

Covington Fund II Inc. To Re-Open to Redemptions on October 24, 2016 at 10am EST

Toronto, Ontario
August 25, 2016

TORONTO, ONTARIO--(Marketwire – August 25, 2016) – Covington is pleased to announce that the Board of Directors of Covington Fund II Inc. (the “Fund”) has approved the re-opening of the Fund to allow for the redemption of approximately \$28 million by Class A Shareholders (“Redemption Limit”).

The Fund will process redemption trade instructions received in good order on a first come, first serve basis beginning on October 24, 2016 at 10:00am EST. Redemption requests will be accepted up until the Fund has received redemption requests totaling the Redemption Limit. **Trades submitted prior to October 24, 2016 at 10:00am EST will not be accepted and will be rejected in due course. Shareholders, their advisors and their Dealer Firms are encouraged to visit www.covingtonfunds.com for more specific information regarding processing redemption requests properly.**

Covington recommends Advisors submit orders electronically via FundServ to ensure that their sell orders reach the back office with maximum efficiency. Fund redemptions will be processed on an account by account basis, meaning that bulk redemption submissions (i.e. spreadsheets listing multiple accounts) **will not be processed**. Additional details regarding the redemption process will be sent in a separate dealer communication in September.

The Fund will again close to redemptions if and when the Fund receives redemption requests meeting the Redemption Limit. Trades received after the Fund has reached the Redemption Limit will be rejected. Shareholders may reasonably expect that the next redemption opportunity will not occur until after September 1, 2017.

The fair value of the Fund's portfolio will continue to be determined every week and there are no anticipated changes to the valuation process of its private investments as a result of this decision.

The decision to re-open to redemptions follows careful consideration by the Board of the various alternatives available to the Fund and will allow the Fund to honour redemptions up to 20% of the NAV of the Fund in the 2016/17 fiscal year as contemplated in the Fund’s prospectus disclosure.

Covington Fund II is a Labour Sponsored Investment Fund that has neither sold new subscriptions nor undertaken new investments in the past several years. The Fund’s focus is on optimizing the value of the investment holdings as the Manager seeks out opportunities to sell the remaining portfolio investments to create liquidity to honour redemptions. Since September 1, 2015 the Fund has processed over 38,000 redemption requests, distributing over \$42 million to shareholders.

Shareholders may obtain further information by contacting their financial advisor, visiting Covington’s website at www.covingtonfunds.com, or by contacting Covington’s Client Services Team at 1.888.746.4751. Specific instructions regarding how to process redemption transactions may be found at www.covingtonfunds.com.

About Covington Group of Funds

Founded in 1995, Covington Capital Corporation (www.covingtonfunds.com) is one of Canada's largest and most experienced venture capital fund providers. Covington has successfully deployed more than \$1 billion into emerging private Canadian businesses and is currently managing approximately \$200 million in venture capital assets on behalf of institutional and retail investors. Covington Capital Corporation is headquartered in Toronto, Ontario.

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