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Part 2A Brochure of Form ADV

March 19, 2024

This brochure provides information about the qualifications and business practices of Arc Advisory, LLC. (“Arc Advisory”). If you have any questions about the contents of this brochure, please contact us at legal@joinarc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Arc Advisory is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 330258.

Registration with the SEC as a registered investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), does not imply a certain level of skill or training.

Item 2 Material Changes

Arc Advisory LLC (“Arc Advisory LLC, we, our, ours”) will provide our disclosure brochure (“brochure”) to you when we enter into an advisory agreement with you. Our brochure will be updated no less than annually. Within 120 days of our fiscal year end we will deliver a summary of material changes which have been made to our brochure since its last annual update. This summary will include information about how you may obtain an updated brochure at no charge, and it will include the date of the last annual update. We will provide updated disclosure information about material changes more frequently as needed. As this is Arc Advisory’s initial Brochure, there are no material changes to report. In the future, this section will be utilized to list and describe material changes since the previous annual ADV update.

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Item 4 Advisory Business

Arc Advisory LLC (“Arc Advisory, we, us, our, ours”) is registered as an investment adviser with the United States Securities and Exchange Commission. Our principal place of business is located in California and also maintains an office of convenience in New York. Arc Advisory is a limited liability company formed in Delaware under the laws of Delaware.

Arc Advisory was founded in 2024 and is a wholly owned subsidiary of its parent company, Arc Technologies, Inc.

Arc Advisory provides a digital investment platform (the “Platform”) to its Clients. The Platform helps Clients reach their financial goals by providing access to government-backed securities and money market funds subject to Clients’ preferences, objectives, and risk tolerance. Arc Advisory currently offers its services to corporate entity accounts. Arc Advisory collects information from each Client at time of onboarding and from time to time, including specific information about a Client’s overall investment objectives. Arc Advisory may provide investment recommendations which are based on the information provided. Arc Advisory does not accept discretion over Client assets for fully managed accounts and Clients retain the ultimate decision of whether or not to follow such recommendations.

Arc Advisory offers Clients the opportunity to transact in selected government-backed securities, money market funds, and mutual funds. Investment opportunities may be limited by the access and abilities of the clearing firm. Arc Advisory is an internet-based adviser registered with the SEC under reliance upon the Internet Adviser Exemption Rule 203A-2(e), as services are offered through an interactive, web-based platform that is accessible by web application.

Assets Under Management

As of March 19, 2024, we were actively managing \$0 of Client assets on a discretionary basis, as we do not manage assets on a discretionary basis. Approximately \$0 of Client assets were managed on a non-discretionary basis (where our Clients made the investment decisions based upon our recommendations).

Wrap Fee Program

Arc Advisory offers a wrap fee program through which we provide portfolio management services as outlined above for one fee. The wrap fee includes our advisory fee, custodial fees, and brokerage fees. The program is more fully described in Item 5 - Fees and Compensation and our Arc Advisory, LLC Wrap Fee Program Brochure. This brochure will be provided to Clients utilizing our wrap fee program and free of charge to any Client upon request.

Item 5 Fees and Compensation

General

Wrap Fee

Arc Advisory offers investment advice to Clients and manages assets through the Arc Advisory wrap fee program. A wrap fee program has a fee structure that provides Clients with advisory and brokerage services for a bundled fee with no additional account activity charges for execution of trades. As such, Arc Advisory charges Clients a single bundled fee that covers the investment advisory services it provides, as well as the brokerage and custodial services associated with holding and trading securities provided by its third-party broker-dealer and custodian.

After deducting costs related to brokerage and custodial services, the portion of the wrap fee that remains will be received by Arc Advisory as compensation for our services. Arc Advisory typically charges Clients a wrap program fee based on the total net assets in their account, represented as an annualized percentage of total net assets (the "asset-based fee").

Arc Advisory's asset-based fee is calculated and accrued on a daily basis based on the market value of each Client's account at the end of each day. The Firm assesses fees monthly, in arrears, which are deducted directly from Client accounts. The asset-based fee is generally between 0.05% and 0.60%, but Arc Advisory reserves the right to negotiate the asset-based fee, and any management fees with a Client or prospective Client.

From time-to-time Arc Advisory may adjust its wrap fee program and policies. In the event of such adjustments this brochure will be modified as needed and an updated copy will be made available to Clients.

