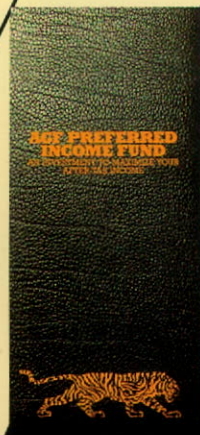


Annual Report 1985

A.G.F. Management Ltd.

c



THE
AGF
COMPANIES

AGF Management Limited

A Summary of its activities:

- *Manages marketable assets – principally those of 14 mutual Funds which are described more fully on pages 6 and 7.*
- *Organizes the distribution of those Funds through a world wide network of investment dealers, brokers, banks, mutual fund specialists and tax planners.*
- *Brings together the skills of several hundred people, some of whom are employees of the Corporation and others who are contracted to provide accounting, shareholder record, administration and service functions to over 130,000 fund holders.*
- *Provides investment management services to pension funds, corporations and individuals, along with administrative services for group RRSP's and portable pension vehicles.*
- *Operates as a broker on the Los Angeles floor of the Pacific Stock Exchange and as a market specialist on the San Francisco floor of the same Exchange.*





C.W. Goldring
President and
Chief Executive
Officer

REPORT TO SHAREHOLDERS

The past year was one of the most successful in AGF Management's history. As the following statistics indicate, the Corporation recorded strong growth in many areas, highlighted by managed assets exceeding the \$1 billion level.

Income Fund in July 1984, the Corporation took an additional step in achieving a dominant position in the Fixed Income area of the marketplace. It is a pleasure to report that the Preferred Fund is now over \$300 million, and that Canadian

(\$ Millions)

	<u>1985</u>	<u>1984</u>	<u>% change</u>
Assets Under Administration	1,065	588	+81.1
Revenue	27.8	17.0	+63.5
Net Income	2.9	2.1	+38.1
Net Income per share	\$1.44	\$1.02	+41.2

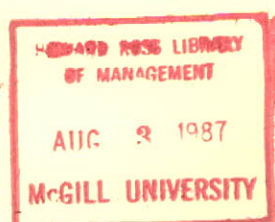
There were certain industry trends which contributed to this exceptional growth. In Canada as well as in other countries, a substantial increase in investor interest in mutual funds was evident, and your Corporation participated fully. There has been a growing realization among investors that mutual funds offer a convenient, flexible, and diversified way to achieve excellent investment returns. Investor interest in mutual funds was further increased during 1985 by declining short-term interest rates and by the introduction of a capital gains tax exemption on the part of the Federal Government.

In addition to these broad trends, the Corporation had certain unique products which enhanced its growth relative to the industry as a whole. With the introduction of the AGF Preferred

Trusted Income Fund - AGF's Government bond fund - is well over \$100 million in size.

Early in 1985, the Corporation launched an aggressive marketing program to the investment dealer community and to the investment public, including national advertising, new literature and special sales promotion programs. The results have been most gratifying.

Total sales in 1985 for the fund group reached a record \$596 million - the highest in the Corporation's history. This unprecedented sales volume represents an increase of more than 130% over the total sales generated in 1984. A total of 190 investment dealers and mutual fund specialist firms distributed our funds in every province in Canada - an increase of 50% over the previous year.



In addition to substantial sales by investment dealers, brokers, mutual fund specialists and financial planners, assets under management increased substantially as a result of capital appreciation among our growth funds. The following is a selection of our top growth funds for the year ended December 31, 1985. These figures are from the Financial Times Survey of Funds.

In each case, the performance records of these funds are close to or actually at the top of their respective categories, and also compare quite favorably with US mutual funds performance.

Special mention should be made of the AGF Option Equity Fund, which was launched in 1980 and com-

period of time, certain investment firms realized the potential of this combination of investment attributes, especially considering that the proceeds from the sale of covered call options are treated as capital gains under Canadian tax law. As a result the growth of this fund was truly remarkable in 1985, as it increased from \$6 million in net assets to \$26 million in the last nine months of 1985.

