



# *Vertis Global Carbon Fund*

## MARKETING COMMUNICATION MATERIAL

Please refer to the confidential offering memorandum (the "Memorandum") of the RAIF before making any final investment decisions.



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# *Vertis<sup>®</sup> Global Carbon Fund*

Vertis Global Carbon Fund ("The Fund") is an Alternative Investment Fund focused on investing in emissions compliance carbon markets worldwide and capturing the price appreciation in all those Emissions Trading Systems (ETS) markets.

The Fund is powered by Vertis Environmental Finance and sits within the STX Asset Management platform.



# Highlights: Industry-standard investment process

## 1 REGULATED CARBON MARKETS WITH STRUCTURAL TAILWINDS

Carbon compliance markets are policy-backed, supply-constrained, and globally expanding. They show low correlation with traditional assets and offer a powerful diversification tool with long-term appreciation potential as caps tighten, and new sectors enter.

## 2 PROVEN EXPERTS EMBEDDED IN THE CARBON MARKET ECOSYSTEM

The Fund is advised by a highly experienced team operating within the STX Group — one of the world's leading environmental commodity platforms — with deep expertise across trading, policy, compliance, and risk management in ETS markets globally.

## 3 ACTIVE APPROACH TO CAPTURE LT VALUE AND SHORT TERM ALPHA

The fund's focus on core long positions in ETS allowances with alpha strategies (carry trades, spread arbitrage, tactical shorts\*), the fund seeks to exploit inefficiencies in fragmented, mispriced markets — all within a robust risk-controlled framework.

## 4 INSTITUTIONAL-GRADE PLATFORM WITH SKIN IN THE GAME

Launched within a Luxembourg RAIF structure, anchored and managed by STX AM with operational partners like Quintet and Trustmoore. The fund targets SOFR +9% over six years, with a lean, dedicated team co-invested alongside clients.

Source: Vertis in-house analysis with data from Refinitiv, ICAP and Vertis systems

\* the use of derivatives and short positions can amplify both gains and losses.

Note: scales and horizontal axes are illustrative. This graph does not constitute past performance or simulated past performance of the Fund and is no reliable indicator of future performance. This is for information purposes only.

# *Investment Risks: Navigating risks with the help of a skilled team\**

## General Risks

There can be no assurance that the Fund's objectives will be achieved or that there will be any return of capital.

## Trading Risks

Fund advisor fails to pick right markets, right sub-strategies.

Misjudgement of the bankability of some ETS allowances (where, in contrast to the default settings, specific ETS allowances turn out to have only a limited timeline and then be cancelled).

Some of the trade ideas result in unforeseen losses (for example unhedged carry trades in a skyrocketing interest rate environment, or serious depreciation of some of the non-dollar denominated assets)

## Core Investment Thesis Risks

Geopolitical conflicts, deglobalization overrule climate ambitions.

Market based mechanisms are abandoned in favor of other climate measures including carbon tax or other green targets, investment support, prohibitions.

Abatement measures, innovations reduce emissions too quickly, and thus no shortage occurs in the ETS.

Scandal shatters confidence in ETS systems.

Speculators are excluded from ETS systems

## Operational Risks

Miscommunication between AIFM and advisor or between AIFM and execution broker results in "fat-finger-trade".

Some of the key counterparties (clearer at exchanges for example) fail.

Any of the participating institutions (AIFM, Depository) fail.

Fraud at advisor or AIFM level.

\*A complete description of risk factors is set out in the Memorandum in the sections entitled 'Risk Factors' and 'Specific Risk Factors'.



# 01

*Clear opportunity  
driven by strong  
macro trends*



# *The combination of long and alpha strategies with appropriate risk limits enables monetization of longer and shorter-term trends*

Strategy name	Example	Target allocation	Target risk limits
Core long	Long ACCU Australian Carbon Credit Unit Mar26 futures	Long term: 60-80% of NAV, Early years: 20-40% of NAV	Concentration of single ETS: 20% of NAV
Non-directional Alpha	Long CCA California Carbon Allowance Dec25/Dec26 spread	Long term: 20-40% of risk budget Early years: 40-80% of risk budget	Concentration of single ETS spread: 30% of NAV calculated on one leg
Directional Alpha	Long EUA EU Allowance Jun25 50-strike put	Less than 20% of risk budget	Individual trade idea's stop loss: 2% of NAV; annual combined stop loss at 6% of NAV
Total			2.2% daily VAR at 99% confidence level

Source: Fund websites

# Why invest in CO2 ETS markets?

## A. Structural policy support and global adoption

Emissions Trading Systems (ETS) are the **backbone of climate policy** in the EU and an increasing number of jurisdictions. Over **40 countries** now operate compliance carbon markets\*, with scope and stringency expected to rise under international climate commitments.

## B. Supply is tightening by design

ETS markets are built around **declining annual caps** on emissions. This engineered **scarcity** is central to their function — and a fundamental long-term price driver.

## C. Diversification and low correlation

Carbon allowances behave differently from traditional asset classes, with historically **low correlation** to equities, fixed income, or commodities, offering portfolio **diversification** benefits.

## D. Strategic entry point in a maturing asset class

Recent price consolidation, notably in the EU ETS, follows years of rapid gains. This creates a potentially **attractive entry point** into a regulated, expanding asset class with long-term structural tailwinds.



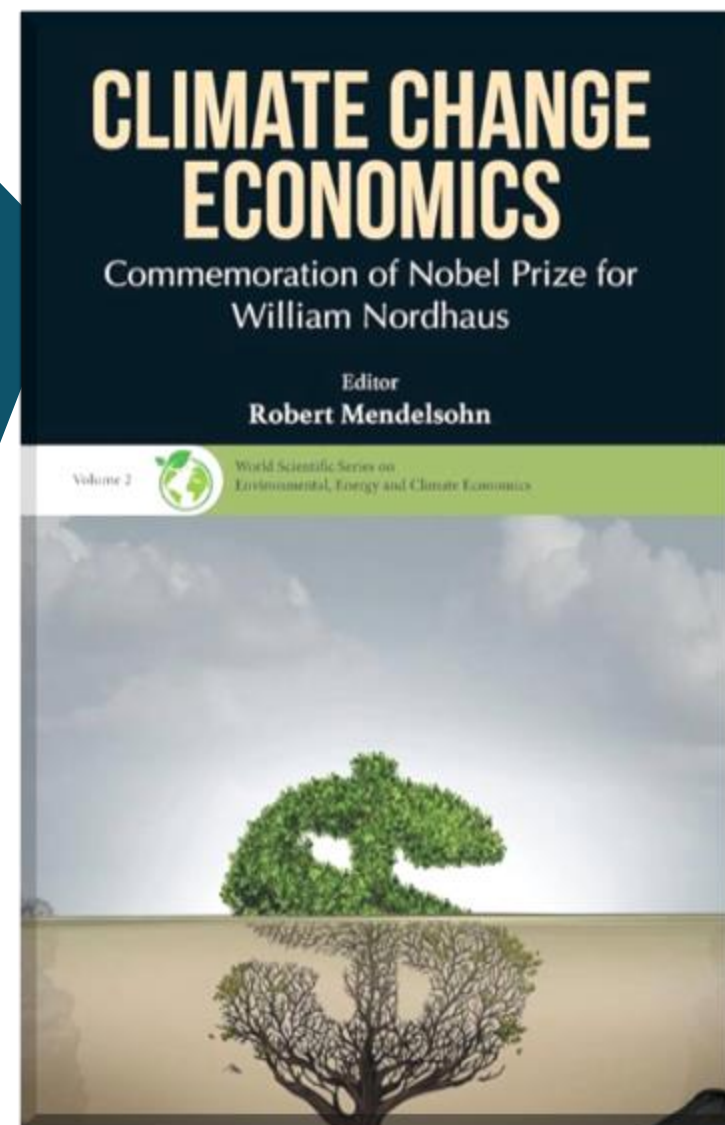
# *Cap & Trade carbon markets are the cornerstone to reduce CO2 emissions in many country*

Cap-and-trade systems put a binding, declining cap on emissions and let the market find the most efficient path to reduction — ensuring environmental certainty while preserving economic flexibility. They are **technology-neutral**, **scalable**, and **proven** to drive real emissions cuts\* where they matter most.

