

# Berkshire Dividend Strategy

Strategy Guide 9.30.2023



# Berkshire Dividend Growth Strategy

## Berkshire Firm Update – 9.30.2023



Our current business view: fundamentals are the strongest in our history

- Ownership: majority employee owned with more than a 30 year operating history\*
- Extremely low professional turnover
- Controlled, measured growth
- Low overhead cost structure enhancing the long-term stability of the firm

Our investment principles remain consistent and focused

- Deliver quality investment results
- Narrow focus on large cap dividend investing
  - Enduring dividend growth to meet client goals and objectives
  - “Forward looking” fundamental process vs. backward looking screening

Our service model provides distinguished support

- Seek to maintain premier boutique status to quality advisors and platforms
- Direct communication with portfolio managers to enhance advisor support
- Customized portfolio management

\*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. 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.

# Berkshire Dividend Growth Strategy Philosophy & Objectives



We believe a diversified portfolio of high-quality businesses consistently increasing dividends can lead to attractive long-term investment results:

- Dividend growth provides transparent insight into a company's fundamentals and vitality
- Dividends have contributed a significant amount to total market return over time
- Dividend-paying companies may provide downside protection in volatile markets

*(Source: Zacks)*

## Portfolio Goals:

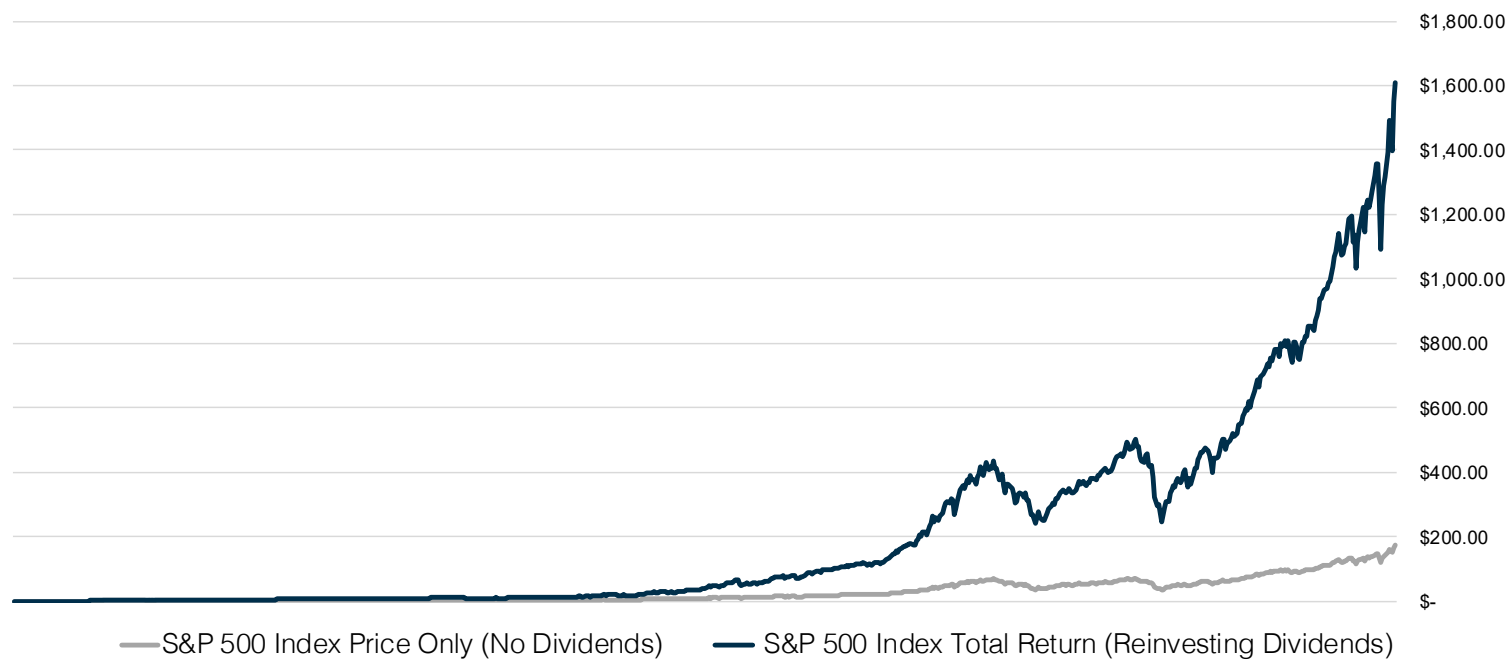
- Achieve a blend of high current income and growth of dividend income over time
- Achieve capital appreciation in underlying holdings through superior stock selection
- Dampen volatility in uncertain market environments
- Avoid stocks with a high correlation to fixed income
- Through quality and transparency; help clients to understand/appreciate what they own

