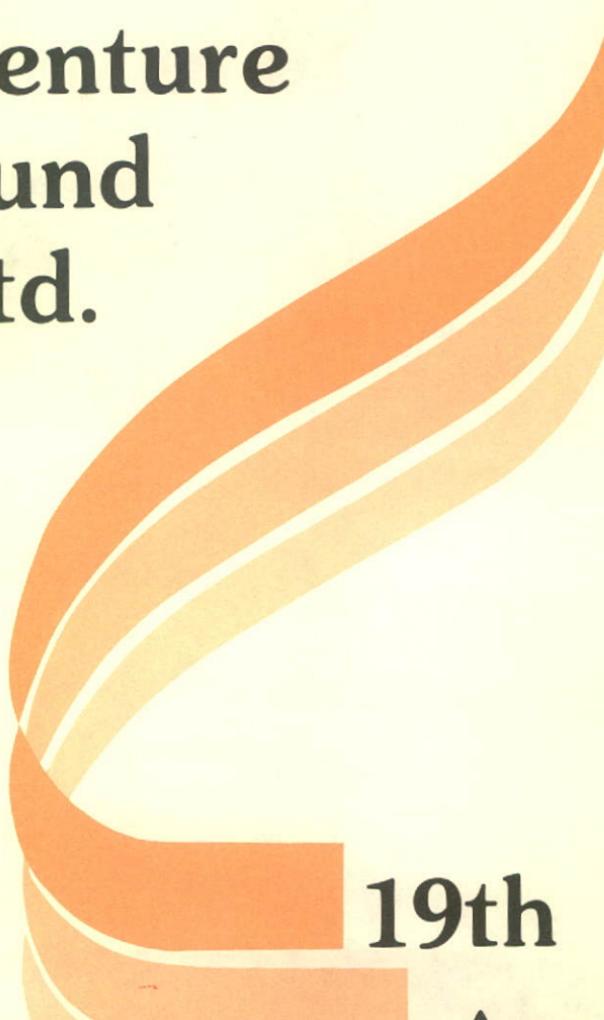


United Financial Mgt. Ltd.

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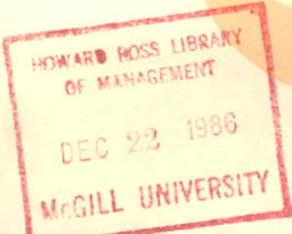
# United Venture Fund Ltd.



19th

Annual Report

For The Year Ended November 30, 1985



## UNITED VENTURE FUND LTD.

**Investment Manager** UNITED FINANCIAL MANAGEMENT LTD.

**Auditors** CLARKSON GORDON

**Principal Distributor** UNITED INVESTMENT SERVICES LTD.

**Custodian** THE TORONTO-DOMINION BANK

**Transfer Agent** UNITED FINANCIAL MANAGEMENT LTD.

**Head Office** 145 King Street West  
Suite 200  
Toronto, Ontario  
M5H 2E2  
Telephone: (416) 860-3911

### **New Head Office Location as of January 20, 1986**

200 King Street West  
Suite 1202, Box 15  
Toronto, Ontario  
M5H 3W8  
Telephone: (416) 598-7777

# UNITED VENTURE FUND LTD.

<b>Directors</b>	<b>*JOHN H. COLEMAN,</b> Chairman of the Board and President	Toronto
	<b>*GORDON A. CHRISTOPHER</b> H. REUBEN COHEN, C.M., Q.C., D.C.L.	Vancouver
	<b>GERALD F. COLEMAN,</b> Vice-President	Moncton
	<b>JACQUES de BILLY, Q.C.</b>	Toronto
	<b>LEONARD ELLEN</b>	Quebec
	<b>*JAMES B. PRENDERGAST</b>	Westmount
	<b>*Member — Audit Committee</b>	Toronto
<b>Other Officers</b>	<b>ENGELBERT J. DESSAILLY,</b> Vice-President, Secretary and Treasurer	
	<b>GEORGE A. GRAY,</b> Vice-President	
	<b>NARGIS MAHERALI,</b> Assistant Treasurer	
	<b>TINA M. TRUSZ,</b> Assistant Secretary	
	<b>JANE VAILLANCOURT,</b> Assistant Investment Officer	

