Covington
Capital Corporation

2014 | Annual Report

Covington Venture Fund Inc.

Series VI

Series VII
Series VIII
Series IX

For The Year Ended July 31, 2014

TABLE OF CONTENTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Covington Venture Fund Inc. (the "Fund") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles using information available to October 29, 2014 and management's best estimates and judgments.

Management has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

The Board of Directors discharges its duties to the financial statements primarily through the activities of its Audit and Valuation Committee (the "Committee"), which is composed of members of the Board of Directors. The Committee has responsibility for approving the Fund's Net Asset Values as calculated by management in accordance with the Fund's valuation policies as well as meeting with management and the external auditors to review both the financial statements and the results of the audit examination. The external auditors have unrestricted access to the Committee. The Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or re-appointment of the external auditors.

These financial statements have been approved by the Board of Directors and have been audited by Ernst & Young LLP, Chartered Professional Accountants and Licensed Public Accountants on behalf of the shareholders. The independent auditors' report outlines the scope of their audit and their opinion on the financial statements.

Scott Clark

Scott D. Clark
President & CEO,
Covington Capital Corporation

L Low

Lisa Low
Chief Financial Officer,
Covington Capital Corporation

INDEPENDENT AUDITORS' REPORT

To the Class A Shareholders of:

Covington Venture Fund Inc. Series VI
Covington Venture Fund Inc. Series VII, VIII, IX
(collectively, the "Fund's Series")

We have audited the accompanying financial statements of each of the Fund's Series, which comprise the statement of investment portfolio as at July 31, 2014, the statements of financial position as at July 31, 2014 and 2013, and the statements of operations, changes in net assets and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Fund's Series as at July 31, 2014 and 2013, and the results of each of their operations, each of their changes in net assets and each of their cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
October 29, 2014

STATEMENTS OF FINANCIAL POSITION

[in $ thousands except per share amounts and number of shares]

As at July 31,	2014 $	2013 $
ASSETS AND LIABILITIES		
Assets		
Cash	**181**	729
Marketable securities, at fair value	**5,426**	7,143
Venture investments, at fair value	**2,034**	2,307
	7,641	10,179
Liabilities		
Accounts payable and accrued liabilities [Note 7]	**3,991**	4,824
Redemptions payable	**-**	10
	3,991	4,834
Net assets, at fair value	**3,650**	5,345
Class A Shares outstanding [Note 4]	**495,861**	656,865
Net assets, per Class A Share [Note 3]	**$ 7.36**	$ 8.14

On behalf of the Board of Directors:

Philip Reddon
Director

John R. Mott
Director

See accompanying notes.

STATEMENTS OF OPERATIONS

[in $ thousands except per share amounts]

For the years ended July 31,		2014 $		2013 $
INCOME				
Accretion of discount on zero-coupon bond		**266**		353
		266		353
EXPENSES				
Investment advisory fees [Note 6]		**89**		129
Management fees [Note 6]		**56**		80
Audit fees		**55**		53
Harmonized Sales Tax		**36**		47
Shareholders' communication, marketing, administration and other		**30**		34
Transfer agent fees [Note 6]		**25**		39
Dealer service fees [Note 6]		**20**		31
Custodian fees		**10**		10
Sponsor's fees [Note 6]		**9**		15
Directors' fees		**6**		6
Independent Review Committee		**4**		2
Legal fees		**3**		1
		343		447
Loss for the year		**(77)**		(94)
Realized and unrealized gain/(loss) on investments				
Realized gain on sale of investments		**107**		207
Change in unrealized depreciation of marketable securities		**(192)**		(555)
Change in unrealized appreciation/(depreciation) of venture investments		**(273)**		83
Realized and unrealized loss on investments		**(358)**		(265)
Results of operations for the year		**(435)**		(359)
Results of operations for the year per Class A Share (based on weighted average number of shares outstanding)	**$**	**(0.76)**	$	(0.46)

See accompanying notes.

STATEMENTS OF CHANGES IN NET ASSETS

[in $ thousands]

For the years ended July 31,	2014 $	2013 $
Net assets, beginning of year	**5,345**	7,781
INVESTMENT ACTIVITIES		
Results of operations for the year	**(435)**	(359)
CAPITAL TRANSACTIONS		
Class A Shares, Series VI		
Amounts paid for Class A Shares, Series VI redeemed	**(1,260)**	(2,077)
Net assets, end of year	**3,650**	5,345
Realized gain on sale of investments		
Marketable securities		
Bonds, at amortized cost, beginning of year	**6,678**	8,886
Accretion of discount	**266**	353
Bonds purchased during the year	**-**	-
	6,944	9,239
Bonds, at amortized cost, end of year	**5,153**	6,678
Amortized cost of bonds sold	**1,791**	2,561
Proceeds from sale of bonds	**1,898**	2,768
Realized gain on sale of marketable securities	**107**	207
Venture investments		
Venture investments, at cost, beginning of year	**3,000**	3,000
Venture investments purchased during the year	**-**	-
	3,000	3,000
Venture investments, at cost, end of year	**3,000**	3,000
Cost of venture investments sold	**-**	-
Proceeds from sale of venture investments	**-**	-
Realized gain on sale of venture investments	**-**	-
Realized gain on sale of investments	**107**	207

See accompanying notes.

STATEMENTS OF CASH FLOWS

[in $ thousands]

For the years ended July 31,	2014 $	2013 $
Operating activities		
Results of operations for the year	**(435)**	(359)
Items not affecting cash:		
Accretion of bond interest	**(266)**	(353)
Realized gain on sale of investments	**(107)**	(207)
Change in unrealized depreciation of investments	**465**	472
Net change in non-cash working capital:		
Change in other assets and liabilities	**(833)**	244
	(1,176)	(203)
Financing activities		
Amounts paid for Class A Shares, Series VI redeemed	**(1,270)**	(2,083)
Investing activities		
Proceeds from sale of bonds	**1,898**	2,768
Increase/(decrease) in cash during the year	**(548)**	482
Cash, beginning of year	**729**	247
Cash, end of year	**181**	729

See accompanying notes.

