

# The REIT Stuff

Landlords Yielding Up to 14.2% That Love Jerome  
Powell Right Now

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How dividend investors can collect steady income from high-yield  
REITs (and other stocks) while the Fed cuts rates.



**Brett Owens**

Dividend Author, Income Specialist, Chief Investment Strategist

# Today's Agenda



- 1 Why REITs historically outperform when interest rates fall**

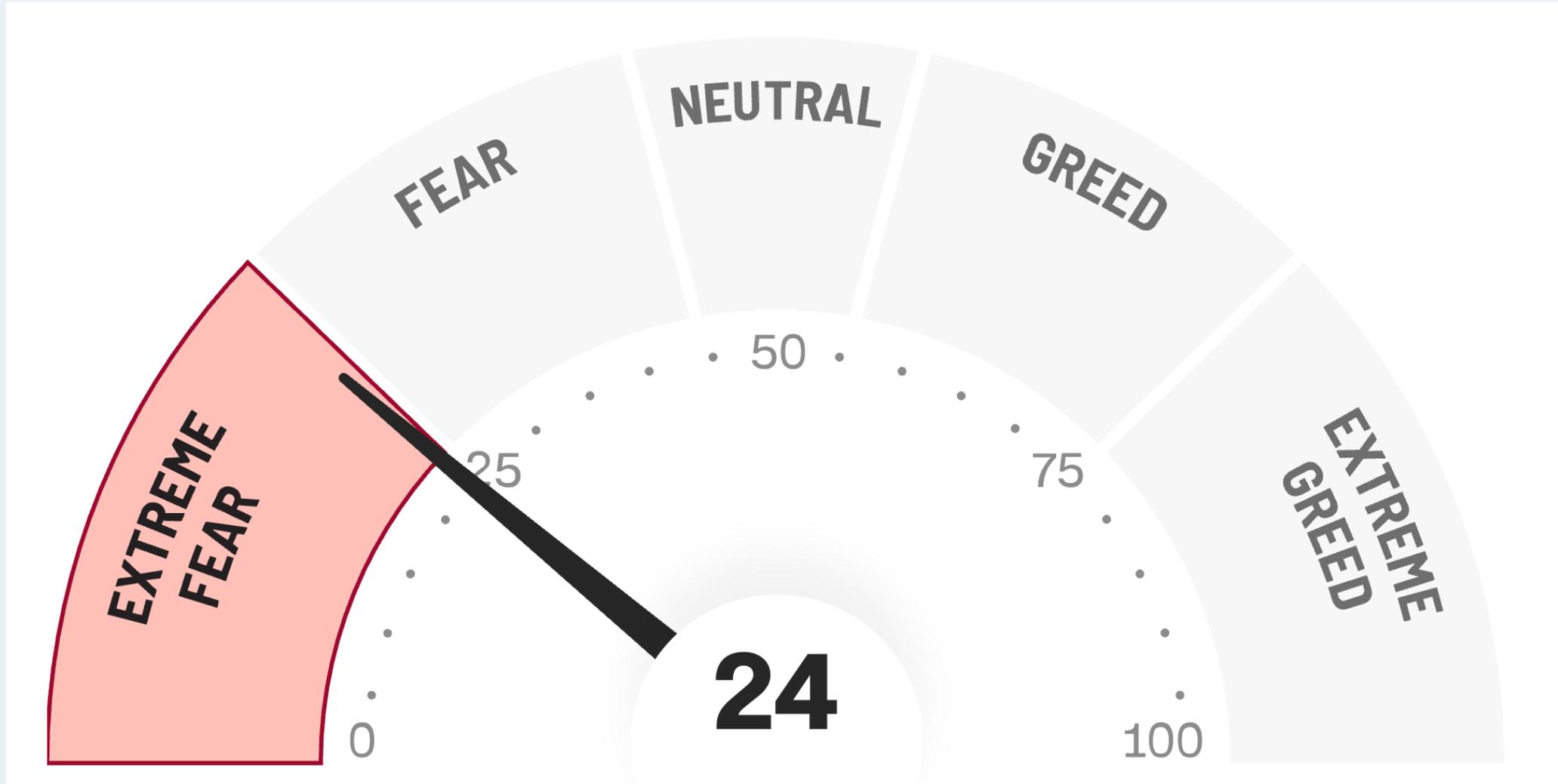
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- 2 The safest corners of the real-estate market for income seekers**

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- 3 High-yield REITs and REIT-like funds paying up to 14.2%**

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- 4 Evaluating dividend coverage for “non-traditional” income stocks**

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- 5 Specific “recession-resistant” dividend ideas**

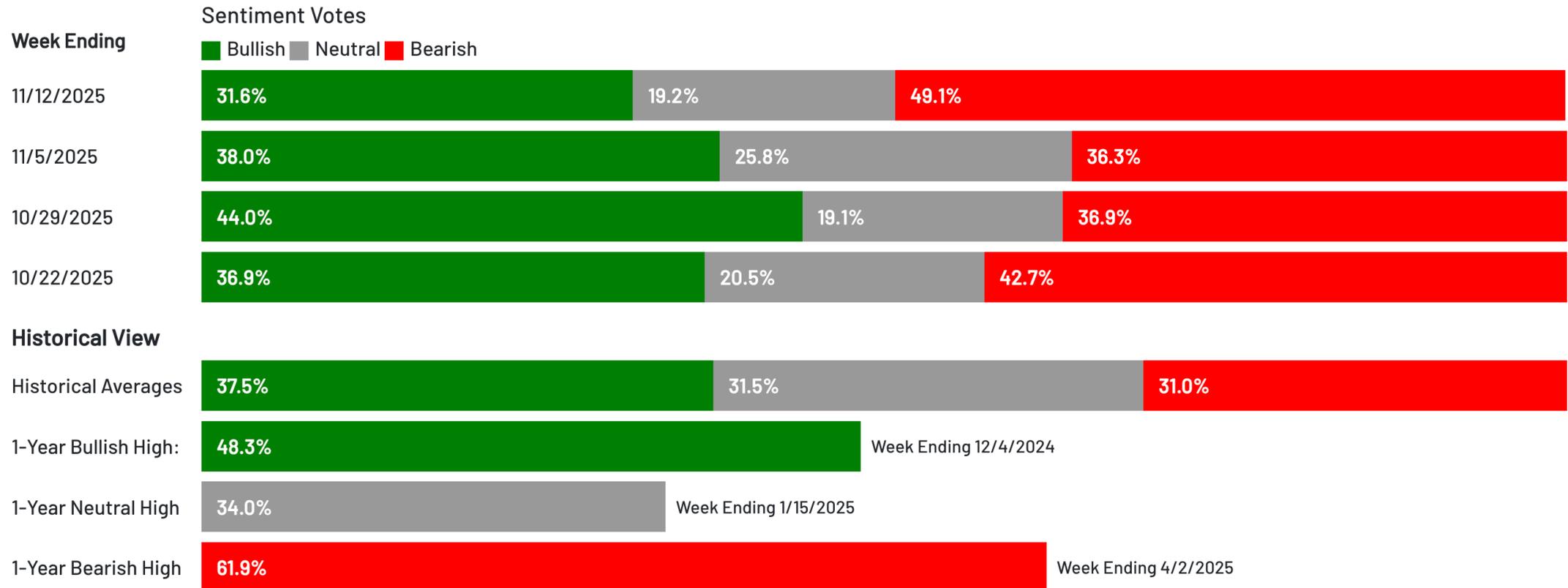
Q: A stock market decline is expected – what will happen to our stocks and funds? – James H, Jim W, John A