The most significant financial development for AGF Management during the year was the sale of its investment in MFS Limited. As a result of this sale, the Corporation realized a gain on its investment of over \$4 million, and a substantial increase in its cash assets.

necessity over the years ahead, and additional equipment and facilities may be required to service our fund-holders in the future.

As important as such investments are to support the Corporation's growth, AGF Management's success results primarily from the efforts of the people behind it. This Corporation has been fortunate over the years to have attracted many highly talented individuals. One such person was Mr. G. Bruce Sutherland, who after more than twenty years of association with AGF Management, is retiring as a Director of the Corporation. Mr. Sutherland has provided unique and very valuable advice over the years, and it will be very difficult to replace his contribution. The Corporation wishes to express its deep gratitude to Mr. Sutherland.

An important addition to the Corporation's management structure was made during the year with the appointment of Mr. R. James Williams, as Senior Vice President, Marketing. The demands for more extensive marketing activity have been apparent and the strain of meeting these marketing requirements has been very heavy on the

Annual compound rates of return (%)

	<i>1 Yr.</i>	<i>3 Yr.</i>	<i>5 Yr.</i>	<i>10 Yr.</i>
<i>AGF Special Fund</i>	34.9	21.3	16.9	27.2
<i>American Growth Fund</i>	32.1	20.6	16.4	19.2
<i>Growth Equity Fund</i>	37.0	18.3	3.5	22.0
<i>Canadian Security Growth Fund</i>	33.6	25.0	15.0	20.4
<i>AGF Japan Fund</i>	45.1	29.3	20.3	21.4

plied a very satisfactory performance record of approximately 14% per annum. This fund was designed for people who wish to have less than normal risk and more income. The Fund having proven itself over a

Our relationship with MFS continues on a client basis. The funds from this sale are being retained in recognition of the fact that top quality service to mutual fund investors is an absolute

marketing staff, headed by Mr. Kenneth J. Gray. It is the intention of the Corporation to broaden its marketing efforts, but in so doing to re-emphasize the fact that the investment dealers, brokers, mutual fund specialists and financial planners who sell our funds are the primary market which this Corporation serves. Subsequent to the appointment of Mr. Williams, Ms. Mary-Lynn do Rosario, joined the marketing department from a major chartered bank.

A new fund was brought to market in 1985 which is unique in several ways. Its name explains its function - the Green Line Canadian Index Fund. Many individuals as well as corporations and pension accounts would be happy if their results over previous years had matched those of the Toronto Stock Exchange 300 Index. With the aid of computer resources, this fund in effect invests in the companies comprising that Index, in substantially the same proportion as they are represented in the Index. The other unique feature is that the fund is being offered jointly with a major

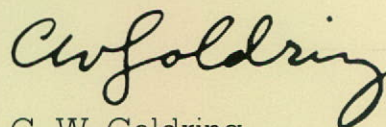
Canadian chartered bank and is available through its branches across the country. After beginning with \$12 million in September 1985, the fund by the end of January 1986 had grown to \$19 million in assets.

The outlook for the Corporation in the year ahead is most positive. Demand for mutual funds continues to be strong, and the performance of the major funds in the AGF family have been notably good and consistent. Furthermore there are other areas which lend themselves to being organized into a mutual fund structure because of a genuine need on the part of investors for the convenience and professional management which mutual funds offer. It is expected that other funds will be introduced over time to complement the fourteen which are in the AGF group now.

Throughout the past year there was understandably a very significant increase in work levels required from each member of the staff.

There has been no thought but to meet those requirements, and the Board wishes to thank most genuinely all members of the staff for their contribution to making 1985 an outstanding year.

