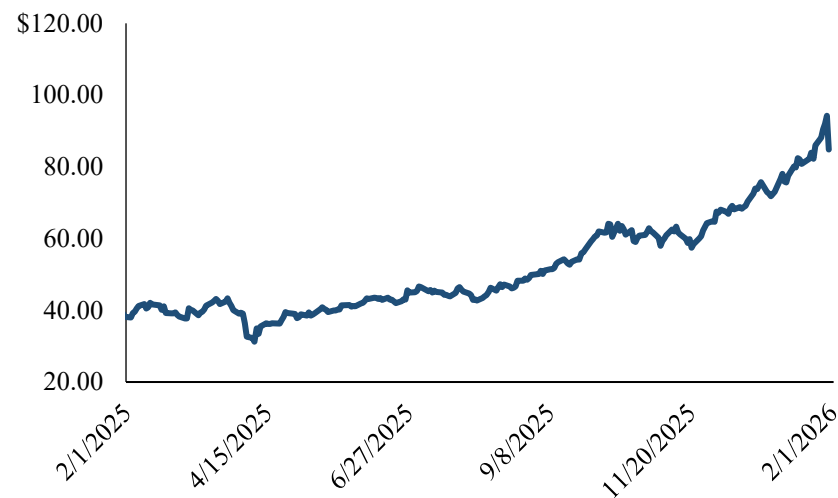


Global X Copper Miners ETF | One-Year Price Chart



Position Details

- Global X Copper Miners ETF | COPX
- Underlying Price: \$86.81
- Bull Call Spread
- Expiration Date: July 17, 2026

Metals Sector

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I. Product & Position Overview

Product & Position Overview

Product Description

- **COPX - Global X Copper Miners ETF**

- COPX tracks the performance of the Solactive Global Copper Miners Total Return Index, providing investors with exposure to companies worldwide that mine, refine, and explore copper
- Copper, a critical industrial metal essential in electrification and global infrastructure development, is expected to see rising demand. As supply growth lags consumption needs, copper miners stand to benefit from shifting market dynamics

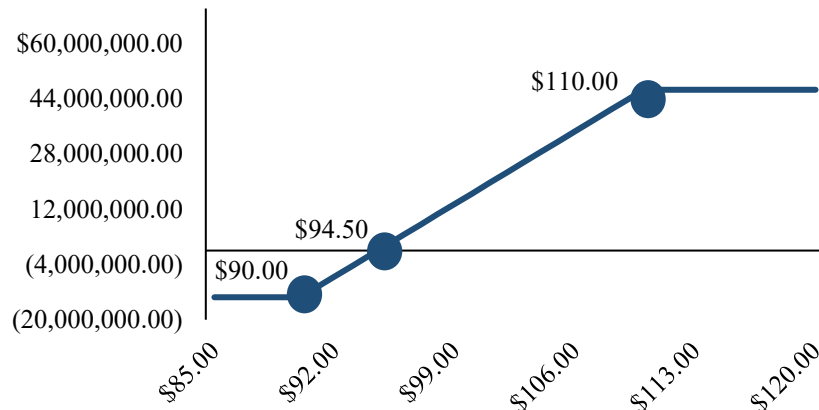
- **Top Countries Involved:**

- Canada | 36.70%
- China | 9.60%
- U.S. | 9.60%

- **Major Holdings:**

- KGHM Polska Miedź S.A. | 5.79%
- Lundin Mining Corp | 5.53%
- Boliden AB | 5.41%

Payoff Diagram



Trade Breakdown

- **Bull Call Spread**

- This strategy benefits from a bullish price movement in the underlying asset prior to the expiration date

- **Setup**

- We Buy – 30,000.00 OTM \$90.00 Calls | COPX
- We Sell – 30,000.00 OTM \$110.00 Calls | COPX
- Max Profit: \$46,500,000.00
- Max Loss: (\$13,500,000.00)

- **Expiration**

- Date: July 17, 2026

Exit Strategy & Potential Hedge Strategy

- **Bull Base & Bear Case**

- **\$110.00 / \$96.00 / \$90.00**
- Breakeven – \$94.50

- **Methodology**

- The Metals Sector is looking to benefit from a 26.71% bullish movement in the price of the underlying before expiration

- **Hedge Strategy**

- In the event of bearish price movements in the underlying asset, the Sector would look to reverse trade to minimize losses

