



Lincoln Capital Equity Commentary
Issue #69 – September 2023

September 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
	GNRC			1.3%		GNRC			1.4%

Summary of Month’s Action:

September was a difficult month for equities and bonds, too, for that matter. The S&P 500 fell 4.8% during the month (per S&P CapIQ). From a sector perspective, energy was the only one to finish the month positive. Sector laggards included Real Estate, Information Technology, and Industrials. The key influence for the month was interest rates. The 10-year U.S. treasury closed on August 31st at 4.09% and ended the month at 4.58%, and has surged even more October-to-date (all using Koyfin data).

What has been the driver of long-term yields? The oil market appeared to be somewhat responsible yet, upon closer inspection, it didn’t seem to be a major factor. Five-year breakeven inflation rates – the market’s expectations for inflation over the next 5 years derived from the treasury inflation protected securities market (TIPs) – have not increased meaningfully and sit at 2.18% today (per the Federal Reserve Bank of St Louis). Rather, it seems the market has removed the amount of federal funds rate cuts next year, implying a higher rate for Fed Funds as we exit 2024. This repricing has been driven by both Fed communications and also due to economic strength.

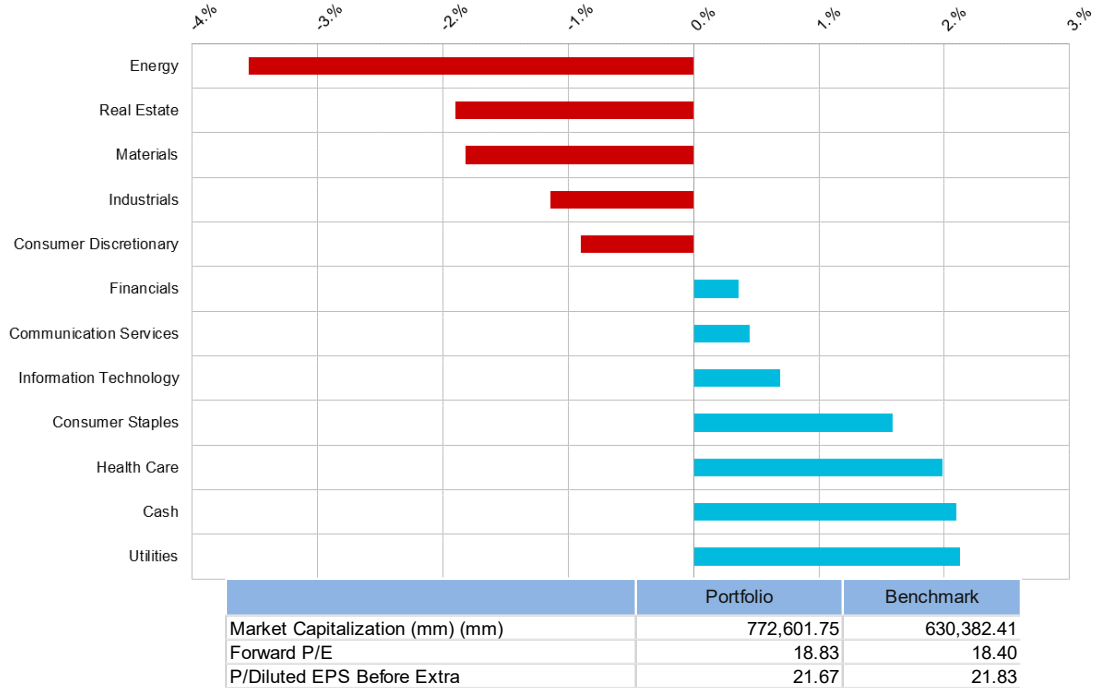
We will expand on many of these topics in our upcoming quarterly Tally and Perspective.

Generac Holdings, Inc. (GNRC) - We sold our position in Generac. As mentioned previously, we intended to sell Generac, but were looking for an opportune time to sell it. With hurricane season past its peak, we don’t think there are many upside surprises left this year and decided to liquidate the position. As stated, demand appears to be ebbing for Generac, as the company cited lower year-over-year installations in its latest quarter despite 2022 installations being artificially depressed due to a lack of installation labor. Ultimately, Generac needs to sell more units to make money and, unlike cars or iPhones, replacement demand can offer no support if new sales slow down.



Tax-Exempt Models

Sector Weights Relative to the S&P 500:



Portfolio Holdings (09/30/2023)

