

UNITED CORPORATIONS LIMITED



SECOND QUARTER REPORT

SEPTEMBER 30, 2015

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at Sept. 30 2015 ⁽¹⁾	As at March 31 2015 ⁽¹⁾
Net equity value per Common Share ⁽²⁾	\$ 116.18	\$ 117.86
Net assets	\$ 1,424,409	\$ 1,444,951
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Six months ended September 30	
	2015 ⁽¹⁾	2014 ⁽¹⁾
Net investment income per Common Share ⁽²⁾	\$ 1.38	\$ 1.11
Dividends per Common Share		
Quarterly	\$ 0.40	\$ 0.40
Additional ⁽³⁾	\$ 1.00	\$ 0.73
Net income (loss) per Common Share	\$ (0.28)	\$ 2.11
Net investment income	\$ 17,075	\$ 13,767

⁽¹⁾ In thousands of Canadian dollars, except number of Common Shares outstanding and per share amounts.

⁽²⁾ See Management's Discussion and Analysis for Use of Non-GAAP Measures.

⁽³⁾ This additional dividend represents the annual distribution of the prior year's annual net investment income after payment of Preferred Share dividends and quarterly Common Share dividends.

The financial statements have been prepared under International Financial Reporting Standards ("IFRS").

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company's external auditors, PricewaterhouseCoopers LLP, have not performed a review of these interim financial statements of United Corporations Limited.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of United Corporations Limited ("United" or the "Company") for the second quarter of fiscal 2016 should be read in conjunction with: the March 31, 2015 Annual Report, including the MD&A, the Company's audited annual financial statements and the notes and supplementary financial information; the Company's MD&A and unaudited interim condensed financial statements and notes for the previous quarter of fiscal 2016; and the unaudited quarterly condensed financial statements and notes contained in this report. These unaudited interim condensed financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), which is generally accepted accounting principles ("GAAP"), 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 historically traded at a discount to their net asset value, ranging from as high as a 45% discount to as low as a 20% discount. 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 funds 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 open-ended funds; and the management of a closed-end fund's portfolio is not impacted by shareholder subscription or redemption activities.

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

The external investment portfolio of the Company 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 September 30, 2015, \$665,624,000 and \$733,340,000 of investments were managed by Jarislowsky and ValueInvest, respectively.

The Company has a long-term investment in Algoma Central Corporation ("Algoma"). Algoma and United are related parties. In management's view, the investment in Algoma is consistent with the Company's investment strategy and contributes to achieving the investment objective of the Company. Further related party information is provided in Note 12 to the financial statements in the 2015 Annual Report and in the schedule of investment portfolio in this interim report beginning on page 14.

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 a mix of predominantly foreign equities. Net equity value and net investment income may vary significantly from period to period depending on the economic environment and market conditions.

UNITED CORPORATIONS LIMITED

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 meaning in GAAP and therefore may not be comparable to similar measures presented by other companies. 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. 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 both 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 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):

	September 30 2015	March 31 2015
Net assets	\$ 1,424,409	\$ 1,444,951
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	\$ 1,416,662	\$ 1,437,204
Common Shares outstanding	12,194,193	12,194,193
Net equity value per Common Share	\$ 116.18	\$ 117.86

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 September 30		Six months ended September 30	
	2015	2014	2015	2014
Net income (loss)	\$ 13,398	\$ 15,840	\$ (3,281)	\$ 25,895
Add (deduct):				
Fair value change in investments	(8,441)	(14,023)	23,465	(13,975)
Tax on fair value change in investments	1,118	1,858	(3,109)	1,851
Net refundable dividend taxes recovered	—	—	—	(4)
Net investment income	6,075	3,675	17,075	13,767
Deduct:				
Dividends paid on Preferred Shares	95	95	189	189
Net investment income, net of dividends paid on Preferred Shares	\$ 5,980	\$ 3,580	\$ 16,886	\$ 13,578
Common Shares outstanding	12,194,193	12,194,193	12,194,193	12,194,193
Net investment income per Common Share ⁽¹⁾	\$ 0.49	\$ 0.29	\$ 1.38	\$ 1.11

⁽¹⁾ On an after-tax basis.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Equity Value per Common Share

For the quarter ended September 30, 2015, the Company's net equity value per Common Share increased to \$116.18 from \$115.28 at June 30, 2015. With dividends reinvested at month-end net equity values, the Company's net equity value return was 1.0% in fiscal 2016 compared to a return of 1.3% for the same period in the prior fiscal year. On a fiscal year-to-date basis, the net equity value per Common Share decreased to \$116.18 from \$117.86 at March 31, 2015. The net equity value return for the fiscal year to date was negative 0.2% compared to a return of 2.1% in the prior fiscal period.