## UNITED VENTURE FUND LTD. TO OUR SHAREHOLDERS

Results for the year ended November 30, 1985, as well as figures for the past six months are shown below, together with the usual comparative market data, and take into account the dividends paid to shareholders on November 28, 1985 totalling \$0.60.

	United Venture Fund	Dow Jones Industrials	Standard & Poor's 400	Toronto Stock Exchange 300
Half Year to November 30, 1985	+10.7%	+11.9%	+ 7.3%	+ 4.4%
Year Ended November 30, 1985	+37.5%	+23.8%	+23.1%	+20.6%

### Net Asset Values:

November 30, 1985	\$ 9.37
November 30, 1984	\$ 7.25

As indicated above, the past year has indeed been a highly successful one for United Venture Fund shareholders in both an absolute and relative sense, as growth in our net asset value substantially outstripped gains in the popular stock market averages.

Notable portfolio transactions since our last report include the sale of Cineplex Odeon and Penn Central with substantial profits being booked in both instances. Additions were made to Astral Bellevue Pathé "A" and Pagurian Corp. "A", while new positions were established in Chi-Chi's and Nucor Corp. Nucor is a medium sized and highly efficient U.S. steel producer, while Chi-Chi's is a rapidly growing U.S. and Canadian restaurant chain. We continue to maintain a strong reserve posture as evidenced by a cash and equivalent position of some 30% at November 30, 1985 versus 19% at the mid year point. Geographic common share diversification is presently — United States 49% and Canada 22%.

From our natural vantage point of analyzing a fairly wide variety of companies on a day-to-day basis, we are seeing a very uneven and mixed picture of corporate profitability occurring today in both Canada and the United States. With the current period of economic expansion now over three years old, there are still many large corporations — particularly in Canada — struggling to reliquify seriously overleveraged balance sheets. In order to return to a healthy status, many of these companies will require rising product prices. It has been our contention, however, for some time now that such pricing flexibility will continue to be restrained due to increasing foreign competition together with an ongoing low inflationary environment. It appears, therefore, that the road to recovery for this type of company may be a fairly long and arduous one.

Fortunately, however, there is another class of company that is today recording excellent financial results. These corporations typically possess strong balance sheets, generate strong free cash flows and in some cases are restructuring operations in order to improve their competitive position. This kind of business is usually in the enviable position of being able to reward the common shareholder through such means as higher dividend payouts and/or stock re-purchases which, of course, enhance shareholder values. It is companies of this ilk that are strongly represented in our portfolio.

Additionally, as long as we remain in a low inflation environment, our belief is that it is most unlikely that aggregate corporate earnings will advance substantially. The significance of this is that security analysts appear to have overestimated profit growth for many corporations in 1985 and as a result are

now reducing earnings estimates to more realistic levels. This emerging trend to lower earnings growth expectations need not in itself be a serious negative in terms of the stock market since, for some time we have expected rising price earnings multiples to more than override this more subdued overall earnings trend. The move to higher earnings multiples has in fact already been happening over the past year with the result that the gains in the market can be traced mainly to rising valuation levels.

One of the main factors contributing to higher share prices in recent days and months, and also worthy of comment, has been the retrained focus on the breakup value or private market value of corporations. This important change in investor focus emanates from the vast amount of corporate restructuring, and accompanying takeovers, mergers, leveraged buy outs and re-purchases of corporate stock that are taking place today, particularly in the United States. For our part, we have mixed feelings about these happenings; in the main, however, we view the trend toward corporate restructuring very positively and expect that it will remain an important stock market focal point, in varying degree, for quite some time to come.

