

REIS INVESTMENT MANAGEMENT, INC.

Registered Investment Advisor

John C. Reis, Ph.D.
Chief Executive Officer

Form ADV Part 2A Brochure

December 2, 2016

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This brochure provides information about the qualifications and business practices of Reis Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at 858-455-5522 or by email (johnreis@ucsd.edu). We are happy to provide copies of this brochure, which you may request by phone or email. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Reis Investment Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Reis Investment Management, Inc. is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

Item 2 - Material Changes

Our mailing address is in Del Mar. Our office is located nearby. Let us know when you want to visit and we'll get you directions to our office. The only material change is a periodic update of the value of the assets we manage. These figures are in Item 4, page 3, below.

You can find our ADV, Part 1 form at www.adviserinfo.sec.gov. Click the link titled, "Investment Advisor Search" and type, "Reis Investment Management, Inc." in the Firm Name section. You'll find our latest ADV form, submitted in December 2016.

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Note: We have included a brief supplement (ADV, Part 2B) on pages 17 and 18 of this document. This supplement provides information about John Reis, who is the CEO of Reis Investment Management, Inc. and is responsible for all investment decisions.

Item 4 – Advisory Business

Reis Investment Management, Inc. is owned by John Reis and his wife, Linda Hart. John Reis has been a registered investment advisor since early 1994. He was a sole proprietor until 2004, at which time Reis Investment Management incorporated and, itself, became the registered investment advisor. John Reis became the CEO and is the person responsible for investing client assets. Linda Hart is a corporate officer; she and John are on the board of directors of the corporation.

We manage investments for individuals, families, trusts, small pension funds, and charitable foundations. Client assets are generally held in brokerage accounts; most of the assets are held at TD Ameritrade. We don't ever hold client assets, ourselves. Clients ordinarily give us a limited power-of-attorney to execute transactions on their behalf. Everyone for whom we manage investments receives trade confirmations and monthly account statements directly from the custodian (the broker which has custody of client assets).

See Item 8, below, for a more detailed description of our investing approach.

Reis Investment Management, Inc. manages \$113,671,557 on a discretionary basis and does not manage assets non-discretionary basis. These data were updated on 12/1/16.

Item 5 – Fees and Compensation

Note that we often elect to waive fees for fixed income investments, don't charge fees for cash reserves (which aren't available for us to invest), and periodically modify our fee structure to meet specific client needs. With some exceptions for performance-based fees (see Item 6, below), management fees are based on the value of the assets (those assets which are subject to fees) at the beginning of each calendar quarter. Fees are based on account values shown on brokerage statements. We use the December 31 account value to determine fees for Q1 (January 1 through March 31), the March 31 account value for Q2 (April 1 through June 30), the June 30 value for Q3 (July 1 through September 30) and the September 30 value for Q4 (October 1 through December 31).

We generally have fees debited from client accounts; we always send clients an invoice before fees are debited. Clients may elect to pay fees by check, in which case, fees won't be debited from client accounts. Clients may elect to change methods (paying fees by check or by having fees debited from accounts) at any time. In order for a broker to be able to debit management fees from your account, you have to grant the authority (power-of-attorney) either on an account application or on a separate form. For most clients and for us, it is more convenient to have fees debited directly from accounts (after we send you an invoice). We don't require this and you are welcome to not grant this authority or, if you have, to formally rescind it at any time. When we have this authority (to have fees debited from accounts), we're happy to honor your request, on a

one-time basis or a regular basis, to pay fees by check. Call John or his administrative assistant or send either of us an email.

Account values and assets excluded from management fees are noted on invoices and/or fee worksheets which accompany invoices. All asset values are derived from the relevant brokerage statements. Management fees are determined as follows:

1.5% of the first \$500,000; 1.25% of the next \$500,000; 1% of the remaining assets

Note that these are annual fees. Clients pay one quarter of the annual fee every three months. We receive no compensation, in any form, other than these management fees. The broker who has custody of client assets charges commissions for trades and occasionally charges modest fees for other sorts of transactions, examples of which may be charges for providing checkbooks and overnighting checks or documents. We often are able to obtain lower fees or have fees waived on behalf of clients.

While most clients pay fees as we just described, some clients, to whom we offer the option and who prefer this alternative, pay performance-based fees (see Item 6, below). We infrequently offer consulting services to clients for whom we don't manage investments. When we do, our fee is ordinarily \$350/hr. When we monitor client portfolios and recommend investments and/or allocations, on a continuing basis, (but don't do the transactions, ourselves), our quarterly fees, which are a function of how much work we anticipate doing, are significantly lower than our ordinary fees, and are determined by how much work we anticipate we'll do.

