

Income Securities

BUILDING YOUR WEALTH WITH BONDS, CONVERTIBLES & PREFERREDS **INVESTOR**

Volume XII **Issue 1**

Corporate Updates 2

Recommendations

Preferred Stocks 3

Bonds 3

CEFs 3

Common Stocks 4

Master Limited Partnerships 4

Mandatory Convertible Preferred Stocks 8

Pricing

Corp. Bonds & MLPs... 5

Preferreds 6

Common Stocks 7

Closed End Funds..... 7

Rating Changes 8

New Preferreds 8

Model Portfolios 9

Interest Rates & Yields . . 10

ALL PRICING AS OF 12/30/22

Martin Fridson, CFA, *Editor*

Pick of the Month

PacWest Bancorp is a regional bank holding company, headquartered in Los Angeles, with \$41.5 billion in total assets. It focuses on relationship-based banking with small and middle-market customers, as well as venture-backed businesses nationwide. PacWest offers a broad range of loan, lease, and deposit products through full-service branches located throughout California, Denver, Colorado and Durham, North Carolina. Forbes named it the best U.S. bank in 2017. The company's 7.750% Series A preferred currently has an indicated yield of 7.75% and a yield-to-call of 7.75%. The non-rated issue is a fixed-rate-reset, non-cumulative perpetual. It trades under the ticker PACWP. For details, see p. 3.

www.isinewsletter.com

Income Continued Flowing in 2022 Price Plunge

Our Model Portfolios beat their benchmarks over the past five years, with a minor exception in the Medium Risk to REITs comparison.

The just completed year was brutal for every asset category from income securities to tech stocks to cryptocurrency. Fortunately for income investors, their primary objective was fulfilled, even as they sustained substantial paper losses. For example, the ICE BofA Fixed Rate Preferred Securities Index delivered a 4.61% cash income return on initial principal in 2022. The -19.21% price change during the period did not impede investors' ability to meet their living expenses, although

Model Portfolios delivered solid long-run performance.

it did provide opportunities for tax loss harvesting.

Every so often, interest rate shocks occur and the prices of bonds, preferreds, and closed-end funds drop sharply. Market pundits can debate whether the fault lies with excessive government spending, misguided Fed policies, or simply the inherent cyclicality of the economy and financial system. But investors' experience looks much different through a multi-year lens

continued on page 11

Model Portfolios*	2018	2019	2020	2021	2022	Cum. Growth of \$1
Low-Risk	4.92%	18.06%	6.48%	12.52%	-15.38%	\$1.256
Medium-Risk	10.20%	13.34%	-0.11%	9.53%	-8.86%	\$1.245
High-Risk	12.54%	8.28%	-3.45%	15.01%	-13.15%	\$1.175
Multi-Driver	9.38%	19.91%	11.40%	14.61%	-17.42%	\$1.383

Mkt. Indexes*	2018	2019	2020	2021	2022	Cum. Growth of \$1
BIG Bonds	-2.27%	14.41%	6.17%	5.36%	-11.21%	\$1.111
BIG Preferreds	-4.99%	19.59%	8.61%	6.24%	-18.46%	\$1.069
REITs	-4.51%	25.89%	-7.83%	42.46%	-24.21%	\$1.196

*Total Return

Keep-in-Minds on Model Portfolio Revisions

This month's newsletter is one page longer than usual so that we can present and explain the 2023 Model Portfolios. Here's where to find the relevant information:

Page 2: Details on issues that have been removed from each Model Portfolio and the issues that have replaced them.

IMPORTANT: Removal of an issue does NOT mean that our recommendation has gone to SELL. Any time we change a recommendation, you will read about in Corporate Updates (which ordinarily appear on page 2) or in the Current Recommendations section beginning on page 3. There are several reasons for removing an issue at the start of the year that do not involve an unfavorable change in the company's financial

Removal doesn't mean the security has gone to SELL.

condition or business prospects. For example, an issue that's in fine shape may have reached its fair value price. In that case, we'll replace it with a similar security that has greater remaining upside. Alternatively, a similar issue may have become available that has a superior structure or offers more yield for the risk. A preferred may be approaching its call date. A mandatory convertible preferred may be approaching its mandatory conversion date.

Consult your tax advisor before making a sale that may generate a capital gains liability.

continued on page 2

SEE PAGE 10 for 2023 Model Portfolio Composition

Low-Risk 2022 Model Portfolio Removed Issues

Charles Schwab Corp. – 4.45% Preferred Stock (SCHW-J)
Delaware Enhanced Global Dividend & Income Fund – Closed-End Fund (DEX)
Federal Agricultural Mortgage Corp. (Farmer Mac) – 5.25% Preferred Stock (AGM-F)
Hancock Whitney Corp. – 6.25% Subordinated (PET) Notes, due 06/15/2060 (HWCPZ)
JPMorgan Chase & Co. – 4.75% Preferred Stock (JPM-J)
Pfizer, Inc. – Common Stock (PFE)
Virtus AllianzGI Intelligence & Technology Opportunities Fund – Closed-End Fund (AIO)
Wells Fargo & Company – 4.70% Preferred Stock (WFC-A)

Low-Risk Model Portfolio Replacements for 2023 (Alphabetically)

Bank of America Corp. – 4.250% Fixed Rate, Preferred Stock (BAC-Q)
Cohen & Steers REIT & Preferred and Income Fund, Inc. – Closed-End Fund (RNP)
Duke Energy Corp. – Common Stock (DUK)
JPMorgan Chase & Co. – 4.200% Fixed Rate, Preferred Stock (JPM-M)
KeyCorp – 6.200% Fixed Rate-Reset, Preferred Stock (KEY-L)
Morgan Stanley – 6.500% Fixed Rate, Preferred Stock (MS-P)
ProShares Investment Grade-Interest Rate Hedged ETF – Closed-End Fund (IGHG)
Putnam Municipal Opportunities Trust – Closed-End Fund (PMO)

Medium-Risk 2022 Model Portfolio Removed Issues

Becton Dickinson & Co. – 6.00% Mandatory Convertible Preferred Stock (BDXB)
BlackRock Science & Technology Trust – Closed-End Fund (BST)
Liberty All Star Growth Fund – Closed-End Fund (ASG)
Selective Insurance Group – 4.60% Fixed Rate, Preferred Stock (SIGIP)
Stifel Financial Corp. – 6.125% Fixed Rate, Preferred Stock (SF-C)
Tekla World Healthcare Fund – Closed-End Fund (THW)
UGI Corp. – 7.250% Mandatory Convertible Equity Units, due 06/01/24 (UGIC)

Medium-Risk Model Portfolio Replacements for 2023 (Alphabetically)

AES Corp. (The) – 6.875% Mandatory Convertible Equity Units, due 02/15/24 (AESC)
BlackRock Multi-Sector Income Trust – Closed-End Fund (BIT)
Devon Energy Corp. – Common Stock (DVN)
Nuveen Floating Rate Income Fund – Closed-End Fund (JFR)
PIMCO Municipal Income Fund II – Closed-End Fund (PML)
Synovus Financial Corp. – 5.875% Fixed Rate-Reset, Preferred Stock (SNV-E)
Vici Properties, Inc. – 4.750% Senior Notes, due 02/25/28 (Par \$1,000) (VICI)

High-Risk 2022 Model Portfolio Removed Issues

BlackRock Debt Strategies Fund – Closed-End Fund (DSU)
Calamos Global Total Return Fund – Closed-End Fund (CGO)
Clarivate, Plc – 5.250% Mandatory Convertible Preferred Stock (CLVT-A)
Crestwood Equity Partners, LP – Master Limited Partnership (CEQP)
Clough Global Opportunities Fund – Closed-End Fund (GLO)
Gaming and Leisure Properties – Common Stock (GLPI)
Medallion Bank – 8.00% Fixed-to-Floating Rate Preferred Stock (MBNKP)

High-Risk Model Portfolio Replacements for 2023 (Alphabetically)

Chesapeake Energy Corp. – Common Stock (CHK)
Natural Resource Partners, LP – Master Limited Partnership (NRP)
Midland States Bancorp – 7.750% Fixed Rate-Reset Preferred Stock (MSBIP)
NextEra Energy, Inc. – 6.926% Mandatory Convertible, Cumulative Equity Units (NEE-R)
PIMCO Dynamic Income Fund – Closed-End Fund (PDI)
Sachem Capital Corp. – 6.00% Fixed Rate Senior PET Notes, due 03/30/27 (SCCE)
Trinity Capital, Inc. – 7.00% Fixed Rate Senior PET Notes, due 01/16/25 (TRINL)

(continued on page 10)

Keep-in-Minds on Model Portfolio Revisions

(continued from page 1)

Page 9: Full-year returns on the 2022 Model Portfolios.

