

Item 1 - Cover Page



Reason Investments
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**Form ADV Part 2A
Firm Brochure
February 1, 2017**

This brochure provides information about the qualifications and business practices of reason LLC. Please contact Joe Arns at (609) 786-2524 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about reason LLC is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 283156.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

Item 2 - Material Changes

The firm amended its March 30, 2016 Form ADV Part 2 brochure due to an update to the firm's services and fees (see Items 4 and 5).

Our firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at www.adviserinfo.sec.gov or may contact our firm at (609) 786-2524 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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Important Information

Throughout this document Reason LLC may also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also stated as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, and may refer to natural persons and legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available to interested parties under separate cover.

Item 4 - Advisory Business

Reason LLC is a New Jersey domiciled limited liability company formed in April of 2011. We operate under the trade name Reason Investments. Our firm is not a subsidiary of nor does it control another financial services industry entity. In addition to our 2016 registration as an investment advisor in New Jersey, our firm and its associates may register, become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which investment advisory business is conducted.

Joseph (Joe) F. Arns, III, CFA is our firm's Founder and Chief Compliance Officer (supervisor).¹ He is also Managing Member and maintains controlling interest in the firm. Additional information about Joe Arns and his background may be found toward the end of this brochure.

Reason Investments develops model portfolios for institutional clients, such as other investment advisors, and we may be engaged as a consultant to other portfolio managers and institutions. Our firm also provides risk tolerance assessment and portfolio recommendation software to these entities under the name ArcPoint Advisor. In addition, the firm may be engaged as a consultant to select individuals.

Prior to engaging our firm, we will provide interested parties with our Form ADV Part 2 firm brochure that includes a statement regarding our privacy policy, as well as a brochure supplement about the representative assisting them. We will ensure any material conflicts of interest have been disclosed that could be reasonably expected to impair the rendering of unbiased and objective advice.

Please refer to Item 8 for information involving our investment strategy and recommended holdings. Our firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees. We are not involved in account-level execution services, nor do we have reportable client assets under management.²

Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in our engagement agreement. Our fees are negotiable, with the final determination to be made by the firm.

Fees are to be paid to our firm by check or draft from US-based financial institutions. With the client's prior authorization, payment may also be made through a qualified, unaffiliated PCI compliant³ third-party processor. We do not accept cash, money orders or similar forms of payment for its engagements.

Types of Fees and Payment Schedule

Model Portfolios Services

Our model portfolio clients are typically assessed an annualized asset-based fee that is determined by the aggregate value of all accounts utilizing our investment model, and as of the last market day of each calendar quarter. The fee ranges from 0.10% to 0.50% (10 to 50 basis points), and will be billed quarterly, in arrears. The first billing cycle will begin once our agreement is executed and our portfolio models are utilized by the client. We generally assess our fee within the first 10 calendar days of each billing cycle, and we will send the client a written notice ("invoice") each billing period that describes the advisory fees to be charged.

¹ Refer to the end of this brochure for an explanation of designation prerequisites and continuing education requirements.

² The term "assets under management" as defined by the SEC's *General Instructions for Part 2 of Form ADV*.

³ For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to https://www.pcisecuritystandards.org/security_standards/index.php

This notice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the assets under management in which the fee had been based. It is important that the client verify the accuracy of fee calculations.

Portfolio Manager Consulting Fees

We provide portfolio manager consulting services to other investment advisors/institutional clients for a monthly fee that ranges from \$1,000 to \$10,000 depending on the complexity of the engagement. The fee is to be paid within the first 10 calendar days of each month. We will prorate the first month's fee, if necessary, based on the number of days remaining in the month.

Project Services

We may be engaged for limited-scope projects on an hourly fee basis. Our rate is \$250 per hour; billed in 15-minute increments, and a partial increment (e.g., seven minutes) will be treated as a whole increment. Prior to entering into an agreement with our firm our client will receive an estimate of the overall cost based on their requirements and the time involved. No deposit is required. Payment is due in full upon delivery of our invoice which coincides with the presentation of the project. An hourly engagement lasting more than one month may be billed at the end of each month for time incurred.

Risk Tolerance Assessment and Portfolio Recommendation Tool

Through ArcPoint Advisor we provide our web-based risk tolerance assessment and portfolio recommendation services for a subscription fee of \$59 to \$2,995 per month, depending on the number of services or users ("seats") required for the client. The fee is to be paid in advance at the beginning of each month of service.

Individual Consulting Fees

We offer portfolio consulting services to individual investors on a case-by-case basis for a quarterly fee that ranges from \$300 to \$3,000 depending on the complexity of the engagement. The fee is to be paid within the first 10 calendar days of each quarter and we will prorate the first quarter's fee based on the remaining days in that period.

Publication Services

Reason Investments may publish investment recommendations and other market commentary on third-party websites. The firm may receive payments for those publications subject to the terms of the third-party website.

Additional Client Fees

Per annum interest at the current statutory rate in which the client resides may be assessed on fee balances due more than 30 days, and we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due. Additional information about our fees in relationship to our operational practices is noted in Items 12 and 14 of this document.

