

ARCO SICAV P.L.C.

**INTERIM REPORT
AND
UNAUDITED FINANCIAL
STATEMENTS**

**for the period ended
30 June 2024**

Company registration number: SV449

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Management and administration

Directors	Kevin Valenzia Miguel Garde Garcia Philippe Monti Mark Portelli Stanley Portelli
Registered Office	Finance House, First Floor Princess Elizabeth Street Ta' Xbiex, XBX 1102 Malta
Investment Committee	Matthias Jenzer David Curmi Miguel Garde Garcia Philippe Monti
Company Secretary	Carol Cassar Torregiani
Administrator	BOV Fund Services Limited 58, Zachary Street Valletta, VLT 1130 Malta
Depository	Swissquote Financial Services (Malta) Ltd Palazzo Spinola, 46 St Christopher Street Valletta Malta
Bankers	Swissquote Bank Ltd Ch. De La Cretaux 33, Gland CH-1196, Switzerland Quilvest (Switzerland) Ltd. Stockerstrasse 23 Zurich, CH-8027 Switzerland
Auditors	PricewaterhouseCoopers 78 Mill Street, Zone 5 Central Business District Qormi, CBD 5090 Malta
Portfolio Managers	Citibank Europe plc Julius Baer Gestión, S.G.I.I.C. S.A.U. Quilvest (Switzerland) Ltd. NS Partners S.A.
Risk Manager	Jennifer Vella Apex Regulatory Solutions (Malta) Limited Quad Central, Q3, Level 9 Triq I-Esportaturi, Zone 1 Central Business District, Birkirkara CBD 1040, Malta

Description

Arco SICAV p.l.c. (the "Company") is a collective investment scheme established as a self-managed multi-fund investment company with variable share capital ("SICAV") with limited liability registered under the laws of Malta and licensed by the Malta Financial Services Authority ("MFSA") under the Investment Services Act. The Company qualifies as a Maltese Undertaking for Collective Investment in Transferable Securities ("UCITS") in terms of the UCITS Regulations. The Company was registered on the 12 April 2017 and consists of the following sub-funds as at 30 June 2024:

QV Fund
CT Fund
NS Fund
JB Fund
QV II Fund

QV II Fund was authorised by the MFSA on 15 November 2023. The other sub-funds were authorised by the MFSA on 4 July 2017.

The capital raised for each sub-fund is invested in line with its investment objectives, subject to its investment policies and restrictions.

Portfolio managers' reports

The following report reviews the Company's performance covering the financial period from 1 January 2024 to 30 June 2024.

Arco QV Fund

The rally in risky assets continued during the first half of 2024, on the back of resilient economic conditions amid the developed world. Inflation concerns resurfaced during the first quarter after a series of back-to-back higher than expected CPI prints in the US as well as in Europe. However, inflation receded again towards the end of the first half, which brought back some refreshed dovish projections in relation to central bank policy. Commodities, notably industrial metals, accelerated strongly before giving back a substantial part of YTD gains. Copper warehouses were swamped as Chinese smelters shifted to export copper on the back of remaining lacklustre domestic demand. In this environment, the portfolio gained 6.2%. In relative terms, the portfolio underperformed the composite benchmark by 2.4%.

The following factors were the main relative performance drivers in HY 2024:

- The underweight position to equities over the course of the first quarter detracted from relative performance.
- Within equities, an underweight to US equities, especially to the high performing IT sector was a drag on the relative performance.
- Alongside this, an overweight to Europe didn't help as Europe underperformed in particular during the second quarter.
- Bucking the trend, a position in Vietnamese equities contributed positively to relative returns.
- In addition, the manager's decision to install a position in UK small caps during Q1 was conducive to performance.
- Within investment grade, the exposure to corporate credit as well as USD floating rate bonds contributed positively. The fund maintained an extended exposure to interest rate risk, which was a drag during Q1 while contributing to relative performance in Q2.
- The overweight towards USD slightly contributed to relative performance. The positive contribution from GBP was offset by the exposure towards JPY.

With strengthened evidence of inflation subsiding further, the US FED will most likely start ease monetary policy starting September, with some subsequent rate cuts likely until year end, followed by more cuts coming from the ECB as well as BoE. Given that backdrop, the manager expects the economic softness to prevail for the remainder of this year, but with the risk of a recession remaining fairly low.

The manager positioned the portfolio accordingly to benefit from a likely extended rate cut cycle, by shifting certain large cap exposure to small caps. On top of an existing position to European small caps, the manager also installed a position to UK small caps as well as US small & mid-caps during the reporting period.

Overall, the manager maintains a neutral weight to risky assets for the time being, with emphasis on Europe, Emerging Markets as well as Japan. In light of the upcoming presidential election in the US, likely tactical adjustments to the Asset Allocation may become necessary, but too risky to position in either direction at this point in time.

Portfolio managers' reports - continued

Arco QV Fund II

As of the closing of June 2024, ARCO SICAV QV II had generated a 9.35% YTD return, above the 8.58% return of the benchmark (60% NDEEWN Index + 40% LEGATREH Index). The first half of year has been characterized by a strong overall performance during the first three months and a period of consolidation during the latter half.

