

# **ANNUAL REPORT 2022**

## **Commodity Discovery Fund**

**The original financial statements were drafted in Dutch. This document is an English translation of the original. In case of discrepancies between the English and the Dutch text, the latter will prevail.**

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## General information

### Registered Office

Commodity Discovery Management B.V.  
Zandvoorterweg 77  
2111 GT Aerdenhout  
The Netherlands

### Website

[www.cdfund.com](http://www.cdfund.com)

### Fund Manager

Commodity Discovery Management B.V.  
Zandvoorterweg 77  
2111 GT Aerdenhout  
The Netherlands

### Depository

CACEIS Bank, Netherlands Branch  
De Entrée 500  
1101 EE Amsterdam  
The Netherlands

### Legal and Tax Counsel

Loyens Loeff N.V.  
Frederik Roeskestraat 100  
1076 ED Amsterdam  
The Netherlands

### Bank

ABN AMRO Bank (The Netherlands) N.V.  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

### Legal Owner

Stichting Legal Owner CDFund  
De Lairessestraat 145  
1075 HJ Amsterdam  
The Netherlands

### Administrator

Bolder Fund Services (Netherlands) B.V.  
Smallepad 30F  
3811 MG Amersfoort  
The Netherlands

### Independent Auditor

Ernst & Young Accountants LLP  
Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands

### Brokers and Custodians

CACEIS Bank (The Netherlands)  
Interactive Brokers Ireland Limited  
(Ireland)  
Raymond James Ltd. (Canada) (until March  
2022)  
Canaccord Wealth Management (Canada)

## Key figures

	2022	2021	2020	2019	2018
<i>Class CDF new asset class</i>					
Net Asset Value (x € 1,000)	18,236	23,054	13,615	3,133	1,414
Number of outstanding units	221,810	201,682	108,197	46,394	23,088
Net Asset Value per unit (x € 1)	82.21	114.31	125.83	67.53	61.23
<i>Class CDF all investors</i>					
Net Asset Value (x € 1,000)	95,633	113,670	86,719	39,235	30,666
Number of outstanding units	1,188,409	1,014,262	699,398	586,675	503,138
Net Asset Value per unit (x € 1)	80.47	112.07	123.99	66.88	60.95
<i>Class CDF US Persons</i>					
Net Asset Value (x € 1,000)	45	195	-	-	-
Number of outstanding units	565	1,741	-	-	-
Net Asset Value per unit (x € 1)	80.47	112.07	-	-	-
<b>Total for the Fund</b>					
Net Asset Value (x € 1,000)	113,914	136,919	100,334	42,368	32,080
Number of outstanding units	1,410,784	1,217,685	807,595	633,069	526,226
Net Asset Value per unit <sup>1</sup> (x € 1)	80.74	112.44	124.24	66.92	60.96
Performance (in %)	(28.20)	(9.50)	85.39	9.78	(32.68)
Result (x € 1,000)	(42,719)	(11,121)	41,711	3,778	(14,827)
Ongoing Charges Figure	1.92%	2.14%	2.30%	2.42%	2.46%
Portfolio Turnover Ratio	189%	223%	346%	212%	475%
<b>Result per unit<sup>2</sup> (x € 1)</b>					
Direct result	0.18	0.33	0.17	0.14	0.06
Revaluation	(27.63)	(6.15)	60.01	9.11	(24.56)
Other results	(0.23)	(0.23)	(0.57)	(0.75)	(0.78)
Costs	(2.67)	(3.08)	(7.95)	(2.72)	(2.91)
<b>Net result</b>	<b>(30.35)</b>	<b>(9.13)</b>	<b>51.66</b>	<b>5.78</b>	<b>(28.18)</b>
Benchmark <sup>3</sup> (in %)	(25.81)	(3.16)	37.71	27.16	(25.50)

<sup>1</sup> The net asset value per unit is calculated by dividing the net asset value in the financial statements of the Fund by the number of outstanding units.

<sup>2</sup> The result per unit is calculated using the total number of outstanding units at the end of the year.

<sup>3</sup> Benchmark: 50%TSX V Index & 50% HUI-Index.

## Manager's report

2022 was a difficult year for investors and was dominated by the Russian invasion of Ukraine. This wasn't entirely unexpected, as our monthly report for January 2022 predicted:

'Now that President Biden has publicly hinted that the US won't militarily intervene if Russia conducts military operations on Ukraine's eastern border, it seems only a matter of time before such operations can be expected.'

With the invasion appearing to be aimed not just at taking control of the eastern part of the country, but at the complete capitulation of the capital Kyiv, there was a strongly negative reaction on the financial markets, causing almost all asset classes (with the exception of the dollar and gold) to fall sharply. It is still too early to determine the real impact of this conflict, but it is already clear that the shock waves will continue to be felt for quite some time yet. The geopolitical implications will be especially significant. It is evident even now that the peace dividend, which we had been enjoying since the late 1980s, has come to an end. We seem to have arrived at the end of an era of cheap money, labour, commodities, and above all, cheap solutions. After all, you can't fight inflation by mass printing of money.

The resulting energy crisis has shown how vulnerable Europe is. It appears ever more likely that the continent will suffer irreparable damage in this conflict. The Ukraine war is just the military side of a much larger struggle, which could turn into a global conflict. It increasingly looks like we're on the cusp of an economic and financial war with Russia and China. ASML, meanwhile, has realised what this means.

The West (i.e. Europe) has to adapt now that raw materials are no longer available in unlimited and cheap quantities. Brussels and the US are accelerating their efforts to establish their own commodity supply lines in an attempt to end dependence on the BRICS countries.

China's President Xi realises better than anyone that the current dollar system is on its last legs. He recognises that the Western alliance involves less than 1.5 billion people. While the 140 countries not participating in the sanctions are home to more than six billion people. Brazil, Russia, India, China and South Africa, connected in the BRICS alliance, share their common dislike of the current dollar system that has favoured the West for more than 75 years. In the IMF, for instance, Italy still has more voting rights than India, with Japan having almost three times as many votes as Brazil.

At least 13 countries from these 140 have already expressed interest in joining the BRICS alliance. Even the Saudis say they're willing to join the BRICS alliance and sell oil in 'currencies other than the dollar'. We are thus witnessing the end of the Petro-Dollar Deal, which has been the driving force behind the dollar since the early 1970s. This also marks the end of a decades-long trend of dollarisation and globalisation. A shift from a unipolar to a more multi-polar system, in which the dollar will lose considerable importance. The use of the dollar as a financial weapon (SWIFT, sanctions, etc.) has given many countries good reason to exchange the dollar for gold and other hard assets. According to a June 2022 ING report, the BRICS countries are working on their own 'reserve currency'.

Credit Suisse has gone one step further. According to interest rate strategist Zoltan Pozsar, we have even arrived at the 'birth of Bretton Woods 3.0, a new world monetary order built around commodity-based currencies in the East'. (The Bretton Woods conference in 1944 marked the beginning of the first phase, after which the decoupling of the dollar from gold in 1971 is seen as the inception of BW II). According to Pozsar, 'a new crisis has been born. A commodities crisis. Commodities are collateral, and collateral means value'. When this crisis is over, he says, the dollar will be much weaker and the renminbi much stronger. We envisage benefiting significantly from the developments outlined above.

