



Sustainable Finance

Market Performance - Selected Markets for the Week Ended March 12, 2010					Selected Rates (Institutional)	
Market	Dec 31, 2009	Mar 12, 2010	YTD Change	YTD % Change	Description	Price/Rate Mar 12, 2010
S&P TSX	11,746.11	12,013.82	267.71	2.28%	CDN/USF	1.0187
Dow Jones	10,428.05	10,624.69	196.64	1.89%	CDN/EURO	1.4011
S&P 500	1,115.10	1,149.99	34.89	3.13%	CDN/CHF	0.9610
Nasdaq	2,269.15	2,367.66	98.51	4.34%	CDN/YEN	0.0113
Nikkei 225	10,546.44	10,751.26	204.82	1.94%	Total CPI -Canada TTM (01/10)	1.90%
FTSE 100	5,412.88	5,625.65	212.77	3.93%	Total CPI - USA TTM (01/10)	2.90%
Dax	5,957.43	5,945.11	-12.32	-0.21%	Total CPI - Euro TTM (01/10)	1.10%
Hang Seng	21,872.50	21,209.74	-662.76	-3.03%	GOC 1 Yr T-Bill	0.70%
Shanghai	3,277.14	3,013.41	-263.73	-8.05%	GOC 5 Year	2.79%
DJSI World TR	1,286.40	1,283.50	-2.90	-0.23%	GOC 10 Year	3.50%
DJSI North America TR	120.14	124.18	4.04	3.36%	GOC 30 Year	4.08%
Jantzi Social Index TR	173.67	179.09	5.42	3.12%	Gold USF/Oz	1,101.90
FTSE 4Good Global 100	4,256.14	4,208.85	-47.29	-1.11%	Oil USF/BBL WTI Cushing Spot	81.24

Week in Review

Another week, another extension of the sideways markets we have become used to over the last few months.

Everyone is focused on the FED meeting next week where it is widely expected that they will keep rates low to keep the tenuous recovery in motion.

Even in the face of increasing inflation the FED has little choice but to keep rates low. How else will debt laden consumers be able to make those purchases but with low financing rates?

Apparently this

week it was noted that US household net worth grew for a third consecutive quarter and that roughly 1/3 of household net worth lost during the "Great Recession" has been regained.

I find it interesting that the 2008 to 2009 market implosion has now achieved the status of "Great Recession".

If you have been paying attention to history, like all good investors do, then you will be well aware that the largest recessions in the last 40 years have been caused by oil price spikes. The Great

Recession was no different. My only question now is what will the next one be called? When the world economic engine hits all cylinders again and we are all scrambling to buy every drop of oil that the drillers can squeeze out of the planet it is very likely that oil will reach prices that even guys like Jeff Rubin (200.00 a BBL) will find expensive.

And when that comes and is followed by a recession that has the potential to be far more drastic, what will it be called?

On to Europe now

and the Greek Debt crisis continues. Apparently the prospect of IMF help is now welcomed. However, my feeling is that the Europeans will not use the IMF as it will be an admission that they cannot take care of their own problems if they use the US based IMF.

And as the crisis continues, people are of course blaming the speculators and calling for more regulations to prevent this sort of thing. The fact that Greece used financial engineering in the first place to hid its real debt situation could never be the real problem.

What ever happened to self responsibility?

Germany is calling for stricter controls on the governments of the Euro countries when it comes to debt levels. And well it should. If you want to be part of the club you should have to meet the criteria and not mess around with financial slight of hand to stay in.

All of this euro-debt concern has spilled over into the currency markets as it always will and we are seeing the Euro and other EEC currencies at all time lows against the Canadian dollar. Coffee on the

banks of the Seine for summer anyone?

Canada seems to be doing well. Although I do wonder how we are surviving and apparently prospering economically in spite of everyone else doing so poorly.

It was announced this week that the February unemployment rate in Canada dropped from 8.3% to 8.2% through the creation of 21,000 jobs. The Conservatives were quick to take credit and it surprises me that they did not take out full page ads to let everyone know.

While all this is hap-

pening markets continue to go sideways with no real direction. Interestingly the variation in prices is falling which tells me we are soon due for a change in direction.

The real question becomes will it be up or down? As inflation seems to be more of a concern the possibility of rate increases is rising and this would certainly lead to a difficult stock market. If the economic indicators pick up and start improving more than they are we could see a strong trend upwards.

On the sidelines for now.

Mackenzie pipeline streamlining raises fears

The federal energy watchdog has suggested streamlining conditions for the proposed Mackenzie natural gas pipeline, a move raising the ire of environmental groups.

The National Energy Board proposed modifying 85 of 176 recommendations issued late December by a joint review panel on the social and environmental impacts of the Arctic pipeline.

