

**UNITED  
VENTURE  
FUND LTD.**

**United Venture Fund Ltd.**

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and, therein only by persons permitted to sell such securities.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

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.

**THE SECURITIES OFFERED BY THIS  
PROSPECTUS ARE SPECULATIVE (Ref: Pages 2  
and 3)**

**PROSPECTUS**

March 27, 1981



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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 and Policies

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.

When recommending the purchase or sale of a security, it is the policy of the Manager to consider the maturity and history of the company and its management and the apparent prospects for the company, its industry class and market changes. The Manager will emphasize well established companies and will recommend the appropriate level of investment to be held in short term paper from time to time. To illustrate the foregoing, major investments held as at November 30, 1980 are shown at market value:

<u>Security</u>	<u>Percentage of Net Assets</u>	<u>Security</u>	<u>Percentage of Net Assets</u>
Crush International	4.8%	Unicorp Financial "B"	3.9%
Towle Manufacturing	3.8%	Quotron Systems Inc.	3.3%
Brinco 7% Pfd. "A"	3.0%	Gotaas-Larsen	4.6%
Gulf Resources	4.1%	Short term debt instruments	5.9%
Western Mines	5.0%	Other Assets (net)	57.1%
Pagurian Corp. "A"	4.5%	Total	100.0%

Net assets at market value at November 30, 1980 were \$25,317,630 — for portfolio, see pages 19 to 21.

### Five Year Annual Performance of the Fund Per Share

	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
Net asset value per share:					
At end of year .....	\$7.63	\$4.21	\$3.20	\$2.86	\$2.43
At beginning of year .....	4.21	3.20	2.86	2.43	2.33
	3.42	1.01	.34	.43	.10
Add amount distributed .....	.082	.10	.311		
Change in year .....	\$3.502	\$1.11	\$ .651	\$ .43	\$ .10
Percentage change in year .....	83.2%	34.7%	22.8%	17.7%	4.3%



**Risk Factors and Reward Potential**

The risk-to-reward factors of a fund vary with the nature of its portfolio investments. Changing market prices affect the Fund's share values.

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.

**The Offering and Purchase of Shares**

The shares are offered by United Investment Services Ltd., as principal distributor, through its agents in continuous distribution. For details of methods of purchase, see pages 4 and 5.

**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 7.

**Management of the Fund**

United Financial Management Ltd, as investment manager, receives an annual fee of  $1\frac{1}{4}\%$  of the first \$40,000,000, plus  $1\frac{1}{2}\%$  of the excess over \$40,000,000 up to \$80,000,000, plus  $1\frac{1}{4}\%$  of the excess over \$80,000,000 up to \$120,000,000, plus 1% of the excess over \$120,000,000 of the average daily net asset value of the portfolio for which it provides the Fund with management and investment advisory services and pays a part of the expenses otherwise payable by the Fund. For details, see pages 10 and 11.

**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. For dividend record, see page 3.

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 4.

**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 Financial Management Ltd. (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.

Income distributed to shareholders in each of the fiscal periods ended November 30, (none were paid in 1976 and 1977), assuming that the share was held for the entire fiscal period was:

<u>Year</u>	<u>Per Share</u>
1978	31.1¢
1979	10.0¢
1980	8.2¢



#### **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, a 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 offered to the public through the Distributor and its agents. Shares so purchased are taken in the name of the Trustee and held by it in trust for the beneficial owner. Subscriptions received by its 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 Open 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%

Except as provided below, to determine the "amount invested" the above table will be applied to each investment separately.

### 2.03 Commission Reduction on Cumulative Investments

If at the time of an additional investment, the investor provides a written statement, including the number of shares, of each of his accounts in an associated fund which offers the same commission rates and such is verified, then the above table will be applied to the net asset value of eligible shares currently held plus the amount currently invested in establishing the maximum commission rate on the additional investment.

