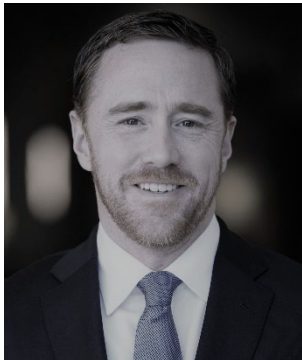


The Sizemore Income Letter

January 12, 2023

Coming in Hot

By Charles Lewis Sizemore, CFA



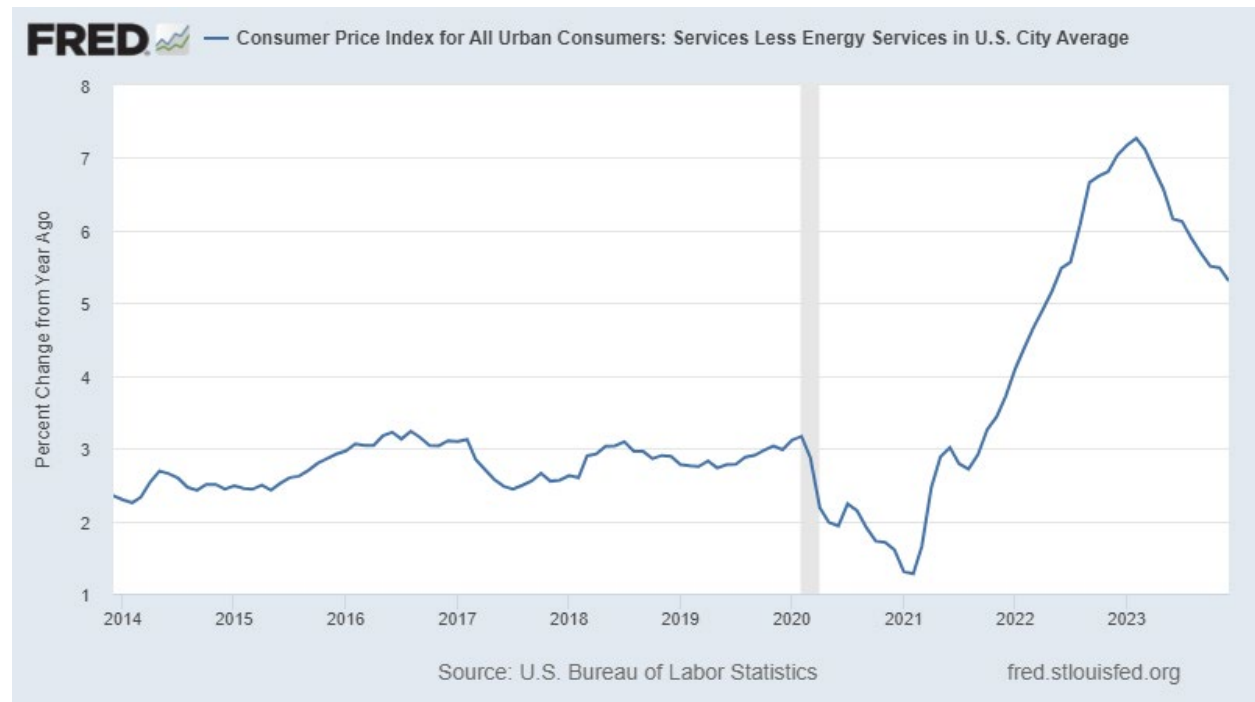
You've probably seen the news by now. December inflation came in hotter than expected on Thursday, rising 0.3% over November and 3.4% over the previous December. The consensus among economists had been for inflation of 0.2% and 3.2%, respectively.

A difference of 0.2% might not sound like much, but it was worse than expected and, alas, throws a big wet blanket on the hope that the Federal Reserve's rate hikes were on pace to kill inflation.