# Berkshire Dividend Growth Strategy

## Long Term Compounding Effect of Dividends



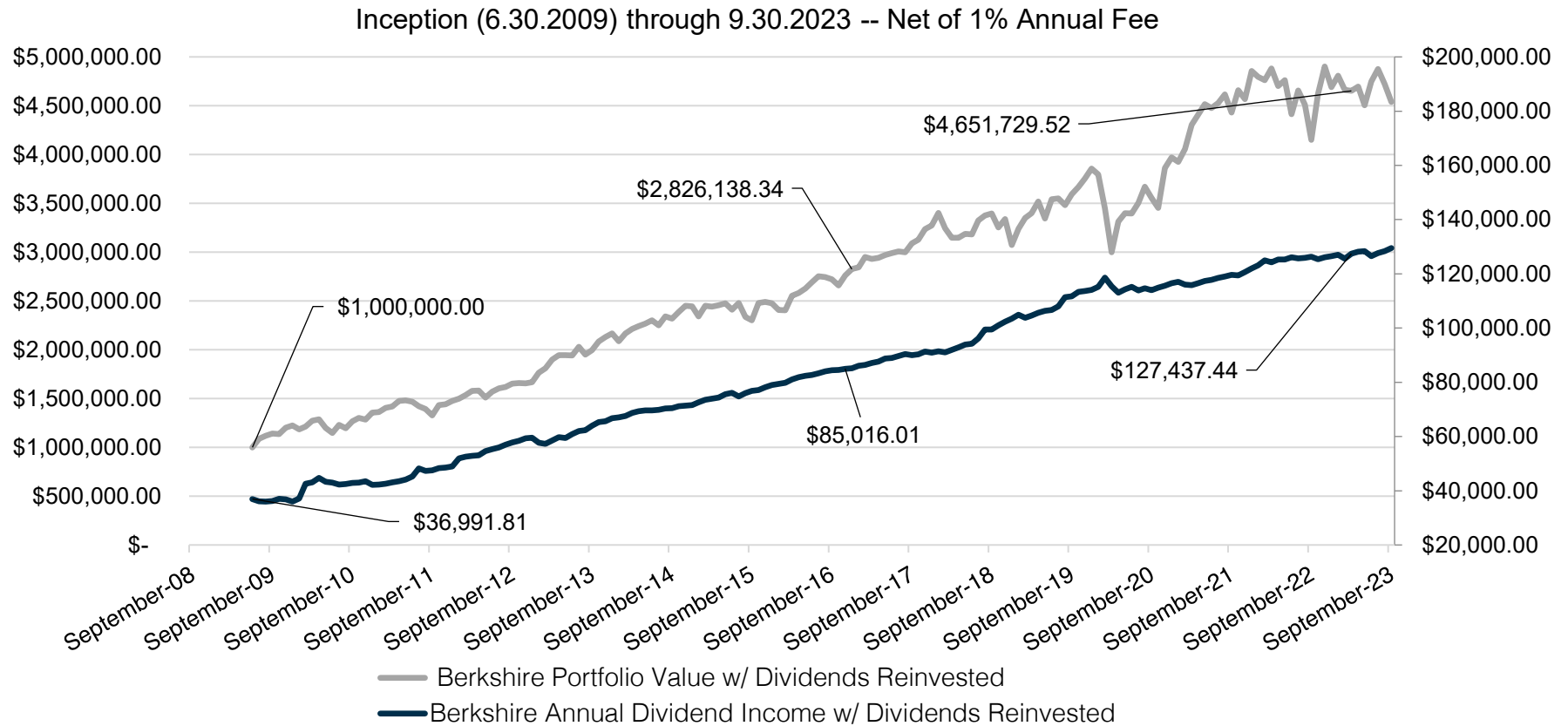
Growth of \$1 Invested in the S&P 500 (1950-2020)



