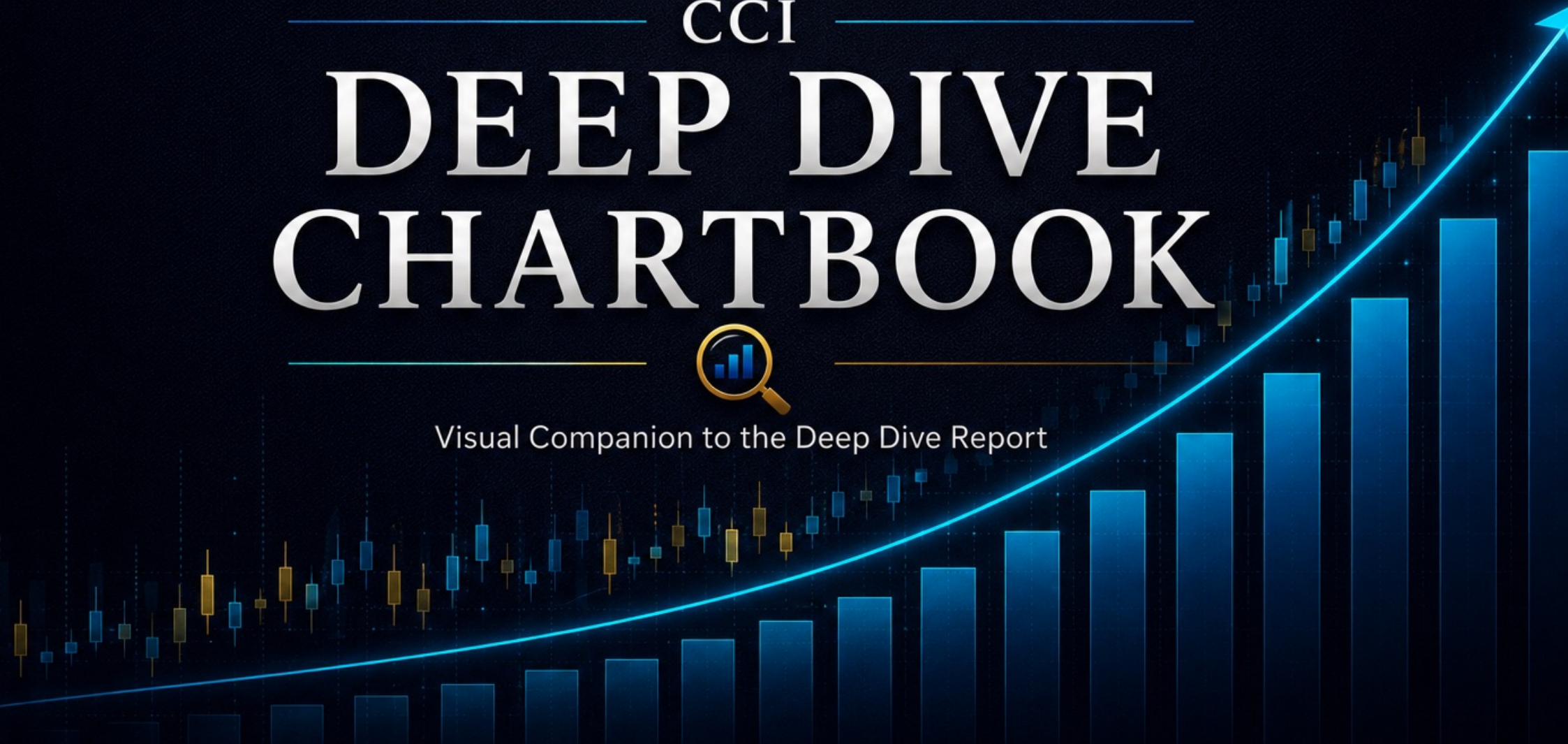
CAPITAL CYCLE

INTELLIGENCE

CCI

DEEP DIVE CHARTBOOK

Visual Companion to the Deep Dive Report



APPLE

CCI Deep Dive Chartbook

Visual Companion to the Apple Deep Dive Report

A Capital Cycle Investigation

September 2026

Understanding Through Evidence

Welcome

The **CCI Deep Dive Chartbook** is the visual companion to the accompanying Deep Dive Report.

Where the report investigates an investment through detailed research and evidence, the Chartbook presents that same investigation visually through the charts that matter most.

Each chart has been carefully selected to answer a specific question about the investment—from business quality and growth through to capital returns, valuation, relative strength and current market position.

Read sequentially, the charts tell the story of the investment. Together they provide a concise visual summary of the evidence shaping the investment thesis.

How to Use This Chartbook

Each page follows the same structure:

The Chart — The primary evidence.

Why It Matters — Why this evidence is important.

Capital Implication — What this evidence means for long-term capital allocation.

Rather than attempting to predict markets, this Chartbook is designed to help investors understand them.

CCI Capital Cycle Verdict

Where Apple Sits in Its Current Capital Cycle

Apple is not entering a conventional capacity-building cycle. It is a mature compounding franchise entering a period of strategic renewal.

The installed base, Services ecosystem and cash-generation engine are already established. The new question is whether rising investment in AI, custom silicon, software intelligence and new device categories can renew growth without materially weakening the capital efficiency that made the franchise exceptional.

Apple therefore sits at the transition from **Strategic Renewal to Monetisation Verification**.

The company has demonstrated that it can fund the next cycle. It must now prove that AI, ecosystem expansion and the next hardware generation can produce measurable incremental economics at a valuation already anticipating considerable success.

Current CCI Capital Cycle Position

The Five Stages of the Apple Capital Cycle

1. Platform Formation
Hardware, software and distribution establish the ecosystem.

2. Ecosystem Expansion
Installed-base growth broadens recurring monetisation opportunities.

3. Mature Compounding
Services, margins, cash generation and buybacks strengthen per-share economics.

4. Strategic Renewal ← APPLE IS HERE

AI, custom silicon, software intelligence and new hardware seek to renew the growth engine.

5. Monetisation Verification

New capabilities must translate into adoption, revenue, cash flow and incremental returns.

CURRENT POSITION → STRATEGIC RENEWAL → MONETISATION VERIFICATION

Evidence Panel

Established Engine	Installed base, Services, margins and free cash flow	**Strong**
Growth	FY2026 operating reacceleration	**Improving**
Innovation Response	AI, R&D, silicon and new hardware	**Developing**
Capital Intensity	Manageable relative to internally generated cash	**Supportive**
Monetisation Evidence	AI and Duo economics	**Unproven**
Valuation	Premium already discounts substantial success	**Demanding**
Primary Opportunity	Ecosystem leverage renews growth without sacrificing capital efficiency	
Primary Risk	Strategic renewal arrives too slowly to justify expectations already embedded in price	

CCI Deep Dive Compass

Investment decisions rarely depend on one variable.

The CCI Deep Dive Compass brings together the independent evidence pillars shaping the investment case without reducing a complex investigation to an arbitrary numerical score.

Each pillar is assessed according to the strength and maturity of the available evidence. Strong evidence does not guarantee a favourable investment outcome, while weak or incomplete evidence does not automatically invalidate the thesis.

The purpose is to identify **where conviction is supported, where uncertainty remains and what evidence would change the current conclusion.**

🟢 **Strong Evidence**
🟡 **Positive Evidence**
⚪ **Mixed / Developing Evidence**
🟠 **Weak / Unproven Evidence**
🔴 **Negative Evidence**

Current Assessment

🟡 **CONSTRUCTIVE — VALUATION DISCIPLINE REQUIRED**

Business Quality	🟢 Strong
Growth Reacceleration	🟡 Positive / Durability Developing
Services & Ecosystem	🟢 Strong
China	🟡 Improving / Conditional
AI Economics	🟠 Credible / Unproven
Hardware Renewal	⚪ Testable / Pre-commercial
Capital Allocation	🟢 Strong / Valuation-sensitive
Market Structure	🟢 Positive / Extended
Competitive Position	🟡 Improving
Macro Environmen	⚪ Mixed-Positive
Valuation	🟠 Demanding

The balance of evidence supports a constructive view of Apple the company while requiring greater selectivity toward Apple the security.

The franchise remains exceptionally strong and operating momentum has improved. The unresolved question is whether AI, new hardware and ecosystem monetisation can produce enough incremental economics to justify a valuation already priced for considerable success.

Franchise strength is proven. Strategic renewal is credible. Incremental economics remain to be demonstrated.

Investigation 1

Investment Thesis and the Question That Matters

Question One: Can Apple convert renewed operating momentum, ecosystem scale and AI-era product renewal into enough incremental economic value to justify a valuation already priced for exceptional execution?

Why This Question Matters

Apple the company and Apple the security are not the same investment question. The franchise can strengthen while the prospective return becomes less attractive if too much future success is already reflected in price. Separating business quality from valuation is therefore the foundation of the investigation.

CCI Apple Investment Thesis Map

The Investment Question: Can developing and unproven economics become real quickly enough to justify what the market already assumes?

PROVEN	**Ecosystem scale, Services, cash generation, operating reacceleration**
DEVELOPING	**China recovery, relative leadership, strategic renewal**
UNPROVEN	**AI monetisation, Duo economics, incremental returns**
PRICED IN	**High expectations for durability, growth and execution**

Investigation 2

The Compounding Machine

Question Two: What has allowed Apple to compound capital across multiple technology cycles?