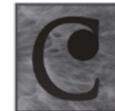
# AAll: More Bears Than Bulls



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

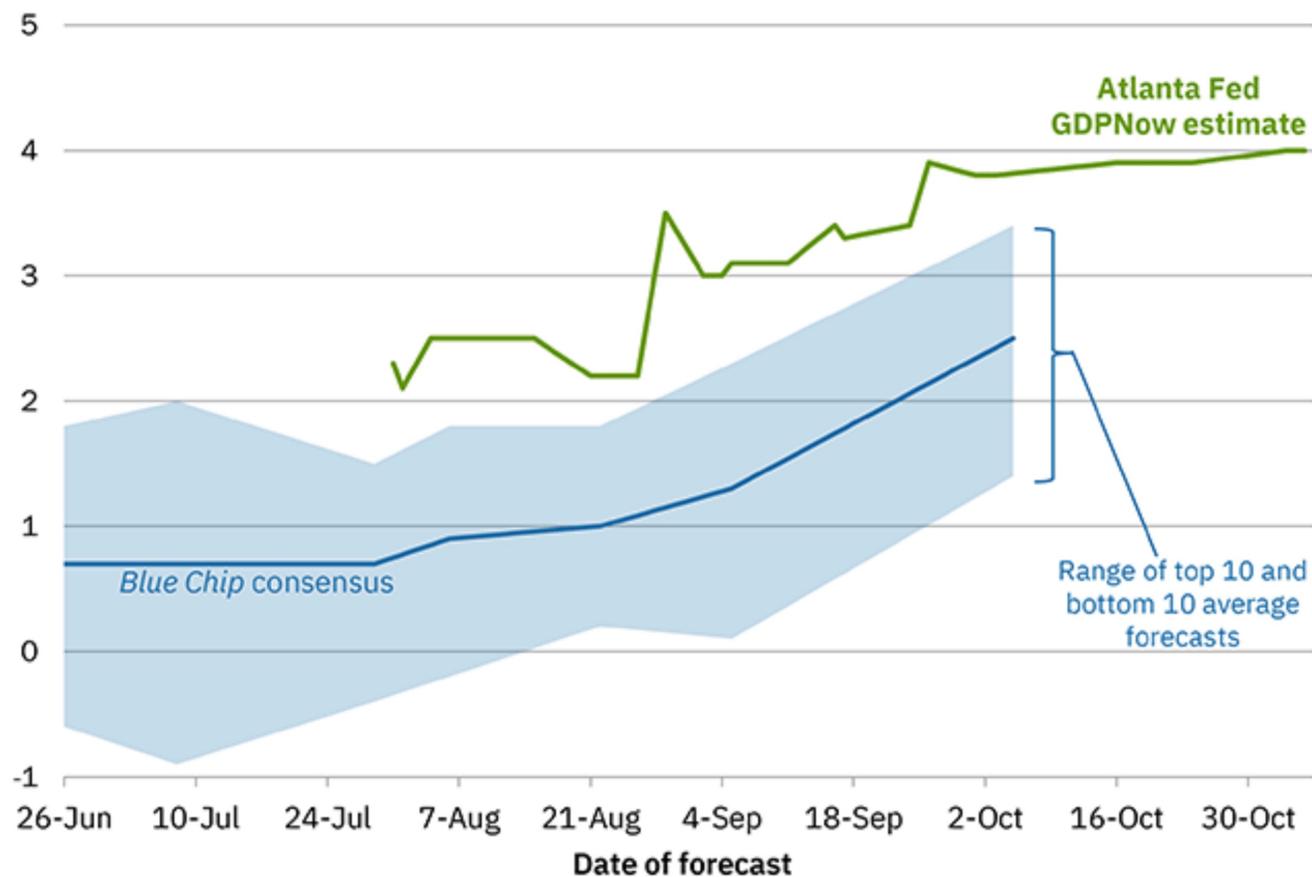


# Atlanta Fed GDPNow Estimate is *Cookin'*

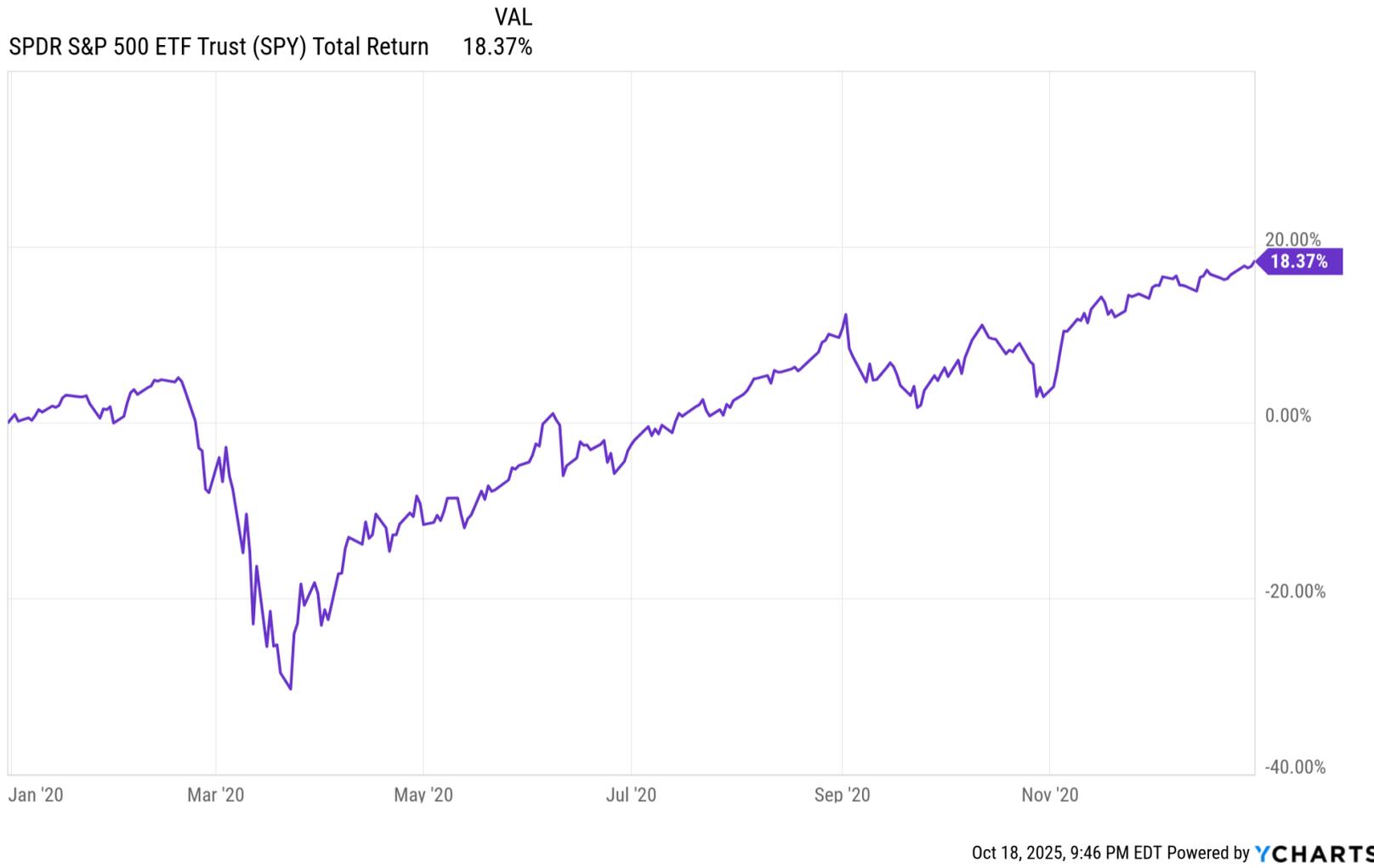


## Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q3

Quarterly percent change (SAAR)



# Does 2020 SPY Rhyme with 2025?



# 2020 The (Market) Sequel?



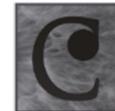
Oct 18, 2025, 9:47 PM EDT Powered by **YCHARTS**

# How It Started...

Flashback to  
April 2025

Date (Fear & Greed = Extreme Fear)	Next 1-Month	Next 3-Months	Next 6-Months	Next 12-Months
Aug 10, 2011 – U.S. Debt Downgrade Panic	+8.4%	+5.7%	+15.5%	+25.3%
Feb 11, 2016 – Post-China Crash Lows	+6.6%	+8.6%	+17.0%	+23.8%
Dec 21, 2018 – Fed Tightening Sell-off	-0.8%	+13.3%	+19.9%	+36.0%
Mar 12, 2020 – COVID Crash Bottom	+12.1%	+25.6%	+44.4%	+72.3%
Sep 27, 2022 – Inflation Bear Market Low	-2.6%	+4.6%	+2.4%	+17.6%

# ... How It's Going



Date (Fear & Greed = Extreme Fear)	Next 1-Month	Next 3-Months	Next 6-Months	Next 12-Months
Aug 10, 2011 – U.S. Debt Downgrade Panic	+8.4%	+5.7%	+15.5%	+25.3%
Feb 11, 2016 – Post-China Crash Lows	+6.6%	+ 8.6%	+17.0%	+23.8%
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Sep 27, 2022 – Inflation Bear Market Low	-2.6%	+4.6%	+2.4%	+17.6%
April 7, 2025 – “Liberation Day” Tariff Panic	+16.5%	+23.4%	+32.5%	?



We are here

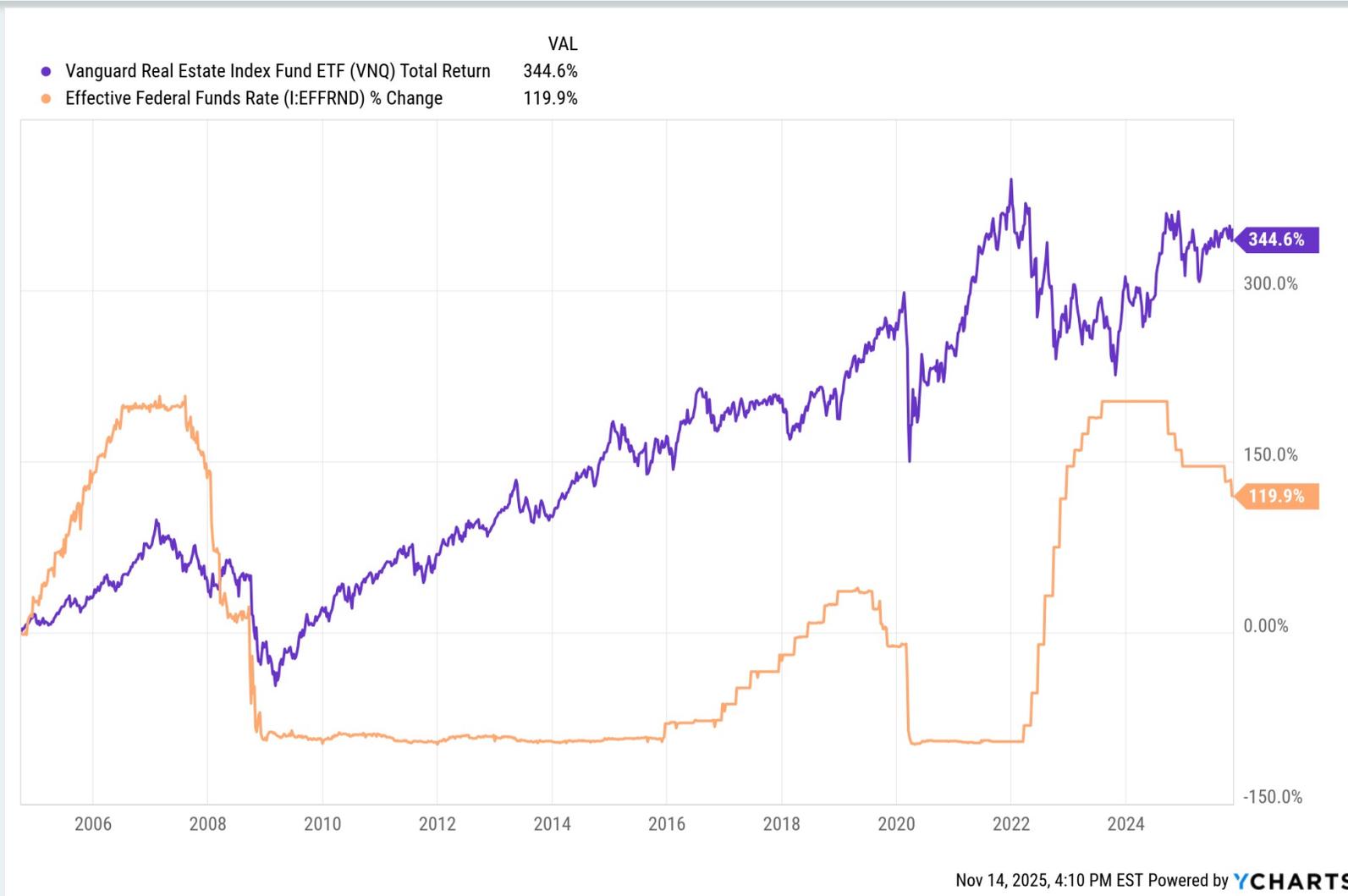
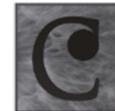
# So, We *Still* Buy the Dips



