



Lincoln Capital Equity Commentary Issue #77 – May 2024

May Changes:

Tax-Deferred				
New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded
	BAC			1.7%
		QCOM		0.5%
		MSFT		1.4%
			AAPL	3.3%
			SDHC	0.2%
			D	1.0%

Taxable				
New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded
	BAC			2.3%
			AAPL	1.5%
			SDHC	0.2%
			D	1.0%

Summary of Month's Action:

The S&P 500 gained approximately 5.0% during May, recouping the bulk of the April swoon. Information technology, utilities, and communication services led from a sector perspective, while energy, consumer discretionary and industrials lagged. In client portfolios, Qualcomm, Microsoft and T-Mobile were the top contributors, while Cencora, Tyson Foods and Stanley Black and Decker were the largest detractors. All preceding data sourced from Refinitiv.

T-Mobile's performance is worthy of further explanation as the company benefited from merger enthusiasm. The company acquired 4 million customers, stores and some spectrum from UScellular in the quarter, at what we believe is an attractive price. T-Mobile continues to look attractive to us as the company enters its cash harvesting phase following the major acquisition and integration of Sprint.

Security Specific Comments:

Bank of America Corporation (BAC) / Microsoft Corporation (MSFT) – We trimmed these securities to make room for purchases this month. We held MSFT in taxable accounts, as the taxable gain made the trade less attractive.

QUALCOMM Incorporated (QCOM) – QCOM has provided an excellent return in a short time for Lincoln Capital clients. Investors appear to be warming up to the improved smartphone landscape and the prospect of share gains in the personal computer CPU market. Qualcomm-based Windows PCs are now shipping to customers and early reviews are favorable. QCOM's ARM-based CPU should provide battery and heat benefits, particularly important attributes as more AI computation is moving to the 'edge' from the data center.

Smith Douglas Homes Corp. (SDHC) / Dominion Energy, Inc. (D) – We decided to add to two of our smaller holdings to make them more meaningful for portfolio returns. Smith Douglas continues to remain volatile, but we believe prospective returns warrant the turbulence. Dominion, and utilities in general, have performed well as investors embrace the idea that power consumption could soon be increasing, a large change from recent history.



Apple Inc. (AAPL) – We added to shares of Apple ahead of their June 10th World Wide Developers Conference (WWDC). The company is expected to introduce multiple generative AI functions into the next iOS release, some of which will only be available on new iPhones to be released in the fall. Additionally, it's expected the company will announce a partnership with either OpenAI or Google for cloud-based generative AI functionality. Use cases are expected to be focused on a more helpful Siri. While we have been less enthusiastic about Apple in recent years, we believe that AI could provide the catalyst for a material 'replacement' cycle. There are approximately 1.3 billion iPhones in service today, and last fiscal year approximately 222 million iPhones were sold globally. iPhone users have been holding onto their devices for close to 5 years, a massive increase in retention compared to the less than 2 years retention seen a decade ago. Small moves in replacement cycles can have major revenue implications at Apple, with Morgan Stanley's bull case for fiscal 2025 representing a 19% increase in units from fiscal 2024.

Disclosures:

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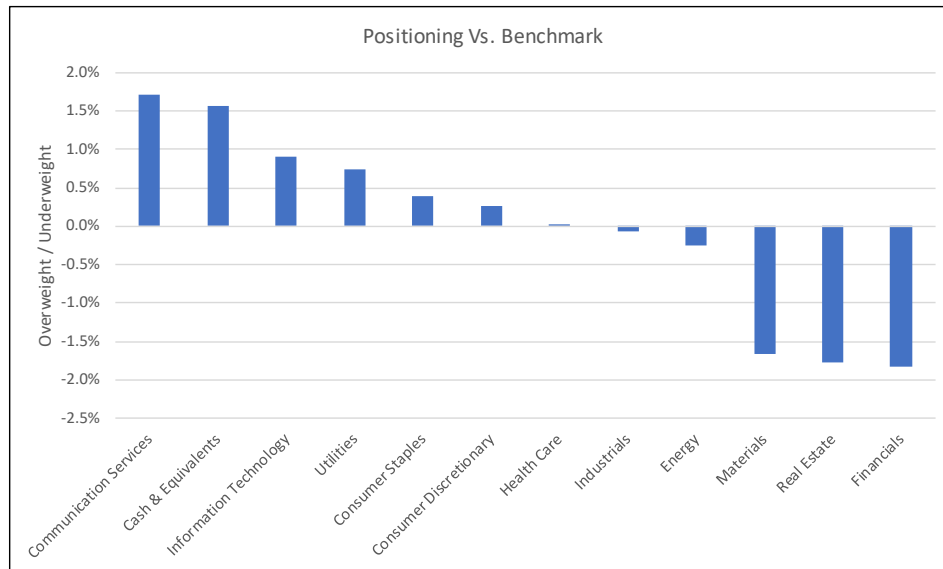
Additional information, including management fees and expenses, is provided on our Form ADV Part 2 available upon request or at the SEC's Investment Adviser Public Disclosure website. <https://adviserinfo.sec.gov/> Past performance is not a guarantee of future results.

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.