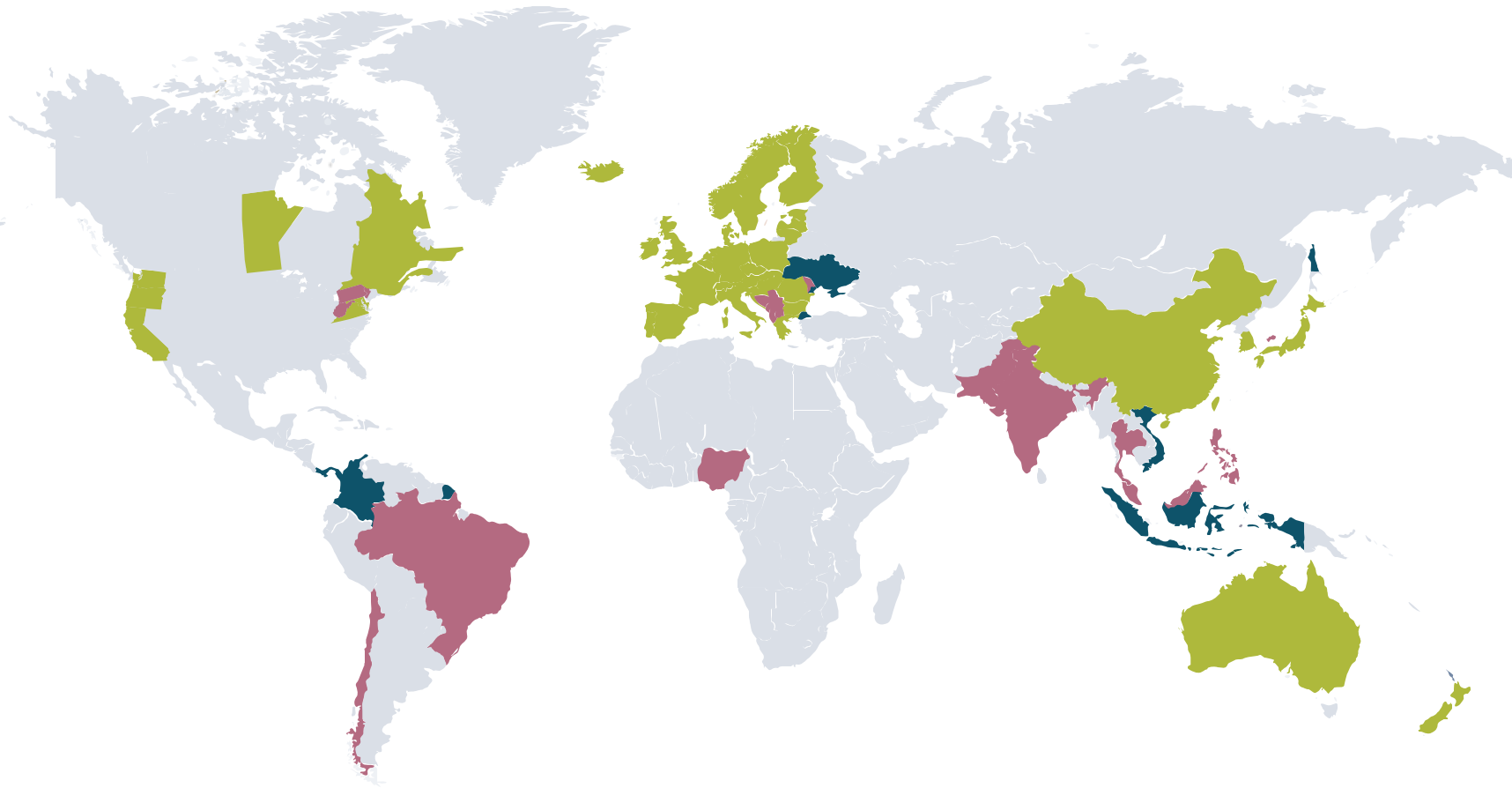
“ *The ideal policy is a market-based one, such as a carbon tax or a cap-and-trade system, that raises the price of carbon emissions and lets the market work its magic.* ”

— **William Nordhaus, Nobel Laureate in Economics**

Source: Report from the commission to the European Parliament and the Council on the functioning of the European carbon market in 2023 Pg 49.



*While Europe has paved the way, carbon markets operate today in multiple markets and the number is growing*



### STX / Vertis Offices

- Amsterdam
- Budapest
- Brussels
- Gothenburg
- Hamburg
- Houston
- London
- Lyon
- Madrid
- Mexico City
- New York
- Singapore
- Warsaw

# Carbon: A Growing and Institutionalized Asset Class

## ~\$70 Billion

In Annual Government Revenues

- Raised via allowance auctions.
- Reinvested in climate action, clean energy, and household compensation programs.
- Demonstrates growing fiscal importance worldwide.

## ~\$1 Trillion

Annual Trading Volume

- Major Exchanges: ICE Futures Europe (London, UK) – covering EU and US markets (incl. CCA, RGGI), and European Energy Exchange (EEX, Leipzig, Germany)
- Growing institutional presence in OTC markets, including banks and key commodity houses

## Backed by Global Institutions

- World Bank: Tracks 75+ carbon pricing systems; supports markets through the Partnership for Market Implementation (PMI)
- IMF: Promotes carbon pricing as the most efficient tool for emissions reduction
- OECD: Advocates for broader coverage and better alignment of carbon pricing across countries.



# How does a cap & trade system work?

## The phases in a cap & trade system

### Define covered sectors

- Identify most CO2 intensive sectors and include them first in the system
- Hard to abate sectors are usually left for later

### Set co2 emission cap

- Define the overall CO2 emission cap applicable to those sectors collectively
- Signal in advance that this cap will be lowered over time

### Implement compliance

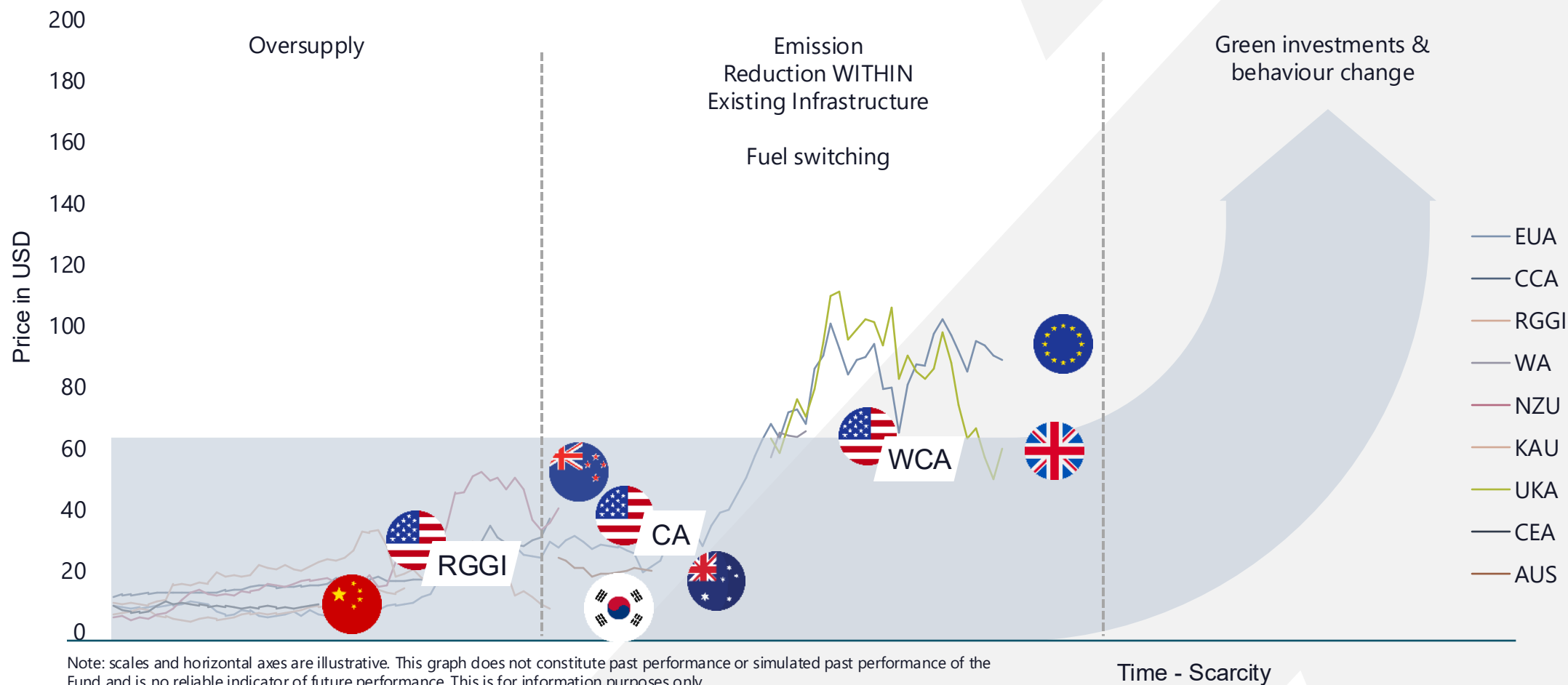
- At first provide CO2 emission allowances for free
- Require covered companies to surrender emission allowances every year equal to their emissions and allow them to trade surplus allowances and buy missing allowances

### Tighten emissions

- Reduce and then remove free emission allowances, lowering supply, while also reducing the CO2 emission cap, increasing demand over time in a managed way

