BERKSHIRE DIVIDEND STRATEGY

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

# Casual Friday: Bond Buying Band Aids + “Rev Up” or “Kick Back?”

Strategy Guide 6.30.2026
Strategy Scorecard 6.30.2026

#TGICasualFriday!

**Bond Buying – Should Investors Care**

This week the U.S. Treasury announced it will buy long-term bonds to put downward pressure on long-term rates. Rates fell — but even Bessent called it “noise.”

Policymakers think rates are too high and could choke the economy. Fair enough — although they are still relatively low by historical standards.

The better question? **Why are rates rising so fast in the first place?**

With no credit risk — the “risk-free rate” — bond investors care about one thing: protecting their purchasing power from inflation. COVID-era zero-rate policies coupled with massive fiscal stimulus = everything costs more. **WAY more.** Thanks, guys.

And just because the stated rate of inflation slows doesn’t mean goods become more affordable. If inflation falls from 5% to 2.5%, that $20 cocktail doesn’t drop to $10. It doesn't drop at all. Its price just increases more slowly. That cocktail is $30 in the Hamptons, Miami or LA. **Wow. But I digress.**

Throw in tariffs, energy, unrelenting government spending — and billions, even trillions, of hyperscaler debt issuance competing for investor capital — and you have a pretty serious structural inflation problem. Periodic bond buys of $2–4 billion against total debt of $40 trillion aren't going to cut it. Imagine you had $400,000 of debt and paid off… **$40.** The word **feckless** comes to mind. The proverbial band aid for a bullet wound.

With a massively inflated cost of seemingly “everything,” the question isn't simply:

*“Will inflation be 2.5% or 3.5%?”*

It's:

**“What assets can grow cash flow faster than my purchasing power is being eroded?”**

That's where we see dividend growth, real assets and pricing power — **“compounding machines”** — looking like a better alternative.

**Dog Days of Summer — “Rev-Up” or “Kick Back?”**

BERKSHIRE DIVIDEND STRATEGY

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

August gets quiet. Business slows. Vacations heat up. Some advisors use it to kick back. Others use the quiet to **rev up.**

**REVVVING UP?**

**Try a Wealth + Wellness Event**

Skip hosting the next market update. Instead, create an experience around something your clients actually care about — **health, hobbies, family, travel or lifestyle.** Find a great venue. Bring in a local expert. Invite 10–20 clients and prospects. Make it social.

Your message is simple:

**"We care about more than your portfolio. We want to help you get more out of the life your portfolio is funding."**

A few easy formats:

- **Executives:** Executive coach — stress, leadership, work/life balance.
- **Retirees:** Brain health, fitness, longevity.
- **Golfers:** Golf pro + clinic + drinks.
- **Cyclists/Fitness:** Local expert + workout/recovery session.
- **Foodies:** Chef-led cooking experience.
- **Travelers:** "10 places you've never thought to go" with a travel expert.

Don't make it a sales event. **Make it memorable.**

You become the connector — and the advisor who thinks about the **whole client, not just the account.**

Berkshire **may be happy to partner with you, and we have lots of creative ideas and will** help with the event itself. **You've got the clients. We'll help you create the experience.**

**"Kicking Back"**

- Summer Food Recipes: Hosting an outdoor party? — 52 Classic Southern Recipes We Make In The Summer
- Summer Play List "Nostalgia": Billboard lists the top 10 songs of every summer since 1958!
- Seeking Serenity? Wirecutter's tested guide to the best meditation apps

# BERKSHIRE DIVIDEND STRATEGY

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

Whatever your vibe, make it great!

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 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*

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

*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.*

*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.*