STATEMENT OF INVESTMENT PORTFOLIO

[in $ thousands except number of shares [or par value $]]

As at July 31, 2014

Marketable securities

Par Value $	Issuer	Coupon Rate %	Maturity Date	Amortized Cost $	Fair Value $
Bonds					
5,520,000	Farm Credit Canada	Zero Coupon	December 15, 2015	5,153	5,426
Total marketable securities				**5,153**	**5,426**

Venture investments

Investee companies*	Number of shares	Equity at cost $	Total $
Ivey CSBIF I Inc., Class A	150,000	1,500	1,500
Ivey CSBIF II Inc., Class A	150,000	1,500	1,500
Total venture investments, at cost		3,000	**3,000**
Unrealized depreciation of venture investments			(966)
Venture investments, at fair value			**2,034**
Total investments, at fair value			**7,460**
Other assets, net of liabilities			(3,810)
Net assets, at fair value			**3,650**

* *Series VI has invested solely in community small business investment funds. The underlying investments within these funds are in the expansion stage of their development.*

See accompanying notes.

STATEMENTS OF FINANCIAL POSITION

[in $ thousands except per share amounts and number of shares]

As at July 31,	2014 $	2013 $
ASSETS AND LIABILITIES		
Assets		
Cash	**1,589**	273
Marketable securities, at fair value	**15,365**	18,352
Venture investments, at fair value	**3,769**	4,035
Accrued interest receivable	**1**	1
	20,724	22,661
Liabilities		
Accounts payable and accrued liabilities	**305**	318
Contingent incentive participation amount payable [Note 6]	**77**	77
Redemptions payable	**-**	17
	382	412
Net assets, at fair value	**20,342**	22,249

	2014	2013
Net assets, at fair value per Series		
Series VII	**$ 3,354**	$ 4,463
Series VIII	**$ 4,058**	$ 4,238
Series IX	**$ 12,930**	$ 13,548
Class A Shares outstanding [Note 4]		
Series VII	**401,356**	525,122
Series VIII	**416,664**	422,353
Series IX	**1,351,290**	1,369,763
Net assets, per Class A Share [Note 3]		
Series VII	**$ 8.36**	$ 8.50
Series VIII	**$ 9.74**	$ 10.03
Series IX	**$ 9.57**	$ 9.89

On behalf of the Board of Directors:

Philip Reddon
Director

John R. Mott
Director

See accompanying notes.

STATEMENTS OF OPERATIONS

[in $ thousands except per share amounts]

For the years ended July 31,		2014 $		2013 $
INCOME				
Accretion of discount on zero-coupon bond		**746**		765
Interest on marketable securities		**3**		31
Interest on venture securities		**105**		123
Interest income [Note 7]		**141**		23
		995		942
EXPENSES				
Distribution service fees [Note 6]		**302**		305
Management fees [Note 6]		**268**		295
Transfer agent fees [Note 6]		**129**		143
Harmonized Sales Tax		**118**		115
Audit fees		**115**		115
Shareholders' communication, marketing, administration and other		**63**		69
Dealer service fees [Note 6]		**41**		46
Directors' fees		**30**		21
Independent Review Committee		**16**		8
Sponsor's fees [Note 6]		**10**		12
Custodian fees		**10**		10
Legal fees		**5**		10
Contingent incentive participation amount [Note 6]		**-**		(28)
		1,107		1,121
Loss for the year		**(112)**		(179)
Realized and unrealized gain/(loss) on investments				
Realized gain on sale of investments		**38**		396
Change in unrealized depreciation of marketable securities		**(280)**		(848)
Change in unrealized depreciation of venture investments		**(266)**		-
Realized and unrealized loss on investments		**(508)**		(452)
Results of operations for the year		**(620)**		(631)
Results of operations for the year per Series:				
Series VII	**$**	**(102)**	$	(126)
Series VIII	**$**	**(124)**	$	(120)
Series IX	**$**	**(394)**	$	(385)
Results of operations for the year per Class A Share (based on weighted average number of shares outstanding)				
Series VII	**$**	**(0.22)**	$	(0.12)
Series VIII	**$**	**(0.29)**	$	(0.28)
Series IX	**$**	**(0.29)**	$	(0.28)

See accompanying notes.

STATEMENTS OF CHANGES IN NET ASSETS

[in $ thousands]

For the years ended July 31,	2014 $	2013 $
Net assets, beginning of year	**22,249**	25,034
INVESTMENT ACTIVITIES		
Results of operations for the year	**(620)**	(631)
CAPITAL TRANSACTIONS		
Class A Shares, Series VII		
Amounts paid for Class A Shares, Series VII redeemed	**(1,049)**	(1,988)
Class A Shares, Series VIII		
Amounts paid for Class A Shares, Series VIII redeemed	**(57)**	(38)
Class A Shares, Series IX		
Amounts paid for Class A Shares, Series IX redeemed	**(181)**	(128)
Net assets, end of year	**20,342**	22,249
Realized gain/(loss) on sale of investments		
Marketable securities		
Bonds, at amortized cost, beginning of year	**14,160**	17,573
Accretion of discount	**746**	765
Bonds purchased during the year	**-**	-
	14,906	18,338
Bonds, at amortized cost, end of year	**14,451**	14,160
Amortized cost of bonds sold	**455**	4,178
Proceeds from sale of bonds	**493**	4,700
Realized gain on sale of marketable securities	**38**	522
Venture investments		
Venture investments, at cost, beginning of year	**4,035**	4,790
Venture investments purchased during the year	**-**	815
Venture investments repaid during the year	**-**	(620)
	4,035	4,985
Venture investments, at cost, end of year	**4,035**	4,035
Cost of venture investments sold	**-**	950
Proceeds from sale of venture investments	**-**	824
Realized loss on sale of venture investments	**-**	(126)
Realized gain on sale of investments	**38**	396

See accompanying notes.

