



Berkshire

DIVIDEND STRATEGY

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"Casual Friday" Commentary

Casual Friday: "one simple question" + #passed – May 2nd, 2025

Passed the Test – Again? In this latest drawdown (-22% S&P, -26% Large Growth), we believe dividend portfolios “passed the test” – again. (Source: Bloomberg) When growth plunged nearly 30% in 2022, we thought it might refocus clients on: cash flow, downside protection, diversification, and meeting goals. No such luck – growth strategies and AI mania quickly soared to nosebleed levels until Q1 25.’

Big Picture? We see more and more advisors anchoring their value to the planning process vs. “look how much money I can make you in the stock market.” Sorry Bud Fox.

Growth strategies are part of a disciplined, diverse portfolio. But many investors got carried away. If overallocated, financial plans and investor psyches are likely ill-suited to handle these drawdowns. Dividend strategies, while certainly not as sexy, serve an important planning function and appear to serve as a strong ballast to this latest batch of volatility. #passed

Bonus: Berkshire took advantage of the volatility with several portfolio changes. Check out our trade rationale on page 6, [Dividend Strategy Advisor Supplemental Guide Mid-April 2025](#)

Ask one simple question to access \$3 trillion in AUM?

“Do you have an old 401k with your previous employer?”

It’s such an obvious question; we almost thought it silly to bring up. It should be unearthed in your discovery sessions. But if it’s so obvious, why is there \$3 trillion in old 401k accounts still held in previous employer plans?

[Cerulli: Wealth Grew Fastest for HNW Households](#) shares techniques advisors can use to better serve the high net worth sector. The last sentence in the article caught my attention: “\$3 trillion currently housed in retirement accounts under previous employers...” We suspect today’s clients would favor consolidation, so advisors should have a simple and actionable path to capturing these assets. It seems obvious, but why not ask at your next review meeting?

47 Backyard Barbecue Recipes That Are Smoky and Delicious: Even in Northeastern PA the weather is nice. Insert grilling season! <https://www.foodnetwork.com/grilling/grilling-central-barbecue/best-backyard-barbecue-recipes>

Have a great spring weekend!
Gerry

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Have a great weekend!

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