

**NORTHWEST MUTUAL FUNDS
SIMPLIFIED PROSPECTUS DATED JUNE 25, 2008**

(Series A units, Series F units and Series I units unless otherwise indicated)

CORE FUNDS

Northwest Money Market Fund (Series A units and Series I units)
Northwest Canadian Equity Fund
Northwest Canadian Bond Fund
Northwest Canadian Dividend Fund
Northwest Growth and Income Fund
Northwest Global Equity Fund
Northwest U.S. Equity Fund
Northwest EAFE Fund
Northwest Global Growth and Income Fund

SPECIALTY FUNDS

Northwest Specialty High Yield Bond Fund
Northwest Specialty Global High Yield Bond Fund
Northwest Specialty Equity Fund
Northwest Specialty Innovations Fund
Northwest Specialty Growth Fund Inc.

QUADRANT PORTFOLIOS

Northwest Quadrant Conservative Portfolio (Series A and Series F units)
Northwest Quadrant Income Portfolio (Series A and Series F units)
Northwest Quadrant Balanced Portfolio (Series A units and Series F units)
Northwest Quadrant Balanced Growth Portfolio (Series A and Series F units)
Northwest Quadrant Growth Portfolio (Series A units and Series F units)
Northwest Quadrant Global Growth Portfolio (Series A and Series F units)
Northwest Quadrant Global Equity Portfolio (Series A units and Series F units)
Northwest Quadrant All Equity Portfolio (Series A and Series F units)

No securities regulatory authority has expressed an opinion about the merits of these units. To claim that they have is an offence.

The Funds and the securities of the Funds offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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INTRODUCTION

This document contains selected important information to help you make an informed decision and to help you understand your rights as an investor in the Northwest Mutual Funds (collectively, the “Funds”).

All of the Northwest Mutual Funds, other than Northwest Specialty Growth Fund Inc., are constituted as trusts and issue “units” to investors (collectively, the “Trust Funds”). Northwest Specialty Growth Fund Inc. (the “Corporate Fund”) is a corporation and issues shares to investors. Except as otherwise noted, references to “units” and “unitholders” in this document should be read to include “shares” and “shareholders” of Northwest Specialty Growth Fund Inc.

The administrative manager of each of the Funds is Northwest & Ethical Investments L.P., and is referred to in this document as “Northwest”, the “Manager” or “we”.

This document is divided into two parts:

- The first part, Part A (from pages 1 to 23), contains general information applicable to all of the Funds.
- The second part, Part B (from pages 24 to 93), contains specific information about each of the Funds.

Additional information about each Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can download a copy of these documents from our website at www.northwestfunds.com or from www.sedar.com, or you can get a hard copy of these documents, at your request, and at no cost, by calling toll-free 1-888-809-3333 if you are outside the Toronto area or 416-594-6633 in the Toronto area, or from your dealer.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle created to permit money contributed by people with similar investment objectives to be pooled. People who contribute money become unitholders of the mutual fund. Mutual fund unitholders share (in proportion to the units they own) the mutual fund’s income, expenses, and the gains and losses the mutual fund makes on its investments. The value of an investment in a mutual fund is realized by redeeming the units held. Where a mutual fund has more than one series of units, unitholders share in the mutual fund’s income, expenses and any gains and losses allocated to the unitholders’ series generally in proportion to the units they own as of the date of calculation.

A mutual fund may own different types of investments - stocks, bonds, cash, derivatives - all depending upon its investment objectives. The value of these investments will change from day to day, reflecting

changes in interest rates, economic conditions, and market and company news, with these and other factors affecting mutual funds with varying degrees of impact. For example, mutual funds which invest in equity securities will be greatly impacted by changes in the equity markets generally while a mutual fund investing solely in bonds would not. As a result, the value of a mutual fund's units 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.

The specific investment objectives and strategies of the Funds are separately described in Part B of this document under the heading "What Does the Fund Invest In?".

Northwest does not guarantee that the full amount of your original investment in any of the Funds will be returned to you. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions of units. Please see page 10 – "Redemptions".

What are the Risks of Investing in a Mutual Fund?

Everyone has a different tolerance for risk. Some individuals are significantly more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial goals. In addition, you should carefully discuss your particular investment needs and goals with your financial advisor in order to not only determine the optimal risk levels for your investments generally but also how these and other mutual funds would be consistent with such levels.

The risks associated with investing in a mutual fund are the risks associated with the securities in which the mutual fund invests. These risks are:

Credit risk – The value of fixed income securities depends, in part, on the perceived ability of the government or company which issued the securities to pay the interest and to repay the original investments. Securities issued by issuers which have a low credit rating are considered to have a higher credit risk than securities issued by issuers which have a high credit rating.

Currency risk – The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

Derivative Risk – Securities legislation sets limits on the amount and types of derivative instruments that mutual funds can hold. Generally, it depends on whether the derivative is being used for hedging purposes (to mitigate market or portfolio risk) or for non-hedging purposes (to enhance returns). Either way, derivatives involve risk as mentioned below. Examples of derivatives that may be used include but are not limited to options, futures, swaps or forward contracts.

Non-Hedging Strategies

Although derivatives used for non-hedging purposes may offer the potential for increased returns, such as benefiting from lower transaction costs than would otherwise arise through direct investments, they also expose a fund to risk. In addition to the risks described hereafter, there is the risk that the underlying security or investment on which the derivative is based, and the derivative itself, may not perform the way the managers expect it to perform. If this happens, a fund may lose money on its investments, which may cause increased volatility.

Hedging Strategies

A hedging strategy may be used by a mutual fund in an effort to reduce the overall risk of currency fluctuations (currency hedging) or to reduce the risk of a market or portfolio. However, there can be no assurance that a fund's currency or market hedging transactions will be effective. There may be an imperfect historical correlation between changes in the market value or attribute of the investment (including currency risk) being hedged and the instrument with which the investment or attribute is hedged, and any historical correlation may not continue for the period during which the hedge is in place. Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It also precludes the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for a fund to hedge against generally anticipated devaluations, as the fund may not be able to contract to sell the currency at a price above the devaluation level generally anticipated.

Whether derivatives are used as part of either hedging or non-hedging strategies, there can be no assurance that a liquid exchange or over-the-counter ("OTC") market will exist to permit a mutual fund to realize its profits or limit its losses by closing out positions. A fund is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments, or other third party in the case of OTC traded instruments) may be unable to meet its obligations. In addition, there is the risk of loss by a fund of margin deposits in the event of bankruptcy of a dealer with whom the fund has an open derivative position. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of a fund to close out its positions may also be affected by exchange-imposed daily trading limits on exchange-traded derivatives.

Foreign security risk – The value of foreign securities will be affected by factors affecting other similar securities and could also be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As well, different financial, political and social factors may involve risk not typically associated with investing in Canada.

Interest rate risk – The value of fixed income securities will generally rise if interest rates fall and will generally fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

Large transaction risk – Where a significant portion of the units of a mutual fund are held by a securityholder, including another mutual fund, there is the risk that such securityholder may purchase or redeem a substantial number of units in a short period of time which may make the execution of the mutual fund's investment strategy difficult and thereby negatively affect investment performance. The mutual fund may need to purchase or sell significant investments for or from its portfolio at prices less advantageous than might be obtained in respect of purchases or sales of lesser amounts of portfolio investments, which could negatively affect the mutual fund.

Liquidity risk – Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to. The value of securities which are not regularly traded (less liquid) will generally be subject to greater fluctuations.

Multiple series risk – Each series of units will be charged, as a separate series, any expenses which are specifically attributable to that series. However, those expenses do continue to be a liability of the Fund as a whole and therefore, if there are insufficient assets of a series to pay those expenses, the remaining assets of the Fund would be used to pay those excess expenses. In such circumstances, the unit price of the other series would decline.

Smaller company risk – Investments in smaller, less established companies may involve greater risks than investments in larger, more established companies. Smaller companies may have more limited markets and financial resources and their securities may be more sensitive to market changes.

Specific issuer risk – The value of all securities will vary positively and negatively with developments within the specific companies or governments which issue the securities.

Stock market risk – The value of most securities, in particular equity securities, changes with stock market conditions. These conditions are affected by general economic and market conditions.

Additional Risks

Any additional risks specifically related to particular Northwest Funds are set out in the specific information on each of the Funds in the second part of this prospectus. Under exceptional circumstances, a Fund may suspend redemptions. See page 10 for details.

There are three primary types of mutual funds:

Money Market Funds or Short-term Funds – The investments of these types of mutual funds include term deposits, cash in bank accounts, government savings bonds, short-term paper (treasury bills, discount notes) issued by governments, and bonds and short-term paper (bankers' acceptances and commercial paper) issued by large corporations. These assets are bought and an interest rate is accrued on the principal. Interest rates do go up and down but with this type of investment the rate will depend on current short-term interest rates as well as on the type and maturity of the investment. When traded, their price will reflect the value of their yield compared to other yields available. If held to maturity, the principal amount is repayable to the fund. There is usually no depletion of the initial investment, therefore it is considered low risk. These short-term investments usually offer lower interest rates than their long-term equivalents.

Fixed Income Funds – The investments of these types of mutual funds include bonds issued by different governments or large corporations, mortgages and preferred shares. These securities are similar to long-term loans where the purchaser is the lender. They have a fixed maturity date but can be traded on the market before they mature. The interest rate will depend on the type and maturity of the investment. These securities will be affected primarily by interest rates and the credit rating of the issuer of the investments. An increase in interest rates will generally cause the value of fixed income securities to decline and, conversely, a decrease in interest rates will generally cause the value of these securities to increase. In order to address credit rating risk, fixed income funds may elect to hold primarily high quality government and corporate securities, a strategy which improves relative safety.

Equity Funds – The investments of these types of mutual funds are primarily common stocks, where the fund owns a share in a company. The company may choose to pay out profits in the form of a dividend, or it may retain these profits in the company. Over time, if the company does well, these securities will grow in value. The value of successful companies may increase significantly and provide high returns as reflected in such increased equity security value. However, there is no guarantee of your initial investment.

A mutual fund which concentrates on equity investments is affected not only by the general economic and financial conditions and currency values in those countries where the companies in which it invests carry on business and their securities are listed for trading but will also be affected by specific developments in the companies in which it invests and by general stock market conditions. Accordingly, equity funds are generally more volatile than fixed income funds and the value of their units may vary more widely than fixed income funds.

ORGANIZATION AND MANAGEMENT OF THE NORTHWEST FUNDS

<p>Manager: Northwest & Ethical Investments L.P. 155 University Avenue, 4th Floor Toronto, Ontario M5H 3B7 Tel: 416-594-6633 Fax: 416-594-3370 Toll free: 1-888-809-3333 www.northwestfunds.com</p>	<p>As administrative manager for the Funds, Northwest manages the overall business of the Funds, including providing administration services, promoting sales of the Funds' units and making provisions for fund accounting.</p>
<p>Trustee: Northwest & Ethical Investments L.P. Toronto, Ontario</p>	<p>Each of the Funds is organized as a trust, other than Northwest Specialty Growth Fund Inc. which is a corporation. When you invest in any of the Funds, other than Northwest Specialty Growth Fund Inc., you are buying units of a trust. In its capacity as the Funds' trustee, Northwest holds actual title to the property in the Funds - the cash and securities - on your behalf (although physical custody of such property is held by the Funds' custodian, as described below).</p>
<p>Portfolio Manager: Northwest & Ethical Investments L.P. Toronto, Ontario</p>	<p>Northwest is the portfolio manager for the Funds and is responsible for co-ordinating portfolio management and advisory services for the Funds.</p> <p>For some Funds, Northwest has retained a portfolio sub-advisor to provide portfolio management services. The portfolio sub-advisor of each Fund is shown in Part B.</p>
<p>Custodian: Desjardins Trust Inc. Montréal, Québec</p>	<p>The custodian has physical custody of the Funds' property.</p>
<p>Registrar: Fédération des caisses Desjardins du Québec Montréal, Québec</p>	<p>The registrar keeps track of the owners of units of each of the Funds and processes purchase, switch and redemption orders, issues investor account statements and issues annual tax reporting information, if applicable.</p>
<p>Auditors: PricewaterhouseCoopers LLP Montréal, Québec</p>	<p>The auditors are responsible for auditing the annual financial statements of the Funds.</p> <p>Unitholders will be sent a written notice at least 60 days before the effective date of any change in Auditor of the Funds.</p>

<p>Independent Review Committee</p>	<p>The Independent Review Committee (the “IRC”) reviews conflict of interest matters relating to the operations of the Northwest Funds. In addition, in some circumstances, in place of obtaining securityholder approval, a Northwest Fund may be reorganized with or its assets transferred to another mutual fund managed by the Manager or an affiliate, provided that the IRC has approved the transaction and that securityholders are sent a written notice at least 60 days before the effective date. The approval of the IRC will also be required for a change of auditor.</p> <p>The IRC is composed of persons who are independent of the Manager, the Northwest Funds and entities related to the Manager. The costs associated with the IRC will form part of the operating expenses of the Northwest Funds.</p> <p>The IRC will prepare at least annually a report of its activities for unitholders which will be available on the Funds’ internet site at www.northwestfunds.com, or at a securityholder’s request at no cost by contacting the Manager at clientservice@northwestfunds.com.</p> <p>Additional information about the IRC, including the names of members, is available in the Funds’ Annual Information Form.</p>
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Certain of the Funds invest all or part of their assets in other mutual funds including Northwest Mutual Funds. The securities held in other Northwest Mutual Funds will not be voted by the Manager, but the Manager may arrange for the securities to be voted by the beneficial holders of securities of the Funds.

PURCHASES, SWITCHES AND REDEMPTIONS

Each of the Funds has one or more series of units and is permitted to issue an unlimited number of units of each series. Northwest Money Market Fund offers Series A units and Series I units and the Northwest Quadrant Portfolios offer Series A units and Series F units. Each of the other Funds offers Series A units, Series F units and Series I units. The Series A units, Series F units and Series I units are each targeted to a specific type of investor, as described below. All new units that you receive on reinvestment of distribution of income and capital or which are purchased under this prospectus will have the attributes described below.

