

# Management Report of Fund Performance



## COVINGTON VENTURE FUND INC.

Series VII                      Series IX  
Series VIII                     Series IX-B  
Series VIII-B

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This annual management report of fund performance contains financial highlights but does not contain the annual financial statements of the Covington Venture Fund Inc., Series VII, VIII, VIII-B, IX, IX-B (the “Fund”). You can obtain a copy of the annual financial statements at your request, and at no cost, by calling 1-866-244-4714, by writing to us at Covington Capital Corporation, 36 Distillery Lane, Suite 440, Toronto, Ontario M5A 3C4 or by visiting our website at [www.covingtonfunds.com](http://www.covingtonfunds.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders may also contact us using one of these methods to request a copy of the Fund’s proxy voting policies and procedures.

**FORWARD LOOKING STATEMENTS**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund actions. The words “anticipate”, “could”, “should”, “may”, “expect”, “believe”, “plan”, “intends”, “estimate”, “forecast”, “objective”, “would”; and similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors. It is not possible to guarantee that future performance, predictions, forecasts, projections or other forward-looking statements will be achieved. Factors such as economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings or catastrophic events could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. Please consider these and other pertinent factors before making any investment decisions and do not place undue reliance on forward-looking statements. All opinions contained in forward-looking statements are subject to change without notice.

## CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

### INVESTMENT OBJECTIVES AND STRATEGIES

Covington Venture Fund Series VII, formerly the Capital First Venture Fund Inc., was launched in February 2004 with the following investment objectives: (i) to realize long-term capital appreciation by investing in securities of community small business investment fund corporations ("CSBIFs"); and (ii) to return to investors an amount equal to the subscription price paid on or about June 1, 2016. On June 14, 2016 the Fund announced that the Manager was injecting funds to increase the net asset value per Class A share for Series VII to \$10 per share to meet the original investment objective of returning the original subscription amount to the Series VII shareholders. This price per share was maintained until August 31, 2016. While the CSBIF portions of Series VII have been wound up, the Fund manages a small number of eligible investments in emerging and potentially high-growth Canadian companies and continues to grow these investee businesses with a focus on liquidity given the overall mandate of the Fund.

On November 13, 2007, the articles of Covington Venture Fund were amended to create Class A Shares, Series VIII and Series IX respectively. These series were offered for sale until March 31, 2008 at a price of \$10 per share and again from October 16, 2008 to March 31, 2009 at the net asset value per share at date of issue. The investment objectives are: (a) to provide mezzanine investments in eligible businesses and (b) to return an amount equal to an investor's initial subscription on or about December 31, 2016 for the first offering of the Series VIII and IX shares or December 31, 2017 for the second offering.

Given the commonality of the investment objectives for each of the Series VII, VIII, and IX respectively, the Series were consolidated in February 2009 after receiving shareholder and regulatory approvals. The asset consolidation resulted in the Fund sharing a common pool of assets.

On January 6, 2006 Capital First Venture Fund Inc. ("CFVF") amalgamated with several other LSIFs to become CVF. Specifically, CFVF became CVF Series VII. On November 13, 2007 the articles of amalgamation of the Fund were amended to create and designate the share provisions for the Class A shares, Series VIII and Class A shares, Series IX. The investment objective for Series VIII and IX is to realize long-term capitalization on all or part of its investment portfolio; and to preserve and return an investor's initial subscription price paid for such Series VIII and Series IX shares on or about their capital repayment date. On February 18, 2009 Articles of Amendment were filed in order to amend certain definitions and share provisions relating to Class A Series VII, VIII and IX shareholders resulting in the forming of a larger pool of assets. This group represented a separate portfolio of assets under National Instrument 81-106 ("NI 81-106") which governs Investment Fund Continuous Disclosure Requirements.

On January 31, 2017 the Fund announced that the Manager was going to waive management fees owed to it by the Fund to increase the net asset value to \$10 per Class A share for CVF Series VIII and Series IX shareholders who purchased shares before May 1, 2008 in order to meet the original investment objective of returning the original subscription amount to these shareholders. This pricing of \$10 was maintained from March 3, 2017 to June 3, 2017, at which point the net asset value continued without any additional support from the Manager. In order to facilitate such a process operationally, CVF Series VIII and Series IX were subdivided into CVF Series VIII, Series VIII-B, Series IX and Series IX-B respectively wherein the subcategory B shares represented units issued before May 1, 2008.

