



Berkshire

DIVIDEND STRATEGY

Berkshire Book of Dividend Income

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Berkshire's Book of Dividend Income

Why Dividend Income Investing Always?



Making investment decisions based on world macro events and timing the market is a very difficult business. Even the best economists and strategists are in constant disagreement and often wrong about market direction.

If there was a “magic rule of thumb” for the millions of variables that influence stocks...
Wouldn't everyone follow?

Ultimately, clients invest for one of two reasons:

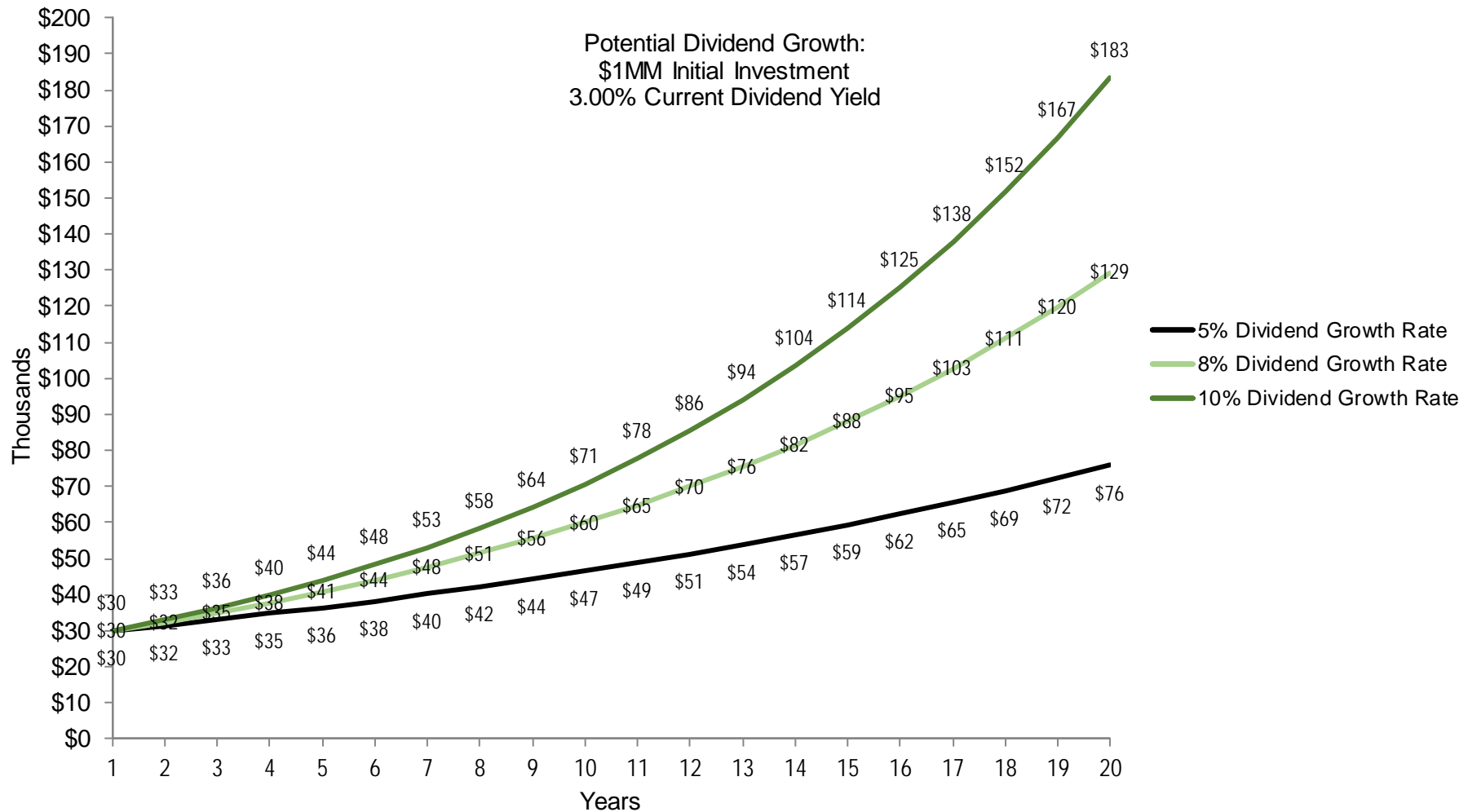
- Retirees – Generate a current stream of cash flow that can grow over time (replacement of income)
- Accumulators – Build a future stream of cash flow that grows over time (eventual replacement of income)

Therefore, why not invest for cash flow / income?

