

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

UNITED FUNDS INC

CIK: **217420** | IRS No.: **440470465** | State of Incorpor.: **MD** | Fiscal Year End: **1231**
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UNITED
FUNDS, INC.

United Bond Fund
United Income Fund
United Accumulative Fund
United Science and Technology Fund

SEMIANNUAL
REPORT

For the six months ended June 30, 1996

This report is submitted for the general information of the shareholders of United Funds, Inc. It is not authorized for distribution to prospective investors unless accompanied with or preceded by the United Funds, Inc. current prospectus.

PRESIDENT'S LETTER

JUNE 30, 1996

Dear Shareholder:

As President of your Fund, I would like to thank you for your continued

confidence in our products and services. Our goal to provide the best service possible to our shareholders has not changed since we opened our doors nearly 60 years ago. Waddell & Reed's team of professionals, including the Corporation's manager, our customer service representatives and your personal account representative continue to strive to meet your financial needs.

Waddell & Reed plays a special role in the investment industry. We take pride in being one of the few financial services firms committed to locally based account representatives who provide the personal service you need. When you're ready to evaluate your financial plan to keep up with life's changes, or to find an answer to a financial question that you may have, your representative is ready to assist you--when you need it. He or she is available to help you plan for your retirement, fund a child's education or make plans for other long-term financial goals.

All of us are committed to helping you meet the financial goals that are important to you. This is accomplished by our offering investment products to meet a variety of personal financial objectives, along with the personal service to make the investment process more convenient and accessible.

We want to continue to meet your financial needs for many years to come. Should you have any questions about your account or other financial issues that are important to you, contact your personal account representative or your local Waddell & Reed office. They're ready to help you make the most of your financial future.

Respectfully,

Keith A. Tucker
President

SHAREHOLDER SUMMARY

UNITED BOND FUND

PORTFOLIO STRATEGY:

Corporate and government bonds	OBJECTIVE:	Reasonable return with emphasis on the preservation of principal.
Maximum 10% Non-Debt Securities	STRATEGY:	Invests in bonds issued by companies in a variety of industries and in government securities. (May purchase securities subject to repurchase agreements. May invest in certain options and futures.)

FOUNDED: 1964

SCHEDULED DIVIDEND FREQUENCY: MONTHLY

PERFORMANCE SUMMARY -- Class A Shares

PER SHARE DATA

For the Six Months Ended June 30, 1996

DIVIDENDS PAID	\$0.19
	=====

NET ASSET VALUE ON	
6/30/96	\$6.02
12/31/95	6.34

CHANGE PER SHARE	\$ (0.32)
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Past performance is not necessarily an indication of future results.

TOTAL RETURN HISTORY

Period	Average Annual Total Return	
	With Sales Load*	Without Sales Load**
1-year period ended 6-30-96	-0.89%	5.16%
5-year period ended 6-30-96	7.82%	9.11%
10-year period ended 6-30-96	7.68%	8.32%

*Performance data quoted represents past performance and is based on deduction of 5.75% sales load on the initial purchase in each of the three periods.

**Performance data quoted in this column represents past performance without taking into account the sales load deducted on an initial purchase.

Investment return and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost.

PORTFOLIO HIGHLIGHTS

On June 30, 1996, United Bond Fund had net assets totaling \$530,004,101 invested in a diversified portfolio of:

95.24% Bonds
4.76% Cash and Cash Equivalents

As a shareholder of United Bond Fund, for every \$100 you had invested on June 30, 1996, your Fund owned:

Bonds:
Corporate \$63.20
U.S. Government 26.24
Other Government 5.80
Cash and Cash Equivalents 4.76

Not all holdings will be represented in the portfolio at all times.

THE INVESTMENTS OF UNITED BOND FUND JUNE 30, 1996

	Principal Amount in Thousands	Value
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CORPORATE DEBT SECURITIES

Chemicals and Allied Products - 3.42%

Dow Capital BV,

9.0%, 5-15-2010 \$ 6,250 \$ 7,005,687

Procter & Gamble Company (The),

8.0%, 9-1-2024	10,000	11,127,800
Total		18,133,487
Communication - 5.82%		
Bell Telephone Company of Pennsylvania (The), 8.35%, 12-15-2030	5,000	5,702,100
BellSouth Telecommunications, Inc., 5.85%, 11-15-2045	3,000	2,918,550
Continental Cablevision, Inc., 8.5%, 9-15-2001	5,000	5,234,800
Infinity Broadcasting Corporation, 10.375%, 3-15-2002	1,750	1,863,750
Jones Intercable, Inc., 9.625%, 3-15-2002	2,500	2,512,500
Tele-Communications, Inc., 6.58%, 2-15-2005	5,000	4,921,650
Turner Broadcasting System, Inc., 8.375%, 7-1-2013	4,000	3,832,560
Viacom International Inc.:		
9.125%, 8-15-99	1,500	1,530,000
6.75%, 1-15-2003	2,500	2,358,775
Total		30,874,685

Depository Institutions - 11.20%		
AmSouth Bancorporation, 6.75%, 11-1-2025	6,000	5,791,320
Banc One Credit Card Master Trust, 7.55%, 12-15-99	5,000	5,087,500
First Union Corporation, 6.55%, 10-15-2035	5,000	4,763,200
Kansallis-Osake-Pankki, 10.0%, 5-1-2002	6,000	6,768,420
NBD Bank, National Association, 8.25%, 11-1-2024	6,000	6,555,720
NationsBank Corporation, 8.57%, 11-15-2024	5,000	5,602,000
Riggs National Corporation, 8.5%, 2-1-2006	5,000	4,975,000

See Notes to Schedules of Investments on page 33

THE INVESTMENTS OF UNITED BOND FUND
JUNE 30, 1996

	Principal Amount in Thousands	Value
CORPORATE DEBT SECURITIES (CONTINUED)		
Depository Institutions (Continued)		
SouthTrust Bank of Alabama, N.A.:		
5.58%, 2-6-2006	\$ 4,500	\$ 4,283,145
7.69%, 5-15-2025	5,000	5,195,050
Wells Fargo & Company:		
5.632%, 9-5-97	5,000	4,999,650
8.75%, 5-1-2002	5,000	5,347,000
Total		59,368,005
Eating and Drinking Places - 1.86%		
Marriott International, Inc.:		
6.75%, 12-15-2003	5,000	4,770,050
7.875%, 4-15-2005	5,000	5,089,900
Total		9,859,950

Electric, Gas and Sanitary Services - 4.05%		
Arkla, Inc.,		
10.0%, 11-15-2019	8,000	8,751,520
Coastal Corporation (The),		
10.375%, 10-1-2000	5,000	5,606,900
El Paso Electric Company,		
7.25%, 2-1-99	1,750	1,723,050
NorAm Energy Corp.,		
7.5%, 8-1-2000	2,000	2,026,960
Seagull Energy Corporation,		
7.875%, 8-1-2003	3,500	3,368,750
Total		21,477,180
Electronic and Other Electric Equipment - 1.09%		
Motorola, Inc.,		
8.4%, 8-15-2031	5,000	5,756,150
Food and Kindred Products- 4.14%		
Coca-Cola Enterprises Inc.:		
8.0%, 1-4-2005	5,000	5,328,050
0.0%, 6-20-2020	60,000	10,590,600
Nabisco, Inc.,		
6.8%, 9-1-2001	6,000	6,044,400
Total		21,963,050
Forestry - 0.38%		
Doman Industries Limited,		
8.75%, 3-15-2004	2,250	2,025,000
General Building Contractors - 0.78%		
Del Webb Corporation,		
10.875%, 3-31-2000	4,000	4,130,000

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED BOND FUND
JUNE 30, 1996

	Principal Amount in Thousands	Value
CORPORATE DEBT SECURITIES (CONTINUED)		
Health Services - 0.96%		
Tenet Healthcare Corporation,		
8.625%, 12-1-2003	\$ 5,000	\$ 5,068,750
Hotels and Other Lodging Places - 0.78%		
RHG Finance Corporation,		
8.875%, 10-1-2005	4,000	4,135,640
Industrial Machinery and Equipment - 0.62%		
Joy Technologies Inc.,		
10.25%, 9-1-2003	3,000	3,300,000
Instruments and Related Products - 0.57%		
Mark IV Industries, Inc.,		
8.75%, 4-1-2003	3,000	3,000,000
Insurance Carriers - 1.38%		
Penn Central Corporation (The),		
10.625%, 4-15-2000	4,000	4,329,800

Reliance Group Holdings, Inc.,		
9.0%, 11-15-2000	3,000	2,970,000
Total		7,299,800
Metal Mining - 0.91%		
Noranda Inc.,		
7.0%, 7-15-2005	5,000	4,806,900
Nondepository Institutions - 14.91%		
Associates Corporation of North America,		
7.95%, 2-15-2010	7,250	7,673,472
Chevy Chase Savings Bank, F.S.B.,		
9.25%, 12-1-2005	1,500	1,440,000
Chrysler Financial Corporation,		
12.75%, 11-1-99	9,000	10,544,850
Countrywide Mortgage Backed Securities,		
Inc.,		
6.5%, 4-25-2024	10,000	9,625,000
DLJ Mortgage Acceptance Corp.,		
6.5%, 4-25-2024	4,827	4,445,699
Equicon Loan Trust,		
7.3%, 2-18-2013	4,571	4,482,020
General Electric Capital Corporation,		
8.3%, 9-20-2009	9,750	10,635,300
General Motors Acceptance Corporation,		
8.875%, 6-1-2010	10,000	11,155,300
Residential Asset Securities Corporation,		
Mortgage Pass-Through Certificates,		
1995-KS3 Class D,		
8.0%, 10-25-2024	4,000	3,937,520

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED BOND FUND
JUNE 30, 1996

	Principal Amount in Thousands	Value
CORPORATE DEBT SECURITIES (CONTINUED)		
Nondepository Institutions (Continued)		
Residential Funding Mortgage		
Securities I, Inc.,		
8.0%, 8-25-2020	\$10,000	\$10,059,300
WFS Financial 1996-B Owner Trust, Class A-2,		
6.2%, 5-20-99	5,000	5,005,000
Total		79,003,461
Oil and Gas Extraction - 2.52%		
Anadarko Petroleum Corporation,		
7.25%, 3-15-2025	5,000	5,114,450
Union Texas Petroleum Holdings, Inc.,		
8.25%, 11-15-99	5,000	5,126,500
YPF Sociedad Anoima,		
8.0%, 2-15-2004	3,500	3,101,875
Total		13,342,825
Paper and Allied Products - 1.30%		
Boise Cascade Office Products Corporation,		
9.875%, 2-15-2001	2,500	2,658,450
Canadian Pacific Forest Products Ltd.,		
9.25%, 6-15-2002	4,000	4,237,800
Total		6,896,250

