

Annual Management Report of Fund Performance

For the nine month period ended September 30, 2008

Credential Money Market Fund

Portfolio Manager

Central Financial Corporation (1989) Ltd.

Vancouver, British Columbia

This annual management report of fund performance contains financial highlights but does not contain complete annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1.888.207.8121, by writing us at Northwest & Ethical Investments L.P., 155 University Avenue, Suite 400, Toronto, ON M5H 3B7 or Suite 800 –1111 West Georgia Street, Vancouver, BC V6E 4T6 or by visiting our website at www.ethicalfunds.com or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

A note on forward-looking statements

This document contains forward-looking statements. Such statements are generally identifiable by the terminology used, such as "plan", "anticipate", "intend", "expect", "estimate", or other similar wording. These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices, fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the fund may not be those anticipated by us. Actual results may differ materially from the results anticipated in these forward-looking statements. We do not undertake, and specifically disclaim, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.

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Management Discussion of Fund Performance

Investment Objectives and Strategies

The Credential Money Market Fund aims to maximize current income and liquidity while minimizing risk. It invests mostly in high quality, short-term money market instruments issued or guaranteed by the Government of Canada or a province, or by Canadian corporations and financial institutions. The portfolio manager only buys securities that have the highest credit ratings. The portfolio manager aims to maintain a constant net asset value of \$10 per unit. The Fund follows a socially responsible approach to investing.

Risks

The risks of investing in the Fund have not changed from the prior year and remain as discussed in the prospectus. The Fund is suitable for investors seeking income, liquidity and capital preservation and who have a low tolerance for risk.

Results of Operations

The Credential Money Market Fund's Class A units returned 1.79% for the period ended September 30, 2008, compared with the benchmark 91-Day T-Bill Index's return of 2.5%. Unlike the index return, this return is after the deduction of fees and expenses paid by the Fund. The Fund's net assets increased by 8.8% to \$82.9 million at September 30, 2008, from \$ 76.2 million at December 31, 2007. Of this change, \$ 1.5 million is attributable to investment performance and \$ 5.2 million to net sales. Performance differences between classes of units are mainly attributable to management fees charged to each class. Refer to the Past Performance section for the details of returns by Class.

In late January and then again in early March, the Bank of Canada lowered interest rates by 0.25% and 0.5%, respectively. The decisions to drop rates were fuelled by lacklustre economic growth coupled with benign inflation, a result of the strong dollar.

The second quarter saw the continued slowing of global economies. However, skyrocketing oil prices, a strong Canadian dollar and rising costs led to inflation concerns. The second quarter saw a new all time high in the price of oil, US\$134/barrel.

Despite these inflation concerns, the Bank of Canada, in a somewhat controversial decision, lowered overnight interest rates a further 0.5%. However, by September the financial crisis which had started in the United States spread globally, and it became clear that it was going to exact an unprecedented, deep and long lasting toll on financial systems world-wide. Credit markets seized up, new issuance was curtailed, credit spreads sharply widened and the infection caused havoc in the equity markets.

The weighted average maturity of the Fund started the year at close to its maximum of 90 days. By the end of the second quarter the average maturity was reduced as inflation fears suggested that the Bank of Canada might decrease rates.

As the third quarter progressed, weak global growth prospects and international liquidity concerns forced coordinated central bank rate cuts. Accordingly, the average term of the portfolio will be maintained near its maximum, to generate higher returns. During the quarter, holdings of government securities increased to protect liquidity in the Fund.

Recent Developments

The US economy is in a recession and the Canadian economy is likely to follow suit. The portfolio manager anticipates that Central Banks, including the Bank of Canada, will continue to lower interest rates further, in response to weak economic conditions. Amid concern over credit and liquidity, a significantly higher portion of the Fund has been invested in government guaranteed securities.

The portfolio manager will continue to monitor interest rates and financial markets and position the portfolio accordingly.

Related Party Transactions

NEILP is the Manager of the Fund pursuant to a management agreement. NEILP ensures the daily administration of the Fund. NEILP provides the Fund or makes sure the Fund is provided with all services (accounting, custody, portfolio management, record maintenance, transfer agent) required to function properly. The fees are presented in the Management Fees section.

Desjardins Trust Inc. is the custodian. Desjardins Trust Inc. is a wholly-owned subsidiary of the Fédération des caisses Desjardins du Québec, which is a 50% owner of NEILP. The Custodian fees of Desjardins Trust Inc. are at the Fund's expense and are established based on market conditions.

