

Fund Review

Lincoln U.S. Growth Funds

December 2023

Quarter in review

Performance to 31 December 2023

Lincoln U.S. Growth Fund				
May be suitable for	Investors seeking diversity			
Investment objective	Unhedged: Over the medium to long term, the Fund aims to outperform the Australian Dollar return of the S&P 500 Total Return Index Hedged: Over the medium to long term, the Fund aims to outperform the return of the S&P 500 Total Return Index (USD)			
Distribution frequency	Annually			
	Unhedged (exposed to currency risk)		Hedged (covering currency risk)	
	Fund return ¹	S&P500 Total Return Index (in USD)	Fund return ¹	S&P500 Total Return Index (converted to AUD)
3 months	-3.97%	5.64%	1.97%	11.69%
1-year	20.70%	25.51%	17.92%	26.29%
3-years	9.86%	14.60%	2.47%	10.00%
Financial Year to Date	2.72%	5.39%	5.14%	8.04%
Since inception p.a. (01/07/2020)	11.03%	15.05%	7.29%	14.76%

¹ Fund returns are calculated using exit prices and are net of management fees, ongoing fees and expenses, and assume distributions are reinvested and no tax is deducted. Past performance is not an indicator of future performance.

Performance highlights

Performance contributors this quarter included:

- **Lululemon Athletica Inc. (LULU)** – The designer and retailer of athletic clothing reported earnings of USD \$2.53 a share on revenue of USD \$2.2 billion, which beat estimates of USD \$2.28 per share and USD \$2.12 billion respectively, and represented an uptick compared to the same period last year. It represents a retail outperformer finishing the quarter up 32.6% and the year up 48%.
- **ASML Holdings Ltd. (ASML)** – The Dutch firm specialising in advanced chipmaking technology has been a beneficiary of growth in AI demand, but it has been involved in US export restriction on microchip exports to China. It's likely that the long-term impact is limited given similar challenges are faced by competitors and Chinese companies seeking access to leading technology. The stock finished the quarter up 28.9%.
- **Qualys Inc. (QLYS)** – The provider of IT security risk and compliance management solutions rose 4.8% in early November after reporting EPS above estimates and sales in line with estimates. Q3 non-GAAP earnings of USD \$1.51 per diluted share was up from USD \$0.94 a year earlier and ahead of USD \$1.13 expectations. The company closed the quarter up 19.2%.

Data referred to in this performance commentary relates to the Lincoln U.S. Growth Funds (Hedged and Unhedged) unless otherwise stated.

This communication may contain general financial product advice or forward-looking statements regarding our intent, belief or current expectations with respect to the market conditions. Caution is advised to place undue reliance on these forward-looking statements, as our advice has been prepared without taking account of your personal circumstances. It is not intended to take the place of professional advice, and you should not take action on specific issues in reliance on this information. Therefore, you should consider its appropriateness before acting on it in light of your objectives, financial situation and needs.

Lincoln U.S. Growth Funds Holdings as at 31 December 2023

Code	Company	Portfolio %
Information Technology		34.67%
ADBE	Adobe Inc.	4.60%
AVGO	Broadcom Inc.	3.50%
AAPL	Apple Inc.	3.22%
PANW	Palo Alto Networks, Inc.	2.21%
ADSK	Autodesk, Inc.	2.20%
ANET	Arista Networks, Inc.	2.20%
ASML	ASML Holding N.V.	2.20%
CDNS	Cadence Design Systems, Inc.	2.20%
ENPH	Enphase Energy, Inc.	2.20%
IT	Gartner, Inc.	2.20%
LSCC	Lattice Semiconductor Corporation	2.20%
MANH	Manhattan Associates, Inc.	2.20%
SNPS	Synopsys, Inc.	2.20%
LRCX	Lam Research Corporation	1.35%
Health Care		15.75%
VRTX	Vertex Pharmaceuticals Incorporated	3.15%
MEDP	Medpace Holdings, Inc.	2.20%
NVO	Novo Nordisk A/S	2.20%
PAYX	Paychex, Inc.	2.20%
ITW	Illinois Tool Works Inc.	1.64%
MRK	Merck & Co., Inc.	1.14%
DXCM	DexCom, Inc.	1.11%
DVA	DaVita Inc.	1.09%
AMGN	Amgen Inc.	1.02%