Returns on the 2023 Model Portfolios will begin to be reported in the February issue.

Page 10: Composition of the 2023 Model Portfolios.

The numbers of shares or bonds (“QTY” for “quantity”) shown for each security in the table are based on a total portfolio size of \$100,000, equally divided among the ten holdings. Adjust proportionally for the amount you invest in one of these strategies. We don’t utilize fractional shares, so the Model Portfolios’ beginning-of-year values will not be exactly \$100,000.

Model Portfolio Revision: Why and How

Our four Model Portfolios give you the opportunity to evaluate our research by monitoring the performance of a diversified selection of our recommendations. Every month we detail on page 9 each portfolio’s year-to-date progress. Some subscribers replicate one of the Model

Portfolios for a portion of their investments, selecting that which best matches their risk profile.

Each January we update the Model Portfolios. We intend their composition to remain unchanged until the following January. An unavoidable exception may occur if a bond or a preferred is redeemed through a tender.

The Model Portfolios are not actively managed in-between January updates. The idea is to show subscribers how our selections perform, for better or worse. In the January, April, July, and October newsletters we compare the Model Portfolios’ long-run performance with relevant benchmarks. If a severe shock were to impair an issuer’s cash-generating capability, however, we would not wait until the following January update to replace it. This exception to our usual procedure would prevent a new subscriber from replicating a Model Portfolio that contained a security we would definitely not recommend as of that date.

Preferred Stocks

Midland States Bancorp; 7.750% Fixed Rate-Reset, Series A, Non-Cumulative Perpetual; Par \$25.00; Annual Fixed Rate Cash Dividend \$1.9375; Current Price \$25.97; Current Indicated Yield 7.46%; Call Date 09/30/27 at \$25.00; Yield to Call 6.90%; Pay Cycle 3e; Exchange NASDAQ; Ratings, Moody's NR, S&P NR; CUSIP 597742303; Symbol MSBIP (www.midlandsb.com)

Midland States Bancorp, Inc. (MSBI) is a small, community-based, financial services-banking company with \$7.58 billion in total assets as of 09/30/22. MSBI is based in central Illinois, serving retail customers, small businesses, and corporate clients throughout communities in Illinois. The company offers a full range of financial services that include retail and commercial banking, equipment financing, and real estate construction lending, as well as wealth and treasury management. MSBI's fixed rate-reset preferred has a 7.750% dividend until the initial 09/30/27 call date. This issue may be redeemed in whole or part on 09/30/27 or any dividend payment date thereafter. **If preferred shares are not redeemed in their entirety, the dividend then resets to the five-year U.S. Treasury rate plus 4.713%, resetting every five years.** MSBI reported 2Q 2022 net income of \$23.5 million or \$1.04 per share, beating analysts' \$1.01 estimates. Bottom-line results climbed 20.3% from a year ago on strong loan growth and higher net interest income. Revenue of \$79.8 million also topped estimates. **Dividends on this preferred are qualified and taxed at the 15%-20% rate. This investment is suitable for medium- to high-risk taxable portfolios. Buy at \$27.25 or lower for a 7.11% current yield and a 5.60% yield to call.**

Bonds

Vici Properties, Inc.; 4.750% Senior Notes, due 02/25/28; Bullet Maturity; Par \$1,000; Annual Cash Interest Payment \$47.50; Price \$95.35; Credit Spread +186 Basis Points/5-Year Treasury; Current Yield 5.86%; Exchange OTC; Ratings, Moody's Ba1, S&P BBB-; CUSIP 925650AB9; Symbol VICI (www.viciproperties.com)

VICI Properties, Inc. (VICI) is a REIT that owns one of the largest portfolios of market-leading gaming, hospitality, and entertainment properties in the nation. The company's operators are located in geographic areas that include, but are not limited to Las Vegas, Lake Tahoe, Atlantic City; Louisiana, Mississippi, and Missouri. VICI was created in late 2017 as a spin-off from Caesars Entertainment Operating Company. The company has a portfolio consisting of 43 gaming facilities, more than 122 million square feet, and approximately 58,700 hotel rooms. VICI's hospitality operators include Caesars Entertainment, Century Casinos,

PacWest Bancorp; 7.750% Fixed Rate-Reset, Series A, Non-Cumulative Perpetual; Par \$25.00; Annual Fixed Rate Cash Dividend \$1.9375; Current Price \$25.00 Current Indicated Yield 7.750%; Call Date 09/01/27; Yield to Call 7.750%; Pay Cycle 3b; Exchange NASDAQ; Ratings, Moody's NR, S&P NR; CUSIP 695263202; Symbol PACWP (www.pacwestbancorp.com)

PacWest Bancorp (PACW) is a regional bank holding company, headquartered in Los Angeles, with \$41.5 billion in total assets. PACW is focused on relationship-based banking with small and middle-market customers, as well as venture-backed businesses nationwide. The banking company offers a broad range of loan, lease, and deposit products through full-service branches located throughout California, Denver, Colorado and Durham, North Carolina. PACW's lending products include asset-based, equipment, and real estate lending to middle-market companies on a national basis. The company also provides venture banking products and services geared for entrepreneurial venture-backed businesses. The annual fixed rate dividend on this preferred issue is 7.750% up until the initial 09/01/27 redemption date. **If the preferred shares are not redeemed in their entirety, then the preferred issue will reset at the five-year Treasury rate, plus 4.82%, resetting every five years thereafter.** PACW reported 3Q 2022 net income of \$122.2 million or \$1.02 per share, missing analysts' \$1.08 estimates. Revenues of \$373.8 million fell a bit short of expectations, as external events and related capital markets volatility negatively affected revenue momentum. **This preferred investment is suitable for medium- to high-risk taxable portfolios. Dividends are qualified and taxed at the 15%-20% rate. Buy at \$26.60 or lower for a 7.28% current yield and a 6.18% yield to call.**

the Eastern Band of Cherokee Indians, Hard Rock International, MGM Resorts International, Penn Entertainment, and The Venetian Las Vegas. The REIT also owns golf courses and has partnership relationships with non-gaming operators, including Canyon Ranch, Chelsea Piers, and Great Wolf Resorts. VICI recently announced it will be acquiring the 49.9% interest in MGM Grand Las Vegas and Mandalay Bay resort owned by Blackstone Real Estate Income Trust, giving the company 100% ownership. VICI benefits from predictable cash flows, long-term leases, and high occupancy. Cash flows have been aided by fixed rent payments, with annual contractual rent escalators. VICI reported 3Q 2022 adjusted funds from operations (AFFO) of \$470.7 million, an 82.8% year-over-year increase fueled by acquisitions and the economy's rebound. AFFO of \$0.49 per share matched analysts' estimates. **Trading at a discount and with a yield of almost 5.50%, this senior note's comparatively short duration offers value for medium-risk tax-deferred portfolios. Interest payments are taxed as ordinary income. Buy at \$101.50 or lower.**

Closed-End Funds

ProShares Investment Grade-Interest Rate Hedged ETF; Current Price \$71.11; Current Annualized Yield 4.33%; Exchange BZX (Cboe Global Markets); Premium to Net Asset Value +0.28%; Pay Cycle Mb; Expense Ratio 0.30%; Leverage Ratio 0.00%; CUSIP 74347B607; Symbol IGHG (www.proshares.com)

ProShares Investment Grade-Interest Rate Hedged ETF (IGHG) is an exchange traded index ETF that tracks the FTSE Corporate Investment Grade (Treasury Rate-Hedged) Index. The ETF is designed to provide diversified exposure to a liquid portfolio of investment grade bonds, while seeking to limit the impact from rising interest rates. Corporate bonds are rated Baa3 and BBB- or higher by Moody's and S&P, respectively. Issuer exposure is capped at 3% of the total market value of the investment grade position. IGHG offers return from a diversified port-

folio of investment grade corporate securities, targeting zero interest rate risk equivalent to the fund's bond portfolio. IGHG incorporates a hedge against rising rates, using short positions in U.S. Treasury futures. Sector exposure as of 09/30/22 was dominated by Bank & Finance (40.40%), Industrial - Service (15.94%), Industrial - Manufacturing (14.96%), Industrial - Energy (10.26%) and Utilities - Telecom (10.23%). The fund's top positions included GE Capital International 4.418% 11/15/35 (1.97%), JPMorgan Chase 6.40% 07/15/38 (1.86%), Goldman Sachs 6.250% 02/01/41 (1.83%), HSBC Holdings 4.950% 03/31/30 (1.79%) and Apple Inc. 3.450% 02/09/45 (1.72%). IGHG's market price YTD total return through 12/14/22 was -1.05%, comfortably outperforming most investment grade bond indices in 2022. **Distributions are variable, based on IGHG's underlying holdings, and largely taxed as ordinary income. This ETF is suitable for low- to medium-risk tax-deferred portfolios. Buy at \$76.00 or lower, which is a 4.05% annualized yield.**

CURRENT RECOMMENDATIONS

continued

Pay Cycle: denotes dividend payment months. 1: Jan., Apr., Jul., Oct.; 2: Feb., May, Aug., Nov.; 3: Mar., Jun., Sep., Dec.; M: monthly; b: beginning of month; m: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay.

