

**THE AGF COMPANIES  
ANNUAL REPORT 1983**

A.G.F. Management Ltd





## WHO WE ARE

## CONSOLIDATED 10 YEAR REVIEW

### MUTUAL FUNDS:

AGF Management Limited has been a leader in the field of investment management for 23 years starting with the formation of American Growth Fund.

Over the years, AGF has expanded and diversified the group to 12 different funds designed to meet a variety of investment objectives, including aggressive growth, stable growth and high income. Moreover, the group of funds provides professional management in the world's major areas of economic growth—Canada, the U.S.A., Japan and Europe.

All seven of the Canadian-invested funds are fully qualified tax shelter investments for RRSP, RHOSP, RRIF and DPSP users. The five foreign-invested funds also qualify with the 10% limitation under current regulations.

The convenience, liquidity, income, profitability and inter-convertibility of the AGF funds has resulted in a wide and growing popularity with individual and institutional investors.

Our funds are sold by investment firms and mutual fund specialists in every province in Canada. In Japan, major investment firms offer Growth Equity Fund to the Japanese investing public.

### INVESTMENT COUNSEL:

By drawing on the same resource base of knowledge, experience and information sources utilized in the management of our twelve mutual funds, this division is able to provide superior management of investment portfolios tailored to investors' individual needs and objectives. We provide this service in the form of individually managed accounts for pension funds, individuals and family accounts.

### AGF SECURITIES, INC.:

Through this subsidiary company, the AGF Companies maintain seats on the Pacific Stock Exchange in both Los Angeles and San Francisco. AGF Securities, Inc. operates as a floor broker, carrying out transactions for other financial organizations. As well, this division operates a Specialist Post on the San Francisco trading floor.

### STRATHY & SIMMONS LIMITED:

This member of the AGF Companies is a cash management division that successfully markets a short term asset and liability advisory service to corporations and financial institutions dealing in money market instruments. Strathy & Simmons Limited also manage an interbank straight deposit brokerage operation between Schedule A banks and Schedule B banks, in both U.S. and Canadian currencies.

### MFS LIMITED:

This organization is engaged in the business of providing a wide range of administrative and data processing services to aid in the financial record keeping of mutual fund groups, banks, trust companies and stock brokerage firms. It was founded eight years ago by AGF Management Limited, which owns 20% of its shares, and by Canada Systems Group, a leading computer services company, which owns the balance of the shares.

(\$000s)

### Operations:

Total revenue

Income from operations  
before extraordinary items

Net income

Dividends paid

### Financial position:

Working capital

Invested capital\*\*

Long-term debt

Shareholders' equity

Return on invested capital

### Per Share Class B & common: (\$)

Net income before  
extraordinary items

Net income

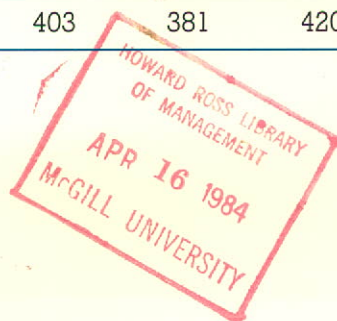
Dividends

Book value

### Investment fund assets under management: (\$ millions)

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

1983	1982	1981	1980	1979	1978	1977	1976	1975	1974
15,340	9,555	14,084	9,930	5,504	4,560	5,294	5,696	6,749	6,798
2,328	1,401	1,984	1,441	526	395	414	327	350	157
2,335	1,287	1,999	1,452	539	487	638	365	560	304
1,147	1,147	944	636	410	513	287	408	306	408
2,153	2,520	2,932	2,472	2,122	2,040	2,168	1,320	1,469	1,352
7,137	6,147	6,060	4,949	4,347	4,219	4,253	3,909	4,675	3,903
—	—	—	—	245	251	264	274	996	491
7,079	5,893	5,775	4,720	3,903	3,775	3,800	3,451	3,477	3,223
32.6%	22.8%	32.7%	29.1%	12.1%	9.4%	9.7%	8.4%	7.5%	4.0%
1.14	.68	.96	.70	.25	.19	.20	.16	.17	.08
1.14	.63	.97	.71	.26	.24	.31	.18	.27	.15
.56	.56	.46	.31	.20	.25	.14	.20	.15	.20
3.45	2.88	2.81	2.30	1.90	1.84	1.85	1.68	1.69	1.57
537	403	381	420	272	212	221	233	231	195





