UNITED CORPORATIONS LIMITED

ANNUAL REPORT

2017

UNITED CORPORATIONS LIMITED

THE FISCAL YEAR AT A GLANCE

Year ended March 31	2017	2016
Net equity value per Common Share [1]	**$ 132.32**	$ 120.66
Net investment income per Common Share [1]	**$ 1.92**	$ 2.13
Net income per Common Share	**$ 14.09**	$ 4.60
Cash dividends paid per Common Share		
Quarterly	**$ 0.80**	$ 0.80
Additional [2]	**$ 1.33**	$ 1.00
Net assets [3]	**$ 1,621,302**	$ 1,479,121
Net investment income [3]	**$ 23,936**	$ 26,345
Number of Common Shares outstanding at year end	**12,194,193**	12,194,193

1 See Management's Discussion and Analysis for Use of Non-GAAP measures.
2 This additional dividend represents the annual distribution of the prior year's annual net investment income after payment of Preferred Share dividends and after payment of quarterly dividends.
3 In thousands of Canadian dollars.

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at the St. Andrew's Club & Conference Centre, Caledonia Room, 150 King Street West, 27th Floor, Toronto, Ontario on Wednesday, June 21, 2017 at 11:30 a.m. All shareholders are invited to attend.

BOARD OF DIRECTORS

JACK S. DARVILLE
Corporate Director

DAVID J. DAWSON
Managing Director
Protiviti

DUNCAN N. R. JACKMAN
Chairman and President
United Corporations Limited

KIM SHANNON
President and Co-Chief Investment Officer
Sionna Investment Managers Inc.

JONATHAN SIMMONS
Chief Financial Officer
OMERS Administration Corporation

MARK M. TAYLOR
Corporate Director

MICHAEL J. WHITE
Chairman of the Board
Addenda Capital Inc.

DAVID R. WINGFIELD
Partner
Strosberg Sasso Sutts LLP

HONORARY DIRECTORS

J. CHRISTOPHER BARRON
Corporate Director

THE HONOURABLE HENRY N. R. JACKMAN
Honorary Chairman
The Empire Life Insurance Company

OFFICERS

DUNCAN N. R. JACKMAN
Chairman and President

SCOTT F. EWERT
Vice-President

RICHARD B. CARTY
Corporate Secretary

FRANK J. GLOSNEK
Treasurer

MANAGEMENT'S DISCUSSION AND ANALYSIS

This document has been prepared for the purpose of providing Management's Discussion and Analysis ("MD&A") of the financial position and results of operations for the years ended March 31, 2017 and 2016. This MD&A should be read in conjunction with the March 31, 2017 year-end financial statements of United Corporations Limited ("United" or the "Company") which form part of this Annual Report. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), as set out in the Handbook of the Chartered Professional Accountants of Canada. The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars.

This MD&A may contain certain forward-looking statements that are subject to risks and uncertainties that may cause the results or events mentioned in this discussion to differ materially from actual results or events. No assurance can be given that results, performance or achievement expressed in, or implied by, any forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

The Company

United is a closed-end investment corporation that trades on the Toronto Stock Exchange. United is an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed-income instruments or balanced funds. From time to time, however, assets of the Company may be invested in interest-bearing short-term securities pending the selection of suitable equity investments.

The Company has been a closed-end investment corporation since 1929 and has never bought back its Common Shares. The Common Shares have traded at a discount to their net asset value, ranging from a 40% discount to a 15% discount over the past 10 years. Management believes that shareholders who have invested in the Common Shares of the Company recognize that the Common Shares of the Company usually trade at a discount to their net asset value.

Closed-end investment corporations have the following benefits: they often allow investors the opportunity to purchase assets at a discounted price; they have management expense ratios which are generally much lower than those for actively-managed open-ended funds; and the management of a closed-end investment corporation's portfolio is not impacted by shareholder subscription or redemption activities.

United has no plans to become an open-ended investment fund.

The majority of the Company's investment portfolio is actively managed by Jarislowsky Fraser Limited ("Jarislowsky") and ValueInvest Asset Management S.A. ("ValueInvest"). Each of the managers has a global equity mandate. As of March 31, 2017, $768,470,000 (March 31, 2016 - $678,642,000) and $859,612,000 (March 31, 2016 - $796,173,000) of equity investments were managed by Jarislowsky and ValueInvest, respectively.

Jarislowsky is a global investment manager whose head office is in Montreal, Quebec, with offices in Toronto, Calgary, Vancouver, and New York. Jarislowsky selects investments using a long-term bottom-up investment philosophy, which is to purchase good companies with strong economics and management, whose shares are selling below Jarislowsky's estimate of intrinsic value. The portfolio normally consists of 45 - 75 investments and includes publicly-traded equity securities of companies outside Canada, with between 80% - 100% allocated to non-cyclical blue chip industry leaders with large capitalizations, and the balance allocated to cyclical smaller market capitalization companies. The target geographic ranges expressed as a percentage of the portfolio are generally U.S. equities 30% - 70%; international equities 30% - 70%; and emerging markets 0% - 10%.

ValueInvest is a global investment manager whose head office is in the Grand Duchy of Luxembourg. ValueInvest provides portfolio advisory services to Canadian clients through Pier 21 Asset Management Inc., a registered portfolio manager based in Montreal, Quebec. ValueInvest's investment objective is to provide long-term growth primarily through capital appreciation, by investing in a portfolio of common stocks and equivalent securities of major companies around the world. The investment philosophy rests on its core conviction that long-term preservation and accumulation of wealth can best be achieved through a combination of attractive valuations and thorough assessment of the quality of the businesses. There is no target geographic mix for the portfolio. The portfolio normally consists of 30 - 80 companies.

The Company also has a long-term investment in Algoma Central Corporation ("Algoma"), a public shipping company. Algoma is a related party and is a reporting issuer which trades on the Toronto Stock Exchange with a profile on SEDAR. The investment in Algoma is consistent with the Company's investment strategy and contributes to achieving the investment objective of the Company.

Investment Strategy

The objective of the Company is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term.

The investment portfolio of the Company comprises primarily foreign equities. Net equity value and net investment income may vary significantly from period to period depending on the economic environment and market conditions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Use of Non-GAAP Measures

This MD&A contains references to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meanings in generally accepted accounting principles ("GAAP") and therefore may not be comparable to similar measures presented by other companies. Canadian GAAP is IFRS for these financial statements. The Company believes that these measures provide information useful to our shareholders in evaluating the Company's financial results.

Net equity value per Common Share is used by investors and management as a comparison to the market price of its Common Shares to determine the discount or premium at which the Company's Common Shares are trading, relative to the net equity value per Common Share. In order to determine its net equity value per Common Share, the Company deducts the cost of redemption of its Preferred Shares from its net assets.

Net investment income per Common Share is used by investors and management to assess the approximate amount of dividends to be distributed on Common Shares. In order to determine its net investment income per Common Share, the Company deducts the dividends paid and accrued on its Preferred Shares.

