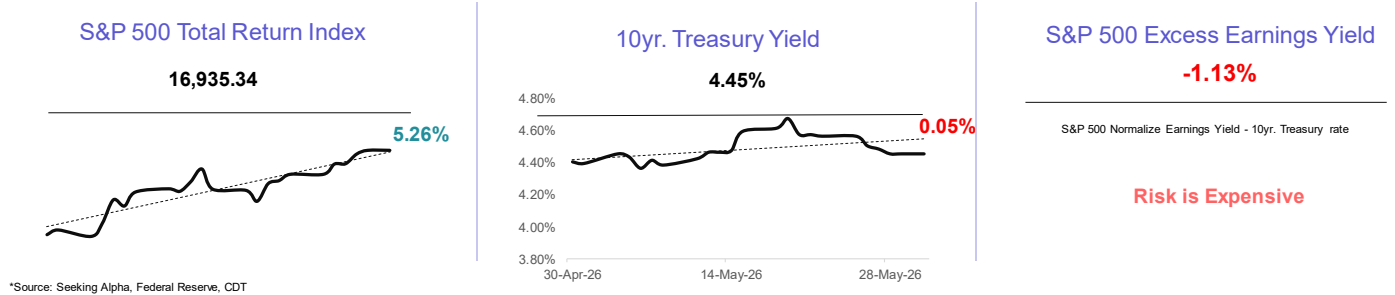


CDT May 2026 - 1999 Called, they Want their Stock Market Back.

Market Update.



We crossed the Rubicon. In the same way that we distinguish the Internet Bubble between the pre and post 1999 world, it is my strong suspicion that we will make a similar bifurcation for the AI Bubble – the pre and post May 2026 eras. The pre-2026 AI phenom was sparked by the introduction of ChatGPT to the masses and the wonder that followed - truly personal assistants and self-driving cars to AI-enabled medical breakthroughs. Up until now, that promise has produced wonderful and **rational** results in the stock market as companies throughout the industrial spectrum stand to benefit from tremendous AI-fueled productivity gains and new sales opportunities translating into tremendous profits.

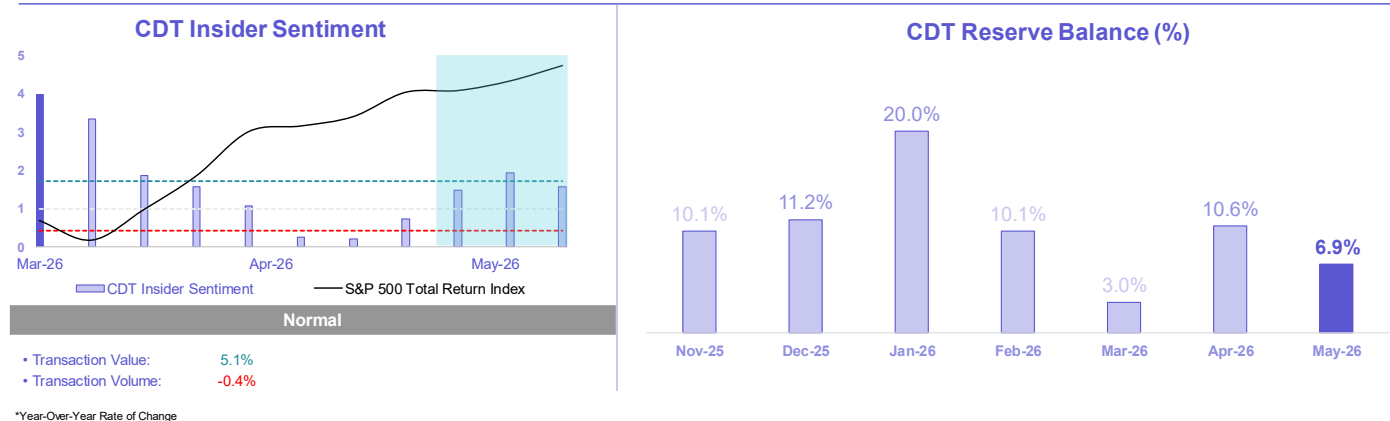
The post May 2026, era is distinctly different. In this new paradigm, the promise of an AI future has been demented into a sales pitch aimed at convincing you to part with your human intelligence for artificial intelligence euphoria. Keeping up with the chronology of the 90s Internet Bubble, we are at the Cisco hitting a record **\$550B market capitalization phase** as mania has gone from a fringe market phenomenon in the pre-2026 world to becoming mainstream. Today, our Cisco is **Micron**, a manufacturer of memory chips used in all forms of modern computing from your phone and laptop to large data centers. In the pre-2026 world, Micron was an *O.K.* commodity like business that had little to no prospect of surpassing the trillion-dollar market capitalization level. In the post-world, Micron has surpassed the level with ease and at record breaking pace ([Article](#)). The stock is up **+240%** on a year-to-date basis and trades at **117x** last year's company adjusted reported earnings.