<p>Series A units</p>	<p>Retail investors purchasing on a front-end sales charge option, deferred sales charge option, volume sales charge option or low load sales charge option basis.</p>
<p>Series F units</p>	<p>Investors participating in programs that do not require the payment of sales charges by investors and do not require the payment of service fees to investment professionals or dealers. For these investors, Northwest “unbundles” the typical distribution costs, and charges a lower management fee.</p> <p>Potential investors include clients of “fee-for-service” financial advisors,</p>

	dealer-sponsored “wrap accounts”, and others who pay an annual fee to their dealer or investment professional instead of transactional sales charges and whose advisor does not receive service fees from Northwest.
Series I units	<p>Institutional or other high net worth investors who negotiate and pay management fees directly to the Manager.</p> <p>These investors may also pay fees to their dealer which they negotiate directly with their dealer.</p>

Although the money you and other investors pay to purchase units is tracked on a series by series basis in each Fund’s administrative records, the assets of each series of a Fund are combined into a single pool to create one portfolio for investment purposes for such Fund.

How We Price a Fund’s Units

All transactions are based on the price of a Fund’s units (or, where applicable, the price of the units of a specific series). We usually calculate net asset value (“NAV”) per series unit for each Fund after 4:00 p.m. (Toronto time) on each day that the Toronto Stock Exchange is open for business but in some circumstances, we may calculate it at another time. The NAV per series unit can change daily. The NAV per series unit is the price for all sales (including sales made on the reinvestment of distributions), switches, conversions and redemptions.

We calculate a separate NAV for each series of units of a Fund by taking the series’ proportionate share of the Fund’s common assets less common liabilities and deducting from this amount all liabilities that relate solely to a specific series. The NAV per series unit is derived by dividing the NAV of the series by the total number of series units outstanding. You will find more information about the calculation of NAV attributable to a series in the annual information form.

It is Northwest’s intention to maintain the unit price for the Northwest Money Market Fund as near as possible to \$10.

How We Purchase, Switch, Convert and Redeem Units of the Funds

You can purchase, switch, convert and redeem units of the Funds by contacting your investment professional. If you do not have an investment professional, call us at 416-594-6633 in the Toronto area or 1-888-809-3333 outside the Toronto area. We will be pleased to recommend investment professionals in your area.

Once you place your order to purchase, switch, convert or redeem units, your investment professional will transmit the order to us as soon as possible.

All Funds are offered for sale in Canadian dollars only.

How We Process Your Purchase, Switch, Conversion and Redemption Order

The issue and redemption price of the units of a Fund are based on the Fund’s NAV per series unit next determined after receipt by the Fund of the purchase or redemption order. If we receive your order before 4:00 p.m. (Toronto time), your transaction will be made at that day’s closing NAV per series unit whether purchasing or redeeming. If we receive your order after 4:00 p.m. (Toronto time), you will receive the NAV per series unit at the close of the next business day. In the event that we determine that the NAV

per series unit will be calculated at a time other than 4:00 p.m. (Toronto time) on a day that the Toronto Stock Exchange is open for business, the NAV per series unit paid or received will be determined relative to that time. All orders are processed within three business days (one business day for Northwest Money Market Fund). You will find more information about purchasing, switching, converting and redeeming units of the Funds in the annual information form.

If your cheque is returned, we will cancel your order and sell the units. If we sell the units for more than you paid, the difference will go to the Fund. If we sell the units for less than you paid, you or your dealer may have to make up the difference, including any additional costs, expenses and lost interest.

We may accept or reject an order to buy within one business day of receiving it. If we accept your order, we will send you a confirmation within seven days, which is your proof of the transaction. If you sign up for a pre-authorized payment plan (as described below under “Optional Services”), you will only receive confirmation of the first transaction made under the plan. If we reject your order, we will return any money we have received immediately, without interest.

We do not issue a certificate when you purchase units of a Fund, but you will receive a confirmation of the transaction. A record of the number and series of units you own and their value appears on your account statement.

Northwest Money Market Fund will enter an order for the purchase of units only upon receipt of cash, a cheque, a wire transfer, an official bank cheque or money order or an electronic funds transfer or other consideration acceptable to Northwest. Units of Northwest Money Market Fund purchased will be entered and confirmed to the purchaser as credited to such purchaser’s account at the unit price next determined after receipt of payment. Please see “Purchases” below.

Your initial investment in the Funds must be at least \$500, subject to a minimum initial subscription in respect of the volume sales charge option (as described below under “Purchases”) of \$10,000, in respect of the low load sales charge option (as described below under “Purchases”) of \$5,000 and in respect of the Northwest Quadrant Portfolios, \$2,000. Any subsequent purchase must be at least \$500 in respect of the Northwest Quadrant Portfolios and \$50 for any of the other Northwest Funds. Northwest may, in its sole discretion, change the minimum purchase amounts from time to time without notice.

Purchases

Series A Units

Series A units of the Funds are offered by four payment options:

1. Front-end sales charge option – The first option is a front end sales charge option under which you pay a commission to your dealer when you buy the units.
2. Deferred sales charge option – The second option is a deferred sales charge option under which you will pay no sales charge or commission at the time of purchase and there is no deferred sales charge unless units purchased under this option are redeemed within six years of purchase, in which case a deferred sales charge will apply at the time of redemption. Units of Northwest Money Market Fund are not available under this option.
3. Volume sales charge option – The third option is a volume sales charge option under which you pay no sales charge or commission at the time of purchase and there is no deferred sales charge unless units purchased under this option are redeemed within two years of purchase, in which

case a deferred sales charge will apply at the time of redemption. Units of Northwest Money Market Fund are not available under this option.

4. Low load sales charge option – The fourth option is a low load sales charge option under which you pay no sales charge or commission at the time of purchase and there is no deferred sales charge unless units purchased under this option are redeemed within four years of purchase, in which case a deferred sales charge will apply at the time of redemption. Units of Northwest Money Market Fund are not available under this option.

The choice of purchase option affects the amount of compensation paid by Northwest to your dealer. Please see “Dealer Compensation” on page 18. Please also refer to “Fees and Expenses” on page 13 for details of the expenses borne by the Funds and their unitholders.

Series F Units

Series F units are only available with confirmation from your dealer organization that you are enrolled in an eligible fee for service or wrap program and are subject to an annual advisory or asset-based fee rather than commissions for each transaction. Therefore, no direct sales or redemption charges are payable on the purchase or sale of Series F units and we do not pay your dealer direct compensation for the sale of Series F units.

We are able to reduce our management fee rate on the Series F units because our costs are lower and because investors who purchase Series F units will already have entered into a separate agreement to pay account fees to their dealer organization for their individual investment program.

If we become aware that you are no longer eligible to hold Series F units, we will change your Series F units for Series A units of the same Fund after giving you 30 days notice. We will not make the change if you or your dealer notify us during the notice period that you are once again eligible to hold Series F units. When changing from Series F units to Series A units, your dealer may charge you a front-end sales charge or change your units into those which are subject to deferred sales charges.

We may also issue Series F units to other investors for whom Northwest does not incur any distribution costs.

Series I Units

Series I units are designed for institutional and other high net worth investors who are entitled to reduced management fees and operating expenses because of the lower cost of servicing large dollar investments in the Funds. We will negotiate the terms of purchase of Series I units directly with each investor, including any management fee. No sales charge is payable to us when you purchase or redeem Series I units; you will negotiate any sales charges directly with your dealer. We may, if requested by your dealer and agreed to by you in writing, agree to collect this fee on your dealer’s behalf.

Switches

You can redeem units of one Fund to buy units of the same series of another Fund as long as you meet the minimum initial investment and minimum account balance requirements, as the case may be. This is called a switch. When we receive your order to switch, we will sell your units in the original Fund and use the proceeds to buy units of the same series of the new Fund.

You can switch from one Fund to another Fund in our group of Funds including units for shares of the Northwest Corporate Class funds, which are offered under separate offering documents, or to of any new

mutual fund which is created and offered by Northwest after the date of this document (provided that units of the new mutual fund have been qualified for sale in your province or territory of residence) through your dealer who may charge you a switching fee. In addition, if you switch within 90 days of your original purchase you may be subject to a short term trading fee.

You may switch units purchased under the deferred sales charge option, volume sales charge option or low load sales charge option for similar sales charge option units of another Fund without paying the applicable deferred sales charge; units acquired under one of these options cannot be switched for units with a different sales charge option, either of the same Fund or a different Fund. The deferred sales charge on the new units is based on the date and original purchase price of the units before the switch.

However, you may switch your annual free redemption amount to the front-end sales charge option of a Fund in order not to lose that entitlement, since the free redemption cannot be carried forward to succeeding years. Special rules of the self-regulatory organization your dealer belongs to apply to these types of switches; any order to switch your annual free redemption amount that we receive from your dealer must comply with the applicable rules. Your dealer is paid a higher trailing commission on units switched to the front-end sales charge option. Please see “Dealer Compensation”.

Switching may result in a capital gain or loss for tax purposes in a non-registered plan.

Conversions

In the case of a Fund which has authorized the issue of more than one series of units, you can convert from one series of units to another series of units of the same Fund, as long as you meet the minimum initial investment and minimum account balance requirements, as the case may be. This is called a conversion. You can convert from one series of units to another series of units of the same Fund through your dealer. Units originally acquired under the deferred sales charge option, volume sales charge option or low load sales option and subject to a deferred sales charge cannot be converted to another series. Your dealer may charge you a conversion fee.

A conversion of units from one series to another series of the same Fund is not a disposition for tax purposes and consequently does not result in a capital gain or loss to a converting unitholder.

Redemptions

You may request a Fund to redeem (or sell) any or all of your units at any time. Redemption orders in respect of a Fund will be implemented based on the NAV per series unit determined as of the close of business on the day on which such orders are deemed received.

Payment for any units redeemed (including by reason of a mandatory redemption as described below or upon termination of a Fund), less all taxes required to be withheld and all applicable redemption charges will be made by the applicable Fund within three business days of the determination of the redemption price.

Unless you request otherwise, the cheque representing the redemption proceeds will be mailed to your address on the register of the applicable Fund. If you so request, Northwest will wire the redemption proceeds to a designated bank account on the day on which the redemption proceeds are made available by the applicable Fund to Northwest.

If Northwest does not receive all the documents required to complete your sale in ten business days, it will buy the same number of units you sold. If the purchase price is less than the sale price for the units, the applicable Fund is required by securities regulation to keep the difference. If the purchase price is

greater than the sale price for the units, Northwest is required to pay the Fund the difference, and will collect the difference from your dealer, who may then collect from you.

If the aggregate unit price of the units of a Fund held in your account declines below \$500 and the aggregate original subscription price of your units is less than \$500, Northwest may cause the redemption of all units of the Fund held by you after fifteen days' written notice, provided that you may, within the notice period, increase your investment in units of the Fund to a level which meets the minimum requirement. We reserve the right to redeem, without notice to you, all of the shares or units that you hold in a Fund if your investment in that Fund falls below \$50. We also intend to observe all redemption policies that may be implemented from time to time by industry participants such as FundSERV, the provider of the transaction processing system used by most mutual funds in Canada.

Under exceptional circumstances, we may be unable to process your redemption order. This would most likely occur if market trading were suspended on stock exchanges where the Funds hold their investments. Payment of the redemption price of the securities of a Fund that is subject to a redemption order may be postponed.

A Fund may suspend the calculation of NAV per series unit and the redemption of its units in the following cases:

- (a) for any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities are listed and traded, or on which permitted derivatives are traded, which represent more than 50% in value or underlying market exposure of the total assets of the Fund, without allowance for liabilities (provided that such securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund); or
- (b) if the Ontario Securities Commission authorizes such suspension.

If the right of redemption is suspended, a unitholder may either withdraw his or her redemption request or receive payment based on the NAV per series unit next determined after the end of the suspension. Such Fund will not be permitted to issue units during any period when the right to redeem units is suspended.

Short-Term Trading

Investors are discouraged from short-term trading. Short-term trading can harm a Fund's performance and the value of other investors' holdings in a Fund because such trading can increase brokerage and other administrative costs of a Fund and interfere with the investment decision making of the Fund's portfolio manager. Short-term trading may be particularly problematic when large sums are involved. Short-term trading can include purchasing and then redeeming or switching a large number of securities of a Fund within 90 days of purchasing or switching them.

We have policies and procedures to detect and deter short-term trading that include the ability to refuse your present or future order(s) to purchase or switch securities. If, in our sole discretion, we determine that you are engaging in short-term trading, in addition to taking other available remedies, the relevant Fund may charge a 2% short-term trading fee to be paid directly to the Fund out of the redemption proceeds, reducing the amount otherwise payable to you on the redemption or switch (please see "Fees and Expenses"). We have the option to waive this penalty at any time.

The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions or switches: from money market funds and other short-term funds;

systematic withdrawal plans and rebalancing in connection with the Planimaîtres asset rebalancing program and in respect of redemptions made by other mutual funds managed by the Manager.

The annual information form includes a description of all arrangements, whether formal or informal, with any person or company, to permit short-term trades of securities of the funds.

Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

OPTIONAL SERVICES

Registered Tax Plans

Units of the Funds are qualified investments for deferred income plans. We offer registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), life income funds (LIFs), locked-in retirement income funds (LRIFs), locked-in retirement accounts (LIRAs), retirement savings fixed term annuities (RSFAs) (in Québec only) and registered education savings plans (RESPs). There is no annual administration fee for our registered tax plans.

The trustee of our registered tax plans is Desjardins Trust Inc.

Pre-Authorized Payment Plan

Under a pre-authorized payment plan you can indicate a regular amount of investment (not less than \$50 per Fund or \$125 for the Quadrant Funds) to be made on a periodic basis, the Fund or Funds in which the investment is to be made, and the chequing account from which the investment amount is to be debited. You may suspend or terminate such a plan on ten days' prior written notice. The minimum initial subscription amount is \$500 or \$2,000 for the Quadrant Funds.

The Funds have received relief from the requirement to deliver an annual simplified prospectus and any amendments thereto (the "Renewal Prospectus") to participants in a pre-authorized payment plan (except participants resident in Quebec) unless they request it. You can request a copy of a Renewal Prospectus by calling us toll-free at 1-888-809-3333. You can also find the Renewal Prospectus on the Northwest Internet site at www.northwestfunds.com or on the SEDAR Internet site at www.sedar.com.

While you have a statutory right to withdraw from your initial purchase of Funds under a pre-authorized payment plan, you will not have a right to withdraw from subsequent purchases of Funds. Regardless of whether you request the Renewal Prospectus, you will continue to have all other statutory rights under securities law, including a misrepresentation right as described at page 23 under the heading "What Are Your Legal Rights?". You also have the right to terminate your participation in a pre-authorized payment plan at any time.