STATEMENTS OF CASH FLOWS

[in $ thousands]

For the years ended July 31,	2014 $	2013 $
Operating activities		
Results of operations for the year	**(620)**	(631)
Items not affecting cash:		
Accretion of bond interest	**(746)**	(765)
Realized gain on sale of investments	**(38)**	(396)
Change in unrealized depreciation of investments	**546**	848
Net change in non-cash working capital:		
Change in other assets and liabilities	**(13)**	-
	(871)	(944)
Financing activities		
Amounts paid for Class A Shares, Series VII, VIII, IX redeemed	**(1,304)**	(2,142)
Investing activities		
Advance of loan	**(2,000)**	(1,500)
Purchase of short-term investments	**(999)**	(2,998)
Proceeds from repayment of loan	**2,000**	1,500
Proceeds from sale of short-term investments	**3,997**	-
Proceeds from sale of bonds	**493**	4,700
Proceeds from sale of venture investments	**-**	9
Proceeds from repayment of venture investments	**-**	620
	3,491	2,331
Increase/(decrease) in cash during the year	**1,316**	(755)
Cash, beginning of year	**273**	1,028
Cash, end of year	**1,589**	273
Non-monetary transactions [Note 8]		
Securities received from debt financing and share exchange	**-**	815
Proceeds from share exchange	**-**	815

See accompanying notes.

STATEMENT OF INVESTMENT PORTFOLIO

[in $ thousands except number of shares [or par value $]]

As at July 31, 2014

Marketable securities

Par Value $	Issuer	Coupon Rate %	Maturity Date	Amortized Cost $	Fair Value $
Bonds					
3,305,123	Nova Gas Transmission Ltd.	Residual	February 28, 2016	3,001	3,196
3,848,594	Loblaw Companies Ltd.	Residual	June 1, 2016	3,443	3,703
8,911,508	Royal Bank of Canada	Zero Coupon	December 30, 2016	8,007	8,466
Total marketable securities				**14,451**	**15,365**

Venture investments

Investee companies	Number of shares (or par value $)	Debt at cost $	Equity at cost $	Total $
bitHeads Inc., Class B Preferred	411,327	-	45	45
Fidelity PAC Metals Ltd., Secured Debenture, 9.5%, due December 31, 2014	$1,200,000	1,200	-	1,200
Mist Mobility Integrated Systems Technology Inc., Demand Promissory Note, 12%	$1,975,000	1,975	-	1,975
WireIE Holdings International Inc., Common	2,559,705	-	815	815
Total venture investments, at cost		3,175	860	**4,035**
Unrealized depreciation of venture investments				(266)
Venture investments, at fair value				**3,769**
Total investments, at fair value				**19,134**
Other assets, net of liabilities				1,208
Net assets, at fair value				**20,342**

See accompanying notes.

STATEMENT OF INVESTMENT PORTFOLIO [Cont'd]

[in $ thousands except number of companies and percentages]

As at July 31, 2014

	Number of companies	Cost of investments $	% Total venture investments at cost %	Fair value of investments $	% Total venture investments at fair value %
Stage of Development					
Start-up / Early	1	815	20.2	549	14.6
Expansion	3	3,220	79.8	3,220	85.4
	4	**4,035**	**100.0**	**3,769**	**100.0**
Industry Class					
Distribution	1	1,200	29.7	1,200	31.8
Manufacturing	1	1,975	49.0	1,975	52.4
Technology	2	860	21.3	594	15.8
	4	**4,035**	**100.0**	**3,769**	**100.0**

As at July 31, 2013

	Number of companies	Cost of investments $	% Total venture investments at cost %	Fair value of investments $	% Total venture investments at fair value %
Stage of Development					
Start-up / Early	1	815	20.2	815	20.2
Expansion	3	3,220	79.8	3,220	79.8
	4	**4,035**	**100.0**	**4,035**	**100.0**
Industry Class					
Distribution	1	1,200	29.7	1,200	29.7
Manufacturing	1	1,975	49.0	1,975	49.0
Technology	2	860	21.3	860	21.3
	4	**4,035**	**100.0**	**4,035**	**100.0**

See accompanying notes.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

1. CORPORATE STATUS AND ACTIVITIES

Covington Venture Fund Inc. ("CVF" or the "Fund") is registered as both a labour-sponsored investment fund corporation ("LSIF") under the Community Small Business Investment Funds Act (Ontario) (the "Ontario Act") and a Labour Sponsored Venture Capital Corporation ("LSVCC") under the Income Tax Act (Canada) (the "Tax Act").

On January 6, 2006, the following funds amalgamated to form CVF pursuant to articles of amalgamation: (a) Triax Growth Fund Inc.; (b) New Millennium Venture Fund Inc.; (c) E2 Venture Fund Inc.; (d) Capital First Venture Fund Inc.; (e) New Generation Biotech (Balanced) Fund Inc.; and (f) Venture Partners Balanced Fund Inc. (collectively, the funds are known as the "Original Funds").

On May 16, 2014, the Fund completed the enbloc sale of the portfolio assets attributable to CVF Series I, II, III, IV, V (the "affected Series"). The shares of the affected Series were redeemed. Consequently, there are no remaining issued and outstanding shares for CVF Series I, II, III, IV, V.

The Fund currently consists of two groupings: CVF Series VI and CVF Series VII, VIII, IX. Each group represents a separate portfolio of assets under National Instrument 81-106 ("NI 81-106") which governs Investment Fund Continuous Disclosure requirements and therefore, are considered to be separate investment funds for financial statement reporting purposes.

The Fund is currently closed to new subscriptions.

The Manager of the Fund is Covington Capital Corporation (the "Manager"). The administrator of the Fund is CI Investments Inc. (the "Administrator"). The Fund is sponsored by the Canadian Federal Pilots Association (the "Sponsor").

