



Berkshire

DIVIDEND STRATEGY

Gerard Mihalick, CFA
gmihalick@berkshiream.com

46 Public Square
Wilkes-Barre, PA 18701

570.825.2600

"Casual Friday" Commentary

Casual Friday: Advisor Reflections "20 for 20" – December 27, 2019

As we embark on the turn of this decade, advisors are reflecting on the past 10 yrs of industry change and are wise to contemplate the next ten. Robo advisors, UMA proliferation, zero commission trading, aging advisors, and a huge wealth transfer are just a few of the challenges and opportunities awaiting... And if you've been around long enough, you're certain the only way to thrive is to identify and adapt to these changes.

As one year begins and another one ends, many advisors state their goals and construct their business plan this way:

- "I want to grow my business x%"
- "I want to attain X\$ of AUM"
- "I want to make my business more efficient"

An alternative and more inspired approach?

Written asset and revenue goals are great, but Berkshire believes attaining them is actually a by-product of intentionally creating a practice matching your true value(s), with specific client needs and industry dynamics. So instead of setting resolutions or specific targets, spend some time reflecting on these questions to lead you to a great 2020 and beyond! You might be surprised where the answers take you!

1. Markets are up and most likely your revenue is up. But can I quantify new client inflows vs. asset appreciation?
2. What core activities added the most value in 2019?
3. What activities need to be eliminated or outsourced?
4. What client success stories am I most proud of (financial and new businesses)?
5. How can I replicate the conditions that led to them?
6. Did I work with a specific client type, developing niche or were my client acquisition efforts more randomized?
7. How do I want to be known to my clients? (Hint this is your BRAND).
8. What is the source of your advisor alpha...the one thing you can do that no one else can?
9. What activities or new modes of operations (technology, tools, practice alignment etc.) could add the most efficiency and scale into my practice?
10. "Inventory overload?" Do I have too many strategies that are non strategic to my practice?
11. "Client overload?" Do I have too many clients that dilute my time, talent and efforts?
12. Did I commit to formalized study of industry trends and best practices?
13. Which of these could reshape my business for the next 3,5 and 10 years?
14. How am I responding to fee compression?
15. Will I increase volume, lower fees or hold the line?
16. When 2020 is over what themes and adjectives do I hope to use to describe it?
17. What opportunities am I most excited about for 2020?
18. What additional investments (time and money) do I need to make?
19. Do I run my practice, or does my practice run me?
20. Am I a business with standardized process in all areas or just a collection of clients?

Berkshire Asset Management, LLC (Berkshire) is a fee based, SEC registered advisory firm serving the portfolio management needs of high net worth and institutional clients. Our guiding principle is a belief that success can be 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. Berkshire Asset Management, Inc. was formed in 1986 as a SEC registered investment adviser. In 1999 the company was sold to Legg Mason. In 2007, senior leadership repurchased the firm, forming Berkshire Asset Management, LLC, the company built to serve you today.

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.

Have a great weekend and give us a call with any questions/ thoughts on your 2020 business plan!

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 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.*