GOELZER
INVESTMENT MANAGEMENT

The Ghost of 1999

Comparing today's semiconductor boom with the Nasdaq's 1996-2000 advance suggests that markets may be replaying the dot-com era's final stages. The resemblance is striking: a steady climb, a brief correction, and then a near-vertical surge fueled by excitement about a transformative technology.

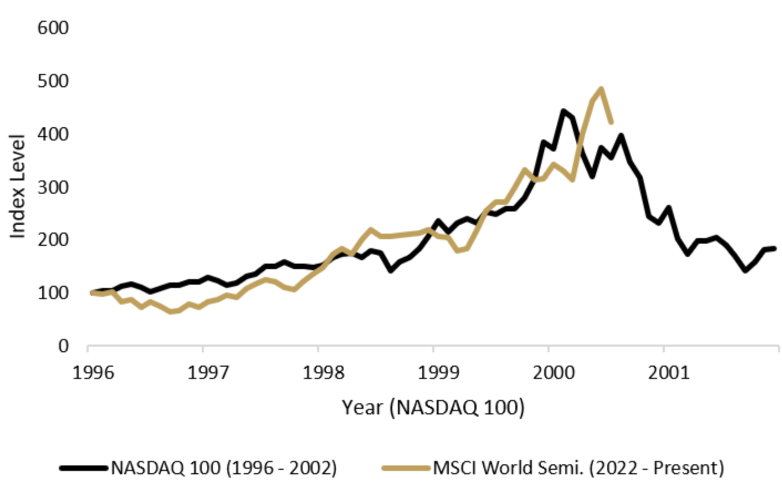
The similarities are clear. In 1999, investors were captivated by the internet. Today, artificial intelligence plays the same role. Then, Cisco and Intel were seen as indispensable infrastructure providers. Now, Nvidia and other semiconductor leaders hold that position. In both periods, capital spending surged, market leadership narrowed, and investors grew increasingly willing to pay almost any price for growth.

The key difference is profitability. Many dot-com companies had minimal revenue and no earnings. Today's technology giants generate enormous cash flow, maintain fortress balance sheets, and dominate critical industries. This makes the current market fundamentally stronger than the speculative excesses of 2000.

Yet history offers a warning. Great technologies do not guarantee great investments. Cisco remained a successful company after 2000, but its stock still fell sharply because expectations had become unrealistic.

The lesson from the chart is not that a crash is inevitable. Rather, it suggests that investors should distinguish between genuine technological innovation and the possibility that enthusiasm, once again, may be pushing valuations beyond what future growth can justify.

NASDAQ 100 vs. MSCI World Semiconductor



Source: Bloomberg

Economy

Last Week	This Week
- *Conf. Board Consumer Confidence (Jul): 7/28* 90.8 vs. 91.2 prior	- *ISM Manufacturing (Jul): 8/3*
- *Federal Reserve Rate Decision (Jul): 7/29* No change	- *ISM Services (Jul): 8/5*
- *PCE Price Index MoM (Jun): 7/30* -0.1% vs. 0.4% prior	- *Nonfarm Payrolls (Jul): 8/7*
- *U. of Michigan Sentiment (Jul): 7/31* 55.2 vs. 54.4 prior	- *Unemployment Rate (Jul): 8/7*

Equities

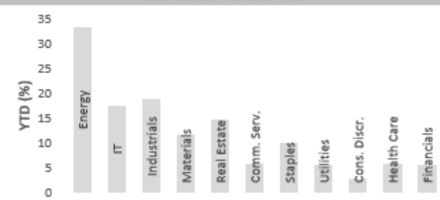
Returns (%)

Index	Level	1 Week	QTD	YTD	1 Year	3-Year Ann.	5-Year Ann.
S&P 500	7601	2.54	1.42	11.75	23.27	21.56	13.53
Russell 1000 Growth	4868	3.21	-2.70	2.49	12.54	22.43	12.82
Russell 1000 Value	2498	1.81	4.83	21.81	34.13	19.34	12.30
FTSE High Dividend Yield*	601	-0.22	2.42	14.21	23.75	17.74	12.41
S&P Small and Mid Cap	21550	0.65	-0.94	18.35	28.51	14.23	8.67
MSCI EAFE	3191	2.18	2.46	12.60	26.11	17.83	9.82
MSCI EM	1651	0.55	-3.86	19.23	37.76	20.60	7.86

Characteristics

Index	NTM P/E	NTM P/E (20Y med)	Div Yield
S&P 500	19.1	15.8	1.1
Russell 1000 Growth	21.5	18.3	0.5
Russell 1000 Value	17.3	13.7	1.7
FTSE High Dividend Yield*	14.0	13.1	3.6
S&P Small and Mid Cap	15.0	15.3	1.7
MSCI EAFE	15.3	13.5	2.9
MSCI EM	9.3	11.1	2.5

S&P Sector Returns YTD



* *Bloomberg U.S Large Cap Dividend Yield Total Return Index used as substitute for index characteristics.*

Fixed Income

Returns (%)

Index	Yield	1 Week	QTD	YTD	1 Year	3-Year Ann.	5-Year Ann.
U.S. Aggregate	4.95	-0.11	-1.07	-0.46	2.13	4.05	-0.40
U.S. Int. Gov/Credit	4.61	0.14	-0.29	0.11	2.27	4.49	0.98
U.S. Corporates	5.43	0.03	-1.38	-0.53	2.16	5.04	-0.27
High Yield	7.31	0.40	0.04	2.00	5.61	8.57	4.13
Municipals (1-10)	3.41	0.00	-1.05	0.05	2.61	3.20	1.00

Levels (%)

Key Rates	Last	1 Wk Ago	Last Qtr	Prev YE	1 Yr Ago	3 Yrs Ago	5 Yrs Ago
2-yr Treasury	4.24	4.29	3.80	3.48	3.73	4.88	0.18
10-yr Treasury	4.68	4.61	4.32	4.17	4.21	4.18	1.18
30-yr Treasury	5.23	5.09	4.91	4.85	4.78	4.29	1.84
SOFR	3.65	3.65	3.68	3.87	4.34	5.30	
6-mo. CD rate	4.00	4.14	3.84	3.62	4.18	5.77	0.09
Prime Rate	6.75	6.75	6.75	6.75	7.50	8.50	3.25
30-yr fixed mortgage	6.46	6.70	6.48	6.25	6.77	7.39	2.96

Data as of 5:00 PM ET, August 4, 2026. Returns through August 3, 2026.