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UNITED VENTURE FUND LTD.

PROSPECTUS

March 27, 1980

THE SECURITIES OFFERED BY THIS PROSPECTUS
ARE SPECULATIVE (Ref: Pages 1 and 3)

MUTUAL FUND SHARES OFFERED BY THIS PROSPECTUS ARE
OFFERED AT NET ASSET VALUE NEXT DETERMINED AFTER THE
TIME OF SALE PLUS SALES COMMISSION AND ARE DISTRIBUTED
THROUGH UNITED INVESTMENT SERVICES LTD. AS PRINCIPAL
DISTRIBUTOR.

HOWARD ROOS LIBRARY
DE MANAGEMENT

MAY 9 1980

McMILLAN UNIVERSITY

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UNITED VENTURE FUND LTD.

SUMMARY OF PROSPECTUS

The Fund and its Shares

United Venture Fund Ltd. (the "Fund") is an incorporated mutual fund, issuing only one class of shares being mutual fund shares, the value of each of which is the net asset value of the Fund divided by the number of shares outstanding.

Investment Objectives

The primary objective of the Fund is to realize a high rate of growth on investments by investing in shares of companies, including smaller companies, that are taking advantage of natural resources, including mining, technological changes and advances in engineering, production and marketing techniques. Portfolio investments may be made without restriction as to country or class of industry. It is presently invested predominantly in stocks of companies in Canada and the United States.

Risk Factors and Potential

The risk to potential factors of a fund vary with the nature of its portfolio investments. Market changes are reflected in its performance.

The Fund is speculative and therefore investment in its shares involves a greater than average degree of risk. It should be considered only by those who can afford to speculate. It is recommended that the Fund should ordinarily form part only of the investment which the average investor should set aside for long term investment.

Major investments as at November 30, 1979 were:

<u>Security</u>	<u>Market Value</u>	<u>Percentage of Portfolio</u>
Crush International	\$ 831,250	4.5%
Noranda Mines	1,006,250	5.4
Teck Corporation	1,260,000	6.8
Western Mines	700,000	3.7
IU International	1,005,380	5.4
Towle Manufacturing	860,921	4.6
MacMillan Bloedel	1,137,500	6.1
Cadillac Fairview	1,080,000	5.7
Melcor Developments	<u>706,250</u>	<u>3.8</u>
	8,587,551	46.0
Others - see pages 14 and 15	10,097,793	54.0
Total Net Assets	<u>\$18,685,344</u>	<u>100.0%</u>

Five Year Annual Performance of the Fund Per Share

	1979	1978	1977	1976	1975
Net asset value per share:					
At end of year	\$4.21	\$3.20	\$2.86	\$2.43	\$2.33
At beginning of year	3.20	2.86	2.43	2.33	1.90
	1.01	.34	.43	.10	.43
Add amount distributed .....	.10	.311			
Change in year	\$1.11	\$.651	\$.43	\$.10	\$.43
Percentage change in year	34.7%	22.8%	17.7%	4.3%	22.6%

The Offering and Purchase of Shares

The shares are offered by United Investment Services Ltd., as principal distributor, through salesmen and brokers in continuous distribution. For details of methods of purchase, see page 4.

Redemption of Shares

Shares may be redeemed at their net asset value without charge following a request for redemption made to the Registrar, Continental Trust Company. For details, see page 6.

Management of the Fund

United Funds Management Corporation acts as investment advisor and provides management services to the Fund. For details, see page 8 and following.

Dividend Policy and Tax Information

The Fund may pay dividends from time to time but only in such amount as may be necessary to enable the Fund to obtain a refund of special refundable federal tax. Dividends of 31.1¢ and 10¢ per share were paid in each of the fiscal periods ended November 30, 1978 and 1979 respectively. No dividends were paid in the 1975 to 1977 financial years.

The Fund does not qualify for registered retirement savings plans or other tax deferment plans which have similar investment restrictions. For further tax information, see page 3.

General

The foregoing summary is subject to the further information in the prospectus.

1. THE OFFERING

1.01 General

United Venture Fund Ltd. (the "Fund") is a mutual fund having its assets invested in a portfolio consisting primarily of equity shares of Canadian and American companies. United Investment Services Ltd. (the "Distributor") is the principal distributor of the mutual fund shares ("shares") of the Fund. The assets of the Fund are managed by United Funds Management Corporation (the "Manager"). Continental Trust Company (the "Registrar") is Registrar and Transfer Agent of the shares of the Fund. Further, Continental Trust Company under investment plans, (as "Trustee") will purchase shares on behalf of the investor and hold the same in its name in trust for the beneficial owners thereof on the books of the Fund. Correspondence from investors should be directed to the Registrar or the Distributor at their principal office at 145 King Street West, Toronto, Ontario, M5H 2E2.

1.02 Investment Objectives and Policy

The primary objective of the Fund is to realize a high rate of growth on investments by investing in shares of companies, including smaller companies, that are taking advantage of natural resources, including mining, technological changes and advances in engineering, production and marketing techniques. See also section 5.04, Investment Restrictions.

In view of the fact that the Fund is speculative and therefore investment in its shares involves a greater than average degree of risk, it should be considered only by those who can afford to speculate. It is recommended that the Fund should ordinarily form part only of the investment which the average investor should set aside for long term investment.

1.03 Distributions Policy

The Fund may pay dividends from time to time, but only in such amount as may be necessary to enable the Fund to obtain a refund of the special refundable federal tax of 25% payable by the Fund on gross dividends received by it from Canadian corporations, as referred to in section 1.05. Such dividends paid will generally be equal to, but may be less than, the gross amount of the taxable Canadian dividends received by the Fund.

In addition, the Fund may make distributions from time to time from net capital gains subject to tax realized by the Fund, but only after application of allowable capital losses realized by the Fund, and to the extent only that the balance of such gains is not offset by capital losses carried forward and is not deemed to have been distributed for tax purposes on the redemption of shares of the Fund as referred to in section 1.05.

Dividends paid and such distributions of net capital gains as may be declared, will be automatically reinvested by the Registrar in additional shares of the Fund at net asset value per share without deduction of sales charges or service fees. During the financial years ended November 30, 1978 and 1979, a dividend of 31.1¢ and 10¢ per share, respectively, was paid and reinvested by the Fund. No dividends were paid in the 1975 to 1977 financial years.

1.04 Tax Status of the Shareholders

Ordinary dividends paid by the Fund whether taken in cash or reinvested in additional shares will generally be subject to tax in the hands of individual shareholders who are resident in Canada, as dividends from a taxable Canadian corporation. However, in determining the amount of tax payable by such shareholders with respect to such dividends, the dividend tax credit will be allowed.

The Fund may also make distributions to shareholders of realized capital gains, which distributions will be treated as realized capital gains in the hands of shareholders who are individuals resident in Canada and one-half thereof will be included in their income, subject to the general rules relating to the taxation of capital gains.

With respect to shareholders of the Fund which are corporations, the tax treatment of dividends received from the Fund will depend, in part, upon the tax status of the recipient corporation.

A gain realized by any Canadian resident shareholder on the redemption of shares of the Fund is normally treated as a capital gain and 50% of such gain is included in taxable income, subject to the general rules relating to taxation of capital gains under the legislation. Similarly, in the event that a loss is so realized, 50% of such loss is included with one-half of other capital gains and losses of such shareholder in computing his income subject to tax, subject to the general rules relating thereto under the legislation. (See section 1.03, Distributions Policy.)

1.05 Tax Status of the Fund

The Fund qualifies as a mutual fund corporation as defined in the Income Tax Act (Canada). It is subject to a special refundable federal tax of 25% on gross dividends received by it from Canadian corporations, but this tax is

refunded to the Fund on the basis of one dollar for each four dollars that the Fund pays as dividends to its shareholders. Interest and foreign dividends received, less the expenses of the Fund, are taxed at full corporate rates and there are applicable credits for foreign taxes paid.