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

Valuation of investments

The net assets of an investment fund for financial reporting purposes ("Net Assets") are required to be reported at fair value in accordance with the Canadian Institute of Chartered Accountant Handbook Section 3855 "Financial Instruments – Recognition and Measurement" ("Section 3855"). The fair value of investments as at the financial reporting date are determined as follows:

(a) Marketable securities

Short-term investments maturing in less than 365 days from acquisition are classified as held for trading and are valued at closing bid prices.

Bonds are also classified as held for trading and are valued on the basis of closing bid prices. The difference between the fair value and the average cost of the bonds is recorded as unrealized appreciation (depreciation) of marketable securities.

(b) Zero-coupon bonds

Zero-coupon bonds having quoted market values or which are publicly traded on a recognized stock exchange are valued at closing bid prices. Zero-coupon bonds that are thinly traded or do not have quoted market values are valued using valuation models determined by third-party pricing sources. These bonds are classified as held for trading. The difference between fair value and the amortized cost is recorded as unrealized appreciation (depreciation) of marketable securities. The discount relating to the zero-coupon bonds is recognized on a straight-line basis into income over the life of the respective bond.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

(c) Venture investments

The Fund's venture portfolio is classified as held for trading.

Venture investments having quoted market values and which are publicly traded on a recognized stock exchange, and are not otherwise restricted or thinly-traded securities are valued based on closing bid prices. If no bid price is reported, the most recent closing price is used.

Venture investments for which no quoted market value exists, or venture investments in restricted or thinly-traded securities, are recorded at estimated fair value. The fair values of the investments are determined by the Manager using an appropriate valuation methodology after considering the following: the history and nature of the business; operating results and financial conditions; the general economic, industry and market conditions; capital market and transaction market conditions; independent valuations of the business; contractual rights relating to the investment; comparable company trading and transaction multiples, where applicable, and other pertinent considerations.

For warrants that are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants are valued at intrinsic value, which is equal to the higher of the closing bid price of the underlying security less the exercise price of the warrant, or nil.

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 that would have been used had a ready market existed for those investments.

The Canadian Securities Administrators have issued NI 81-106, which requires the Fund's financial statements to be prepared in accordance with GAAP. While Section 3855 defines specific measurement parameters for fair valuation of financial instruments that are traded in active markets, NI 81-106 allows weekly net asset values of investment funds to be calculated using the fair value of the fund's assets and liabilities. NI 81-106 has been amended to allow the weekly Net Asset Value ("NAV") of an investment fund to be calculated in a manner that is not in accordance with GAAP for other than financial statement purposes. The adoption of Section 3855 therefore results in a different valuation method for determining the Fund's net assets as described in the Fund's valuation methodologies above. Consequently, the Fund has applied Section 3855 for financial statement reporting purposes only.

NI 81-106 Section 14.2 requires investment funds to calculate weekly NAV for the purchase and redemption of units based on the fair value of the investment fund's assets and liabilities. The fair value of investments for the purpose of calculating weekly NAV is determined as follows:

For short-term investments, bonds, zero-coupon bonds and venture investments having quoted market values and that are publicly traded on a recognized stock exchange and are not otherwise restricted or thinly traded, the most recent closing price is used. All other financial instruments are valued as otherwise stated.

A reconciliation between the net asset value calculated in accordance with GAAP (referred to as "Net Assets" or "net assets for GAAP purposes") and the price used for subscriptions and redemptions (referred to as "Net Asset Value" or "net assets for pricing purposes") is provided in Note 3 to the financial statements.

Section 3855 also requires that transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities be charged to net income in the period. The Fund expenses these transaction costs as disclosed in Note 6.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

2. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Accounts receivable, other assets and liabilities

Other assets, such as accounts receivable, receivables for venture investments sold and income receivables, are classified as receivables and are recorded at cost or amortized cost, which approximates fair value. Other liabilities such as accounts payable and accrued liabilities, accrued expenses and incentive participation amounts payable are classified as other financial liabilities and recorded at cost or amortized cost, which approximates fair value.

Income recognition and security holder transactions

Interest and other income are recorded on an accrual basis. Dividend income is recognized on the ex-dividend date. Investment transactions are accounted for on a trade date basis and gains and losses from such transactions are calculated based on average cost. Net realized and unrealized gains (losses) on investments include the related foreign exchange gains and losses.

Foreign currency translation

The Fund may hold certain venture investments where the original purchase price was stated in US dollars. If so, the cost is converted to Canadian dollars at the exchange rate in effect at the time of purchase and this amount becomes the historical cost of the investment. When a venture investment is purchased in US dollars, the fair value of these investments is adjusted weekly for the change in the exchange rate.

Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

3. RECONCILIATION OF NET ASSETS

The Net Assets per Class A Share is reconciled between net assets for GAAP purposes and net asset value for pricing purposes arising from the adoption of Section 3855 as described in Note 2.

July 31, 2014 **$ per share**	**Series VI**	**Series VII**	**Series VIII**	**Series IX**
Net asset value per Class A Share for pricing purposes	7.37	8.36	9.74	9.57
Section 3855 Adjustment	(0.01)	-	-	-
Net assets per Class A Share for GAAP purposes	7.36	8.36	9.74	9.57

July 31, 2013 **$ per share**	**Series VI**	**Series VII**	**Series VIII**	**Series IX**
Net asset value per Class A Share for pricing purposes	8.14	8.50	10.03	9.89
Section 3855 Adjustment	-	-	-	-
Net assets per Class A Share for GAAP purposes	8.14	8.50	10.03	9.89

July 31, 2014

[in $ thousands except per share amounts and number of shares]

4. SHAREHOLDER'S EQUITY

Class A Shares issued and outstanding represent the capital of each Series. Each Series is authorized to issue an unlimited number of Class A Shares in an unlimited number of series. Generally, each Series has specific capital requirements and restrictions as outlined in the Fund's annual information form.

