



Annual Financial Statements

For the Nine Month Period Ended September 30, 2008

EnRich Income Pool
EnRich Canadian Equity Pool
EnRich US Equity Pool
EnRich International Equity Pool

EnRich Income Pool

Statement of Net Assets

In thousands (except per unit figures)

	September 30, 2008	December 31, 2007
Assets		
Investments at fair value	\$ 52,749	\$ 57,958
Cash and deposits (note 6)	975	3,344
Short-term notes	-	-
Accrued investment income	637	692
Due from brokers	-	1,008
Subscriptions receivable	21	142
Other accounts receivable	7	9
	<u>54,389</u>	<u>63,153</u>
Liabilities		
Due to brokers	-	3,679
Redemptions payable	274	245
Accrued expenses	127	123
Other accounts payable	177	178
	<u>578</u>	<u>4,225</u>
Net Assets, representing Unitholders' Equity (GAAP NAV) (notes 3 & 4)	<u>\$ 53,811</u>	<u>\$ 58,928</u>

Class net assets		
Class A	\$ 36,813	\$ 39,331
Class B	\$ 16,998	\$ 19,597
Net asset value per unit		
Class A	\$ 9.93	\$ 9.95
Class B	\$ 10.08	\$ 10.04

Approved on behalf of the Board of Directors of Northwest & Ethical Investments Inc., acting as general partner of Northwest & Ethical Investments L.P. as manager and trustee:



Bernie O'Neill
Director



Pierre Tardif
Director

Statement of Operations

For the 9 months ended September 30, 2008 and the year ended December 31, 2007¹

In thousands (except per unit figures)

	2008	2007
Investment Income		
Dividends	\$ 30	\$ 20
Interest and other income	2,298	2,722
Gain on derivatives	-	-
Securities lending (note 12)	4	5
	<u>2,332</u>	<u>2,747</u>
Less: Foreign withholding tax	1	3
	<u>2,331</u>	<u>2,744</u>
Expenses (note 7)		
Management fees (note 7(a))	460	584
Registrar fees (note 7(b))	19	22
Audit fees	11	12
Custodian fees	12	19
Legal fees	-	-
Securityholder reporting cost	30	32
Other	28	20
	<u>560</u>	<u>689</u>
Net income (loss) before expenses absorbed by Fund Manager	1,771	2,055
Expenses absorbed by Fund Manager	(3)	-
	<u>1,774</u>	<u>2,055</u>
Net Income (Loss)		
Realized gain (loss) on sale of investments	(166)	(334)
Change in unrealized appreciation (depreciation)	(1,613)	(733)
Transaction costs (note 3)	(11)	(4)
Net gain (loss) on investments	<u>(1,790)</u>	<u>(1,071)</u>
Increase (decrease) in net assets from operations	<u>\$ (16)</u>	<u>\$ 984</u>
Increase (decrease) in net assets from operations		
Class A	\$ (118)	\$ 456
Class B	\$ 102	\$ 528
Increase (decrease) from operations per unit (note 3 (f))		
Class A	\$ (0.03)	\$ 0.12
Class B	\$ 0.06	\$ 0.29

¹ The year-end of this Fund for financial reporting purposes has been changed to September 30th as of 2008. Previously, the year-end for financial reporting purposes was December 31st. The year-end for tax purposes remains at December 15th.

The accompanying notes are an integral part of these financial statements.

Statement of Investments

as at September 30, 2008

PAR VALUE \$	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$
BONDS - CANADIAN			
Provincial (16.1%)			
3,800,000	Province of Ontario, 4.30%, Mar. 8, 2017	3,870,110	3,726,999
4,750,000	Province of Ontario, 5.00%, Mar. 8, 2014	4,939,098	4,945,419
		<u>8,809,208</u>	<u>8,672,418</u>
Corporate (67.5%)			
3,720,000	Bank of Montreal, 4.55%, Aug. 1, 2017	3,533,330	3,329,913
860,000	Bank of Montreal, 4.78%, Apr. 30, 2014	869,196	829,544
951,000	FortisAlberta Inc., 5.33%, Oct. 31, 2014	994,917	979,223
3,210,000	General Electric Capital Canada, 5.10%, Jun. 1, 2016	3,197,995	2,800,704
2,735,000	Hydro One Inc., 4.64%, Mar. 3, 2016	2,725,658	2,675,936
1,636,000	Hydro One Inc., 7.15%, Jun. 3, 2010	1,741,445	1,718,508
3,405,000	John Hancock Canadian CP, 6.496%, Nov. 30, 2011	3,624,793	3,574,680
2,440,000	Royal Bank of Canada, 6.30%, Apr. 12, 2016 - Fixed to Float	2,550,435	2,510,603
2,537,000	Sun Life Assurance Company of Canada, 6.15%, Jun. 30, 2022	2,711,779	2,624,178
2,960,000	Toronto-Dominion Bank (The), 5.69%, Jun. 3, 2018	3,084,276	2,963,127
2,705,000	Trans-Canada Pipelines, 5.10%, Jan. 11, 2017	2,702,795	2,545,280
2,285,000	Trans-Canada Pipelines, 5.65%, Jan. 15, 2014	2,402,089	2,317,193
4,500,000	Union Gas Ltd., 4.64%, Jun. 30, 2016	4,413,334	4,296,179
3,460,000	Wells Fargo Financial Canada, 4.38%, Jun. 30, 2015	3,304,023	3,180,797
		<u>37,856,065</u>	<u>36,345,865</u>
	Total Bonds - Canadian (83.6%)	<u>46,665,273</u>	<u>45,018,283</u>
UNITS TRUST UNITS - CANADIAN			
Consumer Discretionary (1.5%)			
12,000	Cineplex Galaxy Income Fund	187,593	177,000
18,740	Davis + Henderson Income Fund	331,481	290,283
35,200	Yellow Pages Income Fund	465,538	348,480
		<u>984,612</u>	<u>815,763</u>
Energy (6.0%)			
15,900	ARC Energy Trust	386,720	367,290
10,550	AltaGas Income Trust	267,368	248,242
6,300	Baytex Energy Trust	177,520	161,154
7,825	Bonavista Energy Trust	241,260	201,181
10,700	Canadian Oil Sands Trust	344,991	414,625
15,100	Crescent Point Energy Trust	302,272	469,761
9,400	EPCOR Power L.P	213,410	188,752
9,412	Enerplus Resources Fund	427,728	364,244
12,380	Fort Chicago Energy Partners LP	140,942	118,229
13,100	Keyera Facilities Income Fund	208,258	266,716
7,050	Peyto Energy Trust	115,406	106,808
8,915	Vermilion Energy Trust	297,379	303,556
		<u>3,123,254</u>	<u>3,210,558</u>

The accompanying notes are an integral part of these financial statements.

Annual Financial Statements

EnRich Income Pool continued...

UNITS	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$
Financials (4.9%)			
7,200	Boardwalk Real Estate Trust	235,029	252,144
9,850	CI Financial Income Fund	262,737	177,300
11,500	Calloway Real Estate Investment Trust	277,124	212,750
12,200	Canadian Real Estate Investment Trust	332,508	341,722
22,800	Chartwell Seniors Real Estate Investment Trust	263,936	157,548
10,890	Cominar Real Estate Investment Trust	213,143	229,561
20,820	Extendicare Real Estate Investment Trust	287,596	143,242
10,200	H&R Real Estate Investment Trust	223,779	153,306
13,465	Primaris Retail Real Estate Investment Trust	230,396	218,806
19,150	RioCan Real Estate Investment Trust	416,602	387,022
32,050	Teranet Income Fund	310,812	349,345
		<u>3,053,662</u>	<u>2,622,746</u>
Health Care (0.5%)			
19,275	CML Healthcare Income Fund	310,296	262,526
		<u>310,296</u>	<u>262,526</u>
Industrials (1.1%)			
14,500	BFI Canada Income Fund	374,850	239,975
13,260	Mullen Group Income Fund	290,130	225,287
10,500	Newalta Income Fund	252,539	143,850
		<u>917,519</u>	<u>609,112</u>
Telecommunication Services (0.4%)			
8,400	Bell Aliant Regional Communications Income Fund	240,803	209,916
		<u>240,803</u>	<u>209,916</u>
Total Trust Units - Canadian (14.4%)		<u>8,630,146</u>	<u>7,730,621</u>
Adjustments for Transaction Costs		<u>(4,526)</u>	<u>-</u>
Total Investment Portfolio (98.0%)		<u>55,290,893</u>	<u>52,748,904</u>
Cash and Deposits (1.8%)			974,960
Other Assets Less Liabilities (0.2%)			<u>86,985</u>
Net Assets (100.0%)			<u>53,810,849</u>

The accompanying notes are an integral part of these financial statements.

EnRich Income Pool

Financial Instruments

Assets	\$
Held for trading	53,723,864
Loans and receivables	665,333
Total assets	54,389,197

Liabilities	
Held for trading	
Financial liabilities at amortized cost	578,348
Total liabilities	578,348

Accrued investment income, subscriptions receivable, amounts due from brokers, and other accounts receivable are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, redemptions payable, accrued expenses and other accounts payable are deemed to be other financial liabilities and reported at amortized cost.

Financial Risk Management

Strategy in using financial instruments

The Pool's activities expose it to a variety of financial risks: market risk, interest rate risk, credit risk, and liquidity risk. The Pool's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Pool's financial performance.

Investment Objective

The Credential EnRich Income Pool aims to provide income and the potential for capital gains by investing mostly in fixed income securities and income trusts.

The Pool may enter into securities lending, repurchase and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income. At September 30, 2008, the Pool had terminated all securities lending arrangements and there were no outstanding repurchase or reverse repurchase transactions.

Investment Strategy

The Pool trades in financial instruments, taking positions in traded and over-the-counter instruments. All securities investments present a risk of loss of capital. The portfolio manager manages this risk through a careful selection of securities and other financial instruments within specified limits and within the overall risk profile disclosed in the prospectus of the Pool. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Pool's debt securities are susceptible to market price risk arising from uncertainties about future prices of the instruments.

In order to achieve the Pool's investment objective, we have constructed a comprehensive style-diversified portfolio, to be managed by a number of sub-advisors in accordance with their respective investment styles. We allocate the assets among the sub-advisors of the Pool.

The sub-advisors are selected based on their complementary investment styles. Although the portion of the Pool's assets managed by each sub-advisor may vary, our current target weighting is as follows: Active fixed income management 80%; and income trusts 20%.