**Personal view of CDFund Fund Managers:**

It is becoming increasingly clear that the US, in an attempt to maintain its hegemony for as long as possible, won't shy away from harming Europe's interests. One of the most authoritative US journalists, Pulitzer Prize winner Seymour Hersch has already written that the US should be held responsible for the attack on the Nord Stream gas pipelines, a critical component of Europe's energy infrastructure. Poland's former defence minister has also identified the US as the likely culprit. The fact that Russia, China and Brazil are the only countries demanding a UN investigation into the attack is telling. Indeed, it was clear to us from day one that the Russians were the last ones on the list of 'usual suspects'. Anyone who has studied US geopolitical strategists (Heartland Theory by John Mackinder, The Grand Chessboard by Jimmy Carter's adviser Brezinski and the Wolfowitz-Neocon Doctrine) is aware of the importance of Ukraine in the global power game. Meanwhile, China's power has significantly increased without having fired a shot. Similar to the Hong Kong situation, they've played their cards well. By using Putin as an aggressive pit bull against the US, they've been able to make lots of money in the background from Russian commodities arbitration.

*(The above text isn't part of the statutory board report)*

**Fund performance**

For investors, 2022 was the worst year since the financial disaster year of 2008, when equities fell 38% on average. Losses were particularly high in tech. Amazon halved last year, and Google lost 40%. In fact, for institutional investors with a standard (60% equities - 40% bonds) portfolio, last year was one of the five worst years in the last 100 years (return -30%). US government bonds (treasuries) classified as a safe investment fell as much as -16%, the biggest loss since the Civil War (1861-1865). Our Fund saw NAV fall over 29% last year. The Fund's performance contrasted negatively with the price of gold, which ended 2022 exactly where it started. The reason behind this underperformance was soaring inflation, which has had a major impact on producers' cost increases. Without a rally in producer valuations, exploration companies will also lag behind. This was also strongly reflected in our benchmark, which fell by almost 25% in 2022. This brought the average gross annual return over the last three years to 8.13%.

With the traditional 60-40 portfolio no longer proving to be a safe haven, we are seeing money flowing into alternative investments such as commodities. The wave of inflation, increasing scarcity and geopolitics (resource nationalism) are clearly making commodities more attractive to more and more investors. Technically too, after a bear market of almost 15 years, commodities finally seem ready to embark on a longer period of gains. The initial rebound in 2020 (CDFund gross +85%) was followed by a two-year-long correction. This now seems to be coming to an end.

**Investment policy**

The investment objective of the Fund is to achieve capital growth through investments in a wide variety of financial instruments and by using different types of investment techniques, with an acceptable level of risk. The Fund uses a weighting of 50% HUI index and 50% TSX-V index as a Benchmark for its total return. However, it is not the Fund's investment objective to track these indices or the Benchmark. The Fund will primarily invest in listed companies engaged in the exploration, development and exploitation of commodities with an emphasis on metals, precious or otherwise.

As noted earlier, the West has begun to secure its own supply routes for 'critical metals'. The urgency is particularly great for so-called battery metals. Between 35-60% of copper, nickel, lithium and graphite are processed in China. In the case of cobalt, it even exceeds 80%. Western car manufacturers are being forced to make direct investments in undeveloped mining projects. For example, GM has invested \$650 million in Atlantic Lithium, while Tesla has taken a stake in Talon Metals' nickel discovery. To have enough lithium or nickel available to manufacture all the projected EVs by 2035, an estimated 50-70 new mines for each metal will be needed. This is technically an impossibility, as a mine takes at least 10 years to plan and build.

Around the world, we are seeing a decline in the actual stocks of many metals. Especially after 2025, production shortages in numerous commodities will start to garner media attention. We are well positioned in the face of this new reality, in which different power blocks will also be competing with each other to get the best possible share of the commodities pie. Our long-term strategy of investing extensive time, money and energy in identifying the last freely available new commodity projects across the globe should create value in the years ahead. Especially given the growing focus on gold in the monetary world. In 2022, central banks worldwide bought 150% more physical gold than a year earlier. In a world where a new world order is being fought over, central bankers realise better than anyone else the value of gold as a monetary metal. The monetary reset that is now imminent will only further boost demand for tangible precious metals. Add to this the global monetary devaluation (inflation) that will push more and more countries into a currency crisis. Turkey, Lebanon and also Suriname are the most recent examples. This renewed focus on gold as a hedge on our monetary system will at some point irrevocably have to lead to a revaluation of gold. This is why much of our investment remains focused on precious metals. The rest of our attention is on so-called battery metals and uranium/energy. For example, over 6% of AUM is already invested in lithium companies.

We have continued to further concentrate the portfolio in 2022, with a focus on the most significant commodity discoveries. The 50 largest investments account for 75% of the portfolio. These are positions in companies with projects in both the exploration (50%) and development phases (20%). The remaining 30% of assets are invested in more liquid positions, such as the various commodity-related ETFs and companies focusing on manufacturing (incl. royalty and streaming companies).

Nevertheless, a word of caution is also appropriate. There is an increasing risk of major economic damage due to higher inflation and the energy crisis. Almost all recession indicators have shot up to red in recent months. The Fed hasn't raised interest rates this much since the 1970s. Almost all previous periods of significant interest rate hikes have led to an economic crisis or substantially lower share prices. We expect share prices to fall during 2023 and beyond. These risks mean that investors, in our view, are well advised to design their portfolios more defensively with less exposure to bonds and possibly overvalued equities. We, too, will continue by further diversifying the portfolio and putting a larger portion in more liquid investments such as ETFs, royalty companies and commodity producers.

### **Takeovers**

In 2022, seven of our positions were acquired, or a takeover bid for all outstanding shares was received. Since our inception, 76 of our positions have now been taken over by a larger company looking to replenish their commodity reserves. We expect an increase in M&A activities in the commodity sector. Newmont Mining's recent bid for Newcrest Mining (NCM) is a case in point. This is of significant importance to us, as almost 10% of our investments are affiliated with NCM. This involves the development of Greatland Gold's Havieron project, in which NCM has a 70% stake. In addition, Cornerstone Capital Resources has been acquired by SolGold, in which NCM is also a significant shareholder. This could cause both projects to become available. This is a favourable development in our view.

#### *Acquired exploration companies:*

Torrens Mining  
 Orca Gold  
 Great Bear Royalties  
 QuestEx Gold & Copper  
 North American Nickel  
 Cornerstone Capital Resources  
 Arena Minerals

**Benchmark**

The still very large loss of the Toronto Stock Exchange Venture Index (TSX-V) from our inception in 2008 is notable. The TSX-V is still trading 78% lower. The HUI index of producing gold mines is also still trading significantly lower.

