

Angeles

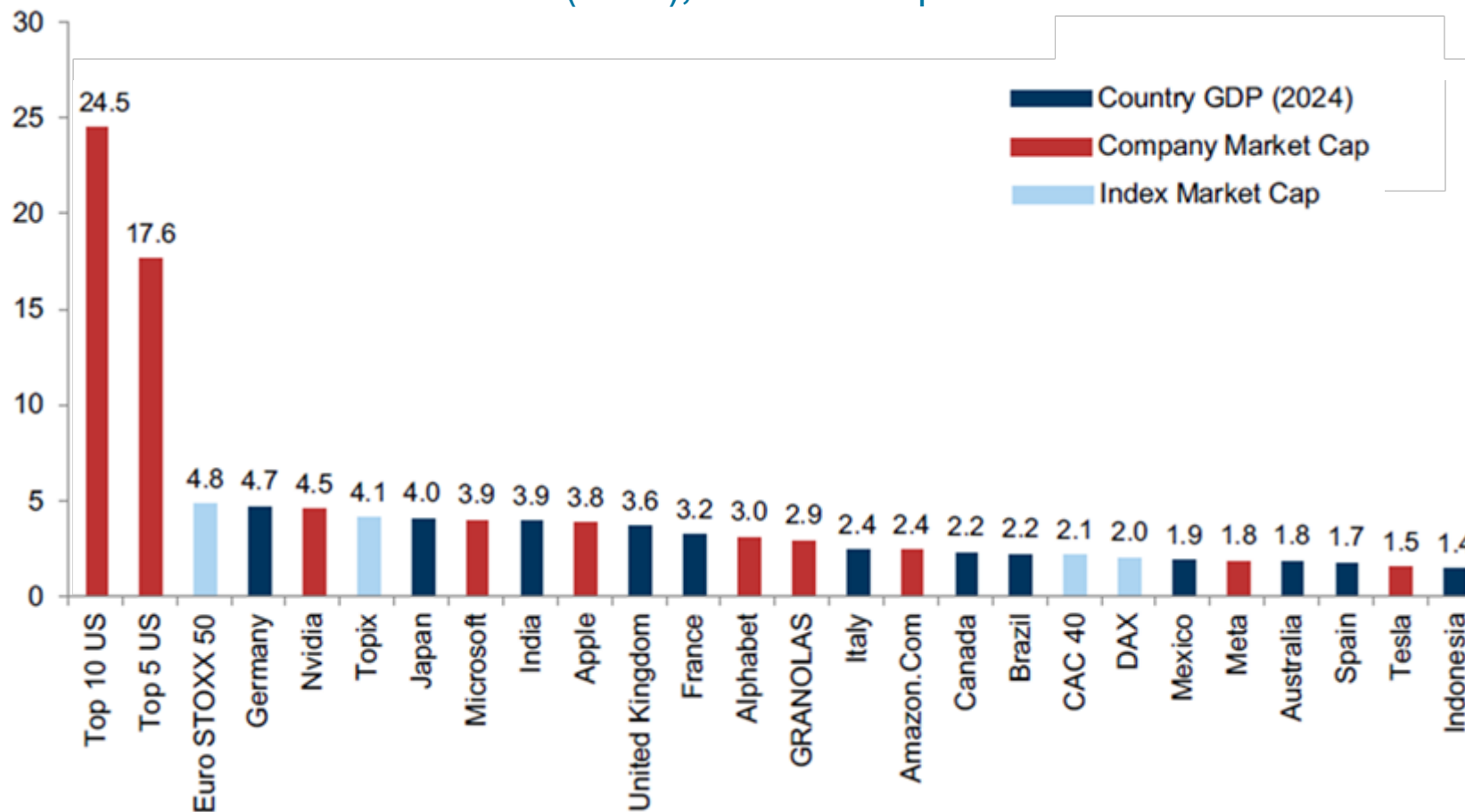


What's Brewing? A Burgeoning Bubble in AI?

Michael Rosen, Chief Investment Officer
October 2025

Valued More Than Any Country!

Valuations and GDP (2024), Select Companies and Countries



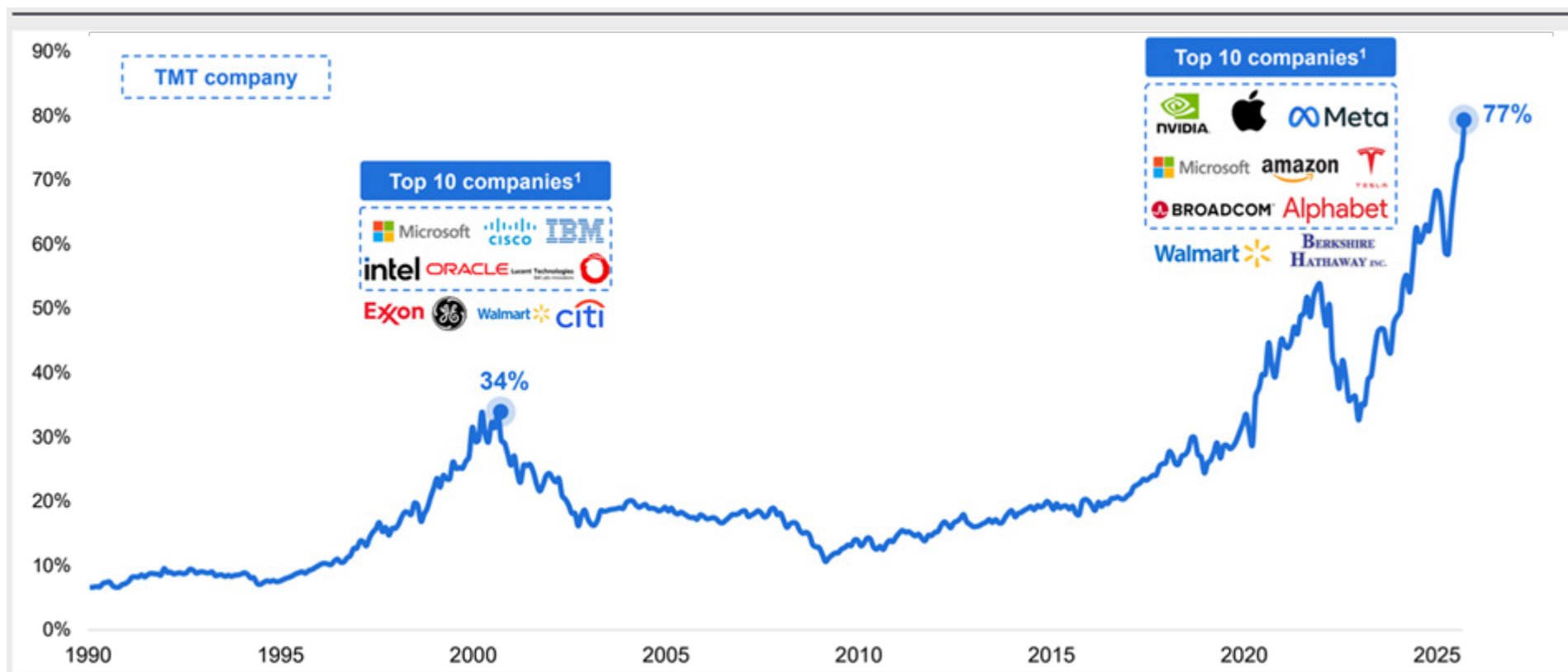
Source: Goldman Sachs

See important disclosures on the final slide.



