MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the unaudited interim condensed financial performance and financial condition of United Corporations Limited ("United" or the "Company") for the first quarter of fiscal 2026 should be read in conjunction with: the March 31, 2025 Annual Report, including the MD&A, the Company's audited annual financial statements and the notes and supplementary financial information; and the unaudited quarterly condensed interim condensed financial statements and notes contained in this report. These financial statements have been prepared in compliance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars. This MD&A is dated as of July 31, 2025.

This MD&A may contain certain forward-looking statements that are subject to risks and uncertainties that may cause the results or events mentioned in this discussion to differ materially from actual results or events. No assurance can be given that results, performance or achievement expressed in, or implied by, any forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

The Company

United is a closed-end investment corporation that trades on the Toronto Stock Exchange. United is an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed-income instruments or balanced funds. From time to time, however, assets of the Company may be invested in interest-bearing short-term securities pending the selection of suitable equity investments.

The Company has been a closed-end investment corporation since 1929. The Common Shares have persistently traded at a discount to their net asset value, ranging from approximately a 20% discount to a 42% discount over the past 10 years. Management believes that shareholders who have invested in the Common Shares of the Company recognize that the Common Shares of the Company usually trade at a discount to their net asset value.

Closed-end investment corporations have the following benefits: they often allow investors the opportunity to purchase assets at a discounted price; they have management expense ratios which are generally much lower than those for actively-managed open-ended funds; and the management of a closed-end investment corporation's portfolio is not impacted by shareholder subscription or redemption activities.

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

The majority of the Company's investment portfolio is actively managed by Comgest Asset Management International Limited ("Comgest"), Causeway Capital Management LLC ("Causeway"), and Neuberger Berman Canada ULC ("NB"). Each of these managers has a global equity mandate. As of June 30, 2025, $552,014,000 (March 31, 2025 - $533,437,000), $589,557,000 (March 31, 2025 - $584,664,000), $545,202,000 (March 31, 2025 - $512,092,000), and $577,152,000 (March 31, 2025 - $551,488,000) of equity investments were managed by Comgest, Causeway, NB Global Equities which tracks the MSCI All Country World Index ("ACWI"), and NB Global Equities Quality Strategy, respectively.

Comgest is part of the Comgest group which is an independent, international asset management group, with headquarters in Paris and offices in Amsterdam, Boston, Brussels, Dublin, Düsseldorf, Hong Kong, Milan, Singapore, Tokyo and a representative office in London. Since inception in 1985, Comgest has pursued a long-term 'Quality Growth' investment style. The portfolio will generally hold between 30 - 40 companies.

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The Company (continued)

Causeway Capital is a global investment manager and is based out of Los Angeles, California, USA. The investment philosophy emphasizes the merits of value investing and combines both fundamental and quantitative research to identify investment opportunities in equity markets around the world. The portfolio will generally hold between 35 – 55 companies.

NB is an investment management firm headquartered in Toronto. NB manages its portfolio in two separate mandates. The first mandate invests in global equities, with low tracking risk to the MSCI All Country World Index, which expects to hold 600 - 1,000 companies. The second mandate invests in global equities with a quality strategy, which expects to hold 200 - 400 companies. NB is a business of Neuberger Berman. Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager headquartered in New York. The firm manages a range of strategies including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds on behalf of institutions, advisors and individual investors globally. With offices in 25 countries, Neuberger Berman’s diverse team has approximately 2,900 professionals.

The Company also has a long-term investment in Algoma Central Corporation (“Algoma”), a public shipping company. Algoma is a related party and is a reporting issuer which trades on the Toronto Stock Exchange with a profile on SEDAR+. The investment in Algoma is consistent with the Company’s investment strategy and contributes to achieving the investment objective of the Company.

Investment Strategy

The objective of the Company is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company’s investment strategy will reward shareholders over the long term.

The investment portfolio of the Company comprises primarily foreign equities. Net equity value and net investment income may vary significantly from period to period depending on the economic environment and market conditions.

Use of Non-GAAP Measures

This MD&A contains references to “net equity value per Common Share”, “growth in net equity value per Common Share”, “net investment income”, and “net investment income per Common Share”. These terms do not have any standardized meanings in GAAP (generally accepted accounting principles) and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in evaluating the Company’s financial results.

Net equity value per Common Share is used by investors and management as a comparison to the market price of its Common Shares to determine the discount or premium at which the Company’s Common Shares are trading, relative to the net equity value per Common Share. In order to determine its net equity value per Common Share, the Company deducts the cost of redemption of its Preferred Shares from its net assets.