External Compensation for the Sale of Securities to Clients

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company.

Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. Each client retains the right to purchase recommended or similar investments through their own service provider.

Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If a client verbally notifies our firm of the termination and, if in two business days following this notification we have not received a client termination notice in writing, we will make a written notice in our records and will send our own termination notice to the client as a substitute. Our firm will not be responsible for investment allocation or advice upon receipt of a termination notice.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into the firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a model portfolio client terminates their agreement after the five-day period, the client will be assessed fees on a prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all others, the last billing period to the date of the firm's physical or constructive receipt of written termination notice. If a client terminates a project-based service after this five-day period, the client will be assessed fees at our current hourly rate for any time incurred by our firm involving their engagement. Consulting and software tool engagements will be refunded on a prorated daily basis. Any prepaid, unearned fees will be returned to the client within 30 days.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

Item 7 - Types of Clients

We provide our services to other investment advisors and institutions. We do not require minimum income, minimum asset levels or other similar preconditions. We reserve the right to waive or reduce certain fees based on unique circumstances, special arrangements or preexisting relationships. Our firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

Methods of Analysis and Investment Strategies

Our investment advice services are guided by the following beliefs:

- Financial asset markets are very efficient, but asset prices frequently appear irrational due to the short-term focus of many individual and professional investors.
- There are only two unique financial asset classes - fixed financial claims (i.e., fixed-income securities or bonds) and residual interests (i.e., equity). All other asset groupings are a special subset of these two classes. The portfolio allocation decision between these classes usually is more important than the choice of "flavors" within each class.
- Risk tolerance is one of the most critical factors in determining an investor's optimal portfolio and the most difficult to measure.

We employ fundamental analysis; evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Our research is drawn from sources that include financial periodicals, reports from economists and other industry professionals, company press releases, in addition to regulatory filings, such as annual reports, prospectuses, etc. Our model portfolios are comprised of passive ETFs or open-end mutual funds. We employ tactical asset allocation in an effort to improve risk-adjust returns.

Risk of Loss

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. We have offered examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each of them prior to investing.

Active Portfolio Management

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, derivatives, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by “active risk” or “tracking error risk,” or a deviation from a stated index (e.g., S&P 500).

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI should be considered when tax-efficiency is an important aspect of a portfolio. We do not recommend leveraged or inverse ETFs due to their inherent heightened risk.

Fundamental Analysis

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security’s value. If a security’s price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Market Risk

When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called *systemic* or *systematic* risk.

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Item 9 - Disciplinary Information

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

Item 10 - Other Financial Industry Activities and Affiliations

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accounting firm or accountant
- another investment advisor, including financial planning firms, municipal advisors or third-party investment managers
- bank, credit union or thrift institution, or their separately identifiable department or division
- insurance company or agency
- lawyer or law firm
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- trust company

- issuer of a security, to include 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)

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

Reason Investments has adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm periodically reviews and amends its Code of Ethics to ensure that it remains current, and requires firm personnel to annually attest to their understanding of and adherence to the firm’s Code of Ethics. A copy of the firm’s Code of Ethics is made available to any client or prospective client upon request.

CFA Institute’s Code of Ethics and Standards of Professional Conduct

Joe Arns, as a Chartered Financial Analyst (CFA), also adheres to the CFA Institute’s Code of Ethics and Standards of Professional Conduct which states:

The Code of Ethics maintains that Members and Candidates must:

- Place the integrity of the profession and the interests of clients above their own interests;
- Act with integrity, competence, and respect; and
- Maintain and develop their professional competence.

The Standards of Professional Conduct cover:

- Professionalism and integrity of the capital markets;
- Duties to clients and employers;
- Investment analysis and recommendations; and
- Conflicts of interest and responsibilities of CFA Institute members and candidates.

Statement regarding our Privacy Policy

We respect the privacy of all clients and prospective clients (collectively termed “customers” per federal guidelines), both past and present. It is recognized that you have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information. The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access to customer information is restricted to personnel that need to know that information.

All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a spouse's IRA or to children about a parent's account.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

Our firm will provide you with its privacy policy on an annual basis and at any time, in advance, if firm privacy policies are expected to change.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved lending institution.

Our clients are under no obligation to act on a recommendation from our firm and, if they elect to do so, they are under no obligation to complete them through our firm or a service provider whom we may recommend.

Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a client's order, etc.), firm policy requires the restriction or prohibition of related parties' transactions in specific securities. Any exceptions must be approved by our Chief Compliance Officer in advance of the transaction in a related person's account. Please refer to Item 6 of the accompanying Form ADV Part 2B for further details.

Item 12 - Brokerage Practices

Reason Investments will not take physical or constructive custody of client assets. Our firm is not a custodian, we do not have an affiliate that is a custodian, and we do not provide recommendation to a specific custodian. We prohibit non-cash compensation and will not "pay up" to receive additional services from a service provider.

