

Fund Details

Date of Inception	1-Jan-04
Fund Symbol	Series I - CIG 916 Series II - CIG 917
Investment Advisor	Covington Capital Corporation

Portfolio Activity

Bolstered by performance from portfolio investees, the Fund began 2008 with an increase in returns - posting over a 9% increase from December 31, 2007 to January 11, 2008. The Fund also completed one new investment in December 2007: **DealerPath Inc.** DealerPath is an automotive financing portal in Canada that acts as an online intermediary between the dealers and multiple financial institutions. DealerPath software (portal) processes the transaction but takes no financial risk and addresses the need for a safe and secure way for automotive dealers to access financing through the Web.

Portfolio Breakdown

NAVPS	
Series I	\$14.86
Series II	\$14.94
Total Net Asset Value (in millions)	\$15.2
Venture Investments at Cost (in millions)	\$7.4
Total Number of Venture Investments	8
Public Holdings	0
Private Holdings	8
Investments with Board Status	8
Management Fee	3.25%
Tax Credits	30%

Fund Performance*

SERIES I

6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION
7.53%	13.18%	8.26%	N/A	5.41%

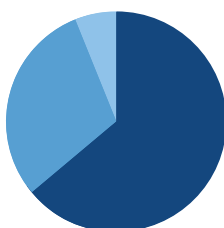
SERIES II

6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION
7.71%	13.60%	8.39%	N/A	5.57%

*Source: Globefund.com as at January 31, 2008

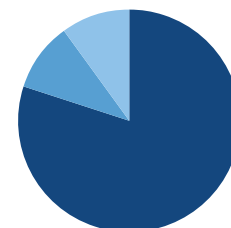
Asset Mix (At Market)

Private Companies	64%
Cash & Marketable Securities	30%
Public Companies	6%



Sector Diversification (At Cost)

Corporate Infrastructure	80%
Financial Services	10%
Communications	10%



Key Holdings

INVESTMENT	PUBLIC/PRIVATE	BOARD STATUS	SECTOR
Business Propulsion Systems Inc	Private	Y	Financial Services
Cyence International Inc.	Private	Y	Financial Services
DealerPath	Private	Y	Corporate Infrastructure
Masstech Group	Private	Y	Communications
Platespin Ltd.	Private	Y	Corporate Infrastructure
NexGen Financial LP	Private	Y	Financial Services
Software Innovation Inc.	Private	Y	Corporate Infrastructure

Advantages of Investment

- Positive yearly performance since inception
- Strategic Alliance Program mitigates potential risk
- Access to high growth potential of private Canadian enterprises
- Technology investments diversified across key industry sectors
- Multiple fund and partner investments strengthen underlying investment
- 30% tax credits on each annual contribution

Discipline

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

Investment Philosophy – Diversified, Conservative Venture Capital

Capitalizing on the strength of valuable strategic partnerships with industry leaders as well as opportunities within Canada's high-growth technology sector; Covington Strategic Capital Fund provides investors with an investment model that is unique within the retail venture capital industry. The cornerstone of the Fund's investment philosophy is the Covington Strategic Alliance Program. Investees within the program possess valuable strategic partnerships with industry leaders such as Microsoft, HP, Dell, IBM, Sun, Deloitte, and Accenture, among others. This established network of key influencers provides investees with enhanced distribution channels and growth opportunities while mitigating risk and increasing return potential to the Fund. Focusing on investments in technology and related industries, the Fund places a strong emphasis on investments within the enterprise software sector - a growth industry that has become an essential element in the daily operations of multi-national corporations throughout the world. Finally, complimenting the Strategic Alliance Program is Covington's significant involvement in the operations of each of its investees. Representation at the Board level on the majority of their holdings ensures that Covington is able to play a significant role in defining the long-term strategy and overall success of the Fund's investments.

Management Objective & Strategy

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

Portfolio Management

INVESTMENT TEAM

Scott Clark	Managing Director
Phil Reddon	Managing Director
Will Jin	VP Investments
Lily Lam	VP Investments
Matthew Hall	Investment Manager

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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.