Tax Exempt Models

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Position Count	22	
Company Market Cap (Billion)	984	896
P/E - Forecast 12-Month	20.2	20.6

Portfolio Holdings (05/31/2024)

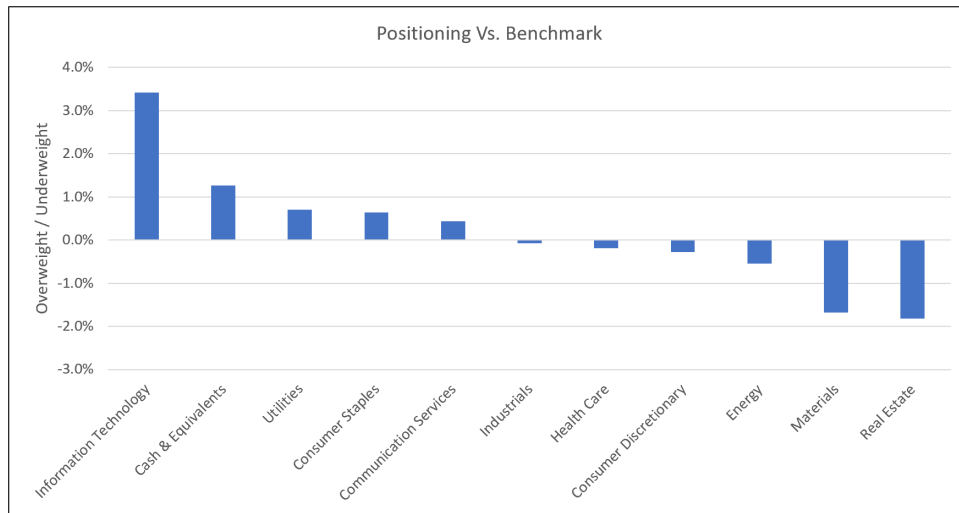
Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta US Large Cap Equity ETF	18.9%	N/A	
Microsoft Ord Shs	9.7%	31.6	Information Technology
iShares MSCI USA Quality Factor ETF	8.1%	N/A	
Apple Ord	6.6%	27.4	Information Technology
Amazon Com Ord Shs	5.3%	35.0	Consumer Discretionary
UnitedHealth Group Ord Shs	4.4%	17.1	Health Care
T Mobile US Ord Shs	4.3%	17.7	Communication Services
Charles Schwab Ord Shs	4.3%	19.7	Financials
Alphabet Ord Shs Class A	4.1%	21.6	Communication Services
Cencora Ord Shs	3.9%	15.9	Health Care
Vanguard US Momentum Factor ETF	3.9%	N/A	
Advanced Micro Devices Ord Shs	3.8%	38.1	Information Technology
JPMorgan Chase Ord Shs	3.1%	12.2	Financials
Textron Ord Shs	2.8%	13.4	Industrials
Dominion Energy Ord Shs	2.8%	17.5	Utilities
Canadian Natural Resources Ord Shs	2.5%	12.8	Energy
Tyson Foods Ord Shs Class A	2.5%	17.2	Consumer Staples
Stanley Black & Decker Ord Shs	2.3%	18.9	Industrials
Mondelez International Ord Shs Class A	2.1%	19.0	Consumer Staples
QUALCOMM Ord Shs	2.0%	18.9	Information Technology
U S Dollar	1.5%	N/A	
Smith Douglas Homes Ord Shs Class A	1.4%	13.4	Consumer Discretionary
Total	100%		

(Source LSEG)



Taxable Models

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Position Count	22	
Company Market Cap (Billion)	1,007	896
P/E - Forecast 12-Month	20.3	20.6

Portfolio Holdings (05/31/2024)

Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta US Large Cap Equity ETF	18.4%	N/A	
Microsoft Ord Shs	12.8%	31.6	Information Technology
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Apple Ord	5.5%	27.4	Information Technology
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Amazon Com Ord Shs	4.9%	35.0	Consumer Discretionary
UnitedHealth Group Ord Shs	4.5%	17.1	Health Care
Charles Schwab Ord Shs	4.3%	19.7	Financials
T Mobile US Ord Shs	4.0%	17.7	Communication Services
Advanced Micro Devices Ord Shs	3.8%	38.1	Information Technology
Cencora Ord Shs	3.8%	15.9	Health Care
Alphabet Ord Shs Class A	3.3%	21.6	Communication Services
JPMorgan Chase Ord Shs	3.2%	12.2	Financials
QUALCOMM Ord Shs	3.0%	18.9	Information Technology
Textron Ord Shs	2.8%	13.4	Industrials
Dominion Energy Ord Shs	2.8%	17.5	Utilities
Tyson Foods Ord Shs Class A	2.5%	17.2	Consumer Staples
Mondelez International Ord Shs Class A	2.4%	19.0	Consumer Staples
Canadian Natural Resources Ord Shs	2.2%	12.8	Energy
Stanley Black & Decker Ord Shs	2.2%	18.9	Industrials
Smith Douglas Homes Ord Shs Class A	1.4%	13.4	Consumer Discretionary
U S Dollar	1.2%	N/A	
Total	100%		

(Source LSEG)