Capital gains net of capital losses realized on the sale of investments are included to the extent of 50% thereof as income of the Fund for tax purposes, to the extent that such gains accrued subsequent to 1971, and subject to the general rules relating to the taxability of such gains. The Fund receives refunds of the taxes paid by it on such realized gains, if and when the realized gains are distributed, or deemed through redemptions, on a formula basis, to be distributed, to shareholders.

2. METHODS OF PURCHASE

Shares of the Fund are available for purchase through the Distributor and through its selected mutual fund dealers and brokers ("selected brokers") qualified to transact securities business in the provinces in which shares may be offered for sale to the public as described below. Shares so purchased are taken in the name of the Trustee and held by it in trust for the beneficial owner. Subscriptions for shares received by a sales representative or agent shall be mailed to the principal office of the Distributor and the Registrar, 145 King Street West, Toronto, Ontario, M5H 2E2, the same day they are received. Further, at the subscriber's request and expense, a subscription request may be transmitted by wire or telephone to the said principal office. Any subscription may be rejected by the Distributor or the Registrar. The decision to accept or reject subscriptions will be exercised promptly and in any event within 2 days of receipt of the subscription, and in the case of a rejection, all monies received with the subscription will be refunded to the subscriber immediately.

2.01 Available Accounts

Shares are available on initial investment in amounts of \$1,000 or more and subsequent investments may be made in amounts of \$100 or more.

2.01.1 Accumulation Plan

Amounts of less than \$1,000 will be accepted under the Accumulation Plan. Initial investments must be at least \$100 and subsequent investments must be at least \$50 each. If the initial investment is less than \$500, the application must be accompanied by a pre-authorized chequing plan to provide for subsequent investments. Subsequent investments of less than \$100 each must be by a pre-authorized chequing plan.

The Registrar reserves the right to redeem in full any Accumulation Plan account on the second Thursday in March of the third year, or any subsequent year, after the calendar year in which the account was opened if the amount invested therein, less redemptions, is then less than \$1,000.

2.02 Issue Price and Acquisition Charges

The issue price of each share shall be the net asset value thereof next determined after the time of sale (being the time that a subscription with payment has been received at the principal office of the Distributor at Toronto, Ontario) plus the sales commission payable. Sales commission is payable on application. Sales made after the time of closing of the last to close of The Toronto Stock Exchange or the New York Stock Exchange on a day when net asset value is determined shall be deemed to have been made after such determination of net asset value.

The Distributor receives the sales commission. The balance received is invested in the Fund. Sales commission rates are as follows:

where the "amount invested" is	commission as a % of price paid by investor shall not exceed	commission as a % of net asset value of shares purchased shall not exceed
\$ 0 to \$ 24,999	9%	9.89%
\$ 25,000 to \$ 49,999	7%	7.53%
\$ 50,000 to \$ 99,999	5%	5.26%
\$100,000 to \$199,999	4%	4.17%
\$200,000 to \$299,999	3%	3.09%
\$300,000 or more	2%	2.04%

To determine the "amount invested" the above table will be applied to each investment separately.

2.03 Partial Redemptions and Changes of Ownership

An investor may liquidate from time to time a part of the shares held in his account. A minimum balance of \$1,000 in net asset value of the remaining shares must be left invested at the time of such partial redemption or the Registrar has the right at any time thereafter to redeem the remaining shares, make payment to the investor and close the account.

Where the registration of a change of ownership of the investment is requested by the investor, then no sales charge will be payable on such change. The shareholder will be required to pay applicable tax, if any, on any gain realized on any transfer of shares. If such transaction is effected by transfer of part only of an account then a minimum balance of \$1,000 must be left in such account.

No conversion of investment to the Fund will be permitted from any Periodic Withdrawal Programme of an associated fund if, as a result, there is an amount of less than \$10,000 in net asset value remaining in such Programme.

3. VALUATION AND REDEMPTION OF SHARES

3.01 Frequency of Valuation

The net asset value of each share will be determined at the times and in the manner set out in this section and shall take effect at the times and for the purposes of pricing for sales and redemptions as set out in the sections relating to such transactions and any determination of net asset value so made shall be binding on all parties. A determination of net asset value shall be made:

- (i) prior to April 30, 1980, as of the close of business of the last to close of The Toronto Stock Exchange or the New York Stock Exchange when either of the said exchanges is open for trading on (1) each Thursday in each week and in the event that Thursday is a holiday then on the next business day (as defined in subparagraph (iii) of section 3.03) following such Thursday and further (2) on the last business day of each calendar month, and
- (ii) after May 1, 1980, as of the close of business of the last to close of The Toronto Stock Exchange or the New York Stock Exchange on each business day when either of the said exchanges is open for trading, and
- (iii) in addition to the foregoing, at any particular time selected by the board on any day if such is for any reason deemed advisable.

3.02 Method of Determining Net Asset Value

The net asset value of each share shall be determined in accordance with the Articles of Continuance of the Fund as follows:

The net asset value of each share as of any particular time shall be the quotient obtained by dividing the value, as at such time, of the net assets of the Fund (i.e. the value of the assets of the Fund less its liabilities), by the total number of shares outstanding at such time.

The value of any bond, time note, share of stock, subscription right or other security which shall be listed or dealt with upon The Toronto Stock Exchange or the New York Stock Exchange, or any other recognized stock exchange, shall be determined as of the close of business by taking the last sale price (or lacking any sales, a price not higher than the closing asked price and not lower than the closing bid price therefor as the board may from time to time determine) on that exchange on the date as of which the net asset value is being determined, and, in the case of a determination made other than as of the close of business, the latest available quotations (i.e. last sale preceding the time as of which the determination is being made or latest bid and asked if there was no sale on that day) shall be used.

The value of any bond, time note, share of stock, subscription right or other security which is not listed on a recognized stock exchange shall be determined by taking the last ascertainable sale price thereof or, in the event of any lack of sales or in the event that any of the officers of the Fund then having the power and duty to determine the net asset value of the shares is of the opinion that such last ascertainable sale price does not accurately reflect the value of such security or property, then such value shall be determined by taking such price as any such officers may, from time to time, determine provided that it shall not be higher than the last quoted asking price and not lower than the last quoted bid price. Restricted securities and other non-liquid assets, if any, (further referred to in item 21 under section 5.04, Investment Restrictions) shall be valued while their disposition is restricted at the same rate of discount from market as was used at the time of purchase.

Clearing corporation options, if purchased, shall be valued at current market value. Upon writing of covered clearing corporation options, the premium received shall immediately be set up as a liability. Thereafter, so long as the Fund's obligation under the option is outstanding, such liability shall be valued at an amount equal to the current market value of an option, the purchase of which would have the effect of extinguishing the Fund's liability under the written option. The stocks which are the subject of a clearing corporation option, shall continue to be valued at current market value.

3.03 Redemption

Any investor may require the Registrar at any time and from time to time to accept for redemption at the net asset value thereof, all or any of the shares registered in his name by delivering a written request (a) to the Distributor or to it at their principal office, at Toronto, Ontario or (b) to its agent who shall mail it to the Registrar at Toronto the same day it is received. A redemption request may be transmitted to the Registrar at Toronto by wire or telephone at the investor's request and expense and the representative or agent shall so advise the investor. The redemption will be carried out subject to the following terms and conditions:

- (i) Shares to be redeemed pursuant to any notice deposited with the Registrar at Toronto, shall be redeemed at the net asset value next determined following such deposit; provided, however, that any notice deposited after the close of business of the last to close of The Toronto Stock Exchange or the New York Stock Exchange on a day when net asset value is determined, shall be deemed to have been deposited on the next business day.
- (ii) Notwithstanding the foregoing, where shares being redeemed have been purchased by payment to the Fund made within 90 days of the deposit of notice of redemption at a sales commission of less than 2% of the sales price, then a redemption fee will be charged and deducted from the redemption price of the shares in an amount equal to the difference between the sales commission actually charged on the shares being redeemed and 2% of the sales price. Such redemption fee will be retained by the Fund.
- (iii) A business day shall mean a business day of the Fund which is normally a day when The Toronto Stock Exchange is open for trading.
- (iv) Deposit of notice of redemption shall be valid only when a written request from the investor has been delivered to and received at the principal office of the Registrar at Toronto, Ontario, in a form satisfactory to it and with signature guaranteed by a Canadian Chartered Bank, a Trust Company authorized to do business within Canada, a Caisse Populaire or a selected broker.
- (v) Payment for such shares shall be made within 7 days after the date as of which the shares are valued for redemption. Payment for such shares so to be redeemed shall be made by cheque payable to the holder of record thereof at his address of record unless, at the request of such shareholder the Registrar in its absolute discretion agrees otherwise.
- (vi) Redemption of shares owned by the investor is only permitted upon the written request of such investor or for the purposes of payment of service fees, taxes and other lawful charges and the liquidation of small accounts as provided for herein.

