

## Item 1 - Cover Page

Lane Asset Management

8 Church St.

Stockbridge, MA 01262

917-575-0299

[www.LaneAssetManagement.com](http://www.LaneAssetManagement.com)

January 1, 2021

This Brochure provides information about the qualifications and business practices of Lane Asset Management (“ADVISER” or “Lane”), CRD# 149112. If you have any questions about the contents of this Brochure, please contact us at 917-575-0299 or email at [edward.lane@laneassetmanagement.com](mailto:edward.lane@laneassetmanagement.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.

Lane Asset Management 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.

This Brochure also contains the information required for Part 2B, the Brochure Supplement.

Additional information about Lane Asset Management also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Lane who are registered, or are required to be registered, as investment adviser representatives of Lane. There are no such persons.

## Item 2 - Material Changes

Pursuant to SEC Rules, I will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of my business' fiscal year (December 31<sup>st</sup>). I may further provide other ongoing disclosure information about material changes as necessary.

I will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, my Brochure may be requested by contacting Edward Lane, ASA, CFP®, Principal, at 917-575-0299 or email [edward.lane@laneassetmanagement.com](mailto:edward.lane@laneassetmanagement.com). My Brochure is also available on my web site [www.LaneAssetManagement.com](http://www.LaneAssetManagement.com), also free of charge.

Material changes since my last filing in January 2020 are as follows:

- On May 22, 2020, all clients were transitioned to the investment platform of Folio Institutional, an independent and non-public financial technology and investment services firm as part of their acquisition of the client base of Motif Investing as Motif ceased operations. Shortly thereafter, Folio Investing was acquired by Goldman Sachs which is currently undergoing regulatory approval.
- Standard investment management fees have been reduced such that the basic annual fee is 1% (previously 1.25%) and 0.7% for accounts in excess of \$1 million (previously 0.9%). Investment management fees are negotiable. Clients will receive advance notice of billing from Folio Institutional prior to fees being charged against their account.
- Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of its management. Except as provided in the next paragraph, neither Edward Lane nor Lane Asset Management has been the subject of any legal or disciplinary event. Disciplinary history can be obtained from the Securities Division of The Commonwealth of Massachusetts, One Ashburn Place, Boston, MA 02108, phone: 617-727-3548.

Massachusetts law requires all active investment advisor representatives resident in the state to register if they have clients within the state. Edward Lane moved into the Massachusetts in August 2016 and at that time and until at least December 3, 2020, had as his only Massachusetts-based clients his wife and brother who are deemed to be clients by Massachusetts law. However, since he failed to register, he was sanctioned by the Massachusetts Securities Division and has been assessed an administrative fine for his failure to register.

- My investment process has been updated. Please refer to Item 8 below.
- The description of my Financial Planning services has been updated. Please refer to Item 4 below.

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## Item 4 - Advisory Business

Edward C. Lane, ASA, CFP® conducting business under the name Lane Asset Management (“LAM” or “Adviser” or “Lane”), is a sole proprietorship registered in New York, New Jersey and Connecticut and domiciled in the Commonwealth of Massachusetts. Edward Lane has offered investment advisory and financial planning services to individuals, high net worth individuals, and families under the name Lane Asset Management or when affiliated with a prior organization since 2006. Lane’s services and fee arrangements are described in the following pages.

### **Managed Account Portfolio Management**

Adviser will emphasize continuous and regular account supervision on a discretionary basis. Adviser may create a portfolio, consisting of individual stocks or bonds, exchange traded funds, mutual funds and other securities. My investment strategy is tailored to the individual needs of the Client. Each client’s portfolio will be initially designed to meet a particular investment goal which Adviser has determined to be suitable to the Client’s circumstances. Once the appropriate portfolio has been determined, Adviser will review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the Client’s individual needs, stated goals and objectives. However, each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Lane’s minimum account size, determined on a family-related basis, is \$250,000 although this minimum is negotiable under certain circumstances. As of January 1, 2020, Lane managed approximately \$11.4 million in a managed account format, all on a discretionary basis.

### **Financial Planning**

Lane offers limited financial planning services to individuals, families, business organizations, and other clients. These services will always be provided pursuant to a written client agreement. Lane can work with a client to develop a written financial plan or provide consulting services on specific issues or areas that are of concern to the client.