Because most clients pay fees based on the value of their accounts (the portion which is subject to fees) at the beginning of each quarter, should you (or we) decide to terminate our advisory agreement during a quarter, we will give you back any fees you've paid which we haven't yet earned. Here is the exact wording we use in our "Client Agreement" (bottom of page 3) to describe this process. Note that "RIM" refers to Reis Investment Management, Inc.:

Should this agreement be terminated by either party during a quarter for which the client has pre-paid the quarterly management fee, RIM will return to the client any fees paid by the client for services which have not yet been rendered. The amount of the reimbursement will be based on the date of receipt by RIM of the client's intention to terminate this contract or based on a later date, which is mutually agreed upon, in writing, by both parties. For purposes of determining the amount to be reimbursed, the number of weeks remaining in the quarter [as of the date the contract is terminated] will be divided by 13 [the number of weeks in a quarter] and the result will determine that portion of the pre-paid fee, which will be reimbursed by RIM.

Note that we rarely buy mutual funds for clients. Occasionally, when we determine that small positions in a mutual fund or ETF (exchange traded fund) are in clients' best interest, we may establish a modest position in a fund. You should know that funds charge management fees. If you hold mutual funds and they are part of the portfolio for which we charge fees, you will be paying fees to the mutual fund company and to us. When we are asked to manage portfolios we

generally replace legacy investments (including mutual funds) with securities we follow. This is an incremental process, during which there may be fees charged by a mutual fund – you don't see these; they are debited, daily, from the fund – and by us. If we intend to hold significant mutual fund positions for lengthy periods, we'll generally charge reduced management fees or waive fees for fund positions.

We will discuss these issues with you. Commissions and other fees, which brokers occasionally charge, are always noted on your monthly statements. Management fees which are debited from your account (after we send you an invoice with details about how the fee was determined) are also noted on your monthly statements. Please look at these statements every month or at least on a quarterly basis and ask us to explain anything which you don't understand or which doesn't completely make sense to you.

Your investment returns will be a function of the performance of the securities held in your accounts, less any transaction costs (primarily commissions charged by the broker), fees (primarily our management fees), and, for taxable accounts, the taxes you have to pay on interest and dividend income and, when a security is sold for a profit, on capital gains (which aren't offset by losses you may have from other transactions).

We think you should pay serious attention to risk (more about this later) and performance, over reasonable time periods, and should minimize investment expenses. For us to earn our fees, we should do better, on a risk-adjusted basis, than a sensible, alternative benchmark. We will discuss this with you. You might measure how we do vs. another manager, a broker, a few mutual funds, or a low cost index fund.

Although we expect that you'll regularly monitor accounts we manage for you, we also encourage you to read as much as interests you about investing. The more you know, the better able you'll be to assess our management style and performance. See Item 8, below, for more.

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

For clients who qualify (net worth and/or the size of the portfolios we manage for them), we may agree to a performance-based fee. When we offer this sort of fee, we need to be comfortable that the clients are qualified (based on federal regulations, a copy of which we include in our contract with clients who pay performance-based fees), that they understand the fee structure, and that this fee structure is a reasonable alternative for a particular client. When we offer a performance-based fee structure, we are explicit about those securities which are subject to fees, how the fees are calculated, and provide clients with detailed worksheets, describing exactly how fees have been calculated.

Every client has the option of choosing the more traditional fee structure (see Item 5, above). For those who qualify, at our discretion, we may offer a performance-based alternative.

Performance fees are generally 15% of profits (realized and unrealized gains); we may reduce this percent for very large, family accounts.

Performance-based fees are based on calendar year performance. Were we to lose money during a calendar year, we wouldn't charge performance-based fees and would have to "make up" any losses before client accounts would, again, be subject to fees. All of this is described, in detail, in our contract addendum for clients who pay performance-based fees.

We will discuss and describe, in writing, various potential conflicts of interest inherent in a performance-fee structure. Unethical advisors could, for instance, buy more speculative investments for clients who paid performance-based fees. They could favor some clients over others, when allocating trades, for the purpose of generating larger management fees. We don't do this sort of thing. Once we agree on management fees, we ignore differences in fee structures.

