

Mason Capital Partners

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**Item 1 – Cover Page**

Albert D. Mason, Inc.  
D/B/A Mason Capital Partners  
50 Federal Street, 9<sup>th</sup> Floor  
Boston, Massachusetts 02110  
617-228-5190  
[www.mason-capital.com](http://www.mason-capital.com)  
March 31, 2020

**FORM ADV PART 2A BROCHURE**

This Brochure provides information about the qualifications and business practices of Albert D. Mason, Inc. D/B/A Mason Capital Partners (MCP). If you have any questions about the contents of this Brochure, please contact us at 617-228-5190 and/or [office@mason-capital.com](mailto:office@mason-capital.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.

MCP 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 MCP also is 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 in this brochure from the last annual updating amendment of Albert D. Mason, Inc. on March 31, 2019. Material changes relate to Albert D. Mason, Inc. policies, practices or conflicts of interests only.

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 Gregg Picillo, Partner, at 617-228-5190 or [office@mason-capital.com](mailto:office@mason-capital.com).

Additional information about MCP 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 MCP who are registered, or are required to be registered, as investment adviser representatives of Albert D. Mason Inc. D/B/A Mason Capital Partners.

**Item 3 -Table of Contents**

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 -Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	1
Item 6 – Performance-Based Fees and Side-By-Side Management .....	2
Item 7 – Types of Clients.....	2
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	2
Item 9 – Disciplinary Information .....	3
Item 10 – Other Financial Industry Activities and Affiliations .....	3
Item 11 – Code of Ethics .....	4
Item 12 – Brokerage Practices .....	4
Item 13 – Review of Accounts.....	5
Item 14 – Client Referrals and Other Compensation .....	6
Item 15 – Custody.....	6
Item 16 – Investment Discretion.....	6
Item 17 – Voting Client Securities.....	7
Item 18 – Financial Information .....	7

#### **Item 4 – Advisory Business**

MCP has been a Registered Investment Advisor for over three decades. As of December 31, 2019 Albert D. Mason, Inc. assets under management were \$190,298,496.

We manage assets for institutional and retail accounts. We offer investment advisory services for our partnerships and 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 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 request restrictions on investing in certain securities or types of securities.

The sole owner of Albert D. Mason, Inc. (ADM) is Albert Mason.

We think our credentials are important. General standards of education include undergraduate and a graduate degree in business management and other areas. Standards of experience include a minimum of 5 years of experience in the investment business specifically or in business generally.

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

##### **Albert D. Mason**

Year of Birth: 1934

Education: BS Economics - Wharton School of Business, MBA - Harvard Graduate School of Business

Business background, preceding five years: Partner, portfolio manager, analyst - MCP

##### **Gregg Picillo, CFA**

Year of Birth: 1966

Education: BS Finance - Merrimack College, MBA - Suffolk University

Business background, preceding five years: Partner, portfolio manager, analyst – MCP

##### **Mark R. Miller, CFA**

Year of Birth: 1960

Education: BA Economics - Colgate University,

Business background, preceding five years: Portfolio Manager – MCP; Financial advisor and portfolio manager – Advisor Group / Sage Point Financial (a Registered Investment Advisor).

#### **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 clients pay less; most of these clients are

legacy clients of Mark Miller which we acquired when he joined us in 2017. 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**

MCP 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**

MCP 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.**

Our general approach is income with growth. Overall, the portfolio aims to invest approximately two-thirds to three-quarters of its assets in common stocks and the remainder in fixed income. We mainly invest in the common stocks of both U.S. and foreign companies. 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. Fixed income items include bonds and preferred stocks. Generally, bonds are held until maturity. We generally do not own bonds that have greater than a ten-year maturity. This fact coupled with the fact that the amount maturing in each year is carefully controlled results in an average maturity of between three and six years. The effect of this control is that the price movement in the bond portfolio is muted and the income predictable. The portfolio is highly diversified; however, there are a number of industries in which we do not invest. Position size is carefully controlled. We strive for no common stock position to exceed 5% of the portfolio and seldom would a position approach that size. Risk is regulated by our selection process but also by position size. The actual maximum position size varies by specific investment. If positions get too large relative to our perception of the risk, we reduce the position regardless of the potential gain. We assume that a certain portion of our selections will not work out and factor this into the construction of the portfolio in order to ensure that whenever it occurs the account is still sound. When considering a purchase, we do not ask ourselves how much can we make but rather how much can we lose. If

the possible loss is higher than we are willing to accept, we simply pass. We consider money lost to be more serious than opportunity lost.