## REPORT TO SHAREHOLDERS



C.W. Goldring  
President and Chief Executive Officer

turned in a most impressive performance, rising almost without interruption from January 1st to the middle of December. As a result, the equity funds produced another outstanding year of growth as shown in the following summary:

	<b>Total Return</b>
AGF Special Fund	+ 33.3%
AGF Japan Fund	+ 33.3%
Canadian Security Growth Fund	+ 39.8%
Corporate Investors Stock Fund	+ 39.5%

dealers, brokers and mutual fund specialists, more people bought more of the funds managed by the Corporation than in any previous year. Redemptions were substantially lower than sales, resulting in a strong net sales position.

The marketing highlight of the year was the offering of AGF HiTech Fund by a group of dealers led by Wood Gundy Limited. This is a new specialty fund which emphasizes investment in the high technology companies located primarily in the U.S., but also in Japan, Europe and Canada. The total amount raised in the initial offering was approximately \$25 million and continuous offering of this fund began in early December.

The Corporation has certain investments, the purpose of which is to offset the cyclicity of the market-oriented main business. One of these investments is MFS Limited and it is a pleasure to report that it had the best year in its history with pre-tax earnings up 41%. Another investment is First Choice Canadian Communications Corporation

Each year, as it unfolds, seems to be a particularly critical year in the history of the Corporation. This was certainly the feeling among the management and staff in 1983 because after the steep rise in the stock and bond markets during the second half of 1982, major question marks emerged concerning the markets, the financial industry and investors' responses. In commenting on the events of the past year, it is possible to view those concerns in the context of the Corporation's twenty-three year history and to realize that while every aspect of the organization was tested, the inherent strengths built up in previous years enabled the Corporation to cope in an exemplary way and to produce both financial and operating figures which are the best in the Corporation's history.

The stock markets in Canada and the U.S.

Interest rates stayed relatively level all year which was a distinct change from the sharp fall which occurred in 1982. Consequently, the income funds produced more normal rates of return — Canadian Trusteed Income Fund: + 12.8% and AGF Money Market Fund: + 9.3%. Total mutual fund assets under management climbed to \$534 million as at December 31, 1983.

Through the extensive network of investment



which had a difficult year because the start-up expenses plus two years' programming had to be financed on a small, although growing, subscriber base. Since additional money was required, certain new investors joined the original group. The knowledge and experience in the entertainment industry of the major new shareholder is expected to make a significant contribution in the future.

The overall outlook for the financial services industry remains buoyant. Certain developments, such as the granting of approval to a chartered bank to conduct "no advice" discount brokerage operations, indicate that the likely trend toward a much more technological financial system will evolve in Canada just as it is developing in the United States. One theme throughout much of the discussion on the new industry is the emphasis on pooled investment vehicles which are, in effect, variations of mutual funds. Your Corporation's products are well positioned in this marketplace, but to enhance their visibility, all product literature was redone and an advertising campaign was initiated. In both these, the new corporate logo of a tiger was featured.

The financial results of the year ended November 30, 1983 are presented in the financial statements which follow. Revenue rose from \$9.5 million in 1982 to \$15.3 million with net income climbing from \$1.3 million to \$2.3 million. Net income per share rose from 63¢ in 1982 to \$1.14.

One of the strengths referred to in the initial paragraph is the experienced capable people who comprise the Corporation. From the rank of supervisor and higher, there was virtually no turnover and most of these people, including the Portfolio Managers, have been with the Corporation for at least ten years. The greatly increased volume of business in 1983 tested their skills and the operating systems of the Corporation. The good financial results indicate their effectiveness.

February 28, 1984



C.W. Goldring,  
President and  
Chief Executive Officer

# MUTUAL FUNDS

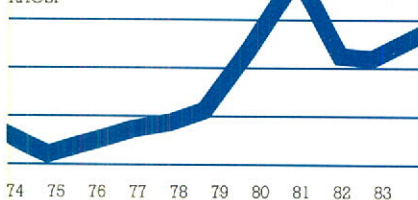
## DESCRIPTION & PERFORMANCE

### CANADIAN GAS AND ENERGY FUND LIMITED\*

Annual Compound  
Rate of Return—1983

**+19.4%**

\*Qualifies for RRSP,  
RHOSP



#### Objective: High Growth

A fund specializing in securities of companies involved in oil, gas and energy, here and abroad.

