

# The Sizemore Income Letter

July 20, 2022

## A Little Good News!

By Charles Lewis Sizemore, CFA



We'll start with some good news. While this does not directly affect our portfolio, Netflix (Nasdaq: NFLX) reported earnings that were far less bad than feared. The company lost close to a million subscribers last quarter, but the market expectation going into the announcement was a loss of two million.

Now, losing a million viewers isn't *good* news. But it was vastly less bad than feared. And that's the point. Prices don't bottom out when the news goes from bad to good. They bottom when the news simply stops getting worse.

Could Netflix's "less bad" news be a sign that we're near a bottom in the overall market?

It's too early to say. But at the very least, it could indicate that the generally upward trend we've seen of late could be the start of a tradable rally.

There's still the Fed, of course. It remains to be seen whether the Fed raises interest rates by 0.75%, by 1% or by another number altogether. We'll know more next week.

In the meantime, we'll take our victories where we can. We're already up nearly 10% in our newest addition, **Citigroup (NYSE: C)**. And as I pointed out last week, our new additions in the Forever Portfolio are also off to a good start.

I don't have a crystal ball. But my best guess based on the experience of past bear markets, the general mood of the market, and the macro environment is that the bear market isn't over yet. Major bear markets end when investors turn off CNBC and quit looking at their statements. They end on a whimper, not a bang.

We're not there yet.

This time could be different, of course. These are rules of thumb, not ironclad laws of the universe. But we should at least prepare for the possibility of more downside.

That's ok. We can use any additional downside as a nice entry point just as we did in Citi and in the new Forever picks.

So, let's just keep following my bear market game plan. Keep a little extra cash on hand, keep your position sizes moderate, and be ready to make shorter-term trades and to pounce when we get good entry points as we did in June.

There's not much else to report at the moment. We're in the dog days of summer when trading activity tends to fall. There's simply not much news at the moment until the Fed reports.

So, until next time, keep cashing those dividend checks!



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).

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?	Action
Citigroup Inc	C	6/23/2022	\$47.34	\$52.05	\$32.57	4.39%	\$ -	9.94%	Yes	Buy
ONEOK, Inc.	OKE	4/28/222	\$65.50	\$58.61	\$47.91	5.73%	\$ 0.94	-9.09%	Yes	Buy
Digital Realty Trust	DLR	3/24/2022	\$136.79	\$125.55	\$118.15	3.57%	\$ 1.22	-7.33%	Yes	Buy
Vertical Capital Income Fund	VCIF	1/27/2022	\$9.99	\$9.69	\$8.95	9.23%	\$ 0.37	0.70%	Yes	Buy
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$10.41	\$7.79	7.42%	\$ 0.38	32.11%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$52.23	\$33.92	6.28%	\$ 1.83	13.13%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$145.43	\$130.77	4.62%	\$ 4.18	44.79%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$25.83	\$20.49	7.10%	\$ 1.65	25.25%	Yes	Buy
Magellan Midstream Partners	MMP	1/29/2021	\$44.41	\$49.87	\$41.78	8.65%	\$ 6.20	26.24%	No	Buy
Healthcare Trust of America	HTA	11/20/2020	\$26.80	\$29.34	\$26.95	4.61%	\$ 1.94	16.70%	Yes	Buy
Physicians Realty Trust	DOC	11/20/2020	\$17.80	\$16.71	\$15.30	4.49%	\$ 1.38	1.63%	Yes	Buy
Main Street Capital	MAIN	9/25/2020	\$29.74	\$42.73	\$35.50	5.93%	\$ 4.63	59.25%	Yes	Buy
Iron Mountain	IRM	8/25/2020	\$30.22	\$46.95	\$42.57	5.30%	\$ 4.95	71.75%	Yes	Hold
Starwood Property Trust	STWD	8/25/2020	\$15.70	\$22.35	\$18.15	7.38%	\$ 3.36	63.76%	Yes	Buy
Dow Inc.	DOW	6/24/2020	\$38.45	\$52.49	\$48.78	4.53%	\$ 5.60	51.08%	Yes	Buy
Ecofin Sustainable and Social Impact Term Fund	TEAF	6/24/2020	\$10.73	\$14.25	\$12.53	6.14%	\$ 1.79	49.44%	Yes	Buy
LyondellBasell Industries	LYB	5/22/2020	\$60.39	\$89.09	\$79.23	4.27%	\$ 15.11	72.55%	Yes	Buy

**Disclaimer:** Copyright 2020 Sizemore Financial Publishing LLC. This investment newsletter (the “Newsletter”) is created and authored by Charles Sizemore (the “Content Creator”) and is published and provided for informational and entertainment purposes only. The information in the Newsletter constitutes the Content Creator’s own opinions. None of the information contained in the Newsletter constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable for any specific person. You understand that the Content Creator is not advising, and will not advise you personally concerning the nature, potential, value or suitability of any particular security, portfolio of securities, transaction, investment strategy or other matter. To the extent any of the information contained in the Newsletter may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person. From time to time, the Content Creator or its affiliates may hold positions or other interests in securities mentioned in the Newsletter and may trade for their own accounts based on the information presented. The material in this Newsletter may not be reproduced, copied or distributed without the express written permission of Sizemore Financial Publishing LLC.