Each sub-advisor uses its expertise to select securities for its portion of the portfolio. As portfolio manager, we will regularly review the security selection of each sub-advisor and the asset weight allocations to ensure that the portfolio is optimally managed. An Overlay Advisor or consultant may assist us with these functions. We may change the asset allocations available to each sub-advisor, if, for example, there are changes in a sub-advisor's investment style or changes to the number of sub-advisors in the Pool. A portion of the Pool may be managed on a socially responsible investment basis. The Pool's holdings are reviewed regularly to ensure proper risk management and alignment with its investment policies. Active management of the Pool provides for rebalancing and controlled exposure to asset classes and sectors.

The Pool may temporarily hold a portion of its assets in cash or fixed-income securities while seeking investment opportunities or for defensive purposes during times of market downturn.

Market Price Risk

At September 30, 2008, the overall market exposures were as follows:

	Fair Value \$	% of Net Assets
Securities held for trading	52,748,904	98.0%

Management's best estimate of the effect on net assets due to a reasonably possible change in indices, with all other variables held constant, is as follows:

Benchmark	Change in Price %	Impact on Net Assets \$ (+/-)
DEX Universe	+/- 1.00	449,859
S&P/TSX Income Trusts	+/- 3.00	232,463

In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be material. The benchmarks selected represent the exposure of the Pool's holdings to various assets classes. The DEX Universe Bond Index measures the performance of the Canadian investment-grade fixed income market. Returns are capitalization-weighted, so that the return on a bond influences the index return in proportion to its market value. The S&P/TSX Income Trusts is a broad-based composite index that may encompass any or all industry sectors of the income trust marketplace.

Interest Rate Risk

The Pool's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows.

The table below summarizes the Pool's exposure to interest rate risk. It includes the Pool's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates.

As at September 30, 2008	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non Interest Bearing \$	Total \$
Assets						
Financial assets held for trading		5,293,188	37,100,917	2,624,178	7,730,621	52,748,904
Due from brokers					-	-
Other receivables and prepayments					665,333	665,333
Margin account						-
Cash at bank	974,960					974,960
Total assets	974,960	5,293,188	37,100,917	2,624,178	8,395,954	54,389,197
Liabilities						
Financial liabilities at fair value						
through profit or loss						-
Due to brokers					-	-
Accrued expenses and other liabilities					578,348	578,348
Overdraft on futures contracts						-
Bank overdraft						-
Total liabilities	-	-	-	-	578,348	578,348
Total interest sensitivity gap	974,960	5,293,188	37,100,917	2,624,178	7,817,606	53,810,849

As at September 30, 2008, had prevailing interest rates raised or lowered by 1.00%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$2,337,274.

In accordance with the Pool's investment policy, the sub-advisors monitor the Pool's overall interest sensitivity on a daily basis, the portfolio manager on a monthly basis and the Investment Committee reviews it on a quarterly basis.

Credit Risk

The Pool has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. When the Pool trades in listed securities which are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Pool only transacts with reputable, highly credit-rated brokers.

The Pool invests in financial assets, which have an investment grade as rated by a well-known rating agency. For unrated assets, a rating is assigned using an approach that is consistent with trading agencies.

The Pool has engaged in securities lending activities. In order to mitigate the risks associated with securities lending, the Pool obtains collateral at a value greater than 100% of the loans made. As well, the securities may be recalled by the Pool at any time. More information on securities lending arrangements is available in the Notes to Financial Statements 3(h).

Portfolio by rating category for debt securities, as a percentage of total portfolio, as at September 30, 2008:

Rating	
AAA	5%
AA	37%
A High	8%
A	18%
A Low	2%
AA Low	15%
Total	85%

All transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the brokers. The trade will fail if either party fails to meet its obligation.

In accordance with the Pool's investment policy, the sub-advisors monitor the Pool's credit position on a daily basis, the portfolio manager on a monthly basis and the Investment Committee reviews it on a quarterly basis. The Pool maintains sufficient collateral on securities lending activities. The Pool has not identified any past due assets or receivables as at September 30, 2008.

Liquidity Risk

The Pool is exposed to daily cash redemptions of units of the securities. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The table below analyses the Pool's financial liabilities and net settled derivative financial liabilities into relevant maturity grouping based on the remaining period at the statement of net assets to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At September 30, 2008	Less than 1 Month \$	1 - 3 Months \$	No Stated Maturity \$
Financial liabilities at fair value	-		
Due to brokers	-		
Accrued Expenses	126,701		
Other liabilities	451,647		
Total financial liabilities	578,348	-	-

In accordance with the Pool's investment policy, the sub-advisors monitor the Pool's liquidity position on a daily basis, the portfolio manager on a monthly basis and the Investment Committee reviews it on a quarterly basis.

EnRich Canadian Equity Pool

Statement of Net Assets

In thousands (except per unit figures)

	September 30, 2008	December 31, 2007
Assets		
Investments at fair value	\$ 24,920	\$ 29,503
Cash and deposits (note 6)	2,749	872
Short-term notes	-	-
Accrued investment income	58	75
Due from brokers	-	-
Subscriptions receivable	4	38
Other accounts receivable	13	9
	<u>27,744</u>	<u>30,497</u>
Liabilities		
Due to brokers	1,615	-
Redemptions payable	42	80
Accrued expenses	89	99
Other accounts payable	3	3
	<u>1,749</u>	<u>182</u>
Net Assets, representing Unitholders' Equity (GAAP NAV) (notes 3 & 4)	<u>\$ 25,995</u>	<u>\$ 30,315</u>

Class net assets		
Class A	\$ 18,116	\$ 20,746
Class B	\$ 7,879	\$ 9,569
Net asset value per unit		
Class A	\$ 9.89	\$ 11.71
Class B	\$ 10.12	\$ 11.81

Approved on behalf of the Board of Directors of Northwest & Ethical Investments Inc., acting as general partner of Northwest & Ethical Investments L.P. as manager and trustee:



Bernie O'Neill
Director



Pierre Tardif
Director

Statement of Operations

For the 9 months ended September 30, 2008 and the year ended December 31, 2007¹

In thousands (except per unit figures)

	2008	2007
Investment Income		
Dividends	\$ 349	\$ 443
Interest and other income	114	291
Gain on derivatives	-	-
Securities lending (note 12)	1	-
	<u>464</u>	<u>734</u>
Less: Foreign withholding tax	-	-
	<u>464</u>	<u>734</u>
Expenses (note 7)		
Management fees (note 7(a))	379	492
Registrar fees (note 7(b))	17	20
Audit fees	7	9
Custodian fees	12	19
Legal fees	-	-
Securityholder reporting cost	15	16
Other	19	17
	<u>449</u>	<u>573</u>
Net income (loss) before expenses absorbed by Fund Manager	15	161
Expenses absorbed by Fund Manager	(50)	(76)
	<u>65</u>	<u>237</u>
Net Income (Loss)		
Realized gain (loss) on sale of investments	(247)	387
Change in unrealized appreciation (depreciation)	(3,960)	(281)
Transaction costs (note 3)	(24)	(39)
Net gain (loss) on investments	(4,231)	67
	<u>(4,166)</u>	<u>304</u>
Increase (decrease) in net assets from operations		
Increase (decrease) in net assets from operations		
Class A	\$ (2,995)	\$ 74
Class B	\$ (1,171)	\$ 230
Increase (decrease) from operations per unit (note 3 (f))		
Class A	\$ (1.70)	\$ 0.05
Class B	\$ (1.55)	\$ 0.32

¹ The year-end of this Fund for financial reporting purposes has been changed to September 30th as of 2008. Previously, the year-end for financial reporting purposes was December 31st. The year-end for tax purposes remains at December 15th.

The accompanying notes are an integral part of these financial statements.

Annual Financial Statements

Statement of Changes in Net Assets

For the 9 months ended September 30, 2008 and the year ended December 31, 2007¹

In thousands

	Class A		Class B	
	2008	2007	2008	2007
Net Assets at Beginning of Period	\$ 20,746	\$ 11,761	\$ 9,569	\$ 5,371
Increase (Decrease) in net assets resulting from initial adoption of new accounting policy (note 3)	-	(20)	-	(9)
Increase (Decrease) in Net Assets from Operations	(2,995)	74	(1,171)	230
Unit Transactions				
Proceeds from units issued	5,808	14,001	3,090	8,183
Value of units redeemed	(5,443)	(5,070)	(3,609)	(4,206)
Reinvested distributions	-	21	-	267
	365	8,952	(519)	4,244
Distributions Paid to Unitholders				
Investment income	-	-	-	(198)
Realized gains on investments	-	(21)	-	(69)
Return of capital	-	-	-	-
	-	(21)	-	(267)
Increase (Decrease) in Net Assets	(2,630)	9,005	(1,690)	4,207
Net Assets at End of Period	\$ 18,116	\$ 20,746	\$ 7,879	\$ 9,569
	2008	2007		
Increase (Decrease) in Net Assets				
Class A	(2,630)	9,005		
Class B	(1,690)	4,207		
	\$ (4,320)	\$ 13,212		
Net Assets at End of Period				
Class A	18,116	20,746		
Class B	7,879	9,569		
	\$ 25,995	\$ 30,315		
Increase (Decrease) in Fund Units				
	Class A	Class B		
	2008	2007	2008	2007
Opening Balance	1,772	1,013	811	457
Units Issued	521	1,181	272	670
Reinvested from Distributions	-	2	-	23
Units Redeemed	(460)	(424)	(304)	(339)
Closing Balance	1,833	1,772	779	811

¹ The year-end of this Fund for financial reporting purposes has been changed to September 30th as of 2008. Previously, the year-end for financial reporting purposes was December 31st. The year-end for tax purposes remains at December 15th.