### RISK FACTORS

The Fund is suitable for investors with a longer-term investment focus and higher risk tolerance as discussed in the Fund's Annual Information Form dated October 21, 2016.

Approximately 84% of the Fund's net assets attributable to holders of redeemable units at July 31, 2017 is held in cash.

The Fund's venture portfolio consists of debt and equity instruments of privately held companies for which there is no readily available exit market. The impact to the portfolio is tighter liquidity and estimation in the valuation process. The process of valuing venture investments for which no published market exists is subject to inherent uncertainties and the resulting values may differ from values which would have been ascribed had a ready market existed for those investments. This is valuation risk as described in the Fund's financial statements.

Investors who purchase LSIFs are required to hold their investment for eight years in order to retain the tax credits that were offered by the provincial and federal governments. If all shareholders were to redeem their shares at the same time, the Fund may need to liquidate investments at lower values than currently ascribed and shareholders may not receive the posted Net Asset Value ("NAV"). In any financial year, the Fund is not obligated to redeem greater than 20% of the NAV of the Fund.

The Fund was closed to new subscriptions after the 2009 RSP season; as such the Fund is dependent upon internal growth of its portfolio in order to meet its investment objectives. In order to help meet the investment objectives of the Fund, certain of the original proceeds of sale of Class A Shares were set aside into long-term bonds which matured in 2016. Even at maturity, there is no guarantee that the objective of returning the original subscription price can be met.

## CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

### RESULTS OF OPERATIONS

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The net asset attributable to holders of redeemable shares as at July 31, 2017 was \$7,879. This is further broken down to five Series: Series VII-\$1,520, Series VIII-\$938, Series VIII-B - \$513, Series IX - \$3,635 and Series IX-B - \$1,273. Overall, net assets have decreased by \$6,586 from July 31, 2016. The Fund realized \$6,744 in redemptions over the period as compared to \$4,150 in fiscal 2016. The increase in redemptions corresponds to the expiry of the eight year investment hold period on Class A Shares, Series VIII and Series IX issued before May 2008. In February 2017, Class A Shares Series VIII and Series IX were subdivided into a two new categories to operationally facilitate the processing of units issued before and after May 1, 2008. Units issued before May 1, 2008 are referred to as Series VIII-B and Series IX-B respectively.

In order to address the Fund's capital repayment dates for Series VIII and Series IX shareholders, management is accruing but not collecting fees on these Series in an effort to maintain liquidity within the Fund. To this end, the Manager additionally waived accrued fees through the period from March 3, 2017 to June 2, 2017 totaling \$616 during the year to assist with the objective of returning the original subscription amount to the Series VIII and Series IX shareholders who purchased shares before May 2008. While this will not guarantee that the Fund's objectives will continue to be met, it will help to ensure smooth operations through the course as the time horizon shortens.

The Fund recognized income and realized gains of \$185 during the year along with unrealized losses within the investment portfolio of \$120. Given the waiver of accrued fees during the year, the Fund realized a net recovery of \$158 during the year as compared to a net loss in 2016 of \$10.

Net asset based expenses have decreased in proportion to the decrease in assets under management, however, to the extent that the net assets of the remaining Series within Covington Venture Fund may decline at a faster rate, this Fund's proportionate share of fixed costs may increase.

To that end, the 2017 combined Series' management expense ratio before management fee recovery is 4.52% representing a decrease from the fiscal 2016 management expense ratio before management fee recovery of 5.43%. The decrease in the MER is being driven by the declining distribution services fee which is no longer being charged as of May 2017. See Ratios and Supplemental Data for an exact breakdown by Series.

No new or follow-on venture investments were completed or realized during the year.

### RECENT DEVELOPMENTS

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#### Fund Liquidity

The Fund has liquidity as at July 31, 2017 with \$6,579 or approximately 77% of total assets held in cash. While the Manager continues to work towards the Fund's objectives, there is no guarantee that the objective of returning the original subscription price can be met for the Series VIII and Series XI shareholders who purchased after May 1, 2008. The Manager will continue to work towards fulfilling that objective and will provide further updates throughout calendar 2017.

