

July 14, 2026

Launching Our Five Core Frameworks to Separate Winners from Losers in the “AI Changes Everything” Chorus: Optimal’s Coverage of the Technology Ecosystem

Sanji Alwis

sanji.alwis@optimaladv.com

Jack Hermann

jack.hermann@optimaladv.com

- **One feedback loop drives the boom:** chatbot hype and record user adoption, automation gains for developers, fast-growing revenue at the AI labs, and FOMO. It has lifted all three of our subsectors: Infrastructure, Software, and Tech Megacaps.
- **Our Five Core Frameworks of Assessment:** (a) Scarcity, Not Centrality, Determines AI Value Capture; (b) Endpoint & Customer Graph Ownership Still Determines Value Capture; (c) Strategic Capital & Circularity; (d) Revenue Quality & Durability; (e) Platform Shift, Binding Constraint & Incumbency.
- **Applying our frameworks and decades of operating experience in technology, we conclude that the product and ecosystem dominance of Apple (AAPL) and Alphabet (GOOG) is almost certain to persist.**
- **We use the same lens to indicate that leading labs such as OpenAI and Perplexity are overhyped. They are unlikely to escape the crowded, commoditizing middle of the AI stack, where Optimal’s proprietary “TrueTAM” analysis puts their addressable market in a narrow to medium band of the software & related services market.**
- **AI agents should help the strongest vertical-software incumbents, such as Toast (TOST) and Shopify (SHOP), defend share in their core markets. But Optimal’s TrueTAM analysis suggests AI makes it harder, not easier, for vertical SaaS leaders to expand beyond their core.**

In this report we expand Optimal’s coverage into the global \$5.6 trillion technology ecosystem that is growing at roughly 2x GDP. We identify 3 categories of companies playing an outsized role in investment growth, largely due to AI investment. The 3 categories are Infra, Software, and the Tech Megacaps (Magnificent 7). These categories are aligned with the capital allocation priorities of 21st century enterprises and investors.

- **The Tech Megacaps (Scale, Distribution, & Balance Sheets Win Again).** The Magnificent 7 (NVDA, AAPL, GOOG, MSFT, AMZN, META, TSLA) collectively represent over \$20 trillion of market value and roughly 30% of S&P 500 market cap, a concentration without precedent in US market history. AI has not disrupted these companies; it has re-rated them. The old rules that govern who wins still apply: proprietary distribution (iPhone installed base, Search, Azure/AWS/GCP), massive free cash flow, and the ability to spend tens of billions per year on capex are the entry ticket to the AI era.
- **AI & Compute Infrastructure (The Picks & Shovels Supercycle).** AI investment has most directly benefited semiconductors, memory, foundry, and equipment makers. We triangulate 2026 global data center systems and related infrastructure spending at roughly \$730–750B, implying ~35–45% y/y growth from 2025, with hyperscaler AI build-out as the primary driver. Memory scarcity has repriced the memory segment, as Micron now carries a roughly \$1.2T market cap and SK hynix roughly \$1.0T following its July 10, 2026 US listing, with high bandwidth memory shortages that management teams say could persist beyond 2030.

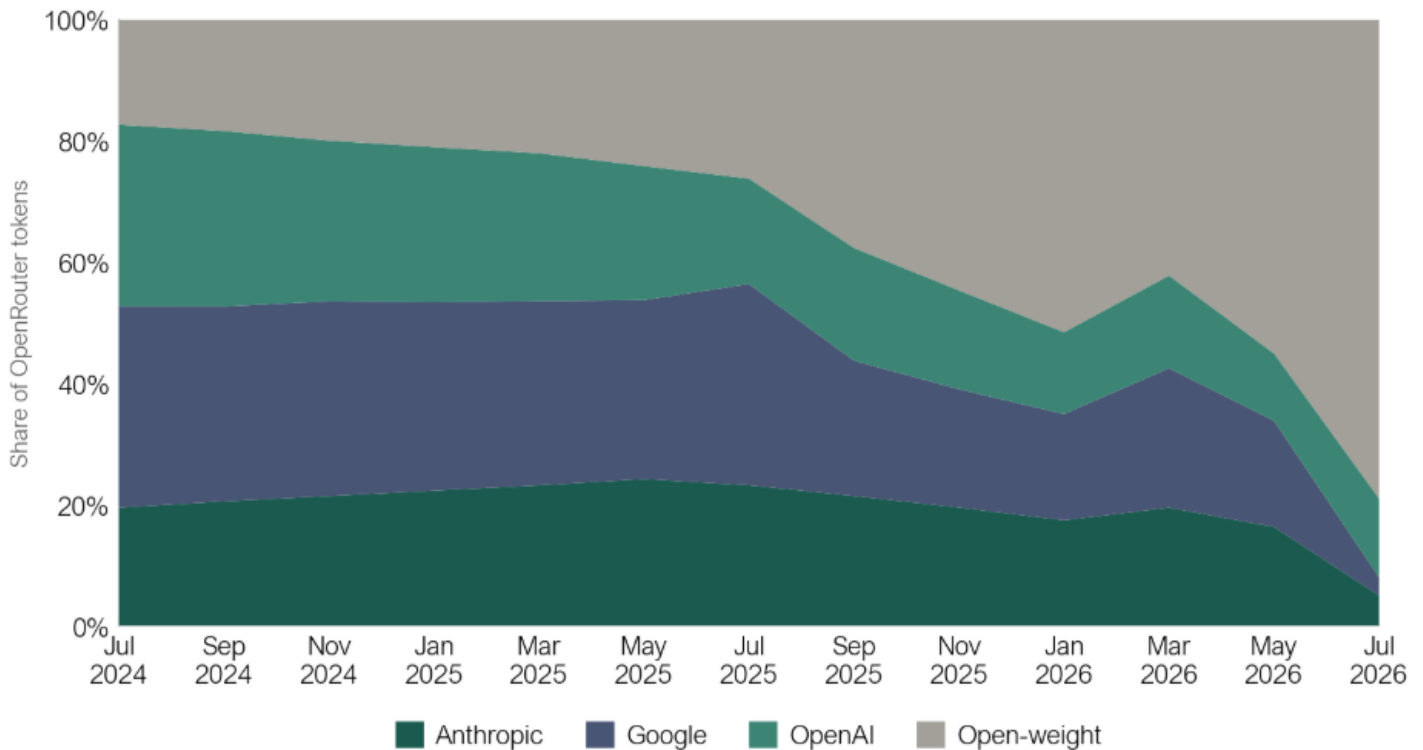
- **Software (Disrupted & Derated, but Not Dead).** Fears that agents and code generation collapse seat-based business models have driven a historic derating of application software. Salesforce’s market cap is around \$134B (down from over \$300B at its peak), ServiceNow has lost roughly half its market cap over the past year, and Intuit is down over 60% from its highs. We think the selloff is indiscriminate, and that the old rules (proprietary data, workflow lock-in, regulated verticals) will separate durable businesses from companies struggling with shrinking value props and TAMs. Private AI-native software leaders (OpenAI, Anthropic, Databricks) have meanwhile absorbed record private capital.

This report unpacks the trends and drivers of the technology ecosystem, identifies selected inflections within public and private market players, and analyzes component fundamentals as AI investment continues to take over the economy.

Framework 1: Scarcity, Not Centrality, Determines AI Value Capture

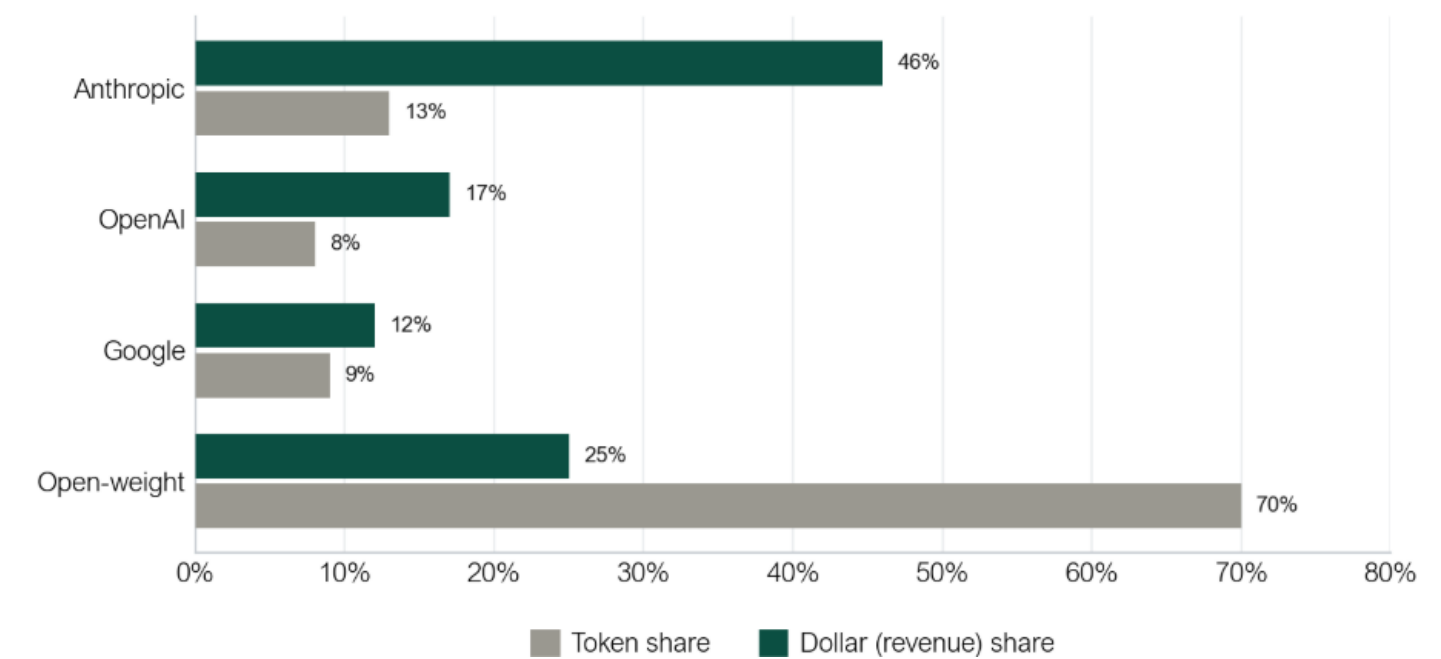
Indispensability differs from scarcity. A product can sit at the center of every workflow, become essential to how work gets done, and still capture very little of the value it creates. Accessibility drives usage; scarcity drives pricing power. When the two diverge, an indispensable product becomes volume rather than margin.

