



Natsource is an emissions and renewable energy asset management firm based in New York, with offices in Canada, Japan, South America, the U.K. and the U.S. Natsource is comprised of three business units:

- Asset Management Services
- Transaction Services
- Advisory and Research Services

**Natsource Asset Management (NAM)** is one of the largest private sector greenhouse gas (GHG) asset managers in the world. It is comprised of the Greenhouse Gas Credit Aggregation Pool (GG-CAP), a series of Managed Accounts and the Aeolus On-Shore and Off-Shore Funds.

- **GG-CAP** is the largest private sector mechanism designed to assist companies to cost-effectively meet GHG reduction targets under the European Union Emissions Trading Scheme (EU ETS) and the Kyoto Protocol. It was closed with €510 million (approximately US\$670 million) committed by 26 participants. This capital is used to purchase and manage delivery of a large pool of Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) which participants can use to comply with GHG emission reduction targets from 2005-2012.
- Natsource established a series of **Managed Accounts** in 2005 and launched the **Aeolus On-Shore and Off-Shore Funds** in 2006. The Managed Accounts and Aeolus are investment-oriented vehicles which take advantage of significant opportunities that exist in emissions and renewable energy markets. The Managed Accounts and Aeolus employ a variety of regulatory, financial and trading strategies to achieve superior returns for their investors.

The capital provided by the Managed Accounts and Aeolus can be used to support emissions and renewable energy projects early in the development process and to assist developers to leverage additional sources of financing.

In August 2006, these entities participated in the first billion-dollar GHG transaction through the World Bank's Umbrella Carbon Facility (UCF) through two wholly-owned subsidiaries. Through these entities, Natsource was the largest private sector participant in the program, purchasing 24.5% of the CERs expected to be delivered and made available to the private sector.

**Natsource Transaction Services (NTS)** has developed one of the largest supply and distribution networks in the world that originates, structures and arranges transactions for emissions and renewable energy assets. NTS has global reach with staff located in La Paz, London, Ottawa, Panama City and Tokyo (through Natsource Japan). NTS also leads syndicates of large buyers of GHG emission reductions such as carbon funds, multi-lateral institutions and private firms. They have arranged many of the earliest transactions of project-based reductions including transactions for one of the first registered CDM projects and the first publicly announced multi-million tonne transaction of candidate CERs from a project with a baseline approved by the CDM Executive Board. NTS has also arranged many of the earliest trades in GHG allowance markets including those in the UK and Dutch emissions trading systems.



**Natsource Advisory and Research Services** professionals have been instrumental in the development of many of the trading systems that created markets for emissions and renewable energy assets. Our executives participated in the development of the first project-based mechanism designed to reduce and transfer GHG emission reductions and in the negotiations to develop the rules governing the project-based mechanisms incorporated in the Kyoto Protocol. Natsource leverages this expertise to:

- 1) evaluate GHG emission reduction and renewable energy project opportunities and value the assets created by those projects;
- 2) assist asset managers and private firms to assess the economic risk of emission reduction and renewable energy requirements on their businesses and develop appropriate response strategies to minimize costs and capture business opportunities;
- 3) provide information on pricing and supply and demand dynamics in emissions and renewable energy markets; and
- 4) advise on the impacts of trading system design on market performance.



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