



Berkshire

DIVIDEND GROWTH STRATEGY

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Dividend Growth Fact Sheet

3Q 2023

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. 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. In December 2022, iM Global Partner, a leading global asset management network, made a strategic, non-controlling investment in Berkshire.

INVESTMENT OBJECTIVE

The Berkshire Dividend Strategy's primary goal is to generate a growing stream of income through investments in a diversified portfolio of equities. We seek companies with a stable, high and growing dividend. Capital appreciation is a secondary goal and a risk profile below the S&P 500 is desirable.

STRATEGY RATIONALE

Dividends can play a significant role in investor returns over time. They can be seen as an indicator of a company's financial strength and potential for growth. Furthermore, high-quality dividend stocks can mitigate the risk of the increasing costs of inflation. By carefully selecting stocks with a seasoned team in a discerning market, investors can find value surpassing that of passive strategies or those solely based on static criteria of sorting and ranking. We firmly believe that a well-chosen holding can become a permanent fixture in an investor's portfolio, much like real estate or a family business.

A COMPREHENSIVE, FORWARD LOOKING INVESTMENT PROCESS:

Intelligent dividend investing is much more than simply selecting stocks with high dividend yields or screening for past dividend increases. With an eye to a company's future, we carefully consider three major variables when investing:

CURRENT DIVIDEND

- Attractive dividend yield relative to major U.S. indices
- Current yield + dividend growth
- Potential for stock buybacks

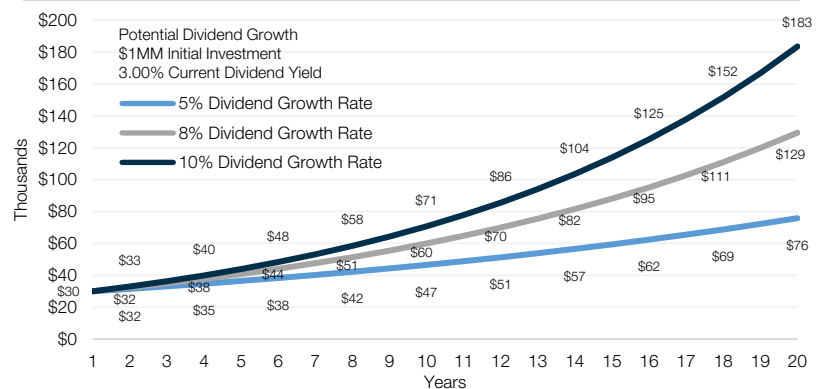
CONSISTENCY OF DIVIDEND

- Strong balance sheet: low debt to equity ratios and high interest coverage ratios
- Sustainable operating margins
- Credit spreads on underlying debt

GROWTH OF DIVIDEND

- Future sales and earnings growth
- High return on equity
- Management's commitment to dividend growth
- Potential future return

IMPORTANCE OF A GROWING DIVIDEND



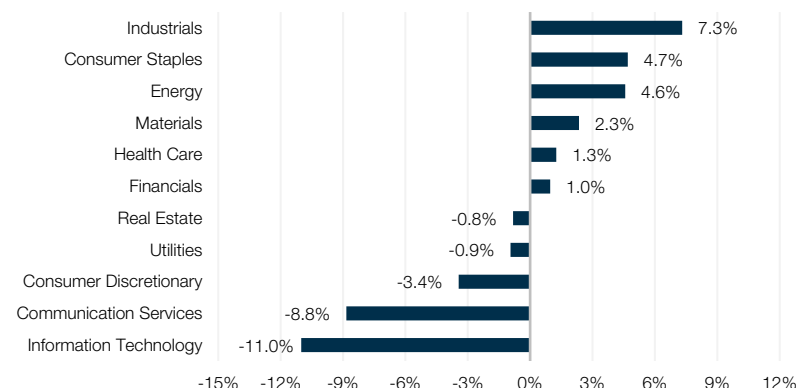
Assumes \$1MM invested in 3 companies with a current dividend yield 3.00% and various growth rates over time - Hypothetical chart is for illustrative purposes only. Dividends are not guaranteed and a company's future abilities to pay dividends may be limited. A company currently paying dividends may cease paying dividends at any time.

PORTFOLIO CHARACTERISTICS (as of 9/30/2023)

	S&P 500	Portfolio
Number of Issues	503	36
Return on Equity	17.01%	20.75%
Beta	1.00	0.82
Current Yield	2.01%	2.85%
LT Debt to Capital	40.96%	42.81%
Forward P/E	17.92	13.88
Payout Ratio	38.16%	54.79%
Average Market Cap (\$ bill.)	\$630 bill	\$371 bill

See page 2 for performance of the Berkshire Dividend Growth Strategy.