Reason Investments does not require or engage in directed brokerage involving client accounts. Clients are free to use any particular provider to execute their transactions and they are responsible for negotiating any terms or arrangements for their account. Our firm will not be obligated to conduct due diligence of the client's selected provider, seek better execution services or prices from any provider, or aggregate client

transactions for trade execution. Since transactions are completed at a provider of the client's choice, they may potentially pay more for transaction or experience wider price spreads. In light of the nature of our firm's services, it is believed "best execution" review obligations with regard to account transactions are not required under current industry guidelines.

Our firm is not engaged for ongoing portfolio management nor do we serve an account on a discretionary basis. We are therefore unable to aggregate ("batch") trades on behalf of client accounts. Since transactions may be completed independently at a provider of the client's choice, they may potentially pay more for transaction or experience wider price spreads than those accounts where trades have been aggregated.

Item 13 - Review of Accounts

Portfolio models are reviewed on a periodic basis by Joe Arns. Client (firm) level reviews are also completed with Joe Arns on a by-request basis. Our firm does not provide performance reports.

Item 14 - Client Referrals and Other Compensation

We do not engage in solicitation activities involving unregistered persons. If we receive or offer an introduction to a client, we do not pay or earn referral fees, nor are there established *quid pro quo* arrangements. Each client retains the option to accept or deny such referral or subsequent services.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

Item 15 - Custody

Client accounts are to be maintained by an unaffiliated, qualified custodian; not by our firm or an associate of our firm.

We do not allow our firm or an associate to serve as trustee or have general power of attorney over a client account.

Our firm prohibits an associate from having authority to withdraw securities or cash assets from a client account.

We do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm.

Our firm does not collect advance fees of \$500 or more for services that are to be performed six months or more into the future; and

We will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

Our firm will not create an account statement for a client or serve as the sole recipient of an account statement.

Item 16 - Investment Discretion

We are not involved in account-level trade execution. We therefore do not serve an account on a discretionary or non-discretionary basis.

Item 17 - Voting Client Securities

Account holders may periodically receive proxies or other similar solicitations sent directly from their custodian or transfer agent. We do not retain or forward these or any correspondence relating to the voting of securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of an account. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We do not respond to questions with respect to a proxy voting request or other similar corporate matters.

Account holders or their advisor maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by the account holder shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to their holdings. Account holders should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

Item 18 - Financial Information

Our advisory firm will not take physical custody of account assets, nor do we have the type of account authority to have such control.

Engagements with our firm do not require that we collect fees of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

Our firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

Item 19 - Requirements for State-Registered Advisers

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. Per Item 10 of this brochure, neither the firm nor a member of its management has a material relationship with the issuer of a security.

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Joseph F. Arns, III, CFA
Founder/Chief Compliance Officer
Investment Advisor Representative

Form ADV Part 2B
Brochure Supplement
February 1, 2017

This brochure provides information about Joseph F. Arns, III that supplements the Reason Investments Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Joseph F. Arns, III at (609) 786-2524 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Joseph F. Arns, III is available on the Securities and Exchange Commission's (SEC) website at www.adviserinfo.sec.gov under CRD # 4017161.

Item 2 - Educational Background and Business Experience

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

Founder/Chief Compliance Officer/Investment Advisor Representative/Managing Member

Joseph (Joe) Francis Arns, III

Year of Birth: 1978 / CRD Number: 4017161

Educational Background and Business Experience

Educational Background

Bachelors of Science in Economics (Finance and Accounting)
Wharton School at the University of Pennsylvania; Philadelphia, PA

Chartered Financial Analyst (CFA), CFA Institute; Charlottesville, VA ¹

Business Experience

reason LLC dba Reason Investments (04/2011-Present)

Princeton, NJ

Managing Member (04/2011-Present)

Founder/Chief Compliance Officer/Investment Advisor Representative (03/2016-Present)

Tower Bridge Advisors, Inc. (07/2008-03/2016)

Conshohocken, PA

Principal/Director of Research

Item 3 - Disciplinary Information

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Joe Arns has not been the subject of any such event.

Item 4 - Other Business Activities

Neither Joe Arns nor our advisory firm has a material relationship with the issuer of a security. He is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

Item 5 - Additional Compensation

Neither our advisory firm nor Joe Arns is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

Item 6 - Supervision

Joe Arns serves as the firm's Chief Compliance Officer. Because supervising one's self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm's oversight obligations are met. Questions relative to the firm, its services or this Form ADV Part 2B brochure supplement may be made to the attention of Joe Arns at (609) 786-2524. Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the internet at www.adviserinfo.sec.gov. A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Reason Investments is 283156. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the New Jersey Bureau of Securities at (973) 504-3600 or the state securities administrator in which the client resides.

Item 7 - Requirements for State-Registered Advisers

There have been neither awards nor sanctions or other matter where Joe Arns or Reason Investments has been found liable in an arbitration, self-regulatory or administrative proceeding. Neither Joe Arns nor our advisory firm has been the subject of a bankruptcy petition.

Information about Industry Designations and Examinations

¹The **Chartered Financial Analyst (CFA)** charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry.

As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.