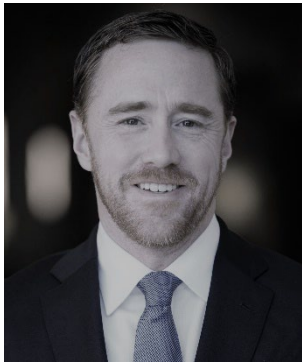


The Sizemore Income Letter

March 10, 2022

Sell FDEU

By Charles Lewis Sizemore, CFA



You have whiplash yet?

February's volatility spilled over into March, giving us the potential for three consecutive monthly losses in the stock market.

We may still get there. It's early. But we had a massive rally yesterday that at least put the carnage on hold.

It's no great mystery what's happening at the moment. The market is still trying to digest and discount what the Russian invasion of Ukraine means.

Will it cause a recession in Europe due to soaring energy prices and sinking consumer confidence?

Maybe.

Will it spill over into a broader war, even potentially World War Three?

Maybe.

Will it mean even nastier inflation for a stretch as already frayed supply chains now have to work around a sanctions regime in Russia?

Again, maybe.

The issue is that no one knows, and the market is struggling to price in the probabilities. So until there's a little more certainty, the only thing we can really depend on is volatility. Expect both bigger up days and bigger down days.

If this kind of volatility makes you uncomfortable, then lower your exposure to stocks. That's a perfectly reasonable thing to do. You don't have to take your exposure down to zero, but you can certainly reduce it a little.

And speaking of that...

We hit our stop loss in the **First Trust Dynamic Europe Equity Income Fund (NYSE: FDEU)**. So, if you haven't already, please take the following action:

Action to take: Sell your shares of the First Trust Dynamic Europe Equity Income Fund (NYSE: FDEU) at market.

European stocks are, as a general rule, cheaper than American stocks and I expect them to outperform over the coming years. But for the moment, their proximity to Russia is making Mr. Market uncomfortable. So, let's sell and move on. We can return to this sector once things settle down a bit.

I wish I had more to report, but unfortunately this is really all we have to work with at the moment. And I don't see this situation ending quickly. Vladimir Putin is too committed to stop at this point, and the West is too committed to punishing him. There's no obvious "off ramp" here to de-escalation, and there is the very real possibility that it escalates into something bigger. Putin's only move at this point is to double-down... which will likely prompt the West to retaliate. And frankly, I have no idea how or when this ends... or if it ends.

So until we have more clarity, this is our ugly reality.

That's really all I have for the moment. We'll pick this up next week.

A handwritten signature in blue ink that reads "Charles Sizemore". The signature is fluid and cursive, with a long horizontal stroke 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
MFS Municipal Income Trust	MFM	2/28/2022	\$6.54	\$6.22	\$5.93	4.51%	\$ -	-4.97%	No	Buy
Vertical Capital Income Fund	VCIF	1/27/2022	\$9.99	\$10.20	\$8.95	9.23%	\$ -	2.10%	Yes	Buy
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$10.32	\$7.30	7.42%	\$ -	26.47%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$52.07	\$33.92	6.28%	\$ -	8.98%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$170.18	\$88.14	4.62%	\$ 1.34	65.99%	Yes	Buy
Nuveen Real Estate Income	JRS	6/25/2021	\$10.77	\$11.51	\$9.69	6.68%	\$ 0.19	8.64%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$26.76	\$17.30	7.10%	\$ 0.76	25.43%	Yes	Buy
First Trust Dynamic Europe Equity Income	FDEU	5/26/2021	\$13.68	\$11.78	\$11.76	5.29%	\$ 0.36	-11.26%	Yes	Sell
Magellan Midstream Partners	MMP	1/29/2021	\$44.41	\$49.86	\$41.78	8.65%	\$ 4.12	21.55%	No	Buy
WisdomTree Emerging Markets High Dividend Fund	DEM	12/31/2020	\$41.22	\$42.34	\$40.42	4.48%	\$ 1.81	7.10%	Yes	Buy
Healthcare Trust of America	HTA	11/20/2020	\$26.80	\$30.60	\$26.95	4.61%	\$ 1.29	18.96%	Yes	Buy
Physicians Realty Trust	DOC	11/20/2020	\$17.80	\$16.69	\$15.30	4.49%	\$ 0.92	-1.07%	Yes	Buy
AllianceBernstein Holding, LP	AB	11/6/2020	\$30.85	\$44.39	\$40.98	6.77%	\$ 3.58	55.48%	No	Hold
Main Street Capital	MAIN	9/25/2020	\$29.74	\$40.34	\$35.50	5.93%	\$ 2.88	45.33%	Yes	Buy
Iron Mountain	IRM	8/25/2020	\$30.22	\$51.05	\$39.74	5.30%	\$ 3.10	79.15%	Yes	Hold
Starwood Property Trust	STWD	8/25/2020	\$15.70	\$22.88	\$18.15	7.38%	\$ 2.40	61.02%	Yes	Buy
Dow Inc.	DOW	6/24/2020	\$38.45	\$60.32	\$47.65	4.53%	\$ 3.50	65.98%	Yes	Buy
Ecofin Sustainable and Social Impact Term Fund	TEAF	6/24/2020	\$10.73	\$14.30	\$12.35	6.14%	\$ 1.20	44.41%	Yes	Buy
LyondellBasell Industries	LYB	5/22/2020	\$60.39	\$99.16	\$79.23	4.27%	\$ 6.46	74.90%	Yes	Buy
Ares Capital Corporation	ARCC	4/23/2020	\$11.35	\$20.47	\$17.55	8.20%	\$ 2.41	101.54%	Yes	Buy

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