

Raison Asset Management Corp

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raison.am



This brochure provides information on the qualifications and business practices of Raison Asset Management Corp. ("Raison AM" or "Raison Asset Management"). The information in this brochure has not been approved or verified by the United States SEC or by any state securities authority. Additional information about Raison AM is also available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training but only indicates that Raison AM has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission. Our SEC Number is 801-107170. Our company's CRD number is 282147.

If you have any questions about the contents of this brochure, please contact us at phones: +372 602 6855 (Tallinn) or by front@raison.am.

Item 2 Material Changes

Information in this Brochure has been amended since the last Brochure publication in March 2022:

- Cover page updated to reflect changes of company logo

In addition, we have updated this Brochure to reflect:

- Change of offices locations and shareholders (Item 4.A)
- Total AUM was updated (Item 4.E)

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Item 4 Advisory Business

A. General Description

Raison Asset Management Corp., a British Virgin Islands business company limited by shares, incorporated on 8 July 2015 and authorized and licensed by the Financial Services Commission (“FSC”) under the Securities and Investment Business Act, 2010 (“SIBA”) and Investment Business (Approved Managers) Regulations, 2012 in the British Virgin Islands (“BVI”), (Certificate No. IBR/AIM/15/011) to act as an investment manager or investment advisor to different types of funds organized in BVI and other Recognised Jurisdictions and a person that is incorporated, formed or organized outside the BVI in a non-recognised jurisdiction and to such other person as the FSC may approve on a case by case basis in other Recognised Jurisdictions.

In December 2020 Raison Asset Management finished the rebranding process with a renaming of Threesixty Elements S.A.

Raison Asset Management is fully owned by Raison FinTechnologies, Inc. directly. We are a privately held company with representative offices in Estonia: Roosikrantsi 11, 10119, Tallinn.

Raison Asset Management concentrates on discretionary trading and investment advisory services, also on investment management of pool investment vehicles structured as open- and closed-ended private, professional and public funds. Additional information about Raison AM products and structure is provided in Part 1 of Form ADV which is available online at <http://www.adviserinfo.sec.gov>. We encourage you visiting our website raison.am for any additional information.

B. Summary of company’s Advisory Services

Raison AM specializes in managing funds and segregated portfolios for private clients, corporations and trusts. Our investment objective is to generate long-term capital appreciation through consistent and superior risk-adjusted absolute returns in all market environments. The trading strategy is in accordance with the company’s assessment of the capital market situation as well as the general prospects of the investment instruments. Our clients’ assets are invested worldwide according to the principle of distribution of risks. Raison AM intends to trade in a broad range of markets and instruments traded.

C. Tailored Services and Investment Restrictions

Our clients’ investment portfolios may be comprised of any type of the following instruments:

A. Global Derivatives (Exchange Traded Futures & Options)

I. Global Equity Indices

1. Dow Jones, S&P 500, NASDAQ-100, Russell 2000, MidCap, S&P 60 (Canada), FTSE, DAX, CAC-40, Euro Stoxx 50, SMI, MIB30, IBEX, AEX, Nikkei 225, WIG 20, HKEX, RTS, BOVESPA, Volatility indices.

II. Major & Minor World Currencies

1. Euro, Japanese Yen, Swiss Franc, British Pound, Australian Dollar, Canadian Dollar.

III. Global Interest Rates

1. US 30Y, US 10Y, US 5Y, US 2Y, Eurex Bunds, Long Gilt, JGB

IV. Metals

1. Gold, Silver, Copper

B. Global Listed Equities (stocks, exchange-traded funds/depository shares, options)

Any stock listed on global stock exchange with an emphasis on highly liquid, large-cap U.S. equities or option on such stock.

C. Global FOREX (Spot, Futures, Options, Forwards, EFPs)

(i) Majors: Euro, Japanese Yen, Swiss Franc and British Pound.

(ii) Minors: Australian Dollar, Canadian Dollar and Russian Rouble.