Printing and Publishing - 1.92%		
News America Holdings Incorporated,		
9.125%, 10-15-99	5,000	5,321,550
Time Warner Incorporated,		
7.75%, 6-15-2005	5,000	4,881,100
Total		10,202,650
Stone, Clay and Glass Products - 1.53%		
Owens-Corning Fiberglas Corporation,		
8.875%, 6-1-2002	5,000	5,344,650
USG Corporation:		
9.25%, 9-15-2001	2,000	2,050,000
8.5%, 8-1-2005	750	725,625
Total		8,120,275
Transportation Equipment - 2.10%		
General Motors Corporation,		
8.8%, 3-1-2021	5,000	5,603,450
McDonnell Douglas Corporation,		
9.25%, 4-1-2002	5,000	5,501,100
Total		11,104,550
Wholesale Trade -- Durable Goods- 0.96%		
Lockheed Martin Corporation,		
7.7%, 6-15-2008	5,000	5,093,550
TOTAL CORPORATE DEBT SECURITIES - 63.20%		\$334,962,158
(Cost: \$335,979,575)		

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED BOND FUND
JUNE 30, 1996

	Principal Amount in Thousands	Value
OTHER GOVERNMENT SECURITIES		
Australia - 0.71%		
New South Wales Treasury Corporation,		
7.0%, 2-1-2000 (A)	\$A5,000	\$3,750,377
Canada - 4.04%		
Hydro Quebec:		
8.05%, 7-7-2024	\$10,000	10,600,400
7.4%, 3-28-2025	5,000	5,427,450
Province of Nova Scotia,		
8.25%, 11-15-2019	5,000	5,386,700
Total		21,414,550
Supranationals - 1.05%		
Inter-American Development Bank,		
8.4%, 9-1-2009	5,000	5,594,800
TOTAL OTHER GOVERNMENT SECURITIES - 5.80%		\$30,759,727
(Cost: \$29,633,817)		
UNITED STATES GOVERNMENT SECURITIES		
Federal Home Loan Mortgage Corporation:		
6.83%, 7-3-2002	4,500	4,430,385
7.5%, 11-15-2017	8,000	8,077,440
7.5%, 4-15-2019	12,273	11,747,894

7.95%, 12-15-2020	9,000	9,185,580
Federal National Mortgage Association:		
7.09%, 4-1-2004	4,500	4,417,740
7.0%, 7-25-2006	10,000	10,025,000
7.5%, 9-1-2009	4,442	4,461,891
6.5%, 5-25-2018	10,000	9,818,700
7.0%, 8-25-2021	10,000	9,640,600
Government National Mortgage Association:		
7.5%, 7-15-2023	6,859	6,814,981
7.5%, 12-15-2023	5,843	5,805,348
8.0%, 9-15-2025	10,057	10,226,768
United States Treasury:		
5.625%, 1-31-98	20,000	19,878,200
5.5%, 2-28-99	25,000	24,535,250

TOTAL UNITED STATES GOVERNMENT

SECURITIES - 26.24% \$139,065,777
(Cost: \$138,950,588)

TOTAL SHORT-TERM SECURITIES - 2.87% \$15,196,687
(Cost: \$15,196,687)

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED BOND FUND
JUNE 30, 1996

	Value
TOTAL INVESTMENT SECURITIES - 98.11% (Cost: \$519,760,667)	\$519,984,349
CASH AND OTHER ASSETS, NET OF LIABILITIES - 1.89%	10,019,752
NET ASSETS - 100.00%	\$530,004,101

See Notes to Schedules of Investments on page 33.

SHAREHOLDER SUMMARY

UNITED INCOME FUND

PORTFOLIO STRATEGY:

Investment quality dividend-paying common stocks	OBJECTIVE:	Maintenance of current income, subject to changing market conditions.
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Cash Reserves

STRATEGY: Invests principally in common stocks of companies which have the potential for capital growth or which may be expected to resist market decline. (May purchase securities subject to repurchase agreements. May invest in certain options and futures.)

The use of cash reserves (often invested in money market securities) for defensive purposes is a strategy that may be utilized by the Income Fund from time to time.

Moving into cash reserve positions at times thought to be near a major stock market peak allows the Fund the opportunity to capture profits and attempts to cushion the impact of market declines. The added flexibility provided by our CASH RESERVES STRATEGY has from time to time been an important element in our past success and, when deemed appropriate, may be used in the management of the portfolio in the future.

FOUNDED: 1940

SCHEDULED DIVIDEND FREQUENCY: QUARTERLY
(MARCH, JUNE, SEPTEMBER, DECEMBER)

PERFORMANCE SUMMARY -- Class A Shares

PER SHARE DATA

For the Six Months Ended June 30, 1996

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DIVIDENDS PAID                $ 0.16
                               =====

NET ASSET VALUE ON
 6/30/96                      $31.39
12/31/95                      28.96
                               -----
CHANGE PER SHARE              $ 2.43
                               =====

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Past performance is not necessarily an indication of future results.

TOTAL RETURN HISTORY

Period	Average Annual Total Return	
	With Sales Load*	Without Sales Load**
1-year period ended 6-30-96	10.36%	17.09%
5-year period ended 6-30-96	13.43%	14.78%
10-year period ended 6-30-96	12.83%	13.50%

*Performance data quoted represents past performance and is based on deduction of 5.75% sales load on the initial purchase in each of the three periods.

**Performance data quoted in this column represents past performance without taking into account the sales load deducted on an initial purchase.

Investment return and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost.

PORTFOLIO HIGHLIGHTS

On June 30, 1996, United Income Fund had net assets totaling \$4,509,339,376 invested in a diversified portfolio of:

- 92.55% Common Stocks
- 4.31% Cash and Cash Equivalents

2.67% U.S. Government Securities
 0.47% Corporate Debt Securities

As a shareholder of United Income Fund, for every \$100 you had invested on June 30, 1996, your Fund owned:

\$58.14 Manufacturing Stocks
 10.37 Services Stocks
 8.72 Transportation, Communication, Electric, Gas
 and Sanitary Services Stocks
 7.83 Wholesale and Retail Trade Stocks
 5.06 Finance, Insurance and Real Estate Stocks
 4.31 Cash and Cash Equivalents
 2.67 United States Government Securities
 2.90 Other

Not all holdings will be represented in the portfolio at all times.

THE INVESTMENTS OF UNITED INCOME FUND
 JUNE 30, 1996

	Shares	Value
COMMON STOCKS		
Amusement and Recreation Services - 0.98%		
Walt Disney Company (The)	700,000	\$44,012,500
Apparel and Accessory Stores - 1.37%		
Gap, Inc. (The)	1,400,000	44,975,000
Nordstrom, Inc.	375,000	16,640,625
Total		61,615,625
Apparel and Other Textile Products - 0.66%		
Tommy Hilfiger Corporation*	560,000	30,030,000
Building Materials and Garden Supplies - 0.92%		
Home Depot, Inc. (The)	765,000	41,310,000
Business Services - 7.37%		
Broderbund Software, Inc.*	450,000	14,568,750
cisco Systems, Inc.*	1,730,000	98,068,510
Computer Associates International, Inc.	375,000	26,718,750
Electronic Data Systems Corporation	1,081,000	58,103,750
Informix Corporation*	1,500,000	33,655,500
Microsoft Corporation*	300,000	36,018,600
Oracle Systems Corporation*	1,650,000	65,071,050
Total		332,204,910
Chemicals and Allied Products - 14.70%		
ABB Asea Brown Boveri Ltd (B)	25,000	30,962,477
Abbott Laboratories	1,100,000	47,850,000
Air Products & Chemicals, Inc.	1,150,000	66,412,500
Astra AB, Class A (B)	600,000	26,554,287
Colgate-Palmolive Company	600,000	50,850,000
Dow Chemical Company (The)	575,000	43,700,000
du Pont (E.I.) de Nemours and Company ..	1,000,000	79,125,000
Eastman Chemical Company	175,000	10,653,125
IMC Global, Inc.	600,000	22,575,000
Merck & Co., Inc.	700,000	45,237,500
PPG Industries, Inc.	1,250,000	60,937,500
Pfizer Inc.	650,000	46,393,750

Praxair, Inc.	1,000,000	42,250,000
Procter & Gamble Company (The)	600,000	54,375,000
Union Carbide Corporation	875,000	34,781,250
Total		662,657,389

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED INCOME FUND
JUNE 30, 1996

	Shares	Value
COMMON STOCKS (Continued)		
Communication - 1.75%		
AT&T Corporation	500,000	\$ 31,000,000
MCI Communications Corporation	1,875,000	47,928,750
Total		78,928,750
Depository Institutions - 2.51%		
Citicorp	750,000	61,968,750
First Bank Systems, Inc.	500,000	29,000,000
Norwest Corporation	635,000	22,145,625
Total		113,114,375
Eating and Drinking Places - 0.96%		
McDonald's Corporation	930,000	43,477,500
Electric, Gas and Sanitary Services - 0.44%		
WMX Technologies, Inc.	600,000	19,650,000
Electronic and Other Electric Equipment - 11.89%		
AMP Incorporated	1,100,000	44,137,500
Analog Devices, Inc.*	1,230,000	31,365,000
Duracell International Inc.	1,000,000	43,125,000
Emerson Electric Co.	400,000	36,150,000
General Electric Company	1,200,000	103,800,000
Intel Corporation	1,530,000	112,358,610
Motorola, Inc.	1,300,000	81,737,500
Nokia Corporation, Series A (B)	760,000	28,084,886
Texas Instruments Incorporated	350,000	17,456,250
Whirlpool Corporation	765,000	37,963,125
Total		536,177,871
Fabricated Metal Products - 2.39%		
Gillette Company (The)	1,000,000	62,375,000
Parker Hannifin Corporation	600,000	25,425,000
TRINOVA Corporation	600,000	20,025,000
Total		107,825,000
Food and Kindred Products - 2.37%		
CPC International Inc.	500,000	36,000,000
PepsiCo, Inc.	2,000,000	70,750,000
Total		106,750,000

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED INCOME FUND
JUNE 30, 1996

Shares Value

COMMON STOCKS (Continued)

Furniture and Home Furnishings Stores - 1.28%

Circuit City Stores, Inc.	1,600,000	\$ 57,800,000
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General Merchandise Stores - 3.30%