Statement of Investments

as at September 30, 2008

SHARES	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$	SHARES	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$
COMMON STOCKS - CANADIAN				Information Technology (7.3%)			
Consumer Discretionary (4.9%)				26,900	AXIS NetMedia Corporation	80,056	53,800
8,600	Astral Media Inc. - Class A	229,274	273,480	4,230	Constellation Software Inc.	101,857	113,153
9,500	Corby Distilleries Ltd. - Class A	174,564	174,420	12,200	Cossette Communication Group Inc.	146,305	69,174
6,640	Le Chateau Inc.	88,347	80,809	24,105	Gennum Corporation	259,712	153,549
24,120	Leon's Furniture Limited	296,257	272,797	55,425	Glacier Media Inc.	216,932	171,818
14,300	Richelieu Hardware Ltd.	308,322	286,715	14,100	Research In Motion Limited	1,369,049	1,025,070
8,000	Uni-Select Inc.	229,084	176,880	8,100	Softchoice Corporation	129,818	57,348
		1,325,848	1,265,101	20,000	Transcontinental Inc. - Class A	330,167	264,400
						2,633,896	1,908,312
Consumer Staples (1.5%)				Materials (14.5%)			
7,700	Empire Company Limited - Class A	323,958	328,405	10,700	Agrium Inc.	654,305	636,650
5,800	Maple Leaf Foods Inc.	48,816	49,590	31,500	Barrick Gold Corporation	1,298,933	1,227,555
		372,774	377,995	9,600	CCL Industries Inc. - Class B	343,945	283,200
Energy (22.5%)				9,900	Cascades Inc.	110,983	61,479
5,490	Altagas Utility Group Inc.	38,925	31,293	28,300	IAMGOLD Corporation	275,357	165,555
16,500	Canadian Natural Resources Ltd.	1,159,624	1,199,880	36,095	Metallic Ventures Gold Inc.	77,816	11,550
20,400	EnCana Corporation	1,420,293	1,385,160	9,500	Potash Corporation of Saskatchewan Inc.	1,309,442	1,338,075
17,900	Husky Energy Inc.	763,304	791,180	46,100	Taiga Building Products Ltd.	82,995	49,788
34,400	Nexen Inc.	996,707	852,088			4,153,776	3,773,852
19,100	Pason Systems Inc.	264,405	250,210	Telecommunication Services (3.2%)			
18,380	Petro-Canada Ltd.	939,519	650,652	8,400	Aastra Technologies Limited	265,471	109,200
12,300	Petrobank Energy and Resources Ltd.	626,532	496,305	18,720	TELUS Corporation	853,092	727,459
5,300	Savanna Energy Services Corp.	87,483	81,991			1,118,563	836,659
7,500	TriStar Oil and Gas Ltd.	78,864	117,000	Total Common Stocks - Canadian (86.4%)			
		6,375,656	5,855,759			25,689,848	22,460,829
Financials (23.5%)				TRUST UNITS - CANADIAN			
10,100	Bank of Montreal	614,703	463,590	Consumer Discretionary (1.8%)			
17,460	Bank of Nova Scotia	863,193	837,905	48,400	Yellow Pages Income Fund	472,805	479,160
11,300	Canadian Western Bank	281,567	224,983	Consumer Staples (0.3%)			
570	E-L Financial Corporation Limited	349,626	279,300	12,745	Trimac Income Fund	111,315	73,921
4,000	Home Capital Group Inc.	148,499	126,000	Energy (4.4%)			
600	Laurentian Bank of Canada	19,626	22,800	18,575	AltaGas Income Trust	474,114	437,070
26,100	Manulife Financial Corporation	1,009,812	1,024,947	18,000	Canadian Oil Sands Trust	764,226	697,500
17,200	Power Corporation of Canada	657,063	535,952			1,238,340	1,134,570
23,045	Royal Bank of Canada	1,237,798	1,163,312	Financials (1.9%)			
10,700	Sun Life Financial Inc.	542,762	403,925	3,900	Cominar Real Estate Investment Trust	80,659	82,212
15,500	Toronto-Dominion Bank (The)	1,039,368	1,006,570	21,500	Crombie Real Estate Investment Trust	254,923	218,225
8,300	Western Financial Group Inc.	37,020	25,315	17,900	Morneau Sobeco Income Fund	220,991	186,160
		6,801,037	6,114,599			556,573	486,597
Health Care (0.6%)				Industrials (0.9%)			
10,000	Atrium Innovations Inc.	186,837	145,400	14,400	Mullen Group Income Fund	289,831	244,656
Industrials (8.4%)				Total Trust Units - Canadian (9.3%)			
117,800	Bombardier Inc. - Class B	716,194	676,172			2,668,864	2,418,904
15,000	Canadian National Railway Company	815,009	761,700	BONDS - CANADIAN			
9,600	Canam Group Inc.	132,963	69,600	Corporate (0.1%)			
7,600	GLV INC - Class A	85,044	54,036	48,564	Taiga Building Products - Subordinated Notes	47,510	39,827
7,300	Lockerbie & Hole, Inc.	82,334	55,480	Adjustments for Transaction Costs			
8,400	Magna International Inc. - Class A	725,532	454,524			(23,614)	-
13,400	Martinrea International Inc.	137,193	81,472	Total Investment Portfolio (95.8%)			
1,200	Stantec Inc.	27,192	30,168			28,382,608	24,919,560
		2,721,461	2,183,152	Cash and Deposits (10.6%)			
							2,748,993
				Other Assets Less Liabilities (-6.4%)			
							(1,673,842)
				Net Assets (100.0%)			
							25,994,711

The accompanying notes are an integral part of these financial statements.

Annual Financial Statements

EnRich Canadian Equity Pool

Financial Instruments

Assets	\$
Held for trading	27,668,553
Loans and receivables	74,917
Total assets	27,743,470

Liabilities	
Held for trading	
Financial liabilities at amortized cost	1,748,759
Total liabilities	1,748,759

Accrued investment income, subscriptions receivable, amounts due from brokers, and other accounts receivable are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, redemptions payable, accrued expenses and other accounts payable are deemed to be other financial liabilities and reported at amortized cost.

Financial Risk Management

Strategy in using financial instruments

The Pool's activities expose it to a variety of financial risks: market risk, liquidity risk and credit risk. The Pool's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Pool's financial performance.

Investment Objective

The Credential EnRich Canadian Equity Pool aims to provide long-term growth through a combination of dividends and capital appreciation by investing mostly in common shares of a wide variety of Canadian companies.

The Pool may enter into securities lending, repurchase and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income. At September 30, 2008, the Pool had terminated all securities lending arrangements and there were no outstanding repurchase or reverse repurchase transactions.

Investment Strategy

The Pool trades in financial instruments, taking positions in traded and over-the-counter instruments. All securities investments present a risk of loss of capital. The portfolio manager manages this risk through a careful selection of securities and other financial instruments within specified limits and within the overall risk profile disclosed in the prospectus of the Pool. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Pool's equity securities are susceptible to market price risk arising from uncertainties about future prices of the instruments.

In order to achieve the Pool's investment objective, we have constructed a comprehensive style-diversified portfolio, to be managed by a number of sub-advisors in accordance with their respective investment styles. We allocate the assets among the sub-advisors of the Pool.

The sub-advisors are selected based on their complementary investment styles. Although the portion of the Pool's assets managed by each sub-advisor may vary, our current target weighting is as follows: large capitalization 75%; and small capitalization 25%.

Each sub-advisor uses its expertise to select securities for its portion of the portfolio. As portfolio manager, we will regularly review the security selection of each sub-advisor and the asset weight allocations to ensure that the portfolio is optimally managed. An Overlay Advisor or consultant may assist us with these functions. We may change the asset allocations available to each sub-advisor, if, for example, there are changes in a sub-advisor's investment style or changes to the number of sub-advisors in the Pool. A portion of the Pool may be managed on a socially responsible investment basis. The Pool's holdings are reviewed regularly to ensure proper risk management and alignment with its investment policies. Active management of the Pool provides for rebalancing and controlled exposure to asset classes and sectors.

The Pool may temporarily hold a portion of its assets in cash or fixed-income securities while seeking investment opportunities or for defensive purposes during times of market downturn.

Market Price Risk

At September 30, 2008, the overall market exposures were as follows:

	Fair Value \$	% of Net Assets
Securities held for trading	24,919,560	95.8%

Management's best estimate of the effect on net assets due to a reasonably possible change in indices, with all other variables held constant, is as follows:

Benchmark	Change in Price %	Impact on Net Assets \$ (+/-)
S&P/TSX Composite	+/- 3.00	746,308

Liquidity Risk

The Pool is exposed to daily cash redemptions of units of the securities. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The table below analyses the Pool's financial liabilities and net settled derivative financial liabilities into relevant maturity grouping based on the remaining period at the statement of net assets to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At September 30, 2008	Less than 1 Month \$	1 - 3 Months \$	No Stated Maturity \$
Financial liabilities at fair value	-		
Due to brokers	1,614,839		
Accrued Expenses	89,016		
Other liabilities	44,904		
Total financial liabilities	1,748,759	-	-

In accordance with the Pool's investment policy, the sub-advisors monitor the Pool's liquidity position on a daily basis, the portfolio manager on a monthly basis and the Investment Committee reviews it on a quarterly basis.

Currency Risk

The Pool may hold assets and liabilities denominated in currencies other than the Canadian Dollar, the functional currency. It may therefore be exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

In accordance with the Pool's investment policy, the sub-advisors monitor the Pool's currency position on a daily basis, the portfolio manager on a monthly basis and the Investment Committee reviews it on a quarterly basis.

Credit risk

The Pool has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. When the Pool trades in listed securities which are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Pool only transacts with reputable, highly credit-rated brokers.

The Pool has engaged in securities lending activities. In order to mitigate the risks associated with securities lending, the Pool obtains collateral at a value greater than 100% of the loans made. As well, the securities may be recalled by the Pool at any time. More information on securities lending arrangements is available in the Notes to Financial Statements 3(h).

The portfolio manager monitors the Pool's credit position regularly, and the Pool's manager reviews it on a quarterly basis. The Pool maintains sufficient collateral on securities lending activities. The Pool has not identified any past due assets or receivables as at September 30, 2008.

