



Lincoln Capital Equity Commentary Issue #72 – December 2023

December 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
			TXT	1.3%				TXT	1.4%

Summary of Month's Action:

Equities continued to rebound in the month of December, with the S&P 500 gaining more than 4.5%. Real Estate, Industrials, and Consumer Discretionary were the sector leaders. Laggards for the month were Energy, Utilities and Consumer Staples. As the press has widely reported, 2023 saw a large bounce from sectors that underperformed in 2022 due to improving fundamentals, an avoidance of recession and generative AI excitement. Information Technology, Communication Services (mostly Google), and Consumer Discretionary (mostly Amazon) all increased more than 40% in 2023. For the full year, Utilities, Energy and Consumer Staples underperformed. Ironically, these same sector groups were the same for 2022, but on the other end of the performance scale (all data compiled by LSEG).

For Lincoln Capital's stock model, top contributors to performance in December were Advanced Micro Devices, Charles Schwab and Tyson Foods, which rose 21.7%, 12.2% and 14.8%, respectively. The major drag on performance was UnitedHealth Group, which declined 4.5% for the month. There were no company-specific news items driving share prices.

The highlight of December was the Federal Open Market Committee (FOMC) press conference. At the event, Chairman Powell blessed the growing market consensus that the next move from the central bank would be a cut to the Fed Funds rate. With FOMC participants penciling in 3 cuts to their 2024 forecasts, the market took the message and ran with it. The market priced in a Fed Funds rate that was 1.5% lower (six, 0.25% cuts) by the end of 2024. This dovish shift allowed stocks to move higher into a quiet year-end.

Security Specific Comments:

Textron Inc. – (TXT) – We added to shares of Textron during December. There is widespread skepticism that strong business jet fundamentals can persist, which is keeping a lid on TXT's share price. As of today, the company is trading at 13.1x forward EPS, much cheaper than the market despite similar earnings growth outlooks. The fundamentals of the business jet market – flight miles, used inventory availability, and pricing – are all positive, and Textron has been under-shipping orders allowing backlogs to grow and pricing to remain firm. We expect the business jet market will be stronger than the market anticipates in 2024. Key risks include the current grounding of the V-22 Osprey, the implications of the grounding on the V-280 Valor, and recent rumors of a bid for United Launch Alliance.



Disclosures:

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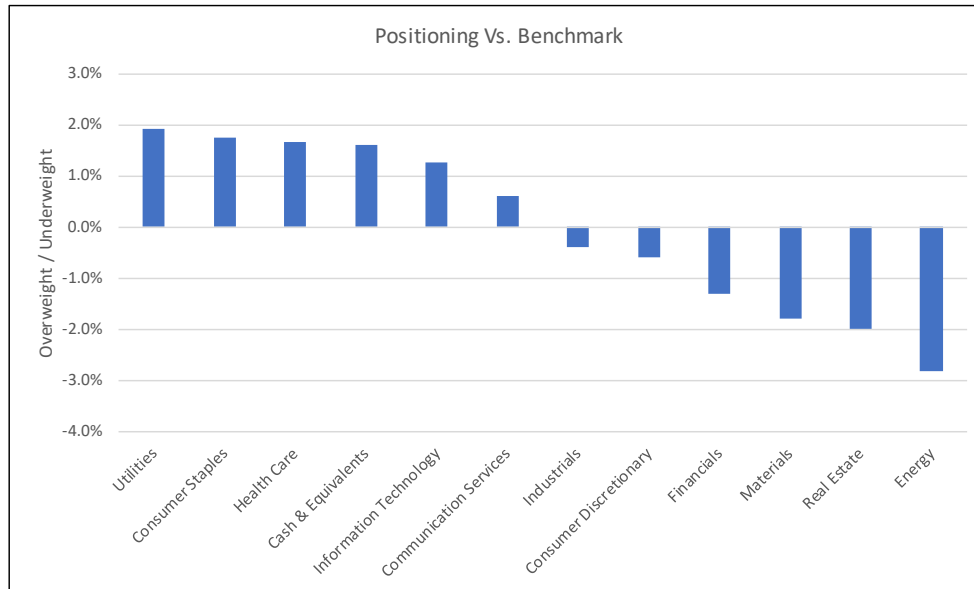
Additional information, including management fees and expenses, is provided on our Form ADV Part 2 available upon request or at the SEC's Investment Adviser Public Disclosure website. <https://adviserinfo.sec.gov/> ***Past performance is not a guarantee of future results.***

The investments presented are examples of the securities held, bought and/or sold in Lincoln Capital Corporation strategies during the last 12 months. These investments may not be representative of the current or future investments of those strategies. You should not assume that investments in the securities identified in this presentation were or will be profitable. We will furnish, upon your request, a list of all securities purchased, sold or held in the strategies during the 12 months preceding the date of this presentation. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities identified in this presentation. Lincoln Capital Corporation or one or more of its officers or employees, may have a position in the securities presented, and may purchase or sell such securities from time to time.



