



Berkshire

DIVIDEND STRATEGY

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"Casual Friday" Commentary

Casual Friday: Big Dividends, Big Bounce + Has "Big Air" Gone Too Far? – February 16th, 2018

Valentine's Day may have been Wednesday but two of our companies just showed our shareholders some big love in the form of hefty dividend increases:

- **AbbVie (NYSE: ABBV)** declared a quarterly dividend of \$0.96 per share, or \$3.84 annualized. This is a 35.2% increase from the prior dividend of \$0.71. - [Source: Nasdaq Full Announcement](#)
- **Cisco Systems (NYSE: CSCO)** said it would raise its quarterly dividend 14% and also announced a \$25 billion increase to its buyback plan. - [Source: Barrons Full Announcement](#)

Both companies highlight the merits of our forward looking approach, which emphasizes future cash flow and potential for future dividend increases. Relying heavily on backward looking screens would have eliminated these names from our opportunity set.

These two increases coupled with the recent correction and corresponding bounce also highlight the benefits of investing for dividend growth vs. trying to time the market.

Given the speed and nature of the sell-off however, we did feel compelled to address if it was something our investors needed to worry about. We did feel some of the decline was technical/ VIX related selling. You can review those comments here: [Casual Friday: The "Vol Of Vol" + Olympian, Advisor Evolution – Feb 9th, 2018](#)

Advisor Success Story: Volatility Inspired Conference Call with Berkshire

Kudos to an advisor friend of ours in the Mid-Atlantic region...anticipating some client angst over the correction, he made the proactive move of asking us to set up a quick conference call to address the correction with about a dozen of his clients. It didn't cost anything, easy to set up and clients appreciated 15 minutes with their Portfolio Managers. Sometimes the simplest ideas can be most effective. We are always happy to accommodate more requests like these.

The Best Snow Boarder You Never Heard Of?

Heading into the 2010 Olympics, Kevin Pearce was considered the only snow boarder who could dethrone his best-friend-turned-arch-rival Shaun White. Then tragedy struck. While attempting a stunning new trick, Pearce suffered a traumatic brain injury or (TBI) which took him to an inch of his life. The amazing documentary "The Crash Reel" documents his story, his partial recovery and how extreme sports have evolved. It also documents other athletes who despite horrible injuries still compete in extreme sports.

As fans, sponsors and athletes crave the thrill that comes from "bigger and bigger air", the film asks the question how extreme is too extreme? It's extremely well done, riveting, and thought provoking on many levels - even for people not interested in extreme sports. One of the best documentaries I've ever watched! - <https://youtu.be/c1hxtjlbTHI>

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.

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