



Berkshire Dividend Growth Strategy Performance Recap



Morningstar Category Ranking as of 12.31.2020	
1 Year	Top 30%
3 Year	Top 15%
5 Year	Top 14%
10 Year	Top 2%

Morningstar Ratings, Flexibility and Risk as of 12.31.2020				
	Overall	3 Year	5 Year	10 Year
Morningstar Rating™	5-Star	4-Star	5-Star	5-Star
Morningstar Risk	Below Avg	Below Avg	Below Avg	Below Avg
Morningstar Return	High	Above Avg	Above Avg	High

For disclosure information on Morningstar charts, please reference: [Berkshire Dividend Growth and Income – Q4 2020 Morningstar](#)

In a year where many feared multiple dividend cuts we are pleased to report 31 of 35 companies currently in the portfolio increased dividends at an average rate of roughly 6%. (Source: Bloomberg)

Annual Portfolio Income Growth w/ Dividend Reinvestment 12.31.2020	
2010	18.14%
2011	17.34%
2012	22.96%
2013	13.15%
2014	8.32%
2015	11.39%
2016	8.98%
2017	7.79%
2018	15.26%
2019	11.30%
2020	6.03%
1 Year	6.03%
3 Years	10.79%
5 Years	9.83%
7 Years	9.74%
10 Years	12.15%
Inception	11.89%
Cumulative Income Growth	264.07%

Annual portfolio growth includes accumulation and reinvestment of the dividend 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. Fees are not included in the analysis and would lower values. Berkshire Dividend Growth and Income current yields are calculated in Bloomberg 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”.

Berkshire Dividend Growth Strategy 2020: What Drove Manager Returns?



For dividend managers in particular, we believe 4 “Factor”/sector questions explained much about total return and a strategy’s performance for 2020

How high was your yield?
(higher did worse)

What was your P/E?
(higher P/E stocks did better)

Did you own high sales growth, namely tech?
(more was better)

Did you own banks? (less was better)



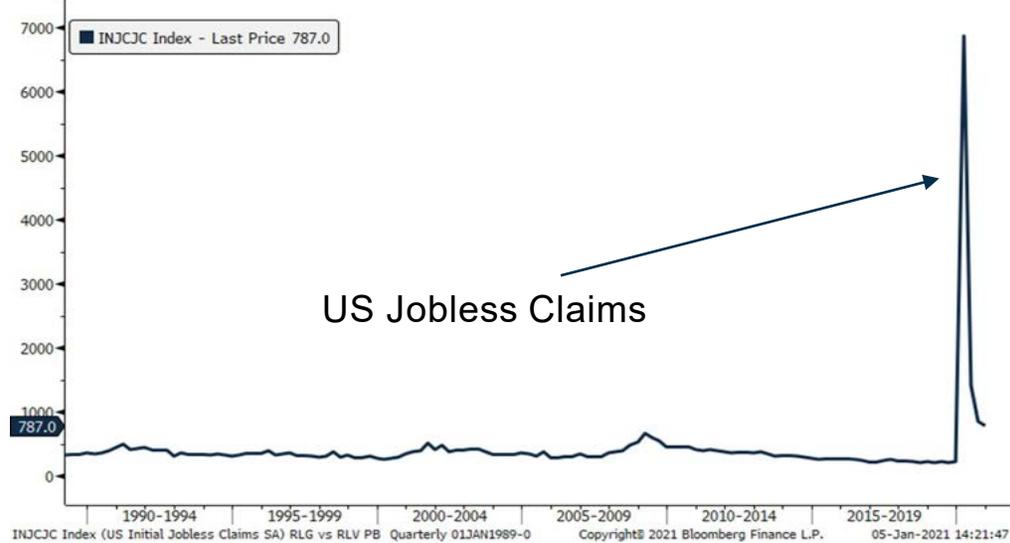
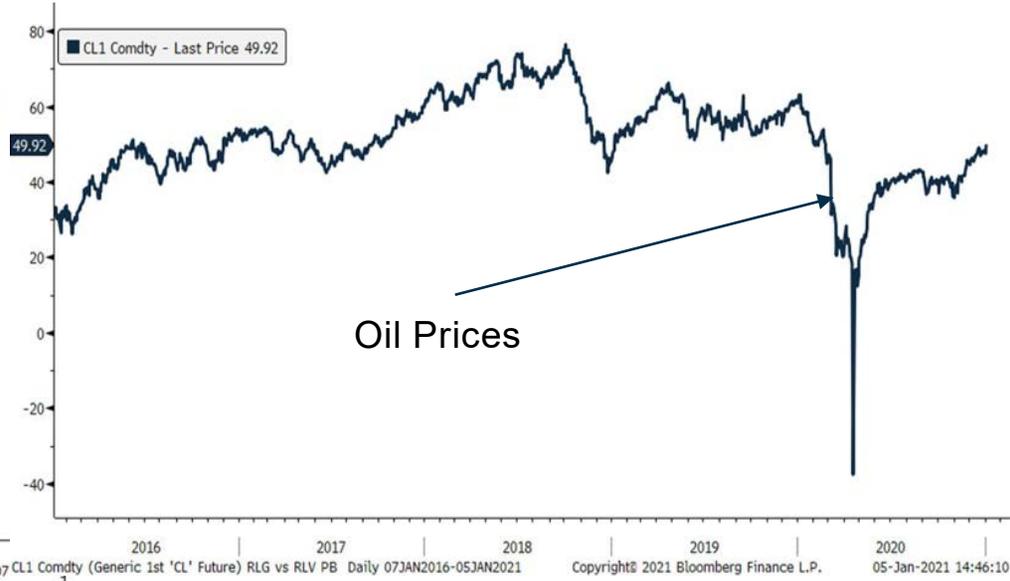
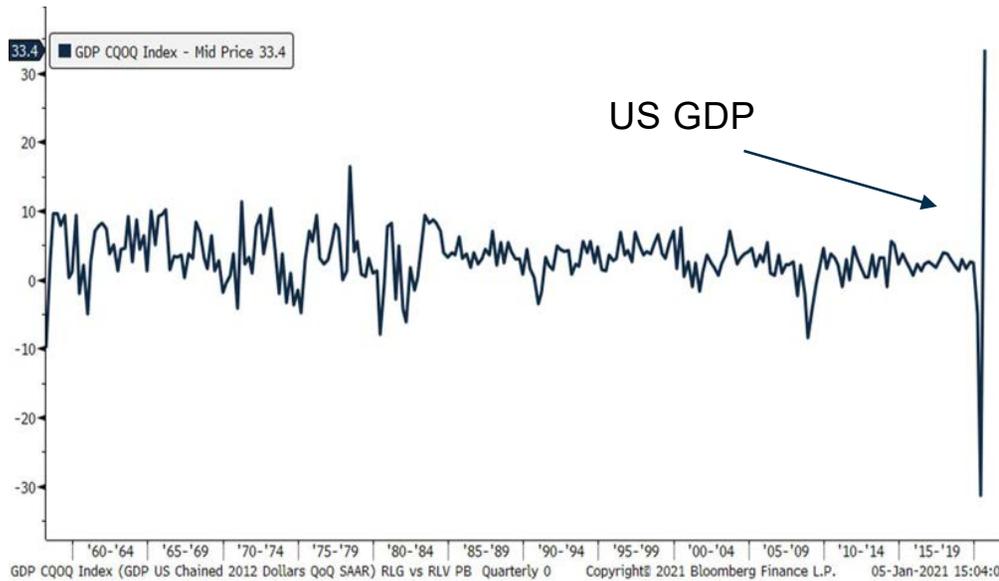
“Bloomberg FTW Table” details 2020 performance on the various S&P500 factors followed by Bloomberg.