Automatic Withdrawal Plan

You can establish an automatic withdrawal plan, provided you are not investing through a retirement savings plan. Under an automatic withdrawal plan, you can indicate a regular amount of cash withdrawal (not less than \$100 monthly) to be made on a periodic basis, the Fund or Funds from which the investment is to be withdrawn and the chequing account to which the withdrawn amounts are to be credited. Withdrawals will be made by way of redemption of units, and it should be noted that if withdrawals are in excess of distributions and net capital appreciation, they will result in encroachment on, or possible exhaustion of, your original capital. If you choose the automatic withdrawal plan, all distributions declared on units held under such a plan in respect of a Fund must be reinvested into

additional units of the Fund. To establish an automatic withdrawal plan in respect of a Fund, your account must have a minimum value of \$5,000. You may modify, suspend or terminate an automatic withdrawal plan on ten days' prior written notice.

Asset Rebalancing Program (Planimaîtres)

Northwest offers an asset rebalancing program to help you invest in a variety of asset classes in order to seek to keep your portfolio well diversified and reduce your risk. To enroll in this program, you must complete a questionnaire to determine what combination of assets best suits your profile. It is recommended that this allocation be reviewed from time to time in case your needs change or your circumstances are significantly altered. Your portfolio will be rebalanced quarterly and Northwest will switch your investments to restore the chosen allocation. You must sign the Investor's Agreement associated with this program. The minimum initial investment in the program is \$50,000. This program is offered for Series F units.

FEES AND EXPENSES

The table below lists:

- all fees and expenses which are paid directly by the Funds before their unit prices are calculated, and which therefore indirectly reduce the value of your investment, and
- all fees and expenses payable directly by you.

Fees and Expenses Payable by the Funds			
Management Fees	The following are the annual management fees (expressed as an annual percentage) paid by the Funds for the services provided by Northwest:	<u>Series A units</u>	<u>Series F units</u>
		Northwest Money Market Fund	0.70%
Northwest Canadian Equity Fund	2.00%	1.00%	
Northwest Canadian Bond Fund	1.50%	0.75%	
Northwest Canadian Dividend Fund	2.00%	1.00%	
Northwest Growth and Income Fund	2.00%	1.00%	
Northwest Global Equity Fund	2.25%	1.25%	
Northwest U.S. Equity Fund	2.25%	1.25%	
Northwest EAFE Fund	2.25%	1.25%	
Northwest Global Growth and Income Fund	2.25%	1.25%	
Northwest Specialty High Yield Bond Fund	1.60%	0.85%	
Northwest Specialty Global High Yield Bond Fund	1.65%	0.90%	
Northwest Specialty Equity Fund	2.00%	1.25%	
Northwest Specialty Innovations Fund	2.00%	1.00%	

Fees and Expenses Payable by the Funds			
	Northwest Specialty Growth Fund Inc. ¹	1.90%	1.00%
	Northwest Quadrant Conservative Portfolio	1.75%	0.90%
	Northwest Quadrant Balanced Growth Portfolio	1.95%	1.00%
	Northwest Quadrant All Equity Portfolio	2.10%	1.10%
	Northwest Quadrant Income Portfolio	1.85%	0.95%
	Northwest Quadrant Global Growth Portfolio	2.15%	1.20%
	Northwest Quadrant Balanced Portfolio	1.90%	1.00%
	Northwest Quadrant Growth Portfolio	2.05%	1.10%
	Northwest Quadrant Global Equity Portfolio	2.25%	1.25%
	<p>Certain of the Funds may invest in other mutual funds, including Northwest Mutual Funds in order to achieve their investment objectives. There are fees and expenses payable by the other mutual funds in addition to the fees and expenses payable by the investing Fund. No management fees or incentive fees are payable by the Fund, that to a reasonable person, would duplicate a fee payable by the other mutual fund for the same service. There will be no sales or redemption fees payable in relation to the purchase of securities in other Northwest Mutual Funds.</p>		

¹ There are additional variable fees tied to performance, payable only if the Northwest Specialty Growth Fund Inc. obtains a cumulative total return (net of all fees and expenses paid by the Fund) higher than the S&P/TSX Index (total return) during the 36 months immediately preceding the date of calculation of the variable fees.

The variable fees tied to performance will be equal to 1/3 of the portion of the return of the Fund for the previous 12 months (net of all fees and expenses paid by the Fund) that exceeds the higher of the following percentages: (i) the S&P/TSX Index (total return) for the same period, or (ii) 0%. However, the performance fees to which the Portfolio Sub-Advisor is entitled in any given year shall never exceed 5% of the value of the net assets of the Fund. These fees are paid monthly at the rate of 1/12 of the amount determined.

Fees and Expenses Payable by the Funds

Operating Expenses

Each Fund (other than Northwest Specialty Equity Fund) pays all of its operating expenses, together with all applicable taxes, such as GST. The main expenses incurred by the Funds include brokerage fees, legal, audit, transfer agent, custodial services, the costs of financial reporting and the costs of prospectus printing and regulatory filing fees. We may absorb some of the operating expenses generally payable by the Funds. We may discontinue absorbing expenses at any time at our discretion.

Northwest Specialty Equity Fund pays all expenses as noted above (excluding brokerage fees and interest costs) to a maximum of 0.50% (plus GST thereon) of its average daily NAV, relating to administration of the Fund. Northwest is responsible for any expenses in excess of 0.50% (plus GST thereon) of its average daily NAV.

The Funds pay the fees and expenses associated with the 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.

Fees and Expenses Payable Directly By You	
Series I unit Management Fees	Holders of Series I units pay management fees directly to Northwest as negotiated between the investor and Northwest. Such fees will not exceed the management fees attributable to Series F units.
Sales Charges	Under the front-end sales charge option, there is a maximum charge of 6% of the amount you invest in Series A units of a Fund. The amount of the fee is a matter between you and your dealer. There are no sales charges on Series F units and Series I units. For Series F units you will be required to pay your dealer an advisory or asset-based fee in addition to the Series F management fees. For Series I units, and if requested by your dealer and agreed to by you in writing, we may agree to collect any sale charges you negotiated with your dealer on your dealer's behalf.
Switch Fees	Up to 2% of the amount you wish to switch between Funds. The amount of the fee is a matter between you and your dealer.
Redemption Fees	<p><i>Deferred Sales Charge Option:</i></p> <p> Under the deferred sales charge option, there is no sales charge until you redeem your Series A units. A redemption charge of 6% of the original cost (i.e., the Series A NAV per unit at the time of your purchase) of the Series A units you wish to redeem is payable if redeemed in the first year. The redemption charge declines to 0% after six years. The deferred sales charge option is not available for purchases of units of the Northwest Money Market Fund. Series F units and Series I units are not available under the deferred sales charge option.</p> <p> The following table sets out the applicable deferred sales charge payable.²</p>

² If you purchased deferred sales charge units or reduced sales charge units of Northwest Canadian Bond Fund, Northwest Canadian Dividend Fund, Northwest U.S. Equity Fund, Northwest EAFE Fund or Northwest Specialty Growth Fund Inc. (formerly Maestral Funds) prior to their incorporation into the Northwest Mutual Funds family, then you are subject to the redemption schedule that applied to those units at the time that you bought them, both in respect of the originally purchased units and in respect of units acquired on a switch or on the reinvestment of distributions.

Fees and Expenses Payable Directly By You

Redemption of Deferred Sales Charge Units During Following Periods After Date of Issue	Deferred Sales Charge as a Percentage of the Original Purchase Price
During the first year	6.0%
During the second year	5.5%
During the third year	5.0%
During the fourth year	3.5%
During the fifth year	2.5%
During the sixth year	1.5%
After the end of the sixth year	0%

In any year, you may redeem, without paying the deferred sales charges that would otherwise be applicable, such number of deferred sales charge units of a Fund as is equal to:

- 10% of the number of deferred sales charge units of such Fund held by you as of December 31 of the previous year,
- plus 10% of the number of deferred sales charge units of such Fund purchased by you during the current year,
- less any distributions or dividends received in cash which are not reinvested in units,

This free redemption is not cumulative. If you do not take advantage of the free redemption (or any part of the free redemption) in any calendar year, you cannot carry it forward to future years.

Volume Sales Charge Option:

If you choose the volume sales charge option, you will pay no commission at the time of purchase and no deferred sales charge thereafter unless volume sales charge units are redeemed within two years of purchase, in which case a deferred sales charge of 1.5% of the original cost (i.e., the Series A NAV per unit at the time of your purchase) will be payable by you at the time of redemption.

Except as described in the preceding paragraph, holders of volume sales charge units will be treated in an identical manner to holders of deferred sales charge units. Series F units and Series I units are not available under the volume sales charge option. The volume sales charge option is not available for purchases of units of Northwest Money Market Fund.

Low Load Sales Charge Option

If you choose the low load sales charge option, you will pay no commission at the

Fees and Expenses Payable Directly By You

time of purchase and no deferred sales charge thereafter unless low load sales charge units are redeemed within four years of purchase. A redemption charge of 4% of the original cost (i.e., the Series A NAV per unit at the time of your purchase) of the Series A units you wish to redeem is payable if redeemed in the first year. The redemption charge declines to 0% after four years.

The following table sets out the applicable deferred sales charges payable.

Redemption of Low Load Charge Units During Following Periods After Date of Issue	Low Load Sales Charge as a Percentage of the Original Purchase Price
During the first year	4.0%
During the second year	4.0%
During the third year	3.0%
During the fourth year	1.5%
After the end of the fourth year	0%

Except as described in the preceding paragraphs, holders of low load sales charge units will be treated in an identical manner to holders of deferred sales charge units. Series F units and Series I units are not available under the low load sales charge option. The low load sales charge option is not available for purchases of units of Northwest Money Market Fund.

Short-Term Trading Fee

Units may be subject to a short-term trading fee of 2% of the amount you redeem or switch payable to the relevant Fund on the date of redemption or switch if such units are redeemed or switched within 90 days of purchase or switch. Please see “Purchases, Switches and Redemptions”.

Other Fees and Expenses

There will be a \$25 fee for NSF cheques returned or if there are insufficient funds in your account to pay for your units.

Any new fee or expense or a change in the basis for the calculation of a fee or expense that is charged to a Fund, or directly to unitholders of the Fund by the Fund or Northwest in connection with the holding of units of the Fund, that could result in an increase in charges to the Fund or its unitholders must be approved by a majority of the votes cast at a meeting of the unitholders of the Fund or a series of unitholders of a Fund, as the case may be, called for such purpose. Such approval is not required in respect of a change by a person or company at arm’s-length to the Fund and with a person or company other than Northwest or an associate or affiliate of Northwest for all or part of the services it requires to carry on its operations, provided that unitholders are given at least 60 days’ notice before the effective date of any change, as applicable.

IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in Series A units of one of the Funds, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Front-end Sales Charge Option ⁽¹⁾	\$60.00	-	-	-	-
Deferred Sales Charge Option ^{(2) (3) (4)}	-	\$60.00	\$50.00	\$25.00	-
Volume Sales Charge Option ^{(2) (3) (4)}	-	\$15.00	-	-	-
Low Load Sales Charge Option ^{(2) (3) (4)}	-	\$40.00	\$30.00	-	-

(1) Assuming the maximum charge of 6% of the amount invested. There are no sales charges for Series F units or Series I units. Investors in Series F units will be required to pay their dealer an advisory or asset-based fee in addition to the Series F management fee payable by the Fund. Investors in Series I units will negotiate a sales charge, if any, directly with their dealer.

(2) Redemption charges are shown under "Fees and Expenses" above and are based on the original purchase price. Redemption charges may apply only if you redeem your units in a particular year.

(3) Redemption charges do not include the 10% free redemption option available to the investor in any year.

(4) Series F and Series I units and units of Northwest Money Market Fund are not available under these purchase options.

DEALER COMPENSATION

Sales Commissions and Switching Fees

With respect to Series A units, the method of dealer compensation depends on the payment option you have chosen. For front-end sales charge units, you will pay your dealer a sales commission at the time of your purchase, such commission being up to 6% of the amount you invest. The actual percentage is a matter between you and your dealer. For deferred sales charge units, you are not required to pay your dealer a commission. We, however, will pay your dealer 5% of the amount you purchased under this option (other than units of Northwest Specialty High Yield Bond Fund, Northwest Canadian Bond Fund, Northwest Specialty Global High Yield Bond Fund, Northwest Quadrant Conservative Portfolio and Northwest Quadrant Income Portfolio for which we will pay your dealer 4% of the amount you purchased under this option and Northwest Money Market Fund which cannot be purchased under this option). For volume sales charge units, you are not required to pay your dealer a commission. We, however, will pay your dealer 1% of the amount you purchased under this option (with respect to all of the Funds other than Northwest Money Market Fund, which cannot be purchased under this option). For low load sales charge units, you are not required to pay your dealer a commission. We, however, will pay your dealer 3% of the amount you purchased under this option (with respect to all of the Funds other than Northwest Money Market Fund, which cannot be purchased under this option). Sales charges are not paid when you switch from one of the Funds to another, but a switch fee of up to 2% may be charged to you and retained by your dealer. The amount of any switch fee is a matter between you and your dealer. No sales commissions are paid when you receive units from reinvested distributions.

There is no sales charge to purchase Series F units but you will be required to pay your dealer an advisory or asset-based fee in addition to the Series F management fee payable by the Fund.

There is no sales charge to purchase Series I units but you may be required to pay your dealer fees you negotiate directly with your dealer. If requested by your dealer, we may agree to collect these fees on behalf of your dealer.

Trailing Commissions

We pay your dealer a trailing commission at either month or quarter end for the ongoing advice and service you receive from your dealer relating to Series A units. The maximum trailer fee payable will depend on the payment option you have chosen and the Fund in which you have purchased Series A units. Dealers receive this service fee based on the aggregate Series A NAV of their clients' investment in the Funds at the annualized rates indicated below:

Fund	Service Fee Rates		
	Front-End Sales Charge Option	Deferred Sales Charge Option	Volume Sales Charge Option and Low Load Sales Charge Option
Northwest Money Market Fund	up to 0.25%	N/A	N/A
Northwest Canadian Equity Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest Canadian Bond Fund	up to 0.75%	up to 0.25%	up to 0.50%
Northwest Canadian Dividend Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest Growth and Income Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest Global Equity Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest U.S. Equity Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest EAFE Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest Global Growth and Income Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest Specialty High Yield Bond Fund	up to 0.75%	up to 0.25%	up to 0.50%
Northwest Specialty Global High Yield Bond Fund	up to 0.75%	up to 0.25%	up to 0.50%
Northwest Specialty Equity Fund	up to 0.75%	up to 0.50%	up to 0.75%
Northwest Specialty Innovations Fund	up to 1.00%	up to 0.50%	up to 1.00%
Northwest Specialty Growth Fund Inc.	up to 1.00%	up to 0.50%	up to 1.00%
Northwest Quadrant Conservative Portfolio	up to 0.95%	up to 0.50%	up to 0.75%
Northwest Quadrant Balanced Growth Portfolio	up to 1.20%	up to 0.70%	up to 1.00%
Northwest Quadrant All Equity Portfolio	up to 1.20%	up to 0.70%	up to 1.00%
Northwest Quadrant Income Portfolio	up to 0.95%	up to 0.50%	up to 0.75%

Fund	Service Fee Rates		
	Front-End Sales Charge Option	Deferred Sales Charge Option	Volume Sales Charge Option and Low Load Sales Charge Option
Northwest Quadrant Global Growth Portfolio	up to 1.20%	up to 0.70%	up to 1.00%
Northwest Quadrant Balanced Portfolio	up to 1.00%	up to 0.50%	up to 0.75%
Northwest Quadrant Growth Portfolio	up to 1.20%	up to 0.70%	up to 1.00%
Northwest Quadrant Global Equity Portfolio	up to 1.20%	up to 0.70%	up to 1.00%

We may change or cancel the terms of trailing commissions that we pay at any time.