Top Ten Companies Equal 77% of US GDP!

Market Capitalization for Top Ten Companies as Pct. Of U.S. GDP

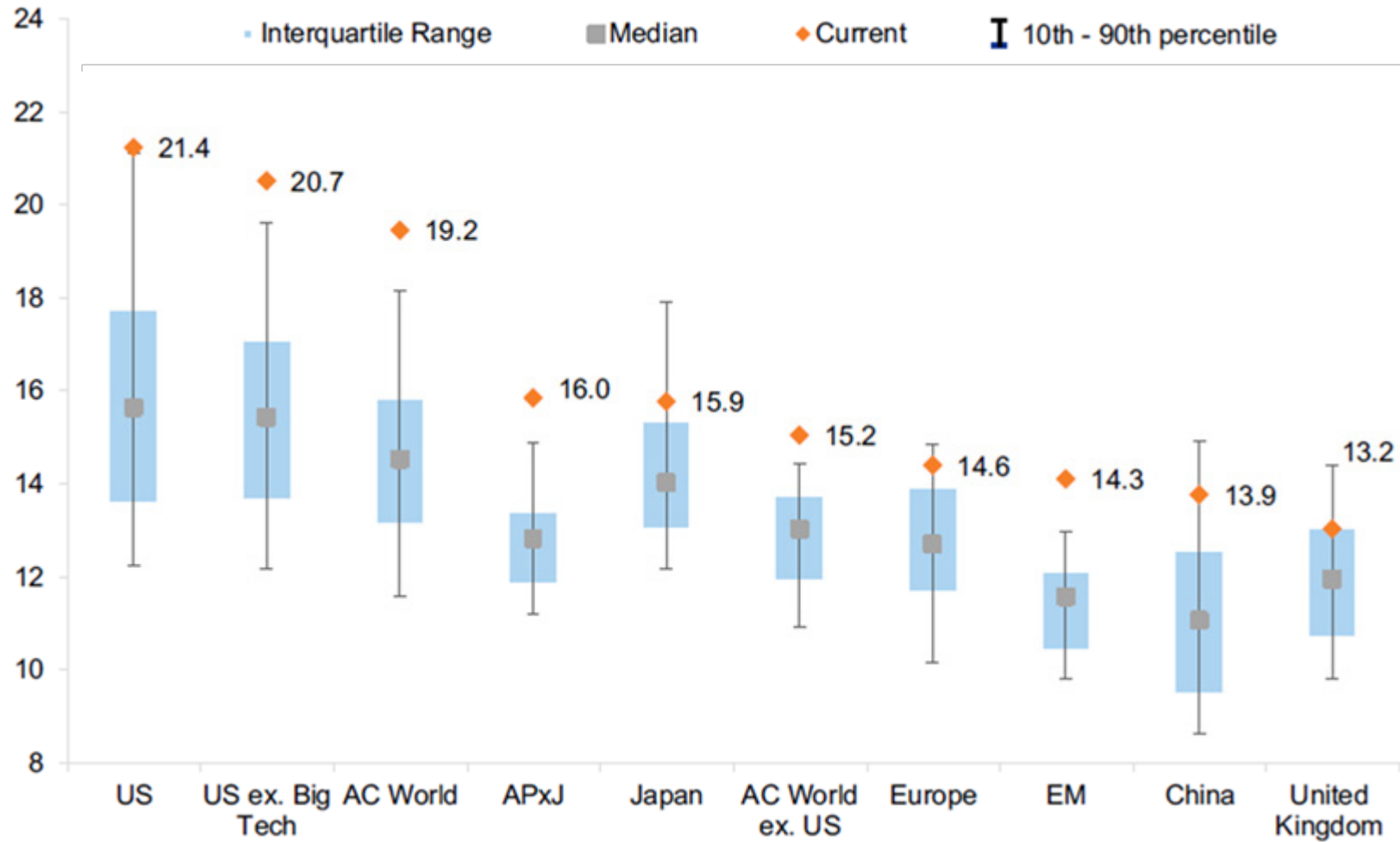


Source: Coatue



Highest Valuation In Over Two Decades!