Arc Advisory's Wrap Program Fee includes all trade charges applicable to an account. However, it does not include some other related costs and expenses. In addition to the Arc Advisory Wrap Program Fee, Clients may incur certain other fees imposed by third-party financial institutions. (e.g., transfer fees, administrative fees, other expenses). Arc Advisory's fees may not cover certain charges imposed by our third-party broker and custodian. These types of charges include, but are not limited to, wire transfer fees, paper statement fees, bounced check fees, transfer taxes, wire transfer and electronic fund fees.

The issuer of some of the securities available to Arc Advisory Clients, such as mutual funds/ETFs, may charge product fees and expenses that affect Clients. These fees are not charged by Arc Advisory and Arc Advisory does not benefit directly or indirectly from any such fees.

Payment of Fees

Arc Advisory will calculate and debit the prorated amounts of the fees from the assets in a Client's account on a monthly basis in arrears, unless Arc Advisory has agreed to be paid fees via invoice from outside of the managed account. Prior to deducting fees from their accounts, Arc Advisory

may, when necessary, instruct our broker to sell securities in an amount that will generate cash proceeds to satisfy a Client's fee obligation.

Additional Fees and Expenses Payable by Clients

Investment activity may also involve other transaction fees payable by Clients, such as sales charges, odd-lot differentials, transfer taxes, returned transaction fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, Clients will incur certain charges imposed by outside custodians, broker-dealers, and other third parties, such as custodial fees, administrative fees, and transfer agency fees. Such fees are separate from and in addition to Arc Advisory's advisory fee, as described above, and will be debited directly from Client accounts. Arc Advisory does not currently receive any payments from brokers, custodians, or any other third parties relating to its provision of investment advisory services.

Fees for Investment of Client Assets in Third-Party Mutual Funds

At times, Arc Advisory may invest a Client's assets in mutual funds (including money market funds or similar short-term investment funds). To the extent that a Client's assets are invested in other pooled vehicles, the Clients will also typically pay management and/or other fees (such as performance fees) associated with each such mutual fund or other pooled vehicle that are in addition to the fees paid by the Client to Arc Advisory, as described below. Those fees are described in each pooled vehicles' offering documents (e.g., prospectus or offering memorandum). Such charges, fees, and commissions are exclusive of, and in addition to, Arc Advisory's investment advisory fee.

Fees for mutual fund investments generally include two types: shareholder fees and annual fund operating expenses. Shareholder fees may include: Sales loads (fees paid to a broker/dealer, which may include front end sales loads (sales fees charged upon purchasing shares) and/or back end sales loads (sales fees charged upon redeeming shares); redemption fees (fees paid to the fund upon the sale of mutual fund shares); exchange fees (fees charged for transferring to another fund within the same fund group); and account fees (account maintenance fees). Annual fund operating fees include: management fees (fees paid to an adviser or its affiliates for managing the fund); distribution and/or service (e.g., 12b-1) fees (fees for distribution expenses, and sometimes shareholder service expenses); and other expenses (miscellaneous expenses, such as custodial expenses, legal expenses, accounting expenses, transfer agent expenses, and other administrative expenses). Clients whose assets are invested in mutual funds may pay some or all of the above fees. Clients should review the prospectus of any fund in which their assets are invested in order to understand the fees that may be applicable to their particular investment.

Item 6 Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

Arc Advisory does not offer performance-based pricing to Clients at this time.

Side-by-Side Management

We simultaneously provide recommendations to multiple accounts according to similar investment objectives. The simultaneous management of these different investment accounts could create certain conflicts of interest, if the fee structures for the management of certain types of accounts were higher than others. Arc Advisory recognizes that it has an affirmative duty to treat all such accounts fairly and equitably over time. Although Arc Advisory has a duty to treat all similarly managed accounts fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that Arc Advisory use the same investment practices consistently across all accounts. In general, investment decisions for each Client account will be made independently from those of other Client accounts, and will be made with specific reference to the individual needs and objectives of each Client account. In addition, Arc Advisory will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible accounts, particularly if different accounts have materially different amounts of capital under management by Arc Advisory or different amounts of investable cash available. As a result, although Arc Advisory manages numerous accounts with similar investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from account to account.

Item 7 Types of Clients

Arc Advisory provides advice to corporate entity accounts. Investment minimums are not required at this time.

