

Annual Management Report of Fund Performance as at September 30, 2011

This annual Management Report of Fund Performance contains financial highlights but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-809-3333, by writing us at Northwest & Ethical Investments L.P., 155 University Avenue Suite 400, Toronto, ON M5H 3B7 or by visiting our website at www.neiinvestments.com or SEDAR at www.sedar.com.

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

Management Discussion of Performance

Investment Objective and Strategies

The Ethical Growth Fund aims to increase the value of your investment over the long term by primarily investing in common shares of a wide variety of Canadian corporations. The Fund is further diversified by including US and international stocks. For its Canadian equity allocation, securities are selected by employing a growth-at-a-reasonable-price (GARP) criterion. This process stresses qualitative criteria and fundamental analysis. The Fund follows a socially responsible approach to investing.

Risk

The risks associated with investing in the Fund have not changed from the prior year and remain as discussed in the prospectus. The Fund is suitable for investors with an average tolerance for risk, particularly those who seek capital gains through an investment in primarily Canadian common stocks.

Interest rate risk arises on interest-bearing financial instruments held in the portfolio. The fund is exposed to the risk that the value of the interest-bearing instrument will fluctuate due to prevailing levels of market interest rates. Over the past year, the Fund has mitigated interest rate risk by shortening term to maturity and duration for the portfolio. Interest Rate risk is expected to increase over the upcoming year as central banks around the world may start raising short term rates. The increases are not expected to be significant.

Equity Risk or volatility remains elevated as investors are concerned that corporate profits may disappoint and/or the possibility of another economic slowdown. Relative to fixed income, equity risk appears to be relatively low in that dividend yields and free cash flow yields look attractive as compared to fixed income investments. Foreign equity markets pose similar risks to domestic ones. Risks that the Fund has been exposed to, by investing in foreign securities, have been mitigated by generally investing in larger and higher quality businesses, operating in developed countries.

Capital markets have been heavily influenced by macro- economic issues and not necessarily by company fundamentals and specific financial results. These influences include, but are not limited to, Sovereign debt concerns, Unemployment, Consumer debt levels and geo-political issues.

Results of Operations

The Ethical Growth series A units returned -6.99% for the 12 months ended September 30, 2011, compared to the blended benchmark return of -3.40%. Unlike the Index return, the Fund's return is after the deduction of fees and expenses paid by the Fund. Fees and expenses are summarized in the Ratios and Supplemental Data section of this MRFP. Performance differences between series of units are mainly attributable to differences in the level of management fees charged to each series as noted in the Management Fee section of this MRFP.

The blended benchmark for this Fund is comprised of 84% S&P TSX, 16% MSCI World (Converted and reported in C\$). Refer to the Past Performance section for the details of returns by Series.

Yearly Comparison of Holdings

Comparison Period – September 2010 to September 2011

The following table summarizes material changes in individual securities, whereby materiality is defined as 1% of the current year NAV

Material Changes

Name	Change in NAV Ownership (%)
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Cash and Cash Equivalents	-1.42
Crescent Point Energy	-1.24
Finning International	-1.18
Goldcorp	1.24
Potash Corporation of Saskatchewan	1.13
Research In Motion	-2.09
Scotiabank	1.42
Thomson Reuters Corporation	-1.28
Toronto-Dominion Bank	1.77
Viterra	-1.03

New Positions

Name	% of Current Year NAV
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Bank of Montreal	3.87
Kinross Gold Corporation	2.86
Trilogy Energy	2.84
Gildan Activewear	2.82
Intact Financial	2.81
Tim Hortons	2.27
Quebecor, Class B	2.13
Osisko Mining Corporation	2.10
Dollarama	2.00
Loblaws Companies	1.87

