ANNUAL REPORT

Theta Distressed Credit Opportunities Pool

Year ended 31 December 2022

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General information

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RSM Netherlands Accountants N.V.
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The Netherlands

Key figures

	2022	2021[1]
Class A USD Participations		
Net Asset Value at 31 December	10,087,345	10,256,468
Outstanding participations at 31 December	8,518.27	8,518.27
Net Asset Value per unit at 31 December	1,184.20	1,204.05
Class B USD Participations		
Net Asset Value at 31 December	37,304,362	37,905,244
Outstanding participations at 31 December	32,014.93	31,905.65
Net Asset Value per unit at 31 December	1,165.21	1,188.04
Total for the Fund		
Net Asset Value at 31 December	47,391,707	48,161,712
Outstanding units at 31 December	40,533.20	40,423.92
Change in value	(571,706)	7,931,464
Other results	39,752	67
Costs	(363,051)	(1,031,171)
Total investment result for the period	**(895,005)**	**6,900,360**
Investment result per unit Class A USD[2]		
Change in value	(14.34)	221.84
Other results	0.99	0.00
Costs	(6.50)	(17.49)
Total investment result per unit	**(19.85)**	**204.35**
Investment result per unit Class B USD[2]		
Change in value	(14.08)	216.48
Other results	0.98	0.00
Costs	(9.64)	(31.51)
Total investment result per unit	**(22.74)**	**184.97**

[1] The reported results cover the period from 1 July 2020 through 31 December 2021.
[2] The result per unit is calculated using the average number of outstanding units during the reporting period.

Fund Manager report

Theta Distressed Credit Opportunities Pool's ("TDCOP") 2022 performance was -1.65% for the Class A shares and -1.93% for the Class B shares. The reference HFRX Global Hedge Fund Index was down -3.52%. Annualized returns since inception (July 1st, 2020) for TDCOP were +7.00% (Class A) and +6.30% (Class B) with annualized standard deviation of 3.96% (Class A) and 3.86% (Class B). This compares to the reference HFRX Global Hedge Fund Index which generated annualized returns of 2.75% with annualized standard deviation of 3.82% over the same period.

2022 proved to be a difficult year for financial markets, experiencing the most severe yearly downturn in both stock and bond markets since the Global Financial Crisis. The S&P 500 ended 2022 down -18.1%. Credit indices, such as the JPM Global Investment Grade sunk -16.7% or BofA U.S. High Yield Index was down -11.2%. This was due to central banks implementing stricter monetary policies in response to persistent high inflation. Additionally, a geopolitical crisis and increasing fears of a worldwide recession further intensified the situation. In particular, Russia's incursion into Ukraine led to considerable disturbances in global commodity and energy markets. Coupled with China's strict COVID-19 elimination strategy, these factors placed a heavy burden on economic activity and worldwide expansion.

TDCOP remained resilient in the face of difficult market conditions for fixed income investing in 2022, where it was one of the worst on record. The performance may have been slightly negative, relative to other credit investment opportunities the fund has managed to weather the storm exceptionally well. This illustrates the resilience of TDCOP and its ability to navigate through difficult market conditions. The diversified portfolio and strategic management decisions have helped it to minimize the impact of negative performance and remain well-positioned for future opportunities. The largest detractor was VR Global (-5.7%), mostly due to the direct impact of Russia's incursion of Ukraine, a country in which the manager held some significant positions. At the same time, the situation will undoubtedly lead to interesting investment opportunities as it is a geography where the managers has long term experience investing in distressed debt situations. The other losses stemmed mostly from positions in residential mortgage-backed securities held by several of our managers. These mark-to-market losses remain largely unrealized, and it is expected that they will still mature at par, leaving for a higher upside to come.

Moving forward we think the fund is very well positioned to capitalise on the upcoming opportunity set and take advantage of the increased set of market dislocations. When we first launched the fund, the allocation was two-fold: 1) US consumer credit and related RMBS, as we felt that the consumer was in a strong position – this played out reasonably over 2022 – and 2021) allocate to special situation distressed credit managers that provide liquidity and invest opportunistically – this has proven to be difficult over the past year. In both cases, our funds have actively managed to limit losses in comparison to broader markets and they continue refining their portfolios for market and idiosyncratic risk through hedging programs.