### 2.04 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) 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
- (ii) 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 20 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 to it or to the Distributor at their principal office, at Toronto, Ontario or to its agent who shall mail it to the Registrar at Toronto the same day it is received. At the investor's request and expense, notice of the redemption request may be transmitted by the agent to the Registrar at Toronto by wire or telephone. 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 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, their positions with the Fund and their principal occupations within the 5 preceding years are as follows:

<u>Name and Home Address</u>	<u>Position with the Fund</u> <u>Present* — First**</u>	<u>Principal Occupation</u>
John Hewson Coleman, ..... LL.D.(Hon.), K.M. Apartment No. 603-4, 561 Avenue Road, Toronto, Ontario. M4V 2J8	Chairman of the Board,* ... President and Director Director**	President, J.H.C. Associates Ltd. (financial consultants)
William James Clarke ..... 1188 Carey Road, Oakville, Ontario. L6J 2E4	Executive Vice-President* ... and Director Vice-President, Finance and Treasurer**	President, United Financial Management Ltd. (an investment management company)
Gordon Arthur Christopher, ... B.A., LL.B. 1668 West 40th Avenue, Vancouver, British Columbia. V6M 1V9	Director .....	President, Christopher Enterprises Ltd. (garment servicing company)
H. Reuben Cohen, ..... C.M., Q.C., D.C.L. 115 Hillcrest Drive, Moncton, New Brunswick. E1E 1W5	Director .....	Barrister and Solicitor
Jacques de Billy, Q.C. .... 1410 Oak Avenue, Quebec City, Quebec. G1T 1Z9	Director .....	Senior Partner Gagnon, de Billy, Cantin, Martin, Beaudoin & Lesage (a law firm)



<u>Name and Home Address</u>	<u>Position with the Fund Present* — First**</u>	<u>Principal Occupation</u>
Leonard Ellen ..... 94 Summit Crescent, Westmount, Quebec. H3Y 1L7	Director .....	Chairman, Leonard Ellen Canada Inc. (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. M2L 1N6	Director .....	Retired Executive
James Bernard Prendergast .... 58 Old Forest Hill Road, Toronto, Ontario. M5P 2R2	Director* ..... Executive Vice-President** and Director	President, Westroc Industries Limited (building materials)
Stanley Roy Anderson ..... 64 Ravine Park Crescent, West Hill, Ontario. M1C 2M6	Vice-President* ..... and Secretary Assistant Secretary**	Secretary, United Financial Management Ltd. (an investment management company)
Gerald Francis Coleman ..... 2510 Winthrop Crescent, Mississauga, Ontario. L5K 2A7	Vice-President .....	Executive Vice-President, United Financial Management Ltd. (an investment management company) (Prior to September, 1978 — Regional Manager, Pension Investment Services, Montreal Trust Company)
Engelbert Joseph Dessailly ..... 56 Cassandra Boulevard, Town House 4, Don Mills, Ontario. M3A 1S5	Vice-President and ..... Treasurer* Assistant Treasurer**	Treasurer, United Financial Management Ltd. (an investment management company)
David Harold Shuttleworth .... 56 Chedoke Avenue, Hamilton, Ontario L8P 4N9	Vice-President .....	Vice-President, United Financial Management Ltd. (an investment management company) (Prior to January, 1981 — Manager, Administration, Income Trust Company)



<u>Name and Home Address</u>	<u>Position with the Fund</u> <u>Present* — First**</u>	<u>Principal Occupation</u>
John Winston Henry Davies ... Jones 40 Onslow Court, L6H 1J2	Controller* ..... Assistant Controller**	Controller, (United Financial Management Ltd., (an investment management company) (Prior to March, 1976 — Supervisor, General Accounting, United Financial Management Ltd.)

## 5. INVESTMENT MANAGEMENT

### 5.01 The Manager

United Financial Management Ltd., a professional investment management company, incorporated under the laws of Canada, with head office and principal place of business at 145 King Street West, Toronto, Ontario, is the Manager of the Fund. United Funds Management Corporation ("UFMC"), a wholly-owned subsidiary of the Manager, managed the Fund until December 31, 1980 under a Management Agreement dated December 30, 1966, as amended, which was assigned as of January 1, 1981 to the present Manager.