The Fund is registered as both an LSIF under the Ontario Act and an LSVCC under the Tax Act. Under these Acts, the Fund is required to invest a portion of capital raised in eligible small and medium sized Canadian businesses. Companies of this size tend to be privately owned and are characterized as having less than $50 million in assets and fewer than 500 employees. The investment restrictions, if not adhered to, could have negative impacts as the Fund could be levied with penalty taxes and ultimately, the Fund could have its LSIF status revoked. As at December 31, 2013, the compliance filing deadline under the Acts, the Fund was in compliance with all of these restrictions under both the Ontario and Tax Acts.

The statements of changes in net assets identify changes in each Series' capital during the period. The Manager manages the capital of the Series in accordance with each Series' investment objectives, including managing their liquidity in order to meet redemptions.

The following is a description of the authorized and issued shares:

Authorized

Unlimited Class A Shares, issuable from treasury, discretionary dividend entitlement, voting, restrictions on transfer and redemption and entitled to elect one director.

Unlimited Class B Shares, issuable to the Sponsor, no dividend entitlement, voting, entitled to elect all but one director.

Class A Share subscriptions

The Class A Shares of the Fund are no longer offered for subscription to the investors. The Fund may recommence offering these shares at any time the Fund deems appropriate.

Class A Share redemptions

A shareholder may redeem all or part of the Class A Shares held at the Net Asset Value per Class A Share, subject to certain restrictions. One of these restrictions is that the Fund is not required to redeem Class A Shares, in any financial year having an aggregate redemption price exceeding 20% of the Net Asset Value of the Fund as at the last day of the preceding fiscal year.

The Fund cannot guarantee that it will be able to honour all redemption requests on the day in which they are made. Some of the Fund's investments are held in non-liquid securities. As such, if all shareholders were to redeem their shares at the same time, the Fund may need to liquidate these investments at lower values than currently ascribed and shareholders may not receive the NAV ascribed. The redemption of Class A Shares may be suspended in certain circumstances as permitted by applicable securities law.

For CVF Class A Shares, Series VII and VIII, a redemption fee in the amount of up to 6% of the original issue price calculated as 0.75% of the original issue price times the number of years remaining until the eighth anniversary of the date of issue is charged by the Fund.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

4. SHAREHOLDER'S EQUITY *(Cont'd)*

For CVF Class A Shares, Series IX, a redemption fee is charged by the Fund in the amount of up to 10% of the original issue price calculated as 1.25% of the original issue price times the number of years remaining until the eighth anniversary of the date of issue.

As of July 31, 2014, only Series VIII and Series IX are paying distribution service fees.

The following shares were issued and redeemed during the years indicated:

July 31, 2014	**Series VI**	**Series VII**	**Series VIII**	**Series IX**
Class A Shares				
Balance, beginning of year	656,865	525,122	422,353	1,369,763
Redeemed during the year	(161,004)	(123,766)	(5,689)	(18,473)
Balance, end of year	495,861	401,356	416,664	1,351,290

July 31, 2013	**Series VI**	**Series VII**	**Series VIII**	**Series IX**
Class A Shares				
Balance, beginning of year	908,245	755,056	426,000	1,382,335
Redeemed during the year	(251,380)	(229,934)	(3,647)	(12,572)
Balance, end of year	656,865	525,122	422,353	1,369,763

Class B Shares

There are 600 Class B Shares issued and outstanding to the Sponsor. No such shares have been issued or redeemed in the years ended July 31, 2014 or 2013.

5. ALLOCATION OF INCOME AND EXPENSES

The Fund allocates income, expenses, realized gains (losses) and unrealized gains (losses) on the following basis:

Income and realized and unrealized gains (losses) are apportioned on a daily basis based on the net asset value for pricing purposes of the respective Series to the total net asset value of the Fund as at the most recent valuation date.

Expenses are categorized and tracked as to expenses directly attributable to a specific Series ("direct expenses") and those that are common expenses of the Fund. Direct expenses of a particular Series are recorded as a direct expense to that Series. Common expenses are allocated to each Series in a consistent manner as the income allocation described above.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

6. COMMITMENTS

The Fund has entered into various agreements for the provision of management, investment advisor, sponsor, transfer agent, dealer and custodian services.

Under the terms of the investment agreements, the Manager, investment advisor, transfer agent, dealer and Sponsor are entitled to receive from the Fund a monthly fee calculated based on the Net Asset Value of the Fund at the end of the month. The annual fee rates as a percentage of NAV are stated as follows:

	Series VI	Series VII	Series VIII	Series IX
Management fees	1.25%	1.25%	1.25%	1.25%
Investment advisor fees	2.00%	-	-	-
Sponsor fees	0.25%	0.05%	0.05%	0.05%
Transfer agent fees	0.60%	0.60%	0.60%	0.60%
Dealer service fees	0.50%	0.50%	0.50%	-
Distribution service fees*	-	-	1.152%	1.92%

** The Manager is responsible for managing the relationships with registered dealers selling the denoted Series of Class A Shares and will pay either a 10% or 6% sales commission to such dealers. These commission costs are not charged to the Series. A distribution services fee is to be paid to the Manager for eight years following the sale of the above noted series based on the stated percentage times the issued and outstanding original price of the Class A Shares noted.*

The Manager is entitled to an incentive participation amount (the "IPA") based on the performance of CVF Class A Shares Series VI and VII as disclosed in the Fund's annual information form and is based on performance of the Series dating to the inception of the Original Funds prior to the amalgamation forming CVF. The Fund's annual information form details the IPA on the performance of CVF Class A Shares Series VIII and IX which were launched in December 2007.

The determination of IPA is based on what would be payable to the Manager if the particular Series venture portfolio were disposed of in its entirety at its year-end carrying value. The resulting accrual is either actual or contingent depending on whether the performance criteria as outlined in the Fund's offering documents have been met.