Exited Positions

Royal Bank of Canada	Barrick Gold Corporation	Suncor Energy
Shaw Communications, Class B	Rogers Communications, Class B	Shoppers Drug Mart Corporation
Canadian National Railway Company	TELUS Corporation, Non-voting	Canadian Imperial Bank of Commerce
Agrium	Brookfield Asset Management, Class A	EnCana Corporation
Enbridge	Sun Life Financial	Groupe Aeroplan
Sino-Forest	PetroBakken Energy, Class A	Manulife Financial Corporation
Accenture, Class A	Bayerische Motoren Werke (BMW)	Progressive Casualty Insurance Company
Western Union	Baker Hughes	Allianz
ManpowerGroup	CSL	SAP, ADR
Automatic Data Processing	Thermo Fisher Scientific	Microsoft Corporation
Kohl's Corporation	Waste Management	Sherwin-Williams Company
SK Telecom Co., ADR	Nordstrom	Baxter International
PepsiCo	Northern Trust Corporation	Safeway
Willis Group Holding	Home Depot	Quest Diagnostics
Juniper Networks	Companhia de Bebidas das Americas, ADR	ALL-America Latina Logistica
SANTEN PHARMACEUTICAL CO.	Club Méditerranée	Financière Marc de Lacharrière (Fimalac)
Kellogg Company	Diagnosticos da America	Vulcan Materials Company
Yingli Green Energy Hold. Co., ADR	International Game Technology	

Factors That Have Affected Performance

In the last twelve months the Canadian stock market experienced the tail end of the rally coming out of the 2008 credit crisis with a peak in the market on April 5, 2011. Since that time, the S&P/TSX Composite Index has fallen 17.5%. The decline can be blamed on a number of factors that gained momentum in the spring and fully weighed on the markets in the summer months. These concerns included the slowing effect of natural disasters such as the Japanese Tsunami, evidence of a relative weak economy in the U.S., and the yet unsettled sovereign debt crisis in Europe but particularly in Greece. For the twelve months, the S&P/TSX Composite Index declined 3.6% with the weakest sectors including Energy, Consumer Discretionary, and Information Technology. It is noteworthy to add that the Canadian equity markets have been comparatively stronger performer

for the period with the MSCI EAFE Index (Europe, Australia and the Far East) declining 8.6%. By comparison, the U.S. market has performed well with the S&P 500 Index up 2.0% (All Figures in Canadian dollars).

During the past twelve months the mix between domestic and global equities has been relatively unchanged with a 73.7% commitment to Canadian equities at September 30, 2011 versus 76.2% at the end of September 30, 2010. The Canadian equity portion of the portfolio is managed by Guardian Capital LP. The balance of the portfolio is invested in global equities managed by Manning and Napier.

In terms of strategy, the Manager restructured the Canadian equity portion of the Fund in the first quarter of 2011 to focus on companies with a higher growth potential. Stocks sold from the portfolio during the period include: Suncor Energy, Manulife Financial, and the Royal Bank. New companies added include Intact Financial, Trilogy Energy, Dollarama, and Tim Hortons

During the twelve month period, the strongest performing stocks included Trilogy Energy, Dollarama, and Cogeco Cable. Stocks detracting from the portfolio included Research in Motion, Ivanhoe Mines, Crew Energy, and Sino Forest.

Recent Developments

The major global markets all experienced a selloff in the third quarter after a sound first half of 2011 that saw many markets hit new highs in the economic recovery. As global markets remain correlated a number of macro events occurred in the quarter that stalled global recovery. Global fears escalated with government ability to cover debt played out across the globe. The U.S. saw its debt rating slide from AAA early in the quarter, and continued fears over Greece have investors worried about the health of the European banking system.

As the year has progressed high quality bonds have led the way. Uncertainty in the U.S. continues with the Standard & Poor's downgrade in August and concern on the ability for the government to fund deficits with a growing debt burden. Continued structural issues in the European Union remain a significant global risk. The large reliance of funding government deficits remains a longer term risk to interest rates.

