

Credential[®]

2009 Interim Financial Statements

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Message to Unitholders

Dear Investor,

There is no question that the financial crisis of 2008 has been the dominant event of this past year. Its effects have rippled through markets around the world and left few places to shelter from the storm. While increased volatility has created a certain amount of anxiety for the average investor, we tend to look at it in a different light. The Northwest philosophy is to create superior long term performance using a forward-looking value approach. It is this philosophy that helps put these events into perspective.

First, over the course of one's hopefully long investing life, events such as the current financial crisis or the tech bubble of the late 1990's are going to occur from time to time. Markets are cyclical and sometimes irrational, but most importantly they are tremendously resilient. Decades of equity market analysis shows a consistent pattern of growth through dozens of up and down periods. Investors who stay the course on their long term investment plan will weather any market fluctuations and outperform those who panic every time.

Secondly, with irrational behavior comes opportunity. As forward-looking value investors we buy companies at a substantial discount to what the future value is believed to be. In today's markets there is no shortage of these opportunities, as even the strongest companies have been pulled below their true intrinsic value. But irrational behavior doesn't last forever and neither do discounted prices. The Northwest Fund Managers have been actively buying these companies with the knowledge that significant gains can be made with simply a return of market normalcy. In their view and ours, this is an outstanding time to invest in either the Northwest or Ethical Funds.

Northwest & Ethical Investments has now been in existence for almost a year and I am pleased to report that we continue to make strong progress towards becoming a fully integrated company. By June 2009 Northwest Fund and Ethical Fund holdings will be reported on one comprehensive statement – just one of many new developments underway designed to enhance the services available to you and reduce costs to the Funds.

So whether you're striving for "better returns with less risk" through the Northwest Funds or to "make money make a difference" through the Ethical Funds we value your ongoing support.

Sincerely,



Michael G. Butler
President and Chief Operating Officer
Northwest & Ethical Investments L.P.

November 2008

Credential Money Market Fund

Statement of Net Assets

As at	March 31 2009 \$ (unaudited)	September 30 2008 \$ (audited)
Assets		
Cash	616,614	696,360
Investments at fair value	85,986,883	82,106,120
Interest, dividends and other receivables	77,307	294,392
	<u>86,680,804</u>	<u>83,096,872</u>
Liabilities		
Accrued expenses	124,698	129,859
Interest, dividends and other payables	-	39,482
	<u>124,698</u>	<u>169,341</u>
Net Assets and Unitholders' Equity	<u>86,556,106</u>	<u>82,927,531</u>
Data per Class (Note b)		
Class A		
Net assets and unitholders' equity	85,760,219	82,031,990
Net assets per unit	10.01	9.99
Class D		
Net assets and unitholders' equity	778,581	892,698
Net assets per unit	10.01	9.99
Class F		
Net assets and unitholders' equity	17,306	2,843
Net assets per unit	10.00	9.99

Statement of Operations (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Income		
Interest	1,060,035	1,861,645
Revenue from securities lending	-	3,187
	<u>1,060,035</u>	<u>1,864,832</u>
Expenses		
Management fees	374,422	350,400
Audit fees	4,629	5,729
Independent review committee's fees	2,748	266
Custodian fees	3,605	3,018
Legal fees	1,152	-
Unitholders' reporting costs	23,137	(2,298)
Filing fees	11,350	18,314
Administrative fees	208,180	120,691
	<u>629,223</u>	<u>496,120</u>
Expenses absorbed by the Manager	(74,457)	(3,628)
	<u>554,766</u>	<u>492,492</u>
Net Investment Income (Loss)	<u>505,269</u>	<u>1,372,340</u>
Gains (Losses) on Investments		
Net unrealized gain (loss)	6,471	(50,171)
Increase (Decrease) in Net Assets from Operations	<u>511,740</u>	<u>1,322,169</u>
Data per Class		
Class A		
Increase (decrease) in net assets from operations	500,998	1,304,802
- per unit	0.07	0.17
Class D		
Increase (decrease) in net assets from operations	10,711	17,160
- per unit	0.14	0.23
Class F		
Increase (decrease) in net assets from operations	31	207
- per unit	0.09	0.18

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'Neil, Director and Chair,
 Audit Committee



Pierre Tardif,
 Chair of the Board of Directors

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

Credential Money Market Fund

Statement of Changes in Net Assets (unaudited)

Six-month Periods Ended March 31	Class A		Class D		Class F	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Net Assets, Beginning of Period	<u>82,031,990</u>	<u>75,954,432</u>	<u>892,698</u>	<u>712,665</u>	<u>2,843</u>	<u>5,171</u>
Increase (Decrease) in Net Assets from Operations	<u>500,998</u>	<u>1,304,802</u>	<u>10,711</u>	<u>17,160</u>	<u>31</u>	<u>207</u>
Unit Transactions						
Proceeds from sale of units	38,798,708	37,559,454	127,479	83,808	21,531	12,999
Reinvested distributions	353,360	1,351,298	9,216	17,160	17	208
Amounts paid for units redeemed	<u>(35,571,071)</u>	<u>(32,061,492)</u>	<u>(252,307)</u>	<u>(49,505)</u>	<u>(7,099)</u>	<u>(6,850)</u>
	<u>3,580,997</u>	<u>6,849,260</u>	<u>(115,612)</u>	<u>51,463</u>	<u>14,449</u>	<u>6,357</u>
Distributions to Unitholders						
Net investment income	<u>(353,766)</u>	<u>(1,354,973)</u>	<u>(9,216)</u>	<u>(17,160)</u>	<u>(17)</u>	<u>(208)</u>
Net Assets, End of Period	<u>85,760,219</u>	<u>82,753,521</u>	<u>778,581</u>	<u>764,128</u>	<u>17,306</u>	<u>11,527</u>

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

Credential Money Market Fund

Investment Portfolio as at March 31, 2009 (unaudited)

	Par Value \$	Cost \$	Fair Value \$		Par Value \$	Cost \$	Fair Value \$
Money Market Securities (72.7%)				Bonds (26.7%)			
Canada Treasury Bills				Government of Canada (7.1%)			
0.731%, 2009-05-14	2,033,000	2,029,445	2,032,047	Canada Housing Trust			
0.431%, 2009-06-11	223	223	223	4.650%, 2009-09-15	6,000,000	6,094,654	6,112,565
0.389%, 2009-06-25	15,650,000	15,634,820	15,635,267	Provincial Governments and Crown Corporations (9.0%)			
0.479%, 2009-09-17	7,000,000	6,984,320	6,984,765	Province of British Columbia			
Canadian Imperial Bank of Commerce, notes				5.700%, 2009-06-01	3,800,000	3,867,471	3,830,540
0.961%, 2009-05-04	5,637,000	5,623,528	5,634,022	Province of Ontario			
0.521%, 2009-06-29	1,457,000	1,455,048	1,455,152	floating rate, 2010-09-17	4,000,000	3,976,000	3,983,931
EnCana Corporation, notes						7,843,471	7,814,471
1.751%, 2009-04-09	1,008,000	1,003,474	1,007,759	Corporations (10.6%)			
1.248%, 2009-04-23	1,002,000	999,505	1,001,388	Royal Bank of Canada			
0.800%, 2009-06-29	1,000,000	998,010	998,054	floating rate, 2010-09-27	2,000,000	1,969,372	1,969,372
FirstBank (BMO), notes				Scotiabank			
0.950%, 2009-05-04	1,496,000	1,492,544	1,495,210	floating rate, 2010-07-02	2,000,000	1,989,280	1,989,280
0.848%, 2009-05-08	2,905,000	2,898,870	2,903,293	Toronto-Dominion Bank			
1.050%, 2009-08-17	2,000,000	1,989,640	1,994,834	floating rate, 2010-11-19	3,270,000	3,222,520	3,197,929
National Bank of Canada, notes				floating rate, 2011-02-15	2,000,000	2,000,000	2,000,000
0.849%, 2009-05-07	1,094,000	1,091,714	1,093,373			9,181,172	9,156,581
0.550%, 2009-06-04	1,240,000	1,238,301	1,238,795	Total Bonds			
0.511%, 2009-06-12	4,230,000	4,224,501	4,225,453		23,119,297	23,083,617	
Royal Bank of Canada, notes				Total Investments (99.4%)			
0.942%, 2009-05-01	537,000	535,797	536,740		85,972,347	85,986,883	
0.419%, 2009-06-30	3,970,000	3,965,315	3,965,417	Other Net Assets (0.6%)			
1.200%, 2009-10-02	856,000	849,049	852,408			569,223	
Scotiabank, notes				Net Assets (100%)			
0.672%, 2009-04-02	1,930,000	1,928,900	1,929,940			86,556,106	
0.751%, 2009-05-25	3,319,000	3,312,793	3,316,232				
0.601%, 2009-06-02	508,000	507,248	507,520				
TELUS Corporation, notes							
0.879%, 2009-06-11	1,000,000	997,790	998,285				
0.871%, 2009-06-15	1,420,000	1,417,430	1,417,430				
Toronto-Dominion Bank, notes							
0.971%, 2009-04-23	853,000	851,098	852,694				
1.150%, 2010-01-20	833,000	823,687	826,965				
Total Money Market Securities		62,853,050	62,903,266				

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

Credential Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL MONEY MARKET FUND (UNAUDITED)

a) Establishment of the Fund

The Credential Money Market Fund (the "Fund") is an unincorporated mutual fund trust established on the following dates:

	Class A	Class D	Class F
Credential Money Market Fund	December 8, 1980	December 23, 1998	July 25, 2006

b) Reconciliation of Net Assets per Unit per the Financial Statements with Net Asset Value per Unit for Purposes Other than the Financial Statements

The impact of the application of CICA Handbook Section 3855, as described under Note 2, is presented below.