Figure: Model Provider Token Share on OpenRouter (Trailing 24 Months)



Source: Optimal Advisory analysis, OpenRouter’s State of AI report and third-party trackers

Figure: Token Share vs. Dollar (Revenue) Share, Mid-2026



Source: Optimal Advisory analysis, synthesized from OpenRouter’s State of AI report and third-party trackers of OpenRouter rankings data (CodeSOTA, Digital Applied, StockAlarm)

Figure: Estimated blended API pricing by provider group (\$ per million tokens)

Anthropic	OpenAI	Google	Open-weight
~\$9.50	~\$4.20	~\$3.10	~\$0.65

Source: Optimal Advisory analysis, synthesized from OpenRouter’s State of AI report and third-party trackers of OpenRouter rankings data (CodeSOTA, Digital Applied, StockAlarm)

Figure: Premium Valuations + Model Commoditization = Frontier Labs Investing Beyond Model Layer



Source: Optimal Advisory analysis of company disclosures and press reporting, 2025-2026

Figure: Expansion beyond the model API layer

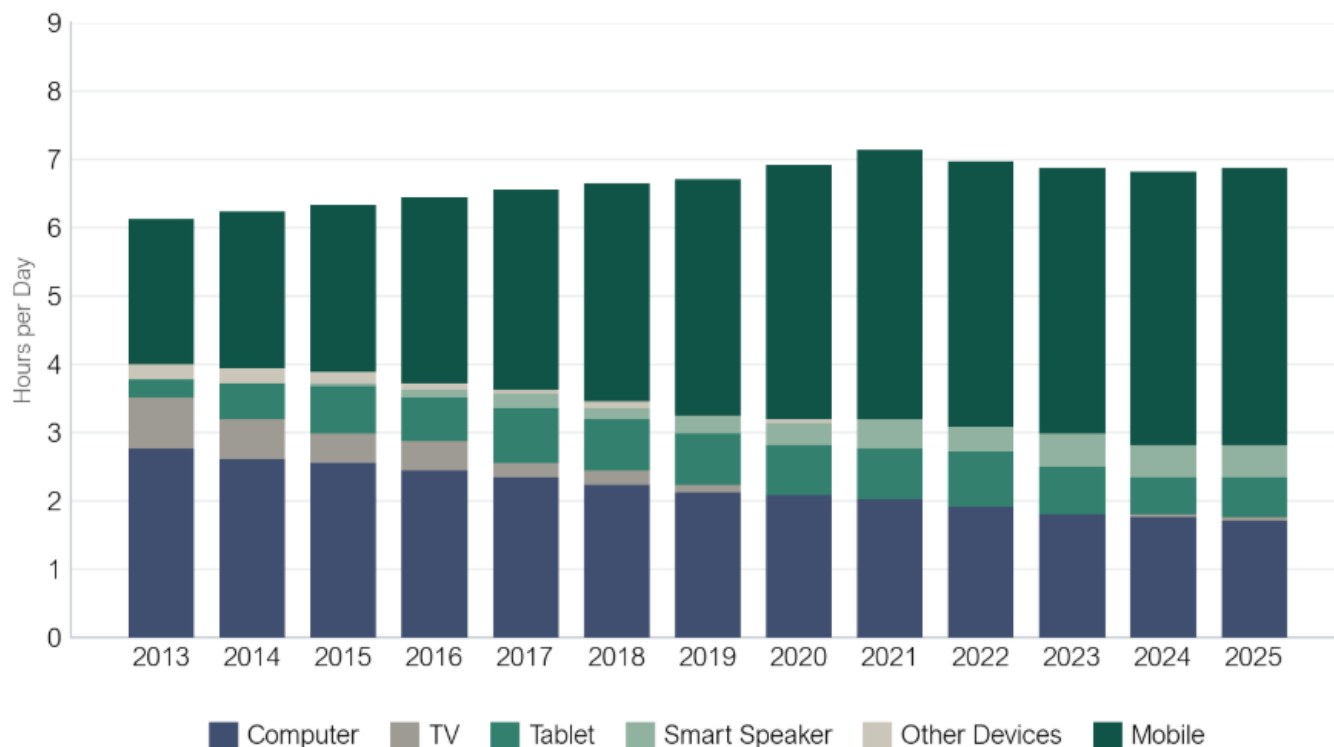


Source: Optimal Advisory analysis

Framework 2: Endpoint & Customer Graph Ownership Still Determines Value Capture

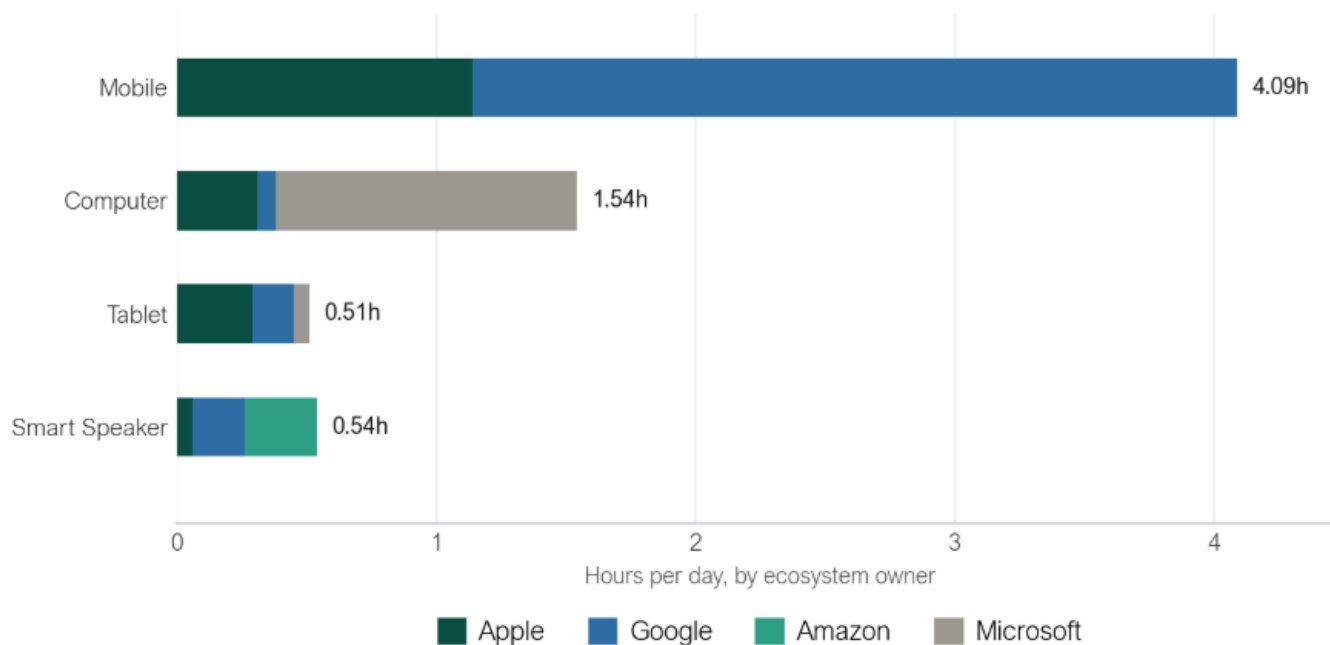
AI has amplified the old rules of technology. Value accrues not to the layer with the most usage, but to scarce bottlenecks; compute, distribution, endpoints, and proprietary workflows, favoring megacaps and infrastructure suppliers over commoditizing model providers. The labs' expansion beyond models is therefore less a sign of strength than an admission that centrality without owning endpoints and customer graphs may produce significant short-term revenue, but not durable moats and margins.