- Clear focus on the underlying objective of investing
- Avoid macro confusion
- Avoid timing of the markets
- Softens emotional aspects of investing

Berkshire's Book of Dividend Income

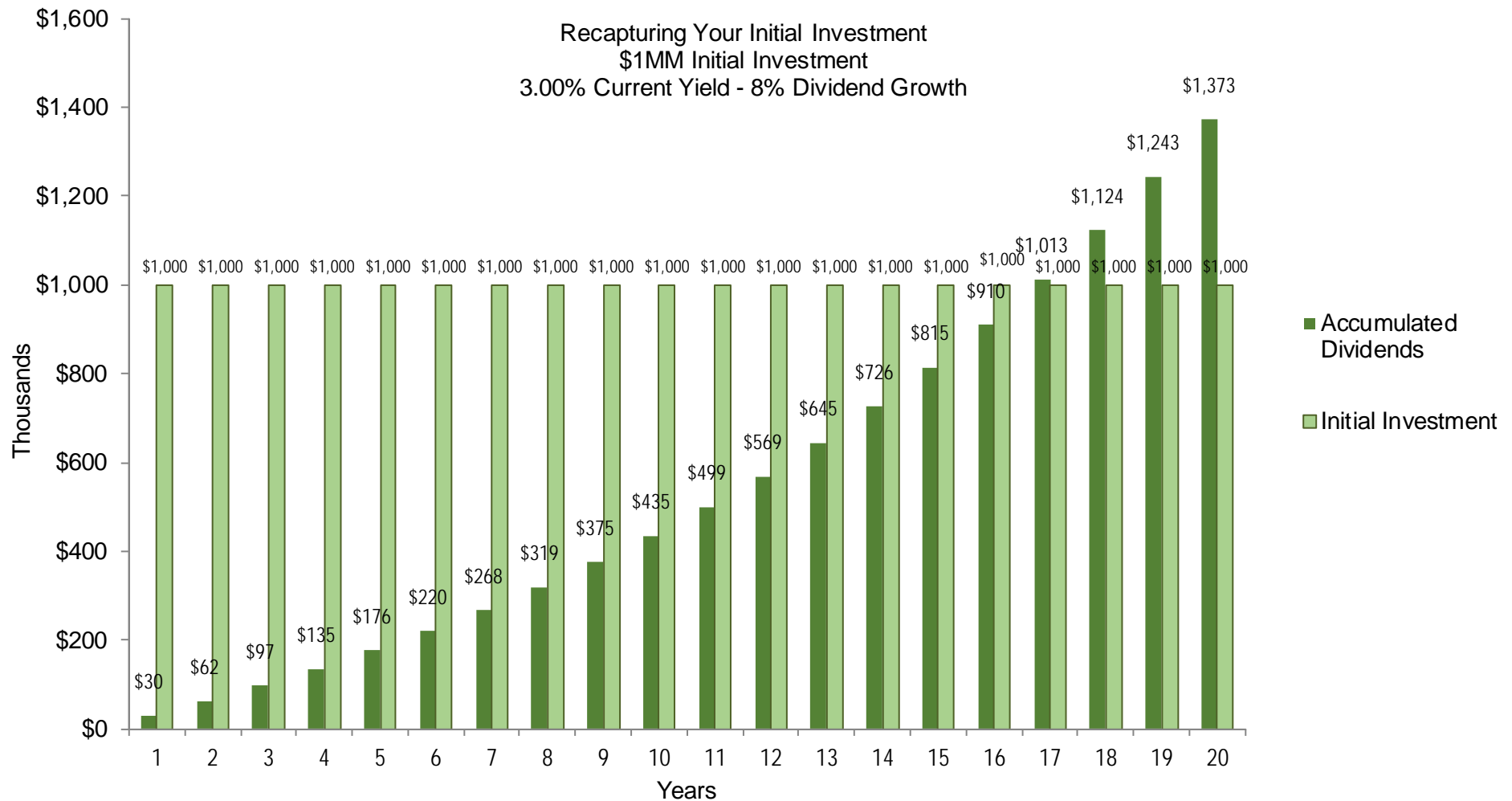
The Power of Enduring Dividend Growth



For illustrative purposes only. Graph assumes a 20 year time horizon. Dividends are not guaranteed, and may be subject to change. The current yield may not be representative of the Berkshire Dividend Growth current yield. A current yield estimate can be provided by request. 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. Fees are not included in the analysis and would lower values.

