Hoofddorp, the Netherlands, 8th of February 2024

Dear Investor,

After an amazing December (+8.1%) following a very good November (+12.9%), January was not as impressive with a decline of 1.63%. Taken together, January + December performance was in the middle of all benchmarks we track, as they all went up between 6 and 7% in the last two months.

THESE MONTHS' PERFORMANCE IN DETAIL

December saw the tail-end of a rally based on rate cut expectations in 2024. Jamie Powell's November speech echoed through and led to a catch-up rally in small caps. Our fund benefitted, significantly through our OneWater exposure but many other of our holdings benefitted as well. Main laggards were our stocks that are perceived to have a lot of China exposure, as China continued to go down at a steady pace.

In January the first Q4 earnings came through, and a lot of the rate-cut expectations were tempered. This led to a substantial backtracking of the December moves, with one significant exception: the Magnificent Seven (Apple, Amazon, Alphabet, Microsoft, Nvidia, Meta, Tesla) marched on. We have benefitted through our Alphabet (Google) exposure, but with our main benchmark having 17% exposure to these seven stocks, it is tough to match.

So why are we 'only' exposed to one of the Magnificent Seven? For some stocks the explanation is easy: Amazon, Apple and Tesla are just not attractively priced. For the other four stocks it is more complicated: some of these stocks don't look that much overpriced: Sure, Meta (Facebook) is trading at a P/E of 40, but it is also growing earnings by 20% per year (again). Nvidia is trading at a trailing P/E of 60, but it's earnings just grew 100% and are estimated to grow another 100% in the next two years. If that materializes NVidia is cheap! Microsoft seems a tad expensive, but much will resolve itself if they manage to monetize ChatGPT well. And Alphabet, well, we are already holding that!

The main reason we are 'only' exposed to 1/7th of the Magnificent Seven is that we take in consideration all 30.000 stocks equally, and hold at most 30 of those. That means we seek exposure to only 1/1000th of all stock names. For every stock we hold, there are 999-1999 we don't. While some of the Magnificent Seven are not unattractive, we found stocks that are more appealing. Take Meta and Nvidia for instance: These are not unattractive per se, but we don't own these two because we'd rather own Payfare and Alphawave that trade at a much lower P/E and have similar or better two-year growth expectations. That is just more sensible in our view. It unfortunately doesn't mean these stocks will outperform their magnificent counterparts all the time, and indeed this duo didn't match Nvidia's and Meta's exceptional performance of the last two months.

On earnings: To continue with Alphawave: We are very optimistic about the stock after their latest earnings. Smaller companies' quarterly earnings tend to be more volatile and Alphawave was no different. After Q3 we were very cautious as their order flow did not align well with their forward guidance. Fortunately, they delivered 100% in their Q4 earnings and are fully back on track. While the stock went up over 10% on earnings day, it has since retreated somewhat. The stock seems to experience a lot of push down in spite of everything. They continue to grow exponentially and are positioned to benefit enormously from the upcoming AI/datacenter boom, so it is amazing to see it is still trading below ten times 2025 expected earnings.

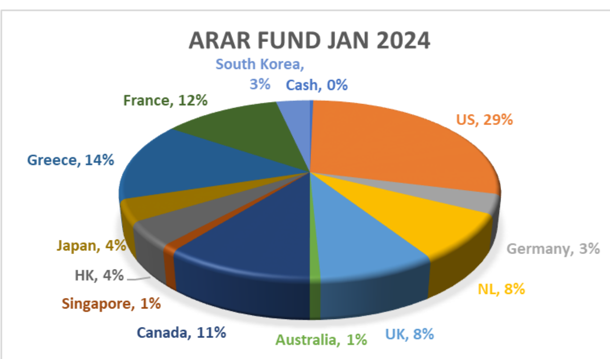
On the other side of the spectrum lies OneWater, whose short-term outlook hasn't improved yet. Competitors aggressively tempered expectations and this impacted the sector outlook as a whole. In this process, OneWater declined over 20% in January. We continue to expect earnings to deteriorate a bit but are slightly more optimistic than the market. Other luxury brands such as LVHM have positively surprised, giving reason to believe the market might be overreacting to the boating disappointments from 2023. Moreover, the current slump is a very useful ingredient for OneWater's buy-and-build strategy, as they need cheap acquisitions to further their expansion. With a grimmer outlook, acquisition targets will be cheaper and more plentiful. Much will depend on whether they will be able to work through their excess inventory fast enough: a costly mistake from last year that still needs repairing.

