

Bourne Lent Asset Management, Inc.
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This brochure provides information about the qualification and business practices of Bourne Lent Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at 845-855-1590, or by email at judy@bournelent.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. Additional information about Bourne Lent Asset Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

Annual Update

Bourne Lent Asset Management, Inc. is providing this information as part of our annual updating amendment which contains material changes from our last annual update. This section discusses only material changes since the last annual update which most recently occurred on March 30, 2015.

Material Changes since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

- Bourne Lent Asset Management, Inc. has had a change in ownership and management since the company's last update. Clare Stenstrom is no longer employed with the Firm and, accordingly, she does not provide investment advisory services for Bourne Lent Asset Management, Inc. or its' clients.
- John Lent has become a minority owner of Bourne Lent Asset Management effective May 20, 2015
- Effective 1/1/2015 Bourne Lent Asset Management, Inc. does not participate in any wrap fee programs.
- Bourne Lent Asset Management, Inc. no longer offers comprehensive financial planning services.
- Bourne Lent has amended and enhanced the ADV throughout by expanding descriptions, disclosures, definitions and/or conflict identification. Each section of the ADV has been altered to reflect the changes in our business or provide additional information about the category in general.

Full Brochure Availability

The Firm Brochure for Bourne Lent Asset Management, Inc. is available by contacting:

Judy Geller
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Bourne Lent Asset Management, Inc.
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Advisory Business Firm Description

Bourne Lent Asset Management, Inc. (the “Firm”) is an investment advisory firm registered with the Securities & Exchange Commission (“SEC”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. The firm specializes in managing portfolios for individual investors and smaller institutions. We have been in business since 1983 as Bourne Management Inc. In 1998, Bourne Management Inc. invested in Bourne Fissell & Stenstrom, LLC which was closed in June of 2000. In July of 2000, the name of the firm was changed to Bourne Stenstrom Capital Management, Inc. and in 2008 the firm’s name was changed to, Bourne Stenstrom Lent Asset Management, Inc. In 2015, the Firm’s name was changed to Bourne Lent Asset Management, Inc.

We are fee-only investment advisors. We are not stock brokers, we do not receive commission, and we do not sell products. We provide investment management services that are personal, comprehensive, objective, competent, ethical and confidential. We focus on a research driven approach with a goal of bringing the best value and highest quality of service to each client. Our clients’ assets are held by third party custodians in the clients’ name in individual accounts, joint accounts, IRAs, personal trusts, corporations, and a variety of others types of accounts dictated by the clients’ wishes.

We recommend and invest in stocks, bonds, mutual funds, exchange traded funds and like securities appropriate for the individual needs of our clients. When provided with written trading authority, Bourne Lent Asset Management, Inc. makes investments on our clients’ behalf and provides a variety of

other services such as forwarding to the broker dealer of record written client instructions. We do not short stock or use derivatives; all of the investments we recommend are listed on the major stock exchanges.

Principal Owners

Our company is a corporation registered in the state of New Jersey where it was founded and where we maintain an office. The principal owners are Donald W. Bourne, Jr. and John Lent. The Firm also maintains an office in Pawling, NY, which is the company's principal place of business and it is located at 3 Memorial Avenue, Pawling, NY 12564.

Types of Advisory Services

We are investment advisors who purchase and sell securities on behalf of our clients through a contractual agreement which may include full or limited discretion. We also provide advice to clients who are then at liberty to utilize this advice as they see fit through direct contact with their custodian.

Tailored Relationships

Every client is treated individually and investment recommendations take into account each client's particular goals, risk tolerance, income, and/or cash flow needs as disclosed to the Firm. We encourage our clients to inform us of any outside holdings in order to coordinate our investment efforts to achieve their stated goals. Our investment recommendations are customized for each client, although multiple clients may hold the same investment. We do not provide tax advice but do consider tax consequences when restructuring portfolios and/or individual positions, to the extent that our clients disclose their tax status. The client has the right to restrict our investing on their behalf in certain securities or types of securities. Guarantees regarding performance and return cannot be and are not made.