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 (losses) on investments, and net of a deferred income tax provision on its change in fair value of investments.

In Canadian dollar terms, total returns (capital gains plus dividends) for United's net equity value and stock market indices, were as follows:

	Three months ended September 30	Six months ended September 30
		(%)
United net equity value	1.0	(0.2)
S&P/TSX Composite Index	(7.9)	(9.6)
MSCI World Index	(3.0)	(1.9)
S&P 500 Index	(0.9)	0.2

Growth in Net Equity Value ("NAV")

For the 10 years ended March 31, 2015 the Company's compound annual growth rate in NAV, with dividends reinvested at month-end net equity values, was 7.4%.

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
		(%)
2006	\$ 76.46	15.2
2007	86.03	13.7
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

Compound annual growth*

2006 - 2015 - 10 years	7.4
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*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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results

Net income

The Company's net income in the second quarter of fiscal 2016 decreased to \$13,398,000 from \$15,840,000 for the second quarter of fiscal 2015. On a year-to-date basis, there was a net loss of \$3,281,000 compared to net income of \$25,895,000 in fiscal 2015. Net income per Common Share for the second quarter of fiscal 2016 decreased to \$1.09 compared to \$1.29 for the same period in fiscal 2015. On a year-to-date basis there was a net loss per share of \$0.28 compared to net income per share of \$2.11 in fiscal 2015.

For the second quarter of fiscal 2016 the fair value change in investments was a fair value gain of \$8,441,000 compared to \$14,023,000 for the same period in fiscal 2015. During the second quarter of fiscal 2016, the fair value gains of investments in North America and Europe of \$24,232,000 were partially offset by fair value losses of \$15,791,000 for investments in United Kingdom, Asia, South America and Australia.

On a year-to-date basis the fair value change in investments was a loss of \$23,465,000 compared to a gain of \$13,975,000 for the six months ended September 30, 2014. Fair value gains in North America of \$11,356,000 were offset by investment losses in Europe of \$16,865,000, United Kingdom \$2,096,000, Asia \$9,215,000, Australia \$3,808,000 and South America \$2,837,000.

The net realized gain was \$33,347,000 for the second quarter of fiscal 2016 compared to \$11,032,000 for the same period in the prior year, an increase of \$22,315,000. On a year-to-date basis, the net realized gain was \$49,592,000 compared to a net realized gain of \$23,936,000 for fiscal 2015. The largest year-to-date contributors to the net realized gain during fiscal 2016 were the sales of Time Warner Cable Inc., ConAgra Foods Inc., Kraft Foods Inc., Mondelez International Inc. and Toyota Motor Corporation.

Net investment income

The Company's net investment income in the second quarter of fiscal 2016 increased to \$6,075,000 compared to \$3,675,000 for the second quarter of fiscal 2015. On a year-to-date basis, net investment income increased to \$17,075,000 from \$13,767,000 for the same period in the prior year, an increase of 24%. On a per Common Share basis, net investment income for the quarter increased to \$0.49 in 2016 compared to \$0.29 in 2015 and on a year-to-date basis increased to \$1.38 in 2016 compared to \$1.11 in 2015.

Foreign dividend income in the second quarter increased to \$9,710,000 from \$6,140,000 for the same quarter in the prior year and on year-to-date basis increased by 25% to \$26,105,000 from \$20,890,000 in fiscal 2015. The increase occurred primarily as a result of growth in the average global investment portfolio along with the impact of foreign exchange including the rise of the US dollar.

Interest and securities lending income decreased to \$145,000 for the second quarter of the year compared to \$148,000 for the same quarter in the prior year, and on a year-to-date basis decreased to \$343,000 compared to \$461,000 in the prior year.