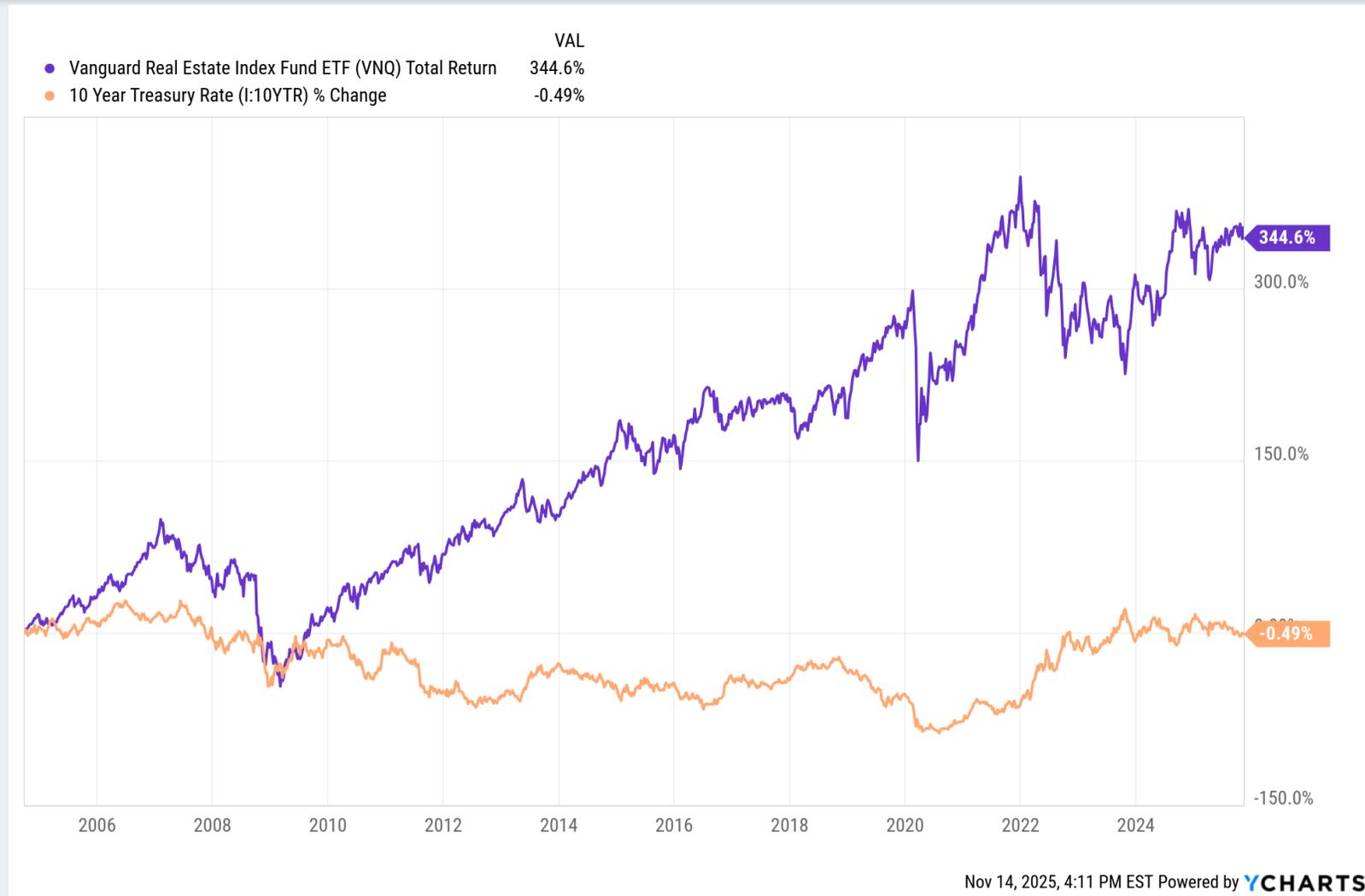
# REIT Qualities for Income Investors



# \*IF\* No Recession, REITs Like Low Rates



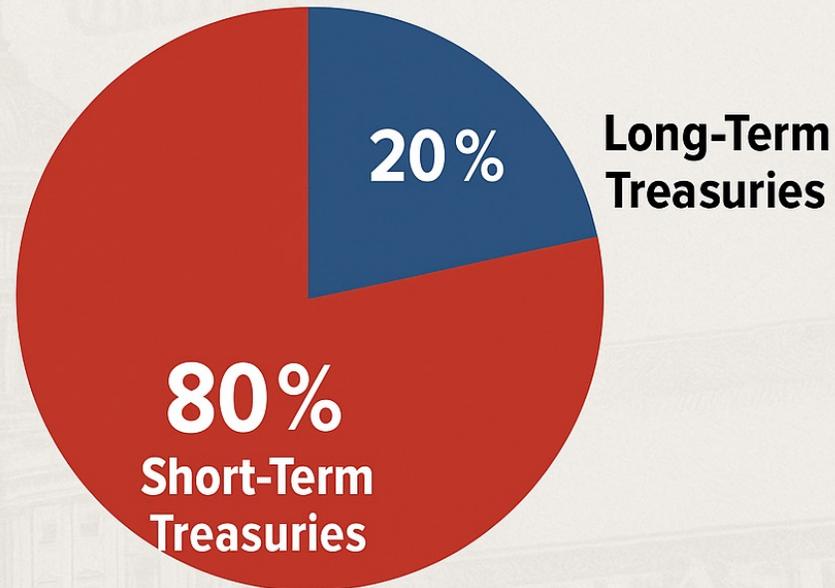
# REITs Versus Long Rates



# Yellen Started the Short Push, Bessent Continues...



## The U.S. Is Issuing Most of Its Debt Short-Term



Source: U.S. Treasury, 2025

# Mortgage REITs (mREITs) Like Lower Rates

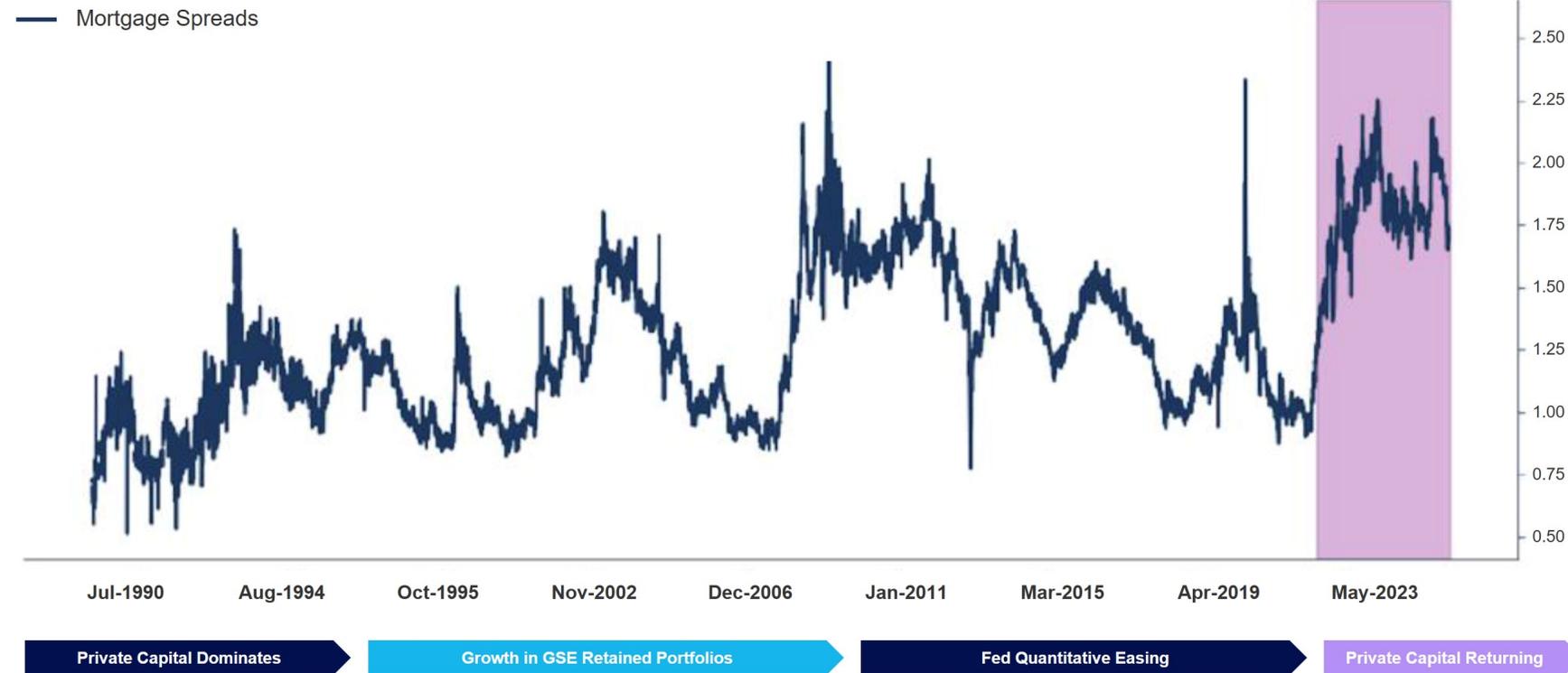