The goal of a financial planning engagement is to provide the client with a written financial plan that will assist the client in meeting his/her financial goals. Lane and the client will discuss and agree upon the specific topics to be covered by the financial plan. Such topics may include investment planning, retirement planning, or insurance planning. Lane does not provide tax, estate or business planning services. Lane will conduct one or more meetings (in person, if possible, otherwise via telephone or video conference) with the client in order to understand the client’s current financial situation, financial goals, specific issues or questions, and topics to

be covered by the financial plan. Lane may also request copies of relevant financial documents, such as account statements, income tax returns, insurance policies, or retirement plans. Lane will then prepare a written financial plan that summarizes the client's current financial situation and offers observations and recommendations. Lane prepares the financial plan based on the information provided to Lane by the client and as of the date that the plan is submitted to the client. Lane undertakes no responsibility to update the financial plan unless Lane and the client agree upon a subsequent financial planning engagement.

Financial planning will be provided with regard to retirement, major purchase, education, and/or insurance. Analytics will be provided through a system known as Quicken Financial Planner. Interpretation of the analytical reports will be made by Edward C. Lane, ASA, CFP® based on his expertise in the area. Planning services in regard to investment securities will address asset allocation and will be generic in nature. No reports will be provided on a subscription basis or for a fee.

#### Income Tax Preparation

Lane does not offer income tax preparation services.

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Additional information about Lane is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) . You can search this site by a unique identifying number, known as a CRD number. The CRD number for LAM is 149122.

#### Item 5 - Fees and Compensation

##### **Managed Account Annual Fee**

Adviser's annual fee for managed account investment management services provided under this Agreement shall be based on the market value of the assets under management. The annual fee shall be 1.0% of assets under management and is negotiable in certain cases. For family-related account sizes which are in aggregate in excess of \$1 million, the annual fee is 0.7%, also negotiable. Clients will receive advance notice of billing from Folio Institutional prior to fees being charged against their account.

Qualified clients may negotiate a performance-based fee. In accordance with SEC rules, "qualified clients" are required to have at least \$1 million of assets under management with the adviser or a net worth of at least \$2.1 million.

Unless otherwise agreed in writing (including email correspondence), fees are exclusive of brokerage commissions, transaction fees, and other related costs and

expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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 a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Lane's fee, and Lane shall not receive any portion of these commissions, fees, and costs.

The fee will be pro-rated and paid in arrears on a monthly or quarterly basis depending on the client profile. The prorated annual fee percentage will be applied to the market value of the account determined on the last day of the month or quarter, as appropriate. No increase in the annual fee shall be effective without prior written notification to the Client. In the event that the Client terminates Adviser's services before the end of a calendar quarter, Client shall be assessed a pro-rata fee based on the number of days the Client's account was managed by Adviser.

Unless the Client requests direct billing, fees will be automatically deducted from the account. Clients will be provided with a monthly or quarterly statement reflecting deduction of the advisory fee depending on the client profile.

Either party may terminate the agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the Adviser's investment advisory agreement. After five (5) business days, clients will receive pro-rata refunds, which take into account work completed by the Adviser on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.

Adviser believes that its annual fee is reasonable in relation to the advisory services provided, and the fees charged by other investment advisers offering similar services. However, lower fees for comparable services may be available from other sources.

Adviser will adhere to the SEC Staff No-Action Letter, *SMC Capital, Inc.* in the event that orders are aggregated.

### **Financial Planning/Financial Consulting Fees**

Lane offers financial planning services on an hourly basis or at a fixed fee. The hourly fee is \$300, which is negotiable depending on the nature and complexity of the client's circumstances. For client engagements billed on an hourly basis, Lane will provide the client with an estimate of total projected hours at the outset of the engagement. Lane's fixed fees will be based on the scope of the assignment

determined by the areas of planning and the complexity of the client's situation, and will range from \$0 to \$10,000 and will be payable at the completion of the project. Typical financial planning fees are in the range of \$1,500 to \$4,000.

Lane's fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred separately by the client. However, Lane shall not receive any portion of these commissions, fees, and costs.

In the event that a client cancels a financial planning or financial consulting agreement, the client shall be billed for actual hours spent on the project times the agreed upon hourly rate.

### **Additional Information Concerning Fees**

Lane may provide periodic newsletters or other financial related publications to clients which will be offered free of charge.

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged on the basis of a share of capital gains or capital appreciation of the client's investments.

All fees paid to Lane for investment advisory accounts are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, the client may pay an initial or deferred sales charge.