3.04 Rights and Conditions

The rights, limitations and conditions related to the purchase of shares of the Fund shall be such as are provided in the then current prospectus and the shareholder will be provided with a copy of the current prospectus or otherwise advised of changes, if any, to such rights, limitations and conditions. The rights, limitations and conditions (other than those related to acquisition fee under Periodic Investment Plans sold under a previous prospectus) related to the investment shall be such as are established from time to time by the Directors of the Fund for the orderly regulation and administration of shareholders' accounts as such are evidenced by the provisions of the Articles of Continuance, By-laws and Resolutions of the Directors of the Fund, laws, regulations and administrative policies to which the Fund becomes subject, all as such may be amended from time to time. Such rights, limitations and conditions shall include but not be limited to rights to redemption, transfer, dividends and distributions and the maintenance of investment records and accounts in respect of any and all forms of investments in the Fund.

4. THE ISSUER

4.01 Corporate Information

The Fund, being the issuer of the securities offered, was incorporated under the laws of Canada by Letters Patent dated November 14, 1966 and has received a Certificate of Continuance under the Canada Business Corporations Act. Its head office and principal place of business is at 145 King Street West, Toronto, Ontario.

4.02 Directors and Officers of the Fund

The names and home addresses in full of all Directors and Officers of the Fund, the positions with the Fund held by each and the principal occupations of each within the 5 preceding years are as follows:

<u>Name and Home Address</u>	<u>Present* and First**</u>	<u>Principal Occupation</u>
	<u>Positions with the Fund</u>	
John Hewson Coleman,..... LL.D.(Hon.), K.M. Apartment No. 603-4, 561 Avenue Road, Toronto, Ontario.	Chairman of the Board	President, J.H.C. Associates Ltd. (financial consultants)
Stanley Roy Anderson	Vice-President, Secretary and Director* Assistant Secretary**	Secretary, United Financial Management Ltd. (a holding company)
Gordon Arthur Christopher,..... B.A., LL.B. 1668 West 40th Avenue, Vancouver, British Columbia.	Director.....	President, Christopher Enterprises Ltd. (garment servicing company)
H. Reuben Cohen, Q.C., D.C.L. 115 Hillcrest Drive, Moncton, New Brunswick.	Director.....	Barrister and Solicitor
Jacques de Billy, Q.C. 1410 Oak Avenue, Quebec City, Quebec.	Director.....	Senior Partner Gagnon, de Billy, Cantin, Martin, Beaudoin & Lesage (a law firm)
Leonard Ellen	Director.....	President, Leonard Ellen Incorporated (lumber wholesaler) (Prior to March, 1977 — Chairman of the Board and Managing Director, C.J. Hodgson, Richardson Inc.)
Graham Martin MacLachlan 6 Wilket Road, Willowdale, Ontario.	Director.....	Retired Executive
James Bernard Prendergast..... 58 Old Forest Hill Road, Toronto, Ontario.	Director*..... Executive Vice-President and Director**	President, Westroc Industries Limited (building materials) (Prior to September, 1975 — President, United Financial Management Ltd.)
William James Clarke	Executive Vice-President* ... Vice-President, Finance and Treasurer**	President, United Financial Management Ltd. (a holding company)
Gerald Francis Coleman	Vice-President	Vice-President, United Funds Management Corporation (an investment management company) (Prior to September, 1978 — Regional Manager, Pension Investment Services, Montreal Trust Company)

<u>Name and Home Address</u>	<u>Present* and First** Positions with the Fund</u>	<u>Principal Occupation</u>
James Lionel Dent 100 Ranstone Gardens, Scarborough, Ontario.	Vice-President	Vice-President, United Financial Management Ltd. (a holding company)
Engelbert Joseph Dessailly 56 Cassandra Boulevard, Town House 4, Don Mills, Ontario.	Vice-President and Treasurer* Assistant Treasurer**	Treasurer, United Financial Management Ltd. (a holding company)
John Winston Henry Davies Jones 40 Onslow Court, Oakville, Ontario.	Controller* Assistant Controller**	Controller, (United Financial Management Ltd. (a holding company) (Prior to March, 1976 — Supervisor, General Accounting, United Financial Management Ltd.)

5. INVESTMENT MANAGEMENT

5.01 The Manager

United Funds Management Corporation, a professional investment management company, incorporated under the laws of Ontario, with head office and principal place of business at 145 King Street West, Toronto, Ontario, is the Manager of the Fund. Under its Agreement (as amended) dated December 30, 1966, the Manager is responsible to supervise, manage and direct the investment of the cash, securities and other property comprising the assets of the Fund and to recommend what securities should be purchased or sold and what portion of the Fund's assets should be held uninvested. The Manager also provides and pays for adequate office space and equipment, pays for any other expenses incidental to the operation thereof including the paying of remuneration of directors, officers and of sufficient personnel required to keep the financial accounts of the Fund, to calculate the net asset value of the shares and to place orders for the purchase and sale of securities on behalf of the Fund. The Manager's contract may be terminated by common consent or for cause.

Any brokerage fees and commissions, costs, claims and adjustments on the purchase and sale of portfolio securities and taxes of all kinds to which the Fund is or might be subject will be borne by the Fund. All other fees and expenses incurred by the Fund in the ordinary course of its business relating to its organization, management and operation will be paid by the Manager.

For all services and facilities which the Manager provides to the Fund, it is paid for each day 1/365 of the sum of:- 1 1/4% of the first \$40,000,000, plus 1 1/2% of the excess over \$40,000,000 up to \$80,000,000, plus 1 1/4% of the excess over \$80,000,000 up to \$120,000,000, plus 1% of the excess over \$120,000,000 of the net assets of the Fund excluding from such net assets, refundable income taxes. The Manager's fee for each day in any period commencing with the day that net asset value of the assets of the Fund is determined and ending with the next day that such net asset value is again determined shall be based upon the net asset value determined at the beginning of such period.

An increase in management fees will not be made without prior approval by a vote of at least 50% of the shares represented at a special general meeting of shareholders called by prior notice of at least 21 days and at which a quorum of at least 10% of the issued and outstanding shares has been obtained in accordance with National Policy Statement No. 7.

Per share net asset values and charges to the Fund over the last 5 completed financial years were as follows:

	<u>Net asset value per share</u>		<u>Total management fees charged to the Fund</u>	<u>Total charges as a per cent of average net assets (b)</u>
	<u>At beginning of year</u>	<u>At end of year</u>	<u>Dividends per share</u>	
1975	\$1.90	\$2.33		\$210,274
1976	2.33	2.43		221,475
1977	2.43	2.86		193,835
1978	2.86	3.20	31.1¢	194,139
1979	3.20	4.21	10.0¢	294,554(a)

- (a) Prior to April 1, 1979 the Manager was paid for each day 1/365 of the sum of: - 1 3/4% of the first \$3,000,000, plus 1 1/2% of the excess over \$3,000,000 up to \$5,000,000, plus 1 1/4% of the excess over \$5,000,000 up to \$10,000,000, plus 1% of the excess over \$10,000,000 up to \$100,000,000, plus .75 of 1% of the excess over \$100,000,000 of the net assets of the Fund. Had the rate in management fees introduced April 1, 1979 been in effect for the entire fiscal year the total management fees charged to the Fund would have been \$324,136 and the management fee expense ratio would have been 1.75%.
- (b) Average net assets are calculated to be the average of the net assets determined at each valuation date of the Fund.
- (c) Management expense ratios vary from one mutual fund to another.