Common Stocks

Diversified Healthcare Trust (REVIEW); Current Price \$0.65; Current Annualized Yield 6.25%; Last Dividend Paid 11/17/22; Exchange OTC; Ratings, Moody's Caa1, S&P B; Pay Cycle 2m; CUSIP 25525P107; Family Common Stock; Symbol DHC (www.dhreit.com)

Diversified Healthcare Trust (DHC) is a REIT that owns and leases independent and assisted living communities, continuing care retirement communities, nursing homes and wellness centers, as well as medical and biotech offices throughout the nation. **We changed our recommendation on DHC to Hold from Buy for medium-risk, tax-deferred portfolios in May 2018. The change in recommendation was due to the company's aggressive acquisition strategy and increased debt leverage.** Occupancy levels remain under pressure in an industry with excess capacity. Oversupply has compromised pricing on rental and net operating income. As a result, adjusted funds from operations and coverage ratios are severely challenged. Concerns regarding the dividend were valid, as DHC slashed its quarterly distribution from \$0.15 per share to a penny in May 2020. The company's financial picture has deteriorated considerably in the last year, as leverage remains high and recovery in the senior housing operating portfolio became protracted. **DHC is not in compliance with debt covenants in its revolving credit facility. According to the rating agencies, a waiver is in place regarding DHC's fixed charge coverage covenants.** Liquidity concerns remain a major issue. Both Moody's and S&P have cut the company's senior debt ratings to the lower end of non-investment grade or distressed. **With this review, we are changing DHC's recommendation to Sell from Hold.**

3M Company; Current Price \$119.92; Current Annualized Yield 4.97%; Last Dividend Paid 12/12/22; Exchange NYSE; Ratings, Moody's A1, S&P A+; Pay Cycle 3m; CUSIP 88579Y101; Family Common Stock; Symbol MMM (www.3m.com)

3M Company (MMM) is a science-based corporation with leading businesses in numerous areas that include Safety & Industrial (SI), Transportation & Electronics (TE), Health Care (HC), and Consumer (C). Products and services include, but are not limited to, Structural Adhesives & Tapes, Electrical Products & Materials, Hygiene Products, and Respiratory, Hearing & Eye Protection Solutions. MMM has a major presence providing or producing Packaging & Interconnection Solutions, Attachment Tapes & Protective Films, and Reflective Materials. The company also provides Infection Prevention Products

& Solutions, Dentistry & Orthodontia Solutions, and Filtration & Purification Systems. MMM's consumer sector products include Retail Abrasives, Paint Accessories, Home Cleaning Products, and Consumer Air Quality Solutions. Solid credit ratings reflect MMM's strong leadership positions in a diverse range of businesses worldwide. The company has an enviable track record of steady dividend growth over the last ten years through many business cycles. MMM reported adjusted 3Q 2022 net income of \$1.53 billion or \$2.69 per share, surpassing analysts' \$2.61 estimates. However, revenue of \$8.62 billion slightly missed estimates. **This common stock investment is suitable for low-risk taxable portfolios. Dividends are qualified and taxed at the 15%-20% rate. Buy at \$148.00 or lower for a 4.03% annualized yield.**

Philip Morris International, Inc.; Current Price \$101.21; Current Annualized Yield 5.02%; Last Dividend Paid 10/12/22; Exchange NYSE; Ratings, Moody's A2, S&P A; Pay Cycle 1m; CUSIP 718172109; Family Common Stock; Symbol PM (www.pmi.com)

Philip Morris International, Inc. (PM) ranks among the world's leading international tobacco companies, with five (Marlboro, L&M, Chesterfield, Philip Morris, Sampoerna) of the 15 largest international brands. PM is building its future on replacing cigarettes with smoke-free products that offer a far better alternative than nicotine cigarettes. The company's objective is for smoke-free products to account for 50% of total net revenues by 2025. PM's tobacco and non-tobacco products are sold in more than 175 markets to over 150 million consumers worldwide. On May 11, 2022, the company announced that it and Swedish Match, AB (SWMAY) had agreed to terms for PM to acquire SWMAY for \$10.60 per share in cash, valuing the transaction at \$16.0 billion. On November 28, 2022, PM announced that it owned 93.11% of Swedish Match, and intends to acquire the remaining shares through a compulsory redemption and delisting of Swedish Match. The transaction reinforces PM's objective of replacing nicotine products with smoke-free products. Swedish Match manufactures and offers nicotine-free pouch products, moist snuff, chewing tobacco, chew bags, and more. PM reported strong 3Q 2022 net income of \$2.09 billion or \$1.34 per share. Adjusted bottom-line per share results of \$1.53, easily beat analysts' \$1.36 estimates. Operating momentum was solid, despite supply chain and inflationary pressures. **PM's common shares are suitable for low- to medium-risk taxable portfolios. Dividends are qualified and taxed at the 15%-20% rate. Buy at \$116.00 or lower for a 4.38% annualized yield.**

Master Limited Partnerships

CrossAmerica Partners, LP (REVIEW); Current Price \$19.83; Current Annualized Yield 10.59%; Last Dividend Paid 11/10/22; Exchange NYSE; Ratings, Moody's NR, S&P NR; Pay Cycle 2m; CUSIP 22758A105; Family Master Limited Partnership; Symbol CAPL (www.crossamericapartners.com)

CrossAmerica Partners, LP (CAPL) is an MLP and leading wholesale distributor of gasoline and diesel fuels. CAPL also operates convenience stores and is an owner-lessor of real estate properties for the retail distribution of motor fuels. The company has more than 1800 wholesale distribution outlets and more than 1100 retail locations throughout 34 states. CAPL distributes both branded and unbranded petroleum nationally. Wholesale petroleum product brands include Exxon, Mobil, Shell, BP, Sunoco, Phillips 66, Citgo, and Valero. With over 250 retail convenience stores, CAPL provides fuel, food, and daily essentials. Convenience stores are paired with outlets of national brands that include Dunkin' Donuts,

Subway, and Arby's. **We initially recommended CAPL as a Buy for medium- to high-risk taxable portfolios in September 2016. Our recommendation was changed to Hold in May 2020, as part of an MLP sector review.** The company reported strong 3Q 2022 financial results, with net income of \$27.6 million or \$0.71 per share, easily exceeding analysts' \$0.32 estimates. Revenue of \$1.27 billion beat the consensus estimate of \$845.8 million. Bottom-line earnings tripled from a year earlier, as spending significantly increased and personal and commercial highway traffic was sharply higher. Distributable cash flow covered the distribution by 2.55x, up from 1.53x a year earlier. **Distributions are tax-advantaged and variable, with CAPL issuing a K-1. We are changing our recommendation to Buy from Hold for medium- to high-risk taxable portfolios, and maintaining our fair value price at \$27.00.**

