

The Sizemore Income Letter

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Is the Selloff Finished?

By Charles Lewis Sizemore, CFA



Things started getting nasty at the beginning of September, though this week looks to be finishing on a high note.

So... is the selloff over?

I'm the first to admit I don't know. The conditions that seemed to be driving the selloff – rising bond yields, uncertainty coming out of China, risk that the post-COVID recovery might be faltering, etc. – are all still in place. New data isn't looking particularly great either, as the jobs report this morning was a major disappointment. The consensus estimate was for 500,000 jobs to be created, and the number came in at only 194,000. And looking at a chart of the S&P 500, it's unclear whether stocks are breaking higher or whether this is yet another rally destined to reverse and head lower.

Here's the deal. I don't have to know what the market is going to do next. We had a gameplan going into this, and we're sticking to it. When we hit our stops, we sell and move on. Otherwise, we let the volatility run its course and we keep collecting the dividends our positions throw off. If this really is the end of the bull market, so be it. We're ready. And if it's not... fantastic. More money in the bank.

Our positions have recovered nicely over the past week. We're up nearly 5% in our newest addition **Chevron (NYSE: CVX)**, and we're now up more than 100% in **Ares Capital (NYSE: ARCC)**. We're not immune to volatility, of course, but we pruned the weaker positions in September, and what we have remaining is performing within expectations.

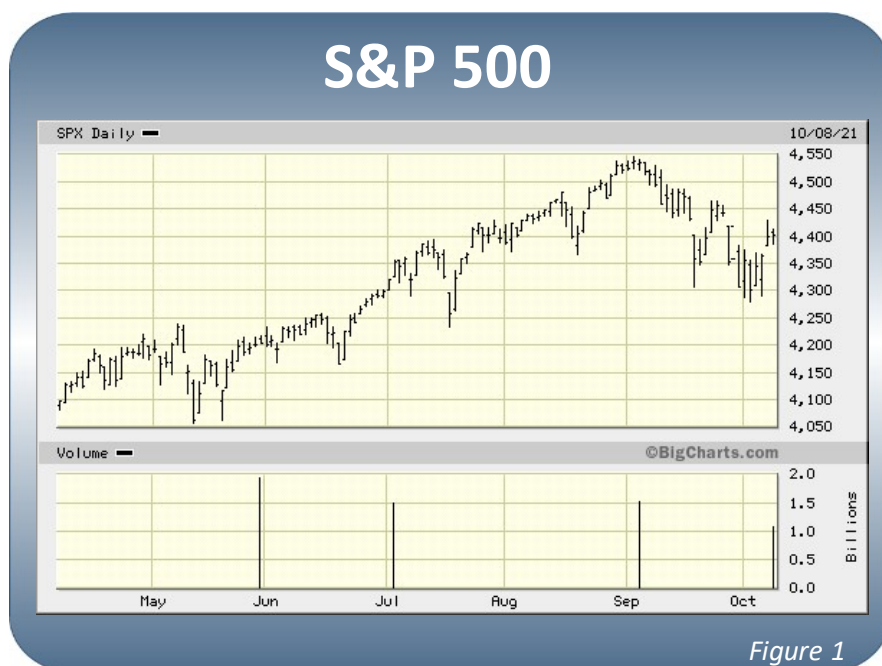


Figure 1

Otherwise, there's not much else to report at the moment. If I were a betting man, I would wager that the correction still has further to drop before hitting bottom. But either way, we have a plan and we're sticking to it.

That's all for this week. Until next time, keep cashing those dividend checks!



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
Chevron Corporation	CVX	9/30/2021	\$103.33	\$ 108.08	\$ 76.24	5.19%	\$ -	4.60%	Yes	Buy
AGNC Investment Corp.	AGNC	8/30/3031	\$16.23	\$ 16.15	\$ 13.52	8.71%	\$ -	-0.52%	Yes	Buy
Morgan Stanley Emerging Markets Domestic Debt	EDD	7/30/2021	\$6.15	\$ 5.83	\$ 5.50	6.60%	\$ -	-5.20%	Yes	Buy
Nuveen Real Estate Income	JRS	6/25/2021	\$10.77	\$ 10.81	\$ 9.27	6.68%	\$ -	0.37%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$ 23.00	\$ 17.30	7.10%	\$ 0.38	6.56%	Yes	Buy
First Trust Dynamic Europe Equity Income	FDEU	5/26/2021	\$13.68	\$ 12.80	\$ 11.76	5.29%	\$ 0.18	-5.12%	Yes	Buy
Magellan Midstream Partners	MMP	1/29/2021	\$44.41	\$ 47.11	\$ 41.78	8.65%	\$ 2.06	10.71%	No	Buy
WisdomTree Emerging Markets High Dividend Fund	DEM	12/31/2020	\$41.22	\$ 44.64	\$ 40.42	4.48%	\$ 0.82	10.28%	Yes	Buy
Healthcare Trust of America	HTA	11/20/2020	\$26.80	\$ 31.92	\$ 23.45	4.61%	\$ 0.96	22.69%	Yes	Buy
Physicians Realty Trust	DOC	11/20/2020	\$17.80	\$ 18.20	\$ 15.30	4.49%	\$ 0.69	6.12%	Yes	Buy
AllianceBernstein Holding, LP	AB	11/6/2020	\$30.85	\$ 51.07	\$ 36.20	6.77%	\$ 1.78	71.32%	No	Hold
Main Street Capital	MAIN	9/25/2020	\$29.74	\$ 41.70	\$ 32.96	5.93%	\$ 1.85	46.42%	Yes	Buy
Iron Mountain	IRM	8/25/2020	\$30.22	\$ 43.12	\$ 35.76	5.30%	\$ 2.48	50.88%	Yes	Hold
Starwood Property Trust	STWD	8/25/2020	\$15.70	\$ 24.95	\$ 18.15	7.38%	\$ 1.92	71.11%	Yes	Buy
Dow Inc.	DOW	6/24/2020	\$38.45	\$ 58.88	\$ 47.25	4.53%	\$ 2.80	60.42%	Yes	Buy
Ecofin Sustainable and Social Impact Term Fund	TEAF	6/24/2020	\$10.73	\$ 14.13	\$ 12.19	6.14%	\$ 0.98	40.77%	Yes	Buy
LyondellBasell Industries	LYB	5/22/2020	\$60.39	\$ 97.86	\$ 79.23	4.27%	\$ 5.33	70.87%	Yes	Buy
Invesco Adv. Municipal Income Trust II	VKI	4/23/2020	\$10.12	\$ 12.21	\$ 11.46	4.70%	\$ 0.75	28.06%	No	Hold
Ares Capital Corporation	ARCC	4/23/2020	\$11.35	\$ 20.98	\$ 16.45	8.20%	\$ 2.00	102.42%	Yes	Buy

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