	<b>CDF</b>	<b>TSX-V</b>	<b>HUI</b>
Start June 2008	100.00	100.00	100.00
At year end 2008	72.03	30.00	65.93
At year end 2009	135.31	57.24	93.73
At year end 2010	254.59	86.12	125.00
At year end 2011	166.35	55.88	108.73
At year end 2012	148.85	45.97	96.85
At year end 2013	68.15	35.08	43.10
At year end 2014	65.51	26.18	35.76
At year end 2015	54.13	19.79	24.24
At year end 2016	92.08	28.70	39.65
At year end 2017	90.54	32.02	41.93
At year end 2018	60.95	20.97	35.01
At year end 2019	66.88	21.74	52.75
At year end 2020	123.99	32.95	65.33
At year end 2021	112.07	35.36	56.44
At year end 2022	80.47	21.63	50.09

**Assets under management**

Interest in investing in our Fund has soared since the coronavirus crisis. In particular, savers who were faced with negative interest rates started looking for alternative investment options en masse. Equity securities that traditionally do well in times of rising inflation, such as real estate and commodities, are the focus of particular attention. As a result, we also experienced inflows of EUR 25.8 million from new and existing investors last year. Due to a strongly negative return, assets under management (AUM) decreased from over EUR 137 million at the end of 2021 to EUR 114 million at the end of 2022. Inflows again significantly exceeded capital outflows, which came to EUR 6.3 million. Net inflows of EUR 19.5 million pushed the number of outstanding participations to a record 1,410,783. Compared with last year's final position, this is an increase of almost 16%. The number of individual participants grew from 1,694 at the end of 2021 to 1,815 at the end of 2022.

**Discovery Day**

As an unfortunate consequence of the coronavirus pandemic, the 2020 and 2021 Discovery Awards had to be presented in a small ceremony to the winners Adriatic Metals and Greatland Gold. However, for the first time in two years, this prestigious award was again presented during a large-scale conference at the Deutsche Goldmesse mining & exploration event in Frankfurt on 19 November last. The nominees for the 2022 CDFund Discovery Award were:

- Filo Mining
- Predictive Discovery
- Banyan Gold
- Reunion Gold
- Antipa Minerals
- New Found Gold



The final shortlisting and selection of the winner were done in accordance with the criteria we use to manage positions in the Fund. The winner is perfectly in sync with the Discovery Investing model. In essence, this boils down to the quality of the discovery hole, subsequent confirmation of the discovery in follow-up drilling, exploration indicative of a world-class project, a producer as a partner with an interest and the ability to take the project to production, a very likely prospect of acquisition and, above all, value creation for our portfolio. This year's winner was Filo Mining's Filo del Sol copper-gold discovery. The company is managed by a team with close links to the Lundin Mining group, with BHP owning 5% of the shares.

### **Licence**

Since July 2014, the licence of the Fund Manager, Commodity Discovery Management B.V., has been governed by the 'UCITS' (Undertaking for Collective Investment in Transferable Securities). The benefit of qualifying as a UCITS is that participations in the Commodity Discovery Fund can be offered relatively easily in other member states of the European Union or in states that are party to the European Economic Area Agreement. A feature of a UCITS is a greater regulatory emphasis on risk management, including through investment restrictions limiting the maximum exposure to individual investments.

### **Remuneration policy**

The remuneration policy applies to employees and directors of the Fund Manager. Both employees and directors receive a competitive fixed salary. In addition, they may be eligible for variable remuneration under certain circumstances. Any variable remuneration is intended to reward and encourage good performance, taking into account the nature and level of responsibility of the position. It is paramount that the share of the variable component in the total remuneration package is sufficiently low to allow for a fully flexible policy on this component, including the possibility of not paying variable remuneration if individual performance or financial developments of the Fund Manager and/or the Fund should warrant it.

The Fund has no employees. The directors (2) and employees (5) receive a fixed salary from the Fund Manager. As of 2016, a variable component in employee and management remuneration has also been possible. Of all salaried staff, only one employee received a bonus for 2022 (EUR 3,500). Personnel costs in 2022 came to EUR 1,022,595, an increase of 28%, due to the growth in the number of employees, freelance or otherwise. This relates to a total of eight individuals hired as of 2022. Of total personnel costs, 34.0% relate to board members (2FTE) and 32.7% to permanent staff (5FTE), with 33.3% to freelance staff.

### **Risk section**

The Fund invests in sectors characterised by high volatility, as a result of which returns are highly uncertain. The net asset value of the Fund and its participations can fluctuate considerably over the course of a year. Therefore, the extent to which an individual participant makes a profit or loss partly depends on the timing of the subscription and deregistration of participations. The main risks associated with investing in the Fund as well as associated risk management, are as follows:

#### **Risks of a general economic and political nature**

Fund investments are subject to risks associated with the mood of the stock market and of a general economic nature, such as fluctuations in economic activity, inflation and commodity prices. The value of the Fund's investments may also be affected by geopolitical developments. The countries where the Fund invests in companies, are often characterised by geopolitical instability, which implies that investments may be lost in whole or part due to natural disasters or political unrest.

**Concentration risk**

The Fund invests in a limited number of sectors, resulting in limited diversification and, hence, risk spreading. Risk involves investments not developing as expected. There is no guarantee that the target return will be achieved. A specific investment methodology is applied which gives a high probability of achieving the target return.

**Liquidity risk**

Participants should be aware that stock market prices can fall by 70-90% during severe corrections or crashes. However, hedging strategies are used to mitigate this risk. Exchanges may also be temporarily closed, which may make it impossible for the Fund Manager to monetise positions. Certain Fund investments, especially in so-called small caps may be less liquid under certain circumstances, which may result in these investments having to be sold at a lower-than-expected value.

**Currency risks**

In 2022, the euro fell more than 6% against the US dollar and remained unchanged against the Canadian dollar. The Fund Manager partially hedged currency risks during the reporting period. In particular, fluctuations of the Canadian dollar can have both positive and negative effect on the Fund's Net Asset Value (NAV). Most of our investments are listed in Canada (62%) and Australia (20%). For a complete overview of the Fund's risks, please refer to the risk description in the prospectus.

**Risk management**

The Fund will adhere to, among other things, the following restrictions in carrying out its investment policy:

- investments will be mainly made in listed instruments. Where occasional investments are made in unlisted companies, this will only be done in accordance with UCITS regulations. This may include, for example, a pre-IPO placement.
- an interest in a particular company will not exceed a maximum of 10% of the Net Asset Value.

**Principles of fund governance**

The Dutch legislator has included in Article 17(5) of the Decree on Conduct of Business Supervision of Financial Undertakings (Bgfo) the requirement that the fund manager, (independent) investment institution or its depositaries should ensure independent supervision of the implementation of the organisation's integrity policy and procedures and measures. The Commodity Discovery Fund applies the Principles of Fund Governance when implementing its governance policy. We have published the Principles of Fund Governance on our website. Article 3.2 of the Principles of Fund Governance provides further explanation of the review by the supervisory entity. The activities described are carried out by the supervisory entity on behalf of the participants.

As outlined in the Principles of Fund Governance, the Commodity Discovery Fund has appointed the External Compliance Officer, Compliance Advies Financiële Ondernemingen, as the supervisory entity to review compliance with the Principles of Fund Governance. In this context, this supervisory entity has carried out specifically agreed activities with respect to the Principles of Fund Governance and their application in the case of the Commodity Discovery Fund.