# A "Generational Buying Opp" in Mortgage Spreads

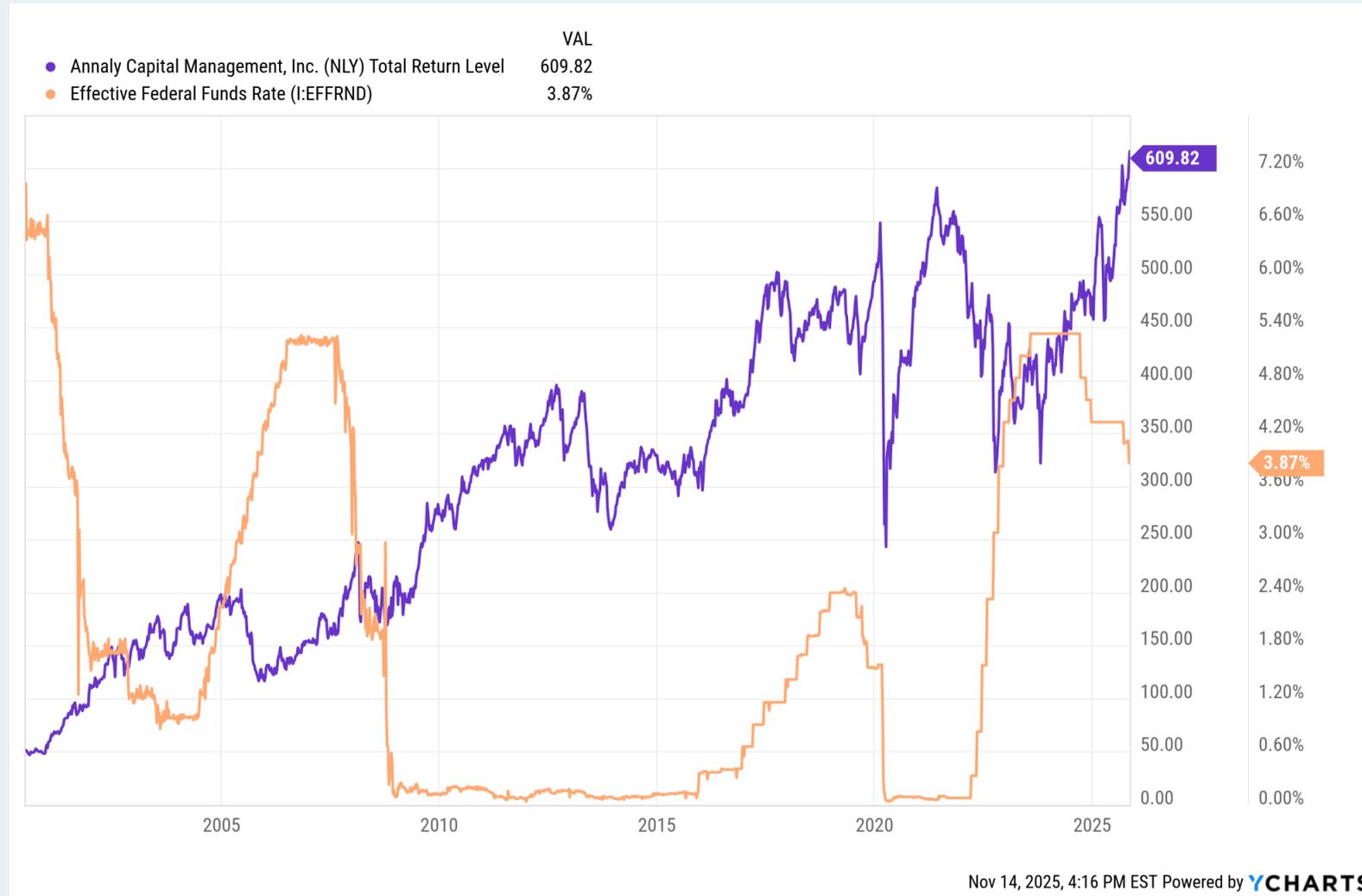


## Mortgage spreads remain historically wide to interest rate swaps

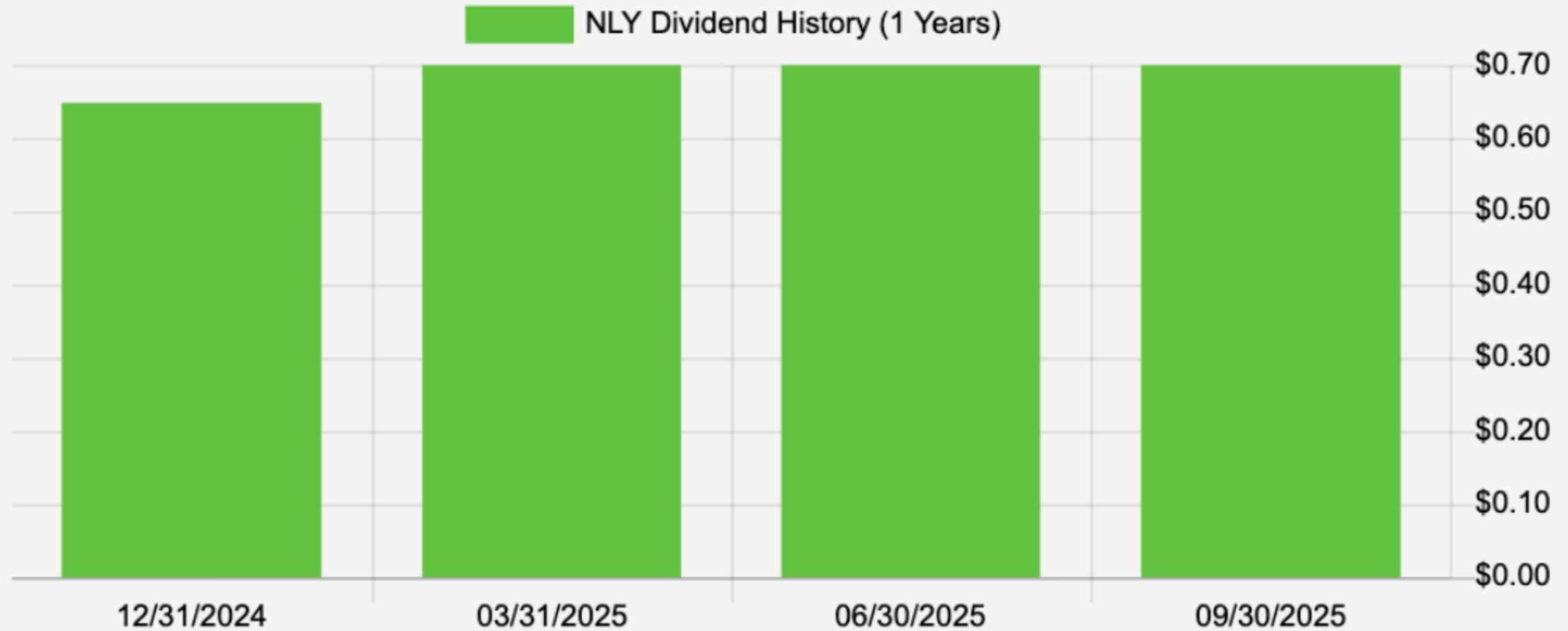
Spreads available to swaps are still not far off levels seen during the financial crisis



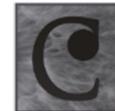
# Annaly Capital (NLY) the “OG” of mREITs