There are no trailing commissions paid to your dealer by Northwest with respect to Series F units which you hold because you pay an advisory or asset-based fee directly to your dealer. There are no trailing commissions paid to your dealer by Northwest with respect to Series I units, however we may, if requested by your dealer and agreed to you in writing, agree to collect any fee you negotiated directly with your dealer on your dealer's behalf.

Other Kinds of Dealer Compensation

We may share with dealers up to 50% of their eligible costs in marketing units of the Funds. For example, we may pay a portion of the costs of a dealer in advertising the availability of the Funds through the financial advisors of that dealer. We may also pay part of the costs of a dealer in running a seminar to inform investors about the Funds or about the general benefits of investing in the Funds.

We may also pay up to 10% of the costs of some dealers to hold educational seminars or conferences for their financial advisors to teach them about, among other things, new developments in the mutual fund industry, financial planning or new financial products. The dealer makes all decisions about where and when the conference is held and who can attend.

We may also arrange for seminars for financial advisors where we inform them about new developments in the Funds, our products and services and mutual fund industry matters. We will invite dealers to send their financial advisors to any such seminars and such dealers (and not us) will decide who attends. The financial advisors will be required to pay their own travel, accommodation and personal expenses of attending any such seminars.

We may also provide dealers non-monetary benefits of a promotional nature and of minimal value and we may engage in business promotion activities that result in dealers receiving non-monetary benefits.

Related Dealers

Northwest is 50% owned by La Fédération des Caisses Desjardins du Québec ("Desjardins") and 50% indirectly owned by eight Provincial Credit Union Centrals. Certain registered dealers through which units of the Funds may be purchased are related to Northwest through ownership interests in such dealers

by Desjardins and the Provincial Credit Union Centrals. The related dealers are: (i) Desjardins Securities Inc., (ii) Desjardins Financial Services Firm Inc., (iii) Desjardins Financial Security Investments Inc., and (iv) Gestions SFL Inc., each of which is also an indirect wholly owned subsidiary of Desjardins, and (v) Credential Asset Management Inc. and (vi) Credential Securities Inc., in respect of which the Provincial Credit Union Centrals have ownership interests.

DEALER COMPENSATION FROM MANAGEMENT FEES

During the financial year ended September 30, 2007, the total cash compensation (sales commissions, trailing commissions, and other kinds of dealer compensation such as marketing support payments) paid to dealers who distributed units of the Northwest Funds, represented approximately 53.0% of the total management fees paid by the Funds.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section is a summary of how taxes affect your investment in the Funds. It is written for individual unitholders who are residents of Canada and who hold their units as capital property. More detailed information is contained in the annual information form.

We've tried to make this section as helpful and accurate as possible, but your situation may be different. Please consult a tax advisor about your own circumstances.

How the Funds Aim to Make Money

A Fund can make money in two ways. First, it can earn income. Examples of income earned are interest paid on bonds and dividends paid on stocks. A Fund can also have capital gains if the value of its holdings goes up. If the Fund sells an investment at a gain, the gain is realized. If the Fund continues to hold the investment, the gain is unrealized. Generally, gains and losses from derivatives will be recognized on income account for tax purposes, rather than as capital gains and losses.

How Your Mutual Fund Investment is Taxed

The tax you pay on your mutual fund investment depends on whether the Fund is a trust or a corporation and on whether you hold units directly in a non-registered account or indirectly through a registered plan like an RRSP.

All Funds You Hold in a Registered Plan

If you hold your units in a registered plan, you do not have to pay tax on distributions or dividends from the Funds or on any capital gains your plan realizes from selling units. If you take money out of your registered plan, however, you will generally have to pay tax on it. RESPs and registered disability savings plans are subject to special rules, and withdrawals from tax-free savings accounts are not subject to tax.

Trust Funds You Hold in a Non-Registered Account

If you hold units of a Trust Fund directly in a non-registered account, we will send you a tax slip by the end of March each year. It shows your share of the Fund's distributions of income and net realized capital gains for the previous year as well as any allowable tax credits. Income includes dividend income from taxable Canadian corporations, and foreign income. If the Fund has earned foreign income, it may have paid foreign withholding tax. Some or all of this may be credited against the Canadian income tax you pay. Dividends paid by Canadian companies will be subject to the gross-up and dividend tax credit. An enhanced gross-up and dividend tax credit is available for certain eligible dividends. Other income is fully

taxable. Capital gains distributed by the Funds will be treated as if they were realized directly by you. You must include the income shown on the tax slip as part of your annual income. This applies whether your distributions were reinvested in units of the Fund or were paid to you in cash. If you receive more in distributions in a year than your share of the Fund's income and net realized capital gains for the year, you will have a return of capital. You don't pay tax on a return of capital. Instead, it will reduce the adjusted cost base of your units of the Fund. If the adjusted cost base of your units is reduced to less than zero you will be deemed to have realized a capital gain equal to the negative amount.

Management fees paid directly by investors who hold Series I units will not be deductible from the income earned on those units.

When you buy units of a Trust Fund for a non-registered account, you may end up paying tax on income and capital gains the Fund earned before you bought your units and that were reflected in the purchase price of the units. This is particularly relevant when a Fund makes a distribution in December of everything it earned for the whole year. You should consider how this tax cost might affect you when you buy a Fund, especially if you are considering buying units late in the year.

Corporate Fund You Hold in a Non-Registered Account

If you hold shares of the Corporate Fund directly in a non-registered account, we will send you a tax slip by the end of February each year. It shows the amount of ordinary dividends and capital gains dividends paid to you by the Fund in the previous year. Ordinary dividends are subject to the gross-up and the dividend tax credit rules that normally apply to taxable dividends paid by taxable Canadian corporations. An enhanced gross-up dividend tax credit is available for certain eligible dividends paid by the Fund. Capital gains dividends are treated as realized capital gains, one-half of which will be included in computing your income as a taxable capital gain. You must include the dividends shown on the tax slip in computing your annual income. This applies whether the dividends were reinvested in shares of the Fund or paid to you in cash.

Management fees paid directly by investors who hold Series I shares will not be deductible from the income earned on those shares.

When you buy shares of the Corporate Fund for a non-registered account, you may end up paying tax on income and capital gains the Fund earned before you bought your shares and that were reflected in the purchase price of the shares. The Fund normally pays dividends in December with respect to everything it earned for the whole year, although it may choose to pay dividends more frequently. You should consider how this tax cost might affect you when buying shares of the Fund, especially if you are considering buying shares late in the year.

All Funds You Hold in a Non-Registered Account

You'll have a capital gain if the money you make from selling or transferring a unit is more than the adjusted cost base of the unit, after deducting any costs of selling or transferring the unit. You'll have a capital loss if the money you receive from a sale is less than the adjusted cost base, after deducting any costs of selling or transferring your units. One-half of a capital gain is generally included in computing your income. Converting units of one Series of a Fund into units of another Series of the same Fund will not trigger a capital gain or loss.

In general, the adjusted cost base of your units in any Series of units in a Fund equals your initial and any subsequent investment distributions or dividends, less the adjusted cost base of units of such Series that have been redeemed and any return of capital otherwise received in respect of the units. If you've bought units at various times, you will likely have paid various prices. The adjusted cost base of a unit is,

generally, the average of the cost of all the units you hold in the Fund. That includes units you acquired through reinvestments of distributions.

In certain cases, individuals may have to pay alternative minimum tax on the capital gains or dividends they earn.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in several of the provinces and territories provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt of a simplified prospectus or within forty-eight hours after the receipt of a confirmation of a purchase of such securities. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the simplified prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of the securityholder's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

Pages 25 through 93 of this document contain separate and specific information about the Funds, including particulars of their respective investment objectives, strategies and risks.

NORTHWEST MONEY MARKET FUND

FUND DETAILS

Type of Fund	Canadian money market
Start Date	October 6, 2000 (Series A units) April 9, 2003 (Series F units)* June 21, 2007 (Series I units)
Securities Offered	Series A units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Desjardins Global Asset Management Inc., Montréal, Québec

* These units were offered up to March 12, 2004 but are no longer offered.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of the Fund is to conserve capital while maintaining liquidity and achieving regular income. For that purpose, the Fund's assets are primarily invested in short-term money market instruments such as commercial paper and bankers' acceptances issued and guaranteed by major Canadian corporations and all financial institutions, including Canadian chartered banks, trust companies and savings and credit unions. The weighted average maturity of the Fund's portfolio does not exceed 90 days.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

When choosing the securities to invest in, the Fund's Portfolio Sub-Advisor selects money market instruments that it believes offer good relative value. The Portfolio Sub-Advisor invests in a number of different issuers to reduce credit exposure and adjusts the Fund's term to maturity in anticipation of interest rate changes.

The Fund may also invest in treasury bills issued by the Government of Canada or a province of Canada, short-term debt securities, bankers' acceptances and other credit instruments issued by public administrations, or in guaranteed funds of Canadian financial institutions. The Fund may invest up to 30% of the cost of all of the Fund's property in foreign securities, provided that not less than 95% of the Fund's property must be denominated in Canadian currency.

The unit price is expected to be a constant \$10 because income of the Fund is allocated to investors daily.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, in particular, futures contracts in certain indices related to U.S. bonds to replicate a market index, and swaps involving primarily investment grade interest bearing bonds, to generate income.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund’s investments will be in fixed income securities. The Fund’s investments in Canadian government issuers would generally be considered low risk. Although Northwest intends to maintain a constant price for these units, there is no guarantee that the price will not go up or down. As a result, the Fund is exposed to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- multiple series risk

WHO SHOULD INVEST IN THE FUND?

The Fund pays an income distribution to unitholders on a monthly basis. Therefore, it is suitable for those investors for whom a regular level of income is a key investment objective. This Fund is suitable for investors with a very low risk tolerance level or those investing for the short term – less than 1 year.

DISTRIBUTION POLICY

The Fund allocates income of the Fund daily and distributes income to unitholders on a monthly basis. The Fund distributes capital gains, if any, prior to the end of each year. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional Series A units of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units of the Fund for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund’s last completed financial year. No performance information may be included for the Series I units as they have not been distributed for a complete financial year.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable
	Series A
One Year	7.61
Three Years	24.00
Five Years	42.07
Ten Years	95.76

CORE FUNDS: NORTHWEST MONEY MARKET FUND

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST CANADIAN EQUITY FUND

FUND DETAILS

Type of Fund	Canadian equity
Start Date	December 20, 1991 (Series A units) April 19, 2002 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Kingwest & Company, Toronto, Ontario

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of this Fund is to achieve long-term capital appreciation by investing primarily in equity securities of Canadian companies. The Fund may invest in both large and small capitalization companies.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Fund invests primarily in equity securities (including securities convertible into equity securities) of Canadian companies, but may invest up to 35% of the Fund's property in similar securities of companies located outside of Canada. The Portfolio Sub-Advisor invests in companies that fit established investment criteria based on an economic value added approach. This requires businesses to have, in the opinion of the Portfolio Sub-Advisor, a competitive advantage, superior management, strong financial prospects and a commitment to shareholders' interests.

The Fund may hold cash or invest in short-term securities, which are determined by the Portfolio Sub-Advisor to be advisable as a defensive measure if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets are invested in equity securities. As a result, the Fund is exposed to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- foreign security risk
- interest rate risk

CORE FUNDS: NORTHWEST CANADIAN EQUITY FUND

- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who consider growth (through capital appreciation) an important investment objective. To recognize a reasonable rate of return, investors should be prepared to invest for the medium term – up to 3 years. This Fund is suitable for investors with a moderate risk tolerance level.

The Fund may or may not pay out distributions to unitholders in a given year. Therefore, it may be unsuitable for those investors for whom a regular level of income is a key investment objective.

DISTRIBUTION POLICY

Prior to the end of each year, the Fund distributes its income and capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	26.15	15.07
Three Years	82.44	47.52
Five Years	144.50	83.29
Ten Years	328.91	189.58

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST CANADIAN BOND FUND

FUND DETAILS

Type of Fund	Fixed income
Start Date	October 6, 2000 (Series A units) February 7, 2003 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units.
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Addenda Capital Inc., Montréal, Québec

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of this Fund is to provide investors with regular income return, as well as greater security of capital. Consequently, the Fund invests primarily in various debt securities such as bonds of Canadian or foreign corporations, and bonds issued or guaranteed by various levels of Canadian or foreign governments. The Fund's portfolio may also include a small portion of equity securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisor selects securities for investment among corporate and government issuers whose bond rating at the time of investment is not less than BBB according to the credit ratings of the Canadian Bond Rating Service or a similar rating service. Corporate securities are subject to diversification rules in order to limit the credit risk.

Securities will be chosen so as to increase or decrease the average term or duration of the portfolio based on the relevant market index or to benefit from performance variations of various categories of issuers.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, in particular, futures contracts on certain indices related to U.S. bonds to replicate a market index, and swaps involving primarily investment-grade interest-bearing bonds, to generate income.

The Fund may invest up to 15% of the Fund's property in foreign securities.

It is expected that the portfolio turnover rate for the Fund will continue to be significant. On a yearly basis, this will result in a higher proportion of realized (rather than unrealized) capital gains and/or losses on the securities in the Fund's portfolio and higher brokerage fees than might be found in other mutual funds.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund's investments will be primarily in various debt securities. As a result, the Fund will be subject to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- large transaction risk
- multiple series risk
- specific issuer risk
- stock market risk

As at May 30, 2008 Northwest Growth and Income Fund held 23.75% (6,171,747 Series I units) of the units of the Fund.

