

**Breton Financial, Inc.
The Breton Company**

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Form ADV Part II: Brochure

Dated March 31, 2024

There has been one material change to this brochure from the 2023 version:

(1) the calculation of assets under management as of 12/31/23 (page 4)

On July 28, 2010, the Securities and Exchange Commission adopted amendments to Part 2 of Form ADV and related rules that require investment advisers registered under the Investment Act of 1940 to provide their clients and prospective clients with a brochure and brochure supplements written in plain English explaining their business practices.

This brochure provides information about the qualifications and business practices of Breton Financial, Inc. (The Breton Company). If you have any questions about the contents of this brochure, please contact us at (609)654-1212. 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 Breton Financial, Inc. (The Breton Company) is also available on the SEC's website at www.adviserinfo.sec.gov.

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Advisory Business

Our Advisers

Breton Financial, Inc. has been providing financial planning services, and has been incorporated, since 1988.

The principal owners of Breton Financial, Inc. are Patricia S. Feeney, President, and Roseann Bové, Vice President.

PATRICIA S. FEENEY, CFA, CFP® was born in 1948 in Westfield, Massachusetts.

Ms. Feeney is a Chartered Financial Analyst (CFA) and Certified Financial Planner™ (CFP®). Ms. Feeney holds the degree of Master of Science in Financial Services (MSFS) from the American College, Bryn Mawr, PA. She holds a B.A. in biology from Notre Dame College of Staten Island as well. Ms. Feeney has operated The Breton Company since its formation in February 1982. Ms. Feeney is a member of the Association for Investment Management and Research (AIMR), the Financial Analysts of Philadelphia, and The Financial Planning Association (FPA). She is registered as a financial practitioner with the FPA, and has been listed in Who's Who in Finance and Industry. Ms. Feeney was named as one of America's Best Financial Advisors in Worth Magazine.

ROSEANN BOVÉ, CFP®, CLU, MSFS was born in 1942 in Celina, Ohio.

Ms. Bové holds the Degree of Master of Science in Financial Services (MSFS) from the American College, Bryn Mawr, PA. She is a Certified Financial Planner™ (CFP®) having successfully completed the program of the College for Financial Planning in January, 1989. Ms. Bové is also a Chartered Life Underwriter (CLU) having successfully completed the program of the American College in January, 1987. Ms. Bové holds certificates in both Investment Strategies & Portfolio Management and Advanced Estate Planning. Ms. Bove owned and operated a life/health insurance agency from 1981 having spent over three years prior to that as a Field Underwriter for New York Life. Ms. Bové is a member of the Society of Financial Service Professionals (FSP), the Financial Planning Association (FPA), and an associate member of The National Association of Personal Financial Advisors (NAPFA).

Our Services

Breton Financial, Inc.'s principal business is the provision of financial planning services; the Company generally provides investment advisory as they relate to that principal business. Approximately 50% of the Company's activities are spent on financial planning matters not involving investment advisory services.

Breton Financial, Inc. generally provides investment advice concerning:

- equities securities (exchange listed and securities traded over the counter)
- corporate debt securities
- commercial paper
- bank certificates of deposit

- municipal securities
- variable life insurance
- variable annuities
- mutual fund shares
- U.S. government securities
- options contracts on securities

Breton Financial, Inc. does not have or accept discretion over client accounts and cannot be appointed Power of Attorney. Therefore, clients are responsible for the purchase and sale of securities in their accounts, and select the broker dealer to be used. Breton Financial does not receive, retain or otherwise control any of the client's cash, securities or other assets.

As of 12/31/2023, Breton Financial, Inc. had 21 clients, with total assets under management of \$125,089,971.96. All assets under management are non-discretionary.