Various industries are currently undergoing fundamental changes as the markets exit a 14-year period of extraordinarily accommodative monetary policy that led to unprecedented valuations. Additionally, geopolitical events are causing a reassessment of supply chains and key production inputs such as energy, which has resulted in the end of an inexpensive debt era. As liquidity seekers continue to face difficult refinancing decisions, pockets of stress and distress are emerging, which will necessitate rescue capital. We believe this transition will inevitably reveal excesses from speculation driven by low interest rates and easy money, and we see this as an opportunity for the Fund to capitalize on.

As a final note, we may launch a EUR hedged share classes if there is sufficient investor interest.

Risk management and willingness to take risks

In the table below we list the various risks to which investors in the Fund are exposed and we discuss the measures applied to manage these risks and their potential impact on the Fund's NAV.

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Expected impact on 2023 NAV if risk materializes	Impact on 2022 NAV	Adjustments to risk management in 2022 or 2023?
Price risk	No	Portfolio risk management as described in "Investment objective, policy and processes" is applied and is expected to limit the price risk to a degree in line with the return objectives.	As return volatility implies, we expect a 95% chance of NAV not declining by more than 7% (2 standard deviations below the mean) in a given year.	The risk was comparable and the ultimate year result as well as the monthly results remained well within the expected range.	No
Interest rate risk	No	The fund has no direct interest-bearing financial instruments except for cash at bank which is limited to a couple of percent max. Therefore, the Fund is not exposed to significant interest rate risk. The underlying managers may take interest rate risk which we expect them to manage accordingly.	None	None	No

Risk management and willingness to take risks (continued)

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Expected impact on 2023 NAV if risk materializes	Impact on 2022 NAV	Adjustments to risk management in 2022 or 2023?
Foreign Exchange Risk	No	None	None	No impact	No
Liquidity Risk	No	Liquidity risk is mitigated by investing in hedge funds that offer sufficiently liquid redemption terms that we expect to meet at all times. Liquidity is also stress tested.	We would not expect an NAV impact if this risk would materialize. It could trigger the fund gate delaying the redemption window for exiting participants.	No impact	No
Credit Risk	No	The fund has limited cash held at the fund's bank account. The cash amount is limited.	In theory the fund could lose the amount held as cash. In practice we expect to keep cash limited to a couple of percent of NAV at any time.	No impact	No
Operational Risk	No	This risk is mitigated by having strict operational procedures in place to address identified operational risk items, by employing clear segregation of duties amongst all identified staff and selecting service providers to the Fund with operational procedures to mitigate the operational risks identified.	Negligible	No impact	No
Legal Risk	No	This fund has a detailed plan in place to meet those identified obligations.	Negligible	No impact	No

General principles of remuneration policy
Theta Fund Management B.V. maintains a careful, controlled and sustainable remuneration policy. The remuneration policy is consistent with and contributes to a sound and effective risk management and does not encourage risk taking beyond what is acceptable for Theta Fund Management B.V. or the funds under management.

The remuneration policy consists of a fixed and variable component that is at the discretion of management. The aggregate personnel cost for employees totalled EUR 686,171 (2021: EUR 132,174). The variable component of the personnel costs amounted to EUR 44,704 (2021: EUR 15,622).

SFDR Statement
As per 10 March 2021 the EU Sustainable Finance Disclosure Regulation (SFDR) has come into force. In the context of the SFDR, the Fund has been classified as an Article 6 fund. The investments of TDCOP do not take into account the EU criteria for environmentally sustainable economic activities.

Control Statement
We declare as the manager of the Fund to have an AO/IB that meets the requirements of the "Wet op het Financiële Toezicht" and the "Besluit gedragstoezicht financiële ondernemingen ("Bgfo")".

We have not identified any internal control measures that do not meet the requirements of article 115y of the Bgfo and as such we declare that the operations in the year 2022 functioned effectively as described.

