Hoofddorp, the Netherlands, 4th of April 2023

Dear Investor,

It is with great pleasure delivering to you the first Investor's Letter of the Van Der Mandele ARAR Fund. As promised, we will update you every month on how the portfolio is progressing, and will add more color every two months with letters such as these.

First, I would like to thank you for the trust you have shown in joining the fund. Delivering on the promise of getting AFM approval and attractive returns is not a given, but you have taken this leap of faith along with me. For that I am truly thankful and I am working every day to make sure you will benefit from this decision.

THIS MONTH'S PERFORMANCE

I am very happy to say we are already repaying on this promise with the Fund's performance. The decision to start on the very day our funding was complete (and not waiting until the start of next month) turned out to benefit us greatly, with the fund already going up **2.52% this month after fees**, in line with the market despite the significant trading costs associated with acquiring positions.

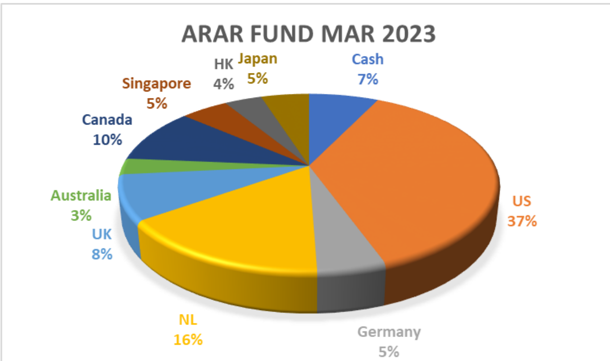
A track record over this short amount of time does not say much, if anything, but I will accept it nonetheless. We can be especially pleased with the fact the stocks we flagged as the best opportunities performed best. Currency-moves aside our biggest detractor was actually our least spicy stock: Alphabet Inc. (Google), going down -1.2%. Our biggest success story was Alphawave Semiconductor Group plc. with +9.7% (more on this later).

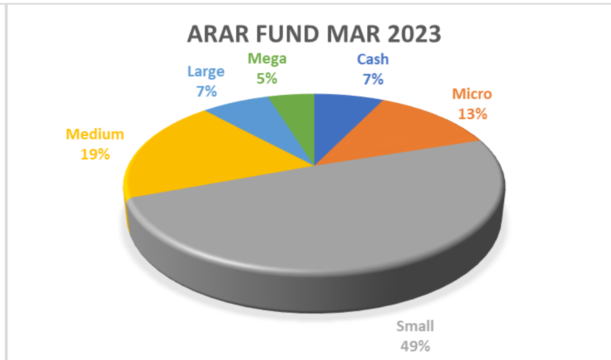
A thing we are looking at with interest is the continuing decline of Natural Gas prices, even when WTI was going up. The production-cut by OPEC has helped WTI a lot, but NatGas is not even near a revival. The portfolio is slightly tilted towards energy (14% of the portfolio) but significantly towards NatGas, so our fair value estimates have had to be revised lower for these stocks.

Continuing worry lies with the Chinese-US relations. There is some exposure to this within the portfolio and any move towards decoupling will impact performance negatively.

PORTFOLIO COMPOSITION

The current portfolio consists of 15 stocks and a minor cash portion: a leftover from building up positions, which will be invested in the coming days.





Breaking these down, we can see a geographically balanced portfolio, with 12% (in)directly invested in emerging markets, 47% in North-America and 29% in Europe. This is roughly in line with the general market and coincidental in nature.

With regards to company size, we see a significant skew towards small-caps. This aligns well with the theory the smaller companies are less looked at and tend to provide more opportunity, but it does not indicate any bias because around 50% of all listed stocks are in fact small-caps.