# NLY Yields 12.9% Today



# NLY Current Portfolio



## Earnings & Book Value

**\$1.21**

GAAP

**\$0.73**

Earnings Available  
for Distribution\*

**\$0.70**

Dividend per Share

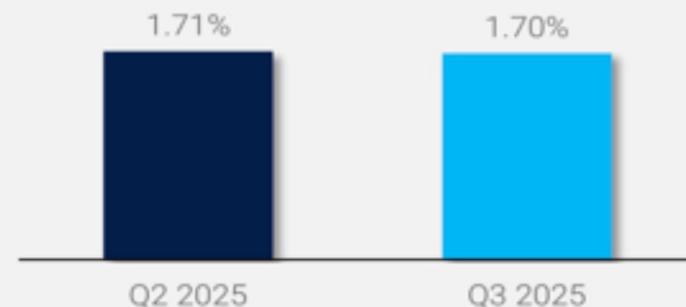
**\$19.25**

Book Value per Share

**13.9%**

Dividend Yield<sup>(1)</sup>

Net Interest Margin (ex. PAA)\*



## Investment Portfolio

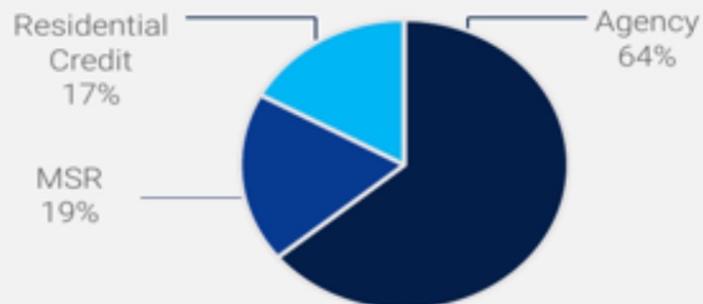
**\$97.8bn**

Total Portfolio<sup>(2)</sup>

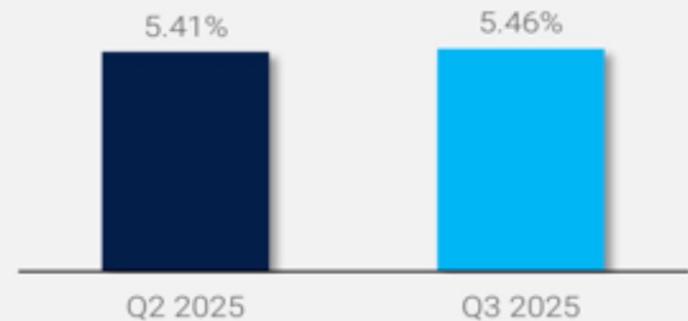
**\$14.9bn**

Total Stockholders' Equity

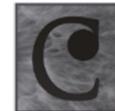
Capital Allocation<sup>(3)</sup>



Average Yield on Interest  
Earning Assets (ex. PAA)\*



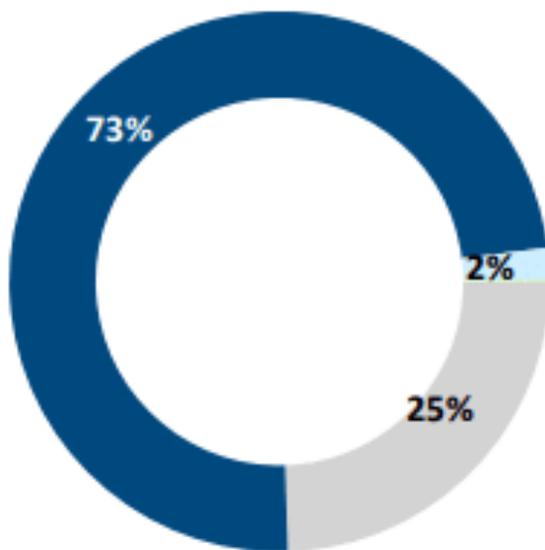
# Underappreciated mREIT: Dynex (DX) Yields 15%



March 31, 2025

Portfolio Fair Value \$11.1 Billion

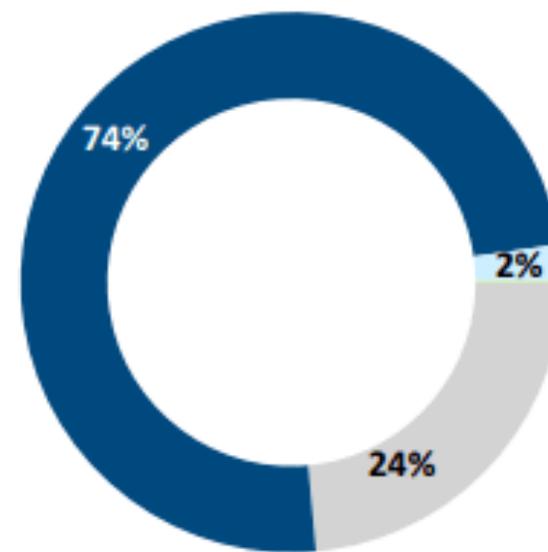
- Agency RMBS TBA
- Agency RMBS Pools
- Agency CMBS/CMBS IO
- Non-Agency CMBS IO (<0.2%)



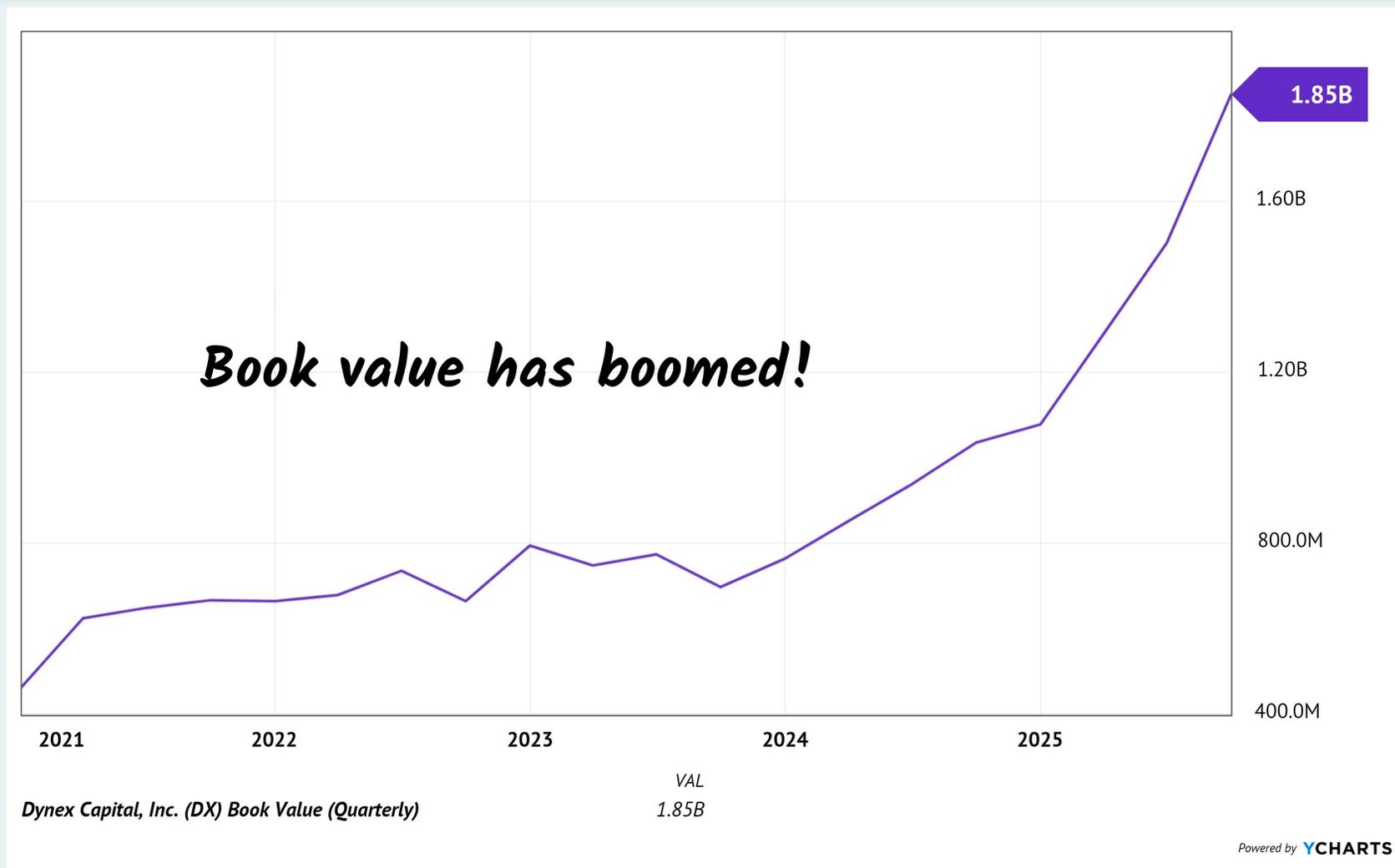
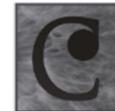
December 31, 2024

Portfolio Fair Value \$9.8 Billion

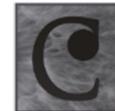
- Agency RMBS TBA
- Agency RMBS Pools
- Agency CMBS/CMBS IO
- Non-Agency CMBS IO (<0.2%)



# DX Book Value



# Comprehensive Income > Dividends Paid



## Book Value Rollforward - Quarter Ended September 30, 2025

	Common Equity
<b>Common equity, beginning of period <sup>(1)</sup></b>	\$ 1,498,493
Net interest income	\$ 30,611
Net periodic interest from interest rate swaps	14,265
Operating expenses	(11,998)
Preferred stock dividends	(2,827)
Changes in fair value:	
MBS and loans	\$ 157,435
TBAs	
U.S. Treasury futures	
Options on U.S. Treasury futures	
Interest rate swaps	(30,320)
Interest rate swaptions	(1,279)
Total net change in fair value	132,476
<b>Comprehensive income to common shareholders</b>	162,527
<b>Capital transactions:</b>	
Net proceeds from stock issuance <sup>(2)</sup>	256,347
Common dividends declared	(71,319)
<b>Common equity, end of period <sup>(1)</sup></b>	<u>\$ 1,846,048</u>



<sup>(1)</sup> Amounts represent total shareholders' equity less the aggregate liquidation preference of the Company's preferred stock of \$111,500.  
<sup>(2)</sup> Net proceeds from common stock issuances include \$254 million from ATM issuances and \$2 million from amortization of share-based compensation, net of grants.