As at July 31, 2014, all IPA accruals are actual payables and included in the financial statements as follows:

	Expensed year ended July 31, 2014	Expensed year ended July 31, 2013	Accrued as at July 31, 2014	Accrued as at July 31, 2013	Paid during year ended July 31, 2014	Paid during year ended July 31, 2013
Series VII, VIII, IX	**-**	(28)	**77**	77	**-**	-

During the course of the Fund's investment activities, the Fund may pay commissions and other transaction costs to dealers in connection with purchases and sales of venture investments. During the year, no commissions have been paid in either Series VI or Series VII, VIII, IX (2013 - nil).

Directors of the Fund are entitled to receive an annual fee of $7.5 and a fee of $1 for each meeting of the Board of Directors or any committee thereof attended. Directors of the Fund who are members of the Sponsor or are directors, officers or shareholders of the Manager will receive no compensation.

Members of the Fund's Independent Review Committee ("IRC") also serve other LSIFs managed by Covington. The IRC members each receive total remuneration across all Funds of $15/year commencing plus a per meeting fee of $2 for the Chairperson and $1.5 per meeting for each of the other two members. The annual fee is allocated across all of the Funds served by the IRC whereas per meeting fees are borne by the particular Fund for which the meeting is called, if any.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

7. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities are amounts due to the Manager for management fees that have been funded by the Manager on behalf of Series VI. These amounts are non-interest bearing and due on demand.

	As at July 31, 2014	As at July 31, 2013
Management fees – Series VI	**3,183**	4,022

Series VII, VIII, IX advanced loans of $2,000 to Series I, II, III, IV, V during the year ended July 31, 2014 (2013 - $1,500). The terms of the loans were 12.75% interest per annum. The funds were used to temporarily provide liquidity for Series I, II, III, IV, V as required. Both loans were repaid within the same year they were advanced. Interest of $141 (2013 - $23) was paid on each loan. The terms were based on commercially similar terms as a third party loan agreement entered into by another fund managed by the Manager.

8. INCOME AND OTHER TAXES PAYABLE

Under the Tax Act, no income taxes are payable by the Fund on dividends received from Canadian corporations, and income taxes payable on capital gains will be fully refundable on a formula basis when shares of the Fund are redeemed or capital gains dividends are paid or deemed to be paid by the Fund to its shareholders. Taxes payable on dividend income earned by the Fund will be partially refundable upon the payment or deemed payment of dividends by the Fund. The Tax Act and Ontario Act set minimum levels of qualifying venture investments required to be made by the Fund. If the required minimum level of qualifying venture investments is not met under each statute, the Fund will be subject to defined taxes and penalties. The Fund is currently in compliance with the requirements of the Tax Act and Ontario Act.

The Fund is a single corporation for income tax purposes and computes its income (loss) for tax purposes as such. All revenue, expenses, capital gains and losses, either common to all series of the Fund or to a particular series, will be taken into account in determining the income or loss of the Fund as a whole and applicable taxes payable by the Fund as a whole.

The Fund has capital losses of $138,102 and non-capital losses of $28,514 available to offset future capital gains and income respectively. The benefit, if any, of these losses has not been recognized in the financial statements. If not utilized, the non-capital losses will expire as follows: 2026 - $8,293; 2027 - $5,409; 2028 - $nil; 2029 - $5,415; 2030 - $5,570; 2031 - $nil; 2032 - $2,173 and 2033 - $1,654. Capital losses can be carried forward indefinitely.

The tax amounts reflected in these financial statements are based on management's best estimate of the amounts that will ultimately be assessed. This determination is based on numerous factors such as the pace at which the Fund makes qualifying venture investments, the amount of share capital raised and redeemed, and the net income and the undistributed net realized gains (losses) on sale of investments by the Fund. Should actual events not agree with the estimates made by management of the Fund, material adjustments to the tax amounts may be required.

9. FINANCIAL INSTRUMENTS

The following describes the three-level hierarchy for fair value measurements based on transparency of inputs to the valuating of an asset or liability as at the measurement dates. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable market inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted Prices in an Active Market

Unadjusted quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities on major exchanges, highly liquid temporary deposits with Canadian banks, as well as term deposits, bank deposit notes and corporate bonds. The fair value of instruments that are quoted in active markets are determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

9. FINANCIAL INSTRUMENTS *(Cont'd)*

Level 2 – Valuation Techniques with Observable Parameters

Inputs other than quoted prices included in Level 1 that are observable for the asset and liability either directly (i.e. as prices) or indirectly (i.e derived from prices). This level includes zero-coupon bonds held by funds that are valued using valuation models determined by third-party pricing services. These sources generally determine the value of the zero-coupons bonds using observable market input such as data points from various Canada yield curves and corporate spreads. These may be combined with liquidity spreads into proprietary valuation models. Since the inputs may be observable inputs but the application of a valuation model is used, these financial instruments are considered Level 2.

Level 3 – Valuation Techniques with Significant Unobservable Parameters

Inputs that are not based on observable market inputs. Level 3 instruments include equities, debentures, term loans and promissory notes issued by privately-held companies. As observable prices are not available for these securities, the Fund may use a variety of valuation techniques to derive the fair value.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. These amendments have been made to address the need for increased consistency and comparability of fair value measurements, and to expand the disclosure surrounding fair value measurements and do not have any impact on the net assets of the Fund.

Financial Instruments Carried at Fair Value

The following tables classify the carrying value of the Fund's financial instruments held at fair value across the fair value hierarchy as at July 31, 2014 with comparatives as at July 31, 2013:

Series VI	**Financial instruments at fair value**			
As at July 31, 2014	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Marketable securities	-	5,426	-	5,426
Venture investments	-	-	2,034	2,034
Total financial assets	**-**	**5,426**	**2,034**	**7,460**
As at July 31, 2013				
Marketable securities	-	7,143	-	7,143
Venture investments	-	-	2,307	2,307
Total financial assets	-	7,143	2,307	9,450

Series VII, VIII, IX	**Financial instruments at fair value**			
As at July 31, 2014	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Marketable securities	-	15,365	-	15,365
Venture investments	-	-	3,769	3,769
Total financial assets	**-**	**15,365**	**3,769**	**19,134**
As at July 31, 2013				
Marketable securities	2,998	15,354	-	18,352
Venture investments	-	-	4,035	4,035
Total financial assets	2,998	15,354	4,035	22,387

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

9. FINANCIAL INSTRUMENTS *(Cont'd)*

During the years ended July 31, 2014 and 2013, there were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in any of the Fund's Series.

