

SEMI-ANNUAL REPORT 2022

**For the period 1 January 2022
through 30 June 2022**

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

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
Prins Hendriklaan 26
1075 BD Amsterdam
The Netherlands

Administrator

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

Brokers and custodians

CASEIS Bank (The Netherlands)
Interactive Brokers (U.K.) Ltd. (United Kingdom)
Raymond James Ltd. (Canada)
Canaccord Wealth Management (Canada)

Key figures

| | 06-2022 | 2021 | 2020 | 2019 | 2018 |
|---------------------------------------|-----------|-----------|---------|---------|---------|
| <i>Class CDF new asset class</i> | | | | | |
| Net Asset Value (x € 1,000) | 19,147 | 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 ¹ | 86.32 | 114.31 | 125.83 | 67.53 | 61.23 |
| <i>Class CDF all investors</i> | | | | | |
| Net Asset Value (x € 1,000) | 95,203 | 113,670 | 86,719 | 39,235 | 30,666 |
| Number of outstanding units | 1,125,071 | 1,014,262 | 699,398 | 586,675 | 503,138 |
| Net Asset Value per unit ¹ | 84.62 | 112.07 | 123.99 | 66.88 | 60.95 |
| Total for the Fund | | | | | |
| Net Asset Value (x € 1,000) | 114,351 | 136,919 | 100,334 | 42,368 | 32,080 |
| Number of outstanding units | 1,346,881 | 1,217,685 | 807,595 | 633,069 | 526,226 |

¹ 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.

Financial statements

Balance sheet

(Before appropriation of the result)

| (amounts x € 1) | Notes | 30-06-2022 | 31-12-2021 |
|-----------------------------------|-------|--------------------|--------------------|
| Assets | | | |
| Investments long | | | |
| Equities | 1 | 109,457,043 | 133,113,989 |
| Bonds | | - | 34,783 |
| Futures | | 48,074 | - |
| Options | | - | 15,742 |
| Warrants | | 1,650,592 | 3,157,659 |
| Total investments long | | 111,155,709 | 136,322,173 |
| Receivables | | | |
| Due from brokers | 2 | 2,032,736 | 289 |
| Other receivables | | 492,904 | 1,007,053 |
| Total receivables | | 2,525,640 | 1,007,342 |
| Other assets | | | |
| Cash and cash equivalents | 3 | 14,291,755 | 9,683,986 |
| Total other assets | | 14,291,755 | 9,683,986 |
| Total assets | | 127,973,104 | 147,013,501 |
| Liabilities | | | |
| Net asset value | | | |
| Units paid in surplus | 4 | 161,757,948 | 147,361,928 |
| General reserve | | (10,443,028) | 677,672 |
| Result current period | | (36,964,241) | (11,120,700) |
| Total net asset value | | 114,350,679 | 136,918,900 |
| Investments short | | | |
| Options | 1 | - | 5,276 |
| Futures | | 1,408 | - |
| Total Investments short | | 1,408 | 5,276 |
| Other liabilities | | | |
| Bank overdrafts | 5 | 10,163,845 | 8,269,456 |
| Due to brokers | | 1,257,296 | - |
| Subscriptions received in advance | | 1,575,529 | 1,035,884 |
| Other liabilities | | 624,347 | 783,985 |
| Total other liabilities | | 13,621,017 | 10,089,325 |
| Total liabilities | | 127,973,104 | 147,013,501 |