Cifra, S.A. de C.V., Series C (B)*	8,000,000	11,440,656
Dayton-Hudson Corporation	316,600	32,649,375
May Department Stores Company (The)	1,000,000	43,750,000
Penney (J.C.) Company, Inc.	676,000	35,490,000
Wal-Mart Stores, Inc.	1,000,000	25,375,000
Total		148,705,031

Health Services - 0.92%

Columbia/HCA Healthcare Corporation	375,000	20,015,625
Tenet Healthcare Corporation*	1,000,000	21,375,000
Total		41,390,625

Heavy Construction, Excluding Building - 0.98%

Fluor Corporation	400,000	26,150,000
Foster Wheeler Corporation	400,000	17,950,000
Total		44,100,000

Holding and Other Investment Offices - 0.50%

Grupo Financiero Banamex Accival, S.A. de C.V., Class B, CPO Shares (B)*	9,800,000	20,413,428
Grupo Financiero Banamex Accival, S.A. de C.V., Class L (B)*	749,775	1,427,010
Grupo Financiero Bancomer, S.A. de C.V., Series B, CPO Shares (B)*	2,000,000	872,324
Total		22,712,762

Hotels and Other Lodging Places - 1.10%

ITT Corporation*	750,204	49,701,015
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Industrial Machinery and Equipment - 8.63%

Applied Materials, Inc.*	1,730,000	52,656,010
Case Corporation	1,214,600	58,300,800
Caterpillar Inc.	1,400,000	94,850,000
Ceridian Corporation*	425,000	21,462,500
Deere & Company	2,055,000	82,200,000
Harnischfeger Industries, Inc.	600,000	19,950,000
Hewlett-Packard Company	425,000	42,340,625
Ingersoll-Rand Company	400,000	17,500,000
Total		389,259,935

Instruments and Related Products - 3.15%

Baxter International Inc.	880,000	41,580,000
General Motors Corporation, Class H	176,100	10,588,012
Medtronic, Inc.	800,000	44,800,000
Xerox Corporation	840,000	44,940,000
Total		141,908,012

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED INCOME FUND

JUNE 30, 1996

	Shares	Value
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COMMON STOCKS (Continued)

Insurance Carriers - 0.73%

United HealthCare Corporation	650,000	\$ 32,825,000
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Lumber and Wood Products - 0.67%		
Georgia-Pacific Corporation	425,000	30,175,000
Miscellaneous Manufacturing Industries - 0.16%		
Valmet Corporation, ADS*	225,000	7,425,000
Nondepository Institutions - 1.82%		
Federal Home Loan Mortgage Corporation .	500,000	42,750,000
Federal National Mortgage Association ..	1,180,800	39,556,800
Total		82,306,800
Paper and Allied Products - 2.69%		
Champion International Corporation	500,000	20,875,000
International Paper Company	1,200,000	44,250,000
Union Camp Corporation	500,000	24,375,000
Weyerhaeuser Company	750,000	31,875,000
Total		121,375,000
Petroleum and Coal Products - 0.51%		
Royal Dutch Petroleum Company	150,000	23,062,500
Primary Metal Industries - 1.66%		
Aluminum Company of America	650,000	37,293,750
Mannesmann AG (B)	65,000	22,486,024
Nucor Corporation	300,000	15,187,500
Total		74,967,274
Railroad Transportation - 2.97%		
CSX Corporation	700,000	33,775,000
Conrail Inc.	600,000	39,825,000
Norfolk Southern Corporation	300,000	25,425,000
Union Pacific Corporation	500,000	34,937,500
Total		133,962,500
Rubber and Miscellaneous Plastics Products - 2.22%		
Armstrong World Industries, Inc.	900,000	51,862,500
Goodyear Tire & Rubber Company (The) ...	1,000,000	48,250,000
Total		100,112,500
Special Trade Contractors - 0.95%		
Telefonaktiebolaget LM Ericsson, Class B, ADR	2,000,000	42,874,000
Transportation By Air - 3.56%		
AMR Corporation*	400,000	36,400,000
Southwest Airlines Co.	2,475,000	72,084,375
USAir Group, Inc.*	2,900,000	52,200,000
Total		160,684,375

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED INCOME FUND
JUNE 30, 1996

	Shares	Value
COMMON STOCKS (Continued)		
Transportation Equipment - 6.44%		
Boeing Company (The)	635,000	\$ 55,324,375
Chrysler Corporation	1,100,000	68,200,000
Dana Corporation	760,000	23,560,000
Eaton Corporation	500,000	29,312,500
Ford Motor Company	1,900,000	61,512,500
General Motors Corporation	1,000,000	52,375,000

Total		290,284,375
TOTAL COMMON STOCKS - 92.55%		\$4,173,385,624
(Cost: \$2,352,629,859)		
	Principal Amount in Thousands	
CORPORATE DEBT SECURITIES		
Depository Institutions - 0.23%		
Morgan Guaranty Trust Company of New York, 7.375%, 2-1-2002	\$10,250	10,428,248
Nondepository Institutions - 0.24%		
General Electric Capital Corporation, 8.3%, 9-20-2009	10,000	10,908,000
TOTAL CORPORATE DEBT SECURITIES - 0.47%		\$21,336,248
(Cost: \$19,931,983)		
UNITED STATES GOVERNMENT SECURITIES		
United States Treasury:		
6.75%, 4-30-2000	37,000	37,387,390
5.75%, 8-15-2003	50,000	47,617,000
10.375%, 11-15-2012	8,500	10,791,005
9.0%, 11-15-2018	20,000	24,375,000
TOTAL UNITED STATES GOVERNMENT SECURITIES - 2.67%		\$120,170,395
(Cost: \$114,763,544)		
TOTAL SHORT-TERM SECURITIES - 4.28%		\$193,218,042
(Cost: \$193,218,042)		
TOTAL INVESTMENT SECURITIES - 99.97%		\$4,508,110,309
(Cost: \$2,680,543,428)		
CASH AND OTHER ASSETS, NET OF LIABILITIES - 0.03%		1,229,067
NET ASSETS - 100.00%		\$4,509,339,376

See Notes to Schedules of Investments on page 33.

SHAREHOLDER SUMMARY

UNITED ACCUMULATIVE FUND

PORTFOLIO STRATEGY:

Appreciation-oriented
common stocks

OBJECTIVE: Capital growth, with a secondary
objective of current income.

Cash Reserves

STRATEGY: Invests mainly in common stocks or
securities convertible into common
stocks. (May purchase securities
subject to repurchase agreements. May
invest in certain options and futures.)

The use of cash reserves (often invested
in money market securities) for
defensive purposes is a strategy that
may be utilized by the Accumulative Fund

from time to time.

Moving into cash reserve positions at times thought to be near a major stock market peak allows the Fund the opportunity to capture profits and attempts to cushion the impact of market declines. The added flexibility provided by our CASH RESERVES STRATEGY has from time to time been an important element in our past success and, when deemed appropriate, may be used in the management of the portfolio in the future.

FOUNDED: 1940

SCHEDULED DIVIDEND FREQUENCY: SEMIANNUALLY
(JUNE AND DECEMBER)

PERFORMANCE SUMMARY -- Class A Shares

PER SHARE DATA

For the Six Months Ended June 30, 1996

DIVIDEND PAID \$0.04
=====

NET ASSET VALUE ON
6/30/96 \$8.01
12/31/95 7.78

CHANGE PER SHARE \$0.23
=====

Past performance is not necessarily an indication of future results.

TOTAL RETURN HISTORY

Period	Average Annual Total Return	
	With Sales Load*	Without Sales Load**
1-year period ended 6-30-96	12.11%	18.95%
5-year period ended 6-30-96	12.21%	13.54%
10-year period ended 6-30-96	10.32%	10.98%

*Performance data quoted represents past performance and is based on deduction of 5.75% sales load on the initial purchase in each of the three periods.

**Performance data quoted in this column represents past performance without taking into account the sales load deducted on an initial purchase.

Investment return and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost.

PORTFOLIO HIGHLIGHTS

On June 30, 1996, United Accumulative Fund had net assets totaling \$1,223,826,702 invested in a diversified portfolio of:

89.56% Common Stocks
 10.44% Cash and Cash Equivalents

As a shareholder of United Accumulative Fund, for every \$100 you had invested on June 30, 1996, your Fund owned:

\$40.95 Manufacturing Stocks
 18.03 Services Stocks
 16.74 Finance, Insurance and Real Estate Stocks
 10.44 Cash and Cash Equivalents
 6.42 Wholesale and Retail Trade Stocks
 5.77 Transportation, Communication, Electric, Gas
 and Sanitary Services Stocks
 1.65 Mining Stocks

Not all holdings will be represented in the portfolio at all times.

THE INVESTMENTS OF UNITED ACCUMULATIVE FUND
 JUNE 30, 1996

	Shares	Value
COMMON STOCKS		
Apparel and Accessory Stores - 1.05%		
Gap, Inc. (The)	400,000	\$ 12,850,000
Business Services - 14.07%		
America Online, Inc.*	375,000	16,359,375
Broderbund Software, Inc.*	400,000	12,950,000
CUC International Inc.*	300,000	10,650,000
Cerner Corporation*	900,000	19,350,000
cisco Systems, Inc.*	500,000	28,343,500
DST Systems, Inc.*	350,000	11,200,000
Electronic Data Systems Corporation	700,000	37,625,000
Informix Corporation*	900,000	20,193,300
Netscape Communications Corporation* ...	100,000	6,237,500
Physician Computer Network*	300,000	3,487,500
Summit Medical Systems, Inc.*	300,000	5,775,000
Total		172,171,175
Chemicals and Allied Products - 17.87%		
BioChem Pharma Inc.*	350,000	13,102,950
du Pont (E.I.) de Nemours and Company ..	200,000	15,825,000
Geon Company (The)	500,000	11,250,000
Georgia Gulf Corporation	300,000	8,775,000
IMC Global, Inc.	275,000	10,346,875
Lilly (Eli) and Company	700,000	45,500,000
Merck & Co., Inc.	500,000	32,312,500
Neurex Corporation*	356,200	7,813,959
Pfizer Inc.	500,000	35,687,500
SmithKline Beecham plc, ADR	700,000	38,062,500
Total		218,676,284
Communication - 0.74%		
Tele-Communications, Inc., Class A*	500,000	9,031,000
Depository Institutions - 8.83%		
Boatmen's Bancshares, Inc.	300,000	12,000,000
Chase Manhattan Corporation (The)	500,000	35,312,500
Dime Bancorp, Inc.*	250,000	3,250,000
Great Western Financial Corporation	700,000	16,712,500
Long Island Bancorp, Inc.	375,000	11,460,750

