



Sustainable Finance

Market Performance - Selected Markets for the Week Ended November 20, 2009					Selected Rates (Institutional)	
Market	Dec 31, 2008	20-Nov-09	YTD Change	YTD % Change	Description	Price/Rate Nov 20, 2009
S&P TSX	8,987.70	11,579.33	2,591.63	28.84%	CDN/USF	1.0696
Dow Jones	8,776.39	10,318.16	1,541.77	17.57%	CDN/EURO	1.5904
S&P 500	903.25	1,091.38	188.13	20.83%	CDN/CHF	1.0508
Nasdaq	1,577.03	2,146.04	569.01	36.08%	CDN/YEN	0.0120
Nikkei 225	8,859.56	9,497.68	638.12	7.20%	Total CPI -Canada TTM (10/09)	0.10%
FTSE 100	4,434.20	5,251.41	817.21	18.43%	Total CPI - USA TTM (10/09)	-0.20%
Dax	4,810.20	5,663.15	852.95	17.73%	Total CPI - Euro TTM (10/09)	-0.10%
Hang Seng	14,387.48	22,455.84	8,068.36	56.08%	GOC 1 Yr T-Bill	0.50%
Shanghai	1,820.81	3,308.35	1,487.54	81.70%	GOC 5 Year	2.58%
DJSI World TR	945.46	1,275.64	330.18	34.92%	GOC 10 Year	3.38%
DJSI North America TR	92.85	118.39	25.54	27.51%	GOC 30 Year	3.92%
Jantzi Social Index TR	128.27	171.42	43.15	33.64%	Gold USF/Oz	1,146.40
FTSE 4Good Global 100	3,384.13	4,197.23	813.10	24.03%	Oil USF/BBL WTI Cushing Spot	76.72

Week in Review

It was a mixed global market this week. Some markets up and some markets down. But it was also an interesting one as they tend to be.

Of particular interest were the comments made about the US dollar by Mr. Bernanke of the Federal Reserve in the US. Apparently they are watching it closely and talking about a strong dollar.

Talk is cheap. How can you have a strong dollar when you are running current and budgetary deficits?

Of course gold answered this question by gaining another \$30.00 USF this week.

Of even more interest is the fact that US core inflation, that magic number that ignores food and energy or better known as Dead Man's inflation, continues to

remain stubbornly near to the 2.00% target for the US Fed at 1.7% year over year. And the economists are wondering how this can be when you have so much excess industrial capacity.

Well, when you import as much as the US does and you have a weakening currency, you get inflation. Prices rise on the imported stuff because it costs you more US dollars to

buy the foreign currency to buy your imports.

So you can still get inflation even if you have a lot of factories sitting around not being used, likely because they were beaten out by cheaper imported goods.

The US should thank China for pegging its exchange rate at 6.8 RMB to the US Dollar. If they ever let it float Chinese goods will become more

expensive and inflation in the US will rise.

As for the markets, in North America we had a mixed bag. The TSX in Canada was up 1.91% and the Dow Jones in the US gained 0.54%. However, the S&P 500 lost 0.23% and the NASDAQ was down a dismal 1.38%.

In Asia the Chinese Shanghai was up a whopping 6.63% while the Hang Seng

fell 0.68% and the Nikkei 225 in Japan, that anaemic excuse for a stock market index, fell 3.08% which leaves it within 7.20% of its start of the year figure.

Europe was off with the UK FTSE 100 down 1.01% and the German DAX falling 0.49%.

The Sustainability / Socially Responsible indexes had a mixed week as well. The DJSI North America

was up 0.82%, the Jantzi Social Index gained 2.92% and the FTSE 4Good fell 1.61%.

Not sure what to expect next week but I can say that markets displayed an unfamiliar resiliency this week. Sometimes falling at the open only to gain most is not all back by the end of the session.

Hmmm maybe time to start thinking about getting in again.

Water on the Moon

You may have heard in the last two weeks that NASA has found water on the moon.

On October 9, 2009 NASA basically crashed a rocket and sensing satellite into the moon. What this did was to cause a plume of lunar dust which was then analyzed by the sensors for composition.

According to NASA officials the equivalent of 25 gallons of water was estimated to have been stirred up by the explosion.

Next came prognostications on what this all means for space travel. Ideas ranged from being able to convert the water to hydrogen and oxygen for future space travel that would allow for

longer missions to establishing a scientific lunar colony.

We were also reminded that ex-President Bush had proposed \$ 100 billion to take astronauts to the Moon and then onto Mars.