Expenses during the quarter increased to \$1,921,000 in fiscal 2016 compared to \$1,633,000 for the same period in the prior year, and on a year-to-date basis increased to \$3,894,000 compared to \$3,311,000 in the prior year. The majority of the increase in both periods relates primarily to an increase in investment management and administrative costs resulting from a higher average investment portfolio compared to the prior year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Results

The following table summarizes various financial results on a quarterly basis for the eight most recent quarters (in thousands of dollars, except per Common Share amounts):

	Sept. 30 2015	June 30 2015	March 31 2015	Dec. 31 2014	Sept. 30 2014	June 30 2014	March 31 2014	Dec. 31 2013
Investments	\$ 1,454,582	\$ 1,451,038	\$ 1,481,971	\$ 1,321,516	\$ 1,252,795	\$ 1,234,830	\$ 1,248,116	\$ 1,206,090
Net investment income ¹	\$ 6,075	\$ 10,999	\$ 4,616	\$ 3,966	\$ 3,675	\$ 10,092	\$ 4,188	\$ 3,425
Net income (loss)	\$ 13,398	\$ (16,679)	\$ 152,813	\$ 64,244	\$ 15,840	\$ 10,055	\$ 47,124	\$ 106,012
Per Common Share:								
Net investment income ¹	\$ 0.49	\$ 0.89	\$ 0.37	\$ 0.32	\$ 0.29	\$ 0.82	\$ 0.33	\$ 0.28
Net income (loss)	\$ 1.09	\$ (1.38)	\$ 12.52	\$ 5.26	\$ 1.29	\$ 0.82	\$ 3.86	\$ 8.68
NAV	\$ 116.18	\$ 115.28	\$ 117.86	\$ 105.54	\$ 100.48	\$ 99.38	\$ 99.50	\$ 95.84

¹ 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. 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.

Share Data

As at September 30, 2015, 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

Quarterly dividends were paid on the Common Shares and Preferred Shares. The quarterly per share dividend was \$0.20 on the Common Shares and \$0.375 for each Preferred Share series. Payment of the Company's dividends is funded by net investment income. The Company also paid an additional \$1.00 (2015 - \$0.73) per Common Share dividend representing a distribution of the balance of net investment income for the prior fiscal year after payment of Preferred Share and quarterly Common Share dividends.

The Company's dividend policy is to distribute annual net investment income, after payment of Preferred Share dividends. Common Share dividends of \$0.20 are paid quarterly. Annual net investment income in excess of quarterly dividends is distributed in the first quarter following the fiscal year. The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

A handwritten signature in black ink that reads "Duncan N.R. Jackman". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Duncan N.R. Jackman
Chairman and President

November 2, 2015

UNITED CORPORATIONS LIMITED

STATEMENTS OF NET ASSETS (Unaudited)

	September 30 2015	March 31 2015
	(000's)	
ASSETS		
Cash and cash equivalents	\$ 21,745	\$ 26,086
Investments (Note 4)	1,454,582	1,481,971
Receivable in respect of investments sold	—	11,001
Dividends and interest receivable	2,472	2,686
Other assets	1,609	1,215
	1,480,408	1,522,959
LIABILITIES		
Accrued expenses	878	840
Payable in respect of investments purchased	—	11,674
Income taxes payable	474	492
Deferred tax liabilities	54,647	65,002
	55,999	78,008
NET ASSETS	\$ 1,424,409	\$ 1,444,951
SHAREHOLDERS' EQUITY		
Share capital	\$ 541,000	\$ 541,000
Retained earnings	883,409	903,951
TOTAL SHAREHOLDERS' EQUITY	\$ 1,424,409	\$ 1,444,951