The Fund's description of its business operations complies with the requirements of the Financial Supervision Act (Wft) and the Decree on Conduct of Business Supervision of Financial Undertakings (Bgfo). The external compliance officer has assessed whether the description of business operations complies with statutory requirements and with legislation and regulations in general, whereby activities, as set out in a monitoring programme, have been carried out. The board has noted its findings for the 2022 financial year and the auditor's findings on the audit of the 2022 annual accounts. Based on these, the Fund Manager has found that the description of the structure of the business operations complies with the provisions pursuant to Sections 3:17(2)(c) and 4:14(1) of the Wft and has concluded that, in material respects, the business operations are operating effectively and in accordance with the description.

### **Compliance**

In 2022, new legislation and regulations (EC Delegated Regulations) on sustainability once again came into force. Where relevant to the Fund, these have been implemented. By its nature, the extraction industry (mining) is not a sustainable industry; after all, commodities are extracted from the soil using fossil fuels. In contrast, specific commodities are needed for, for example, rechargeable batteries that are an essential part of the energy transition, commodities which, for this very reason, constitute Fund investments. For more information on the Fund's sustainability policy, please refer to the Fund's Website and prospectus.

In 2022, European regulators (united in ESMA) issued guidelines on information disclosure (including advertising) and for the purpose of the KID (Key Information Document) to be prepared. As of 1 January 2023, the KID (replacing the KIID) will be available to participants as well as accessible on the Website. In addition, KID legislation and regulations require performance scenarios to be published on the Website on a monthly basis. In 2022, weekly meetings were held with the external compliance officer, during which monitoring activities were carried out in accordance with the agreed programme. The annual compliance report, detailing the activities carried out and recommendations made, was prepared in early March 2023. In 2022, all reports and questionnaires were submitted to regulators on time.

No legislation and regulations having a significant effect on the Fund are expected in 2023.

### **Outlook**

Due to the rapidly changing geopolitical situation, security of supply has suddenly become the top priority. Securing its own supply channels is essential for the West. Needless to say, for a Fund that has spent the past 15 years investing in the most significant commodity discoveries around the world, this isn't bad news. Which is why we should look to the future with confidence. A commodity portfolio of over a hundred million euros, packed with essential metal projects built up during the longest bear market in commodities, remains a dream scenario for a professional investor.

Terence van der Hout  
Willem Middelkoop

Aerdenhout, 19 April 2023

## Financial statements

### Balance sheet as at 31 December

(before appropriation of the result)

(amounts x € 1)	Notes	<u>2022</u>	<u>2021</u>
<b>Assets</b>			
<b>Investments</b>			
	1		
Equities		111,731,512	132,166,603
Private placements		926,984	947,386
Bonds		-	34,783
Options		35,661	15,742
Futures		118,759	-
Warrants		1,500,134	3,157,659
<b>Total of investments</b>		<b><u>114,313,050</u></b>	<b><u>136,322,173</u></b>
<b>Receivables</b>			
	2		
Due from brokers		145,454	289
Other receivables		20,692	1,007,053
<b>Total of receivables</b>		<b><u>166,146</u></b>	<b><u>1,007,342</u></b>
<b>Other assets</b>			
	3		
Cash and cash equivalents		11,575,306	9,683,986
<b>Total of other assets</b>		<b><u>11,575,306</u></b>	<b><u>9,683,986</u></b>
<b>Total assets</b>		<b><u>126,054,502</u></b>	<b><u>147,013,501</u></b>
<b>Liabilities</b>			
<b>Net asset value</b>			
	4		
Participant's capital		156,626,410	147,361,928
Result current year		(42,712,426)	(11,120,700)
<b>Total net asset value</b>		<b><u>113,913,984</u></b>	<b><u>136,918,900</u></b>
<b>Investments</b>			
	1		
Options		-	5,276
Futures		58,813	-
<b>Total of investments</b>		<b><u>58,813</u></b>	<b><u>5,276</u></b>
<b>Short term liabilities</b>			
	5		
Bank overdrafts		9,335,289	8,269,456
Due to brokers		901,920	-
Subscriptions received in advance		1,259,071	1,035,884
Other liabilities		585,425	783,985
<b>Total short term liabilities</b>		<b><u>12,081,705</u></b>	<b><u>10,089,325</u></b>
<b>Total liabilities</b>		<b><u>126,054,502</u></b>	<b><u>147,013,501</u></b>

**Profit and loss statement**

(for the period from January 1 through December 31)

(amounts x € 1)	Notes	<u>2022</u>	<u>2021</u>
<b>Investment result</b>			
Dividend income		252,642	402,497
Interest income bonds		-	49
<b>Total investment result</b>		<b><u>252,642</u></b>	<b><u>402,546</u></b>
<b>Revaluation of investments</b>			
Realised results	6	(5,384,724)	18,243,752
Unrealised results		(33,589,574)	(25,734,434)
<b>Total revaluation of investments</b>		<b><u>(38,974,298)</u></b>	<b><u>(7,490,682)</u></b>
<b>Other results</b>			
Subscription and redemption fees		162,880	300,611
Foreign currency results	7	(499,220)	(583,422)
Interest income on bank accounts		720	531
Other income		15,493	-
<b>Total other results</b>		<b><u>(320,127)</u></b>	<b><u>(282,280)</u></b>
<b>Operating expenses</b>			
Management fee	8.1	(2,102,089)	(2,248,932)
Performance fee	8.1	(1,952)	(160,383)
Interest expenses		(107,413)	(123,350)
Depository fees		(59,710)	(27,491)
Bank costs		(447,715)	(209,338)
Transaction costs		(588,343)	(657,132)
Administration fees		(144,953)	(115,565)
Reporting fees		(6,944)	(5,693)
Audit fees	8.2	(70,176)	(41,699)
Supervision fees		(21,748)	(18,847)
Legal fees		(607)	(4,751)
Other expenses		(68,417)	(42,298)
<b>Total operating expenses</b>		<b><u>(3,620,067)</u></b>	<b><u>(3,655,479)</u></b>
Withholding tax		(50,576)	(94,805)
<b>Result for the year</b>		<b><u>(42,712,426)</u></b>	<b><u>(11,120,700)</u></b>

**Statement of Cash flow statement**

(for the period from January 1 through December 31)

(amounts x € 1)	Notes	<u>2022</u>	<u>2021</u>
<b>Cash flow from operating activities</b>			
Purchases of investments		(143,056,714)	(187,339,829)
Sales of investments		126,901,831	144,201,840
Interest received		720	1,783
Dividend received		332,787	178,517
Other income received		15,493	-
Management fee paid		(2,308,118)	(2,633,377)
Interest paid		(109,357)	(171,471)
Other expenses paid		(543,560)	(850,003)
<b>Net cash flow from operating activities</b>		<b>(18,766,918)</b>	<b>(46,612,540)</b>
<b>Cash flow from financing activities</b>			
Proceeds from subscriptions to units		26,539,527	54,547,159
Payments for redemption of units		(6,610,782)	(10,376,052)
Subscription and redemption fees		162,880	300,611
<b>Net cash flow from financing activities</b>		<b>20,091,625</b>	<b>44,471,718</b>
<b>Net cash flow</b>		<b>1,324,707</b>	<b>(2,140,822)</b>
Cash and cash equivalents at the beginning of the year		1,414,530	4,138,774
Foreign currency translation of cash positions		(499,220)	(583,422)
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>2,240,017</b>	<b>1,414,530</b>

## Notes to the financial statements

### General information

#### Introduction

Commodity Discovery Fund ("the Fund") is an open-end investment fund and a fund for joint account ("*fonds voor gemene rekening*") organized and established at Zandvoortweg 77 in Aerdenhout, The Netherlands. The Fund was incorporated on July 1, 2008. The Fund's units are not traded on a public market. The Fund Manager is since March 29, 2012 licensed by the Dutch supervisory authority ("*Autoriteit Financiële Markten*") under article 2:65 (1)(a) of the Dutch Financial Supervisory Act and may therefore offer units in the Fund to professional and non-professional investors in The Netherlands. As of July 21, 2014, the Fund Manager is licensed under article 2:69b of the Dutch Financial Supervisory Act which means the Fund qualifies as an Undertaking for Collective Investment in Transferable Securities ("UCITS").