Why This Question Matters

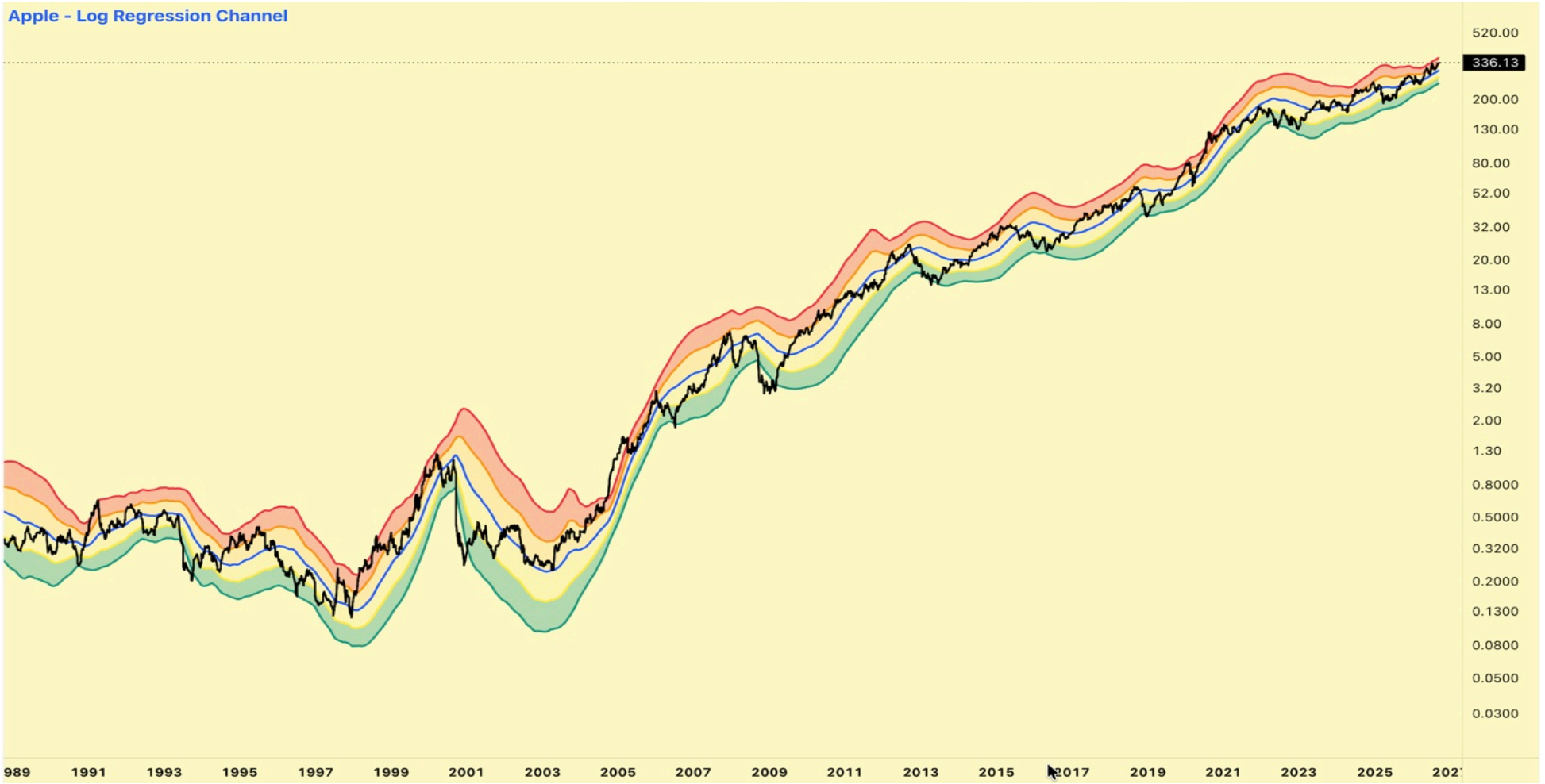
Long-term returns have depended on more than individual products. Understanding how hardware, software, installed-base scale, Services, custom silicon and capital returns reinforce one another reveals whether Apple's historical compounding engine remains structurally intact.

Apple price history 1981 to present



Apple's long-term price history records several distinct eras of reinvention rather than one uninterrupted product cycle. The persistence of the advance reflects Apple's repeated ability to convert new technology platforms into larger ecosystem and cash-flow opportunities.

Full-history logarithmic regression channel



Apple trades above the central path of its full-history regression channel, confirming the exceptional strength of its long-term compounding record. It is elevated, but not at the most extreme upper boundary reached during earlier periods of market enthusiasm.

INVESTIGATION 3

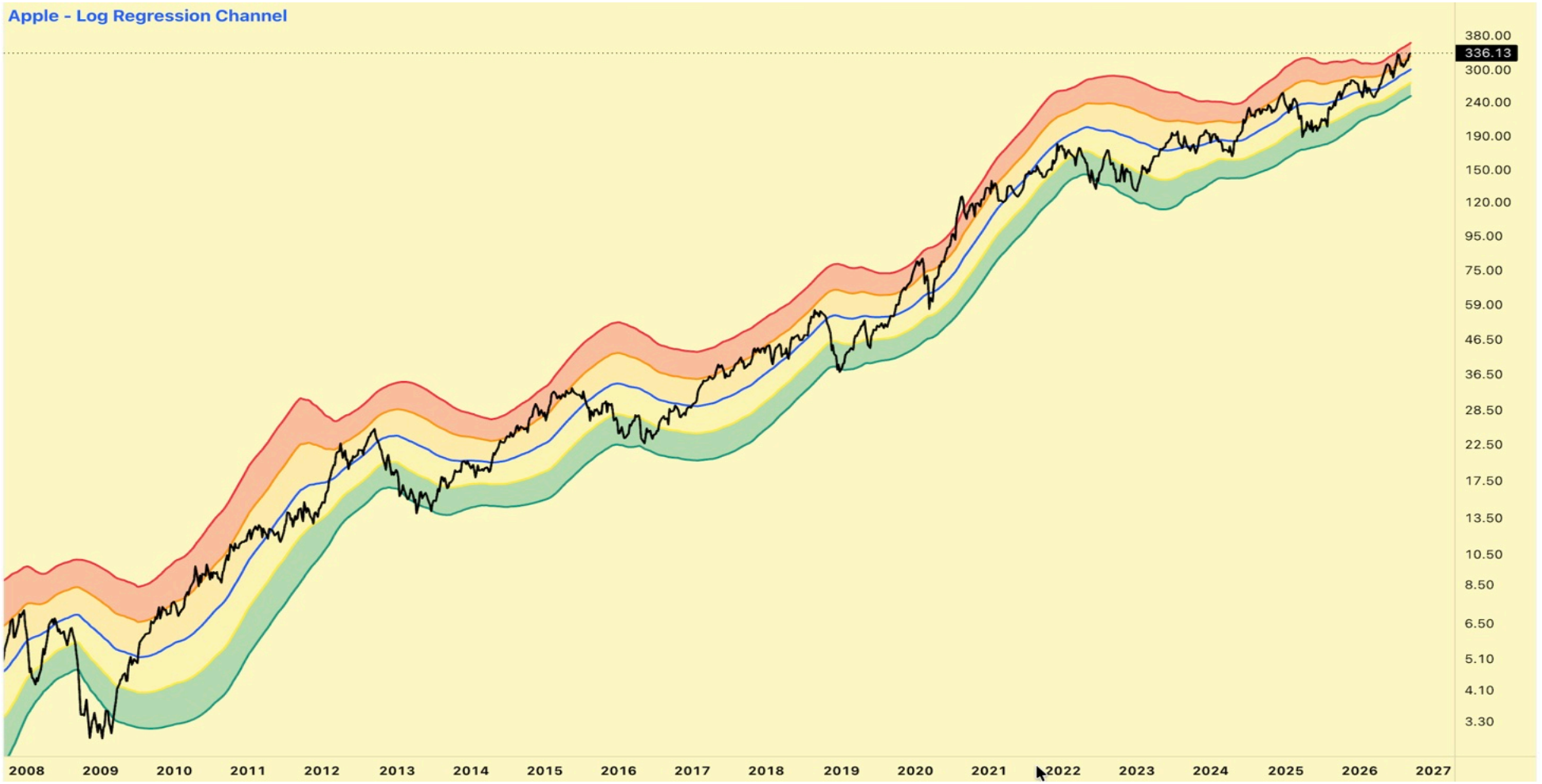
Price Trend and Market Structure

Question Three: What is price telling us about trend, momentum and current market positioning?

Why This Question Matters

Price is the output of changing expectations and capital flows. Market structure cannot determine intrinsic value, but it can reveal whether investors are confirming or challenging the operating thesis—and whether current positioning leaves room for disappointment.

Post-2008 logarithmic regression channel



The post-2008 regression channel remains firmly upward-sloping, with Apple trading in its upper region. This supports the secular bull case while also indicating that the current price offers less room for operational disappointment.

