



Lincoln Capital Equity Commentary
Issue #68 – August 2023

August Changes:

Tax-Deferred					Taxable				
New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded	New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded
TSN				2.2%	TSN				2.1%
		DG		1.5%			DG		1.5%

Summary of Month's Action:

The S&P 500 is on track to close August down 1.5%. The top performing sectors for the month were Energy, Health Care and Consumer Discretionary. Laggards were Utilities, Consumer Staples, and Materials. Value lagged during the month of August, while quality and momentum outperformed.

Lincoln Capital portfolios were negatively impacted by the performance of Schwab and Generac. We covered Generac in detail in last month's commentary. We continue to think Schwab offers one of the best risk/rewards in client portfolios. During the month, SCHW shares underperformed as investors got spooked by a bond sale by the firm, which suggested they needed capital. The resumption of higher long-term bond yields and strong money market flows also likely weighed on the shares. The major positive contributor for the month was Emerson Electric, though there were no material news items for EMR.

We added shares of Tyson Foods, Inc., (TSN) to portfolios during August. TSN, founded in 1935, produces 1 out of every 5 pounds of protein (pork, beef, chicken) that Americans consume. In addition to protein production, the company also operates a prepared foods business with brands such as Tyson, Jimmy Dean, Hillshire Farm, Ball Park, Wright, Aidells, and State Fair. The protein markets are cyclical, but due to the relatively short lives of livestock, and consumers ability to substitute for other proteins, the markets often quickly find balance (chicken being the fastest market to adjust).

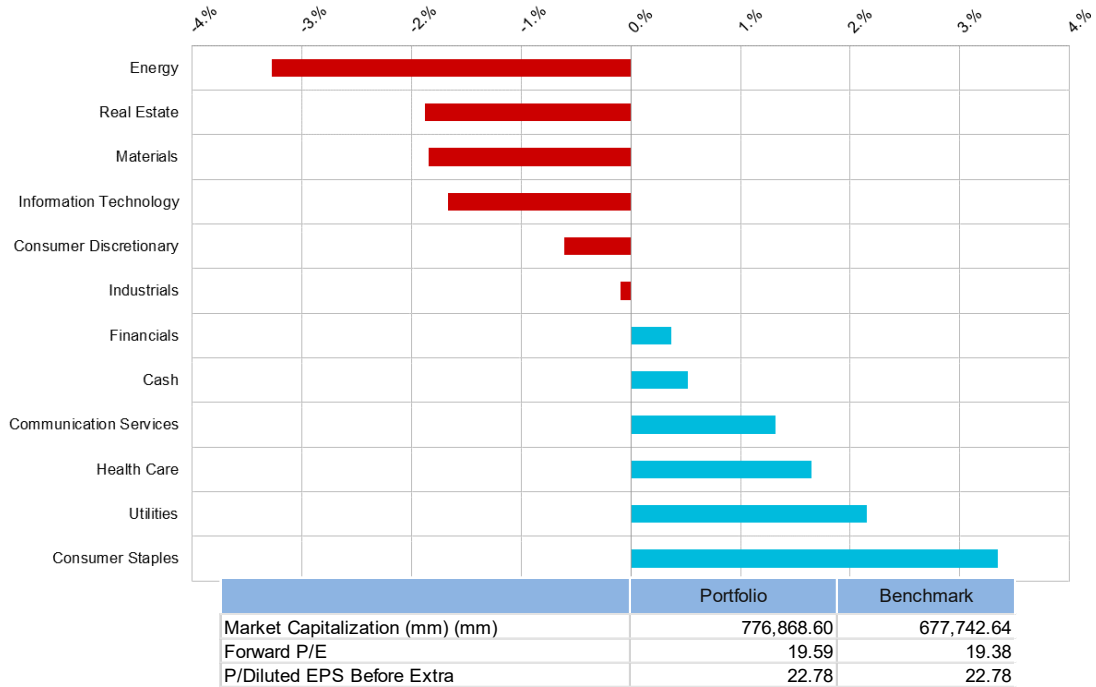
Today, all three major markets are at cyclical troughs. This has created an opportunity to buy TSN at an attractive valuation less than book value. Since 2001, TSN has traded under book value during 6 episodes and, each time, the shares have gone on to outperform the market the following 12 to 24 months. We expect a similar dynamic to play out today, meanwhile, shareholders will collect a 3.5% dividend yield.