# Gov't Restart Play FSCO (BDC in a "CEF Wrapper")



## FS Credit Opportunities Corp. NYSE: FSCO

**\$7.19**

DAILY NAV<sup>1</sup>

**\$0.00**

DAILY NAV CHANGE (\$)

**-10.15%**

PREMIUM/DISCOUNT TO NAV (%)<sup>2</sup>

Market price data as of 11/13/2025

**\$6.46**

DAILY MARKET PRICE

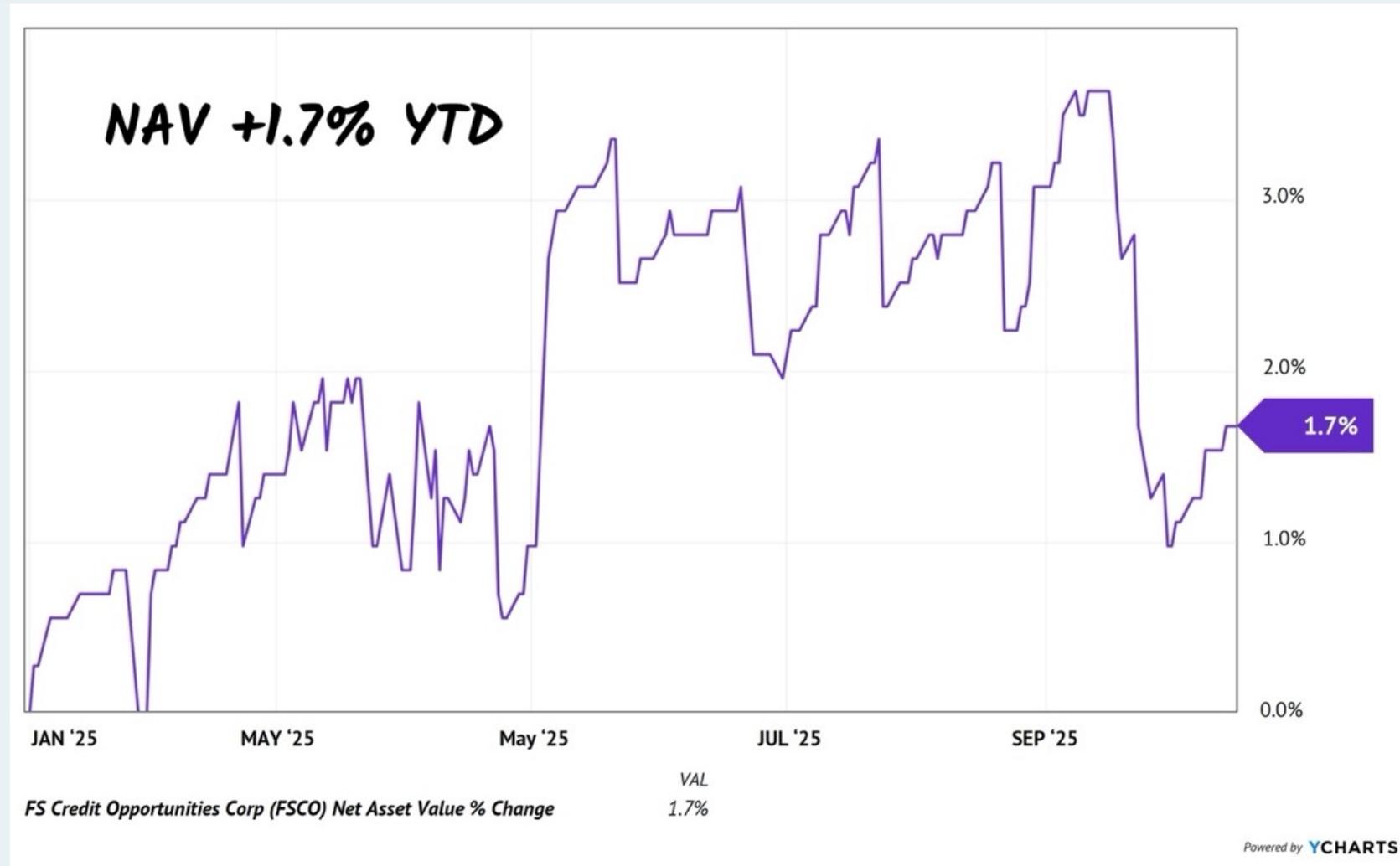
**\$-0.09**

DAILY MARKET PRICE CHANGE (\$)

**12.59%**

MARKET DIVIDEND YIELD (%)<sup>3</sup>

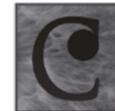
# FSCO's NAV Gains in a Challenging Year



# Two Dividend Hikes Last 12 Months



# Frequently in Communication with FS Credit Team



Since our original write up, I had the opportunity to sit down with FS Investments' Joseph Montelione:

**Brett: How is the lending environment looking as we head into 2025?**

**FS Credit:** Throughout the year, the loan market has experienced significant tightening. The public segment of the market is currently extremely tight. We're seeing deals in the public market closing at S+350 with loose docs. The upper end of the private market is generally around S+500, but with stronger docs than public deals. The area in the market where we see the most value and have been active is in the mid-to lower middle market segment of the private market. Non-sponsored issuers, in particular, are presenting us with attractive opportunities. Recently, we've been able to print deals with strong structural protections at levels north of S+600.

(Brett note: "S+600" indicates a 600 basis-point spread above a benchmark rate, such as SOFR. The "S+" designation indicates favorable terms for the lender.)

**Brett: Here in Northern California, there is enthusiasm among tech entrepreneurs and investors about the dealmaking landscape for the next four years. M&A inquiries already seem to be picking up, and the appointment of Scott Bessent seems to be a nod to not only Wall Street but small businesses. Have you adjusted your strategy since the election?**

**FS Credit:** We agree that the M&A outlook is a bit more optimistic under a Trump administration. The consensus is that the new administration will be a lot friendlier from a regulatory and taxation perspective, which should spur a pickup in deal flow.

# iShares 20+ Year Treasury Bond ETF (TLT) Yields 4.4%



# Why Not Sell Covered Calls? TLT + Calls = TLTW

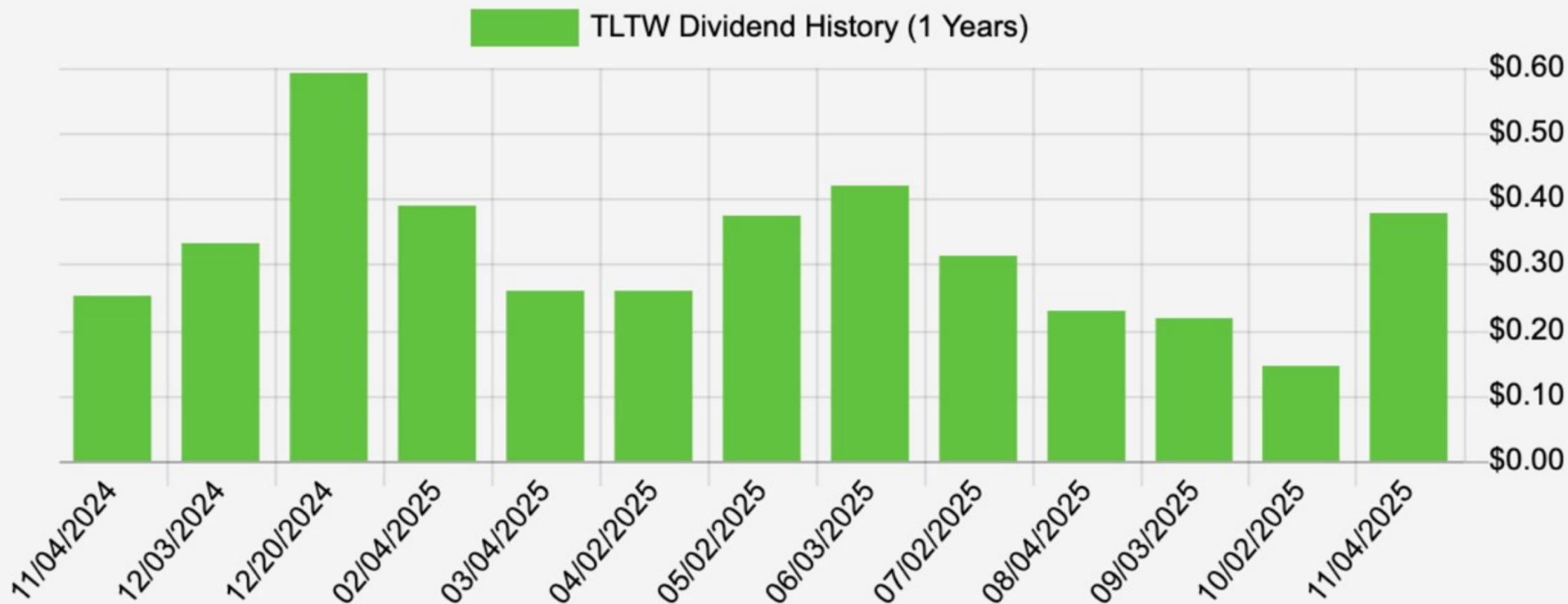
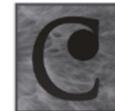