### RELATED PARTY TRANSACTIONS

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The Manager and Sponsor are deemed to be related parties to the Fund. During the year, the Fund accrued \$142 in Management fees payable to the Manager and \$6 in Sponsor fees payable to the Sponsor. No other fees were paid or payable to related parties except for reimbursement of any expenses on account of the Fund which may have been otherwise paid by the Manager on the Fund's behalf. See Note 9 in the Fund's 2017 audited financial statements.

# COVINGTON VENTURE FUND INC.

## CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

### FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance.

#### FUND'S NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

<b>SERIES VII</b>	<b>Year ended July 31, 2017</b>	Year ended July 31, 2016	Year ended July 31, 2015	Year ended July 31, 2014	Year ended July 31, 2013 <sup>(3)</sup>
Net assets attributable to holders of redeemable units, beginning of year <sup>(1)</sup> <sup>(2)</sup>	\$ 10.00	\$ 8.05	\$ 8.36	\$ 8.50	\$ 8.63
Increase (decrease) from operations:					
Total revenue	0.17	0.35	0.37	0.43	0.34
Total expenses	(0.42)	1.73	(0.32)	(0.36)	(0.30)
Realized gain (loss) on investments	(0.04)	0.03	-	0.02	0.16
Unrealized gain (loss) on investments	(0.12)	(0.23)	(0.45)	(0.31)	(0.32)
Total increase (decrease) from operations <sup>(2)</sup>	(0.40)	1.88	(0.40)	(0.22)	(0.12)
Net assets attributable to holders of redeemable units, end of year <sup>(1)</sup> <sup>(2)</sup>	\$ 9.61	\$ 10.00	\$ 8.05	\$ 8.36	\$ 8.50
<b>SERIES VIII</b>					
Net assets attributable to holders of redeemable units, beginning of year <sup>(1)</sup> <sup>(2)</sup>	\$ 8.94	\$ 9.25	\$ 9.74	\$ 10.03	\$ 10.32
Increase (decrease) from operations:					
Total revenue	0.20	0.38	0.43	0.46	0.41
Total expenses	(0.40)	(0.48)	(0.50)	(0.52)	(0.49)
Realized gain (loss) on investments	(0.02)	0.03	-	0.02	0.16
Unrealized gain (loss) on investments	(0.06)	(0.24)	(0.44)	(0.25)	(0.36)
Total increase (decrease) from operations <sup>(2)</sup>	(0.28)	(0.31)	(0.51)	(0.29)	(0.28)
Net assets attributable to holders of redeemable units, end of year <sup>(1)</sup> <sup>(2)</sup>	\$ 8.57	\$ 8.94	\$ 9.25	\$ 9.74	\$ 10.03
<b>SERIES VIII-B <sup>(4)</sup></b>					
Net assets attributable to holders of redeemable units, beginning of year <sup>(1)</sup> <sup>(2)</sup>	\$ 8.94				
Increase (decrease) from operations <sup>(5)</sup> :					
Total revenue	0.01				
Total expenses	1.82				
Realized gain (loss) on investments	(0.04)				
Unrealized gain (loss) on investments	(0.14)				
Total increase (decrease) from operations <sup>(2)</sup> <sup>(5)</sup>	1.65				
Net assets attributable to holders of redeemable units, end of year <sup>(1)</sup> <sup>(2)</sup>	\$ 9.93				
<b>SERIES IX</b>					
Net assets attributable to holders of redeemable units, beginning of year <sup>(1)</sup> <sup>(2)</sup>	\$ 8.69	\$ 9.05	\$ 9.57	\$ 9.89	\$ 10.21
Increase (decrease) from operations:					
Total revenue	0.18	0.37	0.42	0.45	0.38
Total expenses	(0.38)	(0.52)	(0.53)	(0.54)	(0.53)
Realized gain (loss) on investments	(0.02)	0.03	-	0.02	0.16
Unrealized gain (loss) on investments	(0.07)	(0.24)	(0.39)	(0.22)	(0.29)
Total increase (decrease) from operations <sup>(2)</sup>	(0.29)	(0.36)	(0.50)	(0.29)	(0.28)
Net assets attributable to holders of redeemable units, end of year <sup>(1)</sup> <sup>(2)</sup>	\$ 8.34	\$ 8.69	\$ 9.05	\$ 9.57	\$ 9.89