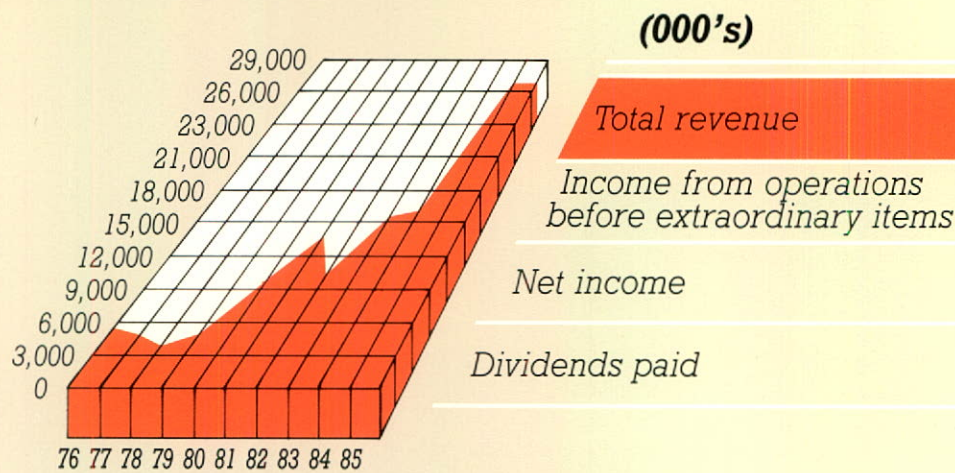
In recognition of the exceptional growth of the Corporation in 1985, dividends were increased twice during the year to a current rate of 72 cents per annum. The directors are reviewing longer term plans and it is evident that considerable human and financial resources will be required to meet an increasingly competitive environment in the years ahead. Nevertheless, AGF Management is in the strongest position in its history and we look to the future with great enthusiasm.



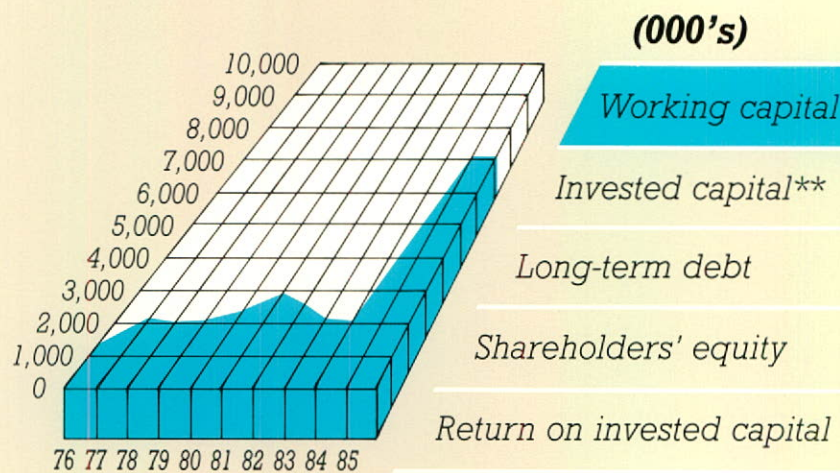
C. W. Goldring
President and
Chief Executive Officer

CONSOLIDATED 10 YEAR REVIEW

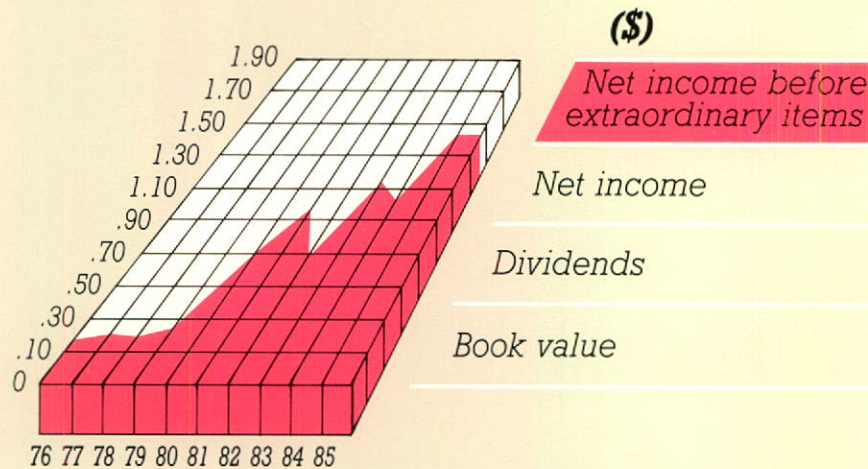
Operations:



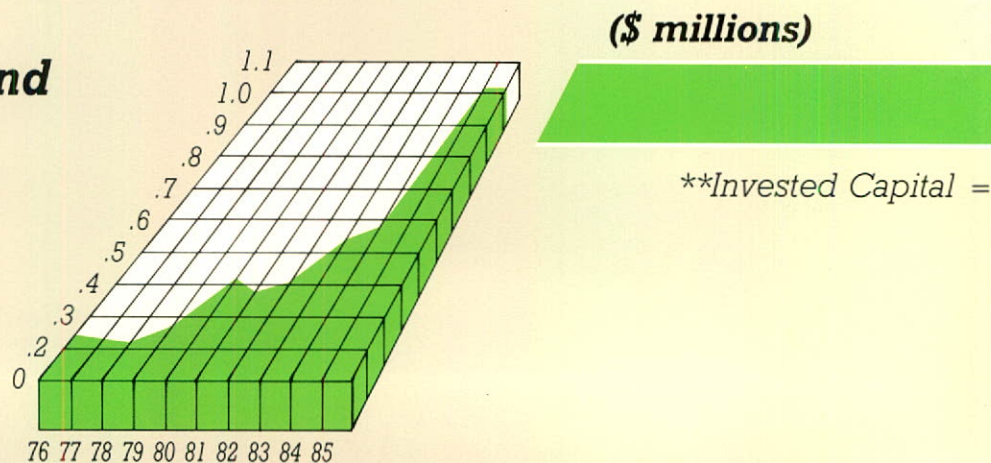
Financial position:



Per Share Class B & common:



Investment fund assets under management:



1985 1984 1983 1982 1981 1980 1979 1978 1977 1976

27,776 16,958 15,340 9,555 14,084 9,930 5,504 4,560 5,294 5,696

2,942 2,089 2,328 1,401 1,984 1,441 526 395 414 327

5,979 2,089 2,335 1,287 1,999 1,452 539 487 638 365

1,307 1,146 1,147 1,147 944 636 410 513 287 408

7,124 2,109 2,153 2,520 2,932 2,472 2,122 2,040 2,168 1,320

11,751 8,006 7,137 6,147 6,060 4,949 4,347 4,219 4,253 3,909

— — — — — — 245 251 264 274

11,751 8,006 7,079 5,893 5,775 4,720 3,903 3,775 3,800 3,451

25.0% 26.1% 32.6% 22.8% 32.7% 29.1% 12.1% 9.4% 9.7% 8.4%

1.44 1.02 1.14 .68 .96 .70 .25 .19 .20 .16

2.92 1.02 1.14 .63 .97 .71 .26 .24 .31 .18

.64 .56 .56 .56 .46 .31 .20 .25 .14 .20

5.88 3.91 3.45 2.88 2.81 2.30 1.90 1.84 1.85 1.68

1,065 588 537 403 381 420 272 212 221 233

Total assets less current liabilities

MUTUAL FUNDS DESCRIPTION & PERFORMANCE

CATEGORY

AGGRESSIVE GROWTH

(These funds invest exclusively in aggressive common stocks for growth of capital)