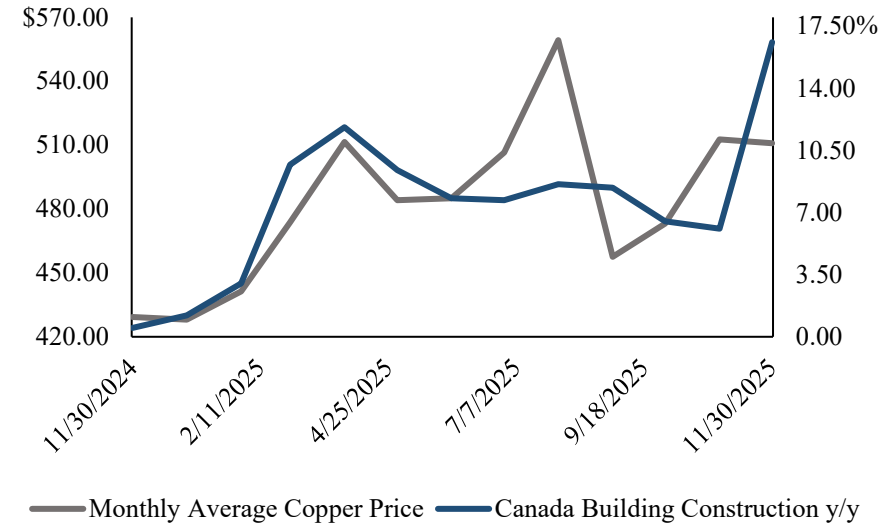
II. Macroeconomic Thesis

Macroeconomic Thesis

Macroeconomic Summary

- Copper Supply Deficit Forecasts Reinforced by Market Disruptions**
 - Global refined copper markets are projected to run a ~330.00 k MT deficit in 2026FY, reflecting mine supply growth below ~2.00% y/y vs. demand growth closer to ~3.00% y/y, deepening the mismatch
 - Copper treatment and refining charges have fallen to ~\$20.00–30.00/MT, near cycle lows, indicating constrained concentrate availability and limited flexibility to respond to demand shocks
 - Visible copper inventories are near the lowest decile of the past decade, with LME on-warrant stocks down ~22.00% y/y to ~90.00 k MT, representing less than two days of total global consumption
- Electrification-Led Demand Keeps China the Top Buyer in 2026FY**
 - China's power grid investment plan targets ~¥ 4.00 T of spending over 2026FY–2030FY, implying a budget of ~¥ 800.00 bn annually, with transmission, ultra-high-voltage lines, renewables integration, and EV charging representing copper-intensive uses
 - Power grid and renewable build-out are expected to drive ~3.00% of annual growth in Chinese copper consumption in 2026FY
- Company-Specific Operational and Corporate Catalysts Among Holdings**
 - Glencore (GLEN LN) operates Canada's largest copper smelter and has frozen nearly \$1.00 bn in planned environmental upgrades, increasing the risk of refined copper capacity constraints as Quebec continues to tighten emissions standards into 2026FY
 - KGHM Polska Miedź (KGH PW) produces ~730.00 k MT of copper annually and has faced rising energy and regulatory costs in Europe, making European copper output more sensitive to geopolitical shocks

Average Copper Price vs Canada y/y Building Construction | One-Year Chart



Market Pros & Cons

- Project Vault reinforces structural copper supply tightness
- Canadian fiscal initiatives set to accelerate critical metals investment
- Chile and Poland regulatory regimes pressure miner margins
- Lower ore grades and geological constraints pressure operating efficiency

III. Risk Analysis

Risk Analysis

Directional & Magnitude Risk

- **Delta Analysis**

- The delta for this trade is 0.1990
- For every \$1.00 movement in the price of the underlying asset, this strategy gains or loses \$0.1990

- **Gamma Analysis**

- The gamma value for this trade is 0.0009, as delta shifts by 0.0009 for every \$1.00 change in the price of the underlying
- Gamma is relatively low because both strikes are OTM and the expiration date is distant, which causes delta to adjust gradually

Implied Volatility Risk

- **Vega Analysis**

- This trade has a vega value of 0.0180
- The implied volatility for this trade is 60.00%
- For every 100.00 bps change in implied volatility, the strategy's value is expected to increase or decrease by \$0.0180
- Having a higher volatility increases our chance to profit, as large price swings have the potential to swing the underlying ITM

