



Lincoln Capital Equity Commentary

Issue #90 – June 2025

There were no changes during the month of June.

Summary of Month's Action:

U.S. equities posted strong gains in June, with the S&P 500 rising 5.2% for the month. This brings the total return for the second quarter to 10.8%. Top-performing sectors in June were Information Technology, Communication Services, and Energy, while Consumer Staples, Real Estate, and Utilities underperformed.

The strength of the market in June is particularly notable given the escalation of tensions in the Middle East. In a surprising development, the U.S. launched attacks on Iranian nuclear facilities. Under normal circumstances, such an event might be expected to trigger market volatility or a downturn. However, Iran—already weakened by last year's Israeli strikes and lacking support from regional allies—opted for a limited and largely symbolic response. It appears they sought the least disruptive off-ramp possible while preserving some political posture.

Meanwhile, the Trump administration's tariffs have yet to show up in inflation data. Combined with the decreased likelihood of a spike in crude oil prices due to the Iran situation, markets have begun to price in additional Federal Reserve rate cuts for the remainder of 2025.

Another factor influencing rate expectations is speculation that President Trump may name a successor to Jerome Powell well before his term ends in May 2026. An early announcement of a "shadow chair" could shift sentiment toward looser monetary policy, especially if the appointee openly advocates for lower rates and contrasts with Powell's current messaging.

These developments—the potential for further rate cuts, contained geopolitical risks, and steady economic and employment data—provided ample reason for the S&P 500 to continue its rebound in June.

The largest contributors to relative performance this month were Microsoft, Rocket Companies, and Amazon. Meanwhile, Mastercard and Mid-America Apartments were the most significant detractors. Of the names mentioned, Mastercard saw the most noteworthy developments during the month. Stablecoins, which are cryptocurrencies pegged to fiat currencies like the U.S. dollar, gained momentum following the Senate's passage of the GENIUS bill, which lays the groundwork for a regulatory framework in this space. Further attention was drawn to the sector after Circle, the issuer of USDC, went public with strong investor enthusiasm. These developments raised concerns that stablecoins could disintermediate traditional payment networks like Mastercard. Despite these fears, we remain confident in Mastercard's ability to adapt and thrive in a stablecoin-enabled environment. The company is already taking proactive steps—allowing crypto holders to spend stablecoins at Mastercard merchants, offering settlement options in stablecoins, and supporting cross-border applications. While areas like remittances and cross border transactions may face disruption, we view retail card payments as more insulated, thanks largely to consumers' strong preference for rewards programs—a key feature funded by merchants and enabled by card networks.



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All figures sourced from Bloomberg. Please note that due to rounding differences, certain data presented may not sum to 100%.

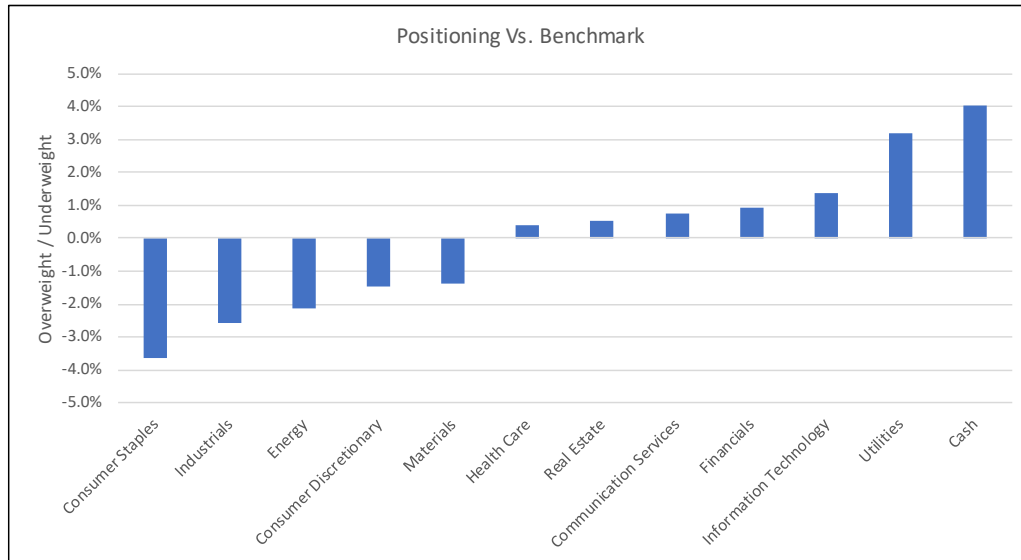
Additional information, including management fees and expenses, is provided on our Form ADV Part 2 available upon request or at the SEC's Investment Adviser Public Disclosure website. <https://adviserinfo.sec.gov/> ***Past performance is not a guarantee of future results.***