Berkshire's Book of Dividend Income

The Power of Accumulating Dividends



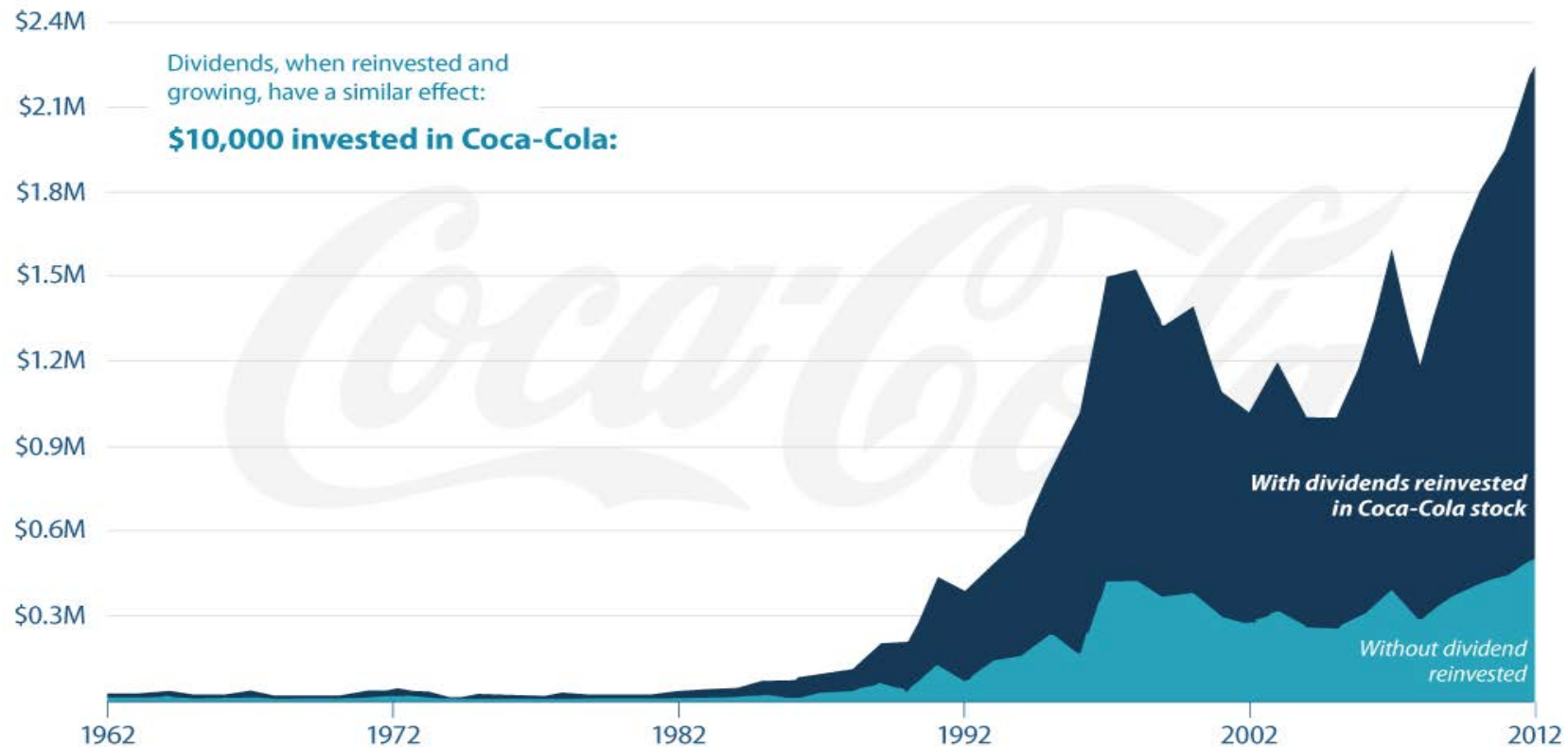
For illustrative purposes only. Graph assumes a 20 year time horizon. Dividends are not guaranteed, and may be subject to change. The current yield may not be representative of the Berkshire Dividend Growth current yield. A current yield estimate can be provided by request. Investing based on dividends 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. Fees are not included in the analysis and would lower values.