EnRich US Equity Pool

Statement of Net Assets

In thousands (except per unit figures)

	September 30, 2008	December 31, 2007
Assets		
Investments at fair value	\$ 20,401	\$ 21,204
Cash and deposits (note 6)	1,038	1,756
Short-term notes	-	-
Accrued investment income	15	18
Due from brokers	21	-
Subscriptions receivable	5	31
Other accounts receivable	12	9
	<u>21,492</u>	<u>23,018</u>
Liabilities		
Due to brokers	115	160
Redemptions payable	53	37
Accrued expenses	91	77
Other accounts payable	2	2
	<u>261</u>	<u>276</u>
Net Assets, representing Unitholders' Equity (GAAP NAV) (notes 3 & 4)	<u>\$ 21,231</u>	<u>\$ 22,742</u>
Class net assets		
Class A		
Class B	\$ 15,069	\$ 15,675
	\$ 6,162	\$ 7,067
Net asset value per unit		
Class A	\$ 8.40	\$ 9.61
Class B	\$ 8.85	\$ 9.97

Approved on behalf of the Board of Directors of Northwest & Ethical Investments Inc., acting as general partner of Northwest & Ethical Investments L.P. as manager and trustee:



Bernie O'Neill
Director



Pierre Tardif
Director

Statement of Operations

For the 9 months ended September 30, 2008 and the year ended December 31, 2007¹

In thousands (except per unit figures)

	2008	2007
Investment Income		
Dividends	\$ 513	\$ 375
Interest and other income	7	7
Gain on derivatives	-	-
Securities lending (note 12)	-	-
	<u>520</u>	<u>382</u>
Less: Foreign withholding tax	41	53
	<u>479</u>	<u>329</u>
Expenses (note 7)		
Management fees (note 7(a))	314	379
Registrar fees (note 7(b))	17	20
Audit fees	7	8
Custodian fees	16	19
Legal fees	-	-
Securityholder reporting cost	12	12
Other	17	15
	<u>383</u>	<u>453</u>
Net income (loss) before expenses absorbed by Fund Manager	96	(124)
Expenses absorbed by Fund Manager	(55)	(61)
	<u>151</u>	<u>(63)</u>
Net Income (Loss)		
Realized gain (loss) on sale of investments	(2,059)	452
Change in unrealized appreciation (depreciation)	(997)	(3,869)
Transaction costs (note 3)	(24)	(33)
Net gain (loss) on investments	<u>(3,080)</u>	<u>(3,450)</u>
Increase (decrease) in net assets from operations	<u>\$ (2,929)</u>	<u>\$ (3,513)</u>
Increase (decrease) in net assets from operations		
Class A	\$ (2,129)	\$ (2,528)
Class B	\$ (800)	\$ (985)
Increase (decrease) from operations per unit (note 3 (f))		
Class A	\$ (1.21)	\$ (1.85)
Class B	\$ (1.14)	\$ (1.71)

¹ The year-end of this Fund for financial reporting purposes has been changed to September 30th as of 2008. Previously, the year-end for financial reporting purposes was December 31st. The year-end for tax purposes remains at December 15th.

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Assets

For the 9 months ended September 30, 2008 and the year ended December 31, 2007¹

In thousands

	Class A		Class B	
	2008	2007	2008	2007
Net Assets at Beginning of Period	\$ 15,675	\$ 9,243	\$ 7,067	\$ 3,768
Increase (Decrease) in net assets resulting from initial adoption of new accounting policy (note 3)	-	(68)	-	(27)
Increase (Decrease) in Net Assets from Operations	(2,129)	(2,528)	(800)	(985)
Unit Transactions				
Proceeds from units issued	4,338	12,124	1,852	6,667
Value of units redeemed	(2,815)	(3,096)	(1,957)	(2,356)
Reinvested distributions	-	-	-	133
	1,523	9,028	(105)	4,444
Distributions Paid to Unitholders				
Investment income	-	-	-	(79)
Realized gains on investments	-	-	-	(54)
Return of capital	-	-	-	-
	-	-	-	(133)
Increase (Decrease) in Net Assets	(606)	6,500	(905)	3,326
Net Assets at End of Period	\$ 15,069	\$ 15,675	\$ 6,162	\$ 7,067
	2008	2007		
Increase (Decrease) in Net Assets				
Class A	(606)	6,500		
Class B	(905)	3,326		
	\$ (1,511)	\$ 9,826		
Net Assets at End of Period				
Class A	15,069	15,675		
Class B	6,162	7,067		
	\$ 21,231	\$ 22,742		
	Class A	Class B		
	2008	2007	2008	2007
Opening Balance	1,631	816	709	323
Units Issued	473	1,103	193	585
Reinvested from Distributions	-	-	-	13
Units Redeemed	(310)	(288)	(206)	(212)
Closing Balance	1,794	1,631	696	709

¹ The year-end of this Fund for financial reporting purposes has been changed to September 30th as of 2008. Previously, the year-end for financial reporting purposes was December 31st. The year-end for tax purposes remains at December 15th.

The accompanying notes are an integral part of these financial statements.

Statement of Investments

as at September 30, 2008

SHARES	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$	SHARES	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$
COMMON STOCKS - US				Health Care (13.9%)			
Consumer Discretionary (12.5%)							
8,750	Carnival Corporation	347,418	326,419	5,420	Amgen Inc.	279,963	332,663
54,400	Charter Communications, Inc. - Class A	170,113	40,922	23,300	Boston Scientific Corporation	335,245	302,408
34,600	Comcast Corporation - Class A	785,155	715,946	6,900	Bristol-Myers Squibb Company	199,295	152,425
1,800	Fortune Brands, Inc.	148,384	109,239	3,500	Cooper Companies, Inc. (The)	170,696	128,862
9,000	Home Depot, Inc. (The)	254,018	246,493	6,000	Eclipsys Corporation	142,403	121,482
7,860	International Game Technology	269,211	142,903	1,000	Genzyme Corporation	70,945	85,195
3,400	Kohl's Corporation	177,887	165,778	6,100	Johnson & Johnson	419,673	446,591
10,300	Lowe's Companies, Inc.	263,849	258,526	7,700	Medtronic, Inc.	394,945	408,071
22,200	Office Depot, Inc.	206,273	136,657	2,000	Millipore Corporation	139,625	145,300
23,400	Time Warner Inc.	416,930	325,028	5,600	PerkinElmer Inc.	148,405	148,093
2,600	Toll Brothers, Inc.	53,105	69,501	12,700	Pfizer Inc.	342,972	246,777
3,600	Walt Disney Co.	117,105	117,058	5,100	Quest Diagnostics Incorporated	292,216	278,548
		<u>3,209,448</u>	<u>2,654,470</u>	26,000	Tenet Healthcare Corporation	137,429	152,611
Consumer Staples (7.3%)				Industrials (14.4%)			
11,600	Dean Foods Company	286,972	286,485	4,200	3M Company	341,516	303,795
3,000	Kellogg Company	168,777	178,314	2,100	Arch Coal, Inc.	90,335	73,179
6,200	Safeway Inc.	216,905	155,815	3,200	Boeing Company (The)	257,519	194,440
10,440	Smithfield Foods, Inc.	313,983	175,652	4,200	Continental Airlines, Inc. - Class B	74,821	74,224
11,900	Wal-Mart Stores, Inc.	621,607	753,080	4,800	D.R. Horton, Inc.	62,814	66,215
		<u>1,608,244</u>	<u>1,549,346</u>	10,000	Delta Air Lines, Inc.	74,668	78,933
Energy (6.0%)				Information Technology (16.9%)			
3,100	Baker Hughes Incorporated	249,025	198,085	4,600	FedEx Corp.	398,103	385,218
5,400	ConocoPhillips	448,607	416,454	14,000	General Electric Company	392,942	377,797
6,700	Dynegy Inc. - Class A	56,374	25,413	11,800	JetBlue Airways Corporation	110,152	58,635
3,500	Exxon Mobil Corporation	286,149	287,946	2,200	Newmont Mining Corporation	111,611	90,276
1,200	Transocean Inc.	146,348	139,638	38,300	Southwest Airlines Co.	568,056	588,394
5,900	Weatherford International Ltd.	190,396	156,839	6,900	Tidewater Inc.	365,026	403,324
1,600	Williams Companies, Inc. (The)	58,241	40,092	5,300	United Parcel Service, Inc. - Class B	422,118	353,150
		<u>1,435,140</u>	<u>1,264,467</u>			<u>3,269,681</u>	<u>3,047,580</u>
Financials (13.7%)							
4,400	American Express Company	174,145	165,075	5,950	Autodesk, Inc.	207,646	209,105
7,900	Bank of America Corporation	431,714	291,278	8,800	Automatic Data Processing, Inc.	380,193	398,491
2,500	Chubb Corporation (The)	147,889	145,284	4,000	Cerner Corporation	196,774	187,532
10,900	Citigroup Inc.	452,947	236,746	20,055	Cisco Systems, Inc.	519,719	475,962
15,300	Conesco, Inc.	188,320	57,061	13,800	Dell Inc.	380,680	235,546
4,800	Discover Financial Services	86,978	70,232	24,700	EMC Corporation	370,511	312,989
1,400	Goldman Sachs Group, Inc. (The)	276,205	189,596	5,400	Electronic Arts Inc.	306,338	208,771
7,600	JPMorgan Chase & Co.	307,733	375,636	1,312	Google Inc. - Class A	689,383	474,610
7,500	Marsh & McLennan Companies, Inc.	198,112	252,294	11,300	Intel Corporation	311,738	222,207
9,800	Merrill Lynch & Co., Inc.	418,469	258,124	1,400	International Business Machines Corporation	155,237	172,211
3,900	PNC Financial Services Group, Inc.	278,602	308,623	7,700	Juniper Networks, Inc.	182,763	171,077
9,200	SEI Investments Company	237,545	202,161	13,500	Microsoft Corporation	416,675	377,034
8,900	US Bancorp	290,080	338,144	19,800	TIBCO Software Inc.	185,319	146,847
7,700	Wachovia Corporation	272,832	28,309			<u>4,302,976</u>	<u>3,592,382</u>
		<u>3,761,571</u>	<u>2,918,563</u>				

The accompanying notes are an integral part of these financial statements.

SHARES	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$
Materials (4.9%)			
6,000	Alcoa Inc.	209,619	143,223
4,500	Dow Chemical Company (The)	191,683	150,900
3,500	Du Pont (El) de Nemours and Company	182,018	149,183
19,900	Louisiana-Pacific Corporation	274,318	195,660
6,200	Weyerhaeuser Company	421,836	396,434
		<u>1,279,474</u>	<u>1,035,400</u>
	Total Common Stocks - US (89.6%)	<u>21,940,346</u>	<u>19,011,234</u>
RIGHTS RIGHTS - US			
Consumer Discretionary (0.0%)			
36,270	Charter Communications - Class A Rights	-	-
SHARES INTERNATIONAL EQUITIES			
Consumer Discretionary (2.8%)			
6,900	Axis Capital Holdings Limited	286,851	231,745
4,000	Toyota Motor Corporation - ADR	459,137	363,621
		<u>745,988</u>	<u>595,366</u>
Energy (0.8%)			
6,500	Nabors Industries, Ltd.	231,192	171,480
Information Technology (1.6%)			
26,900	Seagate Technology	590,144	345,427
Telecommunication Services (1.3%)			
14,050	Nokia Oyj - ADR	449,777	277,475
	Total International Equities (6.5%)	<u>2,017,101</u>	<u>1,389,748</u>
	Adjustments for Transaction Costs	<u>(19,899)</u>	-
	Total Investment Portfolio (96.1%)	<u>23,937,548</u>	20,400,982
	Cash and Deposits (4.9%)		1,038,263
	Other Assets Less Liabilities (-1.0%)		<u>(207,809)</u>
	Net Assets (100.0%)		<u>21,231,436</u>

The accompanying notes are an integral part of these financial statements.