We initiated positions in Liberty SiriusXM, UBS, Goldman Sachs, ASML and Arcus Japan Fund, while we sold UBS, EQT, WisdomTree Natural Gas ETF, SPDR S&P U.S. Health Care Select Sector ETF and iShares S&P 500 Equal Weight. We also increased the exposure to companies such as Kaspi, Microsoft, Alphabet, Meta Platforms, Stellantis and Inmobiliaria Colonial and decreased it in Berkshire Hathaway, Petrobras, TSMC, Micron and BFF Bank.

In order to finance the net acquisition of assets, we sold the German t-bills we held at the beginning of the period.

During the first semester, the best performing assets were the India and Japan funds, Ashoka WhiteOak India Opportunities and Goldman Sachs Japan Equity Partners, the equity exposure to tech/AI (Kaspi, Microsoft, Alphabet, Meta Platforms), semiconductors (TSMC, Micron), healthcare (Novo Nordisk, Eli Lilly), consumer staples (Coca-Cola Europacific Partners), banks (JP Morgan Chase) and conglomerates (Berkshire Hathaway).

The worst performing equities were Liberty SiriusXM, Porsche AG, Stellantis and BFF Bank, due to idiosyncratic reasons:

- Liberty SiriusXM: a loss of some subscribers and concerns related to the leverage of the company put pressure on the company's stock. We expect the discount between Liberty SiriusXM (LSXMA) and SiriusXM (SIRI) to close during the second half of the year, accruing positively for LSXMA investors.

- Porsche AG & Stellantis: general weakness in the auto space (except for Ferrari), negatively affected the stock prices of both companies. In the case of Porsche AG, doubts remain regarding the evolution of sales in China, whereas in the case of Stellantis the evolution of sales in the US, its major market, was worse than expected, with deliveries and revenues markedly reduced, although overall operating margins remain above 10%.

- BFF Bank: the Bank of Italy notified the company of its disagreement regarding the manner in which the bank accounts for some of its past due exposures, accompanied by a temporary suspension of its dividends and a petition for the company to change some of its accounting practices. The bank's response was submitted to the Bol at the beginning of July, with a positive reaction from the market. We await the final response of the Bol, with the expectation that it will lift the ban on dividends by the end of the year.

With respect to Liquidia, despite some unexpected delays caused by United Therapeutics legal manoeuvring, no legal barriers remain for the approval of YUTREPIA, its potential blockbuster treatment for PAH and PAH-ILD. We expect final approval by the FDA in relatively short order.

In the commodities space the results have been mixed, with Exxon Mobil, Imperial Oil and gold (Invesco Physical Gold ETC) performing relatively well, and others such as Chevron, Petrobras, Glencore, Rio Tinto and Yellow Cake performing relatively poorly.

Arco NS Fund

The first half of the year presented a challenging and unsettled market environment. The overall bond market experienced a modest decline, with long-duration government bonds suffering the most, while high-yield bonds managed to advance. Equity markets, particularly in the second quarter, reached new highs, led by the United States, which now accounts for approximately 70% of the global index. However, this movement was slow and very concentrated, driven by a few mega-cap names, while the broader market remained mostly flat. As a result, the cap-weighted MSCI World Index increased by 12.2%, compared to a modest 2.8% gain in the equal-weighted version of the same index. In a year marked by numerous elections, political surprises abounded. In India, Prime Minister Modi faced an unexpected setback. The European parliamentary elections saw nationalist parties gain significant ground, leading to further political developments, particularly in France. As we enter the third quarter, attention is increasingly turning to the upcoming U.S. Presidential elections in November, which are expected to dominate the news cycle. Political uncertainty appears set to persist.

Portfolio managers' reports - continued

Arco NS Fund - Continued

During this period, the ARCO NS Fund delivered a return of +5.4%, underperforming its composite benchmark, which was up 8.4% over the same period.

- Fixed Income Investments contributed +0.5% and performed well relative to the Barclays Global Aggregate Bond € Index, which declined by 0.6%. Given the high deficits in most countries, we maintained a controlled duration between 3 and 3.3 years and concentrated our exposure primarily in corporate bonds. Allocation to fixed income decreased to 26% from 32%, remaining predominantly in investment-grade securities, with high-yield bonds representing less than 2% of the portfolio at the end of June.
- Equity Investments (including a flexible strategy with an equity bias) contributed +4.6%, with an average return of +7.2% versus the +14.7% of the MSCI AC World Net TR € Index. The Fund's relative underperformance was primarily due to minimal or no direct exposure to mega-cap names related to the AI theme. In a narrow market where most stocks remained stagnant, we marginally increased our equity allocation while substantially revising our strategy by increasing passive investments to mitigate active risks and reduce divergence from the benchmark.
- Alternative Investments include one equity long/short manager, who contributed +0.5% with a stable allocation of 8%.

Arco JB Fund

First half of 2024 has been a continuation of the equity bull market pushed by an outstanding results of IA companies. Since October 2023, equities have rebounded aggressively, breaking all time highs many times in the US. However, the year started with an extreme pricing in rate cuts after the euphoria in bond markets during the last weeks of 2023.

We started 2024 with less interest rate sensitivity in the Arco JB Fund than the benchmark because our view was three interest rate cuts by the Fed and the ECB, instead the seven priced in the market. Our equity exposure was at 53%, less than the 60% of benchmark because, after the large 2023's year end rally, risk-reward for equities was more balanced.

During the first month of the year, we decided to close the exposure to hedge funds because the asset class in its UCITs version was not offering the diversification effect we were looking for. We modified the Strategical Asset Allocation in favour of money market instruments as short-term interest rates offered a good carry without adding volatility to the Fund.