Item 8 Method of Analysis, Investment Strategies, And Risk of Loss

Investment Strategies and Methods of Analysis

Arc Advisory provides access to government-backed securities, money market funds, and mutual funds through its digital investment platform, subject to Client's preferences, objectives, and risk tolerance. Arc Advisory collects information from each Client at time of onboarding and from time to time, including specific information about a Client's overall investment objectives. Arc Advisory may provide investment recommendations which are based on the information provided. Arc Advisory does not accept discretion over Client assets and Clients retain the ultimate decision of whether or not to follow such recommendations.

We use the following methods of analysis in formulating our investment advice and/or managing Client assets:

Money Market Fund, Mutual Fund, and/or ETF Analysis: We look at the experience and track record of the manager of the money market fund, mutual fund, or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a money market fund, mutual fund, or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another funds(s) in the Client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the Client's portfolio.

As previously noted, we may recommend the use of third-party investment managers to implement our investment advice. We analyze individual investment managers based upon their investment strategies, experience, performance track record, reputations, and fee arrangements.

Risks for all forms of analysis: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

We use the following strategy in managing Client accounts, provided that such strategy is appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance, and time horizons, among other considerations:

Although we manage your account in a manner we believe is consistent with your specific investment objectives and risk tolerances, there can be no guarantee that our efforts will be successful. General

economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance.

You should be prepared to bear the risk of loss. All investments are subject to loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

Risk of Loss

All investing and trading activities risk the loss of capital, including loss of principal. Arc Advisory cannot guarantee any level of performance or that Clients will not incur a loss of capital. The following risks are not meant to be all inclusive, but should be considered prior to engaging Arc Advisory for its advisory services.

Advisory Risk

There is no guarantee that Arc Advisory's analysis or recommendations pertaining to particular securities or strategies will produce the intended results. Our judgment may not be correct, and Clients may not achieve their investment objectives. In addition, there is a risk that Arc Advisory or its Clients may experience computer issues, including equipment or Platform failure, loss of internet access, viruses, or other events that may impair our ability to provide or Clients' ability to receive advisory services.

General Market Risk

The price of any security or the value of an entire asset class can decline for a variety of reasons that Arc Advisory cannot control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events.

Money Market Fund Risks

Interest Rate Risk: Money market funds invest in short-term, low-risk debt securities with maturities typically ranging from a few days to a year. Changes in interest rates can impact the yield of these securities and, consequently, the return on the money market fund. Rising interest rates may lead to lower returns, while falling rates could result in reinvestment risk.

Credit Risk: Although money market funds focus on high-quality, short-term debt instruments, there is still a risk of default by issuers. Funds holding securities of lower credit quality or those subject to downgrades may be more likely to experience losses.

Liquidity Risk: Money market funds aim to maintain a stable net asset value (NAV) of \$1 per share, but they may face liquidity challenges in certain market conditions. If the fund needs to sell assets

quickly to meet redemptions, it may face difficulty obtaining fair prices for those assets, potentially impacting the NAV.

Market and Economic Risks: Economic downturns or market disruptions can affect the performance of money market funds. For example, during periods of financial stress, the liquidity and stability of certain money market instruments may be compromised.

Regulatory Changes: Changes in regulations governing money market funds can impact their structure and operations. For instance, regulatory reforms may affect the types of assets a money market fund can invest in or the ability to maintain a stable NAV.

Yield Fluctuations: Money market fund yields can vary based on prevailing interest rates, credit spreads, and market conditions. Investors should be aware that yields are not guaranteed and can change over time.

Inflation Risk: Money market funds may not keep pace with inflation, especially during periods of rising prices. The returns from these funds may not be sufficient to preserve purchasing power.

Redemption Risk: If a large number of investors simultaneously redeem their shares, it could put pressure on the money market fund's liquidity.

Mutual Fund Risks

Market Risk: The value of mutual fund investments can fluctuate based on market conditions. Economic factors, interest rates, and geopolitical events can impact the overall market, affecting the fund's performance.

Liquidity Risk: Some mutual funds invest in assets that may not be easily bought or sold, leading to liquidity risk. If many investors try to redeem their shares simultaneously, the fund may struggle to meet those redemption requests without affecting the fund's net asset value (NAV).