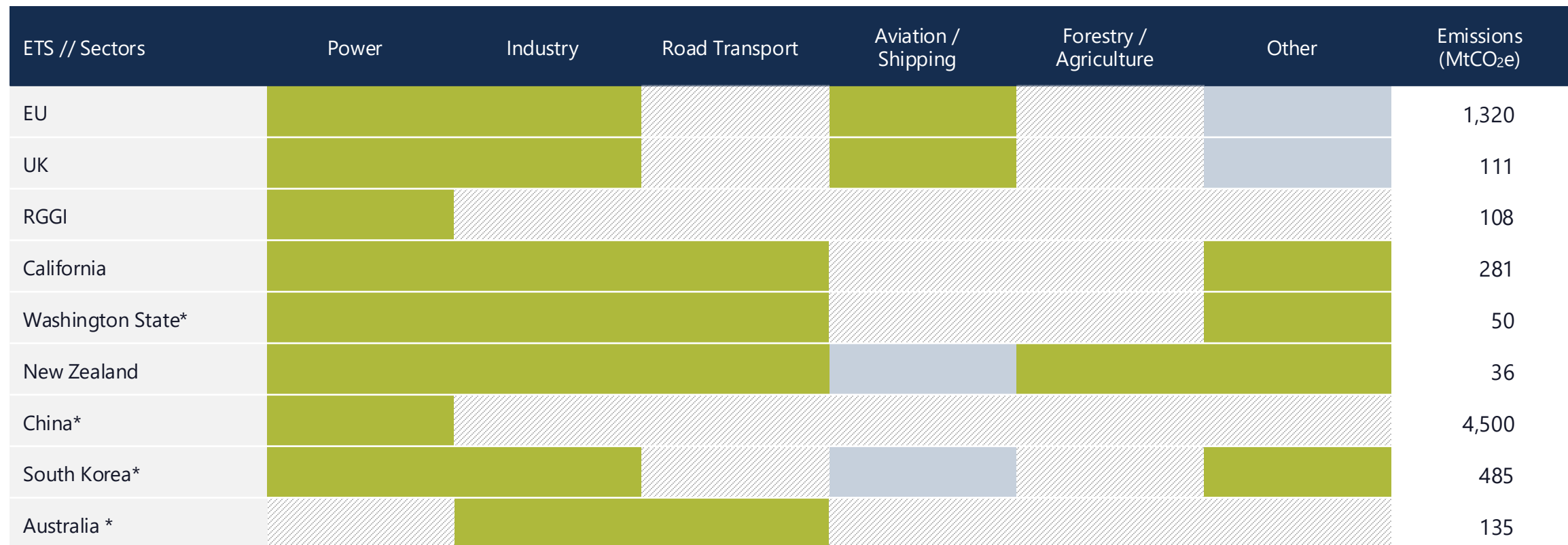
*CO2 Exchange Trading Systems (ETS) the most cost-effective approach to set carbon prices and send economic signals and has been very effective when implemented so far.*

# CO2 compliance markets are engineered to first foster adoption and then drive towards higher CO2 prices over time



Source: Vertis in-house analysis with data from Refinitiv, ICAP and Vertis systems

# Expanding covered sectors leads to further demand growth as initial covered sectors decarbonize



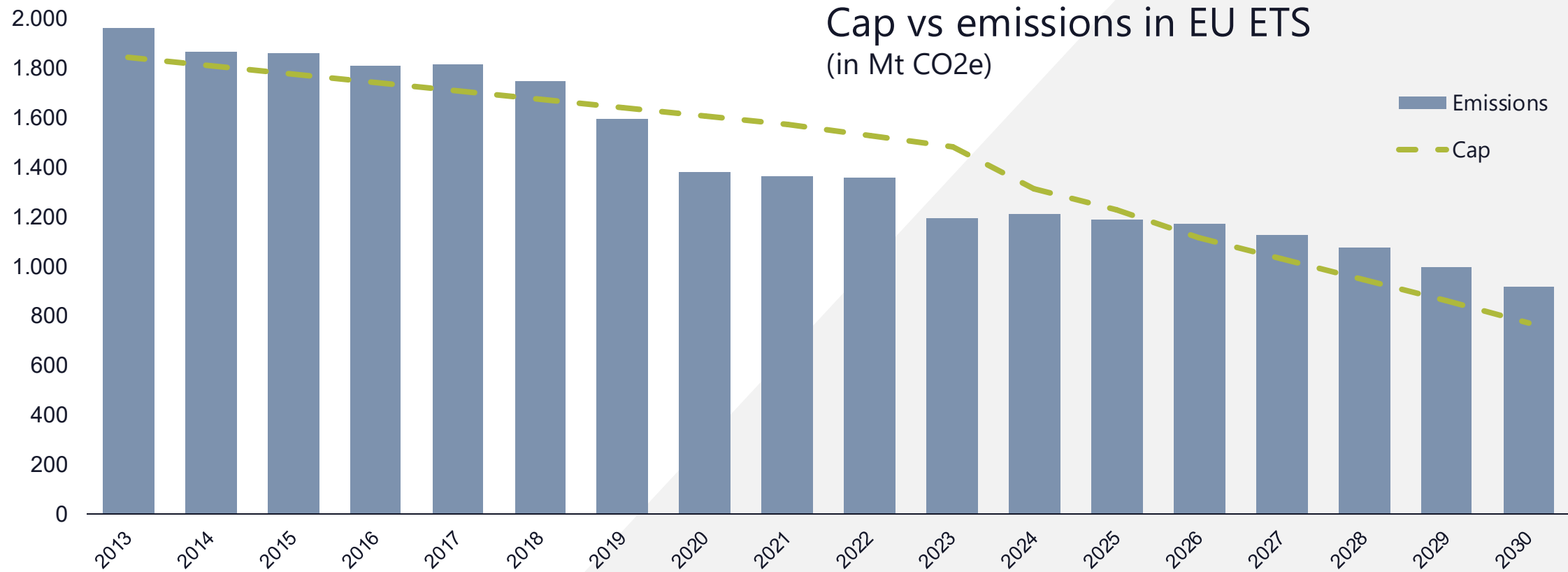
\* Estimates

■ Included  
■ To be included

Source: ICAP and official websites of the related ETS.



# *In Europe the ETS market has been driving decarbonization*



# Reduction in supply of allowances can create a tailwind for ETS prices

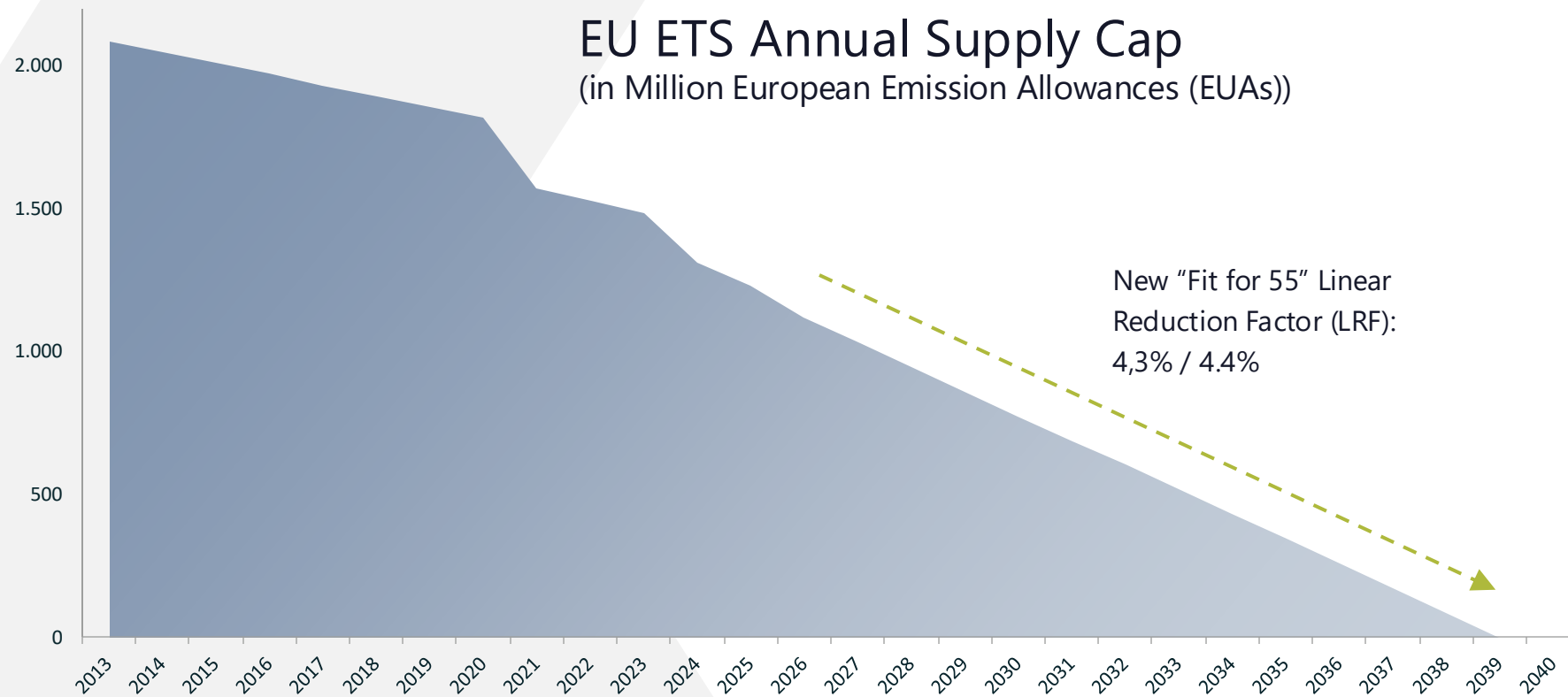
The cap is reduced over time so that total supply falls

Within the cap, there can be free allocation (which is getting less every year) or auctioning

The EU ETS cap was flat at first until the introduction of the Linear Reduction Factor (LRF) of 1.74% of the 2010 baseline in 2013.