We manage our own and our relatives' investments as we manage those of our clients. There are many ways we (or any investment advisor) could favor our own accounts or larger client accounts or those with different fee structures over other accounts. Most of our clients are good friends and family. We do the best we can to make sure everyone is treated fairly; nobody gets preferential treatment. The performance of our family accounts and those of larger clients has been and should be the same, random fluctuations notwithstanding, after accounting for fees and specific allocations (and a few other variables, such as cash flows, investment restrictions, the use, though we discourage the practice, of margin, and so on) as that of clients with small portfolios.

Item 7 – Types of Clients

We manage assets for individuals, families, trusts, charities, and pension funds. We generally have a \$1 million minimum (assets which are subject to management fees) for new clients, but sometimes make exceptions.

Item 8 – Method of Analysis, Investment Strategies, and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. We try to maximize risk-adjusted returns. In other words, we try to earn substantial returns without taking significant risk (see below). Stock markets are always somewhat volatile; recently, they've been extremely volatile. While stocks tend to outperform other financial assets over longer time periods, short-term performance is variable. Every family investing in stocks should have sufficient cash flow and cash and short-term fixed income (for instance, CDs, money market funds, bank accounts) to meet short-term cash requirements. Cash flow may include your wages, pensions, annuity payments (such as social security), interest and dividends from bonds and stocks, etc. While we'll be happy to help you find alternatives for short-term savings, we've no interest in buying stocks with cash you'll likely need in the next couple of years.

We differentiate between volatility and risk. Volatile markets actually provide us with opportunities to buy securities for lower prices or sell them for higher prices. We think of risk as the probability of permanently losing capital. Volatility is inevitable; we try to minimize risk. Nevertheless, when you buy stocks you can lose money. Money which you are likely to need over the next couple of years shouldn't be invested in stocks. Stocks are riskier than short-term debt securities (CDs, for instance or money funds) over short time periods. We think that a reasonably diversified portfolio of stocks – shares of solid companies, with good managements, bought at favorable prices—is less risky than cash or CDs over medium and longer time periods (three-to-five years or longer).

Understand that we charge little or nothing for managing cash reserves and most fixed income. We don't think we should be paid unless we expect to add value. Parking cash and buying simple fixed income isn't complicated, requires little sophistication, and takes little time. We'll be happy to do this for you without compensation (or for nominal fees, if we spend a lot of time). We are generally paid for the portion of your portfolio we manage, which is invested in stocks.

There is a potential conflict of interest whenever we recommend investments which are subject to management fees. We're not aware of bias (in favor of recommending investments in stocks for which we'll be compensated, vs. cash or fixed income, for which we'll not be compensated). We think that, were our recommendations biased, we'd be more likely to be counter-phobic, tending to make recommendations which would result in lower fees for us. Nevertheless, whenever there is a financial incentive which might potentially bias an advisor, we think you should be particularly attentive to competing interests. Your interests should be all that matter to you or to us. We benefit from your business—it's how we earn a living—and we strongly believe that benefits accruing to us should be a side effect of our operating in your best interest.

Although we're not enamored with the term, our approach to investing is frequently referred to as "value investing". As far as we're concerned, all investing should be value investing. Buying or selling securities without regard to value is speculation. We try to buy shares of the best companies we can find, for prices which are significantly less than they are worth.

John Reis makes investment decisions for Reis Investment Management, Inc. He has read voraciously since he was a child. Material valuable to our investment process may include newspapers, magazines, financial or other journals, biography, history, company reports, financial statements, conference calls, and presentations (academic or otherwise). We rarely find "sell side" analysis to be useful. These are reports generated by brokers or others who sell securities for a living. We regularly read "buy side" analysis, particularly by investors who are thoughtful and with whom we are familiar. When we started investing, getting access to information was harder than it is now. In recent years, gathering information has become easy.

Some of our favorite authors include Andrew Tobias, James Grant, John Train, Peter Bernstein, Charles Ellis, Robert Hagstrom, Robert Shiller, Richard Thaler, Peter Lynch, Seth Klarman, Philip Fisher, Jeremy Siegel, Jeremy Grantham, David Dreman, Christopher Browne, Daniel Kahneman, Bruce Greenwald, and, of course, Warren Buffett and Ben Graham. We could go on. We've annotated a two page reading list for clients and students. We have another list of references regarding behavioral economics. Let us know and we'll send you either or both.