And of course, this would not have been complete without former Astronaut Buzz Aldrin stating that he still believes that the US should focus on colonizing Mars.

I may be dating myself when I say that I was watching TV the day the Apollo 11 mission landed on the Moon and Buzz Aldrin and Neil Armstrong took their stroll on its dusty terra firma.

I also heard Neil

Armstrong say "This is one small step for man, one giant leap for mankind."

I was excited, I was full of hope, I was dreaming of being an Astronaut, and I was 8 years old.

Four decades later I am older and much wiser. So it may come as no surprise to you that finding water on the moon and all the hype around it are now met with wonderment of a different kind.

I wonder why it is that mankind, having taken that great leap 40 years ago, cannot address the many problems on the planet with the same fervor, determination, commitment and budgets that are regularly committed by world governments to

endeavours of this kind?

To me, the concept of spending billions and ultimately trillions of taxpayer's dollars on Moon exploration or Mars exploration and possibly colonization is just the most ridiculous thing I have ever heard of now.

We have, under our feet, one of the most amazing planets in the Universe. And accepting that there may be other just as wonderful planets, the reality is we do not know of any.

So why would we not spend our time and effort making sure that the one planet that we have that can support us remains that way? And while we are at it make it so that everyone on the planet is taken care of

appropriately.

Why it occurs to anyone on this planet that the establishment of a colony or a base on the Moon or Mars is even a good idea escapes me because the underlying logic fails all tests of reasonableness.

It cannot be justified on learning more about Earth. You can explore the Earth to do that. And the argument that we could have an extra place to live is just insane. Can you imagine the resources from and already overextended Earth that would be required to do so?

As I listened to the news reports about the discovery of water on the moon I thought of a list of discoveries that may serve our planet and

the people resident on it so much better. They are:

Discover a way to end war. Discover a way to end pollution of all forms. Discover a way to feed, without harm, all people on the planet. Discover a way to efficiently use the re-

sources of the planet without destroying its beauty. Discover transportation that powers itself with no pollution. Discover non-polluting energy generation.

Maybe then I'll get excited about water on the moon.

November 20, 2009 Volume 1 Issue 18

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Selected News Articles

UK small wind blows strong despite recession

(London) Britain's small wind sector is booming despite the recession as many rural homes, farms or small businesses are putting up turbines in the yard to counter higher energy prices and blackouts.

Orders for turbines with less than 50 kilowatts capacity have soared before the introduction in April of feed-in-tariffs for small renewables, a system similar to those that have propelled wind farm growth in Germany or Spain.

"In terms of UK, orders have tripled already," said Pete Allen, chief executive officer of Evance, which makes stand alone turbines with capacity of 5 kilowatts -- enough to power two average homes in Britain.

"The UK market is set to double next year," he told Reuters.

It is a sea change in the country, which has failed to speed up construction of on-shore farms despite its plentiful wind. Onshore projects have often stalled due to local objections.

To help achieve an 80 percent cut in carbon emissions by 2050 from the 1990 level, the government announced in July it would introduce the feed-in-tariffs for small green generation of up to 5 megawatts. The tariff levels are yet to be decided.

It also comes at a time when a third of Britain's power generators, including coal and nuclear, are starting to retire, triggering worries over possible power shortages next decade.

The British Wind Energy Association (BWEA) calculated the feed-in-tariffs would cut pay-back time for turbines of less than 1.5 kilowatts at windy sites to less than 10 years

and for 5-6 kilowatt turbines to less than five years.

"With fossil fuel prices inevitably going to increase sharply, interest in self-generation is going to increase," said Alex Murley, small system manager at BWEA.

"The UK market is already the second biggest in the world, behind the U.S., accounting for 20-25 percent of the global demand," he added.

The BWEA projects more than 12,000 units of small turbines to be deployed in Britain next year after about 3,500 units -- or 7.2 megawatts -- were installed last year.

Under the scheme, owners of small renewables are paid a fixed tariff for every unit of electricity they generate. They can avoid or limit purchasing power from the grid. They can also sell a surplus, if any, to the grid for a

fixed rate.

TOP GROWTH WIND, EXPORTS

"It is the fastest growing part of the wind market," said Stephen Mahon from Low Carbon Investors UK, a venture capital investing in clean energy, including small wind.

"Globally the market is probably about 150 million pounds...We expect this to become a multi-billion pound market over the next five years," Mahon told Reuters.

Growth will come mainly from Britain and the United States.

Though Britain has failed to attract leading large turbine makers, such as Vestas or Suzlon, it is home to 18 manufacturers of small wind turbines, including Scotland's Proven Energy, a world leader in this category.