Management and administrative fees presented in the Statement of Operations are incurred by the Fund with the Manager. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Fund paid 0.85% of its average Class A net asset value to NEILP for management and portfolio advisory service. In addition, the Fund paid \$39.50/unitholder per annum (aggregate across all funds) and \$35/day to NEILP.

Certain other funds managed by Northwest & Ethical Investments L.P. may invest in Class D units of this Fund in accordance with the investment objectives of those funds. All transactions in the Fund are executed based on the net asset value per unit determined in accordance with the stated policies of the Fund on each transaction day. No commissions or other fees were paid by the Fund in relation to these transactions. As at September 30, 2008, other funds managed by Northwest & Ethical Investments L.P. held approximately 1.08% of the Fund's net assets.

The Fund is distributed through Credential Asset Management Inc., Credential Securities Inc. and other non-related dealers. Both Credential Asset Management Inc. and Credential Securities Inc. are related to NEILP by way of common ownership. NEILP pays to these related parties distribution and servicing fees based on a percentage of the average daily value of the units of each held by the dealer's clients and additionally, in some cases, on the amount of the initial purchase.

Credential Money Market Fund

For the nine month period ended September 30, 2008

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 for the periods indicated. This information is derived from the Fund's audited annual financial statements.

The Fund's Net Asset Value per Unit

	CLASS A					CLASS D					CLASS F		
	Sep 30 2008	Dec 31 2007	Dec 31 2006	Dec 31 2005	Dec 31 2004	Sep 30 2008	Dec 31 2007	Dec 31 2006	Dec 31 2005	Dec 31 2004	Sep 30 2008	Dec 31 2007	Dec 31 2006 ⁴
Net asset value, beginning of year	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	-
Net asset value, at inception	-	-	-	-	-	-	-	-	-	-	-	-	\$ 10.00
Initial Adoption of new accounting policy ¹	n/a	0.01	n/a	n/a	n/a	n/a	0.01	n/a	n/a	n/a	n/a	0.01	n/a
Increase (decrease) from operations:													
Total revenue	0.28	0.47	0.41	0.28	0.24	0.27	0.46	0.40	0.20	0.25	0.35	0.48	0.19
Total expenses	(0.10)	(0.13)	(0.13)	(0.14)	(0.14)	(0.01)	(0.01)	(0.02)	(0.04)	(0.02)	(0.07)	(0.10)	(0.05)
Realized gain (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss) for the period	(0.01)	(0.01)	-	(0.01)	-	(0.01)	(0.01)	-	(0.09)	-	-	-	-
Total increase (decrease) in net assets from operations²	0.17	0.33	0.28	0.13	0.10	0.25	0.44	0.38	0.15	0.23	0.28	0.38	0.14
Distributions:													
From income (excluding dividends)	(0.17)	(0.33)	(0.28)	(0.13)	(0.10)	(0.25)	(0.44)	(0.38)	(0.15)	(0.23)	(0.28)	(0.38)	(0.14)
From dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
From realized gains on investments	-	-	-	-	-	-	-	-	-	-	-	-	-
From return of capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Total annual distributions³	(0.17)	(0.33)	(0.28)	(0.13)	(0.10)	(0.25)	(0.44)	(0.38)	(0.15)	(0.23)	(0.28)	(0.38)	(0.14)
Net asset value, end of period	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00

¹ The impact of the adoption of the new accounting policy for valuation of securities on the net assets per unit determined in accordance with GAAP as of October 1, 2006 is disclosed. The new accounting policy may result in a different valuation of securities held by the Fund for financial reporting purposes than the market value used to determine net asset value of the Fund for the purchase and redemption of the Fund's units ("transactional NAV"). As a result, the net asset value per unit presented may differ from the Transaction NAV as of December 31, 2007.

² Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net asset value per unit.

³ Distributions were paid in cash/reinvested in additional units of the Fund, or both.

⁴ for the period from commencement of operations, July 25, 2006 to December 31, 2006.