Net equity value per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	March 31 2017	March 31 2016
Net assets	**$ 1,621,302**	$ 1,479,121
Deduct:		
Cost of redemption		
First Preferred Shares	**1,567**	1,567
1959 and 1963 Series Second Preferred Shares	**6,180**	6,180
	7,747	7,747
Net equity value	**$ 1,613,555**	$ 1,471,374
Common Shares outstanding	**12,194,193**	12,194,193
Net equity value per Common Share	**$ 132.32**	$ 120.66

Net investment income per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	Three months ended March 31		Year ended March 31	
	2017	2016	**2017**	2016
Net income (loss)	**$ 75,146**	$ (60,699)	**$ 172,286**	$ 56,498
Add (deduct):				
Fair value change in investments	**(80,633)**	75,546	**(171,008)**	(34,758)
Tax on fair value change in investments	**10,683**	(10,010)	**22,658**	4,605
Net investment income [1]	**5,196**	4,837	**23,936**	26,345
Deduct: Dividends paid and accrued on Preferred Shares	**189**	94	**473**	378
Net investment income, net of dividends paid on Preferred Shares [1]	**$ 5,007**	$ 4,743	**$ 23,463**	$ 25,967
Common Shares outstanding	**12,194,193**	12,194,193	**12,194,193**	12,194,193
Net investment income per Common Share [1]	**$ 0.41**	$ 0.39	**$ 1.92**	$ 2.13

[1] On an after-tax basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to $132.32 at March 31, 2017 from $120.66 at the prior year end. With dividends reinvested at month-end net equity values, the net equity value return was 11.6% in fiscal 2017, compared to a return of 4.0% in fiscal 2016.

During the current fiscal year the investments managed by ValueInvest had a pre-tax total return of 10.5%, whereas the investments managed by Jarislowsky had a pre-tax total return of 18.0%.

As the Company is a taxable Canadian corporation, the Company's net equity value is net of a provision for income taxes on net investment income and net realized gains on investments, and net of a deferred income tax provision on its change in unrealized appreciation of investments.

In Canadian dollar terms, total returns (capital gains plus dividends) for stock market indices, were as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
	(%)	
MSCI World Index	18.6	(0.7)
S&P 500 Index	20.4	4.1
S&P/TSX Composite Index	18.6	(6.6)

Growth in Net Equity Value ("NAV")

Set out below is a table that shows annual growth in NAV in each of the past 10 years:

Annual growth in NAV*

	NAV per Common Share	Annual Growth
		(%)
2008	$ 77.18	(9.4)
2009	54.81	(28.1)
2010	67.33	24.4
2011	71.82	7.9
2012	72.32	1.9
2013	82.03	15.7
2014	99.50	23.2
2015	117.86	20.2
2016	120.66	4.0
2017	132.32	11.6

Compound annual growth*

2008 - 2017 - 10 years		5.9

*This chart was drawn from the individual annual reports and any NAV amounts prior to 2014 have not been restated for any subsequent changes in accounting policies.

Operating Results - Fiscal 2017

Net Income

The Company's net income for fiscal 2017 was $172,286,000 compared to net income of $56,498,000 in the prior year. On a per Common Share basis, net income increased to $14.09 from $4.60 in the prior year.

Fair value change in investments for the portfolio increased to $171,008,000 for the current fiscal year compared to a fair value change in investments of $34,758,000 for the prior year. Fair value gains in North American of $97,435,000, $32,587,000 in Europe, $24,672,000 in Asia, $13,930,000 in the United Kingdom and $2,838,000 in Australia were offset by fair value losses of $454,000 in Mexico.

The significant contributors to the investment performance for the current fiscal included G4S plc, Microsoft Corporation and Computer Sciences Corporation with fair value investment gains of $8,701,000, $8,207,000 and $7,667,000 respectively. The largest detractors were Hormel Foods Corporation, Staples Inc., and Orange S.A. with fair value investment losses of $5,871,000, $3,342,000 and $2,561,000 respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results - Fiscal 2017 (continued)

The net realized gain was $79,455,000 for the current fiscal year compared to $85,656,000 for the prior year. The largest contributors to the net realized gain during fiscal 2017 were from sales of Computer Sciences Corporation, Adidas AG, Koninklijke Ahold Delhaize NV, and FamilyMart Co., Ltd. partly offset by a net realized loss in Standard Chartered plc.

Net investment income

The Company's net investment income for fiscal 2017 decreased to $23,936,000 compared to $26,345,000 for the prior year. On a per Common Share basis, net investment income decreased to $1.92 in 2017 compared to $2.13 in 2016.

During the year, foreign dividend income decreased to $38,716,000 from $42,597,000 in fiscal 2016. The decrease year over year is attributed mainly to $4,530,000 of special dividends received during the prior year from Kraft Foods Group, Inc. prior to its merger with H.J. Heinz Company, and from the merger of Computer Sciences Corporation and CSRA Inc. Excluding the prior year's special dividends, foreign dividend income increased by $449,000.

Interest and securities lending income increased to $666,000 compared to $543,000 in the prior year.

Expenses of the Company for the year increased to $8,375,000 compared to $7,913,000 in the prior year. The majority of the increase relates primarily to an increase in investment management and administrative costs resulting from a higher investment portfolio compared to the prior year. Office and miscellaneous expenses include additional stock exchange filing fees. The Company's management expense ratio ("MER") increased in fiscal 2017 to 0.55% of average net assets versus 0.54% in the prior year.

The effective tax rate for United is impacted by the amount of investment gains, which are subject to a lower tax rate. The Company's effective income tax rate decreased during the year by 5.3% due primarily to the higher proportion of fair value change in investments in the current year compared to the prior year.

Operating Results - Fourth Quarter, Fiscal 2017

The Company's net equity value per Common Share increased to $132.32 at March 31, 2017 from $126.67 at December 31, 2016. With dividends reinvested at month-end net equity values, the Company's net equity value return was 4.6% in the fourth quarter of fiscal 2017. On a pre-tax basis, ValueInvest's return for the quarter was 5.5% and Jarislowsky's return was 5.6%. Positive contributors to the investment performance for the fourth quarter included G4S plc, Kimberly Clark Corporation, and The Clorox Company. During the fourth quarter, the largest detractor to the portfolio was General Mills, Inc.

In Canadian dollar terms, in the fourth quarter of fiscal 2017 total returns for stock market indices were MSCI World Index 5.7%, S&P 500 Index 5.3% and S&P/TSX Composite Index 2.4%.

Three-Year Results

A summary of various financial data for each of the last three fiscal years is as follows (in thousands of dollars, except per share amounts):

	2017	2016	2015
Fair value change in investments [1]	**$ 148,350**	$ 30,153	$ 220,599
Fair value change in investments per Common Share [1]	**12.17**	2.47	18.09
Total assets	**1,697,170**	1,541,262	1,522,959
Net investment income [1]	**23,936**	26,345	22,349
Net investment income per Common Share [1]	**1.92**	2.13	1.80
Cash dividends paid per Common Share:			
Quarterly	**0.80**	0.80	0.80
Additional	**1.33**	1.00	0.73
Cash dividends paid per Preferred Share	**1.50**	1.50	1.50

[1] On an after-tax basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three-Year Results (continued)

United's investment portfolio is affected by equity markets, stock selection and currency movements. In fiscal years 2017 and 2015, the performance of United was favourably affected by strong investment returns in global equity markets. In fiscal 2016, the performance of United was affected by reduced fair value gains in its global equity investments relative to fiscal years 2017 and 2015.

The fluctuations in net investment income are due primarily to changes in dividend income that is earned by the Company, net of management fees, and due to the receipt of special dividends that occur from time to time. Dividend income is determined by the dividend policies of the corporations that are held as investments in the total investment portfolio.