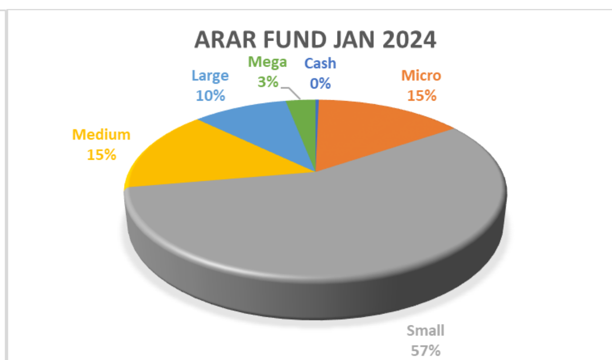
2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Full Year
ARAR Fund*	-	-	2.5%	-4.4%	0.4%	8.7%	4.7%	-6.3%	-4.2%	-6.9%	12.9%	8.1%	14.3%
MSCI World ACWI ETF**	-	-	0.2%	0.0%	2.3%	3.6%	2.6%	-0.9%	-1.7%	-3.4%	5.8%	3.7%	12.5%
MSCI Equal Weight EUR	-	-	-1.7%	-0.4%	-0.7%	3.3%	3.5%	-2.4%	-2.0%	-4.7%	6.5%	5.5%	6.7%
AEX Total Return	-	-	0.5%	0.9%	-0.8%	3.4%	2.4%	-5.4%	-2.4%	-1.0%	6.9%	2.9%	7.1%

2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Full Year	Cum
ARAR Fund*	-1.6%	-	-	-	-	-	-	-	-	-	-	-	-1.6%	12.4%
MSCI World ACWI ETF**	3.1%	-	-	-	-	-	-	-	-	-	-	-	3.1%	16.0%
MSCI Equal Weight EUR	0.7%	-	-	-	-	-	-	-	-	-	-	-	0.7%	7.5%
AEX Total Return	4.0%	-	-	-	-	-	-	-	-	-	-	-	4.0%	11.4%

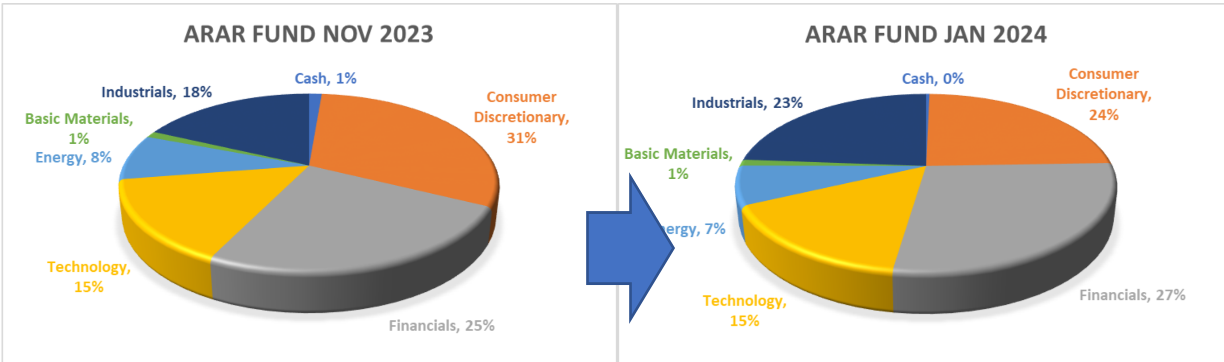
*This shows the performance after *all* fees and costs for the A-Class of the ARAR Fund, which is (still) available to new investors.
**This is the Euro denominated MSCI ACWI ETF (IUSQ), which follows a market cap weighted index consisting of ~80% Developed Market and 20% Emerging Markets Stocks. We believe this represents the most prudent and most likely alternative to investing in the ARAR Fund.