Under the said Agreement dated December 30, 1966, as amended, 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:—  $1\frac{3}{4}\%$  of the first \$40,000,000, plus  $1\frac{1}{2}\%$  of the excess over \$40,000,000 up to \$80,000,000, plus  $1\frac{1}{4}\%$  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, dividends and charges to the Fund over the last 5 completed financial years were as follows:

	<u>Net asset value per share</u>		<u>Dividends per share (a)</u>	<u>Total management fees charged to the Fund</u>	<u>Total charges as a per cent of average net assets (c)</u>
	<u>At beginning of year</u>	<u>At end of year</u>			
1976	\$2.33	\$2.43		\$221,475	1.063%
1977	2.43	2.86		193,835	1.063%
1978	2.86	3.20	31.1¢	194,139	1.202%
1979	3.20	4.21	10.0¢	294,554(b)	1.590%
1980	4.21	7.63	8.2¢	383,529	1.721%

- (a) Cumulative dividends for the 5 years were 49.3¢ per share.
- (b) Prior to April 1, 1979, UPMC was paid for each day 1/365 of the sum of: 1¼% of the first \$3,000,000, plus 1½% of the excess over \$3,000,000 up to \$5,000,000, plus 1¼% 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 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) The percentage represents the aggregate of all fees and other expenses, including management fees, paid or payable by the Fund during the year divided by the average net assets of the year. 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.

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 1979 and 1980 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 their positions with the Manager are as follows:

<u>Name</u>	<u>Home Address</u>	<u>Position with the Manager</u>
William James Clarke .....	1188 Carey Road ..... Oakville, Ontario L6J 2E4	President and Director
H. Reuben Cohen, C.M., Q.C. ....	115 Hillcrest Drive ..... Moncton, New Brunswick E1E 1W5	Director
Charles Osborne Dalton .....	79 Whitehall Road ..... Toronto, Ontario M4W 2C8	Director
Leonard Ellen .....	94 Summit Crescent ..... Westmount, Quebec H3Y 1L7	Director
Henry Burton Rhude, Q.C. ....	28 Rockwood Avenue .... Halifax, Nova Scotia B3N 1X5	Director



<u>Name</u>	<u>Home Address</u>	<u>Position with the Manager</u>
George Burnley Robertson, Q.C. . .	1080 Ridgewood Drive . . . Halifax, Nova Scotia B3H 3Y4	Director
Gerald Francis Coleman . . . . .	2510 Winthrop Crescent . . Mississauga, Ontario L5K 2A7	Executive Vice-President
Stanley Roy Anderson . . . . .	64 Ravine Park Crescent . . West Hill, Ontario M1C 2M6	Vice-President and Secretary
Engelbert Joseph Dessailly . . . . .	56 Cassandra Boulevard . . Town House 4 Don Mills, Ontario M3A 1S5	Vice-President and Treasurer
David Harold Shuttleworth . . . . .	56 Chedoke Avenue . . . . . Hamilton, Ontario L8P 4N9	Vice-President
John Winston Henry Davies Jones	50 Onslow Court . . . . . Oakville, Ontario L6H 1J2	Controller

### 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, 1979 was \$14,768,117 and at November 30, 1980 was \$17,848,774. The total cost of securities purchased during the financial year ended November 30, 1980 (some of which were sold before such year end) was as follows:



(a) Short term notes:	
Government issued or guaranteed securities .....	\$ —
Other short term notes .....	17,155,972
(b) Other securities .....	16,140,137
Total .....	<u>\$33,296,109</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 or sell short securities of any sort;
3. shall not underwrite or participate in underwriting of any securities;
4. shall not participate on a joint or joint and several basis in any trading account in securities;
5. 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;
6. 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;
7. 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 Articles of Continuance, in securities of such issuer;
8. 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 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;
9. shall not purchase or sell real estate or other property other than securities;
10. shall not purchase or sell commodities or commodity future contracts;
11. shall not purchase securities of its management company or contractual distributor;
12. shall not issue or guarantee purchase warrants or any obligations, bonds, notes, debentures or other senior securities;



13. 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 stocks;
14. 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;
15. shall not invest in any security which may, by its terms, require the Fund to make an additional contribution;
16. 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;
17. 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;
18. 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;
19. shall not invest in mortgages;
20. 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 12 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 99.9% owned subsidiary of the Manager, 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 their positions with the Distributor are as follows:

<u>Name</u>	<u>Home Address</u>	<u>Position with the Distributor</u>
William James Clarke.....	1188 Carey Road..... Oakville, Ontario L6J 2E4	President and Director
Stanley Roy Anderson .....	64 Ravine Park Crescent ... West Hill, Ontario M1C 2M6	Vice-President, Secretary and Director
Gerald Francis Coleman .....	2510 Winthrop Crescent ... Mississauga, Ontario L5K 2A7	Vice-President and Director
James Montague Farley .....	234 Cardinal Drive .....	Director
	Oakville, Ontario L6J 4P2	
Engelbert Joseph Dessailly .....	56 Cassandra Boulevard ... Town House 4 Don Mills, Ontario M3A 1S5	Vice-President and Treasurer
Marcel Rosaire LaRochelle .....	774 Colonel Jones Avenue . Ste Foy, Quebec G1X 3K9	Vice-President
David Harold Shuttleworth.....	56 Chedoke Avenue .....	Vice-President
	Hamilton, Ontario L8P 4N9	
John Cameron Trull .....	1403 Londonderry Boulevard Mississauga, Ontario L5E 2S2	Vice-President
Raymond William Gregory .....	Suite A206 .....	Assistant Vice-President
	1555 Avenue Road Toronto, Ontario M5M 4M2	
John Winston Henry Davies Jones .	40 Onslow Court .....	Controller
	Oakville, Ontario L6H 1J2	
Helen Corrigan .....	4873 Vezina Avenue .....	Assistant Secretary
	Apartment 32 Montreal, Quebec H3W 1B9	



## **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 60 and 61 of the Securities Act (British Columbia) and Sections 25 and 26 of the Securities Ordinance (Northwest Territories) 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 (British Columbia) or with the Registrar of Securities (Northwest Territories), as is appropriate, 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 27, 1981, 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 such corporation's shares was as follows:

<u>Name and Address of Shareholders</u>	<u>Name of Corporation</u>	<u>Relationship to Issuer</u>	<u>Designation of Class</u>	<u>Type of Owner- ship</u>	<u>Number of Shares owned</u>	<u>Percent of Class</u>
Exco Corporation Limited 5151 Terminal Road Halifax, Nova Scotia	United Financial Management Ltd. 145 King St. W. Toronto, Ontario	Manager	Common	Bene- ficial and of Record	1,164,465	93%
United Financial Management Ltd. 145 King St. W. Toronto, Ontario	United Investment Services Ltd. 1201 Place du Canada 1010 de la Gauchetière Street West Montreal, Quebec	Principal Distributor	Common	Bene- ficial and of Record	5,000	100%

H. Reuben Cohen, C.M., 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 27, 1981, the directors and senior officers of the Manager as a group, owned, directly and indirectly, 93% 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 assigned by UPMC to the Manager as of January 1, 1981. The same investment managers and administrative personnel will continue to perform their duties as such in providing services to the Manager of the Fund. There is no change in the extent or nature of the services received by the Fund. See 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, 1980**

<b>Common Shares, Units and Options</b>		<b>Average Cost</b>	<b>Market Value</b>
	<b>Building and Construction: 0.17%</b>		
5,900	Lake Ontario Cement Limited .....	\$ 41,113	\$ 42,775
	<b>Chemicals: 1.28%</b>		
25,000	GAF Corporation (a) .....	373,062	323,640
	<b>Cosmetics and Toiletries: 2.00%</b>		
25,000	Swank Inc. (a) .....	564,065	505,920
	<b>Foods and Beverages: 6.44%</b>		
101,500	Controlled Foods International Ltd. ....	410,257	406,000
70,000	Crush International Limited .....	970,929	1,225,000
		1,381,186	1,631,000
	<b>Insurance: 1.55%</b>		
50,000	Scottish & York Holdings Limited .....	326,267	393,750
	<b>Machinery: 1.33%</b>		
10,000	FMC Corporation (a) .....	281,507	336,288
	<b>Manufacturing: 7.14%</b>		
15,000	American Biltrite Inc. (a) .....	120,311	129,456
25,000	Automotive Hardware Limited "A" .....	321,620	256,250
25,000	Goody Products, Inc. (a) .....	382,544	453,840
41,000	Towle Manufacturing Company (a) .....	586,703	966,977
		1,411,178	1,806,523
	<b>Merchandising: 2.40%</b>		
100,000	Astral Bellevue Pathé Ltd. ....	261,449	425,000
10,000	The Wickes Companies, Inc. (a) .....	185,030	181,536
		446,479	606,536
	<b>Metals and Mining: 19.99%</b>		
107,700	Brinco Limited 7% Pfd "A" .....	733,356	753,900
315,000	Bruneau Mining Corporation .....	93,771	195,300
131,500	Consolidated Copper-Lode Developments Inc. ....	34,886	460,250
35,000	Gulf Resources & Chemical Corporation (a) .....	684,747	1,031,184
6,500	McIntyre Mines Limited .....	249,653	481,000
33,000	Teck Corporation Limited "B" .....	79,724	713,625
50,000	Tintina Silver Mines Ltd. ....	114,459	150,000
50,000	Western Mines Limited .....	377,862	1,275,000
		2,368,458	5,060,259