Quarterly Review - Fiscal 2017 and 2016

The following tables summarize various financial results on a quarterly basis for the current and prior fiscal years:

	2017 Fiscal Year			
	Quarter ended			
	June 30	**Sept. 30**	**Dec. 31**	**Mar. 31**
	(in thousands of dollars, except per share amounts)			
Investments	**$ 1,525,816**	**$ 1,582,130**	**$ 1,589,654**	**$ 1,673,802**
Net investment income [1,2]	**11,144**	**3,897**	**3,699**	**5,196**
Fair value change in investments [2]	**18,421**	**53,778**	**6,201**	**69,950**
Per Common Share:				
Net investment income [1,2]	**$ 0.91**	**$ 0.31**	**$ 0.29**	**$ 0.41**
Fair value change in investments [2]	**1.51**	**4.41**	**0.51**	**5.74**
Net income	**$ 2.42**	**$ 4.72**	**$ 0.80**	**$ 6.15**

	2016 Fiscal Year			
	Quarter ended			
	June 30	Sept. 30	Dec. 31	Mar. 31
	(in thousands of dollars, except per share amounts)			
Investments	$ 1,451,038	$ 1,454,582	$ 1,590,388	$ 1,519,665
Net investment income [1,2]	10,999	6,076	4,433	4,837
Fair value change in investments [2]	(27,678)	7,322	116,045	(65,536)
Per Common Share:				
Net investment income [1,2]	$ 0.89	$ 0.49	$ 0.36	$ 0.39
Fair value change in investments [2]	(2.27)	0.61	9.51	(5.38)
Net income	$ (1.38)	$ 1.10	$ 9.87	$ (4.99)

1 The net investment income per Common Share is net of dividends on Preferred Shares during the period.

2 On an after-tax basis.

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay regular quarterly dividends, investments outside of North America often pay less frequently. In general, dividends earned on investments outside of North America peak in the first quarter of the fiscal year. From time to time, the Company receives additional one-time dividends arising from significant corporate transactions. There is no guarantee that the Company will receive dividend income on its investments at current dividend payout levels.

Overall returns are determined by the performance of the investment managers of the portfolio and may fluctuate significantly as illustrated by the past eight quarters. The returns generated by the investment managers may not correlate with benchmark returns.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian securities laws is recorded, processed, summarized and reported within the specified time periods, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management on a timely basis to allow appropriate decisions regarding public disclosure. Under the supervision of management, an evaluation was carried out on the effectiveness of the Company's disclosure controls and procedures as of March 31, 2017. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at March 31, 2017.

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Under the supervision of management, an evaluation of the Company's internal control over financial reporting was carried out as at March 31, 2017. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2017. No changes were made in the Company's internal control over financial reporting during the year ended March 31, 2017, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risks

As the Company is a closed-end investment corporation, United faces various risks arising from its investments. Under the supervision of the Board of Directors, management has developed policies to identify and monitor these risks. Note 4 to the March 31, 2017 financial statements provide disclosures surrounding risks arising from its financial instruments. These risks include market, liquidity, and credit risks.

Market risk

The most significant risk that is faced by United is market risk which represents exposures to changes in the fair value of its investment portfolio. As the Company's investment portfolio is represented by primarily global equities, the value of its investments will vary from day to day depending on a number of market factors including economic conditions, global events, market news, and the performance of the issuers of the securities in which the Company invests. Changes in foreign currency exchange rates will also affect the value of investments of non-Canadian dollar securities. As of March 31, 2017, 52% (2016 – 51%) of the investment portfolio including cash and cash equivalents was denominated in U.S. dollars, 19% (2016 – 21%) in Euros, 11% (2016 – 11%) in Japanese yen, 7% (2016 – 6%) in Swiss francs, and 5% (2016 – 5%) in British pounds.

Credit risk

United participates in securities lending which could expose the Company to the risk of counterparty failure. RBC Investor Services Trust ("RBC IS"), the Company's custodian, acts as lending agent. RBC IS is responsible to return the borrowed securities to the Company when required, and RBC IS indemnifies the Company in the event of borrower default. The Company has recourse to the Royal Bank of Canada in the event of a failure by RBC IS to discharge its obligations to the Company.

The Company's exposure to risks is also addressed in the Company's Annual Information Form.

Share Data

As at March 31, 2017, the following shares were issued and outstanding: 52,237 First Preferred Shares, 80,290 1959 Series Second Preferred Shares, 119,710 1963 Series Second Preferred Shares and 12,194,193 Common Shares.

Liquidity and Capital Resources

The Company's dividend policy is to distribute annual net investment income, after payment of Preferred Share dividends, in the form of Common Share dividends.

The Company pays quarterly dividends on its Common and Preferred Shares in February, May, August and November of each year with an additional Common Share dividend representing the balance of net investment income for the previous fiscal year. During the 2017 fiscal year the Company paid a quarterly dividend of $0.20 per Common Share and $0.375 per Preferred Share.

On June 30, 2016, the Company paid an additional cash dividend of $1.33 per Common Share. An additional dividend of $1.12 per Common Share payable in the first quarter of fiscal 2018 was declared by the Board of Directors on May 8, 2017.

On February 7, 2017, the Board of Directors approved an increase in the quarterly dividend for Common Shares, from the long-standing rate of $0.20 per Common Share to $0.30 per Common Share with effect from the dividend payable May 15, 2017.

The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Related Party Information

Included in the Company's Schedule of Investment Portfolio is Algoma, a related party, with a fair value at March 31, 2017 of $45,720,000 (2016 - $44,850,000). Dividend income from Algoma for the fiscal year ended March 31, 2017 amounted to $1,015,000 (2016 - $1,015,000).

E-L Financial holds a 51.8% (2016 - 51.5%) interest in the Company. Included in investment management and administrative costs are fees for administrative services paid to E-L Financial. These fees are calculated at 0.1% per annum of the fair value of the investments managed by the external investment managers and are paid monthly. The total fees for the year ended March 31, 2017 amounted to $1,732,000 (2016 - $1,675,000).

The ultimate controlling party of the Company and these related parties is The Honourable Henry N. R Jackman together with a trust created in 1969 by his father, Henry R. Jackman.

Critical Accounting Estimates

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets, liabilities and earnings. Note 2 to the financial statements describes the significant accounting policies and note 3 contains critical accounting estimates and judgments.

Future Accounting Changes

In July 2014 the IASB published the complete version of IFRS 9 - "Financial Instruments" which is effective for annual periods beginning on or after January 1, 2018, with retrospective application. The new standard includes requirements on the classification and measurement of financial assets and liabilities. The Company is currently evaluating the impact, if any, of IFRS 9 on its financial statements.

Additional Information

Additional information relating to United, including the Company's Annual Information Form, is available at www.sedar.com.

United's website, www.ucorp.ca, also provides further information on the Company, including historical information on the net equity value per Common Share which is updated weekly.

Duncan N.R. Jackman

Duncan N.R. Jackman
Chairman and President
May 8, 2017

FINANCIAL HIGHLIGHTS

For each of the years in the five-year period ended March 31, 2017:

	IFRS				Previous Canadian GAAP
DATA PER COMMON SHARE	**2017**	2016	2015	2014	2013
NET EQUITY VALUE, beginning of year [1]	**$ 120.66**	$ 117.86	$ 99.50	$ 82.06	$ 72.32
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income [2, 3]	**1.92**	2.13	1.80	1.53	1.43
Fair value change in investments [3]	**12.17**	2.47	18.09	17.34	9.69
	14.09	4.60	19.89	18.87	11.12
DIVIDENDS TO COMMON SHAREHOLDERS					
Quarterly [4]	**(1.10)**	(0.80)	(0.80)	(0.80)	(0.80)
Additional	**(1.33)**	(1.00)	(0.73)	(0.63)	(0.63)
	(2.43)	(1.80)	(1.53)	(1.43)	(1.43)
TAXATION CHANGES					
Net decrease in refundable dividend taxes on hand	**—**	—	—	—	0.02
NET EQUITY VALUE, end of year	**$ 132.32**	$ 120.66	$ 117.86	$ 99.50	$ 82.03

[1] The net equity value at the beginning of fiscal 2014 reflects changes arising from the first-time adoption of IFRS.

