

The Sizemore Income Letter

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Hitting Stop Losses in LYB, DOW and DLR

By Charles Lewis Sizemore, CFA



I'm publishing the weekly update a little early this week because, alas, we've hit our stop losses in three of our positions. So, before we go any further...

Action to take: Sell shares of LyondellBasell (NYSE: LYB) at market.

Action to take: Sell shares of Dow, Inc. (NYSE: DOW) at market.

Action to take: Sell shares of Digital Realty (NYSE: DLR) at market.

We're walking away from LYB and DOW with healthy gains of 54% and 36%, respectively. Unfortunately, we'll be taking a loss of around 18% in DLR.

I'm not happy to let these three go because I still consider all to be undervalued. But it is what it is. The market is telling us to reduce risk, so that is exactly what we're going to do. I consider all of these to be worthy candidates for a future buy. But given the health of the market at the moment, we may get a chance to buy at a significant discount to current prices. I'll keep an eye on it.

September is off to a brutal start. I would love to tell you there is anything new to report, but it's the same story we've seen for substantially all of 2022. Inflation is staying stubbornly high, and the Federal Reserve is having to get more and more hawkish to deal with it.

One way or another, this will end. But it seems that it's not ending today.

All is not lost, however. Our energy positions continue to hold up. In particular, **Cheniere Energy Partners (NYSE: CQP)** is still up an impressive 20% in barely six weeks. And believe me, there are plenty of bargains just like it just waiting to be found.

That's all I have for now. Until next week, 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.

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.

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?	Action
National Storage Affiliates	NSA	8/30/2022	\$52.95	\$46.28	\$39.16	4.08%	\$ -	-12.60%	Yes	Buy
Cheniere Energy Partners	CQP	8/4/2022	\$46.49	\$55.90	\$33.01	6.92%	\$ -	20.24%	No	Buy
Citigroup Inc	C	6/23/2022	\$47.34	\$48.24	\$32.57	4.39%	\$ -	1.90%	Yes	Buy
ONEOK, Inc.	OKE	4/28/2022	\$65.50	\$60.90	\$47.91	5.73%	\$ 0.94	-5.60%	Yes	Buy
Digital Realty Trust	DLR	3/24/2022	\$136.79	\$111.15	\$118.15	3.57%	\$ 1.22	-17.85%	Yes	Sell
Vertical Capital Income Fund	VCIF	1/27/2022	\$9.99	\$9.32	\$8.95	9.23%	\$ 0.37	-3.00%	Yes	Buy
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$11.90	\$7.79	7.42%	\$ 0.38	50.43%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$42.06	\$33.92	6.28%	\$ 1.83	-8.15%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$156.90	\$130.77	4.62%	\$ 4.18	55.89%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$28.12	\$20.49	7.10%	\$ 1.65	35.69%	Yes	Buy
Magellan Midstream Partners	MMP	1/29/2021	\$44.41	\$50.97	\$41.78	8.65%	\$ 6.20	28.73%	No	Buy
Healthcare Realty Trust	HR	7/20/2022	\$24.37	\$23.31	\$22.12	4.72%	\$ -	-4.35%	Yes	Buy*
Physicians Realty Trust	DOC	11/20/2020	\$17.80	\$16.19	\$15.30	4.49%	\$ 1.38	-1.29%	Yes	Buy
Main Street Capital	MAIN	9/25/2020	\$29.74	\$39.63	\$35.50	5.93%	\$ 4.63	48.82%	Yes	Buy
Iron Mountain	IRM	8/25/2020	\$30.22	\$56.18	\$42.57	5.30%	\$ 4.95	102.29%	Yes	Hold
Starwood Property Trust	STWD	8/25/2020	\$15.70	\$23.40	\$18.15	7.38%	\$ 3.36	70.45%	Yes	Buy
Dow Inc.	DOW	6/24/2020	\$38.45	\$46.74	\$48.78	4.53%	\$ 5.60	36.12%	Yes	Sell
Ecofin Sustainable and Social Impact Term Fund	TEAF	6/24/2020	\$10.73	\$14.35	\$12.53	6.14%	\$ 1.79	50.37%	Yes	Buy
LyondellBasell Industries	LYB	5/22/2020	\$60.39	\$78.03	\$79.23	4.27%	\$ 15.11	54.23%	Yes	Sell

* Position resulted from merger with HTA

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