Trend filter



Apple remains above its trend filter, and the filter itself continues to rise. The primary market structure is therefore bullish; a sustained break below the filter would be more significant than ordinary weekly volatility.

20-week exponential moving average



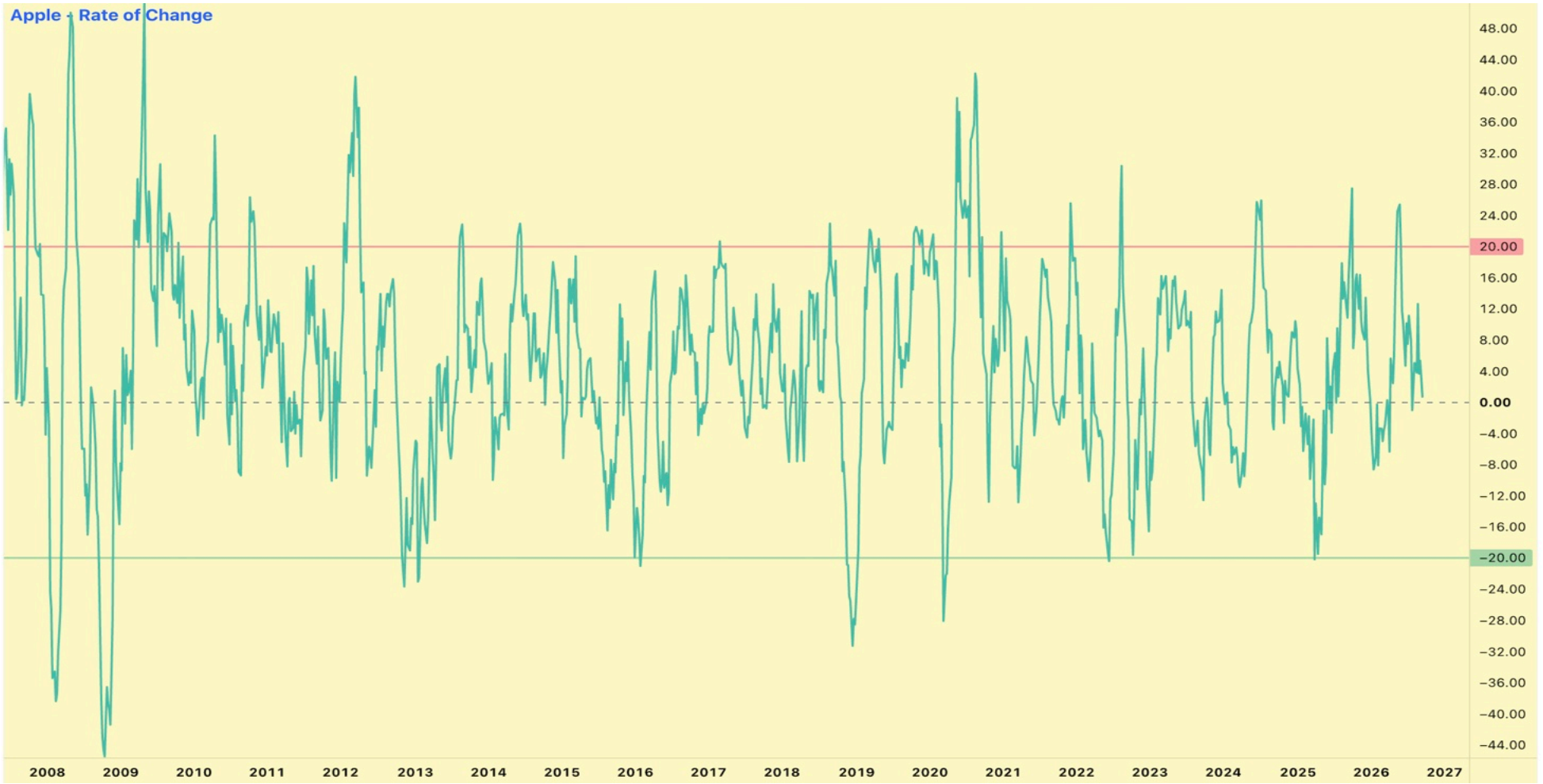
The share price remains above a rising 20-week exponential moving average, confirming persistent intermediate-term demand. The distance above the average also suggests that a period of consolidation could occur without damaging the underlying trend.

Moving average and standard-deviation sidebands



Apple is trading slightly beyond the outer statistical band, showing that the advance has become extended relative to its recent trend. This is evidence of strong demand, but it also weakens the immediate margin of safety for investors chasing the price.

Rate of change



Rate of change has moderated after an earlier acceleration and is now close to neutral. Price remains strong, but momentum is no longer expanding at the same pace, favouring patience over an assumption of uninterrupted upside.

Apple versus Nasdaq



Apple's relative performance against the Nasdaq has recovered materially but remains below its 2022 peak. The market is restoring confidence in Apple, although the company has not yet fully reclaimed leadership within the technology complex.

Apple versus S&P 500



Apple's ratio against the S&P 500 is close to a record high, confirming powerful broad-market leadership. The result shows that investors continue to favour Apple's quality and cash generation over the average large US company.

Investigation 4

Valuation and Embedded Expectations

Question Four: How much future success is already embedded in Apple's valuation?

Why This Question Matters

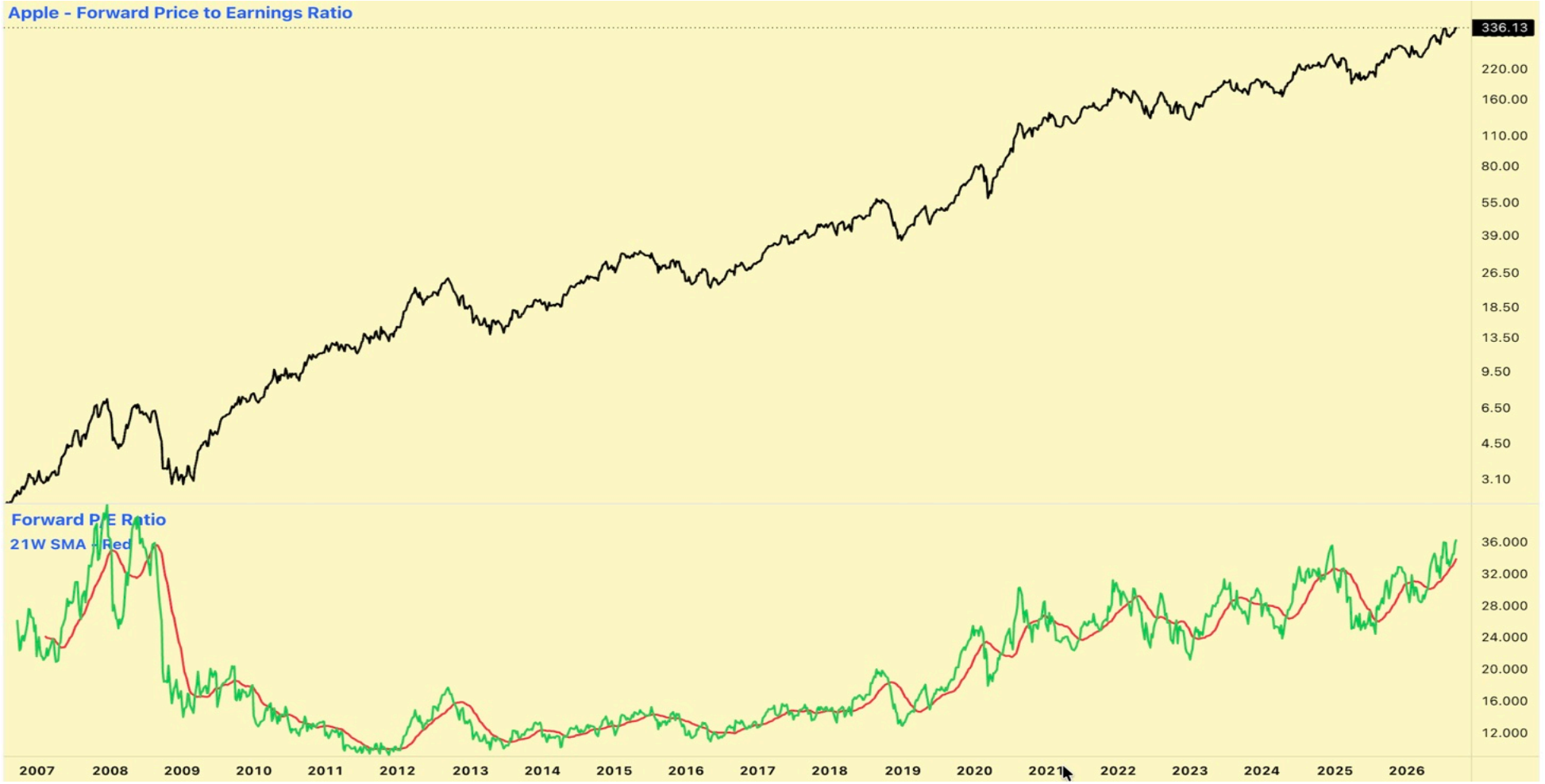
A great business can still produce disappointing returns when the entry price assumes too much future success. Valuation therefore tells us not whether Apple is a great company, but how much growth, resilience and execution investors are already being asked to pay for.