Over the first 2 quarters of the year the North American Economy had shown signs of life. The Canadian economy showed stronger performance than the U.S. economy, but has suffered slightly due to the interdependencies of the two economies. The manufacturing sector looked surprisingly strong and U.S. housing seemed ready for a turnaround and for a brief moment in the spring, the labour market actually showed signs of life. In the three months to April, private employment growth turned in its best performance in half a decade. However during the 3rd quarter there have been shocks to the market with the ongoing political turmoil in the U.S. leading to a credit downgrade by S&P. These unexpected shocks and policymakers' response to them took have taken their toll and turned what early in the year appeared to be a year of respectable growth rate for 2011 now seems to be slow growth.

The global equity markets had been broadly positive over the first two quarters, however the second half of the year has been marked by declines erasing earlier year gains, especially in the last quarter as the MSCI World Index dropped 10.17% (\$C). The general upward trend that the market had experienced was interrupted in early March as the turmoil in the Middle East and the natural disaster in Japan introduced fear and risk aversion back into the market. These external shocks, coupled with ongoing sovereign debt issues in Europe and the ongoing possibility of a potential Greek default is hindering the global economy. The U. S. credit rating downgrade created volatility across global market indices as prices retreated from previous year highs.

Financial Notes

HST

Following the introduction of a single harmonized tax "HST" levy and collection system on July 1st, 2010 Investment Funds had to change the way in which government taxes are charged to the Funds. The new rules require HST to be calculated and charged based on a blended tax rate derived from the residency of the unitholders and the current value of their units. This blended rate is required to be calculated and updated periodically and the table below indicate the rate charged to the Fund for the relevant reporting period plus the established rate for the next 12 month period.

Ethical Growth Fund

	12 Month Period Ending September 30, 2011	12 Month Period Ending September 30, 2012
Series A	9.44%	9.44%
Series F	8.30%	10.20%

On August 5th, 2011 a referendum in British Columbia was completed and the outcome is that the Province will dissolve the HST model and reinstate the provincial sales tax "PST" model. On September 30th, 2011 Quebec announced that it will move

to a harmonized tax system “HST” to be implemented January 1st, 2013. Management will be monitoring the impact and timing of these announcements and will make the necessary changes to the way that HST is charged to the Funds.

Change to IFRS

The Canadian Accounting Standards Board (“AsSB”) of the Canadian Institute of Chartered Accountants (“CICA”) had planned to adopt International Financial Reporting Standards (“IFRS”), as published by the ACSB, effective January 1, 2011. In January 2011, the AsCB deferred the adoption of IFRS for investment companies, which include investment funds. Investment companies may continue to apply existing Generally Accepted Accounting Principals (“GAAP”) until fiscal years beginning on or after January 1, 2013. Northwest & Ethical Investments L.P (the “Manager”) has chosen to defer IFRS implementation until this date.

Currently the Manager has determined two areas that may be impacted in the conversion to IFRS 1) IAS 32, Financial Instruments: Presentation and 2) IAS 7 Statement of Cash Flows.

The Manager has currently determined that any required changes will not materially impact the Funds’ valuation processes, or the NAV per unit. However, this current determination is subject to change resulting from the further issuance of new standards or interpretations up to the conversion date.

Related Party Transactions

Northwest & Ethical Investments L.P “NEILP” is the Manager, the Trustee, the Portfolio Manager and the Registrar of the Fund. NEILP is 50% owned by the Federation des caisses Desjardins du Quebec (Federation) and 50% indirectly owned by seven Provincial Credit Union Centrals.

NEILP charges the Funds a fixed administration fee in place of certain variable expenses. NEILP in turn, pays all operating expenses of the Fund, other than specified fund costs (e.g. the fees and expense of the Independent Review Committee, taxes, and brokerage commissions) which include payments to related parties of which the Federation is a significant owner. These services are in the normal course of operations and are measured at an exchange amount that is consistent with other independent parties.

Desjardins Securities Inc. (“DSI”) is a wholly-owned subsidiary of the Fédération. DSI is a broker responsible for security transactions on behalf of the Fund. During the period ended September 30, 2011, the amounts paid in commission by the Fund to DSI are \$12,675 (\$0 in 2010)

At the end of the period ended September 30, 2011, accrued expenses payable to related parties are \$527,966 (\$617,716 as at September 30, 2010).

