

The Berkshire Dividend Growth & Income SMA

Good Morning,

3rd Quarter Dividend Growth Recap

Hard to believe another quarter gone and we're closing in on year end.

As you start making observations about 18' and preparations begin for 19', Berkshire will continue to supply you with materials to help all areas of your practice in ways that go way beyond your allocations to our strategy.

First up, we're pleased to share a recap of healthy dividend growth for the 3rd quarter of 2018.

The stocks in the portfolio increasing their dividend in Q3 *averaged more than a 15% increase.* (simple average calculation)

And we'd be remiss not to mention JPMorgan's *dividend increase of 43%* sneaking in right at the end of Q2 18'. (Announced 6.28.18)

The portfolio also enjoyed total return in line or slightly above major large cap/large cap value indices.

The Berkshire Dividend Growth Scorecard includes, by popular request, a chart which tracks historical dividend income growth of the portfolio (page 2). Advisors are finding this is a powerful visual to share with clients:

[Dividend Growth Scorecard 9.30.18](#)

Ten Year Anniversary of Financial Crisis Series

Part 2 - Managing Market Mayhem

We continue our special series on the financial crisis.

Part 1: [Casual Friday: Financial Crisis Rewind...Lessons Learned? – Sept 14th, 2018](#) gives our take on the origins of the crisis and how relying on past data and simple rules of thumb may have been behind system crash and bad results for clients.

Part 2: "Managing Market Mayhem" shares practical, actionable ideas on what seasoned pros learned in the crisis, and how they can be utilized today to help us be better managers and advisors. Many articles we read *summarize* the crisis. But what good is history if you can't use some of its lessons today?

Slightly longer - Print for a good weekend read:

[Ten Year Anniversary of Financial Crisis Series: Part 2 Managing Market Mayhem](#)

Growth Hiding In Value? AT&T, (T) Qualcomm (QCOM)

We hear the recent client refrain: "Why should I own these slow growth value stocks when growth stocks are the future." We've shared before how our investors can benefit from technological advances and new paradigm shifts. Many value stocks are right in the middle of these advances, growth is present and they could often trade at huge discounts to growth counterparts.

We profiled "The Internet of Things" in prior commentaries. Today we share with you two quick slide decks/presentations on what 5-G technology may bring.

And a handful of value companies in the Berkshire portfolio are right in the center of it all:

<https://www.qualcomm.com/media/documents/files/5g-vision-use-cases.pdf>

<https://www.marketwatch.com/press-release/overview-outlook-on-the-global-5g-market---a-251-billion-opportunity-by-2025---researchandmarketscom-2018-07-24>

Best Regards,
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Berkshire Dividend Growth Strategy is available through various platform/custodial arrangements. Please call or email to discuss. - (570)825-2600

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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. Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The index was developed with a base value of 200 as of August 31, 1992. Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The index was developed with a base value of 200 as of August 31, 1992. You cannot invest directly in an index. BEst (Bloomberg Estimates) Earnings Per Share (EPS Adjusted) estimate returns Earnings Per Share from Continuing Operations, which may exclude the effects of one-time and extraordinary gains/losses. 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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