

06:30 INCOME SIG UPDATE
- Ferzinger@gmail.com

07:30 Scott Juds
SectorSurfer.com
AlphaDailyBrief.com

AAll Disclaimers

– Per quotes by Nobel Prize Physicist Niels Bohr about his perspectives about the fundamental structure of the atom, many could apply to the 2023 market outlook.

“Prediction is difficult, especially about the future” (Yankee YBerra used this too)

- *Interpretation of the past is tough, more difficult is how or if it applies to the future.*

“An expert is a man who has made all the mistakes which can be made in a narrow field.”

- *We are not financial experts, hopefully we have only a few more mistakes to make.*

“Everything we call real is made of things that cannot be regarded as real.”

- *This presentation is real but not a solicitation or advice, thus, sort of, not real.*

- *Check the recent Fed minutes and policy statement ... reality = unreality, wtfractal?*

“A deep truth is a truth so deep that it is not only true but its exact opposite is true.

- *Beyond the HCIA Income Sig bandwidth, check with your investment advisor.*

POSITIONS & NEXT STEPS – Harvest 2023

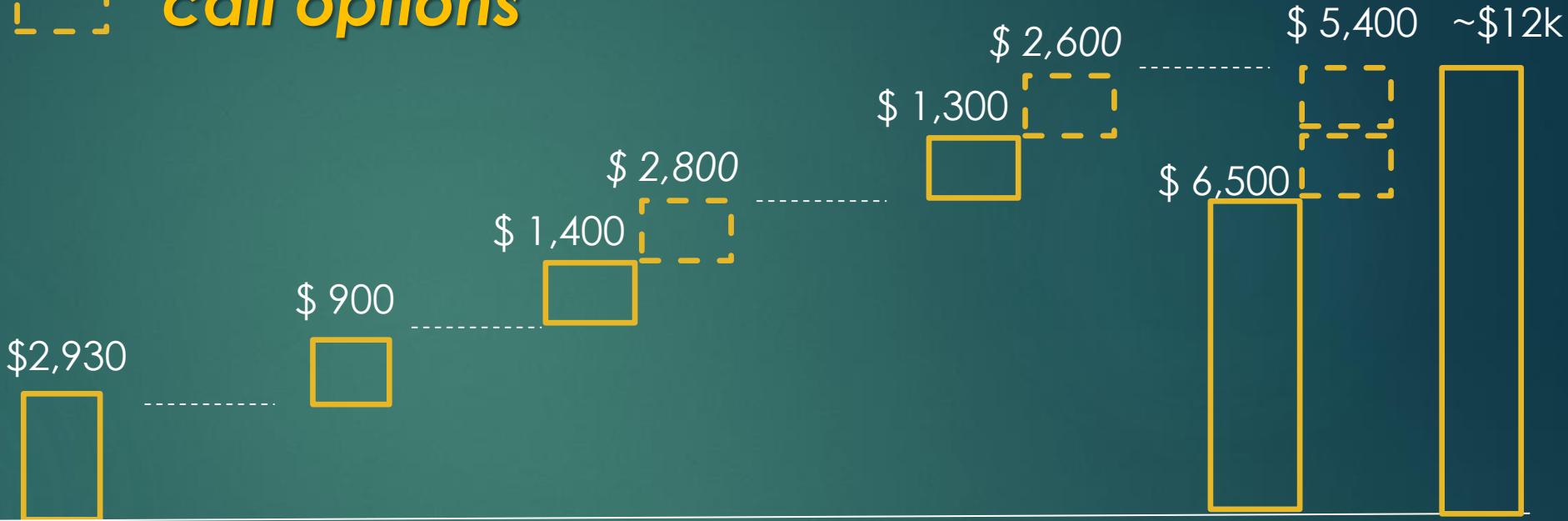
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q1 Demonstrate \$12k income/qtr

q2+ ReAllocate to Risk Adj Assets

call options

\$ per Quarter

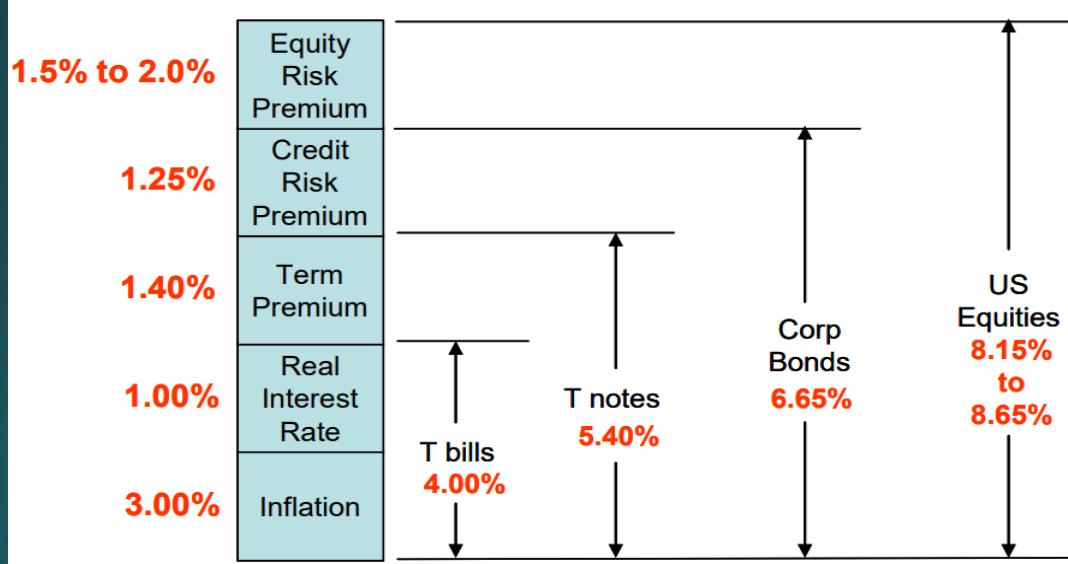


	Gold (Hedge)	13 wk Tbill Ladder	Corp Bonds	Magnificent 7 Original Eq. Pos	New 6 Eq Positions	- Total -
Capital \$k	\$50k	\$245k	\$50k	~\$200k	\$175k	\$720
Incremental Return	0	4.8%	7%	2.8% + 5.6%	3% + 6%	6.7%

- ▶ 1. BASELINE
- ▶ 2. MARKET OUTLOOK
- ▶ 3. ASSET ROTATION / PROSPECTS
- ▶ 4. POSITIONS / NEXT STEPS

3. BASELINE 2020 to 2022 Capital

Risk Premium Framework – Ibbotson 2015



Inc Sig Baseline

– Jan 2020 to Nov 2022 Results

Equity Credit (Dividends) Positive

Equity Volatility Risk

– Options Calls at Peak Equity Prices

Debt Credit Risk – Not Used to Date

Term Premium - Negligible

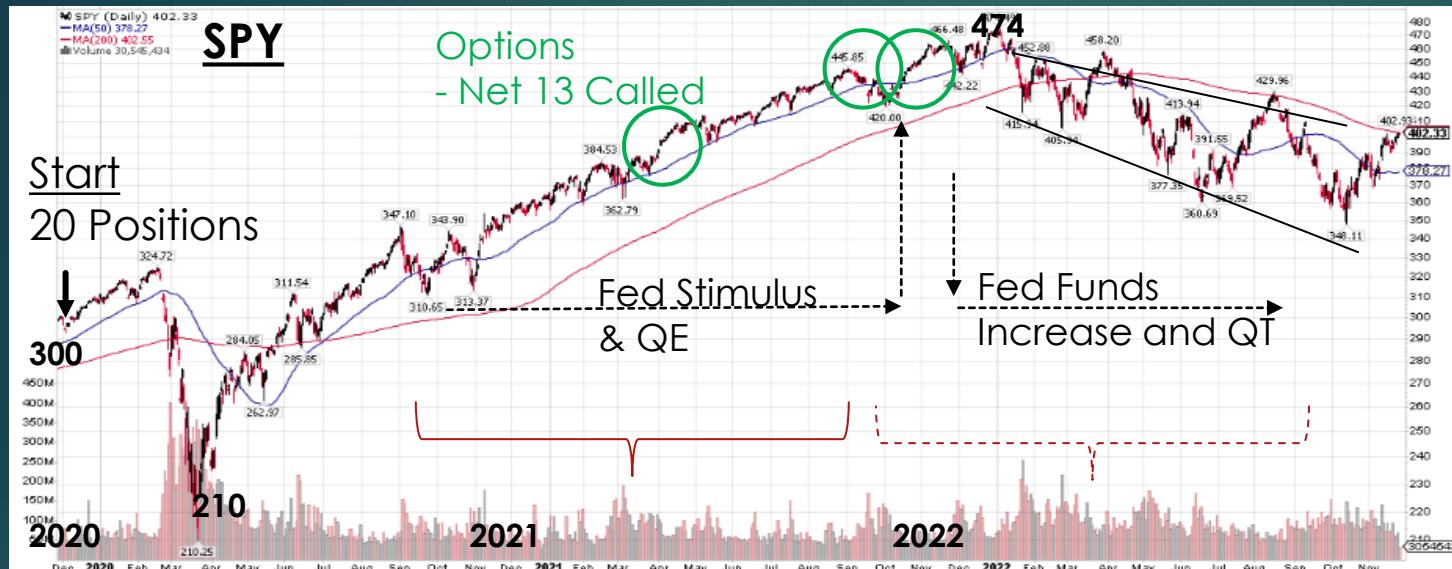
T Notes Not Used

Tbills not used until q4 2022, rates ~0

Time	EQUITIES						\$	%	TOTAL	NOTES
	CASH	GOLD	T BILL	T NOTE	BONDS					
2020 Jan	\$560						\$	00	\$ 560	
2020 Feb	\$ -						\$ 500	20	\$ 500	20 positions pre COVID
2022 Sept	\$520						\$ 200	7	\$ 720	Gains, Price, Dividends, Options
2022 Nov	\$350	\$ 170					\$ 200	7	\$ 720	BASELINE fr 2020 28.6%

1. BASELINE – IncSig Since Jan 2020, up 28%

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11/24/22
402close & 200dma
379 50dma

DexV*-> 1. Start 2. Covid 3. Sunami a. Monetary b. Inflation c. ^FedFunds Rate
\$500k - Select CCalls Market – “Meta Stable Channeling”
20 Positions - Collect Dividends 13 Positions Called (52wk high)