Berkshire's Book of Dividend Income

Power of Dividend Reinvestment



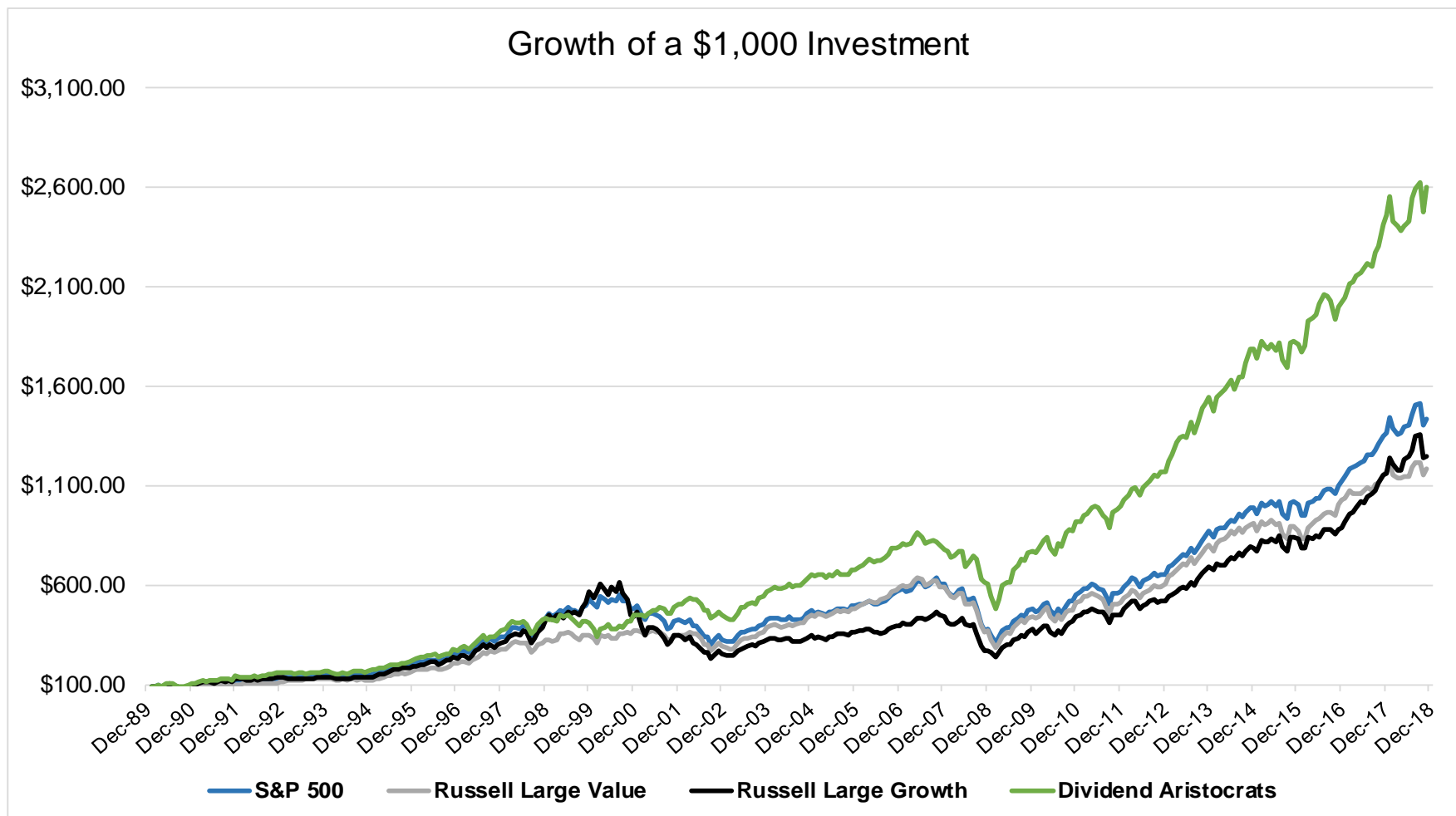
Over the years, reinvesting dividends can make a substantial difference in overall investor return



*SOURCE: <http://www.visualcapitalist.com/power-dividend-investing/> - accuracy of data is deemed reliable but not guaranteed and may be subject to change. Dividends are not guaranteed nor can they guarantee a rate of return and may change. Past performance is not guarantee of future results and equity investing involves the potential loss of principal. 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. Holdings represent a partial list of securities from a representative account.

Berkshire's Book of Dividend Income

Dividend Growers Have Performed Over Time



Returns are stated gross of fees. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Composite and performance details can be found on the disclosure page of this presentation and a full composite can be obtained by the investor at any time per request. Investors should carefully consider investment objectives, risks, charges and expenses.