The Funds sub advisors may place a portion of their portfolio transactions with brokerage firms which are affiliates of NEILP; provided that the affiliates trade execution abilities and costs are comparable to those of non-affiliated qualified brokerage firms.

The Fund is distributed through Credential Asset Management Inc., Credential Securities Inc., Desjardins Securities Inc., Desjardins Financial Services Firm Inc., Desjardins Financial Securities Investments Inc., and Gestions SFL Inc., and other nonrelated parties by way of shared ownership. NEILP pays to these parties distribution and servicing fees based on a percentage of the daily values of the units of each held by the dealer’s clients and additionally, in some cases, on the amount of initial purchase.

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

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the past five years, as applicable.

Net Assets per Unit⁽¹⁾ – Ethical Growth Fund, Series A

	September 30 2011 (12 months) \$	September 30 2010 (12 months) \$	September 30 2009 (12 months) \$	September 30 2008* (9 months) \$	December 31 2007 (12 months) \$	December 31 2006 (12 months) \$
Net assets, beginning of period	14.07	13.30	13.79	16.15	16.84	14.08
Increase (decrease) from operations:						
Total revenue	0.38	0.32	0.34	0.29	0.30	0.26
Total expenses	(0.36)	(0.31)	(0.27)	(0.27)	(0.39)	(0.36)
Realized gains (losses)	1.12	0.35	(2.03)	0.61	2.94	1.22
Unrealized gains (losses)	(2.01)	0.41	1.36	(2.96)	(2.43)	1.62
Commissions and other portfolio transaction costs	(0.02)	(0.02)	(0.02)	-	-	-
Total increase (decrease) from operations ⁽²⁾	(0.89)	0.75	(0.62)	(2.33)	0.42	2.74
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	0.23	-
From capital gains	-	-	-	-	0.84	-
Return of capital	-	-	-	-	-	-
Total Distributions ⁽³⁾	-	-	-	-	1.07	-
Net Assets, End of Period	13.05	14.07	13.30	13.79	16.15	16.84

(1) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

Ratios and Supplemental Data – Ethical Growth Fund, Series A

	September 30 2011 (12 months)	September 30 2010 (12 months)	September 30 2009 (12 months)	September 30 2008* (9 months)	December 31 2007 (12 months)	December 31 2006 (12 months)
Total net asset value (000's of \$)	259,935	314,855	304,883	334,732	416,467	446,959
Number of units outstanding**	19,848,012	22,361,473	22,867,901	24,272	25,791	26,538
Management expense ratio (%) ⁽¹⁾	2.34	2.34	2.38	2.30	2.26	2.37
Management expense ratio before waivers and absorptions (%)	2.34	2.34	2.38	2.30	2.26	2.37
Trading expense ratio (%) ⁽²⁾	0.17	0.12	0.15	0.10	0.22	0.10
Portfolio turnover rate (%) ⁽³⁾	414.65	42.96	40.40	28.70	61.85	27.29
Net asset value per unit (\$)	13.10	14.08	13.33	13.81	16.17	16.84

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) **Prior to September 30, 2009, the comparative figures were presented in thousands

Financial Highlights

Net Assets per Unit⁽¹⁾ – Ethical Growth Fund, Series F

	September 30 2011 (12 months) \$	September 30 2010 (12 months) \$	September 30 2009 (12 months) \$	September 30 2008* (9 months) \$	December 31 2007 (12 months) \$	December 31 2006** (6 months) \$
Net assets, beginning of period	10.93	10.22	10.48	12.18	11.75	10.08
Increase (decrease) from operations:						
Total revenue	0.29	0.26	0.26	0.22	0.22	0.09
Total expenses	(0.15)	(0.13)	(0.11)	(0.12)	(0.15)	(0.06)
Realized gains (losses)	0.88	0.22	(1.55)	0.49	2.04	0.32
Unrealized gains (losses)	(1.51)	0.61	1.37	(2.93)	(1.75)	1.4
Commissions and other portfolio transaction costs	(0.02)	(0.01)	(0.01)	-	-	-
Total increase (decrease) from operations ⁽²⁾	(0.51)	0.95	(0.04)	(2.34)	0.36	1.75
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total Distributions ⁽³⁾	-	-	-	-	-	-
Net Assets, End of Period	10.25	10.93	10.22	10.48	12.18	11.75

