



GENERAL INSURANCE COMPANY

Fast Facts

FUND:

Covington Fund II

INITIAL INVESTMENT DATE:

December 2001
(through Canadian Insurance
Marketing Inc.)

AMOUNT INVESTED (AT COST):

\$ 3,600,000

SECTOR:

Financial/Insurance

LOCATION:

Toronto, Ontario

PUBLIC:

TSX:EFH

WEB:

www.echelon-insurance.ca

“Covington’s investment in Echelon illustrates the importance of investing in enterprises with a unique value proposition and with a management team that has the vision and ability to execute strategic goals.

Covington invested in what we saw to be an exceptionally strong management team at CIMI – a team that was able to successfully transform their company into a leader in the lucrative niche insurance market.”

**Scott Clark, Managing Director,
Covington Capital Corporation**

Targeted, Specialty Insurer Continues to Build on Opportunity

Addressing the tremendous opportunity for niche insurance products in the Canadian market, Echelon is establishing itself as one of the premier writers of specialized insurance products in Canada.

Echelon – Management and Vision Equal Success

Covington’s investment in Echelon began through an investment in Canadian Insurance Marketing Inc. (CIMI) in 2001. Investing in a proven management team and their vision for niche insurance products, CIMI began operations as a travel health insurance company called Trent Health (a 50/50 joint venture with the Co-operators Insurance Company). The Co-Operators acquired 100% of Trent Health in 2004 and CIMI subsequently re-invested the Trent Health gains into their growing investment in Echelon, a non-standard automobile insurance carrier. CIMI changed their name to Echelon shortly thereafter and has never looked back. The Company has since grown to become the third largest non-standard automobile insurer in Canada and in late 2005 completed a successfully initial public offering on the TSX.

The Growth in Echelon and the Niche Insurance Industry

Echelon has been successful by having a strong management team with the foresight to think outside the box. Capitalizing on the consolidation of the insurance industry as a whole, Echelon shifted its focus to the niche insurance sector. As standard insurers re-align their business models to address increased competition, expense controls, and the specialization of the industry as a whole, they have become providers of more general insurance plans with limited scope. Specialty insurers, such as Echelon, are able to act as partners to provide a wide range of coverage that function as add-ons to the general packages larger insurers provide. Acting together, the larger general insurers and the specialty niche insurers are able to meet the full needs of their clients. As a result, Echelon has become an important player in the lucrative Canadian insurance market.

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