Wrap Fee Programs

We do not participate in any wrap fee programs.

Client Assets

Our clients' assets are held by third party custodians in the clients' name in individual accounts, joint accounts, IRAs, personal trusts, corporations, and a variety of others. Investments are made on behalf of clients pursuant to written trading authorizations. Bourne Lent does not take or otherwise have custody of client assets. Bourne Lent will advise clients of the custodial requirements for transferring or wiring money when requested by the client and will, upon the client's written request, forward the client's written trading or account instructions to the client's custodian. The movement of assets or cash must be directed by the client in writing. If such transfers are to a third party, the custodians require us to have this request in writing from the client.

Account statements are sent directly to the client by the third party custodian. In addition to this, we send our clients a monthly appraisal (our computer program list of their assets) and encourage them to review our inventory of their assets against the custodian provided statement for the same period.

As of December 31, 2014, our discretionary assets under management were approximately \$183,316,907.00 and approximately \$1,402,197.00 which were not discretionary.

Fees and Compensation Description

Bourne Lent Asset Management, Inc. fees and compensation charges are based upon individual contractual agreements with each client and charged accordingly. The Firm charges its clients a fee based on total assets under management. Due to the nature of certain relationships, there are a few accounts that are charged a fixed rate which is always below the standard fee. Our basic schedule of charges calls for fees of 1% for the first \$2 million under management and 0.6% thereafter. Related accounts and family accounts may be aggregated. Fees are negotiable depending on the client's circumstances and goals. If you have questions about your particular fees contact Bourne Lent.

Clients are responsible for the payment of all third party fees, if applicable (including but not limited to custodian fees, wire fees, inactivity fees, foreign transaction fees, margin interest, liquidation fees, ACAT fees, regulatory fees), which are separate and distinct from the fees and expenses charged by Bourne Lent and do not offset the fees charged by Bourne Lent. Clients are encouraged to review all documentation provided by third parties for full and current details regarding their practices.

Clients may terminate investment relationships by providing a written notification to the Firm and will receive a prorated refund if they have paid in advance.

Fee Billing

Fees are payable quarterly in advance for some accounts and in arrears for others. At the client's election and subject to written authorization provided to the custodian by the client, advisory fees may be automatically deducted from the client's assets by the custodian and a check for the fee amount issued to Bourne Lent. If requested, Bourne Lent will issue a fee invoice to the client regardless of whether the fee is paid automatically from the client's investment account or paid via check directly from the client, but the fee is recorded on the client's monthly custodial statement when deducted from the investment account.

Other Fees

Bourne Lent receives no additional fees, however, the client may be subject to fees from the custodian and/or funds in which the client is invested. Bourne Lent is not entitled to, nor will we, accept any compensation from any custodian that houses our clients' assets.

The clients' custodian may charge custodial fees; these are disclosed by the custodian directly to the client. All clients will incur brokerage and other transactions costs charged by their custodian.

Fees Paid in Advance

Clients may terminate the investment relationship with Bourne Lent in writing and receive a prorated refund if they have paid in advance.

Additional Compensation

We are fee only, we receive no other compensation.

Performance-Based Fees & Side-by Side Management

The Firm does not offer performance based fee option or side-by side management.

Sharing of Capital Gains or Capital Appreciation

Our fees are asset based; we do not charge fees based on a share of capital gains on or capital appreciation of the assets of a client.

Types of Clients

For the most part, our clients are US citizens living across the Country. They range in age from early twenties to their nineties. Approximately 80% of our clients are taxable individuals, families, and trusts, and approximately 20% of our accounts are pension, profit sharing, and non-profit organizations. Our corporate clients are based in the United States.

Account Minimums

Our stated account minimum for investing is \$500,000 but exceptions are made due to individual client circumstances.

