

The Sizemore Income Letter

May 16, 2023

Quick Trade Alert

By Charles Lewis Sizemore, CFA



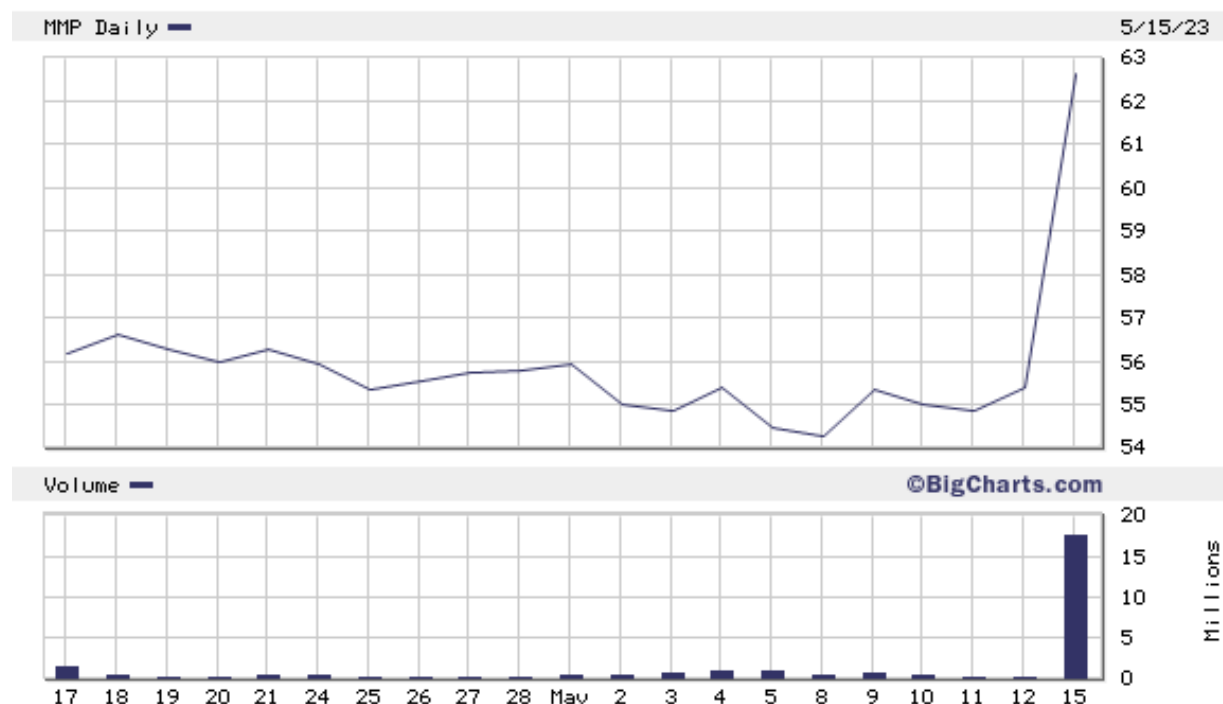
I have some great news!

ONEOK (NYSE: OKE) just announced plans to acquire **Magellan Midstream Partners (NYSE: MMP)** in a \$18.8 billion cash-and-stock deal. Magellan unitholders receive \$25 in cash and 0.667 shares of Oneok stock per unit, representing a 22% premium to closing prices on May 12.

Of course, both of these stocks are proud *Sizemore Income Letter* positions, and I believe that the combined entity will have size and scale that each individual company would have had a hard time reaching on their own.

That said, I do think it makes sense to sell our Magellan shares, and here is why.

The tax accounting on MLP mergers can get really messy, particularly given that it is a corporation doing the buying. I've been through a few of these, and I don't recommend it. I'd prefer to sell the MMP shares and then simply use the cash proceeds to buy shares of OKE. You'll thank me next April when you're doing your tax return.



May 12, 2023

Furthermore, on the off chance that the deal doesn't go through for some reason, the shares of MMP would likely tumble back to pre-announcement levels. There's just no good reason to continue holding the MMP shares post-announcement.

So, please take the following action:

Action to take: Sell your shares of Magellan Midstream Partners (NYSE: MMP) at market, but continue to hold your ONEOK, Inc. (NYSE: OKE) shares indefinitely.

Given that I expect a little volatility over the summer, I don't mind shaving down our portfolio a little like this. We're walking away with a 64% profit and now have a little extra cash on hand to buy any dips that come along in our remaining positions.

And on that note, have a great week, and keep cashing those dividend checks! 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.

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.

