

UNITED CORPORATIONS LIMITED



FIRST QUARTER REPORT

JUNE 30, 2017

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at June 30 2017	As at March 31 2017
Net equity value per Common Share ¹	\$ 132.59	\$ 132.32
Net assets ²	\$ 1,624,609	\$ 1,621,302
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Three months ended June 30	
	2017	2016
Net investment income per Common Share ¹	\$ 0.94	\$ 0.91
Dividends per Common Share		
Quarterly	\$ 0.30	\$ 0.20
Additional ³	\$ 1.12	\$ 1.33
Net income per Common Share	\$ 1.69	\$ 2.42
Net investment income ²	\$ 11,615	\$ 11,144

¹ See Management's Discussion and Analysis for Use of Non-GAAP Measures.

² In thousands of Canadian dollars.

³ 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.

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 unaudited interim condensed financial performance and financial condition of United Corporations Limited ("United" or the "Company") for the first quarter of fiscal 2018 should be read in conjunction with: the March 31, 2017 Annual Report, including the MD&A, the Company's audited annual financial statements and the notes and supplementary financial information; and the unaudited quarterly condensed interim 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"), 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 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 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 June 30, 2017, \$768,011,000 (March 31, 2017 - \$768,470,000) and \$857,747,000 (March 31, 2017 - \$859,612,000) 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 of 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.

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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. Further related party information is provided in Note 11 to the financial statements in the March 31, 2017 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 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.

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 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):

	June 30 2017	March 31 2017
Net assets	<u>\$ 1,624,609</u>	<u>\$ 1,621,302</u>
Deduct:		
Cost of redemption		
First Preferred Shares	1,567	1,567
1959 and 1963 Series Second Preferred Shares	6,180	6,180
	<u>7,747</u>	<u>7,747</u>
Net equity value	<u>\$ 1,616,862</u>	<u>\$ 1,613,555</u>
Common Shares outstanding	<u>12,194,193</u>	<u>12,194,193</u>
Net equity value per Common Share	<u>\$ 132.59</u>	<u>\$ 132.32</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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 June 30	
	2017	2016
Net income	\$ 20,717	\$ 29,565
Add (deduct):		
Fair value change in investments	(10,492)	(21,234)
Tax on fair value change in investments	1,390	2,813
Net investment income ¹	11,615	11,144
Deduct:		
Dividends paid and accrued on Preferred Shares	94	94
Net investment income, net of dividends paid and accrued on Preferred Shares ¹	\$ 11,521	\$ 11,050
Common Shares outstanding	12,194,193	12,194,193
Net investment income per Common Share ¹	\$ 0.94	\$ 0.91

¹ On an after-tax basis.

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to \$132.59 at June 30, 2017 from \$132.32 at March 31, 2017.

With dividends reinvested at month-end net equity values, the Company's net equity value return for the quarter was 1.2% compared to a return of 2.0% for the same period in the prior fiscal year.

During the quarter, investments managed by ValueInvest had a pre-tax total return of 1.0% (2017 – 2.5%), and the investments managed by Jarislowsky also had a pre-tax total return of 1.8% (2017 – 2.5%).

As the Company is a taxable Canadian corporation, the Company's net equity value is net of a current provision for income taxes on net investment income and net realized gains on investments, and net of a deferred income tax provision on its unrealized appreciation 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 June 30
	(%)
United net equity value	1.2
MSCI World Index	1.6
S&P 500 Index	0.5
S&P/TSX Composite Index	(1.6)

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

Growth in Net Equity Value ("NAV")

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

Operating Results

Net Income

The Company's net income for the first quarter of fiscal 2018 of \$20,717,000 compared to net income of \$29,565,000 for the first quarter of fiscal 2017. On a per Common Share basis, net income for the quarter was \$1.69 in fiscal 2018 compared to \$2.42 for the same quarter in fiscal 2017.

