

The Sizemore Income Letter

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Revisiting the Forever Portfolio

By Charles Lewis Sizemore, CFA



I'm dealing with travel-related hell at the moment, so I will have to keep this short. If you miss a connecting flight these days, I sincerely hope your plans aren't urgent because the next flight they put you on may very well be next week...

At any rate, let's revisit the Forever Portfolio. This is the portfolio of stocks that I believe you can simply buy, hold and forget about for years... possibly even decades. It is designed to last you through retirement.

That said, like any prospective investment, not all times are equal as an entry point. Yes, we can hold the stocks forever, but the price we pay at the beginning will have a long-term impact on returns.

You might have noticed, but August is off to a rough first half. Investors are looking at stock prices and mulling over whether current valuations make a lot of sense given that earnings growth is tepid and interest rates are still rising.

Good!

These are exactly the opportunities I look for to add new capital.

Our REITs in particular have had a rough year, and I get it. Rising interest rates are a headwind, and the commercial space really does look like a landmine. Investors are choosing to walk away from now.

But here's the thing. Our REITs have essentially no exposure to office buildings and, if anything, actually stand to benefit from the prolonged trend of working from home.

If you have new capital looking for a long-term home, I recommend you start here:

Action to take: Add to your existing positions in National Retail Properties (NYSE: NNN), Prologis (NYSE: PLD), Crown Castle International (NYSE: CCI), Realty Income (NYSE: O) and Public Storage (NYSE: PSA).

We own some other REITs too, of course, but these are the ones I like best for new money at the moment.

Among non-REITs, I also really like the following.

Action to take: Add to your existing positions in Flowers Foods (NYSE: FLO), Campbell Soup Company (NYSE: CPB) and Conagra Brands (NYSE: CAG).

NONE of this suggests I don't also like the other stocks on the Forever list. But these are the ones I just particularly like at the moment and see what I consider a decent entry point.

On that note, I'm back to dealing with travel mess. Have a great weekend, and 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.

The Sizemore Income Letter Portfolio

Essential Properties Realty Trust	EPRT	8/4/2023	\$23.59	\$23.59	\$18.10	4.61%	\$ -	0.00%	Yes	Buy
National Storage Affiliates Trust	NSA	6/30/2023	\$34.82	\$32.51	\$26.98	6.89%	\$ -	-6.63%	Yes	Buy
Nintendo Company Ltd	NTDOY	5/26/2023	\$10.69	\$10.49	\$8.34	3.49%	\$ -	-1.92%	Yes	Buy
W.P. Carey Inc	WPC	4/26/2023	\$73.59	\$64.15	\$59.92	6.65%	\$ 1.07	-11.38%	Yes	Buy
Nuveen Real Estate Income Fund	JRS	1/30/2023	\$8.46	\$7.13	\$6.41	9.77%	\$ 0.34	-11.74%	Yes	Buy
iShares MSCI Brazil ETF	EWZ	12/26/2022	\$28.79	\$30.54	\$20.15	11.49%	\$ -	6.08%	Yes	Buy
Atlantica Sustainable Infrastructure	AY	11/22/2022	\$27.75	\$22.05	\$20.41	7.98%	\$ 1.34	-15.75%	Yes	Buy
Cheniere Energy Partners	CQP	8/4/2022	\$46.49	\$50.93	\$41.42	6.85%	\$ 1.07	11.85%	No	Buy
Citigroup Inc	C	6/23/2022	\$47.34	\$42.29	\$36.00	4.82%	\$ 1.02	-8.52%	Yes	Buy
ONEOK, Inc.	OKE	4/28/2022	\$65.50	\$65.60	\$47.91	5.70%	\$ 2.81	4.44%	Yes	Buy
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$12.96	\$8.59	7.10%	\$ 0.87	69.47%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$43.54	\$33.92	7.58%	\$ 3.20	-2.18%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$160.48	\$132.62	3.54%	\$ 7.02	62.10%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$31.58	\$20.49	6.46%	\$ 2.68	56.13%	Yes	Buy

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	\$ 38.75	None	5.68%	\$ 1.10	2.00%	Yes
Conagra Brands	CAG	6/23/2022	\$ 32.47	\$ 30.11	None	4.38%	\$ 0.99	-4.22%	Yes
The Clorox Company	CLX	6/23/2022	\$ 132.28	\$ 154.13	None	3.06%	\$ 3.54	19.19%	Yes
Campbell Soup Company	CPB	6/23/2022	\$ 47.04	\$ 42.78	None	3.46%	\$ 1.11	-6.70%	Yes
Flowers Foods	FLO	6/23/2022	\$ 24.97	\$ 24.20	None	3.64%	\$ 0.44	-1.32%	Yes
General Mills	GIS	6/23/2022	\$ 67.90	\$ 70.29	None	3.07%	\$ 1.62	5.91%	Yes
J.M. Smucker Company	SJM	6/23/2022	\$ 123.83	\$ 142.22	None	2.87%	\$ 3.06	17.32%	Yes
Target Corporation	TGT	6/23/2022	\$ 141.08	\$ 131.25	None	3.29%	\$ 3.24	-4.67%	Yes
Coca-Cola Company	KO	4/27/2022	\$ 65.56	\$ 60.68	None	2.90%	\$ 1.32	-5.44%	Yes
Prologis	PLD	10/29/2021	\$ 146.67	\$ 121.14	None	2.61%	\$ 3.79	-14.82%	Yes
Crown Castle International	CCI	10/29/2021	\$ 181.90	\$ 100.36	None	5.86%	\$ 7.45	-40.73%	Yes
Philip Morris International	PM	3/30/2021	\$ 89.35	\$ 94.20	None	5.39%	\$ 7.49	13.81%	Yes
Altria Group	MO	3/19/2020	\$ 37.10	\$ 42.88	None	8.77%	\$ 10.60	44.14%	Yes
Realty Income	O	3/19/2020	\$ 48.08	\$ 56.94	None	5.10%	\$ 8.40	35.89%	Yes
AT&T	T	3/19/2020	\$ 31.15	\$ 14.05	None	7.90%	\$ 5.79	-36.31%	Yes
Enterprise Products Partners	EPD	3/19/2020	\$ 14.52	\$ 26.53	None	7.16%	\$ 5.51	120.63%	No
Kinder Morgan	KMI	3/19/2020	\$ 11.20	\$ 17.36	None	6.39%	\$ 3.24	83.97%	Yes
Ventas	VTR	3/19/2020	\$ 19.98	\$ 41.94	None	4.29%	\$ 5.74	138.63%	Yes
Public Storage	PSA	3/19/2020	\$ 187.60	\$ 273.83	None	2.92%	\$ 35.15	64.70%	Yes
International Paper	IP	3/19/2020	\$ 30.13	\$ 34.40	None	5.38%	\$ 4.77	29.98%	Yes
STAG Industrial	STAG	3/19/2020	\$ 21.71	\$ 34.90	None	4.18%	\$ 4.23	80.25%	Yes
Retail Opportunity Investments	ROIC	3/19/2020	\$ 7.25	\$ 13.48	None	4.45%	\$ 1.27	103.45%	Yes

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