Increasing the pace of annual cap reduction: 2.2% as of 2021, 4.3% by 2024 and 4.4% by 2028

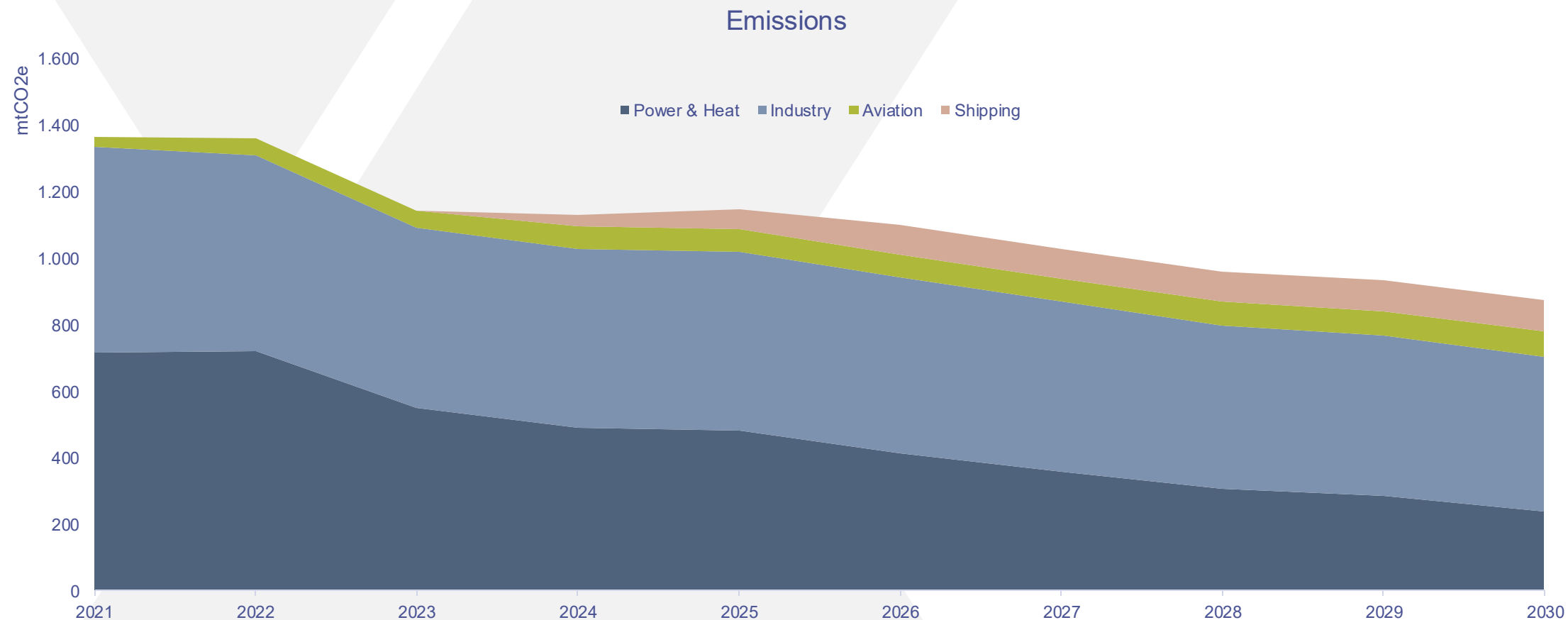
Similar mechanisms implemented in most other ETS systems



This graph does not constitute past performance or simulated past performance of the fund and is no reliable indicator of future performance. This is for information purposes only.

Source: Vertis in-house analysis with data from [EU ETS directive](#).

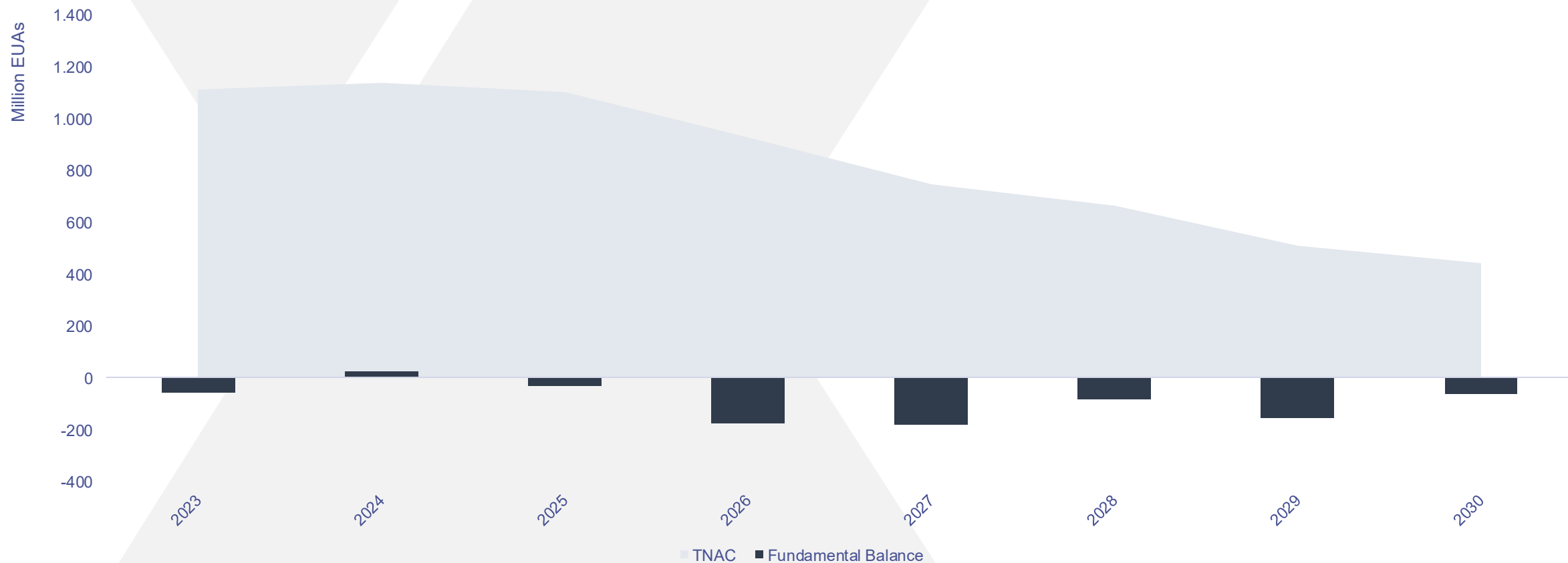
# EU ETS Emissions are forced to fall in place



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Source: Vertis in-house analysis with data from [EU ETS directive](#).

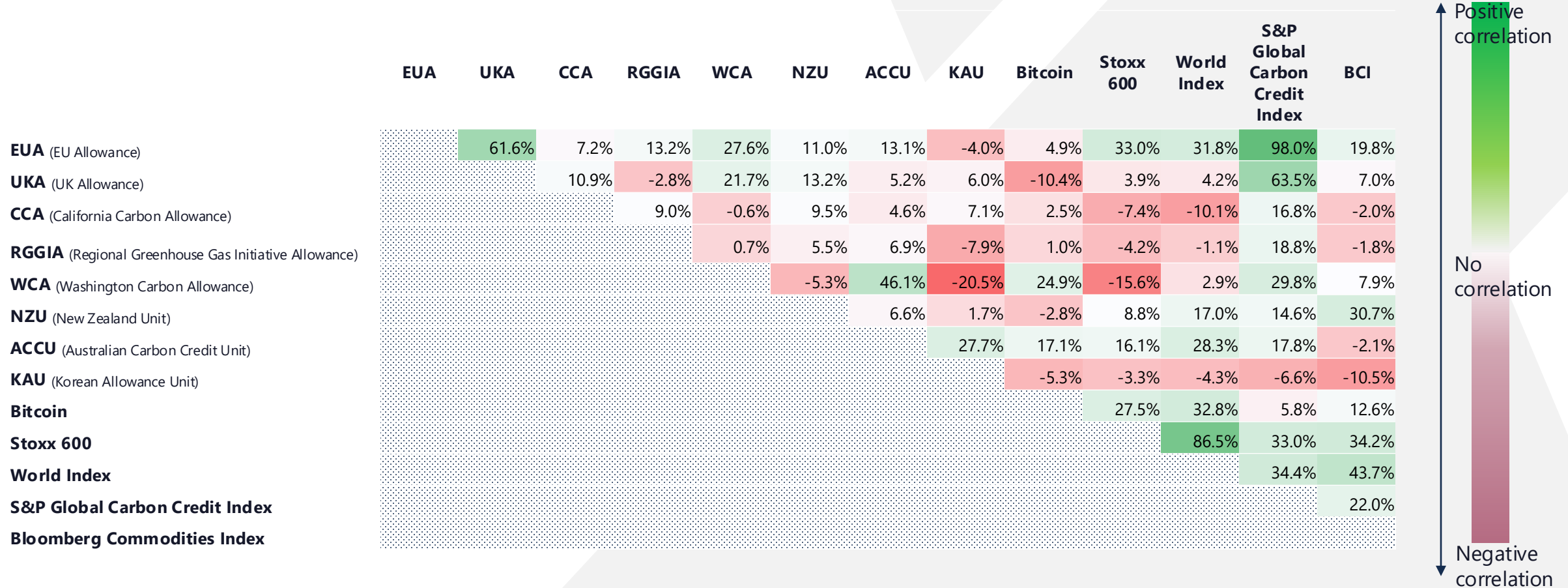


# EU ETS Fundamentals are non-linear but with a clear skew



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Source: Vertis in-house analysis with data from [EU ETS directive](#).