When we buy stock in a company, we think of ourselves as becoming a partner in a going business. Rather than think of ourselves as simply buying stock, we ask whether this is a business we wish to be in, and if we had to buy 100% of the business and were not allowed to sell for at least five years or more would we still consider making the investment.

When we buy bonds, we think of ourselves as lenders and conduct our analysis accordingly.

We believe that if the companies we own can comfortably increase their earnings over five year periods, if they maintain sound finances, and if they share this increased prosperity with their shareholders, then the stock market will take care of itself. We feel that if such an approach does not over time result in increased values, then other methods of investing stand little chance of any success. At worst, we will own a stable of fine companies that are doing well and sharing this improvement with their shareholders.

A balanced account, diversification, extreme selectivity, controlled position size, low turnover, and defensive management: it all sounds like a recipe for a lackluster portfolio. The fact is that we are not preoccupied with short-term performance. All decisions are made based on what we deem is the right thing for the portfolio and not on what might be expedient for short-term performance.

We have very low securities turnover in the accounts that we manage. Strategies involving frequent trading can affect investment performance.

We trust that if our companies prosper, if our borrowers repay their loans, and if dividends improve then the value of the portfolios will increase.

MCP makes its investment decisions based on meeting with company management, review of financial statements, and SEC filings of companies. The firm meets with over 350 managements per year. These meetings are organized by members of the investment community. Our private notes are made available upon request to certain clients.

The material risks for our strategy are the value of the securities we own could decline and the income payments (dividend and/or interest payments) could decline or stop completely.

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

## **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 MCP or the integrity of MCP's management. MCP 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 is 25 percent of the management fee paid to MCP. 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 MCP.

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 MCP. 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 MCP.

MCP 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 MCP develops and maintains a reputation for integrity and high ethical standards, it is essential not only that MCP and its employees comply with relevant federal and state securities laws, but also that we maintain high standards of personal and professional conduct. MCP'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; also known as an Access Person or People) of MCP have a fiduciary duty to place the interests of the clients ahead of their own interests. The Code applies to all Access People and focuses principally on monitoring and reporting of personal transactions in securities. Access People must avoid activities, interests and relationships that might interfere with making decisions in the best interests of the clients.

**MCP holds to the following principles:** We are fiduciaries. Our duty is at all times to place the interests of our clients first. Access People 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 MCP to determine the securities bought and sold, the amount of securities bought and sold, the broker or dealer used, and the commission rate paid. MCP has discretion to determine which broker-dealer is used to execute client trades and the commission rate to be paid for such trades.

MCP will endeavor to seek best execution when placing trades for clients. In attempting to achieve best execution, MCP will not necessarily seek to obtain the lowest commission but rather will seek the best overall qualitative execution. MCP will consider several factors when placing a trade including: speed of execution, price improvement, size improvement, commission, management meetings, quality of overall execution services, expertise, financial condition, and skill. MCP 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. MCP will also periodically review the reasonableness of the commissions paid.

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. MCP does not use any outside research but sometimes depends on brokers to provide access to company managements, which is important to the investment process. This research is used to service all accounts. We do not receive any non-research or mixed-use products or service from any broker-dealers. The commission paid to the brokers may be higher than the industry average for this access.

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

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

Most transactions executed by MCP will be agency transactions. However, MCP may execute principal 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 an annual report/review which contains all information and data conventionally provided by the industry. The report is reconciled to the custodians' reports. In addition, the firm provides periodic reviews – either quarterly or biannually.



The partners and portfolio managers of the firm - Albert Mason, Gregg Picillo, and Mark Miller - review the client accounts, which currently are approximately 130 accounts, not including sub-accounts for the limited partnerships. The sub-accounts in the limited partnerships total 151 accounts. Each portfolio manager is responsible for reviewing each account. 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 of income with growth.

The custodians provide directly to the clients periodic account reports common to the industry. The firm's accountant provides clients invested in the partnerships with K-1 information returns for the partnerships and the firm maintains the participants' capital reconciliation as well as the partners' annual activity reports.

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

The firm directly compensates JFS 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 MCP 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 MCP.

The firm has an agreement to compensate JBJ 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 MCP 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 MCP.

#### **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. MCP 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 such as the use of different pricing services.

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

MCP 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 and 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, MCP observes the investment policies, limitations, and restrictions of the clients for which it advises.

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

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

MCP will accept the authority to vote proxies for clients' securities; however, MCP will not allow clients to direct it to the vote in a particular solicitation. MCP expects to vote its equity holdings in accordance with management of the applicable company. In the event MCP 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**

MCP 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.