	Net Assets per Unit per the Financial Statements \$	Net Asset Value per Unit for Purposes Other than the Financial Statements \$
Class A		
March 31, 2009	10.01	10.00
Sept. 30, 2008	9.99	10.00
Class D		
March 31, 2009	10.01	10.00
Sept. 30, 2008	9.99	10.00
Class F		
March 31, 2009	10.00	10.00
Sept. 30, 2008	9.99	10.00

c) Unitholders' Equity (Note 3)

The unitholders' equity of the Fund is composed of:

Authorized Units

An unlimited number of Class A units, offered for sale to retail investors under four options: "front end", "low load", "low load 2" or "deferred sale charge".

An unlimited number of Class D units, offered to institutional investors such as pension plans participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers.

An unlimited number of Class F units, aimed at investors who have accounts with dealers who have signed an eligibility agreement with the Manager. Instead of paying sales charges, these investors pay a fee directly to their dealer for investment advice or other services.

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Class A					
2009	8,212,460	3,879,870	35,336	3,557,106	8,570,560
2008	7,599,243	3,755,946	135,129	3,206,149	8,284,169
Class D					
2009	89,370	12,747	922	25,231	77,808
2008	71,302	8,381	1,716	4,951	76,448
Class F					
2009	285	2,154	1	710	1,730
2008	517	1,300	21	685	1,153

d) Distributions

All distributions made by the Fund 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 to receive a cash payment. All distributions are made without an acquisition charge.

Net investment income of the Fund is allocated to unitholders daily and distributed in cash or reinvested in additional units, as follows:

	Class A	Class D	Class F
Credential Money Market Fund	Monthly	Monthly	Monthly

e) Management Fees and Other Expenses (Note 4)

The Manager is authorized to charge operating expenses to the Fund.

The maximum annual management fee ratio in 2009 and 2008 is as follows:

	Class A %	Class F %
Credential Money Market Fund	0.85	0.85

Class D unitholders negotiate and pay management fees directly to the Manager.

f) Related Party Transactions (Note 5)

Central Financial Corporation (1989) Ltd. ("CFC") is the Portfolio Manager of the Fund. CFC is a wholly-owned subsidiary of Central 1 Credit Union, which also indirectly owns approximately 26% of NEILP.

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

	March 31, 2009 \$	Sept. 30, 2008 \$
Credential Money Market Fund	124,698	67,164

Certain other funds managed by NEILP may invest in Class D units of this Fund in accordance with the investment objectives of those funds. All transactions in the Fund are executed based on the net asset value per unit determined in accordance with the stated policies of the Fund on each transaction day. No commissions or other fees were paid by the Fund in relation to these transactions. As at March 31, 2009, other funds managed by NEILP held approximately 0.90% of the Fund's net assets (1.08% as at September 30, 2008).

g) Financial Instrument Risks (Note 6)

Strategy in using financial instruments

Investment Objective

The Fund aims to maximize current income and liquidity while minimizing risk. It invests mostly in high quality, short-term money market instruments issued or guaranteed by the Government of Canada or a province or by Canadian companies and financial institutions.

The Fund follows a socially responsible approach to investing.

Investment Strategy

The Portfolio Manager buys only securities that have high credit ratings. The Portfolio Manager aims to maintain a constant net asset value of \$10 per unit.

Based on economic and interest rate fundamentals, the investment team sets direction and duration of the core portfolio. A wide range of fixed income strategies are overlaid to enhance performance. These strategies include, yield curve management, credit management, individual security selection, and short-term interest rate anticipation. Diversification among sectors, quality and individual credit are important elements in this management.

Credential Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL MONEY MARKET FUND (UNAUDITED) (continued)

Currency Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.

Interest Rate Risk

The following tables summarize the Fund's exposure to interest rate risk. They include the Fund's assets and liabilities at fair value, categorized by the contractual maturity dates.

As at March 31, 2009

	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	73,505,722	13,140,513	-	-	-	86,646,234
Other receivables	-	-	-	-	347,288	347,288
Total Assets	73,505,722	13,140,513	-	-	347,288	86,993,522
Liabilities						
Accrued expenses	-	-	-	-	124,698	124,698
Other liabilities	-	-	-	-	312,718	312,718
Total Liabilities	-	-	-	-	437,416	437,416
Total Interest Sensitivity Gap	73,505,722	13,140,513	-	-	(90,128)	86,556,106

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	80,862,100	1,940,380	-	-	-	82,802,480
Other receivables	-	-	-	-	294,392	294,392
Total Assets	80,862,100	1,940,380	-	-	294,392	83,096,872
Liabilities						
Accrued expenses	-	-	-	-	129,859	129,859
Other liabilities	-	-	-	-	39,482	39,482
Total Liabilities	-	-	-	-	169,341	169,341
Total Interest Sensitivity Gap	80,862,100	1,940,380	-	-	125,051	82,927,531

As at March 31, 2009, had prevailing interest rates increased or decreased by 0.25%, with all other variables held constant, net assets would have decreased or increased by \$48,171.

There is a minimal sensitivity to changes in interest rates for money market securities, since these are usually held to maturity and tend to be short-term in nature.

In practice, the actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credential Money Market Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL MONEY MARKET FUND (UNAUDITED) (continued)

Price Risk

The Fund trades in financial instruments, taking positions in over-the-counter instruments.

The net asset value per unit is expected to be a constant at \$10.00 because the income of the Fund is allocated to unitholders daily.

The Manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the volatility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36 month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at March 31, 2009

Benchmark	Change in Price %	Impact on Net Assets \$
DEX 91-day Treasury Bill	+/- 0.25	+/- 114,687

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

As at September 30, 2008

Benchmark	Change in Price %	Impact on Net Assets \$
DEX 91-day Treasury Bill	+/-0.25	+/- 207,319

In practice, the actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

The Fund's credit risk concentration is spread between fixed-income and money market securities. The fair value of fixed-income and money market securities includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Fund invests in financial assets, which have an investment grade as rated by the *Dominion Bond Rating Service ("DBRS")*, *Standard & Poor's*, *Moody's* or *Fitch*. When several credit ratings are available for a security, the lowest rating with equivalent *DBRS* format is used. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

Portfolio's fixed-income securities by rating category:

As at March 31, 2009

Rating	Percentage of Fixed-Income Securities %
AAA	26
AAH	17
AA	17
AAL	40
Total	100

Portfolio's money market securities by rating category:

As at March 31, 2009

Rating	Percentage of Money Market Securities %
R-1 (High)	81
R-1 (Middle)	10
R-1 (Low)	9
Total	100

As at September 30, 2008, this information is available for Debt Securities (including specifically for Fixed-Income Securities or Money Market Securities). See the ratings below for Debt securities.

