

## **Masterton Capital Management, LP**

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Masterton Capital Management, LP. If you have any questions about the contents of this Brochure, please contact us by e-mail at [dagranoff@mastertoncapital.com](mailto:dagranoff@mastertoncapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that Masterton Capital Management, LP or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Masterton Capital Management, LP is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

There are no material changes to report as this is Masterton Capital Management, LP's initial Brochure.

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**Item 4. Advisory Business**

Masterton Capital Management, LP (“we,” “us,” or “our”) is a Delaware limited partnership that was formed in May 2019. We are principally owned by Stephen Mykijewycz, who is our Chief Executive Officer and Chief Investment Officer (the “CIO”).

Following registration with the SEC, we intend to provide discretionary investment advice to one or more private funds (each, a “Fund,” and collectively, the “Funds”). We may also provide investment advice to additional private funds and separately managed accounts in the future. References throughout this document to “clients” refer to the Funds and any other private funds and separately managed accounts that we may advise in the future.

The Funds will be managed in accordance with their own investment and trading objectives, as described in their respective offering documents and governing agreements. We do not expect that we will permit investors in the Funds to impose limitations on the investment activities described in such documents. Under certain circumstances, we may contract with a separately managed account client to adhere to limited risk and/or operating guidelines imposed by that client. We would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion*.)

One of our related persons (the “Masterton GP”) will serve as the general partner to certain Funds.

We do not participate in wrap fee programs.

We do not have regulatory assets under management, but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC. We do not expect to manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

Our fees and compensation will be described in the advisory contracts we enter into with the Funds, as well as in the Funds’ offering memoranda. All of our clients are expected to be “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

We expect to be paid management fees from the Funds quarterly in advance. Once paid, the management fees are non-refundable. We expect that we will deduct such management fees from each Fund. We expect that we may waive or modify the management fee payable with respect to any investor.

We also expect that the Masterton GP will receive performance-based allocations from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

The Funds will be expected to bear their own organizational and operating expenses. Such operational expenses are expected to include the following: (i) all fees payable to the Funds’ administrator (the “Administrator”) (including for communications systems provided by the Administrator), (ii) accounting, auditing, valuation, tax preparation and tax planning services, including outsourced “shadow” administrative services, third-party accounting or middle office services, and accounting software (including all implementation costs), (iii) expenses associated with third-party research, industry subscriptions, expert networks, political intelligence providers, (iv) all expenses related Bloomberg or similar data provider, research and pricing services, as well as expenses related to news, quotations, modeling, statistics, market data, databases, order management systems, portfolio management systems,

risk management systems and other technical and telecommunications services and equipment used in the investment management process (including both hardware and software), including implementation costs, (v) all expenses related to the investment process, including all expenses associated with sourcing, investigating, researching, and structuring of investments and potential investments, whether or not consummated, (vi) the costs of consultants, lawyers, due diligence providers, valuation agents, accountants, investment bankers, advisors and other professional experts (including expenses of public relations advice as it relates to particular investments) employed by us in connection with the Funds' investments, (vii) all travel expenses incurred in evaluating, diligencing, researching and monitoring potential or actual Fund investments, (viii) all expenses related to trade execution, including outsourced trading expenses, (ix) expenses associated with holding, financing, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith, (x) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees, (xi) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments, (xii) the costs and expenses of any errors and omissions insurance, directors and officers liability insurance, professional liability or cybersecurity insurance obtained on behalf of us, the Funds, the Masterton GP and the Board of Directors or advisory committee of each Fund (as applicable), (xiii) the fees of, and expenses incurred by or on behalf of, the members of each Fund's Board of Directors or advisory committee (as applicable) (including in their roles as members of a Fund's advisory committee), (xiv) legal expenses specifically related to the Funds and their operations, including the cost of producing and updating offering memoranda and other marketing materials, the costs of negotiating side letters or amending each Fund's governing documents and the costs of any investor consent processes, (xv) all costs and expenses associated with any meetings of the Funds' investors, (xvi) all regulatory and compliance expenses directly related to each Fund, including costs incurred in complying with anti-money laundering laws and regulations and each Fund's share of our reporting obligations related to the Funds (such as Section 13 or Section 16 filings, Form 13F, Form 13H, Form PF, Foreign Account Tax Compliance Act filings and any other similar filing in any other U.S. or non-U.S. jurisdiction) and the fees and expenses of each Fund's AML officers, (xvii) all expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization, (xviii) filing and registration fees and expenses, registered office fees and expenses, custodial fees and bank services fees relating to the operation of each Fund and the offering of the interests or shares therein, (xix) any government fees or taxes imposed on the Funds or the allocable share of taxes imposed on each Fund, in each case, as determined by us, (xx) expenses associated with participating in class actions and securing other claims and any proxy voting services, (xxi) the costs of producing and distributing periodic and annual reports, investor communications and investor statements, risk reporting systems or responding to other investor requests, (xxii) extraordinary expenses (e.g., litigation costs and indemnification obligations, costs and expenses of the "partnership representative" of a Fund) that the Funds may incur, (xxiii) any similar expenses of any acquisition vehicle formed by the Funds, (xxiv) all expenses associated with the liquidation and wind-down of the Funds, including the formation and operation of any liquidating trusts or accounts, and (xxv) any other expenses related to the Funds' operations.

