



# Berkshire

## DIVIDEND STRATEGY

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“Casual Friday” Commentary

### Casual Friday: 3 Minutes Review + Magnificent? – April 5<sup>th</sup>, 2024

#TGICasualFriday

Instead of a 30 minute, 50 slide webinar where a PM drones on and on about “macro this” and “stocks that” and you shut off after 5 minutes... Here's a 360 view of the Berkshire Dividend strategy to speed up reviews and due diligence... all in about 3 minutes!

[Berkshire 3 Minute Due Diligence Package – March 31st, 2024](#)

If you *really* want deep dive, call us we are happy to drone on as long as you like via zoom or teams! - [Schedule a Zoom, Teams or phone call here!](#)

### "Magnificent" Valuation Gaps?

Value stocks are trading at their lowest levels relative to Growth.



(Source: Bloomberg Relative Price to Book 3.26.2024)

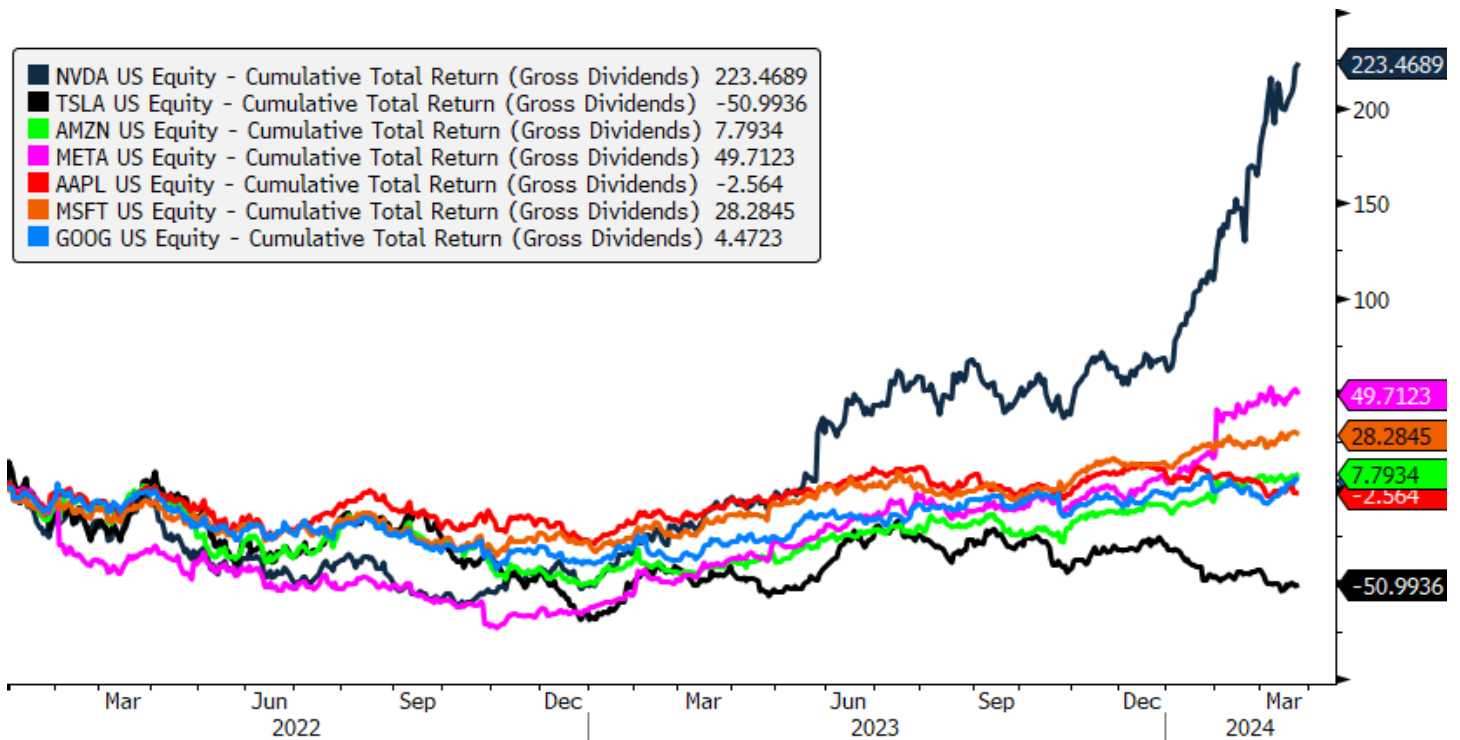
### "Magnificent" Concentration?

It's incredible to think, we're counting company market caps in the trillions! U.S. innovation, technology and integrity of capital markets remain the envy of the world. What's also incredible, is the concentration in U.S. large-cap indices. The top 10 names in the S&P500 make up ~34% of the index and ~55% of the growth index. Dividend growth can provide solid

diversification to these growth-heavy indices. (Source: Bloomberg 3.15.2024)

### "Magnificent" Cracks?

For the past couple of years, 2 of the Mag 7 have negative returns, 2 more have returns less than the S&P500 (S&P 500 Total Return +14.28% as of 12.31.2021 - 3.31.2024), 2 more I wouldn't call the returns "magnificent".



(Source: Bloomberg)

### "Magnificent" Differentiation

Not really... get this – John Bowen was recently with Michael Kitces to discuss the massive gaps that exist between what advisors think they deliver and what clients perceive they get. During the presentation, Bowen unveiled an advisor survey.

What are your differentiated services offered?

Responses:

- 58% Financial Planning Services
- 55% Level of Customer Service
- 54% Comprehensive Services
- 51% Years of Experience

Takeaway – At least half of advisors sound like everyone else and provide no unique service to their clients. Listen to Bowen and Kitces strategize on differentiating your business, delivering a unique experience and marketing your service.

## [What High-Net-Worth Prospects \(Really\) Want From A Financial Advisor](#)

### **A Solar Eclipse Coming -- First contact is in Texas!**

If you want to be the first person to experience totality in the continental U.S., be at the Mexican border in Las Quintas Fronterizas, Texas, at 1:27:21 p.m. CDT. There, the total phase lasts 4 minutes 22 seconds. Here's more fun facts about the Solar Eclipse:

<https://www.astronomy.com/observing/25-facts-you-should-know-about-the-total-solar-eclipse-on-april-8-2024/>

Have a great weekend!

Gerry

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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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