D. Private equity.

Raison AM investment services are based on modern portfolio theory that makes it possible for anyone to access state-of-the-art portfolio management. Our separate portfolios are tailored to each individual’s unique risk characteristics and investment constraints. Since each client has his/her own unique separately managed account, when applicable, they may impose certain restrictions on specific securities or types of securities.

D. Wrap Fee Programs

At present Raison AM operates as a fee paid advisor, and is compensated as a percentage of Net Liquidation Value entered as an annualized percentage, applied on a monthly basis. We may additionally receive a part commissions of any kind from brokers, custodians, or investment funds and educational courses we organize. We are not supplied with third party research credits.

E. Assets Under Management

As of the end of December 2021 Raison AM managed about \$54 000 000 in total under discretionary management and in a non-discretionary capacity.

Item 5 Fees and Compensation

A. Advisory Fees

Asset-Based Fees

Raison AM is compensated for its advisory services by charging a fee based on the net market value of a Client's Account which is calculated as a percentage of Net Liquidation Value entered as an annualized percentage, applied on a monthly basis. Average advisory fee is between 0.5% to 2% of assets under management. Raison AM might charge additional trade fees for private equity purchases in about 5%. All fees are negotiable. Raison AM reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time determined by Raison AM. In addition, Raison AM may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

Hourly Fees

Raison AM may charge clients by additional agreement hourly fees as additional payments which are typically range from \$200 - \$800 per hour, and are billed monthly, in arrears.

B. Deduction of Fees

Depending on the type of account, client's custodian our fees can be deducted directly from the clients account or we may bill clients for fees. Unless otherwise specified the advisor fee is calculated on the value of assets in the account on a monthly basis.

C. Other Fees and Expenses

Raison AM is not a broker/dealer. All our clients' accounts are held with independent custodians. Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses charged by others and which are paid by you. You may incur certain charges imposed by custodians, brokers, third party investments and other third party activities such as fees charged by managers or custodians, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fees, and we shall not receive any portion of these commissions, fees, and costs.

D. Prepaid Fees

We do not charge any Prepaid Fees.

E. Sale of Securities

We do not receive any fees or compensation related to the sale or purchase of securities or other investment products. Neither we nor any of our employees or principals receives any commissions from sponsors of investments products.

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

Depending on the type of client and chosen strategy we can charge performance-based fees which are based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) with or without any hurdle rate. Basically we charge 10% of Success for managing individual accounts with no hurdle rate on a yearly basis and 20% of success with hurdle rate.

Item 7 Types of Clients

We offer Wealth & Portfolio Management services to individuals, trusts, funds and corporations. In general, we require a minimum of \$25,000 to \$100,000 depending on a product to open and maintain an investment portfolio.

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

Our investment objective is to generate long-term capital appreciation through consistent and superior risk-adjusted absolute returns in all market environments. The assets are invested worldwide according to the principle of distribution of risks. We intend to trade in a broad range of markets with no restrictions placed on the number of markets traded.

Raison AM employs the following strategies:

- a disciplined bottom-up approach in selecting a portfolio of long and short securities using fundamental business and financial analysis;
- a top-down approach supported by a thorough understanding of the macroeconomic environment;
- employing multiple strategies including directional positions, long/short, tactical trading and event-driven situations; and
- utilising select asset classes given the prevailing investment climate (equities, fixed income, derivatives and FX).

The development of an investment strategy is a continuous process and investment strategy and methods may therefore be modified from time to time. The investment program entails substantial risks and there can be no assurance that its investment objectives will be achieved. The use of leverage, options trading and other investment techniques employed by Raison AM can, in certain circumstances, maximize the adverse impact to which managed accounts may be subject.

Item 9 Disciplinary Information

There are no legal or disciplinary events related to our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

Raison AM does not have any relationship or arrangement that is material to our advisory business or to our clients that you or any of your management persons have with any individual or firm listed below:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle
- other investment adviser 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
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships

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

Pursuant to SEC rule 204A-1, which requires registered advisors to adopt a codes of ethics, Raison AM has adopted the Standards of Professional Conduct (the "Code") applicable to all employees which requires employees to adhere to the highest standards of business conduct. The Code is intended to assist employees in carrying out their duties as fiduciaries to clients, and addresses the Raison AM policies relating to compliance with laws and regulations, conflicts of interest, confidentiality, client gifts and entertainment, personal trading and reporting, and insider trading. A copy of the Code is available upon request.

