fall and stock and bond prices started to rise. While there were many skeptics in the first two months, the advance continued, almost without interruption, well into 1983.

The financial results of the Company reflected this abrupt change in the investment climate. While in the first half of the fiscal year revenues and net income per share were down to approximately half the comparable figure in the previous year, the rebound in the second half brought revenue and earnings for the entire year to approximately two-thirds of the previous year. Specifically net income per share was 63 cents compared with 97 cents a year earlier.

It is quite evident that progress of the Company is heavily dependent on the level of stock prices and on investor activity. At the beginning of the year assets under management were \$381 million. By May they were slightly under \$300 million, but by year-end had regained and exceeded the beginning figure, reaching \$403 million. The robust advance in the size of the Funds during the last 3½ months was most encouraging. Initially, large investors purchased significant amounts of our Canadian and U.S. equity Funds. This activity was followed by a more diversified interest in the entire range of our Family of Funds, with a broad cross section of investors showing interest in our bond Fund, Canadian Trusteed Income Fund, as well as the equity Funds representing Canada, the United States and Japan.

During this period, major investment firms undertook programs of introducing, on an exclusive basis, the AGF Funds to their clients. At the same time, mutual fund specialists found that the AGF Funds fitted the needs of their clients because of the superior performance of the equity funds and the good return available from the income Funds.



The highlights of performance for the calendar year were as follows:

	Total Return
AGF Special Fund Limited	38%
American Growth Fund Limited	29%
Canadian Trusteed Income Fund	28%

One of the Management's major thrusts in recent years has been to reduce our dependence on volatile securities markets by making investments geared to maintaining earnings and providing capital gains. Such an investment was made in 1976 in MFS Limited, which provides computer software services to financial institutions such as mutual fund management companies, banks and trust companies. This company has continued to prosper, and its earnings contributed \$237,355 on an equity basis in 1982.

This thrust was continued in 1982 with the Company's investment in approximately 8% of the common shares of First Choice Canadian Communications Corporation, which was awarded the National Pay TV license. From a standing start in March 1982, the management of First Choice has created a major company with offices across Canada. Starting operations on February 1, 1983, it is sending major movies, sports programs and special events via satellite to most of Canada's 450 cable companies. It is too early to determine the degree of success of First Choice in this competitive market, but the outlook is promising.

The Directors declared a quarterly dividend of 14 cents per share through 1982, or a total of 56 cents per share. More shareholders took advantage of the stock dividend alternative, but in order to reduce the dilution, the Company purchased, for cancellation, 10,581 shares on the open market. Consequently, total shares outstanding declined by 4,187.

Looking at the future, there are two broad trends in the financial industry which are becoming increasingly apparent. The first is a revolutionary new financial services industry which has emerged primarily in the United States. This new industry provides more than "one stop shopping" for financial services. It starts with money market funds which are an attractive savings vehicle. By using computerized accounting, cash can earn interest virtually every day, while transactions take place in the stock and bond markets. Cheque writing is another feature, as well as access to real estate, commodities and other forms of investment. This type of cash management is growing rapidly in the

United States and it is expected that a similar type of development will occur in other countries, including Canada. The Company, which manages Canada's largest money market Fund, is in a position to participate in any such new development.

The second major trend is towards a worldwide market for securities. As investors become more sophisticated, they realize that a total rate of return, after inflation, is the primary objective. This may mean, at certain times, investing in Japan where inflation is low, or at other times moving assets to Canada and the United States where stock prices are rising and inflation is falling. The Company's broad range of mutual funds, which provide Canadian investors with diversification and the opportunity to participate in the economies of the United States and Japan, is part of this trend. Similarly, reflecting this trend, Japanese investors purchased substantial amounts of Growth Equity Fund during the latter part of 1982.

The outlook for the financial industry, of which the Company is an integral part, is very encouraging. As the major economies experience lower inflation and increased business activity, both bond and stock markets are improving throughout the world. Although economic problems persist worldwide, we are optimistic about the outlook for 1983.

The Boards of the Funds will greatly miss the wise counsel and experience of Mr. Floyd S. Chalmers who announced his retirement from those Boards at year-end. Mr. Chalmers has been a Director since 1971 and his contribution to the effective operation of the Funds as a Director has been invaluable.

The dedicated and skilled personnel of the Company performed in a truly admirable way during the difficult year of 1982.