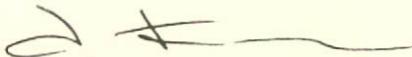
Many corporations have recently reached the rather immutable conclusion that in order to survive and prosper in today's harsher business climate, in which corporate profit growth is much more difficult to achieve, that operations must be reshaped. Consequently, numerous companies have embarked on major programs to reduce costs and enhance productivity. In certain instances poorly performing divisions are being sold or eliminated with assets being redeployed in other areas which offer higher capital returns. Overall, we believe that such activities should be viewed very favourably by investors.

We are, however, concerned about the extent of financial leverage that some companies — goaded on by their friendly bankers — are incurring to accomplish their restructuring goals. We have a sneaking suspicion that when the next recession comes along that debt servicing will cause severe difficulties for many of these overly ambitious acquirors. Additionally, in recent weeks the growing wave of takeovers together with deals rumoured to be taking place, has reached almost speculative proportions giving further reason for caution.

Despite the undeniable importance that the corporate restructuring trends have brought to bear on stock prices, we would do well not to lose sight of the fact that the overriding long term consideration in determining future stock market performance will of course, continue to be valuation levels, which in turn will be largely driven by future earnings and dividend growth.

The longer term optimism which we have detailed on previous occasions remains unaltered, and we still believe that stock prices will reach significantly higher levels several years hence; we hope, therefore, that the continuing retention of an uncharacteristically large cash and equivalent position will not be misinterpreted by investors, as this stance is simply an expression of short term caution, and we fully expect to gradually redeploy these funds in the coming weeks and months as attractive opportunities again present themselves.

Yours very truly,



Gerald F. Coleman,  
Vice-President and Portfolio Manager.

January 6, 1986,  
Toronto, Canada.

UNITED VENTURE FUND LTD.  
INVESTMENT PORTFOLIO

NOVEMBER 30, 1985

Number of shares*		Average cost	Market value
<b>Food: 9.66%</b>			
46,000	H.J. Heinz Company .....	\$ 867,158	\$ 2,079,439
20,000	McCormick & Company, Incorporated .....	770,943	983,776
		1,638,101	3,063,215
<b>Diversified Companies: 8.77%</b>			
104,000	The Pagurian Corporation Limited "A" .....	505,139	1,131,000
60,000	Unicorp Canada Corporation "A" .....	240,178	450,000
115,000	Unicorp Canada Corporation "B" .....	495,222	920,000
425,000	Warrington Inc. .....	384,117	280,500
		1,624,656	2,781,500
<b>Banks and Financial 7.61%</b>			
20,000	KeyCorp .....	532,144	928,352
30,000	United Jersey Banks .....	579,341	1,486,056
		1,111,485	2,414,408
<b>Restaurants: 7.35%</b>			
56,000	Chi-Chi's Inc. .....	804,899	780,786
15,000	McDonald's Corporation .....	777,278	1,551,006
		1,582,177	2,331,792
<b>Manufacturing: 7.25%</b>			
42,000	Federal Pioneer Limited .....	913,500	1,155,000
100,000	Russell, Burdsall & Ward Corporation .....	418,559	1,143,120
		1,332,059	2,298,120
<b>Household Products: 6.31%</b>			
60,000	Goody Products, Inc. .....	537,941	1,371,744
15,000	Redken Laboratories, Inc. .....	444,491	628,716
		982,432	2,000,460
<b>Packaging and Containers: 5.42%</b>			
30,000	Calmar Inc. .....	583,582	898,908
25,000	The West Company, Incorporated .....	560,063	818,370
		1,143,645	1,717,278
<b>Entertainment: 4.92%</b>			
120,100	Astral Bellevue Pathé Inc. "A" .....	708,328	1,125,938
48,000	Astral Bellevue Pathé Inc. "B" .....	191,520	432,000
		899,848	1,557,938
<b>Merchandising: 3.24%</b>			
20,000	Tandy Corporation .....	683,360	1,028,808