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who are seeking regular income and who wish to protect themselves from the volatility of the equity market through diversification. The Fund is suitable for investors who prefer a low level of risk and investors who plan to maintain their investment over the short, medium or long term – 1 year or longer.

DISTRIBUTION POLICY

For Series A units and Series F units, the Fund will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.03 per unit, and will, for all Series of units, prior to the end of each year, distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

CORE FUNDS: NORTHWEST CANADIAN BOND FUND

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	19.45	11.23
Three Years	61.31	35.41
Five Years	107.47	62.07
Ten Years	244.62	141.29

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST CANADIAN DIVIDEND FUND

FUND DETAILS

Type of Fund	Canadian dividend
Start Date	October 18, 2002 (Series A units) February 7, 2003 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Beutel, Goodman & Company Ltd., Toronto, Ontario

WHAT DOES THE FUND INVEST IN?

Investment Objectives

This Fund's objective is to achieve a balance between high dividend income and capital growth by investing mainly in a diversified portfolio of blue-chip Canadian common stocks and, to a lesser extent, in high-yield preferred stocks and interest bearing securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisor chooses primarily blue-chip common stocks. It may also invest in preferred stocks, bonds, purchase warrants and rights, royalty trusts and income trusts. The Portfolio Sub-Advisor's selections seek to give preference to capital growth, while providing a high, regular level of income. The Portfolio Sub-Advisor chooses the investments by seeking out reputable stocks that are undervalued on the market compared to their true worth. The focus is on small-, mid- and large-capitalization Canadian corporations in a variety of industries, while favouring equity securities, including preferred stocks, that provide a stable income.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes in order to seek to increase income or reduce the risk of loss.

Generally, the Fund is fully invested, but liquid assets may be used to preserve capital in case of unfavourable economic conditions.

The Fund may invest up to 30% of the Fund's property in foreign securities.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund will be subject to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who are seeking a regular dividend income that is beneficial from a tax point of view and long term capital growth. The Fund is suitable for investors who have a low to moderate tolerance for risk and investors who plan to maintain their investment in the Fund over the medium term – up to 3 years.

DISTRIBUTION POLICY

For Series A units and Series F units, the Fund will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.06 per unit, and will, for all Series of units, prior to the end of each year, distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

CORE FUNDS: NORTHWEST CANADIAN DIVIDEND FUND

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	25.73	14.66
Three Years	81.11	46.21
Five Years	142.17	80.99
Ten Years	323.63	184.36

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST GROWTH AND INCOME FUND

FUND DETAILS

Type of Fund	Canadian and foreign balanced
Start Date	May 1, 1995 (Series A units) April 30, 2002 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Kingwest & Company, Toronto, Ontario

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of this Fund is to provide security of capital and to increase its value through capital appreciation and reinvestment of revenues by investing primarily in a mix of (i) equity securities of Canadian and foreign companies and (ii) bonds, debentures and other securities issued by governments, financial institutions and companies in Canada and in the United States and other foreign countries.

The Fund may gain exposure to Canadian fixed income securities and to United States and other foreign investments by investing in securities of mutual funds, including other Northwest Funds.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisor invests in companies that fit established investment criteria based on an economic value added approach. This requires businesses to have, in the opinion of the Portfolio Sub-Advisor, a competitive advantage, superior management, strong financial prospects and a commitment to shareholders' interests.

The Fund intends to purchase units of other mutual funds, including mutual funds managed by Northwest or an affiliate of Northwest to gain exposure to bonds, debentures and other securities issued by governments, financial institutions and companies in Canada and to gain exposure to foreign investments.

The Fund may hold cash or invest in short-term securities which are determined by the Portfolio Sub-Advisor to be advisable as a defensive measure if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

It is expected that the portfolio turnover rate for the Fund will continue to be significant. On a yearly basis, this will result in a higher proportion of realized (rather than unrealized) capital gains and/or losses

CORE FUNDS: NORTHWEST GROWTH AND INCOME FUND

on the securities of the Fund's portfolio and higher brokerage fees than might be found in other mutual funds.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund will be subject to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

In the last 12 months the Fund has held up to 22.5% of its net assets in Series I units of Northwest Canadian Bond Fund, up to 22.5% of its net assets in Series I units of Northwest Global Equity Fund and up to 12.5% in Series I units of Northwest Global Growth and Income Fund. As a result, the Fund will be exposed to the risks related to Northwest Canadian Bond Fund which are described on page 31, the risks related to Northwest Global Equity Fund which are described on page 40, the risks related to Northwest Global Growth and Income Fund which are described on page 50.

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who consider growth (through capital appreciation) and a regular stream of income important investment objectives. Through diversification across asset classes, the Fund seeks to offer reduced volatility and, therefore, a somewhat reduced degree of risk. To recognize a reasonable rate of return, investors should be prepared to invest for at least the medium term – up to 3 years. This Fund is suitable for investors with a low to moderate risk tolerance level.

DISTRIBUTION POLICY

The Fund will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.08 per unit, and will, prior to the end of each year, distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year

CORE FUNDS: NORTHWEST GROWTH AND INCOME FUND

period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	26.26	15.18
Three Years	82.77	47.85
Five Years	145.08	83.86
Ten Years	330.23	190.89

Please see "*Fees and Expenses*" for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST GLOBAL EQUITY FUND

FUND DETAILS

Type of Fund	Global equity
Start Date	May 1, 1995 (Series A units) April 30, 2002 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Beutel, Goodman & Company Ltd., Toronto, Ontario

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund aims for long-term growth by investing primarily in foreign equity securities across all market capitalizations. The Fund is usually invested in large and medium sized well-capitalized foreign (including the United States) companies, which are listed on principal global stock exchanges. The balance of the Fund's assets is short-term fixed income securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisor uses a value approach designed to identify high quality, liquid companies trading at a significant discount to their "business value," defined as the present value of sustainable free cash flow. A consistent and rigorous analytical framework is employed that allows for direct comparison of diverse opportunities across markets and sectors. Risk is controlled primarily at the security level through a buy/sell discipline that involves the establishment of formal targets and downside limits based on fundamental research

The Fund may hold cash or invest in short-term securities which are determined by the Portfolio Sub-Advisor to be advisable as a defensive measure if determined to be appropriate for purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

The Fund may invest up to 10% of the Fund's property in Canadian listed securities.

Throughout 2008, it is expected that the portfolio turnover rate for the Fund will be more significant than usual. On a yearly basis, this will result in a higher proportion of realized (rather than unrealized) capital gains and/or losses on the securities in the Fund's portfolio and higher brokerage fees than might be found in other mutual funds.

CORE FUNDS: NORTHWEST GLOBAL EQUITY FUND

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, in particular to replicate foreign market indices.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets are invested in foreign equity securities. As a result, the Fund is exposed to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- large transaction risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

As at May 30, 2008 Northwest Growth and Income Fund held 46.42% (7,200,310 Series I units) of the units of the Fund.

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for clients who consider growth (through capital appreciation) an important investment objective. To recognize a reasonable rate of return, investors should be prepared to invest for at least the medium term – at least 3 years. As the majority of the portfolio's holdings are equity securities of mid to large capitalization international issuers and the Fund's currency exposure is not hedged, this Fund is suitable for investors with a moderate risk tolerance level.

The Fund may or may not pay out distributions to unitholders in a given year. Therefore, it may be unsuitable for those investors for whom a regular level of income is a key investment objective.

DISTRIBUTION POLICY

Prior to the end of each year, the Fund distributes its income and capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year

CORE FUNDS: NORTHWEST GLOBAL EQUITY FUND

period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	29.83	18.72
Three Years	94.05	59.01
Five Years	164.84	103.43
Ten Years	375.23	235.43

Please see "*Fees and Expenses*" for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST U.S. EQUITY FUND

FUND DETAILS

Type of Fund	US equity
Start Date	October 6, 2000 (Series A units) July 24, 2003 (Series F units) June 30, 2005 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Kingwest & Company, Toronto, Ontario

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of this Fund is to provide investors with long-term capital growth. The Fund invests primarily in common shares of large-capitalization American corporations.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Fund invests primarily in equity securities (including securities convertible into equity securities) of American companies. The Portfolio Sub-Advisor invests in companies that fit established investment criteria based on an economic value added approach. This requires businesses to have, in the opinion of the Portfolio Sub-Advisor, a competitive advantage, superior management, strong financial prospects and a commitment to shareholders' interests.

The Fund may hold cash or invest in short-term securities, which are determined by the Portfolio Sub-Advisor to be advisable as a defensive measure if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, including investment units in trading indices to replicate a market index in order to lower trading costs.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund will be subject to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who are looking for long-term capital growth through a well-diversified portfolio consisting mainly of large capitalization American corporations. The Fund is suitable for investors who are seeking diverse management styles in a single fund for the American equity portion of their portfolio. The Fund is suitable for investors who have a moderate tolerance for risk and who plan to maintain their investment over at least the medium term – at least 3 years.

The Fund may or may not pay out distributions to unitholders in a given year. Therefore, it may not be suitable for those investors for whom a regular level of income is a key investment objective.

DISTRIBUTION POLICY

Prior to the end of each year, the Fund distributes its income and capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I Units are negotiated directly with each investor.

CORE FUNDS: NORTHWEST U.S. EQUITY FUND

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	29.62	18.61
Three Years	93.38	58.68
Five Years	163.68	102.85
Ten Years	372.58	234.12

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST EAFE FUND

FUND DETAILS

Type of Fund	International equity
Start Date	October 6, 2000 (Series A units) February 26, 2003 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Sky Investment Counsel Inc., Toronto, Ontario

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund aims for long-term capital growth by investing primarily in equity securities of foreign corporations of all levels of market capitalization. The Fund is usually invested in large and medium sized well-capitalized foreign (excluding the United States) companies, which are listed on the principal global stock exchanges. The balance of the Fund's assets is usually short-term fixed income securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisor uses a value style approach to select investments, primarily seeking well-capitalized companies with above average earnings growth potential. The Portfolio Sub-Advisor invests in companies that fit established investment criteria based on an intrinsic value approach. This requires businesses to have, in the opinion of the Portfolio Sub-Advisor, a competitive advantage, superior management, strong financial prospects and a commitment to shareholders' interests.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, including investment units in trading indices to replicate a market index in order to lower trading costs.

The Fund may hold cash or invest in short-term securities, which are determined by the Portfolio Sub-Advisor to be advisable as a defensive measure if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

It is expected that the portfolio turnover rate for the Fund will continue to be significant. On a yearly basis, this will result in a higher proportion of realized (rather than unrealized) capital gains and/or losses on the securities in the Fund's portfolio and higher brokerage fees than might be found in other mutual funds.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund will be subject to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who are looking for long-term capital growth through a highly diversified portfolio consisting mainly of international equities. The Fund is suitable for investors who are seeking to reduce the volatility of their portfolio through investments spread around the world. The Fund is suitable for investors who have a moderate tolerance for risk and who plan to maintain their investment over at least the medium term – at least 3 years.

The Fund may or may not pay out distributions to unitholders in a given year. Therefore, it may not be suitable for those investors for whom a regular level of income is a key investment objective.

DISTRIBUTION POLICY

Prior to the end of each year, the Fund distributes its income and capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

CORE FUNDS: NORTHWEST EAFE FUND

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	29.83	18.72
Three Years	94.05	59.01
Five Years	164.84	103.43
Ten Years	375.23	235.43

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST GLOBAL GROWTH AND INCOME FUND

FUND DETAILS

Type of Fund	Global balanced
Start Date	June 21, 2007 (Series A units, Series F units and Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Sanford C. Bernstein & Co., LLC, New York, U.S.A. * Aviva Capital Management, Inc., Des Moines, U.S.A. **

* *In certain circumstances it may be difficult to enforce legal rights against Sanford C. Bernstein & Co., LLC (Bernstein) because it is resident in the United States and all or substantially all of its assets are located outside Canada. The name and address of the agent for service of process of Bernstein is Samantha Horn, 152928 Canada Inc., Suite 5300, Commerce Court West P.O. Box 85, Toronto, Canada M5L1B9.*

** *Aviva Capital Management, Inc. (ACM) is not subject to a variety of requirements contained in the Ontario Securities Act applicable to advisers resident in Ontario. In certain circumstances it may be difficult to enforce legal rights against ACM because it is resident in the United States and all or substantially all of its assets are located outside Canada. The name and address of the agent for service of process of ACM is Blakes Extra Provincial Services, Inc. Box 25, Commerce Court West 199 Bay Street, Suite 2800 Toronto Ontario M5L 1A9.*

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of the Fund is to increase its value through capital appreciation and reinvestment of revenues, with due regard to security of capital, by investing (i) primarily in equity securities of global companies (including Canadian companies) and (ii) to a lesser extent in bonds, debentures and other securities issued by governments, financial institutions and companies in Canada and foreign countries. The fixed income component will range from AAA sovereign debt to non-investment grade corporate debt.

The Fund may gain exposure to Canadian and global fixed income securities by investing in securities of mutual funds, including other Northwest Funds.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

Sanford C. Bernstein & Co., LLC, the Portfolio Sub-Advisor for the equity component of the fund invests in companies that are undervalued based on forecasts of normalized earnings, cash flow and asset values. These forecasts are driven by fundamental research with a focus on industry wide and company specific dynamics. This requires businesses to have, in the opinion of the Portfolio Sub-Advisor, a competitive advantage, superior management, strong financial prospects and a commitment to shareholders' interests.

CORE FUNDS: NORTHWEST GLOBAL GROWTH AND INCOME FUND

Aviva Capital Management, Inc., the Portfolio Sub-Advisor for the fixed income component of the Fund uses an investment strategy that focuses on creating higher returns with less volatility. They employ a bottom-up approach to selecting securities that are priced at a discount to their true intrinsic value and, if in the non-investment grade category, with a good potential for upgrade, focus on fundamental credit research and use a factor/variable framework to determine buy candidates and sector weightings. Analysis of fundamentals, technical and valuations (FTV) help the Portfolio Sub-Advisor identify directional indicators, short term influences and ultimately whether a company is priced cheaply or expensively.

The Fund may purchase units of other mutual funds, including mutual funds managed by Northwest or an affiliate of Northwest to gain exposure to equities, bonds, debentures and other securities in Canada and/or to gain exposure to foreign investments.

The Fund may hold cash or invest in short-term securities which are determined by the Portfolio Sub-Advisor to be advisable as a defensive measure if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, in particular, futures and options on futures on stock indices and swaps involving primarily investment-grade interest-bearing bonds. The Fund may also use Currency Forwards to increase its exposure to currencies in excess of its underlying equity positions when opportunities arise.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund will be subject to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- large transaction risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

As at May 30, 2008 Northwest Balanced Growth Portfolio held 19.00% (1,495,543 Series I units) and Northwest Growth and Income Fund held 54.80% (4,312,278 Series I units) of the units of the Fund.