During the year ended November 30, 1978, \$18,472 of brokerage, or 23.7% of the total amount of \$77,919 of brokerage was paid by the Fund to Morgan Stanley & Co. Incorporated, a principal broker. There was no principal broker for the 1977 and 1979 years.

5.02 Directors and Officers of the Manager

The names and home addresses in full of all Directors and Officers of the Manager and the positions with the Manager held by each are as follows:

<u>Name</u>	<u>Home Address</u>	<u>Position with the Manager</u>
William James Clarke	1188 Carey Road	President and Director
	Oakville, Ontario	
Stanley Roy Anderson	64 Ravine Park Crescent	Vice-President, Secretary
	West Hill, Ontario	and Director
Gerald Francis Coleman	2510 Winthrop Crescent	Vice-President and Director
	Mississauga, Ontario	
James Lionel Dent	100 Ranstone Gardens	Vice-President and Director
	Scarborough, Ontario	
James Montague Farley	234 Cardinal Drive	Director
	Oakville, Ontario	
Engelbert Joseph Dessailly	56 Cassandra Boulevard	Vice-President and Treasurer
	Town House 4	
	Don Mills, Ontario	
John Winston Henry Davies Jones...	50 Onslow Court	Controller
	Oakville, Ontario	

5.03 Portfolio Management

The Manager retains a staff of professional and trained investment managers who analyse and study data, information and recommendations obtained from all available sources including direct discussion with management of a company whose securities are being considered for purchase and recommendations and studies offered by brokers and economists. All purchases and sales of securities must be first recommended by the Manager. An officer of the Fund must then be satisfied that all requisite procedural action has been taken before he approves payment for or delivery of securities. Each member of the Board of Directors of the Fund and of the Manager is provided with a detailed monthly report of such purchases and sales. The portfolio is reviewed frequently by the Manager and is further considered at meetings of the Directors of the Fund. Transactions are normally arranged through a large number of brokerage houses. Payments for and settlement of transactions are formally carried out by a Canadian Chartered Bank which acts as the custodian of portfolio securities. The Manager and its personnel never have custody of any securities at any time. In determining the allocation of brokerage business, the Manager's objectives will include ensuring that the stock exchange and brokerage firm used will be such as to provide for execution of the portfolio transaction as expeditiously as possible at favourable prices and that, where not inconsistent with the transaction objective, allocation of brokerage business will result in the generation of research services, securities trading services and market information from the brokerage community consistent with good portfolio management practice.

The total cost of securities of the Fund portfolio at November 30, 1978 was \$12,411,013 and at November 30, 1979 was \$14,768,117. The total cost of securities purchased during the financial year ended November 30, 1979 was as follows:

(a) Short term notes:		
Government issued or guaranteed securities .....	.....	\$ 490,044
Other short term notes .....	.....	13,248,026
(b) Other securities .....	.....	<u>16,810,111</u>
Total .....	.....	<u>\$30,548,181</u>

5.04 Investment Restrictions

The Fund will continue to be operated as a fully managed mutual fund. Subject to the following investment restrictions, the Fund's assets may be invested in securities of any class or kind in any country. The Fund:

1. shall not borrow money or hypothecate, mortgage or pledge any of its property, real or personal, movable or immovable;
2. shall not purchase on margin securities of any sort;
3. shall not sell short any security;
4. shall not underwrite or participate in underwriting of any securities;
5. shall not participate on a joint or joint and several basis in any trading account in securities;
6. shall not lend any of its funds or other assets to any person, directly or indirectly, other than through the purchase, in accordance with the investment policies of the Fund, of securities of a person who does not control and is not under common control with the Fund;
7. shall not purchase or otherwise acquire any security issued by or any other interest in the business of any person who is a broker or dealer or is engaged in the business of underwriting or is an investment adviser;
8. shall not knowingly acquire any security:
 - (a) if, after giving effect thereto, the Fund would at the time of such acquisition directly or indirectly own, control or hold with power to vote 10% or more of the outstanding voting securities of any other company;
 - (b) of an issuer (other than securities issued or guaranteed by the Government of Canada or any province thereof or any agency of any such government) if, after giving effect thereto, the Fund would have invested more than 10% of its net assets determined in accordance with the provisions of its Letters Patent, in securities of such issuer;
9. shall not deal with its own or its Manager's officers or directors or any firm in which any officer or director may have an interest or be an employee thereof, as principals in making purchases or sales of securities (other than mutual fund shares which may be issued by the Fund itself); provided that any officer or director of the Fund may, either directly or through a firm, act as a broker they may accept the customary commissions in the purchase and sale of securities by or for the account of the Fund and may act as a dealer in connection with the purchase or sale of any mutual fund shares issued by the Fund;
10. shall not purchase or sell real estate or other property other than securities;
11. shall not purchase or sell commodities or commodity future contracts;
12. shall not purchase securities of its management company or contractual distributor;
13. shall not issue or guarantee purchase warrants or any obligations, bonds, notes, debentures or other senior securities;
14. shall not purchase or write options; except that with respect to clearing corporation options, the Fund may
 - i) purchase such options provided that immediately following such purchase the value of all rights, warrants and options collectively held shall not exceed 5% of the value of the Fund's net assets;
 - ii) write such "covered" options provided that immediately following such writing the value of the securities underlying all options written and outstanding shall not exceed 10% of the Fund's assets invested in stock;

15. shall not purchase securities which are the object of an initial sale or distribution, unless (a) such securities may be lawfully sold in the jurisdiction in which the Fund and the Manager are situate, and (b) such securities may be lawfully sold in the jurisdiction in which the issuer is situate;
16. shall not invest in any security which may, by its terms, require the Fund to make an additional contribution;
17. shall not invest in the securities of mutual funds or in the securities of any other pooled investment vehicles from which management fees are exigible;
18. shall not purchase securities other than through normal public market facilities unless the purchase price approximates the prevailing market price and is negotiated on an arm's length basis;
19. shall require any director, officer or employee of the Fund or the Manager engaged in investment research or participating in any way in any investment decision with respect to the securities of a company in which such director, officer or employee has any interest, direct or indirect, to disclose immediately such interest and refrain from voting on such investment decision;
20. shall not invest in mortgages;
21. shall not invest in excess of 10% of the net asset value of the Fund in restricted securities and other non-liquid assets which term shall include options, rights and warrants.

The basis of restrictions 1 to 13 above have been established in the Articles of Continuance or By-Laws and cannot be changed without shareholder approval.

5.05 Custodian of Portfolio Securities

Securities and cash owned by the Fund are deposited for safekeeping with and are kept at the offices of a Canadian Chartered Bank at 44 King Street West, Toronto, Ontario. The fees of the Custodian are paid by the Manager.

5.06 Registrar and Transfer Agent Responsibility

By agreement dated March 27, 1974, as amended, Continental Trust Company, a 99.8% owned subsidiary of United Financial Management Ltd., was appointed Registrar and Transfer Agent for the Fund in the cities of Toronto, Montreal, Edmonton and Vancouver. The costs of the registrar and transfer agent services that would be otherwise payable by the Fund are borne by the Manager under the management contract, as amended. (See section 5.01.)

6. DISTRIBUTION

6.01 Principal Distributor

United Investment Services Ltd. with head office at 1201 Place du Canada, 1010 de la Gauchetière Street West, Montreal, Quebec is the principal distributor of the Fund. The offers and applications together with any payments in respect thereof are sent to it at 145 King Street West, Toronto, Ontario. It is the intention of the Fund and of the Distributor to offer the shares in continuous offering.