A client could invest directly without the services of Lane. In that case, the client would not receive the services provided by Lane which are designed, among other things, to assist the client in determining which security or securities are most appropriate for the client's financial situation and objectives. Accordingly, clients should review both the fees charged by the funds and the fees charged by Lane to fully understand the total amount of fees to be paid, and to thereby evaluate the advisory services being provided.

Advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client to Lane. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As the client's financial situation, goals, objectives, or needs change, the client must notify Lane promptly.



Lane shall never have custody of any client funds or securities, as the services of a qualified and independent custodian will be used to hold client accounts.

In performing its services, Lane shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by Lane. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Lane if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Lane's previous recommendations and/or services. Lane's clients are advised to promptly notify Lane if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Lane's investment management services.

Neither Lane nor the client may assign the investment advisory agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of Lane shall not be considered an assignment.

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

Lane will enter into an agreement for a performance -based fee with a "qualified client" (fees based on a share of capital gains on or capital appreciation of the assets of a client). A "qualified client" is one who has at least \$1 million under management or has a net worth of at least \$2.1 million.

As Lane also charges clients based on assets under management (AUM), it may be perceived that a conflict-of-interest exists wherein Lane would favor those clients with performance-based fee. Despite this perception, each client is managed in accordance with their investment objectives and, where appropriate given the client's circumstances including a given client's current portfolio, funds available for trading and current asset allocation, securities purchases or sales are accomplished as a block trade in which every participating client receives the same price to the extent feasible. There is no cost differential to a client participating in a block trade or an individual account trade. Block trading is used as a convenience and, to the extent possible, to purchase or sell securities at the same price for all clients included. That said, if a purchase or sale of a security is made for a client at about the same time as a block trade for a group of other clients, there is no way to determine whether the client outside of the block will receive a better or worse execution price in advance.

#### Item 7 - Types of Clients

Lane provides portfolio management services to individuals, high net worth individuals, and families. Lane's minimum account size is \$250,000 although this may be waived under individual circumstances.

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

My investment philosophy is best characterized as a hybrid approach using macroeconomic developments to inform current investment strategy while using both fundamental and technical analysis to inform asset allocation and trading decisions. I do not believe in a buy-and-hold approach nor do I believe in rebalancing based on a set time schedule or when the underlying asset allocation shifts from established targets. The general methodology is explained below.

Lane invests through Folio Institutional, a division of Folio Financial, a Goldman Sachs Company, which provides its own custodian services. Folio Institutional provides a unique capability that enables Lane to create and trade one or more portfolios of 100 stocks or more, ETFs, CEFs, and mutual funds as single securities, simplifying the process of managing clients with similar objectives in a consistent manner. Most trading takes place through Folio's "window trading" format that allows trading twice each day without trading fees.

I believe in both strategic and tactical asset allocation:

- *Strategic* refers to allocations I expect to be in place over the long haul.
- *Tactical* refers to how I modify the strategic allocation to take advantage of opportunities as they arise.

To determine appropriate allocation percentages for a strategic allocation, I identify client financial goals, resources and tolerance for risk (volatility) and modify the starting point accordingly. Then, when I implement a tactical allocation, these factors and others discussed above are used to adjust the strategic percentages.

I invest in individual stocks, exchange-traded funds (ETFs), and closed-end funds (CEFs). It should be noted that all investments carry a certain measure of risk (volatility) with equities typically experiencing more risk than fixed income investments and individual stocks experiencing more risk than diversified funds.

For each client, I establish a benchmark to measure my performance on an ongoing basis. This benchmark may be based on some combination of investable index funds (SPY for the S&P 500 total return domestic equity index; VEU for the FTSE All-World ex-US index; and LQD for the iBoxx \$ Investment Grade Corporate Bond index), the Consumer Price Index, or some combination of both approaches. I maintain five investment strategies with the following benchmark(s):

- Very aggressive: 100% SPY
- Balanced aggressive #1: one-third allocation in each of SPY, VEU, LQD
- Balanced aggressive #2: 70% SPY, 30% LQD
- Balanced conservative: 50% SPY, 50% LQD
- Most conservative: 100% LQD

Each client portfolio will have a single performance benchmark. Actual investments, selected on a tactical basis, will be comprised of some combination of the benchmark and individual securities (stocks, exchange-traded funds and/or closed-end funds). Unless specifically requested by a client in writing, any one security will not exceed 15% of the total portfolio (10% in the case of individual stocks) at the time of purchase though positions may exceed 15% due to appreciation.

While market conditions are essentially continuously monitored, client portfolios are evaluated not less often than weekly and may be rebalanced or modified at any time. Within the Folio Institutional environment, rebalancing may appear as very active trading while the actual impact may only be relatively small changes to the securities held in the portfolio.