**\$10,000 Investment**  
made Dec. 31, 1973 worth

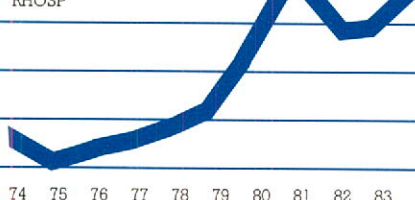
**\$34,523** as at Dec. 31, 1983

### GROWTH EQUITY FUND LIMITED\*

Annual Compound  
Rate of Return—1983

**+31.6%**

\*Qualifies for RRSP,  
RHOSP



#### Objective: High Growth

A fund investing in securities of medium size Canadian enterprises, offering high growth potential.

**\$10,000 Investment**  
made Dec. 31, 1973 worth

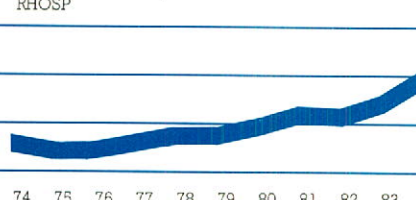
**\$44,900** as at Dec. 31, 1983

### CORPORATE INVESTORS STOCK FUND LIMITED\*

Annual Compound  
Rate of Return—1983

**+39.5%**

\*Qualifies for RRSP,  
RHOSP



#### Objective: High Growth

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

**\$10,000 Investment**  
made Dec. 31, 1973 worth

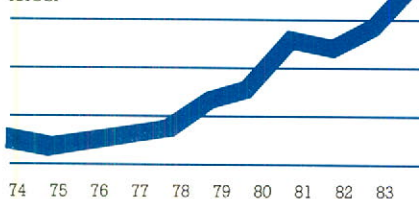
**\$39,827** as at Dec. 31, 1983

### CANADIAN SECURITY GROWTH FUND LIMITED\*

Annual Compound  
Rate of Return—1983

**+39.8%**

\*Qualifies for RRSP,  
RHOSP



#### Objective: Moderate Growth and Income

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

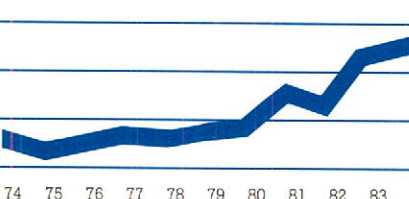
**\$10,000 Investment**  
made Dec. 31, 1973 worth

**\$44,786** as at Dec. 31, 1983

### AMERICAN GROWTH FUND LIMITED

Annual Compound  
Rate of Return—1983

**+21.5%**



#### Objective: High Growth

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

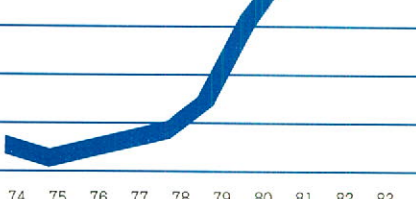
**\$10,000 Investment**  
made Dec. 31, 1973 worth

**\$33,049** as at Dec. 31, 1983

### AGF SPECIAL FUND LIMITED

Annual Compound  
Rate of Return—1983

**+33.3%**



#### Objective: High Growth

A speculative fund investing primarily in the securities of emerging high growth U.S. corporations.

**\$10,000 Investment**  
made Dec. 31, 1973 worth

**\$80,757** as at Dec. 31, 1983



### AGF OPTION EQUITY FUND

Annual Compound  
Rate of Return—1983

**+15.5%**



#### Objective: Moderate Growth and Income

Allows participation in a high quality portfolio while increasing return and decreasing risk through an option-writing program.

**\$10,000 Investment**

made June 30, 1979† worth

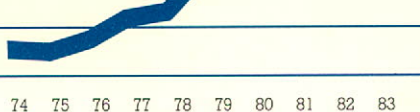
**\$18,043** as at Dec. 31, 1983

†Inception of fund

### AGF JAPAN FUND LIMITED

Annual Compound  
Rate of Return—1983

**+33.3%**



#### Objective: High Growth

Provides a convenient way for investors to capitalize on the growth of the dynamic Japanese economy.