[2] Net investment income per Common Share is a Non-GAAP measure. See Management's Discussion and Analysis on page 4.

[3] On an after-tax basis.

[4] The quarterly Common shareholder dividend for fiscal 2017 includes $0.30 of declared dividends payable in fiscal 2018.

MANAGEMENT'S REPORT

The accompanying financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Company are described in Note 2 to the financial statements. Financial information disclosed elsewhere in the Annual Report is consistent with the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Board of Directors carries out its responsibilities principally through its Audit Committee. The Audit Committee reviews the financial statements, the adequacy of internal controls, the audit process and financial reporting with management and the external auditors prior to recommending the audited financial statements and related disclosure for approval by the Board of Directors.

The shareholders of the Company appointed the external auditor, PricewaterhouseCoopers LLP. The external auditor audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Its report is set out on the following page.

Duncan N.R. Jackman
Chairman and President
May 8, 2017

Frank J. Glosnek
Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
United Corporations Limited:

We have audited the accompanying financial statements of United Corporations Limited, which comprise the statements of net assets as at March 31, 2017 and 2016 and the statements of income, changes in shareholders' equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Corporations Limited as at March 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

May 8, 2017
Toronto, Canada

Chartered Professional Accountants, Licensed Public Accountants

STATEMENTS OF NET ASSETS

	March 31 2017	March 31 2016
	(000's)	
ASSETS		
Cash and cash equivalents (Note 6)	**$ 17,938**	$ 17,187
Investments (Notes 4 and 11)	**1,673,802**	1,519,665
Dividends and interest receivable	**2,763**	2,453
Other assets	**2,667**	1,957
	1,697,170	1,541,262
LIABILITIES		
Accrued expenses	**964**	916
Income taxes payable	**1,478**	3,701
Dividends payable (Note 10)	**3,753**	—
Deferred tax liabilities (Note 7)	**69,673**	57,524
	75,868	62,141
NET ASSETS	**$ 1,621,302**	$ 1,479,121
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	**$ 541,000**	$ 541,000
Retained earnings	**1,080,302**	938,121
TOTAL SHAREHOLDERS' EQUITY	**$ 1,621,302**	$ 1,479,121

APPROVED BY THE BOARD

DUNCAN N.R. JACKMAN
Director

MICHAEL J. WHITE
Director

(See accompanying notes)

STATEMENTS OF INCOME

	Year ended March 31	
	2017	2016
	(000's)	
INCOME		
Dividends		
Foreign	**$ 38,716**	$ 42,597
Canadian (Note 11)	**1,015**	1,015
	39,731	43,612
Interest and securities lending income	**666**	543
Fair value change in investments (Note 8)	**171,008**	34,758
	211,405	78,913
EXPENSES		
Investment management and administrative costs (Note 11)	**7,011**	6,729
Transfer, registrar and custody fees	**480**	508
Office and miscellaneous	**425**	250
Directors' and officer's remuneration	**379**	361
Professional fees	**80**	65
	8,375	7,913
INCOME BEFORE INCOME TAXES	**203,030**	71,000
Provision for income taxes (Note 7)	**30,744**	14,502
NET INCOME	**$ 172,286**	$ 56,498
EARNINGS PER COMMON SHARE BASIC AND DILUTED (Note 12)	**$ 14.09**	$ 4.60

(See accompanying notes)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Retained Earnings	Total
		(000's)	
At April 1, 2016	**$ 541,000**	**$ 938,121**	**$1,479,121**
Net income for the year	**—**	**172,286**	**172,286**
Dividends (Note 10)			
First Preferred Shares	**—**	**(98)**	**(98)**
Second Preferred Shares	**—**	**(375)**	**(375)**
Common Shares	**—**	**(29,632)**	**(29,632)**
At March 31, 2017	**$ 541,000**	**$1,080,302**	**$1,621,302**

At April 1, 2015	$ 541,000	$ 903,951	$1,444,951
Net income for the year	—	56,498	56,498
Dividends (Note 10)			
First Preferred Shares	—	(78)	(78)
Second Preferred Shares	—	(300)	(300)
Common Shares	—	(21,950)	(21,950)
At March 31, 2016	$ 541,000	$ 938,121	$1,479,121

(See accompanying notes)

STATEMENTS OF CASH FLOWS

	Year ended March 31	
	2017	2016
	(000's)	
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income	**$ 172,286**	$ 56,498
Adjustments for:		
Fair value change in investments	**(171,008)**	(34,758)
Purchases of investments	**(244,042)**	(313,189)
Proceeds from sale of investments	**260,912**	310,254
Dividends and interest receivable	**(310)**	233
Deferred taxes	**12,149**	(7,478)
Net change in other assets and liabilities	**(2,884)**	1,869
	27,103	13,429
Financing		
Dividends paid to shareholders	**(26,352)**	(22,328)
Net increase (decrease) in cash and cash equivalents	**751**	(8,899)
Cash and cash equivalents at beginning of the year	**17,187**	26,086
Cash and cash equivalents at end of the year (Note 6)	**$ 17,938**	$ 17,187
Additional information for operating activities:		
Interest received	**$ 76**	$ 35
Dividends received, net of withholding taxes	**33,666**	37,823

(See accompanying notes)

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

1. Description of business

United Corporations Limited ("United" or the "Company") is a closed-end investment corporation. The head office, principal address and registered office of the Company is located at 165 University Avenue, Toronto, Ontario, M5H 3B8.

United trades on the Toronto Stock Exchange under the symbols UNC, UNC.PR.A, UNC. PR.B and UNC.PR.C. United is an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed-income instruments or balanced funds. From time to time, however, assets of the Company may be invested in interest-bearing short-term securities pending the selection of suitable equity investments.

The financial statements are presented in Canadian dollars which is the functional and presentation currency. These financial statements were approved by the Company's Board of Directors on May 8, 2017.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The Company has consistently applied the accounting policies throughout all periods presented.

Financial instruments

The Company recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Company's investments are measured at fair value through profit or loss ("FVTPL"). All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

Interest income from short-term investments is recognized at the effective interest rate. Dividends are recognized as income on the ex-dividend date. The cost of investments is determined using the average cost method.

Purchases and sales of financial assets are recognized at their trade date. Receivables in respect to investments sold and payables in respect to investments purchased represent unsettled investment transactions.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the last traded market price where this price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to financial assets and liabilities are included within "Net realized gain" and "Change in unrealized appreciation", as presented as a component of the "Fair value change in investments" in the statement of income.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short term, highly liquid instruments with maturities of three months or less from the date of acquisition.

Securities lending income

Securities lending income is recognized as earned.

Comprehensive income

The Company does not have any other comprehensive income and therefore comprehensive income equals net income which it reports in its statement of income.

Earnings per Common share ("EPS")

Basic and diluted EPS is calculated by dividing the net income, less preferred dividends, by the weighted average number of Common Shares outstanding for the period. Refer to Note 12 for the calculation.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

2. Summary of significant accounting policies (continued)

Income taxes

Income tax comprises both current and deferred tax. Income tax is recognized in the statement of income.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and liabilities are recorded for the expected future income tax consequences of events that have been reflected in the statements or income tax returns.

Deferred income taxes are provided for using the liability method. Under the liability method, deferred income taxes are recognized for all significant temporary differences between the tax and financial statement bases for assets and liabilities and for certain carry-forward items.