We trimmed shares of DG after another disappointing earnings call. We intend to exit the position entirely at a more favorable price in the weeks ahead. In short, this investment has not worked out as planned as we failed to appreciate the pricing adjustments and labor investments needed to stabilize the business. We will continue to monitor the stock for future purchase.



Tax-Exempt Models

Sector Weights Relative to the S&P 500:



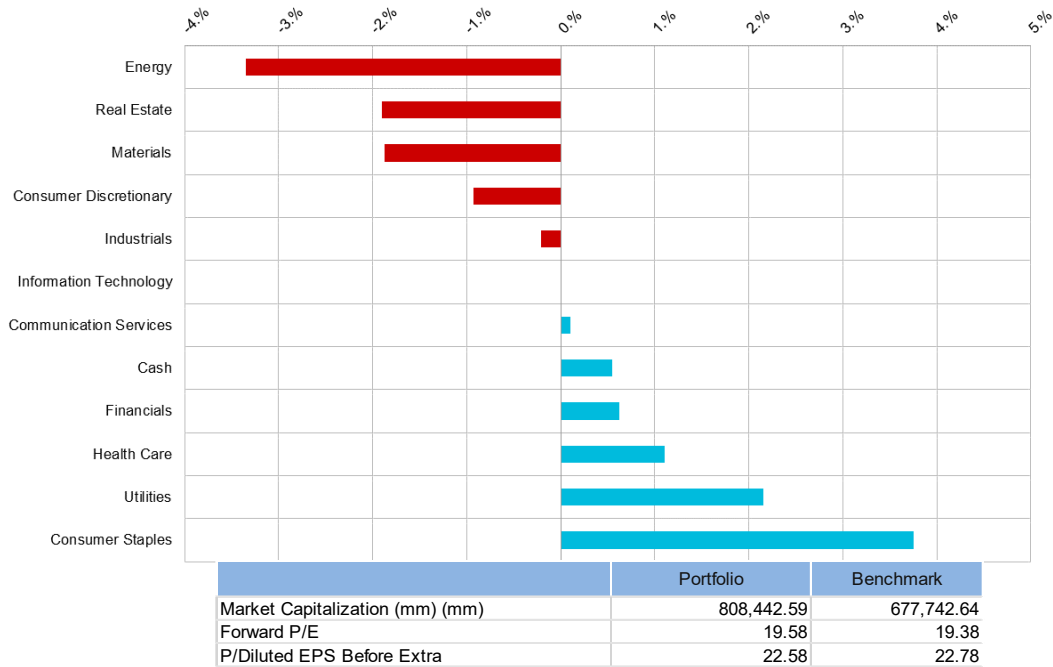
Portfolio Holdings (08/31/2023)