Time Risk

- **Theta Analysis**

- The value of the theta for this trade is (0.0096)
- The trade experiences a loss of \$0.0096 for every 1.00-day decrease in time to expiration, with time decay accelerating as the contract approaches our proposed expiration date
- Theta is negative in this trade, because the probability of the position landing ITM decreases as time passes

Interest Rate Risk

- **Rho Analysis**

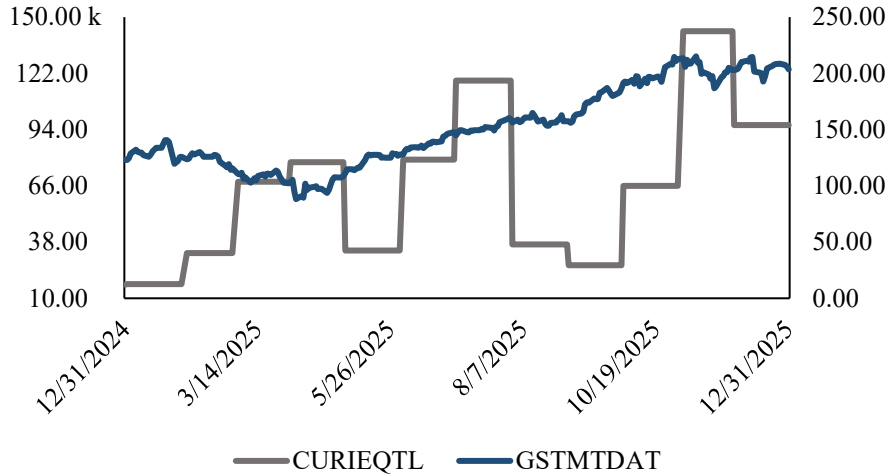
- The rho in this trade is (0.0255)
- For every 100.00 bps change in the risk-free interest rate, the contract's value is expected to gain or lose \$0.0255
- Rho has less of an impact on the option's premiums than other Greeks, but due to the long-term nature of the strategy, significant reductions in the risk-free rate could reduce the value of the contracts, as the Fed's future stance comes into question



IV. Technical Bias & Fair Value

Technical Bias & Fair Value

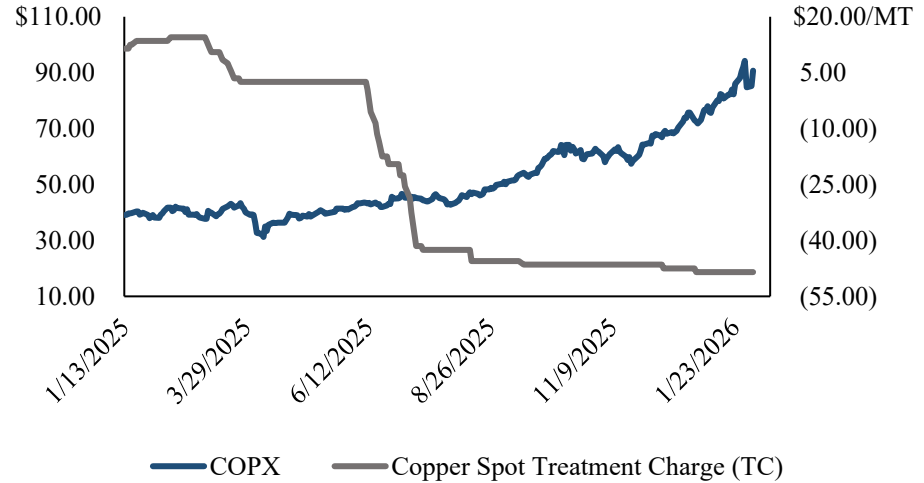
China Copper Export Volume vs U.S. Data Center Index | One-Year Chart