Current Recommendations continued on page 8

Exch	Issuer	Coupon Rate %	Maturity	CUSIP	Current Price	Current Yield %	Yield to Maturity %	Moody's Rating	S&P Rating	Call Date	Call Price	Yield to Worst %	Recommend
BONDS													
	TRACE ANR Pipeline Co	7.000	6/1/2025	001814AS1	104.43	6.70	5.02	A3	BBB+	N/A	N/A	4.67	BUY
	NYSE Boeing Co	5.150	5/1/2030	097023CY9	97.61	5.28	5.55	Baa2	BBB-	2/1/2030	100	5.51	BUY
	NYSE Consolidated Natural Gas	6.800	12/15/2027	209615BS1	105.07	6.47	5.61	Baa2	BBB	N/A	N/A	3.98	SELL
	NYSE Energy Transfer LP	3.750	5/15/2030	29278NAQ6	88.25	4.25	5.73	Baa3	BBB-	2/15/2030	100	5.72	BUY
	TRACE JPMorgan Chase & Co	7.020	PERPETUAL	48128BAD3	98.55	7.12	7.46	Baa2	BBB-	2/1/2023	100	7.50	BUY
	NYSE Kentucky Utilities Co	4.375	10/1/2045	491674BL0	86.22	5.07	5.44	A1	A	4/1/2045	100	5.54	BUY
	NYSE Louisville Gas and Electric Co	4.250	4/1/2049	546676AY3	83.88	5.07	5.41	A1	A	10/1/2048	100	5.42	BUY
	NYSE PG&E Corp	5.250	7/1/2030	69331CAJ7	91.25	5.75	6.76	B1	BB-	7/1/2025	102.625	6.80	BUY
	TRACE Safeway Inc	7.250	2/1/2031	786514BA6	99.00	7.32	7.42	Baa3*	B+*	N/A	N/A	7.40	BUY
	TRACE Sprint Communications LLC	6.875	11/15/2028	852060AD4	103.79	6.62	6.09	Baa3	BB+	N/A	N/A	6.06	HOLD
	NYSE Truist Financial Corp	3.875	3/19/2029	05531GAB7	92.28	4.20	5.35	A3	BBB+	2/16/2029	100	5.39	BUY
	NYSE Vale Overseas Limited	6.875	11/21/2036	91911TAH6	106.14	6.48	6.21	Baa3	BBB-	N/A	N/A	6.19	HOLD
	NYSE VICI Properties LP	4.750	2/25/2028	925650ab9	95.08	5.00	5.88	Ba1	BBB-	1/15/2028	100	5.88	BUY

Exch	Issuer	Coupon Rate %	Maturity	Current Price	Current Yield %	Yield to Maturity %	Moody's Rating	S&P Rating	Conversion Ratio	Common Price \$	Yield to Worst %	Recommend
BELOW INVESTMENT GRADE CONVERTIBLE BONDS												
	NYSE Dish Network Corp	3.4	8/15/2026	62.774	5.38	17.765	B3	CCC	15.343	14.04	16.56	BUY
	OTC Liberty Interactive LLC	4.0	11/15/2029	34.404	11.63	23.894	B3	B-	1.000	2.36	23.68	BUY

MASTER LIMITED PARTNERSHIPS

Symbol	Exch	Issuer	Current Price \$	Dvd Yield %	Tax	52 Wk High\$	52 Wk Low \$	Pay Date	Pay Periods	Curr Ann Yield %	Fair Value \$	Recommend
BEP	New York	Brookfield Renewable Partner	25.34	5.05	Var	41.95	24.13	12/30/2022	3e	5.05	39.50	BUY
CQP	NYSEAmerican	Cheniere Energy Partners Lp	56.87	6.79	Var	62.08	39.97	11/14/2022	2m	6.79	70.00	BUY
CEQP	New York	Crestwood Equity Partners Lp	26.19	9.89	Var	32.96	22.88	11/14/2022	3m	9.89	35.00	BUY
CAPL	New York	Crossamerica Partners Lp	19.83	10.59	Var	23.29	18.32	11/10/2022	2m	10.59	27.00	HOLD
EPD	New York	Enterprise Products Partners	24.12	7.79	Var	28.65	22.01	11/14/2022	2m	7.79	30.00	BUY
EVA	New York	Enviva Inc	52.97	6.75	Var	91.06	45.88	11/25/2022	2e	6.75	58.00	BUY
GHI	New York	Greystone Housing Impact Inves	17.61	12.15	Var	20.29	16.08	1/31/2023	2e	12.15	23.50	BUY
HESM	New York	Hess Midstream Lp - Class A	29.92	7.30	Var	35.71	24.33	11/14/2022	3m	7.30	21.00	BUY
LAZ	New York	Lazard Ltd-Cl A	34.67	5.60	Var	46.74	30.21	11/18/2022	3m	5.60	55.00	BUY
MMP	New York	Magellan Midstream Partners	50.21	8.29	Var	54.40	44.79	11/14/2022	2m	8.29	50.00	BUY
NRP	New York	Natural Resource Partners Lp	54.33	4.97	Var	54.33	32.38	11/22/2022	2m	4.97	50.00	BUY
NEP	New York	Nextera Energy Partners Lp	70.09	4.27	OI	86.06	61.31	11/14/2022	2m	4.27	57.00	BUY
PAA	NASDAQGS	Plains All Amer Pipeline Lp	11.76	7.09	Var	12.75	9.10	11/14/2022	2m	7.09	15.00	BUY
SGU	New York	Star Group Lp	12.05	4.99	15%	12.20	8.00	11/8/2022	3m	4.99	11.00	BUY
SUN	New York	Sunoco Lp	43.10	7.66	Var	46.95	34.26	11/18/2022	2m	7.66	50.00	BUY
VNOM	NASDAQGS	Viper Energy Partners Lp	31.79	7.68	Var	36.10	21.44	11/25/2022	3m	7.68	35.00	BUY
WLKP	New York	Westlake Chemical Partners L	23.50	8.02	Var	29.40	19.71	11/28/2022	3m	8.02	30.00	BUY

1. Fair Value \$: accumulate at or below this price. N/A: not applicable. *Ratings watchlisting: + Positive, - Negative, or (no sign) Direction uncertain.

PREFERREDS *previously recommended*

Symbol	Issuer	Coupon	Div. \$	Tax	Pay Cycle	CUSIP	Current Price \$	Current Yield %	Moody's/S&P Ratings	Call Date	Call Price \$	Yield to Call %	Debt Maturity	Fair Val \$	Recomm
PREFERREDS															
AUBAP	Atlantic Union Bankshare	6.875	1.698	15%	3b	04911A206	24.70	6.88	NA/NA	9/1/2025	25	7.14	PERP	26.25	BUY
BAC Q	Bank Of America Corp	4.250	1.060	15%	2b	06055H806	16.95	6.26	BBB-/Baa3	11/17/2026	25	15.64	PERP	20.00	BUY
SCHW J	Charles Schwab Corp	4.450	1.112	15%	3b	808513865	18.50	6.01	BBB/Baa2	6/1/2026	25	14.38	PERP	27.00	BUY
DTW	DTE ENERGY CO	5.250	1.309	OI	3m	233331859	21.20	6.18	BBB-/Baa3	1/30/2023	25	25.83	PERP	26.25	BUY
ETE	Energy Transfer Lp	7.600	1.893	15%	3e	29273v605	21.89	8.65	BB/NA	5/15/2024	25	18.73	PERP	24.75	BUY
AGM F	Farmer Mac	5.250	1.315	15%	1m	313148843	19.10	6.88	NA/NA	10/17/2025	25	15.88	PERP	26.80	BUY
HWCPZ	Hancock Whitney Corp	6.250	1.563	15%	3m	410120406	23.43	6.67	BBB-/Baa3	6/15/2025	25	9.37	6/15/2026	29.50	BUY
KEY L	Keycorp	6.200	1.546	15%	3m	493267843	24.53	6.30	BB+/Baa3	12/15/2027	25	6.67	PERP	25.90	BUY
LNCD	Lincoln National Corp	9.000	2.251	15%	3b	534187885	27.27	8.26	BBB-/NA	12/1/2027	25	7.06	PERP	27.75	BUY
MBNKP	Medallion Bank Utah	8.000	1.980	0.15	1b	58403B205	24.51	8.08	NA/NA	4/1/2025	25	8.52	PERP	26.50	BUY
MET A	MetLife Inc	7.750	1.427	15%	3m	59156R504	21.72	6.57	BBB-/Baa3	1/30/2023	25	210.26	PERP	21.00	BUY
MSBIP	Midland States Bancorp Inc	7.750	1.943	15-20%	3e	597742303	25.97	7.48	NA/NA	9/30/2027	25	6.88	PERP	27.25	BUY
MS P	Morgan Stanley	6.500	1.621	15%	1m	61762V853	25.25	6.42	BBB-/Baa3	10/15/2027	25	6.14	PERP	26.35	BUY
ONBPO	Old Natl Bancorp	7.000	1.743	OI	3m	68003D303	25.09	6.95	NA/Baa2	8/20/2025	25	7.03	PERP	26.50	BUY
PACWP	Pacwest Bancorp	7.750	1.924	15-20%	3b	695263202	25.00	7.70	NA/NA	9/1/2027	25	7.75	PERP	26.60	BUY
RF C	Regions Financial Corp	5.700	1.417	15%	2m	7591EP704	22.78	6.22	BB+/Baa3	5/15/2029	25	7.51	PERP	29.00	BUY
SCCE	Sachem Capital Corp	6.000	1.499	OI	3m	78590A703	20.13	7.45	NA/NA	3/9/2024	25	25.68	3/30/2027	23.50	BUY
SBNYP	Signature Bank New York	5.000	1.243	15%	3e	82669G203	15.37	8.09	NA/Baa1	12/30/2025	25	23.05	PERP	26.65	BUY
SPLP A	Steel Partners Hlds Lp	6.000	1.502	OI	2m	85814R206	22.97	6.54	NA/NA	1/30/2023	25	135.99	2/7/2026	24.60	BUY
SF C	Stifel Financial Corp	6.125	1.529	15%	3m	860630870	24.02	6.37	BB-/NA	6/15/2025	25	8.00	PERP	28.25	BUY
SNV E	Synovus Financial Corp	5.875	1.468	15%	3m	87161C709	21.75	6.75	BB-/NA	7/1/2024	25	15.85	PERP	25.00	BUY
TDS V	Telephone & Data Sys	6.000	1.487	15%	3e	879433761	13.10	11.35	B/Baa3	9/30/2026	25	26.17	PERP	27.75	BUY
TRINL	Trinity Capital Inc/Md	7.000	1.752	15%	3m	896442506	25.10	6.98	NA/NA	1/30/2023	25	7.94	1/16/2025	25.85	BUY
TRTNE	Triton International Ltd	5.750	1.430	15%	3m	G9078F156	19.50	7.33	BB/NA	9/15/2026	25	13.37	PERP	25.00	BUY
TFCO	Truist Financial Corp	5.250	1.303	15%	3b	89832Q745	21.31	6.11	BBB-/Baa2	6/1/2025	25	12.36	PERP	27.80	BUY
WAL A	Western Alliance Bancorp	4.250	1.064	15%	3e	957638406	20.49	5.19	NA/Baa1	9/30/2026	25	10.18	PERP	24.00	BUY