6.02 Directors and Officers of the Distributor

The names and home addresses in full of all Directors and Officers of the Distributor and the positions with the Distributor held by each are as follows:

<u>Name</u>	<u>Home Address</u>	<u>Position with the Distributor</u>
William James Clarke	1188 Carey Road	President and Director
	Oakville, Ontario	
Stanley Roy Anderson	64 Ravine Park Crescent.....	Vice-President, Secretary
	West Hill, Ontario	and Director
Gerald Francis Coleman	2510 Winthrop Crescent	Vice-President and Director
	Mississauga, Ontario	
James Lionel Dent	100 Ranstone Gardens.....	Vice-President and Director
	Scarborough, Ontario	
Engelbert Joseph Dessailly	56 Cassandra Boulevard	Vice-President and Treasurer
	Town House 4	
	Don Mills, Ontario	
Marcel Rosaire LaRochelle.....	774 Colonel Jones Avenue ...	Vice-President
	Ste Foy Quebec	

<u>Name</u>	<u>Home Address</u>	<u>Position with the Distributor</u>
John Winston Henry Davies Jones	40 Onslow Court Oakville, Ontario	Controller
Helen Corrigan	4873 Vezina Street Apartment 32 Montreal, Quebec	Assistant Secretary

7. ADDITIONAL INFORMATION

7.01 Shareholder Rights

The respective voting rights, preferences, conversion and exchange rights, rights to dividends and distributions, profits or capital of each class of shares including redemption rights and rights on liquidation or distribution of capital assets of each class of shares of the capital stock of the Fund are as follows:

- (i) Common shares are not issued.
- (ii) Each mutual fund share shall entitle the holder thereof to one vote at all meetings of shareholders of the Fund.
- (iii) Mutual fund shares shall rank equally with respect to any and all payments made to shareholders of the Fund whether by way of dividends or by way of distribution of capital.
- (iv) Fractional shares shall carry and be subject to the rights, limitations and conditions respectively applicable to the whole shares in the proportions which they bear to one share.

Shareholders will be provided with the proxy material issued by the Fund and given an opportunity to vote in person or by proxy at shareholder meetings.

7.02 Purchaser's Statutory Rights of Withdrawal and Rescission

(a) Sections 63 and 64 of The Securities Act (Manitoba), Sections 71 and 72 of The Securities Act (Saskatchewan) and Sections 64 and 65 of The Securities Act (Alberta) provide, in effect, that where a security is offered to the public in the course of distribution:

- (i) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor not later than midnight on the second business day after the prospectus offering such security is received or is deemed to be received by the purchaser or his agent; and
- (ii) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by the purchaser or his agent.

(b) Sections 61 and 62 of the Securities Act (British Columbia) provide in effect that, where a security is offered to the public in the course of primary distribution, a purchaser has the same right of rescission described in (a)(ii) above and also that a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of 3 months from the date of such notice.

(c) Sections 70, 126, 134 and 135 of The Securities Act, 1978 (Ontario) provide, in effect, that when the securities offered herein have been purchased under an offer in the course of a distribution or a distribution to the public:

A. The purchaser may rescind the contract by written or telegraphic notice, if such notice is received by the dealer from whom the security was purchased (i) not later than midnight of the second business day after the latest prospectus and any amendment thereto has been received or deemed to have been received by the purchaser or his agent, and (ii) further, in the event that the amount so purchased was less than \$50,000, such notice may be given at any time up to 48 hours after a confirmation of such purchase was received.

B. If the prospectus together with any amendment thereto contains information that was a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied on such misrepresentation and shall have (i) a right of action against the issuer, the selling security holder or any underwriter who signed the prospectus, to rescind the contract, such right to be exercised within 180 days after the purchase or, in lieu thereof, (ii) a right of action to be initiated within 180 days of the knowledge by the purchaser of the facts giving rise to the right but not later than three years after the transaction complained of for damages against the issuer or selling security holder, the underwriter and every other person or company who signed the prospectus or amendment, every director of the issuer at the date of filing of the prospectus or amendment, and (with respect to reports, opinions or statements made by them) every person or company whose consent has been filed in respect of the prospectus or the amendment.

Reference is made to the said Acts for the complete texts of the provisions under which the foregoing rights are conferred and THE FOREGOING SUMMARIES ARE SUBJECT TO THE EXPRESS PROVISIONS OF SUCH ACTS.

7.03 Principal Holders of Securities

As of February 29, 1980 the distribution of shares of the Fund, of the Manager and of the Distributor held by any one shareholder holding more than 10% of any class of each such corporation's shares was as follows:

Name-and Address of Shareholders	Name of Corporation	Relationship to Issuer	Designation of Class	Type of Owner- ship	Number of Shares owned	Percent of Class
Exco Corporation Limited 5151 Terminal Road Halifax, Nova Scotia	United Financial Management Ltd. 145 King St.W. Toronto, Ontario	Direct Shareholder of Manager	Common	Benefi- cial and of Record	1,160,459	93%
United Financial Management Ltd. 145 King St.W. Toronto, Ontario	United Funds Management Corporation 145 King St.W. Toronto, Ontario	Manager	Common	Benefi- cial and of Record	252,500	100%
United Funds Management Corporation 145 King St.W. Toronto, Ontario	United Investment Services Ltd. 1201 Place du Canada 1010 de la Gauchetière St. W. Montreal, Quebec	Principal Distributor	Common	Benefi- cial and of Record	5,000	100%

H. Reuben Cohen, Q.C., 115 Hillcrest Drive, Moncton, New Brunswick and Leonard Ellen, 94 Summit Crescent, Westmount, Quebec each own 50% of the issued and outstanding shares of Exco Corporation Limited.

As of February 29, 1980, the directors and senior officers of the Manager as a group, owned, directly and indirectly, less than 1% of its common shares. The directors and senior officers of the Fund as a group owned less than 1% of its shares.

7.04 Material Contracts

The Manager's contract dated December 30, 1966 was amended to provide for an increase in management fees with effect as of April 1, 1979 to those described in section 5.01.

The Registrar and Transfer Agent contract dated March 27, 1974, as amended. See section 5.06.

The Distributor's contract dated November 16, 1967. See section 6.01.

Copies of all contracts referred to in this prospectus may be inspected at the principal office of the Registrar, 145 King Street West, Toronto, Ontario during normal office hours. These contracts may also be inspected at the head office of the Distributor at 1201 Place du Canada, 1010 de la Gauchetière Street West, Montreal, Quebec.

UNITED VENTURE FUND LTD.