As at September 30, 2008

Rating	Percentage of Debt Securities %
AAA	31
AA	59
AAL	2
A	8
Total	100

Liquidity Risk

The following tables analyze the Fund's liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at March 31, 2009

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	124,698	-	-
Other liabilities	312,718	-	-
Total Liabilities	437,416	-	-

As at September 30, 2008

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	129,859	-	-
Other liabilities	39,482	-	-
Total Liabilities	169,341	-	-

Credential Select Conservative Portfolio

Statement of Net Assets

As at	March 31 2009 \$ (unaudited)	September 30 2008 \$ (audited)
Assets		
Cash	26,957	-
Investments at fair value	16,622,700	19,191,528
Subscriptions receivable	2,031	4,809
Receivable for investments sold	7,060	-
Interest, dividends and other receivables	486	1,913
	<u>16,659,234</u>	<u>19,198,250</u>
Liabilities		
Accrued expenses	43,125	60,220
Redemptions payable	-	300
Interest, dividends and other payables	-	5,382
	<u>43,125</u>	<u>65,902</u>
Net Assets and Unitholders' Equity	<u>16,616,109</u>	<u>19,132,348</u>
Data per Class (Note b)		
Class A		
Net assets and unitholders' equity	<u>16,616,109</u>	<u>19,132,348</u>
Net assets per unit	<u>9.65</u>	<u>10.41</u>

Statement of Operations (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Income		
Interest	356,615	427,288
Dividends	84,390	14,986
	<u>441,005</u>	<u>442,274</u>
Expenses		
Management fees	190,676	259,199
Audit fees	4,629	3,230
Independent review committee's fees	559	78
Custodian fees	2,500	955
Legal fees	234	-
Unitholders' reporting costs	3,636	4,458
Filing fees	11,350	2,360
Administrative fees	61,387	36,410
	<u>274,971</u>	<u>306,690</u>
Expenses absorbed by the Manager	<u>(57,360)</u>	<u>(11,815)</u>
	<u>217,611</u>	<u>294,875</u>
Net Investment Income (Loss)	<u>223,394</u>	<u>147,399</u>
Gains (Losses) on Investments		
Net realized gain (loss)	(1,260,086)	457,569
Net unrealized gain (loss)	51,432	(850,378)
	<u>(1,208,654)</u>	<u>(392,809)</u>
Increase (Decrease) in Net Assets from Operations	<u>(985,260)</u>	<u>(245,410)</u>
Data per Class		
Class A		
Increase (decrease) in net assets from operations	<u>(985,260)</u>	<u>(245,410)</u>
- per unit	<u>(0.56)</u>	<u>(0.12)</u>

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'Neil, Director and Chair,
 Audit Committee



Pierre Tardif,
 Chair of the Board of Directors

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

Credential Select Conservative Portfolio

Statement of Changes in Net Assets (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Net Assets, Beginning of Period	<u>19,132,348</u>	<u>24,732,222</u>
Increase (Decrease) in Net Assets from Operations	<u>(985,260)</u>	<u>(245,410)</u>
Unit Transactions		
Proceeds from sale of units	1,765,521	2,341,703
Reinvested distributions	381,256	580,878
Amounts paid for units redeemed	<u>(3,296,422)</u>	<u>(4,632,153)</u>
	<u>(1,149,645)</u>	<u>(1,709,572)</u>
Distributions to Unitholders		
Net investment income	(381,334)	(264,944)
Net realized gain on sale of investments	-	(317,135)
	<u>(381,334)</u>	<u>(582,079)</u>
Net Assets, End of Period	<u>16,616,109</u>	<u>22,195,161</u>

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

Credential Select Conservative Portfolio

Investment Portfolio as at March 31, 2009 (unaudited)

	Number of Units	Cost \$	Fair Value \$
Investment Funds (100.0%)			
AIM International Growth Class Series I	119,687	1,724,905	1,181,555
Ethical® Canadian Dividend Fund Class D	117,707	1,814,136	1,489,682
Ethical® Income Fund, Class D	229,906	2,578,366	2,564,343
Fidelity American Disciplined Equity R Series O	86,996	1,074,796	776,559
Fidelity Canadian Short Term Bond Fund, Series O	160,879	1,676,274	1,696,617
Mackenzie Sentinel Corporate Bond Fund, Series O	344,201	3,181,709	2,561,065
Mackenzie Universal U.S. Growth Leaders Fund, Series O	114,941	828,692	826,657
Templeton Global Bond Fund Series O	223,699	2,308,098	2,592,675
Templeton Mutual Discovery Fund Series O	99,676	1,399,285	1,218,043
Trimark Canadian Bond Fund, Series I	82,663	874,126	854,071
Trimark Floating Rate Income Fund Series I	134,452	1,098,929	861,433
Total Investments		18,559,316	16,622,700
Other Net Assets (-0.0%)			<u>(6,591)</u>
Net Assets (100%)			16,616,109

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

Credential Select Conservative Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT CONSERVATIVE PORTFOLIO (UNAUDITED)

a) Establishment of the Fund

The Credential Select Conservative Portfolio (the "Fund") is an unincorporated mutual fund trust established on the following dates:

	Class A	Class D
Credential Select Conservative Portfolio	July 2, 2003	June 28, 2004

Unit transactions for Class D had not begun as at March 31, 2009.

b) Unitholders' Equity (Note 3)

The unitholders' equity of the Fund is composed of:

Authorized Units

An unlimited number of Class A units, offered for sale to retail investors under four options: "front end", "low load", "low load 2" or "deferred sale charge".

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Class A					
2009	1,838,228	182,372	40,372	339,617	1,721,355
2008	2,140,469	158,092	52,156	359,852	1,990,865

c) Distributions

All distributions made by the Fund 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 to receive a cash payment. All distributions are made without an acquisition charge.

Net investment income of the Fund is distributed in cash or reinvested in additional units, as follows:

	Class A
Credential Select Conservative Portfolio	Annually

Net realized capital gains, if any, are distributed annually in December.

d) Management Fees and Other Expenses (Note 4)

The Manager is authorized to charge operating expenses to the Fund.

The maximum annual management fee ratio in 2009 and 2008 is as follows:

	Class A
	%
Credential Select Conservative Portfolio	1.65

e) Related Party Transactions (Note 5)

Northwest & Ethical Investments L.P. ("NEILP") is the Portfolio Manager of the Fund. NEILP is 50% owned by the Fédération des caisses Desjardins du Québec and 50% indirectly owned by seven Provincial Credit Union Centrals.

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

	March 31, 2009	Sept. 30, 2008
	\$	\$
Credential Select Conservative Portfolio	43,125	44,993

At the end of the period, the Fund had the following percentage ownership in the underlying Ethical® Funds:

	March 31, 2009	Sept. 30, 2008
	%	%
Ethical® Canadian Dividend Fund	0.73	0.36
Ethical® Canadian Index Fund	-	1.71
Ethical® Income Fund	0.92	1.08

The Fund has received income, during the period, from underlying Ethical® Funds. These underlying funds have the same Manager as the Fund. The breakdown of this income is presented in the following table:

	Interest	Dividends	Capital
	\$	\$	Gains
			\$
Credential Select			
Conservative Portfolio	2009	61,015	41,012
	2008	115,877	11,927
			44,652

f) Financial Instrument Risks (Note 6)

Strategy in using financial instruments

Investment Objective

The Fund aims to generate a moderate level of income while providing some potential for capital growth by investing in a mix of income oriented mutual funds and equity mutual funds. The Fund invests in a variety of other mutual funds managed by different portfolio managers.

Investment Strategy

The Portfolio Manager uses strategic asset allocation as the principal investment strategy.

The Fund has, under normal market conditions, an asset mix of Canadian bond 40-60%, foreign bond 5-25%, Canadian equity 0-20% and foreign equity 15-35%. The Portfolio Manager may review and adjust the asset mix, in its sole discretion, depending on the economic conditions and relative value of income and equity securities.

In selecting the underlying funds, the Portfolio Manager considers such factors as returns, consistent relative performance, risk-adjusted performance, portfolio construction, management style and organizational changes.

The Portfolio Manager may, in its sole discretion, modify the asset mix, change percentage holdings of any underlying fund, remove any underlying fund or add additional underlying funds.

The Fund 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.

Underlying Funds Risk Management

The Fund's portfolio analysts make sure that the underlying funds' portfolio advisor manages financial risks. Each month, the Fund's portfolio analysts receive the underlying funds' investment portfolio to analyze the management style and compare performance with the Funds' benchmarks. Every quarter, the Funds' portfolio analysts receive detailed quarterly documents featuring an analysis of performance, sector allocations and the underlying funds' top positions.

Currency Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available on the Internet at www.sedar.com.

Credential Select Conservative Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT CONSERVATIVE PORTFOLIO (UNAUDITED) (continued)

Interest Rate Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available on the Internet at www.sedar.com.

Price Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available on the Internet at www.sedar.com.

The Manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the volatility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36 month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at March 31, 2009

Benchmarks	Change in Price %	Impact on Net Assets \$
DEX Universe	+/- 1.00	+/- 65,634
Citigroup World Government Bond	+/- 1.00	+/- 19,690
S&P/TSX Composite	+/- 3.00	+/- -39,380
S&P 500	+/- 3.00	+/- 49,225
MSCI EAFE	+/- 3.00	+/- 49,225

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

As at September 30, 2008

Benchmarks	Change in Price %	Impact on Net Assets \$
91-day Treasury Bills	+/-0.25	+/- 8,323
DEX Universe	+/-1.00	+/- 67,920
Citigroup World Government Bond	+/-1.00	+/- 33,290
S&P/TSX Composite	+/-3.00	+/- 54,527
S&P 500	+/-3.00	+/- 57,397
MSCI EAFE	+/-3.00	+/- 58,545

In practice, the actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available on the Internet at www.sedar.com.