12m Fwd. P/E, 2003-2025, S&P 500, STOXX 600 and MSCI Regions



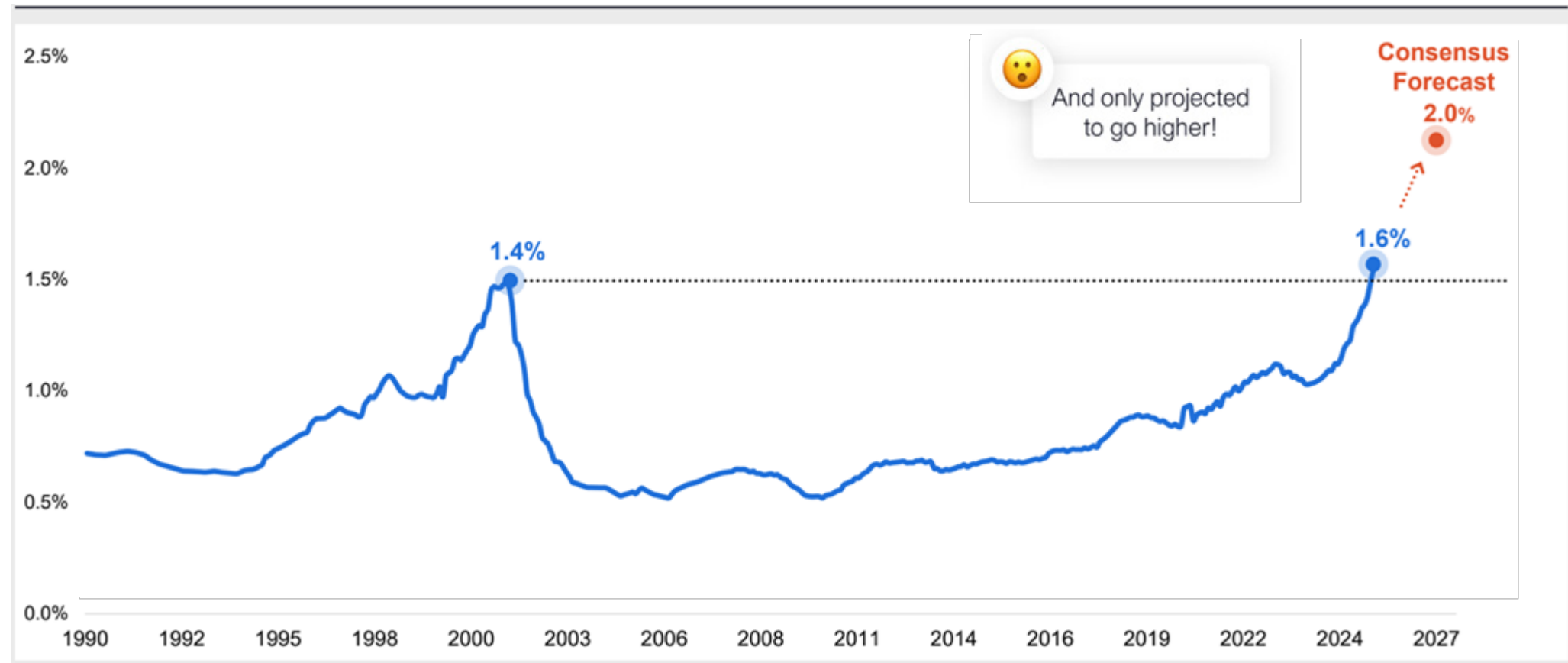
Source: Goldman Sachs

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AI Arms Race

Capex for S&P 500 as Pct. Of U.S. GDP

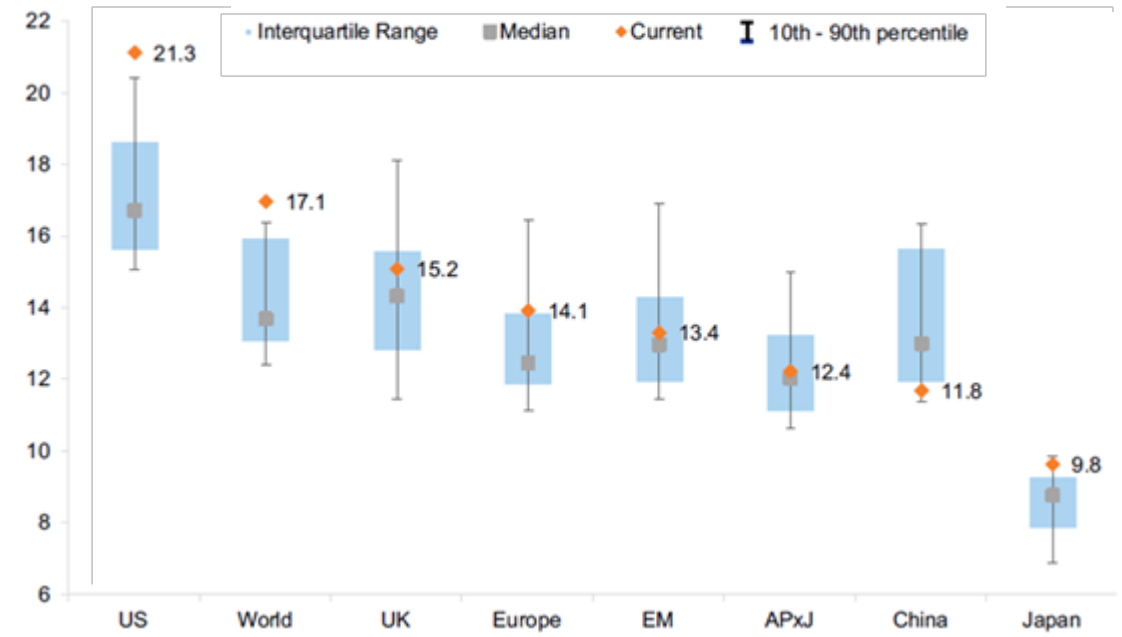


Source: Coatue



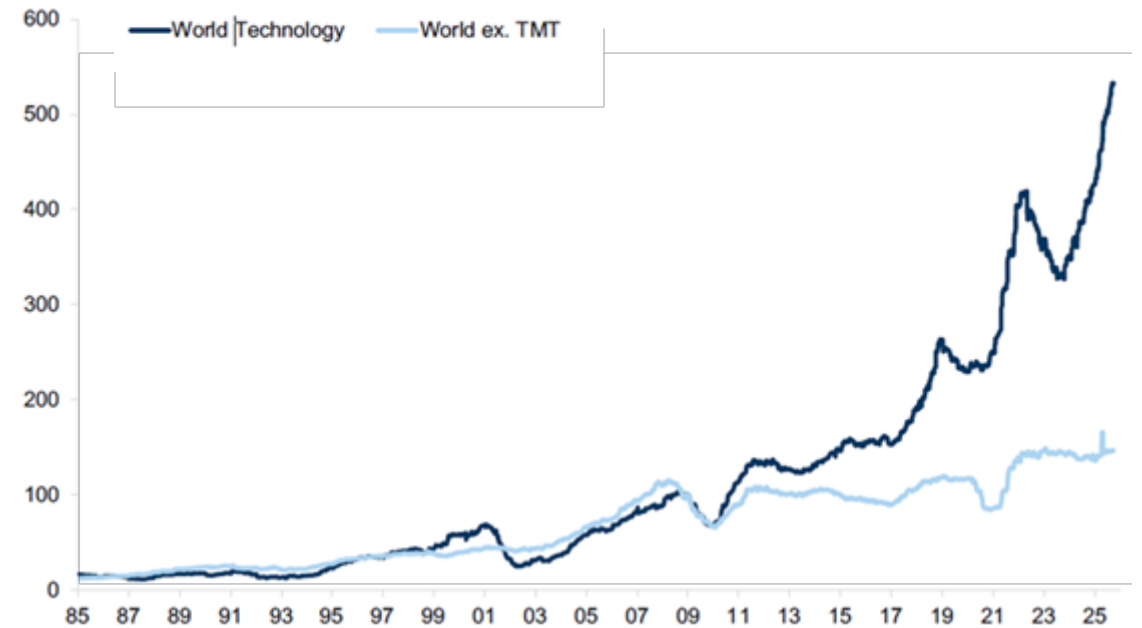
But Look At Those Earnings

12m Fwd. ROE, 2003-2025, MSCI Regions



Source: Goldman Sachs

12m Trailing EPS, 1985-2025, (Jan.2009=100)

