

NEWS RELEASE

FOR IMMEDIATE RELEASE

COVINGTON FUND II INC. ANNOUNCES SALE OF REMAINING VENTURE PORTFOLIO HOLDINGS

Toronto, Ontario – August 30, 2022 – Covington Fund II Inc. (the “Fund”) announced today that it has signed a binding Asset Purchase Agreement comprising the sale of the Fund’s remaining venture holdings. The En-Bloc sale is in exchange for \$7,000,000 in cash to an Affiliate of North Sky Capital, a Secondary Fund based in Wayzata, Minnesota.

The Fund has been working over the past few years to optimize the individual exit values of each of the remaining venture portfolio investments and wind up the Fund after returning net proceeds to the shareholders of the Fund.

This process has been slowed by the impact of the Covid 19 Pandemic. Earlier this year, in the ongoing effort to achieve a near term wind-up, the Fund retained the services of an independent advisor to seek the sale of individual holdings or for the sale of the remaining holdings En-Bloc. The Advisor marketed and searched for interested parties and advised the Board based on the proposals submitted. After completing an evaluation of proposals, the Board of Directors determined that this transaction is the better outcome for the shareholders as it will allow for the distribution of net assets to shareholders over the coming month(s) compared to the continuation of the sale of individual minority investments over time which has proven to be difficult to complete in a timely manner.

Maximizing shareholder value during the winding up process has been the primary objective of the Board of Directors of the Fund. The Board of Directors approved the sale of the remaining holdings to North Sky after it determined that the sale is both fair from a financial point of view and is in the best interests of the Fund and its shareholders.

The Fund will now move forward with completing the winding-up process. The Special Resolution passed by shareholders earlier this year will allow for the distribution of existing cash held by the Fund as well as the net sale proceeds. The distribution will be via redemption by the Fund of all Class A shares which will occur automatically with no further action required by the shareholder. The redemption process is expected to take place before calendar year end.

About Covington Group of Funds

Covington Group of Funds has managed several Labour Sponsored Investment Funds to individual investors throughout Ontario including Covington Fund I, Covington Fund II, Covington Strategic Capital Fund, New Generation Biotech (Equity) Fund Inc., and Covington Venture Fund Inc.

For additional information, please visit www.covingtonfunds.com.

About North Sky Capital

North Sky Capital is a pioneer in impact investing in the United States. Now in its 23rd year and investing out of its 10th impact fund, North Sky has deployed more than \$1.2 billion across 125+ impact investments on behalf of its various impact funds. The firm has two flagship investment strategies: impact private equity (secondaries strategy) and sustainable infrastructure (direct strategy). Both strategies support positive environmental and social impact while targeting market rate investment returns. North Sky has been an active impact investor since the beginning of the modern era of private markets impact investing in 2005-6. For more information, visit northskycapital.com.

For further information:

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