



# Berkshire

## DIVIDEND STRATEGY

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"Casual Friday" Commentary

### **Casual Friday: NUE 23% Div Increase + YE Tax Idea– December 3<sup>rd</sup>, 2021**

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#### **Macro Mania?**

If you were looking for a quiet December, you're likely out of luck! Omicron variant, Powell's pivot, inflation, rates up/rates down, curve steeper, curve flatter, equity market vol, sector rotations... it's going to be an interesting year end for the markets. We're monitoring these developments, but our play book remains; attempt to generate dividend income, grow dividend income, and protect against downside volatility.

#### **Nucor Corp (NUE) - Dividend Increase Alert**

[Nucor Increases Its Regular Quarterly Cash Dividend by 23% and Announces New Share Repurchase Program](#)

#### **Berkshire Tax Managed Solution**

Advisor Challenge: "I need to change large cap strategies, but I'm worried about capital gains implications from the new manager blowing out the positions all at once." Berkshire's Tax managed solution attempts to restructure a portfolio over time, working within an annual tax budget set by the client and the advisor

##### *Potential Uses:*

- Replace an underperforming manager/strategy
- advisor switching to managed accounts
- a strategy is no longer available/sunset
- advisor wins a new account from another firm

*It also manages losses throughout the year with an eye to adding tax alpha.*

[Berkshire Tax Alpha Transition Program – Intro](#)

Call / email to learn more - platform limitations may apply.

Have a great weekend!

Gerry

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*Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Berkshire Asset Management is a fee-based, SEC registered advisory firm serving the portfolio management needs of institutional and high-net worth clients. The Dividend Growth Composite contains portfolios invested in Berkshire's Dividend Growth Strategy with an equity allocation target of 90% - 100%. The Dividend Growth Strategy's primary objective is to generate a growing stream of equity income by investing in a diversified portfolio of equities with stable, high, and growing dividends. The benchmark is the S&P 500 Index. The index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested, does not include any trading costs, management fees, or other costs, and the reinvestment of dividends and other distributions is assumed. An investor cannot invest directly in an index. Gross returns are presented before management and other fees but after all trading expenses. Net returns are calculated by deducting actual management fees from gross returns. Returns reflect the reinvestment of dividends and other earnings. Valuations are computed and performance is reported in U.S. dollars. To receive a complete list of composite descriptions and/or a compliant presentation, contact Jason Reilly, CFP® Tel: 570-825-2600 or info@berkshiream.com. Past performance does not guarantee future results.*

*Definitions: The S & P 500 Index is a market capitalization weighted index of the largest 500 U.S. stocks. It is a market-value weighted index (stock price times # of shares outstanding), with each stock's weight in the index proportionate to its market value. The index is designed to measure changes in the economy and is representative of most major industries. Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The index was developed with a base value of 200 as of August 31, 1992. Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The index was developed with a base value of 200 as of August 31, 1992. You cannot invest directly in an index. BEst (Bloomberg Estimates) Earnings Per Share (EPS Adjusted) estimate returns Earnings Per Share from Continuing Operations, which may exclude the effects of one-time and extraordinary gains/losses. Beta is a measure of volatility vs. an index. Upside/Downside capture ratios refer to a portfolios performance as a percentage of either positive returns (upside) or negative returns (downside) vs. an index. Standard Deviation is a measure of total risk. Alpha, Beta and capture ratios are represented as calculated by Morningstar.*

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