Northern Trust Corporation	225,000	13,021,875
Roosevelt Financial Group, Inc.	845,600	16,330,227
Total		108,087,852

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED ACCUMULATIVE FUND
JUNE 30, 1996

	Shares	Value
COMMON STOCKS (Continued)		
Electric, Gas and Sanitary Services - 1.43%		
Coastal Corporation (The)	231,200	\$ 9,652,600
Sonat Inc.	174,100	7,834,500
Total		17,487,100
Electronic and Other Electric Equipment - 0.56%		
Xilinx, Inc.*	215,000	6,812,705
Engineering and Management Services - 0.23%		
Owen Healthcare, Inc.*	200,000	2,775,000
Fabricated Metal Products - 1.95%		
Parker Hannifin Corporation	350,000	14,831,250
TRINOVA Corporation	270,100	9,014,588
Total		23,845,838
Food and Kindred Products - 2.88%		
CPC International Inc.	100,000	7,200,000
ConAgra, Inc.	189,400	8,594,025
Heinz (H. J.) Company	300,000	9,112,500
Ralcorp Holdings*	500,000	10,312,500
Total		35,219,025
General Merchandise Stores - 4.60%		
Dillard Department Stores, Inc., Class A	400,000	14,600,000
Dollar General Corporation	350,000	10,237,500
Kohl's Corporation*	500,000	18,312,500
May Department Stores Company (The)	300,000	13,125,000
Total		56,275,000
Health Services - 3.10%		
Beverly Enterprises, Inc.*	1,750,000	21,000,000
Manor Care, Inc.	350,000	13,781,250
MedPartners/Mullikin, Inc.*	150,000	3,131,250
Total		37,912,500
Industrial Machinery and Equipment - 2.46%		
Baker Hughes Incorporated	300,000	9,862,500
Cooper Cameron Corporation*	25,700	1,124,375
Seagate Technology, Inc.*	300,000	13,500,000
Silicon Valley Group, Inc.*	300,000	5,643,600
Total		30,130,475

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED ACCUMULATIVE FUND
JUNE 30, 1996

Shares Value

COMMON STOCKS (Continued)

Instruments and Related Products - 3.77%		
Boston Scientific Corporation*	175,000	\$ 7,875,000
Honeywell Inc.	300,000	16,350,000
Raytheon Company	325,000	16,778,125
Teradyne, Inc.*	300,000	5,175,000
Total		46,178,125
Insurance Carriers - 7.91%		
American International Group, Inc.	300,000	29,587,500
Berkley (W. R.) Corporation	325,000	13,690,625
Chubb Corporation (The)	350,000	17,456,250
Humana Inc.*	500,000	8,937,500
ReliaStar Financial Corp.	100,000	4,312,500
Travelers Group, Inc.	500,000	22,812,500
Total		96,796,875
Miscellaneous Retail - 0.11%		
Alberto-Culver Company, Class A	34,600	1,384,000
Oil and Gas Extraction - 1.65%		
Noble Drilling Corporation*	500,000	6,937,500
Phillips Petroleum Company	175,000	7,328,125
Santa Fe Energy Resources, Inc.*	500,000	5,937,500
Total		20,203,125
Petroleum and Coal Products - 5.69%		
Chevron Corporation	150,000	8,850,000
Exxon Corporation	300,000	26,062,500
Lyondell Petrochemical Company	500,000	12,062,500
Texaco Inc.	200,000	16,775,000
Unocal Corporation	175,000	5,906,250
Total		69,656,250
Printing and Publishing - 1.00%		
Berkshire Hathaway Inc.*	400	12,280,000
Railroad Transportation - 1.93%		
Conrail Inc., Class A	100,000	6,637,500
Illinois Central Corporation	600,000	17,025,000
Total		23,662,500
Transportation By Air - 1.66%		
Southwest Airlines Co.	700,000	20,387,500

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED ACCUMULATIVE FUND
JUNE 30, 1996

	Shares	Value
COMMON STOCKS (Continued)		
Transportation Equipment - 5.41%		
Federal-Mogul Corporation	300,000	\$ 5,512,500
Ford Motor Company	700,000	22,662,500
General Motors Corporation	300,000	15,712,500
Lockheed Martin Corporation	200,000	16,800,000
Sundstrand Corporation	150,000	5,493,750
Total		66,181,250

Wholesale Trade -- Nondurable Goods - 0.66%

Sara Lee Corporation	250,000	8,093,750
TOTAL COMMON STOCKS - 89.56%		\$1,096,097,329
(Cost: \$1,079,033,205)		

	Principal Amount In Thousands	
SHORT-TERM SECURITIES		
Commercial Paper		
Chemicals and Allied Products - 1.64%		
Air Products & Chemicals Inc.,		
5.39%, 8-12-96	\$ 7,010	6,965,919
du Pont (E.I.) De Nemours and Company,		
5.31%, 7-22-96	13,185	13,144,159
Total		20,110,078
Communication - 0.28%		
GTE Corporation,		
5.4%, 7-19-96	3,390	3,380,847
Depository Institutions - 0.08%		
U.S. Bancorp,		
Master Note	1,031	1,031,000
Electric, Gas and Sanitary Services - 0.87%		
Commonwealth Edison Co.:		
5.53%, 7-9-96	300	299,631
5.56%, 7-26-96	5,200	5,179,922
Public Service Co. of Colorado,		
5.55%, 7-11-96	4,070	4,063,725
Public Service Electric & Gas Co.,		
5.5%, 7-11-96	1,125	1,123,281
Total		10,666,559

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED ACCUMULATIVE FUND
JUNE 30, 1996

	Principal Amount In Thousands	Value
SHORT-TERM SECURITIES (Continued)		
Commercial Paper (Continued)		
Food and Kindred Products - 1.78%		
ConAgra, Inc.,		
5.55%, 8-9-96	\$ 7,520	\$ 7,474,786
General Mills, Inc.,		
Master Note	1,988	1,988,000
Quaker Oats Co.,		
5.54%, 7-9-96	7,460	7,450,816
Seagram (Joseph E.) & Sons Inc.,		
5.39%, 7-30-96	4,895	4,873,746
Total		21,787,348
Nondepository Institutions - 2.59%		
AT&T Capital Corp.,		
5.3%, 7-2-96	8,410	8,408,762
Island Finance Puerto Rico Inc.,		
5.37%, 7-12-96	2,920	2,915,209
Textron Financial Corp.,		

5.47%, 7-26-96	8,680	8,647,028
USL Capital Corporation:		
5.31%, 7-19-96	10,000	9,973,450
5.36%, 7-22-96	1,790	1,784,403
Total		31,728,852
Printing and Publishing - 1.11%		
American Greetings Corp.:		
5.34%, 7-9-96	4,765	4,759,346
5.35%, 7-10-96	8,800	8,788,230
Total		13,547,576
Transportation Equipment - 1.31%		
Dana Credit Corp.:		
5.5%, 7-12-96	4,780	4,771,967
5.55%, 7-15-96	7,380	7,364,072
Echlin Inc.,		
5.37%, 7-11-96	3,900	3,894,183
Total		16,030,222
Wholesale Trade -- Nondurable Goods - 0.15%		
Sara Lee Corporation,		
Master Note	1,830	1,830,000
Total Commercial Paper - 9.81%		120,112,482

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED ACCUMULATIVE FUND
JUNE 30, 1996

	Principal Amount In Thousands	Value
SHORT-TERM SECURITIES (Continued)		
Municipal Obligation - 0.82%		
California		
Oakland-Alameda County Coliseum Lease Revenue Bonds (Oakland Coliseum Project), 1995 Series B-1 (Canadian Imperial Bank of Commerce),		
5.43%, 7-17-96	\$10,000\$	10,000,000
TOTAL SHORT-TERM SECURITIES - 10.63%	\$	130,112,482
(Cost: \$130,112,482)		
TOTAL INVESTMENT SECURITIES - 100.19%		\$1,226,209,811
(Cost: \$1,209,145,687)		
LIABILITIES, NET OF CASH AND OTHER ASSETS - (0.19%)		(2,383,109)
NET ASSETS - 100.00%		\$1,223,826,702

See Notes to Schedules of Investments on page 33.

SHAREHOLDER SUMMARY

UNITED SCIENCE AND TECHNOLOGY FUND

PORTFOLIO STRATEGY:

Technology-related stocks OBJECTIVE: Long-term capital growth.

Generally at least 80% in science or technology securities; may have more than 20% in debt securities. STRATEGY: Invests in common stocks of companies whose products, processes or services are expected to benefit from scientific or technological discoveries or developments. (May purchase securities subject to repurchase agreements. May invest in certain options and futures.)

Cash Reserves The use of cash reserves (often invested in money market securities) for defensive purposes is a strategy that may be utilized by the Science and Technology Fund from time to time.

Moving into cash reserve positions at times thought to be near a major stock market peak allows the Fund the opportunity to capture profits and attempts to cushion the impact of market declines. The added flexibility provided by our CASH RESERVES STRATEGY has from time to time been an important element in our past success and, when deemed appropriate, may be used in the management of the portfolio in the future.

FOUNDED: 1950

SCHEDULED DIVIDEND FREQUENCY: SEMIANNUALLY
(JUNE AND DECEMBER)

PERFORMANCE SUMMARY -- Class A Shares

PER SHARE DATA

For the Six Months Ended June 30, 1996

NET ASSET VALUE ON	
6/30/96	\$25.91
12/31/95	\$22.89

CHANGE PER SHARE	\$ 3.02
	=====

Past performance is not necessarily an indication of future results.

TOTAL RETURN HISTORY

Period	Average Annual Total Return	
	With Sales Load*	Without Sales Load**
1-year period ended 6-30-96	29.55%	37.46%
5-year period ended 6-30-96	21.10%	22.55%
10-year period ended 6-30-96	16.20%	16.89%

*Performance data quoted represents past performance and is based on deduction of 5.75% sales load on the initial purchase in each of the three periods.

**Performance data quoted in this column represents past performance without taking into account the sales load deducted on an initial purchase.

Investment return and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost.

PORTFOLIO HIGHLIGHTS

On June 30, 1996, United Science and Technology Fund had net assets totaling \$992,079,034 invested in a diversified portfolio of:

91.34% Common Stocks
8.66% Cash and Cash Equivalents

As a shareholder of United Science and Technology Fund, for every \$100 you had invested on June 30, 1996, your Fund owned:

\$53.66 Services Stocks
30.89 Manufacturing Stocks
8.66 Cash and Cash Equivalents
3.84 Transportation, Communication, Electric, Gas
and Sanitary Services Stocks
2.95 Other

Not all holdings will be represented in the portfolio at all times.