During 2022 we have updated and improved our AO/IB. Fundamentally we have not changed the processes, however we feel the updated version to be more complete. This version has also been reviewed, and is monitored on an ongoing basis, by our external compliance officer, especially with respect to regulatory updates.

Financial statements

Balance sheet as at 31 December

(all amounts in USD)	Notes	**2022**	**2021**
Assets			
Investments	1		
Investment funds		40,662,784	47,594,023
Total of investments		**40,662,784**	**47,594,023**
Intangible assets			
Incorporation costs	3	-	17,330
Total of intangible assets		**-**	**17,330**
Receivables			
Due from brokers	4	2,620,000	-
Other receivables and accrued income	5	11,139	-
Total of receivables		**2,631,139**	**-**
Other assets			
Cash and cash equivalents	6	4,271,882	904,185
Total of other assets		**4,271,882**	**904,185**
Total assets		**47,565,805**	**48,515,538**
Liabilities			
Net asset value	7	**47,391,707**	**48,161,712**
Other liabilities			
Other payables and accrued expenses	9	174,098	353,826
Total other liabilities		**174,098**	**353,826**
Total liabilities		**47,565,805**	**48,515,538**

The accompanying notes are an integral part of these financial statements.

Profit and loss statement

(For the year/period ended 31 December)

(all amounts in USD)	Notes	2022	For the period 1 July 2020 until 31 December 2021
Revaluation of investments	10		
Realised results		1,431,528	335,765
Unrealised results		(2,003,234)	7,595,699
Total changes in value		**(571,706)**	**7,931,464**
Other results			
Foreign currency translation	11	7,300	67
Interest income on cash accounts		32,452	-
Total other results		**39,752**	**67**
Operating expenses			
Management fee	12	(268,108)	(463,963)
Incentive fee	13	-	(386,228)
Amortisation of other incorporation costs		(2,737)	(53,185)
Administration fees	14	(23,663)	(31,190)
Depositary fees	15	(19,402)	(31,176)
Brokerage fees and other transaction costs		(4,942)	(4,474)
Audit fees	16	(12,595)	(32,181)
Legal fees		(7,931)	(3,609)
Other expenses		(23,673)	(25,165)
Total operating expenses		**(363,051)**	**1,031,171**
Result for the year/period		**(895,005)**	**6,900,360**

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

(For the year/period ended 31 December)

(all amounts in USD)	Notes	**2022**	**For the period 1 July 2020 until 31 December 2021**
Cash flow from operating activities			
Purchases of investments		(1,000,000)	(39,962,559)
Proceeds from sales of investments		4,739,533	300,000
Interest received		21,313	
Management and incentive fee paid		(437,385)	(547,995)
Operating expenses paid		(88,064)	(146,680)
Net cash flow used in operating activities		**3,235,397**	**(40,357,234)**
Cash flow from financing activities			
Proceeds from subscriptions to participations		125,000	41,261,352
Net cash flow from financing activities		**125,000**	**41,261,352**
Net cash flow for the year/period		**3,360,397**	**904,118**
Cash at beginning of the period		904,185	-
Foreign currency translation of cash positions		7,300	67
Cash at the end of the year/period	6	**4,271,882**	**904,185**

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

General

Theta Distressed Credit Opportunities Pool (the "Fund") is organized as a common contractual fund (fonds voor gemene rekening) under the laws of The Netherlands. The Fund was incorporated on 26 June 2020 and commenced operations on 1 July 2020.

The Fund is called a pool as we see it as a small collection of specialist managers providing access to a 'pool' of talent.

The Fund aims to provide investors with an investment vehicle which targets above average returns of 10%+ per annum on a five-year investment horizon by allocating to a pool of 4-8 hedge funds that focus on investing in dislocated credit instruments and distressed debt and restructuring opportunities.

The Fund is divided in two Classes: Class A and Class B.

The Fund has appointed Theta Fund Management B.V. as its Fund Manager. The Fund Manager is responsible for the execution of the investment policy and for the marketing of the Fund.

