



Berkshire

DIVIDEND STRATEGY

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“Casual Friday” Commentary

Casual Friday: #TGINewYearCF + 2022 In Context– December 30th, 2022

#TGIHappyNewYearCF

It's a challenge to concisely synthesize and give appropriate perspective to such a remarkable year.

In 2022...

- The world largely said goodbye to the pandemic but instantaneously said hello to a ground war in Europe
- The inflation narrative turned from “transitory” to “run-away”
- Fixed income investors experienced a painful end to a 40-year bull market
- Growth and new economy type stocks took a beating not seen for over 20 years...something thought unthinkable just 12 short months ago

Good riddance? The world is witnessing a massive unravelling of newfangled “currencies” such as crypto and NFT's. Oh, and these also paved the way for a “new Madoff.” No quarter here as this “electronic-tulip-bubble-tale” is one as old as time!

Some things never change. Death... Taxes... Performance Chasing... Divisive Politics... Greed... Fear... We hope Berkshire's investment process and the companies we buy for your clients fall in *this* category: Unwavering...Enduring...and worthy of a longstanding place in your clients' portfolio.

Berkshire Strategy *almost* broke even in a largely dismal year for most risk assets. Yep, we are reasonably proud of that. However, unlike Greek Olympians who rested laurel wreaths upon their head to signify victory, we're working today and will be enthusiastically back on Tuesday trying to figure out the best use of your clients' capital.

We are grateful for another year of solid asset flows and how that validates our approach in working with you. And on Tuesday we will also continue our quest to add value to your business in ways that go beyond our quest for best investments ideas.

Thank you and here's to a great 2023...whatever it may bring.

2022 “Rollercoaster Ride” comes to an end today...

A recap of the S&P ups and downs, and accompanying market narratives:



(Source: Bloomberg)

These five trading days accounted for nearly all of the S&P 500's losses in 2022 - MarketWatch

<https://www.marketwatch.com/story/the-days-that-killed-the-year-these-5-trading-sessions-accounted-for-95-of-the-s-p-500s-losses-in-2022-11672253198>

Have a great long weekend.
Gerry

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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 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.

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