Item 1 Cover Page

Arch Indices Investment Advisors
401 Park Ave. South, 10th Floor
New York, NY 10016

October 23, 2023

This brochure provides information about the qualifications and business practices of Arch Indices Investment Advisors, CRD# 326879. If you have any questions about the contents of this brochure, please contact us at 646-389-2422. 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. Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Arch Indices Investment Advisors also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

October 23, 2023 – Item 1 was amended to reflect a new address and telephone number for the principal office.

The material changes discussed above are only those changes that have been made to this brochure since the firm's initial brochure filing on July 19, 2023.

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Item 4 Advisory Business

Arch Indices Investment Advisors ("Arch Indices" or "Advisor") is an investment advisor firm that was organized in March 2023 and is registered with the SEC since July 2023.

The principal owners of Arch Indices are Yang Tang, CEO, and Jinghua Kuang, Chief Product Officer.

Advisory Services

Arch Indices' principal service is providing fee-based investment advisory services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client's objectives. The Advisor's primary approach is to use the Modern Portfolio Theory investment strategy aimed at maximizing the expected return for the collective given level of risk. The Advisor may use exchange listed securities, over-the-counter securities, foreign securities, warrants, United States government securities, corporate debt securities, commercial paper, CDs, municipal securities, options in securities, and interests in partnerships investing in real estate and oil and gas interests to implement this strategy. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

Arch Indices will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

Arch Indices does not provide portfolio management services to wrap fee programs.

As of the approval date of the firm, Arch Indices had no clients and therefore no client assets under management.

Item 5 Fees and Compensation

Pursuant to an Investment Advisory contract signed by each client, the client will pay Arch Indices an annual management fee, payable monthly in arrears, based on the fair market value of portfolio assets of the account on the last business day of the month. New account fees will be prorated from the inception of the account to the end of the first month.

Management fees range from 0.20% per annum to 0.50% per annum depending on the type and complexity of the investment strategy required as well as the size of the account or overall client relationship. These fees may be negotiated by Arch Indices at its sole discretion. Asset management fees will be directly deducted from the client account by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisor's fee is separate and distinct from the custodian and execution fees.

At no time will Arch Indices accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Neither Arch Indices nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Arch Indices does not charge performance-based fees.

Item 7 Types of Clients

The Advisor will offer its services to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

The Advisor's cumulative minimum account requirement for opening and maintaining an account is $10,000. However, the Advisor may, at its sole discretion, accept accounts with a lower value.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

The Advisor utilizes Modern Portfolio Theory ("MPT") investment strategy techniques in formulating investment advice or managing assets for clients.

MPT is a mathematical framework for assembling a portfolio of assets such that the expected return is maximized for a given level of risk, defined as variance. Its key insight is that an asset's risk and return should not be assessed by itself, but by how it contributes to a portfolio's overall risk and return. MPT assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists that has better expected returns.

The risk, return, and correlation measures used by MPT are based on expected values, which means that they are mathematical statements about the future (the expected value of returns is explicit in the above equations, and implicit in the definitions of variance and covariance). In practice, investors must substitute predictions based on historical measurements of asset return and volatility for these values in the equations. Very often such expected values fail to take account of new circumstances that did not exist when the historical data were generated. Mathematical risk measurements are also useful only to the degree that they reflect investors' true concerns—there is no point minimizing a variable that nobody cares about in practice. MPT uses the mathematical concept of variance to quantify risk, and this might be justified under the assumption of elliptically distributed returns such as normally distributed returns, but for general return distributions other risk measures (like coherent risk measures) might better reflect investors' true preferences.

The investment strategies the Advisor will implement may include long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, short sales, and option writing.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product have different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

<u>Business Risk</u>
With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

<u>Volatility Risk</u>
Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one

out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

Inflation Risk
Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

Interest Rate Risk
Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

Liquidity Risk
This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

Additional Investment Risks:

Risks that apply to Equity Strategies, including ETFs:

- Management Risk: Due to its passive and defensive management, a portfolio could underperform other portfolios with similar investment objectives and/or strategies.

- Allocation Risk: A portfolio may use an asset allocation strategy in pursuit of its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will cause a portfolio to lose value or cause it to underperform other portfolios with a similar investment objective and/or strategy, or that the investments themselves will not produce the returns expected.

- Sector/Industry Risk: The risk that the strategy's concentration in equities in a specific sector or industry will cause the strategy to be more exposed to the price movements in and developments affecting that sector.