Liquidity Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available on the Internet at www.sedar.com.

The following tables analyze the Fund's liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at March 31, 2009

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	43,125	-	-
Total Liabilities	43,125	-	-

As at September 30, 2008

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	60,220	-	-
Other liabilities	5,682	-	-
Total Liabilities	65,902	-	-

g) Income Tax and Capital Gains Tax (Note 7)

Capital and non-capital losses determined for tax purposes as at December 15, 2008 are as follows:

	Capital Losses	Non-Capital Losses	
	Amount \$	Amount \$	Year of Expiry
Credential Select Conservative Portfolio	131,801	-	-

Credential Select Balanced Portfolio

Statement of Net Assets

As at	March 31 2009 \$ (unaudited)	September 30 2008 \$ (audited)
Assets		
Cash	267,940	2,461
Investments at fair value	75,470,427	87,750,799
Subscriptions receivable	55,289	24,930
Receivable for investments sold	36,342	-
Interest, dividends and other receivables	2,050	346
	<u>75,832,048</u>	<u>87,778,536</u>
Liabilities		
Accrued expenses	224,025	262,394
Redemptions payable	70,182	81,264
Interest, dividends and other payables	-	22,782
	<u>294,207</u>	<u>366,440</u>
Net Assets and Unitholders' Equity	<u>75,537,841</u>	<u>87,412,096</u>
Data per Class (Note b)		
Class A		
Net assets and unitholders' equity	<u>75,537,841</u>	<u>87,412,096</u>
Net assets per unit	<u>8.98</u>	<u>10.01</u>

Statement of Operations (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Income		
Interest	978,724	1,294,600
Dividends	722,203	233,655
	<u>1,700,927</u>	<u>1,528,255</u>
Expenses		
Management fees	873,525	1,174,456
Audit fees	4,629	6,690
Independent review committee's fees	2,515	349
Custodian fees	2,500	962
Legal fees	1,054	-
Unitholders' reporting costs	16,333	20,056
Filing fees	11,350	5,295
Administrative fees	202,753	160,287
	<u>1,114,659</u>	<u>1,368,095</u>
Expenses absorbed by the Manager	(1,583)	-
	<u>1,113,076</u>	<u>1,368,095</u>
Net Investment Income (Loss)	<u>587,851</u>	<u>160,160</u>
Gains (Losses) on Investments		
Net realized gain (loss)	(8,973,283)	2,867,754
Net unrealized gain (loss)	(2,595)	(6,493,537)
	<u>(8,975,878)</u>	<u>(3,625,783)</u>
Increase (Decrease) in Net Assets from Operations	<u>(8,388,027)</u>	<u>(3,465,623)</u>
Data per Class		
Class A		
Increase (decrease) in net assets from operations	<u>(8,388,027)</u>	<u>(3,465,623)</u>
- per unit	<u>(0.98)</u>	<u>(0.38)</u>

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'Neil, Director and Chair,
 Audit Committee



Pierre Tardif,
 Chair of the Board of Directors

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

Credential Select Balanced Portfolio

Statement of Changes in Net Assets (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Net Assets, Beginning of Period	<u>87,412,096</u>	<u>106,331,717</u>
Increase (Decrease) in Net Assets from Operations	<u>(8,388,027)</u>	<u>(3,465,623)</u>
Unit Transactions		
Proceeds from sale of units	5,231,776	10,498,856
Reinvested distributions	589,246	1,624,558
Amounts paid for units redeemed	<u>(8,717,152)</u>	<u>(12,718,143)</u>
	<u>(2,896,130)</u>	<u>(594,729)</u>
Distributions to Unitholders		
Net investment income	(590,098)	(344,118)
Net realized gain on sale of investments	-	(1,281,041)
	<u>(590,098)</u>	<u>(1,625,159)</u>
Net Assets, End of Period	<u>75,537,841</u>	<u>100,646,206</u>

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

Credential Select Balanced Portfolio

Investment Portfolio as at March 31, 2009 (unaudited)

	Number of Units	Cost \$	Fair Value \$
Investment Funds (99.9%)			
AIM International Growth Class Series I	739,560	10,960,007	7,300,935
Ethical® Canadian Dividend Fund Class D	562,381	8,352,286	7,117,378
Ethical® Canadian Index Fund, Class D	381,925	4,957,404	3,661,555
Ethical® Income Fund, Class D	694,472	7,784,298	7,746,075
Fidelity American Disciplined Equity Fund Series O	623,384	7,218,990	5,564,571
Fidelity Canadian Short Term Bond Fund, Series O	734,092	7,658,130	7,741,662
Fidelity Dividend Fund, Series O	387,605	3,944,942	3,684,418
Mackenzie Sentinel Corporate Bond Fund, Series O	1,041,011	9,496,360	7,745,749
Mackenzie Universal U.S. Growth Leaders Fund, Series O	813,629	5,866,249	5,851,621
Templeton Global Bond Fund Series O	674,552	7,058,616	7,818,054
Templeton Mutual Discovery Fund Series O	919,673	13,444,159	11,238,409
Total Investments		86,741,441	75,470,427
Other Net Assets (0.1%)			67,414
Net Assets (100%)			75,537,841

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

Credential Select Balanced Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT BALANCED PORTFOLIO (UNAUDITED)

a) Establishment of the Fund

The Credential Select Balanced Portfolio (the "Fund") is an unincorporated mutual fund trust established on the following dates:

	Class A	Class D
Credential Select Balanced Portfolio	January 8, 2001	June 28, 2004

Unit transactions for Class D had not begun as at March 31, 2009.

b) Unitholders' Equity (Note 3)

The unitholders' equity of the Fund is composed of:

Authorized Units

An unlimited number of Class A units, offered for sale to retail investors under four options: "front end", "low load", "low load 2" or "deferred sale charge".

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Class A					
2009	8,732,629	581,885	67,090	968,683	8,412,921
2008	9,169,746	943,625	144,104	1,141,541	9,115,934

c) Distributions

All distributions made by the Fund 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 to receive a cash payment. All distributions are made without an acquisition charge.

Net investment income of the Fund is distributed in cash or reinvested in additional units, as follows:

	Class A
Credential Select Balanced Portfolio	Annually

Net realized capital gains, if any, are distributed annually in December.

d) Management Fees and Other Expenses (Note 4)

The Manager is authorized to charge operating expenses to the Fund.

The maximum annual management fee ratio in 2009 and 2008 is as follows:

	Class A
	%
Credential Select Balanced Portfolio	1.65

e) Related Party Transactions (Note 5)

Northwest & Ethical Investments L.P. ("NEILP") is the Portfolio Manager of the Fund. NEILP is 50% owned by the Fédération des caisses Desjardins du Québec and 50% indirectly owned by seven Provincial Credit Union Centrals.

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

	March 31, 2009	Sept. 30, 2008
	\$	\$
Credential Select Balanced Portfolio	224,025	210,620

At the end of the period, the Fund had the following percentage ownership in the underlying Ethical® Funds:

	March 31, 2009	Sept. 30, 2008
	%	%
Ethical® Canadian Dividend Fund	3.47	1.70
Ethical® Canadian Index Fund	9.66	15.99
Ethical® Income Fund	2.78	3.40

The Fund has received income, during the period, from underlying Ethical® Funds. These underlying funds have the same Manager as the Fund. The breakdown of this income is presented in the following table:

	Interest	Dividends	Capital Gains
	\$	\$	\$
Credential Select			
Balanced Portfolio	2009	183,672	313,266
	2008	410,653	152,714
			362,711

f) Financial Instrument Risks (Note 6)

Strategy in using financial instruments

Investment Objective

The Fund aims to provide reasonable current income and growth of investment over the long term by investing in a mix of income oriented mutual funds and equity mutual funds. The Fund invests in a variety of other mutual funds managed by different portfolio managers.

Investment Strategy

The portfolio manager uses strategic asset allocation as the principal investment strategy.

The Fund has, under normal market conditions, an optimal asset mix of Canadian bond 20-40%, foreign bond 0-20%, Canadian equity 15-35% and foreign equity 25-45%. The Portfolio Manager may review and adjust the optimal asset mix, in its sole discretion, depending on the economic conditions and relative value of income and equity securities.

In selecting the underlying funds, the Portfolio Manager considers such factors as returns, consistent relative performance, risk-adjusted performance, portfolio construction, management style and organizational changes.

The Portfolio Manager may, in its sole discretion, modify the asset mix, change percentage holdings of any underlying fund, remove any underlying fund or add additional underlying funds.

The Fund 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.

