



# Berkshire

## DIVIDEND STRATEGY

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Dividend Growth Commentary  
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## THROUGH THICK AND THIN

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Reimagine the depths of the financial crisis in 2009—a time when the US large-cap equity sector had experienced its worst decade ever, and many investors lost faith in US companies. Like many equity investors, our traditional core portfolio was feeling a bit washed up (to say the least) and was under significant pressure amidst the financial turmoil. The widely held view was the US economy would never recover, and emerging markets like China and the BRICS countries were going to gain preeminence. Heck, many weren't even sure ATMs would dispense funds. Convincing investors to stay the course, let alone commit more funds, was daunting, to say the least.

Amidst the darkness, Berkshire thought differently. We noticed many US companies were offering dividend yields higher than fixed-income rates. We believed companies with a history of dividends signaled solvency, sustainability, and long-term value. This opportunity inspired us to start telling the story of dividend investing as a theme. That theme became so compelling we decided to launch a dividend strategy focused on certain US companies that would provide our investors with potentially sustainable and stable returns. The strategy was a bold idea at the time, but we believe it proved to be incredibly successful as we have navigated through the stormy market, and it still underscores how we think today.

And if we told you in 2009 the following events would occur over the next 15 years, you'd probably stuff every dollar you had under a mattress:

- **2009-2010:** Global Financial Crisis Aftermath
- **2010:** The European Debt Crisis
- **2011:** U.S. Credit Rating Downgrade
- **2012:** Eurozone Crisis Intensifies
- **2013:** Federal Reserve Taper Tantrum
- **August 2015:** The Chinese Stock Market Panic
- **2015-2016:** Oil Prices Plummet to \$30 a Barrel
- **2016:** Brexit Referendum
- **2020:** COVID-19 Pandemic
- **2021:** Inflation Concerns and Supply Chain Disruptions
- **2022:** Russia-Ukraine War
- **2022-2023:** Rising Interest Rates and Recession Fears
- **2023:** Banking Sector Crisis
- **2024:** Fed Uncertainty, Higher Interest Rates, AI Boom

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## IN THIS REPORT

- Yearly Crisis?
- Happy 15th Anniversary
- "Stewardship vs. salesmanship"

Despite what seems to be a yearly crisis, we are thrilled to report our flagship Dividend Growth Strategy has endured and reached a significant milestone, the 15-year anniversary of its launch! This achievement reinforces our belief in the long-term value of dividend investing and our commitment to delivering consistent and competitive returns to Berkshire investors.

Our high level of focus on this flagship strategy has enabled Berkshire to maintain our local roots while also gaining national prominence as a leader in dividend investing.

We remain delighted to be aligned with iM Global Partner, which helps maintain longevity and continuity for our investors for years to come. Equally important, we remain committed to our autonomy and independent thinking, which allows us to stay true to our principles and values.

The uptake of our strategy has been phenomenal, with advisors utilizing it creatively to solve clients' objectives and meet their evolving financial needs. This demonstrated trust and confidence in our investment process and team reflects in the overall growth of our firm (approaching ~\$5Billion in total AUA as of 6.30.2024). A testament to the dedicated efforts of our team and their unwavering commitment to driving investment excellence.

Most of all, we appreciate the longevity of our relationship with you. Many early adopters entrusted us with hard-won client

dollars for well over a decade. The strategy and Berkshire itself would not be the same without all of you.

Looking forward, our leadership team remains in place, galvanized around core principles, and more excited than ever. We've been in place since as early as 1999, and we remain inspired by one another every day. We believe solid dividend paying companies can deliver exceptional results, even in a hypercompetitive and hyper volatile environment.

At the heart of our team is a shared passion for finding outstanding companies and building relationships with advisors and end clients in a unique way, which we hope separates us from other managers. True to form, it's never been about getting "as big as possible". Stewardship vs salesmanship.

Then and now, we believe firm asset growth doesn't come from low value sales tactics but clear concise straightforward talk from our portfolio management team and a genuine and authentic desire to help advisors grow their practice.

We are excited to continue navigating these uncertain market conditions with our disciplined investment approach, risk-conscious portfolio management, and our distinctive approach to telling the story of our portfolio.

Thank you for your ongoing support, trust, and investment in our flagship strategy.

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