Deferred income tax assets are recognized only to the extent that, in the opinion of management, it is probable that the deferred income tax assets will be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates, on the date of the enactment or substantive enactment.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

The Company is also subject to a special tax of up to 38 1/3% on taxable dividends received from corporations resident in Canada. This tax is refundable on payment of taxable dividends to shareholders at the rate of 38 1/3% of such dividends paid.

The Company currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded on a gross basis and the related withholding taxes are reflected within the “Provision for income taxes” in the statement of income.

Future Accounting Changes

In July 2014 the IASB published the complete version of IFRS 9 - “Financial Instruments” which is effective for annual periods beginning on or after January 1, 2018, with retrospective application. The new standard includes requirements on the classification and measurement of financial assets and liabilities. The Company is currently evaluating the impact, if any, of IFRS 9 on its financial statements.

3. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Company has made in preparing the financial statements:

Classification and measurement of investments

In classifying and measuring financial instruments held by the Company, the Company is required to make significant judgments about whether or not the business of the Company is to invest on a total return basis for the purpose of applying the fair value option for financial assets. The most significant judgment made includes the determination that the Company can apply the fair value option to its investments.

Deferred taxes

Estimates and assumptions are used primarily in the determination of the Company’s deferred tax liabilities, as the income tax rates used in determining the liability is dependent on an assumption as to when a deferred tax liability is expected to be realized.

4. Risks associated with financial instruments

The Company faces various risks arising from its financial instruments. Under the supervision of the Board of Directors, management has developed policies to identify, measure and monitor these risks. These risks and their management are described below:

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

4. Risks associated with financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company has a securities lending agreement with its custodian, RBC Investor Services Trust ("RBC IS"), whereby RBC IS lends securities to borrowers for a fee, which is shared with the Company. RBC IS receives fixed income and equities as collateral from borrowers, of at least 105% of the value of the securities loaned. In the event that the loaned securities are not returned to the Company by the borrower, RBC IS is responsible to restore the securities or pay to the Company the market value of the loaned securities. If the collateral is not adequate to pay the market value to the Company, RBC IS indemnifies the Company for the difference. The Company has recourse to the Royal Bank of Canada should RBC IS fail to discharge its obligations to the Company. At March 31, 2017 the Company had loaned securities with a fair value of approximately $529,781,000 (2016 - $446,015,000) and received approximately $556,270,000 (2016 - $468,378,000) in collateral. There was no significant exposure to credit risk to other receivable balances because of their short-term nature.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Sufficient liquidity is maintained by regular monitoring of cash flow requirements. All liabilities, other than deferred tax liabilities, settle within three months of the year end.

Market risk

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

The Company is not subject to significant interest rate risk, as its only fixed-interest investments are short term in nature.

Currency risk arises from financial instruments denominated in foreign currencies. IFRS 7 - "Financial Instrument Disclosures" considers the foreign exchange exposures relating to non-monetary financial instruments to be a component of other price risk. The Company's geographical distribution of underlying currency risk exposure of investments is as follows:

	2017	2016
	(000's)	
United States	**$ 811,648**	$ 744,828
Europe	**463,896**	432,167
Asia	**199,532**	176,128
United Kingdom	**121,551**	86,828
Canada	**45,720**	44,850
Australia	**23,654**	26,528
Mexico	**7,801**	8,336
	$ 1,673,802	$ 1,519,665

The Company is exposed to other price risk through its investment in equity securities. These risks are mitigated by investing in a diversified portfolio of securities.

A 10% fluctuation in global equity market prices, assuming all other factors are constant, would have an after-tax impact of approximately $145,202,000 (2016 - $131,831,000) on net income.

5. Financial instruments

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

At March 31, 2017 and March 31, 2016, all of the Company's equity investments were Level 1 investments. There were no transfers between Level 1, 2 or 3 equity investments during the current or prior year.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

5. Financial instruments (continued)

The fair value change in financial instruments at FVTPL by category for the year ended March 31, 2017 included $171,008,000 (2016 - $34,758,000) of net gains on financial assets at FVTPL.

All cash equivalents at the year end and the prior year end are Level 2 investments. The carrying values of cash, dividends and interest receivable, other assets, accrued expenses, and income taxes payable approximate their fair values due to their short-term nature.

6. Cash and cash equivalents

Components of cash and cash equivalents for purposes of the statements of cash flows are as follows:

	2017	2016
	(000's)	
Cash	**$ 9,175**	$ 13,071
Cash equivalents	**8,763**	4,116
	$ 17,938	$ 17,187

The following table presents cash and cash equivalents classified by the fair value hierarchy:

	Level 1	Level 2	Level 3	Total fair value
		(000's)		
March 31, 2017	**$ 9,175**	**$ 8,763**	**$ —**	**$ 17,938**
March 31, 2016	13,071	4,116	—	17,187

7. Income taxes

The Company is a public corporation under the Income Tax Act and is subject to tax at normal corporate rates on its net realized gains (Note 9) and on investment income other than taxable dividends received from corporations resident in Canada. Income taxes are assessed on net income before income taxes. The current enacted corporate tax rates as they impact the Company in fiscal 2017 stand at 26.5% (2016 – 26.5%). The effective tax rate varies from the combined statutory rate as follows:

	2017	2016
	(000's)	
Income taxes at statutory rate	**$ 53,803**	$ 18,815
Variance as a result of:		
Non-taxable portion of fair value change in investments	**(22,659)**	(4,605)
Tax-paid dividends	**(269)**	(269)
Other	**(131)**	561
Provision for income taxes	**$ 30,744**	$ 14,502

The Company's provision for income taxes includes provisions for current and deferred income taxes as follows:

	2017	2016
	(000's)	
Current	**$ 18,595**	$ 21,980
Deferred	**12,149**	(7,478)
Provision for income taxes	**$ 30,744**	$ 14,502

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

7. Income taxes (continued)

Deferred tax liabilities arise primarily from differences between the carrying value and the tax cost of the investments as well as from the timing of the inclusion of accrued dividends for income tax purposes. Details of the deferred tax liabilities as at March 31 are as follows:

	2017	2016
	(000's)	
Unrealized appreciation of investments	**$ 68,941**	$ 56,874
Accrued dividends	**732**	650
Deferred tax liabilities	**$ 69,673**	$ 57,524

Of the above total, $68,941,000 (2016 - $56,874,000) is expected to be paid more than one year after the reporting date.

Deferred tax expense included in net income represents movements related to the following items:

	2017	2016
	(000's)	
Investments	**$ 12,067**	$ (7,417)
Accrued dividends	**82**	(61)
Deferred tax liabilities	**$ 12,149**	$ (7,478)

During the year ended March 31, 2017, the Company paid tax instalments and assessments totaling $15,800,000 (2016 - $13,550,000) and received income tax refunds totaling $29,000 (2016 - $58,000). These items are classified as cash flows from operating activities in the cash flow statement.