Underlying Funds Risk Management

The Fund's portfolio analysts make sure that the underlying funds' portfolio advisor manages financial risks. Each month, the Fund's portfolio analysts receive the underlying funds' investment portfolio to analyze the management style and compare performance with the Funds' benchmarks. Every quarter, the Funds' portfolio analysts receive detailed quarterly documents featuring an analysis of performance, sector allocations and the underlying funds' top positions.

Currency Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available on the Internet at www.sedar.com.

Credential Select Balanced Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT BALANCED PORTFOLIO (UNAUDITED) (continued)

Interest Rate Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available on the Internet at www.sedar.com.

Price Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available on the Internet at www.sedar.com.

The Manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the volatility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36 month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at March 31, 2009

Benchmarks	Change in Price %	Impact on Net Assets \$
DEX Universe	+/- 1.00	+/- 197,154
Citigroup World Government Bond	+/- 1.00	+/- 65,718
S&P/TSX Composite	+/- 3.00	+/- 492,884
S&P 500	+/- 3.00	+/- 345,019
MSCI EAFE	+/- 3.00	+/- 345,019

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

As at September 30, 2008

Benchmarks	Change in Price %	Impact on Net Assets \$
91-day Treasury Bills	+/-0.25	+/- 25,787
DEX Universe	+/-1.00	+/- 215,908
Citigroup World Government Bond	+/-1.00	+/- 104,895
S&P/TSX Composite	+/-3.00	+/- 597,899
S&P 500	+/-3.00	+/- 414,333
MSCI EAFE	+/-3.00	+/- 338,285

In practice, the actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available on the Internet at www.sedar.com.

Liquidity Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available on the Internet at www.sedar.com.

The following tables analyze the Fund's liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at March 31, 2009

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	224,025	-	-
Other liabilities	70,182	-	-
Total Liabilities	294,207	-	-

As at September 30, 2008

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	262,394	-	-
Other liabilities	104,046	-	-
Total Liabilities	366,440	-	-

g) Income Tax and Capital Gains Tax (Note 7)

Capital and non-capital losses determined for tax purposes as at December 15, 2008 are as follows:

	Capital Losses	Non-Capital Losses	
	Amount \$	Amount \$	Year of Expiry
Credential Select Balanced Portfolio	395,103	-	-

Credential Select Growth Portfolio

Statement of Net Assets

As at	March 31 2009 \$ (unaudited)	September 30 2008 \$ (audited)
Assets		
Cash	142,191	-
Investments at fair value	68,969,057	79,499,619
Subscriptions receivable	49,370	17,804
Receivable for investments sold	47,752	-
Interest, dividends and other receivables	101	1,220
	<u>69,208,471</u>	<u>79,518,643</u>
Liabilities		
Accrued expenses	214,395	245,698
Redemptions payable	28,142	102,265
Interest, dividends and other payables	-	16,951
	<u>242,537</u>	<u>364,914</u>
Net Assets and Unitholders' Equity	<u>68,965,934</u>	<u>79,153,729</u>
Data per Class (Note b)		
Class A		
Net assets and unitholders' equity	<u>68,965,934</u>	<u>79,153,729</u>
Net assets per unit	<u>7.77</u>	<u>10.01</u>

Statement of Operations (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Income		
Interest	558,551	827,329
Dividends	784,631	249,303
	<u>1,343,182</u>	<u>1,076,632</u>
Expenses		
Management fees	792,559	1,069,088
Audit fees	4,629	6,252
Independent review committee's fees	2,256	315
Custodian fees	2,500	955
Legal fees	946	-
Unitholders' reporting costs	14,640	18,044
Filing fees	11,350	4,949
Administrative fees	187,693	144,803
	<u>1,016,573</u>	<u>1,244,091</u>
Expenses absorbed by the Manager	(744)	-
	<u>1,015,829</u>	<u>1,244,091</u>
Net Investment Income (Loss)	<u>327,353</u>	<u>(167,459)</u>
Gains (Losses) on Investments		
Net realized gain (loss)	(8,362,914)	3,761,868
Net unrealized gain (loss)	(1,147,445)	(9,087,921)
	<u>(9,510,359)</u>	<u>(5,326,053)</u>
Increase (Decrease) in Net Assets from Operations	<u>(9,183,006)</u>	<u>(5,493,512)</u>
Data per Class		
Class A		
Increase (decrease) in net assets from operations	<u>(9,183,006)</u>	<u>(5,493,512)</u>
- per unit	<u>(1.04)</u>	<u>(0.38)</u>

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'Neil, Director and Chair,
 Audit Committee



Pierre Tardif,
 Chair of the Board of Directors

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

Credential Select Growth Portfolio

Statement of Changes in Net Assets (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Net Assets, Beginning of Period	<u>79,153,729</u>	<u>95,600,851</u>
Increase (Decrease) in Net Assets from Operations	<u>(9,183,006)</u>	<u>(5,493,512)</u>
Unit Transactions		
Proceeds from sale of units	5,331,585	9,626,518
Reinvested distributions	1,301,141	901,292
Amounts paid for units redeemed	<u>(6,336,374)</u>	<u>(8,407,909)</u>
	<u>296,352</u>	<u>2,119,901</u>
Distributions to Unitholders		
Net investment income	(24,708)	(186,853)
Net realized gain on sale of investments	<u>(1,276,433)</u>	<u>(714,439)</u>
	<u>(1,301,141)</u>	<u>(901,292)</u>
Net Assets, End of Period	<u>68,965,934</u>	<u>91,325,948</u>

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

Credential Select Growth Portfolio

Investment Portfolio as at March 31, 2009 (unaudited)

	Number of Units	Cost \$	Fair Value \$
Investment Funds (100.0%)			
AIM International Growth Class Series I	339,405	5,016,997	3,350,602
Ethical® Canadian Index Fund Class D	718,322	8,401,718	6,886,629
Ethical® Growth Fund, Class D	345,769	4,533,546	3,438,154
Ethical® Income Fund, Class D	629,681	7,052,325	7,023,404
Fidelity American Disciplined Equity Fund Series O	569,739	6,907,389	5,085,715
Fidelity Canadian Discipline Equity R Fund, Series O	181,725	4,717,790	3,508,290
Mackenzie Focus International Class Fund	258,491	3,562,253	3,292,766
Mackenzie Ivy Foreign Equity Fund Series O	1,175,286	8,750,766	8,567,598
Mackenzie Sentinel Corporate Bond Fund, Series O	471,160	4,201,606	3,505,711
Mackenzie Universal U.S. Growth Leaders Fund, Series O	984,585	8,039,359	7,081,135
Templeton Global Bond Fund Series O	603,240	6,344,121	6,991,549
Templeton Mutual Discovery Fund Series O	837,766	13,285,807	10,237,504
Total Investments		80,813,677	68,969,057
Other Net Assets (-0.0%)			(3,123)
Net Assets (100%)			68,965,934

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

Credential Select Growth Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT GROWTH PORTFOLIO (UNAUDITED)

a) Establishment of the Fund

The Credential Select Growth Portfolio (the "Fund") is an unincorporated mutual fund trust established on the following dates:

	Class A	Class D
Credential Select Growth Portfolio	January 8, 2001	June 28, 2004

Unit transactions for Class D had not begun as at March 31, 2009.

b) Unitholders' (Note 3)

The unitholders' equity of the Fund is composed of:

Authorized Units

An unlimited number of Class A units, offered for sale to retail investors under four options: "front end", "low load", "low load 2" or "deferred sale charge".

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Class A					
2009	8,835,395	689,809	170,840	814,423	8,881,621
2008	8,922,296	941,866	86,817	823,610	9,127,369

c) Distributions

All distributions made by the Fund 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 to receive a cash payment. All distributions are made without an acquisition charge.

Net investment income of the Fund is distributed in cash or reinvested in additional units, as follows:

	Class A
Credential Select Growth Portfolio	Annually

Net realized capital gains, if any, are distributed annually in December.

d) Management Fees and Other Expenses (Note 4)

The Manager is authorized to charge operating expenses to the Fund.

The maximum annual management fee ratio in 2009 and 2008 is as follows:

	Class A
	%
Credential Select Growth Portfolio	1.65

e) Related Party Transactions (Note 5)

Northwest & Ethical Investments L.P. ("NEILP") is the Portfolio Manager of the Fund. NEILP is 50% owned by the Fédération des caisses Desjardins du Québec and 50% indirectly owned by seven Provincial Credit Union Centrals.

