



Casual Friday: Q3 Material + The Luxury Wealth Management Experience #2 – October 18th, 2024

#TGICasualFriday

In case you missed it: Our 9.30.2024 material is available.

Strategy Marketing Material

[Dividend Strategy Guide 9.30.2024](#)

[Dividend Strategy Scorecard 9.30.2024](#)

2024 YTD Contributors...

Analyst question: "What's helped and hurt the portfolio this year relative to the value index?"

Top Individual Stock Contributors

Berkshire Comments

WALMART INC

YOY online sales +~20%, ~30% & increase in Walmart Connect's ad revenue. Largest dividend increase in 10 years! 51 consecutive YOY dividend increases. Dominant in grocery and gaining market share in various income strata.

ABBVIE INC

Strong execution, attractive dividend yield @ reasonable valuations. Skyrizi and Rinvoq replacing lost Humira sales - projected to more than double through 2027.

LOCKHEED MARTIN

Geopolitical issues creating massive demand - "A backlog of nearly \$160 billion, greater than 2x annual revenue" *President and CEO Jim Taiclet.*

PPL CORP

Synergies realized in Narragansett acquisition. PPL growing dividend >7% (faster than the sector on average) Lower rates driving utility sector higher.

KINDER MORGAN IN

~80,000 miles of natural gas pipeline moving ~40% of U.S. gas production. AI data centers creating demand in KMI footprint. Growing, 5%+ dividend yield.

Top Individual Stock Detractors

Berkshire Comments

HONEYWELL INTL

Aerospace accounts for ~40% of revenue, and delays both upstream in the supply chain and downstream in assembly leads to lower guidance. No material impact to long term prospects of the business.

MCDONALDS CORP	Lowered guidance. Warned of "Cash-strapped consumers, bad weather and challenges overseas are adding up to a slow start to 2024" CFO Ian Borden
MERCK & CO	Looming patent expiration on Keytruda and new Keytruda competitors coming to market.
CHEVRON CORP	Oil remains flat & weak demand out of China. Exxon Mobil and CNOOC Ltd, Hess's partners in Guyana oil venture filed a challenge claiming a right of first refusal to any sale of Hess's assets in that region.
NUCOR CORP	Cyclical, softer demand expected. Hot Rolled Steel started '24 1,200, now @ 715. Nucor continues to execute strong but volumes flat YOY.

We also note the largest sources of "drag" on our relative results can be mostly attributed to three stocks we don't own: Berkshire Hathaway (+30% YTD - no dividend), GE (+85% - virtually no dividend), IBM (+38%)

Source: (Bloomberg).

Luxury Advisor Experience: Part 2

Last week, ([Casual Friday: Q3 Materials + Defining the Luxury Experience](#)) I shared my luxury experience in an upscale NYC boutique and promised to share how advisors could create a similar standard.

Think about the last time you stepped into an amazing place like the Four Seasons or Ritz Carlton or maybe a high-end auto dealer. And when you got such expert advice from professionals, how did it all feel?

As you design your offering... think about, I mean *really think about* what you want your clients to think and feel after every interaction with you and your team.

We share three areas of focus for you to combine and create a similar experience.

Motivation/Vibe/Communication Skills

"We care about our clients and act in their best interest." It's almost mind numbingly cliché, so maybe ask yourself: "Why do I care so much? Why am I emotionally invested in this client outcome? What special needs does this case have and what special solution do I have that is unique?"

Of course, you care about the client. But sometimes it is a fine line between caring about the client and how much you care about "winning the business". Dedication to financial craftsmanship or the win? Be really mindful and intentional. Visualize the client and I think it will put you in a great headspace.

A mentor told me: "Yes, it's OK to want to get paid to do a service, but it's quite another mindset to perform a service with extreme care. Clients can discern a genuine urge to help and go the extra mile, vs making the sale."

#Purpose.Driven.Work

Constantly focus on your interpersonal skills. Active listening, follow up with probing questions before proposing solutions, helps you really get down to the emotions behind the money. Example? Keep summarizing the clients' emotions until you hear them say "Exactly"... it's one technique proposed in this great article: <https://bakadesuyo.com/2015/02/love-to-talk/>

Body language, mirroring, word choice, energy levels, and tonality, I believe are all LEARNED and should constantly be part of your on-going skill refinement. Remember the original question: How do you want your clients to feel when they are around you? Making clients feel secure and even excited about working with you is a super power in itself.

You, Your Office Vibe:

My retail experience was definitely "posh." Do fancy clothes or a fancy office not work in all markets? Hard to say. Are clients "impressed by the surrounding and the trappings of sophistication" or do they maybe feel they are paying too much for all this fancy stuff? So, know your audience and be true to your own style – what works in a fancy city might not work in another.

"What I do have are a very particular set of skills. Skills I have acquired over a very long career."

Remember this iconic quote from the movie Taken? Your goal should be able to present yourself as skilled at highly technical financial planning / tax issues as Liam Neeson, was at well, you know...

So don't just "kinda know it."

Having deep, creative technical and financial skills in these areas and being able to sound almost "professorial" in specialized areas is probably your biggest differentiator. One advisor recently said: "While I can't actually DO estate planning, there is usually nothing the attorney is proposing that I haven't already thought of." That's a high standard.

Here is a list of 20 or so highly specialized technical areas to pull from and an action step or two to help you pull it off: [Specialized Technical Areas And Action Steps](#)

Lastly why not combine your technical prowess and social leadership through high end luxury / fun events. Think: wine tastings, wellness events, pickle ball tournaments and so much more. [Social Connection Leisure and High-End Events](#)

Pull these all together in very concrete and tangible ways and you will go beyond giving "lip service to great service" and truly create something magical for your clients.

Next week? We'll describe how Berkshire wants to be the "Ritz Carlton of Separate Account Managers" and how we create a one and only experience for YOU and your clients.

Have a great weekend,
Gerard

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