Methods of Analysis, Investment Strategies and Risk of Loss

We research ideas that come from a variety of sources including but not limited to, our own interest in an industry or company, investment periodicals, and peer recommendations. We conduct due diligence on securities, investment managers and strategies utilizing multiple research sources, typically including fund databases, financial publications, capital market data and third party research materials that analyze the overall investing landscape as well as specific market sectors and strategies. We also review materials such as factsheets, presentations, fund prospectus/offering memorandum, performance and related investment data, if available. When reviewing potential investments, we consider some or all of the following items, among others:

- superior growth in earnings
- a strong financial position
- quality of management
- unique assets beyond the balance sheet, such as a strong market position, an innovative product line, or superior merchandising ability.

Further, we may use Morningstar, Bloomberg or other financial software programs to construct portfolios and research track records and fundamentals regarding the particular investments recommended.

Generally speaking, we seek companies that are growing earnings at rate superior to the S&P 500 average. We consider ourselves growth managers, but in order to achieve balance and desired diversification in our portfolios, not every individual holding would be considered a growth stock. Most often these are companies with a strong commitment to research and development. Substantial, focused R&D expenditures typically precede a new product. A new product, because of its innovative features, generally supports price flexibility, and often may produce higher margins and earnings that result in a superior valuation of the company. Companies spending heavily on R&D frequently are in industries related to science and technology.

In most accounts, we seek to use diversification to gain exposure to a range of business opportunities and to limit the impact from random, unfavorable corporate developments. Our goal still remains to arrive at a portfolio that will deliver superior returns but with an eye towards diversification to control risk. We anticipate that some of the companies that we invest in will outperform other companies in the portfolio. At times this will result in a particular security becoming a rather large position relative to the balance of the account. When this occurs we do not feel compelled to reduce this position simply because of its success. We understand there are perceived risks in maintaining these large positions but historically this has been one of the factors that has provided our clients with successful portfolios. In fact, we feel it could be a defining characteristic of our style and could be an added wedge to outperform the S&P500.

We do not believe in market timing, however, there are times due to economic or market concerns where we would reduce or increase our equity exposure.

General Risks

Although Bourne Lent considers many risks before recommending an investment product to clients (or investing on their behalf), there are a myriad of circumstances which may cause the investments to lose value. Assessment of likely future performance is inherently a prediction and it is subject to uncertainty and risk that the outlook might prove wrong. An outcome contrary to what Bourne Lent anticipated may arise from a number of factors, such as: an erroneous assessment of the value offered by the investment manager/security, a change in strategy by the company, market changes, unanticipated changes to interest rates or the tax code, among others. Further, clients should understand that all investment strategies involve risk and that investment performance and success of any strategy cannot be predicted or guaranteed. Past performance should not be used to forecast future results. Bond investors should be aware that individual bond issues are subject to loss due to default and market risk due to interest rate movements or other market factors. Investments in stocks, REITs, hedge funds (including fund of funds), futures funds involve significant risk including the potential loss of the entire investment. Money markets used in accounts are generally considered low risk but are not guaranteed and may be subject to loss and or change in market value.

Risk of Loss

We are sensitive to the fact that each of our clients has unique income requirements and/or risk tolerance. Accordingly, we custom design each portfolio to meet our clients' needs although performance cannot be guaranteed.

Legal and Disciplinary

There are no current or past legal and/or disciplinary actions against the firm or its employees.

Criminal or Civil Action

There are no current or past criminal and/or civil actions against the firm or its employees.

Administrative Proceeding

There are no current or past administrative proceedings against the firm or its employees.

Self-Regulatory Proceeding

There are no current or past self-regulatory proceedings against the firm or its employees.

Other Financial Industry Activities and Affiliations

Not applicable.

Broker-dealer or Registered Representative

We are independent investment advisors, we are not a broker-dealer or not registered representatives.

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

Not Applicable

Material Relationships or Arrangements with Financial Industry

We do not have material relationships or arrangements with the Financial Industry.