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

	March 31, 2009	Sept. 30, 2008
	\$	\$
Credential Select Growth Portfolio	214,395	197,926

At the end of the period, the Fund had the following percentage ownership in the underlying Ethical® Funds:

	March 31, 2009	Sept. 30, 2008
	%	%
Ethical® Canadian Index Fund	18.17	14.70
Ethical® Growth Fund	1.32	1.08
Ethical® Income Fund	2.52	3.10

The Fund has received income, during the period, from underlying Ethical® Funds. These underlying funds have the same Manager as the Fund. The breakdown of this income is presented in the following table:

	Interest	Dividends	Capital Gains
	\$	\$	\$
Credential Select Growth Portfolio	2009	166,191	226,806
	2008	403,544	103,326
			332,254

f) Financial Instrument Risks (Note 6)

Strategy in using financial instruments

Investment Objective

The Fund aims to increase the value of investment over the long term by investing in equity mutual funds and income oriented mutual funds. The Fund invests in a variety of other mutual funds managed by different portfolio managers.

Investment Strategy

The Portfolio Manager uses strategic asset allocation as the principal investment strategy.

The Fund has, under normal market conditions, an optimal asset mix of Canadian bond 5-25%, foreign bond 0-20%, Canadian equity 15-35% and foreign equity 40-60%. The Portfolio Manager may review and adjust the optimal asset mix, in its sole discretion, depending on the economic conditions and relative value of income and equity securities.

In selecting the underlying funds, the Portfolio Manager considers such factors as returns, consistent relative performance, risk-adjusted performance, portfolio construction, management style and organizational changes.

The Portfolio Manager may, in its sole discretion, modify the asset mix, change percentage holdings of any underlying fund, remove any underlying fund or add additional underlying funds.

The Fund 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.

Underlying Funds Risk Management

The Fund's portfolio analysts make sure that the underlying funds' portfolio advisor manages financial risks. Each month, the Fund's portfolio analysts receive the underlying funds' investment portfolio to analyze the management style and compare performance with the Funds' benchmarks. Every quarter, the Funds' portfolio analysts receive detailed quarterly documents featuring an analysis of performance, sector allocations and the underlying funds' top positions.

Currency Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available on the Internet at www.sedar.com.

Credential Select Growth Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT GROWTH PORTFOLIO (UNAUDITED) (continued)

Interest Rate Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available on the Internet at www.sedar.com.

Price Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available on the Internet at www.sedar.com.

The Manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the volatility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36 month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at March 31, 2009

Benchmarks	Change in Price %	Impact on Net Assets \$
DEX Universe	+/- 1.00	+/- 92,070
Citigroup World Government Bond	+/- 1.00	+/- 61,380
S&P/TSX Composite	+/- 3.00	+/- 460,348
S&P 500	+/- 3.00	+/- 460,348
MSCI EAFE	+/- 3.00	+/- 460,348

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

As at September 30, 2008

Benchmarks	Change in Price %	Impact on Net Assets \$
91-day Treasury Bills	+/-0.25	+/- 24,736
DEX Universe	+/-1.00	+/- 105,274
Citigroup World Government Bond	+/-1.00	+/- 73,613
S&P/TSX Composite	+/-3.00	+/- 531,913
S&P 500	+/-3.00	+/- 553,285
MSCI EAFE	+/-3.00	+/- 455,925

In practice, the actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available on the Internet at www.sedar.com.

Liquidity Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available on the Internet at www.sedar.com.

The following tables analyze the Fund's liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at March 31, 2009

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	214,395	-	-
Other liabilities	28,142	-	-
Total Liabilities	242,537	-	-

As at September 30, 2008

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	245,698	-	-
Other liabilities	119,216	-	-
Total Liabilities	364,914	-	-

Credential Select High Growth Portfolio

Statement of Net Assets

As at	March 31 2009 \$ (unaudited)	September 30 2008 \$ (audited)
Assets		
Cash	23,601	-
Investments at fair value	31,139,491	36,379,952
Subscriptions receivable	40,465	14,566
Receivable for investments sold	22,818	-
Interest, dividends and other receivables	501	549
	<u>31,226,876</u>	<u>36,395,067</u>
Liabilities		
Accrued expenses	99,473	117,029
Redemptions payable	-	9,207
Interest, dividends and other payables	-	10,455
	<u>99,473</u>	<u>136,691</u>
Net Assets and Unitholders' Equity	<u>31,127,403</u>	<u>36,258,376</u>
Data per Class (Note b)		
Class A		
Net assets and unitholders' equity	<u>31,127,403</u>	<u>36,258,376</u>
Net assets per unit	<u>7.98</u>	<u>9.49</u>

Statement of Operations (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Income		
Interest	75,426	286,778
Dividends	265,227	113,047
	<u>340,653</u>	<u>399,825</u>
Expenses		
Management fees	364,318	522,519
Audit fees	4,629	4,142
Independent review committee's fees	1,001	150
Custodian fees	2,500	955
Legal fees	420	-
Unitholders' reporting costs	6,498	8,580
Filing fees	11,350	3,177
Administrative fees	89,707	69,009
	<u>480,423</u>	<u>608,532</u>
Expenses absorbed by the Manager	(23,404)	-
	<u>457,019</u>	<u>608,532</u>
Net Investment Income (Loss)	<u>(116,366)</u>	<u>(208,707)</u>
Gains (Losses) on Investments		
Net realized gain (loss)	(4,461,934)	2,238,881
Net unrealized gain (loss)	(1,144,526)	(5,451,351)
	<u>(5,606,460)</u>	<u>(3,212,470)</u>
Increase (Decrease) in Net Assets from Operations	<u>(5,722,826)</u>	<u>(3,421,177)</u>
Data per Class		
Class A		
Increase (decrease) in net assets from operations	<u>(5,722,826)</u>	<u>(3,421,177)</u>
- per unit	<u>(1.49)</u>	<u>(0.88)</u>

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'Neil, Director and Chair,
 Audit Committee



Pierre Tardif,
 Chair of the Board of Directors

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

Credential Select High Growth Portfolio

Statement of Changes in Net Assets (unaudited)

Six-month Periods Ended March 31	2009 \$	2008 \$
Net Assets, Beginning of Period	<u>36,258,376</u>	<u>45,983,643</u>
Increase (Decrease) in Net Assets from Operations	<u>(5,722,826)</u>	<u>(3,421,177)</u>
Unit Transactions		
Proceeds from sale of units	2,594,318	5,987,798
Reinvested distributions	-	360,831
Amounts paid for units redeemed	<u>(2,002,465)</u>	<u>(6,003,205)</u>
	<u>591,853</u>	<u>345,424</u>
Distributions to Unitholders		
Net investment income	-	(57,973)
Net realized gain on sale of investments	-	(302,858)
	-	<u>(360,831)</u>
Net Assets, End of Period	<u>31,127,403</u>	<u>42,547,059</u>

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

Credential Select High Growth Portfolio

Investment Portfolio as at March 31, 2009 (unaudited)

	Number of Units	Cost \$	Fair Value \$
Investment Funds (100.0%)			
AIM International Growth Class Series I	229,773	3,549,917	2,268,318
Ethical [®] Canadian Index Fund Class D	316,879	4,008,846	3,037,955
Ethical [®] Growth Fund, Class D	153,780	2,080,981	1,529,116
Ethical [®] Income Fund, Class D	286,949	3,234,253	3,200,600
Fidelity American Disciplined Equity Fund Series O	430,513	5,162,042	3,842,930
Fidelity Canadian Disciplined Equity Fund Series O	80,235	2,171,278	1,548,970
Fidelity Dividend Fund, Series O	160,651	1,631,873	1,527,082
Fidelity Emerging Markets Fund Series O	208,674	2,349,246	1,619,683
Mackenzie Focus International Class Fund	176,598	2,928,616	2,249,573
Mackenzie Ivy Foreign Equity Fund Series O	436,596	3,248,892	3,182,701
Mackenzie Universal U.S. Growth Leaders Fund, Series O	560,784	4,506,145	4,033,161
Templeton Mutual Discovery Fund Series O	253,634	4,201,074	3,099,402
Total Investments		39,073,163	31,139,491
Other Net Assets (-0.0%)			<u>(12,088)</u>
Net Assets (100%)			31,127,403

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

Credential Select High Growth Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT HIGH GROWTH PORTFOLIO (UNAUDITED)

a) Establishment of the Fund

The Credential Select High Growth Portfolio (the "Fund") is an unincorporated mutual fund trust established on the following dates:

	Class A	Class D
Credential Select High Growth Portfolio	January 8, 2001	June 28, 2004

Unit transactions for Class D had not begun as at March 31, 2009.

b) Unitholders' Equity (Note 3)

The unitholders' equity of the Fund is composed of:

Authorized Units

An unlimited number of Class A units, offered for sale to retail investors under four options: "front end", "low load", "low load 2" or "deferred sale charge".

