



# Berkshire

## DIVIDEND STRATEGY

Berkshire Asset Management  
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"Casual Friday" Commentary

### Casual Friday: Updated Q4 Material + "How" advisors use...– January 14<sup>th</sup>, 2022

#### <<Availability>>

#### [Schedule a Call](#)

The constant barrage of the same financial news feed has seemingly been recycled for months -- COVID, Inflation, Cathie Woods sell off, political drama, growth vs. value, etc. While healthy contrarianism runs through our DNA, in many ways we find ourselves in-line with much of the current market consensus. Even so, we still look to share insights and present them in unique and advisor friendly ways. To kick off the year, instead of -- "here's our product, here's our performance" we present our 4q material by showing "HOW" we see top advisors leverage the material, our dividend strategy and our service.

#### **I want to focus on client cash flow, not chase a benchmark...**

Advisors present page 2 of our [Dividend Strategy Scorecard 12.31.2021](#) to demonstrate long term growth of dividend income and how this might more closely align with the most important benchmark – client goals and objectives.

#### **I'd like to show tangible ways a dividend portfolio could outpace inflation...**

30 years (Source: Bloomberg) of data suggests a portfolio of rising dividends may not only help combat inflation over time, but may perform better than the broad market. Pages 3 and 4 of [The Power of Dividends and Dividend Growth](#)

Speaking of inflation... the first two weeks of 2022 has inflation running hot and higher rates are biting. Our model dividend performance estimates show Berkshire +1.80 Net of Fees TYD\* vs S&P500 -2.25% YTD. A welcomed rotation to start the year.

#### **I would like to change strategies but taxes are an Issue...**

We've helped many solve the challenge of crushing clients with taxes during manager / strategy changes -- [Berkshire Tax Alpha Transition Program](#)

#### **I want a fresh approach, not just the same old "Backward Looking" screened out ETF anyone could buy...**

Berkshire's Process: Identify perennial dividend growers before they are fully recognized by the market using a "Forward Looking" bottom up selection process: Page 4 of our [Dividend Strategy Guide 12.31.2021](#)

**I'd like a quick 2021 review, outlook and process overview...**

[Dividend Strategy Commentary – 4Q2021](#)

**Updated Q4 2021 material + other great content is posted on our website:**

<https://berkshireasset.com/advisors-institutions/>

Have a great long, wintery weekend!

Gerry

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**\*Past performance does not guarantee future results.**

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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](mailto: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 portfolio's 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.

*Risks: Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for an individual's investment portfolio. Dividends are subject to change, are not guaranteed, and may be cut. Investing based on dividends alone may not be favorable as it does not include all material risks. There is no guarantee any stated (or implied) portfolio or performance objective mentioned by Berkshire can be met. Berkshire's equity style may focus its investments in certain sectors or industries, thereby increasing potential volatility relative to other strategies or indices. The dividend strategy may include bundled services also known as a "wrap fee program". Because there is typically a low turnover in the strategy, this may be more costly for some investors. No one should assume that any information presented serves as the receipt of, or a substitute for, personalized individual advice from a qualified advisor or any other investment professional.*

*Market Commentary, Aggregate Holdings, Securities, Sectors, Portfolio Characteristics Mentioned: No statement made in this presentation shall constitute investment advice. This presentation is for informational purposes only. Views, comments or research mentioned is not intended to be a forecast of future events. The mention of any security or sector is not deemed as a recommendation to buy or sell. Any reference to any security or sector is used to explain the portfolio manager's rationale for portfolio decisions or philosophy. Research or financial statistics cited regarding securities or sectors do not contain all material information about them. Any securities mentioned represent a partial list of holdings whereas Berkshire portfolios typically contain approximately 30-40 securities in percentage weightings ranging from 1-5%. A complete list of holdings from a representative account is available upon request. Overall portfolio characteristics mentioned are from a representative account deemed representative of the strategy; data may be compiled from Bloomberg, Baseline or Berkshire estimates. Individual holdings, performance and aggregate characteristics of actual portfolios may vary based on a variety of factors including market conditions, timing of client cash flows and manager discretion. This presentation contains Berkshire opinions and use of Berkshire estimates which are subject to change at any time. Berkshire employees may have personal positions in any securities or sectors mentioned. Charts, presentations or articles may be obtained from third parties and Berkshire does not guarantee their accuracy. \*Platform restrictions may apply. Preliminary returns are based on composite estimates only. Individual accounts will vary. Copyright © 2021 Berkshire Asset Management, LLC, All rights reserved.*