The professionals at the Fund Manager have substantial experience with investing in hedge funds. Theta's long history in the strategy secures access to the most successful hedge funds, which are typically highly capacity constrained and very selective as to whom they allow to invest. Theta sources the scarce talent and superior infrastructure required to execute such strategies but limit market risk by focusing on process risk and capturing differentiating risk premia such as complexity premium. Theta ensures a full alignment of interests and long-term staying power and avoids asset gatherers in favour of incentive driven managers. Theta will leverage their extensive industry network to gain access to these capacity constrained opportunities.

The Fund's investment activities are managed by the Fund Manager, with the administration delegated to Apex Fund Services (Netherlands) B.V.

The base currency of the Fund is US dollar.

The Fund Manager authorised these financial statements for issue on 30 June 2023.

Accounting policies

General
The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles of the Fund are summarised below. These accounting principles have all been applied consistently throughout the financial period.

The figures cover the year from 1 January 2022 through 31 December 2022. The comparative figures cover the period from 1 July 2020 (commencement of operations) through 31 December 2021.

Basis of accounting
Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Measurement currency
The amounts included in the financial statements are denominated in USD, which is the functional and presentation currency.

Receivables
Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Possible provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Organisation costs
Organisational cost are the set-up costs which constitute costs of advisors and other costs and fees directly connected with the incorporation, out-of-pocket expenses and costs connected with pre-establishment preparatory and research activities up to the initial closing. Valuation takes place at cost and are amortised over a period of 24 months after inception.

Investments

Recognition and basis of measurement
All investment securities are initially recognised at cost. After initial recognition the investments will be valued at fair value.

Valuation
Investments in funds (fund-of-fund) will be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Fund. In the absence of quoted values or audited net asset value calculations, the valuation of the investments is based on the reported values of the respective funds in which the Fund has a position. Lacking any proper valuation, a fair price will be determined by the Fund Manager.

Gains and losses
Gains and losses are treated as realised for financial statement purposes on the trade date of the transaction closing or offsetting the open position. Unrealised gains and losses are the difference between the value initially recognised and fair value. All gains and losses are recognised in the profit and loss account.

Dividend and interest income
Dividends are recorded on the date that the dividends are declared, gross of applicable withholding taxes. Interest income is recognised on accrual basis.

Translation of foreign currency
Monetary assets and liabilities denominated in foreign currencies are translated into USD at the rates of exchange prevailing at yearend. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Realised and unrealised gains and losses on foreign currency transactions are charged or credited to the profit and loss account as foreign currency gains and losses except where they relate to investments where such amounts are included within realised and unrealised gains and losses on investments.

Brokerage/expenses
Commissions payable on opening and closing positions are recognised when the trade is entered into. Expenses are recorded in the period in which they originate. Transaction costs are borne by the Fund and be brought at the charge of the Fund's profit and loss account. Expenses on disposal of investments are deducted from the proceeds of disposal.

Cash and cash equivalents
For the purpose of presentation in the balance sheet and the cash flow statement, cash is defined as cash at banks and brokers. The cash at bank and brokers is valued at face value.

Cash flow statement
The statement of cash flows is prepared using the direct method. The statement of cash flows shows the Fund's cash flows for the period divided into cash flows from operations and financing activities.

Due to the nature of the Fund's operations, cash flows related to the financial instruments are included under operating activities. Cash flows from financing activities include proceeds from subscriptions and payments for redemptions of participations of the Fund.

Bank overdrafts that are repayable on demand form an integral part of the Fund's cash management and are a component of cash and cash equivalents.

The ongoing charges figure (OCF)
The ongoing charges figure contains all costs that have been charged to the Fund for the period 1 January 2022 until 31 December 2022 excluding the transaction costs, interest costs and incentive fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month's used (for this period the number of months 18). For the calculation of the OCF, no lookthrough has been applied for investments in other investment funds.

Turnover ratio (TOR)
The turnover ratio is calculated the following way: the sum of all purchases of investments plus the sum of all the sales of investments minus the sum for the subscriptions and redemptions. The total of this number will be divided by the average net asset value of the Fund and multiplied by 100.

