BERKSHIRE DIVIDEND STRATEGY

Berkshire Asset Management
46 Public Square, Suite 700
Wilkes-Barre, PA 18701
570.825.2600

Casual Friday: Dividends Accelerating? + Solving Practice Challenges

#TGICasualFriday!

Two dividend increases to report this week:
PNC Plans 18% Dividend Increase
JPMorgan Chase & Co. Plans 10% Dividend Increase

Is Dividend Growth About to Accelerate?
Inflation. Tariffs. Wars. Those aren't exactly the ingredients that inspire management teams to become more aggressive with shareholder payouts.

That backdrop may be improving.

As some of those headwinds begin to quiet, nominal earnings growth has remained remarkably strong across much of Corporate America, particularly in technology. Yet there is an interesting wrinkle beneath the surface. Reported earnings have been strong, particularly in technology, but free cash flow has lagged. Companies are pouring billions into AI projects, often capitalizing costs rather than expensing them. Apparently, FOMO isn't limited to retail investors.

The investments may ultimately generate substantial returns. For now, however, they represent cash that is being directed toward growth rather than dividends.

One sector, however, may be waking up.

This week, the Federal Reserve released the results of its annual stress tests, and several large banks responded almost immediately with dividend increases.

- JPMorgan Chase & Co. Plans 10% Dividend Increase
- PNC Plans 18% Dividend Increase - (long overdue, in our opinion)

Bank of America is expected to announce its plans following its next earnings release.

We've mentioned several times this year that the strategy has been performing well, but if the banks started participating more meaningfully, we'd really be in business.

The setup remains attractive. Financials are benefiting from a steeper yield curve, a resilient economy, and credit losses that remain relatively contained. There are signs of stress among lower-income consumers (thank you, inflation), but overall credit conditions remain constructive.

More importantly, we see many banks offering one of our favorite combinations:

Attractive yield. Growing dividends. Reasonable valuations.

BERKSHIRE DIVIDEND STRATEGY

Berkshire Asset Management
46 Public Square, Suite 700
Wilkes-Barre, PA 18701
570.825.2600

How Can Dividend Strategies, and Our Team Help Meet Your Practice Goals.
The best advisor conversations rarely start with a ticker symbol or a discussion about performance. They start with an advisor: challenge, an opportunity, or a transition. Over the years, we've found that our dividend strategies—and the resources surrounding them—may help advisors solve a surprisingly wide range of practice management and client planning issues.

Examples:

- "I need to change managers, but I'm worried about capital gains." (Tax-Alpha)
- "I need to streamline the number of investments in my practice."
- "I'm ready to rebalance away from growth."
- "I am buying a book(s) of business."
- "I'm transitioning from advisor-directed accounts to managed accounts."
- "My partner is retiring."
- "I need strategic advice building my team."
- "I just changed firms."
- "I want to narrow my client list and create a niche."
- "I'm tired of being a victim to the ups and downs of the market and want to focus on income-based strategies."
- "I want to accelerate growth and align with partners who support my growth."

Whatever challenge you're facing, there's a good chance we've helped another advisor navigate something similar.

70 Facts You May Have Missed This Year – everything from ETF data, S&P earnings, even sports, and culture.

Have a great weekend!
Gerard

Easily Schedule a Phone Call or Virtual Meeting

Gerard Mihalick, CFA, Partner
gmihalick@berkshiream.com
Cell: (570) 406-3300

Jason Reilly, CFP®, Partner
jason@berkshiream.com
Cell: (570) 762-7692

SCAN THE QR CODE TO MEET DIRECTLY WITH A BERKSHIRE PORTFOLIO MANAGER TODAY!

BERKSHIRE DIVIDEND STRATEGY

Berkshire Asset Management
46 Public Square, Suite 700
Wilkes-Barre, PA 18701
570.825.2600

Berkshire Asset Management, LLC is a registered investment adviser under the Investment Advisors Act of 1940 with the Securities and Exchange Commission ("SEC"). Registration with the SEC or any state securities authority does not imply a certain level of skill or training. The information contained herein, is for Investment Personnel use only.

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.

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. It should not be assumed that the future performance of any company identified in this document will equal its prior performance or that any future recommendations regarding the securities of any such company will be profitable. 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 Zacks, 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.

Berkshire Dividend Growth SMA is available through various custodians, broker-dealers and UMA providers. This email is Intended for Institutional and advisor use only. This email may make information of third parties available via website links. The Third Party Content is not created or endorsed by Berkshire nor any business offering products or services through it. The delivery of Third Party Content is for general informational purposes only and does not constitute a recommendation or solicitation to purchase or sell any security or make any other type of investment or investment decision. In addition, the Third Party Content is not intended to provide tax, legal or investment advice. the Third Party Content provided to is obtained from sources believed to be reliable and that no guarantees are made by Berkshire or the providers of the Third Party Content as to its accuracy, completeness, timeliness.

Any companies referenced, have been done so, solely for illustrative purposes and not based on investment performance or attribution to the overall performance of the strategy. The companies identified herein do not represent all 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 - For a list of complete holdings in the Berkshire Dividend Growth Strategy, email advisory@berkshiream.com

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 advisory@berkshiream.com.

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 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The index was developed with a base value of 200 as of August 31, 1992. Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The index was developed with a base value of 200 as of August 31, 1992. You cannot invest directly in an index. BEst (Bloomberg Estimates) Earnings Per Share (EPS Adjusted) estimate returns Earnings Per Share from Continuing Operations, which may exclude the effects of one-time and extraordinary gains/losses. Beta is a measure of volatility vs. an index. Upside/Downside capture ratios refer to a portfolios performance as a percentage of either positive returns (upside) or negative returns (downside) vs. an index. Standard Deviation is a measure of total risk. Alpha, Beta and capture ratios are represented as calculated by Morningstar.

BERKSHIRE DIVIDEND STRATEGY

Berkshire Asset Management
46 Public Square, Suite 700
Wilkes-Barre, PA 18701
570.825.2600

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.

*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.*