CASUAL FRIDAY

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"Foundational" vs. "Transactional"

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WHAT ROLE DOES BERKSHIRE PLAY IN A PORTFOLIO?

You could call it “Dividend Growth.” Or “Equity Income.” Maybe even “Equity Income with a Value Bias” or “Growth and Income.” Those are all fair descriptors within the traditional style box framework. Useful, but we think they fall short.

We prefer words like:

- **“Foundational”**
- **“Generational”**
- **“A Pillar of Enduring Wealth.”**

When you look at most financially successful families, what do the pillars of their wealth actually look like? Yes, many are high-earning professionals—physicians, attorneys, senior executives. Move up the wealth spectrum, and common patterns emerge:

- They often own a private business.
- They hold blue-chip stocks—positions they've likely owned for decades.
- And they typically have meaningful real estate assets.

We see these as **permanent pillars of wealth.**

Our dividend growth strategy is designed to be woven into this very fabric of that wealth. *Not as a tactical sleeve or a market call,* but a potentially **foundational component.** Not a temporary “trade” or even an “allocation” but a position they can hold, rely on, and eventually pass down. And speaking of real estate, below is a short article we published recently that draws the direct connection. We explain how a dividend portfolio can function like a commercial building—tenants (companies) paying rent (dividends), with a few unique advantages.

We hope this analogy becomes part of your client conversations—and helps position this strategy as the **foundational, generational centerpiece** of the families you serve.

You Can Be a Landlord Too

RISE OF THE MACHINES?

The WSJ published a somewhat dystopic article that AI is now defying human instructions: Models rewrite code to avoid being shut down. That’s why ‘alignment’ is a matter of such urgency.

AI friend or Foe?
Will AI replace human advisors or make them more effective? So... you guessed it, we asked AI -- "Act as if you're a practice management expert to elite financial planners. Provide 10 succinct and actionable bullet points on how AI will help elevate financial planners providing comprehensive advice to their clients."

- **Automate document intake.** Upload tax returns, wills, or insurance policies to an AI engine such as FP Alpha and receive a summarized data sheet plus flagged planning gaps—saving 2-3 paraplanner hours per client file. (fpalpha.com)
- **Draft plans in minutes.** Generative-planning platforms built on Intuit's GenOS can create first-pass retirement, tax, and cash-flow plans that you simply review and refine—cutting plan-prep time by ~60 %. (investors.intuit.com)
- **Eliminate note-taking drudgery.** AI meeting-note tools (e.g., FinMateAI) now push cleaned data straight into PreciseFP and on to eMoney or RightCapital, wiping out manual entry after every review meeting. (kitces.com)
- **Predict (and prevent) attrition.** Behavioral analytics AIs scan historical activity and flag households showing "flight" signals so you can intervene before assets leave. (wealthtechtoday.com)
- **Deliver instant tax alpha.** AI tax modules extract data from uploaded 1040s and propose Roth conversions, NOL usage, and QSBS strategies on the spot—turning complex tax advice into a repeatable process. (kitces.com)
- **Scale personalized communications.** Natural-language models draft tailored quarterly letters, explainer-video scripts, and micro-learning posts—keeping every generation of client engaged without extra marketing staff.
- **Turbo-charge portfolio oversight.** Risk engines driven by AI monitor factor drift, ESG scores, and draw-down probability in real time, then suggest prescriptive rebalancing trades before IPS thresholds are breached.
- **Let agentic bots handle the busywork.** Intuit's new AI agents can sweep excess cash, schedule bill-pay, and automate 529 contributions so your team spends time on high-value strategy, not transactions. (pymnts.com)
- **Run always-on compliance.** AI review layers check every plan, IPS, and client email against Reg BI, firm policy, and stylistic best practice—reducing supervisory risk and exam findings.
- **Surface deep-planning opportunities.** Estate- and insurance-specific AIs scan trust language and policy clauses to reveal ILIT funding gaps, under-insured liabilities, or donor-advised-fund opportunities—letting you deliver family-office-level advice at scale. (wealthtechtoday.com)

Have a great weekend!
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