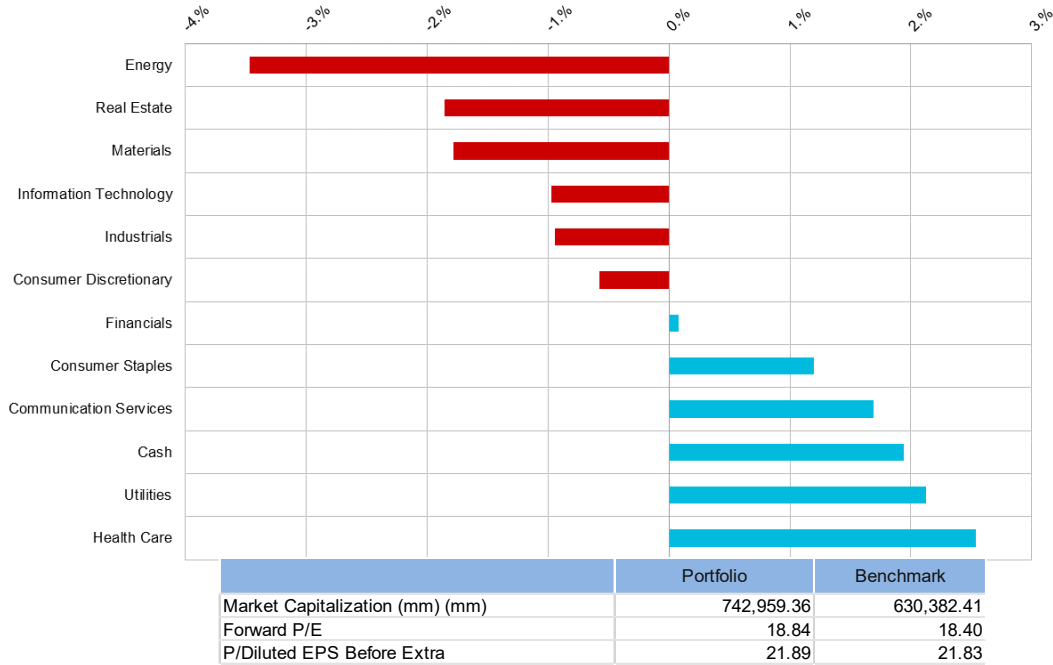
Name	Weight	Forward P/E	Sector
Goldman Sachs ETF Trust - Goldman Sachs ActiveBeta U.S. Large Cap Equity ETF (ARCA:GSLC)	18.83%	-	Financials
Microsoft Corporation (NasdaqGS:MSFT)	12.27%	28.68	Information Technology
UnitedHealth Group Incorporated (NYSE:UNH)	7.83%	19.16	Health Care
Amazon.com, Inc. (NasdaqGS:AMZN)	6.38%	51.12	Consumer Discretionary
iShares Trust - iShares MSCI USA Quality Factor ETF (BATS:QUAL)	5.91%	-	Financials
The Charles Schwab Corporation (NYSE:SCHW)	5.45%	15.93	Financials
Apple Inc. (NasdaqGS:AAPL)	4.81%	26.72	Information Technology
T-Mobile US, Inc. (NasdaqGS:TMUS)	4.02%	15.78	Communication Services
The Select Sector SPDR Trust - The Utilities Select Sector SPDR Fund (ARCA:XLU)	3.91%	-	Financials
Cencora, Inc. (NYSE:COR)	3.44%	14.46	Health Care
Advanced Micro Devices, Inc. (NasdaqGS:AMD)	3.44%	30.56	Information Technology
Vanguard Wellington Fund - Vanguard U.S. Momentum Factor ETF (BATS:VFMO)	3.32%	-	Financials
Alphabet Inc. (NasdaqGS:GOOGL)	3.13%	21.13	Communication Services
Mondelez International, Inc. (NasdaqGS:MDLZ)	3.11%	20.50	Consumer Staples
JPMorgan Chase & Co. (NYSE:JPM)	2.86%	9.48	Financials
Emerson Electric Co. (NYSE:EMR)	2.48%	19.92	Industrials
Tyson Foods, Inc. (NYSE:TSN)	2.08%	21.48	Consumer Staples
Bank of America Corporation (NYSE:BAC)	2.08%	8.67	Financials
Textron Inc. (NYSE:TXT)	1.68%	14.28	Industrials
iShares Trust - iShares 0-3 Month Treasury Bond ETF (ARCA:SGOV)	1.26%	-	Financials
Dollar General Corporation (NYSE:DG)	0.89%	13.57	Consumer Staples
US Dollar (USD)	0.83%	-	Cash
Total	100.00%		

(Source Capital IQ)



Taxable Models

Sector Weights Relative to the S&P 500:



Portfolio Holdings (09/30/2023)

Name	Weight	Forward P/E	Sector
Goldman Sachs ETF Trust - Goldman Sachs ActiveBeta U.S. Large Cap Equity ETF (ARCA:GSLC)	19.36%	-	Financials
Microsoft Corporation (NasdaqGS:MSFT)	10.92%	28.68	Information Technology
UnitedHealth Group Incorporated (NYSE:UNH)	7.69%	19.16	Health Care
iShares Trust - iShares MSCI USA Quality Factor ETF (BATS:QUAL)	7.50%	-	Financials
Amazon.com, Inc. (NasdaqGS:AMZN)	6.57%	51.12	Consumer Discretionary
The Charles Schwab Corporation (NYSE:SCHW)	5.59%	15.93	Financials
T-Mobile US, Inc. (NasdaqGS:TMUS)	4.32%	15.78	Communication Services
Apple Inc. (NasdaqGS:AAPL)	4.01%	26.72	Information Technology
Cencora, Inc. (NYSE:COR)	3.95%	14.46	Health Care
Alphabet Inc. (NasdaqGS:GOOGL)	3.89%	21.13	Communication Services
The Select Sector SPDR Trust - The Utilities Select Sector SPDR Fund (ARCA:XLU)	3.86%	-	Financials
Advanced Micro Devices, Inc. (NasdaqGS:AMD)	3.44%	30.56	Information Technology
Vanguard Wellington Fund - Vanguard U.S. Momentum Factor ETF (BATS:VFMO)	2.83%	-	Financials
JPMorgan Chase & Co. (NYSE:JPM)	2.80%	9.48	Financials
Mondelez International, Inc. (NasdaqGS:MDLZ)	2.63%	20.50	Consumer Staples
Emerson Electric Co. (NYSE:EMR)	2.59%	19.92	Industrials
Tyson Foods, Inc. (NYSE:TSN)	2.10%	21.48	Consumer Staples
Textron Inc. (NYSE:TXT)	1.69%	14.28	Industrials
Bank of America Corporation (NYSE:BAC)	1.50%	8.67	Financials
iShares Trust - iShares 0-3 Month Treasury Bond ETF (ARCA:SGOV)	1.20%	-	Financials
Dollar General Corporation (NYSE:DG)	0.83%	13.57	Consumer Staples
US Dollar (USD)	0.75%	-	Cash
Total	100.00%		

(Source Capital IQ)