The Fund is a contractual agreement, subject to its General Terms and Conditions, which is part of the contractual relationship that exists between the Fund and Commodity Discovery Management B.V. ("The Fund Manager"), the Legal Owner CDFund Foundation ("the Depository") and the individual participants.

The Fund's investment objective is to achieve capital appreciation by investing in a wide range of financial instruments and by using various investment methods as set out in the prospectus (dated June 8, 2020). The Fund can be characterized as a specialized investment fund in equities aimed at achieving absolute return. As a result, the Fund may deviate significantly from any benchmark. The Fund's primary investment objective is to achieve the highest possible return in euros with an acceptable level of risk.

The Benchmark for the total return of the Fund is 50% of the HUI-index and 50% of the TSXV Index (including dividend in euros). The Fund invests in listed companies, mainly via the stock exchange and after all also via private placements, which are active in the exploration and extraction of raw materials

The investment activities of the Fund are managed by the Fund Manager. The administration of the Fund is outsourced to Bolder Fund Services (Netherlands) B.V.

#### Fiscal Status

The Terms and Conditions of the Fund state that a Participant can only transfer participating units in the Fund back to the Fund itself. As a result, the Fund is considered to be a closed-end fund for joint account under the Corporate Income Tax Act. This means that the Fund is fiscally transparent and that the Fund itself is not subject to corporate income tax. The Fund's assets and liabilities are allocated to the individual Participants in proportion to their participation in the Fund.

#### Dividend Tax

Dividends or equivalent proceeds from units, within the meaning of the Dutch Dividend Tax Act, paid by the Fund are exempted from dividend tax.

#### Sustainability

The Fund Manager classifies the Fund as a so-called Article 6-product. This means that sustainability risks are not included in investment decisions because the Fund Manager believes that the extractive industry is not sustainable by nature.

## Accounting principles

### General

The financial statements of the Fund are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles of the Fund are summarized below. Unless otherwise stated, the items in the balance sheet are valued at nominal value.

### Reporting period

The reporting period covers the period from January 1, 2022 through December 31, 2022.

### Foreign currency

Assets and liabilities denominated in foreign currency are converted using the closing rate at the balance sheet date. Foreign currency income and expenses are converted using the rate on transaction date. The financial statements are presented in euros, which is both the functional and presentation currency of the Fund.

Foreign currency translation results (both realised and unrealised) are recognized in the profit and loss statement under Foreign currency results.

### Cash flow statement

The cash flow statement is prepared using the direct method. The cash flow statement shows the Fund's cash flows from operating activities and financing activities for the period. The cash and cash equivalents relate to balances at banks. The presented cash flow from operating activities shows the result of the Fund adjusted for non-cash flow income and expenses. Bank overdrafts and short-term borrowings are part of portfolio management and included in the cash and cash equivalents in the cash flow statement.

### Estimates and judgments

When applying the accounting principles, the Fund Manager uses estimate and judgments that may be essential to the amounts included in the financial statements. When deemed necessary, the nature of these estimates and judgments, including the accompanying assumptions, is included in the notes to the financial statements.

### Investments

#### General

The Fund's investments qualify as financial instruments. Financial instruments also include contractually embedded derivative financial instruments (derivatives).

#### Classification

All investments (including short positions) of the Fund are held for trading purposes.

#### Recognition of financial instruments

Purchases and sales of financial assets and liabilities that are settled in accordance with standard market conventions, are accounted for on the transaction date of the relevant purchase or sale. Other financial assets and liabilities are included in the balance sheet at the time they are acquired. Financial instruments are initially recognized on the balance sheet at fair value. The fair value of the financial instruments on initial recognition is generally equal to the cost of the financial instruments. The valuation of financial instruments after initial recognition depends on the classification of the relevant instrument. After the initial recognition, the financial instruments are valued in the manner described below.

A financial instrument is no longer included in the balance sheet if a transaction results in a situation where all or substantially all rights to economic benefits and all or substantially all risks associated with the financial instrument are transferred to a third party.

Cash and cash equivalents and deposits are valued at nominal value.



**Equities**

Equities are valued at fair value. The fair value is the amount at which the asset can be traded or settled passively between knowledgeable, independent and willing parties in a transaction. The fair value of a financial instrument is based on the quotation price if there is an active market, whereby the financial assets and financial liabilities are both recognized at the closing price. When the fair value of cannot be reliably measured, the fair value is determined based on the fair value of its components or a similar financial instrument, or using valuation models and valuation techniques.

Warrants are often offered for the company-specific financing (private placements) in which the Fund regularly participates. The valuation of these warrants is based on a valuation method that is market practice. Private placements are valued at market price if they are listed. In the case that a Private placement isn't listed, the nominal investment is taken as valuation. The warrants are valued using the Black Scholes method with a volatility of 80.

**Bonds**

Bonds are valued at fair value. The fair value is the amount at which the asset can be traded or settled passively between knowledgeable, independent and willing parties in a transaction. The fair value of a financial instrument is based on the quotation price if there is an active market, whereby the financial assets and financial liabilities are both recognized at the closing price. When the fair value of cannot be reliably measured, the fair value is determined based on the fair value of its components or a similar financial instrument, or using valuation models and valuation techniques.

**Presentation and valuation of derivatives****General**

Derivatives include financial instruments of which the value depends on one or more underlying assets, reference prices or indices. Derivatives that are traded on an exchange or derivatives with a listed underlying asset are valued at fair value.

**Offsetting**

Asset and liabilities from financial derivatives contracts offset per derivative contract. The positive fair value of the derivatives is presented on the asset side of the balance sheet under financial investments long. The negative market value of derivatives is presented on the liabilities side of the balance sheet as financial investments short. Offsetting of derivatives in the balance sheet can only take place if the conditions for offsetting are met. Revaluation of derivatives is recognized in the profit and loss statement.

**Presentation and valuation of futures and FX forward contracts**

Derivative financial instruments, such as futures (on equities, indices and/or reference prices) and FX forward contracts, are measured at fair value on the balance sheet date and calculated based on market prices and exchange rates at the end of the reporting period. The revaluation of futures are cash based and recognized on a daily basis in the variation margin account held with the broker. Due to the daily cash settlement of the revaluation through the variation margin, the value of the outstanding futures contracts on the balance sheet is nil.

Rights and obligations under futures FX forward contracts are not included in the balance sheet, but disclosed separately under 'Off-balance sheet rights and obligations'.

