Berkshire
DIVIDEND STRATEGY

Berkshire Asset Management
46 Public Square, Suite 700
Wilkes-Barre, PA 18701
570.825.2600

"Casual Friday" Commentary

Casual Friday: Everyone Happy? + Intercepted! – March 15th, 2024

#TGICasualFriday!

Is Everyone Happy?
An advisor team we know is investing in their future. They are targeting UHNW clients. They've added a dedicated CFP to exclusively handle the planning elements of wealthy clients. And they hired a professional with a few decades of direct fiduciary/trust experience. She's well-connected to estate planners in the area.

She and I began to discuss dividend growth in a fiduciary context and how advisors could use it to build relationships with trustees and solve a basic yet age old problem.
A trustee may struggle to strike the right balance between the income needs of a trust while ensuring its long-term growth. This might seem challenging and conflicting --The task of preserving and growing assets, all while generating a steady income stream for the beneficiaries.

The trustee's role can often feel like a high-wire act – delicately navigating the tension. On one hand, beneficiaries might prefer high current income while on the other hand, the trustee must ensure the trust's assets grow over time, shielding future generations from financial uncertainty and capital erosion.

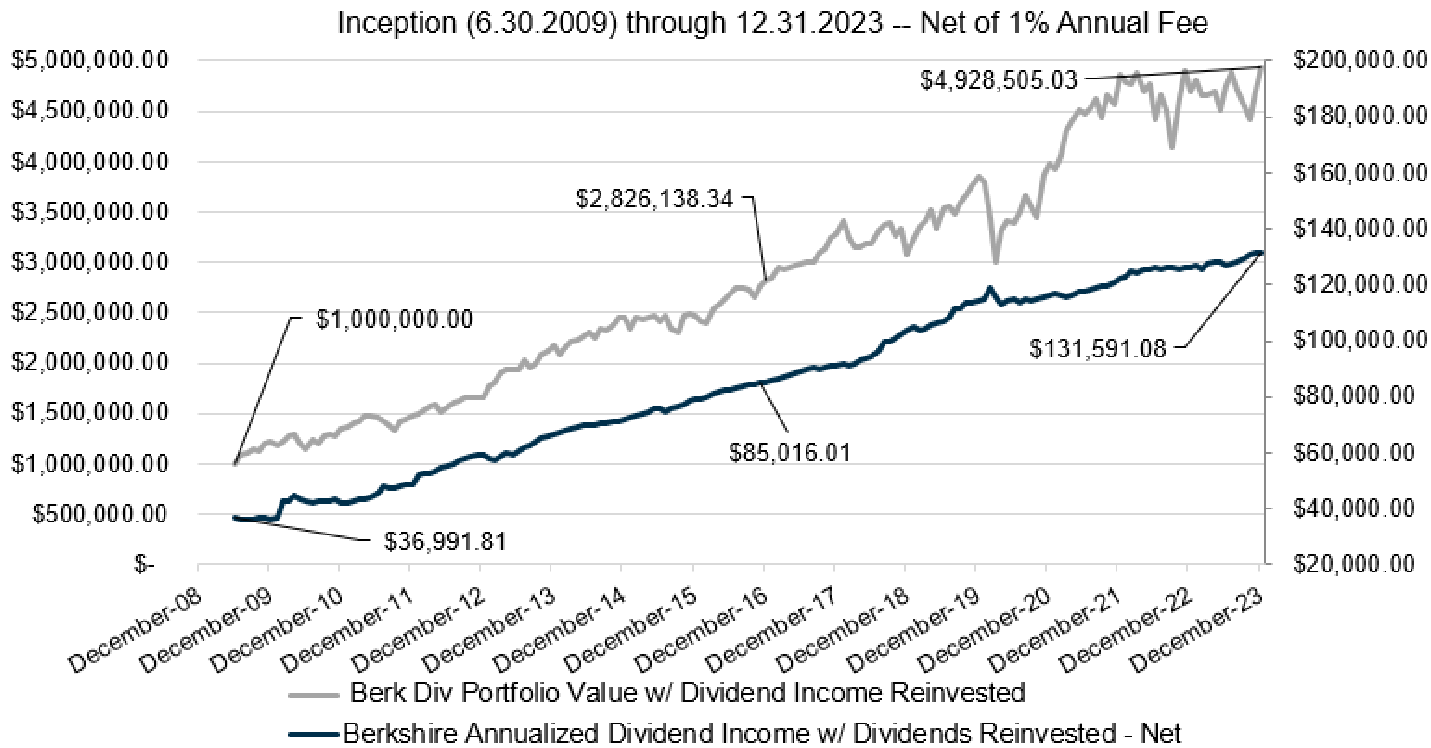
Err on the side of high income and the trust's growth potential might dwindle. Lean too heavily towards growth, and beneficiaries might be left without sufficient financial resources to meet their present needs. It's a tightrope walk requiring careful consideration and balance.