8. Fair value change in investments

The fair value change in investments is comprised as follows:

	2017	2016
	(000's)	
Net realized gain	**$ 79,455**	$ 85,656
Change in unrealized appreciation	**91,553**	(50,898)
	$ 171,008	$ 34,758

9. Net realized gain

The following are the details of the net realized gain for the years ended March 31:

	2017	2016
	(000's)	
Proceeds on sales of investments	**$ 260,912**	$ 310,254
Cost of investments, beginning of the year	**1,091,446**	1,002,855
Cost of investments purchased during the year	**244,042**	313,189
	1,335,488	1,316,044
Cost of investments, end of the year	**1,154,031**	1,091,446
Cost of investments sold during the year	**181,457**	224,598
Net realized gain	**$ 79,455**	$ 85,656

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

10. Share capital

The classes of shares and, where applicable, the maximum number of shares that the Company is authorized to issue are as follows:

(a) 52,237 First Preferred Shares without nominal or par value redeemable at the option of the Company at $30.00 each;

(b) 200,000 Second Preferred Shares without nominal or par value, issuable in series, of which: 80,290 shares are designated 1959 Series Second Preferred Shares, redeemable at the option of the Company at $30.00 each and 119,710 shares are designated 1963 Series Second Preferred Shares, redeemable at the option of the Company at $31.50 each;

(c) Third Preferred Shares without nominal or par value, issuable in series. The maximum number of Third Preferred Shares that may be outstanding at any time shall be that number for which the aggregate stated value does not exceed $15,000,000; and

(d) an unlimited number of Common Shares.

The capital stock of the Company is as follows:

	Authorized	Issued and outstanding	**2017**	2016
			(000's)	
First Preferred Shares	52,237	52,237	**$ 119**	$ 119
Second Preferred Shares	200,000	200,000	**6,000**	6,000
Common Shares	unlimited	12,194,193	**534,881**	534,881
			$ 541,000	$ 541,000

Dividends paid during the year were as follows:

	2017	2016
	(000's)	
On Preferred Shares:		
52,237 First Preferred Shares - $1.50 per share	**$ 78**	$ 78
200,000 Second Preferred Shares - $1.50 per share	**300**	300
	378	378
On Common Shares:		
Quarterly - $0.20 quarterly per share	**9,755**	9,755
Additional - $1.33 (2016 - $1.00) per share	**16,219**	12,195
	25,974	21,950
	$ **26,352**	$ 22,328

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

The Company's current dividend policy is to distribute annual net investment income, after payment of Preferred Share dividends. The fiscal 2017 distributions are composed of quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year, subject to the Board of Directors approval. This additional dividend is paid in the first quarter following the fiscal year end. The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

On February 7, 2017, the Board of Directors approved an increase in the quarterly dividend for Common Shares, from the long-standing rate of $0.20 per Common Share to $0.30 per Common Share with effect from the dividend payable May 15, 2017.

Common Share dividends of $1.12 per Common Share were declared by the Board of Directors at its meeting on May 8, 2017, with a record and payable date of June 15, 2017 and June 30, 2017, respectively.

11. Related party information

Included in the Company's Schedule of Investment Portfolio is Algoma Central Corporation ("Algoma"), a related party, with a fair value at March 31, 2017 of $45,720,000 (2016 - $44,850,000). Dividend income from Algoma for the fiscal year ended March 31, 2017 amounted to $1,015,000 (2016 - $1,015,000).

E-L Financial holds a 51.8% (2016 - 51.5%) interest in the Company. Included in investment management and administrative costs are fees for administrative services paid to E-L Financial. These fees are calculated at 0.1% per annum of the fair value of the investments managed by the external investment managers and are paid monthly. The total fees for the year ended March 31, 2017 amounted to $1,732,000 (2016 - $1,675,000).

The ultimate controlling party of the Company and these related parties is The Honourable Henry N. R Jackman together with a trust created in 1969 by his father, Henry R. Jackman.

Compensation of key management personnel

Key management personnel comprise the Chairman, President and directors of the Company and their remuneration is as follows:

	2017	2016
	(000's)	
Chairman's, President's and directors' compensation	**$ 379**	$ 361

12. Earnings per Common Share ("EPS")

Basic and diluted EPS

EPS is calculated by dividing the net income, less preferred dividends, by the weighted average number of Common Shares outstanding for the period.

EPS is calculated as follows (in thousands of dollars, except for weighted average number of Common Shares outstanding and per Common Share amounts):

	2017	2016
	(000's)	
Net income	**$ 172,286**	$ 56,498
Less: Preferred dividends	**473**	378
Net income attributed to common shareholders	**$ 171,813**	$ 56,120
Weighted average number of Common shares outstanding	**12,194,193**	12,194,193
Basic and diluted earnings per Common Share	**$ 14.09**	$ 4.60

13. Capital

The Company's capital comprises shareholders' equity, which is invested primarily in managed diversified portfolios of common shares of publicly-traded global companies. The Company's strategy is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term. The Company monitors its capital via its assessment of shareholders' equity.

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2017

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	North America			
	Canada			
3,625,680	Algoma Central Corporation [1]	$ 6,201	$ 45,720	2.7
	United States			
71,490	3M Co.	7,355	18,222	
202,170	Abbott Laboratories	10,678	11,961	
11,064	Alphabet Inc. Class A)	7,336	12,496	
15,699	Alphabet Inc. Class C	9,971	17,350	
80,820	Becton, Dickinson and Company	6,546	19,750	
65,920	Berkshire Hathaway Inc. Class B	13,261	14,638	
169,190	BorgWarner Inc.	11,256	9,419	
101,180	Bristol-Myers Squibb Company	7,735	7,330	
415,950	CA Inc.	14,189	17,577	
238,800	Clorox Company (The)	26,347	42,893	
178,460	Colgate-Palmolive Company	9,873	17,401	
514,760	Comcast Corporation Class A	20,087	25,778	
569,900	ConAgra Brands, Inc.	15,839	30,627	
166,680	DaVita Inc.	15,916	15,093	
93,869	Dollar Tree, Inc.	3,773	9,812	
93,520	EOG Resources, Inc.	5,831	12,153	
125,900	Fiserv, Inc.	4,726	19,340	
491,000	General Mills, Inc.	22,662	38,599	
740,600	Hormel Foods Corporation	21,717	34,167	
61,200	IBM Corporation	11,055	14,198	
167,560	JPMorgan Chase & Co.	7,343	19,608	
250,200	Kimberly Clark Corporation	23,735	43,874	
67,066	Kraft Heinz Company (The)	3,913	8,113	
189,966	Lamb Weston Holdings, Inc.	4,669	10,644	
121,820	MasterCard, Inc. Class A	15,381	18,253	
250,700	Merck & Co., Inc.	15,545	21,221	
226,040	MetLife, Inc.	7,816	15,906	
486,110	Microsoft Corporation	22,207	42,651	
132,600	Mondelez International Inc. Class A	5,151	7,610	
230,040	Noble Energy, Inc.	10,906	10,524	
344,920	Oracle Corporation	13,385	20,498	
107,610	PepsiCo, Inc.	7,602	16,036	
575,300	Pfizer Inc.	18,548	26,219	
159,252	Qunitiles IMS Holdings, Inc.	14,921	17,085	
2,141,900	Staples Inc.	28,074	25,025	
95,520	TJX Companies, Inc.	8,202	10,063	
74,450	UnitedHealth Group Incorporated	11,800	16,267	
242,470	US Bancorp	7,295	16,635	
157,320	Verisk Analytics Inc. Class A	8,649	17,005	
149,600	Walgreen Boots Alliance Inc.	6,170	16,552	
265,800	Waste Management Inc.	14,715	25,821	
232,421	Wells Fargo & Company	11,578	17,234	
		513,758	811,648	48.5
	Mexico			
66,150	Fomento Economico Mexicano, S.A. de C.V. ADR	4,562	7,801	0.5
	Total North America	524,521	865,169	51.7