C. W. Goldring,  
President and Chief Executive Officer  
February 28, 1983



# Mutual Funds

## Description & Performance

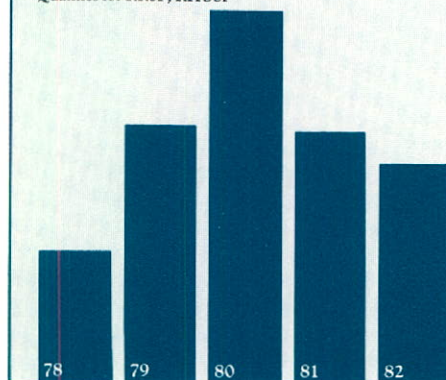


### CANADIAN GAS & ENERGY FUND LTD.\*

Annual Compound  
Rate of Return - 1982

**-13.9%**

\*Qualifies for RRSP, RHOSP



OBJECTIVE: **HIGH GROWTH**  
A fund specializing in securities of companies involved in oil, gas and energy, here and abroad.

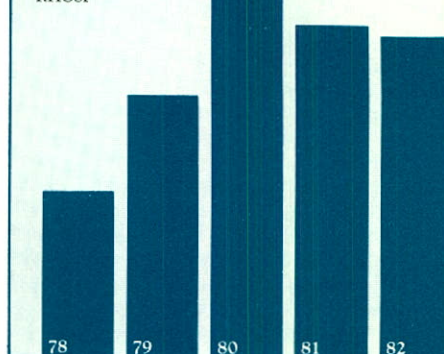
Investment made Dec. 31, 1977 worth **\$18,682**  
as at Dec. 31, 1982

### GROWTH EQUITY FUND LTD.\*

Annual Compound  
Rate of Return - 1982

**-3.6%**

\*Qualifies for RRSP, RHOSP



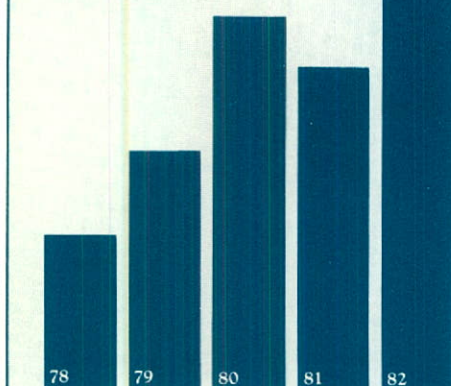
OBJECTIVE: **HIGH GROWTH**  
A fund investing in securities of medium size Canadian enterprises, offering high growth potential.

Investment made Dec. 31, 1977 worth **\$27,238**  
as at Dec. 31, 1982

### AGF SPECIAL FUND LTD.

Annual Compound  
Rate of Return - 1982

**+38.2%**



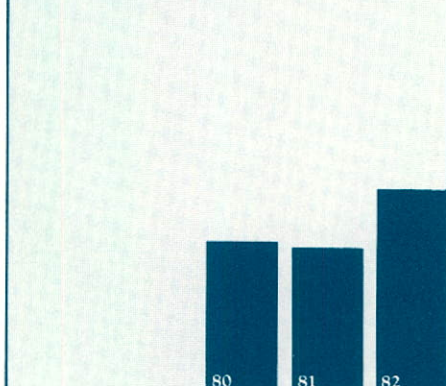
OBJECTIVE: **HIGH GROWTH**  
A speculative fund investing primarily in the securities of emerging high growth U.S. corporations.

Investment made Dec. 31, 1977 worth **\$37,652**  
as at Dec. 31, 1982

### AGF OPTION EQUITY FUND

Annual Compound  
Rate of Return - 1982

**+15.9%**



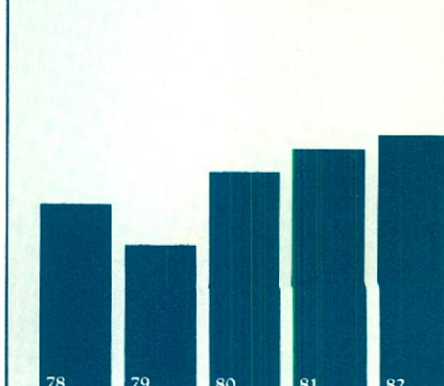
OBJECTIVE: **MODERATE GROWTH AND INCOME**  
Allows participation in a high quality portfolio while increasing return and decreasing risk through an option-writing program.