Credit Risk: For funds investing in fixed-income securities, there is a risk that issuers may default on their payments. This is particularly relevant for bond funds, as changes in credit ratings or economic conditions can impact the value of the underlying securities.

Interest Rate Risk: Bond funds are sensitive to changes in interest rates. When interest rates rise, bond prices tend to fall, and vice versa. This can affect the NAV of the fund and lead to capital losses for investors.

Management Risk: The success of a mutual fund depends on the skill and decisions of the fund manager. Poor investment decisions or changes in management could negatively impact the fund's performance.

Diversification Risk: While diversification is a key strategy to mitigate risk, it does not guarantee profits or protect against losses. Poorly diversified funds may be more susceptible to the poor performance of a specific sector or asset class.

Operational Risk: Mutual funds are subject to operational risks, including errors in valuation, accounting, or the processing of transactions. These operational issues can impact the accuracy of the fund's NAV.

Regulatory and Legislative Risk: Changes in regulations or tax laws can affect the structure and performance of mutual funds. Investors should stay informed about any regulatory developments that may impact their investments.

Distribution Risk: Funds that pay dividends or interest income are subject to distribution risk. Changes in market conditions or the fund's performance may affect its ability to generate income for distribution.

Inflation Risk: Inflation erodes the purchasing power of money over time. If the return on investment does not outpace inflation, the real value of an investor's portfolio may decrease.

Government-Backed Securities Risks

Investors may experience capital losses if they need to sell the securities before maturity.

Inflation Risk: While government-backed securities are often seen as safe havens, they may not provide returns that outpace inflation. If inflation rises, the real (inflation-adjusted) return on these securities may be lower than anticipated.

Default Risk: While government-backed securities are typically considered low-risk due to the backing of the government, there may still be a risk of default, particularly in the case of emerging market governments or in times of economic or political turmoil.

Reinvestment Risk: If interest rates fall and investors receive principal payments or interest payments, it is possible that investors will be unable to reinvest those principal payments or interest payments at a rate comparable to the initial rate of return. This can affect the overall return on the investment.

Market Liquidity Risk: In some cases, government-backed securities may lack the same level of liquidity as more actively traded instruments. This can make it challenging to sell the securities quickly at desired prices.

Interest Rate Risk: If interest rates have risen, selling before maturity might result in a capital loss, while selling in a declining rate environment could lead to a capital gain.

Legislative and Regulatory Risk: Changes in laws or regulations governing government-backed securities can impact the terms and conditions of these investments, potentially affecting their value or the income they generate.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a Client's evaluation of Arc Advisory or the integrity of our management or any employee of our Firm.

Item 10 Other Financial Industry Activities and Affiliations

Neither Arc Advisory nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or registered representative of a broker-dealer.

Neither Arc Advisory nor any of its management persons is registered, or has applied to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person thereof.

None of Arc Advisory's employees or officers have relationships with related parties in the financial services industry that materially affect Arc Advisory's advisory service or any member.

None of Arc Advisory's employees or officers recommend or select investment advisers for Clients or have any business relationships with other investment advisers.

Exclusive Brokerage Relationship

Arc Advisory maintains an exclusive brokerage relationship with Atomic Brokerage, LLC, an unaffiliated broker-dealer. This exclusive relationship may give rise to conflicts of interest that could impact the Firm's ability to act in the best interest of Clients. The potential conflicts include, but are not limited to:

Limited Product Availability: The Firm may have access to a limited universe of investment products and securities due to the exclusive brokerage arrangement, potentially excluding products that could be beneficial to Clients.

Allocation of Investment Opportunities: The exclusive relationship may affect the Firm's ability to allocate investment opportunities fairly among Clients, potentially favoring certain Clients over others.

The Firm is committed to addressing these conflicts and maintains policies designed to mitigate and disclose conflicts associated with an exclusive brokerage relationship. Clients are encouraged to review this disclosure statement carefully and contact the Firm with any questions or concerns related to the exclusive brokerage relationship and associated conflicts of interest.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Arc Advisory has adopted a Code of Ethics that sets forth the standards of conduct expected of employees. All employees including management are required to comply with the provisions of the Code of Ethics. The Code of Ethics includes policies and procedures relating to personal trading, gifts and entertainment involving business associates, outside activities, charitable donations as well as other potential or actual conflicts of interest. All employees and officers must acknowledge receipt of the Code of Ethics and report any violations of the Code to the Chief Compliance Officer.