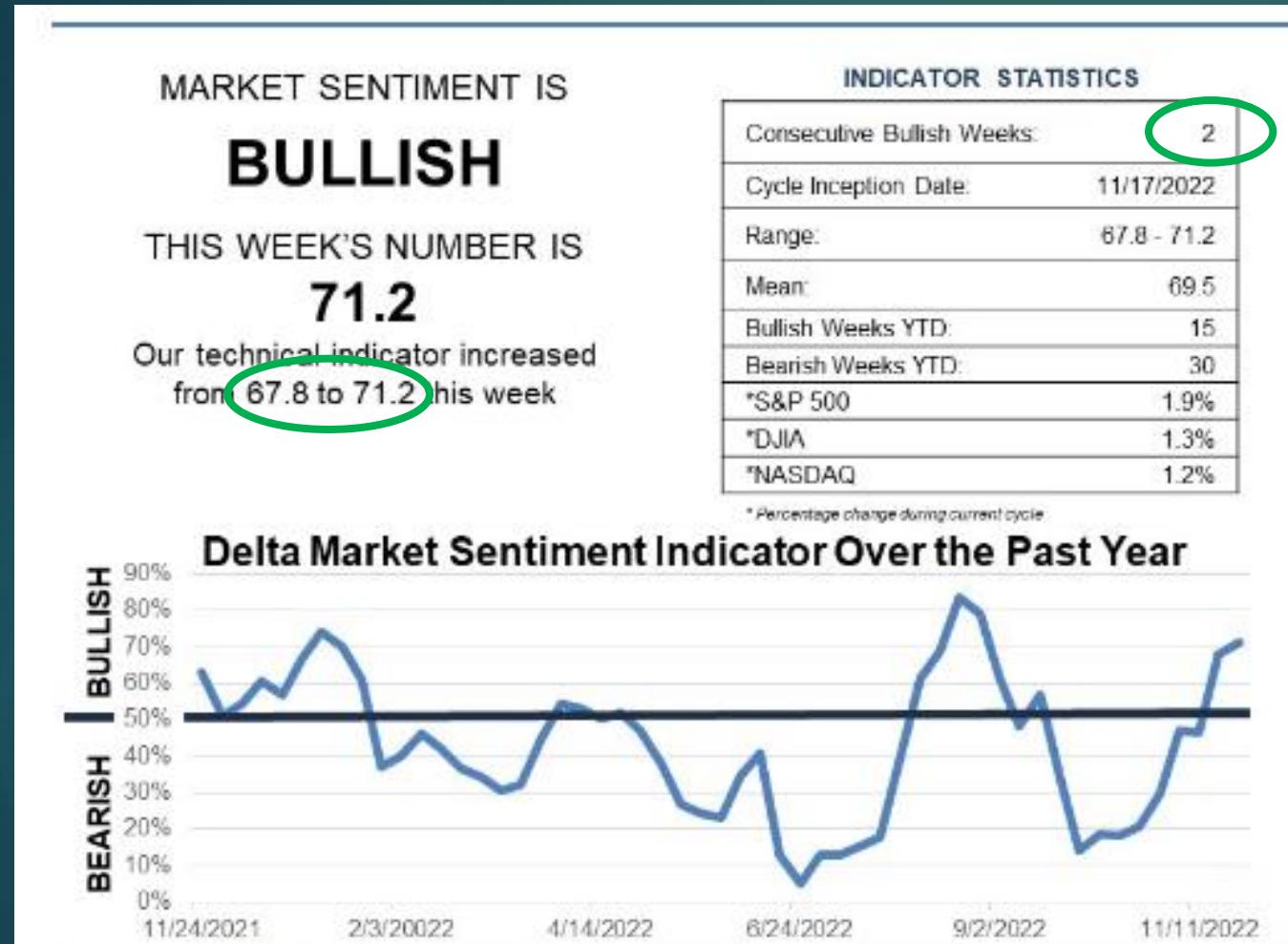
11/15/2022 ->		Start - 01/01/2020						11/15/2022			Price Gain		DIVIDENDS		OPTIONS -			UPDATE - 11/15/2022				
ASSET RETURN	Acq Date	\$/sh	no sh	\$	\$/sh	\$	\$ 11/15/22	\$ cum / sh	\$ cum div	\$ Called	\$ premium	\$ resid sale	\$ Total	\$ gain	% gain	\$ Cash	\$ Equity					
EMR Emerson	12/30/2019	\$ 76.44	322	\$ 24,614	\$ 95	\$ 30,590	\$ 5,976	\$ 5.57	\$ 1,792	\$ 791	\$ 33,173	\$ 8,560	35%	\$ 2,583	\$ 30,590	EMR						
KLAC KLA Corp	1/1/2020	\$ 178.17	138	\$ 24,587	\$ 378	\$ 52,164	\$ 27,577	\$ 10.80	\$ 1,490	\$ 1,349	\$ 55,004	\$ 30,416	123.7%	\$ 2,840	\$ 52,164	KLAC						
MDT Medtronic	1/1/2020	\$ 113.84	220	\$ 25,045	\$ 83	\$ 18,260	\$ (6,785)	\$ 6.74	\$ 1,483	\$ 472	\$ 20,215	\$ (4,830)	-19.3%	\$ 1,955	\$ 18,260	MDT						
MMM 3 M	11/8/2020	\$ 163.02	138	\$ 22,497	\$ 131	\$ 18,078	\$ (4,419)	\$ 11.86	\$ 1,637	\$ 468	\$ 20,182	\$ (2,314)	-10.3%	\$ 2,104	\$ 18,078	MMM						
MRK Merck	12/30/2019	\$ 86.86	308	\$ 26,753	\$ 100	\$ 30,800	\$ 4,047	\$ 5.81	\$ 1,789	\$ 797	\$ 33,386	\$ 6,633	24.8%	\$ 2,586	\$ 30,800	MRK						
RHHBY Roche	1/1/2020	\$ 40.66	614	\$ 24,965	\$ 41	\$ 25,174	\$ 209	\$ 3.54	\$ 2,174	\$ 651	\$ 27,999	\$ 3,033	12.2%	\$ 2,825	\$ 25,174	RHHBY						
STX Seagate Holding	1/1/2020	\$ 59.50	416	\$ 24,752	\$ 56	\$ 23,236	\$ (1,456)	\$ 7.40	\$ 3,078	\$ 603	\$ 26,377	\$ 2,225	9.0%	\$ 3,681	\$ 23,296	STX						
7 Active Co Shares		2,156	\$ 173,213	\$ 92	\$ 198,362	\$ 25,149		\$ 13,443		\$ 5,131		\$ 216,936	\$ 43,723	25%	\$ 18,574	\$ 198,362						
18 Co Shares Sold or Called			\$ 387,250					\$ 15,832		\$ 409,050	\$ 13,062	\$ 62,959	\$ 500,903	\$ 113,653	29%	\$ 500,903						
TOTAL to DATE - 11/15/22			\$ 560,463			\$ 25,149		\$ 29,276		\$ 409,050	\$ 18,193	\$ 62,959	\$ 717,839	\$ 157,376	28%	\$ 519,477						

*DexV - The Dominant Exogenous (Economic – Market) Variable

2. OUTLOOK - *Sentiment* – 11/24/22

.. Bull Bounce ... Two Weeks = Trend?

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Delta Market Sentiment:

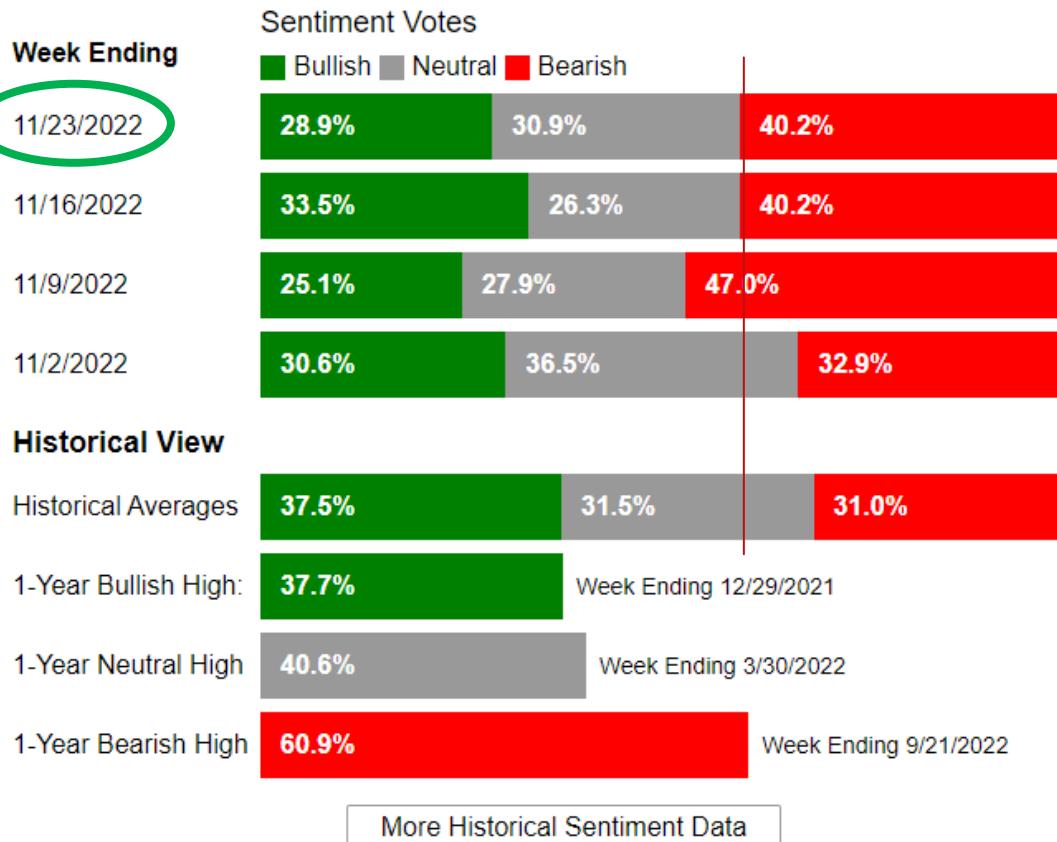
- This week price for 1800 stocks
- Percent above or below 75 dma
- > 47% “Deadband” < 53% not a definitive indicator

2. OUTLOOK - *Sentiment* – 11/23/22

.. Improving 6 Month Sentiment

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What Direction Do AAll Members Feel The Stock Market Will Be In The Next 6 Months?



CURRENT AAI SENTIMENT BULL-BEAR SPREAD:

The Sentiment Survey is a contrarian indicator. Above-average market returns have often followed unusually low levels of optimism, while below-average market returns have often followed unusually high levels of optimism. Click [here](#) to learn more.



BULL-BEAR SPREAD TRENDS:

Previous Week 1 Month Ago 3 Months Ago 6 Months Ago



2. OUTLOOK – 1yr Composite Charts – 11/28/22

.. Bull Bounce ... will Uptick Stick?

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TRENDS – Channel Resistance

T1 - Dominant Downward Market

T2 - Intermediate Upward Bull Bounce

TRENDS – Channel Support

T3 – Falling “Support”

Or

Increasing oscillatory instability created by Fed Rate hikes & speculative money on “sidelines” buying the dips

2. OUTLOOK – 1yr High Yield Debt – 11/28/22

Short Term - Reversal as Traders Risk On?

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TRENDS – Through Channel Resistance
50 dma Cross Over

TRENDS – Channel Support
T3 – Falling “Support”

2. OUTLOOK – 5 yr- 11/28/22

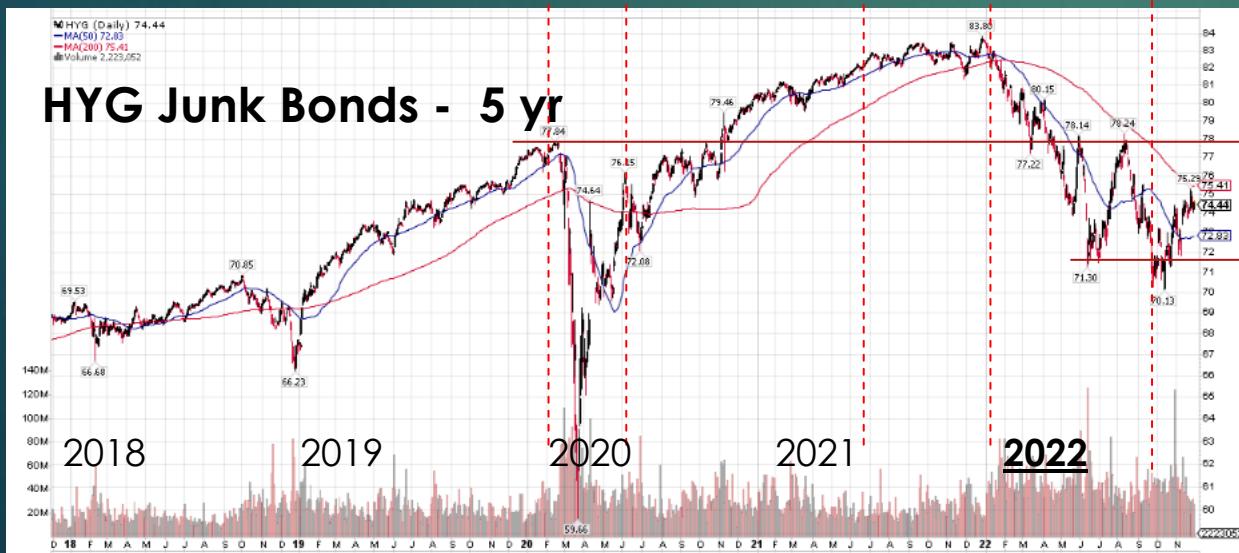
Correlated Assets? .. Not in 2022

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Date	Price	vs 2020 Peak
11/28/22	395	Up 22%
2022 Low	349	Up 7%
Feb 2020	324	Base

