



## FOR IMMEDIATE RELEASE

### **Canada's Provincial Credit Union Centrals and Desjardins Group Join Forces to Increase Growth of The Ethical Funds Company and Northwest Mutual Funds Inc.**

*New partnership is poised to become one of the fastest growing mutual fund companies in the country*

**Montreal, Toronto and Vancouver, September 19<sup>th</sup>, 2007** — Canada's Provincial Credit Union Centrals and Desjardins Group announce the creation of a strategic partnership aimed at increasing the growth rate of The Ethical Funds Company (Ethical Funds<sup>®</sup>) and Northwest Mutual Funds Inc. (Northwest Funds) through enhanced distribution of their products.

The partnership creates a national investment firm with \$5.5 billion in assets under management, poised to become one of the fastest growing mutual fund companies in the country. Northwest Funds and Ethical Funds will be owned 50% by the Provincial Credit Union Centrals and 50% by Desjardins Group. The products of both companies will continue to be offered under their own corporate brands and through their existing networks. In addition they will also be promoted through the other partner's distribution network.

The management team of the combined fund company will be formed with executives from Ethical Funds and Northwest Funds. Ethical Funds' President and CEO Don Rolfe will act as Chief Executive Officer and Northwest Funds' President and COO Michael Butler will act as its Chief Operating Officer.

"Desjardins Group wholeheartedly supports this opportunity to create a strong, jointly beneficial partnership with the Canadian credit unions. This is another step towards creating a stronger financial cooperative movement in Canada. Furthermore, our cooperative and sustainable development values are well aligned and we see this as a unique opportunity to foster additional growth for Northwest," says Alban D'Amours, President and CEO of Desjardins Group.

"This partnership enhances the opportunity for Ethical Funds to accelerate growth, while retaining its distinctive brand and investment objectives," says Allan Morin, Chair of The Ethical Funds Company. "As a result, Ethical Funds will become an even stronger champion for the principles of socially responsible investing and shareholder action."

### A new, unique offering to Canadian investors

“Ethical Funds is extremely pleased to be partnering with such well established firms as Desjardins and Northwest,” says Don Rolfe, President and CEO of Ethical Funds. “We share common and unique commitments towards fostering sustainability and assisting Canadians in achieving their financial aspirations. This is a great opportunity and we are all committed to its success.”

“Northwest Mutual Funds sees great potential in the SRI category, and this partnership will allow us to broaden our product lines and maintain our focus on better returns with less risk for unitholders. This partnership will lead to increased financial strength and better competitive positioning for both fund families,” says Northwest Funds’ President and COO Michael Butler.

Ethical Funds and Northwest Funds unitholders, as well as the caisses populaires, credit union and independent advisor networks stand to benefit from a larger team of investment managers with excellent track records for creating long-term growth. It is also anticipated that economies of scale generated by the common management of both fund families on one technological platform will work to eventually lower management expense ratios for the mutual funds.

The head office of the new firm will be based in Toronto. Ethical Funds will continue to be based in Vancouver and Northwest Funds in Toronto, with both companies’ existing sales teams remaining in place across the country.

Desjardins Group and the Provincial Credit Union Centrals anticipate the transaction will receive regulatory approval and close by the end of 2007.

### Ethical Funds

The Ethical Funds Company is Canada's leading manager of socially responsible mutual funds. Founded in 1992, Ethical Funds is owned by the Provincial Credit Union Centrals and manages 26 funds with \$2.67 billion in assets as of August 31, 2007. Ethical Funds has established a strong track record in SRI investing with its commitment to delivering performance as well as giving investors a voice in encouraging sustainable business practices. To find out more, visit [www.ethicalfunds.com](http://www.ethicalfunds.com).

### Northwest Funds

Northwest Mutual Funds Inc. was created in 1997, and acquired by Desjardins Group in 2003. With \$2.78 billion in assets under management as of August 31, 2007, Northwest has become one of the fastest growing and best performing mutual fund companies in the industry (IFIC), providing superior customer service and exceptional portfolio management. To find out more, visit [www.northwestfunds.com](http://www.northwestfunds.com).

## The Canadian Credit Unions

Canada's Provincial Credit Union Centrals of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia and Prince Edward Island collectively own 100% of The Ethical Funds Company. They also own 50% of Credential Financial Inc., which distributes Ethical Funds through member credit unions. The Provincial Credit Union Centrals represent ownership by more than 400 credit unions across the country with assets totaling \$99 billion as of June 30, 2007. To find out more, visit [www.cucentral.com](http://www.cucentral.com).

## About Desjardins Group

Desjardins Group is the largest integrated cooperative financial group in Canada, with overall assets of more than \$143 billion, as of June 30, 2007. It comprises a network of caisses, credit unions and business centres in Québec and Ontario, and some twenty subsidiary companies in life and general insurance, securities brokerage, venture capital and asset management, many of which are active across the country. Drawing on the expertise of its 40,000 employees and the commitment of 7,020 elected officers, Desjardins offers its 5.8 million individual and corporate members and clients a full range of financial products and services. Its physical distribution network is complemented by leading virtual access methods. To find out more, visit [www.desjardins.com](http://www.desjardins.com).

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