**\$10,000 Investment**

made Dec. 31, 1973 worth

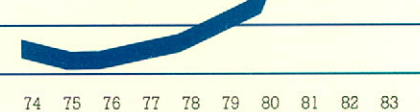
**\$55,356** as at Dec. 31, 1983

### CORPORATE INVESTORS LIMITED\*

Annual Compound  
Rate of Return—1983

**+28.3%**

\*Qualifies for RRSP, RHOSP



#### Objective: Income and Moderate Growth

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

**\$10,000 Investment**

made Dec. 31, 1973 worth

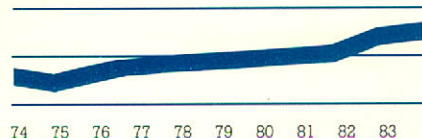
**\$26,387** as at Dec. 31, 1983

### CANADIAN TRUSTEED INCOME FUND\*

Annual Compound  
Rate of Return—1983

**+12.6%**

\*Qualifies for RRSP, RHOSP



#### Objective: Fixed Income

A high quality income fund, investing primarily in government and corporate top quality bonds.

**\$10,000 Investment**

made Dec. 31, 1973 worth

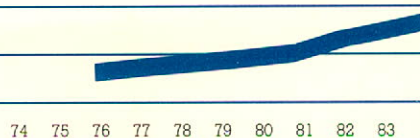
**\$23,280** as at Dec. 31, 1983

### AGF MONEY MARKET FUND\*

Annual Compound  
Rate of Return—1983

**+9.3%**

\*Qualifies for RRSP, RHOSP



#### Objective: High Income

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

**\$10,000 Investment**

made Dec. 31, 1975† worth

**\$23,900** as at Dec. 31, 1983

†Inception of fund

### AGF HiTECH FUND LIMITED

Established in 1983, this is the newest member of the AGF Family of Funds. Its objective is to seek superior capital growth by investing in companies involved with the development or application of high technologies. Recognizing that three of the most important centers of international research, science and technology today are the U.S.A., Japan and Canada, the Fund is directing its initial investment towards these countries while retaining the flexibility to invest wherever technological breakthroughs are occurring throughout the world.

# CONSOLIDATED BALANCE SHEET

## ASSETS

	November 30	
	1983	1982
Current assets:		
Cash and term deposits	\$ 847,084	\$ 1,164,650
Cash held in trust	1,016,394	949,265
Short-term investments, at cost (market value \$2,091,925; 1982—\$1,411,350)	2,091,925	1,411,350
Trading account securities—long, at approximate market value	81,282	49,417
Marketable securities (market value \$248,629; 1982—\$280,603)	193,236	264,222
Receivable for sales of mutual fund shares	11,235,413	11,019,919
Other accounts receivable and accrued income	869,855	574,849
Prepaid expenses	19,939	34,904
	16,355,128	15,468,576
Investments (Note 2)	2,903,743	1,377,073
Office furnishings, equipment and leasehold improvements, at cost less accumulated depreciation and amortization of \$861,240 (1982—\$787,241)	269,797	344,775
Deferred income tax charges	92,891	28,815
Other assets, at cost	172,190	172,190
Excess of cost of shares of subsidiary companies over book value at dates of acquisition (Note 3)	1,545,099	1,704,117
	\$21,338,848	\$19,095,546

APPROVED BY THE BOARD:

*C. W. F. Oldring*  
*- Alan A. Ayer*

Director

Director



**LIABILITIES AND SHAREHOLDERS' EQUITY**

	<b>November 30</b>	
	<b>1983</b>	<b>1982</b>
Current liabilities:		
Payable to mutual funds for purchases of shares	<b>\$12,135,988</b>	\$11,703,786
Accounts payable and accrued liabilities	<b>959,721</b>	757,716
Trading account securities—short, at approximate market value	<b>43,783</b>	195,364
Income taxes payable	<b>908,247</b>	167,731
Provision for foreign withholding taxes	<b>153,833</b>	124,191
	<b>14,201,572</b>	12,948,788
Warrant stabilization fund (Note 3)	<b>—</b>	164,418
Interest of minority shareholders in net assets of a subsidiary	<b>58,356</b>	88,973
Shareholders' equity:		
Capital stock (Note 4)—		
Authorized—		
2,667,119 Class B non-voting participating preference shares without par value		
240,000 common shares without par value		
Issued and outstanding—		
2,048,226 (1982—2,046,283) Class B shares	<b>1,688,962</b>	1,486,578
2,400 common shares	<b>40</b>	40
	<b>1,689,002</b>	1,486,618
Retained earnings	<b>5,389,918</b>	4,406,749
	<b>7,078,920</b>	5,893,367
	<b>\$21,338,848</b>	\$19,095,546

