

The Sizemore Income Letter

September 24, 2021

Is it Over?

By Charles Lewis Sizemore, CFA



Well, the week started out nasty enough. But the S&P 500 and Dow already seem to have stabilized. We'll see how September ends, but for now it seems that the market is shrugging off the risk that China's property bubble bursts and takes down the banking sector.

Instead, the attention has shifted squarely to the Federal Reserve.

Just a few days ago, the Fed's Open Market Committee indicated that it expected six to seven rate hikes by the end of 2024. While that might sound aggressive at first, seven quarter-point hikes would do little more than raise rates from today's 0% - 0.25% to 1.75% to 2%. And even this would be subject to the economy remaining strong enough to absorb it, which remains to be seen.

Before the Fed starts raising rates, Chairman Powell has indicated that it will scale back its \$120-billion-per-month asset purchases. Again, we should expect baby steps here. The Fed has made it abundantly clear that it plans to move slowly and deliberately and with plenty of advance warnings.

That's important for us given our income focus, and we want to be on the right side of this.

I'll go into more detail about what the Fed's comments mean for us in the monthly issue, due out next week.

Until then, enjoy your weekend and keep cashing those dividend checks!

A handwritten signature in blue ink that reads "Charles Sizemore". The signature is fluid and cursive, with a long horizontal stroke at the end.

Charles Lewis Sizemore, CFA

P.S.: Apart from writing this newsletter, I run a full-service wealth management firm along with my colleagues. At **Sizemore Capital Management**, we build income portfolios like those I write about in the *Sizemore Income Letter*. But we also do a lot more than that. We manage a suite of low-volatility strategies offering low correlation to

the S&P 500. If you'd like for me to take a look at your portfolio and offer some recommendations, contact me at info@sizemorecapital.com.

Sizemore Income Letter Portfolio

| Stock | Ticker | Entry Date | Buy Price | Recent Price | Stop Loss | Yield | Cumulative Dividends | Total Return | IRA Friendly? | Action |
|------------------------------------------------|--------|------------|-----------|--------------|-----------|-------|----------------------|--------------|---------------|--------|
| AGNC Investment Corp. | AGNC | 8/30/2021 | \$16.23 | \$ 15.98 | \$13.52 | 8.71% | \$ - | -1.57% | Yes | Buy |
| Morgan Stanley Emerging Markets Domestic Debt | EDD | 7/30/2021 | \$6.15 | \$ 6.13 | \$ 5.50 | 6.60% | \$ - | -0.33% | Yes | Buy |
| Nuveen Real Estate Income | JRS | 6/25/2021 | \$10.77 | \$ 11.10 | \$ 9.27 | 6.68% | \$ - | 3.06% | Yes | Buy |
| ClearBridge Energy Midstream Opportunity | EMO | 5/26/2021 | \$21.94 | \$ 21.30 | \$17.30 | 7.10% | \$ 0.38 | -1.19% | Yes | Buy |
| First Trust Dynamic Europe Equity Income | FDEU | 5/26/2021 | \$13.68 | \$ 13.20 | \$11.76 | 5.29% | \$ 0.18 | -2.19% | Yes | Buy |
| Magellan Midstream Partners | MMP | 1/29/2021 | \$44.41 | \$ 47.57 | \$41.78 | 8.65% | \$ 2.06 | 11.75% | No | Buy |
| WisdomTree Emerging Markets High Dividend Fund | DEM | 12/31/2020 | \$41.22 | \$ 44.84 | \$40.42 | 4.48% | \$ 0.82 | 10.75% | Yes | Buy |
| Healthcare Trust of America | HTA | 11/20/2020 | \$26.80 | \$ 30.75 | \$23.45 | 4.61% | \$ 0.96 | 18.30% | Yes | Buy |
| Physicians Realty Trust | DOC | 11/20/2020 | \$17.80 | \$ 18.36 | \$15.30 | 4.49% | \$ 0.69 | 7.03% | Yes | Buy |
| AllianceBernstein Holding, LP | AB | 11/6/2020 | \$30.85 | \$ 51.84 | \$36.20 | 6.77% | \$ 1.78 | 73.81% | No | Hold |
| Main Street Capital | MAIN | 9/25/2020 | \$29.74 | \$ 41.32 | \$32.96 | 5.93% | \$ 1.85 | 45.16% | Yes | Buy |
| Iron Mountain | IRM | 8/25/2020 | \$30.22 | \$ 44.99 | \$35.76 | 5.30% | \$ 2.48 | 57.05% | Yes | Hold |
| Starwood Property Trust | STWD | 8/25/2020 | \$15.70 | \$ 24.73 | \$18.15 | 7.38% | \$ 1.92 | 69.73% | Yes | Buy |
| Dow Inc. | DOW | 6/24/2020 | \$38.45 | \$ 57.56 | \$47.25 | 4.53% | \$ 2.80 | 56.98% | Yes | Buy |
| Ecofin Sustainable and Social Impact Term Fund | TEAF | 6/24/2020 | \$10.73 | \$ 14.63 | \$12.19 | 6.14% | \$ 0.98 | 45.43% | Yes | Buy |
| LyondellBasell Industries | LYB | 5/22/2020 | \$60.39 | \$ 92.05 | \$79.23 | 4.27% | \$ 5.33 | 61.25% | Yes | Buy |
| Invesco Adv. Municipal Income Trust II | VKI | 4/23/2020 | \$10.12 | \$ 12.63 | \$11.46 | 4.70% | \$ 0.75 | 32.21% | No | Hold |
| Ares Capital Corporation | ARCC | 4/23/2020 | \$11.35 | \$ 19.89 | \$16.45 | 8.20% | \$ 2.00 | 92.82% | Yes | Buy |

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