Investment made Dec. 31, 1979 worth **\$14,477**  
as at Dec. 31, 1982

### AGF JAPAN FUND LTD.

Annual Compound  
Rate of Return - 1982

**+1.4%**



OBJECTIVE: **HIGH GROWTH**  
Provides a convenient way for investors to capitalize on the growth of the dynamic Japanese economy.

Investment made Dec. 31, 1977 worth **\$21,893**  
as at Dec. 31, 1982

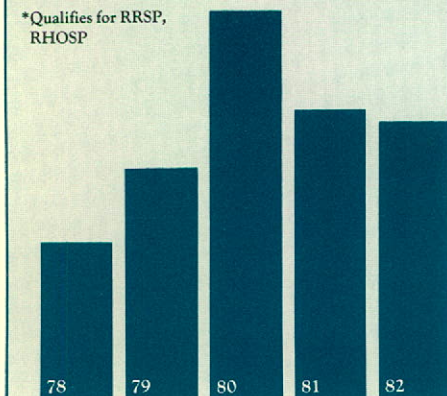


## CORPORATE INVESTORS STOCK FUND LTD.\*

Annual Compound  
Rate of Return - 1982

**-2.8%**

\*Qualifies for RRSP,  
RHOSP



\$10,000

**OBJECTIVE:**  
**HIGH GROWTH**  
Investment made  
Dec. 31, 1977 worth

A growth fund which  
seeks long-term capital  
appreciation primarily  
in Canadian securities.

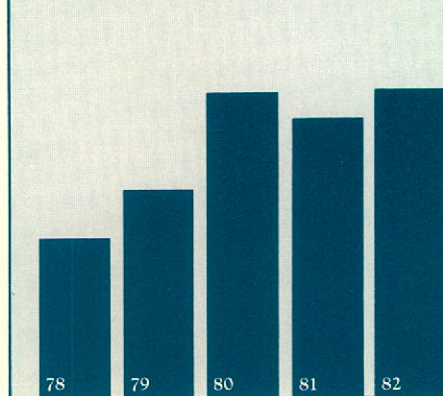
**\$23,291**

as at Dec. 31, 1982

## CANADIAN SECURITY GROWTH FUND LTD.\*

Annual Compound  
Rate of Return - 1982

**+9.2%**



\$10,000

**OBJECTIVE:**  
**MODERATE  
GROWTH AND  
INCOME**  
Investment made  
Dec. 31, 1977 worth

This fund invests in  
Canadian growth and  
dividend stocks, and is  
designed specifically for  
all types of savings plans.

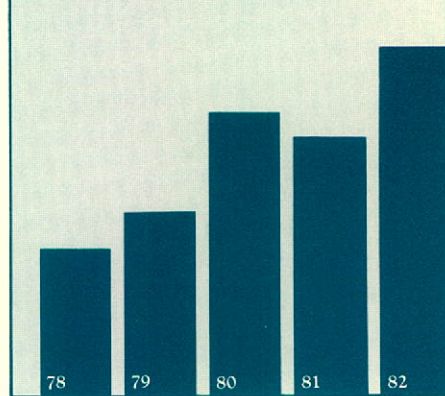
**\$25,173**

as at Dec. 31, 1982

## AMERICAN GROWTH FUND LTD.

Annual Compound  
Rate of Return - 1982

**+29.5%**



\$10,000

**OBJECTIVE:**  
**HIGH GROWTH**  
Investment made  
Dec. 31, 1977 worth

This fund invests  
in stocks of major  
U.S. growth  
companies with  
superior earnings  
potential.

**\$28,344**

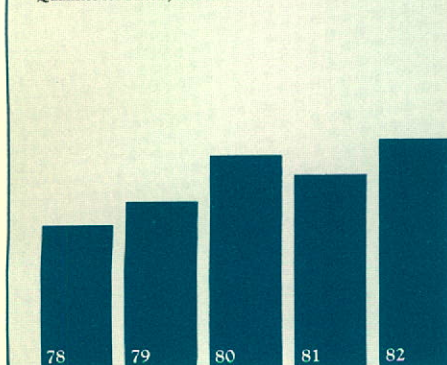
as at Dec. 31, 1982

## CORPORATE INVESTORS, LTD.\*

Annual Compound  
Rate of Return - 1982

**+18.9%**

\*Qualifies for RRSP, RHOSP



\$10,000

**OBJECTIVE:**  
**INCOME AND  
MODERATE  
GROWTH**  
Investment made  
Dec. 31, 1977 worth

Canada's oldest fund  
offers a balanced  
portfolio consisting  
primarily of Canadian  
dividend-paying stocks.