## SELLING COVERED CALLS

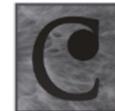
Generate income from a stock position



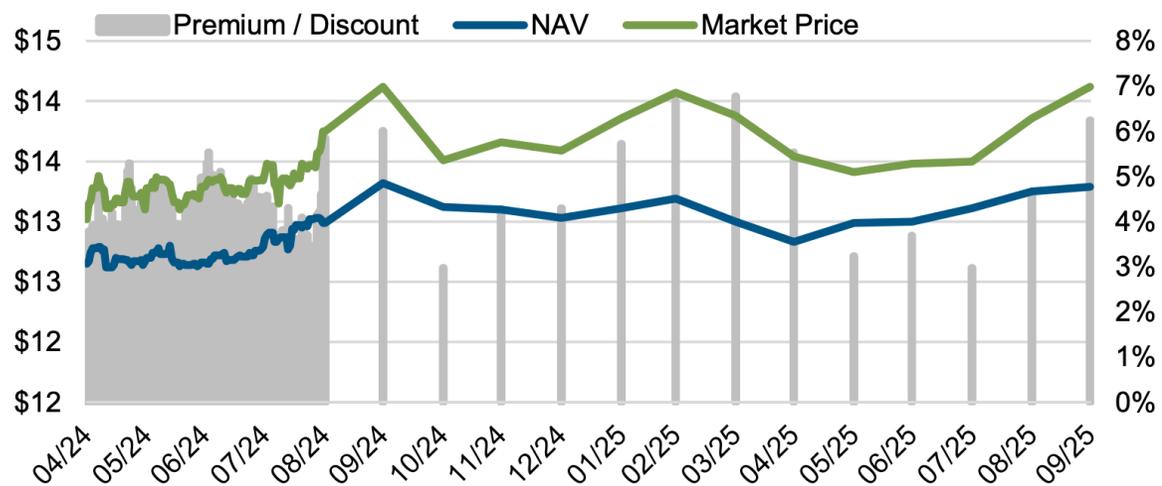
# TLTW Pays a Big Monthly Dividend



# PIMCO Dynamic Income Opportunities (PDO) Yields 11.1%



**Market Price / NAV – Trailing 18 Months (daily pricing)**



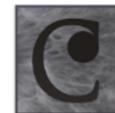
**Avg. annual total returns (%) as of 30 Sep '25**

	1 mos.	3 mos.	6 mos.	1 Yr.	3 Yrs.	SI
PIMCO Dynamic Income Opportunities Fund at Market Price	2.85	7.81	7.83	12.33	17.89	4.67
PIMCO Dynamic Income Opportunities Fund at NAV	1.27	5.26	8.47	12.25	11.79	3.58

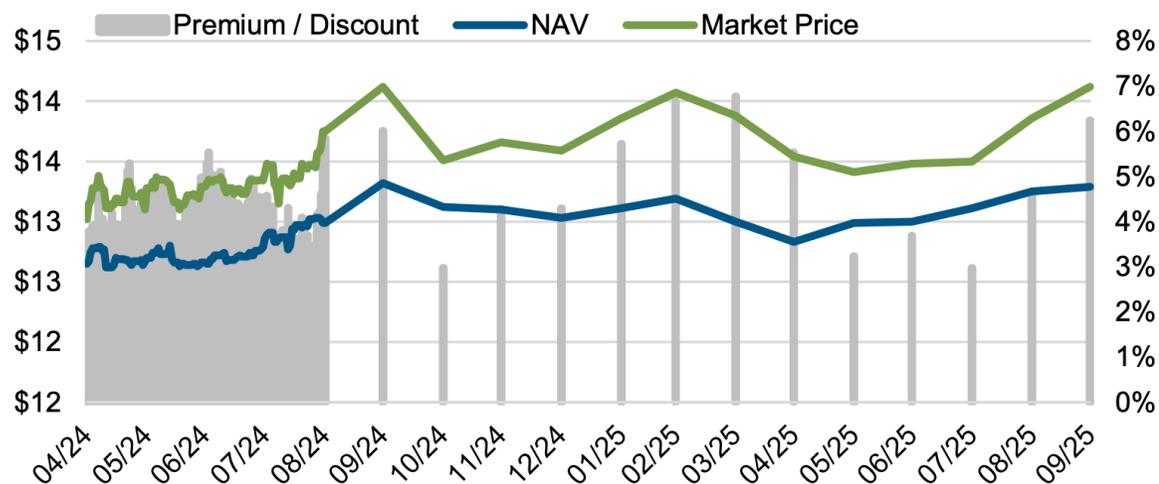
**Calendar Year Returns (%)**

	2022	2023	2024	YTD
PIMCO Dynamic Income Opportunities Fund at Market Price	-22.88	8.25	25.01	13.36
PIMCO Dynamic Income Opportunities Fund at NAV	-19.63	5.49	18.28	11.45

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**Market Price / NAV – Trailing 18 Months (daily pricing)**



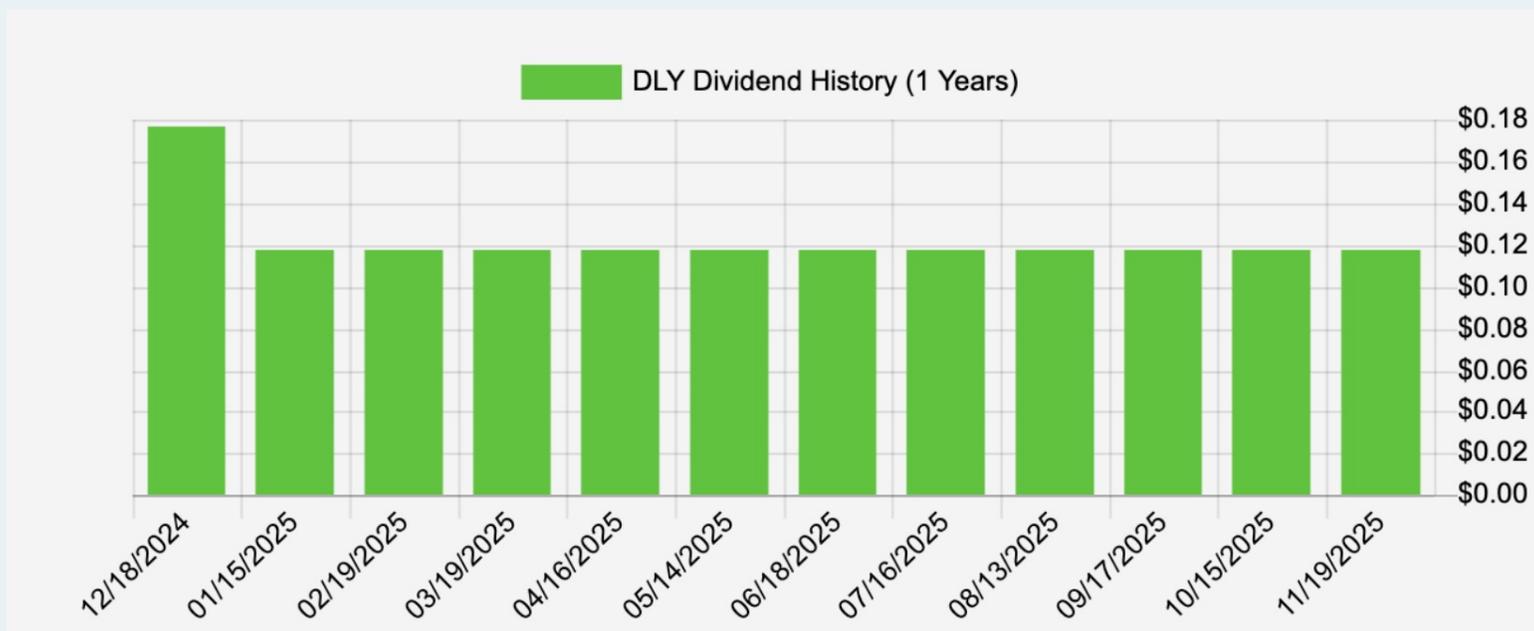
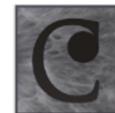
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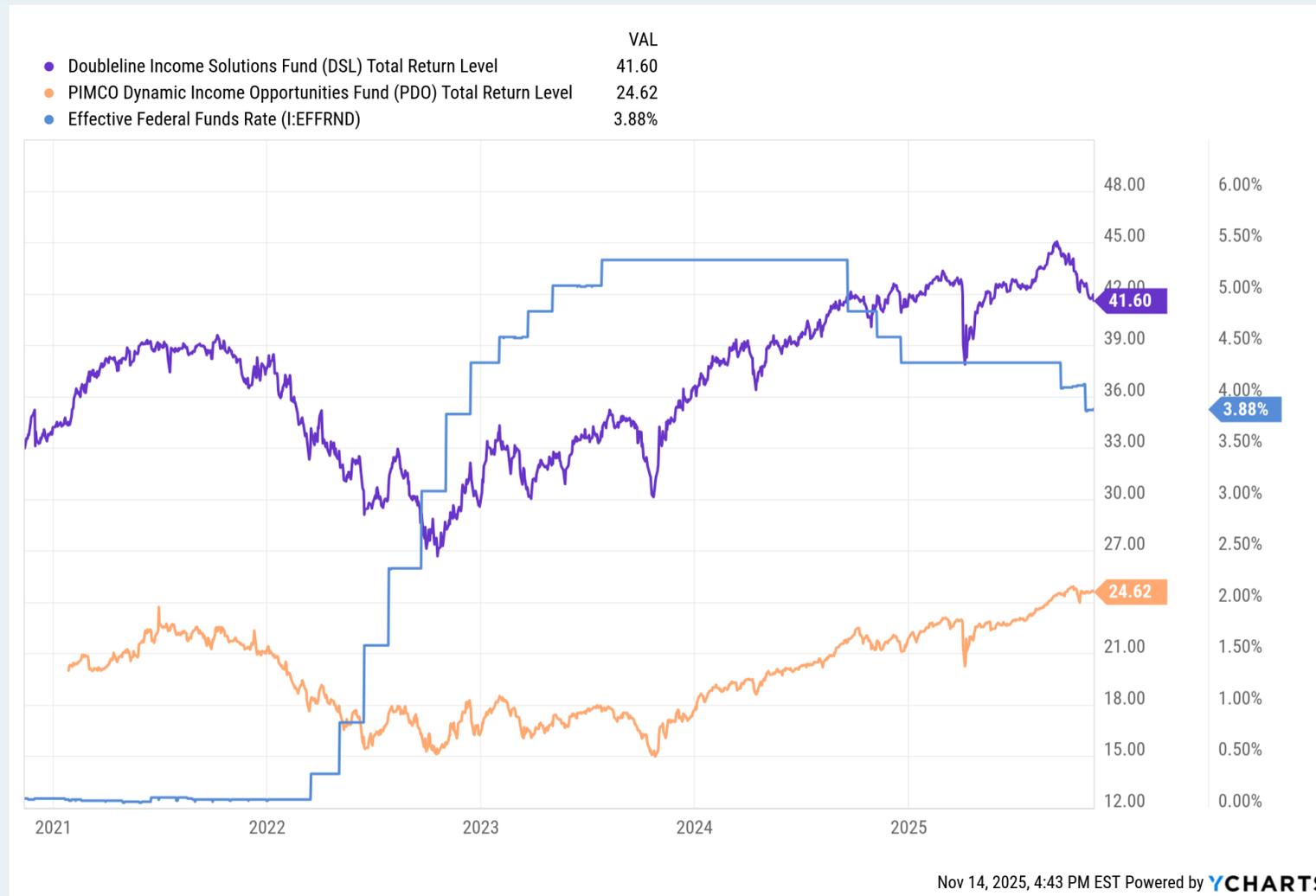
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# DoubleLine Yields Opps (DLY) Yields 9.6%, Trades at 7% Discount