**Processing of transaction costs (costs for purchases and sales of investments)**

Transaction costs for the purchase of investments and derivatives are directly included in the profit and loss statement. The total amount of separately quantifiable transaction costs for the year is disclosed in the profit and loss statement under revaluation of investments.

**Subscription and redemption fee**

The Fund issues Units at the applicable Net Asset Value per Unit plus a subscription fee of 0.5%, which is a benefit for the Fund. The Fund charges a redemption fee of 0.5% on the Net Asset Value per Unit upon redemption, which are also a benefit for the Fund.

**Other assets and liabilities**

Other assets and liabilities are valued at nominal value; receivables, where necessary, less a provision for doubtful debts.

**Receivables, current liabilities and other assets and liabilities**

Receivables, current liabilities and other assets and liabilities are initially recognized at fair value. After initial recognition, they are valued at amortized cost. Both the fair value and (amortized) cost are equal to the nominal value unless stated otherwise. When necessary, a provision for doubtful debts is deducted from the other assets, calculated at the exchange rate on the balance sheet date.

**Investment results***Dividend income*

This includes gross cash dividends and the nominal value of stock dividends.

*Interest income*

This includes the coupon interest on the bonds held during reporting period.

**Other income***Subscription and redemption fees*

This includes the subscription and redemption fees charged by the Fund.

**Determination of the result**

The result is determined as the difference between income, such as dividends, interest, revaluation of investments and expenses, such as management and performance fees. Income and expenses are allocated to the period to which they relate. Foreign currency results are converted into euros at the exchange rates prevailing on the transaction date. The costs as included in the profit and loss statement include VAT where applicable. The realised and unrealised revaluation of investments during the reporting period are determined by deducting the cost price from either the sales price or the balance sheet value at the end of the reporting period. The realised and unrealised revaluation of investments are included in the profit and loss statements.

**Taxation**

Due to the limited transferability of units, the Fund is, on behalf of its participants, considered fiscally transparent for the benefit of its participants. The Fund is therefore exempt from corporate income tax.

**Ongoing charges figure (OCF)**

The ongoing charges figure contains all costs that have been charged to the Fund during the year, excluding transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period by the average net asset value. The average net asset value is calculated by adding all the month-end net asset values and divide them by the number of months.

**Turnover ratio (TOR)**

The turnover ratio provides an indication of the turnover of the investments relative to the average net asset value of the Fund and gives a indicative measure of the transaction costs incurred as a result of portfolio management and the resulting investment transactions. The turnover is determined by reducing the sum of the purchases and sales of the investments by the sum of the subscriptions and redemption of units in the Fund. The turnover ratio is determined by expressing the turnover as a percentage of the average net asset value, which is calculated in the same way as the OCF.

**Going concern**

The financial statements of the Fund have been prepared on a going concern basis as the management has no indications that the activities cannot be continued in the near future.

**Risk management**Market risk (market price risk)

There are risk related to investing in units of the Fund. Participants should be aware that the market value of the investments of the Fund can fluctuate. In the past, equity markets have generated favorable returns. However, this offers no indication or guarantee for future results. Fluctuations in market prices may also cause the Fund's net asset value to fluctuate, which could mean that participants will not retrieve their full investment upon redemption of their units in the Fund.

Concentration risk

Concentration risk in the investment portfolio is relatively limited. One individual investment exceeds 5% of the total investment portfolio (2021: two investments).

**Geographical distribution**

(amounts x € 1)

	2022		2021	
	Amount	% of NAV	Amount	% of NAV
<b>Country</b>				
Canada	70,082,374	61.52	83,574,746	61.04
Australia	22,241,474	19.52	29,957,984	21.88
United States	11,294,912	9.92	12,450,208	9.09
Great Britain	7,483,719	6.57	7,758,960	5.67
Other	3,151,758	2.77	2,574,999	1.88
<b>Total</b>	<b>114,254,237</b>	<b>100.30</b>	<b>136,316,897</b>	<b>99.56</b>

The geographical distribution is based on the exchange where the investments are traded.

**Distribution of portfolio by sector**

The entire portfolio is allocated to the sector "Exploration and extraction".

Leverage

The derivatives used by the Fund may be highly volatile and may expose the Fund to the risk of loss. The "initial margin" that must be held to obtain a position in such instruments allows a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract can lead to a profit or loss that is relatively high in relation to the amount actually stated as "margin" and can lead to losses that exceed the margin that is held. In addition, the Fund has the option of using a banking facility, which may further increase the Fund's leverage. As at 31 December 2022, an amount of € 9,335,289 (31 December 2021: € 8,269,456) was used. The bank facility allows us to use credit to purchase shares. The Fund may, subject to compliance conditions, use credit from CACEIS up to 10% of the Assets under Management. However, our net cash position across all accounts is always positive. We do not use the bank facility to cover the currency hedge.

The following table provides an overview of the contract and market values of the derivatives positions at December 31 (amounts x € 1):

	2022		2021	
	Contract value	Market value	Contract value	Market value
<b>Assets</b>				
Warrants	1,500,134	1,500,134	3,157,659	3,157,659
Purchased options	196,170	35,661	360,598	15,742
Futures	61,950,206	118,759	-	-
<b>Total assets</b>	<b>63,646,510</b>	<b>1,654,554</b>	<b>3,518,257</b>	<b>3,173,401</b>
<b>Liabilities</b>				
Written Options	-	-	382,586	5,276
Futures	20,304,794	58,813	-	-
<b>Total liabilities</b>	<b>20,304,794</b>	<b>58,813</b>	<b>382,586</b>	<b>5,276</b>

Currency risk

At the balance sheet date, the Fund did not hedge the currency positions. Futures positions are held to hedge the currency positions. Investments other than in Euro may cause fluctuations in the Fund's net asset value, both positive and negative, The Fund's currency risk is as follows:

COMMODITY DISCOVERY FUND

(amounts x € 1)	<b>Exposure</b>	<b>Hedging</b>	<b>Net</b>	<b>% of NAV</b>
<b>2022</b>				
Australian dollar	22,468,366	(20,304,794)	2,163,572	1.90
U.S. dollar	10,861,197	(8,287,763)	2,573,434	2.26
Canadian dollar	66,908,427	(50,268,397)	16,640,030	14.61
British pound	4,554,501	(3,394,047)	1,160,454	1.02
<b>Total</b>			<b>22,537,490</b>	<b>19.79</b>
<b>2021</b>				
Australian dollar	30,166,441	-	30,166,441	22.03
U.S. dollar	15,913,710	-	15,913,710	11.62
Canadian dollar	78,951,300	-	78,951,300	57.66
British pound	5,017,096	-	5,017,096	3.66
<b>Total</b>			<b>130,048,547</b>	<b>94.98</b>

Liquidity risk of investments

The Fund may invest in equities with limited liquidity. As a result, securities or other investments may have to be sold below their expected value due to a lack of liquidity in those securities or investments.

"Funding risk" is the risk that the Fund will not be able to obtain the financial resources necessary to meet the obligations under its financial instruments. Liquidity risk can arise, among other things, because a financial asset cannot be sold in the short term at an amount equal or close to its fair value.