EnRich US Equity Pool

Financial Instruments

Assets	\$
Held for trading	21,439,245
Loans and receivables	53,013
Total assets	21,492,258

Liabilities	
Held for trading	
Financial liabilities at amortized cost	260,822
Total liabilities	260,822

Accrued investment income, subscriptions receivable, amounts due from brokers, and other accounts receivable are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, redemptions payable, accrued expenses and other accounts payable are deemed to be other financial liabilities and reported at amortized cost.

Financial Risk Management

Strategy in using financial instruments

The Pool's activities expose it to a variety of financial risks: market risk, currency risk and credit risk. The Pool's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Pool's financial performance.

Investment Objective

The Credential EnRich US Equity Pool aims to provide long-term growth through a combination of dividends and capital appreciation by investing mostly in common shares of a wide variety of companies in the United States.

The Pool may enter into securities lending, repurchase and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income. At September 30, 2008, the Pool had terminated all securities lending arrangements and there were no outstanding repurchase or reverse repurchase transactions.

Investment Strategy

The Pool trades in financial instruments, taking positions in traded and over-the-counter instruments. All securities investments present a risk of loss of capital. The portfolio manager manages this risk through a careful selection of securities and other financial instruments within specified limits and within the overall risk profile disclosed in the prospectus of the Pool. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Pool's equity securities are susceptible to market price risk arising from uncertainties about future prices of the instruments.

In order to achieve the Pool's investment objective, we have constructed a comprehensive style-diversified portfolio, to be managed by a number of sub-advisors in accordance with their respective investment styles. We allocate the assets among the sub-advisors of the Pool.

The sub-advisors are selected based on their complementary investment styles. Although the portion of the Pool's assets managed by each sub-advisor may vary, our current target weighting is as follows: core-oriented 50%; and value-oriented 50%.

Each sub-advisor uses its expertise to select securities for its portion of the portfolio. As portfolio manager, we will regularly review the security selection of each sub-advisor and the asset weight allocations to ensure that the portfolio is optimally managed. An Overlay Advisor or consultant may assist us with these functions. We may change the asset allocations available to each sub-advisor, if, for example, there are changes in a sub-advisor's investment style or changes to the number of sub-advisors in the Pool. A portion of the Pool may be managed on a socially responsible investment basis. The Pool's holdings are reviewed regularly to ensure proper risk management and alignment with its investment policies. Active management of the Pool provides for rebalancing and controlled exposure to asset classes and sectors.

The Pool may temporarily hold a portion of its assets in cash or fixed-income securities while seeking investment opportunities. The Pool's holdings are reviewed regularly to ensure proper risk management and alignment with its investment policies. Active management of the Pool provides for rebalancing and controlled exposure to asset classes and sectors. US stocks have been impacted by various issues over the past nine months. These developments have sent equity markets into declines that have not been felt for more than ten years.

Market Price Risk

At September 30, 2008, the overall market exposures were as follows:

	Fair Value \$	% of Net Assets
Securities held for trading	20,400,982	96.1%

Management's best estimate of the effect on net assets due to a reasonably possible change in indices, with all other variables held constant, is as follows:

Benchmark	Change in Price %	Impact on Net Assets \$ (+/-)
S&P 500	+/- 3.00	570,701
MSCI EAFE	+/- 3.00	41,401

In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be material. The benchmark selected represents the exposure of the Pool's holdings to the asset class. The S&P 500 index tracks the common share price of 500 leading US companies.

Liquidity Risk

The Pool is exposed to daily cash redemptions of units of the securities. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. As a result, the Pool is not significantly exposed to liquidity risk.

Currency Risk

The Pool holds assets and liabilities denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Pool's policy is to not enter into any currency hedging transactions. The portfolio manager, as part of the fundamental analysis of companies being considered, evaluates the impact of currency fluctuations on assets and income.

The table below summarizes the Pool's exposure to currency risks.

As at September 30, 2008	Cash \$	Financial Assets Held for Trading \$	Other Assets \$	Bank Overdraft \$	Financial Liabilities at Fair Value \$	Other Liabilities \$
US Dollar	1,030,044	20,400,982	21,003	-	115,179	-

As at September 30, 2008, had the Canadian Dollar strengthened or weakened by 3% in relation to the US Dollar, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$640,106.

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

In accordance with the Pool's investment policy, the sub-advisors monitor the Pool's currency position on a daily basis, the portfolio manager on a monthly basis and the Investment Committee reviews it on a quarterly basis.

Credit risk

The Pool has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. When the Pool trades in listed securities which are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Pool only transacts with reputable, highly credit-rated brokers.

The Pool has engaged in securities lending activities. In order to mitigate the risks associated with securities lending, the Pool obtains collateral at a value greater than 100% of the loans made. As well, the securities may be recalled by the Pool at any time. More information on securities lending arrangements is available in the Notes to Financial Statements 3(h).

The portfolio manager monitors the Pool's credit position regularly, and the Pool's manager reviews it on a quarterly basis. The Pool maintains sufficient collateral on securities lending activities. The Pool has not identified any past due assets or receivables as at September 30, 2008.

EnRich International Equity Pool

Statement of Net Assets

In thousands (except per unit figures)

	June 30, 2008	December 31, 2007
Assets		
Investments at fair value	\$ 19,160	\$ 21,373
Cash and deposits (note 6)	1,836	1,150
Short-term notes	-	-
Accrued investment income	92	33
Due from brokers	-	-
Subscriptions receivable	5	103
Other accounts receivable	69	7
	<u>21,162</u>	<u>22,666</u>
Liabilities		
Due to brokers	606	-
Redemptions payable	53	37
Accrued expenses	86	76
Other accounts payable	2	2
	<u>747</u>	<u>115</u>
Net Assets, representing Unitholders' Equity (GAAP NAV) (notes 3 & 4)	<u>\$ 20,415</u>	<u>\$ 22,551</u>
Class net assets		
Class A	\$ 14,411	\$ 15,455
Class B	\$ 6,004	\$ 7,096
Net asset value per unit		
Class A	\$ 7.82	\$ 10.07
Class B	\$ 8.18	\$ 10.36

Approved on behalf of the Board of Directors of Northwest & Ethical Investments Inc., acting as general partner of Northwest & Ethical Investments L.P. as manager and trustee:



Bernie O'Neill
Director



Pierre Tardif
Director

Statement of Operations

For the 9 months ended September 30, 2008 and the year ended December 31, 2007¹

In thousands (except per unit figures)

	2008	2007
Investment Income		
Dividends	\$ 911	\$ 535
Interest and other income	10	6
Gain on derivatives	-	-
Securities lending (note 12)	4	4
	<u>925</u>	<u>545</u>
Less: Foreign withholding tax	113	68
	<u>812</u>	<u>477</u>
Expenses (note 7)		
Management fees (note 7(a))	311	383
Registrar fees (note 7(b))	17	20
Audit fees	7	8
Custodian fees	15	19
Legal fees	-	-
Securityholder reporting cost	12	12
Other	16	15
	<u>378</u>	<u>457</u>
Net income (loss) before expenses absorbed by Fund Manager	434	20
Expenses absorbed by Fund Manager	(57)	(64)
	<u>491</u>	<u>84</u>
Net Income (Loss)		
Realized gain (loss) on sale of investments	(409)	(37)
Change in unrealized appreciation (depreciation)	(5,487)	(3,883)
Transaction costs (note 3)	(19)	(35)
Net gain (loss) on investments	<u>(5,915)</u>	<u>(3,955)</u>
Increase (decrease) in net assets from operations	<u>\$ (5,424)</u>	<u>\$ (3,871)</u>
Increase (decrease) in net assets from operations		
Class A	\$ (3,883)	\$ (2,783)
Class B	\$ (1,541)	\$ (1,088)
Increase (decrease) from operations per unit (note 3 (f))		
Class A	\$ (2.27)	\$ (2.14)
Class B	\$ (2.18)	\$ (1.96)

¹ The year-end of this Fund for financial reporting purposes has been changed to September 30th as of 2008. Previously, the year-end for financial reporting purposes was December 31st. The year-end for tax purposes remains at December 15th.

The accompanying notes are an integral part of these financial statements.

Annual Financial Statements

Statement of Changes in Net Assets

For the 9 months ended September 30, 2008 and the year ended December 31, 2007¹

In thousands

	Class A		Class B	
	2008	2007	2008	2007
Net Assets at Beginning of Period	\$ 15,455	\$ 9,338	\$ 7,096	\$ 3,763
Increase (Decrease) in net assets resulting from initial adoption of new accounting policy (note 3)	-	(56)	-	(22)
Increase (Decrease) in Net Assets from Operations	(3,883)	(2,783)	(1,541)	(1,088)
Unit Transactions				
Proceeds from units issued	5,246	12,139	2,259	6,704
Value of units redeemed	(2,407)	(3,183)	(1,810)	(2,261)
Reinvested distributions	-	-	-	88
	2,839	8,956	449	4,531
Distributions Paid to Unitholders				
Investment income	-	-	-	(88)
Realized gains on investments	-	-	-	-
Return of capital	-	-	-	-
	-	-	-	(88)
Increase (Decrease) in Net Assets	(1,044)	6,173	(1,092)	3,355
Net Assets at End of Period	\$ 14,411	\$ 15,455	\$ 6,004	\$ 7,096
	2008	2007		
Increase (Decrease) in Net Assets				
Class A	(1,044)	6,173		
Class B	(1,092)	3,355		
	\$ (2,136)	\$ 9,528		
Net Assets at End of Period				
Class A	14,411	15,455		
Class B	6,004	7,096		
	\$ 20,415	\$ 22,551		
	Class A	Class B		
	2008	2007	2008	2007
Opening Balance	1,534	774	685	307
Units Issued	565	1,040	235	565
Reinvested from Distributions	-	(280)	-	(195)
Units Redeemed	(256)	-	(186)	8
Closing Balance	1,843	1,534	734	685

¹ The year-end of this Fund for financial reporting purposes has been changed to September 30th as of 2008. Previously, the year-end for financial reporting purposes was December 31st. The year-end for tax purposes remains at December 15th.