January 2024 was a good month for technology stocks and the Magnificent Seven were driving equity returns with a 5,6% over the month. Also interesting was the case of Japan with its equities having the best return in developed markets in local currency, while yen was depreciating at high speed.

By March, US economy resilience led to a significant reduction in market expectations for interest rate cuts by the US Federal Reserve (Fed). Higher interest rates are likely to have benefited S&P 500 companies, which have large cash holdings and a high proportion of long-term fixed-rate debt. Risk assets continued to provide most of the return, with Arco JB Fund returning a 4,74% during the first three months of the year.

April 2024 was driven by higher-than-expected economic activity, especially in the US, that caused an increase in inflation prints in most of developed economies. Bonds and equities showed again a positive correlation, and both decreased together, impacting negatively multi-asset strategies. We decided to increase duration of the portfolio, decrease exposition to Asian REITS, take profit on our long-standing position in biotechnology stocks and, finally, close some of the equity derivatives position.

The last two months of the first half of 2024 were driven again by the results of IA related companies, specially Nvidia. Gold broke all-time highs as Central Banks and investors continued its buying frenzy. We decided to include Gold in our Strategical Asset Allocation because we expected more real demand in the following years, while the commodity was not driven any more by real rates.

Arco JB Fund ended first 2024' semester with a return of 6,47% with a weight of 48% in equities because at this stage, further consolidation, including a correction in the -8% to -12% range on the S&P 500 Index, would be a welcome and healthy development and should in fact extend the bull market.

Portfolio managers' reports - continued

Arco CT Fund

Market Comments

Global stock markets were off to a fast start at the beginning of 2024, driven largely by U.S equities as three major stock indices (Dow Jones, Nasdaq, and S&P 500) reach historic highs. Positive sentiment regarding the economy and potential interest rate reductions, coupled with excitement surrounding the business prospects in artificial intelligence (AI), boosted global equities. A significant portion of the returns still stem from the renowned "Magnificent Seven," with the market concentration for these stocks now exceeding levels observed during the dot-com bubble. Economic data kept surprising on the upside, which lifted hopes that a recession could be avoided. Sharp upward moves in US yields weighed on global fixed income markets. High Yield and Emerging Markets debt performed well.

Conversely, the beginning of the second quarter was much more challenged, given inflation and geopolitical concerns. Still, a strong Q1 earnings season and eventual easing of inflation data later in the quarter pushed global stock markets to new record highs. Expectations for rate cuts and positive sentiment around AI momentum also helped propel stock markets higher. Even concerns around elections in Europe were largely shrugged off in European stock markets by the end of June. Additionally, US fixed income rallied in May as economic data showed signs of weakness that increased confidence the Fed could cut rates later in 2024. The ECB began its cutting cycle, with a 0.25% cut in June. Overall, USD, EUR and GBP investment-grade bonds were roughly flat for Q2.

Portfolio Performance

For the first part of the year the ARCO CT fund returned 7.3% versus the benchmark of 8.4% (gross of fees, as of end of June 2024). In Q1 absolute and relative performance was strong with a positive allocation and selection effect. In Q2 performance was much more challenged because of the increased market volatility and concentration in developed market equities.

Overall, positive contributors were the equity overweight, the fixed income sleeve from an allocation and selection standpoint and the tactical positioning in Principal Preferred Securities. Detractors were mainly our US small cap equity position and the underperformance of our active managers.

1st Quarter 2024

In the first quarter market sentiment was quite positive and the fund outperformed the benchmark by 31bps returning 6.48% (gross of fees). This was driven by a positive allocation and a strong selection effect. The biggest contributors were the equity allocation overweight, the allocation to Principal Preferred securities and the strong outperformance of the PIMCO Fixed Income and Legg Mason Clearbridge Large Cap Growth funds. Legg Mason Clearbridge's outperformance was driven by positive contributions from stock selection, despite sector allocation being a modest detractor. The PIMCO investment Grade funds outperformed their benchmark largely due to the spread sector positioning. The portfolio managers were underweight Treasuries which was additive as spread sectors such as RMBS, EMD, CLOs were additive to relative performance. The Agency MBS overweight also added to performance.

2nd Quarter 2024

In the second quarter relative performance was much more challenged, given the strong market concentration in developed market equities. The main drivers of the underperformance were the overweight to US small cap and the underperformance of our active equity managers. Conversely, the fixed income sleeve and corresponding fund managers added to relative performance.

Active equity fund managers struggled in Q2 given the high market concentration:

- *Legg Mason Clearbridge US Large Cap growth*: Both stock selection and sector allocation detracted from relative performance, with sector allocation having a moderately larger influence. Headwinds from sector allocation were predominantly a result of underweight exposure to information technology, the best performing sector of the benchmark, and overweight exposure to two of the weaker performing sectors, industrials and financials.

Portfolio managers' reports - continued

Arco CT Fund - continued

- Underperformance attributable to stock selection was primarily due to weakness in relative results in the consumer staples and information technology sectors.
- *Robeco US Premium Equity*: Both sector allocation and stock selection detracted fairly equally from relative performance. Focusing in on stock selection, the weak areas were in Financials, Industrials and Materials. From a sector allocation perspective, having no exposure to Utilities, underweight Consumer Staples and overweight to Consumer Discretionary and Health Care weighed on relative returns in the quarter.
- *AB European Equity*: Both security and sector selection detracted from relative performance. Security selection within healthcare and financials detracted the most, while selection within technology and communication services contributed, mitigating some losses.