For the moment, the firm is reaping enormous profits from an AI supply chain bottleneck for something called HBM or high band with memory that is foundational to the tech that trains and runs AI models. It is a great and powerful position to be in and the stock price **should** reflect that; however, it should also reflect a sense of skepticism on the durability of that position for a business that historically has been plagued by a boom-to-bust and repeat cycle ([Article](#)). What makes this worse is that Micron is the **9th largest** position in the S&P 500 Index, which means this mania is not happening on the fringe of the stock market, it is happening at the heart of it.

Worse yet, we may also be simultaneously mimicking the [Pets.com](#) phase of the Internet Bubble with the IPO of [SpaceX](#). To be clear history rhymes, it is not exact. Pets.com was not a good business and SpaceX is an amazing company that achieves mind altering accomplishments, and their comparison is simply unfair. However, they share a rhyming common thread that cannot be ignored. To participate in their almost **\$2 trillion** IPO, the company is asking you to suspend your sense of reality and indulge in

imagination as you pay over **100x last year's sales** for a company that promises to produce things that have not yet been proven – data centers in space – to justify the price tag of the capital raise.

Above The Clouds.



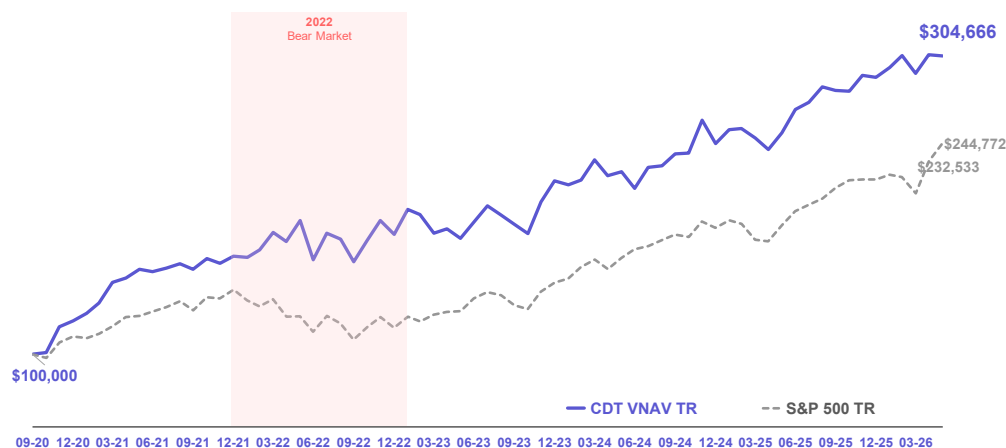
Cashing in on the AI Bubble. In the post May 2026 era, as AI mania soaks up all of investor attention and capital, we are cashing in on the mania in our own way. Firstly, following early insider signals, parts of our return this year are related to the conventional strategy by investing in AI related stocks that did not yet reflect their potential. For example, we started a position in Amazon (AMZN) in the low 200s, increased our position in the high \$100s and exited around \$270 per share. For Taiwan Semi (TSM), we entered in the low 300s and exited at around \$400 per share. The world and stock prices are moving fast and as speculative behavior grips the heart of the stock market, it is going to be increasingly difficult to profitably invest in AI related names that have not yet priced away their potential. Although we still are holding some direct exposure like Microsoft (MSFT), one of our largest positions at just over 5% of the fund.

Insiders are redirecting our attention to areas of the market that have not only been ignored, but stock prices have been punished for not belonging to the AI click. Increasingly insiders from high caliber companies such as Boston Scientific (BSX), Intuit (INTU), Textron (TXT), Flowserve (FLS) and Cencora (COR) are buying up the shares of the businesses they manage. All of which share something in common. Their stock prices are down **-10% to -55%**, but year-over-year their sales are up, they trade at well below market multiples and they all maintain an Investment Grade credit profile with the rating agencies. Translation, these are well above average companies trading at a significant discount to the average stock. It is in this part of the market where we add value to our partners. As the chase for AI continues, we will find real value in some of the largest companies in the world that have simply been ignored. It is also worth noting that many of these companies are proactively employing AI in their day-to-day activities and should these initiatives yield results then their growing bottom lines and stock prices will reflect it. But should these AI investments collectively not yield the expected return on investment, well then it is our belief that it is the stock prices of the AI stocks that will reflect this negative outcome.

We look forward to updating you again in June.

VNAV Performance.

	May - 2026	Year-to-Date	Since Inception (Sep 2020)	Sharpe Ratio
CDT VNAV (Net of fees)	-0.25%	+5.06%	+204.67%	1.78
S&P 500 Total Return	+5.26%	+11.27%	+144.77%	



Monthly Performance	
• CDT VNAV CAGR	1.6%
• S&P 500 CAGR	1.3%
• Monthly Upside Capture	133%
• Monthly Downside Capture	85%

2022 Bear Market	
• CDT VNAV Total Return	+9.1%
• Low	-2.3%
• S&P 500 Total Return	-15.3%
• Low	-23.9%

Best Regards,

David Papson & The CDT Team

Phone: (516) 509 - 3675

E-Mail: David.Papson@CDTCapitalManagement.com

Visit us at <https://www.cdtcapitalmanagement.com/home>



Invest Above the Clouds.

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