Figure: Screen Time by Device, US Consumers, 2013–2025



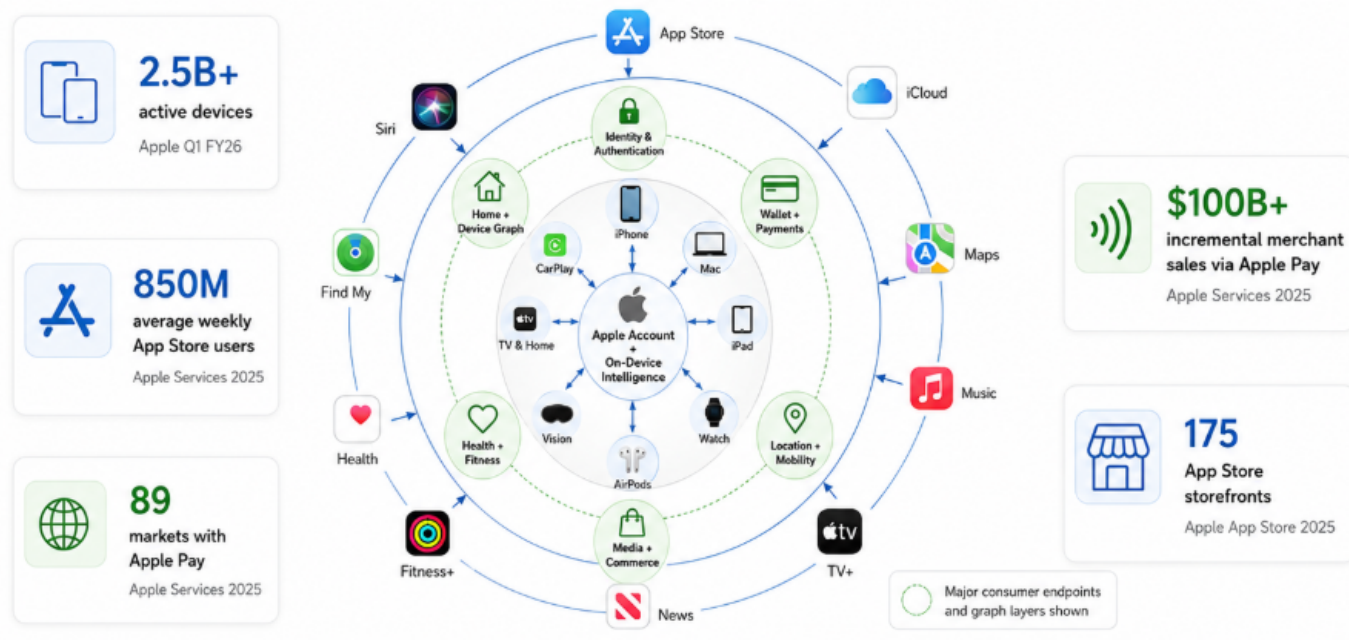
Source: Optimal Advisory analysis of user-provided device time-tracking data, DataReportal, GWI summaries, Nielsen, eMarketer, StatCounter, Canalys, Strategy Analytics

Figure: 2025 Device Time by Ecosystem Owner



Source: Optimal Advisory analysis of user-provided device time-tracking data, DataReportal, GWI summaries, Nielsen, eMarketer, StatCounter, Canalsys, Strategy Analytics

Figure: Why Apple has the Strongest Consumer AI Position; Endpoint & Customer Ownership Still Determines Value Capture: Apple does not need to own the best model if it owns devices, identity, payments, ecosystem.



Why the graph matters



Demand-side ownership:
Apple controls the consumer endpoint where AI is actually experienced.



Model optionality:
Foundation models can be rented or swapped; the endpoint relationship is harder to dislodge.



Monetization breadth:
Hardware, services, payments, commerce, and subscriptions all reinforce one another.



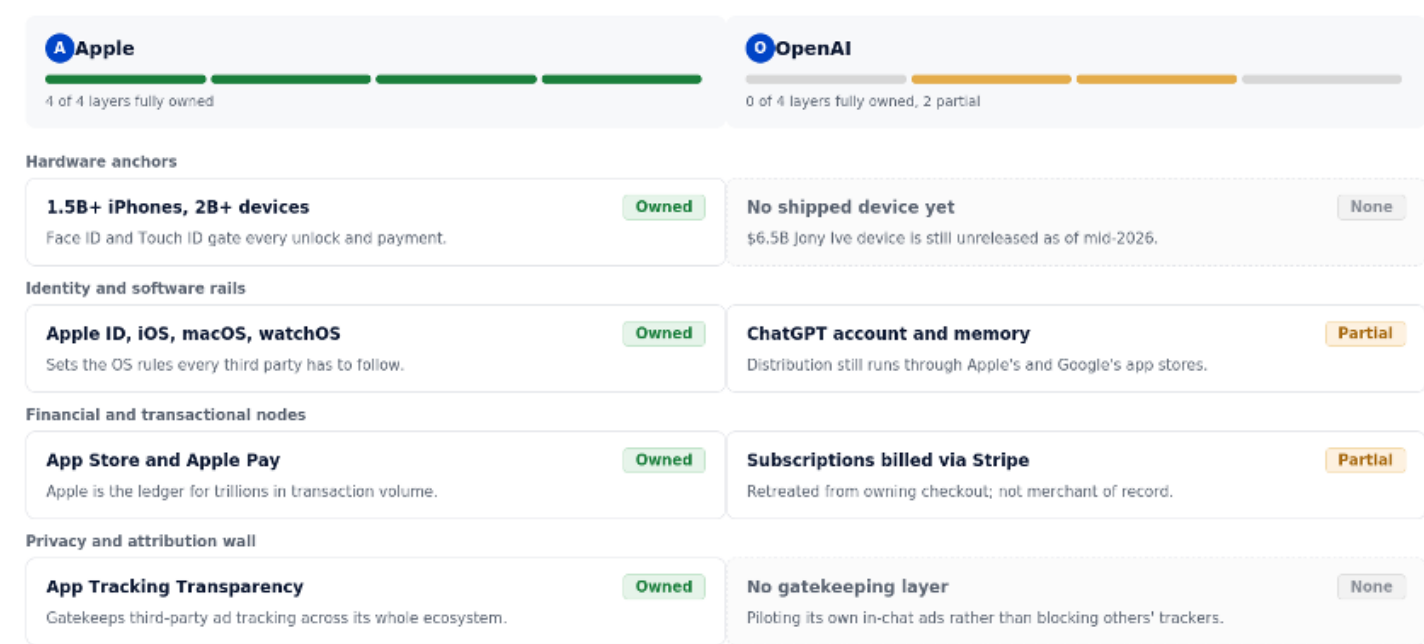
Trust advantage:
Private, on-device intelligence makes the graph more durable than a pure web interface.



Key idea: In consumer AI, owning the endpoint and the customer graph can be more valuable than owning the model. Apple sits closer to that value pool than model-only players.

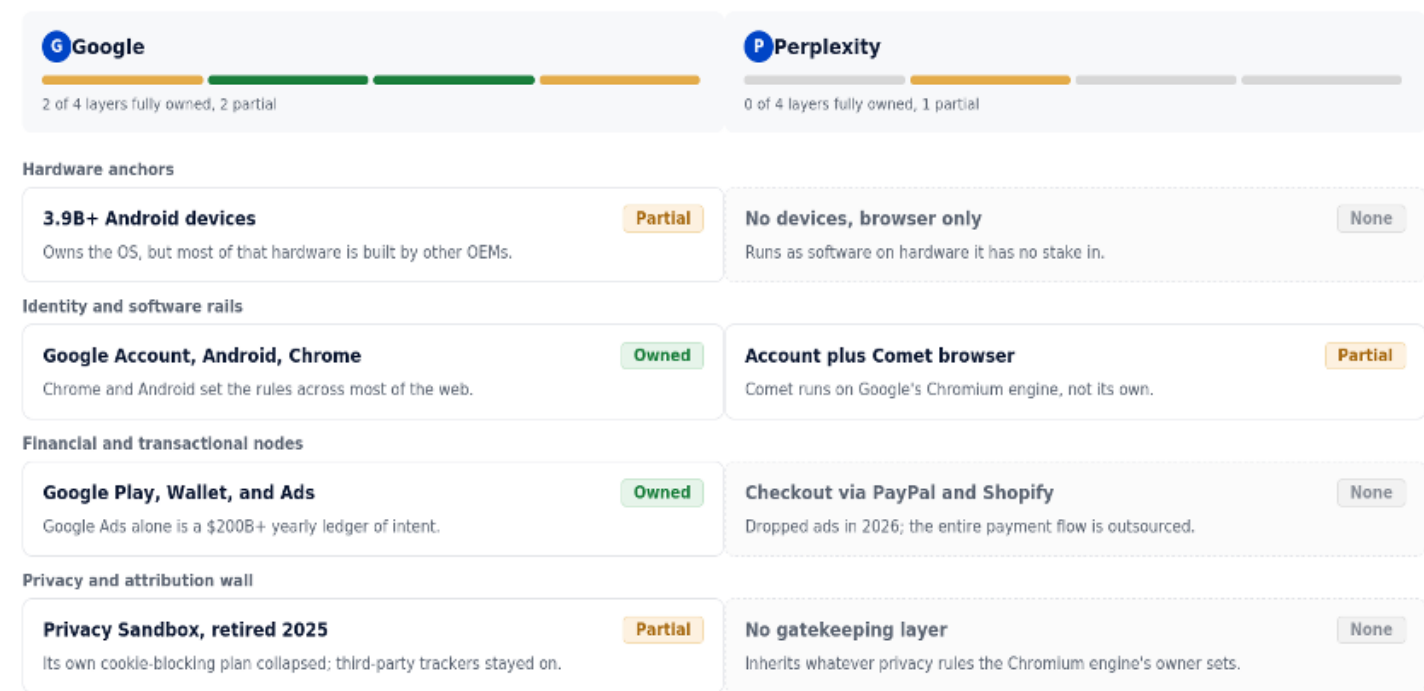
Source: Optimal Advisory analysis, Apple earnings 1Q26

Figure: Apple vs. OpenAI, Ownership of the Customer Graph



Source: Optimal Advisory analysis, Apple earnings, OpenAI public statements.