Fixed income managers, on the other hand, had a much better performance. Guggenheim US Agg fund outperformed in the quarter. The excess carry in the fund was the dominant driver of excess returns and duration positioning was also a positive contributor. JPM US AGG Fund outperformed as well, due to the Agency RMBS exposure (Lack of lower coupon securities), selection within corporates, and CMBS exposure. Finally, Principal Preferred Securities outperformed given their allocation to CoCo's.

Allocation Changes

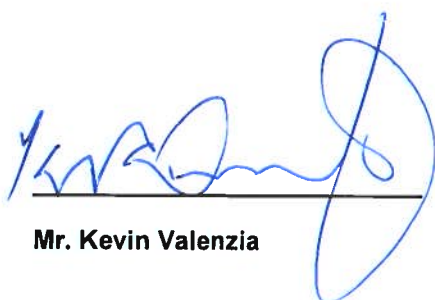
In the first quarter we introduced a 2% position in the Janus Henderson Glb Life Science fund and liquidated the position in Allianz Cyber Security fund. The Global Investment Committee (GIC) proposed an allocation to US Healthcare Equipment and Supplies, as the industry group fell strongly from an all-time high and lagged the S&P 500 return since early 2022. Profitable firms in the industry have generated faster growth in EPS than pharmaceuticals over time and have grown dividends at a strong rate in the last three decades.

In the second quarter, the GIC increased the equity overweight by 1% and reduced the regional underweight to Europe ex UK and Developed Market Asian Equity. Additionally, it introduced a 1.4% allocation to Securitized Debt to take advantage of attractive yields in that asset class. These changes in allocation were funded through the reduction in fixed income investment grade, which are seen as less attractive given their tight spreads.

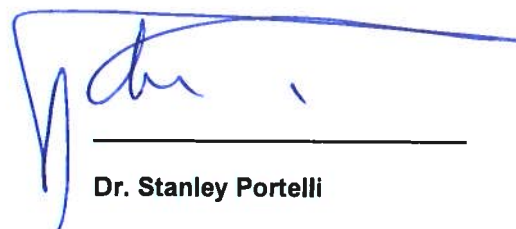
Unaudited statement of assets and liabilities
as at 30 June 2024

Arco SICAV p.l.c.
Combined statement

	Notes	30 June 2024 EUR	31 December 2023 EUR
ASSETS			
Financial assets at fair value through profit or loss	2	217,599,036	204,601,316
Due from broker		868,577	-
Accrued income		288,141	216,531
Margin accounts	3.1	645,914	676,142
Cash and cash equivalents	3.2	791,615	1,528,893
Total assets		220,193,283	207,022,882
LIABILITIES			
Financial liabilities at fair value through profit or loss	2	(85,536)	(15,661)
Trade and other payables		(215,509)	(208,944)
Total liabilities (excluding net assets attributable to holders of redeemable shares)		(301,045)	(224,605)
Net assets attributable to holders of redeemable shares		219,892,238	206,798,277



Mr. Kevin Valenzia



Dr. Stanley Portelli

Date: 19th August 2024

Salient statistics

	Net asset value EUR	Net asset value per share EUR	Number of shares In circulation
<i>As at 30 June 2024</i>			
QV Fund	65,670,221	120.18	546,424
CT Fund	52,869,777	142.06	372,174
NS Fund	44,215,751	125.29	352,904
JB Fund	47,251,498	126.84	372,525
QV II Fund	9,884,991	112.01	88,250
<i>As at 31 December 2023</i>			
QV Fund	61,844,493	113.18	546,424
CT Fund	49,398,742	132.73	372,174
NS Fund	42,134,247	118.93	354,289
JB Fund	44,380,800	119.14	372,525
QV II Fund	9,039,995	102.44	88,250
<i>As at 31 December 2022</i>			
QV Fund	56,990,463	104.30	546,424
CT Fund	44,163,965	118.66	372,174
NS Fund	38,911,509	109.83	354,289
JB Fund	39,777,248	106.78	372,525
QV II Fund	-	-	-

Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1. Basis of preparation

These unaudited financial statements have been prepared and presented in accordance with Appendix II of Part B of the Investment Services Rules for Retail Collective Investment Schemes and have been prepared under the historical cost convention, as modified by the fair valuation of financial assets and liabilities including derivative financial instrument held at fair value through profit or loss.

The Company consists of five sub-funds; QV Fund, CT Fund, NS Fund, JB Fund, QV II Fund (the "sub-funds") as at 30 June 2024. Each participating share which the Company issues is allocated to a class representing a particular sub-fund. The Company maintains a separate account for each sub-fund, to which the proceeds are credited, and against which the expenses allocated are charged. Upon redemption, shareholders are entitled only to their proportion of the net assets held in the account relating to the sub-fund in which their participating shares are designated.

The statement of financial position presents assets and liabilities in increasing order of liquidity and does not distinguish between current and non-current items. Financial assets at fair value through profit or loss are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance with the Investment Committee's recommendations. All other assets and liabilities are expected to be realised within one year.

2. Foreign currency translation

Functional and presentation currency

The Company's financial results and financial position are measured in the functional currency, i.e. euro ("€"), which is the currency of the primary economic environment in which the Company operates. These financial statements are presented in euro ("€"), i.e. the presentation currency, which is the currency in which the Company's share capital is denominated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains or losses on cash and cash equivalent'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other net changes in fair value on financial assets and liabilities at fair value through profit or loss'.