The following is a reconciliation of Level 3 fair value measurements:

Fair value measurements using Level 3 inputs - Venture investments	**Series VI $**	**Series VII, VIII, IX $**
Balance as at July 31, 2013	2,307	4,035
New investments	-	-
Disposals or sales	-	-
Net transfers into and/or out of Level 3	-	-
Change in unrealized gains/(losses)	(273)	(266)
Net unrealized gains/(losses)	-	-
Balance as at July 31, 2014	**2,034**	**3,769**
Total change in unrealized losses during the year included in the statement of operations for assets held as at July 31, 2014	**(273)**	**(266)**

Fair value measurements using Level 3 inputs - Venture investments	**Series VI $**	**Series VII, VIII, IX $**
Balance as at July 31, 2012	2,224	4,790
New investments	-	815
Disposals or sales	-	(1,444)
Net transfers into and/or out of Level 3	-	-
Change in unrealized gains/(losses)	83	-
Net unrealized gains/(losses)	-	(126)
Balance as at July 31, 2013	**2,307**	**4,035**
Total change in unrealized gains during the year included in the statement of operations for assets held as at July 31, 2013	**83**	**-**

The Fund's activities expose it to a variety of financial risks: valuation and other market risk (which includes foreign currency risk, interest rate risk and other price risk), liquidity risk and credit risk as described below. The Fund's overall risk management program seeks to minimize potential adverse effects on the Fund's financial performance through a regular program of monitoring the Fund's investment positions and updating the valuation of the private company portfolios. The value of investments within a portfolio can fluctuate daily as a result of changing economic and market conditions, prevailing interest rates and company specific news relating to portfolio investments. The Fund has managed this risk through its Audit and Valuation Committee, which reviews a quarterly report from the Manager on the investment portfolio as a whole and on determination of fair value for the venture investments including a discussion of significant events affecting the valuation of such investments. The majority of this committee is independent from the Manager and is responsible for considering the appropriateness of the valuation policies adopted by the Fund and the Manager.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

9. FINANCIAL INSTRUMENTS *(Cont'd)*

(a) Valuation and other market risk

There is a risk of loss of capital associated with all venture investments of the Fund. Valuation risk is the risk that the estimated fair values of investments for which no quoted market value exists as determined by the Manager may differ from values that would have been used had a ready market existed for these investments. Other market risk is the risk that the value of the venture investments will fluctuate as a result of changes in market prices.

Among the assets held for trading by the Fund are venture investments for which no quoted market values exist. These investments are in privately held companies whereby fair values are estimated by the Manager using valuation techniques as described in Note 2. These are also the assets that are included at Level 3 in the valuation hierarchy investments for which the fair values have been estimated based on assumptions that may not be supported by observable market prices.

The potential effect of changing the assumptions to reasonably possible alternative assumptions on the fair value of the venture investments would result in a decrease or increase in net assets as at July 31, 2014 and July 31, 2013 as follows:

	July 31, 2014		July 31, 2013	
	Fair value of privately held investments $	**Decrease/Increase in net assets**	Fair value of privately held investments $	Decrease/Increase in net assets
Series VI	**2,034**	**-5.64% to +19.2%**	2,307	-3.62% to +2.72%
Series VII, VIII, IX	**3,769**	**0.0% to +1.31%**	4,035	-

The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments and may not reflect the prices at which the Fund's investments may actually be sold.

(b) Foreign currency risk

Foreign currency risk arises from venture investments that are denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. Although the Manager has flexibility to manage the foreign currency risk by hedging its currency exposure, the Manager did not engage in currency hedging during the period due to the low volume of foreign currency transactions and dollar values involved. Increases and decreases in the exchange rate between the Canadian currency and the foreign currency may increase or decrease the value of the foreign currency denominated investments within the Fund. The Fund had no US dollar denominated investments as at July 31, 2014 or 2013.

(c) Interest rate risk

If interest rates fall, the fair value of existing debt securities may increase due to the increase in yield. On the other hand, if interest rates rise, the yield of existing debt securities will decrease, which will lead to a decrease in fair value. The magnitude of the change will generally be greater for long-term debt securities than short-term debt securities. Interest rate risk also applies to convertible securities. The fair value of these securities varies inversely with interest rates, similar to other debt securities. However, since they may be converted into common shares, convertible securities are generally less affected by interest rate fluctuations than other debt securities. Below is a breakdown of debt instruments by maturity:

Debt instruments by maturity date As at July 31, 2014	**Less than 1 year $**	**1-3 years $**	**3-5 years $**	**Greater than 5 years $**
Series VI	**-**	**5,426**	**-**	**-**
Series VII, VIII, IX	**3,175**	**15,365**	**-**	**-**
As at July 31, 2013				
Series VI	-	7,143	-	-
Series VII, VIII, IX	3,175	7,130	8,224	-

[in $ thousands except per share amounts and number of shares]

9. FINANCIAL INSTRUMENTS *(Cont'd)*

Series VI through IX all have investments in zero-coupon or residual bonds. As at July 31, 2014 and July 31, 2013, if the yield curve had shifted in parallel by 25 basis points, and all other variables remained constant, the net assets would have increased or decreased respectively by the following approximate dollar values as a result of holding these bonds:

As at:	**July 31, 2014**	July 31, 2013
	Impact of a +/- 25 basis point parallel shift in the yield curve $	Impact of a +/- 25 basis point parallel shift in the yield curve $
Series VI	**19**	42
Series VII, VIII, IX	**85**	119

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of the investments will fluctuate because of changes in market prices. In addition to venture investments for which no quoted market values exist, the Fund may hold investments that are publicly traded on a recognized stock exchange. There are market price risks associated with investments in publicly traded securities; however Series VI through IX have no exposure to publicly-traded equities as at July 31, 2014 or 2013.