Name	Weight	Forward P/E	Sector
Goldman Sachs ETF Trust - Goldman Sachs ActiveBeta U.S. Large Cap Equity ETF (ARCA:GSLC)	17.93%	-	Financials
Microsoft Corporation (NasdaqGS:MSFT)	10.86%	29.9	Information Technology
iShares Trust - iShares MSCI USA Quality Factor ETF (BATS:QUAL)	7.57%	-	Financials
UnitedHealth Group Incorporated (NYSE:UNH)	7.16%	18.7	Health Care
Amazon.com, Inc. (NasdaqGS:AMZN)	6.67%	55.7	Consumer Discretionary
The Charles Schwab Corporation (NYSE:SCHW)	5.82%	16.9	Financials
Apple Inc. (NasdaqGS:AAPL)	4.20%	29.2	Information Technology
T-Mobile US, Inc. (NasdaqGS:TMUS)	4.05%	15.6	Communication Services
The Select Sector SPDR Trust - The Utilities Select Sector SPDR Fund (ARCA:XLU)	3.97%	-	Financials
Alphabet Inc. (NasdaqGS:GOOGL)	3.86%	22.1	Communication Services
Cencora Inc. (NYSE:COR)	3.75%	14.4	Health Care
Advanced Micro Devices, Inc. (NasdaqGS:AMD)	3.41%	31.7	Information Technology
Dollar General Corporation (NYSE:DG)	2.97%	15.5	Consumer Staples
Vanguard Wellington Fund - Vanguard U.S. Momentum Factor ETF (BATS:VFMO)	2.87%	-	Financials
JPMorgan Chase & Co. (NYSE:JPM)	2.74%	9.8	Financials
Mondelez International, Inc. (NasdaqGS:MDLZ)	2.59%	21.2	Consumer Staples
Emerson Electric Co. (NYSE:EMR)	2.51%	20.4	Industrials
Tyson Foods, Inc. (NYSE:TSN)	2.16%	23.3	Consumer Staples
Textron Inc. (NYSE:TXT)	1.60%	14.2	Industrials
Bank of America Corporation (NYSE:BAC)	1.52%	9.1	Financials
Generac Holdings Inc. (NYSE:GNRC)	1.27%	17.5	Industrials
US Dollar (USD)	0.52%	-	Cash
Total	100.00%		



Taxable Models

Sector Weights Relative to the S&P 500:



Portfolio Holdings (08/31/2023)

Name	Weight	Forward P/E	Sector
Goldman Sachs ETF Trust - Goldman Sachs ActiveBeta U.S. Large Cap Equity ETF (ARCA:GSLC)	17.41%	-	Financials
Microsoft Corporation (NasdaqGS:MSFT)	12.19%	29.9	Information Technology
UnitedHealth Group Incorporated (NYSE:UNH)	7.29%	18.7	Health Care
Amazon.com, Inc. (NasdaqGS:AMZN)	6.47%	55.7	Consumer Discretionary
iShares Trust - iShares MSCI USA Quality Factor ETF (BATS:QUAL)	5.96%	-	Financials
The Charles Schwab Corporation (NYSE:SCHW)	5.66%	16.9	Financials
Apple Inc. (NasdaqGS:AAPL)	5.03%	29.2	Information Technology
The Select Sector SPDR Trust - The Utilities Select Sector SPDR Fund (ARCA:XLU)	4.02%	-	Financials
T-Mobile US, Inc. (NasdaqGS:TMUS)	3.76%	15.6	Communication Services
Advanced Micro Devices, Inc. (NasdaqGS:AMD)	3.40%	31.7	Information Technology
Vanguard Wellington Fund - Vanguard U.S. Momentum Factor ETF (BATS:VFMO)	3.37%	-	Financials
Cencora Inc. (NYSE:COR)	3.27%	14.4	Health Care
Alphabet Inc. (NasdaqGS:GOOGL)	3.10%	22.1	Communication Services
Mondelez International, Inc. (NasdaqGS:MDLZ)	3.06%	21.2	Consumer Staples
Dollar General Corporation (NYSE:DG)	3.06%	15.5	Consumer Staples
JPMorgan Chase & Co. (NYSE:JPM)	2.79%	9.8	Financials
Emerson Electric Co. (NYSE:EMR)	2.41%	20.4	Industrials
Tyson Foods, Inc. (NYSE:TSN)	2.14%	23.3	Consumer Staples
Bank of America Corporation (NYSE:BAC)	2.10%	9.1	Financials
Textron Inc. (NYSE:TXT)	1.59%	14.2	Industrials
Generac Holdings Inc. (NYSE:GNRC)	1.36%	17.5	Industrials
US Dollar (USD)	0.54%	-	Cash
Total	100.00%		