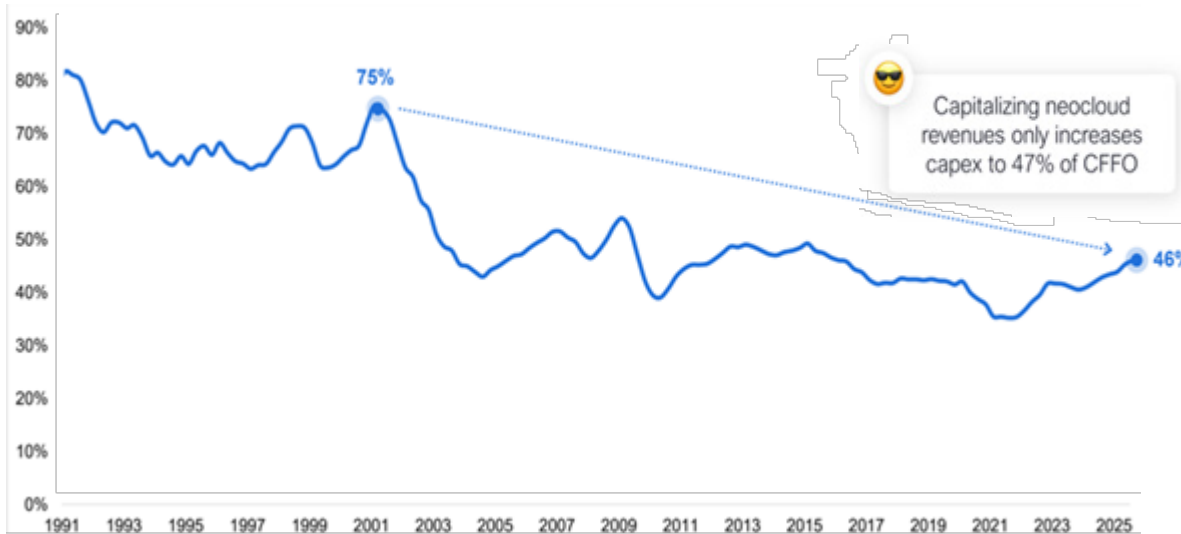


Source: Goldman Sachs



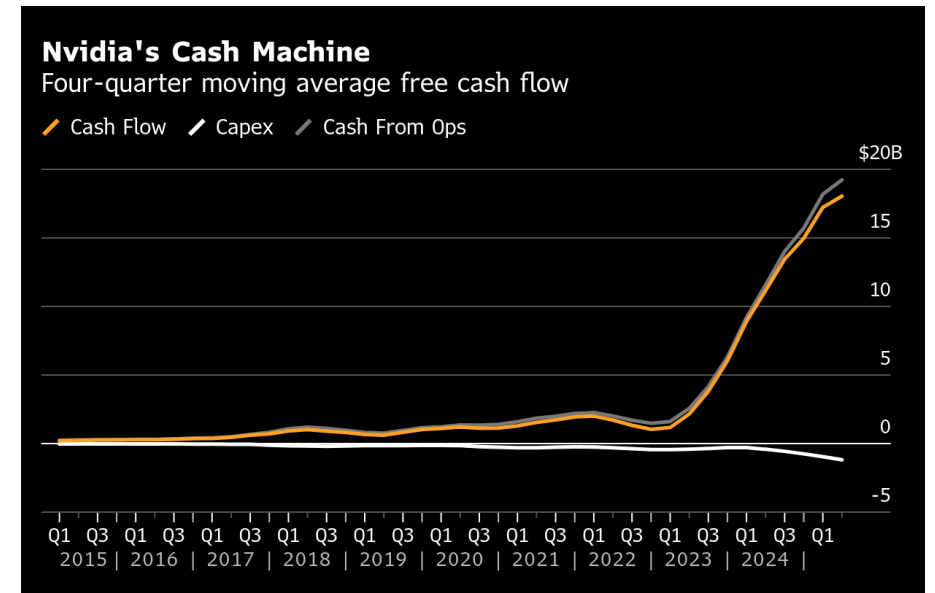
Capex Funded By Cash Flow

Capex for S&P 500 as Pct. Of CFFO



Source: Coatue

Nvidia Capex and CFFO

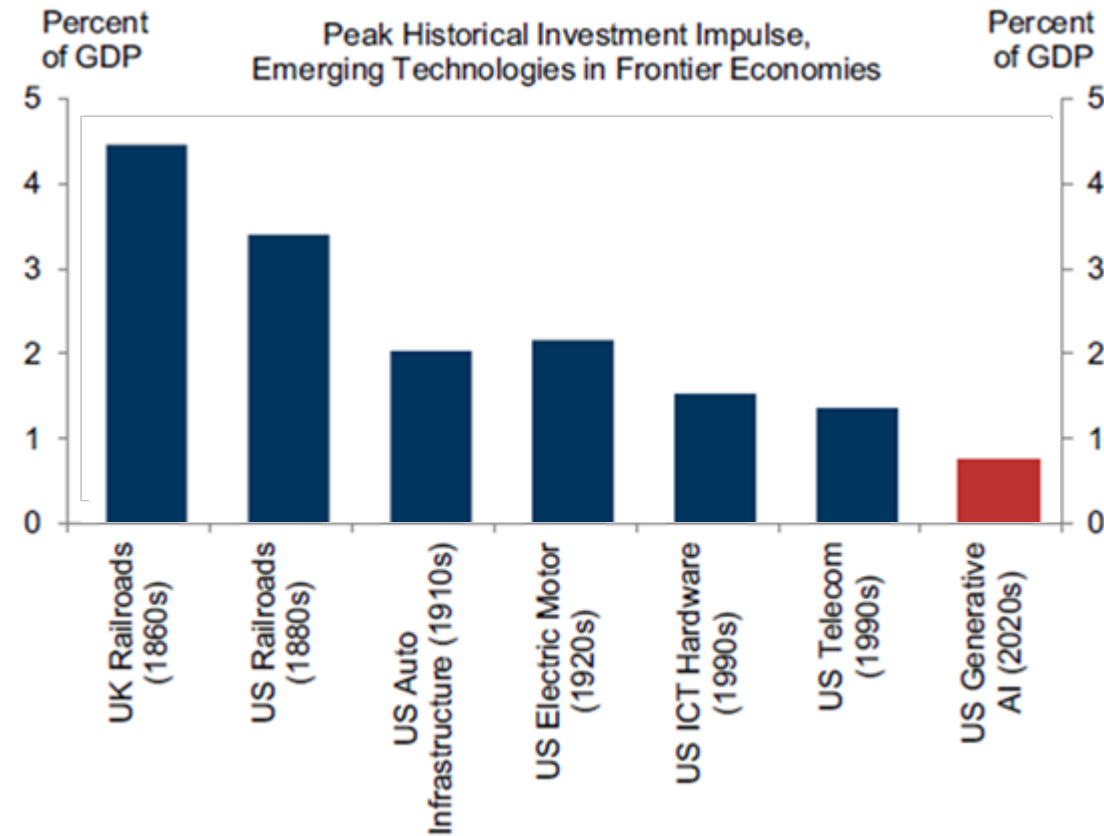


Source: Bloomberg

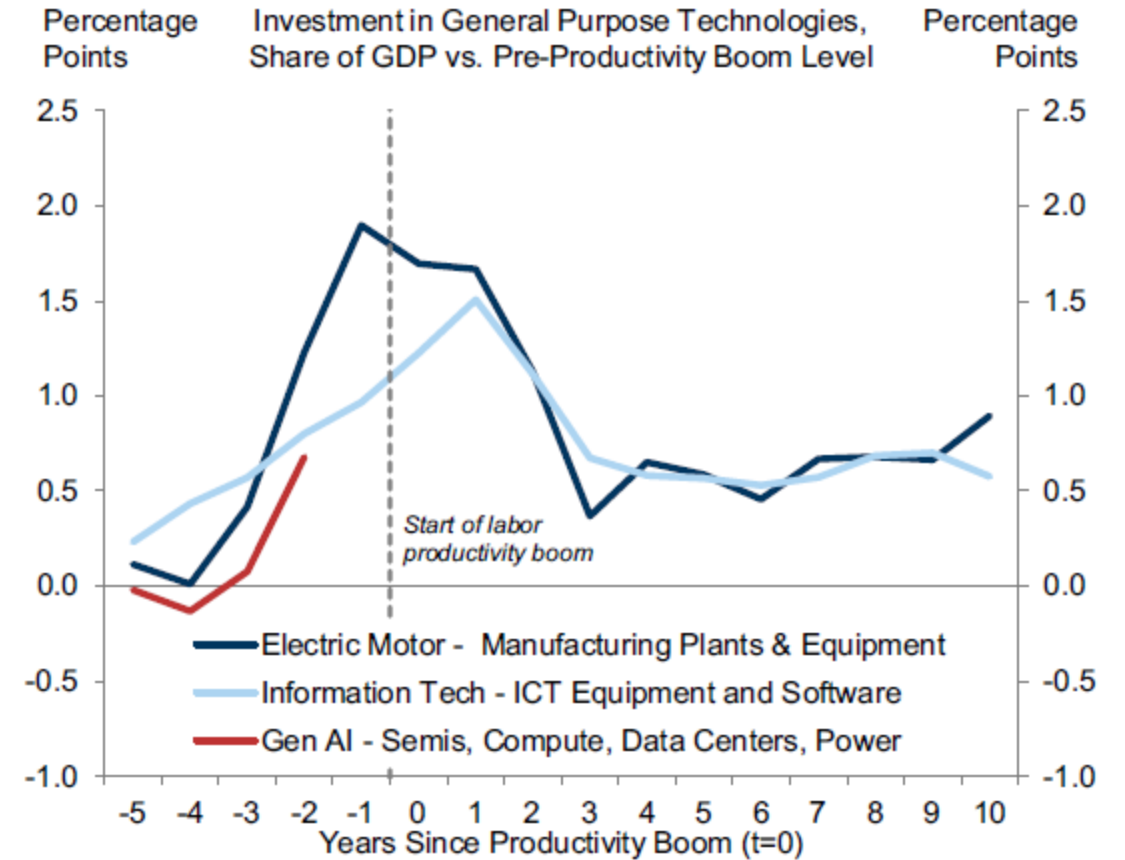


AI Investment In Early Stages

Peak Investment as Pct. Of GDP



Technology Investments as Pct. Of GDP



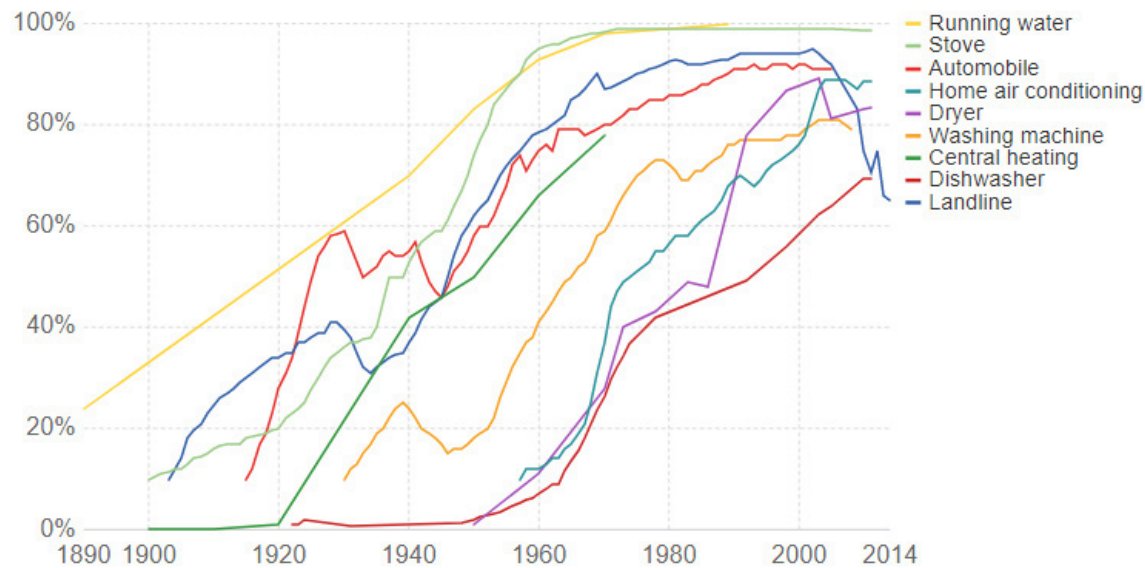
Source: Goldman Sachs

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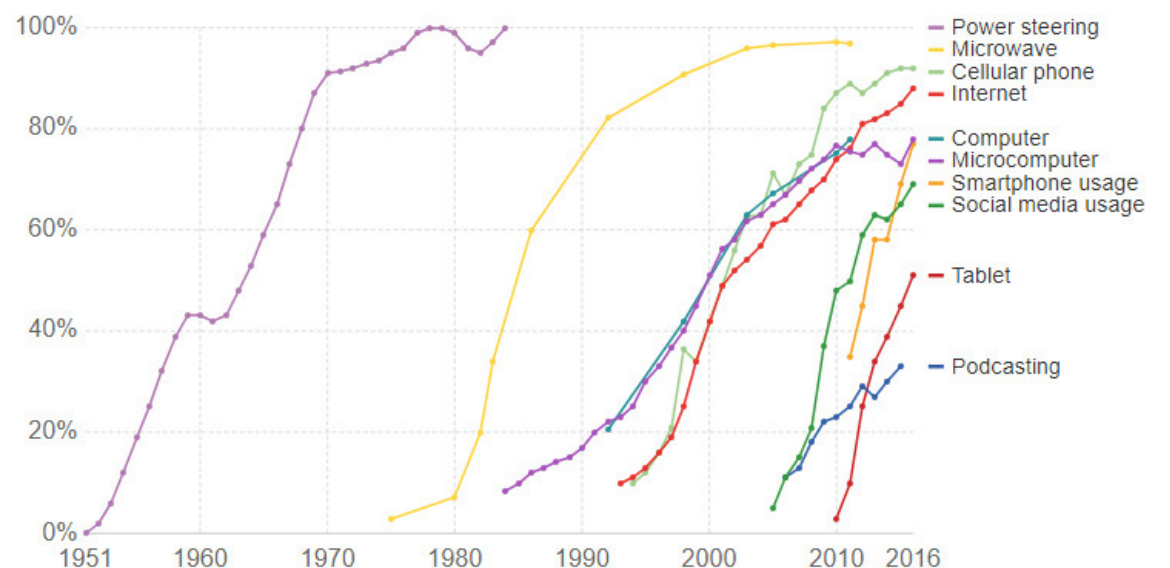
Adoption Rates of New Technology

Adoption Rates of Household Appliances, 1890-2014