(e) Liquidity risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time or at a reasonable price. Fair value of investments with low liquidity may have variances or impairments. The Fund is exposed to weekly redemptions and, therefore, attempts to maintain a portion of its assets in the form of marketable securities which can be readily disposed of. The Fund is not required to redeem Class A Shares, in any financial year having an aggregate redemption price exceeding 20% of the NAV of the Fund as at the last day of the preceding fiscal year. Many of the Fund's investments are held in non-liquid securities. As such, if all shareholders were to redeem their shares at the same time, the Fund may need to liquidate these investments at lower values than currently ascribed and shareholders may not receive the NAV ascribed. As the Fund matures, liquidity becomes more difficult to achieve as the venture portfolio has longer term holds.

(f) Credit risk

Credit risk is the risk that a debt security issuer cannot meet its financial obligations, such as making interest payments or principal repayments. Issuers that have suffered adverse changes in financial conditions may receive a low credit rating reflecting a high credit risk. A change in the credit rating of the debt security can affect its liquidity and may result in an impairment of its fair value. The Manager manages credit risk by investing the reserve portfolio of the Fund in high quality investment grade debt obligations with a minimum rating of "A" at the time of investment.

The Fund holds a portion of its investment portfolio in private debt instruments which can be considered high risk debt instruments. These instruments are not rated by any of the market bond rating services and are subject to valuation risk as described in part (a) above.

As at July 31, 2014, the Fund invested in debt instruments as follows (not including the venture portfolio listed in (a) above or short-term marketable securities):

Debt instruments by credit rating*:	**AAA**	**AA**	**A**	**BBB**	**Total**
	$	**$**	**$**	**$**	**$**
Series VI**	**5,426**	**-**	**-**	**-**	**5,426**
Series VII, VIII, IX**	**-**	**8,466**	**3,196**	**3,703**	**15,365**

[in $ thousands except per share amounts and number of shares]

9. FINANCIAL INSTRUMENTS *(Cont'd)*

(f) Credit risk *(Cont'd)*

As at July 31, 2013:

Debt instruments by credit rating*:	**AAA**	**AA**	**A**	**BBB**	**Total**
	$	**$**	**$**	**$**	**$**
Series VI**	7,143	-	-	-	7,143
Series VII, VIII, IX**	-	8,224	3,568	3,562	15,354

* *Credit ratings are obtained from Dominion Bond Rating Services and/or Standard & Poor's. Where one or more rating is obtained, the lowest rating has been used.*

** *Each of these Series are balanced funds where a portion of initial capital raised was set aside in investment grade, long-term bank or corporate debt with the objective of returning the investor's original issue price. As such, these Series have a higher proportion of their NAV invested in these bonds to reduce the overall risk associated with these Series.*

10. FUTURE ACCOUNTING STANDARDS

Conversion to International Financial Reporting Standards

Investment companies that are publicly accountable enterprises or investment funds to which National Instrument 81-106 Investment Fund Continuous Disclosure is applicable, are required to adopt International Financial Reporting Standards ("IFRS") for the first time for interim and annual financial statements relating to annual periods beginning on or after January 1, 2014. As a result, the Fund will adopt IFRS beginning August 1, 2014 and publish the first financial statements prepared in accordance with IFRS for the semi-annual period ending January 31, 2015. The 2015 semi-annual and annual financial statements will include 2014 comparative financial information and an opening statement of net assets as at August 1, 2014, also prepared in accordance with IFRS.

The Manager continues to execute its transition plan to complete the changeover to IFRS for the Fund in 2015 and comply with the required timetable for continuous disclosure. As at July 31, 2014, the impact to the financial statements based on the Manager's assessment of the differences between current GAAP and IFRS are as follows:

- IFRS 13 *Fair Value Measurement* permits the use of mid-market prices or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. The Fund will adopt accounting policies for the valuation of investments to utilize mid-market prices that align more closely with the calculation of NAV used to price unitholder transactions (Transaction NAV). As a result, net assets for financial reporting purposes (GAAP NAV) will be impacted and is expected to align with Transaction NAV, eliminating the need for a NAV per unit reconciliation. The impact to the statements of financial position as at August 1, 2013 and July 31, 2014 is disclosed in these financial statements in the reconciliation of net assets per unit as at July 31, 2013 and 2014, respectively.

- IFRS 10 *Consolidated Financial Statements* provides an exception to the consolidation requirements and requires an investment entity to account for its subsidiaries at fair value through profit or loss. The Manager has concluded that the Fund meet the definition of an investment entity as at August 1, 2013 and throughout the year ended July 31, 2014. Although not impacting current presentation, additional disclosure will be required relating to how the investment entity definition was met, information about each unconsolidated subsidiary, and details of financial and contractual arrangements.

- Units of the Funds are puttable instruments and are required to be presented as equity or liability depending on certain criteria. As at August 1, 2013 and throughout the year ended July 31, 2014, the units of the Fund do not meet the criteria to be classified as equity. As a result, unitholders' equity will be presented as a liability in the statements of financial position.

JULY 31, 2014

[in $ thousands except per share amounts and number of shares]

10. FUTURE ACCOUNTING STANDARDS *(Cont'd)*

- The financial statements will be renamed as follows:

Canadian GAAP	IFRS
Statements of Net Assets	Statements of Financial Position
Statements of Operations	Statements of Comprehensive Income
Statements of Changes in Net Assets	Statements of Changes in Financial Position
Statement of Investment Portfolio	Schedule of Investment Portfolio

- Other reclassifications, presentation differences and additional disclosures will also be required in the financial statements to comply with the new requirements under IFRS.

CORPORATE INFORMATION

Fund Symbols*

Series VI CIG461
Series VII CIG462
Series VIII CIG465
Series IX CIG466

* *All Series closed to new purchases*

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CAPITAL CORPORATION

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