↑ SPY – 2022 spy never hit the support level of 2020

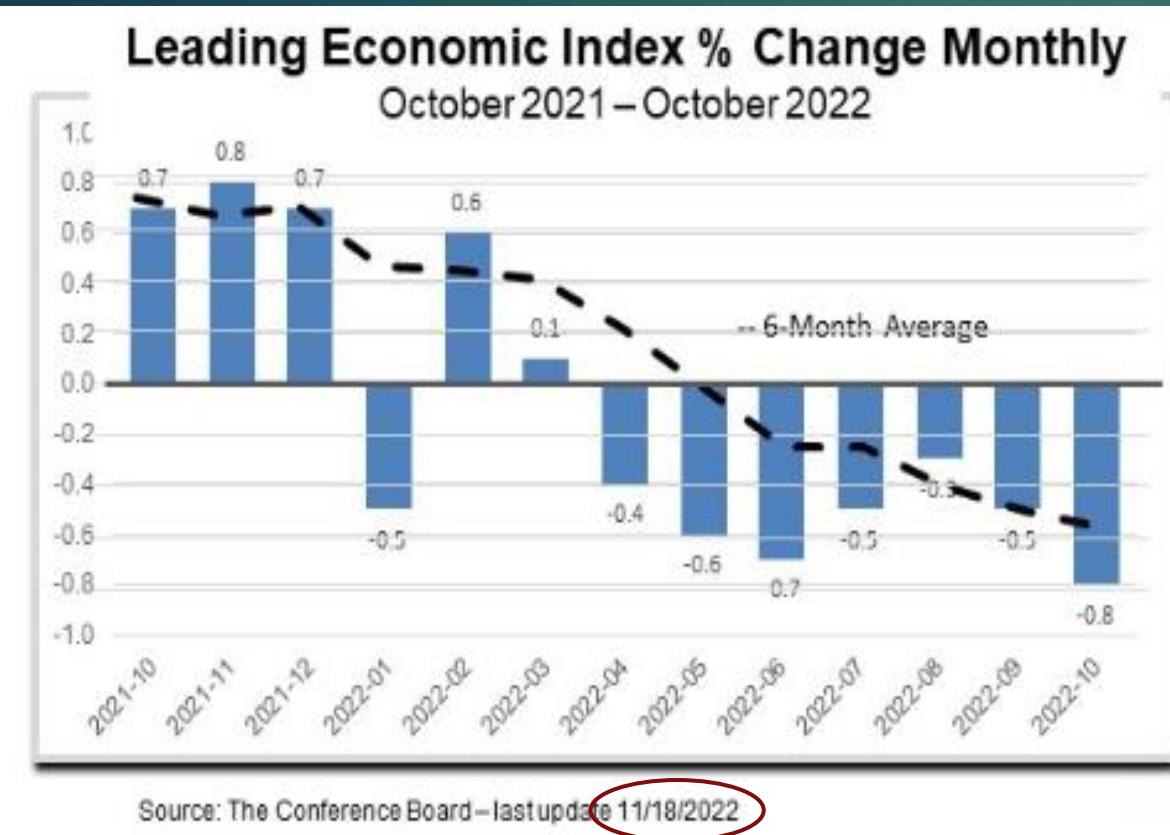


Date	Price	vs 2020 Peak
1Feb 2020	77	Base
11/28/22	75	Down 7%
2022 Low	70	Down 10%

HYG – Blew through the 2020 Resistance, not yet recovered

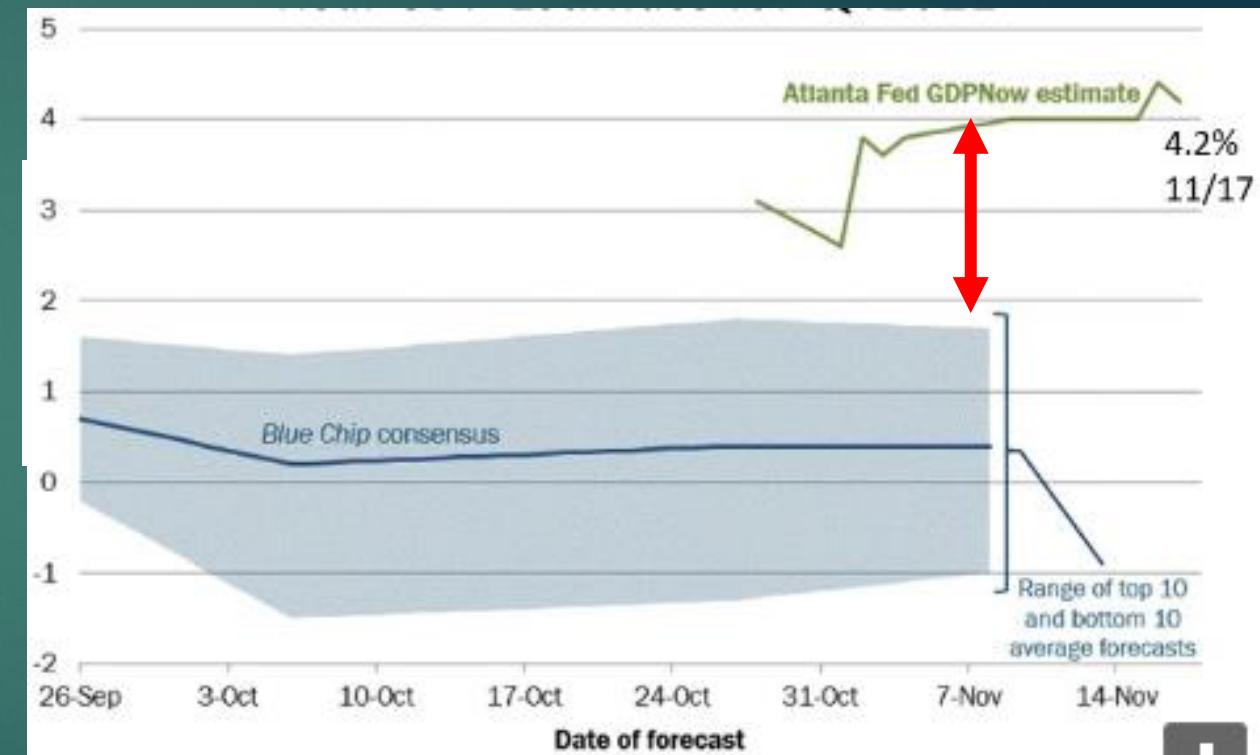
2. OUTLOOK – LEI, Fed GDPNow – 11/24

LEI – Leading Economic Indicators)



Atlanta Fed – GDPNow for 2022 q4

- 250 bps above blue chip high fcst?



2. OUTLOOK – ECON VARIABLES

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<u>VARIABLE</u>		<u>NOW</u>	<u>PEAK (or Low)</u>	<u>IMPACT</u>
Interest Rates – Fed Rates		400bps	nil (pre 2022)	Bear
Inflation YoY – CPI		7.75% vs	9.06%	Bear-
	- US Core CPI	6.3% vs	6.6%	Bear-
Housing	- Rent	5.8% vs	18% (Sept 2021)	Bear-
	- Home Prices	3.2%		
Wages	- Real Hourly	-2.8%	Now 19 mo	Bear
Job > Unemployed		22mo	115mo 2011-2015	Bull
Unemployment		3.7%	14.7% COVID	Bull?
Cost of Money	- C Cards	17%	12% Low in 2015	Bear
"	- Mortgages	6%	2.4%	Bear
"	- Public Debt	\$747b	\$329b -2013	Bear

2. OUTLOOK – IMPLICATIONS mots*?

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<u>INPUT FACTOR</u> INTEREST RATES	<u>Pre 2022</u> Lower	<u>2023+</u> Higher	<u>Nov 2022 “up tick”</u> Slightly Higher
VALUATIONS CORRELATION Stock / Bonds	Higher	Lower	Equity - Improving
TREND FOLLOWING OUTLOOK - Assets - Risk	Negative	Positive	Unclear ex Trading
- Alts	Buy the Dip	Sell the Rally	tbd
	Risk On	Risk Off	Risk Back (almost)
	Growth	Cash Gen	tbd
	US Stocks	Commodities	Commodities
	“ “ “	Foreign	
		Growth Stocks	Mix
MARKET MOVERS CAPITAL ALLOCATION	Institutional	Value Stocks	tbd
	Economics	Inst. & Retail	
		Ideological	a f(2023 Earnings)
		(King Twit, FXT)	

2. MARKET OUTLOOK – Volatility as Opportunity

Mkt Volatility
-Days Down >1%

NOW

56ytd

at PEAK (Market Lows)

75 in 2008, 67 in 1974

Mkt Volatility Strategy
- VIX Buy >30, Sell <20
- S&P 500 Buy / Hold
- VIX Buy < 20, Sell >30

+25%

-16%

-33%

S&P 500 / MSCI World

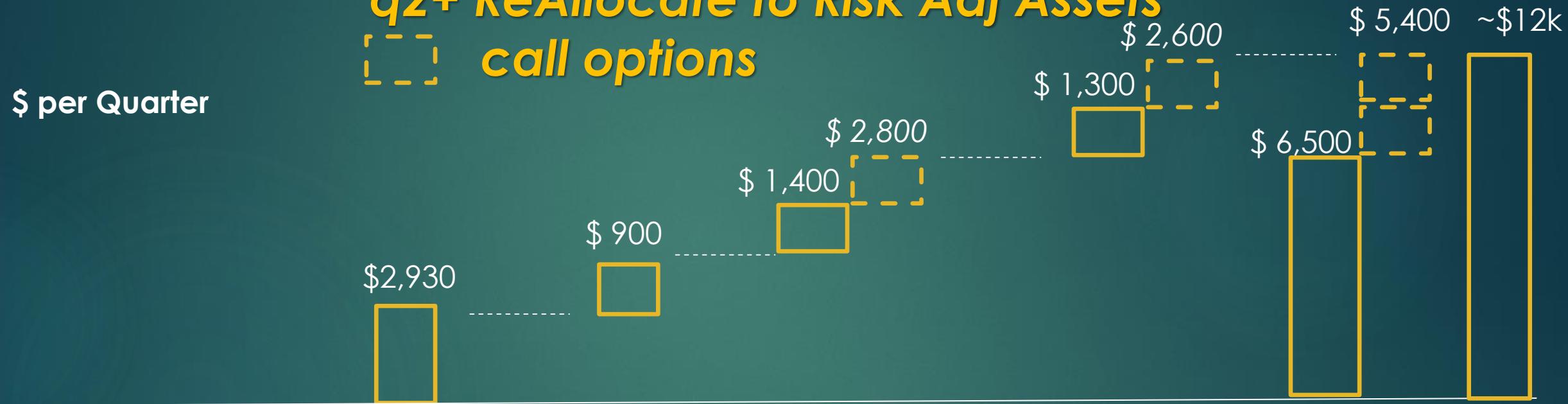
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1.7 (2007)

3. PROSPECTS – Harvest 2023

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call options

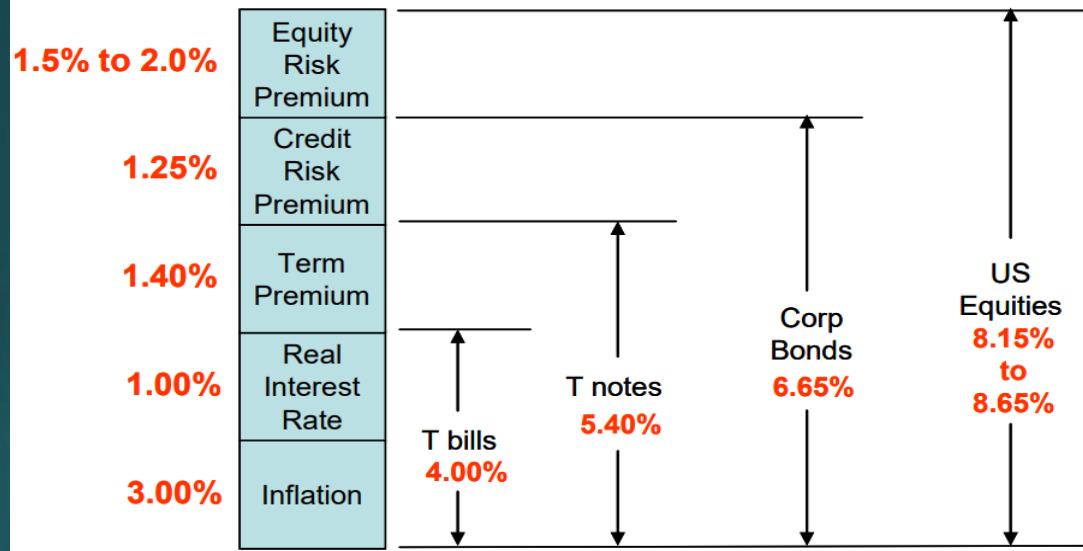


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3. PROSPECTS 2023 – Work the Risk Premium

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Risk Premium Framework – Ibbotson 2015



Inc Sig KFS

– 2023 Key Success Factor

Equity Credit (Dividend) Risk in the “Soft Turn”
Equity Volatility Risk – Double Dividends in 2023

Debt Credit Risk – Profit fr Fractured Markets

Term Premium – Return fr (Fed/Mkt) Extinction?