Number of shares*		Average cost	Market value
	<b>Steel: 3.24%</b>		
15,000	Nucor Corporation .....	\$ 913,013	\$ 1,028,808
	<b>Transportation: 2.86%</b>		
20,000	Sea Containers Ltd. .....	624,060	803,648
20,000	SeaCo Inc. .....	104,046	103,920
		728,106	907,568
	<b>Metals and Minerals: 1.64%</b>		
167,607	Brinco Limited, Conv. Pfd. 7%, "A" .....	929,596	519,582
	<b>Engineering: 1.21%</b>		
53,863	Monenco Limited "A" .....	666,687	383,774
	<b>Gold: 0.96%</b>		
468,750	Bruneau Mining Corporation .....	139,947	257,813
350,000	Norbeau Mines Inc. ....	99,876	47,250
		239,823	305,063
	<b>Oil and Gas: 0.75%</b>		
115,500	Durham Resources Inc. ....	558,273	239,085
Total shares: 71.19%	.....	15,033,261	22,577,399
Short term debt instruments: 21.32%	.....	6,761,743	6,761,743
Total investment portfolio: 92.51%	.....	21,795,004	29,339,142
Other assets (net): 7.49%	.....	2,375,304	2,375,304
Net assets .....		\$24,170,308	\$31,714,446

**Note:** Percentages shown relate investments at market value to total net asset value of the Fund.

\* Shares designated are common shares or their equivalent unless otherwise shown.

See accompanying notes

UNITED VENTURE FUND LTD. (Note 4(a))  
 (Incorporated under the Canada Business Corporations Act)

ASSETS AND LIABILITIES

	November 30	
	1985	1984
<b>ASSETS:</b>		
Investment portfolio at market value (average cost):		
1985 — \$21,795,004; 1984 — \$19,037,318) .....	\$29,339,142	\$20,869,503
Interest bearing bank deposits .....	171,295	76,393
Accounts receivable:		
Investment securities sold .....	1,775,223	—
Shares sold .....	762,360	35,141
Dividends and accrued interest receivable .....	28,816	26,224
Income taxes recoverable (note 2) .....	34,129	41,504
Refundable income taxes (note 2) .....	44,996	82,877
	32,155,961	21,131,642
<b>LIABILITIES:</b>		
Accounts payable:		
Investment securities purchased .....	223,155	—
Shares redeemed .....	144,321	32,117
Other .....	74,039	35,274
	441,515	67,391
Net assets (per share 1985 — \$9.37; 1984 — \$7.25) .....	\$31,714,446	\$21,064,251

SHARE CAPITAL AND SURPLUS

SHARE CAPITAL (note 3):

3,384,430 mutual fund shares outstanding in 1985 (2,903,856 in 1984) .....	\$13,113,269	\$ 8,544,729
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SURPLUS:

Undistributed net income .....	645,192	639,504
Undistributed realized gain on sale of investments .....	10,411,847	10,047,833
Unrealized appreciation of investments .....	7,544,138	1,832,185
	\$31,714,446	\$21,064,251

On behalf of the Board:



Gerald F. Coleman, Director



James B. Prendergast, Director

See accompanying notes

UNITED VENTURE FUND LTD.