Profit and loss statement

(For the period from 1 January through 30 June)

| (amounts x € 1) | Notes | <u>2022</u> | <u>2021</u> |
|---|-------|-----------------------------------|----------------------------------|
| Investment result | | | |
| Dividend income | | 106,356 | 88,990 |
| Interest income on investments | | - | 1,541 |
| Total investment result | | <u>106,356</u> | <u>90,531</u> |
| Revaluation of investments | | | |
| Realized results | 6 | 2,252,263 | 14,904,045 |
| Unrealized results | | (36,980,158) | (17,773,914) |
| Total revaluation of investments | | <u>(34,727,895)</u> | <u>(2,869,869)</u> |
| Other results | | | |
| Subscription and redemption fees | | 110,724 | 170,381 |
| Foreign currency results | 7 | (730,177) | (398,655) |
| Interest income on bank accounts | | 312 | 97 |
| Other results | | 15,493 | - |
| Total other results | | <u>(603,648)</u> | <u>(228,177)</u> |
| Operating expenses | | | |
| Management fee | 8.1 | (1,070,928) | (1,077,017) |
| Performance fee | 8.1 | - | (62,630) |
| Interest expenses | | (49,427) | (92,652) |
| Depository fees | 8.2 | - | (27,491) |
| Brokerage fees and commissions | | (434,053) | (430,042) |
| Administration fees | | (75,691) | (91,765) |
| Reporting fees | | (3,663) | (2,597) |
| Audit fees | 8.2 | (43,883) | (17,106) |
| Supervision fees | | (9,424) | (7,747) |
| Legal fees | | (607) | (3,649) |
| Other expenses | | (33,587) | (18,116) |
| Total operating expenses | | <u>(1,721,263)</u> | <u>(1,830,812)</u> |
| Withholding tax | | (17,791) | (13,709) |
| Result for the period | | <u><u>(36,964,241)</u></u> | <u><u>(4,852,036)</u></u> |

Statement of Cash flow statement

(For the period from 1 January through 30 June)

| (amounts x € 1) | Notes | <u>2022</u> | <u>2021</u> |
|---|----------|----------------------------|----------------------------|
| Cash flow from operating activities | | | |
| Purchases of investments | | (219,287,283) | (106,677,057) |
| Sales of investments | | 208,946,833 | 83,945,260 |
| Interest received | | 312 | 1,571 |
| Dividend received | | 223,297 | 81,642 |
| Other income received | | 15,493 | - |
| Management fee paid | | (1,203,986) | (1,513,443) |
| Interest paid | | (48,776) | (142,189) |
| Other expenses paid | | (248,722) | (1,236,325) |
| Net cash flow from operating activities | | <u>(11,602,832)</u> | <u>(25,540,541)</u> |
| Cash flow from financing activities | | | |
| Proceeds from subscriptions to units | | 19,014,273 | 33,122,581 |
| Payments for redemption of units | | (4,078,608) | (6,812,220) |
| Subscription and redemption fees | | 110,724 | 170,381 |
| Net cash flow from financing activities | | <u>15,046,389</u> | <u>26,480,742</u> |
| Net cash flow | | <u>3,443,557</u> | <u>940,201</u> |
| Cash and cash equivalents at the beginning of the period | | 1,414,530 | 4,138,774 |
| Foreign currency translation of cash positions | | (730,177) | (398,655) |
| Cash and cash equivalents at the end of the period | 3 | <u>4,127,910</u> | <u>4,680,320</u> |

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 units 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 units 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 2 January 2022). 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 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.

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 2022 are the same as the accounting principles used for the annual report 2021.

Reporting period

The reporting period covers the period from 1 January 2022 through 30 June 2022.

Notes to the balance sheet

1. Investments

Movement schedule of investments

(for the period from 1 January through 30 June)

(amounts x € 1)