To keep informed of macroeconomic events, I read a wide range of online resources on a regular basis, including publications and interviews of major investment managers, investment analysts, and economists, in addition to business and economic publications. By gaining a broad range of opinions, I am able to formulate and act on my own economic outlook without the constraints that might be imposed if I were a representative of a larger organization.

I use both fundamental and technical analysis for security selection and asset allocation. For fundamental analysis, I may identify individual stocks based on their financial strength (with a focus on the firm's leverage), profitability (with a focus on revenue and profitability in regard to the firm's own history and its industry) and valuation measures (with a focus on PE and other select ratios in relation to the firm's own history and its industry). I also examine analyst reports, including buy/hold/sell recommendations, price targets, and key events.

I use technical analysis to make decisions about asset selection, allocation, and trading. In general, the technical approach I use is based on trend and momentum analysis using a variety of moving averages of security (or index) prices. The rationale for using trend analysis is two-fold:

- First, I believe security prices are not random, but follow a trend based on underlying factors such as corporate earnings, inflation, interest rates and geopolitical currents that tend to persist for a period of time.
- Second, a great many investment managers follow these trends, causing inflection points and trend continuation to be somewhat self-fulfilling.

In addition to the above, my stock selection process is based on the view that there is constant rotation within various stock “universes” or indices such as the S&P 500, the NASDAQ 100, the Russell 2000 and others. Using a proprietary scan, I identify candidate stocks for purchase that reflect recent outperformance relative to the S&P 500 total return index ETF, SPY. From this group of candidate stocks, I invest in those whose technical characteristics (trend and momentum) are such that I believe will continue to be reflected in their future performance. I dispose of stocks that no longer show those characteristics.

The investment goal is to achieve portfolio appreciation above the benchmark over time. Turnover in the account could range from extremely low to excessively high depending on market conditions and investing opportunities. However, the fundamentals of trend analysis and momentum investing include finding entry points for emergent trends and then sticking with the successful trades. In such conditions turnover in the account would remain quite low. Both short-term and long-term capital gains will be generated in the portfolio style. The portfolio style follows a multi-asset framework which allows me to invest in multiple asset classes depending on risk/reward opportunities and potential returns.

I control risk in the following ways:

- First and foremost, I rely on continual monitoring of emerging economic and political events that can cause the market to suddenly change direction as well as events that impact current holdings. When an event justifying a change occurs, my approach is to remove affected investments from all portfolios at a common price so that each investor is treated equitably.
- Following periods of significant advance, I may shorten the moving average period to increase sensitivity to trend reversal.
- I limit the majority of my investments to securities that are actively traded in significant volume to avoid potential market manipulation or wide bid/ask spreads.
- For equity allocations, I maintain portfolios of approximately 100 or more equally weighted stocks that are also diversified by industry and market

capitalization. Therefore, no individual stock or stock sector will have inordinate impact on the portfolios I create.

- Finally, I maintain active contact with the market while traveling or on vacation, regardless of where I am, so that I can react quickly to information that may have a trend changing impact on the market or a specific security in the portfolio.

While my process of monitoring overall market direction can result in removing market risk prematurely, my primary goal is to protect portfolios from severe deterioration even if the result is falling short of my benchmark goal.

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Technical analysis and application of the rules are not perfect; no investment methodology is. And past performance should not be taken as a guarantee of what will happen in the future. With that understanding, technical analysis provides a sound basis for investing that strips away much of the often-conflicting opinion-based ambiguity of a more fundamentally oriented approach.

As described above, my primary choices for equity investments are individual stocks, exchange-traded funds (ETFs), and closed-end funds (CEFs). My primary reasons for using ETFs are their low cost, tax efficiency, ease of trading, index-orientation, and diversity of offering. A useful description of ETFs and CEFs can be found at <http://www.etfguide.com/etfeducation.htm>.

An investment in a single exchange-traded fund involves the risk of losing money and should be considered part of an overall program, not a complete program. An investment in ETFs, like other investments, can involve risks such as: lack of diversification, price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking error.

The following is a summary of the risks of investing. Please note that this list is not exhaustive, and has been provided as an indication of the factors that can affect the value of your investments.