Recommend or Select Other Investment Advisers

We do not recommend or select other investment advisors for our clients for compensation.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Our code of ethics was adopted pursuant to SEC rule 204A-1. It is a standard of business conduct that reflects our fiduciary responsibility to our clients. The Code of Ethics addresses insider trading, personal securities transactions, prohibited activities, conflicts of interest, gifts and entertainment, and confidentiality. It requires that we comply with all applicable federal securities laws. It governs our clients' right to privacy. It sets rules for our employees personal trading and reporting to the compliance officer. It puts the needs of the client above the needs of our company and employees. Clients may request a copy of our Code of Ethics by contacting Judy Geller or by emailing judy@bournelent.com.

Recommend Securities with Material Financial Interest and Invest in Same Securities Recommended to Clients

The firm recommends securities to clients which are widely held and publicly traded but the firm's members may also have a financial interest in these investments. A conflict of competing interests can arise between the client and the firm's members as a result. However, firm members typically hold their securities as long-term investments and do not trade for quick profits. Further, clients receive

preference in regard to execution of any security purchases or sales owned by the corporation or its principals.

Members of the firm also buy and sell securities in their personal accounts which may also have been recommended to clients. A conflict of competing interest can arise between the client and the Firm personnel as a result. However, Firm personnel are restricted to trading until after the client transactions are finished.

Personal Trading Policies

The Compliance Officer is notified of all trades for employee accounts with the exception of mutual funds. Since the securities that the company purchases and sells for the clients are listed securities that are liquid and the employee trades do not affect the price of these securities, there is no conflict should the employees purchase or sell the same securities as the clients on the same day. However, if the employee should purchase or sell an amount of securities that would affect the share price of securities that is being purchased or sold for clients on the same day or if the security is or becomes illiquid, these trades will be pre-cleared with the compliance officer before the trade is placed. The compliance officer will ascertain that no trades in the same securities have been or will be placed on the same day as those placed for our clients. Should the Compliance Officer conduct personal trading in an illiquid security or wish to place a trade that will affect the price of the security, both the Chairman and President will be informed and it will be ascertained that no such trading is taking place or intended to take place for any clients on that day. Should the Compliance Officer be unavailable, the Chairman or President may approve an employee trade making sure that no trades have or are intended to be placed for a client(s). Records of all security transactions of each of the firm's employees are kept in the company office and reviewed by the managers and/or the Compliance Officer monthly.

Brokerage Practices

Brokerage practices – Investment advisers must describe the factors that they consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of brokers' compensation. Investment advisers must also disclose **soft dollar practices** (research or other products or services, other than execution, provided by brokers or a third party to the investment adviser in connection with client transactions); **client referrals** (using client brokerage to compensate brokers for client referrals); **directed brokerage** (asking or permitting clients to send trades to a specific broker for execution); and **trade aggregation** (bundling trades to obtain volume discounts on execution costs). Investment advisers are required to explain how they address the various conflicts of interest associated with these practices.

Selecting Brokerage Firms

Where clients request guidance from the firm, Bourne Lent may suggest a number of brokerage firms or banks to serve as custodian. Clients who choose their own custodian or broker will negotiate their commission rates directly with that broker or custodian. If, at the clients' request, the firm selects the brokers or custodians for client transactions, the firm's managers choose the entity considering factors which include the most favorable execution terms and prices for the client. Factors considered in obtaining best execution include: execution capability of the broker, commission rates, the value of

research provided and the level of service provided to the client and the applicant. In these instances, the clients sometimes pay higher commissions than those obtainable from other brokers.

Bourne Lent Asset Management, Inc. has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity"), Deutsche Bank, and Bank America U.S. Trust Company who provide Bourne Lent Asset Management, Inc. with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. These institutional service platforms provide services that assist Bourne Lent Asset Management, Inc. in managing and administering clients' accounts and include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back office functions, recordkeeping and client reporting. Bourne Lent Asset Management, Inc. is independently operated and owned and is not affiliated with any of our clients' custodians or brokers.

Our clients are free to select the custodian of their choice. However, when we have discretion to choose the custodian, those institutions we select do not generally charge a custody fee.