| | 2022 | 2021 |
|------------------------|--------------------|--------------------|
| <i>Equities (Long)</i> | | |
| Opening balance | 133,113,989 | 100,054,212 |
| Purchases | 219,933,247 | 104,047,527 |
| Sales | (212,152,400) | (85,946,210) |
| Realised result | 4,073,332 | 17,445,618 |
| Unrealised result | (35,511,125) | (18,349,758) |
| Closing balance | 109,457,043 | 117,251,389 |
| <i>Bonds</i> | | |
| Opening balance | 34,783 | 32,164 |
| Sales | (34,868) | - |
| Realised result | 550 | - |
| Unrealised result | (465) | 1,848 |
| Closing balance | - | 34,012 |
| <i>Options (Long)</i> | | |
| Opening balance | 15,742 | - |
| Purchases | 311,355 | 598,057 |
| Sales | (244,385) | (530,582) |
| Realised result | (74,322) | (67,475) |
| Unrealised result | (8,390) | - |
| Closing balance | - | - |
| <i>Futures</i> | | |
| Opening balance | - | - |
| Sales and expirations | 1,764,266 | 2,419,220 |
| Realised result | (1,764,266) | (2,419,220) |
| Unrealised result | 46,666 | (175,342) |
| Closing balance | 46,666 | (175,342) |
| <i>Warrants</i> | | |
| Opening balance | 3,157,659 | 3,518,692 |
| Purchases | 187,794 | 65,098 |
| Sales | (188,356) | (65,666) |
| Realised result | 562 | (64,042) |
| Unrealised result | (1,507,067) | 751,896 |
| Closing balance | 1,650,592 | 4,205,978 |

COMMODITY DISCOVERY FUND

| (amounts x € 1) | 2022 | 2021 |
|-------------------------|-------------|-------------|
| <i>Equities (Short)</i> | | |
| Opening balance | - | 10,936 |
| Purchases | - | (53,780) |
| Sales | - | 51,696 |
| Realised result | - | (10,433) |
| Unrealised result | - | 1,581 |
| Closing balance | - | - |
| <i>Options (Short)</i> | | |
| Opening balance | 5,276 | 1,956 |
| Purchases | (112,183) | (172,744) |
| Sales | 123,537 | 168,542 |
| Realised result | (16,407) | 1,269 |
| Unrealised result | (223) | 977 |
| Closing balance | - | - |

2. Receivables

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

| (amounts x € 1) | 30-06-2022 | 31-12-2021 |
|-----------------------------------|-------------------|-------------------|
| Due from brokers | 2,032,736 | 289 |
| Other receivables | | |
| Dividend receivable | 4,502 | 139,234 |
| Other receivables and prepayments | 488,402 | 867,819 |
| Total | 492,904 | 1,007,053 |

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):

| | 2022 | 2021 |
|---|---------------------|--------------------|
| Units paid in surplus | | |
| Opening balance | 147,361,928 | 99,656,572 |
| Subscriptions | 18,474,628 | 34,893,030 |
| Redemptions | (4,078,608) | (6,812,220) |
| Performance fees | - | 62,630 |
| Closing balance | 161,757,948 | 127,800,012 |
| General reserve | | |
| Opening balance | 677,672 | (41,033,607) |
| Transfer of previous year result | (11,120,700) | 41,711,279 |
| Closing balance | (10,443,028) | 677,672 |
| Result current period | | |
| Opening balance | (11,120,700) | 41,711,279 |
| Transfer to general reserve | 11,120,700 | (41,711,279) |
| Result current period | (36,964,241) | (4,852,036) |
| Closing balance | (36,964,241) | (4,852,036) |
| Total net asset value at 30 June | 114,350,679 | 123,625,648 |

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| Movements schedule of units | | |
| Number of units at January 1 | 1,217,685 | 807,595 |
| Subscriptions | 166,537 | 289,972 |
| Redemptions | (37,341) | (56,513) |
| Number of units at 30 June | 1,346,881 | 1,041,054 |

Overview of net asset value per shareclass

| | 30-06-2022 | 2021 | 2020 |
|----------------------------------|-------------------|-------------|-------------|
| <i>Class CDF new asset class</i> | | | |
| Net asset value (in €) | 19,147,353 | 23,053,576 | 13,614,925 |
| Number of outstanding units | 221,810 | 201,682 | 108,197 |
| Net Asset Value per unit (in €) | 86.32 | 114.31 | 125.83 |
| <i>Class CDF all investors</i> | | | |
| Net asset value (in €) | 95,203,326 | 113,670,186 | 86,719,319 |
| Number of outstanding units | 1,125,071 | 1,014,262 | 699,398 |
| Net Asset Value per unit (in €) | 84.62 | 112.07 | 123.99 |
| Total for the Fund | | | |
| Net asset value (in €) | 114,350,679 | 136,918,900 | 100,334,244 |
| Number of outstanding units | 1,346,881 | 1,217,685 | 807,595 |