Fair value change in investments for the portfolio decreased to \$10,492,000 during the first quarter of fiscal 2018 compared to \$21,234,000 for the same period in the prior year. Fair value gains in Europe of \$12,861,000, \$4,487,000 in Asia and \$640,000 in Mexico were offset by fair value losses of \$6,620,000 in North America, \$493,000 in the United Kingdom and \$383,000 in Australia.

The significant contributors to the investment performance for the first fiscal quarter included Nestlé SA, Staples Inc. and L'Air Liquide with fair value investment gains of \$5,332,000, \$3,068,000 and \$2,639,000 respectively. The largest detractors were Koninklijke Ahold Delhaize NV, ConAgra Brands, Inc., and General Mills, Inc. with fair value investment losses of \$5,021,000, \$4,261,000 and \$3,297,000 respectively.

The net realized gain was \$24,632,000 for the first fiscal quarter of 2018 compared to \$22,703,000 for the same period in the prior year. The largest contributors to the net realized gain during the first quarter were from sales of The Kraft Heinz Company, HSBC Holdings Inc., and Konica Minolta Holdings Inc., partly offset by net realized losses in BHP Billiton Ltd. Spon ADR and BorgWarner Inc.

Net investment income

The Company's net investment income in the first quarter of fiscal 2018 increased to \$11,615,000 compared to \$11,144,000 for the first quarter of fiscal 2017. On a per Common Share basis, net investment income for the quarter increased to \$0.94 compared to \$0.91 for the same quarter in fiscal 2017.

Foreign dividend income in the first quarter increased to \$17,546,000 from \$16,803,000 for the same quarter in the prior year. The increase occurred primarily as a result of growth in the average global investment portfolio.

Canadian dividend income in the first quarter increased to \$290,000 from \$254,000 in the prior year. The increase occurred as a result of a dividend increase by Algoma.

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Expenses during the quarter increased to \$2,339,000 in fiscal 2018 compared to \$2,175,000 for the same period 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.

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):

	June 30 2017	March 31 2017	Dec. 31 2016	Sept. 30 2016	June 30 2016	March 31 2016	Dec. 31 2015	Sept. 30 2015
Investments	\$ 1,672,747	\$ 1,673,802	\$ 1,589,654	\$ 1,582,130	\$ 1,525,816	\$ 1,519,665	\$ 1,590,388	\$ 1,454,582
Net investment income ¹	\$ 11,615	\$ 5,196	\$ 3,699	\$ 3,897	\$ 11,144	\$ 4,837	\$ 4,433	\$ 6,076
Net income (loss)	\$ 20,717	\$ 75,146	\$ 9,900	\$ 57,675	\$ 29,565	\$ (60,699)	\$ 120,478	\$ 13,398
Per Common Share:								
Net investment income ¹	\$ 0.94	\$ 0.41	\$ 0.29	\$ 0.31	\$ 0.91	\$ 0.39	\$ 0.36	\$ 0.49
Net income (loss)	\$ 1.69	\$ 6.15	\$ 0.80	\$ 4.72	\$ 2.42	\$ (4.99)	\$ 9.87	\$ 1.10
NAV	\$ 132.59	\$ 132.32	\$ 126.67	\$ 126.07	\$ 121.55	\$ 120.66	\$ 125.85	\$ 116.18

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. 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.

Share Data

As at June 30, 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 together with an additional Common Share dividend representing the balance of net investment income for the previous fiscal year. The quarterly dividend is \$0.30 (2017 - \$0.20) per Common Share and \$0.375 per Preferred Share.