Accounting policies - continued

3. Financial assets and liabilities at fair value through profit or loss

Classification

The company classifies its financial assets and financial liabilities into the categories below in accordance with IFRS 9.

(i) Financial assets and liabilities at fair value through profit or loss

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

(ii) Financial assets at amortised cost

This includes amounts due from brokers, accrued income, margin accounts and cash and cash equivalents.

(iii) Financial liabilities at amortised cost

This includes amounts due to brokers and accrued expenses.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

When the Company purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Company writes an option, an amount equal to fair value which is based on the premium received by the Company is recorded as a liability. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognised as a gain or loss and is presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Accounting policies - continued

3. Financial assets and liabilities at fair value through profit or loss - continued

Recognition, derecognition and measurement - continued

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Company's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income within interest income based on the effective interest rate. Dividend expense on short sales of equity securities is included within other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Company's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment

Financial assets at amortised cost are subsequently measured at amortised cost. At each reporting date, the Company measures the loss allowance on this type of financial assets at an amount equal to the lifetime expected credit loss ("ECL") if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit-impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

Accounting policies - continued

4. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

5. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

6. Collateral

Cash collateral provided by the sub-funds is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents.

7. Redeemable shares

The Company issues redeemable shares which are redeemable at the holder's option and do not have identical rights. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Company at any dealing date for cash equal to a proportionate share of the Company's net asset value attributable to the share class.

The redeemable shares are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Company.

Redeemable shares are issued and redeemed at the holder's option at prices based on the sub-fund's net asset value per share at the time of issue or redemption. The sub-fund's net asset value per share is calculated by dividing the net assets attributable to the holders of redeemable shares with the total number of outstanding redeemable shares for each respective sub-fund. In accordance with the provisions of the sub-fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

8. Income recognition

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities at fair value through profit or loss.

Dividend income is recognised when the right to receive payment is established.

Other gains or losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss are presented in the statement of comprehensive income within 'other net changes in fair value of financial assets and liabilities at fair value through profit or loss'.

Accounting policies - continued

9. Other expenses

Other expenses, including management fees, administration fees and custodian fees, are recognised in the statement of comprehensive income on an accrual basis and are accordingly expensed as incurred.

10. Taxation

The Company is domiciled in Malta. Under the current laws of Malta, there is no income, estate, corporation, capital gains or other taxes payable by the Company.

The Company incurred withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate line item in the statement of comprehensive income.

Notes to the unaudited financial statements

1. General

Arco SICAV p.l.c. is a self-managed open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered in Malta on 12 April 2017. The Company's sub-funds are licensed by the Malta Financial Services Authority as Collective Investment Schemes under the Investment Services Act (Cap. 370). The Company qualifies as a Maltese Undertaking for Collective Investment in Transferable Securities 'UCITS' in terms of the UCITS Regulations and the MFSA Rules.

2. Financial assets and liabilities at fair value through profit or loss

	Fair value 30 June 2024 EUR	% of net assets 30 June 2024 %
<i>Financial assets and liabilities at fair value through profit or loss</i>		
- Equity securities	71,738,039	32.62%
- Collective investment schemes	120,966,456	55.01%
- Debt securities	24,894,541	11.32%
- Derivative instruments (net)	(85,536)	(0.04%)
Total financial assets and liabilities at fair value through profit or loss	217,513,500	98.91%

	Fair value 31 December 2023 EUR	% of net assets 31 December 2023 %
<i>Financial assets and liabilities at fair value through profit or loss</i>		
- Equity securities	15,199,647	7.35%
- Collective investment schemes	157,413,293	76.12%
- Debt securities	31,788,548	15.37%
- Derivative instruments (net)	184,167	0.09%
Total financial assets and liabilities at fair value through profit or loss	204,585,655	98.93%

Notes to the unaudited financial statements - continued

2. Financial assets and liabilities at fair value through profit or loss - continued

Notional exposures on derivatives

	Fair value 30 June 2024 EUR	Notional exposure 30 June 2024 EUR
EUR Fwd Asset 20 Sep 2024	2,715,490	2,715,490
EUR Fwd Asset 20 Sep 2024	5,824,898	5,824,898
GBP Fwd Asset 20 Sep 2024	(2,703,733)	(2,715,490)
USD Fwd Asset 20 Sep 2024	(5,855,191)	(5,824,898)
ECU4	6,019,314	6,007,191
EMINI S&P SEP24	(1,545,556)	(1,544,421)
Sep-24 EURX STOXX Future	(788,160)	(787,360)
Futures liability	(6,080,056)	(6,007,191)
Futures liability	1,540,098	1,544,421
Futures liability	787,360	787,360
	(85,536)	-

	Fair value 31 December 2023 EUR	Notional exposure 31 December 2023 EUR
ECH4	6,015,589	6,015,589
Mar-24 EURX STOXX Future	(726,880)	(726,880)
Futures liability	(5,881,698)	(6,015,589)
Futures liability	733,920	726,880
EURFwdAsset15Mar2024	1,005,117	1,005,117
USDFwdAsset15Mar2024	(992,691)	(1,005,117)
EURFwdAsset15Mar2024	2,122,097	2,122,097
USDFwdAsset15Mar2024	(2,075,626)	(2,122,097)
Emini Nasdaq Jun 24	(311,996)	(311,996)
Futures liability	296,335	311,996
	184,167	-

Notes to the unaudited financial statements - continued

3. Cash and cash equivalents

3.1 Margin accounts

Margin accounts represent cash deposits with brokers transferred as cash collateral in relation to the forward and futures contracts.