She pointed out how dividend growth investing may present a solution to this age-old trustee's dilemma. Dividend growth investing aims to deliver the best of both worlds – generating reliable income while capitalizing on the power of compounding to foster long-term growth. Since dividend growth may solve this issue, it can open up more options in the asset allocation decision.

So, income, income growth, and growth of principle just might make everybody happy.

If you're seeking to bring a solid approach to trustees in a high-wealth-strata perhaps this concept could be a building block in your fiduciary education.

Please see page 5 of our Dividend Strategy Guide 12.31.2023 for more detailed information, fees and disclosure information.



(Please reference Dividend Strategy Guide 12.31.2023 for Returns Net of 3% Fees. 3% fee represents the max fee in "wrap" programs in which Berkshire Dividend Strategy participates. Intended for illustrative purposes only. Income chart is based on the assumption $1,000,000 is invested in the Berkshire Dividend Growth and Income Strategy at the inception of the Berkshire Dividend Growth and Income composite. (6/30/2009) The $1,000,000 investment is adjusted monthly based on the stated monthly total returns for the given composite. This includes accumulation and reinvestment of the dividend. The monthly adjusted account values are then multiplied by the current yield of the respective composite. The resulting monthly income figures are then charted in the graph. Dividends are not guaranteed, and may be subject to change. 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. A fee of 1% annually is included in analysis. Berkshire Dividend Growth and Income current yields are calculated in Zacks from a representative account only. Individual account yields and returns can vary. Calculation limitations: Changes of the underlying holdings in the index or composite can change current yield calculations. This can lead to various ranges of results that may appear more or less favorable. Example: Stock A with 3% current dividend yield is sold. Stock B with 4% current dividend yield is purchased. This would result in higher yielding portfolio but is not the result of "dividend growth")

Intercepted?

Speaking of the value of a financial advisor, San Francisco 49ers safety Ji'Ayir Brown, who intercepted a pass from Patrick Mahomes during Super Bowl LVIII, was just intercepted himself — by his financial adviser, who stopped him from buying a Tesla Cybertruck at a 130% markup.
https://www.marketwatch.com/amp/story/nfl-player-buying-a-tesla-cybertruck-for-100-000-over-asking-is-intercepted-by-his-financial-adviser-3c0f2c15

Have a great weekend,
Gerard

Dividend Strategy Portfolio Manager/Partner
Berkshire Asset Management, LLC
Office (570) 825 - 2600

Berkshire Dividend Growth SMA is available through various custodians, broker-dealers and UMA providers. This commentary is Intended for Institutional and advisor use only. This commentary may make information of third parties available via website links. The Third-Party Content is not created or endorsed by Berkshire nor any business offering products or services through it. The delivery of Third-Party Content is for general informational purposes only and does not constitute a recommendation or solicitation to purchase or sell any security or make any other type of investment or investment decision. In addition, the Third-Party Content is not intended to provide tax, legal or investment advice. the Third-Party Content provided to is obtained from sources believed to be reliable and that no guarantees are made by Berkshire or the providers of the Third-Party Content as to its accuracy, completeness, timeliness.

Any companies referenced, have been done so, solely for illustrative purposes and not based on investment performance or attribution to the overall performance of the strategy. The companies identified herein do not represent all the securities purchased, sold or recommended for client accounts, and you should not assume that an investment in the companies identified was or will be profitable. Berkshire retains the right to revise or modify portfolios and strategies if it believes such modifications would be in the best interests of its clients. Model portfolios may or may not contain any specific security at any time, and decisions to invest should not be made based on the presumed or current composition of any model portfolio - A complete list of holdings in the Berkshire Dividend Growth Strategy.

Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive GIPS-compliant performance information for the firm's strategies and products, contact Jason Reilly, CFP® Tel: 570-825-2600 or info@berkshiream.com.

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.

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 construe 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.*