



# Berkshire

## DIVIDEND STRATEGY

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"Casual Friday" Commentary

### **Casual Friday: Amnesia or FOMO + The Countdown Is On – August 16<sup>th</sup>, 2024**

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#TGICasualFriday!

#### **From Goldilocks to Growth Scare**

Shift? It was brewing for a while, but the August 5 crack up in growth stocks, Yen carry trade and collapse in bond yields, punctuated a meaningful shift in the narrative. Cooling inflation, modest rate cuts, seemed to spell goldilocks or at least a soft landing. However, in a "it's too cold", moment Goldilocks left the cottage, and the market quickly changed its mind and yelled "growth scare!" last week. Want lower rates? Beware of the news that usually creates them.

#### **Amnesia or FOMO?**

The rotation from growth to value, from large to small and from cap weighted to equal weighted statistically speaking has been quite dramatic according to some quants we follow. While not quite a ten on the Richter scale the shocks through worldwide markets were quite dramatic.

The big question – will investors quickly forget 2022 drawdown in these sectors? Will they ignore the 35% and 17% drop in NVDA and QQQ the past month or so. Or will their FOMO return and will they start chasing the AI/Nasdaq trade. The sharp rally the past few days sure feels like FOMO is the predominant emotion. The QQQ declined about 17% from its peak then rallied back about 12% in just 23 short days. That's volatility.

Advisors ask us for ideas to help them "talk clients out of growth." Pointing out last month's price action is a good preview of how and why the AI/Growth train could derail – not to mention the aforementioned 2022 experience.

#### **The Countdown is On:**

A top-notch regional manager hosted his periodic sales webcast.

His advice? Take advantage of the the summer slowdown and revisit goals for 2024, course correct and get re-inspired. "Before you know it, Labor Day will be here, then in 12 short weeks, Thanksgiving, then holiday parties...and then BAM it is 2-0-2-5.

What are the big things you set out to accomplish this year? Make a list of what has worked and what hasn't. What roadblocks remain? Do these goals still apply? Are they BOLD enough? They say if a goal doesn't scare the hell out of you it's not worth your time.

What if, and yes this sounds like an anathema to our rapid sales culture, you took a break from growing your business and spent more time working ON your business. Maybe it's time to take a month (or more) where you spend a lot *less time* (notice I didn't say zero time) chasing down every single new piece of business and spend more time "perfecting your

process.”

Sample activities:

- Hone your marketing pitch.
- Clean out inventory of random investment strategies where you don't have high conviction.
- Define / delineate team responsibilities more clearly.
- Create a list of daily, weekly, monthly quarterly metrics.
- Finally learn how to get the most out of that new planning software.
- Define and develop a niche that inspires and excites you.
- Develop a social media or digital marketing strategy

You could also take a 3-day weekend planning retreat either alone or with team members. Go to a place that inspires you. Get focused and recharge. Treat yourself too! But spend quality time journaling / discussing your business goals. GO DEEP. Be thoughtful and intentional. Define your business goals and aspirations in ways that go beyond AUM and revenue. What type of clients inspire you? How will you create lasting scale and efficiency? What activities do you need to STOP doing? Yes, this “pause” can feel like going sideways. But we always preach “long term investing” to clients. So why not think long term on another massively important investment – YOUR business.

### **Books to Inspire:**

#### **"The Infinite Game" by Simon Sinek (2019)**

- **Why:** Encourages leaders to focus on long-term vision rather than short-term wins, fostering a mindset of sustainable growth.

#### **"Deep Work: Rules for Focused Success in a Distracted World" by Cal Newport (2016)**

- **Why:** This book emphasizes the importance of deep, focused work for achieving mastery in any area, including process improvement.

#### **"Essentialism: The Disciplined Pursuit of Less" by Greg McKeown (2014)**

- **Why:** Encourages business leaders to focus on what truly matters, cutting out the noise to refine and perfect their processes.

### **Casual Friday Bonus:**

French Cocktails are Having a Moment: <https://www.bloomberg.com/news/newsletters/2024-08-15/french-style-cocktails-and-4-best-new-gins-top-shelf-summer>

Have a great weekend!

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