

Covington Fund II Inc. To Re-Open to Redemptions on May 7, 2018 at 10am EDT

TORONTO, ONTARIO--(Marketwire – March 9, 2018) – The Board of Directors of Covington Fund II Inc. (the “Fund”) has approved the re-opening of the Fund on Monday May 7th, 2018 at 10am EDT to allow for the redemption of approximately \$10 million by Class A Shareholders (“Redemption Limit”).

The \$10 million in cash proceeds has been generated by Covington while it continues the process of selling portfolio holdings to meet the contemplated redemption requirement of 20%, or approximately \$18 million, of the net asset value of the Fund, as at the most recent fiscal year end and as set out in both the governing legislation and in the Fund’s prospectus disclosure.

As the Fund progresses in the wind up process, there are several portfolio companies that are well advanced in sale negotiations. Proceeds, depending upon the amounts and the timing of their receipt by the Fund, could allow for an additional re-opening of the Fund to complete further redemptions prior to the Fund’s year end of August 31, 2018.

The Fund will process redemption trade instructions received in good order on a first come, first serve basis beginning on Monday May 7th, 2018 at 10:00am EDT. Redemption requests will be accepted up until the Fund has received redemption requests totaling the Redemption Limit.

Trades submitted prior to Monday May 7th, 2018 at 10:00am EDT 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 March.

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.

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.

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. With the completion of this redemption amount and since the merger with VenGrowth Funds in 2011, approximately 66% of the outstanding shares of the Fund will have been redeemed for cash.

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 most experienced venture capital fund providers. Covington has successfully deployed more than \$1 billion into emerging private Canadian businesses and is currently managing approximately \$150 million in venture capital assets on behalf of institutional and retail investors. Covington Capital Corporation is headquartered in Toronto, Ontario.

For further information:

Go to the website at: www.covingtonfunds.com

Call Sales and Customer Service at Covington Group of Funds at (416) 365-0060

Call Client Services CI Investments at (888) 746-4751