Taxable Models

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Position Count	21	
Company Market Cap (Billion)	912	723
P/E - Forecast 12-Month	19.8	19.7

Portfolio Holdings (12/31/2023)

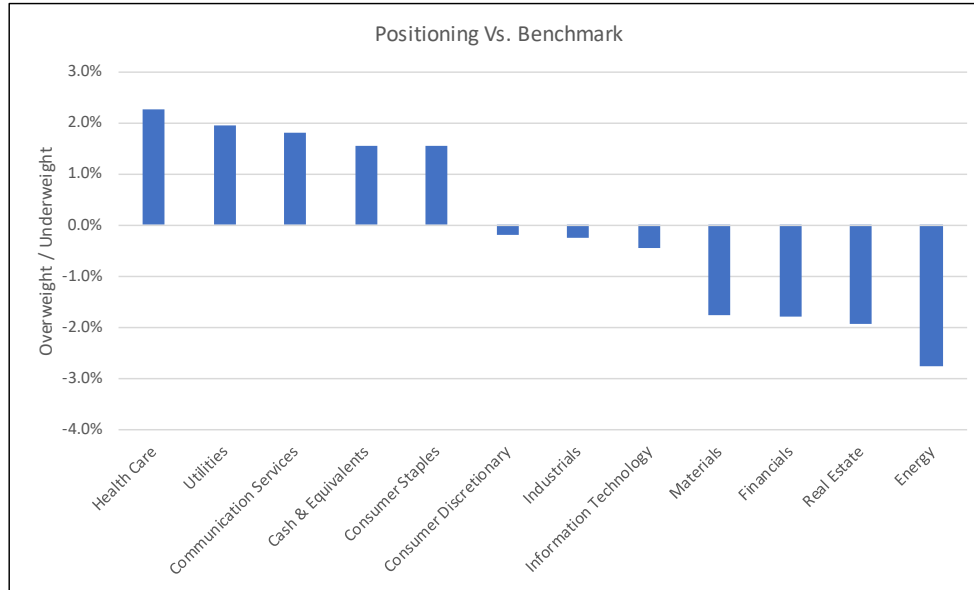
Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta US Large Cap Equity ETF	18.5%	N/A	N/A
Microsoft Ord Shs	12.9%	31.1	Information Technology
UnitedHealth Group Ord Shs	7.2%	18.9	Health Care
Amazon Com Ord Shs	6.7%	42.2	Consumer Discretionary
iShares MSCI USA Quality Factor ETF	5.8%	N/A	N/A
Apple Ord	4.8%	28.7	Information Technology
Vanguard US Momentum Factor ETF	4.4%	N/A	N/A
Advanced Micro Devices Ord Shs	4.3%	39.5	Information Technology
T Mobile US Ord Shs	4.1%	16.1	Communication Services
Utilities Select Sector SPDR Fund	3.7%	N/A	Utilities
Charles Schwab Ord Shs	3.5%	18.5	Financials
Cencora Ord Shs	3.5%	15.6	Health Care
JPMorgan Chase Ord Shs	3.0%	10.9	Financials
Alphabet Ord Shs Class A	2.9%	20.9	Communication Services
Textron Ord Shs	2.9%	13.6	Industrials
Mondelez International Ord Shs Class A	2.9%	20.7	Consumer Staples
Bank of America Ord Shs	2.3%	10.4	Financials
Emerson Electric Ord Shs	2.2%	18.0	Industrials
Tyson Foods Ord Shs Class A	2.0%	23.2	Consumer Staples
U S Dollar	1.6%	N/A	N/A
WK Kellogg Ord Shs	1.1%	8.7	Consumer Staples
Total	100%		

(Source LSEG)



Tax-Exempt Models

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Position Count	21	
Company Market Cap (Billion)	874	723
P/E - Forecast 12-Month	19.8	19.7

Portfolio Holdings (12/31/2023)

Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta US Large Cap Equity ETF	19.0%	N/A	N/A
Microsoft Ord Shs	11.5%	31.1	Information Technology
iShares MSCI USA Quality Factor ETF	7.4%	N/A	N/A
UnitedHealth Group Ord Shs	7.1%	18.9	Health Care
Amazon Com Ord Shs	6.9%	42.2	Consumer Discretionary
T Mobile US Ord Shs	4.4%	16.1	Communication Services
Advanced Micro Devices Ord Shs	4.4%	39.5	Information Technology
Apple Ord	4.0%	28.7	Information Technology
Cencora Ord Shs	4.0%	15.6	Health Care
Vanguard US Momentum Factor ETF	3.8%	N/A	N/A
Alphabet Ord Shs Class A	3.7%	20.9	Communication Services
Utilities Select Sector SPDR Fund	3.7%	N/A	Utilities
Charles Schwab Ord Shs	3.5%	18.5	Financials
JPMorgan Chase Ord Shs	2.9%	10.9	Financials
Textron Ord Shs	2.8%	13.6	Industrials
Mondelez International Ord Shs Class A	2.4%	20.7	Consumer Staples
Emerson Electric Ord Shs	2.3%	18.0	Industrials
Tyson Foods Ord Shs Class A	2.0%	23.2	Consumer Staples
Bank of America Ord Shs	1.6%	10.4	Financials
U S Dollar	1.6%	N/A	N/A
WK Kellogg Ord Shs	1.2%	8.7	Consumer Staples
Total	100%		

(Source LSEG)