

TORONTO, Sept. 18, 2013 /CNW/ - Covington Strategic Capital Fund Inc. ("**SCF**") announced today that it will submit to shareholders for their consideration and approval a proposal pursuant to which Covington Fund II Inc. ("

**Fund II**

") will, if approved by SCF shareholders, acquire the assets and assume the liabilities of SCF. The proposal is structured such that following completion of the acquisition, shareholders of SCF would become shareholders of Fund II. Under the proposal, the acquisition would occur with reference to the respective net asset values of SCF and Fund II, without discount.

SCF and Fund II are managed by Covington Capital Corporation and share substantial overlap in their respective venture investment portfolios, which is expected to facilitate the integration of SCF into Fund II.

Shareholders of SCF will be asked to vote on the proposal at a special meeting to be held on October 24, 2013

. If shareholders approve the proposal, SCF expects to execute an asset purchase agreement with Fund II and complete the proposed acquisition shortly thereafter.

A management information circular will be mailed to shareholders over the coming weeks that will include, among other things, the full terms of the proposal and a draft of the proposed asset purchase agreement. The proposal is subject to customary conditions, including shareholder, IRC and regulatory approvals and finalizing definitive documentation.

**About Covington Group of Funds** Founded in 1995, Covington Capital Corporation ( [www.covingtonfunds.com](http://www.covingtonfunds.com)

) is one of Canada's

largest and most experienced venture capital fund providers. Managing approximately \$300 million

in venture capital assets on behalf of institutional and retail investors, Covington invests in small-and-medium businesses throughout many industry sectors. Covington Capital

Corporation is headquartered in Toronto, Ontario

**Cautionary statement regarding forward-looking information** This news release contains "forward-looking information" within the meaning of applicable Canadian securities laws, including statements regarding the proposed acquisition, the holding of a shareholder meeting and other information that is not historical fact. Such forward-looking information is subject to important risks and uncertainties including, without limitation, required SCF shareholder approval, approval of applicable regulatory authorities and satisfaction of other customary conditions. As a result of these risks and uncertainties, the proposal could be modified, restructured or not be completed, and the results or events expressed or implied in any forward-looking information may differ materially from actual results or events. Forward-looking information is not a guarantee of future performance, given that it involves risks and uncertainties. Forward-looking information in this news release is based on information currently available and what SCF currently believes are reasonable assumptions, including assumptions regarding the retail venture capital market and redemption and liquidity forecasts. Except as required by applicable securities laws, SCF does not assume and expressly renounces any obligation to update any forward-looking information, which is applicable only on the date on which it is presented.

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