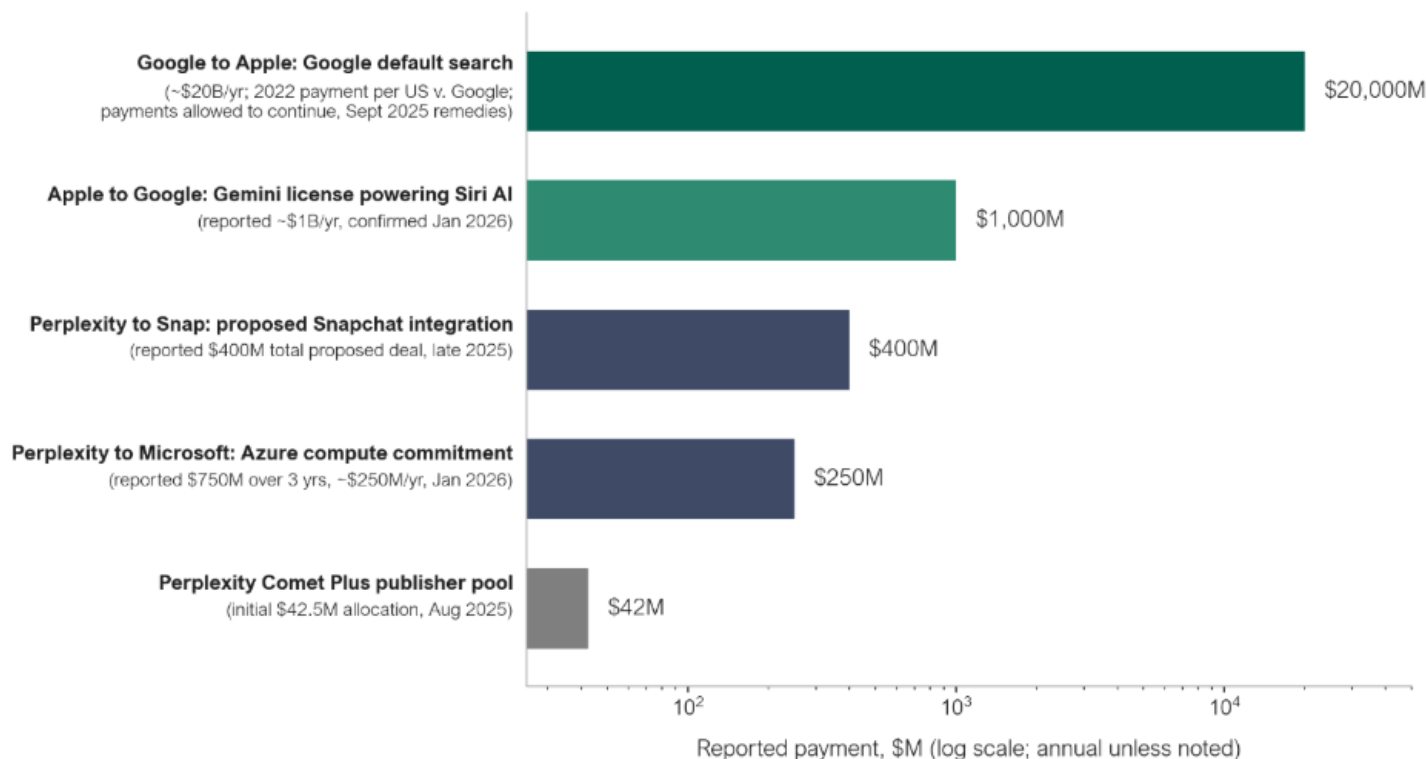
Figure: Google vs. Perplexity, Ownership of the Customer Graph



Source: Optimal Advisory analysis, Google earnings, Perplexity public statements

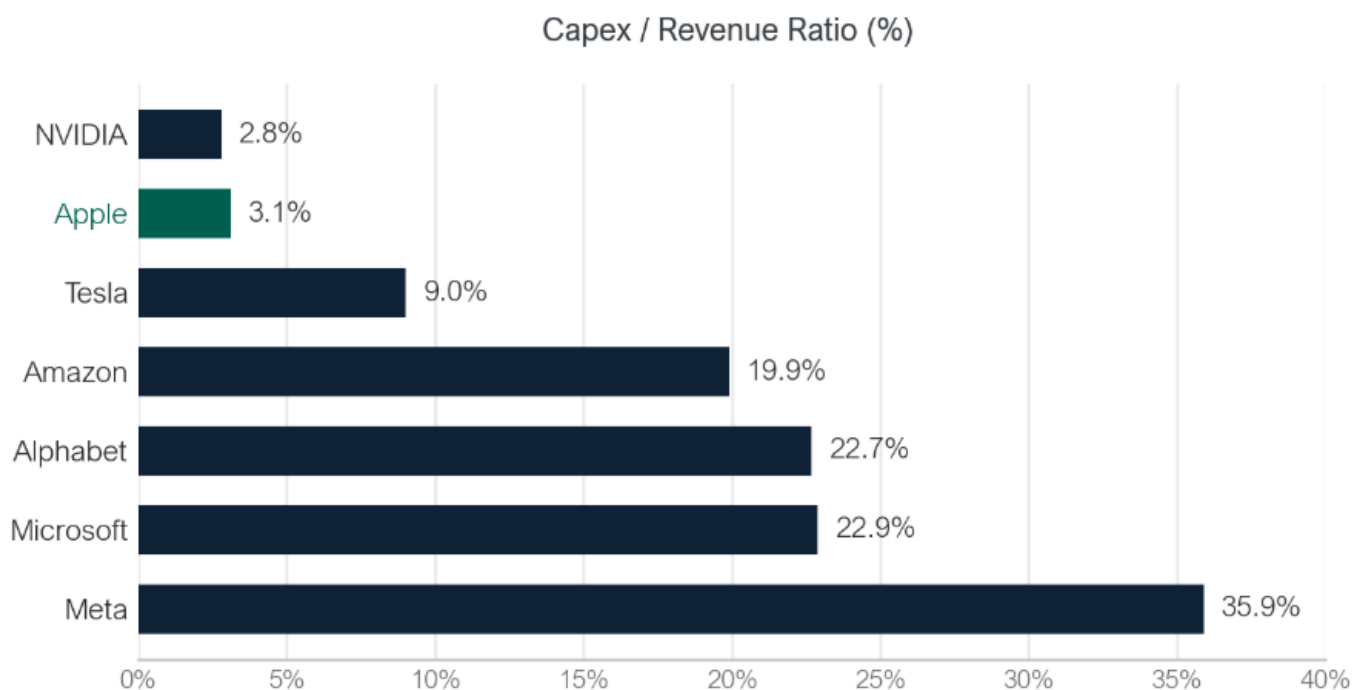
Investor question: Where does profit collect when the model is no longer enough? The most direct evidence is the observed market price of distribution. Endpoint owners are paid; model and app companies pay.

Figure: The Observed Market Price of Distribution: Who Pays Whom for Placement and Reach



Source: Optimal Advisory analysis, US v. Google trial disclosures, Perplexity public statements

Figure: Own Endpoints & Customer Graph, Rent Intelligence, Lower Capex



Source: Optimal Advisory analysis; latest disclosed annual reports

Framework 3: Strategic Capital & Circularity

Investor question: Is revenue funded by independent customers or vendor-financed ecosystem loops? The table below traces the largest reported loops. The pattern is consistent: the capital provider is also a supplier, customer, or platform dependency of the recipient. This is powerful (it de-risks compute access and locks in distribution) but it means reported revenue and valuations must be traced through to independent paying end demand. Scale matters here: the four hyperscalers plan roughly \$700B of 2026 capex largely on behalf of an AI vendor complex whose combined revenues remain a fraction of that figure.

Figure: Selected Vendor-Financed Ecosystem Loops (Reported)

Capital / commitment	Reported size	The circular link	Date & source
Microsoft stake in OpenAI	49% economic stake; rev share reportedly ~20% of OpenAI revenue through 2030	Investor is also OpenAI's primary cloud platform and largest distribution channel (Copilot, M365)	Company tracker; AI IPO tracker, May 2026 (rev share unconfirmed)
NVIDIA, Amazon, SoftBank in OpenAI round	~\$122B raised Q1 2026 (largest of 4 mega-rounds absorbing ~63% of global VC)	Lead chip supplier and a hyperscaler funding their own largest customer	KPMG Venture Pulse / PitchBook as compiled by aifundingtracker, June 2026
Amazon & Google/Alphabet in Anthropic	Major strategic holders (per tracker); \$30B Series H reported Q1 2026	Investors are Anthropic's principal compute suppliers and cloud resellers	Company tracker; aifundingtracker, June 2026
Perplexity to Microsoft Azure	\$750M 3-year compute commitment	Perplexity's investors include Nvidia and Databricks; its compute spend flows to a rival's cloud	Reported Jan 2026 (getpanto.ai compilation)
ASML in Mistral	EUR 1.3B for an 11% stake, Series C at EUR 11.7B	Investor is a supplier-ecosystem anchor; paired long-term deal deploys Mistral models inside ASML products	Reuters / Bloomberg, Sept 2025
Mistral debt for Nvidia chips	\$830M debt to buy 13,800 Nvidia GPUs	Nvidia is simultaneously a Mistral Series C investor and the vendor the debt proceeds pay	Reuters, March 2026
Stargate (OpenAI, SoftBank, Oracle)	\$500B infrastructure project (announced ambition)	Oracle finances and builds capacity for a tenant whose spend underwrites Oracle's ~\$50B 2026 capex	Futurum, Feb 2026; valueaddvc dashboard

Source: Optimal Advisory analysis from press and tracker reports, Sept 2025 to July 2026

Framework 4: Revenue Quality, Not Headline Growth, Remains the Best Indicator of Long-Term Winners in Software and AI

Historically, premium software multiples have accrued to companies with true moats: low churn, high switching costs, predictable renewals, low capex intensity, capital efficiency, and embedded positions in critical workflows or payment flows. AI revenue requires an added durability screen, because pilots, CEO edicts, POCs, and temporary model gaps may not be indicative of true demand. Signals of true demand and revenue quality include renewal behavior, net revenue retention, workflow embedding, gross-margin trajectory, and switching cost. Finally, we apply the Nadella “next-model test”: if the capability is likely to be bundled free into the next frontier model, browser, cloud suite, or incumbent application, the revenue is rented, not owned.