Continued



**Common  
Shares,  
Units  
and  
Options**

		<b>Average Cost</b>	<b>Market Value</b>
<b>Miscellaneous: 16.43%</b>			
40,000	Federal Industries Ltd. "A" .....	\$ 276,174	\$ 580,000
72,600	The Pagurian Corporation Limited "A" .....	330,241	1,125,300
57,573	Unicorp Financial Corporation "A" .....	225,113	518,157
111,073	Unicorp Financial Corporation "B" .....	476,308	999,657
60,000	Versatile Cornat Corporation — (warrants) .....	252,555	727,500
175,000	Windmill Enterprises Ltd. ....	229,220	210,000
		<u>1,789,611</u>	<u>4,160,614</u>
<b>Oil and Gas: 9.05%</b>			
59,000	American Pacific International, Inc. (a) — (units) .....	103,640	182,172
25,000	Cairn Petroleum Ltd. ....	193,775	200,000
25,000	Coralta Resources Limited .....	131,281	237,500
5,000	Mobil Corporation (a) .....	394,250	523,032
35,300	Omega Hydrocarbons Ltd. ....	248,465	282,400
10,500	Ram Petroleum Ltd. ....	249,297	215,250
10,000	Sooner Energy Corp. — (units) .....	50,000	50,000
10,000	Tesoro Petroleum Corporation (a) .....	335,648	308,016
75,000	Universal Explorations Ltd. ....	200,171	292,500
		<u>1,906,527</u>	<u>2,290,870</u>
<b>Publishing: 1.39%</b>			
20,000	Playboy Enterprises, Inc. (a) .....	352,984	351,168
<b>Real Estate: 4.55%</b>			
25,000	Gulfstream Land & Development Corp. (a) .....	385,238	483,600
20,000	The Presley Companies (a) .....	242,729	327,360
20,000	Standard Pacific Corp. (a) .....	228,628	342,240
		<u>856,595</u>	<u>1,153,200</u>
<b>Technology: 8.10%</b>			
25,000	Docutel Corporation (a) .....	650,130	717,960
10,000	Kratos, Inc. (a) .....	278,722	270,816
10,000	Quotron Systems, Inc. (a) .....	575,220	828,816
200,000	Sci-Pro, Inc. (a) .....	261,060	234,342
		<u>1,765,132</u>	<u>2,051,934</u>
<b>Transportation: 8.99%</b>			
98,500	Gotaas-Larsen Shipping Corporation (a) .....	919,209	1,172,544
25,000	Piedmont Aviation, Inc. (a) .....	450,331	465,000
10,000	Southwest Airlines Co. (a) .....	383,834	398,784
10,000	Trans World Corporation (a) .....	215,726	239,568
		<u>1,969,100</u>	<u>2,275,896</u>
<b>Utilities: 1.72%</b>			
10,000	Kansas-Nebraska Natural Gas Company, Inc. (a) .....	370,072	434,496

Continued



Common Shares, Units and Options		Average Cost	Market Value
<b>Contracts</b>	<b>Options: 0.67%</b>		
350*	Hiram Walker-Consumers Home Ltd.		
	March 1981 — \$32½ .....	\$ 107,230	\$ 122,500
459*	Transamerica Corporation (a)		
	May 1981 — \$20 .....	50,088	47,809
		157,318	170,309
Total common shares, units and options: 93.20% .....		16,360,654	23,595,178
Short term debt instruments: 5.88% .....		1,488,120	1,488,120
Total investment portfolio: 99.08% .....		17,848,774	25,083,298
Other assets (net): 0.92% .....		234,332	234,332
Net assets .....		<u>\$18,083,106</u>	<u>\$25,317,630</u>

\*Contracts consisting of 100 shares each.