The country is already the world's top

exporter of small turbines and it is benefitting from generous subsidies in the United States, where the industry is projected to grow 30-folds to 1,700 megawatts by end-2013. It grew 78 percent last year.

BWEA expected British exports of small turbines to exceed 13,000 units next year after a forecast 2009 jump to around 9,500 units this year from around 32,000 units last year.

"We predict a dramatic increase in all regions, particularly the UK," said Peter Griffiths, marketing manager of Proven Energy. "Certainly there will be a double digit growth in the run-up to UK feed-in-tariffs," he told Reuters.

Proven Energy, taken over by investment company Low Carbon Accelerator Ltd in October, has sold about 2,500 units of its 3.2-15 kilowatt turbines worldwide

since 1992, though most were installed in the past three years.

SAVING COSTS

While government incentives are crucial for small turbines at present, costs for deploying small turbines are set to come down as production volume increases. Some industry officials saw government support becoming redundant in 5-10 years.

"It's still early days," said BWEA's Murley. "Costs of the technology will come down, while the costs of fossil fuel will go up, which will make small turbines (economically) viable."

He said setting up a turbine of about 5 kilowatt cost about 20,000 pounds per unit, similar to a small family car, though such cars had 200 times as many components as the turbine.

"The key is the vol-

ume," Murley said. "If the volume reaches 5,000 or 50,000 units...suddenly the costs of that is much less than the car."

Evance's Allen agreed, saying: "If we made the technology we have today in high volumes, we could bring the costs down by as much as 80 percent."

"If it all went up to the same volume as solar PV (photovoltaic), it will be about 10 times as cost effective...I would like to think that we would be able to reach that point within the next 5-10 years," he added.

Reuters
November 19, 2009
By Nao Nakanishi

We must go through a natural revolution if we are to survive on earth. We need to change people's perceptions. If there's no environment, there's no human race. We are in a state of global denial.

Ted Turner

Dutch drivers to pay tax on road time, not on car

AMSTERDAM — The Dutch government plans to bring the polluter-pays principle into the home garage.

Rather than an annual road tax for their cars, drivers will soon pay a few cents for every kilometer (mile) on the road, in a plan aimed at breaking chronic traffic jams and cutting carbon emissions, the Cabinet decided Friday.

The GPS monitoring system could be a test case for other countries weighing options for easing crowded roads.

Some cities like London have created congestion charges to control traffic in downtown areas, but only Singapore has a similar scheme for charging according to the amount of travel.

When the plan takes effect in 2012, new car prices will drop as much as 25 percent with the abolition of a purchase tax and the road tax, which now totals more than euro 600 (\$900) per year for a mid-sized car.

Instead, an average passenger car will pay euro 0.03 per 1 kilometer (\$0.07 per mile), with higher

charges levied during rush hour and for traveling on congested roads. Trucks, commercial vehicles and bigger cars emitting more carbon dioxide will be assessed at a higher rate, the Transport Ministry said.

The GPS devices installed in cars will track the time, hour and place each car moves and send the data to a billing agency.

The Netherlands — and especially the coastal area encompassing the cities of Amsterdam, The Hague and Utrecht —

has one of the most burdened road networks in Europe, with traffic jams likely at dozens of places virtually throughout the day. Hourly broadcasts report where the traffic is snarled, but often few alternatives exist to escape the highways.

The ministry said the new GPS monitoring system would discourage drivers from clogging the highways during peak hours, and in some cases, from driving at all. It estimated traffic would drop 15 percent and rush-hour congestion would be

halved when drivers begin getting regular bills.

With less traffic and perhaps fewer stressed drivers, fatal accidents should fall 7 percent, and carbon emissions from road travel would be cut by 10 percent, the ministry said.

The tax will ratchet up every year until 2018 and could be adjusted if it fails to change traffic patterns.

Opponents were concerned the system will be a heavy burden on business drivers and could cost the

government more than euro1 billion (\$1.5 billion) a year in tax income.

But the government figured nearly six out of 10 drivers would benefit while tax revenue would remain the same. Public transportation, including taxis, will be exempt.

"The goal is a different manner of paying for mobility that is more fair. Not paying more, but paying differently, with a positive income effect for most households," Traffic Minister Camiel Eurlings said Friday.

The kilometer tax has been debated for 20 years, raising other concerns that it would intrude on privacy.

The ministry said, however, the information collected by GPS would be "legally and technically protected," and the data would not be accessible to the government for other purposes. "The privacy of road users is protected," it said.

The Associated Press
November 15, 2009
By Arthur Max