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended Sept. 30		Six months ended Sept. 30	
	2015	2014	2015	2014
	(000's)			
INCOME				
Dividends				
Foreign	\$ 9,710	\$ 6,140	\$ 26,105	\$ 20,890
Canadian	254	254	508	508
	9,964	6,394	26,613	21,398
Interest and securities lending income	145	148	343	461
Fair value change in investments (Note 5)	8,441	14,023	(23,465)	13,975
	18,550	20,565	3,491	35,834
EXPENSES				
Investment management and administrative costs				
	1,662	1,372	3,288	2,780
Transfer, registrar and custody fees	108	102	258	214
Directors' and officer's remuneration	86	85	185	180
Office and miscellaneous	44	56	125	95
Professional fees	21	18	38	42
	1,921	1,633	3,894	3,311
INCOME (LOSS) BEFORE INCOME TAXES	16,629	18,932	(403)	32,523
Provision for income taxes	3,231	3,092	2,878	6,628
NET INCOME (LOSS)	\$ 13,398	\$ 15,840	\$ (3,281)	\$ 25,895
EARNINGS PER COMMON SHARE				
BASIC AND DILUTED	\$ 1.09	\$ 1.29	\$ (0.28)	\$ 2.11

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF CHANGES IN EQUITY (Unaudited)

	Share capital	Retained earnings	Total
		(000's)	
At April 1, 2015	\$ 541,000	\$ 903,951	\$ 1,444,951
Net income (loss) for the period	—	(3,281)	(3,281)
Dividends			
First Preferred Shares	—	(39)	(39)
Second Preferred Shares	—	(150)	(150)
Common Shares	—	(17,072)	(17,072)
At September 30, 2015	\$ 541,000	\$ 883,409	\$ 1,424,409
At April 1, 2014	\$ 541,000	\$ 680,034	\$ 1,221,034
Net income for the period	—	25,895	25,895
Dividends			
First Preferred Shares	—	(39)	(39)
Second Preferred Shares	—	(150)	(150)
Common Shares	—	(13,780)	(13,780)
At September 30, 2014	\$ 541,000	\$ 691,960	\$ 1,232,960

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF CASH FLOW (Unaudited)

Six months ended Sept. 30

	2015	2014
	(000's)	
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income (loss)	\$ (3,281)	\$ 25,895
Adjustments for:		
Fair value change in investments	23,465	(13,975)
Purchases of investments	(134,814)	(101,074)
Proceeds from sale of investments	138,738	110,369
Dividends and interest receivable	214	285
Deferred taxes	(10,355)	(1,168)
Net change in other assets and liabilities	(1,047)	(5,492)
	12,920	14,840
Financing		
Dividends paid to shareholders	(17,261)	(13,969)
Net increase (decrease) in cash and cash equivalents	(4,341)	871
Cash and cash equivalents at beginning of the period	26,086	13,362
Cash and cash equivalents at end of the period	\$ 21,745	\$ 14,233
Additional information for operating activities:		
Interest received	\$ 25	\$ 30
Dividends received, net of withholding taxes	23,505	18,392
Income taxes paid	10,300	13,000
Income tax refunds	—	42

(See accompanying notes)

UNITED CORPORATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. Description of Company and summary of operations

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 interim condensed financial statements are presented in Canadian dollars which is the functional and presentation currency. These interim condensed financial statements were approved by the Company’s Board of Directors on November 2, 2015.

2. Basis of presentation

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 - Interim Financial Reporting as issued by the International Accounting Standards Board and follow the same accounting policies and methods as the most recent annual financial statements. These unaudited interim condensed financial statements do not include all of the disclosures required under International Financial Reporting Standards for annual financial statements and should be read in conjunction with the notes to the Company’s audited financial statements for the year ended March 31, 2015.

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 under IAS 39, Financial instruments – Recognition and Measurement (“IAS 39”). 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 are dependent on an assumption as to when a deferred tax liability is expected to be realized.

4. Classification of fair value measurements

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 September 30, 2015, all of the Company’s investments were Level 1 investments. There were no year-to-date transfers between Level 1 and Level 2 investments and the Company had no Level 3 investments.

