

Sell Lam Research (LRCX); Trim Rambus (RMBS); Increase Autodesk (ADSK)



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Sell LRCX. Several memory chip makers have announced more moderate capacity expansion or cuts for 2023 and Lam was the first of the semi-cap group to guide for 2023, expecting a (20%) decline in wafer fab equipment (WFE) spending. The highly cyclical LRCX rallied 40%+ rally off of YTD lows since mid-October as investors gained clarity into the bottom of the cycle. We are taking advantage of the rally, electing to sell Lam Research (LRCX) from the Core Growth portfolio. We remain concerned that the current consensus outlook does not fully account for a recessionary environment in 2023/2024. Further, historical data implies that the logic market could continue weakening back to its long-term growth trendline. That could also dampen demand for memory chips.

Trim RMBS. We are also trimming [Rambus \(RMBS\)](#) as a risk-management measure after very robust performance this year. It's a small cap stock that had grown to be our largest contributor to active risk (per Bloomberg).

Add to ADSK. Finally, we are filling out our position in [Autodesk \(ADSK\)](#) which was held at a "half-weight" prior to this trade. We continue to like ADSK's exposure to global infrastructure

spending and its other idiosyncratic growth drivers (e.g. new modules, price increases, user compliance).