Last trade:	14.64
NAV (11/13/2025):	15.79
Discount:	-7.28%
Historical Discount:	-4.85%

# Buy When Rates are *Dropping* (Not Rising)



Nov 14, 2025, 4:43 PM EST Powered by **YCHARTS**



## Contrarian Income Report

October 2025  
Volume 11, Issue 3



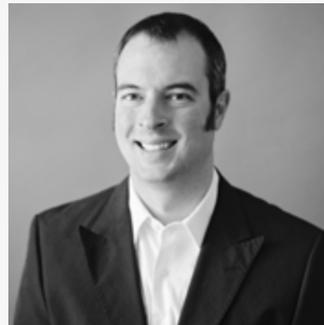
### This 7.7% Divvie Now on Sale for 7% Off

We have a gift from the always-maniac market. Let's take advantage

Our **Cohen & Steers Infrastr**  
August highs. UTF traded at  
has since slipped to a 7% dis

## Hidden Yields

October 2025  
Volume 11, Issue 2



### Washington's New Bill Supercharged Visa

Policymakers are *desperate* to boost demand for US Treasuries. Higher Treasury prices mean lower Treasury *yields*—and less interest on the huge federal debt pile.

These officials are so eager for lower yields and higher Treasury demand that they just legalized “digital dollars.” This is a key demand lever. Under the new law, banks can issue digital dollars (“stablecoins”) on their own provided they are backed by “something safe.” Which can be cash, or short-term Treasuries.

# Contrarian Income Report Track Record

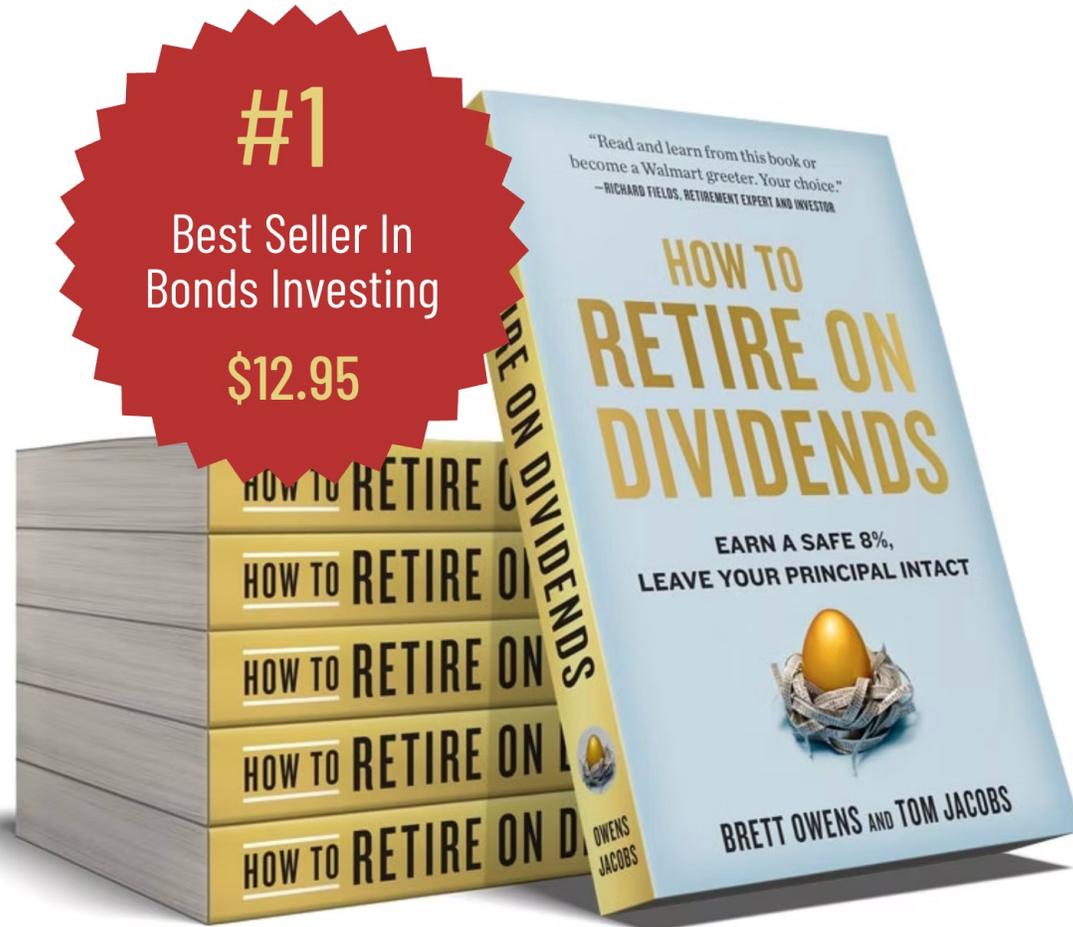
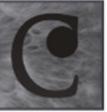


## **CIR lifetime returns** August 2015 inception

- *9.8% annual returns*
- Mostly dividends
- Includes drops/bears like 2018, 2020, 2022
- Also net of fund expense ratios, too



# Author of *How to Retire on Dividends*



Learn how to **retire on dividend income alone**— and keep your capital fully intact!

AVAILABLE ON

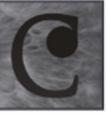
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\$12.95

**amazon**kindle  
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**audible**  
\$0.99

Buy It On Amazon

# Questions? Ask Me Now or DividendGPT Later 😊



## DividendGPT: Dividend Investing AI

By Brett Owens  

✓ Using the creator's recommended model: GPT-5

DividendGPT is your AI-powered dividend investing guide, built on Brett Owens' 20+ years of Contrarian Outlook expertise. Find high-yield stocks, monthly payers, and dividend growth picks to grow and protect your retirement income.

What's the safest 8% yield I can buy today?

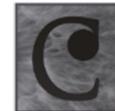
Show me monthly dividend payers I can live on.

Which dividend stocks are inflation-proof rig...

Compare dividend growth vs. high yield for retireme...

+ Ask anything





What are Brett's top 5 monthly dividend ideas today?

Here are **Brett's top 5 monthly dividend ideas *today*** based strictly on the most recent, validated research across CIR issues, Weekly columns, and September–October 2025 updates.

Educational only — not financial advice.

## Top 5 Monthly Dividend Ideas (Current Rankings)

### 1. FS Credit Opportunities (FSCO) — *High-income leader*

Why it's top-tier now:

- ~12% payout with loan coverage intact.
- Ex-div volatility has cooled; credit markets cooperating.
- Tagged as a **Best Buy** with a fresh buy-up-to discipline (\$7.35).
- Repeatedly highlighted in Weekly research as a standout monthly payer.

**Role:** Core high-yield sleeve for monthly income.

# Ask Your REIT and Dividend Questions!