FUND

Major
Geographic
Orientation

AGF Special Fund Limited



Growth Equity Fund Limited



Canadian Gas & Energy Fund Limited



AGF Japan Fund Limited



Corporate Investors Stock Fund Limited



AGF HiTech Fund Limited



Green Line Canadian Index Fund



CONSERVATIVE GROWTH

(These funds invest primarily in stocks of major corporations for conservative growth of capital)



American Growth Fund Limited



Canadian Security Growth Fund Limited



Corporate Investors, Limited



DIVIDEND INCOME

(These funds invest in income generating stocks for regular high investment income)



AGF Option Equity Fund

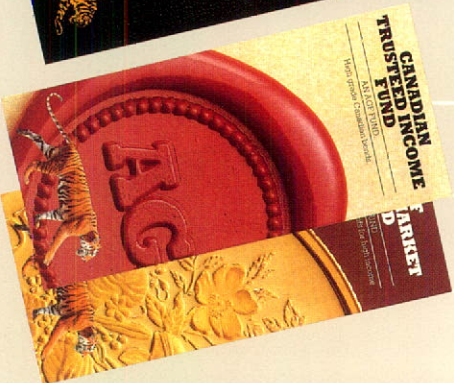


AGF Preferred Income Fund



FIXED INCOME

(These funds invest in high-grade fixed income instruments for preservation of capital and high monthly income.)



Canadian Trusted Income Fund



AGF Money Market Fund



OBJECTIVE	Eligible for Pension Fund	Eligible for RRSP and RRIF	DESCRIPTION OF FUND	AVERAGE ANNUAL COMPOUND RATE OF RETURN %			
				1 yr.	3 yr.	5 yr.	10 yr.
high growth	No	No	A speculative fund investing primarily in the securities of emerging high growth U.S. corporations.	34.9	21.3	16.9	27.2
high growth	No	Yes	A fund investing in securities of medium size Canadian enterprises, offering high growth potential.	37.0	18.3	3.5	22.0
high growth	No	Yes	A fund specializing in securities of companies involved in oil, gas and energy, here and abroad.	10.9	2.2	-8.3	13.9
high growth	No	No	Provides a convenient way for investors to capitalize on the growth of the dynamic Japanese economy.	45.1	29.3	20.3	21.4
high growth	No	Yes	A growth fund which seeks long-term capital appreciation primarily in Canadian securities.	30.6	20.5	5.1	18.9
high growth	No	No	Investing in companies involved with the development or application of high technologies.	23.5	4.2*	—	—
growth and income matching the performance of TSE 300	Yes	Yes	A unique equity fund based on the TSE 300 composite index.	N/A	N/A	N/A	N/A
high growth	No	No	This fund invests in stocks of major U.S. growth companies with superior earnings potential.	32.1	20.6	16.4	19.2
moderate growth and income	Yes	Yes	This fund invests in Canadian growth and dividend stocks, and is designed specifically for all types of savings plans.	33.6	25.0	15.0	20.4
income and moderate growth	No	Yes	Canada's oldest fund offers a balanced portfolio consisting primarily of Canadian dividend-paying stocks.	19.7	17.7	12.1	14.4
moderate growth and income	No	No	A high quality portfolio while increasing return and decreasing risk through an option-writing program.	26.5	15.2	11.5	14.0***
high dividend income	No	No	Invests in dividend-paying preferred shares of Canadian corporations.	14.6	14.1**	—	—
high fixed income	Yes	Yes	A high quality income fund, investing primarily in government and corporate top quality bonds.	23.0	17.5	17.7	12.7
high interest income	Yes	Yes	Invests in short-term money market instruments, providing convenience, high income and safety of capital.	9.7	9.8	12.7	11.2

(For 1, 3, 5 & 10 year periods ending December 31, 1985, except as noted) (Source: Financial Times)

*From June 30, 1983 (Inception of Fund)