As appropriate, Raison AM may recommend that clients invest in its' managed funds, in which we have a financial interest as the managing member or general partner and investment adviser.

Raison AM and its employees may recommend or purchase on behalf of clients securities in which Raison AM and its employees also invest. However, company and its employees are required to give priority to client transactions over personal transactions at all times. Personal investment positions of Raison AM employees should never adversely affect client investments.

Item 12 Brokerage Practices

BROKERAGE ARRANGEMENTS

Raison AM is responsible for the placement of the portfolio transactions of the clients' accounts. Portfolio securities normally are purchased through brokers on securities' exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the bid and the asked price. We may utilize the services of one or more introducing brokers who will execute the clients' brokerage transactions through the broker and custodian who will clear the clients' transactions.

Securities transactions for the clients will be executed through brokers selected by the client in its sole discretion and with the consent of the Raison AM. We will seek to obtain the best execution for the client, taking into account the following factors:

- the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- the operational efficiency with which transactions are effected and the efficiency of error resolution;
- taking into account the size of order and difficulty of execution;
- the financial strength, integrity and stability of the broker;
- special execution capabilities;
- clearance;
- settlement;
- reputation;
- online pricing;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- order of call;
- on-line access to computerized data regarding clients' accounts;
- performance measurement data;
- the quality, comprehensiveness and frequency of available research and related services considered to be of value;
- the competitiveness of commission rates in comparison with other.

Subject to the criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, Adviser may pay a brokerage commission in excess of that which another broker-dealer might have charged for executing the same transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. In other words, Adviser may use "soft-dollars" to obtain investment research from broker-dealers who otherwise meet Adviser's selection criteria solely for the purpose of providing assistance to Adviser in the performance of its decision-making responsibilities. Research services provided by soft-dollar broker-dealers may include written reports, securities hardware and software, responses to specific inquiries and interviews with analysts. Most of these services will include additional statistics, analytical tools, and news used solely for portfolio management purposes. These services may also include invitations to meetings arranged by such soft-dollar broker-dealers with the management of companies whose securities may be held in client portfolios and in which clients may invest. Adviser believes it is important to its investment decision-making process to have access to this type of independent research. It is possible that research services received with respect to a particular transaction will not inure to the direct benefit of the client for which the transaction was made.

If a client directs Raison AM, in writing, to effect transactions through a particular broker-dealer, it will do so. However, such an instruction may have negative implications for the client. Specifically, a client's account may incur transaction costs and commissions which are higher than if the instruction had not been given. Also, such an instruction will limit Adviser's ability to consider the judgmental factors described above when selecting a broker-dealer, and may limit Raison AM ability to bunch client orders with those of other clients, and to process the combined order through a single broker-dealer to obtain the best execution. Clients should consider the implications of any fiduciary laws applicable to them prior to designating a broker-dealer for execution of trades.

AGGREGATION OF ORDERS

Raison AM may aggregate, or may direct any future subadviser to aggregate, purchase and sale orders of investments held by the Client with similar orders being made simultaneously for other accounts or entities if, in the Company's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Client based on an evaluation that the Client will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for the Client will be affected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of investments purchased or sold. In such event, the average price of all investments purchased or sold in such transactions may be determined, at the Investment Manager's sole discretion, and the Fund may be charged or credited, as the case may be, with the average transaction price.

Item 13 Review of Accounts

The management team monitors all Client accounts and their investments on an ongoing basis. The management team meets regularly, generally to review portfolio performance, portfolio diversification and investments generally. At least annually, Raison AM reviews the asset allocation of client accounts and suggests revisions. Reviews are conducted in person or via conference call if face to face is not possible. Accounts are reviewed to ensure that holdings continue to be appropriate in light of client investment objectives and economic conditions, among other factors.

Raison AM provides each investor in its Funds monthly statements of individual capital, financial statements, portfolio appraisals, performance reports and management fee invoices marked paid if any.