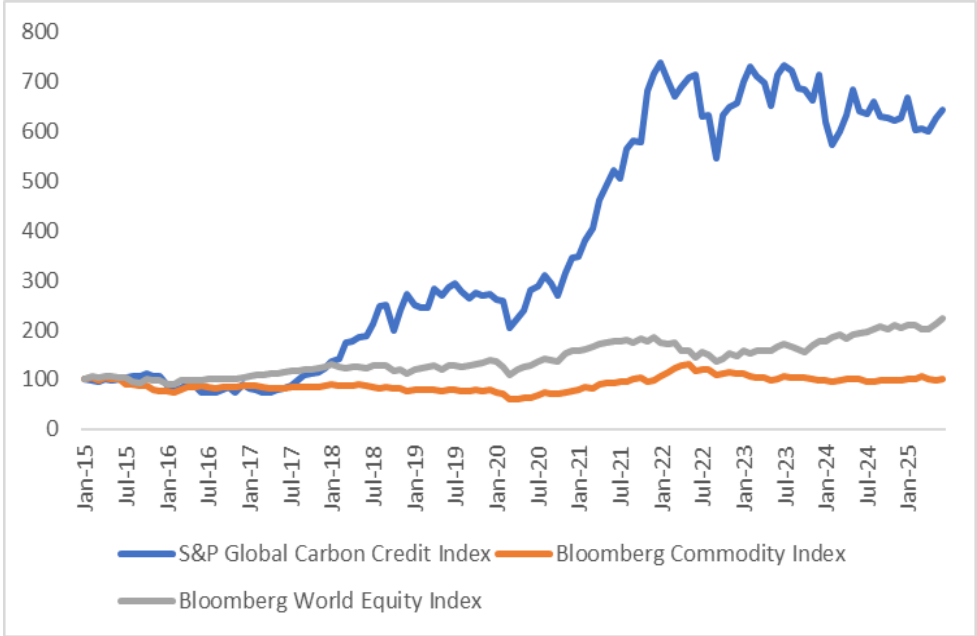
# ETS as an asset class has a very low correlation with other asset classes



Based on monthly closing prices in USD between January 2015 and July 2023)  
 This graph does not constitute past performance or simulated past performance of the Fund and is no reliable indicator of future performance.  
 This is approximate and for illustrative purposes only.

# Historically, clear long-term upward price trend, with ETS instruments having outperformed mainstream indices

Comparison ETS Price Index vs Benchmarks  
(in USD)



	Annual Return (R)	Volatility (YΔ)
S&P Global Carbon Credit Index	19.6%	28.4%
Bloomberg Commodity Index	0.1%	13.7%
Bloomberg World Equity Index	8.0%	14.6%

This data relates to the performance of the Vertis ETS Index in comparison to the MSCI and Bloomberg commodity indices. The Fund's performance is not measured against this index. It does not constitute past performance or simulated past performance of the Fund and is no reliable indicator of future performance. This is approximate and for illustrative purposes only.

Source: Vertis in-house analysis with data from Bloomberg.



*We only invest  
compliance  
carbon markets,  
not voluntary  
ones*



## HOW IS IT DIFFERENT FROM VOLUNTARY CARBON MARKETS?

Compliance carbon markets (like the EU ETS) are **government-regulated** systems that **legally** require emitters to surrender carbon allowances. Voluntary markets are unregulated and rely on companies buying credits to offset emissions on a discretionary basis.

## WHY IT MATTERS FOR INVESTORS?

Compliance markets are **backed by law and enforced by penalties**, creating **predictable demand** and **robust price signals**. Voluntary markets depend on corporate ESG commitments, which can shift with reputational or financial priorities.

## WHY COMPLIANCE IS STRONGER?

Compliance markets are **liquid, standardized, transparent, and regulated**. They benefit from real scarcity: allowances are capped and reduced over time. In contrast, voluntary credits vary widely in quality, methodology, and pricing.

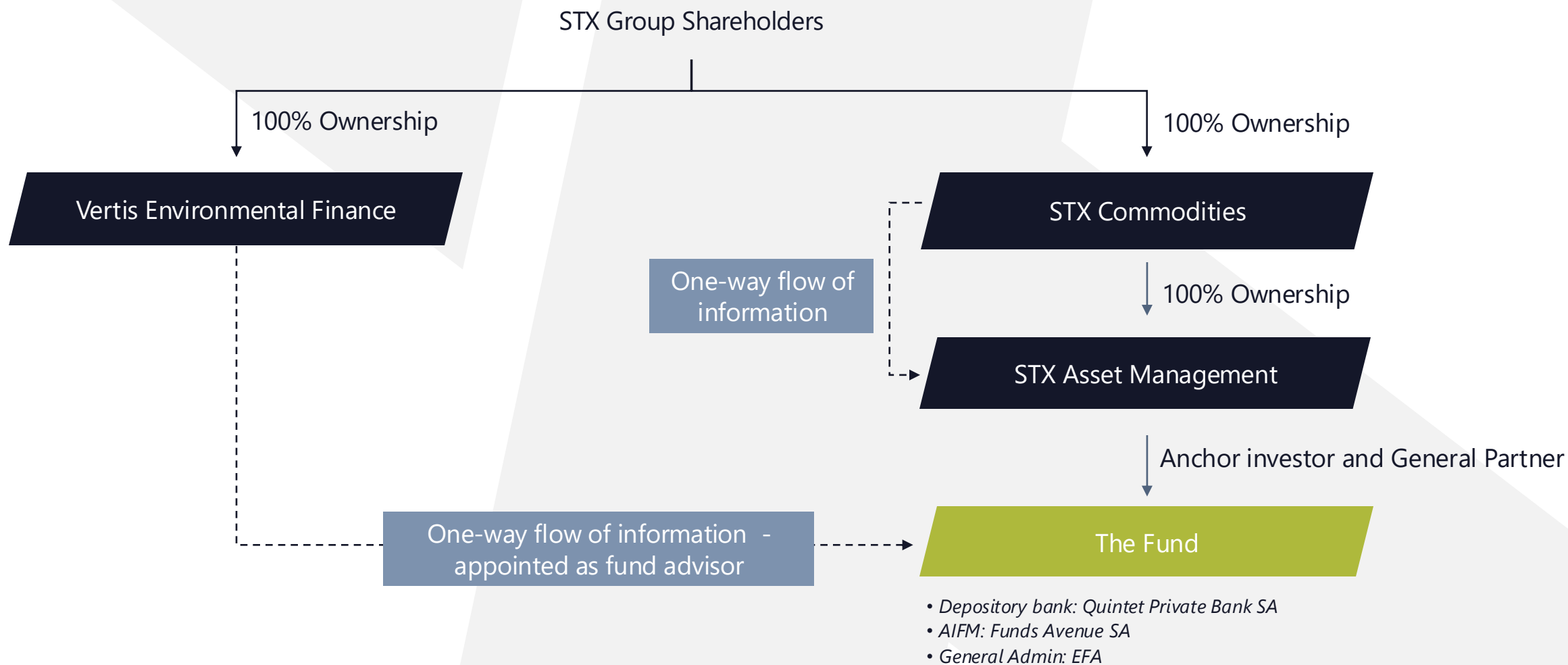
# 02

*Optimal setup within  
STX Asset  
Management, with  
combined expertise of  
Vertis & STX*



# *STX Global Asset Management is the anchor investor & GP*

## *Vertis acts as the fund advisor*





# *At a glance*

Part of the STX Group, Vertis is one of the leading and most experienced ETS dealers in the world.

# 2,700

CLIENTS

# 1.6Bn

**UNITS TRADED ACROSS SECTORS**

(Banking ~490M, Energy ~208M, Chemicals ~53M, Metals ~33M, Oil & Gas ~31M etc.)

# €4Bn

TURNOVER

# 165M

**TONNES OF CO<sub>2</sub> REDUCED  
THROUGH INVESTMENTS IN  
PROJECTS**

# 140

PEOPLE

# 25

**YEARS IN CARBON  
MARKETS**



# STX Group is one of the leading environmental commodity players

Full global coverage with 13 locations near key ETS markets

18+ years experience across broad portfolio

Extremely successful track record\*



## Products

50

Renewable  
Energy  
Certificates

Carbon  
Allowances  
(ETS)

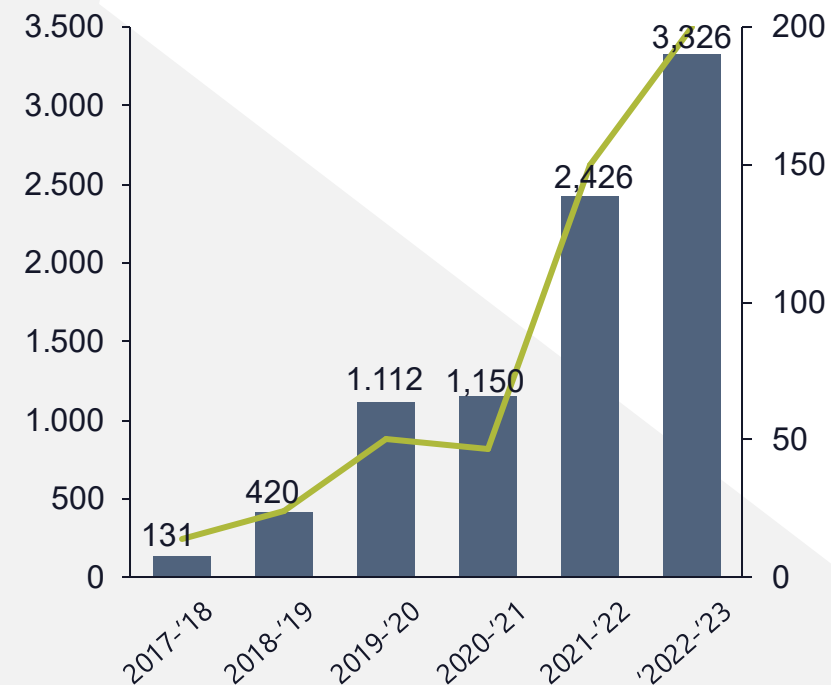
Renewable  
Gas

Verified  
Emissions  
Reductions

Energy  
Efficiency  
Certificates

Physical  
Biofuels

Revenue and Gross Profit in (€M)\*



\*Combined financials of STX and Vertis (Vertis added as of 2019/2020)



A very experienced and lean core team can draw on STX Asset Management and a broader team of experts from the STX Group ecosystem



Very experienced and lean core team

Not involved in day-to-day trading of flow at Vertis, walled off from rest of Vertis organization



STX Asset Management team



Broader team of experts from STX Group ecosystem

# Experienced and lean core team



## Gergely Szabo

### Principal Investment Advisor

#### Determines market investment strategy

Extensive market experience, incl. 18 years in energy and carbon trading and research.

