

### Fund Details

|                       |   |
|-----------------------|---|
| Date of Inception     | 1-Mar-01  |
| Fund Symbol           | Series I - CIG 900<br>Series II - CIG 901<br>Series III - CIG 902 |
| Investment Specialist | Covington Capital Corporation                                     |

### Portfolio Activity

**Neuraxon Inc.**, is designing and developing next generation pain therapeutics targeting neuronal nitric oxide synthase (nNOS). The company announced in January, that it has been awarded a grant of \$267,000 from the Michael J. Fox Foundation for Parkinson's Research (MJFF). Under the grant, Neuraxon will seek to develop custom-designed, small-molecule, selective nNOS inhibitors. These compounds will be tested for the potential to reduce brain and systemic nitric oxide levels as well as the potential to demonstrate improved neuroprotective properties in in vitro and in vivo preclinical models of Parkinson's disease.

### Portfolio Breakdown

|   |        |
|---|--------|
| NAVPS                                     |        |
| Series I                                  | \$4.22 |
| Series II                                 | \$3.86 |
| Series III                                | \$4.04 |
| Total Net Asset Value (in millions)       | \$30.1 |
| Venture Investments at Cost (in millions) | \$27.0 |
| Total Number of Venture Investments       | 10     |
| Public Holdings                           | 1      |
| Private Holdings                          | 9      |
| Investments with Board Status             | 3      |
| Management Fee                            | 3.45%  |
| Tax Credits                               | 20%    |

### Fund Performance

#### SERIES I

| 6 MONTHS | 1 YEAR  | 3 YEARS | 5 YEARS | INCEPTION |
|----------|---------|---------|---------|-----------|
| -17.83%  | -15.52% | -15.19% | -12.88% | -8.90%    |

#### SERIES II

| 6 MONTHS | 1 YEAR  | 3 YEARS | 5 YEARS | INCEPTION |
|----------|---------|---------|---------|-----------|
| -19.10%  | -18.05% | -16.59% | -14.28% | -12.13%   |

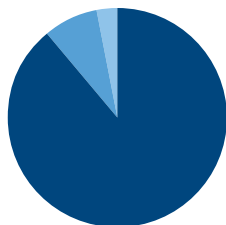
#### SERIES III

| 6 MONTHS | 1 YEAR  | 3 YEARS | 5 YEARS | INCEPTION |
|----------|---------|---------|---------|-----------|
| -18.63%  | -17.10% | -15.78% | -13.56% | -11.49%   |

Source: Globefund.com as at May 31, 2010

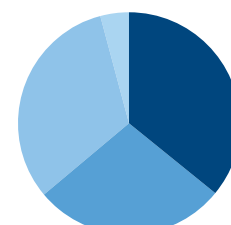
### Asset Mix (At Market)

|                              |     |
|------------------------------|-----|
| Private Companies            | 89% |
| Cash & Marketable Securities | 8%  |
| Public Companies             | 3%  |



### Sector Diversification (At Cost)

|                    |     |
|--------------------|-----|
| Biopharmaceuticals | 36% |
| Medical Devices    | 28% |
| Health Services/IT | 32% |
| Other              | 4%  |



### Key Holdings

| INVESTMENT                    | PUBLIC/PRIVATE  | BOARD STATUS | SECTOR             |
|-------------------------------|-----------------|--------------|--------------------|
| Affinium Pharmaceuticals Inc. | Private         | N            | Biopharmaceuticals |
| Epocal Inc.                   | Private         | Y            | Medical Devices    |
| Inception Biosciences Inc.    | Private         | Y            | Health Services    |
| NeurAxon Inc.                 | Private         | N            | Biopharmaceuticals |
| YM Biosciences Inc.           | YM:TSX YMI:AMEX | N            | Biopharmaceuticals |

### Advantages of Investment

- Access to high growth potential of private Canadian enterprises
- Large portfolio of mature and emerging investments
- Investments diversified across key life sciences and biotechnology sectors
- 20% tax credits

### Discipline

Pure venture capital with a highly focused and measured investment strategy.

### Investment Philosophy – Diversified, Conservative Venture Capital

The New Generation Biotech (Equity) Fund invests primarily in private enterprises operating in Canada's rapidly growing life sciences and biotechnology sectors. With the objective of generating long-term investor return potential through investments in these key sectors, the Fund selects investment opportunities that maintain a balance between emerging opportunities and established enterprises. Emphasis on experienced management as well as enterprises possessing proprietary products or technologies with global scalability provide upside potential as well as viable exit opportunities. Portfolio diversification is achieved throughout a broad range of investments in growth areas such as biopharmaceuticals, medical devices and health services IT. The combination of mature investments in both the public and private sector provide the portfolio with liquidity as well as continued upside growth potential inherent in developing private enterprises.

### Management Objective & Strategy

Management's objective is to create long-term capital appreciation driven by investments in select small to medium-sized enterprises operating in Canada's life sciences and biotechnology sectors. Investments are made only in businesses that are considered high-growth investment opportunities primarily inaccessible through the public market.

### Portfolio Management

#### INVESTMENT TEAM

|                    |                  |
|--------------------|------------------|
| <b>Scott Clark</b> | Managing Partner |
| <b>Phil Reddon</b> | Managing Partner |
| <b>Lily Lam</b>    | 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.