For illustrative purposes only. Graph assumes a 70-year time horizon. The S&P 500 index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index 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. Dividends are not guaranteed, and may be subject to change. The return shown may not be representative of the Berkshire Dividend Growth strategy. Growth rates of dividends vary and illustration may not be indicative of future returns.

# Berkshire Dividend Growth Strategy

## Portfolio Value and Income w/ Dividends Reinvested



Please reference later pages in this presentation for Returns Net of 3% Fees. 3% fee represents the max fee in “wrap” programs in which Berkshire Dividend Strategy participates. Intended for illustrative purposes only. Income chart is based on the assumption \$1,000,000 is invested in 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. A fee of 1% annually is included in analysis. Berkshire Dividend Growth and Income current yields are calculated in Zacks 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”.

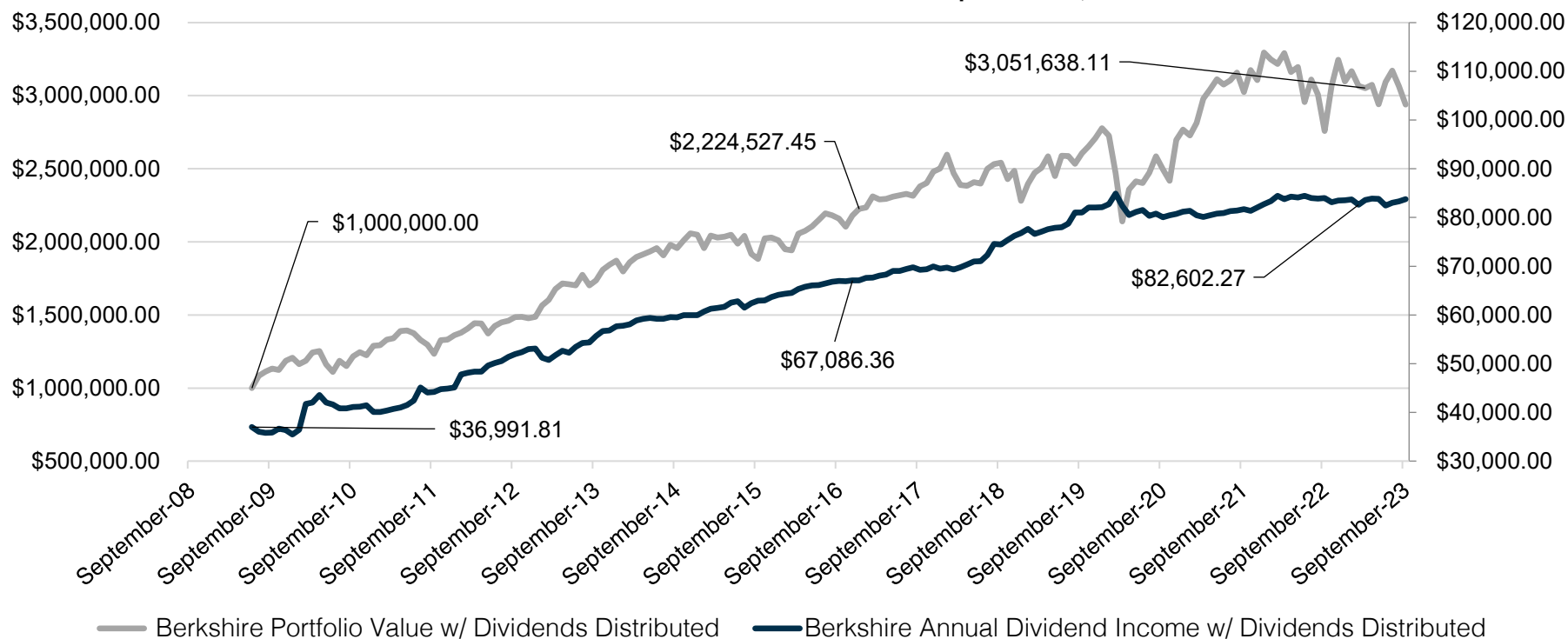
# Berkshire Dividend Growth Strategy

## Portfolio Value and Income w/ Dividends Distributed



Inception (6.30.2009) through 9.30.2023 -- Net of 1% Annual Fee

**Estimated Total Dividends Distributed Since Inception: \$926,924.50**



Please reference later pages in this presentation for Returns Net of 3% Fees. 3% fee represents the max fee in "wrap" programs in which Berkshire Dividend Strategy participates. Intended for illustrative purposes only. Income chart is based on the assumption \$1,000,000 is invested in 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 distribution of the dividend monthly based upon portfolio current yield at the end of each month. 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. A fee of 1% annually is included in analysis. Berkshire Dividend Growth and Income current yields are calculated in Zacks 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 Dividend Growth Strategy

## Berkshire's Three Pillar Process Edge



### “Forward-Looking”\*

- Attempt to identify perennial dividend growers before they are fully recognized by the market
- Recognize the value of a company, lies in its future, not its past
- Avoid relying on widely used, oversimplified and static backward-looking screens to build a portfolio
  - For example – some of our highest conviction dividend growth stories would have flunked traditional backward-looking screens at the time of Berkshire's purchase

### Comprehensive View of a Business

- Evaluate companies through the lens of “business ownership” not \*buying/trading stock\*