Trailing price-to-earnings ratio



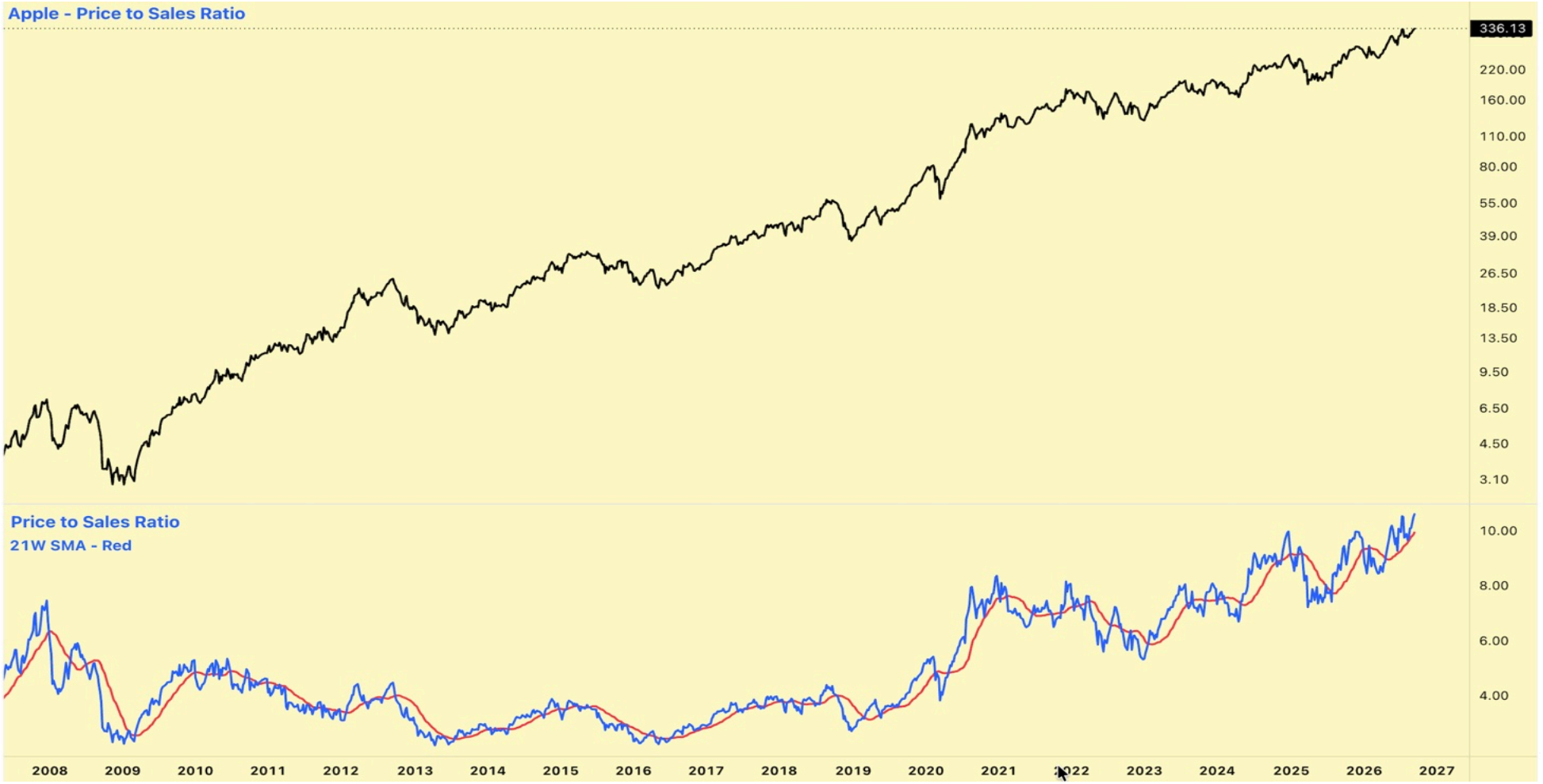
Apple's trailing earnings multiple is near the upper extreme of its own modern history. Investors are paying heavily for the company's quality and recent acceleration, leaving limited protection if earnings growth slows.

Forward price-to-earnings ratio



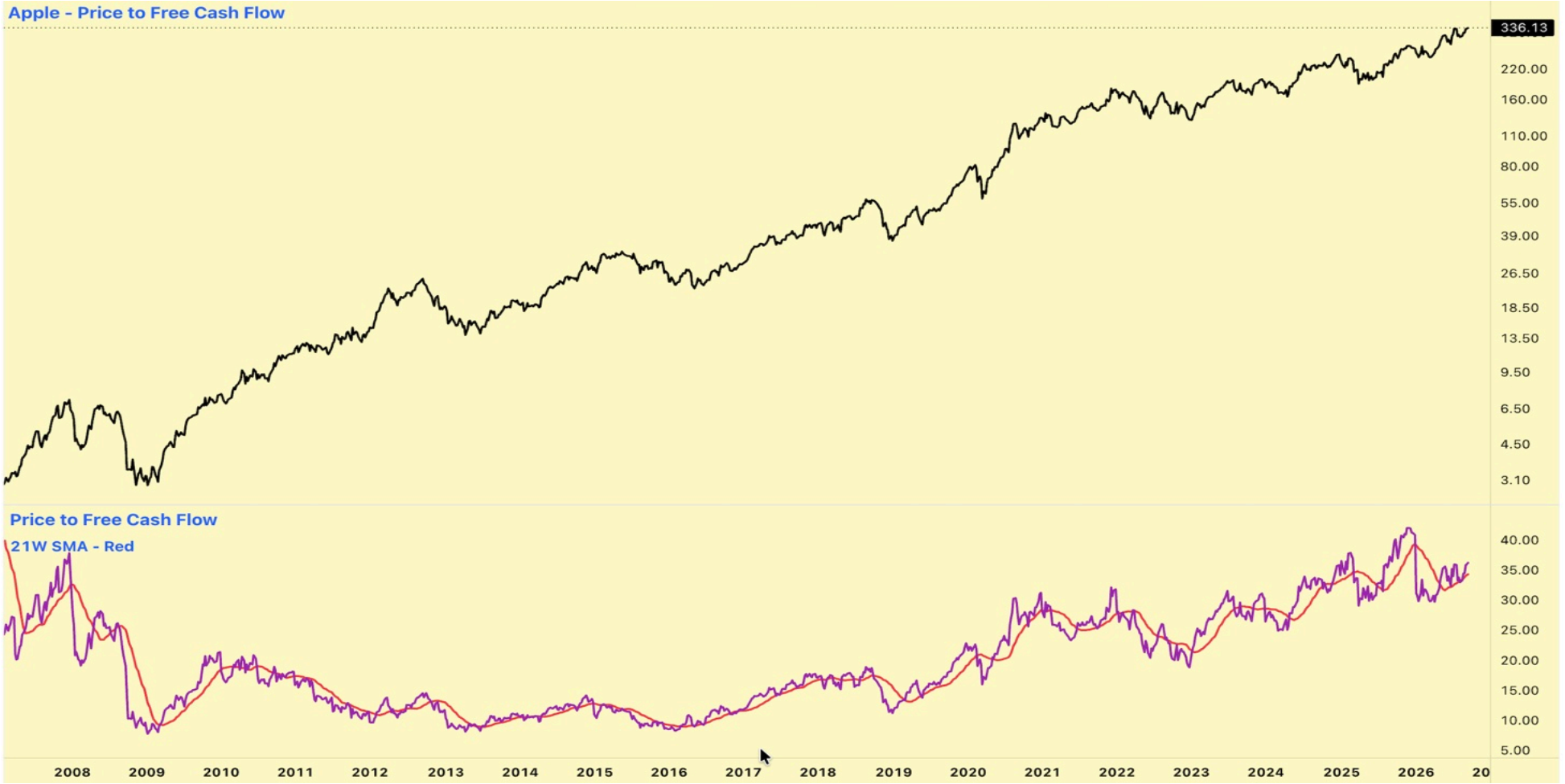
The forward multiple shows that Apple's premium is not explained solely by historical earnings. Consensus expectations already assume substantial future durability, making estimate revisions and execution increasingly important to shareholder returns.

Price-to-sales ratio



Apple's price-to-sales ratio has risen far above the levels associated with its earlier hardware-led years. The re-rating recognises stronger margins and Services economics, but it also requires those advantages to remain durable.

Price-to-free-cash-flow ratio



The free-cash-flow multiple confirms that Apple is expensive even against the cash ultimately available to owners. Strong cash conversion supports a premium, although the price paid for that cash flow reduces the current margin of safety.

Apple earnings yield



Apple's earnings yield has compressed as its valuation has expanded. At approximately 2.6%, investors are accepting a low current earnings return because they expect future cash flows to grow with exceptional durability.

US 10-year and 2-year Treasury yields



Treasury yields remain high, with the ten-year yield near 5% and modestly above the two-year yield. The curve is no longer inverted, but the high risk-free return creates a demanding opportunity-cost hurdle for Apple's premium valuation.