Net investment income per Common Share is used by both investors and management to assess the approximate amount of dividends to be distributed on Common Shares. In order to determine its net investment income per Common Share, the Company deducts the dividends paid and accrued on its Preferred Shares from net investment income.

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Use of Non-GAAP Measures (continued)

Net equity value per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	June 30 2025	March 31 2025
Net Assets	**$ 2,303,209**	$ 2,224,887
Deduct:		
Cost of redemption		
First Preferred Shares	**1,567**	1,567
1959 and 1963 Series Second Preferred Shares	**6,180**	6,180
	7,747	7,747
Net equity value	**$ 2,295,462**	$ 2,217,140
Common Shares outstanding	**11,250,865**	11,250,865
Net Equity Value per Common Share	**$ 204.03**	$ 197.06

Net investment income per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	Three months ended June 30	
	2025	2024
Net income	**$ 95,855**	$ 71,188
Add (deduct):		
Other net fair value changes in investments	**(100,309)**	(72,316)
Tax on other net fair value changes in investments	**13,291**	9,581
Net investment income[1]	**8,837**	8,453
Deduct:		
Dividends paid on Preferred Shares	**94**	94
Net investment income, net of dividends paid on Preferred Shares[1]	**$ 8,743**	$ 8,359
Weighted Average Common Shares Outstanding	**11,250,865**	11,256,465
Net Investment income per Common Share[1]	**$ 0.78**	$ 0.74

[1] On an after-tax basis.

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Net Equity Value per Common Share

The Company's net equity value per Common Share increased to $204.03 at June 30, 2025 from $197.06 at March 31, 2025.

With dividends paid by the Company reinvested at month-end net equity values, the Company's net equity value return for the quarter was 4.3% compared to 3.2% for the same period in the prior fiscal year.

During the quarter, investments managed by Comgest had a pre-tax total return of 3.5% (2025 – 4.7%), Causeway 5.1% (2025 – 2.4%), NB Global Equities Quality Strategy 4.9% (2025 - 4.8%) and NB Global Equities ACWI 6.4% (2025 – 4.5%).

As the Company is a taxable Canadian corporation, the Company's net equity value is net of a current income tax provision on net investment income and net realized gains on investments, and net of a deferred income tax provision on its unrealized appreciation of investments.

In Canadian dollar terms, total returns (capital gains plus dividends) for stock market indices, were as follows:

	Three months ended June 30, 2025
	(%)
MSCI All Country World Index	5.9
S&P 500 Index	5.2
S&P/TSX Composite Index	8.5
MSCI Emerging Markets	6.3

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Growth in Net Equity Value ("NAV")

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

Annual growth in NAV*

	NAV per Common Share $	Annual Growth %
2016	120.66	4.0
2017	132.32	11.6
2018	138.40	6.4
2019	146.99	7.7
2020	137.95	(4.7)
2021	170.66	25.5
2022	166.49	(1.2)
2023	164.13	2.5
2024	195.51	20.1
2025	197.06	9.7

Compound annual growth*

2016 - 2025 - 10 years	7.8

*Growth in NAV is determined by the percentage change in NAVs for the period with dividends paid by the Company reinvested at month-end NAVs.

Operating Results - Fiscal 2026

Net income

The Company's net income for the first quarter of fiscal 2026 was $95,855,000 compared to $71,188,000 for the first quarter of fiscal 2025. On a per common share basis, net income for the quarter was $8.52 in the first quarter of fiscal 2026 compared to $6.32 for the same quarter in 2025.

Other net fair value changes in investments for the portfolio increased to a net gain of $100,309,000 during the first quarter of fiscal 2026 compared to a net gain of $72,316,000 for the same period in the prior year. During the quarter, there was positive performance of $58,833,000 in North America, $15,700,000 in Emerging Markets, $10,799,000 in Europe, $9,073,000 in the United Kingdom, $4,507,000 in Japan, and $1,397,000 in Australia.

The net realized gain was $18,090,000 for the first quarter of fiscal 2026 compared to $13,055,000 for the same period in the prior fiscal year. The largest year-to-date contributors to the net realized gain in fiscal 2026 were from the sales of securities of $6,963,000 in Europe, $5,212,000 in North America, $3,727,000 in the United Kingdom, and $2,444,000 in Japan.

Net Investment Income

The Company's net investment income for the first quarter of fiscal 2026 increased to $8,837,000 compared to $8,453,000 for the first quarter of fiscal 2025. On a per Common Share basis, net investment income increased to $0.78 compared to $0.74 for the same quarter in fiscal 2025.