- **Equity Risk:** Investors in equity securities may be exposed to a high level of risk because the prices of equity securities can rise and fall significantly in a short period of time. This could arise due to the fortunes of the companies that issue them or with general stock market or economic conditions.
- **Interest Rate Risk:** A change in general interest rates is one of the biggest factors affecting fixed-income securities, including ETFs and mutual funds that invest in fixed-income securities. A bond for example, pays interest based on the level of interest rates prevailing when the bond is issued. Generally, if

interest rates fall, the values of the bond rise. Conversely, if interest rates go up, the value of a bond will decrease.

- **Inflation Risk:** Inflation Risk is the risk of a decline in the purchasing power of the client's savings due to a general rise in prices.
- **Foreign Currency Risk:** Investing in securities that are priced in foreign currencies involves foreign currency risk. Securities that are priced in foreign currencies can lose value when the U.S. dollar rises against the foreign currency. As well, foreign governments and domestic may impose currency exchange restrictions, which could limit the ability to buy and sell certain foreign investments and could reduce the value of the foreign securities that are held by investors.
- **Foreign Market Risk:** Foreign investments involve additional risks because financial markets outside of the U.S. may be less liquid and companies may be less regulated and have lower standards of accounting and financial reporting. In some countries, an established stock market and legal system that adequately protects the rights of investors may be lacking. Foreign investments can also be affected by social, political, or economic instability. Foreign governments may impose investment restrictions.
- **Liquidity Risk:** Liquidity refers to the speed and ease with which an asset can be sold and converted into cash. Most securities can be sold easily and at a fair price. In highly volatile markets, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, or certain other features such as guarantees or a lack of buyers interested in the particular security or market. Difficulty in selling securities may result in a loss or reduced return.
- **Exchange-Traded Fund Risk:** Exchange-traded funds ("ETFs") are securities that closely resemble index-oriented mutual funds, but can be bought and sold like common stocks:
  - an ETF may not be "actively" managed. Such ETFs would not necessarily sell a security because the security's issuer was in financial trouble unless the security is removed from the applicable index being replicated. As a result, the performance of an ETF may be lower than the performance of an actively managed fund;
  - some ETFs employ leverage, which can magnify the risk of the underlying market segment or index;
  - the market price of ETF units may trade at a discount or premium to its net asset value;
  - an active trading market for an ETF's units may not develop or be maintained; and

- there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.
- see <http://etfdb.com/etf-education/hidden-risks-costs-etfs/> for a more comprehensive description of the risks of ETF investing.
- an ETF may fail to accurately track the market segment or index that underlies its investment objective;
- Reallocation: Due to reallocation, positions may be sold or closed in the very short-term (e.g., within 30 days). Also, the same security may be bought for some accounts, while being sold for others. This may result in increased commissions for some clients. This reallocation does not take into consideration any tax implications that may result from this type of trading.

#### 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 the firm or the integrity of its management. Except as provided in the next paragraph, neither Edward Lane nor Lane Asset Management has been the subject of any legal or disciplinary event. Disciplinary history can be obtained from the Securities Division of The Commonwealth of Massachusetts, One Ashburn Place, Boston, MA 02108, phone: 617-727-3548.

Massachusetts law requires all active investment advisor representatives resident in the state to register if they have clients within the state. Edward Lane moved into the Massachusetts in August 2016 and at that time and until at least December 3, 2020, had as his only Massachusetts-based clients his wife and brother who are deemed to be clients by Massachusetts law. However, since he failed to file, he has been sanctioned by the Massachusetts Securities Division and has been assessed an administrative fine for his failure to register.

#### Item 10 - Other Financial Industry Activities and Affiliations

Lane provides financial planning and income tax preparation for individuals.

#### Item 11 - Code of Ethics

Lane has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Lane must acknowledge the terms of the Code of Ethics annually, or as

amended.

Lane anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Lane has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Lane, its affiliates and/or clients, directly or indirectly, have a position of interest. Lane's employees and persons associated with Lane are required to follow Lane's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Lane and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Lane's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Lane will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Lane's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Lane and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Lane's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Lane will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Lane's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Edward Lane.

It is Lane's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Lane will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-



dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

#### Item 12 - Brokerage Practices

Lane does not provide brokerage services, does not sell financial products, and does not accept commissions. This section is not applicable to Lane.

A. Since Lane does not provide brokerage services nor select nor recommend a broker-dealer for client transactions:

1. Research and Other Soft Dollar Benefits. This section is not applicable.
2. Brokerage for Client Referrals. This section is not applicable.
3. Directed Brokerage. This section is not applicable.