Statement of Investments

as at September 30, 2008

SHARES	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$	SHARES	DESCRIPTION	AVERAGE COST \$	FAIR VALUE \$
INTERNATIONAL EQUITIES				Information Technology (5.2%)			
Consumer Discretionary (8.0%)				11,500	Canon Inc. - ADR	609,837	459,956
250	Accor SA - ADR	21,029	16,188	17,200	KT Corporation - ADR	495,010	305,789
12,400	DSG International plc - ADR	89,371	32,976	4,000	Telefonica SA - ADR	411,266	302,975
15,150	Honda Motor Co., Ltd. - ADR	542,400	483,309			<u>1,516,113</u>	<u>1,068,720</u>
135,700	Kingfisher plc - ADR	838,394	646,985	Materials (4.1%)			
6,900	WPP Group plc - ADR	372,000	296,151	22,979	Cemex SA - ADR	741,806	419,000
22,700	Wolseley plc - ADR	252,348	155,367	2,200	POSCO - ADR	367,087	216,145
		<u>2,115,542</u>	<u>1,630,976</u>	20,800	Stora Enso Oyj - ADR	297,935	201,644
Consumer Staples (5.1%)						<u>1,406,828</u>	<u>836,789</u>
18,800	Koninklijke Ahold NV - ADR	274,565	199,186	Telecommunication Services (9.4%)			
9,350	Nestle SA - ADR	393,132	413,590	28,700	France Telecom SA - ADR	956,384	851,720
14,300	Unilever NV	430,890	426,649	25,400	Nokia Oyj - ADR	723,241	501,627
		<u>1,098,587</u>	<u>1,039,425</u>	13,300	Telecom Corporation of New Zealand Ltd. - ADR	211,481	129,500
Energy (10.6%)				18,300	Vodafone Group plc - ADR	540,802	428,494
1,900	BP plc - ADR	138,663	100,975			<u>2,431,908</u>	<u>1,911,341</u>
15,225	Eni SpA - ADR	1,076,732	854,132	Utilities (3.4%)			
7,378	GDF Suez - ADR	583,925	383,033	10,100	E.ON AG - ADR	582,851	437,670
1,400	PetroChina Company Limited - ADR	275,678	152,380	18,900	Korea Electric Power Corporation - ADR	412,735	247,904
6,300	Royal Dutch Shell plc - Class B - ADR	507,492	381,068			<u>995,586</u>	<u>685,574</u>
4,600	Total SA - ADR	353,486	294,421	Total International Equities (89.1%)			
		<u>2,935,976</u>	<u>2,166,009</u>			<u>25,847,510</u>	<u>18,201,022</u>
Financials (26.0%)				COMMON STOCKS - US			
15,300	Aegon NV - ADR	267,810	142,165	Consumer Discretionary (4.7%)			
14,800	Allianz AG - ADR	313,793	214,981	7,700	Autoliv, Inc.	295,320	275,338
33,700	Axa - ADR	1,287,694	1,165,775	7,100	Carnival Corporation	274,988	264,866
21,100	BNP Paribas - ADR	1,201,053	938,930	92,000	Foster's Group Limited - ADR	447,838	419,139
23,300	Banco Bilbao Vizcaya Argentaria, SA - ADR	556,148	399,179			<u>1,018,146</u>	<u>959,343</u>
7,400	Bank of Ireland - ADR	475,874	177,740	Adjustments for Transaction Costs			
13,800	Barclays plc - ADR	617,767	355,732			<u>(23,987)</u>	<u>-</u>
14,000	Fortis - ADR	376,020	59,332	Total Investment Portfolio (93.8%)			
3,800	HSBC Holdings plc - ADR	380,844	325,430			<u>26,841,669</u>	<u>19,160,365</u>
18,265	ING Groep NV - ADR	769,384	414,128	Cash and Deposits (9.0%)			
5,800	KB Financial Group Inc. - ADR	431,240	280,770				1,836,098
33,500	Societe Generale - ADR	1,022,953	537,724	Other Assets Less Liabilities (-2.8%)			
27,000	Swedbank AB - ADR	815,167	307,520				<u>(581,398)</u>
		<u>8,515,747</u>	<u>5,319,406</u>	Net Assets (100.0%)			
Health Care (11.8%)							<u>20,415,065</u>
27,800	GlaxoSmithKline plc - ADR	1,527,252	1,280,077				
32,700	Sanofi-Aventis - ADR	1,517,314	1,138,804				
		<u>3,044,566</u>	<u>2,418,881</u>				
Industrials (5.5%)							
2,000	BASF AG - ADR	142,471	99,699				
8,200	Gerdau SA - ADR	137,404	95,306				
4,500	ITOCHU Corporation - ADR	455,272	289,832				
6,100	Mitsubishi Corporation - ADR	369,551	231,374				
44,000	Norsk Hydro ASA - ADR	437,762	233,090				
14,900	Tomkins plc - ADR	244,197	174,600				
		<u>1,786,657</u>	<u>1,123,901</u>				

The accompanying notes are an integral part of these financial statements.

EnRich International Equity Pool

Financial Instruments

Assets	\$
Held for trading	20,996,463
Loans and receivables	165,177
Total assets	21,161,580
Liabilities	
Held for trading	
Financial liabilities at amortized cost	746,515
Total liabilities	746,515

Accrued investment income, subscriptions receivable, amounts due from brokers, and other accounts receivable are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, redemptions payable, accrued expenses and other accounts payable are deemed to be other financial liabilities and reported at amortized cost.

Financial Risk Management

Strategy in using financial instruments

The Pool's activities expose it to a variety of financial risks: market risk, currency risk and credit risk. The Pool's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Pool's financial performance.

Investment Objective

The Credential EnRich International Equity Pool aims to provide long-term growth through a combination of dividends and capital appreciation by investing mostly in equity and equity-related securities of companies located mainly outside of Canada and the United States.

The Pool may enter into securities lending, repurchase and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income. At September 30, 2008, the Pool had terminated all securities lending arrangements and there were no outstanding repurchase or reverse repurchase transactions.

Investment Strategy

The Pool trades in financial instruments, taking positions in traded and over-the-counter instruments. All securities investments present a risk of loss of capital. The portfolio manager manages this risk through a careful selection of securities and other financial instruments within specified limits and within the overall risk profile disclosed in the prospectus of the Pool. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Pool's equity securities are susceptible to market price risk arising from uncertainties about future prices of the instruments.

In order to achieve the Pool's investment objective, we have constructed a comprehensive style-diversified portfolio, to be managed by a number of sub-advisors in accordance with their respective investment styles. We allocate the assets among the sub-advisors of the Pool.

The sub-advisors are selected based on their complementary investment styles. Although the portion of the Pool's assets managed by each sub-advisor may vary, each sub-advisor currently manages approximately 50% of the portfolio.

Each sub-advisor uses its expertise to select securities for its portion of the portfolio. As portfolio manager, we will regularly review the security selection of each sub-advisor and the asset weight allocations to ensure that the portfolio is optimally managed. An Overlay Advisor or consultant may assist us with these functions. We may change the asset allocations available to each sub-advisor, if, for example, there are changes in a sub-advisor's investment style or changes to the number of sub-advisors in the Pool. A portion of the Pool may be managed on a socially responsible investment basis. The Pool's holdings are reviewed regularly to ensure proper risk management and alignment with its investment policies. Active management of the Pool provides for rebalancing and controlled exposure to asset classes and sectors.

The Pool may temporarily hold a portion of its assets in cash or fixed-income securities while seeking investment opportunities or for defensive purposes during times of market downturn. The Pool's holdings are reviewed regularly to ensure proper risk management and alignment with its investment policies. Active management of the Pool provides for rebalancing and controlled exposure to asset classes and sectors. International stocks have been impacted by various issues over the past nine months. These developments have sent international equity markets into declines that have not been felt for more than ten years.

Market Price Risk

At September 30, 2008, the overall market exposures were as follows:

	Fair Value \$	% of Net Assets
Securities held for trading	19,160,365	93.8%

Management's best estimate of the effect on net assets due to a reasonably possible change in indices, with all other variables held constant, is as follows:

Benchmark	Change in Price %	Impact on Net Assets \$ (+/-)
MSCI EAFE	+/- 3.00	546,558

In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be material. The benchmark selected represents the exposure of the Pool's holdings to the asset class. The MSCI EAFE Index (Europe, Australasia, Far East) is a freefloat-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada.

Liquidity Risk

The Pool is exposed to daily cash redemptions of units of the securities. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. As a result, the Pool is not significantly exposed to liquidity risk.

Currency Risk

The Pool holds assets and liabilities denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Pool's policy is to not enter into any currency hedging transactions. The portfolio manager, as part of the fundamental analysis of companies being considered, evaluates the impact of currency fluctuations on assets and income.

The table below summarizes the Pool's exposure to currency risks:

At September 30, 2008	Cash	Financial Assets Held for Trading	Other Assets	Bank Overdraft	Financial Liabilities at Fair Value	Other Liabilities
	\$	\$	\$	\$	\$	\$
US Dollar	1,816,280	19,160,365	-	-	615,414	-

As at September 30, 2008, had the Canadian Dollar strengthened or weakened by 3% in relation to the US Dollar, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$610,837.

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

In accordance with the Pool's investment policy, the sub-advisors monitor the Pool's currency position on a daily basis, the portfolio manager on a monthly basis and the Investment Committee reviews it on a quarterly basis.

Credit risk

The Pool has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. When the Pool trades in listed securities which are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Pool only transacts with reputable, highly credit-rated brokers.

The Pool has engaged in securities lending activities. In order to mitigate the risks associated with securities lending, the Pool obtains collateral at a value greater than 100% of the loans made. As well, the securities may be recalled by the Pool at any time. More information on securities lending arrangements is available in the Notes to Financial Statements 3(h).

The portfolio manager monitors the Pool's credit position regularly, and the Pool's manager reviews it on a quarterly basis. The Pool maintains sufficient collateral on securities lending activities. The Pool has not identified any past due assets or receivables as at September 30, 2008.

The information in these financial statements and notes hereto is for the nine-month period ended or as at September 30, 2008 and the year ended or as at December 31, 2007.

Throughout the Notes to the Financial Statements, “we” or “NEILP” refers to Northwest and Ethical Investments L.P., appointed as manager (the “Manager”) of the Pools on December 28, 2007 as disclosed in Note 2.

1. The Pools

All of the Pools described in these financial statements are unincorporated mutual fund trusts, operate under separate declarations of trust and are sold under a simplified prospectus. The Pools are sold in units. Class A and B units are available to all investors.

Each of the Credential EnRich Income Pool, Credential EnRich Canadian Equity Pool, Credential EnRich US Equity Pool and Credential EnRich International Equity Pool are authorized to issue an unlimited number of units in an unlimited number of classes. Only Class A and Class B units are currently offered for sale.

2. Significant Events

The period-end for financial reporting purposes for the Pools has been changed from December 31st to September 30th. Accordingly, the financial statements have been prepared for the nine month period ended September 30, 2008. The comparative information presented in the financial statements is for the year ended December 31, 2007. The year-end for tax purposes remains at December 15th.