The art, for an investor, is recognizing "noise"; information is ubiquitous and voluminous. We do our best to sort through what's available and concentrate on information which helps us better invest our clients' (and our personal) assets. Much of what we read is related to our current holdings or securities we're considering owning. Some of the reading we've found most valuable adds to our fundamental understanding and knowledge, whether or not it has immediate utility regarding current investments. John's first grad school mentor referred to this (broad knowledge base) as apperceptive mass. We're incredibly curious; we're passionate about investing. One reason we don't market our investment advisory operation, aside from our general distaste for this sort of thing, is that it takes time away from thinking, studying, and attending to our investments.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Reis Investment Management, Inc. or the integrity of our management. Neither our advisory business, nor John Reis, has any history of civil or criminal "events." We have not been subject to any ethics investigations.

Item 10 – Other Financial Industry Activities and Affiliations

We have no other financial industry activities or affiliations. We are not stock brokers; we have no affiliations with stock brokers, insurance companies, or other financial institutions.

Neither Reis Investment Management, Inc. nor John Reis accepts compensation, in any form, from any entity or individual, including brokers, mutual funds, attorneys, accountants, or anyone else for referrals. The only compensation we receive is from clients and is for managing investments (see Items 5 and 6, above). We don't accept commissions. We may make referrals to other financial professionals, with whose work we are familiar, but do not receive any compensation or other consideration for doing so.

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

Reis Investment Management, Inc. has adopted a Code of Ethics for all employees, including management. Our written Code of Ethics requires that all employees review applicable federal

rules and regulations. We are happy to provide you with a copy of these rules and a copy of our ethics policy. Here are the first three paragraphs of our one-page Code of Ethics:

We will act honorably and ethically and operate, to the best of our abilities, in our clients' best interests. We will try to manage clients' assets as we would want our assets managed. Our mistakes will be honest ones and we will do what we can to minimize them and resolve them in clients' favor.

We don't have any inside information and don't anticipate having any. If we obtain any, we won't act on it.

When we identify any areas where our interests are in conflict with clients' we will do whatever we can to minimize the conflicts and see that your interests come first and are protected.

When you work with us, you (generally) give us a limited power of attorney, which permits us to make transactions on your behalf. We don't take possession of client assets; the custodian which actually holds securities, on your behalf, will usually be a broker and may be a bank or you might hold a security yourself. When you make a deposit in your brokerage account, you write a check to a broker, not to us. The only payment we ever get is for our management fees.

We own the same securities as our clients. Client accounts are never "aggregated" or pooled. Your accounts are yours. We frequently buy or sell securities in a bulk account. We do this for several reasons. It is more efficient for us; we can put in orders to buy or sell at various prices, during the day. When we have finished trading, we allocate trades to client accounts. When we trade, we often place orders at various prices (lower than market prices, when we are buying or higher, when we are selling). For this reason, we can't allocate trades until all have filled or the market has closed. With rare exceptions (see below) every client who buys or sells a stock on a certain day does so at the same price. This price is the average price we paid or received when we bought or sold in our bulk account. Nobody pays commissions for these "bulk" trades. Commissions are charged by the broker when a trade is allocated to a specific account. John Reis is the only person (except, of course, you) authorized to execute transactions for clients. Were he unable to use a bulk account (for most transactions) he wouldn't be able to effectively manage investments for others.

John and Linda (who own the investment advisory business) and our family and employees generally own the same securities. When transactions are allocated, we make every effort to make sure that nobody, including us (our family) receives preferential treatment. There are opportunities, because we own the same stocks and usually make trades in a bulk account, to allocate trades unfairly. We don't do this.

Most of the securities we own are fairly large companies. Our trades don't, generally, affect market prices. Were we to buy or sell a smaller, less frequently traded security, where there was the potential for our transactions to change a market price, we could, theoretically, buy or sell for personal accounts or for some clients before others, favoring ourselves or certain clients over other clients. We don't do this.

All transactions in all securities for John Reis, his family (those for whom we manage investments), and our employees are reviewed so that we can insure that clients are never placed in a disadvantaged position.

Most of our clients are family, friends, colleagues, or friends of friends or colleagues. We all get the same treatment. Trade allocations and family holdings may vary as a function of portfolio allocations, tax considerations, cash flow needs, restrictions placed by clients on securities they wish to hold, or other variables. We regularly monitor performance and have found that, over reasonable time periods (quarters or years), accounts holding the same securities have performed about the same. In other words, the returns generated by the stock portions of accounts (or portfolios for families with multiple accounts) are roughly equal, after accounting for stock/fixed income/cash allocations, cash flows into or out of accounts, tax considerations, and so on.