# CONSOLIDATED STATEMENT OF INCOME

	Year ended November 30	
	1983	1982
Revenue:		
Commissions	\$ 7,727,415	\$3,839,927
Management fees	5,698,748	3,826,600
Administration fees and other revenue	1,914,153	1,888,179
	15,340,316	9,554,706
Expenses:		
Commissions	5,473,208	2,749,135
Selling, general and administrative	5,249,397	4,103,585
Depreciation and amortization	73,999	84,144
	10,796,604	6,936,864
	4,543,712	2,617,842
Income taxes (Note 5):		
Current, including foreign withholding taxes	2,209,999	1,185,236
Deferred	(64,076)	(9,888)
	2,145,923	1,175,348
Income before minority interest	2,397,789	1,442,494
Interest of minority shareholders in earnings of a subsidiary	(69,574)	(41,932)
Net income before extraordinary items	2,328,215	1,400,562
Extraordinary items:		
Reduction of income taxes arising from the carry forward of prior years' losses	6,860	22,754
Write-down of investment, (net of tax of \$83,215)	—	(136,104)
	6,860	(113,350)
Net income for the year	\$ 2,335,075	\$1,287,212
Net income per share (Note 6)	\$1.14	63¢



# **CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

	<b>Year ended November 30</b>	
	<b>1983</b>	<b>1982</b>
Working capital provided:		
From operations—		
Net income before extraordinary items	<b>\$2,328,215</b>	\$1,400,562
Add (deduct) charges (credits) not affecting working capital—		
Depreciation and amortization	<b>73,999</b>	84,144
Deferred income taxes	<b>(64,076)</b>	(9,888)
Write-down of investments	<b>159,999</b>	—
Income taxes not payable due to tax losses carried forward	<b>6,860</b>	94,176
Interest of minority shareholders in earnings of a subsidiary	<b>69,574</b>	41,932
Equity earnings from investments	<b>(305,225)</b>	(200,743)
	<b>2,269,346</b>	1,410,183
Issuance of Class B non-voting preference shares under stock dividend plan	<b>219,777</b>	35,829
	<b>2,489,123</b>	1,446,012
Working capital applied:		
Increase in investments	<b>1,381,444</b>	475,570
Purchase of office furnishings, equipment and leasehold improvements (net)	<b>(979)</b>	112,640
Dividends paid	<b>1,147,424</b>	1,146,536
Class B non-voting preference shares purchased for cancellation	<b>221,875</b>	57,748
Other	<b>105,591</b>	66,180
	<b>2,855,355</b>	1,858,674
Decrease in working capital (Note 8)	<b>(366,232)</b>	(412,662)
Working capital at beginning of year	<b>2,519,788</b>	2,932,450
Working capital at end of year	<b>\$2,153,556</b>	\$2,519,788

# CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Year ended November 30	
	1983	1982
Retained earnings at beginning of year	\$4,406,749	\$4,316,226
Net income for the year	2,335,075	1,287,212
	6,741,824	5,603,438
Deduct:		
Dividends on Class B and common shares (56¢ per share; 1982—56¢)	1,147,424	1,146,536
Excess paid over stated value of shares purchased for cancellation	204,482	50,153
	1,351,906	1,196,689
Retained earnings at end of year	\$5,389,918	\$4,406,749

## 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, 1983 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, 1983 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 13, 1984



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOVEMBER 30, 1983

### 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 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-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 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. Consolidated income for 1983 and 1982 have been charged with withholding taxes of \$29,642 and \$9,266 respectively.

#### Income taxes—

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

### 2. Investments:

	November 30 1983	1982
Investment in First Choice Canadian Communications Corporation Limited, at cost	\$1,847,713	\$ 523,770
Shares of MFS Limited, at equity (representing a 20% interest)	977,642	642,642
Capital contribution to a partnership at equity (representing a 50% interest)	24,760	660
Other investments, at cost or written down value	53,628	210,001
	<b>\$2,903,743</b>	<b>\$1,377,073</b>

The Corporation's share of the net earnings of MFS Limited for the year ended November 30, 1983 amounted to \$335,000 (1982—\$237,355) and is included in revenue in the consolidated statement of income.