Custodial services provided to the Pools by the RBC Dexia Investor Services Trust (“RBC Dexia”) were assigned to Desjardins Trust Inc. (“Desjardins”) effective June 20, 2008.

NEILP (formerly Ethical Funds L.P. but renamed NEILP concurrent with the transaction described in the next paragraph) was formed as a limited partnership under the laws of the Province of Ontario on September 28, 2007. The general partner of NEILP is Northwest & Ethical Investments Inc. (the “General Partner”).

On December 28, 2007 Ethical Funds Inc. (“EFI”) completed the previously announced transaction to create a partnership combining the assets and fund management activities of EFI and its wholly-owned subsidiary, EF Administration Inc. (“EFA”) with Northwest Mutual Funds Inc. (“NMFI”) and Northwest Asset Management Inc. (“NAMI”) into a limited partnership structure owned 50% by EFI and 50% by the Fédération des caisses Desjardins du Québec (“Desjardins”), the direct parent of NAMI, and the indirect parent, through NAMI, of NMFI.

As a result of the transaction, NEILP acquired the business of EFI and its wholly-owned subsidiary, EFA. NEILP replaced EFI as Manager of the Ethical Funds and the Credential Funds, and NMFI amalgamated with NAMI and then transferred its business and assets to NEILP, which is now the Manager of the Northwest Funds, the Ethical Funds and the Credential Funds.

3. Summary of significant accounting policies

The financial statements of the Pools have been prepared according to Canadian generally accepted accounting principles (“GAAP”). The significant accounting policies used by the Funds are detailed below.

Adoption of new accounting standards

Financial Instruments – Recognition and Measurement:

On April 1, 2005 the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3855, “Financial Instruments – Recognition and Measurement” which establishes standards for the fair valuation of investments, as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006, thus being effective for the Funds as of January 1, 2007. Section 3855 requires that securities be valued at fair value, which in an active market, will commonly be measured based on the last bid price for a security. Previously, fair value was most commonly based on the last traded price of a security. The impact of adoption of this new policy, as of January 1, 2007, has been disclosed in the Statements of Changes in Net Assets for the year ended December 31, 2007.

Section 3855 requires that transaction costs, such as brokerage commissions, transfer taxes and duties incurred in the purchase and sale of securities by the Pools, be expensed in the period incurred. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or deducted from proceeds from sale of investments. The transaction costs are now disclosed separately in the Statements of Operations.

For financial reporting purposes, the provisions of Section 3855 have been applied retrospectively, without restatement of prior periods. This method of calculating and reporting of the Pools net asset value and net asset value per unit for financial reporting purposes is referred to as “GAAP NAV”.

In June 2008, the Canadian Securities Administrators adopted changes to National Instrument 81-106 on Investment Fund Continuous Disclosure. The changes are essentially aimed at modifying the requirements pertaining to the calculation of the unit value due to the inclusion of Section 3855, Financial Instruments – Recognition and Measurement of the CICA Handbook. These changes allow the Funds to report two distinct net asset values: one for the financial statements, which is calculated in accordance with Canadian GAAP (called “net assets”) and another for all other purposes, such as unit pricing (called “net asset value”). A reconciliation between the net assets per unit and the net asset value per unit is required, as well as a description of the differences between the valuation principles and practices required by the Manager of the Funds to calculate the net asset value and those prescribed by Canadian GAAP. The changes have come into effect on September 8, 2008, and have been reflected in the Annual Financial Statements as at September 30, 2008.

Financial Instruments – Disclosures and Presentation:

In December 2006 the CICA issued Section 3862, “Financial Instruments – Disclosures” and Section 3863, “Financial Instruments – Presentation” which are applicable for the period ended September 30, 2008. These presentation and disclosure sections for financial instruments replace Section 3861, “Financial Instruments – Disclosure and Presentation”. The new presentation and disclosure standards modify and increase requirements pertaining to disclosures and substantially maintain existing presentation requirements. These new sections give greater importance to disclosures in terms of the nature and scope of the risks associated with financial instruments, and the way entities manage these risks. Pools’ specific risk disclosures are presented in a schedule to the Investment Portfolio. The adoption of the new disclosure requirements does not impact the GAAP NAV or the Transactional NAV.

Notes to the Financial Statements

For the nine months ended September 30, 2008

(a) Valuation of investments

Investments are valued for financial reporting using the following bases:

Equity securities

The fair value of investments in equity securities which are traded in an active market are valued using the final bid price as at the period-end date using independent pricing sources on a recognized exchange on which the security is traded. When current market prices or quotations are not readily available, valuations are established based upon a valuation technique in order to estimate what the fair value would be in an arms length transaction motivated by normal business considerations. Valuation techniques principally include the use of the last publicly traded price, or a price established by the Manager in accordance with its Fair Value Policy.

Bonds and Mortgage Back Securities

Bonds and mortgage backed securities are valued at the trading price obtained from recognized dealers on the last trading day of the period.

Short term investments and Money Market instruments

Short term investments are valued using the quoted price.

Cash and deposits

Cash and deposits consist of cash held with Canadian regulated financial institutions are recorded at fair value.

Other assets and liabilities

In accordance with Section 3862, Subscriptions receivable, Receivables for investments sold as well as Interest, dividends and other receivables are deemed to be loans and receivables and recorded at cost. Similarly, Accrued Expenses, Redemptions Payables, Payables for Investments purchased, as well as Distributions payable are deemed to be financial liabilities and recorded at cost. As a result, their carrying amount approximates their fair value.

(b) Investment transactions and income recognition

The Pools record:

- investment transactions on the date the trade is made,
- dividend income or mutual fund and unit trust distributions on the date that investors holding the security will be eligible for a dividend or distribution but before it's paid (the ex-dividend or distribution date),
- interest income on an accrual basis,
- distributions received from income trusts as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from income trusts that are treated as a return of capital for income tax purposes reduce the average cost of the underlying income trust on the Statements of Investments.

Realized and unrealized gains and losses from the purchase and sale of investments are calculated using the average cost of the investments.

Income, realized gain (loss) and unrealized gain (loss) are allocated among the classes on a pro-rata basis, based on the weighted average net assets of each class.

(c) Foreign exchange

The market value of foreign denominated investments and other foreign assets and foreign liabilities is translated into Canadian dollars, using the exchange rate at the end of the period. Foreign currency purchases and sales of investments as well as income and expense transactions are translated using the exchange rate on the date of the transaction.

Gains and losses on foreign exchange transactions are recorded in "Realized gain (loss) on sale of investments" and "Change in unrealized appreciation (depreciation)" in the Statements of Operations.

(d) Securities lending

The Pools have entered into a securities lending program with their custodians, RBC Dexia and subsequently Desjardins.

The income earned from securities lending is recognized when paid and is included in "Investment income -Securities Lending" in the Statements of Operations of the Pools.

Effective September 26, 2008 the Manager advised Desjardins to withdraw the Pools from the securities lending program. The Pools were advised by Desjardins that this change was completed as of October 15, 2008.

(e) Accounting estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts in these financial statements. Significant amounts requiring the use of estimates may include manager valued estimates. Actual results may differ from those estimates.

(f) Increase (decrease) in net assets from operations per unit

The increase (decrease) from operations per unit in the Statement of Operations represents the change in net assets from investment operations attributable to the class for the period, divided by the average of the number of units outstanding at the end of each month during the period.

(g) Amounts due to and from brokers

Amounts due to and from brokers represents payables for securities purchased and receivables for securities sold that have been contracted for but not yet settled or delivered on the balance sheet date, respectively. These financial instruments are short-term in nature and are recorded at their amortized cost.

4. Reconciliation of net assets according to Section 3855

The adjustment to the GAAP NAV as at September 30, 2008 and December 31, 2007 are as follows:

In thousands	Net Asset Value (Transactional)	Adjustment	Net Asset Value (GAAP)
September 30, 2008	\$	\$	\$
Credential EnRich Income Pool – Class A	36,885	(72)	36,813
Credential EnRich Income Pool – Class B	17,032	(34)	16,998
Credential EnRich Canadian Equity Pool – Class A	18,150	(34)	18,116
Credential EnRich Canadian Equity Pool – Class B	7,894	(15)	7,879
Credential EnRich US Equity Pool – Class A	15,142	(73)	15,069
Credential EnRich US Equity Pool – Class B	6,192	(30)	6,162
Credential EnRich International Equity Pool – Class A	14,496	(85)	14,411
Credential EnRich International Equity Pool – Class B	6,040	(36)	6,004

Notes to the Financial Statements

For the nine months ended September 30, 2008

In thousands	Net Asset Value (Transactional)	Adjustment	Net Asset Value (GAAP)
December 31, 2007	\$	\$	\$
Credential EnRich Income Pool – Class A	39,392	(61)	39,331
Credential EnRich Income Pool – Class B	19,628	(31)	19,597
Credential EnRich Canadian Equity Pool – Class A	20,813	(67)	20,746
Credential EnRich Canadian Equity Pool – Class B	9,601	(32)	9,569
Credential EnRich US Equity Pool – Class A	15,710	(35)	15,675
Credential EnRich US Equity Pool – Class B	7,083	(16)	7,067
Credential EnRich International Equity Pool – Class A	15,852	(397)	15,455
Credential EnRich International Equity Pool – Class B	7,277	(181)	7,096

	Net Asset Value Per Unit (Transactional)	Per Unit Adjustment	Net Asset Value Per Unit (GAAP)
June 30, 2008	\$	\$	\$
Credential EnRich Income Pool – Class A	9.95	(0.02)	9.93
Credential EnRich Income Pool – Class B	10.10	(0.02)	10.08
Credential EnRich Canadian Equity Pool – Class A	9.90	(0.01)	9.89
Credential EnRich Canadian Equity Pool – Class B	10.14	(0.02)	10.12
Credential EnRich US Equity Pool – Class A	8.44	(0.04)	8.40
Credential EnRich US Equity Pool – Class B	8.90	(0.05)	8.85
Credential EnRich International Equity Pool – Class A	7.87	(0.05)	7.82
Credential EnRich International Equity Pool – Class B	8.23	(0.05)	8.18

	Net Asset Value Per Unit (Transactional)	Per Unit Adjustment	Net Asset Value Per Unit (GAAP)
December 31, 2007	\$	\$	\$
Credential EnRich Income Pool – Class A	9.97	(0.02)	9.95
Credential EnRich Income Pool – Class B	10.06	(0.02)	10.04
Credential EnRich Canadian Equity Pool – Class A	11.74	(0.03)	11.71
Credential EnRich Canadian Equity Pool – Class B	11.84	(0.03)	11.81
Credential EnRich US Equity Pool – Class A	9.63	(0.02)	9.61
Credential EnRich US Equity Pool – Class B	9.99	(0.02)	9.97
Credential EnRich International Equity Pool – Class A	10.33	(0.26)	10.07
Credential EnRich International Equity Pool – Class B	10.63	(0.27)	10.36

5. Income taxes

Mutual funds are not required to pay income taxes if they distribute sufficient investment income and realized capital gains to the unitholders.