(1) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

Ratios and Supplemental Data – Ethical Growth Fund, Series F

	September 30 2011 (12 months)	September 30 2010 (12 months)	September 30 2009 (12 months)	September 30 2008* (9 months)	December 31 2007 (12 months)	December 31 2006 (12 months)
Total net asset value (000's of \$)	1,474	1,757	112	89	127	1
Number of units outstanding***	143,339	160,691	10,978	9	10	-
Management expense ratio (%) ⁽¹⁾	1.28	1.28	1.3	1.32	1.31	1.31
Management expense ratio before waivers and absorptions (%)	1.28	1.28	1.3	5.32	4.23	1.31
Trading expense ratio (%) ⁽²⁾	0.22	0.12	0.15	0.10	0.22	0.10
Portfolio turnover rate (%) ⁽³⁾	414.65	42.96	40.40	28.70	61.85	27.29
Net asset value per unit (\$)	10.28	10.94	10.24	10.49	12.19	11.75

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) **Prior to September 30, 2009, the comparative figures were presented in thousands

Financial Highlights

Net Assets per Unit⁽¹⁾ – Ethical Growth Fund, Series I

	September 30 2011 (12 months) \$	September 30 2010 (12 months) \$	September 30 2009 (12 months) \$	September 30 2008* (9 months) \$	December 31 2007 (12 months) \$	December 31 2006 (12 months) \$
Net assets, beginning of period	13.58	12.54	12.69	14.61	15.24	12.88
Increase (decrease) from operations:						
Total revenue	0.37	0.32	0.31	0.26	0.28	0.24
Total expenses	-	-	-	(0.02)	(0.02)	(0.03)
Realized gains (losses)	0.98	0.29	(1.85)	0.53	2.56	1.07
Unrealized gains (losses)	(2.35)	0.65	-0.01	(3.14)	(2.25)	1.65
Commissions and other portfolio transaction costs	(0.02)	(0.01)	(0.02)	-	-	-
Total increase (decrease) from operations ⁽²⁾	(1.02)	1.25	(1.57)	(2.37)	0.57	2.93
Distributions:						
From income (excluding dividends)	-	-	-	-	0	-
From dividends	-	-	-	-	0.22	0
From capital gains	-	-	-	-	1.07	0
Return of capital	-	-	-	-	-	-
Total Distributions ⁽³⁾	-	-	-	-	1.3	1
Net Assets, End of Period	12.90	13.58	12.54	12.69	14.61	15.24

(1) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

Ratios and Supplemental Data – Ethical Growth Fund, Series I

	September 30 2011 (12 months)	September 30 2010 (12 months)	September 30 2009 (12 months)	September 30 2008* (9 months)	December 31 2007 (12 months)	December 31 2006 (12 months)
Total net asset value (000's of \$)	18,841	14,991	7,463	17,145	11,326	8,171
Number of units outstanding**	1,455,041	1,103,085	594,084	1,351	775	536
Management expense ratio (%) ⁽¹⁾⁽⁴⁾	N/A	N/A	N/A	0.16	0.57	0.72
Management expense ratio before waivers and absorptions (%) ⁽⁴⁾	N/A	N/A	N/A	0.16	0.57	0.72
Trading expense ratio (%) ⁽²⁾	0.18	0.12	0.15	0.10	0.22	0.10
Portfolio turnover rate (%) ⁽³⁾	414.65	42.96	40.40	28.70	61.85	27.29
Net asset value per unit (\$)	12.95	13.59	12.56	12.71	14.63	15.24

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) **Prior to September 30, 2009, the comparative figures were presented in thousands

Management Fees

The Manager is responsible for the management, supervision and administration of the Fund. The Manager receives from the Fund management fees, before HST, calculated daily on the net asset value of the Fund at an annual rate of 1.80% for Series A units and 0.80% for Series F units.