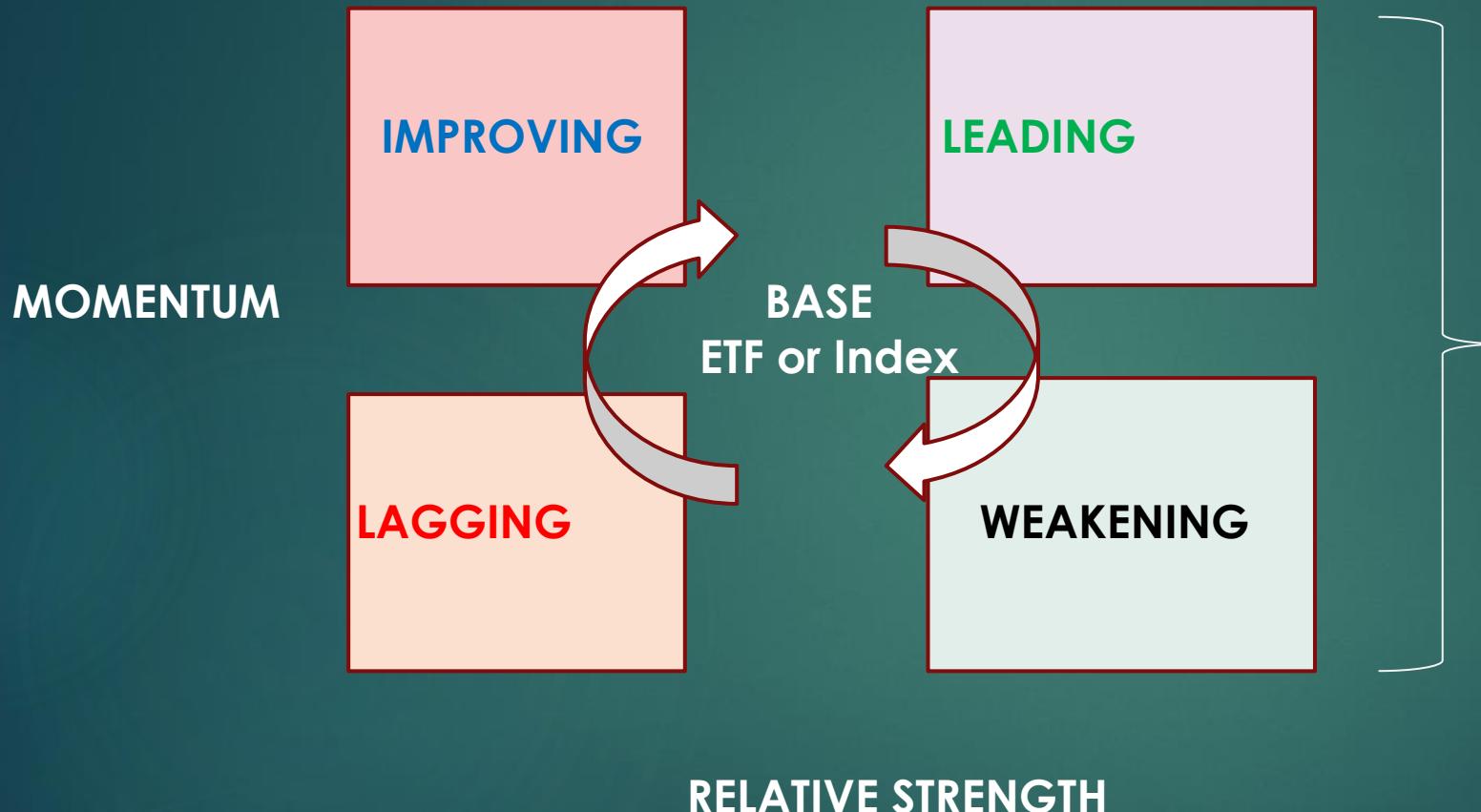
Calc the IncSig Real Interest Rate

Tbills 13 wk Ladder at 4+%, Roll \$75k per mo

Time	CASH	GOLD	T BILL	T NOTE	BONDS	EQUITIES		TOTAL	NOTES
2022 Nov	\$ 350		\$ 170			\$ 200	7	\$ 720 28.6%	BASELINE fr 2020
2023 q1 plan			50	\$ 75		\$ 50	2	\$ 175	6
2023 Mar 31 pct of Total	\$ - 0%	\$ 50 7%	\$ 245		\$ 50 7%	\$ 375	13	\$ 720 100%	TARGET 2023 Q1 Asset Mix
Income Target percent				4.78%		2.50% Div 5.00% Opt		6% 10%	Ex Price Changes - Up or Down Dividends at 2.5% at 2x Dividends Rate of 2.5% Stretch Target is 10% on Capital
\$k / qtr						\$k/qtr			Base Target Stretch Target
						\$ 10.8			
						\$ 14.1			
									\$ 17.9
2023 q2 plan									Shift TBILL to Equities Basis Prospects

3. PROSPECTS – The IncSig Challenge

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How to Harvest?

Clip Coupons
Rotate Assets
- Opt In / Opt Out

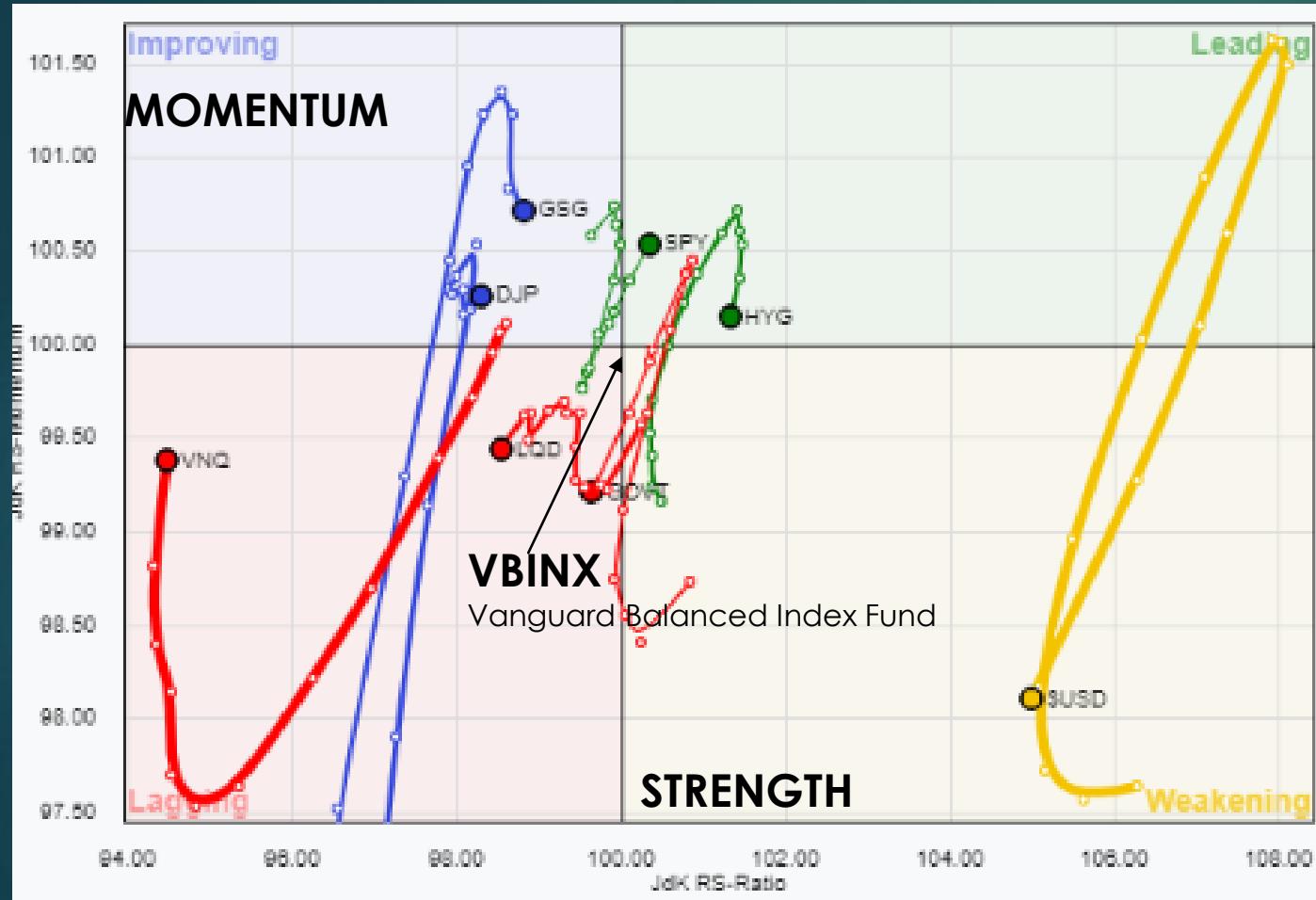
Where to Invest?

Market
Asset Class
Asset Cap
Sector
Industry
Company

3. PROSPECTS

Which Asset Classes? – 13 wk rotation

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symbol
HYG
SPY
DJP
GSG
LQD
SPY
HYG

Bonds High Yield
SPDR S&P500
Commodity Index
Commodity Trust
US Dollar
Real Estate
Bond Corporate
Bond US Treasury
Balanced Index Fund

