



DCLA

Douglas C. Lane & Associates
REGISTERED INVESTMENT ADVISOR



Our wealth of experience, focus on fundamental research and portfolio management, and customized, personal service allow us to meet the unique goals and needs of each of our clients.



Our History

Douglas C. Lane & Associates (DCLA®) was founded by Doug and Gay Lane with a vision to serve our clients in a different and better way. They believed that the combination of in-house fundamental research, direct investment in individual common stocks and bonds, and exceptional service would produce attractive long-term investment results and enduring client relationships.

Since the firm's founding, the world has seen many changes: there have been periods of robust economic growth and several serious downturns, extreme commodity and interest rate cycles, the dot-com boom and bust, the tragedy of 9/11, the financial crisis of 2008, and countless significant and troublesome geopolitical events around the world. Through it all, we and our clients have prospered by adhering to that founding vision.

In good times and bad, our team remains unwaveringly focused on the thoughtful, direct investment of our clients' capital in the stocks and bonds of individual companies whose business models we can carefully analyze and understand. This focus has been the driving force of our firm and the long-term investment performance of our clients. We work hard every day to make sure the future for our clients remains bright, despite everything the world will throw at us.

DCLA® AT A GLANCE

- Registered Investment Advisor
- Founded in 1994
- Headquartered in New York City
- Manage capital for individuals, families, trusts, pensions, endowments, foundations and institutions in more than 45 states and more than a dozen countries around the world

DCLA[®]: An Increasingly Rare Breed

THE CHALLENGES FACING INVESTORS

People, and for that matter institutions, are all different. Clients can't be assigned a simple "risk/reward" label and then slipped into a standardized financial solution that magically produces satisfactory results.

We find that much of Wall Street and the investment management industry — whether a brokerage firm, a bank trust department or a small financial planner — increasingly operate this way. Their primary focus is gathering assets. So they simply allocate client assets among a broad set of impersonal "buckets" meant to provide exposure to an overly wide range of investment strategies. The result can often be underwhelming and relatively expensive.

Furthermore, Wall Street tends to react to what has already happened in the markets. They create products that clients wish they had yesterday rather than anticipate what may happen in the future. Thus, emerging market funds are created after emerging markets have soared, and "safe," market-neutral funds are created after the market has plunged.

Investors need proactive and meaningful financial solutions.

So what do we actually do at Douglas C. Lane & Associates, and how does that make us different from the countless other firms out there?

We personally get to know our clients well, be they individuals or institutions. We believe it is critically important to understand our clients in a way that cannot be accomplished by checking boxes on a questionnaire asking if you are "aggressive," "moderately aggressive" or "conservative."

We want to know:

- What is your family or organizational structure?
- What role does your capital play in your life or business?
- What do you or your organization want to achieve with your capital?
- Are the needs of children or grandchildren important?
- What will help you sleep soundly at night (and thus avoid panicking)?

And, since life is complicated and dynamic, we know that your answers change over time. As our relationship matures over the years — possibly over generations — we stay with you, experienced and equipped to serve your needs and ambitions.



We manage our clients' capital on a completely customized basis.

We don't sell or use any financial "products" — we do not invest in mutual funds, ETFs, hedge funds, private partnerships or any other kind of pooled or illiquid investment vehicle. The common stocks and bonds that we buy for you are held specifically for you in your own name. You also have direct access to your portfolio manager.

Why does this personalization matter? We believe truly customized portfolio management allows investment results to be better and more appropriate over time. Investment decisions are made within the context of our understanding of your individual situation. The process

is completely transparent — you always know exactly what you own and why. This approach can also be tax-friendly, since individual tax considerations can be taken into account for your portfolio.

We do our own homework.

On any given day, Wall Street firms produce thousands of pages of research, while the 24-hour business news cycle obsesses about the story of the day. Indeed, one of the major challenges in today's environment is filtering out the noise.

We avoid the distractions, and instead apply independent, critical thinking to information obtained directly from original sources. Our location in New York City provides us

with considerable access to corporate management teams, but we also travel the world to visit companies, attend conferences and participate in industry trade shows.

It is this direct knowledge and a true understanding of risk that gives us the conviction to make decisions that may be different from "the crowd" — particularly when markets are volatile. We believe it is our willingness to make independent decisions that has driven our favorable performance in the past. And we see no reason why it won't continue to do so in the future.

In the end, there are no shortcuts. The history of investing teaches us this reality over and over again. We wish there were. But, in truth, successful investing requires time, hard work, critical thinking, intellectual curiosity, good judgment, humility, discipline and (at times) fortitude.

At DCLA®, that's what we bring to work with us each day for the benefit of our clients.



The Truth Behind Financial Planning & Long-Term Investing

THE CHALLENGES FACING INVESTORS

Two critical concepts — “financial planning” and “long-term investing” — have become increasingly diluted and marginalized in the service that is all too often provided to today’s investors.

- Clients wishing to develop a financial roadmap are often delivered a standardized, impersonal “plan,” complete with busy, colorful charts and graphs that ultimately leave them confused.
- Meanwhile, investment managers and financial planners too often hide behind “long-term investing” to explain mediocre investment results, complacency or worse.

Despite these shortfalls, the fact remains that both concepts are critical to helping clients reach their financial goals.

In our view, successful long-term investing — good investment results over a period of many years — is the engine that drives everything else. But these positive results must be achieved in the context of a personal roadmap — a financial plan — that makes sense for each individual or organization.

Financial planning is the natural outcome of taking the time to truly understand our clients and what they are trying to achieve. We understand that for most people, investing is not an exercise in keeping score. It is a means to some very important ends:

- How can I achieve my strategic goals?
- When can I comfortably retire?
- How do I pay for my family’s education?