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who consider growth (through capital appreciation) and a regular stream of income an important investment objective. To recognize a reasonable rate of return, investors should be prepared to invest for at least the medium term – at least 3 years. Given the mix of fixed income and well-diversified equity securities, this Fund is suitable for investors with a medium or high risk tolerance level.

DISTRIBUTION POLICY

For Series A units and Series F units, the Fund will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.06 per unit. For Series I units, the Fund will distribute income earned monthly. For all Series of units, prior to the end of each year, the Fund will distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund’s last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	30.99	19.87
Three Years	97.70	62.63
Five Years	171.25	109.77
Ten Years	389.82	249.87

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST SPECIALTY HIGH YIELD BOND FUND

FUND DETAILS

Type of Fund	High yield bond
Start Date	December 20, 1991 (Series A units) (investment objectives changed on November 7, 2000) June 1, 2004 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisors	Aviva Capital Management, Inc., Des Moines, U.S.A. *

* *By virtue of its residence, Aviva Capital Management, Inc. (ACM) is not subject to a variety of requirements contained in the Ontario Securities Act applicable to advisers resident in Ontario. In certain circumstances it may be difficult to enforce legal rights against ACM because it is resident in the United States and all or substantially all of its assets are located outside Canada. The name and address of the agent for service of process of ACM is Blakes Extra Provincial Services, Inc. Box 25, Commerce Court West 199 Bay Street, Suite 2800 Toronto Ontario M5L 1A9.*

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The investment objective of this Fund is to provide a high level of current income while maintaining security of capital. The Fund invests primarily in a diversified portfolio of high-yield, higher risk, lower quality Canadian corporate bonds and notes and may also invest in other fixed income investments with similar characteristics. Most of the investments will be rated BBB and below by the Canadian Bond Rating Service (or its equivalent by another recognized bond rating service). The Fund may also invest in investments that are not rated, investments that are in default at the time of purchase, and may invest in investments denominated in foreign currencies.

It is expected that, except for temporary defensive purposes, the Fund will invest at least 80% of its net assets in high-yielding, income-producing corporate bonds.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Fund uses a “bottom-up” securities selection process under which the Portfolio Sub-Advisor concentrates first on individual company fundamentals before industry considerations and economic trends. The Portfolio Sub-Advisor looks to identify companies which it believes display one or more of the following characteristics:

- strong operating cash flow and margins

SPECIALTY FUNDS: NORTHWEST SPECIALTY HIGH YIELD BOND FUND

- improving financial ratios (i.e., credit worthiness)
- leadership in market share or other competitive advantage
- superior management
- attractive relative price

The Fund generally sells an investment if the Portfolio Sub-Advisor believes that the issuer displays deteriorating cash flows, an ineffective management team, or an unattractive relative valuation.

In ordinary circumstances, the Fund may invest up to 20% of its net assets in short-term money market instruments and other income producing cash items and may invest a greater percentage of its net assets in such money market investments and other cash items as a temporary defensive measure.

The Fund may also invest up to 10% of its net assets at the time of investment in illiquid securities (i.e., securities that cannot be readily sold). In accordance with its objective of generating a high level of current income, the Fund may invest up to 15% of its net assets at the time of investment in common equity, income trusts (including real estate investment trusts), preferred shares and other non-debt-like investments. Further, while the Fund will favour cash-paying instruments over deferred pay securities, it may invest in “zero-coupon” bonds (where interest payments accrue until maturity) and “pay in kind” bonds (where interest payments are made in additional shares).

The Fund does not have a specific targeted average portfolio duration; however, it is expected that the majority of its investments will have a term to maturity of ten years or less.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, in particular, swaps involving primarily investment-grade interest-bearing bonds, to generate income.

The Fund may invest up to 35% of the Fund’s property in foreign securities. The Fund may invest in units of other mutual funds, including mutual funds managed by Northwest, with respect to the foreign portion of the Fund’s portfolio.

It is expected that the portfolio turnover rate for the Fund will continue to be significant. On a yearly basis, this will result in a higher proportion of realized (rather than unrealized) capital gains and/or losses on the securities in the Fund’s portfolio and higher brokerage fees than might be found in other mutual funds.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund’s assets are invested, directly or indirectly, in high-yield, higher-risk fixed income securities. As a result, the Fund will be primarily exposed to the following risks which are described on pages 2 to 4, and the additional risks described below:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- specific issuer risk

Higher Risk Fixed Income Securities

Higher-yielding, higher risk income securities, like the securities in which the Fund invests, are subject to greater risk of loss of principal and income than higher-rated fixed income securities and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

An economic downtrend could adversely impact issuers as to the ability to pay interest and repay principal and could result in issuers defaulting on such payments. In addition, the value of lower rated or unrated corporate income securities is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower-rated or unrated income securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Lower-rated and unrated corporate bonds and notes are traded principally by dealers in the over-the-counter market. The market for these securities may be less active and less liquid than for higher rated securities. Under adverse market or economic conditions, the secondary market for these bonds and notes could contract further, causing the Fund difficulties in valuing and selling its securities.

WHO SHOULD INVEST IN THE FUND?

The Fund is only suitable for investors seeking a more aggressive income yield strategy with a low to moderate tolerance for risk who plan to maintain their investment in the Fund for at least the medium term – at least 3 years. The Fund is not appropriate for investors with a very low tolerance for risk.

The Fund is designed in particular for those investors who seek income and recognize the potential for increased yields from investing in lower rated and unrated corporate fixed income securities and wish to do so through a professionally managed portfolio. The Fund provides such investors the opportunity to participate in a diversified portfolio of primarily fixed income securities that may not otherwise be available to them and to do so with an investment size which might not otherwise make them eligible to engage a professional portfolio manager.

DISTRIBUTION POLICY

For Series A units and Series F units, the Fund will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.06 per unit. For Series I units, the Fund will distribute income earned monthly. For all Series of units, prior to the end of each year, the Fund will distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

SPECIALTY FUNDS: NORTHWEST SPECIALTY HIGH YIELD BOND FUND

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	21.54	13.31
Three Years	67.90	41.95
Five Years	119.01	73.53
Ten Years	270.91	167.37

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST SPECIALTY GLOBAL HIGH YIELD BOND FUND

FUND DETAILS

Type of Fund	Global high yield bond
Start Date	June 10, 2005 (Series A units, Series F units and Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.
Portfolio Sub-Advisor	Aviva Capital Management, Inc., Des Moines, U.S.A.*

* *By virtue of its residence, Aviva Capital Management, Inc. (ACM) is not subject to a variety of requirements contained in the Ontario Securities Act applicable to advisers resident in Ontario. In certain circumstances it may be difficult to enforce legal rights against ACM because it is resident in the United States and all or substantially all of its assets are located outside Canada. The name and address of the agent for service of process of ACM is Blakes Extra Provincial Services, Inc. Box 25, Commerce Court West 199 Bay Street, Suite 2800 Toronto Ontario M5L 1A9.*

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The investment objective of this Fund is to provide a high level of current income while maintaining security of capital. The Fund invests primarily in a diversified portfolio of high-yield, higher risk, global corporate bonds and notes and may also invest in other fixed income investments with similar characteristics. Most of the investments will be rated “BBB-” and below by Standard and Poor’s or Fitch, and Baa3 or below by Moody’s or an equivalent rating by another recognized bond rating service. The Fund may also invest in investments that are not rated, investments that are in default at the time of purchase, and may invest in investments denominated in emerging market countries’ currencies.

It is expected that, except for temporary defensive purposes, the Fund will invest at least 80% of its net assets in high-yielding, income-producing corporate bonds.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisor uses an investment strategy that focuses on creating higher returns with less volatility, employing a bottom-up approach to selecting securities that are priced at a discount to their true intrinsic value but with good potential for upgrade.

The Portfolio Sub-Advisor focuses on fundamental credit research and uses a factor/variable framework to determine buy candidates and sector weighting. Analysis of fundamentals, technical and valuations (FTV) help the Portfolio Sub-Advisor identify directional indicators, short term influences, and ultimately whether a company is priced cheaply or expensively.

SPECIALTY FUNDS: NORTHWEST SPECIALTY GLOBAL HIGH YIELD BOND FUND

The Fund generally sells an investment if the Portfolio Sub-Advisor believes that the issuer displays deteriorating cash flows, an ineffective management team, or an unattractive relative valuation.

In ordinary circumstances, the Fund may invest up to 20% of its net assets in short-term money market instruments and other income producing cash items and may invest a greater percentage of its net assets in such money market investments and other cash items as a temporary defensive measure.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, in particular, swaps involving primarily investment-grade interest-bearing bonds, to generate income.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets are invested, directly or indirectly, in high-yield, higher-risk fixed income securities. As a result, the Fund will be primarily exposed to the following risks which are described on pages 2 to 4 and the additional risks described below:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- large transaction risk
- liquidity risk
- multiple series risk
- specific issuer risk

As at May 30, 2008 Desjardins Northwest Specialty Global High Yield Bond Fund held 62.00% (13,267,372 Series I units) of the units of the Fund.

Higher Risk Fixed Income Securities

Higher-yielding, higher risk income securities, like the securities in which the Fund invests, are subject to greater risk of loss of principal and income than higher-rated fixed income securities and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

An economic downtrend could adversely impact issuers as to the ability to pay interest and repay principal and could result in issuers defaulting on such payments. In addition, the value of lower rated or unrated corporate income securities is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower-rated or unrated income securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Lower-rated and unrated corporate bonds and notes are traded principally by dealers in the over-the-counter market. The market for these securities may be less active and less liquid than for higher rated securities. Under adverse market or economic conditions, the secondary market for these bonds and notes could contract further, causing the Fund difficulties in valuing and selling its securities.

WHO SHOULD INVEST IN THE FUND?

The Fund is only suitable for investors seeking a more aggressive income yield strategy with a low to moderate tolerance for risk who plan to maintain their investment in the Fund for at least the medium term – at least 3 years. The Fund is not appropriate for investors with a very low tolerance for risk.

The Fund is designed in particular for those investors who seek income and recognize the potential for increased yields from investing in lower rated and unrated corporate fixed income securities and wish to do so through a professionally managed portfolio. The Fund provides such investors the opportunity to participate in a diversified portfolio of primarily fixed income securities that may not otherwise be available to them and to do so with an investment size which might not otherwise make them eligible to engage a professional portfolio manager.

DISTRIBUTION POLICY

For Series A units and Series F units, the Fund will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.05 per unit. For Series I units, the Fund will distribute income earned monthly. For all Series of units, prior to the end of each year, the Fund will distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	22.06	14.35
Three Years	69.55	45.22
Five Years	121.90	79.27
Ten Years	277.49	180.43

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST SPECIALTY EQUITY FUND

FUND DETAILS

Type of Fund	Canadian equity
Start Date	March 27, 1986 (Series A units) June 1, 2004 (Series F units) June 4, 2004 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RRIFs, RESPs and similar deferred income plans.
Portfolio Sub-Advisor	Montrusco Bolton Investments Inc., Montreal, Quebec.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund aims to achieve capital appreciation over the longer term by seeking to invest primarily in the equity securities of faster growing, small-cap Canadian companies.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisors look for smaller, faster growing companies with distinct competitive advantages, strong balance sheets, financially committed management teams, strong sales and earnings growth, and good return on equity, and then try to acquire these companies at reasonable valuations. The Portfolio Sub-Advisors typically seek Canadian companies with market capitalizations of less than 0.15% of the S&P/TSX Composite Index at the time of investment.

The Fund may hold cash or invest in short-term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the ongoing evaluation of current and anticipated economic and market conditions by the Portfolio Sub-Advisors.

The Fund may invest up to 30% of the Fund's property in foreign securities.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets are invested in equity securities. As a result, the Fund will be primarily exposed to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- foreign security risk
- interest rate risk

SPECIALTY FUNDS: NORTHWEST SPECIALTY EQUITY FUND

- large transaction risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

As at May 30, 2008 Desjardins Northwest Specialty Equity Fund held 12.47% (1,342,389 Series I units) of the units of the Fund.

WHO SHOULD INVEST IN THE FUND?

The Fund is suitable for investors who consider growth (through capital appreciation) an important investment objective. To recognize a reasonable rate of return, investors should be prepared to invest for at least the medium term – at least 3 years. As the majority of the portfolio's holdings are equity securities of small to mid capitalization issuers, this Fund is suitable for investors with a medium or high risk tolerance level.

The Fund may or may not pay out distributions to unitholders in a given year. Therefore, it may not be suitable for those investors for whom a regular level of income is a key investment objective.

DISTRIBUTION POLICY

Prior to the end of each year, the Fund distributes its income and capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund, unless you ask us in advance to be paid in cash rather than receive units in the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

SPECIALTY FUNDS: NORTHWEST SPECIALTY EQUITY FUND

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	26.36	18.09
Three Years	83.10	57.04
Five Years	145.66	99.97
Ten Years	331.56	227.56

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST SPECIALTY INNOVATIONS FUND

FUND DETAILS

Type of Fund	Technology sector equity
Start Date	November 16, 2000 (Series A units) June 4, 2004 (Series F units) June 30, 2005 (Series I units)
Securities Offered	Series A units, Series F units and Series I units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RRIFs, RESPs and similar deferred income plans.
Portfolio Sub-Advisor	Selective Asset Management Inc., Toronto, Ontario

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Fund's investment objective is to achieve superior returns through active management of a diversified portfolio consisting primarily of equity securities issued by companies across all technology sectors as well as companies that utilize technology to gain a competitive edge.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Fund invests primarily in equity securities of issuers selected from all technology sectors and from companies that utilize technology to gain a competitive edge. The Fund may also hold cash or invest in short-term securities which are determined by the Portfolio Sub-Advisor to be advisable as a defensive measure if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

The Portfolio Sub-Advisor applies a bottom-up style of stock analysis. The Portfolio Sub-Advisor also applies top down analysis to assess potential economic impact whereby a computer helps to establish the candidates list for formal in-depth research. Once a stock has been selected for in-depth review, the Portfolio Sub-Advisor focuses on (i) the technological advancements of the company, (ii) the speed in which the company can get its product to market, (iii) the dominance of the company in its market and (iv) expected earnings growth. Companies are also analysed by the quality of earnings streams and economic impact. The Portfolio Sub-Advisor then selects stocks from these companies that it believes have the best potential to achieve long-term growth for the Fund.

