

**Item 1 – Cover Page**

CT Mason, Inc.

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May 6, 2015

FORM ADV PART 2 BROCHURE

This Brochure provides information about the qualifications and business practices of CT Mason, Inc. (CTM). If you have any questions about the contents of this Brochure, please contact us at 857-317-6642 and/or [office@ct-mason.com](mailto:office@ct-mason.com). 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.

CTM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about CTM also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

There are material changes in this brochure from the last annual updating amendment of CT Mason, Inc. on March 5, 2015. Material changes relate to CT Mason, Inc.'s policies, practices or conflicts of interests only. CTM is now owned solely by Catherine Faddis. Albert Mason and Gregg Picillo each owned 20 percent restricted stock in the corporation which they surrendered upon leaving the firm on April 24, 2015. CTM no longer sub-advises any Albert D. Mason Inc. assets. Nancy Barsamien has been replaced by Dennis Butler as the Chief Compliance Officer of the firm.

We will further provide you with a new Brochure as necessary based on changes or new information at any time without charge. If there are no material changes to the Brochure, we will simply notify you as such, and make the entire Brochure available to you upon request.

The full Brochure may be requested by contacting Catherine Faddis, President, at 857-317-6642 or [office@ct-mason.com](mailto:office@ct-mason.com)

Additional information about CTM is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with CTM who are registered, or are required to be registered, as investment adviser representatives of CT Mason, Inc.

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#### **Item 4 – Advisory Business**

CTM has been a Registered Investment Advisor since 2006. As of May 6, 2015, CTM assets under management were \$362,969,200. We manage assets for institutional and retail accounts. We offer investment advisory services for separately managed accounts. Our services include investment management using fundamental analysis, and company research. We also apply valuation principles to identify stocks that we find attractive to buy, and in some cases bonds and preferred stocks that we believe are credit worthy.

We manage money basically one way, which is income with growth, but we tailor our services to the individual needs of clients. Clients may impose restrictions on investing in certain securities or types of securities.

CTM is 100% employee owned. The principal owner of CT Mason Inc. (CTM) is Catherine Faddis.

#### **Education and Business Background**

##### **Catherine Faddis, CPA (non-practicing)**

Year of Birth: 1969

Education: BBA - College of William and Mary, MBA - Harvard Graduate School of Business  
Business background, preceding five years: Chief Investment Officer, portfolio manager, analyst – CTM

#### **Item 5 – Fees and Compensation**

Clients are charged a fee for investment management services. The fees are generally charged at a rate of 1% (100 bps) per annum with exceptions. Some of the institutional clients pay less and some of the retail clients pay 1.25%. The fee is typically charged quarterly in arrears based on the asset value at quarter end. Fees for separately managed accounts are negotiable and will depend on the size and complexity of the account. Clients may terminate the investment advisory contract at will. We sometimes bill clients for fees incurred and other times deduct fees from clients' accounts, depending on the wishes of the clients. Clients may pay custodian fees. Clients will incur brokerage and other transaction costs.

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

CTM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) nor do we practice in side-by-side management.

### **Item 7 – Types of Clients**

CTM provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, corporations or business entities and trust programs.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

**Investing in securities involves risk of loss that clients should be prepared to bear.**

We manage all equity accounts and balanced accounts.

#### **Balanced Strategy:**

Our general approach is Income with Growth. The strategy employs an income with growth investment style producing current income and capital appreciation. The fixed income securities include preferred stocks, corporate bonds, US Treasuries, and cash. The equity portion of the account is to be invested primarily in large capitalization dividend-paying stocks, but may own diversified growth stocks, value stocks, and international stocks of all market capitalizations. We invest in companies that we feel will grow and prosper for at least five years. We generally hold a stock as long as the company's prospects remain sound. Most of the companies in the portfolio pay a dividend. Each year we expect the dividend to increase for a significant portion of the stocks in the portfolio.

#### **Equity Strategy:**

The goal of the equity strategy is to outperform the broad market using bottom-up stock selection. The strategy invests in undervalued diversified stocks with strong underlying fundamentals. A portion of the portfolio is invested in companies owned primarily for their ability to pay high dividends. The holdings include large cap, mid-cap, small-cap, international, and some emerging market securities. The strategy excludes speculative companies, companies in volatile industries, and companies with opaque financials.

**No investment is guaranteed and your investment could lose value.**

CTM makes its investment decisions based on meeting with company management, review of financial statements, and SEC filings of companies. The firm meets with over 500 managements per year. These meetings are organized by members of the Boston investment community. Our private notes may be available upon request to certain clients.

The material risks for our two investment strategies (equities only strategy and balanced strategy) are similar. In both strategies, the risks are the value of the securities we own could decline and the income payments (dividend and/or interest payments) could decline or stop completely.

## **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 CTM or the integrity of CTM management. CTM has had no legal or disciplinary events.

## **Item 10 – Other Financial Industry Activities and Affiliations**

The firm directly compensates Jackson Financial Services, LLC (JFS) for referrals. The fee ranges between 25 percent and 40 percent of the management fee paid to CTM. This is an ongoing arrangement. Clients from which JFS will receive a referral fee are required to sign a disclosure document acknowledging the arrangement prior to becoming a client of CTM.

