



Sustainable Finance

Market Performance - Selected Markets for the Week Ended January 29, 2010					Selected Rates (Institutional)	
Market	Dec 31, 2009	Jan 29, 2010	YTD Change	YTD % Change	Description	Price/Rate Jan 29, 2010
S&P TSX	11,746.11	11,094.31	- 651.80	-5.55%	CDN/USF	1.0650
Dow Jones	10,428.05	10,067.33	- 360.72	-3.46%	CDN/EURO	1.4772
S&P 500	1,115.10	1,073.87	- 41.23	-3.70%	CDN/CHF	1.0090
Nasdaq	2,269.15	2,147.35	- 121.80	-5.37%	CDN/YEN	0.0118
Nikkei 225	10,546.44	10,198.04	- 348.40	-3.30%	Total CPI -Canada TTM (12/09)	1.60%
FTSE 100	5,412.88	5,188.52	- 224.36	-4.14%	Total CPI - USA TTM (12/09)	2.70%
Dax	5,957.43	5,608.79	- 348.64	-5.85%	Total CPI - Euro TTM (12/09)	0.90%
Hang Seng	21,872.50	20,121.99	- 1,750.51	-8.00%	GOC 1 Yr T-Bill	0.56%
Shanghai	3,277.14	2,989.29	- 287.85	-8.78%	GOC 5 Year	2.44%
DJSI World TR	1,286.40	1,218.33	- 68.07	-5.29%	GOC 10 Year	3.33%
DJSI North America TR	120.14	115.27	- 4.87	-4.05%	GOC 30 Year	3.93%
Jantzi Social Index TR	173.67	163.67	- 10.00	-5.76%	Gold USF/Oz	1,083.00
FTSE 4Good Global 100	4,256.14	4,005.25	- 250.89	-5.89%	Oil USF/BBL WTI Cushing Spot	72.89

Week in Review

The enthusiasm and fresh start of the year is quickly turning to the realities of the world as it needs must.

I do not want to sound like a broken record but for some time the markets have been feeling weak. And markets always fall far easier than they move up.

I have had clients in cash and fixed income since the markets in Canada were

at the 11,100 level.

And yes I missed the move to 12,000 but through it all we have not been exposed to risk that I felt was unwarranted.

And now we see the results of the fact that that world economies need to catch up to the stock markets or stock markets have to get in line with world economies.

Either way it amounts not to a "Random Walk Down Wall

Street" but a "Random Walk Down a Mine Field".

Right now being in cash and fixed income amounts to not losing money which in the context of current markets is gold.

There are pricing issues out there that make entering the equity markets at this time a large gamble.

For instance, Canadian Bank stocks are trading at about 17 times earnings and at

the same time paying a dividend in the 4.00% to 5.00% range. Forget that they also appreciated over 100% in 2009 from their lows.

So what do you do? Buy a stock that is pricey but has a good yield even though it has already gained in one year what can be expected over 7?

Hard to justify. So we wait and look for better relative value and for investments

that have a compelling story to warrant purchase.

Until then cash and fixed income look like a good choice for now.

What makes the recovery and GDP growth of all nations suspect is the level of stimulus debt overhang that exists.

When you have many major countries around the planet running operational deficits at some point

they have to slow it down and initiate service reductions and or tax increases. Of course GDP growth and inflation will help along the way.

However, only GDP growth is the healthy one. All the rest just take money out of the economy and slow down recovery through reduced spending.

So we find ourselves in a difficult spot.

And as a result markets are going to be very turbulent for the next 18 months.

So to wind up the New Years euphoria is over and like someone waking from a hangover to face the realities of life the next day, so too must investors face the realities of 2009, the year of stimulus.

2010 will be the year of hard work and rebuilding.

Brewer Invests in Watershed Protection

Sab Miller, one of the world's biggest beer brewers, is establishing a tree nursery in Honduras as part of its international effort to protect the watersheds in countries where it operates.

The nursery, which will start being built in February in San Pedro Sula at an initial cost of \$10,000, will be designed to produce 36,000 fruit and evergreen trees per year, said María Amalia Porta, a water specialist at the World Wildlife Federation, with which SABMiller is partnering in water initiatives around the world.

The Honduran pro-

gram is an attempt to alter farming techniques that harm the watershed by allowing the entrance of sedimentation and pesticides. Once mature, the tree fruits will be sold and consumed by their growers, while the evergreens will help reforest the watershed and support the hydrologic cycle reducing runoffs, erosion and sedimentation.