Investigation 5

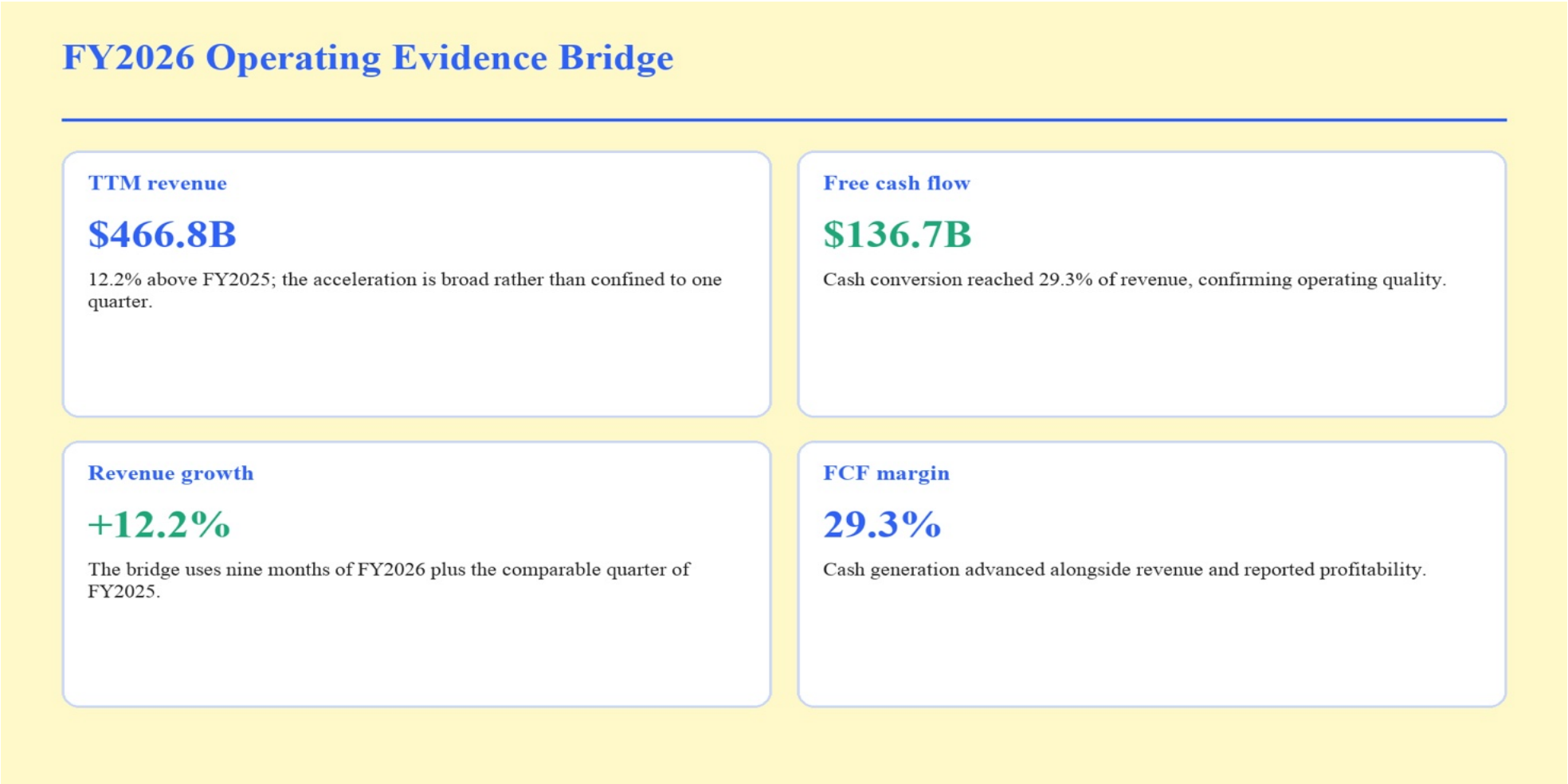
Growth Reacceleration and Business Quality

Question Five: Is Apple's renewed growth becoming durable economic acceleration?

Why This Question Matters

Revenue growth matters most when it converts into margins and cash. Apple's recent acceleration becomes economically meaningful only if stronger demand can persist without sacrificing profitability, cash conversion or investment in the next generation of products.

Revenue and free cash flow



Revenue and free cash flow have reaccelerated together, indicating that Apple's recent growth is converting into cash rather than remaining confined to reported sales. The combination strengthens the quality of the rebound, although the trailing-period calculation should not be treated as a precise forward forecast.

Margins and R&D intensity



Apple has increased research and development spending while preserving unusually strong operating profitability. This shows that the company is funding future capabilities from a widening economic base, although the latest reported gross margin benefited from a tariff refund.

Investigation 6

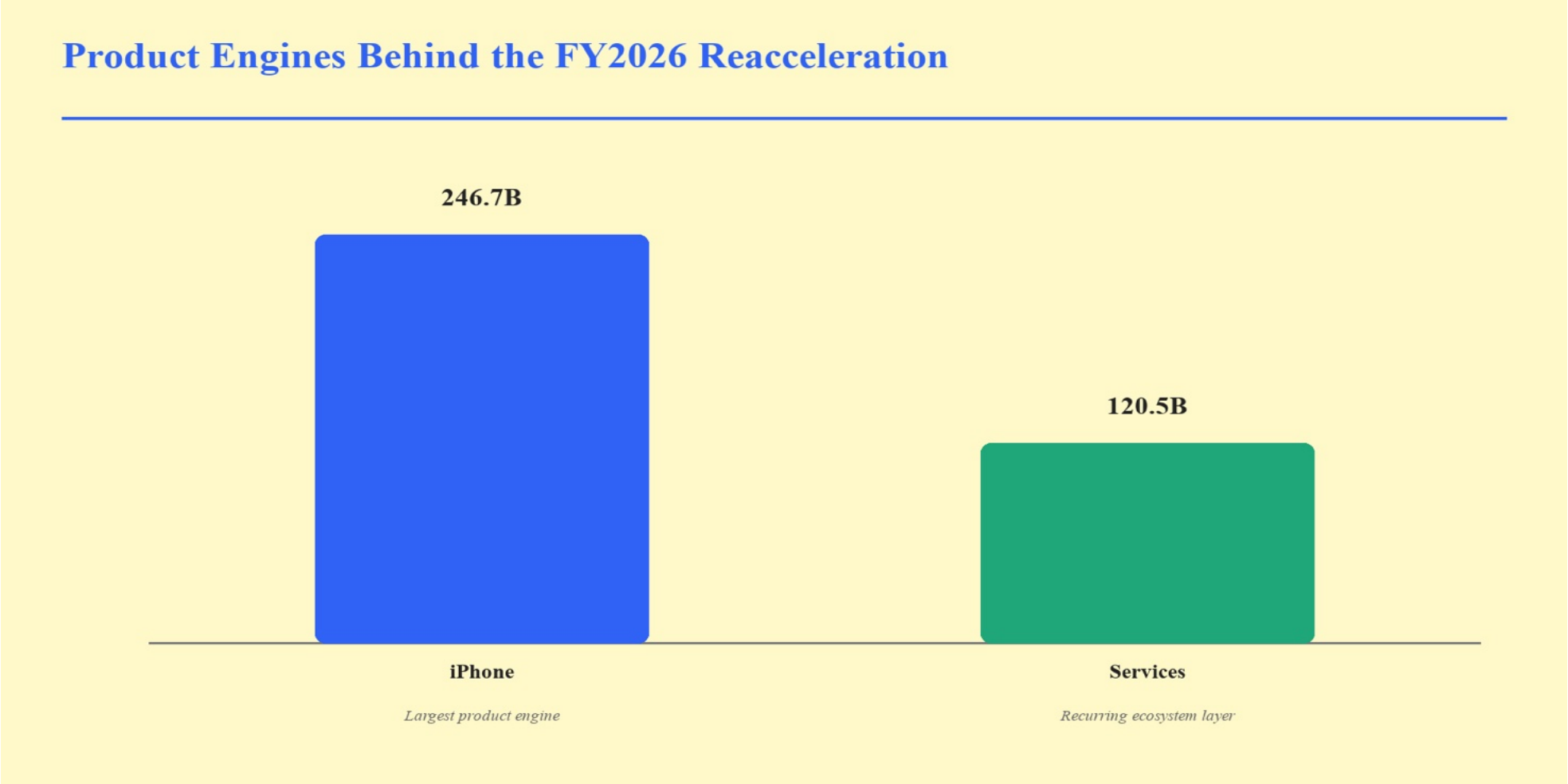
Services Ecosystem and Installed Base Economics

Question Six: Has Apple's ecosystem created a structurally more recurring economic model?