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2017

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Europe, excluding United Kingdom			
35,546	Adidas AG	$ 3,095	$ 9,030	
99,338	Anheuser-Busch Inbev SA ADR	10,943	14,525	
321,659	AXA	7,305	11,118	
1,060,389	Banco Santander Central Hispano S.A.	9,751	8,682	
82,558	Bayer AG	7,767	12,684	
872,193	Davide Campari-Milano S.p.A.	6,841	13,511	
391,500	Group Danone S.A.	31,281	35,573	
182,286	Kerry Group plc	14,827	19,145	
1,334,210	Koninklijke Ahold NV	20,668	38,142	
335,866	L'Air Liquide S.A.	45,519	51,263	
53,481	LVMH Moet Hennessy Louis Vuitton SA	10,066	15,689	
500,650	Nestlé SA	36,244	51,260	
60,810	Nestlé SA ADR	2,095	6,230	
1,287,181	Orange S.A.	22,295	26,717	
388,124	Publicis Groupe	33,264	36,235	
141,120	Roche Holding AG	42,416	48,094	
147,856	Schneider Electric S.A.	11,691	14,461	
739,919	Securitas AB Class B	7,701	15,445	
95,931	Siemens AG	10,763	17,520	
38,861	Swatch Group AG, (The)	15,094	18,572	
		349,626	463,896	27.7
	United Kingdom			
232,008	Diageo plc	7,683	8,848	
18,550	Diageo plc ADR	1,403	2,856	
5,745,883	G4S plc	23,045	29,200	
295,140	GlaxoSmithKline plc	7,484	8,179	
896,036	HSBC Holdings Inc.	8,394	9,740	
198,840	Next plc	12,948	14,345	
265,230	Nielsen Holdings plc	15,778	14,596	
516,240	RELX plc	12,447	13,484	
347,600	Royal Dutch Shell plc	13,320	12,193	
2,333,670	Vodafone Group plc	10,020	8,110	
		112,522	121,551	7.3
	Asia			
1,337,600	AIA Group Limited	10,407	11,235	
347,400	Asahi Group Holdings Co.	11,511	17,484	
59,600	Fanuc Corporation	10,329	16,267	
122,900	Kao Corporation	5,091	8,972	
840,400	KDDI Corporation	23,624	29,370	
26,536	Keyence Corporation	3,322	14,148	
537,000	Kirin Holdings Company, Limited	7,708	13,491	
842,900	Konica Minolta Holdings Inc.	8,320	10,041	
173,200	Lawson Inc.	15,175	15,640	
197,600	Makita Corporation	5,321	9,217	
382,900	Mitsubishi Tanabe Pharma Corporation	6,078	10,615	
1,761,000	Osaka Gas Co., Ltd.	7,844	8,909	
96,200	Secom Co. Ltd.	5,650	9,168	
259,200	Seven & i Holdings Co., Ltd.	14,268	13,522	
359,000	Unicharm Corporation	8,215	11,453	
		142,863	199,532	11.9

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2017

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Australia			
700,270	Amcor Limited	$ 10,674	$ 10,730	
244,609	Australia and New Zealand Banking Group Limited	6,674	7,919	
103,440	BHP Billiton Ltd-Spon ADR	7,151	5,005	
		24,499	23,654	1.4
	Total investments	$1,154,031	$1,673,802	100.0

[1] This company and United are related parties.

COMPANY BACKGROUND

Consolidated Investment Corporation of Canada was incorporated in February 1929 and its bonds and preferred shares were offered for sale to the public. The Company was capitalized with $15,000,000 4½% First Collateral Trust Gold Bonds due 1959, and $10,000,000 ($100 par) of 5% Cumulative Preferred Shares. 1,375,000 Common Shares (no par value) were issued of which 375,000 were deposited in trust or reserved for sale to the Company's senior security holders. The Company's securities were sold for $32,000,000 plus accrued interest and organizational expenses.

The trust deed securing the First Collateral Trust Gold Bonds covenanted that assets pledged with the trustee should at all times be equal to 125% of the principal amount of bonds outstanding. With the decline in security values beginning in late 1929, the Company attempted to satisfy this covenant by purchasing the Company's bonds for cancellation at discount prices. The continued deterioration of security markets into 1932 made the continuation of this policy impracticable. The Company therefore defaulted under its covenants and the Company was reorganized.

Under the February 13, 1933 arrangement, the Company's remaining $6,427,000 4½% Gold Bonds ($8,573,000 out of the original $15,000,000 had been purchased for cancellation) received 70% of their face value in a new issue of 5% "Income" Bonds due 1953, and 30% of their face value in Class "A" 5% "Preferred" Shares. The bondholders were also given 53.61% of the common equity (Class "B" Shares) with the old preferred shareholders and common shareholders receiving 41.70% and 4.69% of the new equity respectively.

Under the February 13, 1933 reorganization, the Company's name was changed to United Corporations Limited.

On December 23, 1959, United Corporations Limited acquired all of the assets of London Canadian Investment Corporation for $7,925,483. Consideration was satisfied by issuing $2,408,700 par value of 5% Preferred Shares (1959 Series) and Common (Class B) Shares equal to 15.7% of the total Common Shares to be outstanding after the completion of this transaction.

FINANCIAL RECORD: 1929 - 2017
(Unaudited)

Year	Total Net Assets * (000's)	Funded Debt (000's)	Preferred Shares = (000's)	Net Equity Value (000's)	Net Equity Value per Common Share**	Net Investment Income Available for Common Shares (000's)	Net Investment Income per Common Share**
Consolidated Investment Corporation of Canada							
Feb 1929	$ 32,000	$ 15,000	$ 10,000	$ 7,000	$ N/A	$ N/A	$ N/A
Dec 1931	9,616	7,161	10,000	(7,545)	N/A	N/A	N/A
1932	4,726	6,427	10,000	(11,701)	N/A	N/A	N/A
United Corporations Limited							
1933	6,120	4,499	2,000	(379)	(0.04)	—	—
1934	8,147	4,499	2,097	1,551	0.16	(95)	(0.01)
1935	9,378	4,499	2,161	2,718	0.28	(13)	—
1936	12,892	4,499	2,097	6,296	0.64	49	0.01
1937	9,542	4,499	1,928	3,115	0.32	109	0.01
1938	9,485	3,779	1,620	4,087	0.41	44	0.01
1939	9,844	3,705	1,588	4,550	0.46	58	0.01
1940	8,676	3,705	1,588	3,383	0.34	48	0.01
1941	8,175	3,599	1,588	2,988	0.30	82	0.01
1942	8,712	3,499	1,580	3,633	0.37	108	0.01
1943	9,746	3,000	1,580	5,166	0.52	78	0.01
1944	11,298	2,900	1,580	6,818	0.69	155	0.02
1945	14,444	2,800	1,580	10,064	1.02	173	0.02
1946	14,059	2,700	1,580	9,779	0.99	243	0.03
1947	13,668	2,600	1,580	9,489	0.96	339	0.03
1948	13,443	2,500	1,567	9,376	0.95	370	0.04
1949	14,772	2,400	1,567	10,805	1.10	385	0.04
1950	17,410	2,300	1,567	13,543	1.37	564	0.06
1951	20,392	2,200	1,567	16,625	1.69	578	0.06
1952	19,360	2,000	1,567	15,793	1.60	614	0.06
1953	19,130	1,900	1,567	15,663	1.59	639	0.07
1954	25,101	1,800	1,567	21,734	2.21	699	0.07
1955	29,015	1,700	1,567	25,748	2.62	732	0.07
1956	28,054	1,316	1,567	25,171	2.56	779	0.08
1957	24,447	879	1,567	22,001	2.24	834	0.09
1958	30,381	—	1,567	28,814	2.93	898	0.09
1959	38,197	—	3,976	34,221	2.93	900	0.08
1960	37,600	—	3,976	33,624	2.88	1,110	0.10
1961	44,352	—	3,976	40,376	3.44	1,117	0.10
1962	41,868	—	3,976	37,893	3.22	1,141	0.10
1963	52,321	—	7,747	44,574	3.75	1,179	0.10
1964	62,861	—	7,747	55,114	4.64	1,348	0.11
1965	66,117	—	7,747	58,370	4.91	1,503	0.13
1966	63,156	—	7,747	55,409	4.66	1,583	0.13
1967	74,757	—	7,747	67,010	5.59	1,741	0.15
1968	84,930	—	7,747	77,174	6.43	1,714	0.14
1969	78,769	—	7,747	71,022	5.90	1,866	0.16
1970	71,202	—	7,747	63,456	5.28	1,981	0.17
1971	73,401	—	7,747	65,655	5.46	1,669	0.14
1972	86,757	—	7,747	79,010	6.57	1,724	0.14
1973(a)	83,758	—	7,747	76,012	6.32	374	0.03