# COVINGTON VENTURE FUND INC.

## CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

### FUND'S NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS - *Continued*

SERIES IX-B <sup>(4)</sup>	Year ended July 31, 2017
Net assets attributable to holders of redeemable units, beginning of year <sup>(1) (2)</sup>	\$ 8.69
Increase (decrease) from operations <sup>(5)</sup> :	
Total revenue	0.01
Total expenses	2.72
Realized gain (loss) on investments	(0.05)
Unrealized gain (loss) on investments	(0.15)
Total increase (decrease) from operations <sup>(2) (5)</sup>	2.54
Net assets attributable to holders of redeemable units, end of year <sup>(1) (2)</sup>	\$ 9.94

(1) This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the asset value calculated for fund pricing purposes.

(2) Net assets are based on the actual number of shares outstanding as at the stated dates. The increase/(decrease) from operations is based on the weighted average number of shares outstanding over the fiscal period.

(3) Historical figures are based on Canadian GAAP.

(4) In February 2017, CVF Series VIII and Series IX were subdivided into CVF Series VIII, Series VIII-B, Series IX and Series IX-B respectively wherein the subcategory B shares represented units issued before May 1, 2008 while the remainder were issued after such date. Therefore, for prior years' comparative information for (1) Class A Shares, Series VIII-B, see data for Class A Shares, Series VIII and (2) for Class A Shares, Series IX-B comparatives, see data for Class A Shares, Series IX.

(5) This information is from the period February 24, 2017 to July 31, 2017.

### RATIOS AND SUPPLEMENTAL DATA

SERIES VII	Year ended July 31, 2017	Year ended July 31, 2016	Year ended July 31, 2015	Year ended July 31, 2014	Year ended July 31, 2013
Total net assets attributable to holders of redeemable units <sup>(1)</sup>	\$ 1,520	\$ 2,096	\$ 2,657	\$ 3,354	\$ 4,463
Number of shares outstanding	158,173	209,601	330,120	401,356	525,122
Management expense ratio <sup>(2)</sup>	4.26%	-20.93%	3.91%	3.84%	3.48%
Management expense ratio before IPA <sup>(2)</sup>	4.26%	-20.93%	3.91%	3.84%	3.63%
Management expense ratio before management fee recovery <sup>(2)</sup>	4.67%	3.81%	3.91%	3.84%	3.63%
Portfolio turnover rate <sup>(3)</sup>	-	-	-	-	18.99%
Trading expense ratio <sup>(4)</sup>	-	-	-	-	-
Net assets attributable to holders of redeemable units per unit	\$ 9.61	\$ 10.00	\$ 8.05	\$ 8.36	\$ 8.50
<b>SERIES VIII</b>					
Total net assets attributable to holders of redeemable units <sup>(1)</sup>	\$ 938	\$ 3,019	\$ 3,827	\$ 4,058	\$ 4,238
Number of shares outstanding	109,455	377,783	413,875	416,664	422,353
Management expense ratio <sup>(2)</sup>	4.47%	5.25%	5.30%	5.18%	4.79%
Management expense ratio before IPA <sup>(2)</sup>	4.47%	5.25%	5.30%	5.18%	4.91%
Management expense ratio before management fee recovery <sup>(2)</sup>	4.47%	5.25%	5.30%	5.18%	4.91%
Portfolio turnover rate <sup>(3)</sup>	-	-	-	-	18.99%
Trading expense ratio <sup>(4)</sup>	-	-	-	-	-
Net assets attributable to holders of redeemable units per unit	\$ 8.57	\$ 8.94	\$ 9.25	\$ 9.74	\$ 10.03

**CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B**

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

**RATIOS AND SUPPLEMENTAL DATA - Continued**

<b>SERIES VIII-B (5)</b>	<b>Year ended July 31, 2017</b>	Year ended July 31, 2016	Year ended July 31, 2015	Year ended July 31, 2014	Year ended July 31, 2013
Total net assets attributable to holders of redeemable units (1)	\$ 513				
Number of shares outstanding	51,650				
Management expense ratio (2)	-18.73%				
Management expense ratio before IPA (2)	-18.73%				
Management expense ratio before management fee recovery (2)	5.10%				
Portfolio turnover rate (3)	-				
Trading expense ratio (4)	-				
Net assets attributable to holders of redeemable units per unit	\$ 9.93				