SOURCE: Bloomberg, accuracy of data is deemed reliable but not guaranteed and may be subject to change. References to particular securities are intended only to explain the rationale for the portfolio manager’s action with respect to such securities. Such references do not include all material information about such securities, including risks, and are not intended to be recommendations to take any action with respect to such securities. Past performance does not guarantee future results.

Berkshire Dividend Growth Strategy 2020: A Highly Irregular Year For Investors?



Macro data points through out 2020 made some of the most exaggerated moves in history. (source: Bloomberg)
Making it difficult to identify long term trends, or draw meaningful conclusions about near term performance.



Berkshire Dividend Growth Strategy

What Can We Take Away From 2020?



Calm: Jan 2020

- Markets at all-time highs
- Modest earnings growth, reasonable valuations (ex tech/growth)
- Consensus: “Cautious optimism”

Panic: Feb, March 2020

- COVID lands in US / volatility spikes
- “Markets are doomed / we will never recover”
- Peak to valley returns (2.19.2020 – 3.23.2020):
 - S&P 500 -33.79% - Russell 1000 Value -38.16% - Russell 1000 Growth -31.46% (Bloomberg)

Recovery: April and beyond

- Massive stimulus packages, mitigation efforts, vaccines and human adaptation
- Returns (3.23.2020 – 12.31.2020):
 - S&P 500 +70.83% - Russell 1000 Value +68.79% - Russell 1000 Growth +82.79% (Bloomberg)
- Speculation returns?: bitcoin, Tesla, SPACs, retail mania, etc.

One thing takeaway from 2020 IS clear...

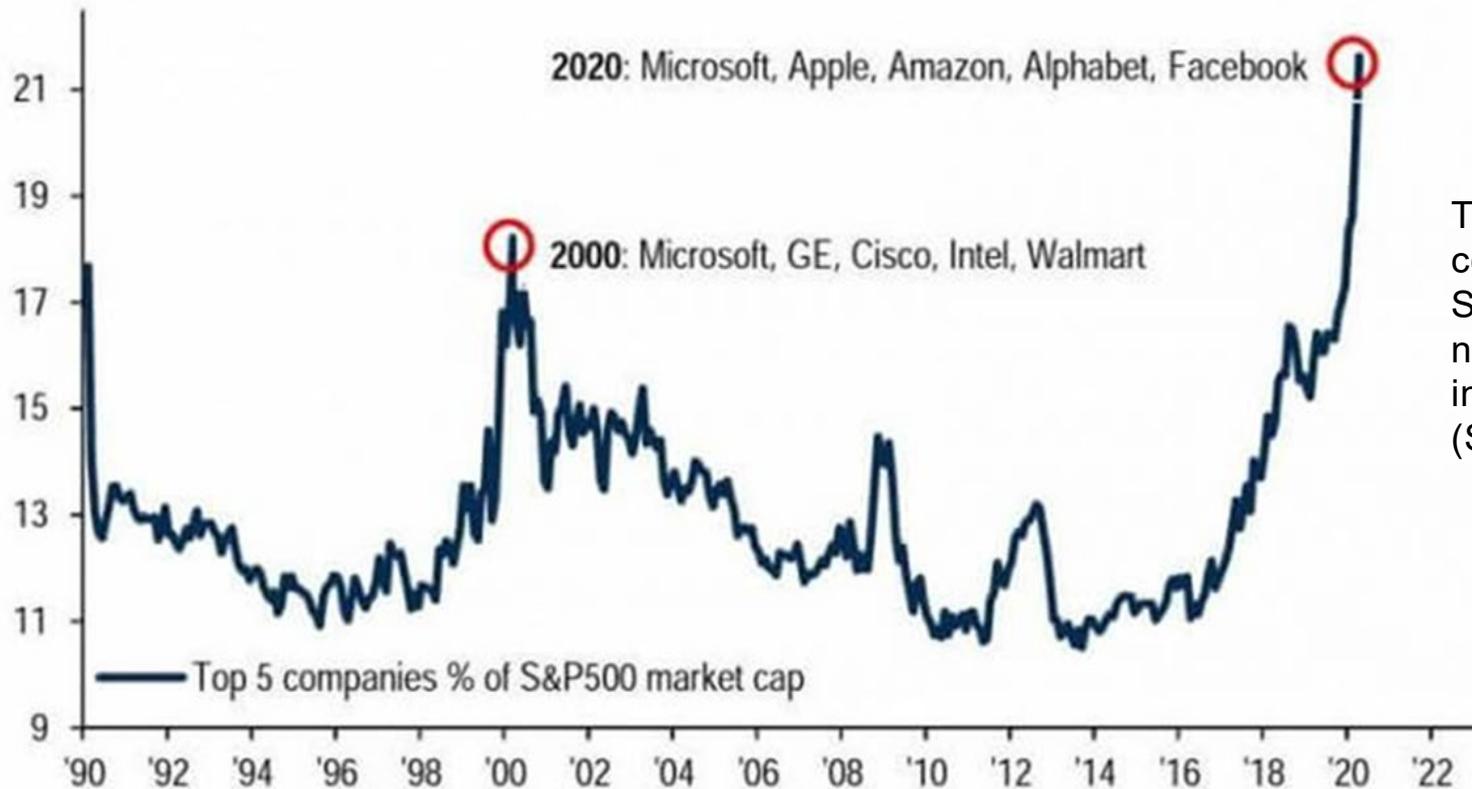
A bifurcated market developed - large growth and momentum ruled and value languished

Berkshire Dividend Growth Strategy Concentrated Mega-Tech Driving Returns?