Berkshire's Book of Dividend Income

1 Year Rolling Dividend Scorecard 12.31.2018



Company Name	Symbol	Announcement Date	Prior Qtr. Dividend	New Qtr. Dividend	Percent Change
Abbott	ABT	12/14/2018	\$0.280	\$0.320	14.29%
Pfizer	PFE	12/14/2018	\$0.340	\$0.360	5.88%
AT&T	T	12/13/2018	\$0.500	\$0.510	2.00%
Amgen	AMGN	12/7/2018	\$1.320	\$1.450	9.85%
WP Carev*	WPC	12/5/2018	\$1.005	\$1.030	2.49%
Bank Of Montreal*	BMO	12/4/2018	\$0.930	\$1.000	7.53%
Nucor	NUE	11/30/2018	\$0.380	\$0.400	5.26%
Emerson	EMR	11/6/2018	\$0.485	\$0.490	1.03%
AbbVie*	ABBV	11/2/2018	\$0.710	\$1.070	50.70%
Merck	MRK	10/25/2018	\$0.480	\$0.550	14.58%
Honeywell	HON	9/28/2018	\$0.745	\$0.820	10.07%
Lockheed Martin	LMT	9/27/2018	\$2.000	\$2.200	10.00%
McDonald's	MCD	9/20/2018	\$1.010	\$1.160	14.85%
Microsoft	MSFT	9/18/2018	\$0.420	\$0.460	9.52%
M&T Bank*	MTB	8/21/2018	\$0.750	\$1.000	33.33%
Kraft Heinz	KHC	8/3/2018	\$0.625	\$0.625	0.00%
BP PLC	BP	7/27/2018	\$0.600	\$0.615	2.50%
Norfolk Southern*	NSC	7/27/2018	\$0.610	\$0.800	31.15%
Wells Fargo	WFC	7/24/2018	\$0.390	\$0.430	10.26%
Schlumberger	SLB	7/18/2018	\$0.500	\$0.500	0.00%
PNC Financial	PNC	7/5/2018	\$0.750	\$0.950	26.67%
JP Morgan Chase	JPM	6/28/2018	\$0.560	\$0.800	42.86%
General Mills	GIS	6/26/2018	\$0.490	\$0.490	0.00%
Chubb	CB	5/17/2018	\$0.710	\$0.730	2.82%
Legett & Platt	LEG	5/15/2018	\$0.360	\$0.380	5.56%
Johnson & Johnson	JNJ	4/26/2018	\$0.840	\$0.900	7.14%
Exxon Mobil	XOM	4/25/2018	\$0.770	\$0.820	6.49%
Kinder Morgan	KMI	4/18/2018	\$0.125	\$0.200	60.00%
Procter & Gamble	PG	4/10/2018	\$0.690	\$0.717	4.00%
Qualcomm	QCOM	3/8/2018	\$0.570	\$0.620	8.77%
PPL	PPL	2/22/2018	\$0.395	\$0.410	3.80%
Walmart	WMT	2/20/2018	\$0.510	\$0.520	1.96%
Coca Cola	KO	2/15/2018	\$0.370	\$0.390	5.41%
Cisco Systems	CSCO	2/14/2018	\$0.290	\$0.330	13.79%
Roche	RHHBY	2/2/2018	\$1.027	\$1.082	5.33%
Intel	INTC	1/25/2018	\$0.273	\$0.300	10.09%
Kimberly-Clark	KMB	1/23/2018	\$0.970	\$1.000	3.09%
Waste Management	WM	1/10/2018	\$0.425	\$0.465	9.41%

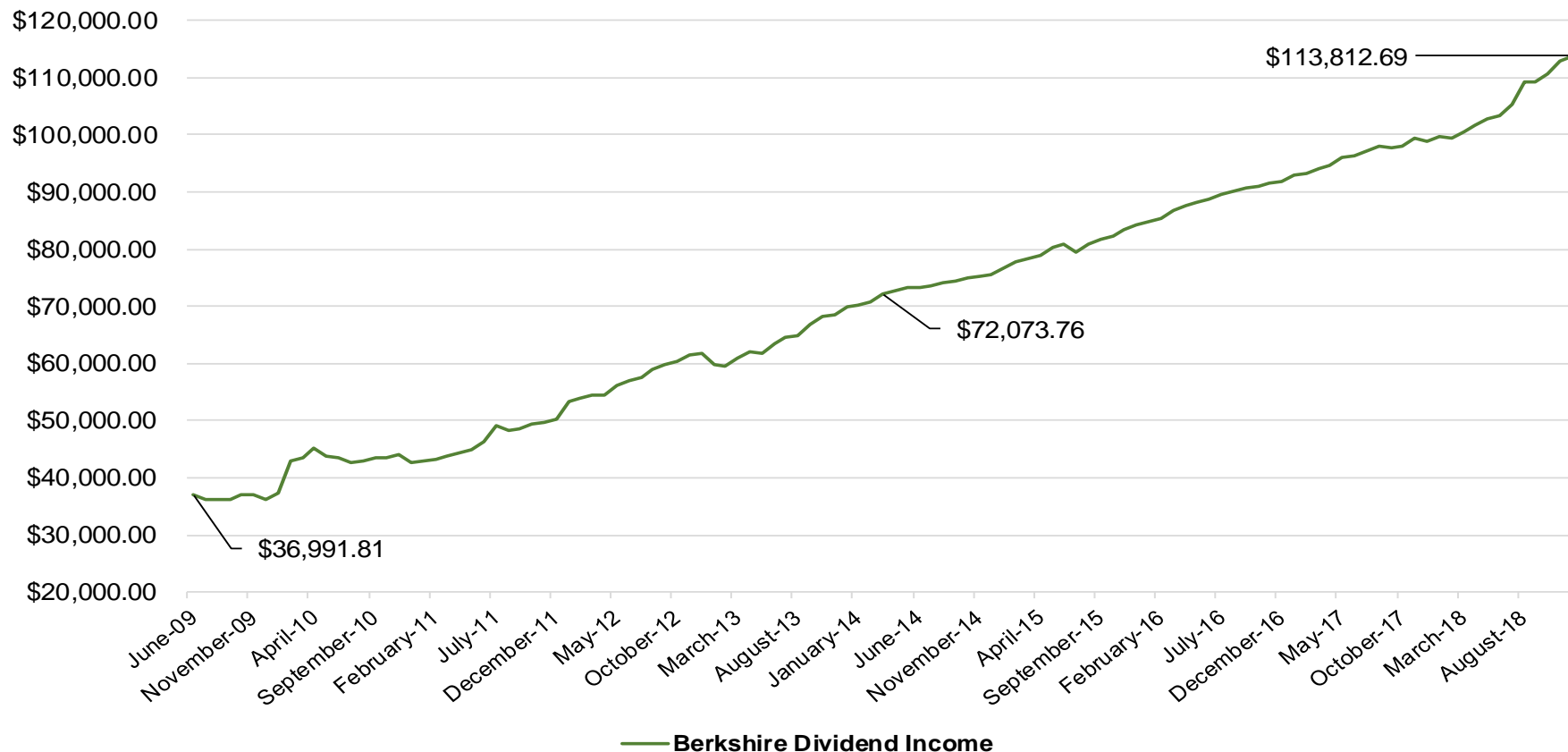
Source: Bloomberg. *If multiple increases occurred throughout the year, dividends and percent change are annualized for comparative purposes. Dividend increase results are based on underlying holdings of a representative composite account. More information on the composite is provided in the performance section on the disclosure page. A Full composite with disclosure can be acquired upon request. Returns/ dividend yields are gross of fees. Dividend Increases are based upon date of announcement. There is no guarantee dividends will continue to be paid in the future. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. Investors should carefully consider investment objectives, risks, charges and expenses. Additional information can be obtained from a financial professional and should be read carefully before investing. Holdings are subject to change.