The Sizemore Income Letter Portfolio

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?	Action
W.P. Carey Inc	WPC	4/26/2023	\$73.59	\$71.15	\$59.92	6.00%	\$ -	-3.32%	Yes	Buy
Nuveen Real Estate Income Fund	JRS	1/30/2023	\$8.46	\$7.24	\$6.41	9.77%	\$ 0.17	-12.41%	Yes	Buy
iShares MSCI Brazil ETF	EWZ	12/26/2022	\$28.79	\$30.15	\$20.15	11.64%	\$ -	4.72%	Yes	Buy
Atlantica Sustainable Infrastructure	AY	11/22/2022	\$27.75	\$26.35	\$20.41	6.68%	\$ 0.89	-1.84%	Yes	Buy
Cheniere Energy Partners	CQP	8/4/2022	\$46.49	\$47.44	\$41.42	7.36%	\$ 1.07	4.35%	No	Buy
Citigroup Inc	C	6/23/2022	\$47.34	\$46.05	\$36.00	4.43%	\$ 1.02	-0.57%	Yes	Buy
ONEOK, Inc.	OKE	4/28/2022	\$65.50	\$57.95	\$47.91	6.45%	\$ 2.81	-7.24%	Yes	Buy
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$12.51	\$8.59	7.35%	\$ 0.87	63.97%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$41.93	\$33.92	7.87%	\$ 3.20	-5.55%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$157.20	\$132.62	3.61%	\$ 7.02	58.93%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$27.94	\$20.49	7.30%	\$ 2.68	39.56%	Yes	Buy
Magellan Midstream Partners	MMP	1/29/2021	\$44.41	\$62.61	\$41.78	6.63%	\$ 10.38	64.35%	No	Sell

The Forever Portfolio

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?
National Retail Properties	NNN	9/29/2022	\$ 39.07	\$ 44.15	None	4.98%	\$ 1.10	15.82%	Yes
Conagra Brands	CAG	6/23/2022	\$ 32.47	\$ 36.54	None	3.61%	\$ 0.99	15.58%	Yes
The Clorox Company	CLX	6/23/2022	\$ 132.28	\$ 167.05	None	2.83%	\$ 3.54	28.96%	Yes
Campbell Soup Company	CPB	6/23/2022	\$ 47.04	\$ 53.33	None	2.78%	\$ 1.11	15.74%	Yes
Flowers Foods	FLO	6/23/2022	\$ 24.97	\$ 28.54	None	3.08%	\$ 0.44	16.08%	Yes
General Mills	GIS	6/23/2022	\$ 67.90	\$ 90.29	None	2.39%	\$ 1.62	35.36%	Yes
J.M. Smucker Company	SJM	6/23/2022	\$ 123.83	\$ 155.51	None	2.62%	\$ 3.06	28.05%	Yes
Target Corporation	TGT	6/23/2022	\$ 141.08	\$ 160.57	None	2.69%	\$ 3.24	16.11%	Yes
Coca-Cola Company	KO	4/27/2022	\$ 65.56	\$ 63.94	None	2.75%	\$ 1.32	-0.46%	Yes
Prologis	PLD	10/29/2021	\$ 146.67	\$ 125.28	None	2.52%	\$ 3.79	-12.00%	Yes
Crown Castle International	CCI	10/29/2021	\$ 181.90	\$ 113.90	None	5.16%	\$ 7.45	-33.29%	Yes
Philip Morris International	PM	3/30/2021	\$ 89.35	\$ 95.00	None	5.35%	\$ 7.49	14.71%	Yes
Altria Group	MO	3/19/2020	\$ 37.10	\$ 45.56	None	8.25%	\$ 10.60	51.37%	Yes
Realty Income	O	3/19/2020	\$ 48.08	\$ 61.94	None	5.10%	\$ 8.40	46.30%	Yes
AT&T	T	3/19/2020	\$ 31.15	\$ 16.95	None	6.55%	\$ 5.79	-26.99%	Yes
Enterprise Products Partners	EPD	3/19/2020	\$ 14.52	\$ 25.94	None	7.32%	\$ 5.51	116.56%	No
Kinder Morgan	KMI	3/19/2020	\$ 11.20	\$ 16.70	None	6.65%	\$ 3.24	78.07%	Yes
Ventas	VTR	3/19/2020	\$ 19.98	\$ 47.18	None	3.82%	\$ 5.74	164.88%	Yes
Public Storage	PSA	3/19/2020	\$ 187.60	\$ 293.99	None	2.72%	\$ 35.15	75.45%	Yes
International Paper	IP	3/19/2020	\$ 30.13	\$ 31.82	None	5.81%	\$ 4.77	21.43%	Yes
STAG Industrial	STAG	3/19/2020	\$ 21.71	\$ 34.80	None	4.20%	\$ 4.23	79.79%	Yes
Retail Opportunity Investments	ROIC	3/19/2020	\$ 7.25	\$ 12.51	None	4.80%	\$ 1.27	90.07%	Yes

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