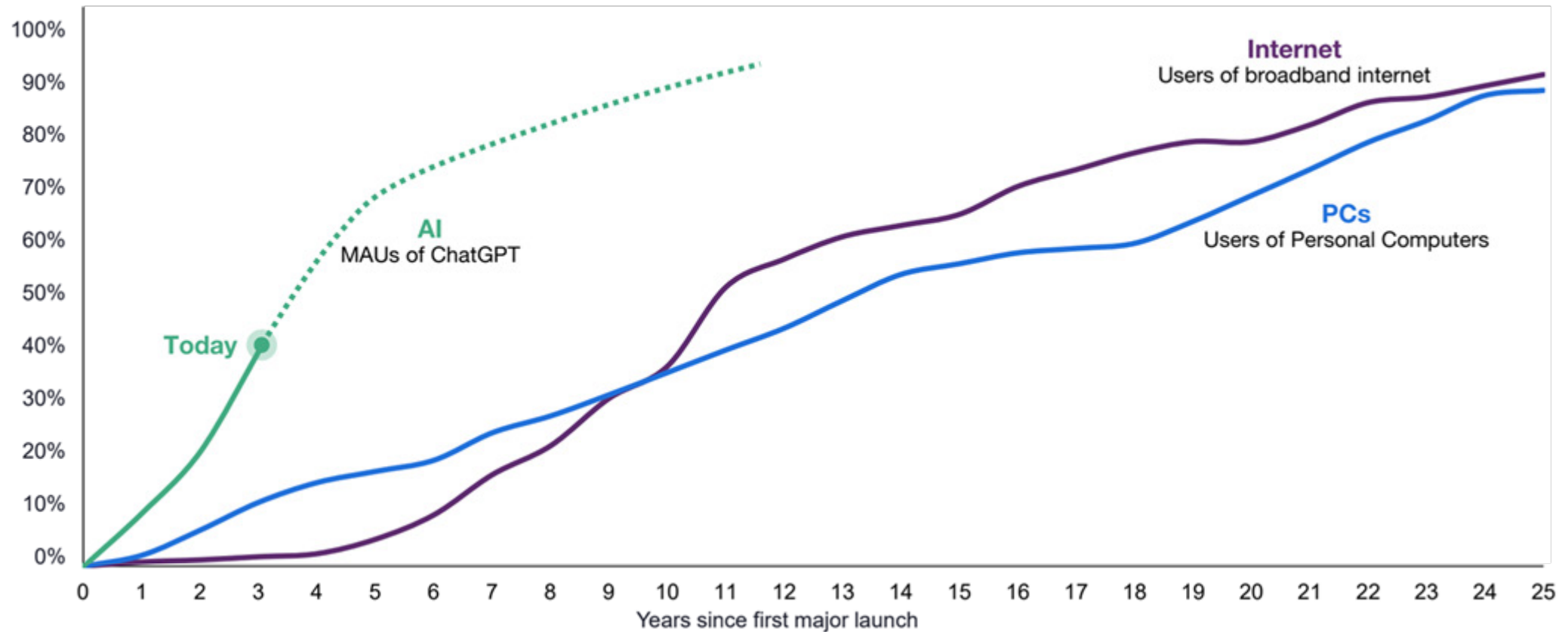
Source: VisualCapitalist.com

Adoption Rate of Technologies, 1951-2016



Rapid Adoption of AI

Technology Penetration as Pct. In U.S.



Source: Coatue



We Still Don't Know How To Use AI

Apple Computer Ad, 1979



We're looking for the most original use of an Apple since Adam.

What in the name of Adam do people do with Apple Computers?
You tell us.
In a thousand words or less.
If your story is original and intriguing enough, you could win a one-week all-expense paid trip for two to Hawaii. Which is the closest we could come to paradise.

Win fabulous prizes for creative writing.

To enter, drop by your nearest Apple dealer and pick up an entry blank. Fill it out. Then write an article, in 1000 words or less, describing the unusual or interesting use you've found for your Apple.

A jury of independent judges will cast the deciding vote for the grand prize: a week for two, airfare included, in Hawaii.

The judges will also choose 16 additional winners, two each from eight categories:

graphics/music, entertainment, home, business, education, scientific, professional, and industrial. And each winner will choose from a long list of longed-after Apple peripherals—from Apple Disk II's to Graphics Tablets to printers. Or you can take a \$250 credit towards the purchase of any Apple product.