The performance gap was led by the top 5 Mega-Tech companies in the S&P500, resulting in concentration...

Chart 2: S&P500 now more concentrated in the 5 largest stocks than ever



These 5 Mega-Tech companies in the S&P500 made up nearly 60% of the indices return for 2020. (Source: Bloomberg)

Source: BofA Global Investment Strategy, Bloomberg

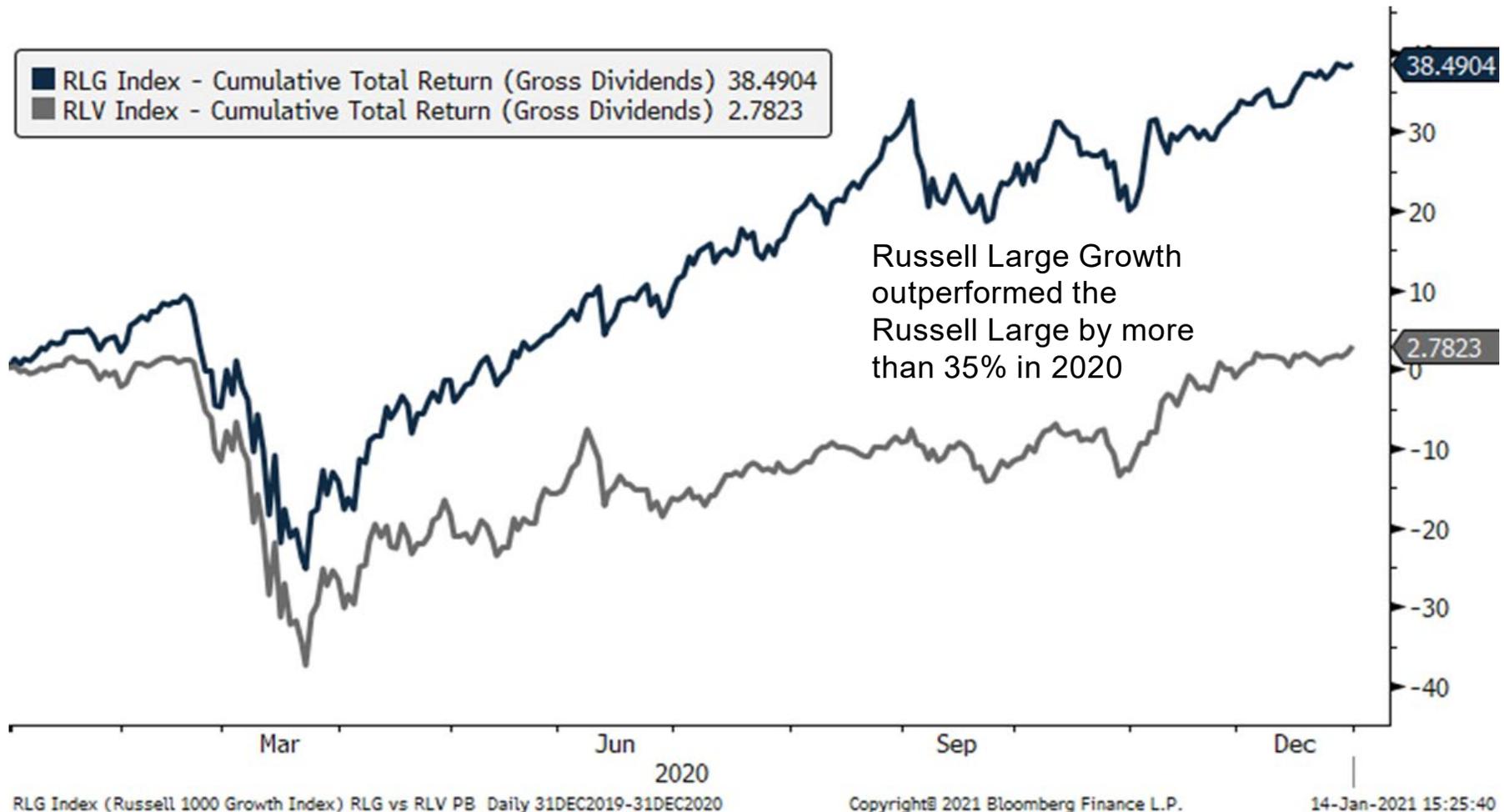
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Berkshire Dividend Growth Strategy

How Big Was The Performance Dispersion?