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Class A					
2009	3,821,542	329,112	-	251,142	3,899,512
2008	3,829,178	528,820	30,991	534,540	3,854,449

c) Distributions

All distributions made by the Fund 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 to receive a cash payment. All distributions are made without an acquisition charge.

Net investment income of the Fund is distributed in cash or reinvested in additional units, as follows:

	Class A
Credential Select High Growth Portfolio	Annually

Net realized capital gains, if any, are distributed annually in December.

d) Management Fees and Other Expenses (Note 4)

The Manager is authorized to charge operating expenses to the Fund.

The maximum annual management fee ratio in 2009 and 2008 is as follows:

	Class A %
Credential Select High Growth Portfolio	1.65

e) Related Party Transactions (Note 5)

Northwest & Ethical Investments L.P. ("NEILP") is the Portfolio Manager of the Fund. NEILP is 50% owned by the Fédération des caisses Desjardins du Québec and 50% indirectly owned by seven Provincial Credit Union Centrals.

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

	March 31, 2009 \$	Sept. 30, 2008 \$
Credential Select High Growth Portfolio	99,473	92,038

At the end of the period, the Fund had the following percentage ownership in the underlying Ethical® Funds:

	March 31, 2009 %	Sept. 30, 2008 %
Ethical® Canadian Index Fund	8.01	7.08
Ethical® Growth Fund	0.59	0.52
Ethical® Income Fund	1.15	1.49

The Fund has received income, during the period, from underlying Ethical® Funds. These underlying funds have the same Manager as the Fund. The breakdown of this income is presented in the following table:

		Interest \$	Dividends \$	Capital Gains \$
Credential Select High Growth Portfolio	2009	74,934	100,586	-
	2008	230,060	18,124	57,590

f) Financial Instrument Risks (Note 6)

Strategy in using financial instruments

Investment Objective

The Fund aims to increase the value of investment over the long term by investing primarily in equity mutual funds. The Fund invests in a variety of other mutual funds managed by different portfolio managers.

Investment Strategy

The Portfolio Manager uses strategic asset allocation as the principal investment strategy.

The Fund has, under normal market conditions, an optimal asset mix of Canadian bond 0-20%, Canadian equity 25-45% and foreign equity 45-65%. The Portfolio Manager may review and adjust the optimal asset mix, in its sole discretion, depending on the economic conditions and relative value of equity securities.

In selecting the underlying funds, the Portfolio Manager considers such factors as returns, consistent relative performance, risk-adjusted performance, portfolio construction, management style and organizational changes.

The Portfolio Manager may, in its sole discretion, modify the asset mix, change percentage holdings of any underlying fund, remove any underlying fund or add additional underlying funds.

The Fund 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.

Underlying Funds Risk Management

The Fund's portfolio analysts make sure that the underlying funds' portfolio advisor manages financial risks. Each month, the Fund's portfolio analysts receive the underlying funds' investment portfolio to analyze the management style and compare performance with the Funds' benchmarks. Every quarter, the Funds' portfolio analysts receive detailed quarterly documents featuring an analysis of performance, sector allocations and the underlying funds' top positions.

Currency Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available on the Internet at www.sedar.com.

Credential Select High Growth Portfolio

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION PERTAINING TO THE CREDENTIAL SELECT HIGH GROWTH PORTFOLIO (UNAUDITED) (continued)

Interest Rate Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available on the Internet at www.sedar.com.

Price Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available on the Internet at www.sedar.com.

The Manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the volatility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36 month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at March 31, 2009

Benchmarks	Change in Price %	Impact on Net Assets \$
DEX Universe	+/- 1.00	+/- 28,948
S&P/TSX Composite	+/- 3.00	+/-303,959
S&P 500	+/- 3.00	+/- 238,825
MSCI EAFE	+/- 3.00	+/- 238,825

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

As at September 30, 2008

Benchmarks	Change in Price %	Impact on Net Assets \$
91-day Treasury Bills	+/-0.25	+/- 7,342
DEX Universe	+/-1.00	+/- 38,796
Citigroup World Government Bond	+/-1.00	+/- 1,088
S&P/TSX Composite	+/-3.00	+/- 299,132
S&P 500	+/-3.00	+/- 293,693
MSCI EAFE	+/-3.00	+/- 287,166

In practice, the actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which could be exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available on the Internet at www.sedar.com.

Liquidity Risk

As at March 31, 2009 and September 30, 2008, the majority of the Fund's net assets are invested in underlying funds, which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available on the Internet at www.sedar.com.

The following tables analyze the Fund's liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at March 31, 2009

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	99,473	-	-
Total Liabilities	99,473	-	-

As at September 30, 2008

	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	117,029	-	-
Other liabilities	19,662	-	-
Total Liabilities	136,691	-	-

g) Income Tax and Capital Gains Tax (Note 7)

Capital and non-capital losses determined for tax purposes as at December 15, 2008 are as follows:

	Capital Losses	Non-Capital Losses	
	Amount \$	Amount \$	Year of Expiry
Credential Select High Growth Portfolio	101,954	554,517	2028

1. SIGNIFICANT EVENTS

The year-end for financial reporting purposes for the Funds has been changed from December 31st to September 30th. Accordingly, the interim financial statements have been prepared for the six-month period ended March 31, 2009. The comparative information presented in the Statement of Net Assets is at September 30, 2008 and in the Statement of Operations as well as in the Statement of Changes in Net Assets is for the six-month period ended March 31, 2008.

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

Northwest & Ethical Investments LP ("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 ("Fédération"), 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 Funds, and NMFI amalgamated with NAMI and then transferred its business and assets to NEILP, which is now the Manager (the "Manager") of the Funds.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as income and expenses during the reporting periods. Actual results could differ from these estimates. The significant accounting policies followed by the Funds are summarized below.

Accounting Changes

Financial Instruments – Disclosures and Presentation

Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation* were issued in December 2006 by the Canadian Institute of Chartered Accountants ("CICA") and are effective for the year beginning on January 1, 2008. These sections replace Section 3861, *Financial Instruments – Disclosures and Presentation*. They modify and improve requirements pertaining to disclosures and maintain the requirements in connection with presentation. 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 an entity manages these risks. Adoption of this policy does not impact the daily price of the Fund's units for subscription and redemption purposes, nor for the calculation of net assets.

Capital Disclosures

CICA Handbook Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to the Funds since January 1, 2008. Refer to Note 3 for a discussion on the Funds' capital and how it is managed.

Valuation of Financial Instruments

CICA Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, has an impact on the value of the Funds' net assets since it must be calculated in accordance with Canadian GAAP in line with the security regulations applicable to investment funds. The main impact of Section 3855 relates to the determination of the fair value of financial assets listed on an active market with the bid price for a long position and the ask price for a short position instead of the closing price. In accordance with Section 3855, investments are deemed to be categorized as held for trading, and accordingly are required to be recorded at fair value, which is determined as follows:

Money Market Securities

Money market securities are recorded at the bid price.

Bonds

Bonds are valued based on bid prices obtained from recognized securities dealers.

Investment Funds

The underlying funds' units are valued based on the net asset value per unit at the end of each valuation day provided by the underlying fund's manager. When these valuation principles are not appropriate, the Manager estimates the fair value of an investment using fair valuation procedures implemented in accordance with the policy in place.

Regulation 81-106 on Investment Fund Continuous Disclosure

Since September 30, 2008, the Manager applies the changes adopted by the Canadian Securities Administrators to Regulation 81-106 on Investment Fund Continuous Disclosure. The changes are essentially aimed at modifying the requirements pertaining to the calculation of the unit value as a result of the inclusion of Section 3855. 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 presented in the section Notes to the Financial Statements – Specific Information pertaining to each Fund, except for the funds of funds in which there is no discrepancy. The main differences between the valuation principles and practices concern Money market Securities. In order to calculate the net asset value, the Money market securities are recorded at cost which, together with the accrued interest, approximates fair value.

Investment Transactions

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for the money market securities, for which the cost is determined using the First In First Out method. The difference between the fair value and the cost of investments is included in "Net unrealized gain (loss)" in the Statement of Operations.

Securities Lending

The Credential Money Market Fund has entered into a securities lending program with its custodian.

The income earned from securities lending is recognized when paid and is included in "Revenue from securities lending" in the Statement of Operations of the Fund.

Effective October 15, 2008, the Fund withdraws from the securities lending program.

Cash

Cash and Bank overdraft are deemed to be held for trading and carried at fair value.

Other Assets and Liabilities

In accordance with Section 3855, subscriptions receivable, receivable 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 payable, as well as distributions payable are deemed to be financial liabilities and recorded at cost. Given their short-term nature, their carrying amount closely approximates their fair value.

Income

Income is accounted for on an accrual basis. Interest income is recorded as it is earned. Interest and dividends distributions received from underlying funds are recorded at the day of the distributions. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the period is included in the "Net unrealized gain (loss)" in the Statement of Operations.