The contest ends March 31, 1980. All winners will be notified by May 15.

Entry forms are available at your participating Apple dealer. Call 800-538-9696, (800-662-9238 in California), for the one nearest you.

Mail the entry blank, your article and any photos to: Apple Computer, "What in the name of Adam" contest, 10260 Bandley Drive, Cupertino, CA 95014.

And may the juiciest application win.

Reader Service Number 8

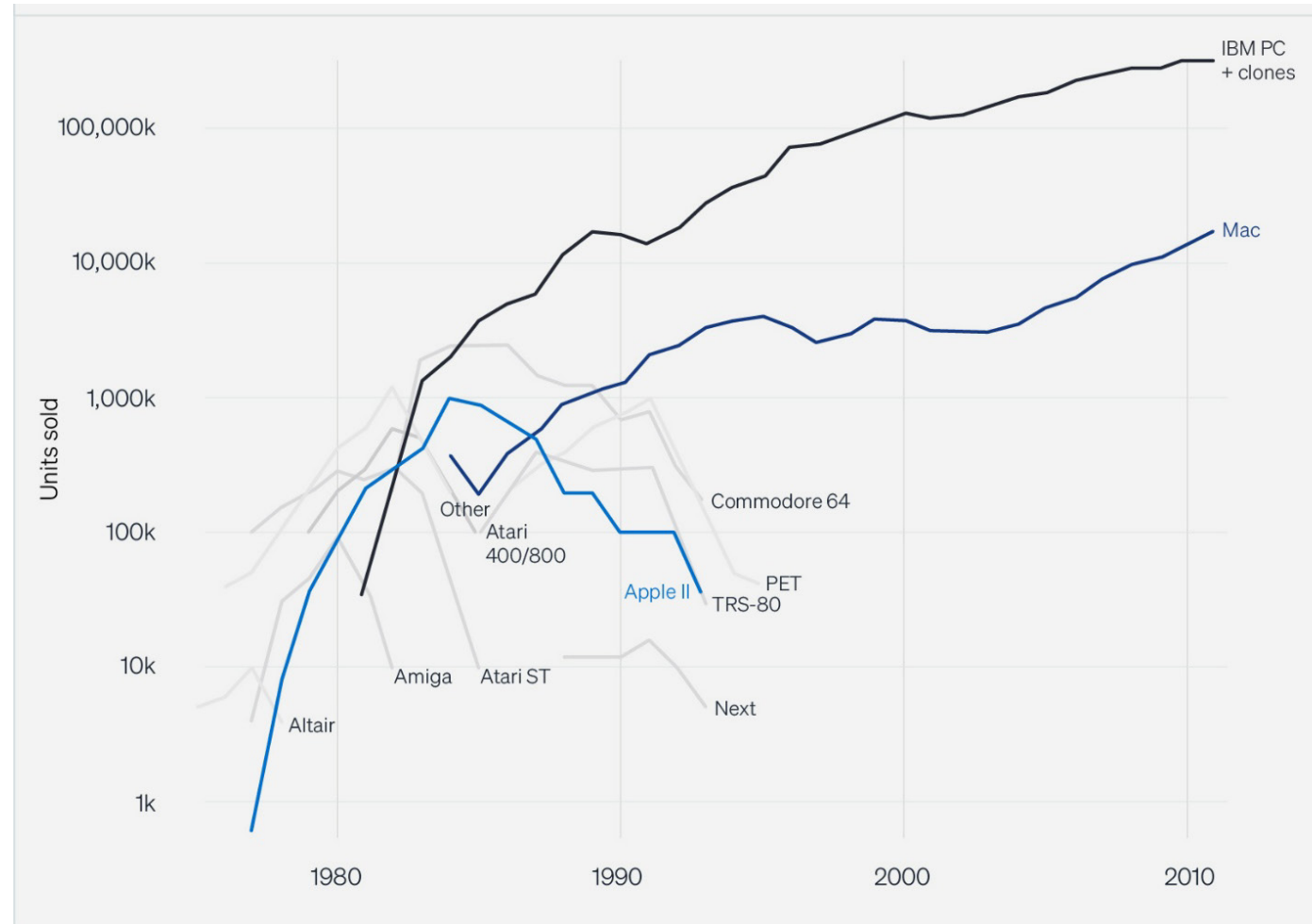


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Few Innovators Survive

PC Survivors

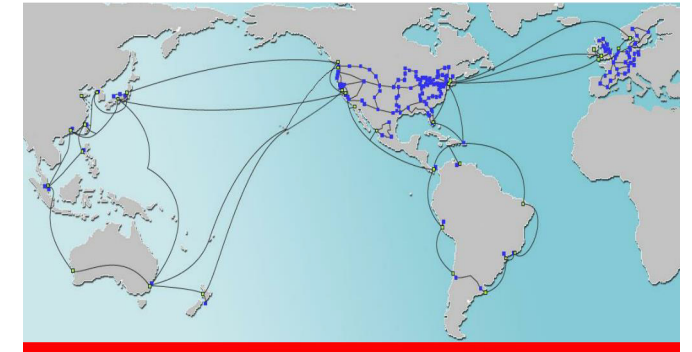


Source: Dediu, H., "The Next 40", Asymco, March 2016

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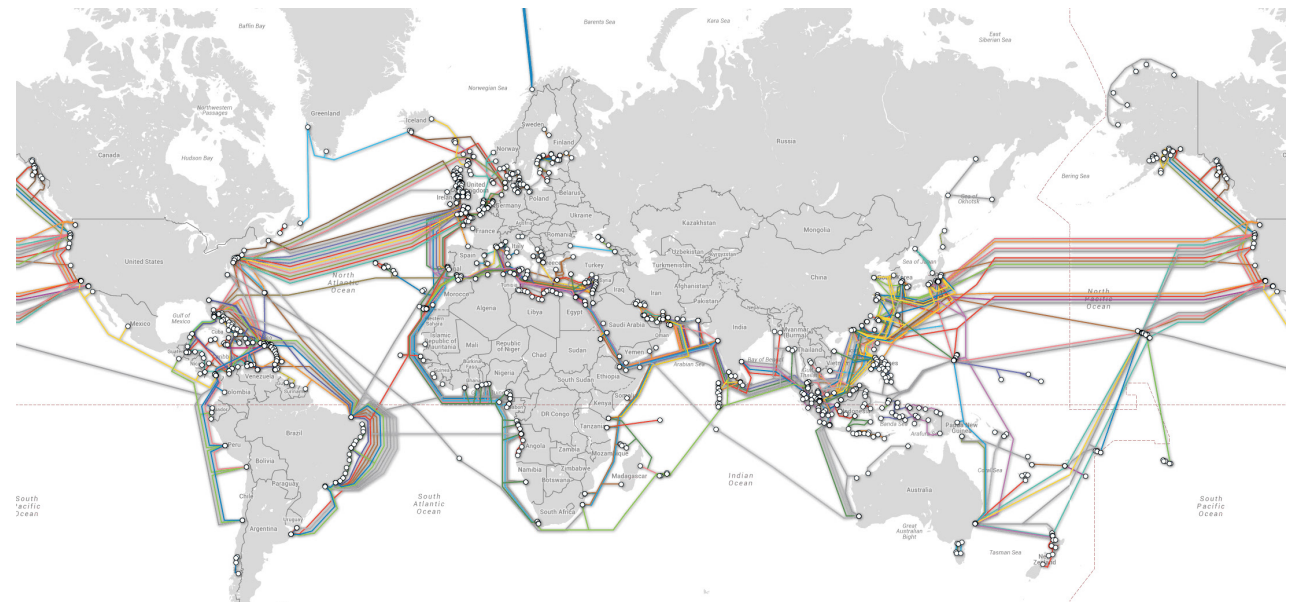


Few Innovators Survive



The Global Crossing Network

- » 200 + On Net Cities
- » 27 On Net Countries
- » More than 101,000 route miles
- » 26 Metro Networks
- » 5,000 Employees
- » 2002 Revenue ~\$3B



Sources: slideserve.com;arstechnica.com

See important disclosures on the final slide.



Consider Container Shipping



