



Lincoln Capital Equity Commentary Issue #91 – July 2025

Tax-Deferred				
New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded
	TMUS			3.0%

Taxable				
New Additions	Complete Sales	Partial Sales	Additional Buys	% Of Account Traded
		TMUS		1.9%

Summary of Month's Action:

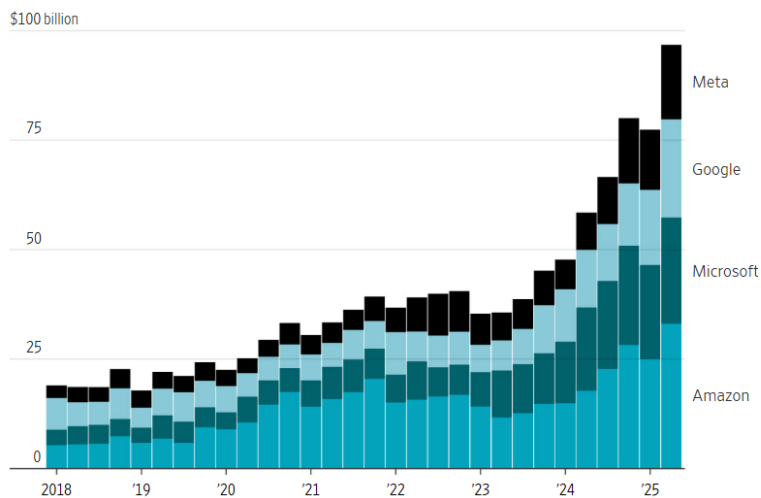
U.S. equities, as measured by the S&P 500 Index, posted a solid gain of 2.2% in July. Leading sectors included Information Technology, Utilities, and Industrials, while Health Care, Consumer Staples, and Materials underperformed.

Key contributors to client portfolios in July were Microsoft, Charles Schwab, and Amazon.com. Detractors included Cencora and Autodesk.

Microsoft delivered an excellent quarterly report on July 30, pushing shares up 7.3% for the month. Over the past year, investors have closely monitored the aggressive infrastructure spending by cloud providers, raising concerns over whether such outlays would be justified by business demand.

In its fiscal Q4 results, Microsoft eased those fears: Azure and other cloud services posted 39% revenue growth, up from 35% in the prior quarter. This level of acceleration is remarkable for a business nearing \$75 billion in size. Microsoft continues to be well-positioned as both a platform for AI-native businesses and a key enabler for companies integrating AI into existing workflows.

Capital expenditures, quarterly



Source: The Wall Street Journal

Charles Schwab also performed well following an encouraging update on business trends. After multiple false starts, the so-called “cash sorting” issue that arose during the 2023 banking crisis finally appears to be in the past. The firm’s use of costly supplemental borrowing has declined 71% since peaking in May 2023, driven by stabilized client cash allocations and growth in new sweep deposits. While Schwab may experience another quarter or two of balance sheet shrinkage, it is nearing a point where it can resume expansion. With current securities yielding ~2%, compared to today’s market rate of ~4%, any new asset purchases should offer meaningful upside.



That said, with shares up 33% year-to-date, valuations are no longer as compelling. As Schwab approaches or exceeds our estimate of fair value, we may consider trimming the position in tax-exempt accounts.

T-Mobile (TMUS) – During July, we exited our position in tax-exempt accounts and reduced our overweight position in taxable accounts. T-Mobile has served clients well, delivering a 96% total return since our initial investment in March 2021, compared to 72% for the S&P 500 over the same period. At the time of purchase, the market was underestimating the value of synergies and free cash flow from the Sprint merger. Since then, free cash flow has grown substantially and so has the company's valuation. Today, T-Mobile trades at a reasonable premium to AT&T and Verizon, reflecting its superior growth profile. We continue to hold shares in taxable portfolios given the company's strong management and high-quality business. However, should more attractive opportunities arise, we may look to T-Mobile as a source of funds.

Disclosures:

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

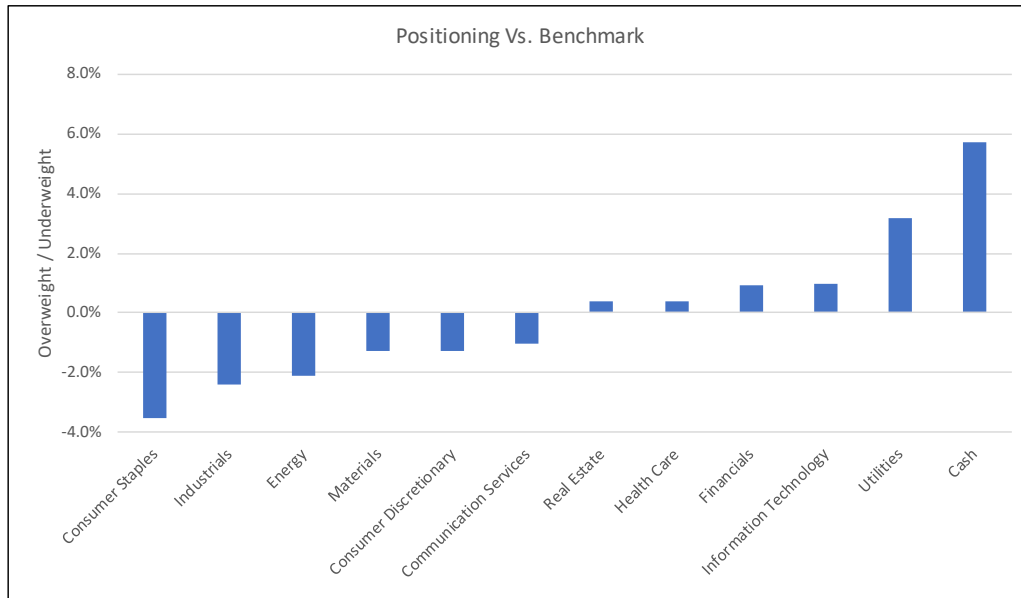
Additional information, including management fees and expenses, is provided on our Form ADV Part 2 available upon request or at the SEC's Investment Adviser Public Disclosure website. <https://adviserinfo.sec.gov/> ***Past performance is not a guarantee of future results.***

