BERKSHIRE DIVIDEND STRATEGY

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Casual Friday: Haywire Headlines, Quiet Tape + Braising Season

#TGICasualFriday!

25 years ago, today. We remember, we honor, we stand together.

Frankly, if you just looked at August economic and geopolitical headlines, you'd have guessed equity markets were haywire…

- Ongoing U.S.–Iran conflict.
- Brent crude oscillating around $90.
- Headline CPI 3.4% year over year.
- The 30-year Treasury ~5.30%, a 19-year high, 10-year finished August @ ~4.75% (4.90% yesterday 9.10.2026) and global bond rates rising even faster
- An apparent “desperate” attempt by Bessent to buy bonds/lower rates
- Fed Chair Warsh’s “hawkish” Jackson Hole comments, and rate hike expectations picked up.
- Yen intervention.

The list went on… Source: Review of markets over August 2026 & (Bloomberg 8.31.2026)

The equity market scoreboard?
Complete opposite narrative…

- S&P 500 gained ~2.7% total return in August.
- VIX averaged under 16 and touched 14.2 mid-month, its lowest reading of ’26.
- Major equity indices finished positive.
- Earnings appear strong.
- AI capex spend continues higher.

Just a calm and orderly grind higher for equities. (Source: Bloomberg 8.31.2026)

You look back at a month/year like this, and it humbles even the savviest investor. As Jane Bryant Quinn said, "The market timer's Hall of Fame is an empty room." Not just a clever line… Keeping clients on track is a big part of an advisor’s value (something AI probably not being so good at!) Morningstar’s *Mind the Gap* study shows investors missed out on ~1.2% in returns over the past decade entirely from poorly “timing the market”.

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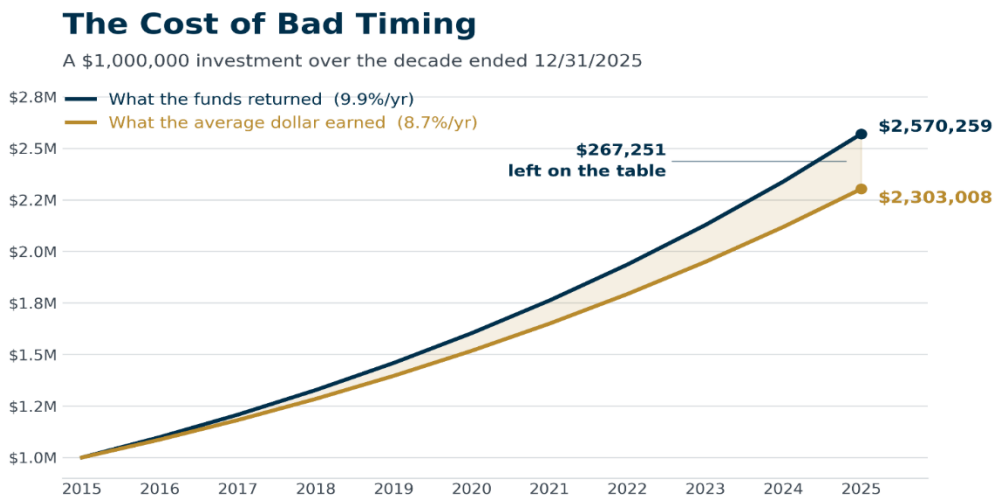
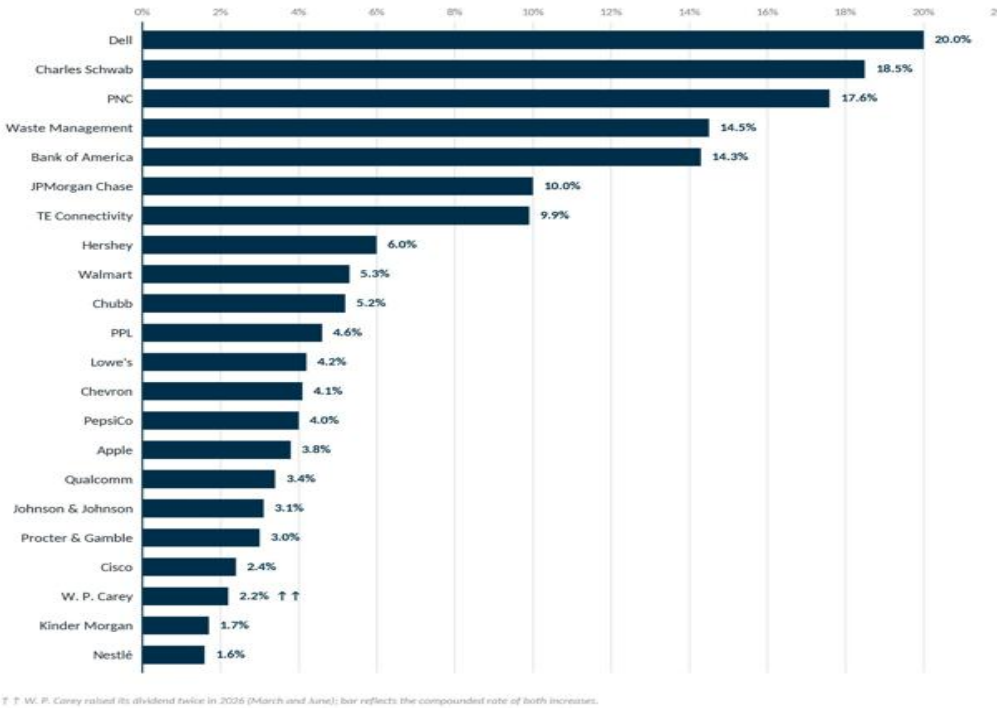