**From May 31, 1984 (Inception of Fund)

***From June 30, 1979 (Inception of Fund)

CONSOLIDATED BALANCE SHEET

	November 30	
	1985	1984
ASSETS		(Note 7)
Current assets:		
Cash and term deposits	\$ 1,052,961	\$ 948,207
Trading account securities - net, at approximate market value	373,108	71,983
Marketable securities (market value \$8,060,147; 1984 - \$655,531) (Note 6(b))	7,670,867	631,321
Accounts receivable, accrued income and prepaid expenses	1,332,559	904,490
Note receivable (Note 2)	1,052,089	-
Income taxes recoverable	-	842,700
	11,481,584	3,398,701
Investments (Note 2)	2,078,100	3,324,529
Fixed assets, net of accumulated depreciation of \$1,049,666 (1984 - \$931,112)	344,442	322,606
Deferred income taxes	81,677	84,022
Other assets, at cost	228,054	228,054
Goodwill and excess of cost of shares of subsidiary companies over book value at dates of acquisition	1,894,309	1,937,498
	\$16,108,166	\$ 9,295,410

CONSOLIDATED BALANCE SHEET

	November 30	
LIABILITIES AND SHAREHOLDERS' EQUITY	1985	1984
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,658,698	\$ 1,171,916
Income taxes payable	2,278,142	-
Deferred income taxes	268,281	-
Provision for foreign withholding taxes	152,147	117,690
	<u>4,357,268</u>	<u>1,289,606</u>
Shareholders' equity:		
Capital stock (Note 3)	1,975,287	1,896,289
Retained earnings	9,775,611	6,109,515
	<u>11,750,898</u>	<u>8,005,804</u>
	<u>\$16,108,166</u>	<u>\$ 9,295,410</u>

APPROVED BY THE BOARD:

C. J. Foldring Director
Robert A. Ayer Director

CONSOLIDATED STATEMENT OF INCOME

	Year ended November 30	
	1985	1984
		(Note 7)
Revenue:		
Commissions	\$17,947,187	\$ 8,514,850
Management fees	7,876,734	6,347,082
Administration fees and other revenue	1,952,041	2,095,872
	27,775,962	16,957,804
Expenses:		
Commissions	14,929,855	7,016,246
Selling, general and administrative	6,972,117	6,137,821
Depreciation and amortization	126,248	84,612
	22,028,220	13,238,679
	5,747,742	3,719,125
Income taxes (Note 4):		
Current, including foreign withholding taxes	2,803,223	1,560,214
Deferred	2,345	8,869
	2,805,568	1,569,083
Income before extraordinary item and minority interest	2,942,174	2,150,042
Interest of minority shareholders in earnings of a subsidiary	-	(60,918)
Income before extraordinary item	2,942,174	2,089,124
Extraordinary item:		
Gain on sale of MFS Limited (net of income taxes of \$1,052,084)	3,036,353	-
Net income for the year	\$ 5,978,527	\$ 2,089,124
Earnings per share before extraordinary item	\$1.44	\$1.02
Extraordinary item per share	\$1.48	\$ -
Earnings per share after extraordinary item	\$2.92	\$1.02

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended November 30	
	1985	1984
Working capital provided:		
From operations -		
Income before extraordinary item	\$ 2,942,174	\$ 2,089,124
Items not affecting working capital -		
Depreciation and amortization	126,248	84,612
Equity earnings from investment	(120,000)	(367,713)
Interest of minority shareholders in earnings of a subsidiary	-	60,918
Other	5,972	8,869
	<u>2,954,394</u>	<u>1,875,810</u>
Net proceeds on sale of investments	4,399,155	-
Issuance of Class B non-voting preference shares under dividend reinvestment plan	143,204	228,006
Other	32,494	-
	<u>7,529,247</u>	<u>2,103,816</u>
Working capital applied:		
Dividends paid	1,307,105	1,145,539
Class B non-voting preference shares purchased for cancellation	1,069,532	244,707
Purchase of fixed assets, net	137,389	125,681
Purchase of minority interest in a subsidiary company	-	464,050
Increase in investments	-	53,073
Other	-	115,227
	<u>2,514,026</u>	<u>2,148,277</u>
Increase (decrease) in working capital	5,015,221	(44,461)
Working capital at beginning of year	2,109,095	2,153,556
Working capital at end of year	<u>\$ 7,124,316</u>	<u>\$ 2,109,095</u>

