

This document contains key information you should know about Ethical Select Conservative Portfolio. You can find more detailed information in the fund's simplified prospectus. Ask your adviser for a copy, contact Northwest & Ethical Investments L.P. ("NEI Investments") at 1 888-809-3333 or NEIclientservices@NEIinvestments.com or visit www.NEIinvestments.com.

Quick facts

Date fund created	July 25, 2006	Portfolio manager or sub-advisor	Northwest & Ethical Investments LP
Total value on May 31, 2011	\$95.88 million	Distributions	Monthly
Management expense ratio (MER)	1.12%	Minimum investment	\$25,000 initial, \$25 additional

What does the fund invest in?

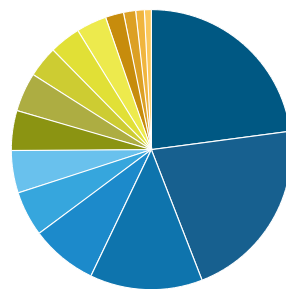
The Fund invest in a mix of income oriented mutual funds and equity mutual funds. The Portfolio invests in a variety of other mutual funds managed by different portfolio managers.

The charts below give you a snapshot of the fund's investments on May 31, 2011. The fund's investments will change.

Top 10 investments (May 31, 2011)

1. Canada Housing Trust
2. Canada Housing Trust, floating rate
3. Province of Ontario
4. Cash and Cash Equivalents
5. Government of Canada, Series A55
6. Toronto-Dominion Bank
7. Government of Canada
8. Royal Bank of Canada
9. RBC Capital Trust
10. Scotiabank, 4.990%, (floating rate from 2013-03-27)

Investment mix (May 31, 2011)



Industry

Government of Canada	22.9%	Materials	3.5%
Corporations	21.2%	Telecommunication Services	2.1%
Prov. Govern. and Crown Corp.	13.0%	Health Care	1.4%
Financials	7.7%	Foreign	1.0%
Consumer Discretionary	5.2%	Utilities	0.8%
Energy	4.9%		
Cash and Cash Equivalents	4.6%		
Industrials	4.5%		
Consumer Staples	3.6%		
Information Technology	3.6%		

Total Investments 538

The top 10 investments make up 30% of the fund.

How has the fund performed?

This section tells you how the fund has performed over the past year. Returns shown are after expenses have been deducted. These expenses reduce the fund's gross returns.

It's important to note that this doesn't tell you how the fund will perform in the future. Also, your actual after-tax return will depend on your personal tax situation.

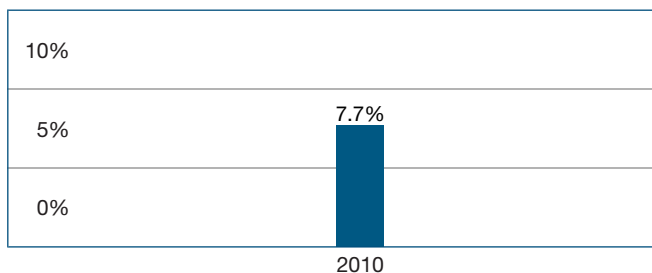
Due to a material change in the fund, no performance reporting prior to the change is available.

Average return

A person who invested \$1,000 in the fund 1 year ago now has \$1,126. This works out to an annual compound return of 7.7%.

Year-by-year returns

This chart shows how the fund has performed in the past year.



How risky is it?

The value of a mutual fund may go up and down, and the value of your investment may be more or less when you redeem it than when you purchased it. NEI Investments has rated this fund's risk as low to medium.



Are there any guarantees?

We do not guarantee that the full amount of your investments in the funds will be returned to you.

Who is this fund for?

This fund is an appropriate investment if:

- you are seeking long term growth and current income
- you are investing for the medium term
- you are prepared for low to medium risk

Before you invest in any fund, you should consider how it would work with your other investments and your tolerance for risk.

A word about tax

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Series F units of the fund. The fund has other series of securities. The fees and expenses are different for each series. You should ask about other series that may be suitable for you.

1. Sales charges- Series F units are only available if your dealer has entered into a Series F unit/shares Distribution Agreement with us.

Sales charge option	What you pay		How it works
	in percent (%)	in dollars (\$)	
Series F	0.00%	\$0.00	No direct sales commissions or redemption charges are payable by you to us on the purchase or sale of Series F units

2. Fund expenses -You don't pay these expenses directly. They affect you because they reduce the fund's returns. As of March 31 2011 the funds expenses were 1.12% of its value. This equals \$11.20 for every \$1,000 invested.

	Annual rate (as a % of the fund's value)
Management expense ratio (MER) -This is the total of the fund's management fee and operating expenses.	1.12%
Trading expense ratio (TER) -These are the fund's trading costs.	0.00%
Fund expenses	1.12%

3. Other fees – You may have to pay other fees when you sell or switch securities of this fund.

Fee	What you pay
Short-term trading fee	2% if a redemption occurs within 1 to 7 days, otherwise 1% within 8 to 29 days of purchase or switch
Switch fees	Up to 2% may be charged to you and retained by your dealer
Returned cheques	There will be a \$25 fee for Non-Sufficient Fund cheques that are returned if there are insufficient funds in your account to pay for your units
Account closing fees	Client name accounts will be charged a fee of \$25 if you close the account or we close it because your total investment in mutual funds we manage falls below \$500.
Registered plan fees	There may be a \$25 annual fee for Registered plans with less than \$5,000 managed by us. No fee is charged if the plan is held within a Group RRP or where pre-authorized contributions are maintained

What if I change my mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund securities within two business days after you receive a simplified prospectus, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory. For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact NEI Investments or your adviser for the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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