THE INVESTMENTS OF UNITED SCIENCE AND TECHNOLOGY FUND JUNE 30, 1996

	Shares	Value
COMMON STOCKS		
Business Services - 52.16%		
Alternative Resources Corporation*	350,000	\$ 12,731,250
America Online, Inc.*	540,000	23,557,500
Avant! Corporation*	132,300	3,059,437
Broderbund Software, Inc.*	260,000	8,417,500
CKS Group, Inc.*	394,000	12,681,678
CUC International Inc.*	600,000	21,300,000
Cerner Corporation*	453,500	9,750,250
cisco Systems, Inc.*	751,200	42,583,274
Computer Associates International, Inc.	225,000	16,031,250
CyberCash, Inc.*	100,000	5,468,700
DST Systems, Inc.*	200,000	6,400,000
Electronic Data Systems Corporation	325,000	17,468,750
First Data Corporation	150,000	11,943,750
HBO & Company	802,000	54,235,250
HCIA Inc.*	300,000	18,975,000
HPR Inc.*	309,000	6,450,375
IMNET Systems, Inc.*	200,000	6,075,000
Inference Corporation, Class A*	210,000	4,987,500
Informix Corporation*	1,000,000	22,437,000
Intuit Inc.*	280,000	13,160,000
i2 Technologies, Inc.*	100,000	4,312,500
Learmonth & Burchett Management Systems Plc, ADS*	500,000	2,218,500
Lycos, Inc.*	28,500	317,063
Macromedia, Inc.*	470,000	10,340,000
Microsoft Corporation*	123,000	14,767,626
Netscape Communications Corporation* ...	100,000	6,237,500
Objective Systems Integrators, Inc.*	114,800	4,190,200

Oracle Systems Corporation*	450,000	17,746,650
Parametric Technology Corporation*	800,000	34,649,600
Platinum Software Corporation*	207	1,488
Premisys Communications, Inc.*	250,000	15,265,500
Pure Software Inc.*	236,700	7,959,037
Shiva Corporation*	442,200	35,376,000
Summit Medical Systems, Inc.*	200,000	3,850,000
Sync Research, Inc.*	309,000	4,326,000
Synopsys, Inc.*	350,000	13,956,250
3Com Corporation*	290,000	13,249,230
USCS International, Inc.*	124,000	2,402,500
Xylan Corporation*	185,100	8,630,288
Total		517,509,396

Chemicals and Allied Products - 5.54%

ALZA Corporation*	300,000	8,212,500
Abbott Laboratories	200,000	8,700,000
Idexx Laboratories, Inc.*	300,000	11,737,500
Lilly (Eli) and Company	100,000	6,500,000
Neurex Corporation*	160,000	3,509,920
Pfizer Inc.	100,000	7,137,500
Roche Holdings AG (B)	1,200	9,159,133
Total		54,956,553

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED SCIENCE AND TECHNOLOGY FUND
JUNE 30, 1996

	Shares	Value
COMMON STOCKS (Continued)		
Communication - 3.84%		
Brooks Fiber Properties, Inc.*	82,500	\$ 2,712,187
Intermedia Communications of Florida, Inc.*	100,000	3,225,000
MFS Communications Company, Inc.*	560,000	21,034,720
Nokia Corporation, Series A, ADS	300,000	11,100,000
Total		38,071,907
Electronic and Other Electric Equipment - 19.20%		
Ascend Communications, Inc.*	1,300,000	73,043,100
Atmel Corporation*	260,000	7,848,620
Cascade Communications Corp.*	930,600	63,338,497
General Electric Company	120,000	10,380,000
Tellabs*	300,000	20,062,500
Xilinx, Inc.*	500,000	15,843,500
Total		190,516,217
Fabricated Metal Products - 0.74%		
Parker Hannifin Corporation	172,050	7,290,619
Health Services - 1.15%		
PhyCor, Inc.*	300,000	11,362,500
Industrial Machinery and Equipment - 2.66%		
Applied Materials, Inc.*	320,000	9,739,840
Deere & Company	290,000	11,600,000
Digital Link Corporation*	300,000	5,062,500
Total		26,402,340
Instruments and Related Products - 2.64%		
Boston Scientific Corporation*	200,000	9,000,000

Cognex Corporation*	320,000	5,219,840
Medtronic, Inc.	100,000	5,600,000
STERIS Corporation*	200,000	6,387,400
Total		26,207,240

Insurance Carriers - 0.76%		
United HealthCare Corporation	150,000	7,575,000
Miscellaneous Retail - 1.60%		
OmniCare, Inc.	600,000	15,900,000
Stone, Clay and Glass Products - 0.46%		
Department 56, Inc.*	200,000	4,525,000

See Notes to Schedules of Investments on page 33.

THE INVESTMENTS OF UNITED SCIENCE AND TECHNOLOGY FUND
JUNE 30, 1996

	Shares	Value
COMMON STOCKS (Continued)		
Wholesale Trade -- Nondurable Goods - 0.59%		
Cardinal Health, Inc.*	81,311	\$ 5,864,556
TOTAL COMMON STOCKS - 91.34%		\$906,181,328
(Cost: \$376,753,671)		
TOTAL SHORT-TERM SECURITIES - 8.54%		\$ 84,727,470
(Cost: \$84,727,470)		
TOTAL INVESTMENT SECURITIES - 99.88%		\$990,908,798
(Cost: \$461,481,141)		
CASH AND OTHER ASSETS, NET OF LIABILITIES - 0.12%		1,170,236
NET ASSETS - 100.00%		\$992,079,034

See Notes to Schedules of Investments on page 33.

UNITED FUNDS, INC.
JUNE 30, 1996

Notes to Schedules of Investments

*No income dividends were paid during the preceding 12 months.

(A) Principal amounts are denominated in the indicated foreign currency where applicable (\$A - Australian Dollar).

(B) Listed on an exchange outside the United States.

See Note 1 to financial statements for security valuation and other significant accounting policies concerning investments.

See Note 3 to financial statements for cost and unrealized appreciation and depreciation of investments owned for Federal income tax purposes.

<TABLE>
UNITED FUNDS, INC.

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1996

	United Bond Fund	United Income Fund	United Accumulative Fund	United Science and Technology Fund
<S>	----- <C>	----- <C>	----- <C>	----- <C>
Assets				
Investment securities -- at value (Notes 1 and 3)	\$519,984,349	\$4,508,110,309	\$1,226,209,811	\$990,908,798
Cash	12,480	---	10,526	10,097
Receivables:				
Investment securities sold	5,042,188	---	14,985,900	663,753
Dividends and interest ..	7,944,629	7,256,179	1,120,550	142,657
Fund shares sold	334,439	6,330,042	505,371	2,071,845
Prepaid insurance premium	13,368	39,792	29,324	8,457
Total assets	533,331,453	4,521,736,322	1,242,861,482	993,805,607
Liabilities				
Payable for investment securities purchased	995,000	---	15,784,966	---
Payable for Fund shares redeemed	2,092,153	10,076,046	2,644,477	1,186,627
Due to custodian	---	36,260	---	---
Accrued service fee	152,513	1,295,485	346,419	287,877
Accrued transfer agency and dividend disbursing .	66,824	569,535	135,010	141,375
Accrued accounting services fee	5,000	8,333	8,333	7,083
Other	15,862	411,287	115,575	103,611
Total liabilities	3,327,352	12,396,946	19,034,780	1,726,573
Total net assets	\$530,004,101	\$4,509,339,376	\$1,223,826,702	\$992,079,034
Net Assets				
\$1.00 par value capital stock				
Capital stock	\$ 87,974,696	\$ 143,643,812	\$ 152,752,631	\$ 38,290,565
Additional paid-in capital	467,729,961	2,415,468,049	907,307,828	416,863,435
Accumulated undistributed income (loss):				
Accumulated undistributed net investment income (loss)	553,557	3,561,031	3,184,309	(1,595,728)
Accumulated undistributed net realized gain (loss) on investment transactions	(26,478,547)	119,100,237	143,517,788	9,092,941
Net unrealized appreciation of investments at end of period	224,434	1,827,566,247	17,064,146	529,427,821
Net assets applicable to outstanding units of capital	\$530,004,101	\$4,509,339,376	\$1,223,826,702	\$992,079,034
Net asset value per share (net assets divided by shares outstanding)				
Class A	\$6.02	\$31.39	\$8.01	\$25.91

Class Y	\$6.03	\$31.39	\$8.01	\$25.92
Capital shares outstanding				
Class A	87,233,407	139,392,369	152,357,964	38,188,200
Class Y	741,289	4,251,443	394,667	102,365
Capital shares authorized ...	400,000,000	600,000,000	600,000,000	200,000,000

See notes to financial statements.

</TABLE>

UNITED FUNDS, INC.
STATEMENT OF OPERATIONS
For the Six Months Ended JUNE 30, 1996

	United Bond Fund	United Income Fund	United Accumulative Fund	United Science and Technology Fund
<S>	<C>	<C>	<C>	<C>
Investment Income (Loss)				
Income:				
Dividends	\$ ---	\$ 32,487,681	\$ 8,973,085	\$ 870,606
Interest	19,018,937	10,451,907	3,958,232	1,778,677
Total income	19,018,937	42,939,588	12,931,317	2,649,283
Expenses (Note 2):				
Investment management fee	1,180,803	12,142,857	3,411,804	2,703,314
Transfer agency and dividend disbursing				
-- Class A	391,730	2,709,253	611,063	698,232
Service fee -- Class A ..	344,527	2,901,203	732,697	624,418
Custodian fees	7,174	169,033	18,255	17,238
Accounting services fee .	31,667	50,000	50,000	42,500
Audit fees	31,179	7,253	43,262	13,243
Shareholder servicing fee -- Class Y	2,790	84,201	1,821	1,098
Legal fees	2,893	23,398	6,619	4,694
Other	50,864	363,152	101,172	135,896
Total expenses	2,043,627	18,450,350	4,976,693	4,240,633
Net investment income (loss)	16,975,310	24,489,238	7,954,624	(1,591,350)
Realized and Unrealized Gain (Loss) on Investments				
Realized net gain on securities	967,209	92,833,234	118,209,367	2,551,613
Realized net loss on foreign currency transactions ...	(1,183)	(227,761)	---	(4,378)
Realized net gain on investments	966,026	92,605,473	118,209,367	2,547,235
Unrealized appreciation (depreciation) in value of investments during the period	(29,187,582)	249,626,967	(83,811,370)	111,268,268

Net gain (loss) on investments	(28,221,556)	342,232,440	34,397,997	113,815,503
	-----	-----	-----	-----
Net increase (decrease) in net assets resulting from operations	\$ (11,246,246)	\$366,721,678	\$42,352,621	\$112,224,153
	=====	=====	=====	=====

See notes to financial statements.