UNITED CORPORATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

5. Fair value change in investments

The fair value change in investments is comprised as follows:

	Three months ended September 30		Six months ended September 30	
	2015	2014	2015	2014
	(000's)			
Net realized gain	\$ 33,347	\$ 11,032	\$ 49,592	\$ 23,936
Change in unrealized appreciation	(24,906)	2,991	(73,057)	(9,961)
	\$ 8,441	\$ 14,023	\$ (23,465)	\$ 13,975

6. Related party transactions

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

7. Subsequent event

Common Share dividends of \$0.20 per Common Share, and \$0.375 per Preferred Share for First Preferred Shares, Second Preferred Shares, 1959 Series and Second Preferred Shares, 1963 Series, were declared by the Board of Directors at its meeting on November 2, 2015, with a record and payable date of February 4, 2016 and February 15, 2016, respectively.

UNITED CORPORATIONS LIMITED

SCHEDULE OF INVESTMENT PORTFOLIO AS AT SEPTEMBER 30, 2015 (Unaudited)

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
North America				
Canada				
Common				
3,625,680	Alagma Central Corporation ¹	\$ 6,201	\$ 55,618	3.8
United States				
79,680	3M Co.	7,819	15,130	
115,370	Automatic Data Processing Inc.	5,890	12,418	
89,180	Becton, Dickinson and Company	6,750	15,846	
126,720	BorgWarner Inc.	9,703	7,059	
312,770	CA Inc.	9,903	11,437	
212,600	Clorox Company (The)	21,875	32,898	
197,770	Colgate-Palmolive Company	10,655	16,810	
217,440	Comcast Corporation Class A	16,816	16,670	
97,800	Computer Sciences Corporation	5,431	8,040	
483,400	ConAgra Foods, Inc.	15,586	26,229	
149,060	Dollar Tree, Inc.	5,655	13,309	
96,840	EOG Resources, Inc.	5,753	9,443	
84,490	Exxon Mobil Corporation	6,468	8,414	
138,390	Fiserv, Inc.	4,619	16,054	
557,100	General Mills, Inc.	25,713	41,883	
9,644	Google Inc. Class A	5,110	8,246	
13,579	Google Inc. Class C	7,576	11,066	
424,300	Hormel Foods Corporation	20,877	35,979	
68,510	IBM Corporation	12,376	13,303	
454,320	IMS Health Holdings, Inc.	16,273	17,708	
99,420	Johnson & Johnson	7,356	12,431	
184,840	JPMorgan Chase & Co.	7,644	15,095	
277,700	Kimberly Clark Corporation	26,344	40,558	
81,066	The Kraft Heinz Company	4,730	7,664	
138,300	Merck & Co., Inc.	6,584	9,149	
247,960	MetLife, Inc.	8,574	15,659	
797,030	Microsoft Corporation	35,874	47,249	
132,600	Mondelez International Inc. Class A	5,151	7,436	
189,700	Noble Energy, Inc.	9,450	7,668	
331,690	Oracle Corporation	11,759	16,047	
119,510	PepsiCo, Inc.	8,119	15,095	
697,327	Pfizer Inc.	19,944	29,337	
874,300	Staples Inc.	12,364	13,736	
108,060	TJX Companies, Inc.	9,180	10,337	
264,890	US Bancorp.	7,582	14,550	
158,200	Verisk Analytics Inc. Class A	7,813	15,661	
153,430	Walgreen Boots Alliance Inc.	5,272	17,077	
284,000	Waste Management Inc.	14,900	18,947	
255,381	Wells Fargo & Company	12,468	17,565	
		441,956	669,203	46.0
Mexico				
72,230	Fomento Economico Mexicano, S.A. de C.V. ADR	4,831	8,634	0.6
	Total North America	452,988	733,455	50.4

UNITED CORPORATIONS LIMITED

SCHEDULE OF INVESTMENT PORTFOLIO AS AT SEPTEMBER 30, 2015 (Unaudited)