3.2 Cash and cash equivalents

	30 June 2024	% of net
	EUR	assets
Cash at bank	791,615	0.36%
<hr/>		
	31 December 2023	% of net
	EUR	assets
Cash at bank	1,528,893	0.74%
<hr/>		

All amounts of cash and cash equivalents disclosed above are held with Swissquote Financial Services (Malta) Ltd.

Portfolio of assets
as at 30 June 2024

	Denominated in:	Fair value €	% of net assets
QV Fund			
Collective investment schemes			
ARBROOK AMERICAN	USD	1,690,864	2.57%
BGF GLOBAL CORPORATE	USD	2,855,143	4.35%
BLACKROCK GLB.FUNDS LX.	USD	504,870	0.77%
DRIEHAUS US SMCP EQTY	USD	4,288,619	6.53%
GAM MULTIBOND - LOCAL	EUR	1,705,776	2.60%
GOEH ROZENC RESOUR-FOUND	USD	2,826,755	4.30%
METZLER EUROPEAN SMLR	EUR	824,380	1.26%
MONTANARO UK INCOME GBP	GBP	2,736,923	4.17%
RBC FUNDS (LUX) EM EX-	USD	2,846,284	4.33%
VIETNAM EQUITY (UCITS) B	EUR	2,230,845	3.40%
PIMCO GIS GLO INVT GRD	EUR	494,714	0.75%
PIMCO GIS TOTAL RETURN	EUR	928,929	1.41%
		23,934,102	36.45%
Derivatives			
EUR Fwd Asset 20 Sep 2024	EUR	2,715,490	4.14%
EUR Fwd Asset 20 Sep 2024	EUR	5,824,898	8.87%
GBP Fwd Asset 20 Sep 2024	GBP	(2,703,733)	-4.12%
USD Fwd Asset 20 Sep 2024	USD	(5,855,191)	-8.92%
		(18,536)	-0.03%
Equity securities			
ISHARES \$ FR.BD UCITS	USD	4,462,110	6.79%
ISHARES MSCI CHINA UCITS	USD	3,003,190	4.57%
ISHARES S&P 500 UCITS	USD	4,781,089	7.28%
SPDR BLOOMBERG GL AGGRT	EUR	1,397,972	2.13%
XTRACKERS MSCI USA UCITS	EUR	1,432,992	2.18%
XTRACKERS MSCI USA UCITS	EUR	2,507,736	3.82%
AMUNDI MSCI JAPAN UCITS	EUR	4,085,648	6.22%
DBXT X40 INAV	EUR	1,604,019	2.44%
XTRACKERS MSCI EMU UCITS	EUR	6,349,810	9.67%
		29,624,566	45.11%
Debt securities			
BTF FRANCE ZERO 2024/	EUR	842,214	1.28%
BUNDESREP BU ZERO 2025/	EUR	1,074,513	1.64%
US TRSY BOND 2.875 2046/	USD	6,286,958	9.57%
US TRSY NOTE 1.875 2032/	USD	3,612,574	5.50%
		11,816,259	17.99%

Portfolio of assets - continued
as at 30 June 2024

	Denominated in:	Fair value €	% of net assets
CT Fund			
Collective investment schemes			
AB FCP I-EUROPEAN EQUITY	EUR	1,999,648	3.78%
BNP PARIBAS US SMALL CAP	EUR	2,086,179	3.95%
COMGEST GROWTH JAPAN EUR	EUR	882,977	1.67%
EI-Japan Dynamic CE	EUR	792,213	1.50%
FEDERATED HERMES GLOBAL	EUR	1,898,982	3.59%
FTGF CLEAR BRIDGE US	EUR	10,338,041	19.55%
GUN...GLB.INVS.PLC-GFI S	EUR	3,878,680	7.34%
INVE스코 UK EQUITY FUND S	EUR	545,843	1.03%
JANUS HENDERSON GLOBAL	EUR	1,083,216	2.05%
JPM GLOBAL CORPORATE	EUR	1,362,658	2.58%
JPM US AGGREGATE BOND I	EUR	3,095,800	5.86%
PIMCO GLOBAL BOND EUR HGD	EUR	4,870,171	9.21%
PIMCO GLOBL BND EX-US EUR	EUR	4,307,854	8.15%
PRINCIPAL GLB.INVESTORS	EUR	1,026,854	1.94%
ROBEKO BP US PREMIUM	EUR	9,277,696	17.55%
ROBEKO EMERGING STARS	EUR	1,679,879	3.18%
SCHRODER ISF ASIAN	EUR	600,361	1.14%
SISF Scrtsd Crdt C Acc EU	EUR	735,828	1.39%
BLACKROCK GLB.FUND.LUX	EUR	2,298,818	4.35%
		52,761,698	99.80%
NS Fund			
Collective investment schemes			
AB SICAV I-SELECT US	USD	3,079,776	6.97%
ALGEBRIS FINANCIAL	EUR	1,639,073	3.71%
BGF SUSTAINABLE ENERGY	EUR	2,076,704	4.70%
DGC - STOCK SELECTION B	EUR	6,605,117	14.94%
ELEVA ABSOLUTE RETURN	EUR	3,557,124	8.04%
FDSMITH SICAV-FDSMITH	EUR	2,921,762	6.61%
GANE VALUE EVENT FUND -	EUR	3,470,072	7.85%
PICTET-ULTRA SHORT-TERM	EUR	1,869,074	4.23%
VANGUARD GLOBAL BOND	EUR	2,947,739	6.67%
VANGUARD GLOBAL SHORT TM	EUR	2,048,427	4.63%
		30,214,868	68.34%
Equity Securities			
ISHARES MSCI ACWI UCITS	EUR	4,324,375	9.78%
ISHARES MSCI WORLD SRI	EUR	4,295,533	9.71%
ISHRS MSCI ACWI UCITS USD	EUR	2,265,434	5.12%
		10,885,342	24.62%