Notes to the statement of financial position

1. Investments

The movement of the financial instruments is as follows:

(all amounts in USD)	2022	For the period 1 July 2020 until 31 December 2021
Investment funds		
Opening balance	47,594,023	-
Purchases	1,000,000	41,844,805
Sales	(7,359,533)	(2,182,246)
Realised investment result	1,431,528	335,765
Unrealised investment result	(2,003,234)	7,595,699
Position as per 31 December	**40,662,784**	**47,594,023**

2. Risk management

Market risk
Market risk is the risk that the value of a financial instrument fluctuates as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risk contains market price risk, currency risk and interest rate risk. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the USD, the price initially expressed in foreign currency and then converted into USD also fluctuates because of changes in foreign exchange rates. The paragraph 'Currency risk' sets out how this component of price risk is managed and measured.

The level classification of the Fund's investments at 31 December is as follows:

(all amounts in USD)	2022	2021
Other*	40,662,784	47,594,023
Position as per 31 December	**40,662,784**	**47,594,023**

*Valuations based on the NAV communicated by the underlying fund manager

The total market risk that the Fund bears at 31 December 2022 is the total net financial assets and liabilities at fair value through profit or loss in the amount of USD 40,662,784 (2021: USD 47,594,023).

Exposure Risks
The Fund allocates to a pool of 4-8 hedge funds that focus on investing in dislocated credit instruments and distressed debt and restructuring opportunities. It may be that a particular manager may not achieve the target returns if they have wrongly analysed a situation. It is expected that the returns profile will differ from broader equity markets.

Currency risk
The Fund may invest in assets denominated in currencies other than its functional currency, the US dollar. Consequently, the Fund is exposed to risks that the exchange rate of the US dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Fund's assets which are denominated in currencies other than the US dollar.

The Fund is not exposed to significant currency risk as all investments are denominated in US dollar.

Custody risk
The Fund's assets are held at Stichting Juridisch Eigenaar TDCOP with Northern Trust Global Services SE as Depository. All long positions are segregated and therefore their counterparty risk should be negligible. The regular cash accounts do result in counterparty risk to the custodian.

Liquidity risk
Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund may invest in securities or investment funds which can be illiquid and can apply a lock-up for their investors. This might have a pricing and liquidity effect on the Fund and might ultimately lead to a slower redemption process for investors in the Fund. The liquidity of the Fund is monitored by the Fund Manager on an ongoing basis.

The redemption of Participations may be limited to 10% of the Participations in issue on any Dealing Day in any Sub-Fund and the right to redeem may be suspended in the event of market disruption or a breakdown in the means employed to value the assets of the Fund. Class A participations are subject to a 2 year initial hard lockup and Class B participations are subject to a 1 year initial hard lockup.

3. Incorporation costs

The Fund has capitalised the costs of setting up the organisation of the Fund. The total incorporation costs amount to USD 70,515 and these are expensed in a period of 24 months.

(all amounts in USD)	**2022**	**Cumulative**	**2021**	**Cumulative**
Opening balance	17,330	17,330	-	-
Prepaid setup costs	-	-	70,515	70,515
Amortisation	(17,330)	(17,330)	(53,185)	(53,185)
Balance as per 31 December	**-**	**-**	**17,330**	**17,330**

4. Due from brokers

The amount for due from broker consists of balances at brokers on which no restrictions on the use exist at 31 December 2022 and 31 December 2021.

5. Other receivables

(For the year ended 31 December)

(all amounts in USD)	**2022**	**2021**
Interest receivable	11,139	-
Balance as per 31 December	**11,139**	**-**

6. Cash

At 31 December 2022 and 31 December 2021 no restrictions on the use of cash exist.