Berkshire's Book of Dividend Income

Dividend Income Growth Update 12.31.2018



Growth of Dividend Income on a \$1,000,000 Investment



Intended for illustrative purposes only. Income chart is based on the assumption \$1,000,000 is invested the Berkshire Dividend Growth and Income Strategy at the inception of the Berkshire Dividend Growth and Income composite. (6/30/2009) The \$1,000,000 investment is adjusted monthly based on the stated monthly total returns for the given composite. This includes accumulation and reinvestment of the dividend. The monthly adjusted account values are then multiplied by the current yield of the respective composite. The resulting monthly income figures are then charted in the graph. Dividends 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. There is no guarantee any stated (or implied) portfolio or performance objective mentioned by Berkshire can be met. 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's Book of Dividend Income Volatility Happens... Allocate Accordingly



How much annual volatility can you handle? Let's take a look at 2008...

- S&P 500 Return: -37.03%
- Barclays 3 year Intermediate Muni Index: +5.53%

Re-run of 2008 at various allocations:

Equity Allocation	Bond Allocation	2008 Blended Return
100.00%	0.00%	-37.03%
80.00%	20.00%	-28.52%
60.00%	40.00%	-20.01%
40.00%	60.00%	-11.49%
20.00%	80.00%	-2.98%
0.00%	100.00%	5.53%

What tends to go up in a down market? Correlations and high quality bonds!

Berkshire's Book of Dividend Income Owning Stocks in a Separately Managed Account...



Control Cost Basis

- Mutual funds force capital gains at year end
 - Example – 2018 many mutual funds had negative returns plus capital gains for the year

Tax Loss Harvesting

- Manager's can sell securities at losses before year end to offset other capital gains

Transparency

- Investors understand and appreciate owning individual companies
 - When volatility occurs in the market, investors are more likely to stay the course

Berkshire Dividend Increases

- Notification on the individual dividend increases in the portfolio

Berkshire's Book of Dividend Income

How to Think About the Berkshire Portfolio?



Favorite Dividend Growth 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?