Code	Company	Portfolio %
Consumer Discretionary		8.58%
DECK	Deckers Outdoor Corporation	2.20%
LULU	Lululemon Athletica Inc.	2.20%
POOL	Pool Corporation	2.17%
CMG	Chipotle Mexican Grill, Inc.	1.10%
APTIV	Aptiv PLC	0.90%
Financials		7.03%
V	Visa Inc.	3.90%
CBOE	Cboe Global Markets, Inc.	1.30%
PEG	Public Service Enterprise Group Incorporated	0.96%
RE	Everest Group, Ltd.	0.88%
Communication Services		4.85%
GOOG	Alphabet Inc.	3.32%
FB	Meta Platforms, Inc.	1.53%
Energy		1.84%
MPC	Marathon Petroleum Corporation	0.93%
VLO	Valero Energy Corporation	0.91%
Consumer Staples		1.20%
MNST	Monster Beverage Corporation	1.20%
Materials		0.95%
NUE	Nucor Corporation	0.95%
Cash and ETF		25.12%
SPXU	ProShare Ultra Short S&P500	25.00%
USD	Cash	0.12%

Strategy update

→ In line with our rebalancing strategy, the fund took positions in the following stocks recently: Palo Alto Networks (PANW), Pool Corporate (POOL), Broadcom Inc. (AVGO), Illinois Tool Works Inc. (ITW), Meta Platforms (FB), Lam Research Corporation (LRCX), Cboe Global Markets Inc. (CBOE), Monster Beverage Corporation (MNST), Merck & Co. Inc. (MRK), DexCom Inc. (DXCM), Chipotle Mexican Grill Inc. (CMG), DaVita Inc. (DVA), Amgen Inc. (AMGN), Public Service Enterprise Group Incorporated (PEG), Nucor Corporation (NUE), Marathon Petroleum Corporation (MPC), Valero Energy Corporation (VLO), Aptiv PLC (APTIV), Everest Group Ltd. (RE), Host Hotels & Resorts Inc. (HST), Manhattan Associates Inc. (MANH), Paychex Inc. (PAYX), Deckers Outdoor Corporation (DECK) Gartner Inc. (IT).

→ The sold positions in the following stocks: BorgWarner Inc. (BWA), American Express Company (AXP), Jack Henry & Associates Inc. (JKHY), Mastercard Incorporated (MA), ConocoPhillips (COP), Marathon Oil Corporation (MRO), The Hershey Company (HSY), Hologic Inc. (HOLX), Humana Inc. (HUM), Electronic Arts Inc. (EA), Gilead Sciences Inc. (GILD), Ulta Beauty Inc. (ULTA), KLA Corporation (KLAC), Lattice Semiconductor Corporation (LSCC), Qualys Inc. (QLYS), InMode Ltd. (INMD), Corcept Therapeutics Incorporated (CORT).

Key data

	Lincoln U.S. Growth Fund Unhedged	Lincoln U.S. Growth Fund Hedged
APIR code	ETL1491AU	ETL6283AU
Fund inception	1 July 2020	1 July 2020
Minimum initial investment	AU\$5,000	AU\$5,000
Management costs	1.00% p.a.	1.00% p.a.
Performance Fee	20% of outperformance of the S&P 500 Total Return Index converted to Australian Dollars.	20% of outperformance of the S&P 500 Total Return Index.
Entry/exit fees	Nil	Nil
Distribution frequency	Annual	Annual
Entry/exit unit price (4 decimal places) ¹	AU\$1.2433 / \$1.2371	AU\$1.1436 / \$1.1378
Fund size ¹	AU\$50.01m	
Responsible Entity	Equity Trustees Ltd	
Investment Manager	Lincoln Indicators Pty Ltd	

¹ As at 31 December 2023.

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Important information:

The Investment Manager for the Lincoln U.S. Growth Fund (Hedged) and Lincoln U.S. Growth Fund (Unhedged)(the Funds) is Lincoln Indicators Pty Ltd (Lincoln Indicators) ABN 23 006 715 573 as Corporate Authorised Representative of Lincoln Financial Group Pty Ltd ABN 70 609 751 966, AFSL 483167 (Lincoln Financial). Equity Trustees Limited (Equity Trustees) ABN 46 004 031 298, AFSL 240975 is the Responsible Entity for the Funds. Equity Trustees is a subsidiary of EGT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX: EGT). This communication has been prepared by Lincoln Indicators, as Corporate Authorised Representative of Lincoln Financial, to provide you with general information only. In preparing this communication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Lincoln Indicators, Lincoln Financial, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statements before making a decision about whether to invest in these products.

The Fund's Target Market Determination is available [here](#). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

All figures, information and illustrations are as at 31 December 2023 unless stated otherwise. Portfolio holdings are subject to change without notice.