

# **SEMI-ANNUAL REPORT 2023**

**For the period 1 January 2023  
through 30 June 2023**

## **Commodity Discovery Fund**

**The original semi-annual report was 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 Entree 500  
1101 EE Amsterdam  
The Netherlands

### Custodian

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

### Legal and Tax Counsel

Loyens Loeff N.V.  
Parnassusweg 300  
1081 LC Amsterdam  
The Netherlands

### Bank

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

### External Compliance Officer

Compliance Advies Financiële ondernemingen  
Rotondeweg 22  
1261 BG Blaricum  
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

### Brokers and custodians

CACEIS Bank (The Netherlands)  
Interactive Brokers Ireland Limited (Ireland)  
Canaccord Wealth Management (Canada)

## Key figures

	30-06-2023	2022	2021	2020	2019
<i>Class CDF new asset class</i>					
Net Asset Value (x € 1,000)	17,073	18,236	23,054	13,615	3,133
Number of outstanding participations	218,243	221,810	201,682	108,197	46,394
Net Asset Value per unit <sup>1</sup>	78.23	82.21	114.31	125.83	67.53
<i>Class CDF all investors</i>					
Net Asset Value (x € 1,000)	93,306	95,633	113,670	86,719	39,235
Number of outstanding participations	1,220,435	1,188,409	1,014,262	699,398	586,675
Net Asset Value per unit <sup>1</sup>	76.45	80.47	112.07	123.99	66.88
<i>Class CDF US Persons</i>					
Net Asset Value (x € 1,000)	89	45	195	-	-
Number of outstanding participations	1,161	565	1,741	-	-
Net Asset Value per unit	76.45	80.47	112.07	-	-
<b>Total for the Fund</b>					
Net Asset Value (x € 1,000)	110,467	113,914	136,919	100,334	42,368
Number of outstanding participations	1,439,839	1,410,784	1,217,685	807,595	633,069

<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 participations.

## Financial statements

### Balance sheet

(Before appropriation of the result)

(amounts x € 1)	Notes	<b>30-06-2023</b>	<b>31-12-2022</b>
<b>Assets</b>			
<b>Investments long</b>			
	1		
Equities		106,348,971	111,731,512
Private placements		960,957	926,984
Bonds		458,337	-
Futures		214,341	118,759
Options		125,814	35,661
Warrants		1,485,138	1,500,134
<b>Total investments long</b>		<b>109,593,558</b>	<b>114,313,050</b>
<b>Receivables</b>			
	2		
Due from brokers		471,381	145,454
Redemptions paid in advance		30,000	-
Other receivables		29,875	20,692
<b>Total receivables</b>		<b>531,256</b>	<b>166,146</b>
<b>Other assets</b>			
Cash and cash equivalents	3	8,905,004	11,575,306
<b>Total other assets</b>		<b>8,905,004</b>	<b>11,575,306</b>
<b>Total assets</b>		<b>119,029,818</b>	<b>126,054,502</b>
<b>Liabilities</b>			
<b>Net asset value</b>			
	4		
Participant's capital		116,165,249	156,626,410
Result current period		(5,697,824)	(42,712,426)
<b>Total net asset value</b>		<b>110,467,425</b>	<b>113,913,984</b>
<b>Investments short</b>			
	1		
Equities		16	-
Options		1,719	-
Futures		137,768	58,813
<b>Total investments short</b>		<b>139,503</b>	<b>58,813</b>
<b>Other liabilities</b>			
	5		
Bank overdrafts		4,630,540	9,335,289
Due to brokers		656,373	901,920
Subscriptions received in advance		2,585,940	1,259,071
Other payables		550,037	585,425
<b>Total other liabilities</b>		<b>8,422,890</b>	<b>12,081,705</b>
<b>Total liabilities</b>		<b>119,029,818</b>	<b>126,054,502</b>

## Profit and loss statement

(For the period from 1 January through 30 June)