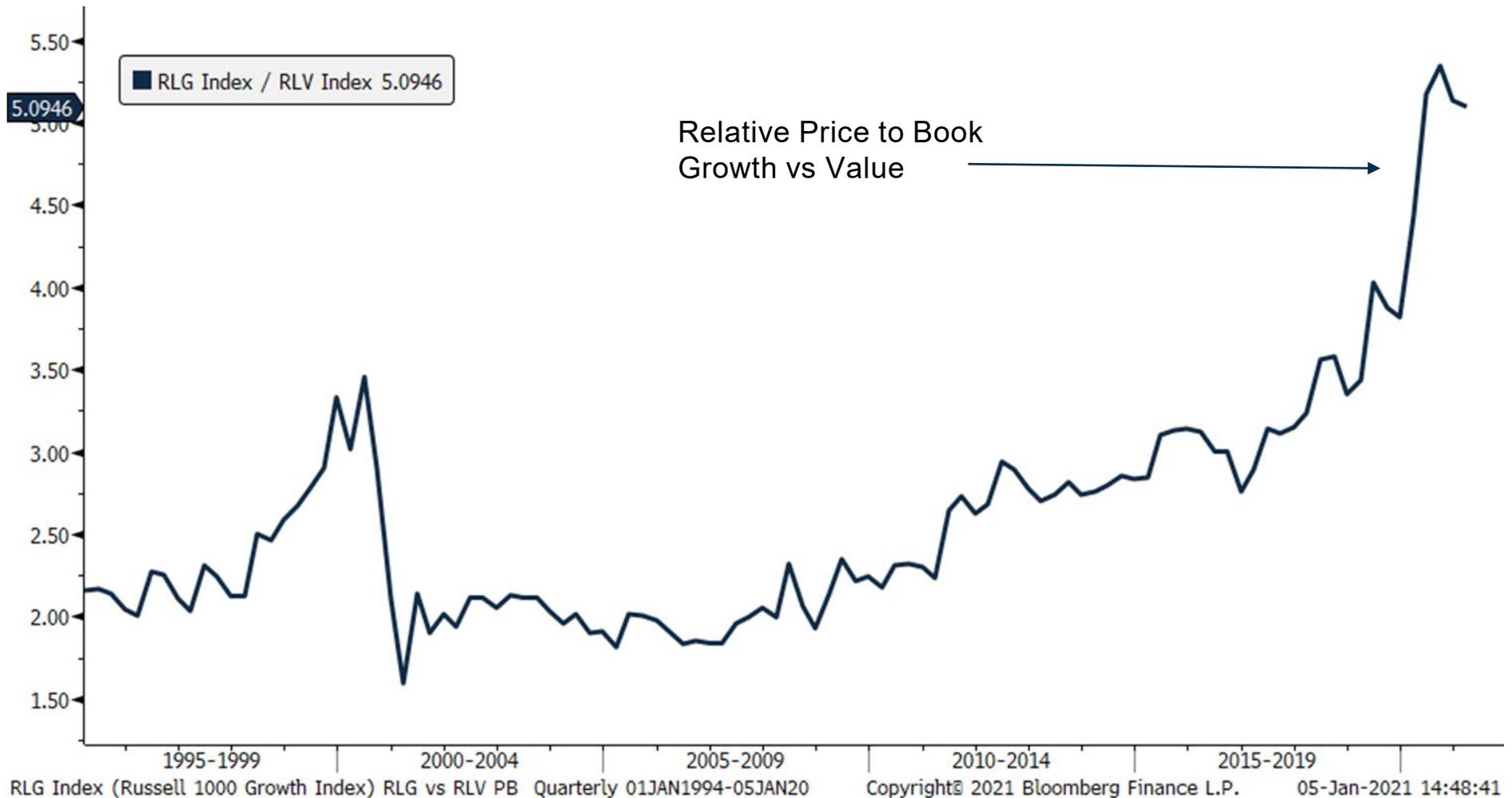
The uncertainty surrounding the pandemic drove investors to seek “growth” and “shutdown” stocks. The resulting annual performance gap was one of the biggest in decades....



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Berkshire Dividend Growth Strategy

The Growth Value Gap: The Largest Ever?



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Berkshire Dividend Growth Strategy

Why Is The “Gap” So Large?



“Growth” companies historically sell at a premium to “Value” companies

Thanks to COVID investors believe earnings growth is “scarce” so they are willing to pay up even further for a handful of companies they believe will grow regardless of economic conditions

Cyclicals are being avoided

2020 Earnings:
“Growth” +18% / “Value” -35%

2021 Expected Earnings
“Growth” +21% / “Value” +50%
(Source: Bloomberg)

Signs of Speculation Have Returned

Nikola admits rolling truck down hill as it counters ‘fraud’ claims

Start-up issues 2,700-word rebuttal to ‘false and misleading’ short seller report



Founder Trevor Milton presenting Nikola's new trucks in December 2019. In August Mr Milton told Tesla fans visiting Nikola's headquarters that the company was working with an unnamed university on battery technology © Massimo Pinca/Reuters

<https://www.ft.com/content/a875fe3f-f59e-4dcb-aebc-ee54280122be>

SOURCE: Bloomberg, accuracy of data is deemed reliable but not guaranteed and may be subject to change. Berkshire does not have a position in Nikola. The article is referenced to illustrate types of investor activity that may occur in periods of speculation. References to particular securities are intended only to explain the rationale for the portfolio manager's action with respect to such securities. Such references do not include all material information about such securities, including risks, and are not intended to be recommendations to take any action with respect to such securities. Past performance does not guarantee future results.

Berkshire Dividend Growth Strategy

Last Time The Valuation Gap Was This Large?



Today's concentration and valuations are likely important to tomorrow's returns.
A similar valuation gap occurred during the 2000 tech bubble.

The decade following offered a very broad dispersion of returns...

Total Return: 3/31/2000 – 3/31/2010

- Russell Large Growth (-35.75%) (Source: Bloomberg)
- S&P 500 -6.33% (Source: Bloomberg)
- Russell Large Value +35.89% (Source: Bloomberg)

Returns for Dot.com "Market Darlings": 3/31/2000 - 3/31/2010

- Microsoft (MSFT) (-32.39%)
- General Electric (GE) (-52.85%)
- Cisco (CSCO) (-66.33%)
- Intel (INTC) (-61.15%)
- Walmart (WMT) +11.05%

Overall investment thoughts / lessons:

- Concentration, for better or worse, can drive overall market returns
- Over time, valuation and company fundamentals matter
- Companies, industries and the economy are adaptive - nothing is inevitable

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Berkshire Dividend Growth Strategy Won't It Take Forever For Value To Close The Gap?