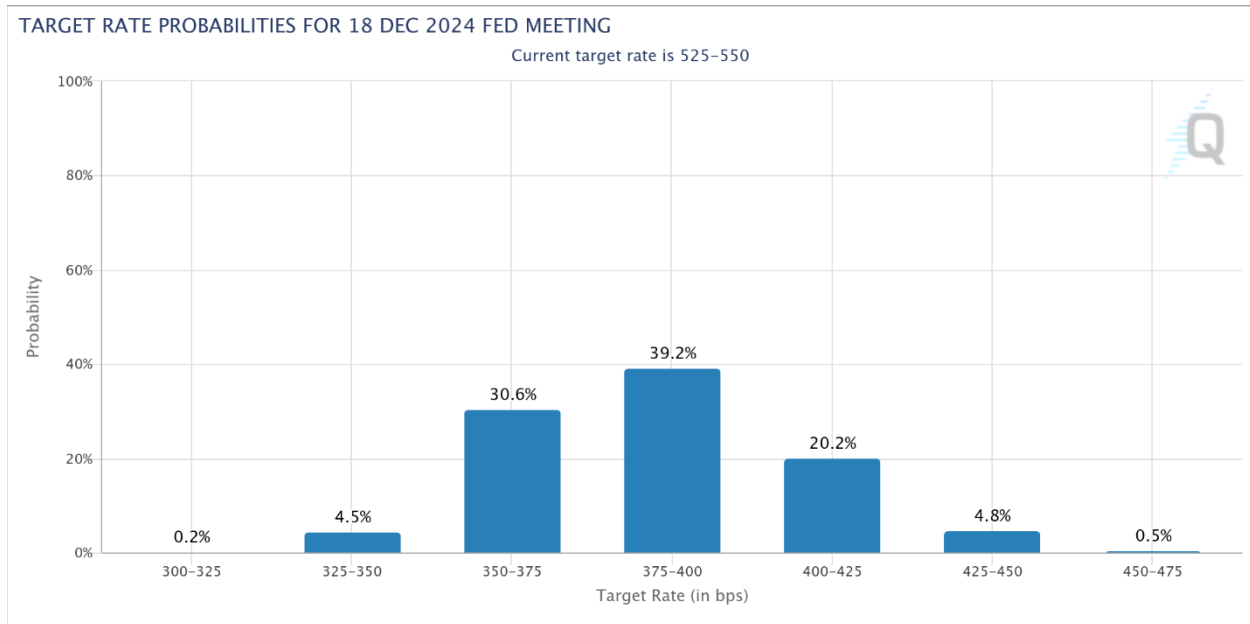
Inflation in "stuff" really does continue to fall. In fact, prices for furniture and appliances have actually fallen year over year.

The problem is services. Inflation in services is sticky at 5.3%, and there's not a lot the Fed can do about that. Services inflation is more demographic than monetary. The working age population hasn't moved much over the past decade, and no amount of Fed tinkering can make fully-trained workers appear out of the ether.

But just for grins, let's take a look at what the futures market is expected from the Fed.



Even with the hotter-than-expected inflation, the market is pricing in a 75% probability that the Fed cuts rates by at least 1.5%.



Is that prudent?

Absolutely not. An overly accommodative Fed is what has created bubble after bubble in the capital markets and given the clowns in congress cover to rack up \$34 trillion in debt. It's criminal to continue going down that path.

I don't believe the Fed will slash rates by a full 1.5%. But I do believe that some sort of cut is a foregone conclusion at this point. That may be bad for the long-term health of our financial system, but it's good for our income positions in the *Sizemore Income Letter*.

Time will tell. But 2024 could be a fantastic year for income investments.

Until next week, 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

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?	Action
Global Medical REIT	GMRE	12/29/2023	\$11.39	\$10.61	\$8.92	7.92%	\$ -	-6.85%	Yes	Buy
Essential Properties Realty Trust	EPRT	8/4/2023	\$23.59	\$25.84	\$18.10	4.61%	\$ 0.28	10.72%	Yes	Buy
National Storage Affiliates Trust	NSA	6/30/2023	\$34.82	\$37.72	\$26.98	5.94%	\$ 0.56	9.94%	Yes	Buy
Nintendo Company Ltd	NTDOY	5/26/2023	\$10.69	\$13.61	\$8.34	3.49%	\$ -	27.27%	Yes	Buy
iShares MSCI Brazil ETF	EWZ	12/26/2022	\$28.79	\$34.16	\$20.15	10.28%	\$ 0.76	21.28%	Yes	Buy
Cheniere Energy Partners	CQP	8/4/2022	\$46.49	\$52.02	\$41.42	6.71%	\$ 5.23	23.14%	No	Buy
Citigroup Inc	C	6/23/2022	\$47.34	\$52.09	\$36.00	3.92%	\$ 3.10	16.58%	Yes	Buy
ONEOK, Inc.	OKE	4/28/2022	\$65.50	\$70.12	\$47.91	5.45%	\$ 6.63	17.17%	Yes	Buy
Energy Transfer Partners	ET	12/27/2021	\$8.16	\$13.92	\$8.59	8.91%	\$ 2.11	96.40%	No	Buy
EPR Properties	EPR	11/29/2021	\$47.78	\$47.50	\$33.92	6.95%	\$ 6.78	13.59%	Yes	Buy
Chevron Corporation	CVX	9/30/2021	\$103.33	\$145.33	\$132.62	4.16%	\$ 13.06	53.29%	Yes	Buy
ClearBridge Energy Midstream Opportunity	EMO	5/26/2021	\$21.94	\$34.65	\$20.49	7.50%	\$ 5.05	80.95%	Yes	Buy