- Market and Timing Risk: Prices of securities may become more volatile due to general market conditions that are not specifically related to a particular company, such as adverse economic conditions or outlooks, adverse investor sentiment, changes in the outlook for corporate earnings, or changes in interest rates.

- Event Risk: The possibility that an unforeseen event will negatively affect a company or industry, and thus, increase the volatility of the security.

Risks of Investing in Foreign Securities:
Investing in emerging international markets may face increased volatility as a result of dramatic changes in market value and, in some cases, political risk can suddenly upend a nation's economy. Furthermore, international markets may be less regulated than those in the United States, increasing the risk of manipulation and fraud. Information may be inadequate, resulting in the investor's inability to interpret or understand events. Finally, currency risk stemming from changes in the exchange rate may affect the investor's home currency.

Risks of Investing in Warrants
Trading and finding information on warrants can be difficult and time consuming as most warrants are not listed on major exchanges, and data on warrant issues is not readily available for free. When a warrant is listed on an exchange, its ticker symbol will often be the symbol of the issuer's common stock with a "W" added to the end. Warrants generally trade at a premium, which is subject to time decay as the expiration date nears. Warrants do not pay dividends or come with voting rights. Unlike options, warrants are dilutive. When an investor exercises their warrant, they receive newly issued stock, rather than already outstanding stock. Warrants are not commonly issued in the United States, but are heavily traded in Hong Kong, Germany, and other countries. An American warrant can be exercised at any time on or before the expiration date, while European warrants can only be exercised on the expiration date.

Commercial Paper Risks:
Due to the promissory nature of commercial paper, only large corporations with high credit ratings should be able to sell the instrument at a reasonable price. If small organizations try to issue commercial paper, it is likely the credit risk, which can be defined as the likelihood that a borrower is unable to repay the loan, will be too high and there will be no market for the issue. Liquidity risk, which reflects how easily a security can be bought or sold in the market, is less of a concern than credit (default) risk as the debt matures quite rapidly, leaving little room for additional trading of commercial paper in secondary markets.

Certificates of Deposit (CD) Risks:
The risks associated with investing in CDs is relatively low compared to other investments. For example, CDs issued by banks are almost always insured by the Federal Deposit Insurance Corporation (FDIC) and have a fixed interest rate. However, CDs keep the same fixed interest rate for the entire term, regardless of how the market rates change. Thus, if interest rates rise the CD will continue paying a lower interest rate than is available in the market. Additionally, CD rates may not keep pace with rising inflation. Early withdrawal penalties can be large – the average penalty is three months' worth of interest for CDs with terms under one year, and six months' worth of interest for longer-term CDs. If not enough interest has been earned, the issuer may dip

into the principal to pay the penalty. Some CDs have a call feature, which allows the bank to require the investor to cash in the CD after a certain period of time. Finally, CDs may be subject to bank failure risk, although CDs issued by a bank are typically subject to FDIC protection up to $250,000. However, this only applies to the first $250,000 of an amount invested in any single bank.

Municipal Securities Risks:
The risk that any individual municipal bond with a high credit rating will default is negligible. Below is a list of some of the risks to consider when investing in municipal securities.

- **Credit Risk**. The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.
- **Interest Rate Risk**. The possibility that a bond will decline in value because of an increase in interest rates.
- **Headline Risk**. The likelihood that a bond will decrease in value as a result of adverse media, such as when a high-profile default makes headlines.

U.S. Government Securities Risks:
U.S. Government Securities are generally considered one of the safest investments in the global financial markets. Two types of risks exist, however: credit risk and interest rate risk. Credit risk is the risk that an issuer will default, while interest rate risk accounts for the impact of changes in prevailing rates. In general, it is widely accepted that U.S. Government Securities are among the world's safest in terms of the likelihood that their interest and principal will be paid on time. However, U.S. Government Securities are subject to interest rate risk, and longer-term securities (10 years and longer) can be quite volatile.

Risks of Interests in Partnerships Investing in Real Estate or Oil and Gas:
General and limited partners in real estate or oil and gas partnerships share certain risks, and also have their own separate risks. Both types of partners are at risk of losing the capital they invest. However, general partners have the added risk of being liable for any loans, and their other assets may be at risk if the partnership defaults on a loan. Limited partners take a risk in trusting the general partner with their investments. Once the money is invested and the partnership agreement is signed, limited partners rely on the general partner to make the investment successful and earn an investment return. Beyond the complexity of negotiating the terms of a limited partnership, one of the highest risks of investing in a partnership investing in real estate or oil and gas is liquidity risk. Liquidity risk refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. It may also be the case with products that charge a penalty for early withdrawal or liquidation.

