



Berkshire

DIVIDEND STRATEGY

Gerard Mihalick, CFA
gmihalick@berkshiream.com

46 Public Square
Wilkes-Barre, PA 18701

570.825.2600

"Casual Friday" Commentary

Casual Friday: "Avoiding Burnout" + Updated Materials – January 19th, 2018

Good morning and "happy-day-395-without-a-5%-S&P 500-draw-down".

Combine...

- positive earnings growth
- increasing economic activity
- reasonably low rates
- an increasingly accommodating fiscal/regulatory environment

...and stocks are picking up right where they left off at year end.

In 2017 Berkshire Dividend Strategy clients enjoyed 36 dividend increases as well as a solid increase in account values.

Heading into 2018 Berkshire holdings generally reflect optimism – choosing sectors and companies we believe will benefit from continued growth: Financials, health care, industrials and technology, all appear poised for double digit growth and are well represented in the portfolio.

We believe these sectors of the market possess above average potential for revenue, earnings and dividend growth. Dividend yield and valuations remain reasonable across these sectors, with many of our stocks trading below market multiples.

We encourage advisors use client goodwill from the rally to revisit client: risk tolerance, potential for corrections, and remind them stocks usually don't go straight up. It's the perfect time to set expectations correctly making changes to asset allocation as needed.

We are happy to present you with Berkshire updated Fact Sheet and Dividend Scorecard:

[Dividend Strategy Fact Sheet 12.31.17](#)

[Dividend Growth Scorecard 12.31.17](#)

Avoiding Burnout:

We know work is in full swing, but one of the best ways to prevent burnout is to "plan things that make you happy" on a regular interval - perhaps a long weekend someone fun every quarter. Here are 29 of the best small cities to plan a long weekend:

<http://www.businessinsider.com/the-best-small-cities-in-the-us-2018-1>

Here are other techniques to keep you laser sharp and focused in 2018

<https://www.bakadesuyo.com/2016/01/morning-ritual/>

Contact Berkshire:

Gerard Mihalick, CFA, Portfolio Manager, gmihalick@berkshiream.com or (570) 825-2600

Jason Reilly, CFP®, VP Advisor Distribution, jason@berkshiream.com or (570) 825-2600

Berkshire is a fee-based, SEC registered advisory firm serving the portfolio management needs of high net worth and institutional clients. Over the past 30 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.

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.

Market Commentary, Aggregate Holdings, Securities, Sectors, Portfolio Characteristics Mentioned: No statement made in this presentation shall construe investment advice. This presentation is for informational purposes only. Views, comments or research mentioned is not intended to be a forecast of future events. The mention of any security or sector is not deemed as a recommendation to buy or sell. Any reference to any security or sector is used to explain the portfolio manager's rationale for portfolio decisions or philosophy. Research or financial statistics cited regarding securities or sectors do not contain all material information about them. Any securities mentioned represent a partial list of holdings whereas Berkshire portfolios typically contain approximately 30-40 securities in percentage weightings ranging from 1-5%. A complete list of holdings from a representative account is available upon request. Overall portfolio characteristics mentioned are from a representative account deemed representative of the strategy; data may be compiled from Bloomberg, Baseline or Berkshire estimates. Individual holdings, performance and aggregate characteristics of actual portfolios may vary based on a variety of factors including market conditions, timing of client cash flows and manager discretion. This presentation contains Berkshire opinions and use of Berkshire estimates which are subject to change at any time. Berkshire employees may have personal positions in any securities or sectors mentioned. Charts, presentations or articles may be obtained from third parties and Berkshire does not guarantee their accuracy.

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