	CLASS A					CLASS D					CLASS F		
	Sep 30 2008	Dec 31 2007	Dec 31 2006	Dec 31 2005	Dec 31 2004	Sep 30 2008	Dec 31 2007	Dec 31 2006	Dec 31 2005	Dec 31 2004	Sep 30 2008	Dec 31 2007	Dec 31 2006 ⁴
Ratios and Supplemental Data:													
Net assets (in 000's) ¹	\$ 82,032	\$ 75,475	\$ 88,013	\$ 105,751	\$ 125,758	\$ 893	\$ 760	\$ 224	\$ 39	\$ 1	\$ 3	\$ 13	\$ 1
Number of units outstanding (in 000's) ¹	8,212	7,548	8,801	10,575	12,576	89	76	22	4	-	-	1	-
Management expense ratio ²	1.31%	1.23%	1.34%	1.39%	1.40%	0.19%	0.16%	0.19%	0.43%	0.50%	0.84%	1.00%	1.05%
Management expense ratio before waivers or absorptions ²	*	*	*	*	*	0.62%	0.55%	2.56%	35.07%	0.88%	56.90%	26.59%	1.06%
Trading expense ratio ³	0.00%	0.00%	0.00%	0.00%	n/a	0.00%	0.00%	0.00%	0.00%	n/a	0.00%	0.00%	0.00%

¹ For each class of each Fund, the information is provided as at December 31 or September 30 of the year shown.

² Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year. In the year a class is established or reinstated the management expense ratio is annualized from the date of inception or reinstatement to December 31 or September 30, as applicable.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily net assets during the period. The trading expense ratio is provided from 2005 onwards.

⁴ For the period from commencement of operations, July 25, 2006 to December 31, 2006.

* There was no absorption of expenses for this class.

Credential Money Market Fund

For the nine month period ended September 30, 2008

Management Fees

The Fund pays NEILP a management fee for management services. The fee is calculated daily and paid monthly. The maximum annual management fee for Class A and Class F units of the Fund is 0.85%. The management fee for Class D units is negotiated with us.

The management fee covers the cost of investment advisory fees, sales, marketing, and distribution expenses of the Fund. In addition, the Manager pays a trailer fee to dealers out of this management fee. The trailer fee is a percentage of the average daily value of the units of the Fund held by the dealer's clients.

The following table shows the Fund's maximum trailer fee and commission rates paid to dealers for Class A units. The trailer fees are a percentage of the average daily value of the units of each Fund held by the dealer's clients. The fees depend on the Fund and the sales charge option chosen. There is no dealer compensation for Class D units. We do not pay trailer fees or commissions to dealers who sell Class F units. Instead, Class F dealers receive a fee directly from investors for investment advice or other services.

	CLASS A			
	Deferred Sales Charge	Low-Load	Low-Load 2	Front-End Sales Charge
Maximum Trailer				
Fee Paid to Dealers (annually)	0.00%	0.00%	0.00%	0.00 %
Maximum Commission				
Paid to Dealers (upon initial purchase)	5.00%	1.00%	2.50%	0.00% ¹

¹ You may pay a negotiable sales commission of 0% - 5% of the purchase price at the time of purchasing Class A units.

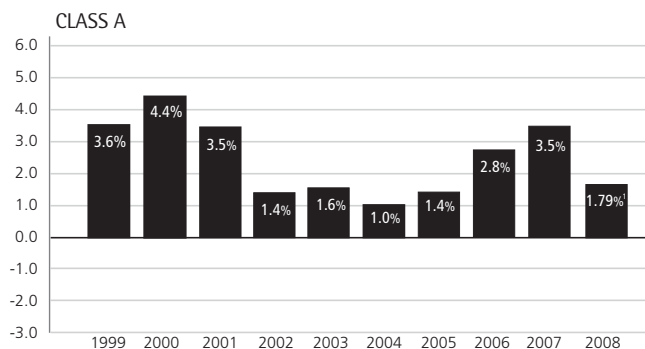
Past Performance

Past performance shows historical information for the Fund. This information is provided to show past performance only, and is not necessarily indicative of what may happen in the future.

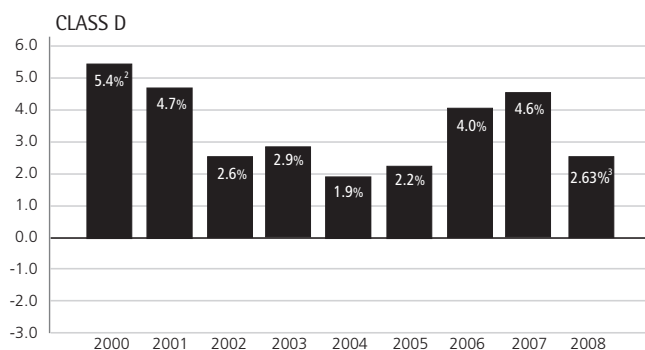
Past performance information shown assumes that all distributions made by the Fund in the period shown are reinvested in additional units of the Fund. Performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-year Returns

The bar charts that follow show the performance of each class of unit of the Fund for the nine-month period ended September 30, 2008, and for each of the previous 12-month periods ended December 31. The charts show, in percentage terms, how an investment made on January 1 would have increased or decreased by the end of the period.