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

The following table shows the major services paid for out of management fees as a percentage of the management fee for Series A and Series F units:

	Management Fee	Investment Advisory and other	Trailer Fee
Series A	1.80%	36.1%	63.9%
Series F	0.80%	100%	N/A ⁽¹⁾

(1) No trailer fees are paid in respect of any Series F units of the Fund.

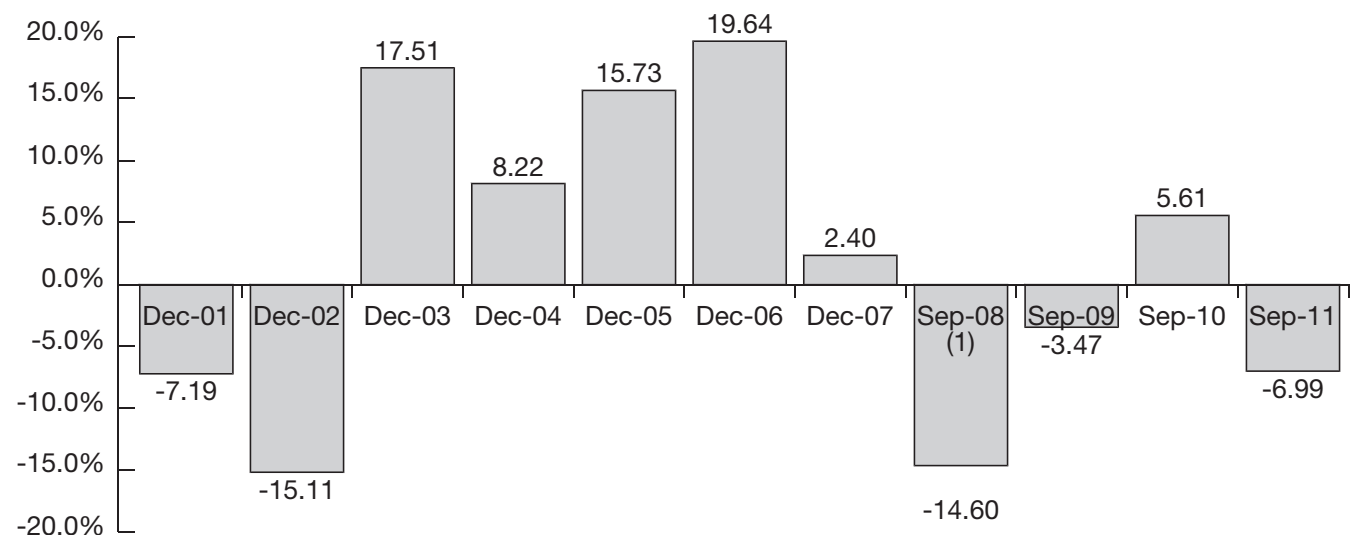
Past Performance

The following charts and tables show the past performance for each series of shares of the Fund and will not necessarily indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional shares of the relevant series of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance

The following charts show the annual performance for each series of units of the Fund for each year shown and illustrate how the Fund's performance has varied from year to year. The charts indicate how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Ethical Growth Fund Series A