Portfolio of assets - continued
as at 30 June 2024

	Denominated in:	Fair value €	% of net assets
NS Fund - continued			
Debt securities			
COOPERATIEVE 3.25/F	EUR	554,622	1.25%
THE GDM SACH 0.125 2024/	EUR	597,072	1.35%
ANHEUSER-BUS 2.7 2026/	EUR	593,556	1.34%
INTL BUS MCH 0.875 2025/	EUR	590,406	1.34%
JOHN DEERE B 2.5 2026/	EUR	588,540	1.33%
		2,924,196	6.61%
JB Fund			
Collective investment schemes			
JB EQUITY NEXT	EUR	2,609,320	5.52%
JB FXD INC GLBL QUAL HI	EUR	1,824,154	3.86%
JULIUS BAER ASIA REITS K	USD	400,912	0.85%
JULIUS BAER FIXED INCOME	EUR	3,214,674	6.80%
PICTET-ROBOTICS-I USD	USD	1,777,737	3.76%
PICTET-SECURITY-HI EUR	EUR	1,594,239	3.37%
T ROWE PRICE ASIAN EQTY	USD	1,253,511	2.65%
		12,674,547	26.82%
Equity securities			
ISHARES \$ (LON)	USD	2,694,945	5.70%
ISHARES \$ TRSY.BD. 1-3YR	USD	655,984	1.39%
ISHARES CORE MSCI (XET)	USD	3,031,043	6.41%
ISHARES MSCI EUROPE	EUR	1,113,616	2.36%
ISHARES PHYSICAL (LON)	USD	1,437,571	3.04%
XTRACKERS MSCI WORLD	EUR	567,446	1.20%
XTRACKERS MSCI WORLD	EUR	540,828	1.14%
XTRACKERS MSCI WORLD	EUR	1,088,147	2.30%
AMND.	EUR	553,788	1.17%
XTRACKERS MSCI EMU UCITS	EUR	946,491	2.00%
XTRACKERS MSCI EMU UCITS	EUR	474,065	1.00%
NESTLE 'N'	CHF	311,493	0.66%
SIEMENS	EUR	535,481	1.13%
L AIR LQE.SC.ANYME. POUR	EUR	377,856	0.80%
LVMH	EUR	374,614	0.79%
ASML HOLDING	EUR	328,809	0.70%
ABBOTT LABORATORIES	USD	379,070	0.80%
ALPHABET 'C'	USD	475,600	1.01%
AMAZON.COM	USD	404,161	0.86%
APPLE	USD	524,789	1.11%
CME GROUP	USD	367,682	0.78%
CONOCOPHILLIPS	USD	428,862	0.91%
DANAHER	USD	372,908	0.79%
ELI LILLY	USD	591,015	1.25%
HONEYWELL INTL.	USD	481,652	1.02%
JP MORGAN CHASE & CO.	USD	518,355	1.10%
META PLATFORMS A	USD	235,213	0.50%