INVESTMENT PORTFOLIO

November 30, 1979

	Number of common shares or par value	Average cost	Market value
Common Shares and their Equivalent: 94.37%			
Banks and Financial Services: 3.28%			
MICC Investments Limited	31,250	\$ 317,846	\$ 343,750
Unicorp Financial Corporation Class "A"	37,573	129,538	108,961
Unicorp Financial Corporation Class "B"	53,573	185,711	160,719
		633,095	613,430
Beverages: 4.45%			
Crush International Limited	70,000	970,929	831,250
Chemicals: 1.05%			
Olin Corporation (a)	10,000	251,762	195,531
Insurance: 0.88%			
Scottish & York Holdings Limited	32,000	222,741	164,000
Metals and Mining: 27.64%			
Bruneau Mining Corporation	315,000	91,350	107,100
Gulf Resources & Chemical Corporation (a)	25,000	389,858	525,307
Hudson Bay Mining and Smelting Co., Limited	15,000	312,379	337,500
McIntyre Mines Limited	10,000	276,972	560,000
Noranda Mines Limited	50,000	709,192	1,006,250
Placer Development Limited	15,000	367,582	571,875
Teck Corporation Limited Class "B"	60,000	289,488	1,260,000
Tintina Silver Mines Ltd.	50,000	114,459	97,500
Western Mines Limited	80,000	523,000	700,000
		3,074,280	5,165,532
Miscellaneous: 23.57%			
Astral Bellevue Pathé Ltd.	100,000	261,449	249,000
Automotive Hardware Limited	15,000	193,261	191,250
Controlled Foods International Ltd.	25,000	137,079	90,000
Federal Industries Ltd. Class "A"	59,500	410,970	416,500
FMC Corporation (a)	15,000	422,258	424,623
Hawker Siddeley Canada Ltd. Class "A"	40,000	395,928	640,000
IU International Corporation (a)	65,000	832,048	1,005,380
Knogo Corporation (a)	15,000	305,635	323,940
Towle Manufacturing Company (a)	25,000	715,493	860,921
Versatile Cornat Corporation — Warrants	30,000	252,555	202,500
		3,926,676	4,404,114
Oil and Gas: 16.02%			
Cairn Petroleum Ltd.	25,000	193,775	231,250
Mobil Corporation (a)	5,000	292,356	302,052
Norcen Energy Resources Limited	12,700	349,049	377,825
Oakwood Petroleum Ltd.	20,000	172,844	320,000
Omega Hydrocarbons Ltd.	13,300	81,899	89,775
Page Petroleum Ltd.	25,000	334,551	612,500
United Canso Oil & Gas Ltd.	35,000	348,575	551,250
Universal Explorations Ltd.	75,000	200,171	243,750
Universal Resources Corporation (a)	10,000	189,730	264,113
		2,162,950	2,992,515
Paper and Forest Products: 6.09%			
MacMillan Bloedel Limited	50,000	1,147,276	1,137,500

Continued

UNITED VENTURE FUND LTD.

INVESTMENT PORTFOLIO

November 30, 1979

	Number of common shares or par value	Average cost	Market value
Common Shares and their Equivalent (continued)			
Real Estate: 11.39%			
The Cadillac Fairview Corporation Limited	60,000	\$ 868,461	\$ 1,080,000
Melcor Developments Ltd.	50,000	714,586	706,250
The Presley Companies (a)	20,000	242,729	224,715
Standard-Pacific Corp. (a)	10,000	112,445	118,194
		<u>1,938,221</u>	<u>2,129,159</u>
TOTAL COMMON SHARES AND THEIR EQUIVALENT: 94.37%.....		<u>14,327,930</u>	<u>17,633,031</u>
Short Term Debt Instruments: 2.35%			
The Continental Bank of Canada, 12.05%, December 10, 1979	\$250,000	242,397	242,397
Noranda Mines Limited, 13.60%, December 20, 1979	\$200,000	197,790	197,790
		<u>440,187</u>	<u>440,187</u>
TOTAL SHORT TERM DEBT INSTRUMENTS: 2.35%.....		<u>\$14,768,117</u>	<u>\$18,073,218</u>
TOTAL INVESTMENT PORTFOLIO: 96.72%.....			
Summary:			
Investment Portfolio		Percent of Net Assets	Market Value
Other assets (net)		96.72%	\$18,073,218
Net assets		3.28	612,126
		<u>100.00%</u>	<u>\$18,685,344</u>

(a) Securities issued by companies incorporated in jurisdictions outside Canada.

The Fund would be pleased to provide without charge a Statement of Portfolio Transactions (unaudited) upon request to the Fund's Toronto office.

See accompanying notes

UNITED VENTURE FUND LTD.
 (Incorporated under the Canada Business Corporations Act — Note 1)

ASSETS AND LIABILITIES
 November 30, 1979

ASSETS:

Investment portfolio at market value (average cost \$14,768,117)	\$18,073,218
Interest bearing bank deposits	472,011
Accounts receivable:	
Investment securities sold	216,416
Shares sold	84
Dividends and accrued interest receivable	<u>131,684</u>
	<u>18,893,413</u>

LIABILITIES:

Accounts payable:	
Investment securities purchased	100,643
Shares redeemed	48,946
Other	25,319
Income taxes payable	<u>33,161</u>
Net assets (per share \$4.21)	<u>208,069</u>
	<u>\$18,685,344</u>

SHARE CAPITAL AND SURPLUS
 November 30, 1979

SHARE CAPITAL (notes 1, 4 and 7):

Outstanding —	
4,441,730 mutual fund shares	\$19,394,408

SURPLUS:

Undistributed net income	651,049
Accumulated realized gain (loss) on sale of investments	(4,665,214)
Unrealized appreciation of investments	3,305,101
	<u>\$18,685,344</u>

On behalf of the Board:

JOHN H. COLEMAN, Director

STANLEY R. ANDERSON, Director

See accompanying notes

UNITED VENTURE FUND LTD.
STATEMENT OF CHANGES IN NET ASSETS
For the Five Years Ended November 30, 1979

	1979	1978	1977	1976	1975
Net assets, beginning of year	<u>\$ 16,731,679</u>	<u>\$ 16,522,856</u>	<u>\$ 18,346,738</u>	<u>\$ 20,912,500</u>	<u>\$ 18,631,366</u>
Changes during the year:					
Due to investment activities —					
Net income for the year	419,562	339,551	232,441	370,847	519,910
Dividend paid (a)	(433,898)	(1,491,090)			
Adjustment to carrying value of refundable income taxes due to change in related income tax legislation (note 3)		(5,642)	(146,961)		
Realized gain (loss) on sale of investments including foreign exchange adjustments:					
Based on average cost (b)	2,936,169	2,141,386	1,972,601	513,112	(4,757,091)
Adjustment to gains realized resulting from issue of Supplementary Letters Patent (note 7)				(183,272)	1,104,368
Based on book value				329,840	(3,652,723)
Unrealized appreciation of investments during the year:					
Based on average cost	2,078,590	821,592	846,923	110,836	8,431,498
Adjustment resulting from issue of Supple- mentary Letters Patent (note 7)				183,272	(1,104,368)
Based on book value				294,108	7,327,130
	<u>5,000,423</u>	<u>1,805,797</u>	<u>2,905,004</u>	<u>994,795</u>	<u>4,194,317</u>
Due to share capital transactions (note 4) —					
Proceeds from issue of shares on reinvestment of dividend paid (d)	433,898	1,491,090			
Proceeds from issue of shares (e)	36,737	162,368	32,915	72,622	130,572
Amounts paid for shares redeemed (f)	(3,517,393)	(3,250,432)	(4,761,801)	(3,633,179)	(2,043,755)
	<u>(3,046,758)</u>	<u>(1,596,974)</u>	<u>(4,728,886)</u>	<u>(3,560,557)</u>	<u>(1,913,183)</u>
Net assets, end of year	<u><u>\$ 18,685,344</u></u>	<u><u>\$ 16,731,679</u></u>	<u><u>\$ 16,522,856</u></u>	<u><u>\$ 18,346,738</u></u>	<u><u>\$ 20,912,500</u></u>
(a) Dividend paid per share from undistributed net income	10¢	31.1¢			
(b) Realized gain (loss) over average cost on sale of investments:					
Proceeds on sale of investments, including foreign exchange adjustments (c)	<u>\$ 17,829,363</u>	<u>\$ 14,242,003</u>	<u>\$ 14,645,090</u>	<u>\$ 23,963,896</u>	<u>\$ 20,033,108</u>
Cost of investments sold (c):					
Investments at cost, beginning of year	12,411,013	14,755,731	18,076,147	21,311,627	26,451,058
Shares and debentures purchased	16,810,111	9,755,899	9,945,498	21,112,239	22,199,912
Net change during the year in investments, at cost, in short term debt instruments	440,187		(593,425)	(896,935)	(2,549,144)
Investments at cost, end of year	(14,768,117)	(12,411,013)	(14,755,731)	(18,076,147)	(21,311,627)
Cost of investments sold (c)	<u>14,893,194</u>	<u>12,100,617</u>	<u>12,672,489</u>	<u>23,450,784</u>	<u>24,790,199</u>
Realized gain (loss) over average cost on sale of investments	<u>\$ 2,936,169</u>	<u>\$ 2,141,386</u>	<u>\$ 1,972,601</u>	<u>\$ 513,112</u>	<u>\$ (4,757,091)</u>
(c) Excluding short term debt instruments redeemed during the year	<u><u>\$ 13,297,883</u></u>	<u><u>\$ 737,325</u></u>	<u><u>\$ 4,125,546</u></u>	<u><u>\$ 30,351,104</u></u>	<u><u>\$ 48,594,980</u></u>
(d) Mutual fund shares issued on reinvestment of dividends	103,237	468,896			
(e) Mutual fund shares issued for cash	9,388	49,156	12,513	28,358	59,791
(f) Mutual fund shares redeemed	904,169	1,053,938	1,797,746	1,433,867	916,891
(g) Net asset value per share:					
At end of year	\$4.21	\$3.20	\$2.86	\$2.43	\$2.33
At beginning of year	3.20	2.86	2.43	2.33	1.90
(h) Per share information for a share outstanding throughout the year:					
Net income .....	.087	.064	.035	.045	.06
Adjustment to carrying value of refundable income taxes		(.001)	(.02)		
Net realized and unrealized gain on investments	1.023	.588	.415	.055	.37