</TABLE>

UNITED FUNDS, INC.
STATEMENT OF CHANGES IN NET ASSETS
For the Six Months Ended JUNE 30, 1996
<TABLE>

	United Bond Fund	United Income Fund	United Accumulative Fund	United Science and Technology Fund
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Increase (Decrease) in Net Assets Operations:				
Net investment income (loss)	\$ 16,975,310	\$ 24,489,238	\$ 7,954,624	\$ (1,591,350)
Realized net gain on investments	966,026	92,605,473	118,209,367	2,547,235
Unrealized appreciation (depreciation)	(29,187,582)	249,626,967	(83,811,370)	111,268,268
	-----	-----	-----	-----
Net increase (decrease) in net assets resulting from operations	(11,246,246)	366,721,678	42,352,621	112,224,153
	-----	-----	-----	-----
Dividends to shareholders from net investment income:*				
Class A	(16,866,736)	(22,138,807)	(6,076,174)	---
Class Y	(129,796)	(746,123)	(16,814)	---
	-----	-----	-----	-----
	(16,996,532)	(22,884,930)	(6,092,988)	---
	-----	-----	-----	-----
Capital share transactions (Note 5)	(8,230,166)	82,082,161	(19,215,695)	59,072,298
	-----	-----	-----	-----
Total increase (decrease)	(36,472,944)	425,918,909	17,043,938	171,296,451
Net Assets				
Beginning of period	566,477,045	4,083,420,467	1,206,782,764	820,782,583
	-----	-----	-----	-----
End of period	\$530,004,101	\$4,509,339,376	\$1,223,826,702	\$992,079,034
	=====	=====	=====	=====
Undistributed net investment income (loss)	\$553,557	\$3,561,031	\$3,184,309	\$ (1,595,728)
	=====	=====	=====	=====

*See "Financial Highlights" on pages 38-45.

See notes to financial statements.

</TABLE>

UNITED FUNDS, INC.
STATEMENT OF CHANGES IN NET ASSETS
For the Fiscal Year Ended December 31, 1995
<TABLE>

	United Bond Fund	United Income Fund	United Accumulative Fund	United Science and Technology Fund
<S>	<C>	<C>	<C>	<C>
Increase in Net Assets				
Operations:				
Net investment income	\$ 35,631,421	\$ 48,335,097	\$ 15,451,348	\$ (430,999)
Realized net gain on investments	4,111,327	137,562,148	161,864,113	26,780,950
Unrealized appreciation	61,755,254	742,707,419	140,365,483	255,993,038
Net increase in net assets resulting from operations	101,498,002	928,604,664	317,680,944	282,342,989
Dividends to shareholders from:*				
Net investment income				
Class A	(35,740,983)	(46,382,026)	(14,998,659)	---
Class Y	(90,066)	(676,269)	(4,366)	---
Realized net gain on investment transactions				
Class A	---	(121,451,126)	(127,689,006)	(24,276,021)
Class Y	---	(3,204,607)	(68,073)	---
	(35,831,049)	(171,718,028)	(142,760,104)	(24,276,021)
Capital share transactions (Note 5) ...	(17,026,228)	181,629,624	64,841,625	66,213,033
Total increase	48,640,725	938,516,260	239,762,465	324,280,001
Net Assets				
Beginning of period	517,836,320	3,144,904,207	967,020,299	496,502,582
End of period	\$566,477,045	\$4,083,420,467	\$1,206,782,764	\$820,782,583
Undistributed net investment income	\$575,962	\$2,184,484	\$1,322,673	\$---

*See "Financial Highlights" on pages 38-45.

See notes to financial statements.

</TABLE>

FINANCIAL HIGHLIGHTS OF
UNITED BOND FUND
Class A Shares

For a Share of Capital Stock Outstanding Throughout Each Period:

	For the six months ended 6/30/96	For the fiscal year ended December 31,				
		1995	1994	1993	1992	1991
Net asset value,						

beginning of period	\$6.34	\$5.62	\$6.39	\$6.31	\$6.32	5.80
	----	----	----	----	----	----
Income from investment operations:						
Net investment income	0.19	0.40	0.39	0.41	0.45	0.47
Net realized and unrealized gain (loss) on investments	(0.32)	0.72	(0.75)	0.41	0.00	0.56
	----	----	----	----	----	----
Total from investment operations	(0.13)	1.12	(0.36)	0.82	0.45	1.03
	----	----	----	----	----	----
Less distributions:						
Dividends from net investment income	(0.19)	(0.40)	(0.39)	(0.41)	(0.46)	(0.47)
Distribution from capital gains ...	(0.00)	(0.00)	(0.02)	(0.33)	(0.00)	(0.04)
	----	----	----	----	----	----
Total distributions	(0.19)	(0.40)	(0.41)	(0.74)	(0.46)	(0.51)
	----	----	----	----	----	----
Net asset value, end of period	\$6.02	\$6.34	\$5.62	\$6.39	\$6.31	\$6.32
	=====	=====	=====	=====	=====	=====
Total return*	-2.02%	20.50%	-5.76%	13.19%	7.50%	18.78%
Net assets, end of period (000 omitted)	\$525,537	\$563,445	\$517,836	\$641,668	\$589,946	\$524,404
Ratio of expenses to average net assets	0.75%**	0.74%	0.72%	0.65%	0.64%	0.65%
Ratio of net investment income to average net assets	6.24%**	6.54%	6.60%	6.14%	7.29%	7.96%
Portfolio turnover rate	34.43%	66.38%	127.11%	175.39%	115.17%	318.76%

*Total return calculated without taking into account the sales load deducted on an initial purchase.

**Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS OF
UNITED BOND FUND
Class Y Shares

For a Share of Capital Stock Outstanding Throughout Each Period:

	For the six months ended 6/30/96 -----	For the period from 6/19/95 to 12/31/95* -----
Net asset value, beginning of period	\$6.34 ----	\$6.11 ----
Income from investment operations:		
Net investment income	0.19	0.21
Net realized and unrealized gain (loss) on investments ..	(0.31) ----	0.22 ----
Total from investment operations	(0.12) ----	0.43 ----

Less distributions:		
Dividends from net investment income	(0.19)	(0.20)
Distribution from capital gains ...	(0.00)	(0.00)
	----	----
Total distributions	(0.19)	(0.20)
	----	----
Net asset value, end of period	\$6.03	\$6.34
	=====	=====
Total return	-1.97%	7.20%
Net assets, end of period (000 omitted)	\$4,467	\$3,032
Ratio of expenses to average net assets	0.61%**	0.63%**
Ratio of net investment income to average net assets	6.43%**	6.41%**
Portfolio turnover rate	34.43%	66.38%

*On June 17, 1995, the Fund began offering Class Y shares to the public. Fund shares outstanding prior to that date were designated Class A shares.

**Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS OF
UNITED INCOME FUND
Class A Shares

For a Share of Capital Stock Outstanding Throughout Each Period:

	For the six months ended 6/30/96	For the fiscal year ended December 31,					
		1995	1994	1993	1992	1991	
Net asset value, beginning of period	-----	\$28.96	\$23.34	\$24.77	\$22.05	\$20.44	\$16.46
Income from investment operations:							
Net investment income	0.17	0.36	0.36	0.40	0.46	0.51	
Net realized and unrealized gain (loss) on investments	2.42	6.53	(0.80)	3.11	1.96	4.29	
	-----	-----	-----	-----	-----	-----	
Total from investment operations	2.59	6.89	(0.44)	3.51	2.42	4.80	
	-----	-----	-----	-----	-----	-----	
Less distributions:							
Dividends from net investment income	(0.16)	(0.35)	(0.36)	(0.40)	(0.46)	(0.53)	
Distribution from capital gains ...	(0.00)	(0.92)	(0.63)	(0.39)	(0.35)	(0.29)	
	-----	-----	-----	-----	-----	-----	
Total distributions	(0.16)	(1.27)	(0.99)	(0.79)	(0.81)	(0.82)	
	-----	-----	-----	-----	-----	-----	
Net asset value, end of period	\$31.39	\$28.96	\$23.34	\$24.77	\$22.05	\$20.44	
	=====	=====	=====	=====	=====	=====	

Total return*	8.94%	29.60%	-1.82%	16.05%	11.96%	29.64%
Net assets, end of period (000 omitted)	\$4,375,868	\$3,975,717	\$3,144,904	\$3,060,073	\$2,537,161	\$2,150,986
Ratio of expenses to average net assets	0.85%**	0.83%	0.74%	0.66%	0.65%	0.66%
Ratio of net investment income to average net assets	1.12%**	1.31%	1.45%	1.70%	2.19%	2.71%
Portfolio turnover rate	10.02%	17.59%	18.54%	21.70%	19.25%	24.68%
Average commission rate paid	\$0.0422					

*Total return calculated without taking into account the sales load deducted on an initial purchase.

**Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS OF
UNITED INCOME FUND
Class Y Shares

For a Share of Capital Stock Outstanding Throughout Each Period:

	For the six months ended 6/30/96 -----	For the period from 6/19/95 to 12/31/95* -----
Net asset value, beginning of period	\$28.96 ----	\$27.73 ----
Income from investment operations:		
Net investment income	0.19	0.21
Net realized and unrealized gain on investments ..	2.42 ----	2.14 ----
Total from investment operations	2.61 ----	2.35 ----
Less distributions:		
Dividends from net investment income	(0.18)	(0.20)
Distribution from capital gains ...	(0.00) ----	(0.92) ----
Total distributions	(0.18) ----	(1.12) ----
Net asset value, end of period	\$31.39 ====	\$28.96 ====
Total return	9.01%	8.45%
Net assets, end of period (000 omitted)	\$133,471	\$107,703
Ratio of expenses to average net assets	0.72%**	0.74%**
Ratio of net investment income to average net assets	1.25%**	1.36%**

Portfolio turnover rate	10.02%	17.59%
Average commission rate paid	\$0.0422	

*On June 17, 1995, the Fund began offering Class Y shares to the public. Fund shares outstanding prior to that date were designated Class A shares.

**Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS OF
UNITED ACCUMULATIVE FUND
Class A Shares

For a Share of Capital Stock Outstanding Throughout Each Period:

	For the	For the fiscal year ended December 31,				
	six months ended 6/30/96	1995	1994	1993	1992	1991
Net asset value, beginning of period	\$7.78	\$6.58	\$7.19	\$7.50	\$7.15	\$6.03
Income from investment operations:						
Net investment income.....	0.05	0.11	0.13	0.11	0.16	0.19
Net realized and unrealized gain (loss) on investments	0.22	2.12	(0.13)	0.55	0.85	1.22
Total from investment operations	0.27	2.23	0.00	0.66	1.01	1.41
Less distributions:						
Dividends from net investment income	(0.04)	(0.11)	(0.13)	(0.11)	(0.16)	(0.20)
Distribution from capital gains ...	(0.00)	(0.92)	(0.48)	(0.84)	(0.50)	(0.09)
Distribution in excess of capital gains.....	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)
Total distributions	(0.04)	(1.03)	(0.61)	(0.97)	(0.66)	(0.29)
Net asset value, end of period	\$8.01	\$7.78	\$6.58	\$7.19	\$7.50	\$7.15
Total return*	3.47%	34.21%	0.04%	9.06%	14.20%	23.68%
Net assets, end of period (000 omitted)	\$1,220,665	\$1,206,128	\$967,020	\$1,033,774	\$992,924	\$904,635
Ratio of expenses to average net assets	0.81%**	0.80%	0.71%	0.65%	0.62%	0.63%
Ratio of net investment income to average net assets	1.30%**	1.42%	1.76%	1.34%	2.13%	2.79%
Portfolio turnover rate	115.32%	229.03%	205.40%	230.29%	194.41%	241.11%
Average commission rate paid	\$0.0561					

*Total return calculated without taking into account the sales load deducted on an initial purchase.

**Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS OF
UNITED ACCUMULATIVE FUND
Class Y Shares

For a Share of Capital Stock Outstanding Throughout Each Period:

	For the six months ended 6/30/96 -----	For the period from 7/11/95 to 12/31/95* -----
Net asset value, beginning of period	\$7.78 ----	\$7.84 ----
Income from investment operations:		
Net investment income	0.05	0.05
Net realized and unrealized gain on investments ..	0.22 ----	0.87 ----
Total from investment operations	0.27 ----	0.92 ----
Less distributions:		
Dividends from net investment income	(0.04)	(0.06)
Distribution from capital gains ...	(0.00) ----	(0.92) ----
Total distributions	(0.04) ----	(0.98) ----
Net asset value, end of period	\$8.01 ====	\$7.78 ====
Total return	3.50%	11.92%
Net assets, end of period (000 omitted)	\$3,162	\$655
Ratio of expenses to average net assets	0.74%**	0.76%**
Ratio of net investment income to average net assets	1.38%**	1.24%**
Portfolio turnover rate	115.32%	229.03%
Average commission rate paid	\$0.0561	

*On June 17, 1995, the Fund began offering Class Y shares to the public. Fund shares outstanding prior to that date were designated Class A shares.

**Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS OF
 UNITED SCIENCE AND TECHNOLOGY FUND
 Class A Shares

For a Share of Capital Stock Outstanding Throughout Each Period:

	For the	For the fiscal year ended December 31,				
	six months ended 6/30/96	1995	1994	1993	1992	1991
Net asset value, beginning of period	\$22.89	\$15.21	\$14.83	\$14.64	\$15.42	\$10.27
Income from investment operations:						
Net investment income (loss) ...	(0.04)	(0.01)	0.00	0.01	0.03	0.10
Net realized and unrealized gain (loss) on investments	3.06	8.40	1.40	1.21	(0.66)	5.90
Total from investment operations	3.02	8.39	1.40	1.22	(0.63)	6.00
Less distributions:						
Dividends from net investment income	(0.00)	(0.00)	(0.00)	(0.01)	(0.03)	(0.10)
Distribution from capital gains ...	(0.00)	(0.71)	(1.02)	(0.95)	(0.12)	(0.75)
Distribution in excess of capital gains	(0.00)	(0.00)	(0.00)	(0.07)	(0.00)	(0.00)
Total distributions	(0.00)	(0.71)	(1.02)	(1.03)	(0.15)	(0.85)
Net asset value, end of period	\$25.91	\$22.89	\$15.21	\$14.83	\$14.64	\$15.42
Total return*	13.19%	55.37%	9.78%	8.51%	-4.03%	59.25%
Net assets, end of period (000 omitted)	\$989,426	\$820,783	\$496,503	\$446,611	\$428,806	\$405,380
Ratio of expenses to average net assets	0.95%**	0.93%	0.96%	0.91%	0.87%	0.85%
Ratio of net investment income to average net assets	-0.36%**	-0.07%	0.00%	0.06%	0.24%	0.75%
Portfolio turnover rate	13.42%	32.89%	64.39%	68.38%	45.79%	59.24%
Average commission rate paid	\$0.0513					

*Total return calculated without taking into account the sales load deducted on an initial purchase.

**Annualized.

See notes to financial statements.

FINANCIAL HIGHLIGHTS OF
 UNITED SCIENCE AND TECHNOLOGY FUND
 Class Y Shares

For a Share of Capital Stock Outstanding Throughout The Period:

For the
 period from

2/27/96 to
6/30/96*

Net asset value, beginning of period	\$24.05

Income from investment operations:	
Net investment loss	(0.01)
Net realized and unrealized gain on investments ..	1.88

Total from investment operations	1.87

Less distributions:	
Dividends from net investment income	(0.00)
Distribution from capital gains ...	(0.00)

Total distributions	(0.00)

Net asset value, end of period	\$25.92
	====
Total return	7.78%
Net assets, end of period (000 omitted)	\$2,653
Ratio of expenses to average net assets	0.80%**
Ratio of net investment income to average net assets	-0.16%**
Portfolio turnover rate	13.42%***
Average commission rate paid	\$0.0513***

*On June 17, 1995, the Fund began offering Class Y shares to the public.
Fund shares outstanding prior to that date were designated Class A
shares.

**Annualized.

***For the six months ended June 30, 1996.

See notes to financial statements.

UNITED FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 1 -- Significant Accounting Policies

United Funds, Inc. (the "Corporation") is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The Corporation issues four series of capital shares; each series represents ownership of a separate mutual fund. The assets belonging to each Fund are held separately by the Custodian. The capital shares of each Fund represent a pro rata beneficial interest in the principal, net income and realized and unrealized capital gains or losses of its respective investments and other assets. The following is a summary of significant accounting policies consistently followed by the Corporation in the preparation of its financial statements. The policies are in conformity with generally accepted accounting

principles.

- A. Security valuation -- Each stock and convertible bond is valued at the latest sale price thereof on the last business day of the fiscal period as reported by the principal securities exchange on which the issue is traded or, if no sale is reported for a stock, the average of the latest bid and asked prices. Bonds, other than convertible bonds, are valued using a pricing system provided by a pricing service or dealer in bonds. Convertible bonds are valued using this pricing system only on days when there is no sale reported. Stocks which are traded over-the-counter are priced using Nasdaq (National Association of Securities Dealers Automated Quotations System) which provides information on bid and asked or closing prices quoted by major dealers in such stocks. Securities for which quotations are not readily available are valued as determined in good faith in accordance with procedures established by and under the general supervision of the Corporation's Board of Directors. Short-term debt securities are valued at amortized cost, which approximates market.
- B. Security transactions and related investment income -- Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Securities gains and losses are calculated on the identified cost basis. Original issue discount (as defined in the Internal Revenue Code), premiums on the purchase of bonds and post-1984 market discount are amortized for both financial and tax reporting purposes over the remaining lives of the bonds. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recorded as soon as the Corporation is informed of the ex-dividend date. Interest income is recorded on the accrual basis. See Note 3 -- Investment Securities Transactions.
- C. Foreign currency translations -- All assets and liabilities denominated in foreign currencies are translated into U.S. dollars daily. Purchases and sales of investment securities and accruals of income and expenses are translated at the rate of exchange prevailing on the date of the transaction. For assets and liabilities other than investments in securities, net realized and unrealized gains and losses from foreign currency translations arise from changes in currency exchange rates. The Corporation combines fluctuations from currency exchange rates and fluctuations in market value when computing net realized and unrealized gain or loss from investments.
- D. Federal income taxes -- It is the Corporation's policy to distribute all of its taxable income and capital gains to its shareholders and otherwise qualify as a regulated investment company under the Internal Revenue Code. In addition, the Corporation intends to pay distributions as required to avoid imposition of excise tax. Accordingly, provision has not been made for Federal income taxes. See Note 4 -- Federal Income Tax Matters.
- E. Dividends and distributions -- Dividends and distributions to shareholders are recorded by each Fund on the record date. Net investment income distributions and capital gains distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are due to differing treatments for items such as deferral of wash sales and post-October losses, foreign currency transactions, net operating losses and expiring capital loss carryforwards.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 -- Investment Management And Payments To Affiliated Persons

The Corporation pays a fee for investment management services. The fee is

computed daily based on the net asset value at the close of business. The fee consists of two elements: (i) a "Specific" fee computed on net asset value as of the close of business each day at the annual rate of .03% of net assets for United Bond Fund, .15% of net assets for United Income Fund and United Accumulative Fund, and .20% for United Science and Technology Fund; and (ii) a "Group" fee computed each day on the combined net asset values of all of the funds in the United Group of mutual funds (approximately \$14.3 billion of combined net assets at June 30, 1996) at annual rates of .51% of the first \$750 million of combined net assets, .49% on that amount between \$750 million and \$1.5 billion, .47% between \$1.5 billion and \$2.25 billion, .45% between \$2.25 billion and \$3 billion, .43% between \$3 billion and \$3.75 billion, .40% between \$3.75 billion and \$7.5 billion, .38% between \$7.5 billion and \$12 billion, and .36% of that amount over \$12 billion. The Corporation accrues and pays this fee daily.

Pursuant to assignment of the Investment Management Agreement between the Corporation and Waddell & Reed, Inc. ("W&R"), Waddell & Reed Investment Management Company ("WRIMCO"), a wholly-owned subsidiary of W&R, serves as the Corporation's investment manager.

The Corporation has an Accounting Services Agreement with Waddell & Reed Services Company ("WARSCO"), a wholly-owned subsidiary of W&R. Under the agreement, WARSCO acts as the agent in providing accounting services and assistance to the Corporation and pricing daily the value of shares of the Corporation. For these services, each of the four Funds pays WARSCO a monthly fee of one-twelfth of the annual fee shown in the following table.