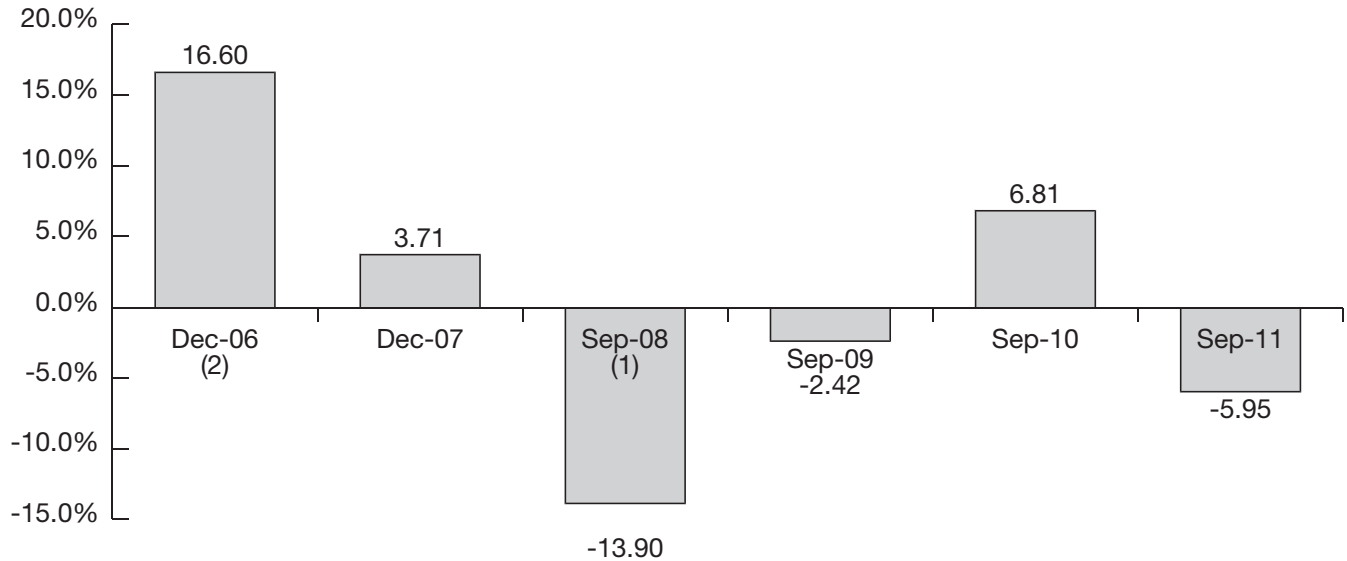
For the 12-month periods ended September 30 of each year.



(1)The year-end date of this Fund was modified from December 31 to September 30 in 2008

Ethical Growth Fund Series F

For the 12-month periods ended September 30 of each year.

