



# Berkshire

## DIVIDEND STRATEGY

Berkshire Asset Management  
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"Casual Friday" Commentary

### Casual Friday: Your Lunch Is Served + Inflation Reduction Act Impact?– Aug 26, 2022

[Dividend Strategy Guide 6.30.2022](#) - [Dividend Scorecard 6.30.2022](#) - [Dividend Fact Sheet 6.30.2022](#)

#TGICF!

Recent advisor question: "How does the Inflation Reduction Act corporate tax change, affect the Berkshire portfolio"? Answer: It appears nominal and could be a positive, relative.

- 15% corporate alternative minimum tax - applies to companies with average adjusted annual income exceeding \$1 billion for 3 consecutive years.
  - Berkshire has limited exposure, just 5 companies out of our 36 may face a higher tax rate.
- "Stock repurchase tax" is equal to 1% of aggregate fair market value.
  - Nominal impact, may incentivize managements to favor dividends and dividend increases.
- "Value" stocks in aggregate have a higher effective tax than "growth" counterparts.
  - On the surface, it appears more "growth" stock will be impacted by higher taxes.

Sources: [Forbes](#), [Tax Foundation](#), [University of Pennsylvania](#).

### **Introducing the Berkshire "Virtual Branch Lunch"**

On your lunch menu today....

- Interesting industry perspectives and factoids
- Actionable strategies designed to improve your practice
- Berkshire's due diligence and ways dividend strategies can make your life easier.

Yep, the old branch lunch was in desperate need of a re-work! Our new Virtual Branch Lunch (led by Jason Reilly, CFP) serves up these and other ideas in our "non-institutional-sometimes irreverent-light-hearted-communication-style."

But underneath some levity lies a seriousness and passion to share best ideas that raise industry standards. "Culture" is often overused. These ideas and delivery personify ours.

Just getting to know us? Know us a little? Know us a lot? It's not the same ol' product pitch -- there's something everyone can appreciate -- especially the artwork...

12 short minutes... and we won't chase you back to your office or say "hey I just bought lunch, how many tickets will I get" -- Let us know what you think!

### [Berkshire's - Virtual Branch Lunch](#)



Having trouble viewing? View directly on our website:

<https://berkshireasset.com/business-building/>

### **A taco for 25k?**

We might chase ya down the hall after this one...

<https://www.luxhabitat.ae/the-journal/worlds-most-expensive-dish/>

### **Contact Berkshire**

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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 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.

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