The Fund may invest up to 49% of the Fund's property in foreign securities.

It is expected that the portfolio turnover rate for the Fund will continue to be significant. On a yearly basis, this will result in a higher proportion of realized (rather than unrealized) capital gains and/or losses

on the securities in the Fund's portfolio and higher brokerage fees than might be found in other mutual funds.

The Fund may use derivatives for foreign currency hedging. The Fund may use derivatives for non-hedging purposes, in particular covered call options, to reduce the overall volatility of returns.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund will be primarily exposed to the following risks which are described on pages 2 to 4, and the additional risks described below:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

Fluctuations in Net Asset Value and Distributions

Notwithstanding the ability to write covered call options on portfolio securities in order to reduce the overall volatility of the Fund's return on its investments, the net asset value and the funds available for distribution will vary according to, among other things, the value of the securities acquired by the Fund and the levels of option premiums received.

Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice, actual option premiums are determined based on market factors including interest rate levels.

Conditions Affecting the Technology Industry

Because the Fund's investments are concentrated in the technology industry, the Fund's net asset value will be especially affected by factors peculiar to that industry and may fluctuate more widely than the value of securities of a portfolio which invests in a broader range of industries. For example, many products and services are subject to risk of rapid obsolescence caused by technological advances. Competitive pressures may have a significant effect on the financial condition of companies in the information technology industry. If technology continues to advance at an accelerated rate, and the number of companies and product offerings continue to expand, these companies could become increasingly sensitive to short product cycles and aggressive pricing. In addition, many of the activities of companies in the information technology industry are highly capital intensive and it is possible that a company, which invests substantial amounts of capital in the development of new products or services, will be unable to recover its investment or otherwise meet its obligations.

Treatment of Proceeds of Disposition and Option Premiums

In determining its income for tax purposes, the Fund intends to treat gains and losses realized on the disposition of portfolio securities, option premiums received on the writing of covered call options and

SPECIALTY FUNDS: NORTHWEST SPECIALTY INNOVATIONS FUND

any losses sustained on closing out options as capital gains and capital losses in accordance with its understanding of CRA published administrative and assessing practice set out in Interpretation Bulletin IT-479R. CRA's practice is not to grant advance income tax rulings as to the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained.

If a court were to determine that some or all of the transactions undertaken by the Fund in respect of options and securities in which the Fund invests should properly be treated on income rather than capital account, after-tax returns to unitholders could be reduced and the Fund could be subject to non-refundable income tax and interest in respect of such transactions.

WHO SHOULD INVEST IN THE FUND?

The Fund is designed in particular for those investors who seek exposure to the technological sector, can tolerate volatility associated with investing in specific market sectors and wish to do so through a professionally managed portfolio. To recognize a reasonable rate of return, investors should be prepared to invest over the long term – 5 years or longer.

The Fund may or may not pay out distributions to unitholders in a given year. Therefore, it may not be suitable for those investors for whom a regular level of income is a key investment objective.

The Fund is only suitable for investors seeking a more aggressive sector specific growth strategy with a moderate to high tolerance for risk. The Fund is not appropriate for investors with a low tolerance for risk.

DISTRIBUTION POLICY

Prior to the end of each year, the Fund distributes its income and capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units in the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses remain the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I units are negotiated directly with each investor.

SPECIALTY FUNDS: NORTHWEST SPECIALTY INNOVATIONS FUND

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	27.31	16.22
Three Years	86.08	51.12
Five Years	150.88	89.61
Ten Years	343.45	203.98

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST SPECIALTY GROWTH FUND INC.

FUND DETAILS

Type of Fund	Canadian equity
Start Date *	February 26, 1987 (Series A shares) April 8, 2003 (Series F shares) June 4, 2004 (Series I shares)
Securities Offered	Non-voting Participating Shares without par value issued in the series noted above
Eligibility for Deferred Income Plans	Shares are qualified investments for RRSPs, RRIFs, RESPs and similar deferred income plans.
Portfolio Sub-Advisor	Montrusco Bolton Investments Inc., Montréal, Québec

* *The Fund was incorporated under Part 1A of the Companies Act (Québec) on January 14, 1987, but only became a mutual fund upon the filing of its prospectus on February 26, 1987. On December 6, 1993, the Fund was converted from a closed-end mutual fund to an open-end mutual fund.*

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The objective of this Fund is to provide investors with long-term capital appreciation. The Fund invests primarily in common shares and other equity securities issued by Québec companies (i.e., companies whose head office or a substantial part of their business, work force, research and development, or assets is located in Québec) that are leaders in their sector or have secured a specialized niche market. In certain circumstances, for example, the acquisition of a Québec business by a foreign company, the Fund may hold a small proportion of foreign securities.

Shareholder approval (by a majority of votes cast at a meeting of shareholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Portfolio Sub-Advisor uses a bottom up approach (a detailed analysis of the company) to select companies within a theme of long-term potential growth.

In evaluating the companies being considered for investment, the management team emphasizes relationships with management and pays particular attention to the business plan and the visibility of earnings of the companies.

Upon a material downturn of capital markets, the Portfolio Sub-Advisor will be allowed to depart from the investment strategy in order to redirect the investments in high grade securities such as the Canadian money market.

The Fund may invest up to 10% of the Fund's property in foreign securities.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Most of the Fund's assets are invested in equity securities of smaller capitalization issuers. As a result, the Fund is exposed to the following risks which are described on pages 2 to 4:

- credit risk
- currency risk
- foreign security risk
- interest rate risk
- large transaction risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

As at May 30, 2008 Millenia III Northwest Speciality Growth Fund held 20.70% (725,534 Series I units) of the units of the Fund.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors who take an interest in the success of the Québec economy and who wish to participate in its growth potential. The Fund is suitable for investors who have a moderate tolerance for risk and who plan to maintain their investment over the medium or long term – at least 3 years.

The Fund may or may not pay out distributions to shareholders in a given year. Therefore, it may not be suitable for those investors for whom a regular level of income is a key investment objective.

DISTRIBUTION POLICY

The Fund intends to pay ordinary dividends and capital gains dividends in December of each year to the extent necessary to ensure it will not have any net liability for tax under Part IV of the Tax Act on taxable dividends from taxable Canadian corporations or for tax under Part I of the Tax Act on net realized capital gains. As well, the Fund intends to pay such further dividends in December as are necessary to ensure that the Fund will qualify as an "investment corporation" under the Tax Act. All dividends will be reinvested in additional shares of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive shares in the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of Fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A shares or Series F shares of the Fund, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Fund's last completed financial year. Fees applicable to Series I shares are negotiated directly with each investor, subject to a variable performance fee described on page 14.

SPECIALTY FUNDS: NORTHWEST SPECIALTY GROWTH FUND INC.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable	
	Series A	Series F
One Year	23.63	13.72
Three Years	74.50	43.26
Five Years	130.58	75.82
Ten Years	297.24	172.60

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT CONSERVATIVE PORTFOLIO

FUND DETAILS

Type of Fund	Canadian and foreign balanced
Start Date	July 4, 2005 (Series A units) February 13, 2006 (Series F units)
Securities Offered	Series A units and Series F units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide income with some long-term capital growth primarily through exposure to fixed income investments and, to a lesser extent, exposure to Canadian and foreign equity securities.

To achieve its objective, the Portfolio invests in underlying mutual funds, which may be managed by Northwest, which hold equities and fixed income securities. The fundamental investment objective can't be changed unless unitholders of the Portfolio approve the change in a meeting.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

To achieve its objective, the Portfolio will invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest Canadian Bond Fund	45%
Northwest Global Growth and Income Fund	23%
Northwest Specialty Global High Yield Bond Fund	20%
Northwest Canadian Dividend Fund	12%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT CONSERVATIVE PORTFOLIO

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

Information about the other mutual funds held by the Portfolio is available in the Part B section of the applicable fund set out in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to its investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds were approximately as follows:

Northwest Canadian Bond Fund	47.5%
Northwest Global Growth and Income Fund	25.5%
Northwest Specialty Global High Yield Bond Fund	22.5%
Northwest Canadian Dividend Fund	14.5%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

Higher Risk Fixed Income Securities

Higher-yielding, higher risk income securities, like the securities in which the Fund invests, are subject to greater risk of loss of principal and income than higher-rated fixed income securities and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

An economic downtrend could adversely impact issuers as to the ability to pay interest and repay principal and could result in issuers defaulting on such payments. In addition, the value of lower rated or unrated corporate income securities is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower-rated or unrated income securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Lower-rated and unrated corporate bonds and notes are traded principally by dealers in the over-the-counter market. The market for these securities may be less active and less liquid than for higher rated

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT CONSERVATIVE PORTFOLIO

securities. Under adverse market or economic conditions, the secondary market for these bonds and notes could contract further, causing the Fund difficulties in valuing and selling its securities.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who have a low risk tolerance and have a short, medium or long term investment horizon – 1 year or longer. The Portfolio is suitable for investors who want interest and dividend income and who want to invest to a lesser extent in equities, both in Canada and around the world.

DISTRIBUTION POLICY

The Portfolio distributes income to unitholders on an annual basis. Prior to the end of each year, the Portfolio distributes its capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Portfolio unless you ask us in advance to be paid in cash rather than receive units in the Portfolio.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Portfolio with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Portfolio, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Portfolio's last completed financial year.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Expenses Payable	
Time Period	Series A	Series F
One Year	22.58	14.35
Three Years	71.20	45.22
Five Years	124.80	79.27
Ten Years	284.07	180.43

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT INCOME PORTFOLIO

FUND DETAILS

Type of Fund	Canadian income
Start Date	July 4, 2005 (Series A units) October 4, 2005 (Series F units)
Securities Offered	Series A units and Series F units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide income primarily through exposure to fixed income investments and, to a lesser extent, exposure to Canadian and foreign equity securities.

To achieve its objective, the Portfolio will invest in underlying mutual funds, which may be managed by Northwest, which hold primarily fixed income securities and, to a lesser extent, equities. The Portfolio's fundamental investment objective can't be changed unless unitholders of the Portfolio approve the change in a meeting.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

To achieve its objective, the Portfolio invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest Canadian Bond Fund	35%
Northwest Specialty Global High Yield Bond Fund	23%
Northwest Canadian Dividend Fund	15%
Northwest Global Growth and Income Fund	12%
Northwest U.S. Equity Fund	5%
Northwest EAFE Fund	5%
Northwest Global Equity Fund	5%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT INCOME PORTFOLIO

adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

Information about the other mutual funds held by the Portfolio is available in each Part B section of the applicable fund in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds were approximately as follows:

Northwest Canadian Bond Fund	37.5%
Northwest Specialty Global High Yield Bond Fund	25.5%
Northwest Canadian Dividend Fund	17.5%
Northwest Global Growth and Income Fund	14.5%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

Higher Risk Fixed Income Securities

Higher-yielding, higher risk income securities, like the securities in which the Fund invests, are subject to greater risk of loss of principal and income than higher-rated fixed income securities and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

An economic downtrend could adversely impact issuers as to the ability to pay interest and repay principal and could result in issuers defaulting on such payments. In addition, the value of lower rated or unrated corporate income securities is also affected by investors' perceptions. When economic conditions

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appear to be deteriorating, lower-rated or unrated income securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Lower-rated and unrated corporate bonds and notes are traded principally by dealers in the over-the-counter market. The market for these securities may be less active and less liquid than for higher rated securities. Under adverse market or economic conditions, the secondary market for these bonds and notes could contract further, causing the Fund difficulties in valuing and selling its securities.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who want to receive interest income from this investment on a regular basis and who want to invest to a lesser extent in Canadian and foreign equities. The Portfolio is suitable for investors who have a low to moderate risk tolerance and who plan to maintain their investment over the medium or long term – 3 years or longer.

DISTRIBUTION POLICY

The Portfolio will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.05 per unit. Prior to the end of each year, the Portfolio will distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Portfolio unless you ask us in advance to be paid in cash rather than receive units in the Portfolio.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Portfolio with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Portfolio, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Portfolio's last completed financial year.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Expenses Payable	
Time Period	Series A	Series F
One Year	24.16	14.86
Three Years	76.15	46.86
Five Years	133.48	82.14
Ten Years	303.84	186.97

Please see "*Fees and Expenses*" for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT BALANCED PORTFOLIO

FUND DETAILS

Type of Fund	Balanced
Start Date	October 26, 2007 (Series A units and Series F units)
Securities Offered	Series A units and Series F units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide long-term capital growth and preservation of capital through exposure to foreign and Canadian equity securities and exposure to fixed income investments.

To achieve its objective, the Portfolio will invest in underlying mutual funds, which may be managed by Northwest, which hold equities and fixed income securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

To achieve its objective, the Portfolio invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest Canadian Bond Fund	25%
Northwest Specialty Global high Yield Bond Fund	17%
Northwest Global Growth and Income Fund	13%
Northwest Canadian Dividend Fund	12%
Northwest Canadian Equity Fund	11%
Northwest Global Equity Fund	10%
Northwest EAFE Fund	7%
Northwest U.S. Equity Fund	5%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT BALANCED PORTFOLIO

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

Information about the other mutual funds held by the Portfolio is available in each Part B section of the applicable fund in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds were approximately as follows:

Northwest Canadian Bond Fund	25%
Northwest Specialty Global high Yield Bond Fund	17%
Northwest Global Growth and Income Fund	13%
Northwest Canadian Dividend Fund	12%
Northwest Canadian Equity Fund	11%
Northwest Global Equity Fund	10%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who are looking for long term growth and preservation of capital. The Portfolio is suitable for investors who have low to moderate risk tolerance and plan to maintain their investment for the medium to long term – 3 years or longer.

DISTRIBUTION POLICY

The Portfolio will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.055 per unit. Prior to the end of each year, the Portfolio will distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT BALANCED PORTFOLIO

additional units of the same series of the Portfolio unless you ask us in advance to be paid in cash rather than receive units of the Portfolio.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available because this Portfolio is new.

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT BALANCED GROWTH PORTFOLIO

FUND DETAILS

Type of Fund	Canadian and foreign balanced
Start Date	July 4, 2005 (Series A units) January 25, 2006 (Series F units)
Securities Offered	Series A units and Series F units*
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

* The Portfolio also distributes Series I units on a private placement basis.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide income with some long-term capital growth primarily through exposure to Canadian and foreign equity securities and, to a lesser extent, exposure to fixed income investments.