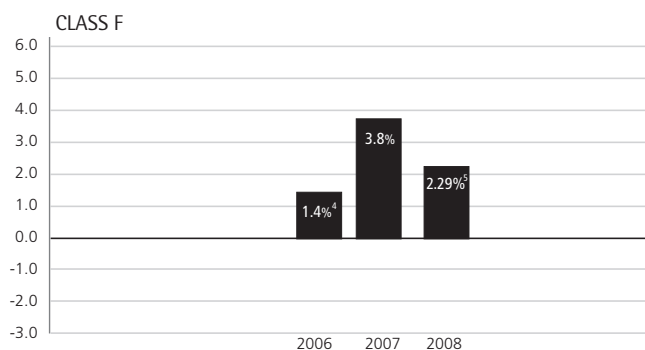


¹ Class A unit return shown from January 1, 2008 to September 30, 2008.



² Class D unit return shown from the first date of distribution, January 11, 2000 to December 31, 2000.

³ Class D unit return shown from January 1, 2008 to September 30, 2008.



⁴ 4 Class F unit return shown from the first date of distribution July 25, 2006 to December 31, 2006.

⁵ 5 Class F unit return shown from January 1, 2008 to September 30, 2008.

Credential Money Market Fund

For the nine month period ended September 30, 2008

Summary of Investment Portfolio

(%) as at September 30, 2008

Sector Allocation	% of portfolio
Treasury Bills	
Provincial	6.3
Discount Notes	
Bankers Acceptance	14.7
Corporate	32.6
Bonds - Canadian	
Government of Canada	30.5
Corporate	14.9
Other assets (liabilities)	1.0
Total	100.0
Global Allocation	
Canada	99.0
Other assets (liabilities)	1.0
Total	100.0

Top Twenty Five Holdings¹

(%) as at September 30, 2008

	Sector	Percentage Holding
Canada Housing Trust, 4.10%, Dec. 15, 2008	Gov't of Canada	23.2
Canada Housing Trust, 4.65%, Sep. 15, 2009	Gov't of Canada	7.4
Province of Ontario, 2.43%, Dec. 11, 2008	Provincial	6.3
CIBC, 3.37071%, Feb. 2, 2009 Floating Rate	Corporate	6.0
Bank of Montreal, 3.23%, Oct. 14, 2008	Corporate	5.0
Encana Corporation, 3.20%, Oct. 2, 2008	Corporate	5.0
Royal Bank of Canada, BA's, 3.25%, Oct. 8, 2008	Corporate	4.8
Bank of Nova Scotia, 3.15%, Nov. 6, 2008	Corporate	4.7
Bank of Nova Scotia, BA's, 3.18%, Nov. 25, 2008	Corporate	4.3
HSBC Financial Corporation Ltd., 3.40%, Jun. 15, 2009 Floating Rate	Corporate	3.6
Royal Bank of Canada, 3.18%, Oct. 22, 2008	Corporate	3.1
Canadian Imperial Bank of Commerce, 3.27%, Oct. 24, 2008	Corporate	3.1
Wells Fargo, 3.39214%, Dec. 12, 2008 Floating Rate	Corporate	3.0
Toronto-Dominion Bank (The), 3.15%, Dec. 19, 2008	Corporate	2.8
National Bank of Canada, 3.17%, Nov. 18, 2008	Corporate	2.5
Toronto Dominion Bank (The), 3.15%, Nov. 14, 2008	Corporate	2.4
Telus Corporation, 3.34%, Dec. 2, 2008	Corporate	2.4
HSBC Financial Corporation, 3.18%, Nov. 17, 2008	Corporate	2.4
Toronto-Dominion Bank (The), 3.65714%, Feb. 15, 2011 Floating Rate	Corporate	2.3
HSBC Bank of Canada, 3.20%, Nov. 18, 2008	Corporate	2.3
Bank of Montreal, 3.15%, Dec. 1, 2008	Corporate	1.7
Telus Corporation, 3.15%, Oct. 3, 2008	Corporate	0.9
Cash	Cash	0.8
Total		100.0

¹ The investment portfolio of this Fund is comprised of 22 securities.

This Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available.