1. Tax: OI=Ordinary Income Rate, 15%=15% tax rate. 2. Pay Cycle: denotes dividend payment months. 1: Jan, Apr, Jul, Oct; 2: Feb, May, Aug, Nov; 3: Mar, Jun, Sep, Dec; M: monthly; b: beginning of month; m: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay. 3. Fair Value: accumulate at or below this price. NR: not rated. NA: not applicable. *Ratings watchlisting: + Positive, - Negative, or (no sign) Direction uncertain.

Symbol	Issuer	Issue %	Div. \$	Tax	CUSIP	Current Price \$	Current Yield %	Moody's/S&P Ratings	Conversion Rate	Premium %	Common Price \$	Fair Value \$	Recomm
MANDATORY CONVERTIBLE PREFERREDS													
AESC	AES Corp/The	6.88	6.88	OI	00130H204	102.01	6.73	NA/BB	3.156	12.68	28.76	105.00	BUY
AEPZZ	American Electric Power Co Inc	6.13	3.06	OI	02557T307	51.58	5.96	NA/BBB	0.500	9.47	94.95	57.00	BUY
BDBX	Becton Dickinson and Co	6.00	3.00	15%	075887406	50.08	6.04	NA/NA	0.178	10.70	254.30	70.00	BUY
CLVT A	Clarivate PLC	5.25	5.25	15%	G21810208	37.88	13.77	NA/NA	3.205	43.46	8.34	65.00	BUY
NEE R	NextEra Energy Inc	6.93	3.46	OI	65339713	50.19	6.92	NA/BBB	0.450	33.39	83.60	56.50	BUY
RBCP	RBC Bearings Inc	5.00	5.00	15%	75524B203	102.91	4.87	NA/NA	0.441	11.75	208.77	100.00	BUY
UGIC	UGI Corp	7.25	7.25	15%	902681113	86.43	8.45	NA/NA	1.902	22.49	37.07	110.00	BUY
OPTIONAL CONVERTIBLE PREFERREDS													
BAC L	Bank of America Corp	7.25	72.50	15%	060505682	1160	6.22	Baa3/BBB-	20.000	76.63	33.12	1450.00	BUY
EP C	El Paso Energy Cap Trst	4.75	2.38	OI	283678209	45.04	5.30	Baa3/BB+	0.720	242.02	18.08	57.50	HOLD
RPT D	RPT Realty	7.25	3.63	OI	74971D200	49.98	7.23	NA/NA	3.796	31.87	10.04	60.00	BUY
WFCL	Wells Fargo & Co	7.50	75.00	15%	949746804	1185	6.30	Baa2/BB+	6.381	353.64	41.29	1400.00	BUY

1. Tax: OI=Ordinary Income Rate, 15%=15% tax rate. z: zero-coupon bonds. *Ratings watchlisting: + Positive, - Negative, or (no sign) Direction uncertain.

Symbol	Exch	Issuer	CUSIP	Current Price \$	Indicated Yield %	Tax	52 Week High \$	52 Week Low \$	Paydate	Current Ann Yield %	Country	Fair Value \$	Recommend
COMMON STOCKS													
MMM	NYSE	3M Co	88579Y101	125.15	4.84	15-20%	181.78	107.07	12/12/2022	4.84	US	148.00	BUY
ABBV	NYSE	Abbvie Inc	00287Y109	161.61	3.61	15%	175.91	128.26	2/15/2023	3.44	US	175.00	BUY
CAH	NYSE	Cardinal Health Inc	14149Y108	76.87	2.59	OI	81.57	48.42	1/15/2023	2.58	US	85.00	BUY
CHK	NASDAQ	Chesapeake Energy Corp	165167735	94.37	14.47	Various	107.31	61.45	12/1/2022	10.97	US	115.00	BUY
DVN	NYSE	Devon Energy Corp	25179M103	61.51	8.96	OI	79.40	42.87	12/30/2022	8.56	US	84.00	BUY
DOW	NYSE	Dow Inc	260557103	50.39	5.36	15%	71.86	42.91	12/9/2022	5.36	US	65.00	BUY
DUK	NYSE	Duke Energy Corp	26441C204	102.99	3.86	15%	116.33	83.76	12/16/2022	3.86	US	110.00	BUY
ETR	NYSE	Entergy Corp	29364G103	112.50	4.08	15%	126.82	94.94	12/1/2022	3.91	US	115.00	BUY
ES	NYSE	Eversource Energy	30040W108	83.84	3.04	15%	94.63	70.54	12/30/2022	3.04	US	85.00	BUY
XOM	NYSE	Exxon Mobil Corp	30231G102	110.30	3.36	OI	114.66	61.21	12/9/2022	3.27	US	115.00	BUY
GLPI	NASDAQ	Gaming And Leisure Propertie	36467J108	52.09	5.60	OI	53.43	41.81	12/23/2022	5.57	US	52.00	BUY
HIW	NYSE	Highwoods Properties Inc	431284108	27.98	7.23	OI	47.44	24.51	12/13/2022	7.23	US	39.00	BUY
LYB	NYSE	LyondellBasell Industries Nv	NL0009434992	83.03	5.56	OI	112.53	71.46	12/5/2022	11.56	US	92.00	BUY
NWE	NASDAQ	Northwestern Corp	668074305	59.34	4.32	15%	63.06	48.68	12/30/2022	4.32	US	63.50	BUY
PM	NYSE	Philip Morris International In	718172109	101.23	5.08	15-20%	112.48	82.85	1/11/2023	5.04	US	116.00	BUY
PNW	NYSE	Pinnacle West Capital Corp	723484101	76.04	4.69	OI	80.60	59.03	3/1/2023	4.63	US	85.00	BUY
SAFT	NASDAQ	Safety Insurance Group Inc	78648T100	84.26	4.34	OI	99.75	76.78	12/15/2022	4.36	US	95.00	BUY
TRP	NYSE	TC Energy Corp	87807B107	39.86	6.90	15%	59.38	39.11	1/31/2023	7.11	CA	60.00	BUY
VOD	NASDAQ	Vodafone Group Plc-Sp ADR	92857W308	10.12	9.12	15%	19.05	9.94	2/3/2023	9.12	GB	18.50	BUY