To achieve its objective, the Portfolio will invest in underlying mutual funds, which may be managed by Northwest, which hold equities and fixed income securities. The Portfolio's fundamental investment objective can't be changed unless unitholders of the Portfolio approve the change in a meeting.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

To achieve its objective, the Portfolio invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest Global Growth and Income Fund	15%
Northwest Global Equity Fund	15%
Northwest Canadian Bond Fund	15%
Northwest Canadian Equity Fund	13%
Northwest Specialty Global High Yield Bond Fund	12%
Northwest Canadian Dividend Fund	10%
Northwest EAFE Fund	9%
Northwest U.S. Equity Fund	6%
Northwest Specialty Equity Fund	5%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT BALANCED GROWTH PORTFOLIO

underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

Information about the other mutual funds held by the Portfolio is available in the Part B section of the applicable fund in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to its investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- large transaction risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

As at May 30, 2008 Millenia Northwest Dynamic Portfolio held 23.75% (2,085,212 Series I units) of the units of the Portfolio.

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds was as follows:

Northwest Global Growth and Income Fund	17.5%
Northwest Global Equity Fund	17.5%
Northwest Canadian Bond Fund	17.5%
Northwest Canadian Equity Fund	15.5%
Northwest Specialty Global High Yield Bond Fund	14.5%
Northwest Canadian Dividend Fund	12.5%
Northwest EAFE Fund	11.5%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

Higher Risk Fixed Income Securities

Higher-yielding, higher risk income securities, like the securities in which the Fund invests, are subject to greater risk of loss of principal and income than higher-rated fixed income securities and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

An economic downtrend could adversely impact issuers as to the ability to pay interest and repay principal and could result in issuers defaulting on such payments. In addition, the value of lower rated or unrated corporate income securities is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower-rated or unrated income securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Lower-rated and unrated corporate bonds and notes are traded principally by dealers in the over-the-counter market. The market for these securities may be less active and less liquid than for higher rated securities. Under adverse market or economic conditions, the secondary market for these bonds and notes could contract further, causing the Fund difficulties in valuing and selling its securities.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who are looking for long term growth but also some income. The Portfolio is suitable for investors who have low to moderate risk tolerance and plan to maintain their investment for the medium to long term – 3 years or longer.

DISTRIBUTION POLICY

The Portfolio will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.07 per unit. Prior to the end of each year, the Portfolio will distribute any excess income and capital gains to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. This distribution policy may be changed, depending upon future market conditions. In each case, distributions will be reinvested by purchasing additional units of the same series of the Portfolio unless you ask us in advance to be paid in cash rather than receive units in the Portfolio.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Portfolio with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Portfolio, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Portfolio's last completed financial year.

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT BALANCED GROWTH PORTFOLIO

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Expenses Payable	
Time Period	Series A	Series F
One Year	25.73	15.38
Three Years	81.11	48.50
Five Years	142.17	85.01
Ten Years	323.63	193.51

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT GROWTH PORTFOLIO

FUND DETAILS

Type of Fund	Global equity
Start Date	October 26, 2007 (Series A units and Series F units)
Securities Offered	Series A units and Series F units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide long-term capital growth primarily through exposure to foreign and Canadian equity securities and to a lesser extent exposure to fixed income investments.

To achieve its objective, the Portfolio will invest in underlying mutual funds, which may be managed by Northwest, which hold equities and fixed income securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

To achieve its objective, the Portfolio invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest Global Equity Fund	15%
Northwest Canadian Equity Fund	14%
Northwest EAFE Fund	14%
Northwest Specialty Global High Yield Bond Fund	13%
Northwest Global Growth and Income Fund	12%
Northwest U.S. Equity Fund	9%
Northwest Specialty Equity Fund	8%
Northwest Canadian Dividend Fund	5%
Northwest Specialty Innovations Fund	5%
Northwest Canadian Bond Fund	5%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT GROWTH PORTFOLIO

adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

Information about the other mutual funds held by the Portfolio is available in each Part B section of the applicable fund in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds were approximately as follows:

Northwest Global Equity Fund	17.5%
Northwest Canadian Equity Fund	16.5%
Northwest EAFE Fund	16.5%
Northwest Specialty Global High Yield Bond Fund	15.5%
Northwest Global Growth and Income Fund	14.5%
Northwest U.S. Equity Fund	11.5%
Northwest Specialty Equity Fund	10.5%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who are looking for long term growth through exposure to Canadian and foreign equities. The Portfolio is suitable for investors who have moderate risk tolerance and plan to maintain their investment for the medium to long term – 3 years or longer.

DISTRIBUTION POLICY

The Portfolio will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.06 per unit. Prior to the end of each year, the Portfolio will distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Portfolio unless you ask us in advance to be paid in cash rather than receive units of the Portfolio.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available because this Portfolio is new.

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT GLOBAL GROWTH PORTFOLIO

FUND DETAILS

Type of Fund	Global balanced
Start Date	June 21, 2007 (Series A units) October 17, 2007 (Series F units)
Securities Offered	Series A units and Series F units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide income with some long-term capital growth primarily through exposure to Canadian and foreign equity securities and, to a lesser extent, exposure to fixed income investments.

To achieve its objective, the Portfolio will invest in underlying mutual funds, which may be managed by Northwest, which hold equities and fixed income securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

To achieve its objective, the Portfolio invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest U.S. Equity Fund	25%
Northwest Global Growth and Income Fund	25%
Northwest Global Equity Fund	20%
Northwest EAFE Fund	15%
Northwest Specialty Global High Yield Bond Fund	15%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT GLOBAL GROWTH PORTFOLIO

their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

Information about the other mutual funds held by the Portfolio is available in each Part B section of the applicable fund in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds were approximately as follows:

Northwest U.S. Equity Fund	27.5%
Northwest Global Growth and Income Fund	27.5%
Northwest Global Equity Fund	22.5%
Northwest EAFE Fund	17.5%
Northwest Specialty Global High Yield Bond Fund	17.5%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who are looking for long term growth but also some income. The Portfolio is suitable for investors who have moderate risk tolerance and plan to maintain their investment for the medium to long term – 3 years or longer.

DISTRIBUTION POLICY

The Portfolio will seek to pay a monthly distribution, consisting of income and/or return of capital, equal to \$0.06 per unit. Prior to the end of each year, the Portfolio will distribute any excess income and capital gains to its unitholders as of the distribution date. This distribution policy may be changed, depending upon future market conditions. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Portfolio unless you ask us in advance to be paid in cash rather than receive units of the Portfolio.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Portfolio with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units of the Portfolio for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Portfolio's last completed financial year. This information is not available for the Series F units of the Portfolio as they are new.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Time Period	Expenses Payable
	Series A
One Year	28.99
Three Years	91.39
Five Years	160.19
Ten Years	364.63

Please see "*Fees and Expenses*" for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT GLOBAL EQUITY PORTFOLIO

FUND DETAILS

Type of Fund	Global equity
Start Date	October 26, 2007 (Series A units and Series F units)
Securities Offered	Series A units and Series F units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide long-term capital growth primarily through exposure to foreign equities.

To achieve its objective, the Portfolio will invest in underlying mutual funds, which may be managed by Northwest, which hold equities and fixed income securities.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

To achieve its objective, the Portfolio invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest Global Equity Fund	25%
Northwest U.S. Equity Fund	25%
Northwest EAFE Fund	25%
Northwest Global Growth and Income Fund	25%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT GLOBAL EQUITY PORTFOLIO

Information about the other mutual funds held by the Portfolio is available in each Part B section of the applicable fund in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- large transaction risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

As at May 30, 2008 two individual investors owned 14.98% (8,794 Series A units) and 12.55% (7,364 Series A units) respectively and Northwest Mutual Funds Inc. held 25.87% (15,183 Series A units) of the units of the Portfolio.

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds were approximately as follows:

Northwest Global Equity Fund	27.5%
Northwest U.S. Equity Fund	27.5%
Northwest EAFE Fund	27.5%
Northwest Global Growth and Income Fund	27.5%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who are looking for long term capital appreciation through exposure to foreign equities without significant income. The Portfolio is suitable for investors who have moderate risk tolerance and plan to maintain their investment for the medium to long term – 3 years or longer.

DISTRIBUTION POLICY

Prior to the end of each year, the Fund distributes its income and capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

This information is not available because this Portfolio is new.

Please see “*Fees and Expenses*” for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST QUADRANT ALL EQUITY PORTFOLIO

FUND DETAILS

Type of Fund	Canadian and foreign equity
Start Date	July 4, 2005 (Series A units) February 13, 2006 (Series F units)
Securities Offered	Series A units and Series F units
Eligibility for Deferred Income Plans	Units are qualified investments for RRSPs, RESPs, RRIFs, and similar deferred income plans.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The Portfolio's investment objective is to provide long-term capital growth primarily through exposure to Canadian and foreign equities.

To achieve its objective, the Portfolio will invest in underlying mutual funds, which may be managed by Northwest, which hold primarily equities. This will allow the Portfolio to obtain diversified exposure to equity securities around the world. The Portfolio's fundamental investment objective can't be changed unless unitholders of the Portfolio approve the change in a meeting.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The principal investment strategy of the Portfolio is to invest in underlying mutual funds which have long-term growth as their investment objective. To achieve its objective, the Portfolio invests in the following underlying funds, either by purchasing units of the underlying funds or using derivatives which provide exposure to the underlying funds or the securities held by the underlying funds. The current target weightings for investments in the underlying funds are set out below:

Northwest Canadian Equity Fund	22%
Northwest Global Equity Fund	20%
Northwest EAFE Fund	17%
Northwest Canadian Dividend Fund	16%
Northwest U.S. Equity Fund	10%
Northwest Specialty Equity Fund	10%
Northwest Specialty Innovations Fund	5%

An investment in an underlying fund will generally not be more than 2.5% above or below the target weighting (excluding the cash in the Portfolio). If market movements cause the actual weighting of an underlying fund to vary by more than 2.5% above or below the target weighting, we will, on at least a quarterly basis, make the necessary changes to bring the Portfolio back to within 2.5% of the target weighting. The Portfolio may depart temporarily from its fundamental investment objective as a result of

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT ALL EQUITY PORTFOLIO

adverse market, economic, political or other considerations. If so, we may, as a temporary measure, increase the cash or short-term money market investments held by the Portfolio.

We can change the target weighting of an underlying fund, remove an underlying fund from the list of underlying funds or add a new underlying fund. We select and monitor underlying funds and determine their weightings with consideration for, among other factors, each underlying fund's investment objectives and strategies, past performance and volatility in determining the suitability of underlying funds to meet this Portfolio's investment objectives.

Information about the other mutual funds held by the Portfolio is available in the Part B section of the applicable fund in this simplified prospectus.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Portfolio will be primarily exposed to the following risks which are described on pages 2 to 4 due to its investments in the underlying funds:

- credit risk
- currency risk
- derivative risk
- foreign security risk
- interest rate risk
- liquidity risk
- multiple series risk
- smaller company risk
- specific issuer risk
- stock market risk

In the last twelve-month period, the Portfolio has held more than 10% of its net assets in certain other mutual funds. The maximum percentage of the net assets of the Portfolio invested in the securities of such other mutual funds were approximately as follows:

Northwest Canadian Equity Fund	24.5%
Northwest Global Equity Fund	22.5%
Northwest EAFE Fund	19.5%
Northwest Canadian Dividend Fund	18.5%
Northwest U.S. Equity Fund	12.5%
Northwest Specialty Equity Fund	12.5%

As a result, the Portfolio will be exposed to the risks associated with these other mutual funds which are described in each Part B section of the applicable fund in this simplified prospectus.

WHO SHOULD INVEST IN THE FUND?

The Portfolio is suitable for investors who have a focus on capital appreciation over the long term and do not expect regular income from this investment. The Portfolio is suitable for investors who have a moderate tolerance for risk and who plan to maintain their investment over the medium or long term – 3 years or longer.

QUADRANT PORTFOLIOS: NORTHWEST QUADRANT ALL EQUITY PORTFOLIO

Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short term.

DISTRIBUTION POLICY

The Portfolio distributes income to unitholders on an annual basis. Prior to the end of each year, the Portfolio distributes its capital gains, if any, to its unitholders as of the distribution date. Northwest reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Portfolio unless you ask us in advance to be paid in cash rather than receive units in the Portfolio.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some fees and expenses out of fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The table below is intended to help you compare the cumulative cost of investing in this Portfolio with the cost of investing in other mutual funds.

This example assumes that (i) you invest \$1,000 in Series A units or Series F units of the Portfolio, as the case may be, for the time periods indicated, (ii) your investment has an annual 5% return, and (iii) the series management expense ratio and operating expenses would be the same throughout the ten year period as they were in the Portfolio's last completed financial year.

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	Expenses Payable	
Time Period	Series A	Series F
One Year	27.73	17.36
Three Years	87.41	54.74
Five Years	153.21	95.94
Ten Years	348.74	218.39

Please see "*Fees and Expenses*" for more information about the costs of investing in the Northwest Mutual Funds.

NORTHWEST MUTUAL FUNDS

(Series A units, Series F units and Series I units unless otherwise indicated)

CORE FUNDS

Northwest Money Market Fund (Series A units and Series I units)
Northwest Canadian Equity Fund
Northwest Canadian Bond Fund
Northwest Canadian Dividend Fund
Northwest Growth and Income Fund
Northwest Global Equity Fund
Northwest U.S. Equity Fund
Northwest EAFE Fund
Northwest Global Growth and Income Fund

SPECIALTY FUNDS

Northwest Specialty High Yield Bond Fund
Northwest Specialty Global High Yield Bond Fund
Northwest Specialty Equity Fund
Northwest Specialty Innovations Fund
Northwest Specialty Growth Fund Inc.

QUADRANT PORTFOLIOS

Northwest Quadrant Conservative Portfolio (Series A and Series F units)
Northwest Quadrant Income Portfolio (Series A and Series F units)
Northwest Quadrant Balanced Portfolio (Series A units and Series F units)
Northwest Quadrant Balanced Growth Portfolio (Series A and Series F units)
Northwest Quadrant Growth Portfolio (Series A units and Series F units)
Northwest Quadrant Global Growth Portfolio (Series A and Series F units)
Northwest Quadrant Global Equity Portfolio (Series A units and Series F units)
Northwest Quadrant All Equity Portfolio (Series A and Series F units)

Additional information about the Funds is available in the Funds' Annual Information Form, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free 1-888-809-3333 if you are outside the Toronto area or 416-594-6633 in the Toronto area, or from your dealer or by e-mail at clientservice@northwestfunds.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Northwest Mutual Funds' internet site at www.northwestfunds.com or at www.sedar.com.

Manager of the Funds: Northwest & Ethical Investments L.P.
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