VBINX- 1 Year



3. PROSPECTS - DJIG* – Energy (traditional) Lead – 11/24/22

A. Top 15, but B. “Expensive” at or Close to 52 wk High

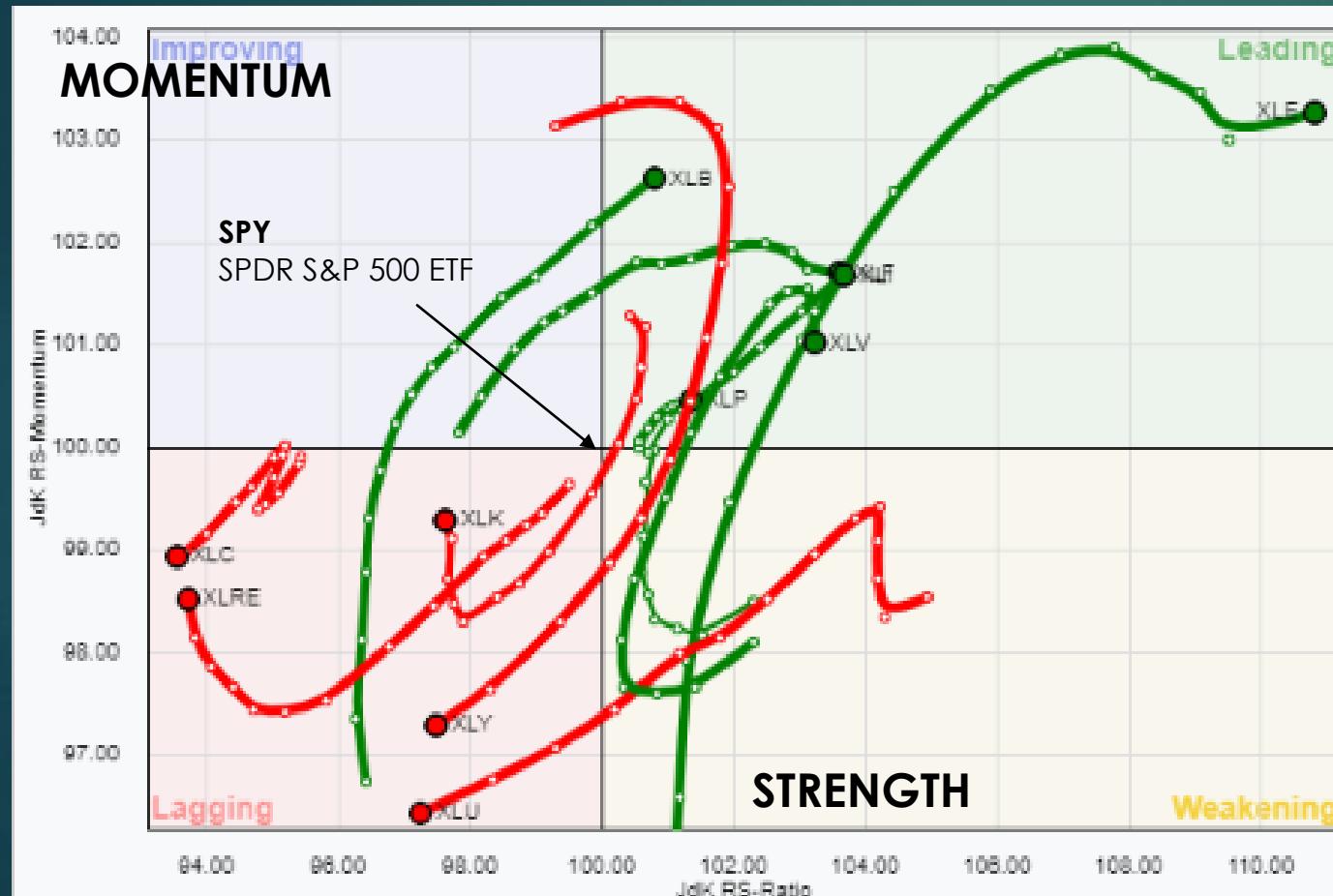
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Industry	IG - Sym	Close	Weekly Net Chg	YTD Net Chg	<-% CHANGE wky	RANK wky	% Change Yr Ago	Rank Yr Ago	% Change Yr to Date	Rank Yr to Date	3 Yr	52 Week High	52 Week Low	pct < 52 h
Integrated Oil & Gas	DJUSOL	814.44	5.02	350.33	0.62	[124]	71.44	[1]	75.48	1	17.2	828.5	449.21	2%
Exploration & Production	DJUSOS	1117.73	7.77	448.49	0.7	[121]	60.77	[3]	67.07	3	23.24	1,150.57	631.73	3%
Oil Equipment & Svcs	DJUSOI	283.02	-9.09	100.88	-3.11	[138]	51.46	[4]	55.29	4	7.8	304.75	171.81	7%
Oil Equip, Svcs & Distri	DJUSOQ	378.36	-3.97	99.28	-1.04	[136]	29.67	[6]	35.58	5	5.05	405.59	267.78	7%
Defense	DJUSDN	617.21	9.98	131.95	1.64	[89]	30.61	[5]	27.19	A. 6	6.96	625.47	449.65	1%
Steel	DJUSST	507.75	23.24	104.77	4.8	[4]	23.51	[7]	26	7	27.86	582.15	334.31	13%
Heavy Construction	DJUSHV	975.28	13.98	152.06	1.45	[96]	16.15	[10]	18.47	8	28.44	975.28	701.03	0%
Pipelines	DJUSPL	707.16	10.38	109.76	1.49	[93]	11.43	[22]	18.37	9	2.54	762.34	576.29	7%
Marine Transportation	DJUSMT	230.79	4.63	35.75	2.05	[59]	21.83	[8]	18.33	10	-6.22	245.86	166.82	6%
Commercial Vehicles	DJUSHR	3687.77	112.96	530.54	3.16	[16]	12.3	[17]	16.8	11	19.17	3,687.77	2,650.92	0%
Property & Casualty	DJUSIP	1275.43	31.41	160.82	2.52	[32]	15.8	[11]	14.43	12	11.93	1,275.43	1,032.99	0%
Aerospace & Defense	DJUSAЕ	1680.56	31.82	196.09	1.93	[74]	13.15	[14]	13.21	13	0.22	1,692.86	1,369.42	1%
Life Insurance	DJUSIL	1079.73	18.88	120.08	1.78	[79]	11.68	[21]	12.51	14	9.91	1,079.88	856.97	0%
Insurance	DJUSIR	942.72	21.34	77.37	2.32	[40]	10.95	[24]	8.94	15	11.63	980.36	788.41	4%

3. PROSPECTS

Which Sectors? – 13 & 5-week rotations

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Source: Stockcharts.com, update 11/29

symbol	na	price	%chg	%chg
XLE	Energy	90.70	14.7	1.6
XLI	Industrial	100.07	9.1	5.8
XLF	Financial	35.70	9.1	4.4
XLV	Health Care	135.78	9.1	2.2
XLB	Materials	80.80	9.3	8.1
XLP	Consumer Staples	75.67	5.0	3.4
XLC	Communication Services	49.42	-8.0	0.8
XLRE	Real Estate	38.34	-8.3	4.1
XLU	Utilities	69.69	-5.9	3.4
XLY	Consumer Discretionary	141.30	-8.9	-2.5
XLK	Technology	129.46	-2.3	1.0
SPY		395.23	11.2	1.6

SPY – 1 Year



Channel Bounce
- Up ...
or
- Up then Down

3. PROSPECTS – Energy Low P/E

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Sector	Goldman Sachs recommended sector weightings	Current S&P 500 weight	Total return YTD	Consensus 2023 growth		1-mo rev to 2023	
				Sales	EPS	EPS	FY2 P/E
Health Care	Overweight	15 %	(10)%	3 %	(2)%	(0)%	16 x
Consumer Staples		7	(10)	5	6	(1)	19
Energy		5	53	(3)	(10)	1	9
Telecommunication Services*		1	(15)	(1)	4	(1)	8
Consumer Durables & Apparel**		1	(42)	(1)	(9)	(10)	11
Software & Services ⁺	Neutral	13	(29)	10	15	(1)	21
Financials		11	(17)	NM	10	(1)	11
Cons. Discretionary ex. Autos & Durables		8	(27)	10	44	(1)	22
Real Estate		3	(31)	NM	9	(1)	15
Utilities		3	(9)	NM	11	2	17
Technology Hardware ⁺	Underweight	9	(22)	4	8	(0)	19
Industrials		8	(17)	5	13	(3)	15
Media & Entertainment [*]		7	(40)	8	16	(2)	15
Semiconductors ⁺		5	(45)	2	(3)	(8)	14
Automobiles & Components**		2	(39)	14	14	(3)	20
Materials		3	(22)	(2)	(9)	(5)	13
S&P 500		100 %	(22)%	4 %	6 %	(2)%	15 x

* Industry groups within the Communication Services sector.

** Industry groups within the Consumer Discretionary sector.

+ Industry groups within the Information Technology sector.

3. PROSPECTS - SECTOR ANALYSIS

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Sector	Aggregate			Median stock		
	Current dividend yield	Bloomberg consensus 2023 dividend growth	Dividend yield using 2023E dividend growth	Current dividend yield	Bloomberg consensus 2023 dividend growth	Dividend yield using 2023E dividend growth
Real Estate	3.7 %	21 %	4.5 %	3.9 %	6 %	4.1 %
Energy	3.6	(1)	3.5	3.3	4	3.4
Utilities	3.4	(5)	3.2	3.4	6	3.6
Consumer Staples	2.9	(7)	2.7	2.7	3	2.8
Financials	2.6	(1)	2.5	2.6	6	2.8
Industrials	1.9	17	2.2	1.6	7	1.7
Materials	2.5	(20)	2.0	1.8	4	1.9
Health Care	1.7	(3)	1.6	0.6	5	0.6
Communication Services	1.3	18	1.6	0.0	(0)	0.0
Information Technology	1.2	7	1.2	0.7	8	0.8
Consumer Discretionary	0.9	12	1.0	1.4	8	1.5
S&P 500	1.9 %	3 %	1.9 %	1.8 %	6 %	1.9 %

Source: Bloomberg, FactSet, Goldman Sachs Global Investment Research

3. PROSPECTS: *Energy and MLPs*

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Cash Return – Combinations of Yield, Dividend Growth, Buybacks, Deleveraging

ET, MMP, MPLX, PAA

Natural Gas Supply – Exposure to Permian and Haynesvill Plays

DTM, ET, TRGP, WES, WMB

Global LNG – Should remain tight, favors

LNG

Positive NGL Fundamentals – S/D/P for NGLs , favors

EPD, ET, OKE, TRGP

Inflation Hedge – Some companies have contractual protections, favors

MMP, NS

Long Term Renewables Transition – Companies with better terminal prospects,

ENB, TRP, WMB

Source: *Midstream Monthly* by WellsFargo – 10-05-2022

4. POSITIONS – Harvest 2023

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4. POSITIONS HEDGE – Inflation / Currency

The US Dollar (UUP) vs Gold (GLD)