RELATIVE SECTOR WEIGHT (% vs. SP 500)





TOP HOLDINGS (as of 9/30/2023) * Holdings are subject to change. A full list is available upon request.

Company Name	Ticker	% of Portfolio	Dividend Yield %	P/E Next 4 Qtrs	Beta	ROE %	Dividend Payout Ratio %
Chevron	CVX	5.68%	3.58%	12.02	0.71	8.61%	43.83%
Nucor	NUE	4.79%	1.30%	11.55	1.28	29.24%	11.83%
Microsoft	MSFT	4.64%	0.95%	28.82	1.12	43.12%	24.36%
JPMorgan	JPM	4.54%	2.90%	9.61	0.99	14.31%	27.63%
Bank Of America	BAC	3.82%	3.51%	8.58	1.04	10.28%	28.99%
Abbvie	ABBV	3.82%	3.97%	13.70	0.64	62.75%	51.78%
Apple	AAPL	3.74%	0.56%	26.64	1.16	100.37%	17.31%
Cisco	CSCO	3.37%	2.90%	13.25	0.86	29.51%	37.83%
Lockheed Martin	LMT	3.26%	2.93%	15.02	0.66	68.30%	45.23%
Norfolk Southern	NSC	2.91%	2.74%	15.74	0.89	18.80%	48.06%
Total Portfolio			2.85%	13.88	0.82	20.75%	54.79%
S&P 500			2.01%	17.92	1.00	17.01%	38.16%

PORTFOLIO MANAGER PERSPECTIVE

The aggressive increase in interest rates and potential threat of a recession has investors wondering if they're better off staying in short-term instruments. We understand some of the appeal. But longer term, we believe high quality equities offer much greater odds for investors to beat inflation, generate real standard of living increases and achieve a myriad of financial planning objectives.

	Berkshire Dividend Growth Strategy (Gross)*	S&P 500 (SP500)	Berkshire – SP500 Difference	Russell 1000 Value (R1000V)	Berkshire – R1000V Difference	Berkshire Dividend Growth Strategy (Net)**
2012	14.18%	15.99%	-1.81%	17.51%	-3.33%	11.18%
2013	31.26%	32.37%	-1.12%	32.56%	-1.31%	28.26%
2014	13.88%	13.67%	0.20%	13.45%	0.43%	10.88%
2015	2.27%	1.37%	0.90%	-3.84%	6.11%	-0.73%
2016	15.29%	11.95%	3.35%	17.33%	-2.03%	12.29%
2017	16.95%	21.82%	-4.87%	13.64%	3.30%	13.95%
2018	-5.15%	-4.39%	-0.76%	-8.28%	3.12%	-8.15%
2019	26.78%	31.47%	-4.69%	26.52%	0.26%	23.78%
2020	4.01%	18.39%	-14.37%	2.78%	1.23%	1.01%
2021	23.52%	28.68%	-5.16%	25.12%	-1.60%	20.52%
2022	-2.48%	-18.13%	15.65%	-7.58%	5.10%	-5.48%
2023 YTD Est. Not GIPS Verified	-2.45%	13.06%	-15.51%	1.77%	-4.22%	-4.70%
Total Return	423.57%	515.82%	-92.25%	354.30%	69.27%	254.41%
Annualized	12.32%	13.61%	-1.29%	11.21%	1.11%	9.28%
1 Year	10.53%	21.59%	-11.06%	14.40%	-3.87%	7.53%
3 Years	9.58%	10.12%	-0.54%	11.00%	-1.42%	6.58%
5 Years	7.04%	9.90%	-2.86%	6.20%	0.84%	4.04%
7 Years	8.66%	12.22%	-3.56%	7.89%	0.77%	5.66%
10 Years	9.66%	11.90%	-2.24%	8.43%	1.23%	6.66%

Disclosure: Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive GIPS-compliant performance information for the firm's strategies and products, contact Jason Reilly, CFP® Tel: Berkshire Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive GIPS-compliant performance information for the firm's strategies and products, contact Jason Reilly, CFP® Tel: 570-825-2600 or info@berkshiream.com.

All information provided is supplemental to its attached GIPS compliant presentation which can be found [here](#).

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 measure the performance of those Russell 1000 companies with lower price-to-book ratios and lower 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. Return on equity (ROE) measures profitability by dividing dollars of profit by shareholders' equity.

Risks: Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for an individual's investment portfolio. 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. The dividend strategy may include bundled services also known as a "wrap fee program". Because there is typically a low turnover in the strategy, this may be more costly for some investors. No one should assume that any information presented serves as the receipt of, or a substitute for, personalized individual advice from a qualified advisor or any other investment professional.