Fees and Compensation

Upon entering into a contractual relationship for financial planning/investment advisory services, the client is quoted an annual fee. That annual fee is based upon one of the following schedules:

- A. For financial planning services (including investment advisory) the minimum fee is the greater of:
- \$5,000
 - 1% of net worth up to \$500,000, plus .5% of net worth in excess of \$500,000 but less than \$1 million, plus .35% of net worth above \$1 million but less than \$3 million, plus .3% of net worth above \$3 million but less than \$6 million, plus .2% of net worth above \$6 million but less than \$11 million, plus .15% of net worth above \$11 million but less than \$20 million, plus .05% of net worth above \$20 million.

For fee calculation purposes, the following components of net worth may be excluded in the third contract renewal year and thereafter:

1. Estimated value of closely-held business interests.
2. Interests in jointly-held property where only one spouse/partner is a client of Breton Financial, Inc.
3. Present value of annuitized pensions or other retirement vehicles.

- B. For investment advisory services only, minimum fee is the greater of:
- \$5,000
 - 1% of investment portfolio assets.
 - .75% of investment portfolio assets of charitable institutions or trusts where an existing client of Breton Financial, Inc. is a key beneficiary.

Client/planner relationships lasting less than one year are discouraged; if, however, Breton Financial, Inc. agrees to consult on an occasional basis, fees will be billed at the rate of \$250 per hour plus expenses. Lower annual fees may be charged to clients initially contracting prior to January 1, 1992.

Fees are billed and paid in equal quarterly installments and are not adjusted during the contract year whether or not the client's net worth increases or decreases. No performance-based fees are charged. Clients are billed approximately two weeks prior to the three month period for which they are billed for services. Clients are never billed more than three months in advance.

If the contract is terminated mid-quarter, fees for that quarter will be refunded on a pro-rata basis in years following the first contract year. No refunds of quarterly fees will be made during the first contract year. Fees are not negotiable.

In addition to the fees, transportation and travel expenses for clients located more than 200 miles from Breton offices may be charged.

Breton Financial, Inc.'s advisors are not registered or pending registry as broker-dealers or registered representatives of broker-dealers. Breton Financial, Inc. has no related persons such as broker-dealers, accountants, lawyers, insurance companies, banking institutions or other financial advisors. No compensation whatsoever is received directly or indirectly from other advisors or business relationships. Conversely, no compensation is made or offered for client referrals to Breton Financial, Inc.

Note: If mutual funds are recommended to the client, the mutual fund company may charge fees and expenses that are unrelated to Breton Financial, Inc. Additionally, clients will incur brokerage and other transaction costs separate from Breton Financial's fees. See page 9 for further discussion of Brokerage Practices.

Types of Clients

Breton Financial, Inc. provides financial planning services to individuals and their families. A smaller percentage of services are also provided to charitable organizations, trusts and estates. These services include, but are not limited to:

- Furnishing investment supervisory services, defined as the giving of continuous advice to clients as to the investment of funds on the basis of individual needs of each client.
- Furnishing advice to clients on matters not involving securities such as cash flow management, retirement planning, and risk management.

Methods of Analysis, Investment Strategies and Risk of Loss

Breton Financial, Inc. employs fundamental, technical and cyclical security analysis. Research information is obtained from financial periodicals, research material prepared by others, corporate rating services, filings from the Securities and Exchange Commission, corporate annual reports and press releases, financial news services, prospectuses and financial industry publications (both print and electronic).

Our clientele is generally mature and well-to-do, with a moderate risk tolerance. Preservation of purchasing power over an extended period is of greater concern to them than superior performance in a given year. For that reason, Breton Financial, Inc. manages balanced portfolios using domestic equities, domestic fixed income securities, domestic money market and bank deposits and domestic real estate investment trusts. All of these investments, with the exception of government-guaranteed bank deposits and CDs, involve some risk of principal loss which clients should be prepared to bear.

- By using mostly large capitalization, domestic equities across at least five industry sectors, Breton Financial, Inc. seeks to reduce the risks inherent in equity investing.
- By recommending only investment-grade, short – and intermediate – term debt instruments, Breton Financial, Inc. seeks to reduce the risks inherent in fixed income investing.
- By recommending only well capitalized, exchange-traded equity real estate investments trusts (REITs) or mutual funds that invest in equity REITs, Breton Financial, Inc. seeks to add portfolio diversification while reducing the risks inherent in real estate investing.