Foreign dividend income in the first quarter increased to $13,239,000 from $12,872,000 for the first quarter in the prior year. In general, foreign dividend income is also impacted by changes in the composition of the investment portfolio, variability in foreign exchange rates and dividend yields.

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Net Investment Income (continued)

Canadian dividend income in the first quarter of increased to $880,000 from $878,000 in the prior year.

Interest and securities lending income in the first quarter decreased to $583,000 from $689,000 in the prior year.

Expenses during the quarter increased to $3,026,000 compared to $2,986,000 for the same period in the prior year.

Quarterly Results

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

	June 30 2025	March 31 2025	Dec. 31 2024	Sept. 30 2024	June 30 2024	March 31 2024	Dec. 31 2023	Sept. 30 2023
Investments	$ 2,322,480	$ 2,237,444	$ 2,469,072	$ 2,383,634	$ 2,326,969	$ 2,230,828	$ 2,098,679	$ 1,925,220
Net Investment Income [1]	$ 8,837	$ 6,473	$ 7,126	$ 5,928	$ 8,453	$ 4,684	$ 3,520	$ 2,908
Net income (loss)	$ 95,855	$ (3,336)	$ 74,689	$ 78,559	$ 71,188	$ 172,923	$ 155,887	$ (49,918)
Per Common Share:								
Net investment income) [1]	$ 0.78	$ 0.57	$ 0.62	$ 0.52	$ 0.74	$ 0.41	$ 0.30	$ 0.24
Net income (loss)	$ 8.52	$ (0.30)	$ 6.63	$ 6.97	$ 6.32	$ 15.35	$ 13.52	$ (4.30)
NAV	$ 204.03	$ 197.06	$ 214.17	$ 207.83	$ 201.13	$ 195.51	$ 180.46	$ 165.49

[1] On an after-tax basis.

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay regular quarterly dividends, investments outside of North America often pay less frequently.

In general, dividends earned on investments outside of North America peak in the first quarter of the fiscal year. From time to time, the Company receives additional one-time dividends arising from significant corporate transactions.

Overall returns are determined by the performance of the investment managers of the portfolio and may fluctuate significantly as illustrated by the past eight quarters. The returns generated by the investment managers may not correlate with benchmark returns. There is no guarantee that the Company will receive dividend income on its investments at current dividend payout levels.

Share Data

As at June 30, 2025, the following shares were issued and outstanding: 52,237 First Preferred Shares, 80,290 1959 Series Second Preferred Shares, 119,710 1963 Series Second Preferred Shares and 11,250,865 (March 31, 2025 - 11,250,865) Common Shares.

On June 18, 2025, the Company approved a ten-for-one share split of its issued and outstanding Common Shares ("Common Share Split"). Each common shareholder of record at the close of business on July 4, 2025 ("Record Date") that continued to hold their common shares through the close of business July 14, 2025 ("Payment Date"), received nine additional common shares for every one common share held on the Record Date.

Normal Course Issuer Bid

On March 10, 2025, the Company renewed the normal course issuer bid ("NCIB"), which allows the Company during the 12-month period commencing March 12, 2025 and ending March 11, 2026 to purchase up o 562,543 Common Shares. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB were limited to 1,000 Common Shares. The price which the Company will pay for Common Shares will be the market price at the time of acquisition.

For three month period ended June 30, 2025 and 2024, no Common Shares were purchased under the NCIB.

Liquidity and Capital Resources

The Company's dividend policy is to distribute quarterly Preferred Share dividends of $0.375 per share and quarterly Common Share dividends of $0.03 per share (adjusted for the Common Share Split). If the annual net investment income is in excess of the quarterly dividends paid, an additional Common Share dividend equal to the excess will be paid following the end of the fiscal year.

An additional Common Share pre-Stock-Split dividend of $1.25 (fiscal 2025 - $0.40) was paid in the first quarter of fiscal 2026 as net investment income per Common Share for fiscal 2025 was greater than quarterly Common Share dividends paid.

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

The Company has a $50,000,000 operating credit facility with a Canadian chartered bank. The credit facility is pledged with equity investments from the Company's investment portfolio. The Company is able to borrow funds in an amount up to 50% of the fair value of investments pledged. As of June 30, 2025, no funds were drawn on this facility.

Additional Information

Additional information relating to United, including the Company's Annual Information Form, is available at www.sedarplus.ca.

United's website, www.ucorp.ca, also provides further information on the Company, including historical information on the net equity value per Common Share which is updated weekly.