**\$18,643**

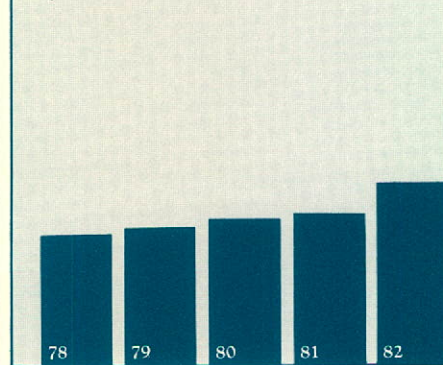
as at Dec. 31, 1982

## CANADIAN TRUSTEED INCOME FUND\*

Annual Compound  
Rate of Return - 1982

**+28.0%**

\*Qualifies for RRSP, RHOSP



\$10,000

**OBJECTIVE:**  
**FIXED INCOME**  
Investment made  
Dec. 31, 1977 worth

A high quality income  
fund, investing pri-  
marily in government  
and corporate top  
quality bonds.

**\$15,610**

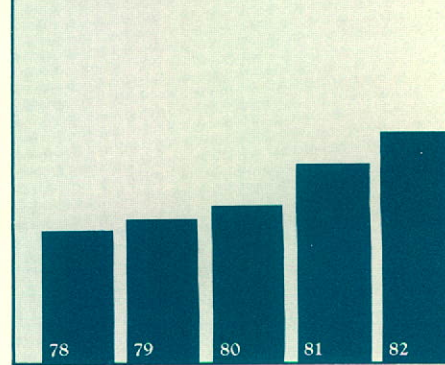
as at Dec. 31, 1982

## AGF MONEY MARKET FUND\*

Annual Compound  
Rate of Return - 1982

**+15.2%**

\*Qualifies for RRSP, RHOSP



\$10,000

**OBJECTIVE:**  
**HIGH INCOME**  
Investment made  
Dec. 31, 1977 worth

Invests primarily in  
short-term money  
market instruments,  
providing convenience,  
high income and safety  
of capital.

**\$18,716**

as at Dec. 31, 1982



# Consolidated Statement of Income

	Year ended November 30	
	1982	1981
Revenue:		
Commissions	\$3,839,927	\$7,869,025
Management fees	3,826,600	4,759,009
Administration fees and other revenue	1,888,179	1,455,727
	9,554,706	14,083,761
Expenses:		
Commissions	2,749,135	5,995,420
Selling, general and administrative	4,103,585	4,040,752
Depreciation and amortization	84,144	57,049
Interest on convertible debentures	—	19,332
	6,936,864	10,112,553
	2,617,842	3,971,208
Income taxes (Note 5):		
Current, including foreign withholding taxes	1,185,236	1,909,914
Deferred	(9,888)	8,035
	1,175,348	1,917,949
Income before minority interest	1,442,494	2,053,259
Interest of minority shareholders in earnings of a subsidiary	(41,932)	(69,001)
Net income before extraordinary items	1,400,562	1,984,258
Extraordinary items:		
Reduction of income taxes arising from the carry forward of prior years' losses	22,754	14,926
Write-down of investment, (net of tax of \$83,215)	(136,104)	—
	(113,350)	14,926
Net income for the year	\$1,287,212	\$1,999,184
Net income per share (Note 6)	63¢	97¢



# Consolidated Statement of Changes in Financial Position

	Year ended November 30	
	1982	1981
Working capital provided:		
From operations –		
Net income before extraordinary items	\$1,400,562	\$1,984,258
Add (deduct) charges (credits) not affecting working capital –		
Depreciation and amortization	84,144	57,049
Deferred income taxes	(9,888)	8,035
Income taxes not payable due to tax losses carried forward	94,176	35,426
Interest of minority shareholders in earnings of a subsidiary	41,932	69,001
Equity earnings from investments	(200,743)	(161,827)
	1,410,183	1,991,942
Issuance of Class B non-voting preference shares under stock dividend plan	35,829	—
	1,446,012	1,991,942
Working capital applied:		
Increase in investments	475,570	406,730
Purchase of office furnishings, equipment and leasehold improvements (net)	112,640	165,959
Dividends paid	1,146,536	944,148
Class B non-voting preference shares purchased for cancellation	57,748	—
Other	66,180	14,699
	1,858,674	1,531,536
Increase (decrease) in working capital (Note 8)	(412,662)	460,406
Working capital at beginning of year	2,932,450	2,472,044
Working capital at end of year	\$2,519,788	\$2,932,450