7. Net assets value

(For the year ended 31 December)

Total for the Fund	**2022**		**For the period 1 July 2020 until 31 December 2021**	
(all amounts in USD)	**Amounts**	**No. of shares**	**Amounts**	**No. of shares**
Net assets at beginning of period	48,161,712	40,423.92	-	-
Proceeds from participations issued	125,000	109.29	41,261,352	40,423.92
Net change from transactions with participation holders	48,286,712	40,533.20	41,261,352	40,423.92
Result for the period	(895,005)		6,900,360	
Net assets at end of period	**47,391,707**	**40,533.20**	**48,161,712**	**40,423.92**

Class A USD Participations	**2022**		**For the period 1 July 2020 until 31 December 2021**	
(all amounts in USD)	**Amounts**	**No. of shares**	**Amounts**	**No. of shares**
Net assets at beginning of period	10,256,468	8,518.27	-	-
Proceeds form participations issued	-	-	8,553,817	8,518.27
Net change from transactions with participation holders	10,256,468	8,518.27	8,553,817	8,518.27
Result for the period	(169,123)	-	1,702,651	
Net assets at end of period	**10,087,345**	**8,518.27**	**10,256,468**	**8,518.27**

Class B USD Participations	**2022**		**For the period 1 July 2020 until 31 December 2021**	
(all amounts in USD)	**Amounts**	**No. of shares**	**Amounts**	**No. of shares**
Net assets at beginning of period	37,905,244	31,905.65	-	-
Proceeds from shares issued	125,000	109.29	32,707,535	31,905.65
Net change from transactions with participation holders	38,030,244	32,014.94	32,707,535	31,905.65
Result for the period	(725,882)	-	5,197,709	
Net assets at end of period	**37,304,362**	**32,014.94**	**37,905,244**	**31,905.65**

8. Fund's capital

Classes
Participations in different Classes of the Fund relate to the same portfolio of assets and liabilities and differ only in the Net Asset Value, the Incentive Fee and Management Fee potentially to be paid, the remaining lock-up period and the redemption conditions depending on the Class in the Fund. After the end of the first financial year following the expiration of the lock-up period of a particular Series, the Series may be converted into one Series of the same Class in the same Fund.

Subscriptions
The Fund may issue Participations in a Fund in the form of Series of a Class on each particular Dealing Day. Participations in different Classes in a Fund relate to the same portfolio of assets and liabilities and differ only in the Net Asset Value, the Incentive Fee and Management Fee potentially to be paid and the remaining lock-up period. After the end of the first financial year following the expiration of the lock-up period of a particular Class, the Series may be converted into one Series of the Fund.

Redemptions
Participants will have the possibility to redeem Participations starting a (quarterly) Dealing Day following at least 90 calendar days prior written notice given to Theta and subject to a lock-up period, if applicable.

All redemption requests will be executed subject to a 25% investor gate. Each redemption will be redeemed at a price equal to the Net Asset Value of the relevant Series on the Dealing Day on which the redemption is effected. The investor gate will be calculated as 25% of the highest balance of the Participant's holdings in the relevant Series on any of the four Dealing Days immediately preceding the redemption request. Any excess over the amount of the investor gate will be redeemed at the following Dealing Day subject again to the investor gate. For clarity, this means for example that a Participant wishing to redeem 50% of his holdings will have his request met in full over 2 Dealing Days. A 100% redemption will be met in full over 4 Dealing Days.

Once a redemption request has been accepted by Theta, any costs incurred as a result of withdrawal of the redemption request will be charged to the Participant. Theta may limit the redemption of Participations on any Dealing Day to a maximum of 10% of the outstanding Participations in the Sub-Fund on such Dealing Day. In the event Theta invokes its right to limit the redemptions to the 10% threshold, it will allocate the redemptions that will be executed on a pro rata basis.

The minimum Net Asset Value to be redeemed subject to one redemption request should at least equal €100,000 or 100 Participations.

Distributions
Theta shall have sole discretion whether to distribute any income of the Fund or whether to retain it within the Fund. All investment gains, paid out dividends or other distributions by Investee Funds will be reinvested within the Fund. However, Theta has the option to make distributions, these shall be made to Participants in the Fund, pro rata to their Participations.

