



Sustainable Wealth Management Ltd.

## Sustainable Oil Sands Sector Index™ (SOSSI) November 2006 Commentary

Energy stocks continued to rally upward from the early October lows. Commodity prices remained strong in November with crude oil gaining 7.5% and natural gas gaining 10.6% (second double digit monthly gain in a row). OPEC has successfully defended the \$60 price level in my opinion. The US energy sector was the leader this month with a gain of 8.1% followed by the global energy sector with a 6.4% gain. The Canadian energy sector was the worst performer with a gain of only 2.1%. Oil sands did better, gaining 5% on the month.

The big news this month was the proposed change in income trust taxation by the Canadian government. This move would impose a tax at the trust level that would reduce the attractiveness of the sector to pension plans, registered retirement accounts and US investors. The benchmark Canadian index had 30 out of 66 index members part of the income trust sector representing over 25% of the index value. Fortunately, the SOSSI index had less than 10% of its value tied to income trusts. This helped the index and the Claymore Oil Sands Sector ETF rebound after the announcement. The recently launched Claymore Oil Sands Sector ETF (CLO - TSX) was able to recover and set a new high \$20.55 per share while the TSC Capped Energy Index struggled to gain 2.1% on the month.

Index	Symbol	Region	Nov 2006 Return
S&P/TSX Capped Energy	TTEN	Canada	2.1%*
S&P Select Energy Sector	IXE	US	8.1%**
S&P Global Energy	IXC	Global	6.4%**
<b>Oil Sands Sector Index™</b>	<b>SOSSI</b>	<b>Canada</b>	<b>5.0%*</b>

\* Return in Canadian dollar terms. \*\*Return in US dollar terms.

### Top Performing Stocks in Nov

Synenco	20.0%
Imperial Oil	12.1%
Encana	11.3%

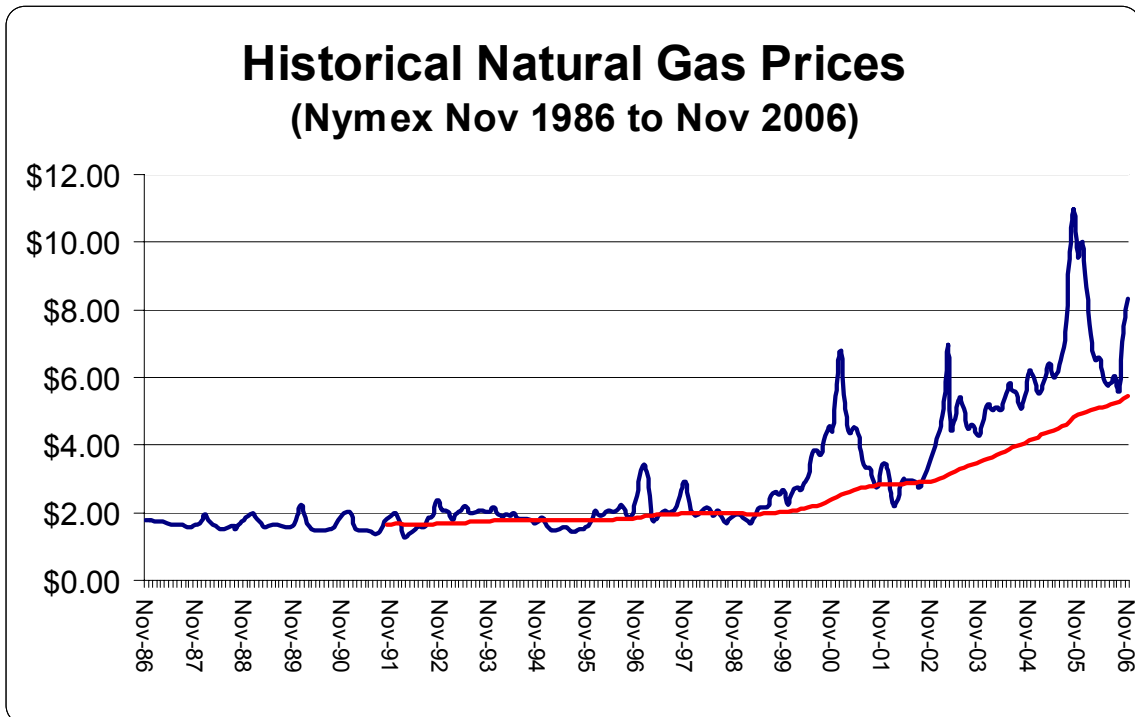
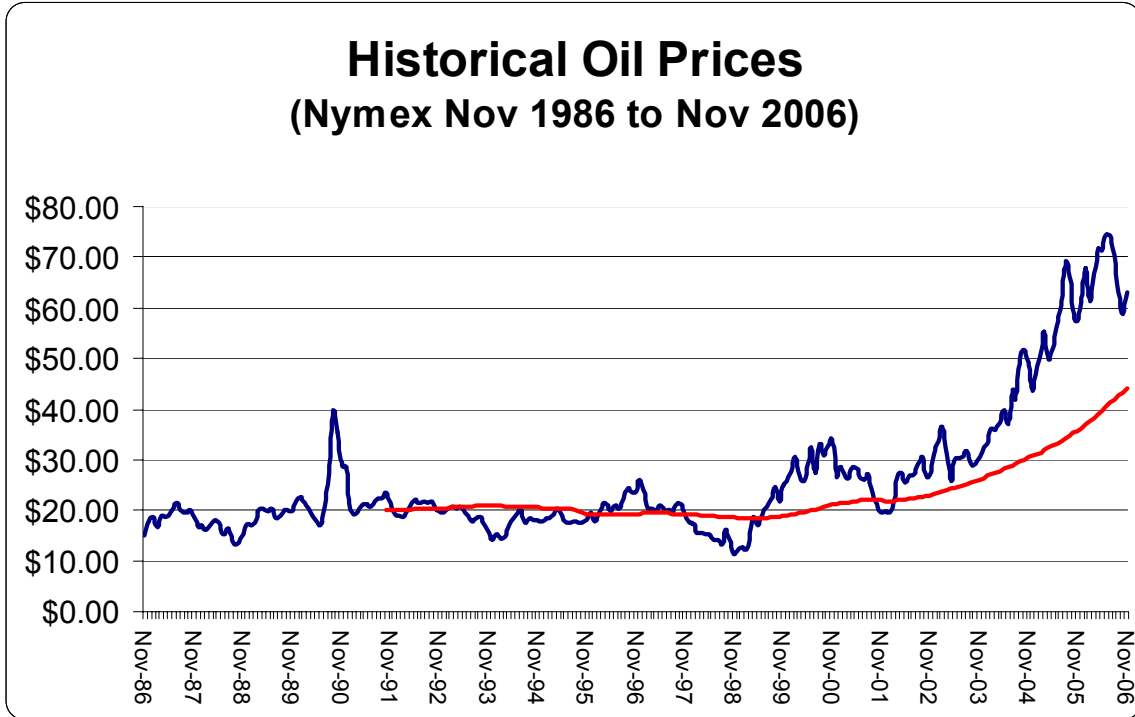
### Worst Performing Stocks in Nov

Enerplus Resources	-13.7%
Connacher Oil & Gas	-8.0%
Paramount Resources	-7.0%



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The following charts show that both crude oil and natural gas remain in an uptrend that began at the turn of the century.





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From a long term basis the commodity trends for oil and gas remain bullish. Expect that the Canadian energy stocks will outpace the larger energy sector competitors since it has better growth prospects and they are starting from a smaller market cap.

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