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

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

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

See accompanying notes



## Assets and Liabilities

November 30, 1980

<b>ASSETS</b>		
Investment portfolio at market value (average cost \$17,848,774) .....		\$25,083,298
Interest bearing bank deposits .....		1,777,376
Accounts receivable:		
Investment securities sold .....		102,434
Shares sold .....		29,852
Dividends and accrued interest receivable .....		54,258
		<u>27,047,218</u>
<b>LIABILITIES</b>		
Accounts payable:		
Investment securities purchased .....	1,144,293	
Shares redeemed .....	529,734	
Other .....	35,734	
Income taxes payable .....	19,827	1,729,588
		<u>\$25,317,630</u>
Net assets (per share \$7.63) .....		<u><u>\$25,317,630</u></u>

## Share Capital and Surplus

<b>SHARE CAPITAL (note 3):</b>		
Outstanding —		
3,316,590 mutual fund shares .....		\$12,921,688
<b>SURPLUS</b>		
Undistributed net income .....		651,485
Accumulated realized gain on sale of investments .....		4,509,933
Unrealized appreciation of investments .....		7,234,524
		<u>\$25,317,630</u>

On behalf of the Board:

W. JAMES CLARKE, Director

JAMES B. PRENDERGAST, Director

See accompanying notes



# Statement of Changes in Net Assets

	Year ended November 30				
	1980	1979	1978	1977	1976
Net assets, beginning of year .....	\$ 18,685,344	\$ 16,731,679	\$ 16,522,856	\$ 18,346,738	\$ 20,912,500
Changes during the year:					
Due to investment activities —					
Net income for the year .....	269,282	419,562	339,551	232,441	370,847
Dividend paid (a) .....	(268,846)	(433,898)	(1,491,090)		
Adjustment to carrying value of refundable income taxes due to change in related income tax legislation (note 2) .....			(5,642)	(146,961)	
Realized gain on sale of investments including foreign exchange adjustments:					
Based on average cost (b) .....	9,175,147	2,936,169	2,141,386	1,972,601	513,112
Adjustment to gains realized resulting from issue of Supplementary Letters Patent (note 6) .....					(183,272)
Based on book value .....					329,840
Unrealized appreciation of investments during the year:					
Based on average cost .....	3,929,423	2,078,590	821,592	846,923	110,836
Adjustment resulting from issue of Supplementary Letters Patent (note 6) .....					183,272
Based on book value .....					294,108
	<u>13,105,006</u>	<u>5,000,423</u>	<u>1,805,797</u>	<u>2,905,004</u>	<u>994,795</u>
Due to share capital transactions (note 3) —					
Proceeds from issue of shares on reinvestment of dividend paid (d) .....	267,392	433,898	1,491,090		
Proceeds from issue of shares (e) ...	915,590	36,737	162,368	32,915	72,622
Amounts paid for shares redeemed (f) .....	(7,655,702)	(3,517,393)	(3,250,432)	(4,761,801)	(3,633,179)
	<u>(6,472,720)</u>	<u>(3,046,758)</u>	<u>(1,596,974)</u>	<u>(4,728,886)</u>	<u>(3,560,557)</u>
Net assets, end of year .....	<u>\$ 25,317,630</u>	<u>\$ 18,685,344</u>	<u>\$ 16,731,679</u>	<u>\$ 16,522,856</u>	<u>\$ 18,346,738</u>
(a) Dividend paid per share from undistributed net income .....	8.2¢	10¢	31.1¢		