See accompanying notes

UNITED VENTURE FUND LTD.
STATEMENT OF INCOME AND EXPENSE
For the Five Years Ended November 30, 1979

	1979	1978	1977	1976	1975
Dividend income	\$ 537,384	\$ 395,572	\$ 419,412	\$ 607,250	\$ 485,923
Interest income	240,137	159,503	65,933	124,795	480,121
Income from investments	777,521	555,075	485,345	732,045	966,044
Management fee (note 5)	294,554	194,139	193,835	221,475	210,274
Income before taxes	482,967	360,936	291,510	510,570	755,770
Income taxes (note 3)	63,405	21,385	59,069	139,723	235,860
Net income for the year	<u>\$ 419,562</u>	<u>\$ 339,551</u>	<u>\$ 232,441</u>	<u>\$ 370,847</u>	<u>\$ 519,910</u>
Net income per share	8.7¢	6.4¢	3.5¢	4.5¢	6.0¢

STATEMENT OF UNDISTRIBUTED NET INCOME
For the Five Years Ended November 30, 1979

	1979	1978	1977	1976	1975
Balance, beginning of year	\$ 665,385	\$ 1,822,566	\$ 1,737,086	\$ 1,366,239	\$ 846,329
Net income for the year	419,562	339,551	232,441	370,847	519,910
Dividend paid	(433,898)	(1,491,090)			
Adjustment to carrying value of refundable income taxes due to change in related income tax legislation		(5,642)	(146,961)		
Balance, end of year	<u>\$ 651,049</u>	<u>\$ 665,385</u>	<u>\$ 1,822,566</u>	<u>\$ 1,737,086</u>	<u>\$ 1,366,239</u>

STATEMENT OF ACCUMULATED REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS
For the Five Years Ended November 30, 1979

	1979	1978	1977	1976	1975
Balance, beginning of year	\$ (7,601,383)	\$ (9,742,769)	\$ (11,715,370)	\$ (12,045,210)	\$ (8,392,487)
Realized gain (loss) on sale of investments during the year including foreign exchange adjustments:					
Based on average cost	2,936,169	2,141,386	1,972,601	513,112	(4,757,091)
Adjustment to gains realized resulting from issue of Supplementary Letters Patent (note 7)				(183,272)	1,104,368
Based on book value				329,840	(3,652,723)
Balance, end of year (note 7)	<u>\$ (4,665,214)</u>	<u>\$ (7,601,383)</u>	<u>\$ (9,742,769)</u>	<u>\$ (11,715,370)</u>	<u>\$ (12,045,210)</u>

STATEMENT OF UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS
For the Five Years Ended November 30, 1979

	1979	1978	1977	1976	1975
Balance, beginning of year	\$ 1,226,511	\$ 404,919	\$ (442,004)	\$ (736,112)	\$ (8,063,242)
Unrealized appreciation of investments during the year:					
Based on average cost	2,078,590	821,592	846,923	110,836	8,431,498
Adjustment resulting from issue of Supplementary Letters Patent (note 7)				183,272	(1,104,368)
Based on book value				294,108	7,327,130
Balance, end of year (note 7)	<u>\$ 3,305,101</u>	<u>\$ 1,226,511</u>	<u>\$ 404,919</u>	<u>\$ (442,004)</u>	<u>\$ (736,112)</u>

See accompanying notes

UNITED VENTURE FUND LTD.
NOTES TO FINANCIAL STATEMENTS
November 30, 1979

1. Continuance under the Canada Business Corporations Act

On March 14, 1979 the Fund was continued under the Canada Business Corporations Act ("CBCA") and its authorized share capital was changed from a defined number of common shares of \$1 par value each (none issued) and mutual fund shares of \$1 par value each into an unlimited number of mutual fund shares without nominal or par value.

Under the CBCA the distinction between paid up capital and contributed surplus is not applicable for mutual funds. Accordingly the two amounts, previously shown separately, are now reflected as one combined figure for share capital in the financial statements of the Fund, and prior years' figures have been reclassified for comparative purposes on the same basis.

2. Significant accounting policies

The following is a summary of significant accounting policies consistently followed by the Fund.

- (a) Basis of determining market value — Each listed security is valued at the latest sale price thereof reported by the principal securities exchange on which the issue is traded or, if no sale is reported, the average of the latest bid and asked price is used. Securities which are traded over-the-counter are priced at the average of the latest bid and asked prices quoted by a major dealer in such securities. Securities having no quoted market value are valued at fair value as determined by the Board of Directors of the Fund.
- (b) Investment transactions and income — Investment transactions are accounted for on the trade date (date the order to buy or sell is executed). Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Realized gains and losses from investment transactions and unrealized appreciation or depreciation of investments are calculated on the basis described in note 7.
- (c) Fund share valuation — Net asset value per share is determined at least weekly as of the close of business of the last to close of The Toronto Stock Exchange or the New York Stock Exchange when either of the said exchanges are open for trading, by dividing the total value of the Fund's net assets by the number of shares outstanding.
- (d) Foreign exchange — Foreign currency amounts are expressed in Canadian dollars on the following bases:
 - (i) Market value of investment securities, other assets and liabilities at the closing daily rate of exchange.
 - (ii) Purchases and sales of investment securities, income and expense at the rate of exchange prevailing on the respective dates of such transactions.

3. Income taxes

The Fund qualifies to be taxed as a "mutual fund corporation" under relevant income tax legislation and income taxes reflected on the statement of income and expense have been computed on the required basis for such a corporation.

In addition to such taxes, the Fund is required to pay a refundable tax of 25% on dividends received by it from taxable Canadian corporations, and obtains refunds of such taxes on payment of taxable dividends to the Fund's shareholders on the basis of \$1 for every \$4 of dividends paid. Due to the payment of dividends by the Fund, the amount of refundable taxes payable by the Fund to November 30, 1979 and not yet recovered by it were fully recoverable at such date, and income taxes payable in the accompanying statement of assets and liabilities at such date have been reduced accordingly.

During fiscal 1979 the Fund realized capital gains for tax purposes, net of capital losses, of \$3,020,000 but no tax is payable with respect thereto due to the application of capital losses carried forward from prior years. A total of \$12,020,000 of such prior year's capital losses carried forward remain available to reduce the amount of capital gains otherwise subject to tax that may be realized by the Fund in future years. The Fund also has unrealized capital gains for tax purposes, net of unrealized capital losses, aggregating approximately \$3,305,000 at November 30, 1979.

4. Share capital

The issue price of each mutual fund share of the Fund is an amount equal to the aggregate of the net asset value of each share outstanding at the date of issue (received by the Fund) and the distributor's commission (retained by the distributor) — nil in the case of the reinvestment of dividends paid by the Fund. The mutual fund shares of the Fund are redeemable at the option of the holder at their net asset value. The changes in share capital during the periods covered by these financial statements are shown in the statement of changes in net assets.