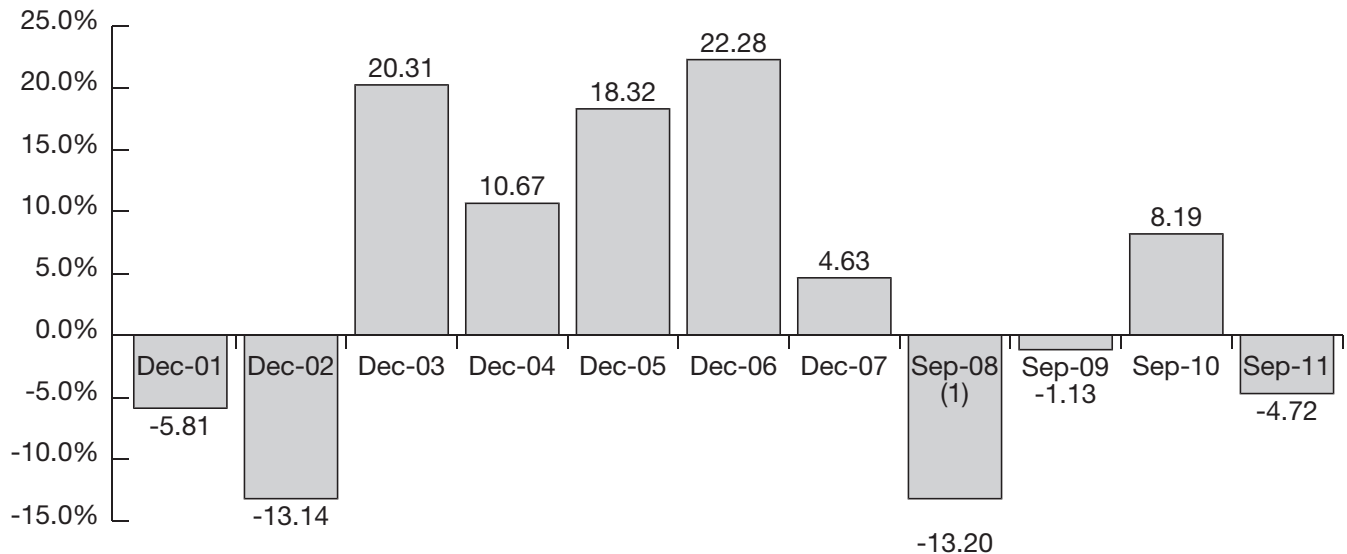


(1)The year-end date of this Fund was modified from December 31 to September 30 in 2008

(2)From July 25, 2006

Ethical Growth Fund Series I

For the 12-month periods ended September 30 of each year.



(1)The year-end date of this Fund was modified from December 31 to September 30 in 2008

Annualized Compound Returns

The following tables show the annual compound returns for Series A, Series F and Series I units of the Fund. All returns are in Canadian dollars, on a total return basis, net of all fees.

For comparison, the S&P/TSX Composite Total Return Index returns are included.

The S&P/TSX Composite Total Return Index is a capitalization-weighted index that measures market activity of stocks traded on the Toronto Stock Exchange. The Index includes reinvestment of dividends and capital gains.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. Please see the "Results of Operations" section of this report for a discussion of recent performance results.

Group/Investment	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
Ethical Growth	-6.99	-1.76	-1.41	3.34	
Ethical Growth Class F	-5.95	-0.67	-0.31		0.39
Ethical Growth Class I	-4.72	0.63	0.90	5.73	
84% S&P TSX, 16% MSCI World	-3.40	2.21	1.70	6.63	8.03
S&P/TSX Composite TR	-3.55	2.66	2.61	7.95	8.22

Summary of Investment Portfolio as at September 30, 2011

Total Net Asset Value: \$268,605,534

Top 25 Positions(Long Positions)		%
1	Toronto-Dominion Bank	5
2	Scotiabank	4.8
3	Goldcorp	4.2
4	Bank of Montreal	3.9
5	Cash and Cash Equivalents	3.2
6	Potash Corporation of Saskatchewan	3
7	Kinross Gold Corporation	2.9
8	Trilogy Energy	2.8
9	Gildan Activewear	2.8
10	Intact Financial	2.8
11	Canadian Natural Resources	2.5
12	Tim Hortons	2.3
13	Quebecor, Class B	2.1
14	Osisko Mining Corporation	2.1
15	Dollarama	2
16	Loblaw Companies	1.9
17	MEG Energy Corp.	1.8
18	ARC Resources	1.8
19	Cogeco Cable	1.8
20	Cenovus Energy	1.7
21	Progressive Waste Solutions	1.7
22	Teck Resources, Class B	1.6
23	Stantec	1.5
24	ShawCor, Class A	1.5
25	Viterra	1.5
		63.2

* There is no short position in this Fund or underlying funds.

**This category includes all countries representing less than 5% of the Fund's net asset value.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund.

Net Asset Value Mix	%
Cash and Cash Equivalents	3.2
Equity	96.8
Equities-Canadian	72.0
Equities-Foreign	13.2
Equities-U.S	11.6
	100.0

Sector Allocation	%
Financials	20.4
Materials	18.5
Consumer Discretionary	16.7
Energy	16.5
Consumer Staples	8.5
Industrials	8.0
Information Technology	4.9
Cash and Cash Equivalents	3.2
Health Care	2.8
Telecommunication Services	0.5
	100.0

Geographic Distribution	%
Canada	72.0
Others	13.2
United States	11.6
Cash and Cash Equivalents	3.2
	100.0

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