



Berkshire

DIVIDEND STRATEGY

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Practice Management Concepts

Prospecting the UHNW: “Is Everybody 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.

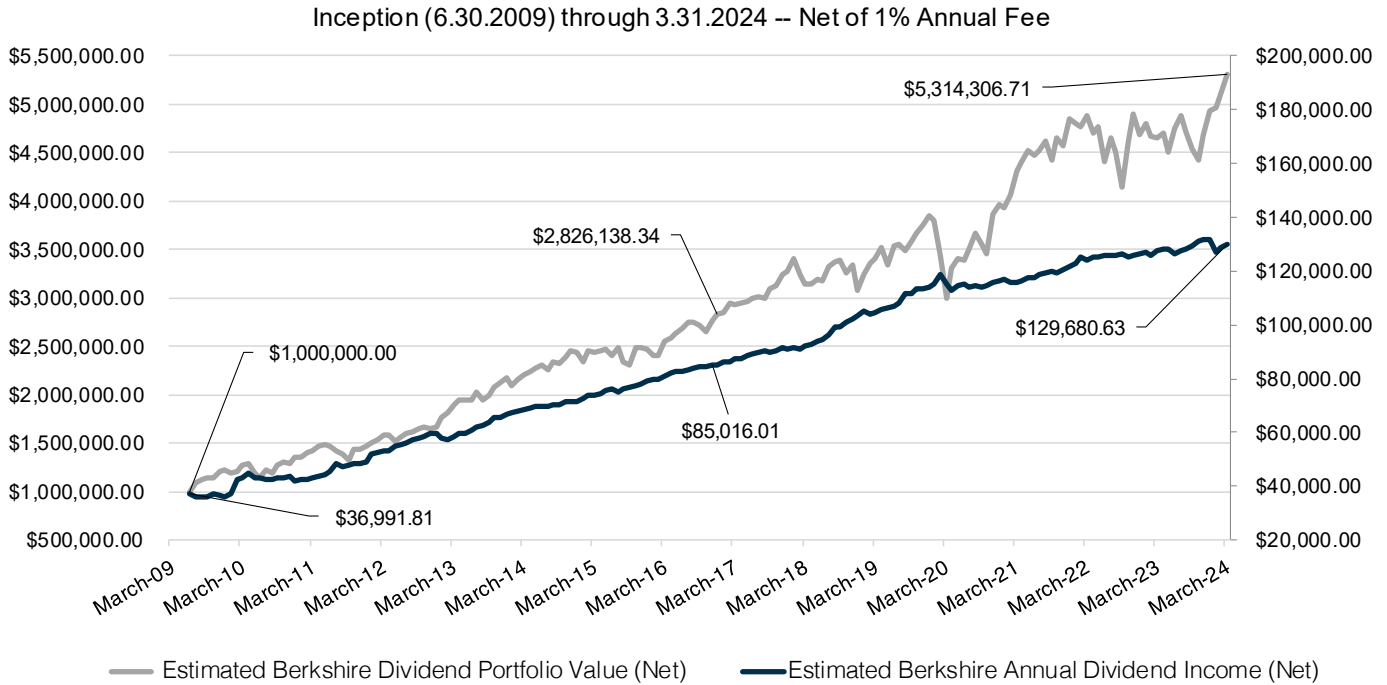
Err on the side of high income and the trust's growth potential might dwindle. Lean too heavily towards growth, and beneficiaries might be left without sufficient financial resources to meet their present needs. It's a tightrope walk requiring careful consideration and balance.

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 3.31.2024](#) for more detailed information, fees and disclosure information.



(Please reference [Dividend Strategy Guide 3.31.2024](#) 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”)

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