“Income While You Sleep”

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

BERKSHIRE ASSET MANAGEMENT, LLC
PORTFOLIO APPRAISAL
Dividend Growth and Income
January 31st, 2019

Date	Quantity	Security	Security Symbol	Unit Adjusted Cost	Price	Total Adjusted Cost	Market Value	Accrued Interest	Unrealized Gain/Loss	Pct. G/L	Pct. Assets	Annual Income	Yield
Common Stocks													
FINANCE													
12-23-10	183.00	Bank of Montreal	bmo	54.26	73.19	9,929	13,394		3,465	34.90	2.18	555	4.14
01-15-16	90.00	Chubb Ltd	cb	111.08	133.05	9,997	11,975		1,977	19.78	1.95	256	2.13
02-05-10	275.00	JPMorgan	jpm	39.11	103.50	10,755	28,463		17,708	164.65	4.63	880	3.09
02-03-16	100.00	M & T Bank	mtb	104.02	164.54	10,402	16,454		6,052	58.17	2.68	400	2.43
08-10-11	200.00	PNC	pnc	45.99	122.67	9,198	24,534		15,336	166.73	3.99	760	3.10
03-28-14	200.00	Wells Fargo	wfc	49.24	48.91	9,848	9,782		-66	-0.67	1.59	360	3.68
						60,129	104,601		44,471	73.96	17.02	3,210	3.07
REAL ESTATE													
02-05-10	230.00	WP Carey	wpc	35.40	74.89	8,142	17,225		9,083	111.56	2.80	948	5.50
CONSUMER CYCLICAL													
02-05-10	210.00	Leggett & Platt	leg	18.18	40.96	3,818	8,602		4,784	125.30	1.40	302	3.52
02-05-10	97.00	McDonald's	mcd	63.15	178.78	6,126	17,342		11,216	183.10	2.82	450	2.60
07-08-15	155.00	Walmart	wmt	73.23	95.83	11,351	14,854		3,503	30.86	2.42	322	2.17
						21,294	40,797		19,503	91.59	6.64	1,075	2.63
CONSUMER NONCYCLICAL													
02-05-10	250.00	Coca Cola	ko	27.09	48.13	6,773	12,033		5,260	77.66	1.96	390	3.24
02-05-10	200.00	General Mills	gis	34.52	44.44	6,904	8,888		1,984	28.73	1.45	392	4.41
02-05-10	100.00	Kimberly-Clark	kmb	56.53	111.38	5,653	11,138		5,485	97.03	1.81	412	3.70
02-21-13	188.00	Kraft Heinz	khc	47.10	48.06	8,855	9,035		181	2.04	1.47	470	5.20
02-05-10	120.00	Procter & Gamble	pg	61.19	96.47	7,343	11,576		4,234	57.66	1.88	344	2.97
						35,528	52,670		17,143	48.25	8.57	2,008	3.81
HEALTH CARE													
02-05-10	225.00	AbbVie	abbv	30.09	80.29	6,769	18,065		11,296	166.88	2.94	963	5.33
02-05-10	175.00	Abbott	abt	24.97	72.98	4,370	12,772		8,401	192.22	2.08	224	1.75
06-11-14	65.00	Amgen	amgn	116.90	187.11	7,599	12,162		4,564	60.06	1.98	377	3.10
02-05-10	125.00	Johnson & Johnson	jnj	62.22	133.08	7,777	16,635		8,858	113.89	2.71	420	2.52
02-05-10	225.00	Merck	mrk	38.06	74.43	8,564	16,747		8,183	95.56	2.72	495	2.96
02-05-10	385.00	Pfizer	pfe	18.70	42.45	7,199	16,343		9,145	127.04	2.66	554	3.39
02-25-15	272.00	Roche ADR	rhhb.y	33.93	33.30	9,228	9,058		-170	-1.84	1.47	431	4.75
						51,505	101,782		50,276	97.61	16.56	3,464	3.40

Sample Appraisal only. Is not indicative of exact holdings of overall composite. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. Investors should carefully consider investment objectives, risks, charges and expenses. Additional information can be obtained from a financial professional and should be read carefully before investing. Dividends and yields represent past performance, there is no assurance they will be paid in the future. Results are based on composite acts as defined in attached disclosure section. Any/All relative performance results in communication are based on peer group in large-cap value as reported by Morningstar.

BERKSHIRE ASSET MANAGEMENT, LLC
PORTFOLIO APPRAISAL
Dividend Growth and Income
January 31st, 2019