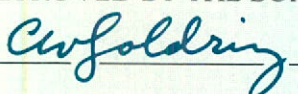


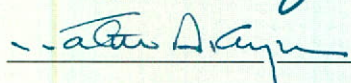
# Consolidated Balance Sheet

## Assets

	November 30	
	1982	1981
Currents assets:		
Cash	\$ 1,164,650	\$ 862,162
Cash held in trust	949,265	220,742
Short-term investments, at cost (market value \$1,411,350; 1981 - \$2,131,451)	1,411,350	2,131,451
Trading account securities - long, at approximate market value	49,417	109,501
Marketable securities (market value \$280,063; 1981 - \$486,048)	264,222	489,222
Receivable for sales of mutual fund shares	11,019,919	6,098,829
Other accounts receivable and accrued income	574,849	663,524
Prepaid expenses	34,904	56,179
	15,468,576	10,631,610
Investments (Note 2)	1,377,073	920,079
Office furnishings, equipment and leasehold improvements, at cost less accumulated depreciation and amortization of \$787,241 (1981 - \$703,097)	344,775	316,279
Deferred income tax charges	28,815	7,134
Other assets, at cost	172,190	179,870
Excess of cost of shares of subsidiary companies over book value at dates of acquisition	1,704,117	1,704,117
	\$19,095,546	\$13,759,089

APPROVED BY THE BOARD:

 Director

 Director



## Liabilities and Shareholders' Equity

	November 30	
	1982	1981
Current liabilities:		
Payable to mutual funds for purchases of shares	\$11,703,786	\$ 6,222,180
Accounts payable and accrued liabilities	757,716	828,993
Trading account securities – short, at approximate market value	195,364	61,296
Income taxes payable	167,731	471,766
Provision for foreign withholding taxes	124,191	114,925
	12,948,788	7,699,160
Warrant stabilization fund (Note 3)	164,418	164,418
Interest of minority shareholders in net assets of a subsidiary	88,973	120,901
Shareholders' equity:		
Capital stock (Note 4) –		
Authorized –		
2,689,419 Class B non-voting participating preference shares without par value		
240,000 common shares without par value		
Issued and outstanding –		
2,046,283 (1981 – 2,050,470) Class B shares	1,486,578	1,458,344
2,400 common shares	40	40
	1,486,618	1,458,384
Retained earnings	4,406,749	4,316,226
	5,893,367	5,774,610
	\$19,095,546	\$13,759,089



# Consolidated Statement of Retained Earnings

	Year ended November 30	
	1982	1981
Retained earnings at beginning of year	\$4,316,226	\$3,261,190
Net income for the year	1,287,212	1,999,184
	5,603,438	5,260,374
Deduct:		
Dividends on Class B and common shares (56¢ per share; 1981 – 46¢)	1,146,536	944,148
Excess paid over stated value of shares purchased for cancellation	50,153	—
	1,196,689	944,148
Retained earnings at end of year	\$4,406,749	\$4,316,226

## Auditors' Report

### To the Shareholders of A.G.F. Management Limited:

We have examined the consolidated balance sheet of A.G.F. Management Limited as at November 30, 1982 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at November 30, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Price Waterhouse  
Chartered Accountants  
Toronto, Ontario  
January 14, 1983



# Notes to Consolidated Financial Statements

November 30, 1982

## 1. Accounting policies:

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and conform in all material respects with standards approved by the International Accounting Standards Committee.

### Consolidation –

The consolidated financial statements include the accounts of the Company and all of its subsidiaries.

The records of AGF Securities, Inc., a New York corporation, are maintained in U.S. dollars. The accounts are translated into Canadian dollars for inclusion in the consolidated financial statements as follows: assets and liabilities at the rate of exchange in effect at November 30, except certain non-current assets which are at rates in effect when acquired; income and expenses at average rates of exchange during the year. Unrealized gains and losses on translation are included in the consolidated statement of income.