- Remain focused on aspects of long-term company value: current dividend, future dividend, consistency of dividends, quality of the balance and importantly, the company's intrinsic value

### Time Arbitrage

- Don't destroy long-term value from short-term biases and market influences
- Realize the long-term value of a business may not be reflected in the price of the stock
- Allow the compounding effect of dividend investing to remain uninterpreted

*“Commensurate to the design of our process, our goal is for investors to view Berkshire as a permanent part of their portfolio much like long-term real estate or a private business holding.”*

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 and there is no assurance they will continue to be paid in the future. Platform restrictions may apply. “Forward Looking” does not imply a level of skill, however the term is used to reference the way we approach our analysis of individual companies. \*We highlight these companies solely for illustrative purposes and not on the basis of investment performance or attribution to the overall performance of the strategy. The companies identified herein do not represent all of the securities purchased, sold or recommended for client accounts, and you should not assume that an investment in the companies identified was or will be profitable. Berkshire retains the right revise or modify portfolios and strategies if it believes such modifications would be in the best interests of its clients. Model portfolios may or may not contain any specific security at any time, and decisions to invest should not be made based on the presumed or current composition of any model portfolio.

# Berkshire Dividend Growth Strategy Top Ten Holdings – Characteristics Summary



Portfolio Characteristics 9.30.2023

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%
<b>Total Portfolio</b>			<b>2.85%</b>	<b>13.88</b>	<b>0.82</b>	<b>20.75%</b>	<b>54.79%</b>
<b>S&amp;P 500</b>			<b>2.01%</b>	<b>17.92</b>	<b>1.00</b>	<b>17.01%</b>	<b>38.16%</b>

Current dividend yield is the mean estimated annual dividend amount based on current calendar year, divided by the current stock price. Forward Price Earnings Ratio(P/E) is the ratio of the price of a stock and the company's projected earnings per share. Beta is a measure of volatility vs. an index. Return on equity (ROE) measures profitability by dividing dollars of profit by shareholders' equity. Dividend payout ratio is the fraction of net income a firm pays to its shareholders in dividends, in percentage. Source Data via Bloomberg, Zacks or Berkshire estimates.