**SERIES IX**

	Year ended July 31, 2017	Year ended July 31, 2016	Year ended July 31, 2015	Year ended July 31, 2014	Year ended July 31, 2013
Total net assets attributable to holders of redeemable units (1)	\$ 3,635	\$ 9,350	\$ 12,141	\$ 12,931	\$ 13,549
Number of shares outstanding	435,852	1,076,089	1,341,892	1,351,290	1,369,763
Management expense ratio (2)	4.44%	5.85%	5.71%	5.54%	5.18%
Management expense ratio before IPA (2)	4.44%	5.85%	5.71%	5.54%	5.31%
Management expense ratio before management fee recovery (2)	4.44%	5.85%	5.71%	5.54%	5.31%
Portfolio turnover rate (3)	-	-	-	-	18.99%
Trading expense ratio (4)	-	-	-	-	-
Net assets attributable to holders of redeemable units per unit	\$ 8.34	\$ 8.69	\$ 9.05	\$ 9.57	\$ 9.89

**SERIES IX-B (5)**

Total net assets attributable to holders of redeemable units (1)	\$ 1,273
Number of shares outstanding	128,082
Management expense ratio (2)	-29.43%
Management expense ratio before IPA (2)	-29.43%
Management expense ratio before management fee recovery (2)	4.55%
Portfolio turnover rate (3)	-
Trading expense ratio (4)	-
Net assets attributable to holders of redeemable units per unit	\$ 9.94

(1) This information is provided as at July 31 of the years shown.

(2) Management expense ratio includes all fees, expenses, capital taxes, and HST and the Manager's contingent IPA and is expressed as an annualized percentage of the average net assets administered during the period. IPA is the determination of the bonus that would be payable to the Manager if the Fund were to dispose of its venture investment at its carrying value as at the dates shown. The Manager is entitled to this bonus only upon realization of certain conditions as outlined in the Fund's prospectus and/or annual information form.

(3) The Fund's portfolio turnover rate indicates how active the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) In February 2017, CVF Series VIII and Series IX were subdivided into CVF Series VIII, Series VIII-B, Series IX and Series IX-B respectively wherein the subcategory B shares represented units issued before May 1, 2008 while the remainder were issued after such date. Therefore, for prior years' comparative information for (1) Class A Shares, Series VIII-B, see data for Class A Shares, Series VIII and (2) for Class A Shares, Series IX-B comparatives, see data for Class A Shares, Series IX.

**CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B**

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

**MANAGEMENT FEES**

The Manager is responsible for directing the business, operations and affairs of the Fund and for implementing the investment strategy, monitoring the Fund’s investments and providing management assistance to portfolio companies. Because the portfolio companies of the Fund are generally small in size and at an earlier stage of development relative to conventional mutual funds, the Fund requires a greater level of management involvement in the analysis, monitoring support and development activities.

The Manager uses its management fees to finance its operations as follows: 95% for general administration over the affairs of the Fund including implementation of the Fund’s investment strategy, portfolio management and monitoring, retaining and supervising service providers and managing the overall business affairs of the Fund; and 5% for the implementation of communications, sales, marketing, and distribution strategies of the Fund. Over time, the allocation of management resources has increased for Fund investment and portfolio management relative to sales, markets, and distribution.

The Fund pays annual fees of 1.25% of the net asset value of the Fund for these management fees.