Prior to current role, worked at Bunge, MOL Group and MVM Group managing billion-dollar derivative books in oil, power and gas markets.

Started career at Vertis – building and managing EUA trading desk.

Fund Advisory



## Henrik Eulau

### Analyst

#### Researches and analyses markets

Long experience as analyst within the Vertis research team.



## Stefan Feuchtinger

### Head of Research, Vertis

#### ETS Trading Expert

Expert in analysis and trading of EU & global carbon markets.

Previously, worked at the trading desk of Vattenfall and covered the EU ETS for the analytics provider ICIS.

Research

# *STX Asset Management leadership team provide the necessary support and underlying infrastructure*



**David Czapryna, CFA**

**CEO STX Asset Management**

**Overall strategic leadership & business development**

20 years financial market experience, both on the sell side and buy side, with roles in international business development and more recently managing €650 million in global equity strategies with Candriam.

STX Asset Management Team



# *Broader team of experts from STX Group ecosystem are immediately accessible by fund advisory team*



## **Gauthier Bily**

**CEO Vertis and Managing Partner  
STX**

### **Global Market Expert**

~20 years' experience in environmental markets

Prior to Vertis, set up own proprietary carbon trading fund (Alco2), which was acquired by Vertis in 2016

Previously, carbon trader CACIB and BNP Paribas, and developed consultancy branch of Axis Alternatives



## **Jeff Taylor**

**Global Head of Risk  
STX Group**

~ 14 years of experience in commodities trading risk management and 13-years of investment banking experience.

Previously worked @ SEFE Marketing & Trading; Barclays Capital; and Houlihan Lokey Howard & Zuckin. MBA from UCLA and CFA charter holder.

Select profiles of broader team of experts from STX Group ecosystem (non-exhaustive)

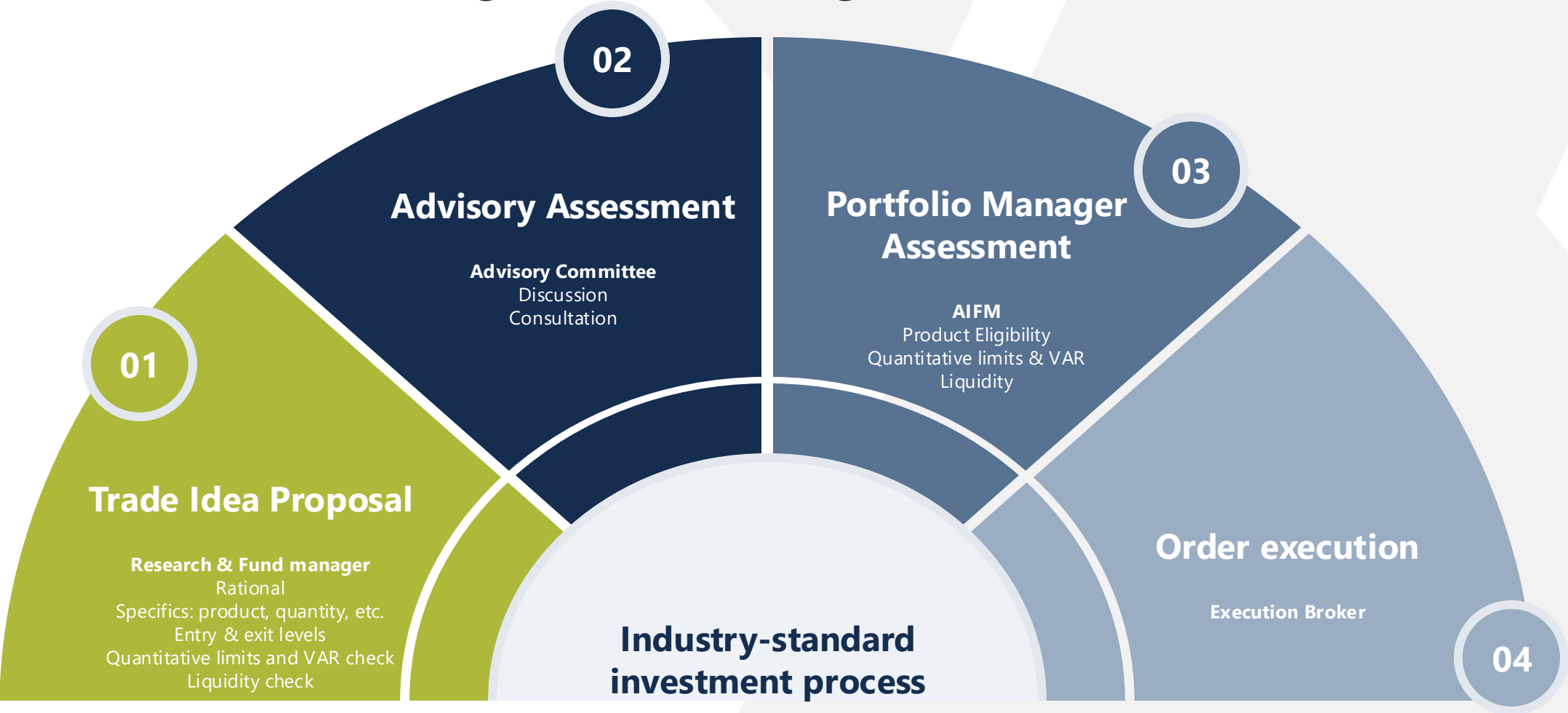
# 03

## *Unique strategy and performance*





*The fund employs industry-standard investment processes, with clear risk management and governance*



Note: scales and horizontal axes are illustrative. This graph does not constitute past performance or simulated past performance of the Fund and is no reliable indicator of future performance. This is for information purposes only.

Source: Vertis in-house analysis with data from Refinitiv , ICAP and Vertis systems

# Investment objective

We aim to capture long-term value and short-term alpha in compliance carbon markets

01

## Return target

– generate SOFR +9% over a 6-year period

02

## Risk limit

maintain a daily VaR <2.2% at 97.5% confidence interval

03

## Investment strategy

- Build strategic long exposure to compliance carbon markets as structural price signals strengthen with regulatory tightening and market maturation
- Exploit inefficiencies arising from non-financial participant behavior, episodic liquidity gaps, and regulatory asymmetries to extract short-term alpha
- Deploy tactical trading strategies to capitalize on event-driven volatility and periods of market dislocation or range-bound dynamics

# *Active management benefits in a mispriced carbon landscape*

01

Carbon markets are **heterogeneous in liquidity, access, and regulatory** dynamics. Passive indices ignore these frictions and exclude attractive but less liquid schemes (e.g., NZ, AU).

02

**Rebalancing** flows and **event-driven volatility** create dislocations that passive vehicles must absorb. Active strategies can sidestep these and capitalize on relative value.

03

Several markets exhibit **tactical short setups** that static, long-only indices structurally miss.

04

Index methodologies **overweight EU ETS** based on market size, embedding **concentration risk** and ignoring valuation or decarbonization potential elsewhere. Active management enables fundamentals-driven allocation across schemes.

# Core Long (growing to 60-80% allocation)

The strategy aims to build a globally diversified portfolio of ETS allowances

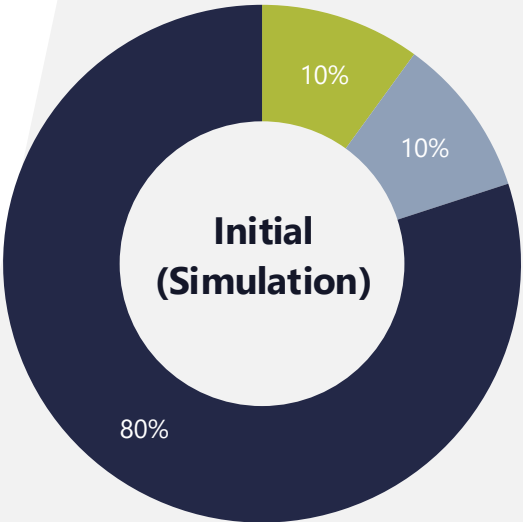
Initial core long allocation at **20-40%** growing towards **60-80%** of NAV allocation in coming years

An example of a core long investment strategy is buying an emission allowance with the view to hold them long term, waiting for capital appreciation

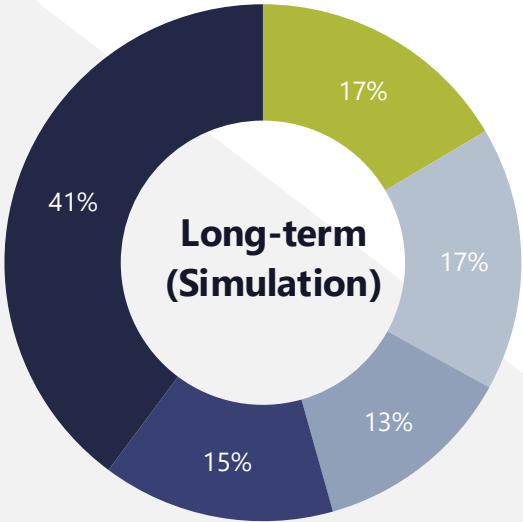
The Fund aims to build a globally diversified and balanced portfolio of ETS allowances.