Why This Question Matters

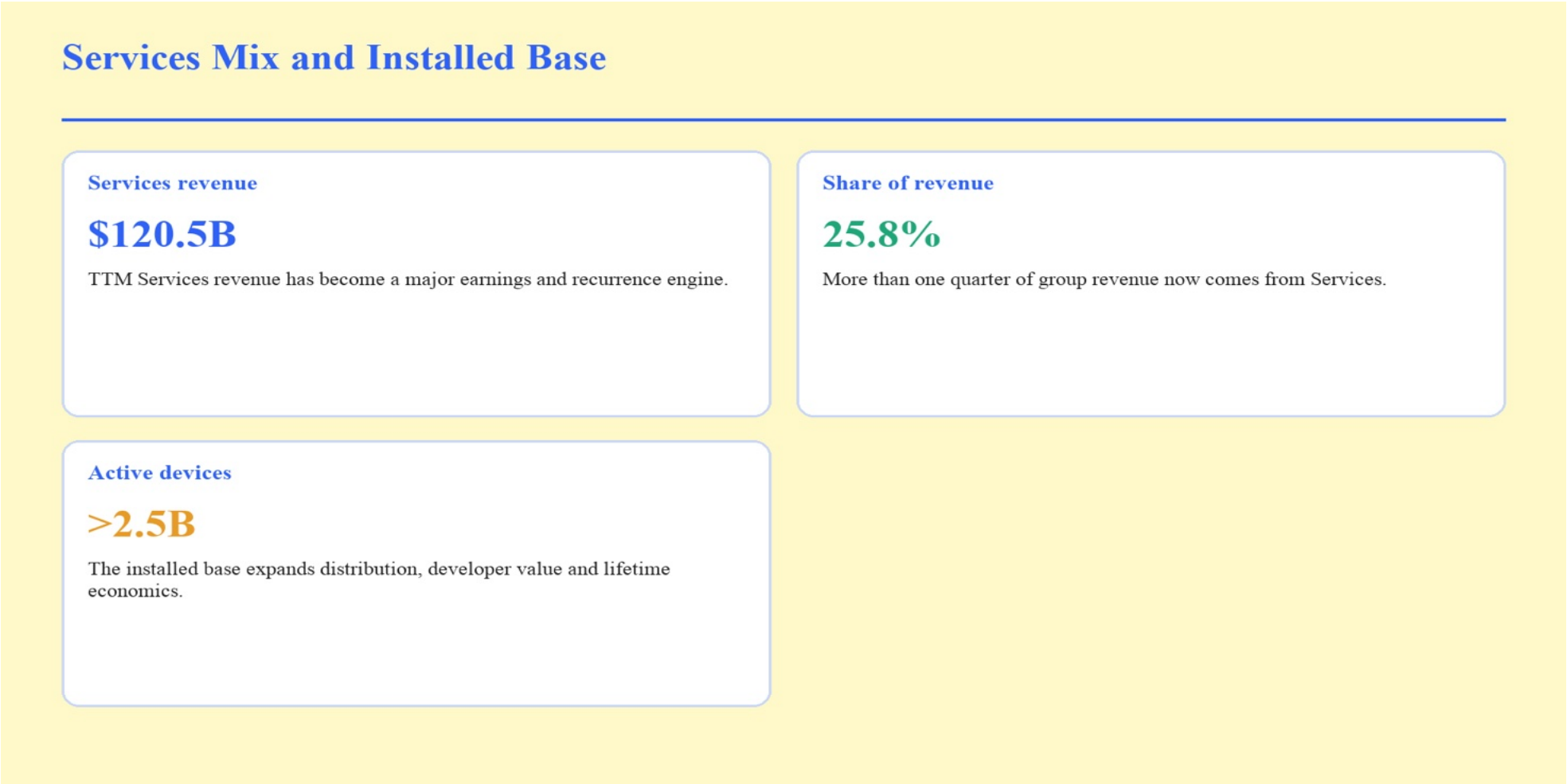
An installed base exceeding 2.5 billion devices creates distribution, retention and monetisation opportunities extending far beyond the initial hardware sale. The question is whether those relationships make Apple's economics more durable while reducing dependence on individual replacement cycles.

Product category revenue



The revenue mix shows that the current acceleration is supported by both iPhone and Services rather than one isolated product category. Broader participation makes the rebound more credible, while continued iPhone concentration leaves Apple exposed to hardware replacement cycles.

Services mix and installed base



Services revenue has expanded alongside an active installed base exceeding 2.5 billion devices. That scale gives Apple extraordinary distribution and recurring monetisation opportunities, although the company does not disclose enough detail to calculate precise user economics.

Investigation 7

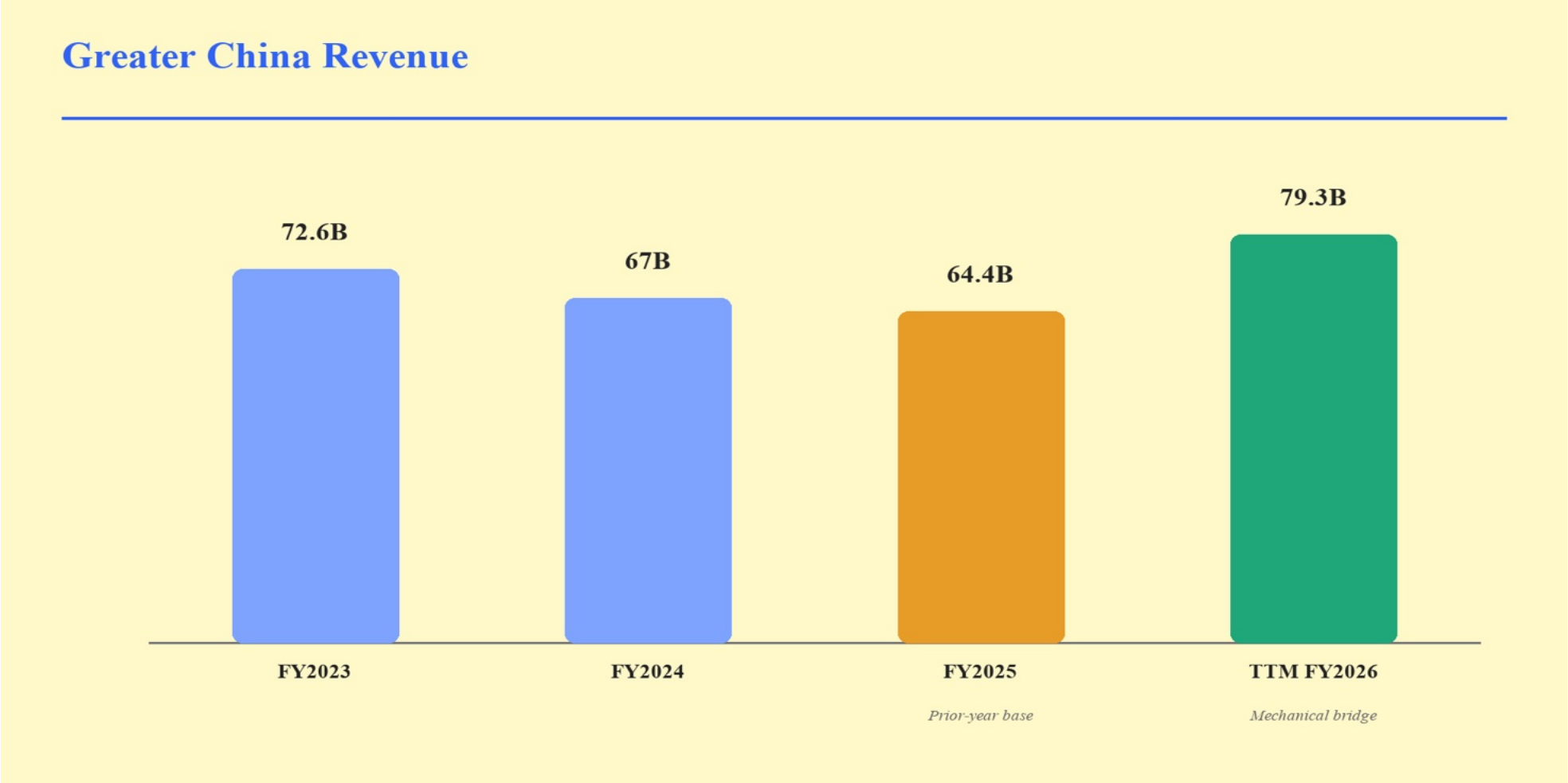
China: Renewed Engine or Recurring Vulnerability?

Question Seven: Does China's recovery represent renewed structural strength—or another temporary cycle?

Why This Question Matters

China is simultaneously a major demand market, manufacturing hub and competitive battleground. A sustained recovery could strengthen Apple's growth engine, while renewed weakness would expose geographic, regulatory and supply-chain concentration.

Greater China revenue and company share



Greater China revenue has recovered sharply after several years of decline and has again become a meaningful contributor to group growth. The rebound improves the operating outlook, but it does not remove Apple's competitive, regulatory and manufacturing concentration risks.

Investigation 8

AI Strategy: Late Entrant or Ecosystem Advantage?

Question Eight: Can Apple turn late AI entry into an ecosystem advantage?

Why This Question Matters

Apple does not need to lead the infrastructure race to create economic value from AI. Its opportunity lies in distributing useful intelligence through devices, silicon, software and personal context—but that advantage only matters if adoption, reliability and monetisation become measurable.