The Forever Portfolio

Stock	Ticker	Entry Date	Buy Price	Recent Price	Stop Loss	Yield	Cumulative Dividends	Total Return	IRA Friendly?
Walmart	WMT	11/15/2023	\$ 168.88	\$ 161.11	None	1.42%	\$ 0.57	-4.26%	Yes
Waste Management	WM	11/15/2023	\$ 172.02	\$ 179.22	None	1.56%	\$ 0.70	4.59%	Yes
National Retail Properties	NNN	9/29/2022	\$ 39.07	\$ 43.15	None	5.10%	\$ 2.78	17.56%	Yes
Conagra Brands	CAG	6/23/2022	\$ 32.47	\$ 28.75	None	4.59%	\$ 2.02	-5.24%	Yes
The Clorox Company	CLX	6/23/2022	\$ 132.28	\$ 142.72	None	3.31%	\$ 7.12	13.27%	Yes
Campbell Soup Company	CPB	6/23/2022	\$ 47.04	\$ 43.46	None	3.41%	\$ 2.22	-2.88%	Yes
Flowers Foods	FLO	6/23/2022	\$ 24.97	\$ 22.47	None	3.92%	\$ 1.35	-4.59%	Yes
General Mills	GIS	6/23/2022	\$ 67.90	\$ 63.06	None	3.43%	\$ 3.34	-2.21%	Yes
J.M. Smucker Company	SJM	6/23/2022	\$ 123.83	\$ 127.18	None	3.21%	\$ 6.20	7.71%	Yes
Target Corporation	TGT	6/23/2022	\$ 141.08	\$ 142.02	None	3.04%	\$ 6.52	5.29%	Yes
Coca-Cola Company	KO	4/27/2022	\$ 65.56	\$ 59.81	None	2.94%	\$ 3.60	-3.28%	Yes
Prologis	PLD	10/29/2021	\$ 146.67	\$ 131.29	None	2.41%	\$ 6.40	-6.12%	Yes
Crown Castle International	CCI	10/29/2021	\$ 181.90	\$ 112.65	None	5.22%	\$ 12.14	-31.40%	Yes
Philip Morris International	PM	3/30/2021	\$ 89.35	\$ 95.15	None	5.34%	\$ 11.33	19.17%	Yes
Altria Group	MO	3/19/2020	\$ 37.10	\$ 41.60	None	9.04%	\$ 13.46	48.41%	Yes
Realty Income	O	3/19/2020	\$ 48.08	\$ 59.27	None	5.18%	\$ 10.96	46.06%	Yes
AT&T	T	3/19/2020	\$ 23.69	\$ 16.24	None	6.84%	\$ 6.63	-3.50%	Yes
Enterprise Products Partners	EPD	3/19/2020	\$ 14.52	\$ 26.80	None	7.46%	\$ 7.00	132.75%	No
Kinder Morgan	KMI	3/19/2020	\$ 11.20	\$ 17.84	None	6.33%	\$ 4.09	95.83%	Yes
Ventas	VTR	3/19/2020	\$ 19.98	\$ 47.92	None	3.76%	\$ 7.09	175.34%	Yes
Public Storage	PSA	3/19/2020	\$ 187.60	\$ 290.20	None	2.76%	\$ 47.15	79.82%	Yes
International Paper	IP	3/19/2020	\$ 30.13	\$ 37.82	None	4.89%	\$ 7.08	49.03%	Yes
STAG Industrial	STAG	3/19/2020	\$ 21.71	\$ 38.32	None	3.81%	\$ 5.46	101.67%	Yes
Retail Opportunity Investments	ROIC	3/19/2020	\$ 7.25	\$ 14.02	None	4.28%	\$ 1.72	117.10%	Yes

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