SeaLand



See important disclosures on the final slide.

Sources: hobbyDB.com; vesselfinder.com; pinterest.com; tcsmithshipping.com; talkinglogistics.com



Ingvar Kamprad Knew How To Use Container Shipping



Source: firstversions.com



Source: ikea.com



Source: MaritimeGateway.com



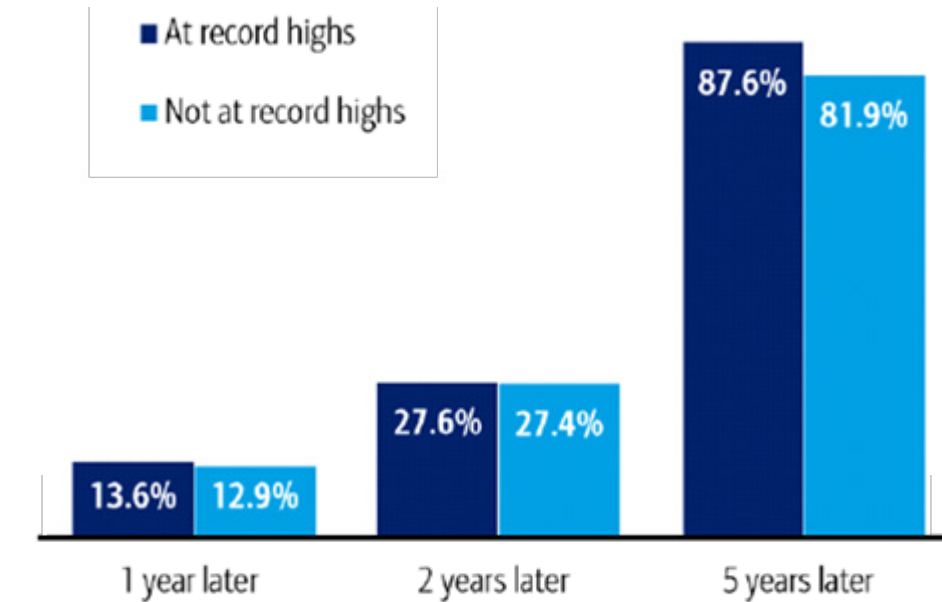
Source: rythmofthehome.com

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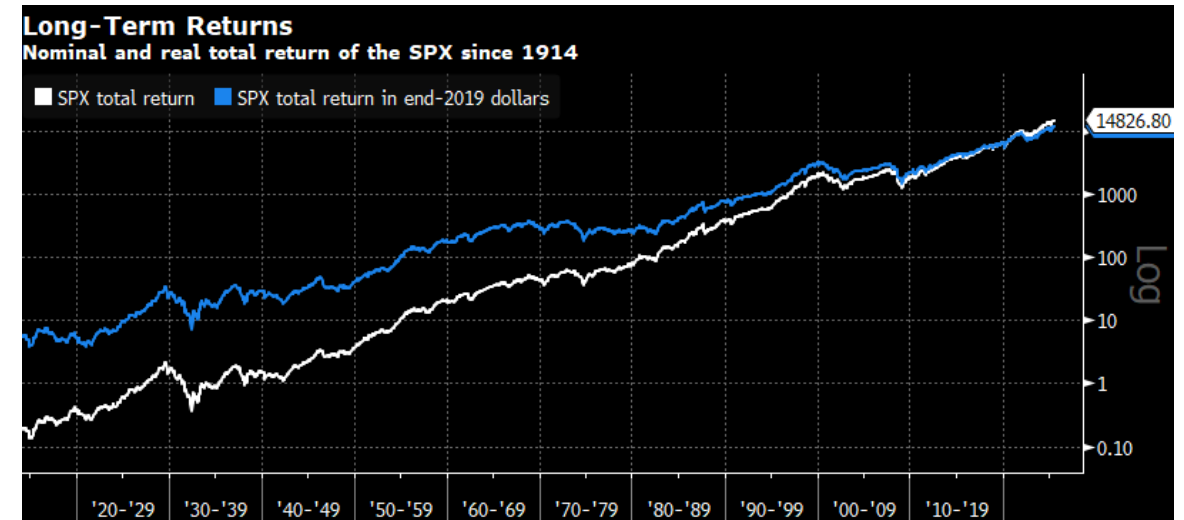
Adoption Rates of New Technology

S&P 500 Average Return After Record Highs, 1975-2025



Source: BofA

Nominal and Real Returns, S&P 500, 1914-2025



Source: Bloomberg



Summary

- Signs of pre-bubble boiling.
 - Valuations, Capex arms race.
- Strong earnings support spending.
- AI is likely a transformative technology.
- Winners are those successful adopters.
- Stay invested!



Michael A. Rosen

Chief Investment Officer
October 2025

Please follow the Angeles Insights by Michael Rosen at
<https://www.angelesinvestments.com/insights/home>

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