### 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 were to be used in stabilizing the warrant market and for assistance in the eventual elimination of such warrants. The warrant stabilization fund was not available for distribution to the shareholders of A.G.F. Management Limited.

During 1983, the warrant stabilization fund was eliminated by a credit to the "excess of cost of subsidiary companies over book value" with the agreement of the Ontario Securities Commission.

### 4. 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 20, 1984.

#### (b) Stock dividend plan—

By Articles of Amendment dated September 23, 1981 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. 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		Excess paid over stated value	
	Authorized	Issued	Amount	
Balance, December 1, 1982	2,689,419	2,046,283	\$1,486,578	\$ (50,153)
Issued through dividend re-investment plan	—	24,243	219,777	—
Purchased for cancellation	(22,300)	(22,300)	(17,393)	(204,482)
Balance, November 30, 1983	2,667,119	2,048,226	\$1,688,962	\$(254,635)

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 stock dividend plan.



## 5. Income taxes:

The 1983 and 1982 income tax provision is lower than prevailing tax rates because the statement of income includes certain non-taxable earnings.

As at November 30, 1983 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	
	1983	1982
Loss carry-forward represented by excess of undepreciated capital cost of fixed assets for income tax purposes over net book value	\$ 90,400	\$103,700
Amounts charged against income in the accounts not yet claimed for income tax purposes	33,300	33,300
	<b>\$123,700</b>	<b>\$137,000</b>

## 6. Earnings per share:

	Year ended November 30	
	1983	1982
Earnings per Class B and common share—		
Net income before extraordinary items	\$1.14	68¢
Extraordinary items	—	(5)
Net income for the year	<b>\$1.14</b>	<b>63¢</b>

## 7. Commitment and contingent liabilities:

### (a) Long-term lease commitment—

The Corporation 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 \$538,000.

### (b) Investments—

The Corporation 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	
	1983	1982
Increase (decrease) in current assets—		
Cash, term deposits and short-term investments	\$ 430,138	\$ 310,910
Accounts receivable	510,500	4,832,415
Trading account securities—long	31,865	(60,084)
Marketable securities	(70,986)	(225,000)
Prepaid expenses	(14,965)	(21,275)
	<b>886,552</b>	<b>4,836,966</b>
Increase (decrease) in current liabilities—		
Accounts payable and accrued liabilities	634,207	5,410,329
Trading account securities—short	(151,581)	134,068
Income taxes payable	740,516	(304,035)
Provision for foreign withholding taxes	29,642	9,266
	<b>1,252,784</b>	<b>5,249,628</b>
Decrease in working capital	<b>\$ (366,232)</b>	<b>\$ (412,662)</b>

## 9. Related party transactions:

### (a) Agreement with mutual funds—

The Corporation acts as manager for the following mutual funds:

AGF HiTech Fund Limited	Canadian Security
AGF Japan Fund Limited	Growth Fund Limited
AGF Money Market Fund	Canadian Trusteed
AGF Option Equity Fund	Income Fund
AGF Special Fund Limited	Corporate Investors,
American Growth Fund	Limited
Limited	Corporate Investors
Canadian Gas and	Stock Fund Limited
Energy 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 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, 1983, the Corporation earned \$5,641,045 from these management fees.

### (b) Agreement with MFS Limited—

The Corporation 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, 1983, charges incurred, which are settled on a monthly basis, were \$999,528 (1982—\$876,286) of which \$118,911 (1982—\$93,693) were borne by the Corporation and the balance by the various funds.

### (c) Short-term investments—

Short-term investments consist of 209,192 (1982—141,135) units of AGF Money Market Fund, an open-end mutual fund managed by the Corporation.



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Los Angeles, California 90014

*Stock Transfer Agent*  
Montreal Trust Company

*Stock Exchange Listing*  
Toronto: Stock symbol AGFM

*Auditors*  
Price Waterhouse  
Toronto, Ontario

**OFFICERS & DIRECTORS**

C.W. Goldring  
*Director, Chairman of the Board, President  
and Chief Executive Officer*

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

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

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

R.J. Whiting  
*Director and Vice-President*

W.A. Keyser  
*Director*

G.B. Sutherland  
*Director*

Y.C. Jerred, C.G.A.  
*Vice-President, Treasurer and  
Chief Financial Officer*

W.D. Cameron  
*Vice-President*

M.J. Turner  
*Secretary*