STATEMENT OF CHANGES IN NET ASSETS

	Year ended November 30	
	1985	1984
Net assets, beginning of year .....	\$21,064,251	\$22,882,145
Changes during the year:		
Due to investment activities —		
Net income .....	242,595	257,266
Distribution from income (d) .....	(236,907)	(233,108)
Realized gain on sale of investments (a) .....	2,036,117	131,233
Distribution from realized gain .....	(1,672,103)	—
Unrealized appreciation (depreciation) of investments .....	5,711,953	(902,746)
	<u>6,081,655</u>	<u>(747,355)</u>
Due to share capital transactions (note 3)		
Proceeds from issue of shares .....	7,618,231	2,015,926
Amounts paid for shares redeemed .....	(3,049,691)	(3,086,465)
	<u>4,568,540</u>	<u>(1,070,539)</u>
Net assets, end of year .....	<u>\$31,714,446</u>	<u>\$21,064,251</u>
(a) Realized gain on sale of investments:		
Proceeds on sale of investments, including foreign exchange adjustments (b) .....	\$ 8,233,408	\$ 3,392,970
Investments at cost, beginning of year .....	19,037,318	18,401,894
Shares purchased .....	5,139,196	3,805,136
Increase during the year in aggregate cost of short term debt instruments held .....	3,815,781	92,025
Investments at cost, end of year .....	(21,795,004)	(19,037,318)
Cost of investments sold .....	<u>6,197,291</u>	<u>3,261,737</u>
Realized gain on sale of investments, including foreign exchange adjustments .....	<u>\$ 2,036,117</u>	<u>\$ 131,233</u>
(b) Excluding short term debt instruments redeemed during the year .....	<u>\$38,375,341</u>	<u>\$28,145,562</u>
(c) Net asset value per share:		
Beginning of year .....	<u>\$7.25</u>	<u>\$7.50</u>
End of year .....	<u>\$9.37</u>	<u>\$7.25</u>
(d) Distribution per share from income .....	<u>\$0.075</u>	<u>\$0.08</u>
(e) Distribution per share from realized gain .....	<u>\$0.525</u>	<u>—</u>

See accompanying notes

UNITED VENTURE FUND LTD.

STATEMENT OF INCOME AND EXPENSE

	Year ended November 30	
	1985	1984
Income:		
Dividends .....	\$ 401,711	\$ 406,020
Interest .....	446,763	321,355
	<u>848,474</u>	<u>727,375</u>
Expense:		
Management fees (note 4) .....	475,309	398,302
Income before taxes .....	373,165	329,073
Income taxes (note 2) .....	130,570	71,807
Net income for the year (per share: 1985 — 8.2¢; 1984 — 8.7¢) .....	\$ 242,595	\$ 257,266

STATEMENT OF UNDISTRIBUTED NET INCOME

Balance, beginning of year .....	\$ 639,504	\$ 615,346
Net income for the year .....	242,595	257,266
Distribution from income .....	(236,907)	(233,108)
Balance, end of year .....	<u>\$ 645,192</u>	<u>\$ 639,504</u>

STATEMENT OF UNDISTRIBUTED NET REALIZED GAIN ON SALE  
OF INVESTMENTS

Balance, beginning of year .....	\$ 10,047,833	\$ 9,916,600
Realized gain on sale of investments during the year .....	2,036,117	131,233
Distribution from realized gain .....	(1,672,103)	—
Balance, end of year .....	<u>\$ 10,411,847</u>	<u>\$ 10,047,833</u>

STATEMENT OF UNREALIZED APPRECIATION  
OF INVESTMENTS

Balance, beginning of year .....	\$ 1,832,185	\$ 2,734,931
Unrealized appreciation (depreciation) of investments during the year .....	5,711,953	(902,746)
Balance, end of year .....	<u>\$ 7,544,138</u>	<u>\$ 1,832,185</u>

See accompanying notes

# UNITED VENTURE FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

November 30, 1985

### 1. 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.
- (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 an average cost basis.
- (c) Fund share valuation — 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). The mutual fund shares of the Fund are redeemable at the option of the holder at their net asset value. Net asset value per share is determined daily 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.

### 2. Income taxes

The Fund qualifies to be taxed as a "mutual fund corporation" under relevant income tax legislation. Income taxes reflected in the statement of income and expense have been computed in each year at the basic tax rate of 52% applied to income before taxes excluding dividends from taxable Canadian corporations.