The scorecard below supports our theme. Workflow and data-platform owners (Databricks, Veeva, Salesforce, Toast) show high retention, positive free cash flow, and durable margins despite software derating, while the largest AI-native revenue bases still pair extraordinary growth with losses and related-party dependence.

Figure: Revenue Quality Scorecard: Disclosed Metrics, Selected Constituents

Capital / commitment	Reported size	The circular link	Date & source
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Source: Optimal Advisory analysis of public filings and data

Framework 5: Platform Shift, Binding Constraint & Incumbency

Capex is a binding constraint for the AI platform shift, and AI looks less like a clean disruption story than a classic platform shift colliding with traditional constraints: distribution, trust, data rights, workflows, balance sheets, and, increasingly, power. The tell is capex: the big four's ~\$400B of 2025 spending already exceeds global telecom capex of ~\$300B; the four largest hyperscalers are guiding to ~\$700–725B in 2026 capex, up ~77% from ~\$410B in 2025. This is why the binding constraint has moved from “who has the best model?” to “who can turn compute, HBM, networking, power, cooling, siting, and grid interconnection into useful tokens per watt and per dollar,” as AI data-center investment moves from ~\$150–200B toward ~\$400–500B by mid-decade and global data-center electricity use roughly doubles to ~945 TWh by 2030. Incumbents continue to spend, with capex-to-revenue ratios of 86% for Oracle, 54% for Meta, 47% for Microsoft, and 46% for Alphabet, debt-financed buildouts despite ~\$597B of Mag 7 cash, ~40% of announced AI data-center projects delayed by power rather than chips, Meta's \$125–145B 2026 capex guide, and SK hynix's warning that the memory shortage could last beyond 2030 all point to the same conclusion; the winners may be the companies that can win in software because they already control the physical and distribution layers underneath it.

Figure: The Binding Constraint in Dollars: AI Infrastructure Spending Steps Up Again in 2026



Source: Optimal Advisory analysis, hyperscaler capex per company guidance, Gartner

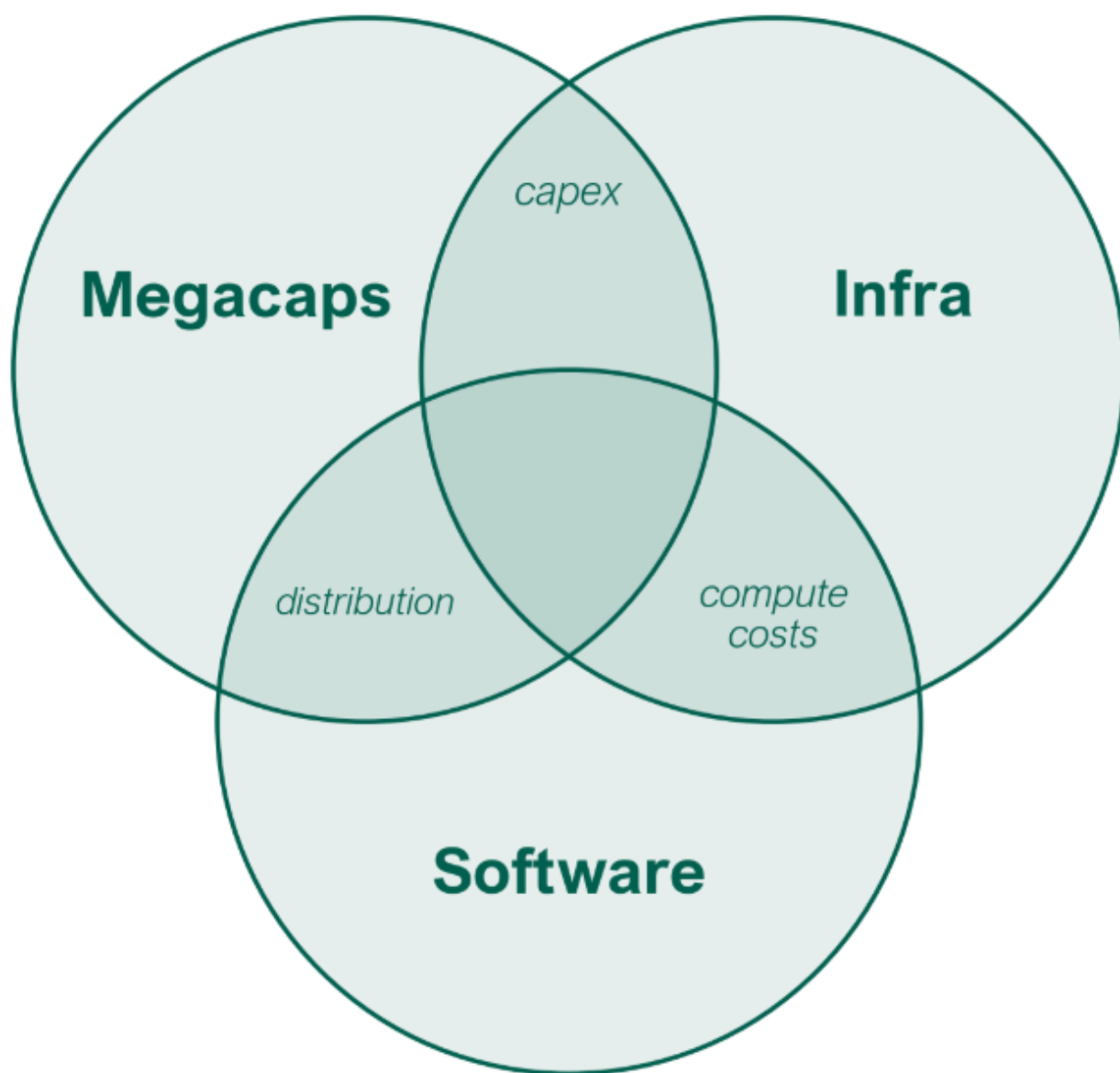
The Optimal Tech Index

Driven by the 5 key frameworks listed above, we divide our coverage into the following three categories:

1. Tech Megacaps (Magnificent 7)
2. AI & Compute Infrastructure
3. Software (Horizontal & Vertical, Public & Private)

These categories are connected by capital dependencies. Megacap free cash flow funds infrastructure capex; infrastructure capacity lowers the cost of intelligence; cheaper intelligence expands software use cases and end-user adoption; and adoption (real and hyped) attracts the investor capital that sustains megacap multiples and record private funding rounds. In Q1 2026 alone, global venture investment hit a record \$330.9B, with AI capturing more than 80% of the total and four mega-rounds (OpenAI, Anthropic, xAI, Waymo) absorbing roughly 63% of all global VC.

Figure: The Tech Flywheel: Our Ecosystem Categories



Source: Optimal Advisory analysis. Overlap regions denote the linkages: capex flows (Megacaps to Infrastructure), platform distribution (Megacaps to Software), and compute costs (Infrastructure to Software).

Figure: Optimal Tech Index Components (Sorted by Market Cap / Latest Reported Valuation)

TECH MEGACAPS	AI & COMPUTE INFRA	SOFTWARE	
NVDA NVIDIA (\$4.8T)	TSM TSMC (\$2.3T)	ANTHROPIC Anthropic (private) (\$965B rep.)	TEAM Atlassian (\$21B)
GOOG Alphabet / Google (\$4.4T)	AVGO Broadcom (\$1.8T)	OPENAI OpenAI (private) (\$852B rep.)	PPLX Perplexity (private) (\$20B rep.)
AAPL Apple (\$4.4T)	005930.KS Samsung Electronics (\$1.3T)	SHOP Shopify (\$160B)	MISTRAL Mistral AI (private) (\$20B rep.)
MSFT Microsoft (\$2.9T)	MU Micron (\$1.2T)	DBRX Databricks (private) (\$134B rep.)	TOST Toast (\$17B)
AMZN Amazon (\$2.6T)	000660.KS SK hynix (\$1.0T)	CRM Salesforce (\$134B)	RIPPLING Rippling (private) (\$17B rep.)
META Meta Platforms (\$1.6T)	AMD AMD (\$0.9T)	NOW ServiceNow (\$114B)	HUBS HubSpot (\$11B)
TSLA Tesla (\$1.5T)	ASML ASML (\$0.7T)	INTU Intuit (\$75B)	GWRE Guidewire Software (\$9B)
	INTC Intel (\$0.6T)	ADSK Autodesk (\$44B)	PCOR Procore Technologies (\$7B)
	AMAT Applied Materials (\$0.5T)	CANVA Canva (private) (\$42B rep.)	APPF AppFolio (\$6B)
	ORCL Oracle (\$0.4T)	VEEV Veeva Systems (\$31B)	TTAN ServiceTitan (\$6B)
	ARM Arm Holdings (~\$0.3T)	WDAY Workday (\$31B)	EPIC Epic Systems (private) (n/a)
		DSY Dassault Systemes (\$27B)	INFOR Infor (Koch-owned) (n/a)