PORTFOLIO COMPOSITION





The current portfolio consists of 22 stocks and a 0.3% cash portion. Since our last Investor letter we have switched the remaining part of our Stellantis exposure into Peugeot. We have further trimmed three names, while there are three new entries (one of which already exited at the time of writing). This month we'll fully exit from several leftover sub-1% positions as they distract a lot and won't add a lot to performance.



There hasn't been a lot of movement between sectors. Visible differences are explained by two facts: We moved into some 'Industrials', namely shipping and OKWind (more on this later), while OneWater went down, reducing our Consumer Discretionary exposure.

TOP 5 HOLDINGS:

Holding:	%	Adj P/E	Fwd P/E**	EV/adj EBITDA	Exp Rev Growth**
Jackson Financial (US)	14.1%	2.4	3.1	4.9	5%
OneWater Marine Inc (US)	10.5%	6.5	7.5	6.2	1%
Stellantis / Peugeot Invest (FR)*	9.7%	3.4	4.1	1.45	0.5%
BasicFit (NL)	8.4%	NA	26	10.6	20%
Alphawave (UK)	8.2%	13.2	11	14.5	27%

*Now solely represented in our portfolio through a stake in Peugeot Invest.

**Based on Refinitiv consensus analyst estimates

COMPANY IN FOCUS: OKWind Groupe

The newest member of our portfolio is OKWind. Despite of what the name suggests, OKWind is actually a *solar* company, which pivoted away from wind, emphasizing the entrepreneurial spirit of the company's CEO.

At its core, OKWind is a fast-growing company with a low P/E: Revenues doubled last year and are prospected to grow another 30%-40% next year, in an industry that should be growing over 15% per annum for the coming five years. P/E is now around 21 and should shrink to under 10 by 2026.

The company focuses on selling very large solar panels on a pole. The main benefit of these is that you do not lose the availability of the land beneath it, in contrast to the solar panel fields you see near Schiphol, for instance. In countries with hot summers, it can even enhance crop yield in the fields they are installed. Another substantial benefit is that you can pivot the panels so that they stay perpendicular to the sunrays all day long. This makes them vastly more efficient than 'flat' solutions.

OKWind targets three customer types: farmers, public authorities and industrial sites, and individuals. The ace up their sleeve is an expansion into water treatment and purification plants, where they are able to offer a comprehensive energy solution. These products especially benefit from their expanded offerings of complementing energy management and storage solutions.

A very interesting detail is the fact OKWind is functioning without government subsidies, which obviously reduces regulatory risk and creates the potential for future tailwinds.

Al in all, it is interesting to see the pendulum has seemingly swung in the other direction: Whereas green stocks used to be overpriced, some of them have declined to quite affordable levels. And the way OKWind is priced, there's ample room for it to go up!

GENERAL MARKET COMMENTARY

Markets have priced in three rate cuts for 2024, while firmly believing in a soft landing. In our view the combination is a tad optimistic. I expect a disappointing economy and more cuts, or a soft landing combined with less cuts. In the short term, reactions to disappointments could cause some minor turbulence this year, but overall markets do not look overly expensive. Some markets such as China seem cheap and should offer plenty of upside. And given our funds ability to focus on the stocks with most upside potential, we are happy with our positioning and expect it to do very well in a slowly normalizing environment.

Best Regards,

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