

The Sizemore Income Letter

January 14, 2021

Energy ROARING Higher

By Charles Lewis Sizemore, CFA



I'll have to keep it short this week, as I just got a call from Yahoo Finance. I'll be joining Alexis Christoforous and Karina Mitchell to talk about inflation and whatever else pops up!

But fist things first.

Energy stocks have been *exploding* higher since the first of the year. It was a long time coming, as energy stocks have been painful to hold for most of the past seven years. But as of today, we're already up over 16% in **Energy Transfer (NYSE: ET)**, 25% in **Chevron (NYSE: CVX)**, 15% in **ClearBridge Energy Midstream (NYSE: EMO)** and 20% in **Magellan Midstream (NYSE: MMP)**. And though it's a less direct energy play, we're also up 53% in the Ecofin Sustainable and **Social Impact Term Fund (NYSE: TEAF)**. TEAF owns a combination of traditional energy and green energy assets.

After the recent moves, it would be tempting to take profits and cash out, but I wouldn't suggest doing that just yet. These stocks have a lot of momentum behind them at the moment, so I believe the best course is to let them run for a while. Even after the recent gains, the stocks are by NO means expensive. We could easily see these stocks continue to rip higher for months.

If we start to see broader market weakness, we'll pull the trigger and get out. I see no reason to be ideological about it. I've been writing for months that the market looks toppy and that it makes sense to protect ourselves. But until then, let's enjoy the run.

That's all for this week. Until next time, 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 line extending to the right.

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.

The Sizemore Income Letter Portfolio

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?	Action
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$9.52	\$7.30	7.42%	\$ -	16.61%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$47.26	\$33.92	6.28%	\$ -	-1.09%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$128.07	\$88.14	4.62%	\$ 1.34	25.24%	Yes	Buy
AGNC Investment Corp.	AGNC	8/30/2021	\$16.23	\$15.22	\$14.93	8.71%	\$ 0.24	-4.74%	Yes	Buy
Nuveen Real Estate Income	JRS	6/25/2021	\$10.77	\$12.29	\$9.69	6.68%	\$ 0.19	15.87%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$24.62	\$17.30	7.10%	\$ 0.76	15.68%	Yes	Buy
First Trust Dynamic Europe Equity Income	FDEU	5/26/2021	\$13.68	\$13.83	\$11.76	5.29%	\$ 0.36	3.69%	Yes	Buy
Magellan Midstream Partners	MMP	1/29/2021	\$44.41	\$49.20	\$41.78	8.65%	\$ 4.12	20.07%	No	Buy
WisdomTree Emerging Markets High Dividend Fund	DEM	12/31/2020	\$41.22	\$44.88	\$40.42	4.48%	\$ 1.81	13.26%	Yes	Buy
Healthcare Trust of America	HTA	11/20/2020	\$26.80	\$32.64	\$26.95	4.61%	\$ 1.29	26.57%	Yes	Buy
Physicians Realty Trust	DOC	11/20/2020	\$17.80	\$18.66	\$15.30	4.49%	\$ 0.92	9.97%	Yes	Buy
AllianceBernstein Holding, LP	AB	11/6/2020	\$30.85	\$50.23	\$40.98	6.77%	\$ 3.58	74.42%	No	Hold
Main Street Capital	MAIN	9/25/2020	\$29.74	\$44.37	\$35.50	5.93%	\$ 2.88	58.88%	Yes	Buy
Iron Mountain	IRM	8/25/2020	\$30.22	\$44.71	\$39.74	5.30%	\$ 3.10	58.19%	Yes	Hold
Starwood Property Trust	STWD	8/25/2020	\$15.70	\$25.30	\$18.15	7.38%	\$ 2.40	76.43%	Yes	Buy
Dow Inc.	DOW	6/24/2020	\$38.45	\$60.27	\$47.65	4.53%	\$ 3.50	65.85%	Yes	Buy
Ecofin Sustainable and Social Impact Term Fund	TEAF	6/24/2020	\$10.73	\$15.23	\$12.35	6.14%	\$ 1.20	53.08%	Yes	Buy
LyondellBasell Industries	LYB	5/22/2020	\$60.39	\$101.69	\$79.23	4.27%	\$ 6.46	79.09%	Yes	Buy
Invesco Adv. Municipal Income Trust II	VKI	4/23/2020	\$10.12	\$11.62	\$11.77	4.70%	\$ 0.90	23.71%	No	Hold
Ares Capital Corporation	ARCC	4/23/2020	\$11.35	\$21.51	\$17.55	8.20%	\$ 2.41	110.70%	Yes	Buy

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