During the first fiscal quarter, the Company paid an additional cash dividend of \$1.12 (2017 - \$1.33) per Common Share representing the balance of net investment income for the previous 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

August 2, 2017

UNITED CORPORATIONS LIMITED

STATEMENTS OF NET ASSETS (Unaudited)

	June 30 2017	March 31 2017
	(000's)	
ASSETS		
Cash and cash equivalents	\$ 17,888	\$ 17,938
Investments (Note 4)	1,672,747	1,673,802
Receivable in respect of investments sold	2,224	—
Dividends and interest receivable	3,544	2,763
Income tax receivable	1,837	—
Other assets	3,038	2,667
	1,701,278	1,697,170
LIABILITIES		
Accrued expenses	983	964
Payable in respect of investments purchased	3,928	—
Income taxes payable	—	1,478
Dividends payable	3,753	3,753
Deferred tax liabilities	68,005	69,673
	76,669	75,868
NET ASSETS	\$ 1,624,609	\$ 1,621,302
SHAREHOLDERS' EQUITY		
Share capital	\$ 541,000	\$ 541,000
Retained earnings	1,083,609	1,080,302
TOTAL SHAREHOLDERS' EQUITY	\$ 1,624,609	\$ 1,621,302

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF OPERATIONS (Unaudited)

Three months ended June 30

2017 2016

(000's)

INCOME

Dividends

Foreign	\$ 17,546	\$ 16,803
Canadian	290	254
	17,836	17,057
Interest and securities lending income	203	190
Fair value change in investments (Note 5)	10,492	21,234
	28,531	38,481

EXPENSES

Investment management and administrative costs	1,940	1,705
Transfer, registrar and custody fees	141	125
Office and miscellaneous	138	215
Directors' and officer's remuneration	101	104
Professional fees	19	26
	2,339	2,175

INCOME BEFORE INCOME TAXES

	26,192	36,306
Provision for income taxes	5,475	6,741

NET INCOME

	\$ 20,717	\$ 29,565
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EARNINGS PER COMMON SHARE BASIC AND DILUTED

	\$ 1.69	\$ 2.42
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(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF CHANGES IN EQUITY (Unaudited)

	Share capital	Retained earnings	Total
		(000's)	
At April 1, 2017	\$ 541,000	\$ 1,080,302	\$ 1,621,302
Net income for the period	—	20,717	20,717
Dividends			
First Preferred Shares	—	(19)	(19)
Second Preferred Shares	—	(75)	(75)
Common Shares	—	(17,316)	(17,316)
At June 30, 2017	\$ 541,000	\$ 1,083,609	\$ 1,624,609
At April 1, 2016	\$ 541,000	\$ 938,121	\$ 1,479,121
Net income for the period	—	29,565	29,565
Dividends			
First Preferred Shares	—	(19)	(19)
Second Preferred Shares	—	(75)	(75)
Common Shares	—	(18,657)	(18,657)
At June 30, 2016	\$ 541,000	\$ 948,935	\$ 1,489,935

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF CASH FLOW (Unaudited)

Three months ended June 30

	2017	2016
	(000's)	
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income	\$ 20,717	\$ 29,565
Adjustments for:		
Fair value change in investments	(10,492)	(21,234)
Purchases of investments	(98,058)	(62,174)
Proceeds from sale of investments	109,605	77,257
Dividends and interest receivable	(781)	(829)
Deferred taxes	(1,548)	17
Net change in other assets and liabilities	(2,083)	(7,472)
	17,360	15,130
Financing		
Dividends paid to shareholders	(17,410)	(18,751)
Net decrease in cash and cash equivalents	(50)	(3,621)
Cash and cash equivalents at beginning of the period	17,938	17,187
Cash and cash equivalents at end of the period	\$ 17,888	\$ 13,566
Additional information for operating activities:		
Interest received	\$ 22	\$ 9
Dividends received, net of withholding taxes	14,571	13,760
Income taxes paid	8,350	11,700

(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 August 2, 2017.

2. Basis of presentation

These unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard 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, 2017.

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 are dependent on an assumption as to when a deferred tax liability is expected to be realized.