The client's custodian will provide custody services and is responsible for rendering online statements for clients. The custodian report shall be considered to be the official record for clients.

Item 14 Client Referrals and Other Compensation

From time to time, we may receive transactions fees, including origination, acquisition, disposition, brokerage, investment banking, financing, break-up or similar fees from portfolio companies or third parties which are directly related to the activities of the Funds. Typically, any such fees received by us will be applied (i) to reimburse us for any expenses incurred and not otherwise reimbursed and (ii) to prepay Management Fees with respect to the Fund(s) to which such fees relate.

Third-parties may be compensated for assistance in arranging capital commitments with compensation paid to on a monthly retainer basis and referral fee for each investor agents are responsible for introducing to Raison AM and all managed funds. Any such arrangements are conducted pursuant to written agreements. The compensation to be paid to such unrelated parties is negotiated on an individual case basis.

Item 15 Custody

Raison AM does not have custody of client funds. Our client's funds are held at different custodian banks and brokers, mostly in TradeStation Securities, Exante, RSN Finance; all custodians send monthly statements and trade confirms directly to our clients usually via email.

The cash and securities of the managed funds are also held by a third party custodian, but Raison AM is presumed to have custody of the entities' assets by virtue of its roles as managing member and general partner, respectively.

In accordance with the reporting requirements Raison AM may have investment entities audited annually by an independent accounting firm. Audited financial statements and the audit report are sent to all investors in the respective pooled investment vehicle (except those with no obligation to be audited) within 120 days after the respective entity's fiscal year end. Audited financial statements and the audit report will also be prepared and promptly sent to all investors in the respective pooled investment vehicle following the liquidation and dissolution of such pooled investment vehicle.

Unless we agree otherwise with a client, private account clients authorize us to deduct any and all fees when due from the assets held in the client's accounts. A client generally receives a statement of management fees quarterly.

Item 16 Investment Discretion

Raison AM accepts full discretionary authority to manage a portfolio of securities on behalf of our clients. Clients grant us full trading discretion through the client agreement or applicable fund governing documents. Our client's sign over a limited power of attorney which enables Raison AM officers to determine asset selection, pricing and timing of purchases and sales of individual securities without prior approval from the client. This includes the authority to direct the investment and reinvestment of any and all assets in client accounts in any type of security or any type of program as deemed to be appropriate by us and not prohibited under the client's Investment Policy Statement to achieve the stated goals of the client. This also includes the authority to vote client proxies pursuant to the terms described below. In some cases Clients have the option to decide which investment instruments are purchased into their portfolios and to block some Raison AM decisions.

Item 17 Voting Client Securities

Unless directed in writing by the client, Raison AM will vote all proxies on behalf of the client.

We have adopted "Proxy Voting Policies and Voting Procedures" (the "Proxy Voting Policy") designed to ensure that Adviser votes proxies in the best interests of its clients. The Proxy Voting Policy address how Adviser generally intends to vote proxies (or what factors it will take into consideration) when voting on particular types of issues, such as mergers and acquisitions, management incentives and social issues. When there is a conflict of interest between our interests and those of its clients, we will take one or more of the following steps to resolve the conflict: (1) vote the securities based on a pre-determined policy if the application of that policy to the matter presented to shareholders involves little discretion on the part of Raison AM; (2) vote the securities in accordance with a pre-determined policy based upon the recommendations of an independent third party, such as a proxy voting service; (3) refer the proxy to the client or to a fiduciary of the client for voting purposes; (4) suggest that the client engage another party to determine how the proxy should be voted; or (5) disclose the conflict and obtain the client's consent or direction before voting. Upon request to Raison AM, a client may obtain a copy of the Proxy Voting Policy and information on how the client's securities were voted.

Also at our clients' request, we may offer advice regarding corporate actions and the exercise of proxy voting rights. If necessary, clients may contact us with questions about particular solicitations.

Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- 1) Require the prepayment of more than \$1,200 in fees, six months or more in advance, or
- 2) Take custody of client funds or securities, or
- 3) Have a financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

Raison AM and its related employees have not been the subject of a bankruptcy petition at any time during the past ten years.