CONSOLIDATED
STATEMENT
OF RETAINED
EARNINGS

	Year ended November 30	
	1985	1984
Retained earnings at beginning of year	\$ 6,109,515	\$ 5,389,918
Net income for the year	5,978,527	2,089,124
	12,088,042	7,479,042
Deduct:		
Dividends on Class B and common shares (64¢ per share; 1984 - 56¢)	1,307,105	1,145,539
Excess paid over average issue price of shares purchased for cancellation	1,005,326	223,988
	2,312,431	1,369,527
Retained earnings at end of year	\$ 9,775,611	\$ 6,109,515

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, 1985 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 corporation as at November 30, 1985 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 10, 1986

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(November 30, 1985)

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 the historical cost accounting standards of the International Accounting Standards Committee.

Consolidation -

The consolidated financial statements include the accounts of the corporation 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-monetary items 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.

Goodwill and excess of cost of shares of subsidiary companies over book value at dates of acquisition -

Acquisitions made prior to April 1, 1974 are not being amortized since in the opinion of management their value has not diminished. Acquisitions subsequent to April 1, 1974 are being amortized over forty years by the straight-line method.

Fixed assets -

Fixed assets, which are comprised of office furnishings, equipment and leasehold improvements, are stated at cost, net of accumulated depreciation. Depreciation is computed on the declining-balance method based on the estimated useful lives of the fixed assets.

Investments -

Marketable securities are carried at the lower of cost and written down value. Investments in which the corporation 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.

2. Investments:

	November 30	
	1985	1984
First Choice Canadian Communication Corporation Limited ("First Choice"), at cost	\$1,996,626	\$1,996,626
MFS Limited, by the equity method	-	1,242,802
Other investments, at cost or written down value	81,474	85,101
	<u>\$2,078,100</u>	<u>\$3,324,529</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(continued)

First Choice is a company which is pioneering the introduction of pay television in Canada. Commercial operations commenced in 1983 and the company has not yet achieved profitable operations. The corporation's investment, which includes an equity interest of approximately three percent of the issued share capital of First Choice, is comprised as follows:

	November 30	
	1985	1984
150,000 Class A non-voting shares	\$1,000,000	\$1,000,000
75,000 Class B voting shares	500,000	500,000
Series One 10% convertible debentures	347,713	347,713
Series Three 10% convertible debentures	148,913	148,913
	<u>\$1,996,626</u>	<u>\$1,996,626</u>

The corporation sold its twenty percent interest in MFS Limited in March 1985 for cash proceeds of \$3,100,750 and a note receivable of \$1,052,089. The corporation's share of the net earnings of MFS to the date of sale was \$120,000 (1984 - \$396,000). The sale of MFS Limited resulted in an extraordinary gain, net of income taxes, of \$3,036,353.

3. Capital stock:

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

The corporation 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 December 19, 1986.

(b) Dividend reinvestment plan -

The corporation 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.

The capital stock during the year is summarized as follows:

	Number of shares		
	Authorized	Issued	Amount
Class B non-voting preference shares			
Balance, November 30, 1984	2,643,419	2,047,325	\$1,896,249
Issued through dividend reinvestment plan	-	12,186	143,204
Purchased for cancellation	(65,000)	(65,000)	(64,206)
Balance, November 30, 1985	<u>2,578,419</u>	<u>1,994,511</u>	1,975,247
Common shares			
Balance, November 30, 1985 and 1984	<u>240,000</u>	<u>2,400</u>	40
Total stated capital			<u>\$1,975,287</u>

The purchase of Class B shares by the corporation 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 dividend reinvestment plan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(continued)

(c) Stock option plan –

During the year, the corporation granted options to certain employees to purchase 120,000 Class B non-voting preference shares at an exercise price of \$15.375 per Class B share. The options are exercisable commencing September 7, 1986 and expire September 6, 1995. There is no material dilution of earnings per share as a result of this plan.