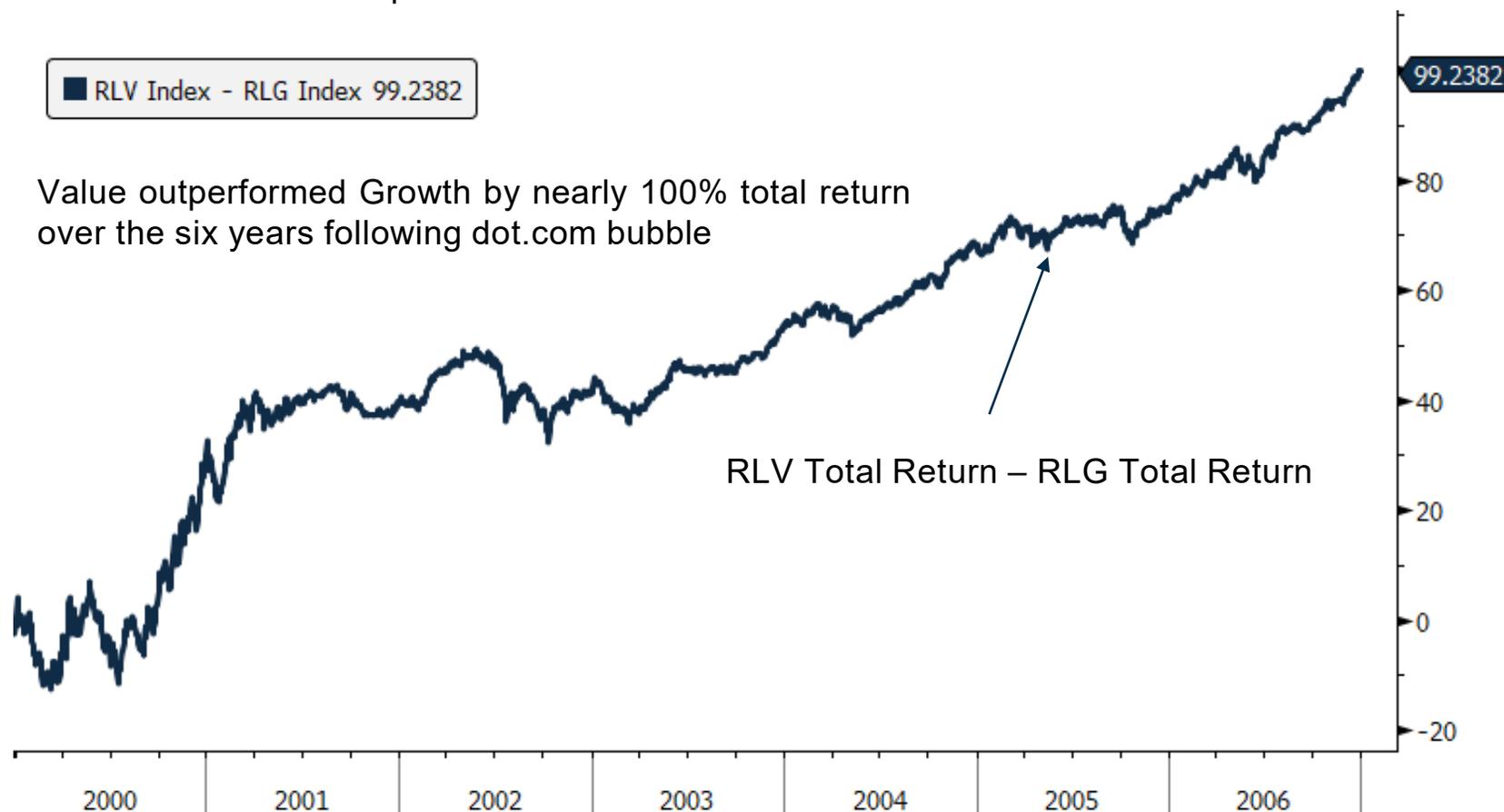


Rotations can happen fast, and may last a long time

- 2000 to 2001: Value outperformed Growth by roughly 40%
- 2001 to 2006: Value up another 60%

RLV Index - RLG Index 99.2382

Value outperformed Growth by nearly 100% total return over the six years following dot.com bubble



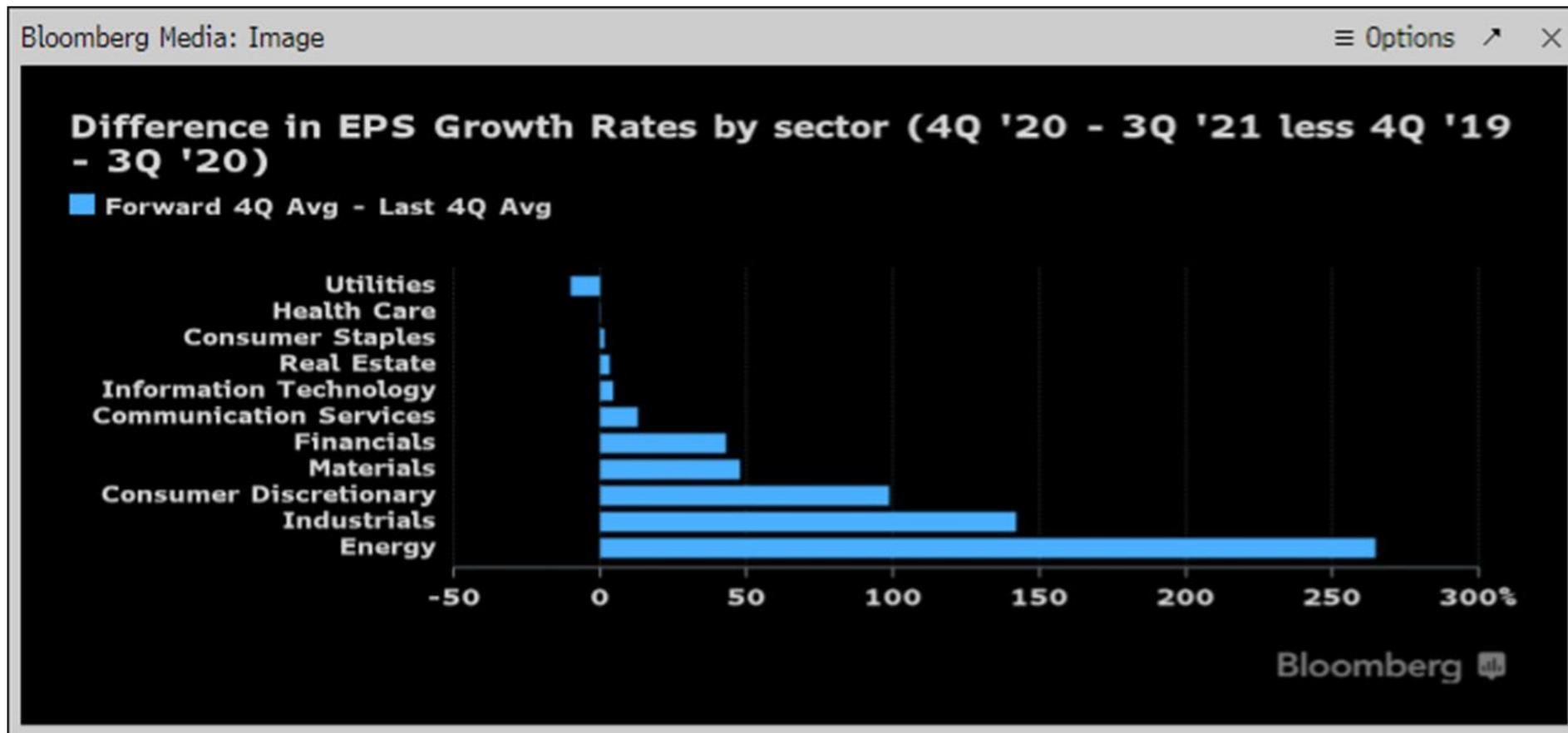
RLV Index (Russell 1000 Value Index) RLG vs RLV PB Daily 31DEC1999-31DEC2006 Copyright© 2021 Bloomberg Finance L.P. 14-Jan-2021 15:30:11

Berkshire Dividend Growth Strategy

How Does The Gap Reverse?