Source: Optimal Advisory analysis of public market caps as of early July 2026 (individual as-of dates range from June 11 to July 10, 2026). Private valuations reflect the latest reported financing or secondary transaction

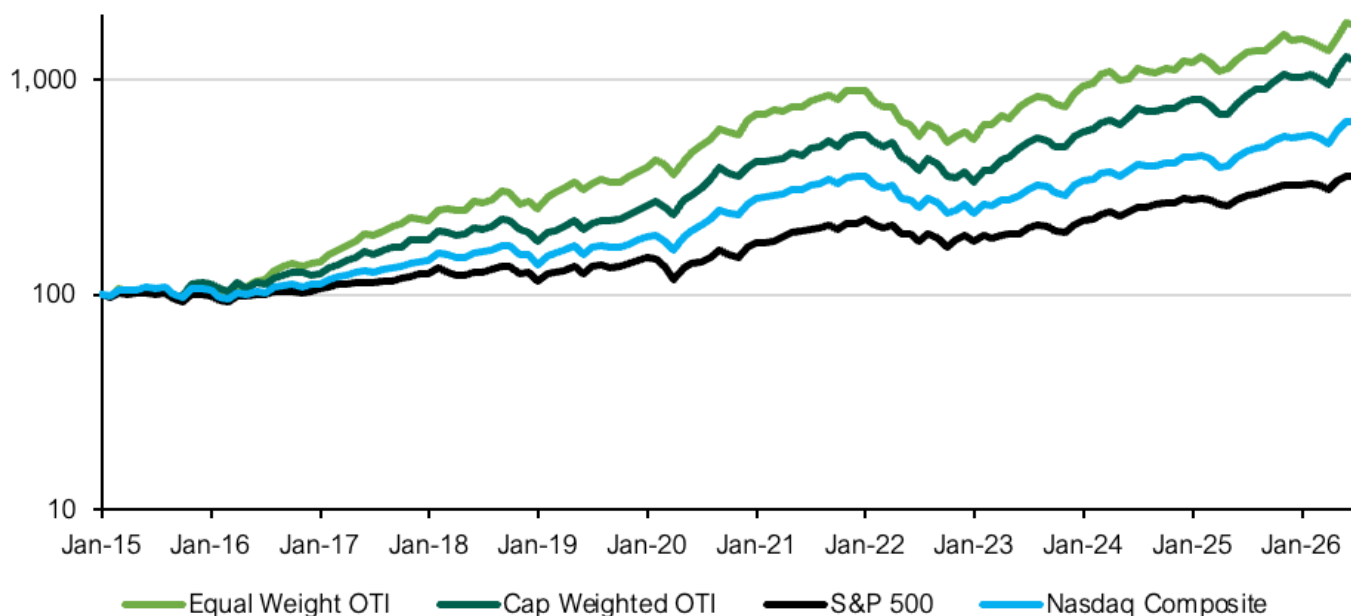
Below we calculate the performance of our index over time. Note that for our equal-weight indices we rebalance monthly. We compare performance against market-cap weighted US large-cap (S&P 500) and US technology indices (Nasdaq Composite) on both an equal-weight and cap-weighted basis. We note survivorship bias and extraordinary returns for select names in the 2016-2025 period as primary drivers for equal-weight outperformance relative to benchmarks and cap-weighted index.

Figure: OTI (Optimal Tech Index) Annual Returns vs. Benchmarks

Year	S&P 500	Nasdaq Composite	Equal-Weight OTI	Cap-Weighted OTI	Tech Megacap EW Index	Infrastructure EW Index	Software EW Index
2016	7.6%	6.3%	26.8%	12.1%	26.9%	50.9%	8.5%
2017	18.4%	29.2%	57.0%	44.1%	52.7%	48.9%	65.8%
2018	-7.9%	-4.8%	13.9%	-2.4%	0.2%	-4.6%	40.4%
2019	27.7%	34.8%	55.2%	45.7%	52.5%	59.9%	50.2%
2020	18.9%	49.8%	76.2%	61.9%	115.9%	48.2%	76.3%
2021	26.8%	27.8%	28.8%	33.3%	49.9%	31.5%	14.8%
2022	-20.4%	-33.1%	-40.8%	-40.3%	-45.2%	-35.8%	-43.6%
2023	24.6%	42.3%	77.4%	72.3%	108.0%	70.9%	66.7%
2024	24.3%	28.2%	29.1%	41.7%	60.4%	13.7%	24.8%
2025	17.2%	25.0%	28.6%	27.7%	25.0%	90.5%	-5.3%

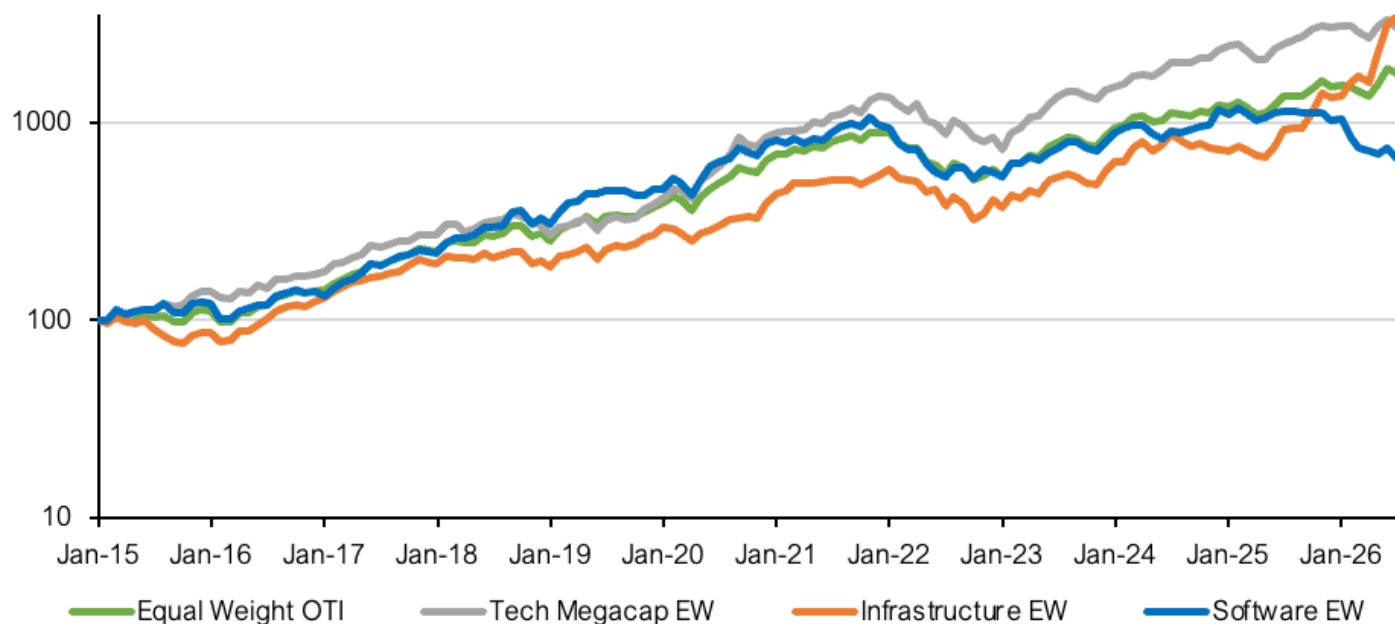
Source: Optimal Advisory analysis, Bloomberg

Figure: Optimal Tech Index (Log Scale)



Source: Optimal Advisory analysis, Bloomberg, Index Jan 2015 = 100

Figure: Optimal Tech Equal-Weight Category Index Performance (Log Scale)



Source: Optimal Advisory analysis, Bloomberg, Index Jan 2015 = 100

Figure: Optimal Tech Megacap Index Components

Ticker	Name	Stock Price	Market Cap (\$B USD)	CY EV/ CY EBITDA	CY EV/ CY+1 EBITDA	P/S	P/S+1
NVDA	NVIDIA Corp	\$207.87	\$5,030.2	35.5	18.7	23.3	12.8
GOOG	Alphabet Inc	\$352.35	\$4,306.9	24.2	18.5	10.7	10.2
AAPL	Apple Inc	\$317.26	\$4,659.7	32.1	27.3	11.2	9.7
MSFT	Microsoft Corp	\$390.40	\$2,900.1	17.9	14.7	10.3	8.8
AMZN	Amazon.com Inc	\$248.62	\$2,674.4	16.5	12.9	3.7	3.2
META	Meta Platforms	\$658.48	\$1,671.5	16.4	13.6	8.3	6.6
TSLA	Tesla Inc	\$396.55	\$1,489.3	100.1	96.4	15.7	14.4

Source: Optimal Advisory analysis, Bloomberg, prices intraday July 13, 2026

Figure: Optimal AI & Compute Infrastructure Index Components

Ticker	Name	Stock Price	Market Cap (\$B USD)	CY EV/ CY EBITDA	CY EV/ CY+1 EBITDA	P/S	P/S+1
TSM	Taiwan Semi	\$430.36	\$2,232.1	25.7	18.3	18.2	13.7
AVGO	Broadcom Inc	\$391.45	\$1,862.4	44.5	26.6	29.2	17.6
005930	Samsung	KRW 257,500	\$1,008.3	14.9	3.4	4.3	2.1
MU	Micron Technology Inc	\$937.93	\$1,059.3	55.4	9.9	28.3	8.2
000660	SK hynix Inc	KRW 1,828,000	\$872.7	20.1	4.4	12.8	3.6
AMD	Advanced Micro Devices	\$549.28	\$895.7	104.3	64.1	25.9	18.0
ASML	ASML Holding NV	\$1,759.21	\$682.8	48.3	38.2	18.5	15.2
INTC	Intel Corp	\$104.98	\$527.7	37.0	30.3	10.0	9.0
AMAT	Applied Materials Inc	\$584.15	\$463.8	51.4	40.3	16.3	13.8
ORCL	Oracle Corp	\$136.59	\$393.4	14.6	10.4	5.8	4.4
ARM	ARM Holdings PLC	\$307.08	\$328.0	137.4	119.9	66.7	54.7