5. Other liabilities

The short term liabilities consist of the following items:

| (amounts x € 1) | 30-06-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| Bank overdrafts ² | 10,163,845 | 8,269,456 |
| Due to brokers | 1,257,296 | - |
| Subscriptions received in advance | 1,575,529 | 1,035,884 |
| | 12,996,670 | 9,305,340 |
| <i>Other liabilities</i> | | |
| Interest payable | 6,508 | 5,857 |
| Management and performance fees payable | 575,863 | 708,921 |
| Audit fee payable | 26,294 | 34,997 |
| Supervision fee payable | 9,424 | - |
| Administration fee payable | - | 25,591 |
| Reporting fee payable | 2,763 | 5,193 |
| Other liabilities | 3,495 | 3,426 |
| Total other liabilities | 624,347 | 783,985 |
| Total other liabilities | 13,621,017 | 10,089,325 |

² 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. Valutaresultaten

During the first half year of 2022, the Fund held liquidity positions in foreign currencies, resulting in a realized currency loss of € 730,177 (first half year of 2021: a currency loss of € 398,655).

8. Operating expenses

8.1 Management and performance fees

| | 2022 | 2021 |
|---|------------------|------------------|
| Management fee | 1,070,928 | 1,077,017 |
| Performance fee* | - | 62,630 |
| Total management and performance fee | 1,070,928 | 1,139,647 |

* This concerns a settlement in participations, not via cash and cash equivalents.

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 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. However the Participant needs to be willing to convert the units against one new subscription of units 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.

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 2022, the Fund Manager was awarded no performance fee (first half year of 2021: € 62,630).

8.2 Other expenses

Depository and custodian fees

The Fund has appointed CACEIS Bank, Netherlands Branch as the depository of the Fund. The depository expenses for the period ended 30 June 2022 amounts to € 0 (first half year of 2021: € 10,130).

The Fund has appointed CACEIS Bank, Netherlands Branch as the custodian of the Fund. The custodian expenses for the period ended 30 June 2022 amounts to € 0 (first half year of 2021: € 17,361).

Audit fees

The audit fees charged can be itemized as follows:

| | 2022 | 2021 |
|------------------------------|---------------|---------------|
| Audit of the annual accounts | 43,883 | 17,106 |
| Total | 43,883 | 17,106 |

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

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 Depository

The management fee for the period from 1 January 2022 through 30 June 2022 amounts to € 1,070,928 (first half year of 2021: € 1,077,017), of which € 574,790 (30 June 2021: € 453,382) was recognized as a liability at 30 June 2022.

The subscription and redemption fee for the period from 1 January 2022 through 30 June 2022 amounts to € 110,724 (first half year of 2021: € 170,381).

Terence van der Hout and Willem Middelkoop are the Managing Directors of the Fund. As of 30 June 2022, the Fund Manager held 4,710 (31 December 2021: 2,333) units in the Fund. The total number of units held by the Fund Manager, its shareholders and the Managing Directors amounts to 49,718 (31 December 2021: 42,437) units amounting to EUR 4.21 million (31 December 2021 EUR 4.76 million). This means that more than 3% (31 December 2021: 3%) of the assets under management (AUM) are held by the shareholders.

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.

Proposed appropriation of the result

The result for the period ended 30 June 2022 will be added to the net asset value of the Fund in accordance with article 4.12 of the offering memorandum.

Events after balance sheet date

There were no material events after the balance sheet date.

Aerdenhout, 31 August 2022

Commodity Discovery Management B.V.

Terence van der Hout

Willem Middelkoop