Broader Earnings Growth.

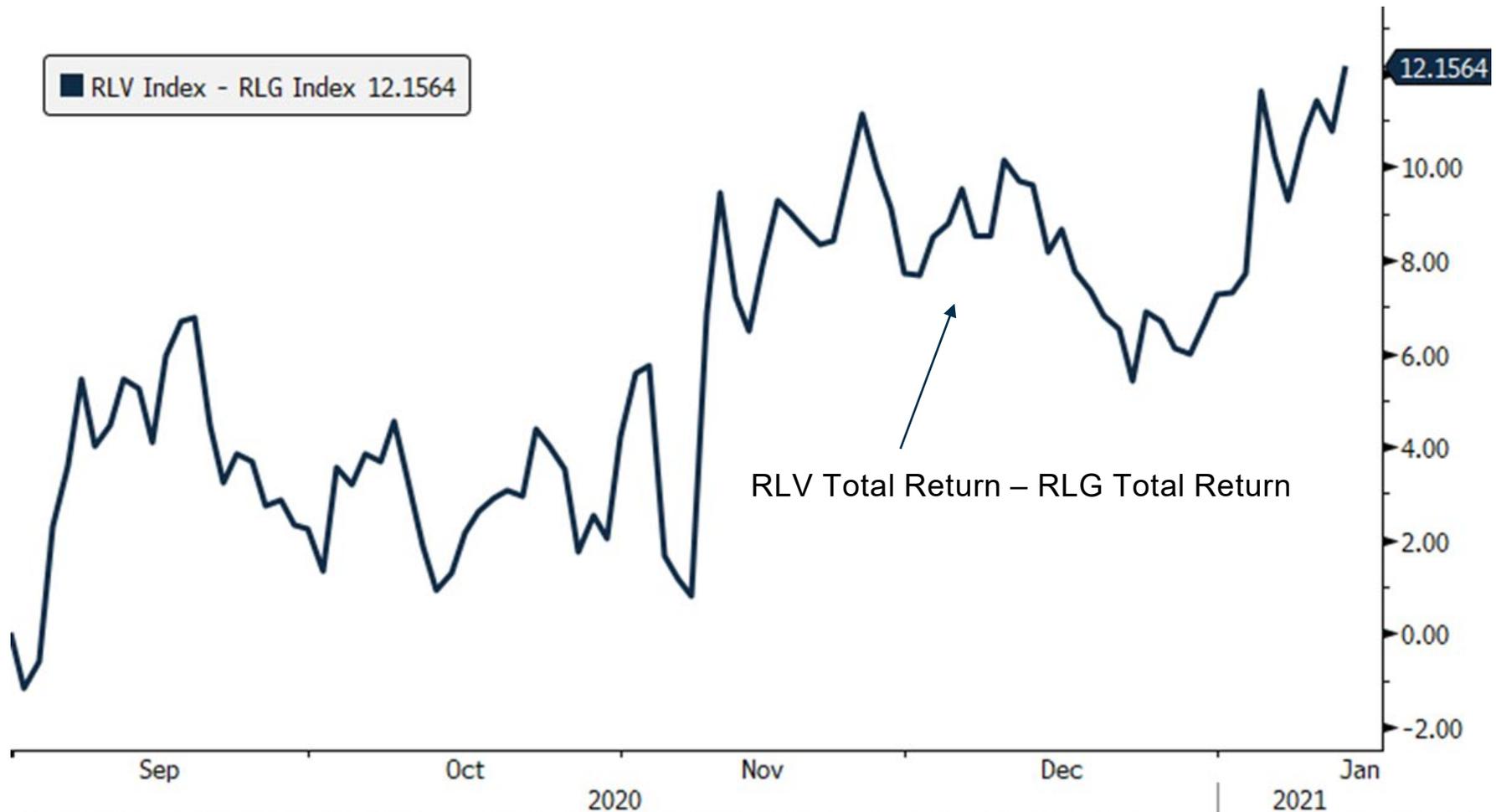


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Berkshire Dividend Growth Strategy Value Comeback Already Underway?



Value outperforming Growth by 12% since September...



RLV Index (Russell 1000 Value Index) RLG vs RLV PB Daily 31AUG2020-14JAN2021 Copyright© 2021 Bloomberg Finance L.P. 14-Jan-2021 15:32:33

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Berkshire Dividend Growth Strategy Portfolio Appraisal 12.31.2020



Company		Weighting	Company		Weighting	Company		Weighting
Bank of America	BAC	4.96%	AbbVie	ABBV	3.22%	Emerson	EMR	2.50%
Chubb	CB	1.85%	Abbott	ABT	2.56%	Honeywell	HON	2.84%
JPMorgan	JPM	4.67%	Amgen	AMGN	2.00%	Lockheed Martin	LMT	3.32%
M & T Bank	MTB	1.70%	Bristol Myers	BMY	3.16%	Norfolk Southern	NSC	4.12%
PNC	PNC	3.98%	Johnson &	JNJ	2.63%	Waste	WM	2.44%
Financials		17.15%	Merck	MRK	2.46%	Industrials		15.22%
			Pfizer	PFE	1.89%			
WP Carey	WPC	2.17%	Viatis	VTRS	0.12%	Chevron	CVX	3.34%
REITS		2.17%	Healthcare		18.03%	Kinder Morgan	KMI	1.79%
						Energy		5.13%
Leggett & Platt	LEG	2.02%	Apple	AAPL	3.40%			
McDonald's	MCD	2.78%	Cisco	CSCO	3.29%	Nucor	NUE	1.91%
Cyclical		4.80%	Intel	INTC	3.46%	Materials		1.91%
			Microsoft	MSFT	3.83%			
Coca Cola	KO	1.83%	Qualcomm	QCOM	3.15%	PPL	PPL	2.22%
General Mills	GIS	1.57%	Technology		17.13%	Utilities		2.22%
Kimberly-Clark	KMB	1.80%						
Procter & Gamble	PG	2.23%	AT&T	T	1.78%	Cash		4.05%
Walmart	WMT	2.98%	Communication		1.78%	Total		100.00%
Non-Cyclical		10.41%						

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Berkshire Dividend Growth Strategy

Areas of Conviction



With Rates This Low, How Can Banks Be Attractive?