4. 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 June 30, 2017, all of the Company’s equity investments were Level 1 investments. There were no year-to-date transfers between Level 1, 2 or 3 equity 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 June 30	
	2017	2016
	(000's)	
Net realized gain	\$ 24,632	\$ 22,703
Change in unrealized appreciation	(14,140)	(1,469)
	\$ 10,492	\$ 21,234

6. 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 June 30, 2017 of \$46,989,000 (March 31, 2017 - \$45,720,000). Dividend income from Algoma for the three months ended June 30, 2017 amounted to \$290,000 (2016 - \$254,000).

E-L Financial holds a 51.8% 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 three months ended June 30, 2017 amounted to \$489,000 (2016 - \$419,000).

The ultimate controlling party of the Company and of these related parties 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 \$0.30 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 August 2, 2017, with a record and payable date of November 6, 2017 and November 15, 2017, respectively.

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

UNITED CORPORATIONS LIMITED

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2017 (Unaudited)

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	North America			
	Canada			
Common				
3,625,680	Algom Central Corporation ¹	\$ 6,201	\$ 46,989	2.8
	United States			
66,010	3M Co.	6,791	17,834	
227,520	Abbott Laboratories	12,337	14,352	
9,514	Alphabet Inc. Class A	6,308	11,478	
17,459	Alphabet Inc. Class C	12,266	20,589	
75,320	Becton, Dickinson and Company	6,100	19,071	
89,750	Berkshire Hathaway Inc. Class B	18,604	19,726	
130,170	Bristol-Myers Squibb Company	9,815	9,412	
437,090	CA Inc.	15,093	19,552	
238,800	Clorox Company (The)	26,347	41,290	
166,300	Colgate-Palmolive Company	9,201	15,998	
480,740	Comcast Corporation Class A	18,759	24,280	
587,700	ConAgra Brands, Inc.	16,747	27,273	
188,430	DaVita Inc.	17,814	15,835	
87,479	Dollar Tree, Inc.	3,517	7,937	
97,440	EOG Resources, Inc.	6,457	11,446	
117,130	Fiserv, Inc.	4,403	18,624	
503,100	General Mills, Inc.	23,529	36,169	
780,000	Hormel Foods Corporation	23,569	34,526	
156,150	JPMorgan Chase & Co.	6,843	18,521	
250,200	Kimberly-Clark Corporation	23,735	41,920	
189,966	Lamb Weston Holdings, Inc.	4,669	10,857	
113,510	MasterCard, Inc. Class A	14,332	17,890	
250,700	Merck & Co., Inc.	15,545	20,851	
211,450	MetLife, Inc.	7,312	15,075	
480,740	Microsoft Corporation	22,901	43,002	
132,600	Mondelez International Inc. Class A	5,151	7,432	
214,360	Noble Energy, Inc.	10,163	7,872	
357,640	Oracle Corporation	14,313	23,270	
100,270	PepsiCo, Inc.	7,083	15,028	
617,000	Pfizer Inc.	20,374	26,895	
148,402	Qunitiles IMS Holdings, Inc.	13,904	17,236	
2,049,400	Staples Inc.	26,773	26,781	
89,010	TJX Companies, Inc.	7,643	8,336	
69,380	UnitedHealth Group Incorporated	10,997	16,694	
225,950	US Bancorp.	6,798	15,224	
146,600	Verisk Analytics Inc. Class A	8,059	16,051	
150,250	Walgreen Boots Alliance Inc.	6,563	15,269	
256,700	Waste Management Inc.	14,211	24,434	
246,701	Wells Fargo & Company	14,117	19,034	
		<u>499,143</u>	<u>773,064</u>	46.2
	Mexico			
63,870	Fomento Economico Mexicano, S.A. de C.V. ADR	4,405	8,151	0.5
	Total North America	<u>509,749</u>	<u>828,204</u>	49.5

UNITED CORPORATIONS LIMITED

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2017 (Unaudited)