If you'd like a copy of our code of ethics, let us know and we'll send it to you.

We (Reis Investment Management, Inc. and John Reis and our employees) don't buy directly from clients or sell directly to them. We don't facilitate cross trades (direct transactions which don't go through a stock market or market maker) between clients or with our employees. There may be circumstances when one client will buy a stock or bond which another wishes to sell. An example might be that one family needed to raise cash at the same time another family wished to increase their investment in stocks/bonds. Although this isn't frequent, were we to buy a security for one client and sell the same one for another, on the same day, the trades would be made through a broker, on a market, would not be private, and would be available for review.

When you work with us, you should understand our process and our policies. We are subject to a raft of laws and regulations. What we do is subject to review by regulators. All of this notwithstanding, when you ask us to manage investments for you, you are relying on our skill, judgment, and integrity. Laws and regulations generally establish minimum, acceptable standards. Regulators do the best they can, with limited resources, to protect the public. The result is always imperfect.

John Reis received his Ph.D. in clinical psychology in 1976; after his post doc internship (1976-78), he practiced psychology in La Jolla until he retired in 2010. For the last dozen years, his psychology practice was small; his primary work was as an investment advisor. We try to operate our investment advisory practice in the same way we practiced as a psychologist. Most psychologists we know or know about, regardless of their talent or experience, operate ethically and honorably, earning a living as a side effect of providing the best service they can for their patients. We've not usually seen the same commitment on the part of financial "professionals." There is no reason why this should be true.

We operate as an investment advisor with the same ethical standards and principles to which we adhered as a psychologist. Our commitment to confidentiality and privacy is no different. We won't share information we have about your finances and specific accounts or even acknowledge

that we manage investments for you unless you ask us to do so (with your CPA or attorney, for instance). The bank or broker, of course, who actually holds your accounts, knows some of your identifying information. Our regulators have the right, without a court order, to examine not only our books and records, but records we keep for financial clients (account statements, contracts, our correspondence, invoices, and so on). This is necessary for them to do their job. The CA Board of Psychology, which regulates psychologists, doesn't have comparable access to patient records; without a court order, patient records are private and confidential. Our confidentiality/privacy standards with respect to financial clients are no different, except to the extent our regulators may examine client financial records, from those to which we adhered as a psychologist.

Item 12 – **Brokerage Practices**

We choose a broker or brokers for several reasons, which are intended to benefit clients. Assets held in brokerage accounts need to be secure. Although holdings vary in value as a function of market variation (over short time periods) and as a function of our investment ability (over longer time periods) any broker we choose will provide secure custodial services. We want good execution when we place a trade (the best price available, on any exchange or from any market maker at the time we make a trade), low commissions and other costs, and also want clients to be able to access their accounts and do the sorts of transactions we'd ordinarily do for them, should there be a need to do so or should a client wish to do so, independent of our firm. Although you give us a limited authority to buy or sell securities on your behalf, we don't ever take possession of your assets. Your assets will generally be held in a brokerage account and you will get statements from the broker every time we do any transaction (confirms) and will receive monthly statements and tax documents directly from the broker.

We don't have any "soft dollar" arrangements with anyone or with any institution. These are forms of compensation which aren't actual cash but might include research or computers or other benefits, offered in exchange for directing business to a broker. We don't think this sort of thing is proper and we don't do it. We pay for our own research (our money, not yours) and buy our own computers and office supplies.

We do have access to research made available to all advisors (and, as far as we know, to all clients) by brokers. We make most of our trades online, using trading platforms provided to advisors by brokers. We've not found the research provided by brokers to be particularly valuable but do find the ability to make transactions online quite valuable. We periodically go to a conference sponsored by brokers or mutual funds or other financial institutions. So far, we've only done this when the conferences were local and potentially interesting. We are usually offered free admission to these conferences (by Ameritrade or other brokers who have or want our business), get a free meal, from time to time, and lots of glossy handouts. Unless we expect presentations to be worthwhile, we avoid conferences. Because many of you are psychologists, physicians, teachers, or attorneys, we think you'd be interested to know that most presentations

offered at financial conferences to which we're invited, where fees would be waived for us, are predominately focused on marketing and sales; these don't interest us. When we've attended psychology conferences, most of the presentations, by contrast, have been professional, about clinical or research issues.