- Levered “Reopening Trade”
- Fed has anchored short rates near zero, long rates could rise to pre-pandemic levels (1.5-2%) allowing potential NIM expansion
- Low rates could spur loan demand
- Better than expected credit quality
- Excess capital on bank balance sheets have banks pent up for:
 - Dividend Growth
 - Buybacks
- Attractive current yield (2.6-3%)
- Low valuation (11-12 times EPS)
- Other earnings levers:
 - Expense control
 - Wealth Management / Capital Markets / Trading
 - Other non-interest and fee income
- **Recent developments**
 - Strong December CCAR results – buybacks allowed
 - Many banks releasing loan loss provision
 - Strong beat on Q4 2020 earnings as a group

Banks are offering a combination on growth, low valuation and high yield to shareholders

Berkshire Dividend Growth Strategy

Areas of Conviction



Berkshire other areas of Conviction:

- Cyclical / Value stocks will outperform in broader economic recovery
- US Health Care / Drug IP will continue to perform
- COVID-19 will not slow the secular growth trends of 5G and IOT

Berkshire Areas of Underweighting:

- Many tech and communication services are priced with high multiples and little or no dividend payouts
- Utilities not likely to produce high relative returns compares to cyclicals
- Underlying concerns about rent rolls in REIT space

Berkshire Dividend Growth Strategy Innovation and Growth in Dividend Stocks?



JPMorgan (JPM)

- Through downturn, banking could become more concentrated
- Leaders in technology solutions, like JPM, may pick up additional market share
- Multiple earnings levers outside of traditional net interest margin
- Extremely well capitalized coming into crisis, dividend likely to withstand economic pressures

Lockheed Martin (LMT)

- Leading innovations in AI, quantum computing and hypersonic technologies
- Defense spending remains intact with limited disruption
- Healthy dividend growth with current yield of roughly 3.00%

Honeywell (HON)

- Honeywell ThermoRebellion - new temperature monitoring solution that incorporates advanced, infrared imaging technology and artificial intelligence algorithms to conduct non-invasive, preliminary screening of personnel entering a facility (source: PRNewswire)
- Other innovation includes – Virtual engineering, machine learning to fight cyberattacks, robotic cargo unloading and predictive airplane maintenance

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Berkshire Dividend Growth Strategy Innovation and Growth in Dividend Stocks?



General Mills (GIS)

- “Boring” packaged food companies seeing a boost as grocery demand sharply rises
- Continued benefits from Blue Buffalo acquisition – paying down debt from the deal
- In March, General Mills' U.S. retail sales were about 45% higher than a year ago, according to market researcher Nielsen. In April, they were up 32%. (Source: General Mills Earnings Call)

Microsoft (MSFT)

- Cloud computing juggernaut with no signs of slowing, Azure = entrenched
- \$140Billion in cash and securities, aggressive buyback program and dividend growth
- At one point, MSFT was cast off as a dying company

Qualcomm (QCOM)

- Holds a staggering 140,000 patents and patent applications for 5G technologies (source: WSJ)
- Key player in next generation “chips”
- \$30 Billion in stock buybacks over the past 2 years

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Berkshire Dividend Growth Strategy Innovation and Growth in Dividend Stocks?



Walmart (WMT)

- Massive e-commerce growth over the past number of years
- Leverage brick and mortar presence to enhance e-commerce experience and distribution
- Wal-Mart stores within 10 miles of 90% of the U.S. population
- Heavy investments in consumer-friendly experience paying off

Norfolk Southern (NSC)

- Predictive locomotive analytics, automated maintenance and network efficiency all ensure faster more reliable transportation
 - <https://www.nsrailtech.com/power-predictive-analytics>
- Personnel and locomotive productivity up 15% YOY from continued technology adoption
 - <https://seekingalpha.com/article/4341186-norfolk-southern-corporations-nsc-ceo-jim-squires-on-q1-2020-results-earnings-call-transcript?part=single>

Johnson & Johnson (JNJ)

- Has increased dividend for 57 years in a row
- Increased dividend during the current economic downturn
- 1 of 2 companies in the S&P 500 with a AAA balance sheet

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Berkshire Dividend Growth Strategy Portfolio Changes in 2020



Apple (AAPL) - New Purchase: Volatility allowed Berkshire to enter in to an attractive business at a discount to our intrinsic value estimate.

Bank of America (BAC) - Increase: Transformed bank; pristine loan quality, attractive dividend yield and quality management.

Intel (INTC) - Increase: A short-term product delay creates opportunity; secular growth story (internet of things, cloud, 5G and Autonomous vehicles) with attractive valuation.

Leggett & Platt (LEG) - Increase: Long time dividend aristocrat; mundane business but demand is high; “selling every mattress I can make” (LEG CEO)

Chevron Corporation (CVX) – Increase: Chevron upgrades balance sheet strength from BP & XOM and allows us to stay in sector we feel is attractively positioned once we are "back to normal". Diversified, lower cost producer. 6.75% dividend yield - management committed to payment.

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Berkshire Dividend Growth Strategy Portfolio Changes in 2020



Microsoft (MSFT) – Trim: pristine but approaching our intrinsic value estimates.

Southwest Airlines (LUV) – Sold: dividend suspension – avoided selling at “fire sale” prices.

Wells Fargo (WFC) – Sold: No longer fits discipline - Cut dividend to roughly 1.5% per DFAST guidance.

BP (BP) – Sold: During beginning of Pandemic, energy price jeopardized BP financials and cash flows. After sale, BP cut dividend.

ExxonMobil (XOM) – Sold: Higher breakeven prices, high capital expenditures, we “upgraded” in the space to Chevron (CVX).

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Berkshire Dividend Growth Strategy

Dividend Investing Analogies?



“Commercial Apartment Building”

- “Tenants” are high quality US companies (ie. MSFT, CSCO, AMGN).
- Owner “rent” is based on a growing share of “tenant” earnings (dividends). If the “rent” is being collected and growing every year to meet your income goals, should you really be too worried about how much the underlying building is worth day to day or month to month?