UUP USD - 2022
- Since March - increase

Oct Drop



UUP : GLD - 2022
- Since March – Ratio USD/GLD

Oct Drop



GLD - 2022
- Since March decline

Oct
Lift Off

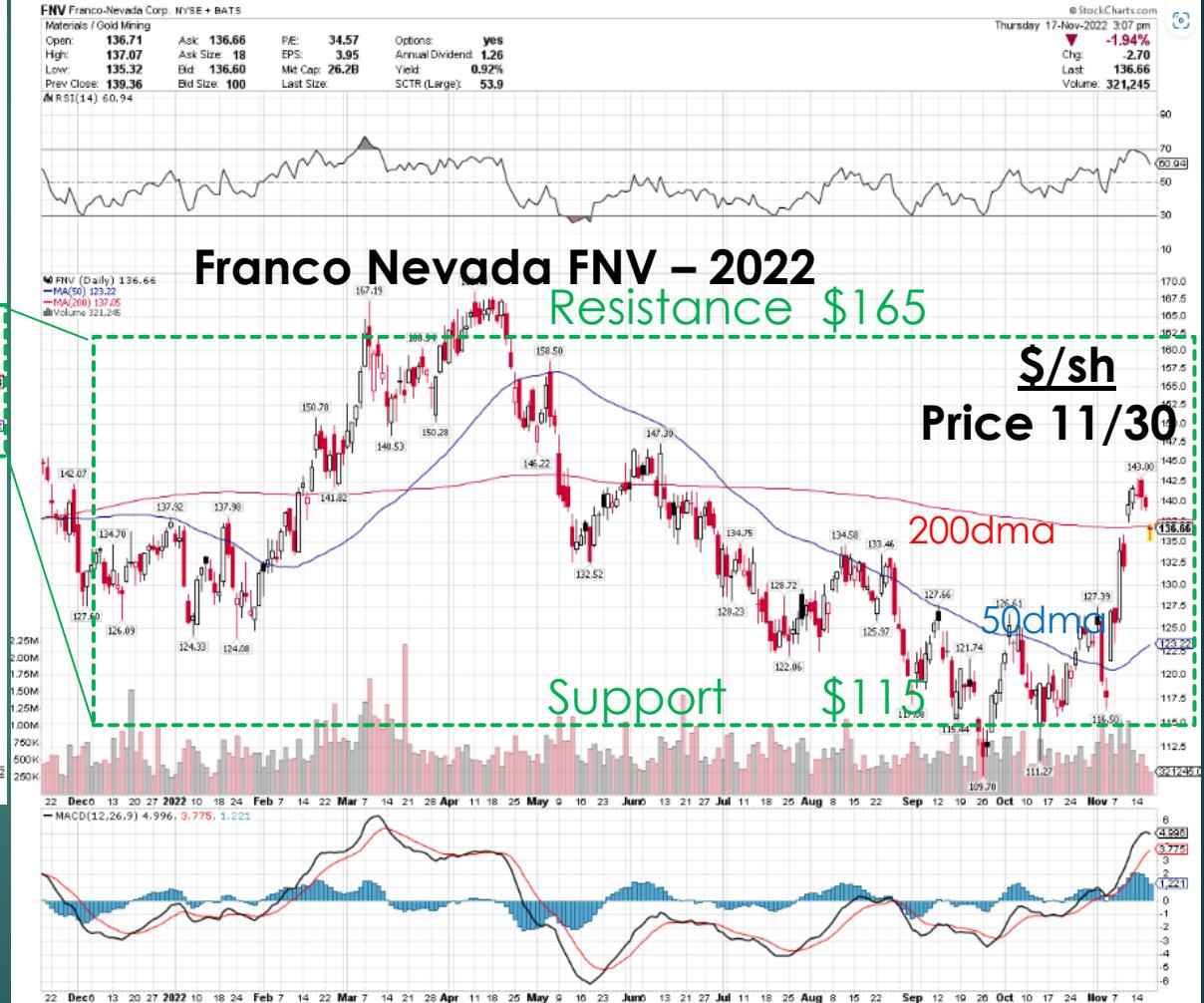
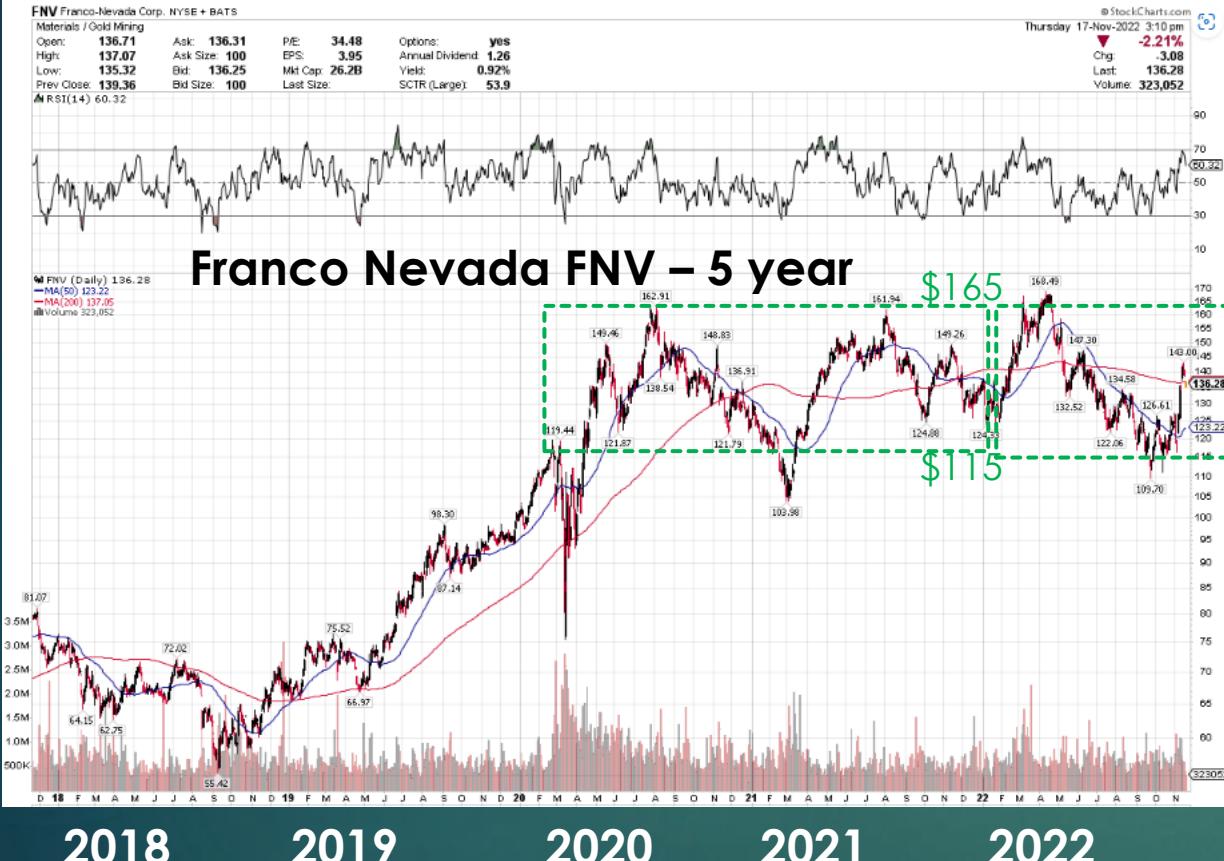


4. POSITIONS HEDGE – Inflation / Currency Miners – Exposure to Gold & Dividend

FNV Trading Channel
Resistance

Support

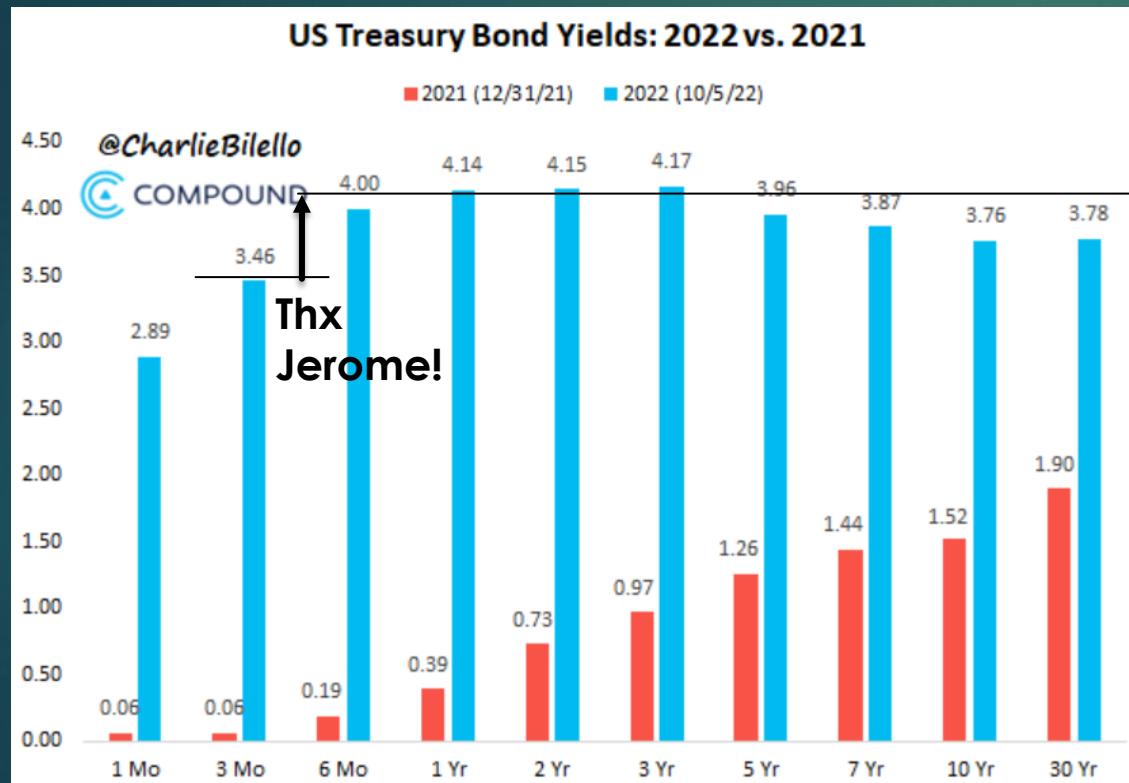
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4. POSITIONS - CASH

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- IncSig Cash – 13wk Tbill Ladder
- IncSig Risk Free Floor – All other Investments



Buy;
Mature;

July
Oct
Sept
Nov
Sept
Dec

- Prior History -

T Bill Bond Ladder

1

\$75k
4.17%

#2

\$75k
4.32%

Oct 03
Feb 02

Nov 25
Feb 23

Inc Sig Kick Off

4. POSITIONS - CASH – iBonds and 13wk TBill Ladder

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- Outlay \$245k, Annual Return (Calc) 4.8%
- Next Steps – Roll 13wk Tbills at High Prob Risk Parity Threshold

Low Risk

Q4-22 – Three Sequential (Oct, Nov, Dec) 13week TBills of \$125k each

Mid Risk

Q4-22 – Three Sequential (Oct, Nov, Dec) 13week TBills of \$75k each

Highest Risk/Return (avoided cost if Cash is in Ladder, not available)

Q4-22 – Three Sequential (Oct, Nov, Dec) 13week TBills of \$25k each

- **All cases assume an additional \$20k in iBonds @ 9%**

ASSET	\$ Capital	% Interest	\$ Int Lqtr
I Bond	\$ 20,000	9.0%	\$ 450
Mo 1 - T Bill 13 wk	\$ 75,000	4.2%	\$ 788
Mo 2 - T Bill 13 wk	\$ 75,000	4.8%	\$ 900
Mo 3 - T Bill 13 wk	\$ 75,000	4.2%	\$ 788
Total	\$245,000	4.78%	\$ 2,925

4. POSITIONS

MLPs - Demonstrate “Opt In” Alternatives for Jan 23 Meeting

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Update Financials fr Q3, Target Co Earnings Releases

Low Risk

Q4-22 – Half Position Option In AMLP (\$12.5k)

Q1-23 – Half Position Option In “ “ “

Mid Risk – Two Positions ~\$100k acq.

Q4-22 – One Position AMLP \$50k

Q1-23 – 1/2 Position 12.5k Option Each \$50k - 4 Total

Higher Risk – The Above and Small Cap Growth MLP

Q2-23 – Add 3rd Position Best Available

4. POSITIONS

AMLP - Alerian MLP and MLPS Infrastructure eff 11/29/22

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1. OVERVIEW												5. OPTION POTENTIAL						6. TARGET	
Ticker	Company	Last Close	Invest Style	Market Cap	Forward Div Yield	Trailing Div Yield	Price/Sales	Price/Book	Beta (5-Year)	Consensus Forward P/E		DtE	Delta	\$prem	trade %	mult	annual %	Target % Div + Option/yr	
ET	Energy Transfer	\$ 11	Large Value	35.5928 Bil	8.1%	6.7%	0.41	1.07	1.81	6.61	ET	25	0.238	\$ 0.15	1.2%	15	17%	16.6%	
ET	Energy Transfer											25	0.135	\$ 0.05	0.4%	15	6%	2.9%	
EPD	Enterprise Products	\$ 25	Large Value	54.0890 Bil	7.7%	7.6%	1.05	2.07	1.15	9.42	EPD	25	0.450	\$ 0.41	1.7%	15	24%	19.8%	
TRP	TC Energy	\$ 40	Large Value	40.5382 Bil	6.4%	6.8%	3.94	1.88	0.79	12.67	TRP	53	0.570	\$ 1.20	2.7%	7	19%	15.8%	
WMB	Williams PL	\$ 29	Large Value	36.2513 Bil	5.8%	5.7%	3.33	3.2	1.2	16.98	WMB	25	0.245	\$ 0.20	0.6%	15	8%	10.0%	
ENB	Enbridge	\$ 36	Large Core	72.9532 Bil	7.2%	7.3%	1.95	1.85	0.82	15.9	ENB	18	0.226	\$ 0.20	0.5%	20	10%	12.1%	
MMP	Magellan	\$ 47	Mid Value	9.9439 Bil	8.8%	8.8%	3.46	5.55	0.92	10.09	MMP	18	0.200	\$ 0.15	0.3%	20	6%	11.7%	
WES	Western Midstream	\$ 25	Mid Value	9.9356 Bil	8.0%	6.6%	3.27	3.06	2.96	7	WES	18	0.344	\$ 0.40	1.4%	20	29%	22.4%	
CQP	Chenier	\$ 55	Mid Core	26.7233 Bil	6.3%	6.3%	2.04	38.06	0.84	12.72	CQP	18	0.250	\$ 0.45	0.7%	20	15%	13.7%	
DTM	DT Midstream	\$ 53	Small Core	5.1985 Bil	4.8%	4.7%	5.89	1.31	—	13.12	DTM	25	0.100	\$ 0.05	0.1%	15	1%	5.4%	
Average->					7.3%	7.1%	2.5	4.4	1.6	11.3								at 1/2 of Opt Potential	
												25	0.278	\$ 0.32	0.9%		13.4%	13.0%	