The Fund selects only ETS markets with favourable risk-reward conditions based on supply-demand fundamental research.

Typically, those ETS markets are either in early stages (generally oversupplied conditions) or more developed ETS markets suffering a dip because of temporary oversupplied conditions or risk-off sentiment.



■ RGGI ■ UKA ■ Other strategies



■ CCA ■ UKA ■ NZU ■ ACCU ■ Other strategies

Source: Fund websites

This graph is for illustrative purposes only. Simulated asset allocation in the Fund is not a reliable indicative of future allocation or results. There is no assurance that the future asset allocation of the Fund will be as shown and/or profitable.

# Non-directional alpha (20-40% allocation):

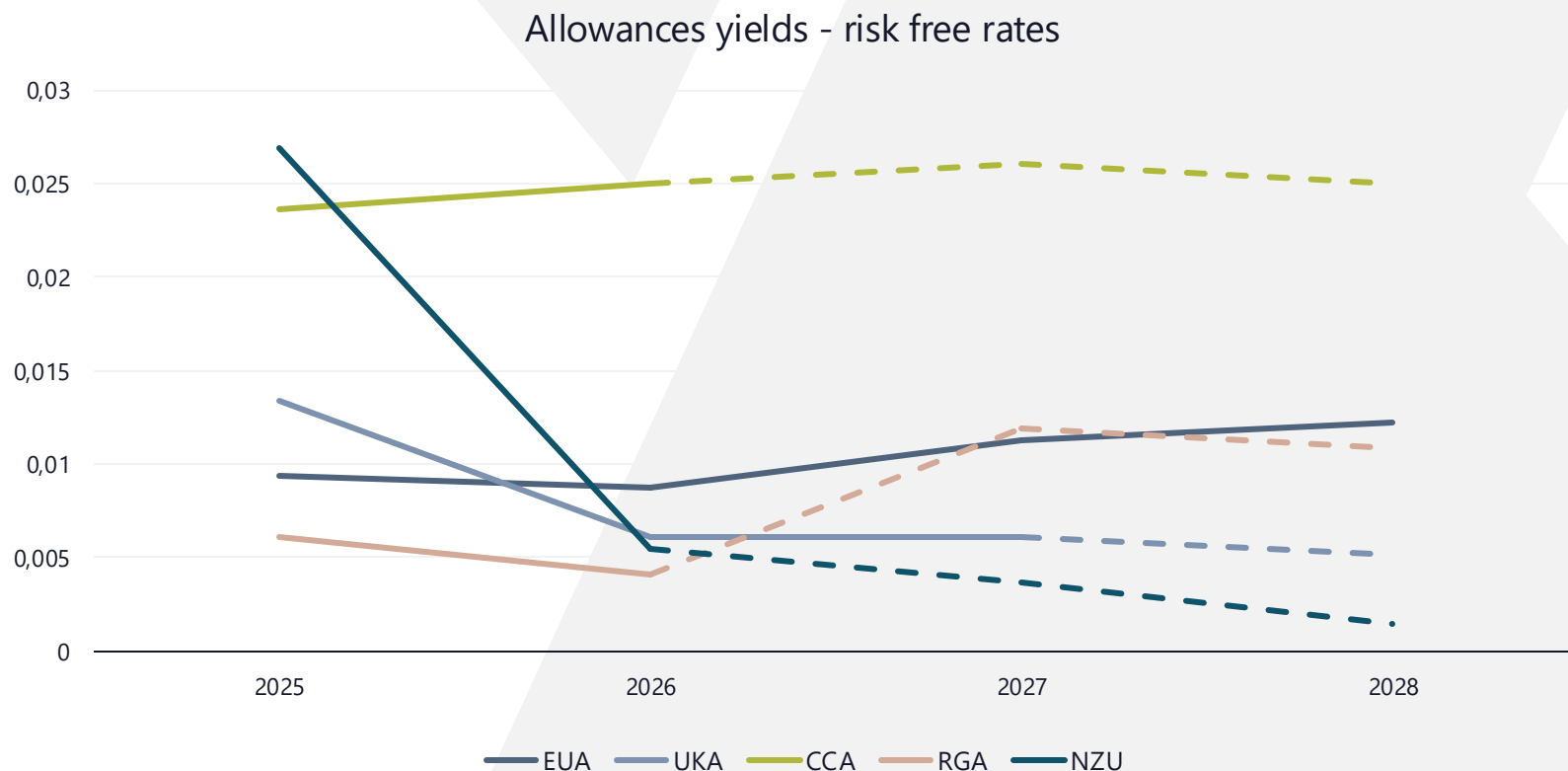
*We will seek to add value to portfolio through carry trades*

An example of carry trade is buying emission allowances spot and selling futures

There is a time curve for ETS allowances, especially in the case of the more matured markets.

The same underlying, EUA for example, is priced differently for different deliveries.

The price differences between years are usually higher than the risk-free bond yield. In some cases, the difference can be very attractive, for example reaching 8-9% in case of UKAs during Q4 2022.



Dotted line: limited liquidity

**Source:** Intercontinental Exchange (ICE), Evolution Markets, Vertis in-house curve structure modelling. This graph is illustrative and does not constitute past performance or simulated past performance of the Fund and is no reliable indicator of future performance. This is approximate and for illustrative purposes only.



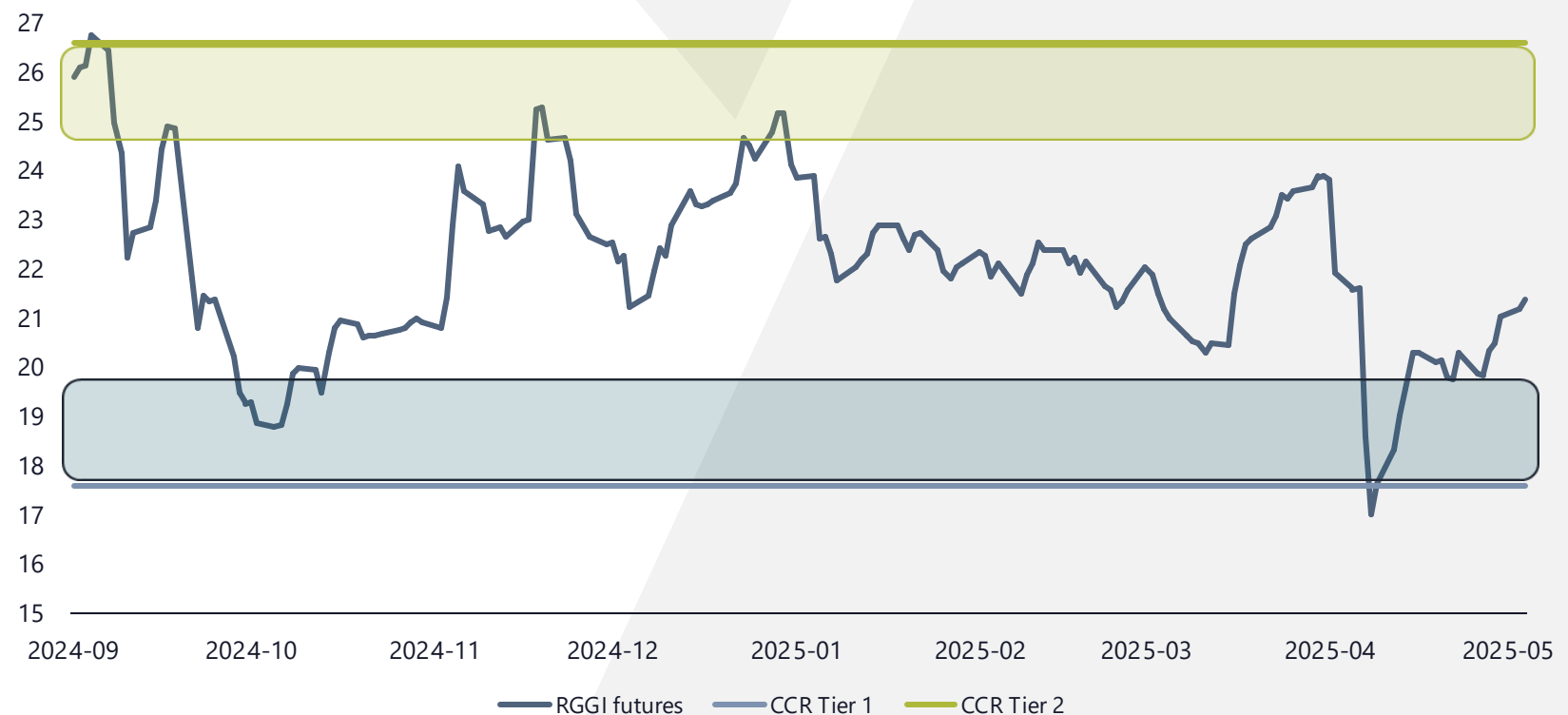
# Directional alpha (20-40% allocation):