When we meet representatives of brokers, for lunch, we pay our own way, pick up the entire tab ourselves, or take turns. We're not for sale.

Most of the assets we manage are held at TD Ameritrade. When we started managing investments for others, in early 1994, we began working with discount broker, Jack White. Years later the operation was acquired by Waterhouse; subsequently it was acquired by TD Ameritrade. Several discount brokers, including Schwab and Fidelity, offer similar services. We periodically explore alternatives. So far, we believe the advantages for our clients, of having most of their assets (at least the portions we manage) at Ameritrade, are worthwhile. Fees, expenses, and trade executions are pretty good at any of these brokerages. Because our clients hold significant assets at Ameritrade and because we've known and worked with many of their supervisory staff and senior management for a very long time, we believe that we have a better chance to negotiate fees (some of them) and costs (some of them) and effectively advocate on behalf of our clients when most of the assets we invest are held at Ameritrade. The institutional side of Ameritrade, which caters to investment advisors, is a much more sophisticated operation (in areas which matter to us and our clients) than the retail side of Ameritrade. While we've no reason to believe that comparable options don't exist at other brokers, we know many of the policy makers at Ameritrade. We can and do pick up a phone and get in touch with senior managers on a regular basis. While it is hard to quantify the value this adds for clients, we believe it is significant. Were this to not be the case, we would be very willing to recommend that client assets be held through another broker. Should the relationships we have with senior management at TD Ameritrade (intuitional) and/or the trade executions we get, fees clients pay, and other variables affecting your investment returns, no longer make TD Ameritrade the most desirable alternative as custodian for client assets, we would be very willing to recommend other brokers.

Despite the advantages we've described above, which we believe benefit all of us, we've found occasional circumstances in which a particular client's interests were best served by having their assets held at another broker. In these circumstances we are happy to accommodate clients' needs to maintain accounts, for which we are responsible, at other brokers.

We described our frequent practice of making trades in a "bulk" account in Item 12, above. After reviewing what we've written, if you have any questions or want to discuss how we handle trades and allocations, let us know (858-455-5522 or johnreis@ucsd.edu). We're happy to go over our operational procedures with clients and with potential clients. Note that, though we generally make trades in our bulk account and subsequently allocate the trades to specific client accounts, your accounts are never "aggregated." Your assets are yours. In mutual funds or

hedge funds, assets are aggregated, and investors own a share or percentage of an aggregated pool of assets. We don't operate this way. Everyone's assets remain separate at all times, in their own accounts.

Item 13 – Review of Accounts

We know our clients (most of them) personally. We're accessible and expect clients to get in touch with us by phone, email, or in person whenever they have questions or want or need anything related to their investments. We review accounts, on an informal basis, on a daily or weekly basis. When we send an invoice, which, for most clients, is on a quarterly basis, we generally review recent portfolio performance. Although we intend to write to clients more regularly, we've found that, during periods of market turmoil, we write letters every month or two. Other times, we'll go for several months before we write letters. These letters usually provide a summary of how we're doing, in general, and offer our assessment of macroeconomic events and some of our specific investments. These longer letters don't provide specific performance data for each client.

While we will, periodically, send you written summaries of your performance, allocation, and other variables related to your portfolios, we are capable of producing a variety of reports any time they are relevant. We regularly review issues related to taxes (capital gains...realizing capital losses, when available, for clients, and so on). Please let us know if you or your accountants or estate attorneys ever need or want any data we can provide...about performance, holdings, fees, gains and losses, and so on. We'll provide you with whatever we anticipate would be useful and are happy to send you anything else we have or can produce – just let us know - which you would find useful.

Note that Donna Gans, who is John Reis' administrative assistant, will often be the person providing specific information. John Reis, however, is the CEO and is responsible for all investments, compliance, and reporting.

Item 14 – Client Referrals and Other Compensation

Whenever we make referrals of any sort, for instance, to an accountant or attorney, we refer to people we know, personally or by reputation; these are usually individuals (vs. institutions) with whom we have worked and who we respect. Our only consideration is what would benefit a client. We've never paid anyone (money or anything else) or received any compensation (money or anything else) for referrals. We've not received, to our knowledge, nor would we accept, any special favors for making referrals of any sort. We expect people to refer to us when they think highly of our work, our expertise, or for other reasons related to our talent and competency. These are the criteria we use when we refer to others.