Apple AI execution scorecard

Apple AI Execution Scorecard

Evidence dimension	Current read	Status
Capability	Siri AI and the next Apple Intelligence generation have moved into defined product and developer testing.	TESTABLE
Distribution	Operating-system control and an installed base above 2.5 billion devices provide immediate reach.	PROVEN
Silicon	Custom silicon supports on-device inference, latency control and product integration.	PROVEN
Privacy	Private Cloud Compute and on-device processing form a differentiated architecture.	DEFINED
Adoption	Usage, reliability and regional availability have not yet established scaled engagement.	UNPROVEN
Monetisation	Incremental Services revenue, replacement demand and profit remain ahead of the evidence.	UNPROVEN

The scorecard distinguishes Apple's established advantages from the outcomes that still require proof. Distribution, silicon and ecosystem integration are already observable, while adoption, reliability, regional availability and incremental profit remain the decisive tests.

Nvidia versus the semiconductor index



Nvidia's long-term outperformance of the semiconductor index confirms that the market has rewarded direct leadership in AI infrastructure. Apple's AI opportunity is different and must be proven through device demand, retention and Services economics rather than compute spending.

Investigation 9

iPhone Duo and the Next Hardware Cycle

Question Nine: Can a new hardware form factor create incremental demand rather than merely redistribute existing demand?

Why This Question Matters

A new premium device can expand Apple's addressable market, deepen ecosystem engagement and stimulate replacement demand. It can also cannibalise existing products. The investment significance therefore depends on sales, margins, reliability, returns and customer behaviour after launch.

iPhone Duo catalyst card

iPhone Duo Catalyst Card

Evidence dimension	Current read	Status
Form factor	5.4-inch outer display and 7.6-inch inner display create a differentiated premium device.	DISCLOSED
Platform	A20 Pro silicon, dual batteries and redesigned iOS 27 multitasking support the new format.	DISCLOSED
Camera	48-megapixel system with a 5x optical configuration preserves premium positioning.	DISCLOSED
Commercial test	Pre-orders scheduled for 15 October with availability from 23 October.	PENDING
Evidence required	Sales, margins, durability, returns, cannibalisation and upgrade behaviour begin after launch.	UNPROVEN

The iPhone Duo combines a new form factor with custom silicon, redesigned software and Apple's emerging AI layer. It is a credible catalyst, but the investment case requires commercial evidence on demand, margins, reliability, returns and cannibalisation after launch.

Investigation 10

Competitive Position and Relative Strength

Question Ten: Is Apple regaining capital-market leadership within the AI era?

Why This Question Matters

Capital has alternatives. Relative performance reveals whether investors are increasingly rewarding Apple's operating improvement and AI strategy compared with competing opportunities across technology and the broader market.

Apple versus Nasdaq



Apple has recovered substantially against the Nasdaq but remains below its previous relative-strength peak. The chart confirms renewed confidence in Apple while showing that it has not yet fully reclaimed leadership within the technology complex.

Apple versus S&P 500



Apple's relative strength against the S&P 500 is close to a record high, demonstrating sustained broad-market leadership. Investors continue to favour Apple's franchise quality, cash generation and resilience over the average large US company.

Apple versus Nvidia



The ratio's long decline shows the scale of Apple's opportunity cost during Nvidia's rise as the leading beneficiary of AI infrastructure investment. Recent stabilisation is encouraging, but it does not yet establish that Apple has closed the strategic or capital-market gap.

Apple versus Microsoft



Apple has recovered strongly against Microsoft after an extended period of relative weakness. The improvement confirms renewed investor confidence, although sustained leadership will require Apple's product and AI execution to match Microsoft's more visible AI monetisation.

Apple versus Alphabet



Apple's ratio against Alphabet has moved through several leadership cycles and currently sits close to parity. The comparison suggests neither company has established permanent dominance, making future relative performance dependent on execution and valuation rather than historical reputation.

Apple versus Meta



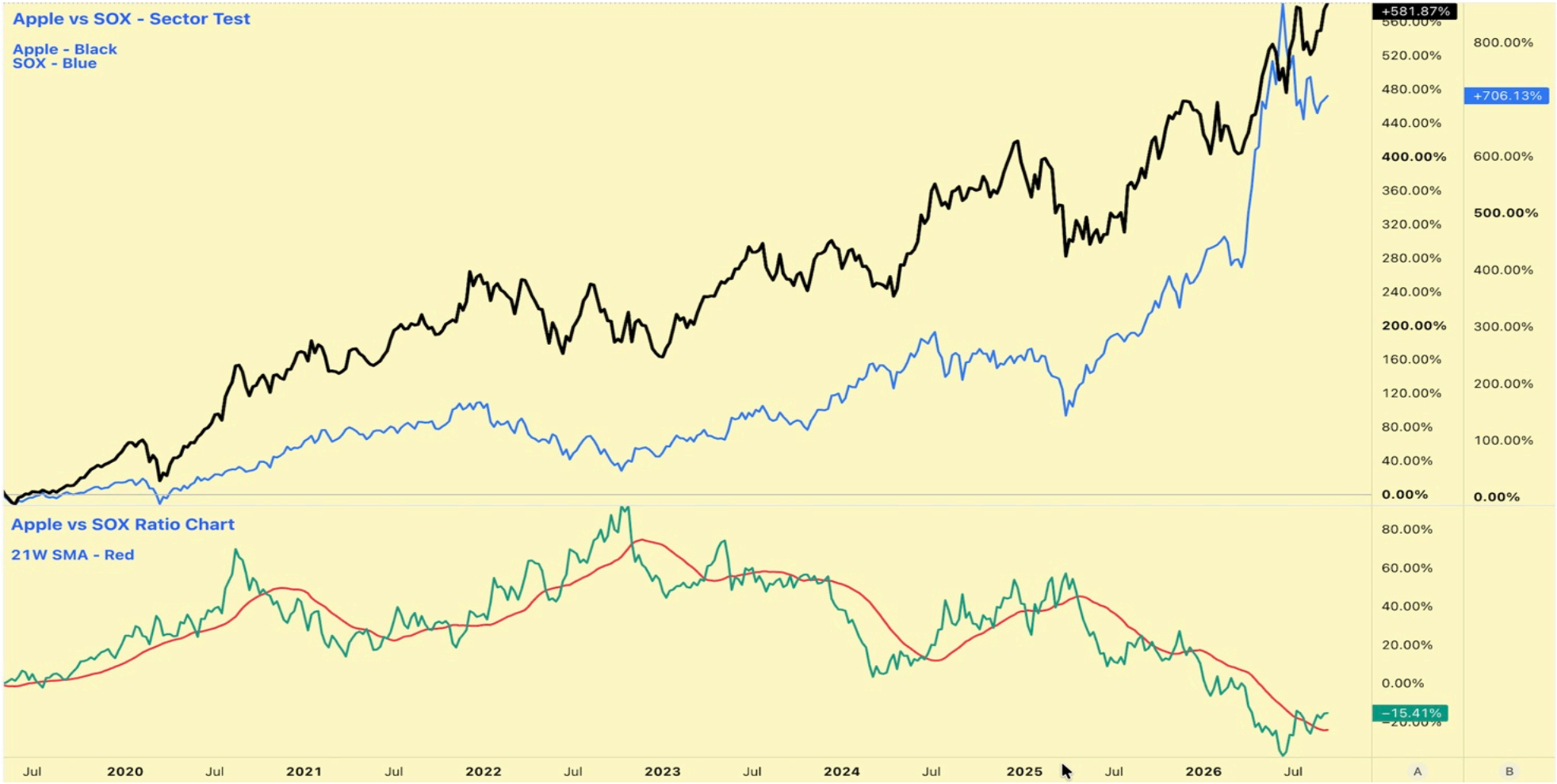
Apple has rebounded materially against Meta from its recent relative low. The recovery reflects stronger current capital preference for Apple, but the longer chart demonstrates how quickly leadership can change when growth expectations are revised.

Apple versus Amazon



Apple has regained ground against Amazon and is again trading above parity on the supplied ratio. This indicates improving relative momentum, although the companies' different business models mean the chart measures capital preference rather than direct operating superiority.

Apple versus the semiconductor index



Apple remains a relative laggard against the semiconductor complex despite a recent improvement in the ratio. The market continues to assign the clearest AI leadership premium to infrastructure and compute, while Apple's device-led AI economics remain prospective.

Investigation 11

Cash Generation and Capital Allocation

Question Eleven: Is Apple allocating extraordinary cash generation in ways that continue to compound per-share value?