Source: Optimal Advisory analysis, Bloomberg, prices intraday July 13, 2026

Figure: Optimal Software Index Components (Public Constituents)

Ticker	Name	Stock Price	Market Cap (\$B USD)	CY EV/ CY EBITDA	CY EV/ CY+1 EBITDA	P/S	P/S+1
SHOP	Shopify Inc	\$125.54	\$161.7	77.7	57.5	14.0	10.9
CRM	Salesforce Inc	\$171.62	\$140.6	8.4	8.0	3.4	3.0
NOW	ServiceNow Inc	\$112.29	\$115.8	22.9	18.8	8.7	7.1
INTU	Intuit Inc	\$291.02	\$79.6	9.7	8.9	4.2	3.7
ADSK	Autodesk Inc	\$212.85	\$44.9	15.2	13.3	6.2	5.5
VEEV	Veeva Systems Inc	\$197.76	\$32.1	17.4	15.6	10.1	8.8
WDAY	Workday Inc	\$145.63	\$36.0	10.8	9.9	3.8	3.4
DSY	Dassault Systems	EUR 18.66	\$28.6	11.1	10.7	4.1	3.9
TEAM	Atlassian Corp	\$94.57	\$24.1	16.2	11.3	4.6	3.7
TOST	Toast Inc	\$30.49	\$17.7	24.8	19.5	2.9	2.4
HUBS	HubSpot Inc	\$218.64	\$11.2	13.6	10.6	3.6	3.0
GWRE	Guidewire Software Inc	\$141.29	\$11.8	48.8	31.8	9.8	8.0
PCOR	Procore Technologies Inc	\$44.66	\$6.7	20.2	16.5	5.1	4.5
APPF	Appfolio Inc	\$179.77	\$6.7	25.0	20.1	7.0	5.9
TTAN	ServiceTitan Inc	\$80.46	\$7.7	41.2	35.6	8.0	6.7

Source: Optimal Advisory analysis, Bloomberg, prices intraday July 13, 2026

Figure: Optimal Software Index, Private Constituents (Latest Reported Valuations)

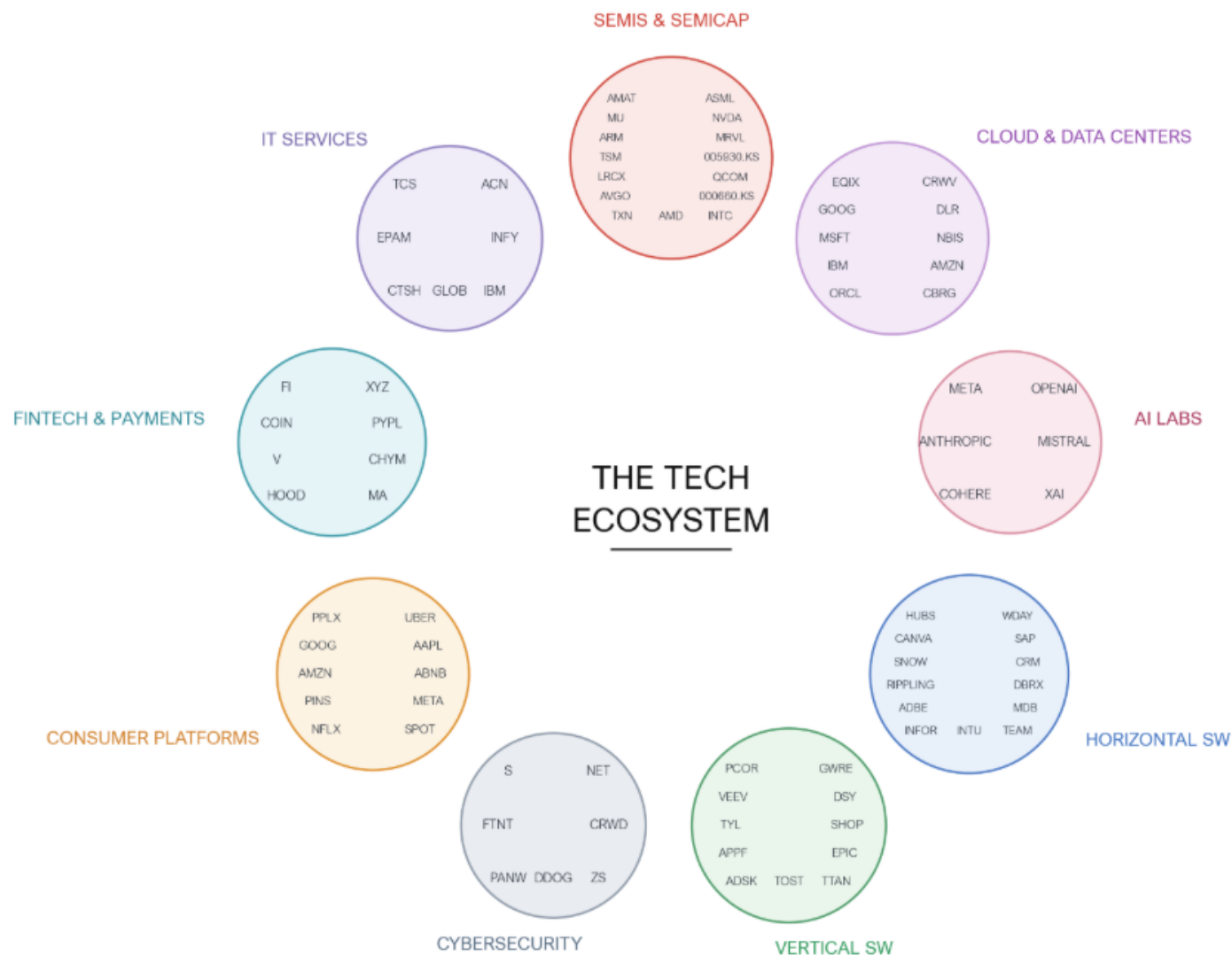
Company	Latest Reported Valuation	As Of / Event	Reported Revenue Scale	Key Backers (per tracker)
Anthropic	\$965B	Series H, reported late May 2026	\$30B-\$47B annualized (reports conflict)	Amazon, Google/Alphabet, Coatue, Sequoia, Founders
OpenAI	~\$852B	March 2026 financing round	~\$25B annualized (May 2026 reports)	Microsoft (~27% economic stake). Thrive. Khosla. Founders
Databricks	\$134B	Series L, December 2025	\$5.4B ARR, FCF positive (Feb 2026 disclosure)	a16z, NEA, Morgan Stanley, Nvidia. Founders
Canva	~\$42B	Employee share sale, August 2025	~\$2B (2024, per CB Insights)	Blackbird, Sequoia China, Bessemer, Founders
Perplexity	~\$20B	~\$200M raise, June 2026 (The Information)	\$200M-\$450M ARR (reports conflict)	IVP, Bessemer, NEA, Lightspeed, Jeff Bezos. Nvidia
Mistral AI	~\$20B	June 2026 (round status conflicts across sources)	>\$400M ARR (Jan 2026, Sacra estimate)	ASML (11%), Lightspeed, a16z, General Catalyst, Microsoft
Rippling	\$16.8B	Series G, May 2025	not verified	Bedrock, Kleiner Perkins, Sequoia. Founders
Epic Systems	n/a	No reported valuation; never raised outside capital	not verified	Judy Faulkner, Family & Employee Trust
Infor	n/a	Wholly owned by Koch Industries	not verified	Koch Industries

Source: Optimal Advisory analysis; aifundingtracker.com, AI IPO trackers, TSG Invest, Sacra, Tracxn, CB Insights, press reports (June-July 2026). Private valuations are indicative, not marked to market.

