



Berkshire

DIVIDEND STRATEGY

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“Casual Friday” Commentary

Casual Friday: Social Setting Playbook + "\$16B Productivity Hit?" – March 18th, 2022

TGICF,

We fielded an analyst question this week:

In summary, "Describe Russian / Ukraine revenue and supply chain exposures."

Summary response: Stocks in our universe are multinational and have foreign exposure, including Eastern Europe. Companies in the Berkshire portfolio generate about 26% of revenue from EMEA -- in line with S&P500 exposures. Identifying exact revenues from Russia is more challenging -- i.e. When running a Bloomberg screen on the S&P500 for “Eastern Europe Revenue Percentage”, you return only 8 companies reporting this data in most recent filings. Companies are not required and many don't break out these data points. A few companies made announcements on bans on sales and operations. The long term impact for these companies does not appear material, in our opinion and we are waiting on further management commentary/guidance. We're in a fortunate situation, the crisis has not materially changed the thesis on any of our holdings at this time. (Source: Bloomberg)

Spring is here and in many parts of the country things are feeling somewhat normal... Heck, we just got invites to 4 IN-PERSON industry conferences! Time to sharpen "the social skills ax"...

“So...What's Up at Work?”

Although, you make it a point to network/socialize with all the right people, you never want to be viewed as pushy when discussing/offering your services... And social situations are undoubtedly a TERRIBLE place to launch the tired old elevator pitch! Instead, if you have thought provoking answers, you might actually get prospects (who could be friends/acquaintances) asking you for a meeting... Not the other way around.

Common responses to “What's Up at Work?” might include: “Business is good”, “My client portfolios are doing terrific” or “Great, I'm doing a lot of financial planning work for my clients” -- None of these spur curiosity or inspire action! Instead, consider sharing interesting client cases geared towards your audience. Be armed and display your expertise...

“What's up at Work?”** ...

- To the wealthy business owner: “I actually thought about you the other day... I've been reviewing a few business owner's estate plans and buy sell agreements. It's incredible how much the average advisor and attorney actually miss. Last month I caught a big mistake on an ILIT and the fix is going to save the client's estate 1MM+ in taxes.”
- To dentists/lawyers/architects/engineers or any small professional practice: “I'm doing research on retirement plans and figuring out how to get max contributions for medical

professionals and eliminate these crazy fees embedded in most plans. Last week I was talking with a doctor and it looks like he might be able to put away twice as much in his retirement plan and cut fees in half. It will really save him on taxes and increase his nest egg for retirement.”

- To trust and estate attorney: “My firm has a specialist in Delaware Trust planning. We've been working for a few families on very detailed legacy planning. One client is in the process of restructuring their business entity... They are going to save huge on state tax when they dissolve the business, they have great protections and when the business is sold they will still have complete control of the assets.”

The common thread -- *You're not viewed as an expert because you tell people you are an expert.* You are viewed as an expert when you offer tangible proof points of how your expertise applies. Each response is true, conversational, and shows your genuine excitement and skill as a practitioner - in a non-threatening way. It's likely the person you are talking to will be curious, and inquisitive which will open the door. And it's possible you won't be the one asking for the meeting...

March Madness Worth The \$16.3 Billion Price Tag in 2022

A Chicago based consulting firm does a pretty cool report every year:

[Mandate March Madness? Engaging Workers With March Madness Worth The \\$16.3 Billion Price Tag in 2022](#)

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*(** These are made up scenarios and there is no guarantee these are successful)*

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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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