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	1.1%	1.4%
Company Market Cap (Billion)	1,344	1,274
P/E - Forecast 12-Month	24	22

Portfolio Holdings (07/31/2025)

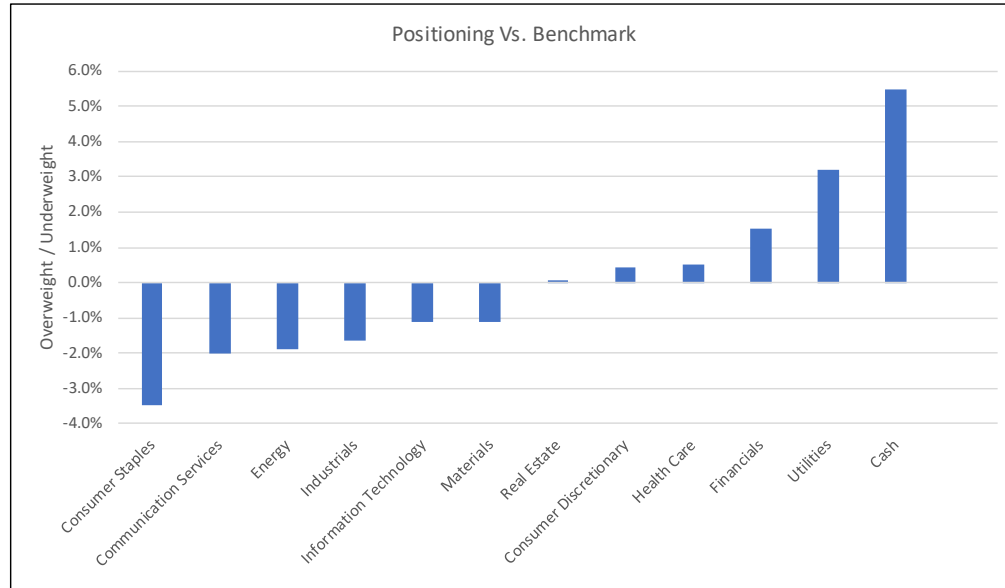
Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta U.S.	18.1%		
Microsoft Corp	14.3%	33.4	Information Technology
Amazon.com Inc	6.0%	25.3	Consumer Discretionary
iShares MSCI USA Quality Facto	5.9%		
Apple Inc	5.8%	27.6	Information Technology
Vanguard US Momentum Factor ET	5.0%		
Charles Schwab Corp/The	4.9%	18.9	Financials
iShares 0-3 Month Treasury Bon	4.9%		
Cencora Inc	4.6%	16.5	Health Care
Broadcom Inc	3.9%	38.2	Information Technology
Rocket Cos Inc	3.4%	35.8	Financials
General Electric Co	3.2%	42.4	Industrials
Alphabet Inc	3.2%	17.8	Communication Services
T-Mobile US Inc	2.9%	19.8	Communication Services
DTE Energy Co	2.6%	18.5	Utilities
NiSource Inc	2.4%	21.6	Utilities
Autodesk Inc	2.1%	29.1	Information Technology
Mastercard Inc	2.1%	31.9	Financials
Mid-America Apartment Communit	2.0%	33.5	Real Estate
Medtronic PLC	1.9%	15.8	Health Care
Cash	0.8%		
Total	100.0%		

(Source Bloomberg)



Tax-Exempt Models

Sector Weights Relative to the S&P 500:



	Portfolio	S&P 500
Dividend Yield	1.1%	1.4%
Company Market Cap (Billion)	1,321	1,274
P/E - Forecast 12-Month	24	22

Portfolio Holdings (07/31/2025)

Name	Weight	Forward P/E	Sector
Goldman Sachs ActiveBeta U.S.	12.9%		
Fidelity Enhanced Large Cap Co	11.3%		
Microsoft Corp	10.7%	33.4	Information Technology
Amazon.com Inc	7.1%	25.3	Consumer Discretionary
iShares MSCI USA Quality Facto	4.9%		
Apple Inc	4.9%	27.6	
Charles Schwab Corp/The	4.9%	18.9	Financials
iShares 0-3 Month Treasury Bon	4.6%		
Alphabet Inc	4.3%	17.8	Communication Services
Cencora Inc	4.3%	16.5	
Broadcom Inc	4.2%	38.2	Information Technology
Vanguard US Momentum Factor ET	3.9%		
General Electric Co	3.5%	42.5	Industrials
Rocket Cos Inc	3.4%	35.7	Financials
DTE Energy Co	2.6%	18.6	Utilities
NiSource Inc	2.4%	21.6	Utilities
Autodesk Inc	2.2%	29.1	Information Technology
Mastercard Inc	2.0%	31.9	Financials
Medtronic PLC	1.8%	15.8	
Mid-America Apartment Communit	1.7%	33.5	Real Estate
SPDR Portfolio S&P 500 ETF	1.6%		
Cash	0.8%		
<hr/>			
Total	100.0%		

(Source Bloomberg)