"In the (National Energy Board's) view, some recommendations fall within the jurisdiction of other regula-

tory authorities," stated a letter to the panel, released late Tuesday. "Conditions imposed by the NEB in such cases could conflict with existing and future regulatory processes. Therefore, the (board) is considering not including such recommendations."

The board proposed the changes "to create conditions that have clearly stated desired end results, can be measured for compliance, and are goal-oriented."

The 1,200-kilometre Mackenzie pipeline project would bring Arctic gas to southern

markets via Alberta. Much of the project's future hinges on the delayed and over-budget report on social and environmental impacts of the pipeline, which the panel supported but with conditions.

Among the recommendations was a potentially project-stopping noise impact limit for a bird sanctuary, which Imperial Oil, lead proponent of the project, called unrealistic.

In its letter to the panel, the board noted it fell under mandate of Environment Canada rather than the energy regulator.

Reaction to the board letter was muted from the producer consortium, which includes ConocoPhillips, Royal Dutch Shell and Exxon-Mobil Corp.

"Imperial's intent is to provide comment on the proposed conditions to the NEB pursuant to its request at the final argument hearings in April," spokesman Pius Rolheiser said. "And it would be inappropriate to comment outside of that process."

Imperial and other proponents argued many of the conditions outlined in the panel's 679-page en-

vironmental and social study were unrealistic or outside the board's jurisdiction.

Environmental groups were "disappointed" by the regulator's proposed changes, saying it was taking a business-as-usual approach.

"The NEB is essentially rejecting the joint review panel's focus on ensuring economic and ecological sustainability, and the need to examine the cumulative effects of the basin-opening Mackenzie Gas Project," said Sheila Muxlow, acting director of the

Prairie chapter of the Sierra Club.

The joint review panel has until the end of the month to

respond to the board.

The Calgary Herald March 11, 2010
By Dina O'Meara

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Selected News Articles

When humans roam the earth

Everyone loves an apocalypse, and none more so than the one that sped the dinosaurs to their now legendary status. Having been a popular theory for 30 years, last week scientists finally reached a consensus that it was indeed the after-effects of a juggernaut meteorite crashing 65 million years ago into what we now call Chicxulub in Mexico that triggered the end of the dinosaurs' reign on Earth.

The reasons for loving this particular catastrophe are easy to understand. Dinosaurs are awesome. Giant meteorites are awesome. And of

course, the combination of the two opened the door for the rise of the mammals. Our own story begins with that cataclysm.

"Consensus" has unfortunately become a dirty word outside the scientific world, thanks to those who disagree with the overwhelming majority of scientists about man-made global warming, but fail to offer any science in return. Unlike climate change, though, many issues remain with this extinction event. Sixty-five million years later, the pattern of extinction looks decidedly uneven. Dinosaurs were wiped out, but many

similar-sized crocodiles survived. Amphibians managed to come out of this apocalypse relatively unscathed. Sharks survived, but plesiosaurs perished. Much work remains to be done.

Nevertheless, this consensus on the fate of the dinosaurs is welcomed by people such as me who worry about such things. But let's not get too attached to it. On the grand scale of extinctions, the Chicxulub meteorite is a drop in the ocean. There have been five major extinctions in the history of life. 251 million years ago was the big mama, erasing 95% of sea

species and 70% of land life.

It is important to recognize that although 10-mile-wide rocks crashing from space are not the norm, extinction itself is. About 97% of all species that have ever existed currently do not. We may be in the midst of a mass extinction, though probably not on the scale of those 65 or 251 million years ago. Up to a third of all species are "committed to extinction", according to current models.

But it is the speed at which we are losing species that is truly significant. The ex-

plosion caused by the Chicxulub meteorite would have been enormous, melting rocks into glass, and vomiting forth mile-high tsunamis. But don't assume that the dinosaurs abruptly keeled over. In the aptly named Hell Creek in Montana, dinosaur fossils have been found dating from up to 40,000 years after the impact.

Climate change is also the planetary norm, but the rate at which the climate is changing since industrialization is unprecedented. This is reason enough to accept the scientific consensus that we are the root cause, and

the same goes for current extinctions.

We have evolved the capability to partially excuse ourselves from natural cataclysms, at least at a species level. Our ability to adapt and survive far outstrips the speed of the same process in natural selection. Should a colossal rock fall from the sky and block out the sun for a thousand years, the effect on humankind would be devastating, but not terminal. Should we continue to ravage the Earth's resources to the extent that human life is unsustainable, it is not in the realm of total fantasy for us to ditch this planet, and

set up somewhere else in the universe.

But these are not reasons to be complacent. We exist as a part of this planet, not merely on it. The loss of biodiversity from a mass extinction will be devastating to everyone's lives. Unlike with the previous extinctions, we have the power to slow this current one. We will all have to change our lifestyles to adapt to the world that we have created, but by moderating our impact on extinction, that change won't have to be apocalyptic.