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. Refundable taxes payable to November 30, 1984 and November 30, 1985 were fully recoverable as at such dates, due to the payment of dividends by the Fund in November of each of those years, and income taxes payable in the accompanying statement of assets and liabilities at such dates have been reduced accordingly.

During fiscal 1985, the Fund was also subject to refundable capital gains taxes on realized capital gains, net of capital losses. The Fund was entitled to a current refund of the majority of these taxes because it was deemed for tax purposes to have distributed capital gains to shareholders who redeemed their shares during the year and, in addition, a capital gains dividend was distributed to shareholders at

year end which is treated as a capital gain in their hands for tax purposes. The balance of refundable capital gains taxes of \$44,996 at November 30, 1985 will be refundable in future years upon payment of sufficient additional capital gains dividends or additional deemed distributions to shareholders on redemption of shares. The Fund also has unrealized capital gains for tax purposes, net of unrealized capital losses, aggregating approximately \$7,191,000 at November 30, 1985.

### 3. Share Capital

During the 1985 and 1984 fiscal years the following shares were issued and redeemed for cash, as reflected in the accompanying statement of changes in net assets.

	Number of shares	Amount
<b>Year ended November 30, 1985:</b>		
Balance, beginning of year .....	2,903,856	\$ 8,544,729
Shares issued for cash .....	629,025	5,751,113
Shares issued on reinvestment of distribution		
from income .....	24,988	233,390
Shares issued on reinvestment of distribution		
from realized gain .....	174,917	1,633,728
	828,930	7,618,231
Shares redeemed .....	(348,356)	(3,049,691)
Balance, end of year .....	<u>3,384,430</u>	<u>\$13,113,269</u>
<b>Year ended November 30, 1984:</b>		
Balance, beginning of year .....	3,050,510	\$ 9,615,268
Shares issued for cash .....	246,764	1,786,975
Shares issued on reinvestment of distribution		
from income .....	31,140	228,951
	277,904	2,015,926
Shares redeemed .....	(424,558)	(3,086,465)
Balance, end of year .....	<u>2,903,856</u>	<u>\$ 8,544,729</u>

### 4. Management fees

For the period December 1, 1980 to March 31, 1982 management fees payable to the manager, United Financial Management Ltd. were computed on the basis of 1 $\frac{3}{4}$ % per annum on the first \$40,000,000 of daily net assets, plus 1 $\frac{1}{2}$ % per annum of the excess over \$40,000,000 up to \$80,000,000 of daily net assets, plus 1 $\frac{1}{4}$ % per annum of the excess over \$80,000,000 up to \$120,000,000 of daily net assets, plus 1% per annum of the excess over \$120,000,000 of daily net assets of the Fund.

Effective April 1, 1982 management fees have been computed on the basis of 2% on the first \$10,000,000 of daily net assets, plus 1 3/4% of the excess over \$10,000,000 up to \$100,000,000, plus 1 1/2% of the excess over \$100,000,000 of daily net assets of the Fund.

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 incurred by the Fund 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 Funds is or might be subject.

Charges over the last 5 years were as follows:

Net asset value per share (b)				Total management fees charged to the Fund (e)	Total charges as a per cent of average net assets(d)	
At beginning of year	At end of year	Distribution per share (c)	Venture Horizon (g)		Venture	Horizon
1981	\$7.63	\$5.97	12.6¢	12.0¢	\$448,077	1.750% 1.750%
1982	5.97	5.99	15.5¢	13.3¢	321,466	1.865% 1.916%
1983	5.99	7.50	55.0¢	—	392,670	1.883% —
1984	7.50	7.25	8.0¢	—	398,302	1.870% —
1985	7.25	9.37	60.0¢	—	475,309	1.838% —