CLOSED-END FUNDS

Symbol	Issuer	Current Price \$	Indicated Yield %	Net Asset Value \$	Premium Discount %	52 Week High \$	52 Week Low \$	52 Week High Date	52 Week Low Date	Pay Cycle	Fair Value \$	Recommend
ERC	Allspring Multi-Sector Income	9.8	10.71	9.59	2.19	13.34	8.27	1/3/2022	10/14/2022	1m	13.00	BUY
AFT	Apollo Senior Floating Rate Fund Inc	12.34	8.87	14.31	-13.77	17.2	12.15	1/19/2022	12/28/2022	Me	17	BUY
BIT	BlackRock Multi-Sector Income Trust	14.21	10.45	14.73	-3.53	18.28	13.42	1/3/2022	6/16/2022	3m	18.00	BUY
BUJ	BlackRock Util Infra & Pwr Opp	20.77	6.99	22.37	-7.15	27.38	18.71	1/10/2022	10/13/2022	Me	33.50	BUY
BSL	Blackstone Senior Floating Rate	12.43	7.49	14.00	-11.21	17.12	12.24	1/3/2022	12/28/2022	Me	16.00	BUY
RNP	Cohen & Steers Reit And Pref	20.38	13.26	20.10	1.39	28.12	17.94	1/4/2022	9/26/2022	3e	24.00	BUY
EVV	Eaton Vance Ltd Duration Income	9.39	12.78	10.43	-9.97	13.23	8.89	1/3/2022	10/14/2022	1m	13.00	BUY
EVG	Eaton Vance Short Dur Div In	10.19	11.33	10.70	-4.77	13.72	9.8	1/14/2022	9/29/2022	Me	14.5	BUY
GBAB	Guggenheim Taxable Municipal Bond	16.36	9.22	15.90	2.89	23.81	14.9	1/3/2022	10/14/2022	3m	22.50	BUY
BTO	John Hancock Financial Opp	33.31	7.51	32.81	1.52	52.88	29.55	1/13/2022	10/13/2022	3e	48.00	BUY
ASG	Liberty All Star Growth Fund Inc	4.93	10.14	5.23	-5.74	9.09	4.82	1/3/2022	10/13/2022	1b	11.50	BUY
JFR	Nuveen Floating Rate Income Fund	7.92	9.61	9.02	-12.20	10.65	7.80	2/8/2022	10/27/2022	Md	13.50	BUY
NBB	Nuveen Taxable Municipal Income	15.96	7.86	16.27	-1.91	22.74	14.53	1/3/2022	10/25/2022	1m	18.00	BUY
GHY	PGIM Global High Yield Fund Inc	10.84	11.62	12.44	-12.86	15.19	10.08	1/6/2022	10/13/2022	Me	17.50	BUY
PDI	Pimco Dynamic Income Fund	18.48	17.84	17.71	4.35	25.91	18.05	1/5/2022	9/26/2022	Mb	25.50	BUY
PML	PIMCO Municipal Income Fund II	9.04	7.83	8.76	3.20	14.66	8.55	1/3/2022	11/4/2022	Mm	14.25	BUY
IGHG	ProShares Investment Grade-Interest	71.11	3.26	70.98	0.19	75.16	66.81	1/7/2022	10/12/2022	Mb	76.00	BUY
PMO	Putnam Municipal Opportunities Trust	10.85	5.87	10.90	-0.46	14.45	9.75	1/3/2022	10/24/2022	Mb	13.75	BUY
IVOL	Quadratic Interest Rate Volatility	22.61	3.91	22.65	-0.18	27.27	21.85	3/1/2022	11/3/2022	3m	25.00	BUY
RMM	RiverNorth Managed Duration Muni	14.4	7.74	16.26	-11.44	20.20	13.43	1/5/2022	10/26/2022	Me	19.00	BUY
THW	Tekla World Healthcare Fund	14.65	9.56	13.12	11.66	16.50	12.51	4/21/2022	10/21/2022	Me	21.00	BUY
AIO	Virtus Artificial Intelligence	16.19	11.12	19.11	-15.28	26.07	14.92	1/12/2022	10/13/2022	Mb	30.00	BUY

1. Tax: OI=Ordinary Income Rate, 15%=15% tax rate. 2. Recommend: accumulate at or below this price. NR: not rated. NA: not applicable. 3. Pay Cycle: denotes dividend payment months. 1: Jan., Apr., Jul., Oct.; 2: Feb., May, Aug., Nov.; 3: Mar., Jun., Sep., Dec.; M: monthly; b: beginning of month; m: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay.

RATING CHANGES AND NEW ISSUANCE

Corporate Bond Rating Changes

Issuer	Agency	New Action	Rating
AIG Financial Products Corp	S	-	CCC+
Altice USA Inc	S	-	B+
AMC Entertainment Holdings Inc.	S	-	CC
Amgen Inc.	S	+	BBB+
Autodesk Inc.	S	+	BBB+
Avaya Inc.	S	-	CC
Bausch + Lomb Corp	S	+	B-
BDF Acquisition Corp	S	+	B
Boston Scientific Corp	S	+	BBB+
Bouygues SA	S	+	A-
Cablevision Systems Corp	S	-	B+
CEMEX Corp.	S	+	BB+
Central Hudson Gas & Electric Corp	S	-	BBB+
Cirque Du Soleil Holding USA Newco Inc.	S	-	B
CONSOL Energy Inc	S	-	B
Council Of Europe Development Bank	M	+	Aa1 *+
CSC Holdings LLC	S	-	B+
Dayton Power & Light Co/The	S	-	BB
DENTSPLY SIRONA Inc.	M	+	Baa2
Digital Media Solutions Inc.	S	-	CCC+
Discover Bank	M	-	Baa2 *+

Issuer	Agency	New Action	Rating
Dominion Energy Questar Pipeline LLC	S	-	BBB- *+
Electricite de France SA	S	+	BBB
Equinox Holdings Inc.	S	-	CCC-
Estee Lauder Cos Inc/The	S	-	A+
Fender Musical Instruments Corp	S	-	B-
G-III Apparel Group Ltd	S	-	BB-
HSBC Bank Canada	M	-	A1 *+
HSBC Bank Canada	S	-	A+ *+
Hyatt Hotels Corp	S	+	BBB-
LVMH Moet Hennessy Louis Vuitton SE	S	+	AA-
MUFG Union Bank NA	M	+	A1
MUFG Union Bank NA	S	+	AA-
Nasdaq Inc	M	+	Baa1
NRG Energy Inc.	S	-	BB+ *-
Pure Fishing Inc.	S	+	CCC
Safran SA	S	+	A-
SL Green Realty Corp	S	-	BB+
Titan International Inc	S	+	B
TPC Group Inc.	S	+	B-
Valvoline Inc.	S	+	BB

+ : upgrade; - : downgrade; *- : possible downgrade; *+ : possible upgrade
M: Moody's S: Standard & Poor's F: Fitch Ratings

Preferred Rating Changes

Issuer	Agency	Action	Rating
West Bromwich Building Soc	M	+	B3
Barclays Bank Plc	M	+	Ba1
Barclays Plc	M	+	Ba2
Discover Financial Services	M	+	Ba2

WL-D = Watchlist - Down WL-U = Watchlist - Up

New Preferreds

Issuer	Symbol	Issue (%)	Moody/S&P Ratings	Par Value
Chart Industries	GTLS-B	6.750	B3	50
Athene Holding	ATH-E	VAR	Baa1	25
Prospect Capital	PSEC-A3	6.500	Baa3	25
Harrow Health	HROW	6.500	Baa3	25

cv = convertible

Mandatory Convertible Preferred Stocks

NextEra Energy Inc; 6.926% Mandatory Convertible, Cumulative Equity Units, due 09/01/25; Par \$50.00; Annual Cash Dividend \$3.463; Current Price \$50.19; Current Indicated Yield 6.90%; Conversion/Maturity Date 09/01/25; Yield to Call NA; Pay Cycle 3b; Exchange NASDAQ; Ratings, Moody's Baa2, S&P BBB; CUSIP 65339F713; Symbol NEE-R (www.nexteraenergy.com)