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
Europe, excluding United Kingdom				
35,546	Adidas AG	\$ 3,095	\$ 8,861	
102,328	Anheuser-Busch Inbev SA ADR.....	11,539	14,655	
428,939	AXA	11,160	15,217	
1,012,259	Banco Santander Central Hispano S.A.....	9,308	8,685	
78,668	Bayer AG.....	7,401	13,226	
1,643,839	Davide Campari-Milano S.p.A.....	6,446	15,024	
418,991	Group Danone S.A.....	34,040	40,845	
182,286	Kerry Group plc.....	14,827	20,341	
1,446,774	Koninklijke Ahold Delhaize NV.....	23,422	35,876	
325,885	L'Air Liquide S.A.....	44,668	52,232	
50,971	LVMH Moet Hennessy Louis Vuitton SA.....	9,594	16,482	
511,790	Nestlé SA	37,583	57,832	
58,680	Nestlé SA ADR.....	2,022	6,640	
574,270	Nordea Bank AB.....	9,912	9,468	
235,154	Novo Nordisk A/S.....	13,151	13,060	
1,287,181	Orange S.A.....	22,295	26,484	
388,124	Publicis Groupe.....	33,264	37,549	
138,890	Roche Holding AG.....	41,746	45,927	
138,556	Schneider Electric S.A.....	10,956	13,807	
739,919	Securitas AB Class B	7,701	16,160	
88,551	Siemens AG	9,935	15,833	
38,861	Swatch Group AG (The).....	15,094	18,633	
		<u>379,159</u>	<u>502,837</u>	30.1
United Kingdom				
287,231	Compass Group plc	8,765	7,846	
233,938	Diageo plc.....	7,416	8,566	
17,870	Diageo plc ADR.....	1,351	2,779	
5,745,883	G4S plc	23,045	31,624	
295,140	GlaxoSmithKline plc.....	7,484	8,139	
106,040	Intertek Group plc.....	8,029	7,540	
246,835	Next plc	16,547	16,049	
292,010	Nielsen Holdings plc.....	17,124	14,650	
498,290	RELX plc	12,014	13,948	
335,510	Royal Dutch Shell plc.....	12,857	11,548	
3,193,390	Vodafone Group plc.....	13,435	11,725	
		<u>128,067</u>	<u>134,414</u>	8.0
Asia				
1,255,600	AIA Group Limited.....	9,769	11,908	
347,400	Asahi Group Holdings Co.....	11,511	16,979	
57,500	Fanuc Corporation	9,965	14,394	
122,900	Kao Corporation	5,091	9,479	
864,900	KDDI Corporation.....	24,540	29,745	
25,536	Keyence Corporation	3,196	14,565	
440,000	Kirin Holdings Company, Limited.....	6,316	11,643	
173,200	Lawson Inc.....	15,175	15,737	
179,400	Makita Corporation.....	4,831	8,617	
382,900	Mitsubishi Tanabe Pharma Corporation.....	6,078	11,491	
1,596,000	Osaka Gas Co., Ltd.....	7,109	8,478	
96,200	Secom Co. Ltd.....	5,650	9,480	
259,200	Seven & i Holdings Co., Ltd.....	14,268	13,867	
337,000	Unicharm Corporation.....	7,713	10,994	
		<u>131,212</u>	<u>187,377</u>	11.2

UNITED CORPORATIONS LIMITED

SCHEDULE OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2017 (Unaudited)

<u>Number of Shares</u>		<u>Cost</u>	<u>Carrying value</u>	<u>% of Carrying value</u>
		(000's)		
	Australia			
814,140	Amcor Limited	\$ 12,487	\$ 13,155	
236,119	Australia and New Zealand Banking Group Limited	6,442	6,760	
		<u>18,929</u>	<u>19,915</u>	<u>1.2</u>
	Total investments	<u>\$1,167,116</u>	<u>\$1,672,747</u>	<u>100.0</u>

¹ This company and United are related parties.

UNITED CORPORATIONS LIMITED

CORPORATE INFORMATION

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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

	<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 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

