Berkshire Asset Management
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Casual Friday: Growth Value - Dead Heat + Goodbye, Dolly

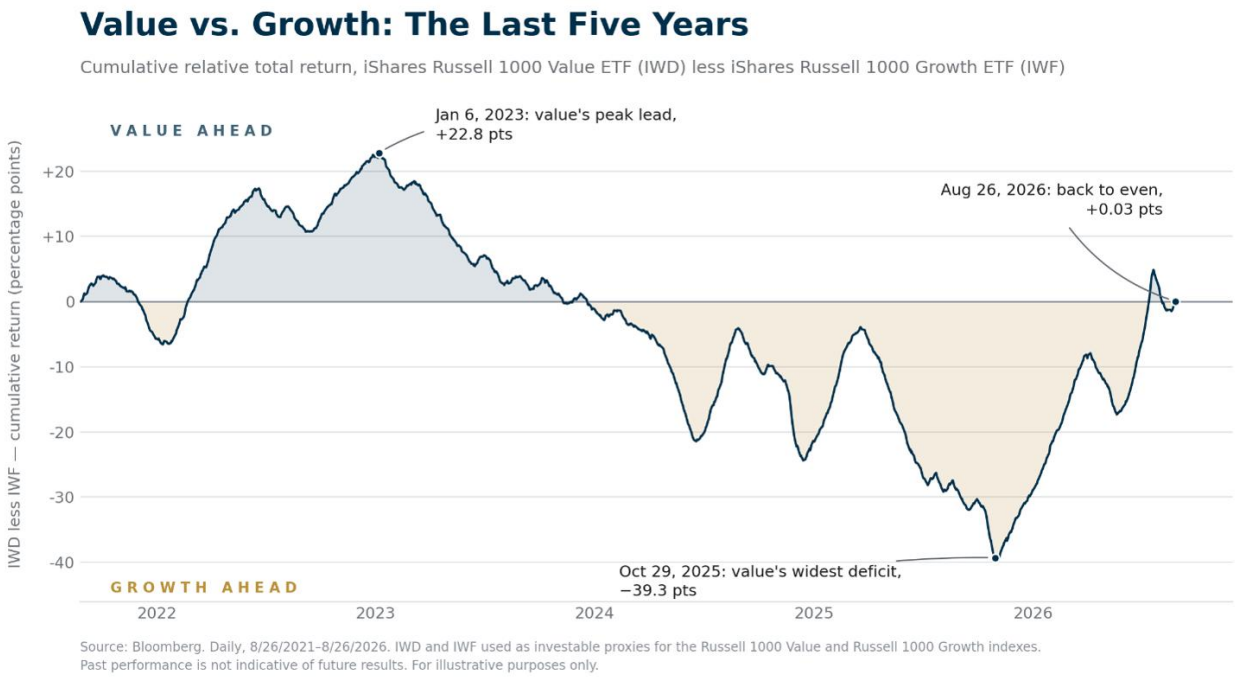
#TGICasualFriday!

We were sitting around the Bloomberg, checking out how the value rotation was looking.

We couldn't believe our eyes.

Trailing five years, value is ahead of growth... Ok, value's ahead by 3 basis points. Call it a dead heat. (*Please reference the graph below for cumulative relative performance of Russell 1000 Value minus Russell 1000 Value. Source: Bloomberg for the period 8/26/2021 – 8/26/2026.)*

What's notable to us is how significantly value closed the gap, but what's more is the apparent speed.



Just over a year ago, growth was lagging value by approximately 40%. At the time, the prevailing market narrative seemed to favor growth — "*it will never catch up, growth is the future, why bother owning value…"*

About a year later, here we are.

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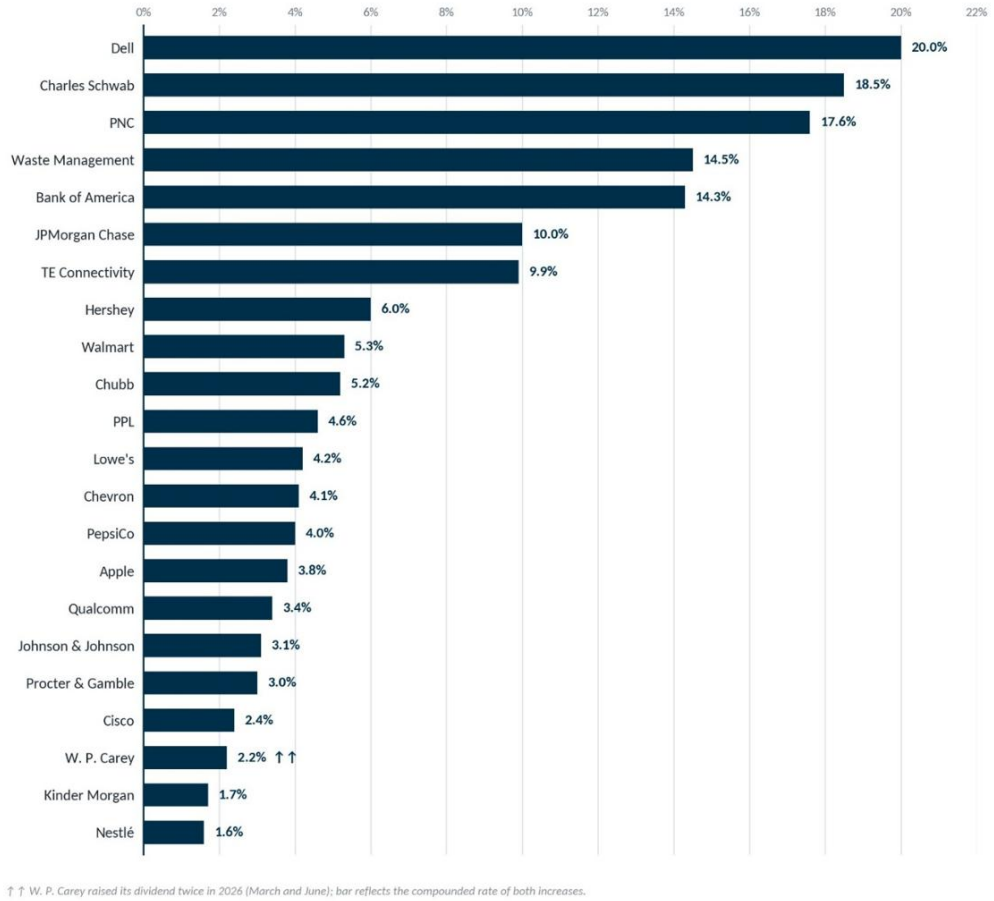
Three lessons.

- Periods of unusually strong relative performance can eventually reverse, which is one reason we believe disciplined rebalancing remains important.
- Telling a client to trim a “winner” and add to a “laggard” is one of the hardest conversations in this business. That's what disciplined rebalancing actually asks of you.
- Relative valuation matters – but recognizing when valuations have become compelling is rarely obvious in real time.

And we believe Berkshire clients have enjoyed this price rotation along with some attractive dividend increases.

Dividend growth in 2024, 2025 was a little slow (thank you tariffs, inflation and wars) but so far 2026 looks very healthy so far.



(Source: Bloomberg for 2026 YTD as of 8/15/2026.)

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Good investing takes time, patience and the ability to endure.

Or if Dolly was your portfolio manager she might say: *"The way I see it, if you want the rainbow, you gotta put up with the rain."*

RIP! Dolly https://apnews.com/article/dolly-parton-philanthropy-country-music-obituary-6c10fced8ebea114cebbad1851e95d4c

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