9. Other liabilities

(all amounts in USD)	**2022**	**2021**
Management fees payable	132,919	68,645
Incentive fees payable	-	233,551
Audit fees payable	17,847	30,955
Administration fees payable	6,087	6,027
Compliance fees payable	-	14,062
Custody fees payable	6,718	-
Depository fees payable	9,954	-
Other liabilities	573	586
Position as per 31 December	**174,098**	**353,826**

Notes to the profit and loss statement

10. Revaluation of investments

(all amounts in USD)	2022	For the period 1 July 2020 until 31 December 2021
Net realised result on financial assets and liabilities at fair value through profit or loss		
Realised gains on investment funds	1,431,528	335,765
Total realised result	**1,431,528**	**335,765**
Net unrealised result on financial assets and liabilities at fair value through profit or loss		
Unrealised gains on investment funds	2,028,304	7,727,234
Unrealised losses on investment funds	(4,031,538)	(131,535)
Total unrealised result	**(2,003,234)**	**7,595,699**
Total revaluation of investments	**(571,706)**	**7,931,464**

11. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains (losses) on assets and liabilities other than financial instruments at fair value through profit or loss and amount to a gain of USD 7,300 (2021: gain of USD 67).

12. Management fee

The Fund Manager shall be entitled to receive an annual management fee up to a one per cent (1%) of the Net Asset Value of a class. The management fee shall accrue on each dealing day by reference to the Net Asset Value on that day and be paid quarterly in arrears on, the last business day in each of March, June, September and December.

The following management fee percentages are applied per Class:
- Class A 0.350%
- Class B 0.625%

The management fee for the period ended 31 December 2022 amounts to USD (268,108) (2021:USD 463,963).

13. Incentive fee

The Fund Manager shall be intitled to receive an incentive fee. The incentive fee shall be calculated out of each series in respect of each financial year. The incentive fee shall be based on the amount by which the total return exceeded the benchmark return (‘hurdle rate’), 5% per annum.

The following incentive fee percentages are applied per Class:
- Class A 5.00%
- Class B 7.50%

The incentive fee for the period ended 31 December 2022 amounts to nil (2021: USD 386,228).

14. Administration fees

Apex Fund Services (Netherlands) B.V. serves as Administrator of the Fund. The annual fee charged by the Administrator equals 0.05% of the NAV with a minimum fixed fee of € 15,000. All fees are excluding VAT.

The administrator fee for the period ended 31 December 2022 amounts to USD 23.663 (2021: USD 31,190).

15. Depositary expenses

Darwin Depositary Services B.V. (hereinafter "the Depositary") receives a fixed fee from the Fund as remuneration for the services of the board of the Depositary, equal to USD 16,500 (excluding VAT) per annum.

The depositary expenses for the period ended 31 December 2022 amounts to USD 19,402 (2021:31,176).

16. Audit fees

The Fund appointed RSM Netherlands Accountants N.V. as the Independent Auditor. The annual audit fee charged by the Independent Auditor amounts to EUR 16,674, (2021: USD 32,181, equivalent of EUR 27,225). The Independent Auditor does not provide any non-audit services to the Fund.

17. Related party

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 or is part of key management of the Fund. The Fund Manager is therefore a related party, please refer to note 12 and 13 for the transactions between the Fund and the Fund Manager.

18. Taxation

The Fund is structured as transparent for Dutch tax purposes. Accordingly, the Fund is not subject to Dutch corporate income tax. From a Dutch tax perspective, the assets and liabilities, as well as the revenues of the Fund are attributed to the individual Unit Holders pro rata to their interest in the Fund.

19. Ongoing charges figure (OCF)

For the year ended 31 December 2022

(all amounts in USD)	**Class A USD**	**Class B USD**
Average net asset value	10,065,313	37,164,145
Total ongoing expenses	54,351	303,758
Ongoing charges figure	**0,54%**	**0,82%**
Incentive fee ratio	**-**	**-**

For the calculation of the OCF, no lookthrough has been applied for investments in other investment funds. These indirect expenses are therefore not included in the calculated OCF.