In addition, the Code of Ethics requires all employees including management to comply with certain rules designed to protect against insider trading. Pursuant to the Code of Ethics, upon commencement of employment, Arc Advisory's employees who are designated as Access Persons (as defined by Rule 204A-1 of the Investment Advisers Act of 1940) are required to provide an initial holdings report disclosing all personal brokerage accounts, private placements, and investments of limited opportunity (e.g. "hedge funds"). In addition, employees must thereafter provide a personal trading report to the Compliance department within 30 days after the end of each calendar quarter. This report must include every securities transaction (excluding transactions effected in any account over which neither Arc Advisory nor the employee has any direct influence or control, and transactions in securities that are direct obligations of the Government of the United States, money market instruments (bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements), shares of money market funds, holdings in shares of other types of mutual funds, unless the adviser or a control affiliate acts as the investment adviser or principal underwriter for the fund, or shares issued by registered open-end investment companies, or units of a unit investment trust if the unit investment trust is invested exclusively in unaffiliated mutual funds) in which the employee, the employee's immediate family or trusts of which the employee is a trustee or in which the employee has a beneficial interest have participated during the quarter.

Certain personal trades must be pre-cleared by the Chief Compliance Officer, including investments in private placements and initial public offerings, as further described in Arc Advisory's Code of Ethics. Each Access Person is also required to provide an annual report of brokerage accounts and holdings along with an acknowledgement at least annually that the Access Person will comply with the provisions of the Code of Ethics.

Arc Advisory is required to keep copies of the Code of Ethics and all records relating thereto. Clients or prospective Clients may obtain a copy of the Code of Ethics upon written request using the address on the front page of this Brochure.

Item 12 Brokerage Practices

Pershing LLC acts as the custodian (“Custodian”) for the Client’s account. The Adviser shall arrange for the execution of securities brokerage transactions for the Investments through the Custodian and/or third-party brokers. The Custodian may also use third-party clearing brokers to execute transactions.

Arc Advisory utilizes qualified custodians to maintain custody of Client assets. Arc Advisory has a fiduciary duty to seek best execution (see further description below), and to ensure that trades are allocated fairly and equitably among Clients over time.

All Clients will onboard with Atomic Brokerage LLC as the broker-dealer, and all accounts will be custodied with Pershing LLC.

Atomic Brokerage provides Arc Advisory with benefits to help the Adviser to conduct its business and serve Clients. These benefits can include providing or paying for the costs of products and services furnished to the Adviser to defray the costs the Adviser may incur when doing business. The benefits provided to or on behalf of the Adviser will not directly benefit the Client. Such benefits should be considered as compensation to the Adviser and therefore should be considered in evaluating the compensation arrangement between the Client and the Adviser. Such benefits may include, among others, fee sharing arrangements in connection cash sweep interest, account fees, foreign exchange transactions, margin interest, and applicable fund selling and/or servicing fees. The benefits vary among Advisers depending on the business they and their Clients conduct with the Atomic Brokerage and other factors. Additional conflicts associated with this exclusive brokerage relationship are discussed in Item 10 of this Brochure.

Best Execution – Selection Factors for Broker / Dealers

As noted above, Arc Advisory has a duty to seek best execution of transactions for Client accounts. “Best execution” is generally understood to mean the most favorable cost or net proceeds reasonably obtainable under the circumstances. In seeking best execution, Arc Advisory looks for the best combination of transaction price, quality of execution (e.g., the speed of execution, the likelihood the trade will be executed, etc.), and other valuable services that an executing broker/dealer may provide.

Clients grant Arc Advisory the authority to select the broker/dealer to be used for the purchase or sale of securities. Arc Advisory, in seeking best execution, will make this selection based on a number of factors, which may include, but are not limited to, the following: the broker/dealer’s financial soundness; the broker/dealer’s ability to effectively and efficiently execute, report, clear, and settle the order; the broker/dealer’s ability to commit capital; the broker/dealer’s ability to timely and accurately communicate with Arc Advisory’s trading desk and operations team; the broker/dealer’s commission rates; the number of shares being purchased or sold; the broker-dealer’s

technological capabilities, and similar factors. Arc Advisory does not consider any Client referrals from a broker/dealer when determining best execution, or when placing Client trades.