Continued



	Year ended November 30				
	1980	1979	1978	1977	1976
(b) Realized gain over average cost on sale of investments:					
Proceeds on sale of investments, including foreign exchange adjustments (c) .....	\$ 23,282,559	\$ 17,829,363	\$ 14,242,003	\$ 14,645,090	\$ 23,963,896
Cost of investments sold (c):					
Investments at cost, beginning of year .....	14,768,117	12,411,013	14,755,731	18,076,147	21,311,627
Shares and debentures purchased	16,140,137	16,810,111	9,755,899	9,945,498	21,112,239
Net change during the year in investments, at cost, in short term debt instruments .....	1,047,932	440,187		(593,425)	(896,935)
Investments at cost, end of year ..	(17,848,774)	(14,768,117)	(12,411,013)	(14,755,731)	(18,076,147)
Cost of investments sold .....	14,107,412	14,893,194	12,100,617	12,672,489	23,450,784
Realized gain over average cost on sale of investments .....	\$ 9,175,147	\$ 2,936,169	\$ 2,141,386	\$ 1,972,601	\$ 513,112
(c) Excluding short term debt instruments redeemed during the year .....	\$ 16,108,040	\$ 13,297,883	\$ 737,325	\$ 4,125,546	\$ 30,351,104
(d) Mutual fund shares issued on reinvestment of dividends .....	35,416	103,237	468,896		
(e) Mutual fund shares issued for cash ..	143,402	9,387	49,156	12,513	28,358
(f) Mutual fund shares redeemed .....	1,303,958	904,169	1,053,938	1,797,746	1,433,867
(g) Net asset value per share:					
At end of year .....	\$7.63	\$4.21	\$3.20	\$2.86	\$2.43
At beginning of year .....	4.21	3.20	2.86	2.43	2.33
(h) Per share information for a share outstanding throughout the year:					
Net income .....	.07	.087	.064	.035	.045
Adjustment to carrying value of refundable income taxes .....			(.001)	(.02)	
Net realized and unrealized gain on investments .....	3.432	1.023	.588	.415	.055

See accompanying notes



**Statements of Income and Expense,  
Undistributed Net Income,  
Accumulated Realized Gain (Loss) on Sale of Investments  
and Unrealized Appreciation (Depreciation) of Investments**

Year ended November 30

	1980	1979	1978	1977	1976
<b>Income and Expense</b>					
Dividend income .....	\$ 411,960	\$ 537,384	\$ 395,572	\$ 419,412	\$ 607,250
Interest income .....	334,594	240,137	159,503	65,933	124,795
Income from investments .....	746,554	777,521	555,075	485,345	732,045
Management fee (note 4) .....	383,529	294,554	194,139	193,835	221,475
Income before taxes .....	363,025	482,967	360,936	291,510	510,570
Income taxes (note 2) .....	93,743	63,405	21,385	59,069	139,723
Net income for the year .....	<u>\$ 269,282</u>	<u>\$ 419,562</u>	<u>\$ 339,551</u>	<u>\$ 232,441</u>	<u>\$ 370,847</u>
Net income per share .....	7.0¢	8.7¢	6.4¢	3.5¢	4.5¢
<b>Undistributed Net Income</b>					
Balance, beginning of year .....	\$ 651,049	\$ 665,385	\$ 1,822,566	\$ 1,737,086	\$ 1,366,239
Net income for the year .....	269,282	419,562	339,551	232,441	370,847
Dividend paid .....	(268,846)	(433,898)	(1,491,090)		
Adjustment to carrying value of re- fundable income taxes due to change in related income tax legislation (note 2) .....			(5,642)	(146,961)	
Balance, end of year .....	<u>\$ 651,485</u>	<u>\$ 651,049</u>	<u>\$ 665,385</u>	<u>\$ 1,822,566</u>	<u>\$ 1,737,086</u>
<b>Accumulated Realized Gain (Loss) on Sale of Investments</b>					
Balance, beginning of year .....	\$ (4,665,214)	\$ (7,601,383)	\$ (9,742,769)	\$(11,715,370)	\$(12,045,210)
Realized gain on sale of investments during the year including foreign exchange adjustments:					
Based on average cost .....	9,175,147	2,936,169	2,141,386	1,972,601	513,112
Adjustment to gains realized resulting from issue of Supplementary Letters Patent (note 6) ...					(183,272)
Based on book value .....					329,840
Balance, end of year (note 6) .....	<u>\$ 4,509,933</u>	<u>\$ (4,665,214)</u>	<u>\$ (7,601,383)</u>	<u>\$ (9,742,769)</u>	<u>\$(11,715,370)</u>
<b>Unrealized Appreciation (Depreciation) of Investments</b>					
Balance, beginning of year .....	\$ 3,305,101	\$ 1,226,511	\$ 404,919	\$ (442,004)	\$ (736,112)
Unrealized appreciation of investments during the year:					
Based on average cost .....	3,929,423	2,078,590	821,592	846,923	110,836
Adjustment resulting from issue of Supplementary Letters Patent (note 6) ...					183,272
Based on book value .....					294,108
Balance, end of year (note 6) .....	<u>\$ 7,234,524</u>	<u>\$ 3,305,101</u>	<u>\$ 1,226,511</u>	<u>\$ 404,919</u>	<u>\$ (442,004)</u>

