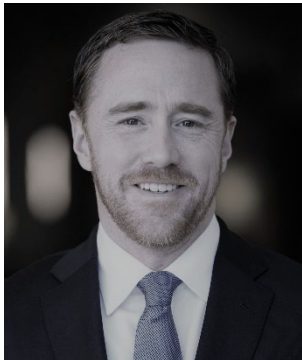


# The Sizemore Income Letter

May 13, 2022

## We Hit Our Stop in JRS

By Charles Lewis Sizemore, CFA



Let's get right to it: We hit our stop loss in the Nuveen Real Estate Income Fund (NYSE: JRS), so please take the following action:

**Action to take: Sell your shares of the Nuveen Real Estate Income Fund (NYSE: JRS) at market.**

This was by no means a disaster for us. We're walking away with a loss of just 4.4%. And we may get lucky and get a nice bounce today.

I never enjoy selling at a loss. A little part of me is always tempted to hold on and hope for a recovery. And now and then, doing exactly that actually works out just fine.

But then... there are those times when it doesn't work out... when that small, easily recoverable loss snowballs into a mammoth loss that may take you years to recover from... if you recover at all. So, is why we have rules and follow them. We want to keep all our losses small and easily recoverable.

### What Happens Now?

You know me. I'm not a market timer. But with the Nasdaq well into bear market territory (and the S&P 500 flirting with it), it's hard to ignore the bigger macro picture here. My best guess – and let me be clear that this is a guess – is that the market finds a short-term bottom fairly quickly. It may have been yesterday, for all we know, or it come happen in another week or two. But I believe some kind of short-term bounce is inevitable. The market is oversold, and sentiment is about as bearish as I remember seeing.

But should you *buy* this dip?

I'd recommend a little caution there. As I wrote in the last monthly issue, I think it makes all the sense in the world to start nibbling on some of the really beaten-down tech stocks. I mentioned PayPal and Netflix as examples, but I could really write for days on this. Amazon.com (Nasdaq: AMZN) has now given up ALL of its pandemic windfall. The stock is trading near prices first seen in mid-2018 and is down by nearly half from its old all-time highs.

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Are the shares “cheap,” strictly speaking? No. Amazon shares still trade for 39 times forward earnings and 2.3 times sales. But then, Amazon shares have never been cheap... nor should they be. This is one of the wonders of modern capitalism. Future economic historians will likely rate Jeff Bezos alongside Henry Ford, John Rockefeller and the other “all-time greats” of American capitalism.

I don't know where the shares go next. If you have growth managers forced to sell to meet investor redemptions, they could still have a lot further to slide. Who knows.

But I would consider this a nice opportunity to at least start averaging into the shares.

I won't make Amazon an official position here because it doesn't pay a dividend. But I can tell you I own some shares myself, and I will be adding more.

Otherwise, let's just keep doing what we're doing. We'll watch our stop losses, keep a little more cash on hand and look for nice opportunities as they come along.

I have nothing else to report. So, please enjoy your weekend, and we'll pick this up next week.

A handwritten signature in blue ink that reads "Charles Lewis 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](mailto: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
ONEOK, Inc.	OKE	4/28/222	\$65.50	\$62.79	\$47.91	5.73%	\$ -	-4.14%	Yes	Buy
Digital Realty Trust	DLR	3/24/2022	\$136.79	\$127.11	\$106.88	3.57%	\$ -	-7.08%	Yes	Buy
Vertical Capital Income Fund	VCIF	1/27/2022	\$9.99	\$9.19	\$8.95	9.23%	\$ 0.07	-7.26%	Yes	Buy
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$10.66	\$7.30	7.42%	\$ 0.18	32.78%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$48.40	\$33.92	6.28%	\$ 1.00	3.39%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$164.71	\$126.42	4.62%	\$ 2.76	62.07%	Yes	Buy
<b>Nuveen Real Estate Income</b>	<b>JRS</b>	<b>6/25/2021</b>	<b>\$10.77</b>	<b>\$9.71</b>	<b>\$10.17</b>	<b>6.68%</b>	<b>\$ 0.59</b>	<b>-4.37%</b>	<b>Yes</b>	<b>Sell</b>
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$24.98	\$17.30	7.10%	\$ 0.76	17.32%	Yes	Buy
Magellan Midstream Partners	MMP	1/29/2021	\$44.41	\$47.87	\$41.78	8.65%	\$ 5.16	19.41%	No	Buy
Healthcare Trust of America	HTA	11/20/2020	\$26.80	\$28.74	\$26.95	4.61%	\$ 1.61	13.25%	Yes	Buy
Physicians Realty Trust	DOC	11/20/2020	\$17.80	\$17.46	\$15.30	4.49%	\$ 1.15	4.55%	Yes	Buy
Main Street Capital	MAIN	9/25/2020	\$29.74	\$36.97	\$35.50	5.93%	\$ 3.91	37.46%	Yes	Buy
Iron Mountain	IRM	8/25/2020	\$30.22	\$51.90	\$40.12	5.30%	\$ 4.33	86.08%	Yes	Hold
Starwood Property Trust	STWD	8/25/2020	\$15.70	\$22.41	\$18.15	7.38%	\$ 2.88	61.08%	Yes	Buy
Dow Inc.	DOW	6/24/2020	\$38.45	\$67.04	\$47.65	4.53%	\$ 4.90	87.10%	Yes	Buy
Ecofin Sustainable and Social Impact Term Fund	TEAF	6/24/2020	\$10.73	\$14.63	\$12.53	6.14%	\$ 1.61	51.30%	Yes	Buy
LyondellBasell Industries	LYB	5/22/2020	\$60.39	\$105.76	\$79.23	4.27%	\$ 8.72	89.57%	Yes	Buy
Ares Capital Corporation	ARCC	4/23/2020	\$11.35	\$18.81	\$17.91	8.20%	\$ 2.85	90.84%	Yes	Buy

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