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Taxable

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Dividend Yield	1.2%	1.5%
Company Market Cap (Billion)	1,291	1,146
P/E - Forecast 12-Month	24.0	22.0

Portfolio Holdings (06/30/2025)

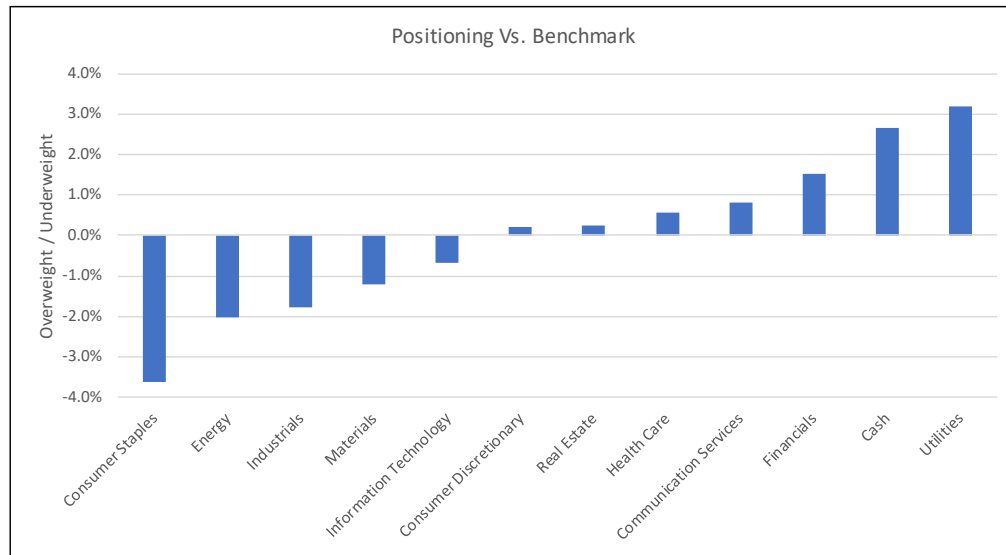
Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta U.S.	18.3%		
Microsoft Corp	13.7%	32.4	Information Technology
iShares MSCI USA Quality Facto	6.1%		
Apple Inc	5.9%	27.6	Information Technology
Amazon.com Inc	5.8%	27.2	Consumer Discretionary
Vanguard US Momentum Factor ET	5.1%		
Cencora Inc	5.0%	17.4	Health Care
T-Mobile US Inc	4.9%	20.6	Communication Services
Charles Schwab Corp/The	4.8%	19.5	Financials
Broadcom Inc	3.7%	34.4	Information Technology
iShares 0-3 Month Treasury Bon	3.4%		
Rocket Cos Inc	3.4%	29.2	Financials
General Electric Co	3.2%	41.2	Industrials
Alphabet Inc	3.0%	15.3	Communication Services
DTE Energy Co	2.6%	17.7	Utilities
NiSource Inc	2.4%	20.6	Utilities
Autodesk Inc	2.2%	30.4	Information Technology
Mastercard Inc	2.1%	32.7	Financials
Mid-America Apartment Communit	2.1%	34.9	Real Estate
Medtronic PLC	1.8%	15.8	Health Care
USD	0.7%		
Total	100.0%		

(Source Bloomberg)



Tax-Exempt Models

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Dividend Yield	1.2%	1.5%
Company Market Cap (Billion)	1,253	1,146
P/E - Forecast 12-Month	23.4	22.0

Portfolio Holdings (06/30/2025)

Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta U.S.	13.0%		
Fidelity Enhanced Large Cap Co	11.5%		
Microsoft Corp	10.3%	32.4	Information Technology
Amazon.com Inc	6.8%	27.2	Consumer Discretionary
iShares MSCI USA Quality Facto	5.0%		
Apple Inc	5.0%	27.6	Information Technology
Charles Schwab Corp/The	4.7%	19.5	Financials
Cencora Inc	4.6%	17.4	Health Care
Broadcom Inc	4.1%	34.4	Information Technology
Alphabet Inc	4.1%	15.3	Communication Services
Vanguard US Momentum Factor ET	4.0%		
General Electric Co	3.4%	41.2	Industrials
Rocket Cos Inc	3.4%	29.2	Financials
T-Mobile US Inc	3.0%	20.6	Communication Services
DTE Energy Co	2.6%	17.7	Utilities
NiSource Inc	2.4%	20.6	Utilities
Autodesk Inc	2.3%	30.4	Information Technology
Mastercard Inc	2.1%	32.7	Financials
iShares 0-3 Month Treasury Bon	1.9%		
Mid-America Apartment Communit	1.8%	34.9	Real Estate
Medtronic PLC	1.8%	15.8	Health Care
SPDR Portfolio S&P 500 ETF	1.7%		
USD	0.6%		

Total	100.0%
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(Source Bloomberg)