- How do I cover our daily cash flow needs?
- Will I be able to transfer wealth to the next generation? When? How?
- How can I best accomplish my philanthropic goals?

Of course, we have at our disposal all of the analytical tools commonly used to create formal financial plans — and some of them are terrific. But unless those tools are implemented through an in-depth understanding of your life or your business, the output will fall short of what you expect, need and deserve.

The Turtle

Most people are familiar with the story of the tortoise and the hare. As investment advisors who employ long-term thinking, we appreciate this tale. However, the turtle has many lesser-known traits that, when combined with its legendary race-winning abilities, make it an ideal (if unofficial) talisman for our firm.

For more information on the turtle, please visit us at www.dclainc.com.



WE STICK OUR NECKS OUT

For turtles, as with investors, this is the only way to move forward. Our investment approach is marked by non-consensus thinking and a willingness to differ from the crowd.



WE'VE BEEN AROUND A WHILE

Turtles have been on the earth for more than 200 million years. With more than 100 years of collective experience, our investment team has seen it all. Not too shabby, but clearly we're still playing catch-up on the turtle.



WE ARE FLEXIBLE

Turtles can be herbivores, carnivores or even insectivores, utilizing different sources of fuel to power a long-distance race. At DCLA®, we pride ourselves on the flexible thinking that underlies our "core" investment strategy.



Our Investment Philosophy

Over meaningful periods of time, we believe that the direct ownership of stocks of individually selected companies that are doing business around the world is the most effective way to grow capital. The reason is straightforward. A diversified stock portfolio of global companies provides the opportunity to tap an unlimited potential for growth.

As the world's consuming population grows by leaps and bounds over the coming decades, the demand for infrastructure, as well as goods and services of all types, will drive the global economy. We believe this is a train our clients want to ride. We invest in a mix of domestic and (dollar-denominated) foreign companies. In the aggregate, roughly half of the revenues (and growth) that they generate come from outside the U.S. — and we expect this will increase over time.

We follow a “core” approach to equity investing.

- We invest in and lend to both large and small companies in a range of sectors, industries and geographies that we believe can generate attractive returns.
- We are not guided solely by how a company is categorized by Wall Street (e.g., large-cap, growth, value, etc.). We simply seek out the best opportunities we can find.
- We are patient investors. We think the increasingly short-term focus of many mutual funds and hedge funds creates substantial opportunity for those of us who look at stock ownership as holding stakes in real businesses. Simply put, we think like business owners, not stock traders.

Our fixed income strategy keeps it simple and safe.

- Fixed-income securities can play an important role in some client portfolios. While unlikely to generate the same level of investment return as stocks over longer periods of time, they can provide important stability (and thus, some peace of mind) and generate predictable cash flow.
- Our bond strategy is one that focuses on quality and safety: we buy individual short-term bonds at relatively favorable yields and expect to hold them until they mature or are prepaid. Philosophically, we do not attempt to predict the future direction of interest rates. Rather, the decision to purchase specific bonds is business-driven, applying the same in-house research that we use to evaluate the merits of a company's stock.

WE ARE GLOBAL CREATURES

Turtles thrive on every continent except Antarctica. We, too, take advantage of compelling opportunities around the world. Our companies operate in virtually every corner of the globe (though we have yet to find any good investments in Antarctica).



WE ARE BUILT TO MANAGE RISK

A turtle's shell is made up of 60 different bones intricately connected in different ways for survival, depending on the risks they face. We mitigate risk in our clients' equity portfolios by holding approximately 60 diversified stocks. Coincidence?

(Hey, if it works for the turtle, it's good enough for us.)



WE ARE PERCEPTIVE

Turtles have an excellent sense of smell, good hearing and eyesight, and a heightened sense of touch with nerve endings even on their shell. We can't claim to be on par with the turtle, but we work hard, pay attention and keep an open mind — all of which helps us make better investment decisions.



LET US RAISE A STANDARD TO WHICH THE WISE
AND THE HONEST CAN REPAIR AND THE EVENT
IS IN THE HAND OF GOD * WASHINGTON

We are long-term investors who believe our clients benefit primarily from the growth and capital generated by the companies in which we invest, rather than short-term trading strategies.



The power of generating good long-term investment results in the context of a solid financial plan is substantial. The sooner the process starts, the better the chance of success. Our firm's mission is to help our clients on both fronts, and we bring a wealth of talent, resources and experience to the task.

More information about our firm and our approach to investing is available through resources such as our website and Form ADV, which is filed with the SEC.

We welcome you to come meet us and learn more.

Powerful Advantages for Our Clients

In developing the structure of our firm, we made several important choices that further differentiate us from the vast array of brokerage firms, financial planners and investment products that are available in the market today. Simply put, these principles provide a powerful structural advantage for our clients when compared to other approaches.

Your Interests Come First

As a Registered Investment Advisor with the Securities and Exchange Commission, we embrace the Fiduciary Standard. This standard is the highest level of professionalism in the industry and requires us to put your interests first and clearly disclose any conflicts of interest. This may sound obvious, but many financial firms are not held to this standard.

Independent Custodians

We are solely an investment advisor, not a broker-dealer. This means our firm does not custody our clients' assets. Instead, client assets are generally held by high-quality independent custodians. This separation provides an important layer of protection for our clients.

Objective Performance Standards

Unlike many firms, DCLA® claims compliance with the Global Investment Performance Standards (GIPS®). The topic of performance is a complicated one and of paramount importance to investors. We have adopted GIPS® standards firm-wide because we believe it is critical that existing and prospective clients of our firm have a common and trustworthy yardstick with which to be able to compare our results with those of other firms.

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