# Berkshire Dividend Growth Strategy

## Rolling Period Dividend Growth as of 9.30.2023



Company Name	Symbol	Portfolio Weight	1 Year Dividend Growth	3 Year Average Dividend Growth	5 Year Average Dividend Growth	Current Dividend Yield
Chevron	CVX	5.68%	6.25%	5.55%	6.03%	3.58%
Nucor	NUE	4.79%	2.00%	8.21%	6.06%	1.30%
Microsoft	MSFT	4.64%	9.68%	10.06%	10.12%	0.95%
JPMorgan	JPM	4.54%	0.00%	3.57%	12.30%	2.90%
Bank Of America	BAC	3.82%	5.88%	7.72%	12.03%	3.51%
Abbvie	ABBV	3.82%	5.79%	8.26%	12.34%	3.97%
Apple	AAPL	3.74%	4.44%	5.74%	6.69%	0.56%
Cisco	CSCO	3.37%	2.67%	2.74%	4.43%	2.90%
Lockheed Martin	LMT	3.26%	7.14%	7.72%	8.45%	2.93%
Norfolk Southern	NSC	2.91%	9.98%	12.05%	13.17%	2.74%
McDonald's	MCD	2.91%	10.14%	6.74%	8.52%	2.31%
Walmart	WMT	2.82%	1.79%	1.83%	1.86%	1.43%
Mondelez	MDLZ	2.72%	10.10%	10.53%	11.42%	2.45%
Waste Management	WM	2.69%	8.91%	8.59%	8.61%	1.84%
Qualcomm	QCOM	2.64%	8.39%	6.87%	5.43%	2.88%
Merck	MRK	2.64%	5.80%	6.17%	8.75%	2.84%
Lowe's	LOW	2.58%	23.19%	24.54%	19.97%	2.12%
Emerson Electric	EMR	2.56%	0.97%	1.32%	1.40%	2.15%
Bristol-Myers	BMJ	2.52%	6.64%	8.53%	7.19%	3.93%
PepsiCo	PEP	2.26%	8.54%	6.89%	6.87%	2.99%
Johnson & Johnson	JNJ	2.22%	5.94%	5.78%	5.92%	3.06%
Chubb	CB	2.13%	3.68%	3.37%	3.25%	1.65%
Honeywell	HON	2.10%	5.10%	4.60%	6.69%	2.34%
Deere	DE	2.06%	15.83%	18.43%	14.38%	1.43%
Procter & Gamble	PG	1.99%	3.98%	6.46%	5.68%	2.58%
TE Connectivity	TEL	1.98%	8.49%	6.95%	6.48%	1.91%
Abbott	ABT	1.93%	7.53%	12.62%	12.60%	2.11%
Kinder Morgan	KMI	1.85%	2.28%	3.00%	11.50%	6.82%
PNC Financial	PNC	1.80%	10.00%	9.56%	13.59%	5.05%
EOG Resources	EOG	1.75%	-36.12%	62.87%	52.03%	2.60%
Leggett & Platt	LEG	1.72%	4.65%	4.00%	3.99%	7.24%
PPL	PPL	1.58%	-11.27%	-17.08%	-10.27%	4.07%
General Mills	GIS	1.46%	6.76%	4.08%	2.43%	3.69%
Pfizer	PFE	1.45%	2.52%	2.81%	4.00%	4.94%
M & T Bank	MTB	1.44%	6.25%	5.04%	9.10%	4.11%
WP Carev	WPC	1.42%	0.95%	0.86%	0.97%	7.92%
<b>Weighted Average</b>			<b>5.11%</b>	<b>7.50%</b>	<b>8.38%</b>	<b>2.85%</b>

Source: Zacks

Positions are in order of portfolio weighting in the "Berkshire Dividend Growth and Income Model Portfolio" as of publish date. Weightings may vary. Dividend increase results are based on underlying holdings of a representative account in our Dividend Growth Strategy Composite. Growth rate over one year in the gross dividend per share. Calculated as: (Current year's dividend per share / Prior year's), minus 1, times 100. Dividends per share includes Interim and Final payments, as well as all Abnormal Dividends. Dividend amounts are adjusted for stock splits and other corporate actions. Growth rate over three years in net dividend per share. Calculated as: (Current year's dividend per share / Dividend per share three years prior), raised to the power of one-third, minus 1, times 100. Dividends per share includes Interim and Final payments, as well as all Abnormal Dividends. Dividend amounts are adjusted for stock splits and other corporate actions. Growth rate over five years in net dividend per share. Calculated as: (Current year's dividend per share / Dividend per share five years prior), raised to the power of 0.2, minus 1, times 100. Dividends per share includes Interim and Final payments, as well as all Abnormal Dividends. Dividend amounts are adjusted for stock splits and other corporate actions. There is no guarantee dividends will continue to be paid in the future. All information provided is supplemental to its attached GIPS compliant presentation. The information contained herein, is for Investment Personnel use only.