*We will seek to add value to the portfolio through tactical positions*

RGGI program updates likely bound prices b/w cost containment levels

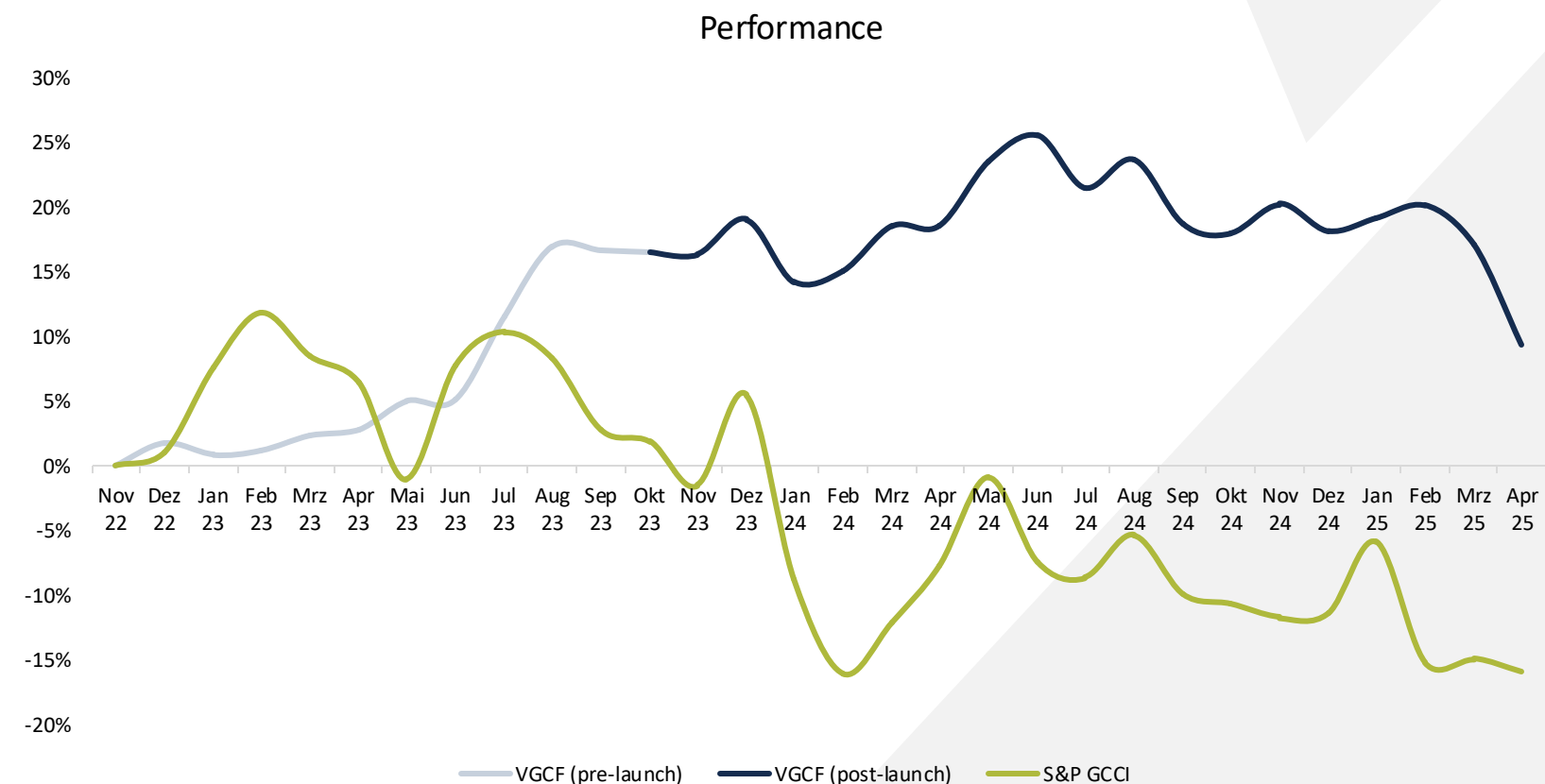
An example of directional alpha is selling emission allowances—or an at-the-money call option thereof—at the cost containment level.

Directional Alpha strategies are the smallest contributors of investment strategies. These are opportunities that arise from the inefficiencies of the different markets. These trades are more speculative; hence it has the strictest risk management principles. The trades include participating in auctions, establishing tactical short positions through short futures or long puts.



**Source:** Vertis in-house analysis with data from ICE. This graph is illustrative and does not constitute past performance or simulated past performance of the Fund and is no reliable indicator of future performance. This is approximate and for illustrative purposes only

# Vertis Global Carbon Fund Key Performance Values



VGCF Sharpe Ratio -0.20  
VGCF Information Ratio 0.44

**Standard Deviation (volatility)**  
VGCF 2.69%  
S&P GCCI 5.65%

**Max Drawdown**  
VGCF -12.87%  
S&P GCCI -20.37%

This data relates to the performance of the Vertis ETS Index in comparison to the MSCI and S&P Global carbon credit index. The Fund's performance is not measured against this index. It does not constitute past performance or simulated past performance of the Fund and is no reliable indicator of future performance. This is approximate and for illustrative purposes only.

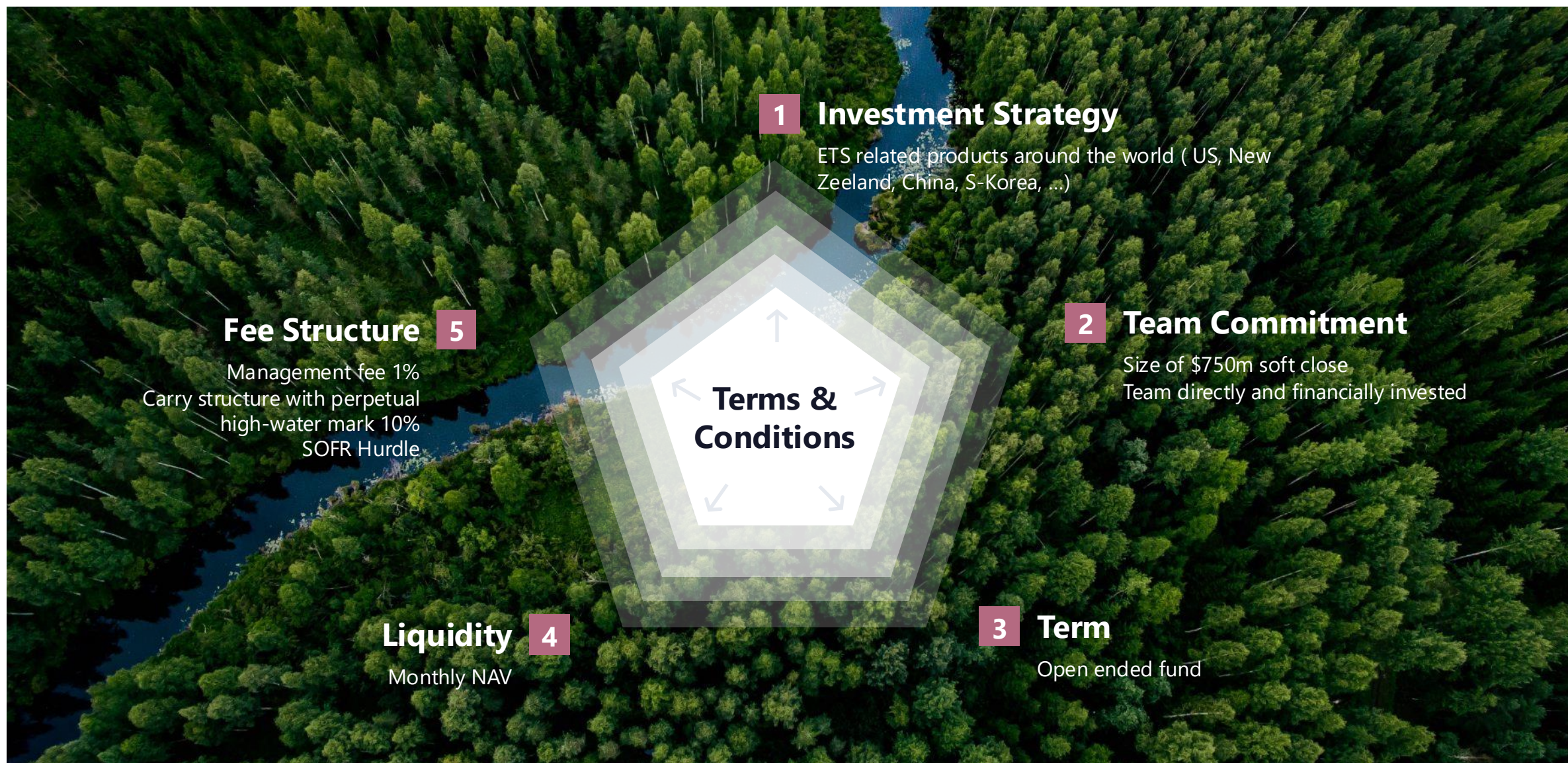
Source: Vertis in-house analysis with data from ICAP.

# 04

## *Key Terms, Conditions & Investment Risks*









# Key fund terms

## FUND CAPACITY

Soft close at ~\$750M

## STRUCTURE

Luxembourg RAIF

## FEE STRUCTURE

Management fee 1%, carry with high-water mark 10%, SOFR hurdle.

## AIFM

Funds Avenue SA

## KEY RISKS INCLUDE

Core investment thesis risks (e.g. market-based mechanisms abandoned in favor of other climate measures).  
Trading risks (e.g. unforeseen losses).  
Operational risks (e.g. counterparty failure).

## CURRENCY

USD

## GENERAL ADMIN

Trustmoore

## LIQUIDITY

Open-ended with monthly NAV



*Let's  
connect*

[investors@stx-am.com](mailto:investors@stx-am.com)

**STX** ASSET  
MANAGEMENT