Portfolio of assets - continued
as at 30 June 2024

	Denominated in:	Fair value €	% of net assets
JB Fund - continued			
Equity securities - continued			
MICROSOFT	USD	560,298	1.19%
NVIDIA	USD	418,140	0.88%
S&P GLOBAL	USD	475,442	1.01%
TEXAS INSTRUMENTS	USD	588,037	1.24%
UNITEDHEALTH GROUP	USD	244,680	0.52%
VISA 'A'	USD	414,368	0.88%
WALMART	USD	342,079	0.72%
		22,854,528	48.37%
Debt securities			
AMER EXPR CO 5.28/F 2029/	USD	186,878	0.40%
BANCO BV ARG 5.75/F 2033/	EUR	417,404	0.88%
BNP PARIBAS 6.88/F	EUR	204,260	0.43%
BPCE SA 4.13/F 2033/	EUR	300,246	0.64%
CAIXABANK SA 8.25	EUR	212,724	0.45%
HSBC HOLDING 3.02/F 2027/	EUR	295,644	0.63%
ING GROEP 4.02/F 2028/	USD	180,163	0.38%
SAN 7.000 Perp '29	EUR	200,974	0.43%
SOCIETE GL S 0.88/F 2028/	EUR	272,208	0.58%
AT&T INCO 0.25 2026/	EUR	284,457	0.60%
BERKSHIRE HA 2.15 2028/	EUR	96,040	0.20%
BOOKING HDG 0.5 2028/	EUR	269,985	0.57%
COMCAST CORP 0 2026/	EUR	185,590	0.39%
EATON CAPITA 0.697 2025/	EUR	389,636	0.82%
ENEL FIN INT 4 2031/	EUR	304,653	0.64%
GEN ELEC CO 1.5 2029/	EUR	91,689	0.19%
HEDLB MATS F 4.875 2033/	EUR	317,979	0.67%
ICTL HOTELS 1.625 2024/	EUR	99,383	0.21%
NAT GRID NA 4.668 2033/	EUR	311,796	0.66%
ORANGE SA 2.38/F	EUR	98,429	0.21%
SIKA CAPITAL 3.75 2026/	EUR	301,455	0.64%
STATKRAFT AS 1.125 2025/	EUR	294,552	0.62%
TAPESTRY INC 5.35 2025/	EUR	405,932	0.86%
TELEFONICA E 2.88/F	EUR	474,190	1.00%
TELEFONICA E 3.88/F	EUR	197,654	0.42%
TELF EMISION 4.183 2033/	EUR	306,039	0.65%
TELIA COMPAN 1.38/F 2081/	EUR	189,358	0.40%
TOYOTA MTR C 0.125 2027/	EUR	89,886	0.19%
VEOLIA ENNT 0 2027/	EUR	91,755	0.19%
VERIZON COMM 0.375 2029/	EUR	260,472	0.55%
VODA IGFC DS 3.25 2029/	EUR	99,264	0.21%
FRGV 09/04/24	EUR	621,950	1.32%
OBL ESTADO 3.9 2039/	EUR	408,488	0.86%
US TRSY BOND 1.875 2041/	USD	763,733	1.62%
US TRSY NOTE 0.625 2030/	USD	821,288	1.74%
		10,046,154	21.26%

Portfolio of assets - continued
as at 30 June 2024

	Denominated in:	Fair value €	% of net assets
JB Fund - continued			
Derivatives			
ECU4	USD	6,019,314	12.74%
EMINI S&P SEP24	USD	(1,545,556)	-3.27%
Sep-24 EURX STOXX Future	EUR	(788,160)	-1.67%
FUTURES LIABILITY		(6,080,056)	-12.87%
FUTURES LIABILITY		1,540,098	3.26%
FUTURES LIABILITY		787,360	1.67%
		(67,000)	-0.14%
QV II Fund			
Collective investment schemes			
ASHOKA WHITE OAK INDIA	EUR	503,453	5.09%
Arcus Japan A Acc JPY Unh	JPY	347,105	3.51%
FIDELITY FUNDS - ASIA	EUR	232,012	2.35%
GOLDMAN SACHS JAPAN EQ	JPY	298,671	3.02%
		1,381,241	13.97%
Equity securities			
INVESCO PHYSICAL GOLD	USD	564,351	5.71%
ISH \$ TRSRY BOND 20+ YR U	EUR	99,030	1.00%
ISHARES \$ TRSY.BD 20+YR	EUR	175,356	1.77%
ISHARES \$ TRSY.BD 20+YR	EUR	86,372	0.87%
ISHARES \$ TRSY.BD 7-10Y	EUR	689,878	6.98%
X HARVEST CSI300 INDEX UC	EUR	194,769	1.97%
XTRACKERS HARVEST CSI300	EUR	143,702	1.45%
PETROLEO BRASILEIRO ADR	USD	150,831	1.53%
IMPERIAL OIL	USD	159,222	1.61%
DR ING HC F PORSCHE	EUR	153,578	1.55%
NOVO NORDISK 'B'	DKK	221,325	2.24%
INMOBILIARIA COLONIAL	EUR	451,244	4.56%
HERMES INTL.	EUR	196,834	1.99%
LVMH	EUR	348,926	3.53%
GLENCORE	GBP	177,619	1.80%
PERSIMMON	GBP	146,072	1.48%
RIO TINTO	GBP	85,382	0.86%
YELLOW CAKE	GBP	102,276	1.03%

Portfolio of assets - continued
as at 30 June 2024

	Denominated in:	Fair value €	% of net assets
QV II Fund - continued			
Equity securities			
BFF BANK	EUR	200,539	2.03%
ASML HOLDINGS	EUR	107,996	1.09%
STELLANTIS	EUR	354,478	3.59%
TAIWAN SEMICON.SPN.ADR	USD	221,075	2.24%
ALPHABET A	USD	177,370	1.79%
BERKSHIRE HATHAWAY 'B'	USD	299,614	3.03%
CHEVRON	USD	145,807	1.48%
COCA COLA	EUR	338,127	3.42%
D R HORTON	USD	49,281	0.50%
ELI LILLY	USD	81,169	0.82%
EXXON MOBIL	USD	148,312	1.50%
GOLDMAN SACHS GP.	USD	179,317	1.81%
GREEN BRICK PARTNERS	USD	108,044	1.09%
JP MORGAN CHASE & CO.	USD	177,695	1.80%
LIBERTY MDA.SR.A LBRTY	USD	264,599	2.68%
LIQUIDIA	USD	392,627	3.97%
META PLATFORMS A	USD	103,023	1.04%
MICRON TECHNOLOGY	USD	160,996	1.63%
MICROSOFT	USD	157,167	1.59%
NVR	USD	56,815	0.57%
JSC KASPI KZ GLB. SPN.	USD	502,785	5.09%
		8,373,603	84.71%
Debt securities			
US OF AMERIC ZERO 2025/	EUR	107,931	1.09%
		107,931	1.09%