Beyond the 42 companies included in our indices, we also continually monitor the larger technology ecosystem, which we categorize as follows:

1. Semiconductors & Semiconductor Equipment
2. Cloud & Data Center Operators (including neoclouds such as CoreWeave and the newly public Cerebras)
3. Foundation Models & AI Labs
4. Horizontal Enterprise Software
5. Vertical Software
6. Cybersecurity
7. Consumer Internet & Platforms
8. Fintech & Payments
9. IT Services & Consulting

Figure: The Broader Technology Ecosystem



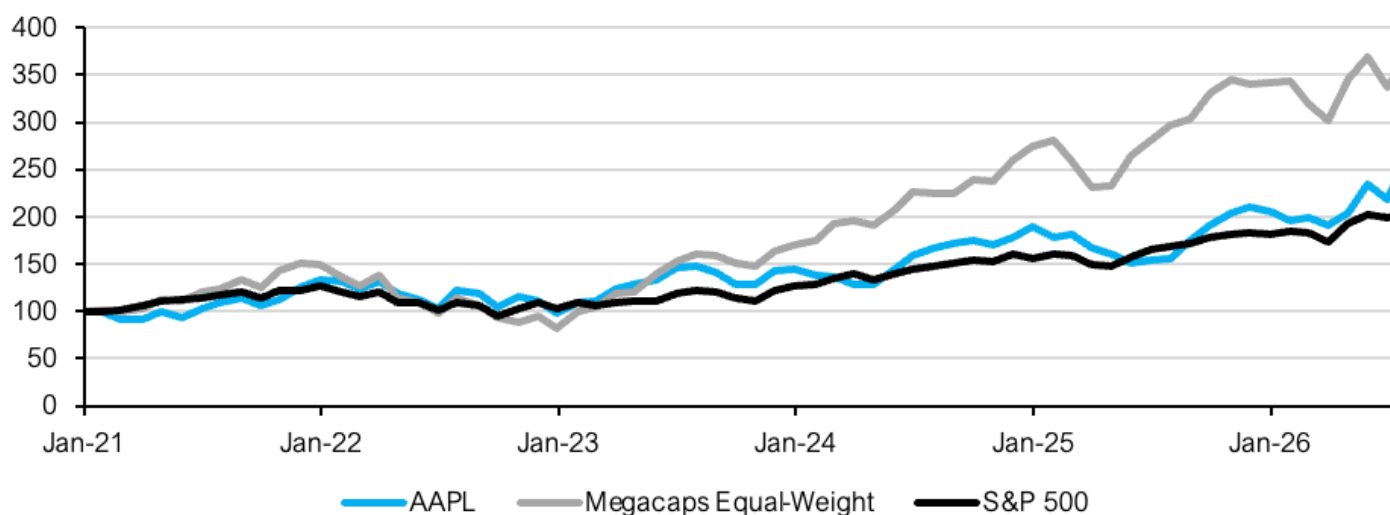
Source: Optimal Advisory analysis. Circles include index constituents plus monitored non-index names (e.g., LRCX, TXN, QCOM, MRVL, CRWV, CBRG, NBIS, SAP, ADBE, SNOW, TYL, CRWD, PANW, NFLX, UBER, XYZ, CHYM, ACN, TCS).

Many of the largest companies in adjacent industries also have a strong presence in the technology ecosystem and its AI buildout, including the power and utilities complex (data center electricity demand), industrial REITs and construction (data center shells), and capital providers financing AI capex. Notably, the Magnificent 7 held roughly \$597B in cash reserves as of early 2026 while financing much of their buildouts with debt.

Selected Optimal Public & Private Market Callouts

Sure, Siri was late, but Apple (AAPL) is proving distribution beats invention. Apple shares have hit record highs in 2026 (up 46.4% over the past year and roughly 15-16% year to date as of early July, per Barchart and Sahm Capital, with the stock adding roughly a further 11% in the week ended July 10 per StockTitan), making it one of the market's biggest momentum stories after two years of AI skepticism. The turn illustrates our "old rules" thesis: Apple did not win the LLM arms race, it rented the winner. In January 2026 Google confirmed a deal licensing its Gemini models and cloud technology to Apple, reportedly for about \$1B per year, and at WWDC on June 8, 2026 Apple unveiled Siri AI, a fully rebuilt LLM-based assistant, alongside developer frameworks for on-device Apple Intelligence. The initial reaction was a sell-the-news dip (worst day since February), but shares recovered to new highs as investors rewarded the strategy: Apple is one of the only megacaps keeping free cash flow intact while monetizing AI through the largest installed device base in the world. Recent catalysts include a \$30B expansion of its US chip manufacturing deal with Broadcom (July 8), productive talks with EU regulators on bringing Siri AI to Europe (a region that is nearly a quarter of sales), a further \$100B buyback authorization, and a record March quarter (\$111.2B revenue, \$29.6B net income). Watch items: a reported July 10 lawsuit against OpenAI over alleged trade secret theft (per Bloomberg, via TipRanks; unconfirmed by us), the fall Siri AI rollout timeline, and EU regulatory friction.

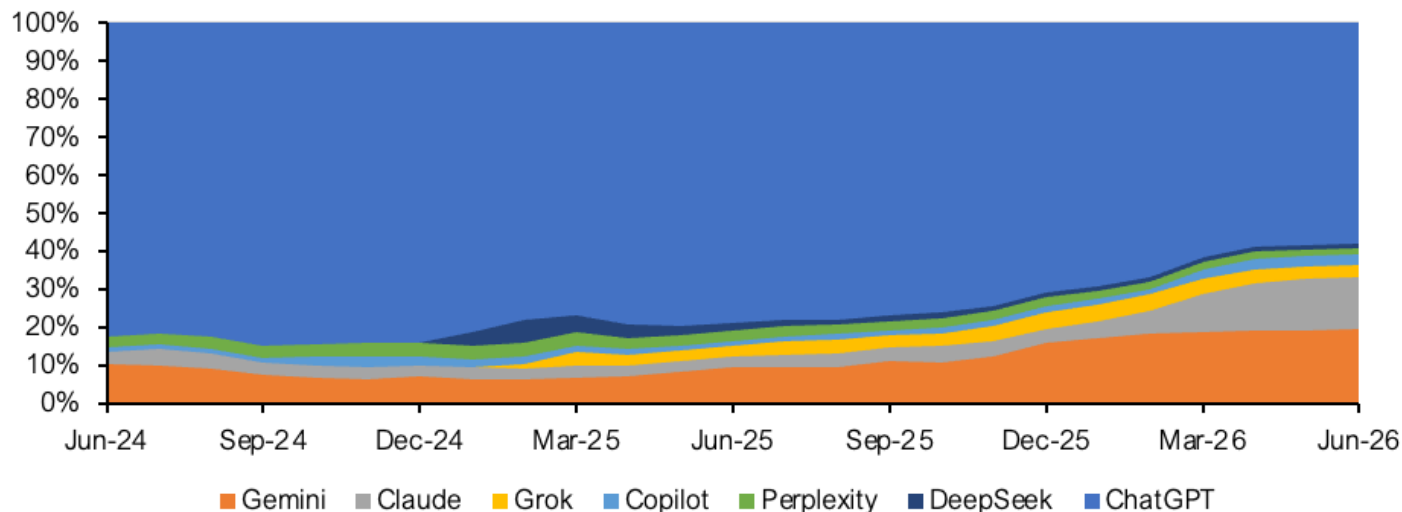
Figure: Performance of AAPL vs. Mag 7 Equal-Weight and S&P 500 Since 2021



Source: Optimal Advisory analysis, Bloomberg, Index Jan 2021 = 100

Alphabet (GOOG) has quietly become the AI arms dealer to friend and foe alike. Alphabet is now the second most valuable company in the world at roughly \$4.3T-\$4.4T (CompaniesMarketCap/Statista and Ticker League, July 1, 2026), having crossed \$3T only in January 2026. The re-rating reflects a rare position: Gemini is simultaneously (1) defending Search, (2) growing Google Cloud, and (3) being licensed into competitors' products, most notably powering Apple's new Siri AI. Third-party trackers estimate Gemini's share of AI search grew from 5.7% to 21.5% over the twelve months to May 2026 while ChatGPT's fell from 86.7% to 64.5% (per aifundingtracker; this is a third-party estimate we have not independently verified and methodologies for "AI search share" vary widely). The old rules at work: distribution (Chrome, Android, YouTube, Workspace), proprietary data, and self-funded infrastructure (TPUs) mean Alphabet participates in the AI buildout at structurally better economics than credit-funded challengers. Key risks we monitor: EU regulatory outcomes, the dependence of Search economics on the AI transition, and antitrust remedies.

Figure: Estimated AI Search / Assistant Share of Queries (Trailing 24 Months)



Source: Optimal Advisory analysis, Similarweb

OpenAI (private): the biggest brand in AI now has the biggest bills. OpenAI raised at a reported ~\$852B valuation in March 2026 and is generating roughly \$25B in annualized revenue (per AI IPO trackers as of May 2026), with ChatGPT having crossed 1B+ monthly active users. But the old rules are asserting themselves: reported 2026 losses of roughly \$14B (with profitability not expected until 2029-2030), a Microsoft revenue share reportedly worth 20% of revenue through 2030, an eroding developer and AI-search share, and governance complexity from its for-profit conversion. Reports on an IPO conflict: one tracker claims a confidential S-1 targeting September 2026 at roughly \$1T, while Polymarket traders as of July 7, 2026 price only about a 20% chance OpenAI lists in 2026 and bet nearly 7 to 1 that Anthropic lists first (per 24/7 Wall St.). We treat all pre-IPO figures as unaudited and indicative. The structural question for our coverage: whether consumer brand plus first mover advantage (new rules) can outrun negative unit economics and platform dependence (old rules).

Perplexity (private): a \$20B bet that the browser is the front door of the agent economy. Perplexity raised roughly \$200M at a valuation near \$20B in early June 2026 (The Information, June 5), bringing total funding to about \$1.72B. Reported revenue figures conflict meaningfully across sources, from roughly \$200M ARR to over \$450M ARR as of mid-2026, so we treat scale as unverified; what is well documented is the strategy. Its Comet agentic browser launched in July 2025 at \$200/month, went free in stages (worldwide desktop around October 2025, iOS in March 2026 where it hit #3 overall on the App Store within 48 hours), and anchors a publisher revenue-share program (Comet Plus, 80% of revenue to partners including CNN, Conde Nast, and The Washington Post against an initial \$42.5M pool). Distribution deals include a reported \$400M Snapchat integration and a reported \$750M three-year Azure compute commitment (January 2026). At roughly 100x even the more generous ARR estimates, Perplexity is priced for the new rules; its challenge is an old one: it competes for the browser against Google (Chrome plus Gemini) and OpenAI (Atlas), both of which own distribution it must buy.

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