(amounts x € 1)	Notes	<b>2023</b>	<b>2022</b>
<b>Investment result</b>			
Dividend income		88,437	106,356
Interest income on investments		13,035	-
<b>Total investment result</b>		<b>101,472</b>	<b>106,356</b>
<b>Revaluation of investments</b>	6		
Realized results		(10,782,123)	2,252,263
Unrealized results		6,509,006	(36,980,158)
<b>Total revaluation of investments</b>		<b>(4,273,117)</b>	<b>(34,727,895)</b>
<b>Other results</b>			
Subscription and redemption fees		48,503	110,724
Foreign currency results	7	188,105	(730,177)
Interest income on bank accounts		-	312
Other results		(28,015)	15,493
<b>Total other results</b>		<b>208,593</b>	<b>(603,648)</b>
<b>Operating expenses</b>			
Management fee	8.1	(991,126)	(1,070,928)
Interest expenses		(29,797)	(49,427)
Depository fees		(26,297)	(31,366)
Brokerage fees and commissions		(527,776)	(434,053)
Administration fees		(70,238)	(75,691)
Reporting fees		(3,624)	(3,663)
Audit fees	8.2	(28,829)	(43,883)
Supervision fees		(9,424)	(9,424)
Legal fees		(6,396)	(607)
Other expenses		(18,571)	(2,221)
<b>Total operating expenses</b>		<b>(1,712,078)</b>	<b>(1,721,263)</b>
Withholding tax		(22,694)	(17,791)
<b>Result for the period</b>		<b>(5,697,824)</b>	<b>(36,964,241)</b>

## Statement of Cash flow statement

(For the period from 1 January through 30 June)

(amounts x € 1)	Notes	<u>2023</u>	<u>2022</u>
<b>Cash flow from operating activities</b>			
Purchases of investments		(57,525,791)	(219,287,283)
Sales of investments		57,481,382	208,946,833
Interest received		76	312
Dividend received		69,513	223,297
Other income received		-	15,493
Management fee paid		(1,001,136)	(1,203,986)
Interest paid		(18,363)	(48,776)
Other expenses paid		(755,976)	(248,722)
<b>Net cash flow from operating activities</b>		<b><u>(1,750,295)</u></b>	<b><u>(11,602,832)</u></b>
<b>Cash flow from financing activities</b>			
Proceeds from subscriptions to participations		8,084,494	19,014,273
Payments for redemption of participations		(4,536,360)	(4,078,608)
Subscription and redemption fees		48,503	110,724
<b>Net cash flow from financing activities</b>		<b><u>3,596,637</u></b>	<b><u>15,046,389</u></b>
<b>Net cash flow</b>		<b><u>1,846,342</u></b>	<b><u>3,443,557</u></b>
Cash and cash equivalents at the beginning of the period		2,240,017	1,414,530
Foreign currency translation of cash positions		188,105	(730,177)
<b>Cash and cash equivalents at the end of the period</b>	<b>3</b>	<b><u>4,274,464</u></b>	<b><u>4,127,910</u></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 Zandvoorterweg 77 in Aerdenhout, The Netherlands. The Fund was incorporated on 1 July 2008. The Fund's participations are not traded on a public market. The Fund Manager is since 29 March 2012 licensed by the Dutch supervisory authority ("*Autoriteit Financiële Markten*") under article 2:65 of the Dutch Financial Supervisory Act and may therefore offer participations in the Fund to professional and non-professional investors in The Netherlands. As of 21 July 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"), Stichting Legal Owner CD Fund ("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 offering memorandum (dated 30 May 2023). 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 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 participations 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 participations, within the meaning of the Dutch Dividend Tax Act, paid by the Fund are exempted from dividend tax.

The semi-annual report has not been audited by an independent auditor.



## **Accounting principles**

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

The accounting principles used to prepare this semi-annual report 2023 are the same as the accounting principles used for the annual report 2022. In addition, the accounting principle for the convertible bonds is included below.

### **Reporting period**

The reporting period covers the period from 1 January 2023 through 30 June 2023.

### **Roundings**

This semi-annual report may contain rounding differences. These rounding differences do not have a significant effect on the overall figures.

### **Convertible bonds**

After initial recognition, convertible bonds are measured at amortized cost.