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Europe, excluding United Kingdom			
226,106	Adidas AG	\$ 19,687	\$ 24,289	
103,138	Anheuser-Busch Inbev SA ADR.....	11,103	14,687	
302,749	AXA	6,093	9,793	
1,124,087	Banco Santander Central Hispano S.A.....	10,401	7,973	
81,228	Bayer AG	7,098	13,863	
244,333	Casino Guichard-Perrachon S.A.....	27,291	17,352	
1,356,975	Davide Campari-Milano S.p.A.....	10,643	14,445	
188,562	Delhaize Group	13,326	22,300	
82,126	Fresenius Medical Care & Co. KGaA.....	5,658	8,558	
92,830	Fresenius Medical Care & Co. KGaA ADR	1,500	4,850	
345,445	Group Danone S.A.....	26,877	29,140	
74,488	Kerry Group plc.....	3,935	7,478	
1,155,881	Koninklijke Ahold NV	19,469	30,087	
97,037	LafargeHolcim Limited	7,114	6,764	
217,761	L'Air Liquide S.A.....	29,585	34,397	
58,621	LVMH Moet Hennessy Louis Vuitton SA.....	10,893	13,339	
454,197	Nestlé SA	31,105	45,593	
75,320	Nestlé SA ADR.....	2,595	7,590	
1,287,181	Orange S.A.....	22,295	26,019	
232,058	Publicis Groupe.....	19,465	21,157	
119,724	Roche Holding AG.....	35,265	42,166	
111,239	Sanofi	9,411	14,118	
157,556	Schneider Electric S.A.....	12,385	11,780	
982,006	Securitas AB Class B	10,220	16,002	
104,441	Siemens AG	11,545	12,497	
		<u>364,959</u>	<u>456,237</u>	31.4
	United Kingdom			
232,008	Diageo plc	7,683	8,315	
25,480	Diageo plc ADR.....	1,927	3,679	
324,313	GlaxoSmithKline plc.....	8,223	8,312	
1,033,846	HSBC Holdings Inc.	9,685	10,437	
336,395	National Grid plc.....	4,184	6,258	
11,040	National Grid plc ADR.....	506	1,030	
368,410	Royal Dutch Shell plc.....	14,162	11,669	
362,958	Standard Chartered plc.....	8,990	4,708	
2,509,300	Vodafone Group plc	10,833	10,589	
		<u>66,193</u>	<u>64,997</u>	4.5
	Asia			
361,600	Asahi Group Holdings Co.....	9,366	15,645	
190,700	FamilyMart Co., Ltd.....	9,297	11,620	
44,800	Fanuc Corporation	6,711	9,173	
1,010,700	Inpex Corporation.....	13,659	12,017	
110,500	Kao Corporation	4,247	6,675	
327,900	KDDI Corporation.....	5,350	9,777	
15,018	Keyence Corporation	3,572	8,932	
537,000	Kirin Holdings Company, Limited	7,708	9,399	
842,900	Konica Minolta Holdings Inc.....	8,320	11,817	
92,800	Lawson Inc.	7,069	9,140	
136,600	Makita Corporation.....	7,357	9,667	
382,900	Mitsubishi Tanabe Pharma Corporation	6,078	9,011	
889,370	Mitsubishi UFJ Financial Group	6,150	7,123	
2,412,000	Osaka Gas Co., Ltd.....	10,501	12,216	
87,500	Secom Co. Ltd.	4,822	7,013	
834,100	Television Broadcasts Limited.....	5,461	3,719	
123,300	Toyota Motor Corporation.....	5,565	9,609	
342,100	Unicharm Corporation.....	7,559	8,085	
		<u>128,792</u>	<u>170,638</u>	11.7

UNITED CORPORATIONS LIMITED

SCHEDULE OF INVESTMENT PORTFOLIO AS AT SEPTEMBER 30, 2015 (Unaudited)

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Australia			
997,152	AGL Energy Limited	\$ 15,043	\$ 14,972	
214,019	Australia and New Zealand Banking Group Limited	5,636	5,449	
103,440	BHP Billiton Ltd-Spon ADR	7,153	4,384	
		<u>27,832</u>	<u>24,805</u>	1.7
	South America			
619,832	Banco Bradesco S.A. ADR.....	<u>7,759</u>	<u>4,450</u>	<u>0.3</u>
	Total investments	<u>\$1,048,523</u>	<u>\$1,454,582</u>	<u>100.0</u>

¹ This company and United are related parties.

UNITED CORPORATIONS LIMITED

CORPORATE INFORMATION

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Fax: 416-362-2592

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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
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TORONTO STOCK EXCHANGE LISTINGS

	<u>Ticker Symbol</u>
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 Globe and Mail's website (www.globefund.com) and 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