# Berkshire Dividend Growth Strategy Performance vs. Russell 1000 Value – 9.30.2023



	Berkshire Dividend Strategy (Gross)*	Russell 1000 Value Return	Berkshire - Russell 1000 Value Difference	Berkshire Dividend Strategy (Net)*
2009 Inception 5/31/2009	23.24%	23.18%	0.06%	21.74%
2010	11.62%	15.50%	-3.88%	8.62%
2011	10.04%	0.39%	9.66%	7.04%
2012	14.18%	17.51%	-3.33%	11.18%
2013	31.26%	32.56%	-1.31%	28.26%
2014	13.88%	13.45%	0.43%	10.88%
2015	2.27%	-3.84%	6.11%	-0.73%
2016	15.29%	17.33%	-2.03%	12.29%
2017	16.95%	13.64%	3.30%	13.95%
2018	-5.15%	-8.28%	3.12%	-8.15%
2019	26.78%	26.52%	0.26%	23.78%
2020	4.01%	2.78%	1.23%	1.01%
2021	23.52%	25.12%	-1.60%	20.52%
2022	-2.48%	-7.58%	5.10%	-5.48%
2023 YTD**	-2.45%	1.77%	-4.22%	-4.70%
<b>Cumulative Return</b>	<b>423.57%</b>	<b>354.30%</b>	<b>69.27%</b>	<b>254.41%</b>
<b>Annualized</b>	<b>12.32%</b>	<b>11.21%</b>	<b>1.11%</b>	<b>9.28%</b>
<b>1 Year</b>	<b>10.53%</b>	<b>14.40%</b>	<b>-3.87%</b>	<b>7.53%</b>
<b>3 Years</b>	<b>9.58%</b>	<b>11.00%</b>	<b>-1.42%</b>	<b>6.58%</b>
<b>5 Years</b>	<b>7.04%</b>	<b>6.20%</b>	<b>0.84%</b>	<b>4.04%</b>
<b>7 Years</b>	<b>8.66%</b>	<b>7.89%</b>	<b>0.77%</b>	<b>5.66%</b>
<b>10 Years</b>	<b>9.66%</b>	<b>8.43%</b>	<b>1.23%</b>	<b>6.66%</b>

\*Performance measured from inception (6.30.2009). \*\*Performance not yet GIPS verified. 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 continue to be paid in the future. Platform restrictions apply.

# Berkshire Dividend Growth Strategy Performance vs. S&P 500 – 9.30.2023



	Berkshire Dividend Strategy (Gross)*	S&P 500 Return	Berkshire - S&P 500 Difference	Berkshire Dividend Strategy (Net)*
2009 Inception 5/31/2009	23.24%	22.58%	0.67%	21.74%
2010	11.62%	15.06%	-3.44%	8.62%
2011	10.04%	2.11%	7.94%	7.04%
2012	14.18%	15.99%	-1.81%	11.18%
2013	31.26%	32.37%	-1.12%	28.26%
2014	13.88%	13.67%	0.20%	10.88%
2015	2.27%	1.37%	0.90%	-0.73%
2016	15.29%	11.95%	3.35%	12.29%
2017	16.95%	21.82%	-4.87%	13.95%
2018	-5.15%	-4.39%	-0.76%	-8.15%
2019	26.78%	31.47%	-4.69%	23.78%
2020	4.01%	18.39%	-14.37%	1.01%
2021	23.52%	28.68%	-5.16%	20.52%
2022	-2.48%	-18.13%	15.65%	-5.48%
2023 YTD**	-2.45%	13.06%	-15.51%	-4.70%
<b>Cumulative Return</b>	<b>423.57%</b>	<b>515.82%</b>	<b>-92.25%</b>	<b>254.41%</b>
<b>Annualized</b>	<b>12.32%</b>	<b>13.61%</b>	<b>-1.29%</b>	<b>9.28%</b>
<b>1 Year</b>	<b>10.53%</b>	<b>21.59%</b>	<b>-11.06%</b>	<b>7.53%</b>
<b>3 Years</b>	<b>9.58%</b>	<b>10.12%</b>	<b>-0.54%</b>	<b>6.58%</b>
<b>5 Years</b>	<b>7.04%</b>	<b>9.90%</b>	<b>-2.86%</b>	<b>4.04%</b>
<b>7 Years</b>	<b>8.66%</b>	<b>12.22%</b>	<b>-3.56%</b>	<b>5.66%</b>
<b>10 Years</b>	<b>9.66%</b>	<b>11.90%</b>	<b>-2.24%</b>	<b>6.66%</b>