#### Item 13 - Review of Accounts

Client accounts are reviewed no less often than monthly to determine the appropriateness of security holdings and cash balances in the context of current market conditions. A summary of monthly client account performance is provided. Lane is available at all times to discuss investment performance and current investments.

Once published, client financial plans are reviewed upon request by the client.

#### Item 14 - Client Referrals and Other Compensation

No compensation of any kind is provided for client referrals.

#### Item 15 - Custody

Clients will receive statements at least monthly from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets.

#### Item 16 - Investment Discretion

Lane 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, Lane observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Lane's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

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

#### Item 17 - Voting Client Securities

Lane does not vote client proxies. However, money managers selected by Lane, if any, may vote proxies for clients. Therefore, except in the event a money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a money manager), Lane and/or the client shall instruct the client's qualified custodian to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

#### Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Lane's financial condition. Lane 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.

#### Item 19 - Requirements for State-Registered Advisers and Form ADV Part 2B (Brochure Supplement)

Edward C. Lane, ASA, CFP® is the sole employee of Lane Asset Management. His background is as follows:

CRD # 149112

Year of birth: 1945

#### **Educational Background and Business Experience**

##### Educational Background

1967 B.S. degree in Economics and Actuarial Science from the Wharton School, University of Pennsylvania

2017 MBA in Finance from The University at Albany (SUNY)

### Business Experience

01/2017 - Present: Adjunct Professor, Finance and Economics, University at Albany (SUNY), Albany, NY

01/2009 - Present: Lane Asset Management, Stockbridge, MA

01/2018 - 05/ 2019: Adjunct Professor, Finance, College of St. Rose, Albany, NY

07/2014 - 07/2018: Adjunct Professor, Finance, SUNY New Paltz, New Paltz, NY

01/2008 - 09/2009: LPL Financial, Paramus, NJ

04/2006 - 12/2007: AXA Advisors LLC, New York, NY

05/2003 - 04/2006: Volunteer Counselor for SCORE

01/1997 - 05/2003: Mercer HR Consulting, New York, NY

06/1969 - 12/1996: Towers Perrin, New York, NY

06/1967-- 06/1969: The Mutual Life Insurance Company of New York, New York, NY

### Professional Designations & Exams

Associate in the Society of Actuaries (ASA), the qualifications for which are:

An Associate of the Society of Actuaries (ASA) has demonstrated knowledge of the fundamental concepts and techniques for modeling and managing risk. The associate has also learned the basic methods of applying those concepts and techniques to common problems involving uncertain future events, especially those with financial implications. The associate has also completed a professionalism course covering the professional code of conduct and the importance of adherence to recognized standards of practice. Associates who have been members of the SOA for five or more years may also vote in SOA elections.

CERTIFIED FINANCIAL PLANNER™, the qualification requirements for which are:

The CFP® certification process, administered by CFP Board, identifies to the public that those individuals who have been authorized to use the CFP® certification marks in the U.S. have met rigorous professional standards and have agreed to adhere to the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence when dealing with clients.

2006 Series 66 Exam, also known as the North American Securities Administrators Association (NASAA) Uniform Combined State Law Examination that was created to qualify candidates as both securities agents and investment advisor representatives.

### **Disciplinary Information**

If there are legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person, disclose all material facts regarding those events.

Massachusetts law requires all active investment advisor representatives resident in the state to register if they have clients within the state. Edward Lane moved into the Massachusetts in August 2016 and at that time and until at least December 3, 2020, had as his only Massachusetts-based clients his wife and brother who are deemed to be clients by Massachusetts law. However, since he failed to register, he was sanctioned by the Massachusetts Securities Division and has been assessed an administrative fine for his failure to register.

### **Other Business**

#### **Activities**

If the *supervised person* is actively engaged in any *investment-related* business or occupation, including if the *supervised person* is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), commodity trading advisor (“CTA”), or an associated *person* of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

Not applicable.

### **Additional Compensation**

If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement.

Not applicable

### **Supervision**

Explain how you supervise the supervised person, including how you monitor the advice the supervised person provides to clients. Provide the name, title and telephone number of the person responsible for supervising the supervised person's advisory activities on behalf of your firm.

Edward Lane is the principal and only advisor of Lane Asset Management and, as such, is the supervisor.

**Brochure Supplement Additional Information for State-Registered Advisers:**

- A. In addition to the events listed in Item 3 of Part 2B, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event.
1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: (a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (e) dishonest, unfair, or unethical practices.

Not applicable

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: (a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (c) dishonest, unfair, or unethical practices.

Not applicable.

- B. If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.

Not applicable.