Arc Advisory is not obligated to choose the broker/dealer offering the lowest available commission rate if, in Arc Advisory's reasonable judgment, the total cost or proceeds from the transaction may be less favorable than what may be obtained elsewhere or if a higher commission is justified by the service and/or research provided by another broker/dealer.

Arc Advisory has implemented a policy to address the conflicts of interest associated with its brokerage practices. To determine that it is receiving best execution for its transactions over time, Arc Advisory will obtain information as to the general level of commission rates being charged by the brokerage community, from time to time, and may periodically evaluate the overall reasonableness of brokerage commissions paid on Client transactions by reference to such data.

Directed Brokerage

Arc Advisory requires its Clients to use a specified broker/dealer (Atomic Brokerage, LLC) for portfolio transactions in their accounts. These brokers are the custodians who have been elected to maintain custody of Client assets.

Cross Trades

Arc Advisory does not engage in cross transactions as a matter of policy.

Soft Dollars

Arc Advisory does not currently engage in soft dollar arrangements with its brokers or custodians.

Commission Sharing Arrangement

Arc Advisory does not currently engage in commission-sharing arrangements with its brokers or custodians.

Trade Aggregation and Trade Sequence

As transactions are self-directed and processed upon entry, trades are generally not aggregated. Certain transactions are triggered by parameters set by the Client; such transactions are effected automatically by the platform and are generally executed once daily during trading hours.

Initial Public Offerings

Arc Advisory does not offer investments in Initial Public Offerings to its Clients at this time.

Trade Errors

Arc Advisory has established error correction procedures which provide that the resolution of errors be made in light of the Adviser's fiduciary duties. It is Arc Advisory's policy to resolve any error identified in a Client account in a manner that the Firm believes results in no harm to the account.

In resolving trade errors, any net losses require reimbursement from Arc Advisory. Gains will typically accumulate to be used to offset future trade error losses (unless the brokerage program specifies that trading gains are required to be allocated to the Client's account). Where the custodian/broker-dealer is the source of trade errors, Arc Advisory will seek reimbursement from such custodian/broker-dealer.

Arc Advisory Employee Investment Eligibility and Activity

Employees are ineligible to hold accounts with Arc Advisory. The Firm maintains a Code of Ethics designed to address conflicts of interest associated with any perceived or real conflicts of interest.

Item 13 Review of Accounts

Arc Advisory has the ability to review all accounts on an ongoing basis. Arc Advisory currently provides reports to Clients only through its Platform. Statements are provided to Clients by the Custodian on at least a quarterly basis, as described in Item 15.

Item 14 Client Referrals and Other Compensation

Arc Advisory does not receive economic benefits from third-parties for providing investment recommendations for Client referrals.

Arc Advisory does not utilize third-party solicitors for the purposes of obtaining new Clients. Arc Advisory may occasionally compensate current Clients for referrals as permitted by the Investment Advisers Act of 1940 Rule 206(4)-3.

Item 15 Custody

Arc Advisory has appointed an independent qualified custodian as its agent to hold custody of Clients' funds and securities. Such custodian may be broker/dealers, banks, trust companies, or other qualified institutions. The qualified custodian will provide the Client with at least quarterly account

statements relating to the assets held within the account managed by Arc Advisory. Each Client should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the Client's account and all account activity over the relevant period. Any discrepancies identified by a Client should be immediately reported to Arc Advisory and/or the qualified custodian. Such questions, concerns, or discrepancies may be communicated to Arc Advisory by writing, e-mailing, or telephoning us at the contact information listed in "Item 1 – Cover Page" of this Brochure.

Item 16 Investment Discretion

Arc Advisory does not accept discretionary authority over Client accounts. Clients retain investment decision-making responsibility regarding all recommendations received from Arc Advisory.

In the event that a Client does not have sufficient cash available in their account to cover advisory fees due, Arc Advisory will instruct the broker process transactions to result in sufficient cash, as noted in Item 5.

Item 17 Voting Client Securities

Arc Advisory does not have authority to vote securities on behalf of Clients at this time.

Item 18 Financial Information

Arc Advisory does not require or solicit prepayment of fees from Clients and does not have any financial condition that would impair its ability to meet contractual commitments to Clients.

Item 19 Requirements for State-Registered Advisers

This item is not applicable to Arc Advisory.