“Snowball Effect”

- Compounding dividend growth is similar to a snowball rolling down hill
- The longer it rolls, the larger it gets and the more snow it picks up with each rotation



“Income While You Sleep”

- Take the annual portfolio income and divide it by 365 days in the year
- Example: 2MM portfolio, generating 3.25% net of fees annually / 365 = \$178 Daily

Berkshire Dividend Growth Strategy

5 Advisor Ideas for Today's Marketplace



Master the “Zoom” call - Advisors are deepening relationships and building efficiencies through this tool

[Casual Friday: To Zoom Or Not To Zoom? – August 21st, 2020](#)

Overhaul your systems. Get streamlined. The future is here:

[Casual Friday: Dividend Increases + “UMA Crusader” – December, 11th 2020](#)

Checklist for markets at all-time highs. Hint: discuss dollar risk now:

[Casual Friday: “Advisor Checklist For All Time Highs” – January 24th, 2020](#)

No Whining! Yep...fees are mostly going DOWN. Total revenue, quality of life, and efficiencies can still go UP

[New Advisor Formula: Strategies for Capturing Money in Motion](#)

Need to switch strategies but worried about capital gains taxes?

[Berkshire Tax Alpha Transition Program](#)

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Berkshire Dividend Growth Strategy

Berkshire Firm Update 12.31.2020



Our current business fundamentals are the strongest in our history

- Ownership: 100% employee owned with more than a 30 year operating history*
- Extremely low professional turnover
- Controlled, measured growth: Roughly \$2.9 Billion under supervision** as of 12.31.2020
- Low overhead cost structure enhancing the long-term stability of the firm

Our investment principles remain consistent and focused

- Deliver quality investment results
- Narrow focus on large cap dividend investing
 - Enduring dividend growth to meet client goals and objectives
 - “Forward looking” fundamental process vs. backward looking screening

Our service model provides distinguished support

- Maintain premier boutique status to quality advisors and platforms
- Direct communication with portfolio managers to enhance advisor support
- Customized portfolio management

*Berkshire Asset Management, LLC (Berkshire) is a fee-based, SEC registered advisory firm serving the portfolio management needs of high net worth and institutional clients. Berkshire Asset Management, Inc. was formed in 1986 as a SEC registered investment adviser. In 1999 the company was sold to Legg Mason. In 2007, senior leadership repurchased the firm, forming Berkshire Asset Management, LLC, the company built to serve you today.** Assets under supervision include all assets directed and supervised by Berkshire Asset Management through all arrangements. Berkshire participates as an adviser providing investment management services to clients of wrap fee programs. This includes but not limited to assets directed through various custodial arrangements, wrap fee, uma structure and model portfolios at third party organizations. Of the \$2,873,411,697 in assets under supervision \$1,733,780,455 are contributed to Firm assets under management and \$1,139,631,242 is contributed to advisory only assets for which we provide portfolio models (as of 12.31.2020)

Berkshire Dividend Growth Strategy Disclosure Information



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. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. 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. Platform restrictions may apply. Individual accounts vary.

Definitions: The S & P 500 Index is a market capitalization weighted index of the largest 500 U.S. stocks. It is a market-value weighted index (stock price times # of shares outstanding), with each stock's weight in the index proportionate to its market value. The index is designed to measure changes in the economy and is representative of most major industries. Russell 1000 Value Index (RLV) measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The index was developed as of August 31, 1992. You cannot invest directly in an index. Beta is a measure of volatility vs. an index. Current yield is the mean estimated annual dividend amount based on current calendar year, divided by the current stock price. Dividend Payout ratio is the fraction of net income a firm pays to its shareholders in dividends, in percentage. Forward Price Earnings Ratio (P/E) is the ratio of the price of a stock and the company's projected earnings per share. Upside/Downside capture ratios refer to a portfolios performance as a percentage of either positive returns (upside) or negative returns (downside) vs. an index. Standard Deviation is a measure of total risk. Return on equity (ROE) measures profitability by dividing dollars of profit by shareholders' equity. If represented in this presentation - Alpha, Beta and capture ratios are generally presented as calculated by Morningstar.

Risks: Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for an individual's investment portfolio. Dividends are subject to change, are not guaranteed, and may be cut. 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. Berkshire's equity style may focus its investments in certain sectors or industries, thereby increasing potential volatility relative to other strategies or indices. The dividend strategy may include bundled services also known as a "wrap fee program". Because there is typically a low turnover in the strategy, this may be more costly for some investors. No one should assume that any information presented serves as the receipt of, or a substitute for, personalized individual advice from a qualified advisor or any other investment professional.

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Berkshire Dividend Growth Strategy Disclosure Information



Compliant Presentation

Berkshire Asset Management
Dividend Growth Strategy
12/31/2008 to 12/31/2019

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Year End Portfolio	Internal Dispersion (%)	Composite Assets (\$)	Firm Assets (\$)
2009 ¹	23.24	23.12	22.50			2	n/a	56.10	561.42
2010	11.62	10.95	15.06			14	n/a	76.44	620.20
2011	10.04	9.54	2.11			19	1.60	28.15	603.71
2012	14.18	13.44	16.00	11.69	15.09	22	1.15	23.38	638.08
2013	31.26	30.39	32.39	9.41	11.94	26	2.20	32.81	835.67
2014	13.88	13.15	13.69	8.21	8.97	31	1.39	50.08	925.35
2015	2.27	1.64	1.38	10.34	10.47	43	1.23	64.60	948.89
2016	15.29	14.62	11.96	9.94	10.59	44	1.71	85.83	1,174.94
2017	16.95	16.26	21.83	9.23	9.92	44	1.95	81.71	1,441.98
2018	-5.15	-5.69	-4.38	9.54	10.80	42	1.89	55.80	1,505.60
2019	26.78	26.10	31.49	10.26	11.93	39	2.28	70.95	1,614.44

Partial Years

¹ Returns for 2009 are from 06/30/2009 to 12/31/2009

Berkshire Dividend Growth Strategy Disclosure Information



Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Berkshire Asset Management, LLC has been independently verified for the periods January 1, 2009 through December 31, 2018. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Notes:

1. Berkshire Asset Management is a fee-based, SEC registered advisory firm serving the portfolio management needs of personal high net worth and institutional clients. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
2. 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 minimum size required to be in this composite is \$300,000.
3. 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.
4. Valuations are computed and performance is reported in U.S. dollars.
5. 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. The standard investment management fee schedule is as follows: 1.00% on the first \$2 million; 0.75% on the next \$3 million; 0.65% on the next \$5 million; and 0.50% over \$10 million.
6. This composite was created in August 2016. A complete list of composite descriptions is available upon request.
7. Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. It is not presented for any period with five or fewer accounts in the composite for the full year.
8. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for 2009 and 2010 because it is not required for periods prior to 2011. The standard deviation is not presented for 2011 because 36 monthly returns for the composite are not available.
9. Past performance does not guarantee future results.