5. Management fees

In the 1975 to 1977 fiscal years, management fees payable to the Manager, United Funds Management Corporation (UFMC), have been computed on the basis of 1% per annum of average daily net assets until March 31, 1976, and thereafter to April 1, 1978 on the basis of 1.1% per annum of average daily net assets (excluding from such net assets, effective August 1, 1977, refundable income taxes (note 3)).

Continued

UNITED VENTURE FUND LTD.
NOTES TO FINANCIAL STATEMENTS
November 30, 1979

Continued

Effective April 1, 1978 to March 31, 1979, management fees have been computed for each day on the basis of 1/365 of the sum of 1 1/4% of the first \$3,000,000, plus 1 1/2% of the excess over \$3,000,000 up to \$5,000,000, plus 1 1/4% of the excess over \$5,000,000 up to \$10,000,000, plus 1% of the excess over \$10,000,000 up to \$100,000,000, plus .75 of 1% of the excess over \$100,000,000 of net asset value (excluding from such net assets, refundable income taxes (note 3)).

Effective April 1, 1979, management fees have been computed for each day on the basis of 1/365 of the sum of 1 1/4% of the first \$40,000,000, plus 1 1/2% of the excess over \$40,000,000 up to \$80,000,000, plus 1 1/4% of the excess over \$80,000,000 up to \$120,000,000, plus 1% of the excess over \$120,000,000 of net asset value (excluding from such net assets, refundable income taxes (note 3)).

For these fees the Manager supervises, manages and directs the investment of the assets of the Fund, and recommends the securities to be purchased and sold. The Manager also pays all expenses of the Fund incurred in the ordinary course of business relating to its organization, management and operation, with the exception of any claims or actions against the Fund, brokerage commissions on the purchase and on the sale of securities and taxes of all kinds to which the Fund is or might be subject.

Charges to the Fund over the last 5 years were as follows:

<u>Net asset value per share</u>		Dividends per share (a)	Total management fees charged to the Fund (b)	Total charges as a per cent of average net assets (c)
At beginning of year	At end of year			
1975	\$1.90	\$2.33	\$210,274	0.999%
1976	2.33	2.43	221,475	1.063%
1977	2.43	2.86	193,835	1.063%
1978	2.86	3.20	194,139	1.202%
1979	3.20	4.21	294,554	1.590%

- (a) Cumulative dividends for the 5 years were 41.1¢ per share.
- (b) Had the rate in management fees effective April 1, 1979 been in effect for the entire 1979 fiscal year the total management fees charged to the Fund would have been \$324,136 and the management fee expense ratio would have been 1.75%.
- (c) Average net assets are calculated to be the average of the net assets determined at each valuation date of the Fund.
- (d) Management expense ratios vary from one mutual fund to another.

6. Brokerage commission

The total amount of brokerage paid by the Fund for the year ended November 30, 1979 was \$245,584 (1978 — \$77,919; 1977 — \$93,934; 1976 — \$205,672; 1975 — \$239,376).

7. Reduction of capital

By Supplementary Letters Patent dated February 16, 1973 the Fund reduced its contributed capital (paid-in surplus) (see also note 1) by an amount of \$34,030,705. Pursuant to shareholder resolution, this reduction was applied to the extent of \$23,668,381 to eliminate the accumulated deficit of the Fund as of November 30, 1971 (which consisted of an accumulated realized loss on sale of investments to that date of \$23,708,291, less undistributed net income of \$39,910); and as to the balance (\$10,362,324), to eliminate the amount of the unrealized depreciation of investments as at November 30, 1971. Of the latter adjustment of \$10,362,324, a total of \$5,949,704 relates to securities on hand at November 30, 1971 which were sold during the year ended November 30, 1972; \$3,199,279 to such securities sold during the year ended November 30, 1973; \$292,245 to such securities sold during the year ended November 30, 1974; \$1,104,368 to such securities sold during the year ended November 30, 1975; and (\$183,272) to such securities sold during the year ended November 30, 1976.

The above adjustment was given retroactive effect, as of November 30, 1971, in the financial statements of the Fund. Accordingly, the book value of investments held as of November 30, 1971 was adjusted to market value as at November 30, 1971 and subsequent additions have been reflected at cost. Gains and losses on sale of investments since November 30, 1971 have been computed on the basis of the average book value of investments as so adjusted.

In addition, the balances of undistributed net income, accumulated realized gain (loss) on sale of investments and unrealized appreciation (depreciation) of investments as at November 30, 1975, 1976, 1977, 1978 and 1979 reflect, as a result of the application of the capital reduction, only the balances accumulated in such accounts since November 30, 1971.

UNITED VENTURE FUND LTD.

AUDITORS' REPORT

To the Directors of
UNITED VENTURE FUND LTD.:

We have examined the following financial statements of United Venture Fund Ltd.:

AT NOVEMBER 30, 1979 —

Assets and liabilities
Share capital and surplus
Investment portfolio

FOR THE FIVE YEARS ENDED NOVEMBER 30, 1979 —

Changes in net assets
Income and expense
Undistributed net income
Accumulated realized gain (loss) on sale of investments
Unrealized appreciation (depreciation) of investments

Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position and investment portfolio of the Fund as at November 30, 1979 and the results of its operations and the changes in its net assets for the five years then ended in accordance with generally accepted accounting principles applied on a consistent basis during the period.

Toronto, Canada.
January 4, 1980.

CLARKSON GORDON
Chartered Accountants

CERTIFICATE OF THE FUND

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XIV of The Securities Act, 1978 (Ontario) and the regulations thereunder, by Part VII of The Securities Act (Manitoba) and the regulations thereunder, by Part VII of the Securities Act (British Columbia) and the regulations thereunder, by Part 7 of The Securities Act (Alberta) and the regulations thereunder, by Part VIII of The Securities Act (Saskatchewan) and the regulations thereunder, by Section 13 of the Securities Act (New Brunswick) and by the Securities Act (Quebec) and the Regulation thereunder.

Dated March 27, 1980.

(Signed) **JOHN H. COLEMAN**
Chief Executive Officer

(Signed) **ENGELBERT J. DESSAILLY**
Chief Financial Officer

On behalf of the Board of Directors

(Signed) **STANLEY R. ANDERSON**
Director

(Signed) **JAMES B. PRENDERGAST**
Director

CERTIFICATE OF THE DISTRIBUTOR

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XIV of The Securities Act, 1978 (Ontario) and the regulations thereunder, by Part VII of The Securities Act (Manitoba) and the regulations thereunder, by Part VII of the Securities Act (British Columbia) and the regulations thereunder, by Part 7 of The Securities Act (Alberta) and the regulations thereunder, by Part VIII of The Securities Act (Saskatchewan) and the regulations thereunder, by Section 13 of the Securities Act (New Brunswick) and by the Securities Act (Quebec) and the Regulation thereunder.

Dated March 27, 1980.

(Principal Distributor)
UNITED INVESTMENT SERVICES LTD.

by (Signed) **STANLEY R. ANDERSON**
Secretary

THE FUND

United Venture Fund Ltd.

INVESTMENT MANAGER

United Funds Management Corporation

PRINCIPAL DISTRIBUTOR

United Investment Services Ltd.

145 King Street West, Toronto, Ontario

(Head Office

1201 Place du Canada

1010 de la Gauchetière Street West, Montreal, Quebec)

REGISTRAR AND TRANSFER AGENT

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9939 Bellamy Hill Road, Edmonton, Alberta

Telephone: 428-1354

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701 West Georgia Street, Vancouver, British Columbia

Telephone: 684-7548

A MUTUAL FUND

INVESTING IN SHARES OF

COMPANIES WITH UNUSUALLY

HIGH GROWTH POTENTIAL

AUDITORS

Clarkson Gordon

Toronto, Ontario

CUSTODIAN OF PORTFOLIO SECURITIES

A Canadian Chartered Bank

44 King Street West

Toronto, Ontario