We may also allocate a portion of certain clients' capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, clients will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

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

We expect that the Masterton GP will be entitled to receive a performance allocation from the Funds on an annual basis and upon withdrawals by investors. We expect that such performance allocation will be based on the net capital appreciation of the Funds' assets and will be subject to a loss-carryforward mechanism. We or our affiliates will have the right to waive or modify the performance allocation with respect to any investor.

Performance-based compensation arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement.

The Funds are our only anticipated clients and we expect that they will operate through a master-feeder structure. To the extent that we advise additional client accounts in the future, performance-based compensation arrangements could also create an incentive for us to favor accounts with higher compensation rates over other accounts when allocating investments. Accordingly, if we manage additional client accounts in the future, we will adopt and follow procedures designed and implemented to ensure that all clients are treated fairly and equitably.

In addition, because the Funds' management fees and performance-based compensation will generally be based on the Funds' net asset values, we will have a conflict of interest in valuing the Funds' assets. To mitigate this conflict, we will implement and follow documented valuation policies and expect to periodically consult with each Fund's Administrator and auditor.

**Item 7. Types of Clients**

Investors in the Funds are generally expected to be institutional investors and high net worth individuals that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment in the Funds will be determined by us and set forth in the Funds' offering documents. We may waive such minimum under certain circumstances.

**Item 8. Methods of Analysis, Investment Strategies and Risk of Loss***Methods of Analysis and Investment Strategies Generally*Investment Objective and Strategy

The investment objective of each Fund is to generate attractive, risk-adjusted returns by constructing a portfolio of individual long and short public equity positions. In pursuing such objective, we will focus on fundamental investing primarily in real estate-related companies, which is expected to include real estate and consumer companies. Our investment universe will include, but is not limited to, real estate investment trusts, homebuilders, building products, hotels, casinos, restaurants and retailers. Most of the companies in which we invest in are based in the United States. We intend to invest in small, mid and large capitalization companies. Our research efforts are focused on predicting a company's operating fundamentals and capturing both cyclical and secular investment theses. Each Fund's portfolio is expected to be run in an opportunistic and concentrated manner.

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

## Risk Factors

An investment in each Fund will be speculative and will involve a high degree of risk. There can be no assurance that the investment objectives of any Fund will be achieved or that an investment in a Fund will generate positive returns. The Funds will have substantial limitations on investors' ability to withdraw or transfer their interests or shares, and no secondary market for the Funds' interests or shares exists or is expected to develop. In managing the Funds, we intend to utilize various investment techniques, including incurring leverage, trading over-the-counter derivatives and options, purchasing securities on margin, short sales, and trading on foreign exchanges. These techniques can, in certain circumstances, increase significantly the adverse consequences to which a Fund may be subject. All of these risks, and other important risks, will be described in detail in each Fund's offering memorandum. Prospective investors are strongly urged to review the applicable offering memorandum or other governing documents carefully and consult with their own financial, legal and tax advisers before investing in a Fund.

### **Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or our management.

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

#### *Services by Certain Related Persons*

As noted above, the Masterton GP will serve as the general partner to certain Funds.

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

#### *Code of Ethics Overview*

We will adopt a Code of Ethics, which will be designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, our Code of Ethics will set forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our clients.

Among other things, our Code of Ethics will: (i) govern personal trading by our employees, (ii) contain our policies with respect to gifts and entertainment, (iii) contain our policies regarding certain outside activities of our employees, (iv) set forth our policies and procedures relating to insider trading, and (v) set forth the manner in which employees may report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

#### *Personal Trading Policy*

Employees will be prohibited from engaging in personal trading, but will be able to transact in: (i) municipal bonds, exchange-traded funds and mutual funds without obtaining prior approval from our Chief Compliance Officer (the "CCO"), and (ii) private investments (e.g., hedge funds) after obtaining prior approval from our CCO. Additionally, employees will be required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Our policies relating to personal trading will also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

*Participation or Interest in Client Transactions*

We will make available to qualified prospective investors the opportunity to invest in the Funds. We expect that our CIO will have significant personal investments in the Funds. In addition, we or our affiliates expect to receive performance-based allocations from the Funds.

