



# Berkshire

## DIVIDEND STRATEGY

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"Casual Friday" Commentary

Casual Friday: JNJ Review & Investor Behavior Pitfalls May 31, 2019

### Berkshire Dividend Growth and Income Strategy

[Dividend Strategy Scorecard 3.31.2019](#)

[Dividend Strategy Fact Sheet 3.31.2019](#)

#### Johnson & Johnson (JNJ):

JNJ's stock was down 6% Wednesday as the Oklahoma opioid lawsuit got underway. The decline erased \$20 billion of value in JNJ. Investors are spooked after Purdue and Teva settled their cases with Oklahoma for \$270 million and \$85 million respectively. While these suits could result in large payouts for the industry, it's worth noting that JNJ's products represent less than 1% of all opioid prescriptions sold in the US over the last 12 years. In 2013, JNJ opioid products accounted for 384 state-paid prescriptions versus 338,798 Hydrocodone and 78,462 Oxycodone. JNJ believes they have a very strong case and is therefore unwilling to settle. The trial is expected to last 2-4 weeks and any negative outcome will be immediately appealed. We continue to monitor/review the stock closely with consideration of how JNJ's management team has a long history of navigating industry challenges like these.

#### Berkshire's "Book of Dividend Income"

[Berkshire Book of Dividend Income – Introduction](#)

Above is an executive summary / sneak peak of how advisors are having success streamlining and revitalizing their practices by implementing income based solutions for their clients. We've delivered the program with very favorable outcomes at advisor summits, regional events and one-on-one meetings. Call us to learn how to put these ideas into practice!

#### "The stock market is a device for transferring money from the impatient to the patient." – Warren Buffett

As markets continue their bout with volatility, investors biggest threat remains themselves. This info-graphic shows the six common psychological pitfalls investors face:

<https://www.visualcapitalist.com/6-biggest-mistakes-ordinary-investors-make/>

Have a great weekend!

Regards,

Gerry

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#### Dividend Highlights

- Dividend growth can often provide transparent insight into a company's fundamentals and vitality.
- Dividend growth can provide an attractive stream of increasing cash flow to satisfy many financial objectives.

Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Berkshire Asset Management is a fee-based, SEC registered advisory firm serving the portfolio management needs of institutional and high-net worth clients. The Dividend Growth Composite contains portfolios invested in Berkshire's Dividend Growth Strategy with an equity allocation target of 90% - 100%. The Dividend Growth Strategy's primary objective is to generate a growing stream of equity income by investing in a diversified portfolio of equities with stable, high, and growing dividends. The benchmark is the S&P 500 Index. The index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested, does not include any trading costs, management fees, or other costs, and the reinvestment of dividends and other distributions is assumed. An investor cannot invest directly in an index. Gross returns are presented before management and other fees but after all trading expenses. Net returns are calculated by deducting actual management fees from gross returns. Returns reflect the reinvestment of dividends and other earnings. Valuations are computed and performance is reported in U.S. dollars. To receive a complete list of composite descriptions and/or a compliant presentation, contact Jason Reilly, CFP® Tel: 570-825-2600 or info@berkshiream.com. Past performance does not guarantee future results.

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