The Guardian UK
March 9, 2010
By Adam Rutherford

Egypt's Mediterranean Coast Protected In Reserve

Egypt wants visitors to discover its Mediterranean coast at a marine reserve being established near the border with Libya, the government said Tuesday.

"The goal is to protect endangered species ... and encourage ecotourism in the reserve area, putting it on the global ecotourism map," Environment Minister Maged George said.

The 383-sq km (150-square-mile) reserve, mostly in the water in the Gulf of el-Salloum, is Egypt's 28th nature protectorate, but its first on the Mediterranean.

"Declaring this protectorate is a way to confront a host of environmental problems, such as soil degradation and coastal inundation, climate change and loss of biological diversity," George

said in a statement, adding that the area was rich in natural resources.

The protectorate contains more than 160 migratory and local bird species, about 30 reptile and amphibian species and 10,000 to 12,000 marine species. Its creation should encourage scientific research on biological diversity in Egypt, he said.

Tourism accounts for

about 11 percent of GDP and is an important source of foreign currency and jobs in Egypt.

In a move to encourage sound environmental practices, the government has begun a \$238 million project to slash carbon emissions in the resort town of Sharm el-Sheikh.

Reuters
March 10, 2010
By Dina Zayed

"There are many who still do not believe that global warming is a problem at all. And it's no wonder: because they are the targets of a massive and well-organized campaign of disinformation lavishly funded by polluters who are determined to prevent any action to reduce the greenhouse gas emissions that cause global warming out of a fear that their profits might be affected if they had to stop dumping so much pollution into the atmosphere."

Al Gore

Alberta's Tar Sands and the Dead Duck Trial

In an Alberta court, the oil sands giant Syncrude Canada has entered the second week of a high-profile case brought by federal and provincial prosecutors over the widely publicized deaths two years ago of 1,600 migrating ducks that were trapped in the toxic sludge floating on one of the company's vast tailings ponds.

Insisting that the failure of its bird-detering air cannons doesn't constitute a crime, Syncrude has pleaded not guilty.

Some Alberta pundits have described the case, expected to

last for up to six weeks, as a show trial. Others are wondering why the company seems so determined to defend itself in such a public forum.

Environmentalists, for their part, see the case as a test of the Alberta government's resolve to enforce new regulations for tailings ponds, where the water used to separate and process oil-bearing tar typically ends up.

"The ducks are the tip of the iceberg," said Simon Dyer, an oil sands analyst for the Pembina Institute, an environmental organization. "If you look at the mood of Alberta in public

opinion surveys, the majority of Albertans are quite disgusted by the way Syncrude is behaving."

Tailing ponds consist of a slurry of water, clay, sand, chemical agents and bitumen. It generally takes decades for the ultra-fine suspended particles to settle, at which point the water can be pumped out and the sediment reclaimed.

Syncrude's oil-sands facilities are by far the largest in Alberta, accounting for 60 percent of the 222 billion gallons of slurry currently stored in the province's tailings ponds.

These bodies of con-

taminated water are not only a target for environmentalists, however. RiskMetrics, a financial research firm, recently put out a report indicating that tailings ponds represent an unknown liability for investors because producers have tended to understate remediation costs. Those costs may soon become much more transparent.

Last year, Alberta's Energy Resources and Conservation Board introduced "[Directive 074](#)," which requires producers to present plans to cut fluid tailings and accelerate reclamation efforts in order to reduce the

size of the ponds.

According to Pembina, only two of Alberta's nine major oil sands producers expect to be in compliance with the directive, which will be phased in over three years, starting July.

One of those two firms, Suncor Energy, has plans to invest \$450 million this year on a new "tailings reduction operation" that the company said would shave decades off the reclamation cycle if it wins approval from the board. Sneh Seetal, a spokeswoman for Suncor, said the company is hoping the plan "will make tailings ponds a thing of

the past."

Instead of pumping its tailings into large ponds, Suncor says it will add polymer flocculants, similar to those used in municipal water treatment plants, to bind the fine clays particles, allowing them to settle more rapidly. The sludge is spread on beach-like graded surfaces, drained, dried and used to refill mine pits.

Ms. Seetal said the technique has not been used in other commercial mine operations, and acknowledged that the directive motivated the company to seek new approaches.

While Syncrude promotes its own reclamation methods, a Pembina assessment conducted last December concluded that its tailings pond management plans won't comply with the regulations.

With the duck trial expected to make headlines in Alberta for weeks to come, Mr. Dyer observed that the question now is how far the government will go in enforcing those new rules.

Green Inc Blogs
March 10, 2010
By John Lorinc