- (a) United Venture Fund Ltd. is the continuing corporation formed on March 17, 1983 by the amalgamation of United Venture Fund Ltd. and United Horizon Fund Ltd. (the "predecessor funds"). Under the terms of the amalgamation, each share of United Venture Fund Ltd. was exchanged for one share of the amalgamated Fund and each share of United Horizon Fund Ltd. was exchanged for .751445 of a share of the amalgamated Fund.
- (b) The net asset value per share for the 1982 and 1981 fiscal years is for a shareholder of the predecessor United Venture Fund Ltd. For a shareholder of the predecessor United Horizon Fund Ltd. the net asset value per share (adjusted for the rate of conversion of shares) is: 1981 — \$5.71; 1982 — \$5.78.
- (c) Cumulative dividends for the 5 years were \$1.511 including distributions from realized capital gains of 44.0¢ and 52.5¢ in 1983 and 1985 respectively (for the predecessor United Horizon Fund Ltd. — 47.9¢ in 1983).
- (d) Average net assets are calculated to be the average of the net assets determined at each valuation date of the Fund.
- (e) Management fees charged to the Fund for 1981 and 1982 represent the combined management fees of the predecessor funds.
- (f) Management expense ratios vary from one mutual fund to another.
- (g) The predecessor United Horizon Fund Ltd. per share data have been adjusted for the rate of conversion as described in note (a).

## 5. Brokerage Commission

The amount of brokerage paid by the Fund to principal brokers and the total amount paid by the Fund for brokerage services in each of the last 3 completed fiscal years were as follows:

Year ended Nov. 30	Principal Broker	Total amount of brokerage paid by Fund	Amount paid to Principal Broker	Amount paid to Principal Broker as a % of total brokerage
1983	—	\$97,368	\$ —	—%
1984	Yorkton Securities	40,334	7,761	19.2%
	Rooney Pace		6,351	15.7%
1985	Merrill Lynch	43,510	6,800	15.6%

## 6. Remuneration of directors and officers

During the year the Fund had 7 directors and 10 officers (of whom 2 were also directors). As stated in note 4, the remuneration of directors and officers is paid by the Manager.

## 7. Cost of securities purchased

The total cost of securities purchased during the financial year ended November 30, 1985 (some of which were sold before such year end) was as follows:

(a) Short term notes:		
	Government issued or guaranteed securities .....	\$ 6,429,256
	Other short term notes .....	35,761,866
(b) Other securities .....		<u>5,139,196</u>
	Total .....	<u>\$47,330,318</u>

## 8. Investment portfolio

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

## AUDITORS' REPORT

To the Shareholders of United Venture Fund Ltd.:

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

At November 30, 1985 and 1984

Assets and liabilities

Share capital and surplus

At November 30, 1985

Investment portfolio

For the years ended November 30, 1985 and 1984

Changes in net assets

Income and expense

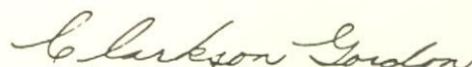
Undistributed net income

Undistributed net realized gain on sale of  
investments

Unrealized appreciation  
of investments

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

In our opinion, these financial statements present fairly the financial position of the Fund as at November 30, 1985 and 1984, and investment portfolio of the Fund as at November 30, 1985 and the results of its operations and the changes in its net assets for the years ended November 30, 1985 and 1984 in accordance with generally accepted accounting principles applied on a consistent basis.



Toronto, Canada,  
December 19, 1985.

CLARKSON GORDON  
Chartered Accountants

## UNITED VENTURE FUND

### IMPORTANT BENEFITS

#### Investment Strategy

United Venture Fund seeks aggressive long-term capital growth by investing mainly in common shares of small and medium sized companies that are undervalued in relation to earnings, dividends and assets.

#### Performance Measurement

United Venture Fund's results can be measured over any period of time. Performance figures are detailed regularly in reports to shareholders.

#### Professional Management

United Venture Fund is managed by a team of investment professionals who devote full time to the Fund and report to you regularly.

#### Broad Diversification

United Venture Fund has a well diversified portfolio that few investors could duplicate on their own.



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