FINANCIAL RECORD: 1929 - 2017
(Unaudited)

Year	Total Net Assets * (000's)	Funded Debt (000's)	Preferred Shares = (000's)	Net Equity Value (000's)	Net Equity Value per Common Share**	Net Investment Income Available for Common Shares (000's)	Net Investment Income per Common Share**
1974	$ 82,457	$ —	$ 7,747	$ 74,711	$ 6.21	$ 1,996	$ 0.17
1975	71,674	—	7,747	63,928	5.31	2,791	0.23
1976	80,075	8,000	7,747	64,544	5.36	2,522	0.21
1977	78,614	8,000	7,747	63,083	5.24	2,116	0.18
1978	82,829	8,000	7,747	67,298	5.59	2,335	0.19
1979	116,793	9,506	7,747	100,285	8.32	1,478	0.12
1980	141,700	9,657	7,747	129,232	10.60	3,703	0.30
1981	197,143	8,000	7,747	194,350	15.94	4,808	0.39
1982	127,643	8,000	7,747	121,412	9.95	4,437	0.36
1983	182,227	8,000	7,747	174,692	14.31	4,468	0.37
1984	201,172	8,000	7,747	191,984	15.73	3,934	0.32
1985	247,596	8,000	7,747	234,514	19.22	4,788	0.39
1986	327,327	8,000	7,747	319,783	26.21	4,816	0.40
1987	370,718	—	7,747	371,437	30.44	4,841	0.40
1988	316,009	—	7,747	322,434	26.43	6,785	0.56
1989	329,082	—	7,747	321,668	26.37	8,778	0.72
1990	340,980	—	7,747	343,482	28.16	16,989	1.39
1991	311,586	—	7,747	304,079	24.93	9,339	0.77
1992	308,237	—	7,747	300,992	24.68	7,880	0.65
1993	314,603	—	7,747	308,617	25.30	7,617	0.63
1994	359,673	—	7,747	363,496	29.80	7,192	0.59
1995	355,050	—	7,747	352,874	28.94	7,963	0.65
1996	396,725	—	7,747	399,853	32.79	7,969	0.65
1997	478,172	—	7,747	475,416	38.99	8,960	0.74
1998	649,802	—	7,747	667,137	54.71	9,174	0.75
1999	612,872	—	7,747	620,107	50.85	9,635	0.79
2000	774,519	—	7,747	784,932	64.37	8,403	0.69
2001	723,950	—	7,747	718,712	58.94	10,640	0.87
2002	758,055	—	7,747	750,308	61.53	11,606	0.95
2003	609,269	—	7,747	601,522	49.33	11,772	0.97
2004	755,491	—	7,747	747,744	61.32	11,041	0.91
2005	826,344	—	7,747	818,597	67.13	12,462	1.02
2006	940,068	—	7,747	932,321	76.46	12,676	1.04
2007	1,056,872	—	7,747	1,049,125	86.03	15,121	1.24
2008	948,929	—	7,747	941,182	77.18	15,909	1.30
2009	676,149	—	7,747	668,402	54.81	15,420	1.26
2010	828,840	—	7,747	821,093	67.33	14,155	1.16
2011	883,576	—	7,747	875,829	71.82	14,987	1.23
2012	889,646	—	7,747	881,899	72.32	17,412	1.43
2013	1,008,012	—	7,747	1,000,265	82.03	17,414	1.43
2014	1,220,612	—	7,747	1,212,865	99.46	18,686	1.53
2015	1,444,951	—	7,747	1,437,204	117.86	21,971	1.80
2016	1,479,121	—	7,747	1,471,374	120.66	25,967	2.13
2017	1,621,302	—	7,747	1,613,555	132.32	23,463	1.92

This chart is drawn from the individual annual reports and has not been restated for any subsequent changes in accounting policies.

= Preferred Shares at the cost of redemption, including dividend arrears in 1933 - 1936.
* Total assets less liabilities exclusive of short-term debt.
** Includes the impact of historical stock dividends.
(a) For three months ended March 31, 1973. Figures in this table are for fiscal years ended December 31 prior to 1973 and March 31 thereafter.

FINANCIAL RECORD: 1929 - 2017
(Unaudited)

Historical Stock Dividends

Date	Stock dividend rate	Issue price	Date	Stock dividend rate	Issue price	Date	Stock dividend rate	Issue price
1953	4 for 1	Split	1988	1 for 15	$ 65.46	1998	1 for 33.1645	$ 76.61
1964	3 for 1	Split	1989	1 for 8	54.53	1999	1 for 13.5404	78.67
1982	1 for 6.4725	$ 38.81	1989	1 for 55	48.30	2000	1 for 20.9744	69.74
1984	1 for 10	40.41	1991	1 for 16	50.72	2001	1 for 20.94286	80.63
1985	1 for 10	40.93	1993	1 for 38	42.18	2001	1 for 7.9472	76.77
1986	1 for 30	46.53	1995	1 for 16.42525	49.44	2002	1 for 15.3238	64.36
1987	1 for 13	60.52	1997	1 for 14.47926	62.84			

CORPORATE INFORMATION

HEAD OFFICE

Tenth Floor, 165 University Avenue
Toronto, Ontario, M5H 3B8
Tel: 416-947-2578
Fax: 416-362-2592

EXTERNAL INVESTMENT MANAGERS

Jarislowsky Fraser Limited, Toronto
ValueInvest Asset Management S.A., Luxembourg

AUDITOR

PricewaterhouseCoopers LLP, Toronto

CUSTODIAN

RBC Investor Services Trust

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Toll Free: 1-800-564-6253
www.computershare.com

TORONTO STOCK EXCHANGE LISTINGS

	Ticker Symbol
Common	UNC
First Preferred	UNC.PR.A
Second Preferred, 1959 Series	UNC.PR.B
Second Preferred, 1963 Series	UNC.PR.C

NET EQUITY VALUE

The Company's Net Equity Value per Common Share is published on the Company's website.

REPORTING PROCEDURE FOR ACCOUNTING AND AUDITING MATTERS

If you have a complaint regarding accounting, internal controls or auditing matters or a concern regarding questionable accounting or auditing matters, you should submit your written complaint or concern to:

Mr. Michael J. White
Chairman of the Audit Committee
United Corporations Limited
165 University Avenue, 10th Floor
Toronto, Ontario
M5H 3B8
Email: michaeljwhite@sympatico.ca
Phone: 416-505-2677

You may submit your complaint or concern anonymously. Your submission will be kept confidential and will be treated in accordance with the Company's policy for reporting accounting or auditing matters.

WEBSITE

www.ucorp.ca