NextEra Energy, Inc. (NEE) is a clean energy utility, providing sustainable energy generation and distribution services through its operating subsidiaries. FPL sells more power than any other utility, with almost 6 million customer accounts across Florida. Each NEE 6.926% equity unit consists of a stock purchase contract and a 5% undivided ownership interest in the 4.60% Series M Debentures due 09/01/27, issued in principal amount of \$1,000 by NextEra Energy Capital Holdings. The

debentures are subject to remarketing on the fifth business day preceding 01/01/25 and ending on 08/19/25. The contract requires the holder to purchase, for \$50.00, a variable number of NEE common shares no later than 09/01/25 and pays an adjustment rate of 2.326%. The stock purchase settlement rate is 0.4500 common shares per unit if NEE's market price equals or exceeds \$111.10, and 0.5626 shares if the market price is equal to or less than \$88.88. The purchase contract may be settled at any time at the holder's option at a settlement rate of 0.4500 NEE common shares for each unit. NEE reported strong 3Q 2022 adjusted net income of \$1.68 billion or \$0.85 per share, topping analysts' \$0.79 estimates. Total operating revenues of \$6.72 billion also beat estimates of \$6.35 billion. **This investment is suitable for medium- to high-risk tax-deferred portfolios. Distributions are taxed as ordinary income. Buy at \$56.50 or lower for a 6.13% current yield.**

For Investors Seeking Steady Monthly Income

Low-Risk Portfolio

This portfolio comprises securities of companies with senior ratings of BBB- or better. It will be the lowest yielding, but also the most secure. Capital appreciation is not a goal. Principal protection is primary.

Symbol	Issuer	Yield	Price	Qty	Rpt Date	Fair Value
SCHW J	Charles Schwab Corp	5.91	18.50	383	10/21	\$27.00
DEX	Delaware Enhanced Global Divid	7.30	7.80	985	8/21	\$12.00
ETR	Entergy Corp	4.01	112.50	89	7/21	\$120.00
AGM F	Farmer Mac	6.74	19.10	382	10/21	\$26.80
HWCPZ	Hancock Whitney Corp	6.85	22.61	345	10/20	\$29.50
JPM J	JPMorgan Chase & Co	6.08	19.26	380	1/21	\$27.85
NWE	Northwestern Corp	4.30	59.34	175	9/20	\$60.00
PFE	Pfizer Inc	3.20	51.24	169	1/22	\$70.00
AIO	Virtus AllianzGI Artificial In	11.05	16.19	403	1/21	\$36.00
WFC A	Wells Fargo & Company	6.28	18.39	388	8/21	\$26.35

Summary Statistics

Monthly Payout Average:	\$395
Current yield on portfolio:	5.94%
Inception Value: (1/1/22)	\$100,026
Last month's value:	\$81,184
Current value of portfolio	\$79,901
Current value + year to date income:	\$84,645
Year to Date Total Return	-15.38%

Medium-Risk Portfolio

Some of the securities are rated below BBB. Capital appreciation is not a goal in this portfolio, but rather high current income. Safety of principal and yield are given equal weight.

Symbol	Issuer	Yield	Price	Qty	Rpt Date	Fair Value
AUBAP	Atlantic Union Bankshare	5.91	24.70	357	6/21	\$28.50
BDXB	Becton Dickinson And Co	7.30	50.08	190	8/20	\$70.00
BST	BlackRock Science & Technology	4.01	28.37	200	1/21	\$60.00
DOW	Dow Inc	6.74	50.39	176	12/19	\$65.00
ASG	Liberty All Star Growth Fund I	6.85	4.93	1111	6/21	\$11.50
SIGIP	Selective Insurance Grou	6.08	16.75	386	1/22	\$26.30
SF C	Stifel Financial Corp	4.30	24.02	369	1/21	\$28.25
THW	Tekla World Healthcare Fund	3.20	14.65	614	12/21	\$21.00
UGIC	UGI Corp	11.05	86.43	95	12/21	\$110.00
VNOM	Viper Energy Partners Lp	6.28	31.79	469	1/22	\$28.50

Summary Statistics

Monthly Payout Average:	\$443
Current yield on portfolio:	6.20%
Inception Value: (1/1/22)	\$99,972
Last month's value:	\$89,567
Current value of portfolio	\$85,797
Current value + year to date income:	\$91,119
Year to Date Total Return	-8.86%

For Investors Seeking Income and Growth

High-Risk Portfolio

These securities are all below investment grade, and some are not rated. High current income is the primary goal, but capital appreciation can also be expected. Safety of principal is secondary to yield.

Symbol	Issuer	Yield	Price	Qty	Rpt Date	Fair Value
DSU	BlackRock Debt Strategies Fund	9.16	9.20	855	3/20	\$13.50
CGO	Calamos Global Total Return Fu	10.77	8.83	650	8/21	\$18.50
CQP	Cheniere Energy Partners Lp	7.68	56.87	237	7/20	\$48.00
CLVT A	Clarivate Plc	13.41	37.88	110	1/22	\$100.00
GLO	Clough Global Opp Fu	22.23	5.07	940	6/21	\$16.00
CEQP	Crestwood Equity Partner	9.65	8.66	362	5/21	\$35.00
GLPI	Gaming And Leisure Properties	5.45	52.09	206	3/21	\$56.00
MBNKP	Medallion Bank Utah	8.20	24.51	425	1/22	\$26.50
ONBPO	Old National Bancorp/IN	6.95	25.09	353	11/20	\$28.80
SUN	Sunoco Lp	7.72	43.10	245	5/20	\$54.00

Summary Statistics

Monthly Payout Average:	\$597
Current yield on portfolio:	8.99%
Inception Value: (1/1/22)	\$100,035
Last month's value:	\$88,207
Current value of portfolio	\$79,715
Current value + year to date income:	\$86,879
Year to Date Total Return	-13.15%

Multi-Driver Portfolio

The Multiple Driver Portfolio includes diverse income-generating sources (drivers).

Symbol	Issuer	Yield	Price	Qty	Rpt Date	Fair Value
ABV	AbbVie Inc	9.16	161.61	74	12/21	\$145.00
AEPZ	American Electric Power	10.77	51.58	190	1/21	\$57.00
BUI	BlackRock Utilities Infrastruc	7.68	20.77	376	1/22	\$33.50
IIVIP	Coherent Corp	22.23	159.90	35	1/22	\$305.00
HBANP	Huntington Bancshares	13.41	16.96	381	9/21	\$26.80
BTO	John Hancock Financial Opp	9.65	33.31	215	10/21	\$48.00
MPW	Medical Properties Trust Inc	6.95	11.14	423	8/21	\$25.00
GHY	PGIM Global High Yield Fund	5.45	10.84	663	11/21	\$17.50
SBNYP	Signature Bank New York	8.20	15.37	382	9/21	\$26.65
TRP	TC Energy Corp	7.72	39.86	215	8/21	\$65.00

Summary Statistics

Monthly Payout Average:	\$618
Current yield on portfolio:	9.94%
Inception Value: (1/1/22)	\$99,965
Last month's value:	\$87,146
Current value of portfolio	\$75,129
Current value + year to date income:	\$82,543
Year to Date Total Return	-17.43%

REVISED MODEL PORTFOLIOS FOR 2023

Here are the updated Model Portfolios for 2023. We will begin reporting returns for these portfolios in next month's newsletter. The returns shown on page 9 are full-year results for the 2022 portfolios.

IMPORTANT: Removal of a security from an updated Model Portfolio does NOT mean that it has been downgraded to a Sell. It may just have reached its Fair Value price. The yield on your original cost may remain attractive. Consult your tax advisor before making a sale that may generate a capital gains liability.