Date	Quantity	Security	Security Symbol	Unit Adjusted Cost	Price	Total Adjusted Cost	Market Value	Accrued Interest	Unrealized Gain/Loss	Pct. G/L	Pct. Assets	Annual Income	Yield
TECHNOLOGY													
10-18-12	550.00	Cisco	csc	18.64	47.29	10,250	26,010		15,760	153.75	4.23	726	2.79
02-05-10	275.00	Intel	intc	19.30	47.12	5,308	12,958		7,651	144.15	2.11	347	2.67
02-05-10	171.00	Microsoft	msft	27.43	104.43	4,690	17,858		13,167	280.75	2.91	315	1.76
11-06-14	155.00	Qualcomm	qcom	68.39	49.52	10,600	7,676		-2,924	-27.59	1.25	384	5.01
						30,847	64,501		33,653	109.10	10.50	1,772	2.75
TELECOM													
09-13-13	463.00	AT&T	t	33.43	30.06	15,480	13,918		-1,562	-10.09	2.26	945	6.79
CAPITAL GOODS													
02-05-10	233.00	Emerson Electric	emr	48.84	65.47	11,380	15,255		3,874	34.04	2.48	457	2.99
02-05-10	100.00	Honeywell	hon	35.50	143.63	3,550	14,363		10,813	304.60	2.34	328	2.28
02-05-10	70.00	Lockheed Martin	lmt	75.30	289.69	5,271	20,278		15,007	284.71	3.30	616	3.04
02-05-10	320.00	Waste Management	wm	32.68	95.67	10,459	30,614		20,156	192.71	4.98	595	1.94
						30,660	80,510		49,850	162.59	13.10	1,996	2.48
ENERGY													
04-11-13	250.00	BP ADR	bp	43.76	41.12	10,940	10,280		-660	-6.03	1.67	610	5.93
07-20-10	218.00	Exxon Mobil	xom	68.64	73.28	14,962	15,975		1,013	6.77	2.60	715	4.48
11-28-18	980.00	Kinder Morgan	kmi	16.84	18.10	16,503	17,738		1,235	7.49	2.89	784	4.42
04-03-18	261.00	Schlumberger	slb	64.00	44.21	16,703	11,539		-5,165	-30.92	1.88	522	4.52
						59,108	55,532		-3,576	-6.05	9.04	2,631	4.74
BASIC MATERIALS													
02-05-10	269.00	Nucor	nue	44.11	61.24	11,865	16,474		4,609	38.85	2.68	430	2.61
UTILITIES													
02-05-10	589.00	PPL	ppl	27.90	31.32	16,435	18,447		2,013	12.25	3.00	966	5.24
TRANSPORTATION													
02-05-10	130.00	Norfolk Southern	nsc	46.47	167.74	6,041	21,806		15,765	260.96	3.55	447	2.05
Total Common Stocks						347,035	588,262		241,227	69.51	95.72	19,891	3.38
Cash & Equivalents													
Accrued Dividends			divacc			1,578	1,578				0.26		
Schwab Money Market			schwab			24,720	24,720				4.02	74	0.30
Total Cash & Equivalents						26,298	26,298				4.28	74	0.28
TOTAL PORTFOLIO						373,333	614,560		241,227	64.61	100.00	19,966	3.25

Berkshire's Book of Dividend Income

Why Berkshire Dividend Portfolio Now?



- Roughly 3.35% current yield with attractive dividend growth potential* (12.31.18)
- Favorable valuation - Forward P/E ratio approximately 13x (12.31.18)
- Average for companies announcing dividend increases: 11.10% (2018 simple average)
- Berkshire downside capture 67% in Q4 2018

- Allocations to sectors of conviction:
 - Restructured energy companies poised for growth, higher margins – Attractive current dividends
 - Banks have excess capital position and are poised for future dividend growth and buybacks
 - Technology and industrials benefit from information economy, internet of things, global growth

- Very low allocation to interest rate sensitive sectors
 - Utilities, telecom and other bond-like proxies

- Continued rotation from “growth” to “value”

*Source: Bloomberg - Based on underlying holdings of a representative composite account for the Berkshire Dividend Growth Strategy. Berkshire can not guarantee the accuracy of the information. Individual accounts results may vary based on a variety of factors. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. Investors should carefully consider investment objectives, risks, charges and expenses.

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. 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 will 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 measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. 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. 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.

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, Zacks Research 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.

**Compliant Presentation
Berkshire Asset Management
Dividend Growth Strategy
12/31/2008 to 12/31/2017**

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Year End Portfolios	Internal Dispersion (%)	Composite Assets (\$)	Firm Assets (\$)
2009 ¹	23.24	23.12	22.50			2	n/a	56.10	521.61
2010	11.62	10.95	15.06			14	n/a	76.44	575.23
2011	10.04	9.54	2.11			19	1.60	28.15	567.15
2012	14.18	13.44	16.00	11.69	15.09	22	1.15	23.38	615.36
2013	31.26	30.39	32.39	9.41	11.94	26	2.20	32.81	768.55
2014	13.88	13.15	13.69	8.21	8.97	31	1.39	50.08	850.97
2015	2.27	1.64	1.38	10.34	10.47	43	1.23	64.60	929.78
2016	15.29	14.62	11.96	9.94	10.59	44	1.71	85.83	1,167.88
2017	16.95	16.26	21.83	9.23	9.92	44	1.95	81.71	1,441.98

Partial Years

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

Compliant Presentation
Berkshire Asset Management
Dividend Growth Strategy
12/31/2008 to 12/31/2017

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, 2017. 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.