



**Northwest Mutual Funds announces intention to close
the Northwest Specialty High Yield Bond Fund**

January 7, 2005 [Toronto, ON] Northwest Mutual Funds Inc. ("Northwest") today announced its intention to close the Northwest Specialty High Yield Bond Fund, effective January 15, 2005. The Fund will be closed to new purchases, but will remain open for: purchases of the Fund as part of the Northwest Quadrant Portfolio asset allocation service, existing pre-authorized payment plans and automatically reinvested distributions.

The news comes after Northwest announced in December the closing of the Northwest Specialty Equity Fund, also effective January 15, 2005.

“Both Northwest and the portfolio manager feel that conditions within the high yield bond sector are such that a sharp increase in cash flows into the Fund would dilute the Fund’s returns,” says Michael Butler, president and COO, Northwest Mutual Funds. “Since the key principle of investing is to buy low and sell high and our number one priority is to protect current unitholders, we felt that closing the Fund to new investors provides us with the best opportunity to continue producing better returns with less risk.”

Portfolio manager, Doug Knight of Deans Knight Capital Ltd. has been the sub-advisor to the Northwest Specialty Equity Fund since November 2000. The Fund was recently named “High Yield Bond Fund of the Year” at the *2004 Canadian Investment Awards*.

Northwest reserves the right to reopen the Northwest Specialty High Yield Bond Fund at a future date.

About Northwest Mutual Funds Inc.

With over \$1.4 billion in assets under administration, Northwest has consistently been one of the fastest growing fund companies in Canada (IFIC). Launched by Butler in 1997, Northwest today is a wholly owned subsidiary of Desjardins Trust who purchased Northwest in September 2003. Northwest is headquartered in Toronto with offices in Vancouver and Montreal. Northwest Funds are distributed solely through financial advisors and stock brokers. For more information go to www.northwestfunds.com

Annualized Returns as at December 31, 2004	3 Mo.	6 Mo.	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Northwest Specialty High Yield Bond Fund	5.1%	11.1%	14.2%	14.2%	14.9%	8.7%	8.0%

Northwest announces closing of Northwest Specialty High Yield Bond Fund (cont'd)

The Northwest Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing.

- 30 -

For more information or to arrange an interview with Michael Butler of Northwest Mutual Funds Inc., or Doug Knight of Deans Knight Capital Ltd., please contact Susan Willemsen at The Siren Group Inc. Tel: (416) 481-2889. Fax: (416) 481-6061.

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