The reforestation effort, on which the partners are being advised by the state-funded Honduran Foundation for Agricultural Research, is already well under way, even before the nursery's establishment.

Around the world, SABMiller, which is based in London, has been working with environmental groups, aid agencies like GTZ of Germany, local water authorities and other businesses to protect water quality near its operations.

For its World Wildlife Foundation partnership, SABMiller budgeted \$2 million over a three-year period, said Andy Wales, the beer company's global head of sustainable development.

Robin Farrington, the foundation's water policy adviser, called SABMiller "one of

the more forward-thinking companies we know of concerning water."

"They are very aware that if they don't act now it could become a problem in the future," she said. "From my perspective that's a very positive thing."

Last year with the help of the foundation, the company conducted a "water footprint" study in two of its biggest operations, in South Africa, and the Czech Republic. That helped SABMiller to understand its whole chain of water use and how the resource could be managed more effectively.

For example, SABMiller is working with South African farmers of barley, a prime beer ingredient, to improve their yields and water use.

SABMiller, which brews Miller, Grolsch and Peroni, uses an average of 4.6 liters of water to make one liter of beer. Last year, it pledged to reduce that by a quarter by 2015; it now uses about 80 billion liters of water each year.

New York Times GreenInc Blogs January 28, 2010 By Robert Walzer

"Trying to save ecosystems has more to do with changing egosystems."

Don Rittner

January 29, 2010 Volume 2 Issue 4

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"If the success or failure of this planet, and of human beings, depended on how I am and what I do, how would I be? What would I do?"

R. Buckminster Fuller



Selected News Articles

Rocky Mountains glaciers fading fast: researchers

Much of Alberta's Rocky Mountain glaciers will melt away by 2100, turning white rivers of ice into rock and earth-brown landscapes, according to new research from the University of Calgary.

"It's a bit bleak for the glaciers, I must say," said climate change specialist and geophysicist Shawn Marshall.

"It's well underway and it's just a matter -- as the decades go on -- of the ice rolling uphill until it's out of sight."

Marshall and a team of researchers predict there will be an 82 per cent decline in the volume of Alberta glaciers by 2100 -- using 2005 as a base year.

Smaller and lower-elevation glaciers will fade away relatively quickly. The Columbia Icefield, due to its massive size, will survive the century, he said.

Marshall's team based its modeling in part on recent research from the University of Northern British Columbia, which found one-quarter of Alberta's glacier area disappeared between 1985 and 2005.

Although changes will see a decrease in the amount of water stored in the mountains, glaciers usually don't contribute that much to water supplies -- the exception being during periods of drought, when glacial melt contributes as much as half of The Bow River's flow.

Marshall says he believes the most significant transformation will be seen in the scenery in the famous mountain parks.

"It's changing the face of the alpine. Our national parks won't be as special as they are right now because they will be mostly brown instead of white," Marshall said.

"There's other changes, too... some of them quite positive -- maybe a lot more alpine flowers where these glaciers used to be."

Marshall's prediction is based on a natural glacial melting period that began in the 1800s, as well as human-caused climate change.

"Some part of the 20th-century story is natural. But in the past 50 years, there's no way to explain it from those natural changes," he said.

"The sun has been in a cooling cycle." Marshall said he doesn't hesitate to offer his prediction, even after controversy swirled last week when the United Nations Intergovernmental Panel on Climate Change acknowledged it had made a mistake in asserting that glaciers in the Himalayas could disappear by 2035.

That inaccuracy, which has once again led to questions about the credibility of climate change predictions, might have been based on a sim-

ple typing error -- the year noted earlier by some scientists was 2350.

"No one I know, no colleague really thought it was going to go away by 2035. It was just a typo," Marshall said.

He notes his research still needs to be peer-reviewed before it's published in the Canadian Water Resources Journal.

The original data from UNBC could also contain small errors. Since researchers used satellite images and high-altitude, aerial photos, snow could have been mistaken for glacier ice. Some glacial ice may also be hidden under rocks and dirt.

Marshall said glaciers are retreating more quickly in Alberta, as there are smaller patches of ice cover than in British Columbia -- where there is also significant melting.

"The Rockies are otherwise typical of all of the world's glaciated mountain ranges -- widespread glacier retreat, accelerating in the last 20 years," Marshall said.

"The retreat in the Rockies is similar to that in the Alps."

University of Saskatchewan professor John Pomeroy, who works in the same snow, ice and water research group as Marshall, has been studying mountain snowpack and has found precipitation

that was historically coming down as snowfall is now coming down as rainfall.