Monte Carlo

	Long Call	Short Call
Value	\$15.4324	\$8.1390

COPX vs Copper Spot Treatment Charge (TC) | One-Year Chart



Synopsis

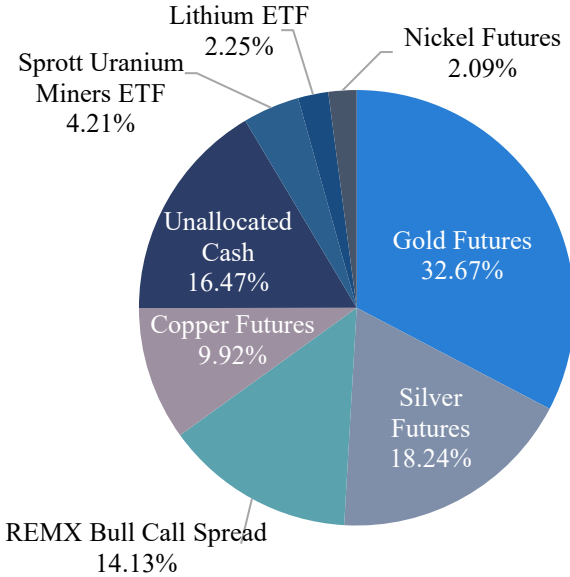
- The left graph highlights the widening gap between a steadily rising U.S. Data Center Index and relatively constrained, stepwise increases in China's copper export volume, underscoring tightening availability against structurally firm demand. While data center activity continues to increase and inch higher, copper exports have failed to respond proportionally. This divergence implies that incremental demand tied to AI and power-intensive infrastructure must be met through higher prices and premiums
- The right graph shows that COPX has appreciated over the past year, even as copper spot treatment charges have collapsed. Over this time, miner performance has been driven by structural tightness rather than short-term demand. This sharp decline in spot treatment charges signals a sustained element of scarcity with copper concentrate and limited supply movement, even as market demand continues to remain strong amid structural deficits



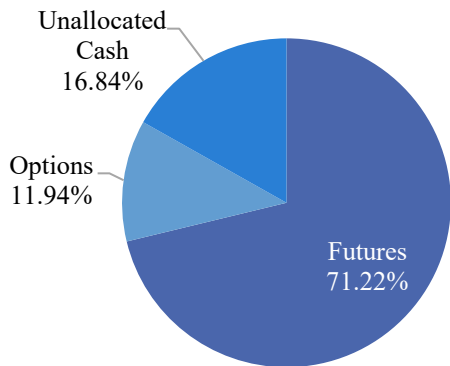
V. Capital Allocation

Capital Allocation

Current Portfolio Allocation

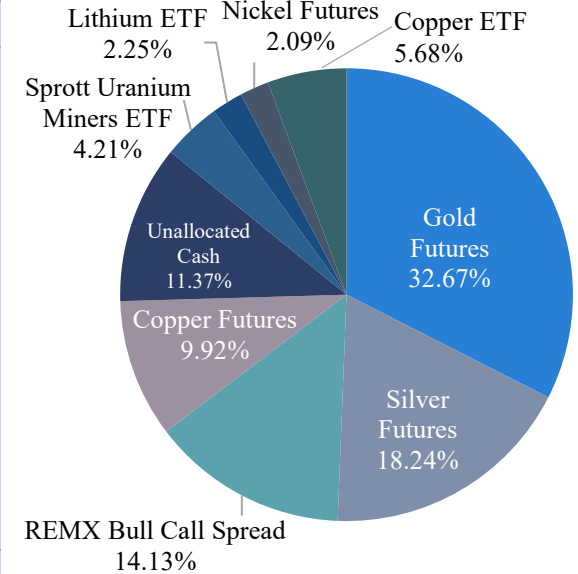


Current Position Allocation

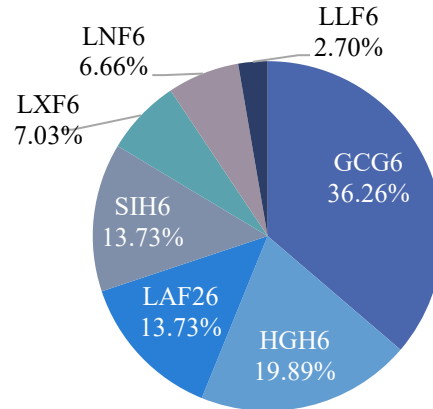


Transaction Summary		
Ticker	Position Change	
	Contracts	Allocation
Gold Futures	0	\$0.00
Silver Futures	0	\$0.00
REMX Bull Call Spread	0	\$0.00
Copper Futures	0	\$0.00
URNM ETF	0	\$0.00
LIT ETF	0	\$0.00
Nickel Futures	0	\$0.00
COPX ETF	+30,000.00	\$13,500,000.00
Allocation Change		\$13,500,000.00

Proposed Portfolio Allocation



Benchmark Allocation



Proposed Position Allocation