The firm has an agreement to compensate JBJ Investment Partners, LLC (JBJ) for referrals. The fee is 25 percent of the management fee paid to CTM. This is an ongoing arrangement. Clients from which JBJ will receive a referral fee are required to sign a disclosure document acknowledging the arrangement prior to becoming a client of CTM.

CTM contracts with an accounting firm to audit billing and to perform necessary accounting reporting as required by state and federal regulatory agencies.

## **Item 11 – Code of Ethics**

In our efforts to ensure that CTM develops and maintains a reputation for integrity and high ethical standards, it is essential not only that CTM and its employees comply with relevant federal and state securities laws, but also that we maintain high standards of personal and professional conduct. CTM's Code of Ethics (the "Code") is designed to help ensure that we conduct our business consistent with these high standards.

This Code is based on the principle that the officers, directors, and employees (or persons having similar status or function) of CTM have a fiduciary duty to place the interests of the clients ahead of their own interests. The Code applies to all Access Persons and focuses principally on monitoring and reporting of personal transactions in securities. Access Persons must avoid activities, interests and relationships that might interfere with making decisions in the best interests of the clients.

**CTM holds to the following principles:** We are fiduciaries. Our duty is at all times to place the interests of our clients first. Access Persons must scrupulously avoid serving their own personal interests ahead of the interests of the clients. An Access Person may not induce or cause a client to take action, or not to take action, for personal benefit, rather than for the benefit of the client.

All personal securities transactions will be conducted in such a manner as to be consistent with the Code of Ethics and to avoid any actual or potential conflict of interest or any abuse of an Access Person's position of trust and responsibility. The principle that independence in the investment decision-making process is paramount.

We will provide The Code of Ethics to any client or prospective client upon request.

## **Item 12 – Brokerage Practices**

There are no limitations on the authority of CTM to determine the securities bought and sold the amount of securities bought and sold, the broker or dealer used, and the commission rate paid. CTM has discretion to determine which broker-dealer is used to execute client trades and the commission rate to be paid for such trades. The exceptions are accounts that direct CTM to use a certain broker (directed brokerage accounts).

CTM will endeavor to seek best execution when placing trades for clients. In attempting to achieve best execution, CTM will not necessarily seek to obtain the lowest commission, but rather will seek the best overall qualitative execution. CTM will consider several factors when placing a trade including: speed of execution, price improvement, size improvement, commission, research, quality of overall execution services, expertise, financial condition and skill. CTM will review trades to ensure that the prices obtained fall within an acceptable range in comparison to readily available quote information from publicly recognized pricing services and/or providers. CTM will also periodically review the reasonableness of the commissions paid. The reasonableness will be determined based on commissions paid by CTM to other brokers and commissions paid to brokers by other investment managers.

Research from brokers consists of management meetings only. We do not pay a higher commission for this research and the research is used to service all accounts. We do not receive any non-research or mixed-use products or service from any broker-dealers.

Soft dollar (or soft commission) practices involve the use of client brokerage commissions by investment managers to purchase research to help managers make investment decisions. CTM does not use soft dollars.

CTM does not have any interest in or material business with market makers.

CTM does not use client brokerage to pay for client referrals or other arrangements that promote CTM business.

Most transactions executed by CTM will be principal transactions. However, CTM may execute agency transactions if favorable prices are obtained for all parties involved.

Similar trade orders are aggregated and trade allocation is pro-rata if the size of each account's order allows. An account's order may be filled completely before other accounts or not filled at all for a particular trade if only partially filling an order for that account would be more costly to the client.

### **Item 13 – Review of Accounts**

The firm provides a full written quarterly and annual report/review which contains all information and data conventionally provided by the industry. The report is reconciled to the custodians' reports. The owner of the firm, Catherine Faddis, and other members of investment team under her direct supervision review the client accounts, which currently are approximately 275 accounts. Although the accounts are reviewed to assure they are invested in line with the account's objective, in a general way, all the accounts are managed with the same objective, being income with growth. The custodians provide directly to the clients periodic account reports common to the industry.

### **Item 14 – Client Referrals and Other Compensation**

The firm directly compensates JFS for referrals with applicable disclosures on file. The fee ranges between 25 basis points and 50 basis points per year on the account's net asset value. The fee is paid quarterly and reduces the management fee received by CTM by the same amount.

This is an ongoing arrangement. Clients from which JFS will receive a referral fee are required to sign a disclosure document acknowledging the arrangement prior to becoming a client of CTM.

The firm has an agreement to compensate JBJ Investment Partners, LLC for referrals with applicable disclosures on file. The fee is 25 basis points per year on the account's net asset value. The fee is paid quarterly and reduces the management fee received by CTM by the same amount.

This is an ongoing arrangement. Clients from which JBJ will receive a referral fee are required to sign a disclosure document acknowledging the arrangement prior to becoming a client of CTM.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. CTM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

CTM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, CTM observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to CTM in writing.

#### **Item 17 – Voting Client Securities**

CTM will accept the authority to vote proxies for clients' securities; however, CTM will not allow clients to direct it to the vote in a particular solicitation. CTM expects to vote its equity holdings in accordance with management of the applicable company. In the event CTM votes in opposition to management, it expects to sell the stock. Clients may obtain a copy of the adviser's proxy voting policies and procedures upon request.

#### **Item 18 – Financial Information**

CTM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.