No client portfolio is exposed to significant or unusual risk as a result of Breton Financial, Inc. recommendations. Because clients maintain complete control over their assets, there may be situations in which a client has a large, concentrated position in a single company, therefore, bearing an unusual degree of risk. The choice to maintain such a position belongs to the client; Breton Financial, Inc. will recommend that the position be reduced in order to reduce overall portfolio risk.

Disciplinary Information

Breton Financial, Inc. has had no legal or disciplinary events.

Other Financial Industry Activities and Affiliations

Breton Financial, Inc. has no owners, employees or related persons with other financial industry activities or affiliations including broker-dealers, dealers of any other investments or securities, accountants, lawyers, pension consultants, real estate brokers, insurance agents, banking institutions or other financial planners.

Code of Ethics and Priority of Transactions

Code of Ethics

General

Employees of Breton Financial, Inc. are expected and required to adhere to the highest ethical standards established by the governing bodies of our industry. For that reason, all employees holding the Chartered Financial Analyst designation (CFA) or who are candidates for that designation must fully comply with the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research (AIMR). Further, all employees holding the Certified Financial Planner designation (CFP) or who are candidates for that designation, or who hold or are candidates for related designations (including but not limited to Paraplanner, Chartered Financial Consultant, Registered Financial Planner) must fully comply with the Code of Ethics of the International Board of Standards and Practices for Certified Financial Planners.

Each designated or candidate employee receives a complete copy of the two Code documents upon entering the respective program. Additionally, a copy of each Code document is available in the office for referral.

Standards of Business Conduct

We expect that all employees will conduct themselves in a professional and courteous manner when dealing with other employees, clients and other outside business contacts.

In the course of professional activities, an employee may not engage in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make false or misleading statements to a client, employer, fellow employee, professional colleague or any regulatory body or official.

Breton Financial, Inc. prohibits any form of unlawful employee discrimination based on race, color, religion, sex, national origin, age, handicap, marital status, sexual orientation, or status as a Vietnam-era or other veteran. Any improper interference with the ability of any employee to perform his/her expected job duties is not permitted and will not be tolerated.

Employees have the right to work in an environment free from all forms of discrimination, as noted above, or conduct that is considered harassment, coercive or disruptive, including sexual harassment. Sexual harassment is a violation of state and federal law, and no employees will be forced to submit to such conduct as a basis for any employment decision.

Employees and applicants who are considered disabled will not be limited, classified or segregated in a way that adversely affects their opportunities or status within Breton Financial, Inc. Reasonable accommodations will be made for any individual with known limitations, except where the accommodation would impose an undue hardship on the firm's operations.

Breton Financial advocates and "open door" policy and encourages employees to bring any grievances to management's attention at any time.

Confidentiality

As a result of employment with Breton Financial, Inc., an employee will have privilege to confidential and sensitive information about the clients, the company, and possibly about current and former employees. To protect this type of information, it must not be discussed with anyone

outside the company, except, when applicable, with a client or industry professional who furnished the information. Employees must sign a statement acknowledging their awareness of this policy when hired.

Compliance with Federal Securities Laws

Breton Financial, Inc. and its advisers and employees understand that the primary mission of the U.S. Securities and Exchange Commission (SEC) is to protect investors and maintain the integrity of the securities markets.

The laws and rules that govern the securities industry, although complex, are generated from a simple and straightforward concept: all investors, whether large institutions or private individuals, should have access to certain basic facts about an investment prior to buying it. The SEC is concerned primarily with promoting disclosure of important information, enforcing the securities laws, and protecting investors who interact with various organizations and individuals.

Breton Financial, Inc. is in compliance with all Federal Securities Laws and amendments to meet the SEC's standards.

