



Lincoln Capital Equity Commentary

Issue #88 – April 2025

April Changes:

Tax-Deferred				
New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded
RDFN				3.3%
	RKT			1.8%

Taxable				
New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded
RDFN				3.3%
	RKT			1.8%

Summary of Month's Action:

In what may come as a surprise to many, the S&P 500 declined just 0.8% in April. While the point-to-point movement was relatively modest, intra-month volatility was intense. The Information Technology, Consumer Staples, and Communication Services sectors outperformed, while Energy, Health Care, and Materials lagged.

The top contributor to performance during the month was Rocket / Redfin. We increased our position in early April as we remain optimistic about the company's long-term strategic direction. Rocket's share price tends to be volatile, largely due to the strong influence of interest rate movements on its near-term results. When rates fall, refinancing activity typically increases—boosting Rocket's business prospects.

Following "Liberation Day," interest rates initially declined, lifting sentiment around Rocket, but later reversed as foreign and hedge fund selling hit the Treasury market. We believe the historical inverse relationship between rates and Rocket's share price will reassert itself if the economy slows, making Rocket not only a long-term opportunity but also a potential tactical hedge.

You may also notice we now hold Redfin (RDFN) rather than RKT common stock. Rocket is in the process of acquiring Redfin, with RDFN shareholders expected to receive 0.7926 shares of RKT per RDFN share upon deal completion in Q2 or Q3 2025. Initially, we executed a swap in taxable accounts to realize losses in RKT, then followed with swaps in tax-exempt accounts as the discount to the implied merger value widened to nearly 20%. As the spread has since narrowed to around 5%, we will likely rotate back into Rocket if it continues to tighten.

Another notable name for April was UnitedHealth Group (UNH)—unfortunately for the wrong reasons. UNH once again disappointed investors, citing higher-than-expected care utilization in both its insurance division and Optum Health segment. What made the report particularly frustrating is that it followed positive regulatory news. On April 7, the Centers for Medicare & Medicaid Services (CMS) finalized a 5.1% rate increase for 2026 Medicare Advantage, up significantly from the 2.2% preliminary ruling—clearly a tailwind for insurers. Still, during the company's Q1 earnings call, management reaffirmed its long-term EPS growth target of 13–16%, a statement now viewed with increased skepticism. Given the operational misses and higher costs, investors are understandably questioning the credibility of those projections.



Disclosures:

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All figures sourced from Bloomberg.

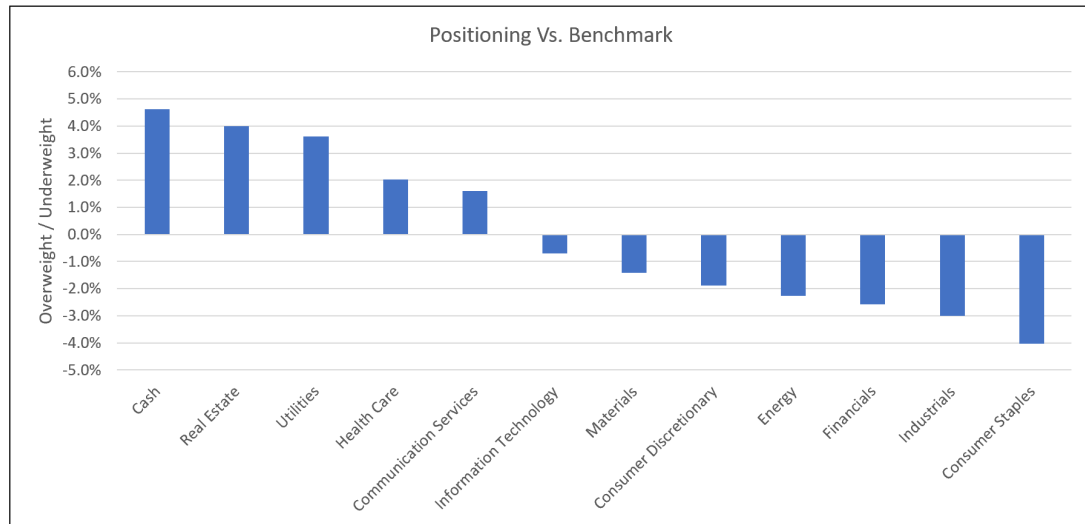
Additional information, including management fees and expenses, is provided on our Form ADV Part 2 available upon request or at the SEC's Investment Adviser Public Disclosure website. <https://adviserinfo.sec.gov/> ***Past performance is not a guarantee of future results.***

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
Dividend Yield	1.4%	1.6%
Company Market Cap (Billion)	1,037	914
P/E - Forecast 12-Month	23.9	20.2

Portfolio Holdings (04/30/2025)

Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta U.S.	18.2%		
Microsoft Corp	12.0%	29.1	Information Technology
Apple Inc	6.8%	27.7	Information Technology
iShares MSCI USA Quality Facto	6.2%		
T-Mobile US Inc	5.6%	21.6	Communication Services
Amazon.com Inc	5.4%	24.8	Consumer Discretionary
Cencora Inc	5.4%	17.9	Health Care
Vanguard US Momentum Factor ET	4.9%		
Charles Schwab Corp/The	4.7%	18.1	Financials
Redfin Corp	3.3%		Real Estate
Alphabet Inc	3.0%	16.2	Communication Services
DTE Energy Co	3.0%	18.4	Utilities
Broadcom Inc	2.9%	27.9	Information Technology
General Electric Co	2.7%	35.0	Industrials
NiSource Inc	2.6%	20.4	Utilities
Mid-America Apartment Communit	2.5%	38.9	Real Estate
Mastercard Inc	2.3%	32.7	Financials
UnitedHealth Group Inc	2.3%	14.6	Health Care
Marvell Technology Inc	2.3%	20.3	Information Technology
Medtronic PLC	2.0%	14.3	Health Care
iShares 0-3 Month Treasury Bon	1.2%		
ProShares Ultra Semiconductors	1.0%		

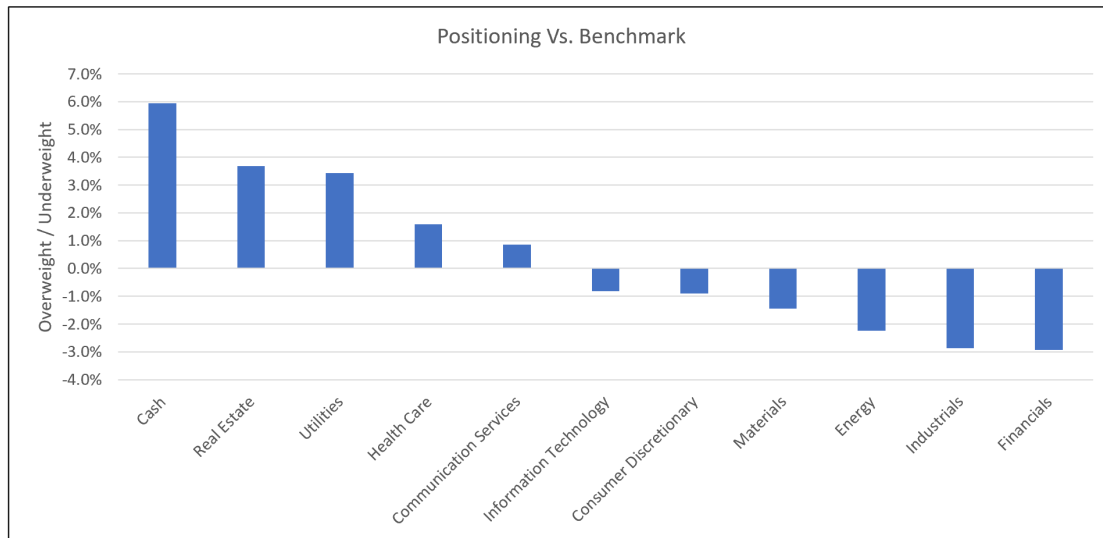
Total	100.0%
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(Source Bloomberg)



Tax-Exempt Models

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Dividend Yield	1.4%	1.6%
Company Market Cap (Billion)	1,056	914
P/E - Forecast 12-Month	23.6	20.2

Portfolio Holdings (04/30/2025)

Name	Weight	Forward P/E	Sector
Fidelity Enhanced Large Cap Co	11.4%		
Microsoft Corp	9.0%	29.1	Information Technology
Goldman Sachs ActiveBeta U.S.	8.5%		
Apple Inc	7.1%	27.7	Information Technology
Amazon.com Inc	6.4%	24.8	Consumer Discretionary
iShares MSCI USA Quality Facto	5.1%		
Cencora Inc	5.0%	17.9	Health Care
iShares 0-3 Month Treasury Bon	4.7%		
Charles Schwab Corp/The	4.6%	18.1	Financials
Alphabet Inc	4.1%	16.2	Communication Services
Vanguard US Momentum Factor ET	3.9%		
T-Mobile US Inc	3.4%	21.6	Communication Services
Redfin Corp	3.3%		Real Estate
Broadcom Inc	3.2%	27.9	Information Technology
DTE Energy Co	3.0%	18.4	Utilities
General Electric Co	3.0%	35.0	Industrials
NiSource Inc	2.6%	20.4	Utilities
UnitedHealth Group Inc	2.3%	14.6	Health Care
Marvell Technology Inc	2.3%	20.3	Information Technology
Mastercard Inc	2.2%	32.7	Financials
Mid-America Apartment Communit	2.1%	38.9	Real Estate
Medtronic PLC	1.9%	14.3	Health Care
Cash	1.0%		
Total	100.0%		

(Source Bloomberg)