

Fund Details

Date of Inception	1-Mar-01
Fund Symbol	Series I - CIG 900 Series II - CIG 901 Series III - CIG 902
Investment Specialist	Genesys Capital Partners

Portfolio Activity

Pain therapeutic developer **NeurAxon Inc.** announced this August it had closed a (CDN) \$32 million round of financing. The announcement followed the Company's recent announcements earlier in August that it had received positive data from its Phase I clinical trial for the drug NXN-188 for the treatment of acute migraine and hired both a CEO and CMO to its management team. NeurAxon's products target the \$17 billion migraine market. This round of financing will provide the capital necessary to fund the company's lead migraine program through its phase 2 clinical trials as well as the advancement of two separate programs through phase 1 clinical trials in chronic tension type headache and neuropathic pain indications.

Portfolio Breakdown

NAVPS	
Series I	\$6.14
Series II	\$5.85
Series III	\$5.99
Total Net Asset Value (in millions)	\$66.9
Venture Investments at Cost (in millions)	\$48.5
Total Number of Venture Investments	12
Public Holdings	2
Private Holdings	10
Investments with Board Status	6
Management Fee	3.45%
Tax Credits	35%

Fund Performance*
SERIES I

6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION
-9.13%	-0.93%	-10.49%	-5.46%	-6.82%

SERIES II

6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION
-9.72%	-1.97%	-11.70%	N/A	-9.63%

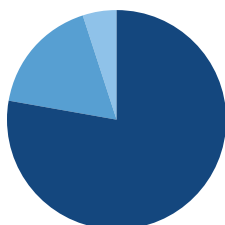
SERIES III

6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION
-9.18%	-1.10%	-11.10%	N/A	-9.10%

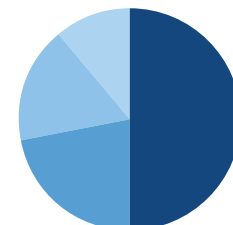
*Source: Globefund.com January 31, 2008

Asset Mix (At Market)

Private Companies	78%
Cash & Marketable Securities	17%
Public Companies	5%


Sector Diversification (At Cost)

Biopharmaceuticals	50%
Medical Devices	22%
Other	17%
Health Services/IT	11%


Key Holdings

INVESTMENT	PUBLIC/PRIVATE	BOARD STATUS	SECTOR
Affinium Pharmaceuticals Inc.	Private	Y	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
Zelos Therapeutics Inc.	Private	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
- 35% tax credits on each annual contribution

Discipline

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

Investment Philosophy – Diversified, Conservative Venture Capital

Managed with the assistance of Genesys Capital Partners Inc., 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

Kelly Holman	Managing Director
Damian Lamb	Managing Director
Jamie Stiff	Principal

200 Front Street West, Suite 3003
P. O. Box 10, Toronto, ON M5V 3K2,
Phone: 416.365.9155 or 866.244.4714
Fax: 416.365.9822
www.covingtonfunds.com
info@covingtonfunds.com

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.