Risks of Investing in Options:
Options are financial contracts that have values derived from underlying assets. Like stocks, bonds, and ETFs, options carry no guarantees, and investors in options may lose the entire principal invested or more. Using options on an underlying security creates risks that are different from investing in that security, and unique skills may be required to use options strategies effectively. Option prices tend to be much more volatile than their underlying securities due to leverage that is fundamental to their design which can magnify the price changes in the option relative to the underlying security. Option sellers tend to bear significantly more risk than option buyers. While

the maximum loss of a purchased option is generally limited to the option's price, a written (or sold) option can incur losses in excess of the value of the option or collateral required. For example, a short put option by itself can incur a loss equal to the strike price if the stock price goes to zero. A short call option by itself can theoretically have unlimited losses if the underlying stock price increases significantly past the strike price. The performance of an option strategy is influenced by the selection of underlying securities, expiration dates and strike prices. Similar option strategies using different underlying securities can have significantly different results. The success or failure of option strategies to accomplish their objectives can be significantly impacted by timing of market price movements relative to the expirations of long and short options held in the portfolio. Additionally, similar option strategies with different strike price selections can have significantly different results over time.

Item 9 Disciplinary Information

Neither Arch Indices nor its management persons have any legal or disciplinary events to report that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of management.

Item 10 Other Financial Industry Activities and Affiliations

Neither Arch Indices nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Arch Indices does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund" and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Jinghua Kuang, CPO of Arch Indices is licensed and registered as an insurance agent to sell health and life insurance for various insurance companies. He conducts that activity through an entity owned by him, Ample Fortune Solutions LLC. Therefore, he will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This creates a conflict of interest because Mr. Kuang may be incentivized to make recommendations based upon the compensation received rather than upon the client's best interests. Clients are not obligated to use Mr. Kuang for insurance products services. However, in such instances, there is no advisory fee associated with these insurance products, and clients will be made aware of all commissions associated with the products prior to the transactions.

Arch Indices does not recommend or select other investment advisors for clients.

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

Arch Indices is registered with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. Arch Indices has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Arch Indices deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Arch Indices are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Arch Indices collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Arch Indices will provide a copy of the Code of Ethics to any client or prospective client upon request.

Arch Indices does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest.

Arch Indices and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Arch Indices can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the Investment Advisor Representatives. To mitigate these conflicts, Arch Indices has adopted a Code of Ethics as noted above. Arch Indices' Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Arch Indices requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment Advisor Representatives of Arch Indices may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Arch Indices' policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Arch Indices' personnel to verify compliance with this policy.

Item 12 Brokerage Practices

Arch Indices does not select or recommend broker-dealers for client transactions.

Arch Indices does not receive research or other products or services other than execution from a broker-dealer or third party as a result of client securities transactions.

Arch Indices does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Arch Indices does not recommend, request or require that a client direct it to execute transactions through a specified broker-dealer.

Except for the selection of the custodian for their account, Arch Indices does not permit clients to direct brokerage.

Arch Indices does not aggregate trades because the trades are executed at multiple custodians.

Item 13 Review of Accounts

The firm reviews client accounts on an annual basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Arch Indices becoming aware of a change in client's investment objectives, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. Client accounts are reviewed by Yang Tang, CEO and Jinghua Kuang, Chief Product Officer.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from, trust companies or other custodians, broker-dealers and others who are involved with client accounts. Arch Indices does not deliver separate client reports.

Item 14 Client Referrals and Other Compensation

Arch Indices is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Arch Indices does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15 Custody

Arch Indices does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

Item 16 Investment Discretion

Arch Indices generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Arch Indices.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Arch Indices will be in accordance with each client's investment objectives and goals.

Item 17 Voting Client Securities

Arch Indices will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Arch Indices cannot give any advice or take any action with respect to the voting of these proxies. The client and Arch Indices agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

Item 18 Financial Information

Arch Indices does not require or solicit prepayment of more than $500 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Arch Indices has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Arch Indices does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Arch Indices has never been subject to a bankruptcy petition.