All Pools have a year end for tax purposes of December 15.

At December 15, 2007 certain Pools had capital and non-capital losses available for future use as follows:

In thousands	CAPITAL \$	NON- CAPITAL \$	EXPIRY DATE
Credential EnRich Income Pool	185	-	-
Credential EnRich US Equity Pool	20	6	\$6 – Dec. 15, 2026
Credential EnRich International Equity Pool	12	-	-

Non-capital losses expire in the year indicated and capital losses may be carried forward indefinitely to be applied against future capital gains.

6. Cash and deposits

The balances recorded on the Statements of Net Assets are made up of the following amounts:

In thousands	CANADIAN CASH AND DEPOSITS \$	FOREIGN CASH AND DEPOSITS \$	TOTAL CASH AND DEPOSITS \$
September 30, 2008			
Credential EnRich Income Pool	975	-	975
Credential EnRich Canadian Equity Pool	2,749	-	2,749
Credential EnRich US Equity Pool	8	1,030	1,038
Credential EnRich International Equity Pool	20	1,816	1,836

December 31, 2007			
Credential EnRich Income Pool	3,344	-	3,344
Credential EnRich Canadian Equity Pool	872	-	872
Credential EnRich US Equity Pool	18	1,738	1,756
Credential EnRich International Equity Pool	18	1,132	1,150

7. Management fees and operating expenses

The Pools pay certain expenses for their operations, including fees, to the Manager and the registrar. They also pay audit fees, custodian fees, legal fees, securityholder reporting and other costs, taxes, brokerage charges and borrowing costs (if any).

Common expenses incurred by the Pools are allocated between the classes of units either on a pro-rata basis among all units of all classes or to each class based on the amount of such expenses estimated by the Manager to have been incurred in respect of the class. Each class bears directly any expense item that can be specifically attributed to that class.

For certain Pools, the Manager has absorbed certain operating expenses of the Funds and may discontinue absorbing these expenses at any time without notice. The amount of absorbed expenses has been reflected in the Statements of Operations.

(a) Management fees

The Pools pay the Manager an annual management fee up to the rates shown below. The fee for Class A units is calculated daily based on the daily net asset value of the Class A units of each Pool and paid monthly.

	MAXIMUM ANNUAL MANAGEMENT FEE (%)
Credential EnRich Income Pool	1.50
Credential EnRich Canadian Equity Pool	2.50
Credential EnRich US Equity Pool	2.50
Credential EnRich International Equity Pool	2.50

Management fees paid to the Manager are disclosed in the Statements of Operations. The Pools do not pay management fees with respect to the Class B units. Class B unitholders will be provided with at least 60 days written notice before a Pool starts paying management fees or before any increase in these fees becomes effective.

Notes to the Financial Statements

For the nine months ended September 30, 2008

(b) Registrar fees

The Manager performs registrar services for the Pools. Fees paid to the Manager are disclosed in the Statements of Operations.

8. Sale of Units – Redemptions

Units may be sold back to the Pools (the transaction is called a “redemption”) on any valuation day at the current closing net asset value per unit.

The redemption is recorded on the same day if the redemption request is received at or prior to 1:00 p.m. (Pacific Standard Time). Payment for units redeemed will be made by the Pool no later than three business days after receipt by the Manager of the completed sale documents.

9. Reinvestment of Distributions

All distributions made by the Pools are automatically reinvested in additional units of the same class that paid the distribution unless notification to the contrary is received in writing at least 15 days in advance that you would like a cash payment. All distributions are made without an acquisition charge.

10. Sales and redemption charges

(a) Capitalization

The Pools may issue an unlimited number of units of each class. The numbers of units of each class that have been issued and are outstanding are disclosed in the Statements of Changes in Net Assets.

The units of a Pool are of the same class and confer the same rights and privileges except that in respect of a Pool with more than one class of units, each class of units may have a different management fee, dealer compensation structure or distribution structure. As a result, each unit entitles its holder to one vote and to participate equally in distributions made in respect of the class of units by the subject Pool and, on liquidation, in the net assets of the class of units remaining after satisfaction of outstanding liabilities. A fraction of a unit will entitle the holder to similar proportionate participation, but will not entitle him or her to vote.

Units and fractions of units may be issued by a Pool only as fully paid and non-assessable. An investor will be entitled to redeem units in the manner described in the Annual Information Form. The Declaration of Trust does not impose any restrictions on the transfer of units.

The Credential EnRich Portfolio Service is an asset allocation program designed to manage your investment needs. The Service is only offered through Credential Asset Management Inc. and Credential Securities Inc. An investor must invest a minimum of \$25,000 for Class A units if purchased through Credential Asset Management Inc. or Credential Securities Inc. The minimum investment for Class B units is \$100,000.

In accordance with securities regulations, funds seek to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

(b) Valuation of units

Every business day and for each class of units of each Pool, the Manager calculates the net asset value per unit by dividing the net assets at market value by the number of units outstanding.

Net asset value of each class of units in a Pool corresponds to the proportion of the assets of the Pool attributable to the class, net of the proportion of the Pool's total liabilities attributable to the class and the

specific liabilities of the class. Expenses directly related to a class are applied against this class. Other income and expenses as well as realized and unrealized capital gains and losses are applied against each class in proportion to their respective net asset value.

11. Commissions and Other Transaction Costs

Here are the total brokerage fees paid to dealers in connection with the portfolio transactions of each Pool:

In thousands	
Nine months ended September 30, 2008	\$
Credential EnRich Income Pool	11
Credential EnRich Canadian Equity Pool	24
Credential EnRich US Equity Pool	24
Credential EnRich International Equity Pool	19
Year ended December 31, 2007	
Credential EnRich Income Pool	4
Credential EnRich Canadian Equity Pool	39
Credential EnRich US Equity Pool	33
Credential EnRich International Equity Pool	35

The Pools received no rebates back from dealers on these transactions.

12. Securities Lending

The balances and results of the lending program are as follows:

In thousands	Securities Loaned Equity \$	Securities Loaned Fixed Income \$	Collateral Held \$	Income Received for the period \$
Nine months ended September 30, 2008				
Credential EnRich Income Pool	238	598	853	4
Credential EnRich Canadian Equity Pool	748	-	763	1
Credential EnRich International Equity Pool	-	-	-	4
Year ended December 31, 2007				
Credential EnRich Income Pool	-	103	111	5
Credential EnRich International Equity Pool	-	-	-	4

13. Related Party Transactions

NEILP provides the Pools or makes sure the Pools are provided with all services, including accounting, custody, portfolio management, record maintenance and transfer agent services. The Pools pay management fees to NEILP, which are calculated on a daily basis with the net asset value of the Pools not exceeding the maximum rates as disclosed in note 7(a). The Manager may also appoint external Investment Advisors to the Pools.

Desjardins Trust Inc. is the custodian of the Pools. Desjardins Trust Inc. is a wholly-owned subsidiary of the Fédération des caisses Desjardins du Québec (“Fédération”), which is a 50% owner of NEILP. The Custodian fees of Desjardins Trust Inc. are at the Pool's expense and are established based on an agreed fee schedule.

Management, registrar, custodian and some administrative fees presented in the Statement of Operations are incurred by the Pools with NEILP or with other companies of which Fédération is a significant

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owner. 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.

At the end of the period, accrued expenses payable to related parties presented in the Statement of Net Assets are as follows:

	2007	2008
Credential EnRich Income Pool	86,906	106,648
Credential EnRich Canadian Equity Pool	63,972	84,147
Credential EnRich US Equity Pool	66,172	61,279
Credential EnRich International Equity Pool	62,300	63,247

14. International Financial Reporting Standards

In February 2008, the CICA announced that Canadian GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. In preparation to meet the requirements, the Manager has taken the following steps in managing the transition to IFRS:

- Established a committee for development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- Commenced activities to identify key issues and likely impacts resulting from adoption of IFRS;
- Initiated analysis to reconfigure accounting systems used by the Pools.

The Manager is still in the early planning stages of these activities. The key elements of the plan will include disclosure of the qualitative and quantitative impact in the 2009 annual financial statements and the preparation of the 2011 financial statements in accordance with IFRS. The Manager has presently determined that there will be no impact to net asset value per unit as a result of the changeover to IFRS.

15. Statement of portfolio transactions

It is possible to obtain unaudited statements of portfolio transactions for the nine months ended September 30, 2008 for each of the Pools by contacting:

Northwest and Ethical Investments L.P.
800 - 1111 West Georgia Street
Vancouver, B.C. V6E 4T6

Management Report

December 4, 2008

To the Unitholders of:

Credential EnRich Income Pool

Credential EnRich Canadian Equity Pool

Credential EnRich US Equity Pool

Credential EnRich International Equity Pool

(collectively, the "Pools")

The accompanying financial statements have been prepared by the Manager and approved by the Board of Directors of the General Partner. Management of the Manager is responsible for the information and representations contained in these financial statements. The Board of Directors of the General Partner is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with GAAP and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in Note 3 to the financial statements. Financial information used elsewhere in the Management Report on Fund Performance is consistent with that in the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the Pools. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out on the following page.



John Kearns
CEO
Northwest and Ethical Investments L.P.
Acting through its general partner
Northwest & Ethical Investments Inc.



Craig Fookes
CFO
Northwest and Ethical Investments L.P.
Acting through its general partner
Northwest & Ethical Investments Inc.

Auditors' Report

December 4, 2008

To the Unitholders of:

Credential EnRich Income Pool

Credential EnRich Canadian Equity Pool

Credential EnRich US Equity Pool

Credential EnRich International Equity Pool

(collectively, the "Pools")

We have audited the statements of investment portfolio and net assets of the Funds as at September 30, 2008 and the statements of operations and changes in net assets of the Funds for the period then ended. These financial statements are the responsibility of the Funds' Manager. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at September 30, 2008 and the results of their operations and the changes of their net assets for the period then ended in accordance with Canadian generally accepted accounting principles.

The financial statements of the Funds as at December 31, 2007 and for the year then ended were audited by other auditors whose report dated February 8, 2008 expressed an opinion without reservation on those financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants







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