Item 15 – Custody

Reis Investment Management, Inc. doesn't have custody of client assets. This means that, while you will likely give us permission to execute transactions on your behalf, the custodian for your assets (the folks who actually hold your cash and securities) will most likely be a broker. You will receive monthly statements and trade confirmations directly from the broker. We encourage and expect you to review these monthly statements. These statements, while the format may periodically change, will generally summarize, on the first page, the value of your account, last month's value, the general composition of your account (stocks, bonds, money market funds, mutual funds, if any, and so on). On the first page, you'll generally see a summary of deposits and withdrawals during the last month and since the beginning of the year. The pages which follow will show your account holdings and every transaction which took place during the last month.

Although you may wish to review your accounts more frequently, we think it is important that you review them at least every month. You should understand what you see and should ask us for a hand if anything doesn't make complete sense.

Reports you get from us will generally be completely consistent with those you get from the broker. Small differences will likely be a function of trades made during the last few days of a month not having "settled" by month-end. Settlement is the term used for the actual receipt of cash in your account, after something has been sold (or a bond has matured) or the payment, from your account, when something has been bought. When we make a transaction for you, you immediately own (or have sold) a security. You actually receive payment or make payment three business days later (usually...sometimes it is on the next day), at which time sales proceeds are deposited in your account or funds used to buy a security are debited from your account.

Our fees are based on account values reported on the monthly statements you receive. We've found that slight discrepancies, which are usually a function of trades not having settled, vary on a random basis. Using brokerage statements as a basis for management fees is both easier for us and makes it easy for you to reconcile our invoices with what you get from the broker.

Whether you choose to pay our fees by check or by having us direct the broker to debit your account for a fee, we will always send you an invoice first. Please read invoices we send you; they should be simple and clear. Let us know if anything you see doesn't make sense. We will explain anything which you don't fully understand. You should expect us to make informed decisions about our investments and to monitor your accounts and brokers who have custody of your assets. There will be some areas of shared responsibility. Either you or a knowledgeable family member should review our work and our fees.

Item 16 – Investment Discretion

Clients generally give us authority to make transactions on their behalf. This is done by means of a limited power of attorney, which is usually included as part of an account application. When you give us this limited authority, you continue to have full authority, yourself, to make transactions in your own account. You may wish to designate specific securities or types of securities you do not want to own. We will respect these limitations. In rare circumstances, when broad and substantial investment restrictions would hinder our ability to effectively manage your portfolios, we'll let you know. We will be happy to discuss alternatives to our managing your investments. We will discuss allocations, your preferences, our style, and so on and we will consult with you about all of these decisions. You will make the final decision about all of these issues.

Your needs and preferences may change. Please let us know your preferences and requirements. We are happy to discuss any of this with you. While we often have opinions and are never shy about expressing them, should you and we disagree about any investment decisions, we will defer to you. It is your money. If you require anything which we don't think we can effectively do, we'll let you know and help you explore alternatives.

We expect you to regularly review your account holdings. Very infrequently we have inadvertently bought a security for a client which they've asked us not to buy. If we find we've made an error we'll correct it and let you know. If you find we've made an error, let us know and we'll correct it. If our error resulted in a profit for you, you'll keep the profit; if we mistakenly buy something for you, which you've requested we not buy, we'll sell it and reimburse you for any investment losses resulting from our error.

Item 17 – Voting Client Securities

We don't vote client proxies.

Some clients, who do not want to receive proxies, quarterly, annual or other reports from companies, elect to complete a form which directs the broker this material to our office. We are happy to accommodate clients who wish to reduce their paperwork. We won't, however, vote your proxies. If you want to receive all of them (and other reports from companies), some of which may be interesting and informative, we encourage you to not submit the form requesting that this material be sent to our office. If you request that this paperwork be sent to our office and if we ever believe that it is in your interest to vote your proxies—we don't expect this to happen—we'll let you know and see that you get copies of the proxies which you can sign and submit.

If you change your mind (and want to have proxies sent directly to you) you can immediately rescind your previous instructions. Let us know or call the broker.

You will periodically receive information from a company, broker, transfer agent, or other financial institution. If you receive anything you don't fully understand, let us know. We'll explain it, review it and let you know our thoughts, or offer guidance about where you (or we, on your behalf) might find information about anything you receive.

