

The Sizemore Income Letter

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Make Up Your Mind!

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The late Benjamin Graham was Warren Buffett's professor at Columbia University and an important mentor in shaping the investor that Buffett would grow to be.

He also had a fantastic way with analogies.

He compared the stock market to an emotionally unstable business partner who was euphoric one moment and despondent the next.

Does that sound a little like this week?

The market initially popped sharply higher following Fed Chairman Jerome Powell's comments laying out his plans to gradually reduce his bond-buying program and then start to raise interest rates above zero. It seemed to occupy that "Goldilocks" zone in which the Fed would nip the inflationary pressures in the bud without also strangling the economy and snuffing out the stock market in the process.

But then, the mood shifted, and the market has been drifting lower ever since.

From my perspective, nothing has changed. Last week, I wrote that *"it makes sense to tread carefully here and keep our stops a little tighter than usual. With the market priced where it is today and with the Fed starting the process of draining liquidity out of the market, it wouldn't take much to spark a sharp decline."*

I would repeat that today, and I would also repeat my advice to think more like a short-term trader than a long-term investor, at least with part of your portfolio. My own portfolio is a mixture of "buy-and-hold" income-oriented positions and shorter-term trading strategies designed to *not* lose. At this late stage of the bull market, not losing is more important than winning.

We'll see what these last two weeks of the year bring.

Let's take a quick look at our Forever Portfolio. This is that part of your portfolio you should be comfortable holding on to during a market rout... the stocks you're comfortable watching decline by 50% because you're certain (or as close to certain as we can ever be in the business) that they will come back quickly, paying dividends along the way.

Our two most recent additions to the Forever Portfolio are off to a very solid start, each up a little more than 11% in less than two months.

I don't know how aggressively Powell will ultimately be in squashing inflation, nor do I know with any certainty what the effects will be on the market. But I can say with absolute confidence that e-commerce will continue to grow like a weed and that Prologis (NYSE: PLD) will be one of the major beneficiaries of that trend. I can also say with certainty that we'll all be using more mobile data... and that Crown Castle International (NYSE: CCI) will be a major part of that.

These are Forever stocks. So if you don't own them already, now is absolutely a good time.

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?
Prologis	PLD	10/29/2021	\$ 146.67	\$ 163.16	None	1.75%	\$ -	11.24%	Yes
Crown Castle International	CCI	10/29/2021	\$ 181.90	\$ 202.54	None	3.27%	\$ -	11.35%	Yes
Philip Morris International	PM	3/30/2021	\$ 89.35	\$ 94.07	None	5.27%	\$ 1.20	6.63%	Yes
Altria Group	MO	3/19/2020	\$ 37.10	\$ 48.33	None	7.58%	\$ 5.12	44.07%	Yes
Realty Income	O	3/19/2020	\$ 48.08	\$ 68.37	None	3.86%	\$ 3.75	50.00%	Yes
AT&T	T	3/19/2020	\$ 31.15	\$ 23.68	None	8.30%	\$ 3.64	-12.31%	Yes
Enterprise Products Partners	EPD	3/19/2020	\$ 14.52	\$ 21.09	None	7.42%	\$ 2.24	60.61%	No
Kinder Morgan	KMI	3/19/2020	\$ 11.20	\$ 15.73	None	6.24%	\$ 1.32	52.21%	Yes
Ventas	VTR	3/19/2020	\$ 19.98	\$ 49.78	None	3.28%	\$ 3.04	164.39%	Yes
Public Storage	PSA	3/19/2020	\$ 187.60	\$ 366.33	None	2.48%	\$ 10.00	100.60%	Yes
International Paper	IP	3/19/2020	\$ 30.13	\$ 46.11	None	3.69%	\$ 2.57	61.55%	Yes
STAG Industrial	STAG	3/19/2020	\$ 21.71	\$ 45.62	None	3.32%	\$ 1.93	118.98%	Yes
Investments	ROIC	3/19/2020	\$ 7.25	\$ 18.79	None	2.47%	\$ 0.42	164.97%	Yes

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.

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