Research and Soft Dollars

The term "soft dollars" generally refers to research or other products or services, other than execution, provided by brokers or a third party to the investment adviser in connection with client transactions. Bourne Lent has one broker relationship that provides research to us and that is with Deutsche Bank. Receipt of soft dollars such as research may create a conflict wherein clients are recommended or Bourne Lent elects to utilize Deutsche Bank to the exclusion of other custodians. However, our research efforts are not soft dollar driven and Bourne Lent does not recommend Deutsche Bank to the exclusion of other custodians. Research received from Deutsche Bank is utilized for all clients regardless of whether they utilize Deutsche Bank or not. However, when clients choose to use a non-broker custodian and have authorized us to direct trades, we typically have chosen Deutsche Bank because of the discounts they offer to our clients. We don't find any significant advantage in terms of investment ideas by directing these trades to Deutsche Bank.

Brokerage for Client Referrals

Client referrals refers to a practice using client brokerage to compensate brokers for client referrals. We do not use brokerage commission for client referrals.

Directed Brokerage

Directed brokerage refers to a practice of asking or permitting clients to send trades to a specific broker for execution. We do not require or request directed brokerage; however, the client may direct their own brokerage. Directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable execution prices.

Order Aggregation

Trade aggregation refers to bundling trades to obtain volume discounts on execution costs. Bourne Lent uses trade aggregation. If trades are grouped together in a “block” for various clients, the execution price is averaged and each client receives the same execution price.

Review of Accounts

Periodic Reviews

Clients’ accounts are periodically reviewed by the managers, namely, Donald W. Bourne, Jr. and John Lent. Accounts are evaluated for asset allocation, individual holdings, and client objectives.

Review Triggers

Sudden changes in a particular security or the market in general may trigger a review.

Regular Reports

We send our customized statements of clients’ holdings monthly along with communication as to the state of the stock markets and various security holdings. The statements or “appraisals” are generated by a computer program we subscribe to that is a reflection of the assets the clients’ custodian holds. This report is not intended to substitute for the account statement provided by the custodian, which is the official record of a client’s account.

Client Referrals and Other Compensation

When we receive referrals there is no fee paid or economic benefit extended to that person or firm.

Third Party Solicitors

We do not use third party solicitors.

Custody

We do not have custody of our clients’ assets. Client assets are custodied at the third party chosen by the client.

Bourne Lent urges clients to compare the account statements they receive from their account custodian with any performance report or statements Bourne Lent may create for them.

Account Statements

We do not have custody of our client’s assets and, accordingly, account statements are issued to the client directly from the third party custodian.

Investment Discretion

Discretionary Authority for Trading

The degree of discretion exercised by the firm is wholly dependent upon the authorization provided by the client in the investment advisory agreement or other authorization document. Typically, the

managers have full discretion to trade, but within the parameters that were previously agreed upon, in the majority of its clients' accounts. However, certain clients have advisory relationships or restrict the trading of securities within their accounts. For example, some clients have directed the manager not to sell securities due to capital gains consequences or personal reason or prevent the applicant from purchasing certain securities due to social concerns or personal preference. Our investment advisor contract which is signed prior to or coincidentally to our management relationship covers these limited discretionary trading powers.

Voting Client Securities

Proxy Voting Pursuant to SEC rule 206(4)-6 regarding voting proxies for clients.

Bourne Lent does, upon receipt of written authorization, vote proxies associated with client holdings. Clients can elect to vote their own proxies at any time by informing Bourne Lent and notification will be provided to the custodian so that proxies are mailed directly to the client. Proxies are voted in the best interest of the client.

Clients may also choose to vote their own proxies.

Financial Information

Prepayment of Fees

Fees are payable quarterly in advance for some accounts and in arrears for others. Some clients choose to pay their annual fee in the prior calendar year for tax purposes.

Financial Condition

We have attached our balance for the most recent fiscal year.

Bankruptcy

We have never been the subject of a bankruptcy petition.