We will not engage in any principal transactions unless we have determined that the transaction is in the relevant clients' best interests and have obtained client consent in accordance with our written procedures and applicable law.

**Item 12. Brokerage Practices***Selection of Brokers*

We will have an obligation to seek to obtain "best execution" for the Funds with respect to their trading activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. We will seek best execution with respect to all types of Fund transactions, taking into account various factors. Such factors are expected to include, among others: pricing, expertise and abilities to perform execution services, ability to execute transactions in liquid and illiquid markets at competitive prices without disrupting the market for a particular security, range of services provided and products offered (including, but not limited to, research and brokerage services), quality and timeliness of market information provided, ability to maintain confidentiality, creditworthiness and financial responsibility. In selecting brokers to execute transactions (or series of transactions) and determining the reasonableness of the brokers' compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations but can (and often does) exceed the suggestions, because total brokerage is allocated based on all the considerations described above.

We expect that we will periodically evaluate, among other things, the execution that we are receiving from brokers. In conducting our analysis, the committee may consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (*e.g.*, directing commissions to a broker that a family member is employed).

We expect to delegate the authority to select brokers for certain Fund transactions to a third party. As a result, the Funds' expenses may be higher than if we traded directly with brokers only.

*Research and Other Soft Dollar Benefits*

We expect to enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements would pose a conflict of interest for us in that such arrangements would allow us to pay with client commissions expenses that would otherwise be borne by us. When we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We will have a potential incentive to select a broker based



on our interest in receiving the research or other products or services offered by such broker, rather than on our clients' interests in receiving most favorable execution.

When engaging in soft dollar transactions, we will comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services provided by such brokers. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all clients and not exclusively in connection with the management of the clients that generated the particular soft dollar credits.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

We also expect to execute securities transactions on behalf of our clients with broker-dealers that provide us with access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services would be made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business that we direct to such broker-dealers.

#### *Brokerage for Client Referrals*

Subject to applicable law, we may direct client brokerage business to brokers that refer prospective investors to us. Because such referrals, if any, are likely to benefit us but may not provide a benefit to our clients, we would have a conflict of interest with our clients when allocating brokerage business to such brokers. To mitigate this potential conflict, we will not allocate brokerage business to a referring broker unless we determine that such allocation is consistent with our best execution duties.

#### *Trade Errors*

We may on occasion experience errors with respect to trades made on behalf of client accounts. We will reimburse each client account for losses resulting from trade errors in accordance with the terms of the exculpation provision in such client's governing documents.

#### *Aggregation of Orders*

We will not aggregate trades while the Funds are our only clients, since they will operate through a single master-feeder structure.

**Item 13. Review of Accounts***Review of Accounts*

The Funds' portfolios are expected to be reviewed, and their performance analyzed, by our CIO on a regular basis. In addition, our CIO and our CCO are expected to regularly review the Funds' portfolios to determine that the securities held by them remain consistent with their investment strategy, objectives and guidelines.

*Reporting*

We will furnish investors in the Funds with periodic written unaudited performance reports as set forth in their offering memoranda. In addition, on an annual basis, we will provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, we will provide certain investors (including our strategic investors) with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including notifications of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

In addition, investors may be provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

**Item 14. Client Referrals and Other Compensation**

Other than the products and services that we receive from broker-dealers (described above in *Item 12*), we do not expect that we will receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

We do not compensate any third-party marketers for introductions to potential investors or clients.

**Item 15. Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), we will be deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) we deliver such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

**Item 16. Investment Discretion**

We will have discretionary authority to manage securities and other investments on behalf of the Funds. The investors in the Funds generally will not be able to place any limits on our authority beyond the limitations set forth in their offering and governing documents. Under certain circumstances, we may contract with a separately managed account client to adhere to limited risk and/or operating guidelines imposed by the client. We would negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

To the extent that we trade in public securities for client accounts, we will generally have voting discretion over such securities. Clients will generally not be able to direct their votes in a particular situation. We will adopt proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in the best interests of a particular client. We may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer's views and recommendations on such proposal; (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether we believe that the proposal will fairly compensate management for its and/or the issuer's performance. If we deem that the issue being voted upon is not material for us and our clients, we will not be obligated to vote on such matter.

Upon the request by a client, we will disclose to such client how we voted proxies for securities owned by such client. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

**Item 18. Financial Information**

We are not required to include our balance sheet for our most recent fiscal year with this Brochure.

**Item 19. Requirements for State-Registered Advisers**

We are not a state-registered adviser.