## Notes to the balance sheet

### 1. Investments

#### Movement schedule of investments

(for the period from 1 January through 30 June)

(amounts x € 1)	<b>2023</b>	<b>2022</b>
<i>Equities (Long)</i>		
Opening balance	111,731,512	133,113,989
Purchases	52,883,856	219,933,247
Sales	(57,673,353)	(212,152,400)
Realised result	(7,338,593)	4,073,332
Unrealised result	6,745,549	(35,511,125)
<b>Closing balance</b>	<b>106,348,971</b>	<b>109,457,043</b>
<i>Private placements</i>		
Opening balance	926,984	-
Purchases	99,641	-
Sales	(5,879)	-
Realised result	(16,047)	-
Unrealised result	(43,742)	-
<b>Closing balance</b>	<b>960,957</b>	<b>-</b>
<i>(Convertible) Bonds</i>		
Opening balance	-	34,783
Purchases	458,337	-
Sales	-	(34,868)
Realised result	-	550
Unrealised result	-	(465)
<b>Closing balance</b>	<b>458,337</b>	<b>-</b>
The fair value of the convertible bonds cannot be reliably determined. As a result, no fair value is included here.		
<i>Options (Long)</i>		
Opening balance	35,661	15,742
Purchases	3,809,511	311,355
Sales	(2,857,918)	(244,385)
Realised result	(661,909)	(74,322)
Unrealised result	(199,531)	(8,390)
<b>Closing balance</b>	<b>125,814</b>	<b>-</b>
<i>Futures</i>		
Opening balance	59,946	-
Sales and expirations	2,827,838	1,764,266
Realised result	(2,827,838)	(1,764,266)
Unrealised result	16,627	46,666
<b>Closing balance</b>	<b>76,573</b>	<b>46,666</b>

COMMODITY DISCOVERY FUND

(amounts x € 1)	<b>2023</b>	<b>2022</b>
<i>Warrants</i>		
Opening balance	1,500,134	3,157,659
Purchases	-	187,794
Sales	-	(188,356)
Realised result	-	562
Unrealised result	(14,996)	(1,507,067)
<b>Closing balance</b>	<b>1,485,138</b>	<b>1,650,592</b>
<i>Equities (Short)</i>		
Opening balance	-	-
Purchases	(28,712)	-
Sales	32,297	-
Realised result	(3,569)	-
Unrealised result	-	-
<b>Closing balance</b>	<b>16</b>	<b>-</b>
<i>Options (Short)</i>		
Opening balance	-	5,276
Purchases	(187)	(112,183)
Sales	65,700	123,537
Realised result	(58,695)	(16,407)
Unrealised result	(5,099)	(223)
<b>Closing balance</b>	<b>1,719</b>	<b>-</b>

## 2. Receivables

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

(amounts x € 1)	<b>30-06-2023</b>	<b>31-12-2022</b>
Due from brokers	471,381	145,454
Dividend receivable	4,743	8,513
Interest receivable	12,959	-
Prepaid administration fees	-	11,300
Other receivables and prepayments	42,173	879
<b>Total</b>	<b>531,256</b>	<b>166,146</b>

## 3. Cash and cash equivalents

This concerns the positive balance on the current account held by the Fund at the bank. Cash and cash equivalents are fully at the discretion of the Fund

#### 4. Net asset value

##### Movement schedule of investments

(For the period from 1 January through 30 June)

The movements in the Net asset value over the financial periods are as follows (amounts x € 1):

	<b>2023</b>	<b>2022</b>
<b>Participant's capital</b>		
Opening balance	113,913,984	136,918,900
Subscriptions	6,757,625	18,474,628
Redemptions	(4,506,360)	(4,078,608)
<b>Closing balance</b>	<b>116,165,249</b>	<b>151,314,920</b>
Result current year	(5,697,824)	(36,964,241)
<b>Closing balance</b>	<b>(5,697,824)</b>	<b>(36,964,241)</b>
<b>Total net asset value at 30 June</b>	<b>110,467,425</b>	<b>114,350,679</b>

	<b>2023</b>	<b>2022</b>
<b>Movements schedule of participations</b>		
Number of participations at January 1	1,410,784	1,217,685
Subscriptions	85,631	166,537
Redemptions	(56,576)	(37,341)
<b>Number of participations at 30 June</b>	<b>1,439,839</b>	<b>1,346,881</b>