Source: Morningstar, "Mind the Gap" 2026. Over the 10 years ended 12/31/2025, the average dollar invested in U.S. mutual funds and ETFs earned 8.7% annually, versus the 9.9% aggregate annual total return of those same funds. The difference reflects the timing and magnitude of investor purchases and sales. The values shown are a hypothetical illustration for illustrative purposes only. They assume a $1,000,000 lump-sum investment held for ten years and growing at the stated annualized rates, and reflect no advisory fees, taxes, or transaction costs, which would reduce results. This illustration does not represent any actual investment, account, or strategy offered by Berkshire Asset Management, and no client achieved these results. Indices are unmanaged, do not reflect the deduction of fees or expenses, and cannot be invested in directly. Past performance is not indicative of future results.

What do we see as potentially more tangible and reliable? Shorter duration cash flow and company dividend increases. Here are dividend increases announced by companies in our portfolio so far YTD.

Dividend Increases Among Select Berkshire Portfolio Holdings – 2026 YTD



↑↑ W. P. Carey raised its dividend twice in 2026 (March and June); bar reflects the compounded rate of both increases.

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Advisor discipline: Easier to sell than to practice.
Many advisors seem to run their practice like the average investor. Show up, scan the headlines, glance at some investment options, take three calls, meander around in their planning software, react to the day. By four o'clock you've been busy for eight hours and spent every one of them working in the business — zero time was likely spent working ON your business. The growth plans we constantly hear aren't much better. "Two new clients a month, raise X in AUM." Ok, how? “I’ll work my book, ask for referrals, and provide complimentary financial plans to prospects.”

Sounds like a wish list, not a real plan. No measurable activities, no creativity, no execution, no way to know on a Wednesday whether you're winning or losing.

Michael Kitces ran an episode this week that's a good antidote. Jenna Biancavilla built Pearl Capital Management to roughly $275 million across 110 households, and she runs it off an EOS scorecard — a short list of weekly and quarterly numbers covering client engagement, new business activity, and, refreshingly, team retention and days taken off. Quarterly "rocks" force the projects that always get pushed to the finish line. What gets measured, gets done. Everything else gets discussed again at the next offsite. Building A 'Killer' Scorecard To Track Key Weekly Metrics On The Path To $275M AUM

Low, slow, and gloriously unmeasured.
Baking is measured. Braising is the opposite: a tough cut, some aromatics, liquid, and three hours + that you're not allowed to rush. America's Test Kitchen has a short rib braise with a twist I didn't expect… Braised Short Ribs — America's Test Kitchen

What's everyone making for first full slate of football this weekend!!??

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Definitions: The S & P 500 Index is a market capitalization weighted index of the largest 500 U.S. stocks. It is a market-value

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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.

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