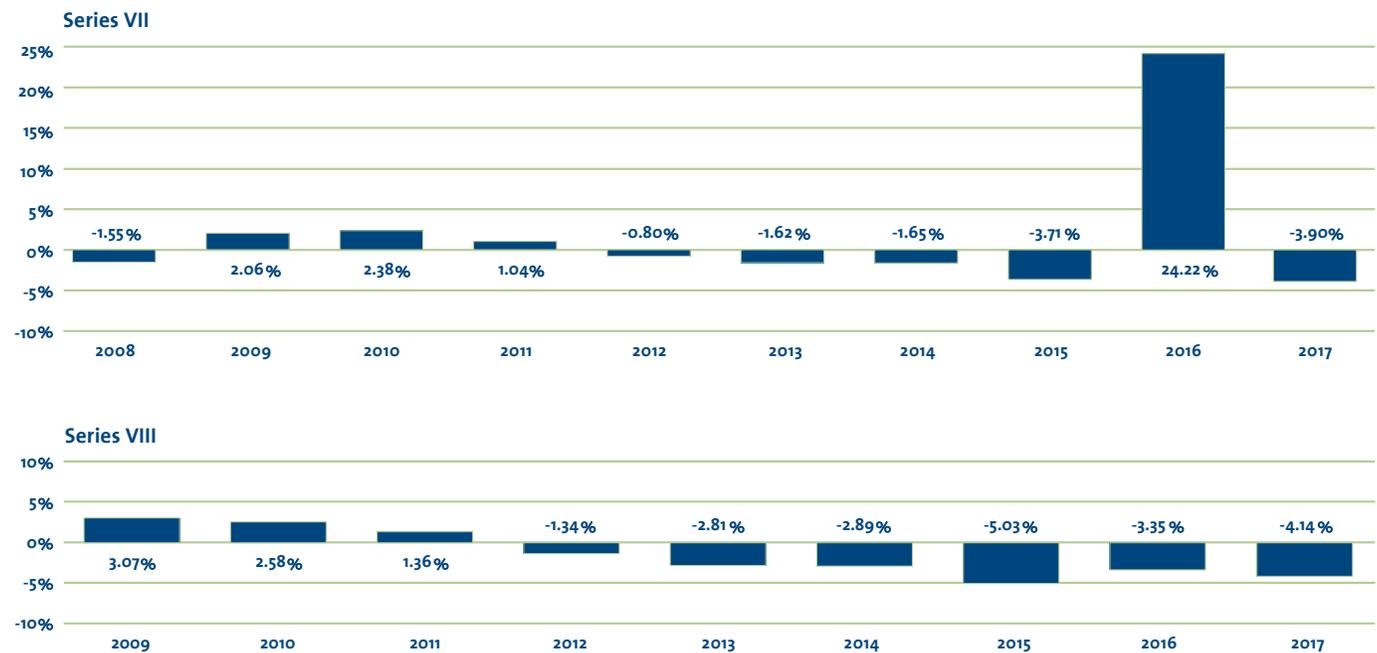
The Fund’s MER consists of all of its operating expenses, including sales commissions, certain ongoing marketing costs of the Fund, audit and legal expenses, fees paid to any independent valuator, IPA (if any), and certain consultancy costs. The largest component of the MER are fees that are calculated as a percentage of the NAV of the Fund and these fees are the Management fees, the Dealer Service fees, the Sponsor’s fees and the Transfer Agent’s fees. For a summary of these fees, please see Note 8 to the Fund’s audited financial statements.

**PAST PERFORMANCE**

The performance information shown does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. The Series’ past performance is no guarantee of how it will perform in the future.

**Year by Year Non-Cumulative Returns**

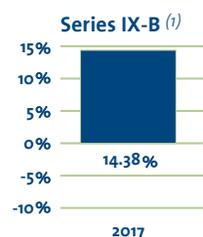
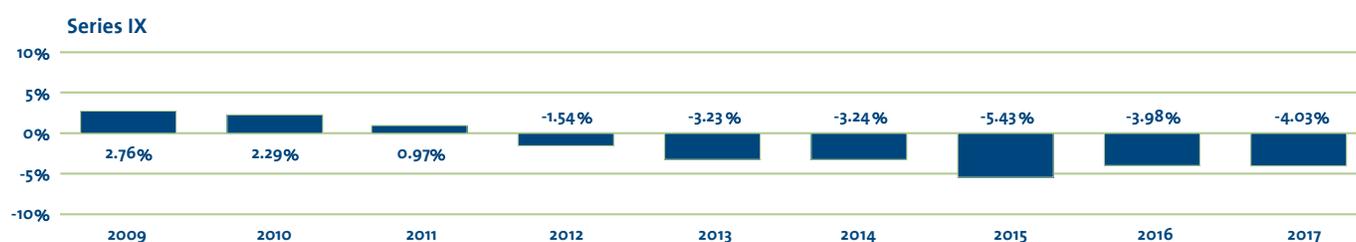
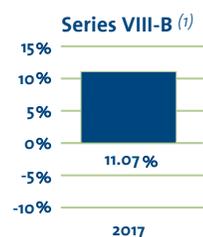
The following chart shows how the performance of each series of Class A Shares of the Fund has varied year to year. It also shows, in percentage terms, how an investment made in the Fund would have increased or decreased over the Fund’s reporting period.



CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

PAST PERFORMANCE - Continued



(1) In February 2017, CVF Series VIII and Series IX were subdivided into CVF Series VIII, Series VIII-B, Series IX and Series IX-B respectively wherein the subcategory B shares represented units issued before May 1, 2008 while the remainder were issued after such date. Therefore, for prior years' comparative information for (1) Class A Shares, Series VIII-B, see data for Class A Shares, Series VIII and (2) for Class A Shares, Series IX-B comparatives, see data for Class A Shares, Series IX.

Annual Compound Returns

The table below summarizes the Fund's past performance for the five, three and one year periods ended July 31 of the periods indicated. As a basis of comparison, we have provided the Retail Venture Capital Index as posted on [www.globefund.com](http://www.globefund.com) as of July 31, 2017.

The retail Venture Capital Index is the most representative broad-based securities market index as it accumulates all the Ontario based LSIFs.

Compound Returns	Series VII	Series VIII	Series VIII-B	Series IX	Series IX-B	Retail Venture Capital Peer Index*	BMO Nesbitt Burns Cdn Small Cap Index**
1 Year	-3.90%	-4.14%	11.07%	-4.03%	14.38%	-3.84%	4.83%
3 Years	4.75%	-4.17%	0.65%	-4.48%	1.27%	-3.25%	0.14%
5 Years	2.17%	-3.65%	-0.77%	-3.96%	-0.53%	-1.36%	13.16%
10 Years	0.68%	***	***	***	***	-0.33%	13.27%
Since Inception	-0.29%	-1.64%	-0.08%	-1.93%	-0.06%	***	***

\* Source: [globefund.com](http://globefund.com)

\*\* The inclusion of the BMO Nesbitt Burns Cdn Small Cap Index is only intended to give perspective to general market activity.

\*\*\* This has not been included because there is no comparable index quotation for the same period.

## COVINGTON VENTURE FUND INC.

### CLASS A SHARES, SERIES VII, VIII, VIII-B, IX, IX-B

[in \$ thousands of Canadian dollars except for per share amounts, number of shares and percentages]

#### SUMMARY OF INVESTMENT PORTFOLIO

Below is a summary of the Fund's portfolio as at July 31, 2017. This is a summary only and may change due to ongoing portfolio activity in the Fund. See the Statement of Investment Portfolio in the financial statements for a complete listing. An update is available quarterly on Covington's website at [www.covingtonfunds.com](http://www.covingtonfunds.com).

Stage of development	Number of companies	Cost of investments \$	% Total venture investments at cost %	Fair value of investments \$	% Total venture investments at fair value %
Start-Up/Early	1	815	29.2	-	-
Expansion	1	1,975	70.8	1,975	100.0
	2	2,790	100.0	1,975	100.0
<b>Industry class</b>					
Manufacturing	1	1,975	70.8	1,975	100.0
Technology	1	815	29.2	-	-
	2	2,790	100.0	1,975	100.0
<b>Composition of net assets</b>				<b>Fair value of investments \$</b>	<b>% of net assets %</b>
Cash and other assets, net of liabilities				5,904	74.9
Venture investments				1,975	25.1
<b>Net assets</b>				<b>7,879</b>	<b>100.0</b>

#### TOP HOLDINGS <sup>(1)</sup>

	Debt at cost \$	Equity at cost \$	Total at cost \$
<b>Venture investments</b>			
Mist Mobility Integrated Systems Technology Inc.	1,975	-	1,975
WireE Holdings International Inc.	-	815	815

<sup>(1)</sup> Excluding cash

**Fund Symbols\***

Series VII CIG462  
Series VIII CIG465  
Series VIII-B CIG465  
Series IX CIG466  
Series IX-B CIG466

*\* All Series closed to new purchases*

**Fund Manager  
and Advisor****Covington Capital Corporation**

36 Distillery Lane, Suite 440  
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**Sponsor****Canadian Federal Pilots Association**

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