### Excess of cost of shares of subsidiary companies over book value at dates of acquisition –

These amounts relate substantially to acquisitions made prior to April 1, 1974 and are not being amortized since in the opinion of management their value has not diminished.

### Depreciation –

Depreciation is recorded in the accounts of the companies at the maximum rates allowed for income tax purposes.

### Investments –

Marketable securities are carried at the lower of cost and written down value. Investments in which the Company is able to exercise significant influence are accounted for by the equity method of accounting. Other investments not having a market value are carried at cost and are only written down on indication of permanent impairment in the carrying value.

### Income of foreign subsidiary –

Withholding taxes are provided on the portion of the earnings of AGF Securities, Inc. which might reasonably be expected to be paid to A.G.F. Management Limited in future dividends. Accordingly, withholding taxes have been provided on the excess of the shareholders' equity of AGF Securities, Inc. over \$750,000. Consolidated income for 1982 and 1981 have been charged with withholding taxes of \$9,266 and \$6,928 respectively.

### Income taxes –

The Company provides deferred income taxes on timing differences between income for tax purposes and income recorded in the accounts.

## 2. Investments:

	November 30	
	1982	1981
Shares of MFS Limited, at equity (representing a 20% interest)	\$ 642,642	\$405,287
Units in non-marketable investment, at lower of cost and net realizable value (representing a 9% interest in a limited partnership)	1	219,320
Capital contribution to a partnership, at equity (representing a 50% interest)	660	35,472
Other investments, at cost	733,770	260,000
	<u>\$1,377,073</u>	<u>\$920,079</u>

The Company's share of the net earnings of MFS Limited for the year ended November 30, 1982 amounted to \$237,355 (1981 – \$168,805) and is included in revenue in the consolidated statement of income.

The units in the limited partnership were acquired by the Company through its subsidiary, AGF Securities, Inc. The units have been written down to a nominal value in 1982 pending wind-up of the partnership which has proved to be non-productive.

The Company will be required to contribute additional capital aggregating approximately \$1,000,000 with respect to one of its investments during the year ending November 30, 1983.

## 3. Warrant stabilization fund:

Pursuant to arrangements made with the Ontario Securities Commission in 1965, net gains realized from trading in Canadian Gas and Energy Fund Limited Series B warrants are to be used in stabilizing the warrant market and for assistance in

the eventual elimination of such warrants. The warrant stabilization fund is not available for distribution to the shareholders of A.G.F. Management Limited.

## 4. Capital stock:

### (a) Purchase for cancellation of Class B non-voting preference shares –

The Company has obtained applicable regulatory approval to purchase for cancellation, from time to time, certain of its Class B non-voting preference shares without par value ("Class B shares") through the facilities of The Toronto Stock Exchange. Present approval for such purchases extends to November 30, 1983.

### (b) Stock dividend plan –

By Articles of Amendment dated September 23, 1981 the Company is permitted to pay its dividends to Class B shareholders by either cash or in the form of additional Class B shares, at the option of the shareholder. This stock dividend plan was effective for dividends paid after November 30, 1981.

Changes in Class B shares during the year are summarized as follows:

	Number of shares		Amount	Excess paid over stated value
	Authorized	Issued		
Balance, December 1, 1981	2,700,000	2,050,470	\$1,458,344	\$ –
Issued through dividend re-investment plan	–	6,394	35,829	–
Purchased for cancellation	(10,581)	(10,581)	(7,595)	(50,153)
Balance, November 30, 1982	<u>2,689,419</u>	<u>2,046,283</u>	<u>\$1,486,578</u>	<u>\$(50,153)</u>

The purchase of Class B shares by the Company serves to offset or restrain any increases in the number of outstanding Class B shares and the consequential dilutive effects on Class B shareholdings resulting from the issue from treasury of such Class B shares under the stock dividend plan.



