



# Berkshire

## DIVIDEND STRATEGY

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“Casual Friday” Commentary

### Casual Friday: Quick YE Wrap + '24 Alignment? – January 5<sup>th</sup>, 2024

#TGICasualFriday!

Happy New Year – Embarking on '24, we're excited about the prospects of our strategy and eager to make positive impacts on our advisor friends and their clients. Thank you all for your continued support!

- [Schedule a Call or Video Meeting to share your '24 initiatives or review the portfolio](#)

#### The New “Ab-Normal”?

Reflecting on 2023, what a year...again! Massive bank failures, wild moves in interest rates, AI mania, concentrated indices, unprecedented shifts between investment styles, and global unrest. Every year it seems there is something that makes you say “Wow. What a year!” Perhaps “ab-normal” is the new normal? Investment-wise, 2023 will be remembered as a relatively challenging year for strategies that lean towards a “value-oriented” style. While chaos, speculation, and “new investment abnormalities” personified 2023, Berkshire shall remain steadfast to the pillars of its investment strategy. Quality... reliable cash flow and dividends...reasonable prices that may provide upside AND a reasonable margin of safety.

#### 2023 Berkshire Dividend Update

- # of Dividend Increases: 37 of 38 companies
- Average Dividend Increase: ~ 6%
- WPC spun off holdings (NLOP), reduced dividend commensurate to spin

#### 2023 Dividend Increase Announcement

<a href="#">Abbott Increases Dividend by 7.8%</a>	<a href="#">12/15/2023</a>	<a href="#">General Mills Increases Dividend by 9%</a>	<a href="#">6/28/2023</a>
<a href="#">Pfizer Increases Dividend by 2.4%</a>	<a href="#">12/14/2023</a>	<a href="#">Lowes Companies Increases Dividend by 5%</a>	<a href="#">5/26/2023</a>
<a href="#">Nucor Increases Dividend by 5.9%</a>	<a href="#">12/14/2023</a>	<a href="#">Chubb Increases Dividend by 3.6%</a>	<a href="#">5/17/2023</a>
<a href="#">TE Connectivity Increases Dividend by 5.9%</a>	<a href="#">12/12/2023</a>	<a href="#">Apple Increases Dividend by 4%</a>	<a href="#">5/4/2023</a>
<a href="#">Waste Management Increases Dividend by 7.1%</a>	<a href="#">12/11/2023</a>	<a href="#">Leggett &amp; Platt Increases Dividend by 4.5%</a>	<a href="#">5/4/2023</a>
<a href="#">W.P. Carey Reduces Dividend by 19.7%</a>	<a href="#">12/7/2023</a>	<a href="#">PepsiCo Increases Dividend by 10%</a>	<a href="#">5/2/2023</a>
<a href="#">Bristol Myers Squibb Increases Dividend by 5.3%</a>	<a href="#">12/6/2023</a>	<a href="#">Kinder Morgan Increases Dividend by 2%</a>	<a href="#">4/19/2023</a>
<a href="#">Merck Increases Dividend by 5.3%</a>	<a href="#">11/28/2023</a>	<a href="#">Johnson &amp; Johnson Increases Dividend by 6.6%</a>	<a href="#">4/19/2023</a>
<a href="#">EOG Resources Increases Dividend by 10%</a>	<a href="#">11/2/2023</a>	<a href="#">Procter &amp; Gamble Increases Dividend by 3%</a>	<a href="#">4/11/2023</a>
<a href="#">AbbVie Increases Dividend by 5%</a>	<a href="#">10/27/2023</a>	<a href="#">Qualcomm Increases Dividend by 7%</a>	<a href="#">3/8/2023</a>
<a href="#">Lockheed Martin Increases Dividend by 5%</a>	<a href="#">10/6/2023</a>	<a href="#">M&amp;T Bank Increases Dividend by 8%</a>	<a href="#">2/22/2023</a>
<a href="#">McDonalds Increases Dividend by 10%</a>	<a href="#">10/4/2023</a>	<a href="#">Deere &amp; Company Increases Dividend by 4.2%</a>	<a href="#">2/22/2023</a>
<a href="#">Honeywell Increases Dividend by 5%</a>	<a href="#">9/29/2023</a>	<a href="#">Walmart Increases Dividend by 2%</a>	<a href="#">2/21/2023</a>
<a href="#">Microsoft Increases Dividend by 10%</a>	<a href="#">9/19/2023</a>	<a href="#">PPL Corporation Increases Dividend by 6.6%</a>	<a href="#">2/17/2023</a>
<a href="#">JPMorgan Chase Increases Dividend by 5%</a>	<a href="#">9/19/2023</a>	<a href="#">Cisco Systems Increases Dividend by 3%</a>	<a href="#">2/15/2023</a>
<a href="#">Mondelēz Increases Dividend by 10%</a>	<a href="#">7/27/2023</a>	<a href="#">PepsiCo Increases Dividend by 7%</a>	<a href="#">2/1/2023</a>
<a href="#">Bank of America Increases Dividend by 9%</a>	<a href="#">7/5/2023</a>	<a href="#">Norfolk Southern Increases Dividend by 14%</a>	<a href="#">1/25/2023</a>
<a href="#">PNC Financial Increases Dividend by 3%</a>	<a href="#">7/3/2023</a>	<a href="#">Kimberly-Clark Increases Dividend by 1.7%</a>	<a href="#">1/25/2023</a>
<a href="#">JPMorgan Chase &amp; Co Increases Dividend by 5%</a>	<a href="#">6/30/2023</a>	<a href="#">Chevron Increases Dividend by 6%</a>	<a href="#">1/25/2023</a>

Source: Bloomberg

## **Kick-off '24 right -- align with a “Partner” not just a “provider”.**

Most elite advisors strive to narrow their scope of investment providers...

They forge long-term partnerships with firms that can help them achieve greater practice aspirations.

The difference? These advisors typically know their partners inside out, the conviction resonates with clients and they can unleash massive practice efficiencies.

Timely access, real-time value-added communication, and assistance in solving your practice initiatives comprise the “Berkshire Difference.”

1. On-going access to our PM team: deep due diligence to easily maintain command of the strategy
2. “Casual Friday” email: picture a Portfolio Manager popping into your office for a 5-minute debrief on the portfolio and sharing best practices of other elite advisors
3. Strategic guidance on a host of business issues to help ensure you thrive in a shifting landscape

Regards,

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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.

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