"It's not drying up so much as changing how it comes in," Pomeroy said.

Pomeroy believes that one of the key issues is there isn't enough water-flow and weather monitoring stations in the Rockies.

"We undervalue our water," he said.

The Calgary Herald
January 26, 2010
By Kelly Cryderman

Cold Weather Killing Florida Manatee

The Florida Manatee, is already an endangered species due to human impact and habitat loss but one of the main contributing factors is cold water which leads to these animals to get sick. So far this year more than 100 manatees have been found dead in Florida waters and according to

the Florida Fish and Wildlife Conservation Commission, the cause of death for 77 of the endangered animals is cold stress.

The state has had unseasonably cold weather this month that has killed fish and stunned thousands of sea turtles. Officials say the numbers of dead

manatees from the cold is a record for a single year. The previous record, set last year, was 56 deaths from cold stress.

"Researchers continue to recover and examine carcasses, so the total is expected to rise; however, the rate should slow down as water temperatures warm," the

commission said in a statement

The Sustainability Ninja
January 28, 2010
By Laura Gosselin

"I have a choice of believing the 98 percent or the 2 percent. If you believe my 98 percent and we go ahead and try to reduce our carbon, we've gotten rid of the dirty fuel, we've made ourselves energy independent and improved quality of life and health."

Robert F. Kennedy Jr.

Crews try to protect wildlife from Texas oil spill

Crews worked Sunday to protect two sensitive wildlife areas after a crude oil spill shut down parts of a major southeast Texas port, state Land Commissioner Jerry Patterson said.

Plastic walls known as booms and oil-sucking skimmer boats were used to safeguard a lake that is a crucial breeding ground and a wildlife management area that lost its protective gates when Hurricane Ike roared ashore a year and a half ago, Patterson said.

The U.S. Coast Guard said about

462,000 gallons -- or 11,000 barrels -- of oil spilled into the water Saturday when an 800-foot tanker headed for an Exxon Mobil Corp. refinery in Beaumont collided with a towing vessel pushing two barges near Port Arthur, about 90 miles east of Houston. It was the largest spill in Texas since 1994, but still well shy of one 20 years ago involving Norwegian tanker Mega Borg that leaked 4.3 million gallons of crude oil about 60 miles off Galveston.

The tide lifted the two ships and they separated shortly after midnight Sunday

without more oil being spilled, Coast Guard Petty Officer Richard Brahm said. The crew of the damaged tanker, the Eagle Atome, said the remaining 69,000 of the 80,000 barrels of oil in the ship were pumped out, according to the Coast Guard.

Chief Warrant Officer Lionel Bryant of the Coast Guard said about 45,800 feet of booms were deployed to contain the spill. "Because of where it happened, we were able to get teams out there quickly to at least contain it for now," Bryant said. "But it's still a tremendously large

spill."

None of the sensitive wildlife areas had been affected, Bryant said. That included Keith Lake, a breeding ground for shrimp and other small fish, and the Murphree Wildlife Management Area, where several endangered species have been spotted.

"It's too early to claim victory yet," Bryant said. "Right now, there's no impact in the marshes and no impact in Keith

Lake."

Coast Guard officials have said the spill was mostly contained in a 2-mile stretch of the Sabine Neches Waterway, which runs along the city of Port Arthur. The area off-limits to ships was extended 18 miles to the Texas Gulf Coast in case of a breach or a wind shift that might complicate containment efforts, Bryant said.

The Sabine Neches Waterway is the second-largest in Texas, according to the online Handbook of Texas. Bryant said refineries generally are prepared for a 72-hour shutdown,

which would extend into Tuesday. He said it wasn't known when the waterway would reopen.

The tanker is owned by AET Tankers, a Malaysian company with offices in Houston. Patterson said AET would pay for most of the cleanup.

A spokesman said the company was working with the Coast Guard on cleanup and assessment and referred to Coast Guard officials for further comment.

Exxon Mobil, which owned the oil, did not immediately return a call seeking comment Sunday.

The ship collided with a towing vessel pushing two barges, leaving a 15-foot-by-8-foot hole in the tanker. During the collision, the towing vessel also hit another tanker that was tied to a pier. Brahm said that tanker sustained some damage, but had no leaks.

A National Transportation Safety Board spokeswoman said the agency was supporting the Coast Guard investigation but had no further details Sunday.

The Associated Press
January 24, 2010
By Schuyler Dixon