## 5. Income taxes:

The 1982 and 1981 income tax provision is lower than prevailing tax rates because the statement of income includes certain non-taxable earnings. As at November 30, 1982 the following amounts are available to offset against future taxable income, the potential tax benefit of which has not been recorded in the accounts:

	November 30 1982	1981
Loss carry-forward represented by excess of undepreciated capital cost of fixed assets for income tax purposes over net book value	\$103,700	\$119,000
Amounts charged against income in the accounts not yet claimed for income tax purposes	<u>33,300</u>	<u>33,300</u>
	<u>\$137,000</u>	<u>\$152,300</u>

## 6. Earnings per share:

	Year ended November 30	
	1982	1981
Earnings per Class B and common share -		
Net income before extraordinary items	68¢	96¢
Extraordinary items	<u>(5)</u>	<u>1</u>
Net income for the year	<u>63¢</u>	<u>97¢</u>

## 7. Commitment and contingent liabilities:

### (a) Long-term lease commitment -

The Company is committed under a long-term lease for office premises expiring January 31, 1988, which requires annual rental payments, subject to future escalation charges, of approximately \$402,000.

### (b) Investments -

The Company is jointly and severally liable for the debts and obligations of the partnership in which it has a 50% interest, but against any such claims, the assets of the partnership are first available to satisfy the obligations arising thereunder.

## 8. Analysis of changes in working capital:

	Year ended November 30	
	1982	1981
Increase (decrease) in current assets -		
Cash, term deposits and short-term investments	\$ 310,910	\$(1,915,917)
Accounts receivable	4,832,415	1,714,538
Trading account securities - long	(60,084)	109,501
Marketable securities	(225,000)	(5,666)
Prepaid expenses	<u>(21,275)</u>	<u>10,360</u>
	4,836,966	(87,184)

	Year ended November 30	
	1982	1981
Increase (decrease) in current liabilities -		
Accounts payable and accrued liabilities	5,410,329	248,107
Trading account securities - short	134,068	61,296
Income taxes payable	(304,035)	(618,921)
8% convertible debentures	—	(245,000)
Provision for foreign withholding taxes	<u>9,266</u>	<u>6,928</u>
	5,249,628	(547,590)
Increase (decrease) in working capital	<u>\$(412,662)</u>	<u>\$ 460,406</u>

## 9. Related party transactions:

### (a) Agreements with mutual funds -

The Company acts as manager for the following mutual funds:

AGF Japan Fund Limited  
AGF Money Market Fund  
AGF Option Equity Fund  
AGF Special Fund Limited  
American Growth Fund Limited  
Canadian Gas and Energy Fund Limited  
Canadian Security Growth Fund Limited  
Canadian Trustee Income Fund  
Corporate Investors, Limited  
Corporate Investors Stock Fund Limited  
Growth Equity Fund Limited

Substantially all of the commissions received relate to the sales of shares in the various funds for which it acts as exclusive wholesaler-distributor. It also receives investment management fees from the mutual funds in accordance with the

respective agreements between the funds and the Company. In return, the Company is responsible for the management of the funds' investment portfolios and the provision of sales and administrative services for which it receives the management fee payable monthly in arrears, based on the average daily net asset value of the individual funds. During the year ended November 30, 1982, the Company earned \$3,759,337 from these management fees.

### (b) Agreement with MFS Limited -

The Company uses the facilities and services of MFS Limited to perform the stock transfer functions with regard to the various funds. During the year ended November 30, 1982, charges incurred, which are settled on a monthly basis, were \$876,286 (1981 - \$747,692) of which \$93,693 (1981 - \$78,173) were borne by the Company and the balance by the various funds.

### (c) Short-term investments -

Short-term investments consist of 141,135 (1981 - 213,145) units of AGF Money Market Fund, an open-end mutual fund managed by the Company.





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618 S. Spring St.  
Los Angeles, California  
90014

*Stock Transfer Agent*  
Montreal Trust Company

*Stock Exchange Listing*  
Toronto: Stock symbol AGFM

*Auditors*  
Price Waterhouse  
Toronto, Ontario

## **Officers & Directors**

W.A. Manford,  
*Director and Chairman of the Board*

C.W. Goldring,  
*Director, President and  
Chief Executive Officer*

K.J. Gray  
*Director and Senior Vice-President*

W.R. Farquharson,  
*Director and Vice-President*

W.A. Keyser,  
*Director*

G.B. Sutherland,  
*Director*

W.W. Berghuis,  
*Vice-President*

W.D. Cameron,  
*Vice-President*

R.J. Whiting,  
*Vice-President*

Y.C. Jerred, C.G.A.,  
*Treasurer*

M.J. Turner,  
*Secretary*