##### Overview of net asset value per shareclass

	<b>30-06-2023</b>	<b>2022</b>	<b>2021</b>
<i>Class CDF new asset class</i>			
Net asset value (in €)	17,072,521	18,235,975	23,053,576
Number of outstanding participations	218,243	221,810	201,682
Net Asset Value per participation (in €)	78.23	82.21	114.31
<i>Class CDF all investors</i>			
Net asset value (in €)	93,306,160	95,632,508	113,670,186
Number of outstanding participations	1,220,435	1,188,409	1,014,262
Net Asset Value per participation (in €)	76.45	80.47	112.07
<i>Class CDF US Persons</i>			
Net asset value (in €)	88,744	45,501	195,138
Number of outstanding participations	1,161	565	1,741
Net Asset Value per participation (in €)	76.45	80.47	112.07
<b>Total for the Fund</b>			
Net asset value (in €)	110,467,425	113,913,984	136,918,900
Number of outstanding participations	1,439,839	1,410,784	1,217,685

**5. Other liabilities**

The short term liabilities consist of the following items:

(amounts x € 1)	<b>30-06-2023</b>	<b>31-12-2022</b>
Bank overdrafts <sup>2</sup>	4,630,540	9,335,289
Due to brokers	656,373	901,920
Subscriptions received in advance	2,585,940	1,259,071
	<b>7,872,853</b>	<b>11,496,280</b>
<i>Other payables</i>		
Interest payable	15,347	3,913
Management and performance fees payable	492,882	502,892
Audit fee payable	28,244	52,587
Supervision fee payable	8,623	18,847
Administration fee payable	180	-
Reporting fee payable	2,973	5,525
Other payables	1,788	1,661
<b>Total other payables</b>	<b>550,037</b>	<b>585,425</b>
<b>Total other liabilities</b>	<b>8,422,890</b>	<b>12,081,705</b>

<sup>2</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

The realized revaluations are the results from sales (including selling costs). The unrealized revaluations are the changes in value in the investments held (including purchases costs).

### 7. Foreign currency results

During the first half year of 2023, the Fund held liquidity positions in foreign currencies, resulting in a realized currency gain of € 188,105 (first half year of 2022: a currency loss of € 730,177).

### 8. Operating expenses

#### 8.1 Management fee

(For the period from 1 January through 30 June)

	<b>2023</b>	<b>2022</b>
Management fee	991,126	1,070,928
<b>Total management fee</b>	<b>991,126</b>	<b>1,070,928</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 with a Subscription amount of € 1,000,000 or more, with regard to the participations 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. However the Participant needs to be willing to convert the participations against one new subscription of participations with a new High Watermark, determined by the net asset value 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 offering memorandum and are in line with current market practices. The actual costs have been calculated in accordance with the system described in the offering memorandum. As a result, the actual costs do not significantly deviate from the offering memorandum.

In the period from 1 January 2023 through 30 June 2023, the management fee amounts to € 991,126 (first half year of 2022: € 1,070,928).

#### 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 unrealized profit) above the minimum performance (the hurdle rate) of 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 the first half year of 2023, the Fund Manager was awarded no performance fee (first half year of 2022 no performance fee has been awarded).

## 8.2 Other expenses

### Audit fees

The audit fees charged can be itemized as follows:

	<b>2023</b>	<b>2022</b>
Audit of the annual accounts	28,829	43,883
<b>Total</b>	<b>28,829</b>	<b>43,883</b>

## 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.

### Outsourcing/relevant contracts

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 1 January 2023 through 30 June 2023 amounts to € 991,126 (first half year of 2022: € 1,070,928), of which € 486,667 (30 June 2022: € 574,790) was recognized as a liability at 30 June 2023.

The subscription and redemption fee for the period from 1 January 2023 through 30 June 2023 amounts to € 48,503 (first half year of 2022: € 110,724).

**Personnel**

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

**Events after balance sheet date**

There are no material events after the balance sheet date that affect the reported figures as at 30 June 2023.

Aerdenhout, 25 August 2023

**Commodity Discovery Management B.V.**

Terence van der Hout

Willem Middelkoop



## Other information

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

At the balance sheet date, Terence van der Hout and Willem Middelkoop are the Managing Directors of the Fund Manager. As at 30 June 2023, the Fund Manager held 4,710 (1 January 2023: 4,710) participations. The total number of participations owned by the Fund Manager, its shareholders and the directors at 30 June 2023 amounts to 50,607 participations with a value of € 3.87 million (at 1 January 2023: 46,879 participations with a value of € 3.77 million). This means that 3.50% of the assets under management (AUM) are held by the shareholders.