\*Performance measured from inception (6.30.2009). \*\*Performance not yet GIPS verified. 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 continue to be paid in the future. Platform restrictions apply.

# Berkshire Dividend Growth Strategy Trading & Research Personnel



Rachel Ames, CFA

Vice President, Trading and Portfolio Analyst

## Education

- BS, Finance George Washington University
- CFA Charterholder

## Experience

Rachel has over 15 years of experience in portfolio management. Prior to joining Berkshire in September of 2019, she worked at various asset management companies in the Washington DC area. Most recently she served as Vice President of Portfolio Management with CBOE Vest. She also spent 14 years at ProShare Advisors, LLC in the role of Portfolio Manager. Rachel holds the Chartered Financial Analyst (CFA) designation and a bachelor's degree in Finance from George Washington University.

# Berkshire Dividend Growth Strategy Investment Management & Research Personnel



Kenneth J. Krogulski, CFA

Managing Partner and Chief Investment Officer

## Education

- BS, Indiana University of Pennsylvania
- MBA, Wilkes University
- CFA Charterholder since 1986

## Experience

Ken has 44 years of experience in security analysis and portfolio management. He joined Berkshire in 1990 after serving for 11 years as senior portfolio manager for the First Eastern Bank's trust company. He is a director of Allied Services and Cumberland Pharmaceuticals, Inc. (CPIX: NASDAQ).

# Berkshire Dividend Growth Strategy Investment Management & Research Personnel



Gerard Mihalick, CFA

Partner and Portfolio Manager

## Education

- BA, Gettysburg College
- CFA Charterholder
- Member, New York Society of Security Analysts

## Experience

Gerry has over 25 years of experience in the investment management industry and joined Berkshire in 1995. At Berkshire, Gerry is a member of the firm's investment committee and has equity research and portfolio management responsibilities. Prior to joining Berkshire, he was employed as a portfolio manager with Fleet Investment Advisors in Rochester, New York. Gerry has served on the board of directors for various local non-profit organizations.

# Berkshire Dividend Growth Strategy Institutional and Advisory Distribution



Jason J Reilly, CFP®

Partner, Distribution

## Education

- BS, Finance Kings College
- CERTIFIED FINANCIAL PLANNER™ Professional

## Experience

Jason has held various roles within the wealth and investment management business since 2006. Prior to joining Berkshire in 2015, he spent eight years with PNC Bank in both the Philadelphia and Northeast PA markets, where he served their high-net-worth client base. At Berkshire, Jason helps build and maintain our institutional relationships and intermediary distribution channels. He also serves a select group of high-net worth families. Jason has served on the board of directors for various local non-profit organizations.

# Berkshire Dividend Growth Strategy

## Investment Management & Research Personnel



Gregory C. Weaver, CFA  
Partner and Portfolio Manager

### Education

- BS, Business Administration, University of Central Florida
- CFA Charterholder

### Experience

Greg is a member of the firm's investment committee and has equity and fixed income research and portfolio management responsibilities. Prior to joining Berkshire in 2007, Greg was a financial analyst for both MGM Studios and Paramount Pictures. He was also previously an Investment Representative for Trust Company of the West and served as Wealth Manager for the M&T Bank Investment Group. He is a member of the CFA Society of Philadelphia and serves on the board of The Luzerne Foundation, the Home For Homeless Women, CASA of Luzerne County, and the Wyoming Commemorative Association.