See accompanying notes



## Notes to Financial Statements — November 30, 1980

### 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. 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 an average cost basis (see also note 6).
- (c) **Fund share valuation** — 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 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. Effective December 31, 1977, due to changes in tax legislation, the amount of the refundable taxes payable to such date by the Fund and not yet recovered by it through payment of dividends, was reduced by one-third, and individual shareholders of the Fund were granted correspondingly increased tax credits with respect to taxable dividends paid after that date. As at November 30, 1977, in anticipation that no taxable dividends would be paid by the Fund prior to December 31, 1977, the carrying value of such taxes paid by the Fund to November 30, 1977 was reduced by the one-third adjustment (\$146,961) that would occur at December 31, 1977, and such adjustment was reflected as a charge against undistributed net income as at November 30, 1977. In addition, during the 1978 fiscal year, the balance of refundable income taxes payable on dividends received by the Fund during the month of December 1977, was also reduced by the one-third adjustment (\$5,642) as at December 31, 1977, and this adjustment is reflected as a charge against undistributed net income in the 1978 fiscal year. Refundable taxes payable to November 30, 1978, November 30, 1979 and November 30, 1980 were fully recoverable 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 1980 the Fund realized capital gains for tax purposes, net of capital losses, of \$9,314,000 but no tax is payable with respect thereto due to the application of capital losses carried forward from prior years. A total of \$2,706,000 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 \$7,235,000 at November 30, 1980.

### 3. 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). 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.

Continued



**4. Management fees**

Effective April 1, 1979, management fees payable to the Manager, United Funds Management Corporation (UFMC) have been computed for each day on the basis of  $1/365$  of the sum of  $1\frac{1}{4}\%$  of the first \$40,000,000, plus  $1\frac{1}{4}\%$  of the excess over \$40,000,000 up to \$80,000,000, plus  $1\frac{1}{4}\%$  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 2)).

For the period April 1, 1978 to March 31, 1979, management fees were computed for each day on the basis of  $1/365$  of the sum of  $1\frac{1}{4}\%$  of the first \$3,000,000, plus  $1\frac{1}{2}\%$  of the excess over \$3,000,000 up to \$5,000,000, plus  $1\frac{1}{4}\%$  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 2)).

Prior thereto, management fees were computed on the basis of 1% per annum of average daily net assets until March 31, 1976, and thereafter to March 31, 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 2)).

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.

**5. Brokerage commission**

The total amount of brokerage paid by the Fund for the year ended November 30, 1980 was \$189,668 (1979 - \$245,584; 1978 — \$77,919; 1977 — \$93,934; 1976 — \$205,672).

**6. Reduction of capital**

By Supplementary Letters Patent dated February 16, 1973 the Fund reduced its contributed capital (paid-in surplus) 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, 1976, 1977, 1978, 1979 and 1980 reflect, as a result of the application of the capital reduction, only the balances accumulated in such accounts since November 30, 1971.



## 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, 1980 —

Assets and liabilities  
Share capital and surplus  
Investment portfolio

FOR THE FIVE YEARS ENDED NOVEMBER 30, 1980 —

Changes in net assets  
Income and expense  
Undistributed net income  
Accumulated realized gain (loss) on sale of investments  
Unrealized appreciation (depreciation) 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 and investment portfolio of the Fund as at November 30, 1980 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.

Toronto, Canada.  
December 10, 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, 1981.

(Signed) JOHN H. COLEMAN  
Chief Executive Officer

(Signed) ENGELBERT J. DESSAILLY  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) W. JAMES CLARKE  
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, 1981.

(Principal Distributor)  
**UNITED INVESTMENT SERVICES LTD.**

by (Signed) STANLEY R. ANDERSON  
Secretary



**UNITED  
VENTURE  
FUND LTD.**

**The Fund**

United Venture Fund Ltd.

**Investment Manager**

United Financial Management Ltd.

**Principal Distributor**

United Investment Services Ltd.

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Continental Trust Company

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Edmonton

**Auditors**

Clarkson Gordon  
Toronto, Ontario

**Custodian of Portfolio Securities**

A Canadian Chartered Bank

Investing in shares of  
companies with unusually  
high growth potential

**PROSPECTUS**

March 27, 1981