The Fund's units are redeemable on a monthly basis. The Fund generally invests in free tradable listed securities. As a result, the Fund is not exposed to significant liquidity risk.

Risk of changes in (tax) legislation

This is the risk that the fiscal position of the Fund will change in a negative direction or that other legislation will be introduced that has a negative impact on the Fund and its Participants.

Credit risk

The Fund does not invest in financial instruments that are subject to credit risk and is not exposed to credit risk. The Fund does run a credit risk on the liquid funds held with ABN AMRO, Canaccord, Interactive Brokers (UK) Limited and Caceis Bank. The Standard & Poor's long-term credit ratings of these banks are A, no rating, BBB+ and A+ respectively

The maximum credit risk of the Fund as at the balance sheet date is €166,146 (2021: €1,042,125).

## Notes to the balance sheet

### 1. Investments

#### Movement schedule of investments

(amounts x € 1)

	<b>2022</b>	<b>2021</b>
<i>Equities (Long)</i>		
Opening balance	132,166,603	100,054,212
Purchases	142,543,272	182,211,556
Sales	(128,937,197)	(146,755,954)
Realised result	(2,110,363)	22,121,845
Unrealised result	(31,930,803)	(25,465,056)
<b>Closing balance</b>	<b>111,731,512</b>	<b>132,166,603</b>
<i>Private placements</i>		
Opening balance	947,386	-
Purchases	721,798	928,570
Sales	(782,169)	-
Realised result	63,966	-
Unrealised result	(23,997)	18,816
<b>Closing balance</b>	<b>926,984</b>	<b>947,386</b>
<i>Bonds</i>		
Opening balance	34,783	32,164
Purchases	(34,868)	-
Realised result	550	-
Unrealised result	(465)	2,619
<b>Closing balance</b>	<b>-</b>	<b>34,783</b>
<i>Options (Long)</i>		
Opening balance	15,742	-
Purchases	391,263	817,773
Sales	(247,321)	(732,065)
Realised result	(87,072)	(78,357)
Unrealised result	(36,951)	8,391
<b>Closing balance</b>	<b>35,661</b>	<b>15,742</b>
<i>Futures</i>		
Opening balance	-	-
Sales and expirations	3,285,547	3,835,895
Realised result	(3,285,547)	(3,835,895)
Unrealised result	59,946	-
<b>Closing balance</b>	<b>59,946</b>	<b>-</b>

COMMODITY DISCOVERY FUND

(amounts x € 1)	<b>2022</b>	<b>2021</b>
<i>Warrants</i>		
Opening balance	3,157,659	3,518,692
Purchases	187,794	65,099
Sales	(188,356)	(65,667)
Realised result	562	(64,042)
Unrealised result	(1,657,525)	(296,423)
<b>Closing balance</b>	<b>1,500,134</b>	<b>3,157,659</b>
<i>Equities (Short)</i>		
Opening balance	-	10,936
Purchases	-	(53,780)
Sales	-	51,696
Realised result	-	(10,433)
Unrealised result	-	1,581
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<i>Options (Short)</i>		
Opening balance	5,276	1,956
Purchases	(114,507)	(280,385)
Sales	142,632	372,273
Realised result	(33,180)	(89,768)
Unrealised result	(221)	1,200
<b>Closing balance</b>	<b>-</b>	<b>5,276</b>

**2. Receivables**

The receivables at the balance sheet date consist of the following items:

(amounts x € 1)	<b>2022</b>	<b>2021</b>
<b>Due from brokers</b>	<b>145,454</b>	<b>289</b>
<b>Other receivables</b>		
Dividend receivable	8,513	139,234
Prepaid administration fees	11,300	-
Other receivables and prepayments	879	867,819
<b>Total</b>	<b>166,146</b>	<b>1,007,053</b>

### 3. Cash and cash equivalents

This concerns the positive balance on the current account held by the Fund at the bank. There are no restrictions on the use of cash and cash equivalents.

(amounts x € 1)	<b>2022</b>	<b>2021</b>
ABN Amro bank NL	2,222,478	2,019,541
Caceis Bank	6,452	509,269
Cannacord	251,107	230,852
Interactive Brokers UK	9,095,269	6,908,113
Raymond James	-	16,211
<b>Closing balance</b>	<b>11,575,306</b>	<b>9,683,986</b>

### 4. Net asset value

(amounts x € 1)	<b>2022</b>	<b>2021</b>
<b>Movement Participant's capital</b>		
Opening balance	136,918,900	100,334,244
Subscriptions	26,316,340	57,921,025
Redemptions	(6,610,782)	(10,376,052)
Performance fees	1,952	160,383
<b>Participant's capital</b>	<b>156,626,410</b>	<b>148,039,600</b>
Result current year	(42,712,426)	(11,120,700)
<b>Total net asset value at December 31</b>	<b>113,913,984</b>	<b>136,918,900</b>
<b>Movements schedule of units</b>		
Number of units at January 1	1,217,685	807,595
Subscriptions	260,215	498,008
Redemptions	(67,116)	(87,876)
Conversion	-	(42)
<b>Number of units at December 31</b>	<b>1,410,784</b>	<b>1,217,685</b>

### Overview of net asset value per shareclass

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<i>Class CDF new asset class</i>			
Net asset value (in €)	18,235,975	23,053,576	13,614,925
Number of outstanding units	221,810	201,682	108,197
Net Asset Value per unit (in €)	82.21	114.31	125.83
Performance (in %)	(28.08)	(9.16)	86.33
Performance fee (in €)	-	27,354	619,176
Performance fee per unit (in €)	-	0.14	5.72



	<b>2022</b>	<b>2021</b>	<b>2020</b>
<i>Class CDF all investors</i>			
Net asset value (in €)	95,632,508	113,670,186	86,719,319
Number of outstanding units	1,188,409	1,014,262	699,398
Net Asset Value per unit (in €)	80.47	112.07	123.99
Performance (in %)	(28.20)	(9.61)	85.39
Performance fee (in €)	1,053	132,820	2,983,773
Performance fee per unit (in €)	0.00	0.13	4.27
<i>Class CDF US Persons</i>			
Net asset value (in €)	45,501	195,138	-
Number of outstanding units	565	1,741	-
Net Asset Value per unit (in €)	80.47	112.07	-
Performance (in %)	(28.20)	12.07	-
Performance fee (in €)	1,952	209	-
Performance fee per unit (in €)	0.00	0.12	-
<b>Total for the Fund</b>			
Net asset value (in €)	113,913,984	136,918,900	100,334,244
Number of outstanding units	1,410,784	1,217,685	807,595
Net Asset Value per unit (in €)	80.74	112.44	124.24
Performance (in %)	(28.20)	(9.50)	85.39
Performance fee (in €)	1,952	160,383	3,602,949
Performance fee per unit (in €)	0.00	0.13	4.46

## 5. Short term liabilities

The short term liabilities as at the 31 December consist of the following items:

(amounts x € 1)	<b>2022</b>	<b>2021</b>
Bank overdrafts <sup>4</sup>	9,335,289	8,269,456
Due to brokers	901,920	-
Subscriptions received in advance	1,259,071	1,035,884
	<b>11,496,280</b>	<b>9,305,340</b>
<i>Other liabilities</i>		
Interest payable	3,913	5,857
Management and performance fees payable	502,892	708,921
Audit fee payable	52,587	34,997
Supervision fee payable	18,847	-
Administration fee payable	-	25,591
Reporting fee payable	5,525	5,193
Other liabilities	1,661	3,426
<b>Total</b>	<b>585,425</b>	<b>783,985</b>
<b>Total other liabilities</b>	<b>12,081,705</b>	<b>10,089,325</b>

<sup>4</sup> The bank overdrafts relate to the negative position of some bank accounts in foreign currency.