Item 18 – Financial Information

Registered investment advisers are required to provide you with certain financial information and disclosures about their financial condition, if the advisor has custody of client assets or has discretionary authority or requires or solicits prepayments of more than \$1,200 (\$500 for state-registered advisors) per client, six months or more in advance, if the advisor's financial condition would reasonably impair their ability to meet contractual commitments to clients.

We don't require or solicit or accept prepayments, six months or more in advance. We don't accept custody of client assets. We do have discretionary authority (most clients). There is nothing about our financial condition which would impair our ability to meet our contractual commitments.

Part 2B of Form ADV: Brochure Supplement

Item 1 - Cover Page

- A. 1. John Reis (address and phone - same as that for Reis Investment Management, Inc.)
2. Reis Investment Management, Inc. - 858-455-5522
2683 Via de La Valle, Suite G513
Del Mar, CA 92014
3. December 2, 2016
- B. This brochure supplement provides information about John Reis that supplements the Reis Investment Management, Inc. brochure, a copy of which is included in this document (pages 1 – 17). Please call John Reis or his assistant (858-455-5522) with any questions you have about the brochure or the brochure supplement.

Item 2 – Educational Background and Business Experience

John Reis is 68. Here is information about his education and recent business background.

Ph.D., Clinical Psychology, California School of Professional Psychology, 1976
M.A., Clinical Psychology, California School of Professional Psychology, 1974
B.A., Psychology, Antioch College, 1970

John has been a licensed psychologist (CA - PSY5524) since 1978. He became an investment advisor in 1994, at which time he began to reduce the size of his psychology practice. He no longer practices psychology, though he occasionally speaks to graduate students and colleagues about gestalt therapy, group therapy, training and supervision, or behavioral economics.

John began investing for himself and his family in 1980. He became a registered investment advisor (sole proprietor) in 1994, at which time he also began managing investments for others. The advisory practice subsequently incorporated and John became its CEO.

John's professional background (psychology) included six years on the clinical faculty (psychiatry) of UCSD Medical School, adjunct faculty positions in several other graduate programs, teaching psychotherapy, and providing pre- and post-doctoral supervision. He has taught several continuing education seminars, about behavioral economics, for the local psychological association. Most of these experiences took place ten or twenty years ago.

John has no formal academic background in economics or finance. Please don't infer from his credentials that he learned anything about investing in grad school; he didn't. It would be reasonable to infer that earning a scholarly degree is indicative of having developed some scholarly (research) ability and the ability to successfully present one's research to senior colleagues. He knows how to read and study, take exams, get licensed, and is a pretty good

teacher. John used statistical analysis in analyzing data for his dissertation. He knew more about probability theory than most of his professors (and still does) but has found most of the rest of the statistics he learned as a graduate student only marginally helpful as an investor. The ability to critically and skeptically read and evaluate research is valuable. You could reasonably infer that John's doctoral research contributed to his ability to analyze data and evaluate research. His specific research involved evaluating the effectiveness, based on outcomes relevant to the military, of their alcohol treatment program. It had nothing to do with finance or investments.

John is a member of local and national professional (psychology) organizations. These have nothing to do with his work as an investment advisor. In order to belong to these organizations, one has to have earned certain academic and professional credentials and has to understand and adhere to a set of professional guidelines and ethical principles.

To summarize, we think you shouldn't be overly impressed by John's academic credentials. It is fair to assume that he was a successful student, has some background in statistics and research (though most of research background isn't recent) and has a reasonably long history working in a (non-financial) profession, which requires adherence to state and federal laws and regulations regarding, among other things, a code of ethics and confidentiality and protection of records. He has known and worked with many non-financial professionals, most of whom he respected, some of whom he admired, and most of whom had neither the commitment nor the temperament to become good investors. You should not assume that John's academic credentials are meaningful indicators of his investment ability.

Item 3—Disciplinary Information - None

There is nothing to report. John has been licensed or regulated by state and/or federal agencies, as a psychologist or investment advisor, for the last 36 years. He has no history of any civil, criminal, regulatory, or professional (or other) violations. He hasn't been the subject of any ethical or legal or administrative investigation. He has never declared bankruptcy and has not been found liable in, nor has he been a party to, any arbitration proceeding.

Item 4- Other Business Activities – None

Item 5 – Additional Compensation – None

Item 6 – Supervision – Not applicable This supplement (Form ADV: Part 2B) provides additional information about John Reis, who is the only employee of Reis Investment Management, Inc., authorized to make investment decisions or transactions on behalf of clients. He is also the CEO, chairman, and chief compliance officer.