When we look at the current composition on a sector basis, we see a clear bias towards cyclicals such as Consumer Discretionary, Energy and Basic Materials. I would argue this is actually due to the market having a bias *away* from these stocks. We believe their bias is unwarranted with regard to our stock picks, as these sectors have benefitted immensely from the 2021/2022 earnings boom and our names now possess balance sheets that are in many cases better than ever. This is especially important in an environment where higher interest rates will hamper future investment for competitors, and therefore benefit future margins.

TOP 5 HOLDINGS:

OneWater Marine Inc (US)	13.5%
Jackson Financial (US)	10.2%
Basic Fit NV (NL)	8.8%
Alphawave Semiconductors Group PLC (UK)	8.2%
Kiwetinohk Energy Corp (CA)	7.1%

COMPANY IN FOCUS: ALPHAWAVE SEMICONDUCTORS GROUP PLC

One of our top 5 holdings is Alphawave Semiconductors, and it is our stock in focus for this letter. The company IPO'd as 'Alphawave IP' near the peak of the GME/SPAC craze, raising a war chest of around 500 mn EUR. Fast forward 18 months later and we see a totally different company: they have emptied their war chest on acquisitions (as promised), and the stock has lost over 70% of its market cap as the craze has faded. It now trades a bit above its original cash value, even though the company was really an Intelectual Property royalty harvesting company that was well able to grow and generate cash without making acquisitions. So what did they spend it on? A handful of acquisitions, of which two stand out: 1) a company allowing them to use their own IP instead of licensing it out (OpenFive) and 2) an Israeli 0 revenue optics developer (Banias) that was co-founded by a successful serial entrepreneur.

Especially the latter raised a lot of eyebrows, with the company not expecting revenue from it in the coming two years. It surely put pressure on the stock when it was announced and it should be said that this might be their weakest acquisition. But while I am usually really (Really) skeptical about synergy-inspired acquisitions, Alphawave makes a good case about their strategy: 1) growing their customer base aggressively and 2) expanding vertically around their IP. Both are greatly helped by these acquisitions.

However, even without any synergies the sum of [Alphawave IP] + [OpenFive] + [Banias maybe working out] is attractive enough to be interesting; very high growth, attractive earningsyield on the horizon and a solid cash/cashflow position. At the bottom-line we see a very fast grower that could reach a P/E of 10 within 24 months (if the stock doesn't go up), which is extremely cheap. The share going up near 10% last two weeks does not in the least inspire us to reduce our position in Alphawave.

GENERAL MARKET COMMENTARY

While many are spooked by rising interest rates, we are bracing for the worst but expecting the best. We use pretty bleak recession assumptions in pricing, and without these calculations I am sure we would not have had enough confidence to tilt towards cyclicals as we have done. But in our view, too much fear is priced into these stocks, and this provides us with good opportunities. As such, current market conditions seem favorable to our investing strategy, and we see ample room to perform well. If recession fears roll over this could inspire a rally in cyclicals and allow us to turn over our position. If a recession *does* come, we expect this to be largely priced in but we might have to wait longer before selling.

Looking at overall market valuations we see a balanced market that is slightly cheap but not too much, with overall P/E's around 20% below what it was in 2019 (for the S&P500 and Stoxx 600). This is fair-ish, as they have to compete with (long-term) bonds, which have become more attractive in the last 15 months: if we assume long-term inflation will be close to central banks' target, a 30-year interest rate of 2.3% (as it is for Germany's BUXL) or 3.6% (as it is for US's 30-year Treasuries) are pretty fair rates and something vastly different from the 0%-1.5% and 1-3% we had gotten used to last decade.

Short-term rates are at the whim of central banks, and hence depend on the outlook of inflation and the economy. We do not have any worthwhile view on this, but we do have worthwhile advice: there currently is a historical distance between the interest rates banks are offering and the near-riskless interest rates one could receive in other ways. We urge people to check what interest rate they are receiving currently and explore similar-risk alternatives such as a) term deposits b) short-term government bonds, c) ETF's tracking these, or d) money market funds. In choosing, do take into account tax implications such as the new tax framework in the Netherlands.

Best Regards,

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