## Notes to the profit and loss statement

### 6. Revaluation of investments

(amounts x € 1)	<b>2022</b>	<b>2021</b>
Realised gains on equities	26,974,065	34,981,860
Realised gains on bonds	550	-
Realised gains on options	75,829	355,936
Realised gains on futures	9,119,772	3,089,793
Realised gains on warrants	562	3,173
Realised losses on equities	(29,020,462)	(12,849,582)
Realised losses on options	(129,721)	(344,525)
Realised losses on futures	(12,405,319)	(6,925,688)
Realised losses on warrants	-	(67,215)
Unrealised gains on equities	12,490,833	14,625,238
Unrealised gains on private placements	2,005	18,816
Unrealised gains on bonds	-	2,619
Unrealised gains on options	223	8,391
Unrealised gains on futures	118,759	-
Unrealised gains on warrants	962,800	2,454,058
Unrealised losses on equities	(44,421,636)	(40,054,243)
Unrealised losses on private placements	(26,002)	-
Unrealised losses on bonds	(465)	-
Unrealised losses on options	(36,953)	(1,200)
Unrealised losses on futures	(58,813)	-
Unrealised losses on warrants	(2,620,325)	(2,750,481)
<b>Total revaluation of investments</b>	<b>(38,974,298)</b>	<b>(7,490,682)</b>

### 7. Foreign currency results

During 2022, the Fund held liquidity positions in foreign currencies, resulting in a realised currency loss of € 499,220 (2021: a currency loss of € 583,422).

### 8. Operating expenses

#### 8.1 Management and performance fees

(amounts x € 1)	<b>2022</b>	<b>2021</b>
Management fee	2,102,089	2,248,932
Performance fee	1,952	160,383
<b>Total management and performance fee</b>	<b>2,104,041</b>	<b>2,409,315</b>

The Fund appointed Commodity Discovery Management B.V. as the Fund Manager. The Fund Manager is entitled to a management fee of 1.8% of the net asset value of the Fund per year (0.45% per quarter) before deduction of the management fee and the performance fee. The net asset value is divided into share class CDF new asset class and CDF all investors.

Contrary to the foregoing, each time an existing or new Participant subscribes for a Subscription amount of € 1,000,000 or more, with regard to the units relating to that subscription, this participant is charged a management fee of 1.5% per annum of the net asset value of the Fund, before deduction of management fee and performance fee. Such an existing or new Participant must be willing to convert their participations into one new registration of participations that have a new High Watermark, which is determined by the NAV at the time of conversion.

The asset management fee is accrued monthly and is paid quarterly in arrears.

All costs have been charged in accordance with the prospectus and are in line with current market practices. The actual costs have been calculated in accordance with the system described in the prospectus. As a result, the actual costs do not significantly deviate from the prospectus.

Performance fee

The Fund Manager is entitled to a performance fee of 20% of the increase in the net asset value per unit (including net unrealised profit) above the minimum performance (the hurdle rate) of 0,6%. The 'high watermark' principle applies to the performance fee. The performance fee is accrued and paid yearly in arrears.

The Fund uses an equalization approach whereby unit holders only pay a performance fee to the Fund Manager for the increase in the value of the unit.

In 2022, the Fund Manager was awarded a performance fee of € 1,952 (2021: € 160,383).

**8.2 Other expenses**

**Audit fees**

The audit fees charged to the Fund can be specified as follows (amounts x € 1):

	<b>2022</b>	<b>2021</b>
Audit of the financial statements	47,650	30,854
Activities regarding COS3000 ICBE	22,526	10,845
<b>Total</b>	<b>70,176</b>	<b>41,699</b>

**8.3 Ongoing charges figure (OCF)**

	<b>2022</b>	<b>2021</b>
<i>Class CDF new asset class</i>		
Average net asset value	20,753,354	18,448,285
Total ongoing expenses	363,336	316,700
Ongoing charges figure	1.75%	2.22%
<i>Class CDF all investors</i>		
Average net asset value	104,910,205	98,362,173
Total ongoing expenses	2,050,703	2,187,161
Ongoing charges figure	1.95%	1.72%
<i>Class CDF US Persons</i>		
Average net asset value	124,385	66,577
Total ongoing expenses	897	1,415
Ongoing charges figure	0.72%	2.13%
<i>Total</i>		
Average net asset value	125,715,386	116,877,034
Total ongoing expenses	2,414,934	2,505,276
Ongoing charges figure	1.92%	2.14%
Performance fee	1,952	160,383
Ongoing charges figure performance fee	0.00%	0.14%

For an explanation of the portfolio turnover factor and the method of calculation, see the principles of valuation and determination of the result.

**8.4 Turnover ratio (TOR)**

The turnover ratio of the investments over the reporting period is 189 (2021: 223). For an explanation of the turnover ratio and the calculation method, refer to the accounting principles.

## 9. Other information

### Related parties

Parties are considered to be related if one party has the ability to control the other party, or exercise significant influence over the other party in making financial or operational decisions.

All services provided by the Fund Manager are therefore classified as related party transactions. The Fund paid asset management and performance fees to the Fund Manager during the reporting period.

During the year 2022, the Fund issued € 250,000 in participations to the Fund Manager. These transactions were settled at arms length (regular market conditions).

### Outsourcing

The Fund has entered into the following agreements with related parties:

- Commodity Discovery Management B.V.: the Fund Manager
- Stichting Legal Owner CDFund: The Legal Owner
- CACEIS Bank, Netherlands Branch.: The Depositary

The management fee for the period from January 1, 2022 through December 31, 2022 amounts to € 2,102,089 (2021: € 2,248,932), of which € 500,940 (2021: € 611,169) was recognized as a liability at December 31, 2021.

The subscription and redemption fee for the period from January 1, 2022 through December 31, 2022 amounts to € 162,880 (2021: € 300,611).

### Personnel

The Fund did not employ personnel during the reporting period. The employees who perform work for the Fund are all employed by the Manager of the Fund, Commodity Discovery Management B.V.

### Subsequent events

No special events occurred after the balance sheet date.

Aerdenhout, 19 April 2023

### Commodity Discovery Management B.V.

Terence van der Hout  
Willem Middelkoop

## Other Information

### **Personal interests of the directors of the Manager**

Terence van der Hout and Willem Middelkoop are the Managing Directors of the Manager. As at 31 December 2022, the Manager held 4,710 (2021: 2,333) participations. The total number of participations owned by the manager, its shareholders and the directors amounts to 46,879 participations worth €3.77 million. This means that more than 3% of the assets under management (AUM) is held by the shareholders.

### **Independent Auditor's report**

The independent auditor's report has been attached at the end of this report.