Average Net Asset Level (all dollars in millions)		Annual Fee Rate for Each Fund
-----		-----
From \$ 0 to \$ 10		\$ 0
From \$ 10 to \$ 25		\$ 10,000
From \$ 25 to \$ 50		\$ 20,000
From \$ 50 to \$ 100		\$ 30,000
From \$ 100 to \$ 200		\$ 40,000
From \$ 200 to \$ 350		\$ 50,000
From \$ 350 to \$ 550		\$ 60,000
From \$ 550 to \$ 750		\$ 70,000
From \$ 750 to \$1,000		\$ 85,000
\$1,000 and Over		\$100,000

For Class A shares, the Corporation also pays WARSCO a per account charge for transfer agency and dividend disbursement services of \$1.3125 for each shareholder account which was in existence at any time during the prior month (\$1.0208 per account prior to April 1, 1996), plus \$0.30 for each account on which a dividend or distribution of cash or shares had a record date in that month. With respect to Class Y shares, the Corporation pays WARSCO a monthly fee at an annual rate of .15% of the average daily net assets of the class for the preceding month. The Corporation also reimburses W&R and WARSCO for certain out-of-pocket costs.

As principal underwriter for the Corporation's shares, W&R received direct and indirect gross sales commissions for Class A shares (which are not an expense of the Corporation) of \$13,901,301, out of which W&R paid sales commissions of \$7,895,250 and all expenses in connection with the sale of the Corporation's shares, except for registration fees and related expenses.

Under a Service Plan for Class A shares adopted by the Corporation pursuant to Rule 12b-1 under the Investment Company Act of 1940, the Corporation may pay monthly a fee to W&R in an amount not to exceed .25% of the Corporation's Class A average annual net assets. The fee is to be paid to reimburse W&R for amounts it expends in connection with the provision of personal services to Fund shareholders and/or maintenance of shareholder accounts.

The Corporation paid Directors' fees of \$132,999.

W&R is an indirect subsidiary of Torchmark Corporation, a holding company, and United Investors Management Company, a holding company, and a direct subsidiary of Waddell & Reed Financial Services, Inc., a holding company.

NOTE 3 -- Investment Securities Transactions

Investment securities transactions for the period ended June 30, 1996 are summarized as follows:

	United Bond Fund	United Income Fund	United Accumulative Fund	United Science and Technology Fund
	-----	-----	-----	-----
Purchases of investment securities, excluding short-term and U.S. Government securities	\$ 90,619,819	\$452,135,792	\$1,263,128,838	\$140,001,599
Purchases of U.S. Government securities	88,442,011	---	---	---
Purchases of short-term securities	148,068,046	1,245,401,843	1,083,942,820	473,190,899
Proceeds from maturities and sales of investment securities, excluding short-term and U.S. Government securities	102,285,181	417,662,980	1,355,853,776	112,489,078
Proceeds from maturities and sales of U.S. Government securities	97,396,848	---	---	---
Proceeds from maturities and sales of short-term securities	140,613,683	1,202,954,945	1,021,030,891	453,635,047

For Federal income tax purposes, cost of investments owned at June 30, 1996 and the related appreciation (depreciation) were as follows:

	Cost	Appreciation	Depreciation	Aggregate Appreciation
	-----	-----	-----	-----
United Bond Fund	\$ 519,760,667	\$ 6,807,834	\$ 6,584,152	\$ 223,682
United Income Fund	2,680,543,428	1,865,803,462	38,236,581	1,827,566,881
United Accumulative Fund	1,209,145,687	66,493,962	49,429,838	17,064,124
United Science and Technology Fund	461,564,607	548,617,708	19,273,517	529,344,191

NOTE 4 -- Federal Income Tax Matters

The Corporation's income and expenses attributed to each Fund and the gains and losses on security transactions of each Fund have been attributed to that Fund for Federal income tax purposes as well as for accounting purposes. For Federal income tax purposes, United Income Fund, United Science and Technology Fund and United Accumulative Fund realized capital gain net income of \$137,622,658, \$23,260,417 and \$152,961,921, respectively, during the year ended December 31, 1995, a portion of which was paid to shareholders during the period ended December 31, 1995. Remaining capital gain net income will be distributed to each Fund's shareholders. For Federal income tax purposes, United Bond Fund realized capital losses of \$80,903 during the year ended December 31, 1995. This amount is available to offset future realized capital gain net income through December 31, 2003. Remaining prior year capital loss carryforwards of United Bond Fund aggregated \$27,347,477, which are available to offset future capital gain net income through December 31, 2002.

NOTE 5 -- Commencement of Multiclass Operations

On June 17, 1995, each Fund within the Corporation was authorized to offer investors a choice of two classes of shares, Class A and Class Y, each of which has equal rights as to assets and voting privileges with respect to each Fund. Class Y shares are not subject to a sales charge on purchases; they are not subject to a Rule 12b-1 Service Plan and have a separate transfer agency and dividend disbursement services fee structure. A comprehensive discussion of the terms under which shares of either class are offered is contained in the prospectus and the Statement of Additional Information for the Corporation. United Income Fund and United Bond Fund commenced multiclass operations on June 19, 1995 and United Accumulative Fund commenced multiclass operations on July 11, 1995. United Science and Technology Fund commenced multiclass operations on February 27, 1996.

Income, non-class specific expenses and realized and unrealized gains and losses are allocated daily to each class of shares based on the value of relative net assets as of the beginning of each day adjusted for the prior day's capital share activity.

Transactions in capital stock for the six months ended June 30, 1996 are summarized below.

	United Bond Fund	United Income Fund	United Accumulative Fund	United Science and Technology Fund
	-----	-----	-----	-----
Shares issued from sale of shares:				
Class A	3,317,761	8,011,503	5,624,938	9,288,903
Class Y	316,678	830,320	330,364	107,310
Shares issued from reinvestment of dividends:				
Class A	2,319,732	648,569	695,787	---
Class Y	21,370	23,808	2,081	---
Shares redeemed:				
Class A	(7,240,253)	(6,537,612)	(9,037,339)	(6,962,059)
Class Y	(74,732)	(321,499)	(21,936)	(4,945)
	-----	-----	-----	-----
Increase (decrease) in outstanding capital shares:				
Class A	(1,602,760)	2,122,460	(2,716,614)	2,326,844
Class Y	263,316	532,629	310,509	102,365
	-----	-----	-----	-----
Total for Fund	(1,339,444)	2,655,089	(2,406,105)	2,429,209
	=====	=====	=====	=====
Value issued from sale of shares:				
Class A	\$20,317,652	\$246,480,526	\$44,944,769	\$225,862,613
Class Y	1,963,595	25,643,653	2,667,268	2,647,102
Value issued from reinvestment of dividends:				
Class A	14,137,959	20,317,812	5,621,937	---
Class Y	129,796	746,123	16,815	---
Value redeemed:				
Class A	(44,321,892)	(201,215,554)	(72,288,348)	(169,318,067)
Class Y	(457,276)	(9,890,399)	(178,136)	(119,350)
	-----	-----	-----	-----
Increase (decrease) in				

outstanding capital:				
Class A	(9,866,281)	65,582,784	(21,721,642)	56,544,546
Class Y	1,636,115	16,499,377	2,505,947	2,527,752
	-----	-----	-----	-----
Total for Fund ..	\$ (8,230,166)	\$ 82,082,161	\$ (19,215,695)	\$ 59,072,298
	=====	=====	=====	=====

Transactions in capital stock for the fiscal year ended December 31, 1995 are summarized below.

	United Bond Fund	United Income Fund	United Accumulative Fund	United Science and Technology Fund
	-----	-----	-----	-----
Shares issued from sale of shares:				
Class A	7,903,177	13,156,068	3,690,645	15,272,219
Class Y	494,273	3,737,901	76,842	---
Shares issued from reinvestment of dividends and/or capital gains distribution:				
Class A	4,996,291	5,453,592	17,417,933	1,060,921
Class Y	14,634	133,843	9,457	---
Shares redeemed:				
Class A	(16,233,171)	(16,103,667)	(12,973,028)	(13,108,833)
Class Y	(30,934)	(152,930)	(2,141)	---
	-----	-----	-----	-----
Increase (decrease) in outstanding capital shares:				
Class A	(3,333,703)	2,505,993	8,135,550	3,224,307
Class Y	477,973	3,718,814	84,158	---
	-----	-----	-----	-----
Total for Fund	(2,855,730)	6,224,807	8,219,708	3,224,307
	=====	=====	=====	=====
Value issued from sale of shares:				
Class A	\$47,524,601	\$358,973,863	\$28,187,349	\$315,997,134
Class Y	3,026,041	104,695,114	600,969	---
Value issued from reinvestment of dividends and/or capital gains distribution:				
Class A	29,904,406	155,645,364	133,229,799	23,096,462
Class Y	90,066	3,880,877	72,439	---
Value redeemed:				
Class A	(97,382,064)	(437,078,074)	(97,231,889)	(272,880,563)
Class Y	(189,278)	(4,487,520)	(17,042)	---
	-----	-----	-----	-----
Increase (decrease) in outstanding capital:				
Class A	\$ (19,953,057)	\$ 77,541,153	\$64,185,259	\$66,213,033
Class Y	2,926,829	104,088,471	656,366	---
	-----	-----	-----	-----
Total for fund ..	\$ (17,026,228)	\$181,629,624	\$64,841,625	\$66,213,033
	=====	=====	=====	=====

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
United Funds, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of each of the four mutual funds comprising United Funds, Inc. (hereafter referred to as the "Corporation") at June 30, 1996, the results of its operations for the six months then ended and the changes in its net assets and the financial highlights for the periods indicated, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Corporation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 1996 by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above.

Price Waterhouse LLP
Kansas City, Missouri
August 5, 1996

To all IRA Planholders:

As required by law, income tax will automatically be withheld from any distribution or withdrawal from an IRA unless you make a written election not to have taxes withheld. The election may be made by submitting forms provided by Waddell & Reed, Inc. which can be obtained from your Waddell & Reed representative or by submitting Internal Revenue Service form W-4P. Once made, an election can be revoked by providing written notice to Waddell & Reed, Inc. If you elect not to have tax withheld you may be required to make payments of estimated tax. Penalties may be imposed by the IRS if withholding and estimated tax payments are not adequate.

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United Continental Income Fund, Inc.
United Retirement Shares, Inc.
United Asset Strategy Fund, Inc.
United Income Fund
United Accumulative Fund
United Vanguard Fund, Inc.
United New Concepts Fund, Inc.
United Science and Technology Fund
United International Growth Fund, Inc.
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FOR MORE INFORMATION:

Contact your representative, or your
local office as listed on your
Account Statement, or contact:

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