4. Income taxes:

The corporation's effective income tax rate is made up as follows:

	Year ended November 30	
	1985	1984
	%	%
Canadian corporate tax rate	51.8	51.1
Tax-exempt investment income	(3.6)	(6.6)
Foreign tax rate differentials	(0.7)	(2.6)
Other	1.3	0.3
Effective income tax rate	48.8%	42.2%

5. Lease commitment:

The corporation is committed under a lease for office premises expiring January 31, 1988, which requires annual rental payments, subject to future escalation charges, of approximately \$650,000.

6. Related party transactions:

(a) Agreements with mutual funds –

The corporation acts as manager for the following mutual funds:

AGF HiTech Fund Limited
AGF Japan Fund Limited
AGF Money Market Fund
AGF Option Equity Fund
AGF Preferred Income Fund
AGF Special Fund Limited
American Growth Fund Limited
Canadian Gas and Energy Fund Limited
Canadian Security Growth Fund Limited
Canadian Trusteed Income Fund
Corporate Investors, Limited
Corporate Investors Stock Fund Limited
Greenline Canadian Index Fund
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 corporation. In return, the corporation 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, 1985, the corporation earned \$7,876,734 (1984 – \$6,347,082) from these management fees.

(b) Marketable securities –

Marketable securities includes \$6,419,296 (1984 – \$603,321) in investments in various open end mutual funds managed by the corporation.

7. Change in financial statement presentation:

In 1985 the balances representing cash in trust and receivables from sales of mutual fund units together with their corresponding liabilities have been removed from the corporation's balance sheet. The exclusion of these items results in a more meaningful presentation of the corporation's assets and liabilities. The comparative figures have been adjusted to reflect this and certain other minor changes in the current year's financial statement presentation.

Our Goals:

– and the progress we made in 1985.

To provide our clients with proficient asset management in the broadest sense.

Performance of our funds in 1985 was consistently among the highest in the markets served.

To serve the needs of the widest range of clients – individuals, corporations, associations and governments.

We now serve over 130,000 individual shareholders, and many thousands more through broker and nominee accounts.

To provide our clients with the means of achieving their objectives through a diversity of investment vehicles.

Our family of funds now numbers fourteen, with the Green Line Canadian Index Fund being our most recent addition.

To innovate and develop new and better services to meet our clients' needs.

We initiated Direct Dividend Deposit, whereby shareholders can have their monthly income deposited electronically to their account at any bank or trust company.

To combine alert flexibility with solid continuity, while structuring all our activities to achieve efficiency.

We are studying new ways to make the management and distribution of our products and services more efficient.

To attract, motivate and reward talented capable personnel who will best serve the needs of our clients.

Staff additions emphasized personnel who will be able to provide long term continuity for the company. The most significant changes in 1985 were the additions to the marketing operations.

To conduct our affairs with the highest standards of integrity.

The maintaining of the highest standards of integrity remains as our single most important goal.

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Stock Transfer Agent
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Stock Exchange Listing
Toronto: Stock symbol AGFM

DIRECTORS & OFFICERS:

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*Director, Chairman of the
Board, President and Chief
Executive Officer*

W. Allan Manford
*Director and Honorary
Chairman of the Board*

W. Robert Farquharson
*Director and
Executive Vice President*

Kenneth J. Gray
*Director and
Senior Vice President*

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Director and Vice President

Walter A. Keyser
Director

Milan M. Nastich
Director

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*Senior Vice President,
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*Vice President, Treasurer and
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THE AGF COMPANIES

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