

Fund Details

Date of Inception	1-Nov-99
Fund Symbol	CIG 912
Investment Advisor	Covington Capital Corporation

Portfolio Activity

TNR Industrial Doors Inc., a manufacturer and global distributor of high performance doors, announced that it has reached an agreement with CIW Enterprises Inc., to distribute TNR's full line of industrial rubber doors in the United States.

Under its Cookson and Cornell Iron Works brand names, this agreement affords CIW Enterprises Inc., the opportunity to better meet its customer's productivity needs by providing rugged, high performance industrial doors. The agreement will also help enhance the coverage and penetration of TNR's distribution network to better serve the international building industry as well as solidify TNR's position as the industry's leading provider of high performance rubber doors.

Portfolio Breakdown

NAVPS	\$9.49
Total Net Asset Value	\$75.8
Venture Investments at Cost	\$57.6
Total Number of Venture Investments	18
Public	5
Private	13
Investments with Board Status	16
Management Fee	2%
Tax Credits	20%

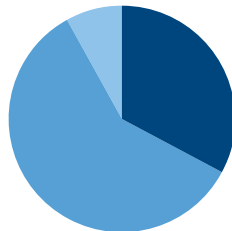
Fund Performance

6 MONTHS	1 YEAR	3 YEARS
7.40%	24.09%	2.31%
5 YEARS	INCEPTION	
4.29%	-0.50%	

Source: Globefund.com as at May 31, 2010

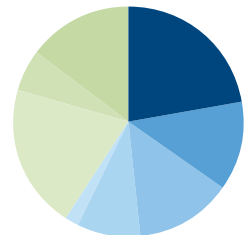
Asset Mix (At Market)

Private Companies	33%
Public Companies	59%
Cash & Marketable Securities	8%



Sector Diversification (At Cost)

Manufacturing/Industrial	23%
Environmental Technologies	13%
Consumer/Retail	14%
Other	9%
Health Care Technologies	2%
Insurance Services	21%
Medical Devices	6%
Hardware & Software	15%



Key Holdings

INVESTMENT	PUBLIC/PRIVATE	BOARD STATUS	SECTOR
BPS-Resolver Inc.	Private	Y	Financial Services Software
EGI Financial Holdings Inc.	EGH:TSX	Y	Insurance Services
MMIST Inc.	Private	Y	Manufacturing
SXC Health Solutions Inc.	SXC:TSX SXCI:NSDQ	Y	Health Care Technologies
Fidelity Stainless	Private	Y	Manufacturing
Linea Marketing Group Inc.	Private	Y	Consumer Retail
Adventus Remediation Tech Inc.	Private	Y	Environmental Technologies
TNR Industrial Doors Inc.	Private	Y	Manufacturing

Advantages of Investment

- Access to high growth potential of private Canadian enterprises
- Large, mature portfolio of investments
- Mix of public and later-stage private holdings support near and long-term liquidity
- 20% tax credits

Discipline

Pure venture capital with a highly focused and measured strategy

Investment Philosophy – Diversified, Conservative Venture Capital

Covington’s investment approach to Fund II is distinctive within the venture capital industry for a number of reasons. Unlike most venture capitalist firms, whose focus is primarily on a single sector, Fund II holds investments across 10 different economic industries. This diversification mitigates the potential risk and volatility associated with single sector investing. Covington further distinguishes itself with their choice to structure all of the investments in Fund II with a significant equity component (either through a pure equity structure, convertible debt, or a combination of the two). Contrary to debt-based investments, Covington’s approach does not limit return potential and aligns the long-term growth interests of both Covington (and investors) directly with the success of the underlying investment. Covington firmly believes venture capital is about maximizing returns and, as such, believes an equity-based approach provides the greatest investment return potential. Finally, Covington’s approach is further differentiated through their preference to take a controlling interest in their investments. By having deep pockets, influence on senior management, and a strong Board presence, Covington is able to influence greater control over the direction and ultimate success of their investments; thereby deriving maximum return potential for their shareholders.

Management Objective & Strategy

Creation of long-term capital appreciation driven by investments in select small to medium-sized Canadian enterprises. Investments are made only in businesses that are considered high-growth investment opportunities primarily inaccessible through the public market. These investments are primarily done via equity and convertible structures in order to maximize long-term return potential.

Portfolio Management

INVESTMENT TEAM

Scott Clark	Managing Partner
Phil Reddon	Managing Partner
Will Jin	SVP Investments
Lily Lam	VP Investments
Matthew Hall	VP Investments

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Important information about Covington Funds are contained in their prospectus. Please obtain a prospectus from your financial advisor and read it carefully before investing. This investment may not be suitable for all investors. Some conditions apply. Commissions, trailing commissions, management fees and expenses all may be associated with this investment. Covington’s Funds are not guaranteed, their value changes frequently and past performance may not be repeated. The indicated rates of return are the historical annual compounded total returns, including changes in value and do not take into account sales, redemption or optional charges or income taxes payable by any shareholder that would have reduced returns. Tax credits subject to certain conditions and units must be held for eight years in order to keep the tax credits.