Priority of Transactions

Breton Financial, Inc. may recommend to clients the purchase or sale of listed securities in which Patricia Feeney or Roseann Bové have a position, if the recommendation is to take an action consistent with Ms. Feeney's or Ms. Bové's.

Policy on Priority of Transactions:

- Transactions for clients have priority over personal transactions.
- Personal transactions may not adversely impact the interest of clients.
- Personal transactions shall be initiated only after clients have had adequate opportunity to act.
- Personal transactions are those on behalf of the adviser representative herself or himself, dependents, other family member where the advisor has control, and accounts in which the adviser representative has a beneficial interest.
- An investment transaction is purchase or sale of anything deemed a security by the Securities and Exchange Commission.
- Records of all personal transactions must be maintained in the office of Breton Financial, Inc.
- All employees are requested, and adviser representatives are required, to obtain written approval from the Company's Compliance Officer (or the Company's President in the case of the Compliance Officer's personal transactions) at least 3 days in advance of order placement for transactions exceeding \$25,000 or 1,000 shares.
- Adviser representatives are required to submit transaction slips for all personal transactions to the Company's Compliance Officer (or the Company's President in the

case of the Compliance Officer's personal transactions) for review within 15 days of the end of each calendar quarter.

- Breton Financial, Inc. adheres to a Code of Ethics, which is provided to any client or prospective client upon request.

Brokerage Practices

Brokerage House Recommendations / Directed Brokerage

Upon the client's specific request, Breton Financial, Inc. will recommend the services of a brokerage house. Only substantial, well-respected firms and their representatives will be so recommended, with the understanding that said firms and their representatives will provide the client's accounts with the services required. Breton Financial, Inc. has no incentive to direct client accounts to any given brokerage house.

At all times the client is free to choose his or her own broker, and Breton Financial, Inc. will be happy to work with that individual in servicing the client's account. If the client chooses their own broker, Breton Financial, Inc. has no control over the commissions charged, nor is it Breton Financial Inc.'s responsibility to negotiate said commissions. If the client chooses his or her own broker, Breton Financial, Inc. cannot ensure that the client will obtain the best price and execution for any transactions.

Adviser Compensation

Patricia Feeney and Roseann Bové do not receive any compensation whatsoever (including referrals), in any form, or reduction in commission rates, from any brokerage house, investment company, insurance broker or agent, bank or financial institutions. Upon request, certain research materials are received from major brokerage houses and other financial institutions. Such research is used for the benefit of all Breton Financial, Inc. clients, and no additional expense is incurred by any client for such research.

Commissions

Clients incur standard brokerage commissions when dealing with a full-service brokerage house recommended by Breton Financial, Inc. unless a reduced commission schedule can be negotiated in light of the size and/or activity level of the account. Under no circumstance will a client pay commissions higher than those routinely charged by a given brokerage house. Clients incur standard, published commissions when dealing with a discount brokerage house recommended by Breton Financial, Inc.

Review of Accounts

Initially, accounts are reviewed for asset allocation, industry and media diversification, risk levels, and suitability. Thereafter, client investment accounts are reviewed at least quarterly, and much more frequently if market conditions so warrant. Stop-Loss orders may be employed, particularly during volatile market periods. All portfolio reviews are conducted by Patricia S. Feeney, President, and/or Roseann Bové, Vice President.

All investment advisory clients are strongly urged to utilize one or more Central Assets Accounts offered by major brokerage houses for securities' safekeeping and ease of investment

transactions. In addition to comprehensive monthly statements from such accounts, Breton Financial, Inc. provides either a summary of the initial account review (for investment advisory only) or a section on investment management in the financial plan document for full financial planning clients. Clients are encouraged to carefully review the account statements received monthly and quarterly from the major brokerage houses and compare these statements to those provided by Breton Financial, Inc. Other reports may be given to clients during regularly scheduled client-planner conferences or on an as-needed/as-requested basis.

Voting Client Securities

Breton Financial, Inc. does not have, nor will accept, authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian and are encouraged to contact our office with questions about a particular solicitation.