Low-Risk Portfolio

Symbol	Issuer	Description	Qty.	Fair Val.
BAC-Q	Bank Of America Corp	4.250% Fixed Rate, Preferred	590	\$20.00
RNP	Cohen & Steers REIT And Prefer	Closed-End Fund	491	\$24.00
DUK	Duke Energy Corp	Common Stock	97	\$110.00
ETR	Entergy Corp	Common Stock	89	\$115.00
JPM-M	JPMorgan Chase & Co	4.20% Fixed Rate, Preferred	573	\$20.00
KEY-L	KeyCorp	6.20% Fixed Rate-Reset, Preferred	408	\$25.90
MS-P	Morgan Stanley	6.50% Fixed Rate, Preferred	396	\$26.35
NWE	Northwestern Corp	Common Stock	169	\$63.50
IGHG	Proshares IG Hedged	Interest Rate Hedged ETF – CEF	141	\$76.00
PMO	Putnam Municipal Oppt	Closed-End Fund	922	\$13.75

High-Risk Portfolio

Symbol	Issuer	Description	Qty.	Fair Val.
CQP	Cheniere Energy Partners LP	Master Limited Partnership	176	\$70.00
CHK	Chesapeake Energy Corp	Common Stock	106	\$115.00
NRP	Natural Resource Partners LP	Master Limited Partnership	184	\$50.00
MSBIP	Midland States Bancorp	7.750% Fixed Rate-Reset Preferred	385	\$27.25
NEE-R	Nextera Energy Inc	6.926% Mandatory Convertible Eq	199	\$56.50
ONBPO	Old Natl Bancorp	7.00% Fixed Rate Preferred	399	\$26.50
PDI	Pimco Dynamic Income Fund	Closed-End Fund	541	\$25.50
SCCE	Sachem Capital Corp	6.00% Fixed Rate Senior PET Notes,	497	\$23.50
SUN	Sunoco LP	Master Limited Partnership	232	\$50.00
TRINL	Trinity Capital Inc/MD	7.00% Fixed Rate Senior PET Notes,	398	\$25.85

Medium-Risk Portfolio

Symbol	Issuer	Description	Qty.	Fair Val.
AESC	AES Corp/The	6.875% Mandatory Convertible Eq	99	\$106.00
AUBAP	Atlantic Union Bankshare	6.875% Preferred Stock	407	\$26.25
BIT	BlackRock Science & Technology	Closed-End Fund	708	\$18.00
DVN	Devon Energy Corp	Common Stock	163	\$84.00
DOW	Dow Inc	Common Stock	200	\$65.00
JFR	Nuveen Floating Rate Income	Closed-End Fund	1270	\$13.50
PML	PIMCO Municipal Income Fd	Closed-End Fund	1112	\$14.25
SNV-E	Synovus Financial Corp	5.875% Fixed Rate-Reset, Preferred	462	\$25.00
VICI	VICI Prop LP 4.75 28	4.750% Senior Notes, due 02/25/28	10	\$101.50
VNOM	Viper Energy Partners Lp	Master Limited Partnership	316	\$35.00

Multi-Driver Portfolio

Symbol	Issuer	Description	Qty.	Fair Val.
ABBV	AbbVie Inc	Common Stock	62	\$175.00
BSL	Blackstone Senior Float Rate	Closed-End Fund	805	\$16.00
ET-E	Energy Transfer Lp	7.60% Fixed-to-Floating Rate Preferred	457	\$24.75
LYB	LyondellBasell Industries NV	Class A Common Stock	120	\$92.00
LNC-D	Lincoln National Corp	9.00% Fixed Rate Preferred	367	\$27.75
PACWP	Pacwest Bancorp	7.750% Fixed Rate-Reset Preferred	400	\$26.60
PNW	Pinnacle West Capital Corp	Common Stock	132	\$85.00
PAA	Plains All American Pipeline	Master Limited Partnership	850	\$15.00
RMM	Rivernorth Managed Dur Muni	Closed-End Fund	694	\$19.00
TRP	TC Energy Corp	Common Stock	251	\$60.00

Corporate Updates

continued from page 2

Multi-Driver 2022 Model Portfolio Removed Issues

American Electric Power Company – 6.125% Mandatory Convertible Equity Units (AEPPZ)
 BlackRock Utility and Infrastructure Trust – Closed-End Fund ()
 Huntington Bancshares, Inc. 4.500% Fixed Rate Preferred Stock (HBANP)
 II-VI, Inc – 6.00% Mandatory Convertible Preferred Stock (IIVIP)
 John Hancock Financial Opportunity Fund – Closed-End Fund (BTO)
 Medical Properties Trust, Inc. – Common Stock (MPW)
 PGIM Global High Yield Fund, Inc. – Closed-End Fund (GHY)
 Signature Bank – 5.00% Fixed Rate Preferred Stock (SBNYP)

Multi-Driver Model Portfolio Replacements for 2023 (Alphabetically)

Blackstone / GSO Senior Floating Rate Term Fund – Closed-End Fund (BSL)
 Energy Transfer Operating, LP – 7.600% Fixed-to-Floating Rate Preferred Stock (ET-E)
 Lincoln National Corp. – 9.00% Fixed Rate Preferred Stock (LNC-D)
 LyondellBasell Industries, NV - Class A Common Stock (LYB)
 PacWest Bancorp - 7.750% Fixed Rate-Reset Preferred Stock (PACWP)
 Pinnacle West Capital Corp. – Common Stock (PNW)
 Plains All American Pipeline, LP – Master Limited Partnership (PAA)
 RiverNorth Managed Duration Municipal Income Fund, Inc. – Closed-End Fund (RMM)

INTEREST RATES

Comparative Current Yields

Security Type	Yield 12/31/22	Net Change Month	Net Change Y.T.D.	Spread 12/31/21	Spread 12/31/22
U.S. TREASURIES & EURO BENCHMARKS					
Ten Year	3.88	+27	+156%	-	-
Inflation Indexed	1.58	+33	-243%	-262	-230
Ten Year Euro(1)	2.57	+64	-1509%	-169	-131
Euro Spot Rate	1.0705	+3	-6%	-	-

CORPORATE BONDS²

AAA	4.67	+17	+130%	55	79
AA	4.88	+12	+142%	50	100
BBB	5.80	+9	+123%	110	192
BB	7.14	+27	+110%	236	326
B	9.22	+50	+95%	383	534
CCC-C	15.76	+52	+98%	687	1188

PREFERRED STOCKS³

AA&A	5.57	+19	+15%	339	169
BBB	6.40	+52	+22%	379	252
BB	7.22	+26	+31%	413	334
B	9.62	+121	+45%	520	575

QUALIFIED DIVIDEND INCOME (QDI) PFDS⁴ — Yields —

Investment Grade	6.33	+33	+22%	344%	163%
Below Inv. Grade	6.80	-16	+21%	371%	175%

MUNICIPAL BONDS⁵ — Yields —

AA	2.95	-4	+161%	75%	76%
A	3.13	+6	+139%	87%	81%
BBB	3.85	+8	+148%	103%	99%

¹Rate for ten-year German government bonds.

²Per ICE BofA Index System

³Per ICE BofA Index System

⁴Eligible for 15% tax rate. Yields shown as after tax % of US Treasuries rate.

⁵Per Bloomberg. Yields shown at % of US Treasuries rate.

EXPLANATION OF INTEREST RATE TABLE

The monthly table displays **Current Yields** for ten-year maturities of various debt instruments compared to the benchmark ten-year Treasuries. Note that preferred stocks often have no maturity or are callable in less than ten years.

The **Net Change** for the month- and year-to-date shows the change in basis points (100 basis points equals 1% in yield). A change in the U.S. Treasury rate is considered a change in the risk-free interest rate. The changes for the other securities reflect this same change plus whatever other risks investors perceive at the time.

The change in **Spreads** represents the difference between risk-free ten-year U.S. Treasuries and each security. A widening of spreads means an increased concern about credit quality. A sudden widening of spreads is considered a flight to quality. Spreads identify which securities are out of line with historical relationships and represent buying opportunities.

Since **Municipal Bonds** are tax exempt, their **yields** should be looked at in terms of their percentage of Treasury yields. Thus, if a muni yields 87% of Treasuries, it means it should be considered by anyone whose incremental tax rate is higher than the reciprocal of that number, or 13%. Hence, the higher the yield percentage, the lower your incremental tax rate needs to be, to make munis attractive or to look at them another way, more of their income is retained after taxes.

Income Continued Flowing in 2022 Price Plunge

(continued from page 1)

than in a 12-month glimpse.

In 1999, the abovementioned preferred index posted a -11.31% price change. The short-run total return impact was mitigated by a hefty 6.88% income return. More important, over the five years of 1999 through 2003, the results shifted to price *appreciation* at a 4.03% annualized rate. Income ran at 8.06%, annualized, during the period.

Unfortunately, many would-be market timers missed out on that attractive long-run performance. Investors have a well-documented proclivity to sell out at the bottom. Keeping an eye on the steady income flowing from a diversified portfolio of carefully selected income securities can be helpful in avoiding that costly error.

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