For the period 1 July 2020 until 31 December 2021

(all amounts in USD)	**Class A USD**	**Class B USD**
Average net asset value	9,365,971	31,412,802
Total ongoing expenses	89,734	550,733
Ongoing charges figure	**0,96%**	**1.75%**
Annualised ongoing charges figure	**0,64%**	**1.17%**
Incentive fee ratio	**0,59%**	**1.05%**
Annualised incentive fee ratio	**0,39%**	**0.70%**

20. Turnover ratio's (TOR)

The turnover ratio for the Fund for the year ended 31 December 2022 is: 17,4% which means 0,174 times (2021: 6,8% which means 0,068) of the average Net Asset Value is traded besides trades resulting from subscriptions and redemptions.

21. Core business and outsourcing

The following key task has been delegated by the Fund:

Administration
The administration has been outsourced to Apex Fund Services B.V. who carries out the administration of the Fund, including the processing of all investment transactions, processing of revenues and expenses and the preparation of the NAV. It also states, under the responsibility of the AIFM, the interim report and the financial statements of the Fund. For information on the fees of the Administrator refer to note 14.

Fund Manager
Theta Fund Management B.V. is the Fund Manager of the Fund. For information on the fees of the Fund Manager refer to note 10.

22. Proposed appropriation of the result

The result for the year ended 31 December 2022 has been added to the net asset value.

23. Events after reporting date

There are no events after reporting date that have an impact on the situation per balance sheet date.

Amsterdam, 30 June 2023

Fund Manager
Theta Capital Management B.V.

Other Information

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

Independent auditor's report

To: the participants and investment manager of Theta Distressed Credit Opportunities Pool

RSM Netherlands Accountants N.V.

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INDEPENDENT AUDITOR'S REPORT

To: the participants and investment manager of Theta Distressed Credit Opportunities Pool

Report on the audit of the financial statements 2022 included in the annual report

Our opinion
We have audited the financial statements 2022 of Theta Distressed Credit Opportunities Pool based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Theta Distressed Credit Opportunities Pool as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the profit and loss statement for 2022; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Theta Distressed Credit Opportunities Pool` in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion
We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks
We identified and assessed the risk of material misstatement to the financial statements due to fraud and evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We considered available information and made enquiries of relevant executives and directors as our audit standards prescribe.

We incorporated elements of unpredictability in our audit. During the entire audit we remained alert to indications of fraud and considered the impact on our audit if any. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

Risk of management override of controls
We addressed the risk of management override of controls, including evaluating journal entries, transactions outside the normal course of business and whether there was evidence of potential bias by management when making assumptions and estimates that may represent a risk of material misstatement due to fraud. We evaluated manual journal entry postings. The audit procedures to respond to the assessed risks of management bias include, among others, evaluation of the design and the implementation of internal controls that intend to mitigate fraud risks, and retrospective review of prior year's estimates.

Revenue recognition
With regard to the risk of fraud in revenue recognition we concluded that this risk is related to the occurrence / completeness of revenue transactions. We performed procedures to address this risk, including evaluation of the design and implementation of relevant internal controls, tracing a sample of revenue transactions to the supporting documents, and validating unusual journal entries. We incorporated elements of unpredictability in our audit. During the audit we remained alert to indications of fraud and considered the impact on our audit, if any. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

Audit approach going concern
As disclosed in the financial statements, management performed their assessment of the company's ability to continue as a going concern for the foreseeable future and has not identified events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Our procedures to evaluate management's going concern assessment included, among others considering whether management's going concern assessment includes relevant information of which we are aware as a result of our audit and inquiring with management regarding management's most important assumptions underlying its going concern assessment.

Report on the other information included in the annual report
The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the manager of the investment entity for the financial statements
The manager of the investment entity is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager of the investment entity is responsible for such internal control as the manager of the investment entity determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the manager of the investment entity is responsible for assessing the investment entity's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager of the investment entity should prepare the financial statements using the going concern basis of accounting, unless the manager of the investment entity either intends to liquidate the investment entity or to cease operations, or has no realistic alternative but to do so.
The manager of the investment entity should disclose events and circumstances that may cast significant doubt on the investment entity's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. That materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the investment entity's internal control;

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager of the investment entity;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an investment entity to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 30 June 2023

RSM Netherlands Accountants N.V.

Digitaal ondertekend door:
Michiel Buiteman
30 juni 2023 12:01 +02:00...

M. Buiteman RA