# Berkshire Dividend Growth Strategy

## Investment Management & Research Personnel



Michael D. Weaver, CFA

Partner and Portfolio Manager

### Education

- BA, Economics, University of Virginia
- CFA Charterholder

### Experience

Mike has over 25 years of experience in security analysis and portfolio management. At Berkshire, Mike is a member of the firm's investment committee and has equity research and portfolio management responsibilities. Prior to joining Berkshire in 1999, Mike was a senior portfolio manager for Mellon Private Asset Management. He serves as a director of the F.M. Kirby Center and Westmoreland Club. He is also a past director of the Luzerne Foundation and North Branch Land Trust.

# Berkshire Dividend Growth Strategy Investment Management & Research Personnel



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. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. 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](mailto:info@berkshiream.com). Past performance does not guarantee future results. Platform restrictions may apply. Individual accounts 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 (RLV) measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The index was developed as of August 31, 1992. 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 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. Return on equity (ROE) measures profitability by dividing dollars of profit by shareholders' equity. If represented in this presentation - Alpha, Beta and capture ratios are generally presented as calculated by Morningstar.

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.

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# Berkshire Dividend Growth Strategy Disclosure Information



**GIPS Report**  
**Berkshire Asset Management**  
**Dividend Growth Strategy**  
**12/31/2008 to 09/30/2023**

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Year End Portfolios	Internal Dispersio n (%)	Composite Assets (\$)	Firm Assets (\$)
2009 <sup>1</sup>	23.24	21.74	22.50			2	n/a	56.10	561.42
2010	11.62	8.62	15.06			14	2.37	76.44	620.20
2011	10.04	7.04	2.11			19	1.60	28.15	603.71
2012	14.18	11.18	16.00	11.69	15.09	22	1.15	23.38	638.08
2013	31.26	28.26	32.39	9.41	11.94	26	2.20	32.81	835.67
2014	13.88	10.88	13.69	8.21	8.97	31	1.39	50.08	925.35
2015	2.27	-0.73	1.38	10.34	10.47	43	1.23	64.60	948.89
2016	15.29	12.29	11.96	9.94	10.59	44	1.71	85.83	1,174.94
2017	16.95	13.95	21.83	9.23	9.92	44	1.95	81.71	1,441.98
2018	-5.15	-8.15	-4.38	9.54	10.80	42	1.89	55.80	1,477.32
2019	26.78	23.78	31.49	10.26	11.93	39	2.28	70.95	1,614.44
2020	4.01	1.01	18.40	16.98	18.53	42	4.24	79.24	1,667.05
2021	23.52	20.52	28.71	16.39	17.17	47	2.28	100.45	1,998.18
2022	-2.48	-5.48	-18.11	18.98	20.87	55	3.06	106.68	2,127.20
2023 <sup>2</sup>	-2.45	-4.70	13.07	15.84	17.60	62	2.34	113.81	..

2023 Estimate only – Not  
Currently GIPS Verified

Period	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)
1 Year	10.526	7.53%	21.617
3 Year	9.586	6.58%	10.150
5 Year	7.035	4.04%	9.916
10 Year	9.659	5.66%	11.914

Partial Years

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

<sup>2</sup> Returns for 2023 are from 12/31/2022 to 09/30/2023

\*Performance measured from inception (6.30.2009). 2023 Performance not yet GIPS verified. 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 continue to be paid in the future.

# Berkshire Dividend Growth Strategy Investment Management & Research Personnel



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, 2022. Performance has not yet been verified for 2023. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

## 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. Policies for valuing investments, calculating performance, and preparing GIPS reports 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 and incepted on January 1, 2009. A list of composite descriptions and limited distribution pooled fund descriptions are 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 gross returns and the benchmark returns over the preceding 36-month period.
9. Past performance does not guarantee future results.
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