ASSET	\$ Capital	% Div Yr	% Opt Yr	% Total Yr	\$ Int l qtr
AMLP - Alerian MLP Div & Options	\$ 50,000	6.0%	0.0%		\$ 750
ET	\$ 12,500	6.7%	8.5%		\$ 475
EPD	\$ 12,500	7.6%	12.0%		\$ 613
WMB	\$ 12,500	5.7%	4.0%		\$ 303
CQP	\$ 12,500	6.3%	7.0%		\$ 416
S Total MLPs (4 positions eq)	\$ 100,000			10.2%	\$ 2,556

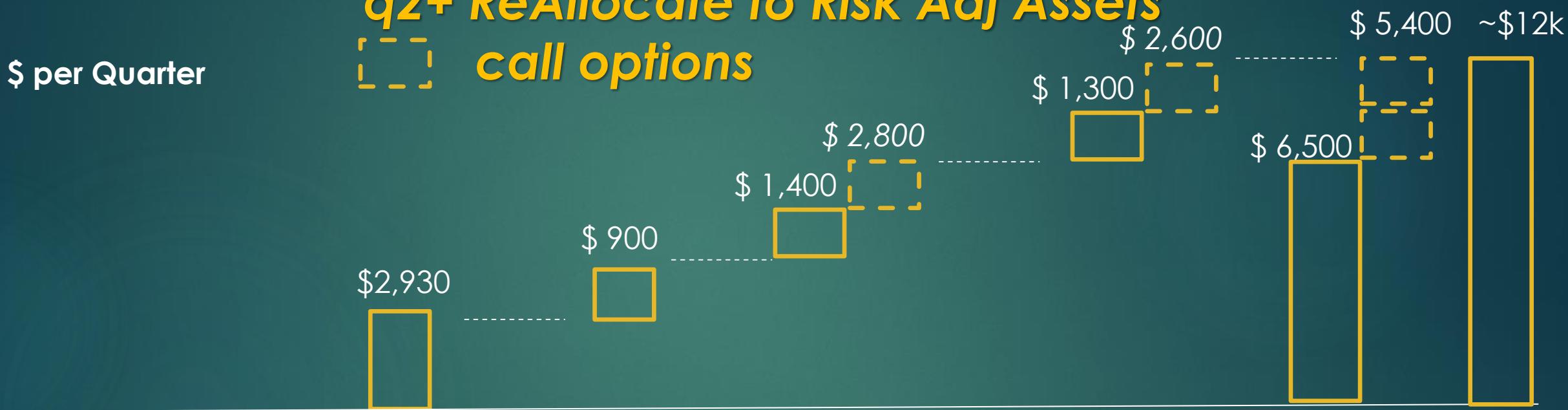
4. POSITIONS and NEXT STEPS – Harvest 2023

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q1 Demonstrate \$12k income/qtr

q2+ ReAllocate to Risk Adj Assets

call options



	Gold (Hedge)	13 wk Tbill Ladder	Corp Bonds	Magnificent 7 Original Eq. Pos	New 6 Eq Positions	- Total -
Capital \$k	\$50k	\$245k	\$50k	~\$200k	\$175k	\$720
Incremental Return	0	4.8%	7%	2.8% + 5.6%	3% + 6%	6.7%

A – Inc Sig Jan 2020 to Dec 2022

B – Data Sources

C – MLP Technical Profiles

Appendix A

Income SIG - History & Future

- ▶ Started January 2020 as part of Houston Investment Association
 - ▶ Impacted by Covid starting March 2020
 - ▶ Strong performance for 2020-21
 - ▶ Went to cash in 2022
- ▶ Run as a SIG under a board of advisors
- ▶ Advisors include SIG participants & leadership
- ▶ SIG Leader: Frank Erzinger
- ▶ Monthly SIG meetings & investment decisions
- ▶ Meetings held 45 minutes prior to Chapter meetings

Propose we continue with similar approach

Appendix A

SIG Mission - Demonstrate methods decent returns with a low risk profile

- ▶ All/Income SIG are NOT Broker Dealers or Investment Advisors
- ▶ SIG purpose is for didactic discussion & educational purposes only
- ▶ Options / Futures & Currencies are avoided due to added risk
- ▶ Past Performance is NOT Indicative of Future Results, but likely rhymes
- ▶ Presentation is For Personal, Non-Commercial Use Only
- ▶ DYOA - In all investment analysis ... trust, but verify ... & do your own analysis

Appendix A

Income SIG - Guidelines

- Consider all Asset Classes Based on Risk / Reward
 - Equities will have primarily US Focus
- Target Returns – High Single Digits
- Target Time Frame – 3 months to 3 years
- Taxation – All Pre Tax
- Advisory/Trading Expenses
 - None incurred or charged against performance

Appendix A

Income SIG - Methodology

- ▶ \$500k with max 20 positions at \$25-50k each starting Jan 2020
- ▶ MS 3+ Min, Max 2 Companies per Industry Segment

- ▶ Selection/Retention – Financials > Top quartile
Income St. – Rev Growth, Margin, Earnings
- ▶ Bal Sheet – Debt Leverage, Interest Coverage
- ▶ Cash Flow – Free Cash Flow, Stock Buy Back
- ▶ Valuation parameters

	<u>Key Ratios</u>
Income St. – Rev Growth, Margin, Earnings	EPS, CFPS
Bal Sheet – Debt Leverage, Interest Coverage	D/E, DSCR
Cash Flow – Free Cash Flow, Stock Buy Back	RoA>2.5%, RoE>6%
Valuation parameters	DPS, Payout ratio
	Price to: S, E, B, CF
	EV/EBITDA

Appendix A

Five S's - Best Practices - Jan 20 to Oct 22

- ▶ Stay with what's working
 - ▶ Portfolio up 28% in 23 months
- ▶ Shift to Momentum now that Fed has cancelled market “put”
- ▶ Step in/out
 - ▶ Rigorous set points to enter & exit the market
 - ▶ Set positions in thirds (?)
- ▶ Sustain by prioritizing Capital Preservation over Income
- ▶ Sleep well
 - ▶ Fund managers have pressure to trade
 - ▶ We do NOT

- ▶ Historically Focus - US Dividend Stocks
- ▶ Certificates of Deposit (CDs)
- ▶ Inflation Adjusted Notes
- ▶ Public Bonds, notes
- ▶ Master Limited Partnerships (MLPs)
- ▶ Real Estate Investment Trusts (REITs)
- ▶ Business Development Companies (BDCs)
- ▶ ETFs & Mutual funds
- ▶ Private Investments
- ▶ Hedge Funds – Uncorrelated Assets

Appendix B - Broad Data Sources

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ECONOMICS

- A1 LEI Leading Econ Indicators
- A2 GDP – QoQ, YoY “GDP Now”
- A3 Inflation – CPI, PPI, CIE
- A4 Credit Markets & Spreads
- A5 Sector Drivers

SENTIMENT

- B1 Sentiment – 75dma
- B2 “ - Investors
- B3 “ - Fund Mgrs
- B4 “ - CNNvB

ASSET ROTATION

- C1 Relative Rotation
- C2 Prospect->Best Few
- C3 DJ – 128 Industrial Groups

VALUATIONS

- C1 Schiller Market Val
- C1 Morningstar / Value Line
- C2 Dividend King
- C3 Compustat
- C4 Options

INSIDER TRADES

- Institutional Investors 13f Filings

<u>Source</u>	<u>Publisher (timing)</u>	<u>Inc Sig Use</u>
Conference Board	Fed (monthly updates)	LT Risk On/ Off by Asset Class
Fed – Atlanta, Survey	Fed Web Site(s) (monthly)	ST Risk On/Off by Asset Class
Fed – Cleveland	“ “ “ “ “	
Moodys	Market Outlook	Credit Spreads
CB		
Delta Mgmt Group	Barrons (wkly)	Entry / Exit Alerts – On, 2/3, 1/3,Off
AAll National Web Site	Web and Magazine (wkly)	“ “ “
BoAmerica – Survey	Monthly	“ “ “
CNN – Fear / Greed	SS- Seven Sentiments	Entry or Exit, Risk On / Off
etfdb.com, RRG's	etfdb, stockcharts	
Sector Surfer	sumgrowth.com	
Dow Jones	Barrons Dloads	
multipl.com/CAPE	Schiller	Asset Valuation History
finra.com		Company Valuation History/Fcst
SeekingAlpha.com	Weekly+	Div History, Cash Flow Analysis
fidelity.com		“
optionsplay.com/ finra		Entry / Exit Economics
dochoh.com	Quarterly	

Themes – Top Picks **ENB-CA, LNG, WMB, EPD, ET, MPLX**

	Yield	YTD perf
BDC's 11.4	11.4%	-23%
ML US B-BB Hyield	8.7%	-18%
MLPs	8.4%	+12.5%
Boody BAA IG Index	6.0%	
FTSE NARIET Index	4.4%	
Moody Municipal Index	4.3%	-13.9%
US 10 yr Treasury	3.9%	-16.2%
S&P 500 Utilities	-8.6	

Indexes**AMNA – Alerian Midstream Index****AMZ – Alerian MLP Index**

Source: Midstream Monthly by Wfargo – 10-05-2022

Appendix C - MLPS

MLPs – AMLP - Alerian MLP Infrastructure eff 11/29/22

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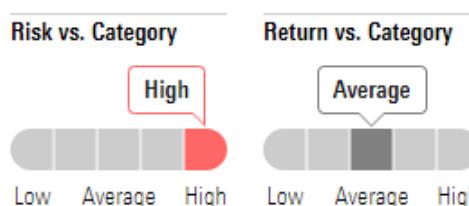
Value & Growth Measures	Investment	Cat. Average	Index
Price/Earnings	10.47	11.26	9.18
Price/Book	2.28	2.31	2.39
Price/Sales	0.48	0.41	0.53
Price/Cash Flow	4.82	4.32	5.07
Dividend Yield %	6.00	5.64	7.05
Long-Term Earnings %	4.80	5.77	4.15
Historical Earnings %	8.13	10.98	17.74
Sales Growth %	5.39	1.69	5.21
Cash-Flow Growth %	4.85	2.56	3.99
Book-Value Growth %	-9.12	-7.15	-7.40

Market Volatility Measures <small>i</small>			
Capture Ratios	Investment	Category	Index
Upside	144	136	150
Downside	133	121	134
Drawdown	Investment %	Category %	Index %
Maximum	-60.23	-51.36	-63.27
Drawdown Peak Date	Drawdown Valley Date	Max Drawdown Duration	
Oct 01, 2019	Mar 31, 2020	6 Months	

AMLP Companies

Plains All American Pipeline LP
Energy Transfer LP
Magellan Midstream Partners LP
Western Midstream Partners LP
MPLX LP Partnership Units
Enterprise Products Partners LP
EnLink Midstream LLC
DCP Midstream LP
Cheniere Energy Partners LP
Crestwood Equity Partners LP

Morningstar Risk & Return i



Category: Energy Limited Partnership as of Oct 31, 2022
| Rankings are out of 99 investments.

