



Berkshire

DIVIDEND STRATEGY

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Practice Management Insights

Which Dividend Strategies Will Thrive In Challenging Environments

- Economic Realities: Zero interest-rate policy around the globe. Trillions of dollars of low and even negative yielding debt. Slow growth. Continued deleveraging. Austerity. Sovereign debt issues. Oil crashes. Inflation? Deflation? Both?
- Advisor Realities: Skittish clients, fee compression, higher service demands.

Market-wise, it looks like endless volatility. New business-wise, it is tougher than ever to attract and retain clients.

These conditions may favor dividend oriented strategies.

But it is unlikely the “old dividend playbook” delivered in the “traditional SMA format” will stand up to these market realities, provide advisors with meaningful asset gathering opportunities or provide clients any differentiated service experience.

We designed the Berkshire Dividend Growth Strategy to overcome typical complaints associated with dividends delivered through separate account strategies:

- “They’re buy and hold forever”
- “The investment selection process is not flexible”
- “I never get to talk to a real portfolio manager”
- “Manager fees are too high”

Berkshire’s Dividend offering is built with REAL CONTRAST to face these realities:

- Ability to raise cash rapidly, dollar cost average or do individual tax loss selling*
- Direct communication with Portfolio Managers (which has a proven record of generating new assets!)
- A process designed to separate real dividend growers from “value traps”
- “Forward Looking” process to uncover future dividend growth
- Dynamic, active management of portfolio beta, sectors, and individual securities
- Reasonable money manager fees

It is all designed to give advisors and clients a truly differentiated managed account offering. Both advisors and clients will take comfort knowing the strategy can go to cash if market conditions dictate.

Contact us to discuss how our strategy meets these challenges, and how we can help you take your business to the next level.

Regards,
- Gerry

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Berkshire is a fee-based, SEC registered advisory firm serving the portfolio management needs of high net worth and institutional clients. Over the past 29 years, we have successfully implemented highly focused equity, fixed income and balanced portfolios. Our guiding principle is a belief that success is achieved by combining rigorous, well-crafted investment processes with an exceptional level of client service and attention to detail. Asset Management with a Difference... Diligence, Integrity, and Focus.

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.

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. You cannot invest directly in an index. Beta is a measure of volatility vs. an index. Upside/Downside capture ratios refer to a portfolio's performance as a percentage of either positive returns (upside) or negative returns (downside) vs. an index. Standard Deviation is a measure of total risk. Alpha, Beta and capture ratios are represented as calculated by Morningstar.

Risks: Past performance does not guarantee future results. All investing carries risk including risk of principal or income loss. 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.

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**Platform restrictions may apply. Preliminary returns are based on composite estimates only. Individual accounts will vary.*

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