Increase (Decrease) in Net Assets from Operations per Unit

Increase (decrease) in net assets from operations per unit in the Statement of Operations represents the increase (decrease) in net assets from operations by class, divided by the average number of units outstanding per class during the period.

3. UNITHOLDERS' EQUITY

Capitalization

The Funds 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 section Notes to the Financial Statements – Specific Information pertaining to each Fund.

The units of a Fund are of the same class and confer the same rights and privileges except that in respect of a Fund 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 Fund 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 holders to similar proportionate participation, but will not entitle them to vote.

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

Class A units are offered to retail investors. A management fee reduction of 0.25% is available on request to investors who purchase at least \$250,000 of Class A units. In addition, institutional investors, such as pension plans, who invest substantial amounts in Class A units may negotiate a further management fee reduction. The management fee reductions are generally settled through the issuance of additional Class A units of the Fund.

Class B units are not available for sale.

Class D units are offered to institutional investors such as pension plans in minimum subscription amounts determined by the Manager. There are no sales or redemption charges applied to this class.

Class F units are available to retail investors investing a minimum of \$500. Investors can spread that over more than one Fund, but must invest at least \$25 per Fund. After that, investors can invest as little as \$100 at a time.

In respect of Class F units, investors pay their dealer a fee directly for investment advice or other services instead of paying sales or redemption charges.

The Manager manages the capital of the Funds in accordance with their investment objectives. Also, in accordance with securities regulations, the Funds seek to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions (refer to Note 6).

Valuation of Units

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

Net asset value of each class of units in a Fund corresponds to the proportion of the assets of the Fund attributable to the class, net of the proportion of the Fund'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.

4. MANAGEMENT FEES AND OTHER EXPENSES

As the Trustee, Manager, Portfolio Manager and Registrar, NEILP receives from each Fund, monthly management fees, before GST, calculated on the net asset value of each unit class on each valuation date.

For the Funds that invest in underlying funds, certain fees and expenses payable in connection with the management of the underlying funds are in addition to those payable by the Fund. However, the arrangements in respect of the Funds and the underlying funds are such as to avoid duplication of management fees. Therefore, the managers of the underlying funds other than the Ethical[®] Funds will pay management fee reductions to the Funds on their investments and the managers of the Ethical[®] Funds receive no management fees on units in the underlying funds.

Each Fund assumes its own operating expenses, with all applicable taxes, such as GST. The main expenses incurred by the Funds include legal fees, audit, transfer agent, custodial services, regulatory filing fees, the costs of financial reporting and the costs of prospectus printing.

The Funds pay the fees and expenses associated with the Independent Review Committee ("IRC"), including annual fees and meeting fees, if any, payable to members of the IRC and the payment of any other expenses related to the operation of the IRC.

The Manager is authorized to charge operating expenses to the Funds. The Manager may pay a portion of the Funds' operating expenses. The decision to absorb expenses is determined at the discretion of the Manager.

5. RELATED PARTY TRANSACTIONS

Northwest & Ethical Investments L.P. ("NEILP") is the Manager, the Trustee and the Registrar of the Funds. NEILP is 50% owned by the Fédération des caisses Desjardins du Québec ("Fédération") and 50% indirectly owned by seven Provincial Credit Union Centrals.

NEILP is the Manager of the Funds pursuant to the administration agreement. The Manager ensures the daily administration of the Funds. NEILP provides the Funds or makes sure the Funds are provided with all services (accounting, custody, portfolio management, record maintenance, transfer agent) required to function properly. The Funds pay management fees to NEILP, which are calculated on a daily basis with the net asset value of the Funds and paid monthly according to the annual rates presented the section Notes to the Financial Statements – Specific Information pertaining to each Fund. NEILP trustee fees and portfolio management fees are entirely at NEILP's expense.

Desjardins is the custodian of the Funds. Desjardins is a wholly-owned subsidiary of the Fédération, which is a 50% owner of NEILP. The custodian fees of Desjardins are at the Funds' expense and are established based on market conditions.

Management, custodian and administrative fees presented in the Statement of Operations are incurred by the Funds with NEILP or with other companies of which Fédération is a significant 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 by the related parties.

6. FINANCIAL RISK MANAGEMENT

The Funds' activities expose them to a variety of financial risks, among which are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Funds' overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Funds' rate of return.

The Manager is responsible for risk management within each Fund, as well as the selection and monitoring the mix of the underlying funds.

The Manager compares Funds' performance to their benchmarks on a monthly basis and this analysis is then reviewed every quarter by the Investment Committee. Furthermore, the Manager ensures that Funds' investment policies are rigorously followed and writes a compliance report, which is also reviewed on a quarterly basis by the Investment Committee.

Every quarter, the Manager discusses the results of the performance analyses with the underlying funds' Managers and plans yearly meetings with them to keep abreast of any changes in their investment practices.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Funds are exposed to the currency risk in holding assets and/or liabilities denominated in currencies other than the Canadian dollars, the Funds' functional currency, as the value of the securities denominated in other currencies will fluctuate in accordance with the applicable exchange rates in effect. When the Canadian dollar falls in relation to the foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

The Fund's exposure to currency risk is shown based on the carrying value of monetary and non-monetary assets (including derivatives and the notional amount of forward currency contracts, if any). For the notional amount of forward currency contracts, a long position is shown under "Financial Assets Held for Trading", and a short position under "Financial Liabilities Held for Trading".

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Interest rate risk occurs when a mutual fund invests in interest-bearing financial instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate as a result of changes in market interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise. There is minimal sensitivity to interest rate fluctuations on cash and cash equivalents invested at short-term market interest rates.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk).

All securities investments present a risk of loss of capital. The portfolio manager intends to manage this risk through a careful selection of securities and other financial instruments in compliance with the specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Funds' financial instruments are exposed to market price risk arising from uncertainties about the future prices of instruments. The Funds' market price risk is managed through diversification of the investment portfolio's exposure ratio.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will be unable to pay the full amount upon maturity.

The Funds take on exposure to credit risk and default provisions are recorded for the losses incurred prior to the Statement of Net Assets issue date, if any.

All transactions are settled or paid upon delivery through approved brokers. The risk of default is considered minimal as securities sold are delivered only once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party defaults on its obligation.

Liquidity Risk

Liquidity risk is the risk that a counterparty to a financial instrument may not be able to settle or meet its obligation on time or at a reasonable price.

The Funds are exposed to daily cash redemptions of units. They therefore invest the majority of their assets in liquid investments (i.e. investments that are traded in an active market and that can be readily disposed of). In accordance with securities regulations, the Funds must maintain at least 90% of their assets in liquid investments, as mentioned in Note 3.

Additional Information

For further information regarding the financial instruments' risk exposure of each Fund, please refer to the section Notes to the Financial Statements – Specific Information pertaining to each Fund.

7. INCOME TAX AND CAPITAL GAINS TAX

Mutual Fund Trusts

Under the *Income Tax Act* (Canada), each Fund is defined as a mutual fund trust. Each Fund is taxed on income and net capital gains not distributed to unitholders. It is the intention of the Funds to pay to unitholders all of their investment income and sufficient net realized capital gains so that the Funds will not be subject to income taxes.

All Funds, except the Credential Money Market Fund, have a year-end for tax purposes of December 15. The Credential Money Market Fund's year-end for tax purposes is December 31.

Losses

Capital losses can be carried forward indefinitely and used to reduce future capital gains. Non-capital losses can be carried forward 20 years and applied against future income and capital gains.

8. REDEMPTIONS

Units may be sold back to the Funds (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 Fund no later than three business days after receipt by the Manager of the completed sale documents.

9. 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.

The Manager monitors developments in the IFRS conversion program and, in particular, the key elements below:

- Changes in accounting policies
- Impacts on information technology and data systems
- Impacts on internal control over financial reporting
- Impacts on disclosure controls and procedures
- Impacts on expertise in financial reporting

The 2012 financial statements will be prepared in accordance with IFRS. A disclosure of the qualitative and quantitative impact in the annual financial statements will occur as at September 30, 2010. The Manager has presently determined that there will be no significant impact to Net Assets per unit as a result of the changeover to IFRS.

To date, the Manager has completed the Identification phase. The feasibility phase is under way, including analysis of the accounting impacts of conversion to IFRS and the repercussions on business operations.

10. COMPARATIVE FIGURES

Certain prior period comparative figures have been reclassified to conform with the current period's presentation.

11. ADDITIONAL INFORMATION

It is possible to obtain audited financial statements for each of the Funds by contacting:

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

www.credential.com
 Tel.: 1.888.207.8121

1-877-384-4225
www.credentialfunds.com