Risk & Volatility Measures i

Trailing	Investment	Category	Index
Alpha	10.44	9.23	13.01
Beta	1.77	1.55	1.86
R ²	50.66	57.51	48.39
Sharpe			
Ratio	0.43	0.45	0.46
Standard Deviation	49.05	40.55	52.74

NuStar Energy LP

Hess Midstream LP Class A
Genesis Energy LP
Holly Energy Partners LP
Delek Logistics Partners LP

Appendix C

MLPs – AMLP – Prior Peak = New Floor 11/29/22

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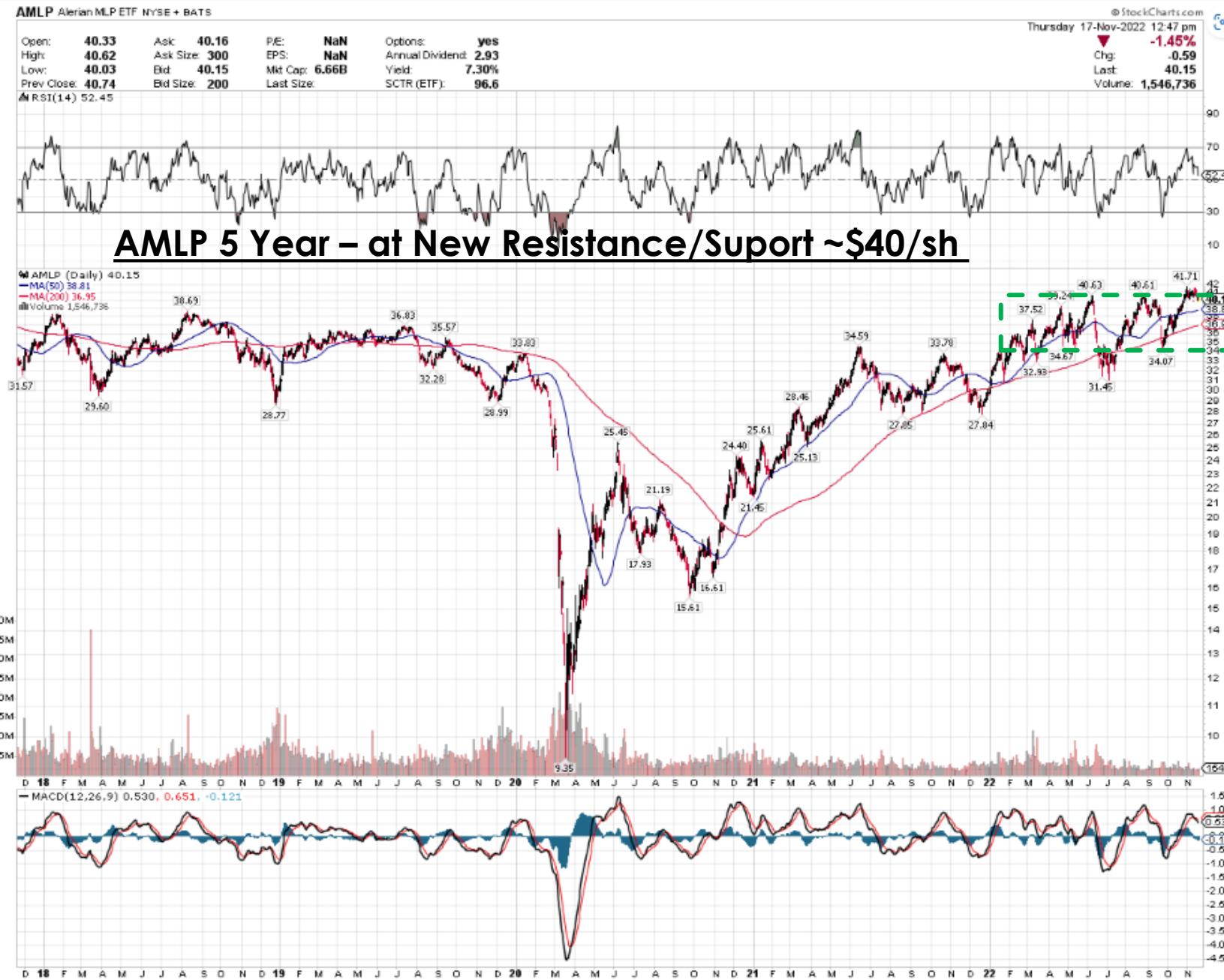


RSI = $\frac{\text{Oct10}}{49}$

Trends	\$/sh	\$/sh
Today	= \$37	40.7

50dma	= 38	38.8	39
200 dma	= \$36	36	37

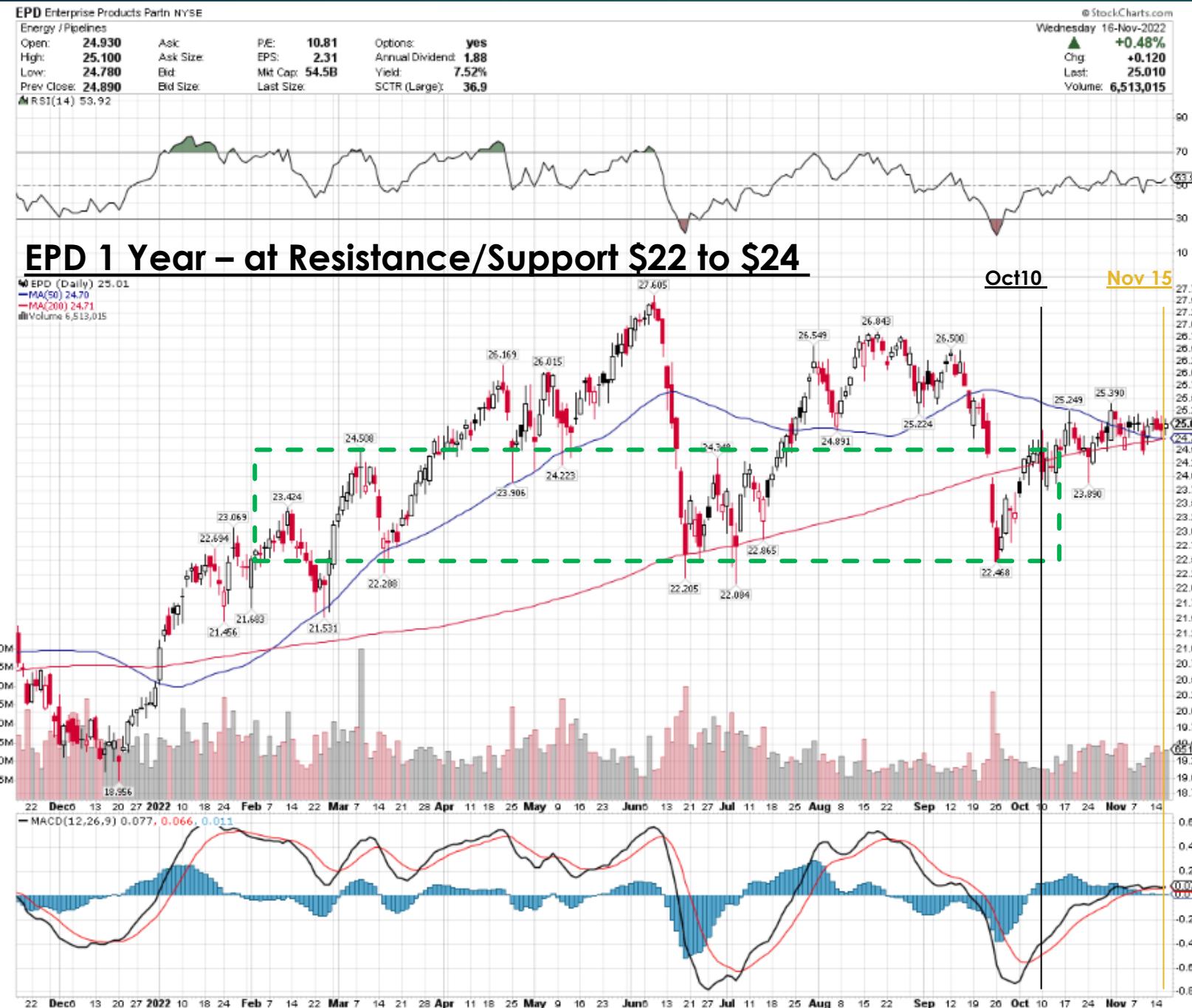
MACD (12,26,9)
-0.31, -0.41, -0.090, 0.52, 0.60, -0.12

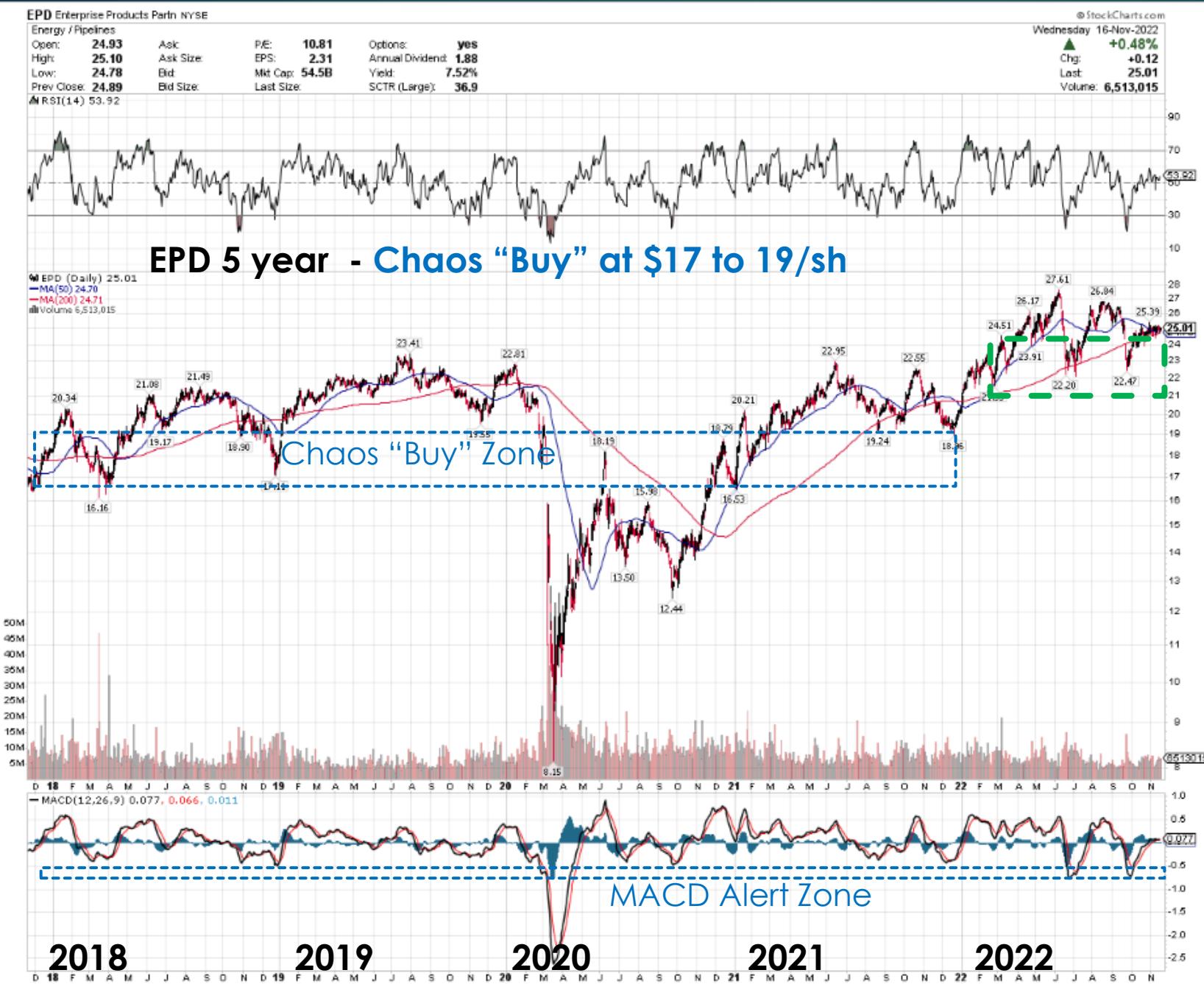


Trends **\$/sh**
Today = \$41
50dma = 39

200 dma = \$37

MACD (12,26,9)
-0.31, -0.41, -0.090





Oct10
47

Nov 15
53

Trends \$/sh
50dma = \$25.87 \$24.70
Today = \$24.70 \$25.01
200 dma = \$24.80 \$24.71

MACD (12,26,9)
-0.35, -0.46, -0.114 .077,.066,.011