Why This Question Matters

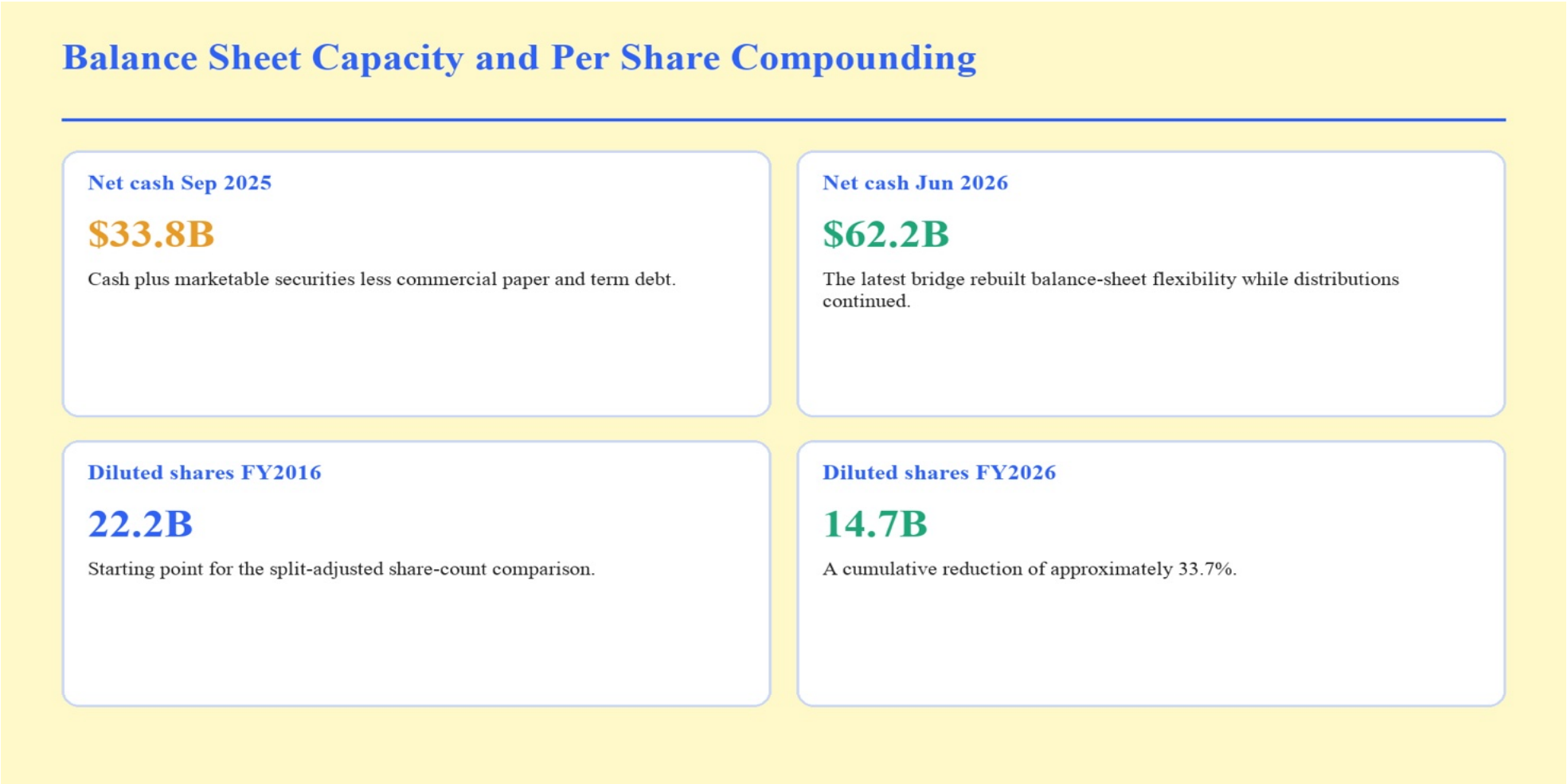
Free cash flow creates optionality, but value depends on how that cash is deployed. At higher valuations, buyback efficiency becomes increasingly important because the same dollar of repurchases retires fewer shares.

Free cash flow repurchases and dividends



Apple continues to generate enough free cash flow to fund substantial repurchases and dividends while retaining financial flexibility. The program remains a powerful per-share compounding mechanism, although buybacks create less value when conducted at elevated valuations.

Net cash and share count



Apple has reduced its diluted share count by roughly one third while rebuilding a substantial net-cash position. The combination shows that per-share growth has been supported by genuine operating cash generation rather than an increasing dependence on debt.

Investigation 12

Leadership Transition and Strategic Continuity

Question Twelve: Can leadership continuity preserve Apple's strengths while accelerating strategic adaptation?

Why This Question Matters

Leadership transitions matter when technology itself is changing. Apple's governance structure must preserve the operating discipline and ecosystem integration built over decades while ensuring that continuity does not become inertia during the AI transition.

Leadership succession and governance map

Leadership Transition and Governance

Evidence dimension	Current read	Status
1 September 2026	John Ternus becomes chief executive with operating responsibility.	CEO
Continuity	Tim Cook moves to executive chairman, preserving institutional memory and influence.	CHAIR
Board oversight	Arthur Levinson becomes lead independent director and anchors independent governance.	LID
Investor test	Product execution, capital allocation and AI delivery will determine whether continuity accelerates adaptation.	MONITOR

Operating leadership has passed to John Ternus while Tim Cook remains influential as executive chairman and Arthur Levinson provides formal independent board leadership. The structure supports continuity, but its effectiveness will ultimately be judged through product execution, strategic speed and board independence.

Investigation 13

Macro Liquidity and Financial Conditions

Question Thirteen: Does the macro regime support or constrain Apple's premium valuation?

Why This Question Matters

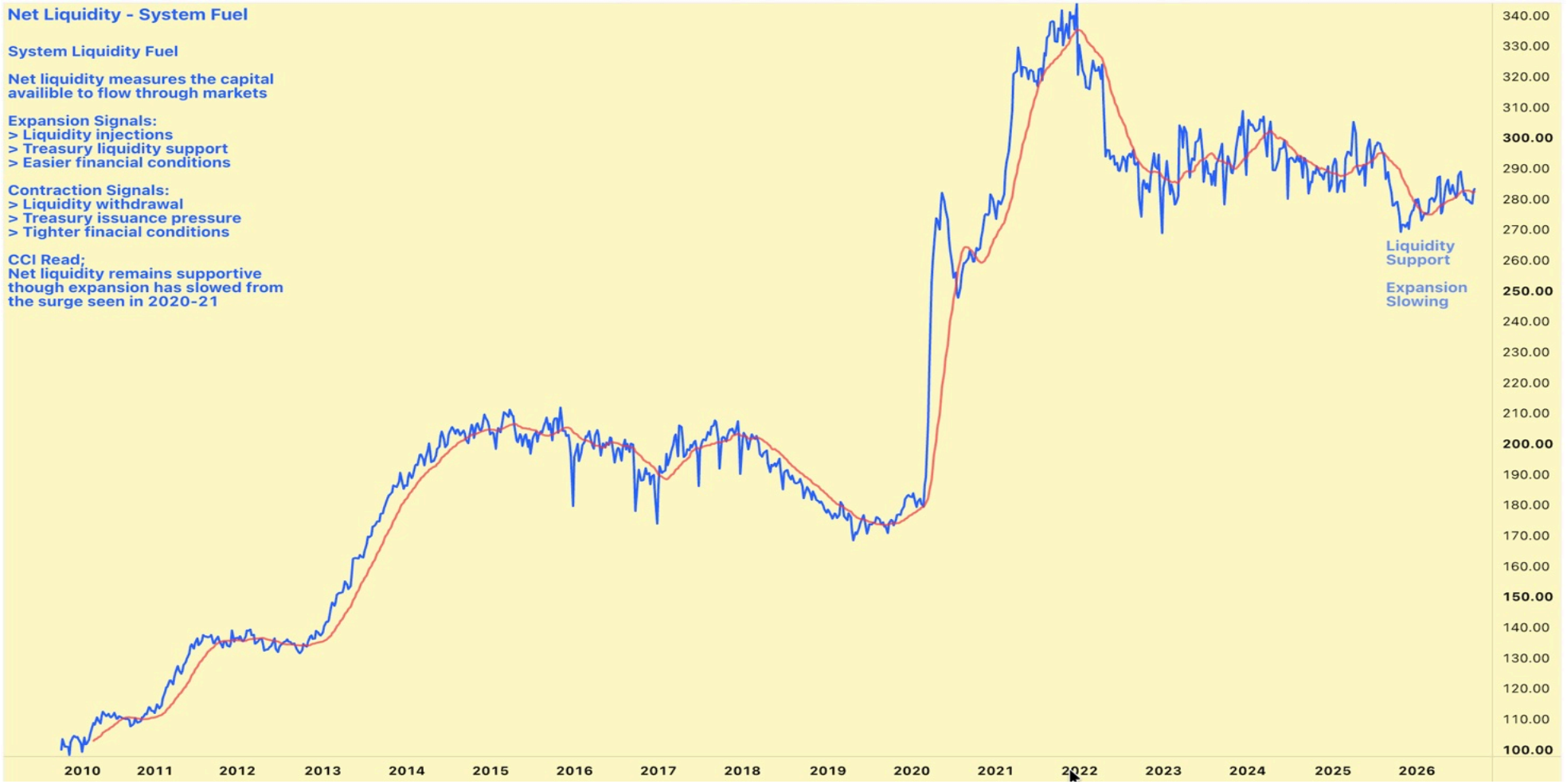
Apple's operating quality does not make the shares independent of liquidity, interest rates, credit conditions or consumer demand. Supportive liquidity can sustain risk appetite, while high long-term yields and deteriorating financial conditions can raise the return hurdle even when company fundamentals remain strong.

Liquidity impulse



The liquidity impulse remains above zero and within a supportive regime, although its recent momentum has moderated. Markets are still receiving liquidity support, but the incremental boost is weaker than during the strongest expansion phases.

Net liquidity



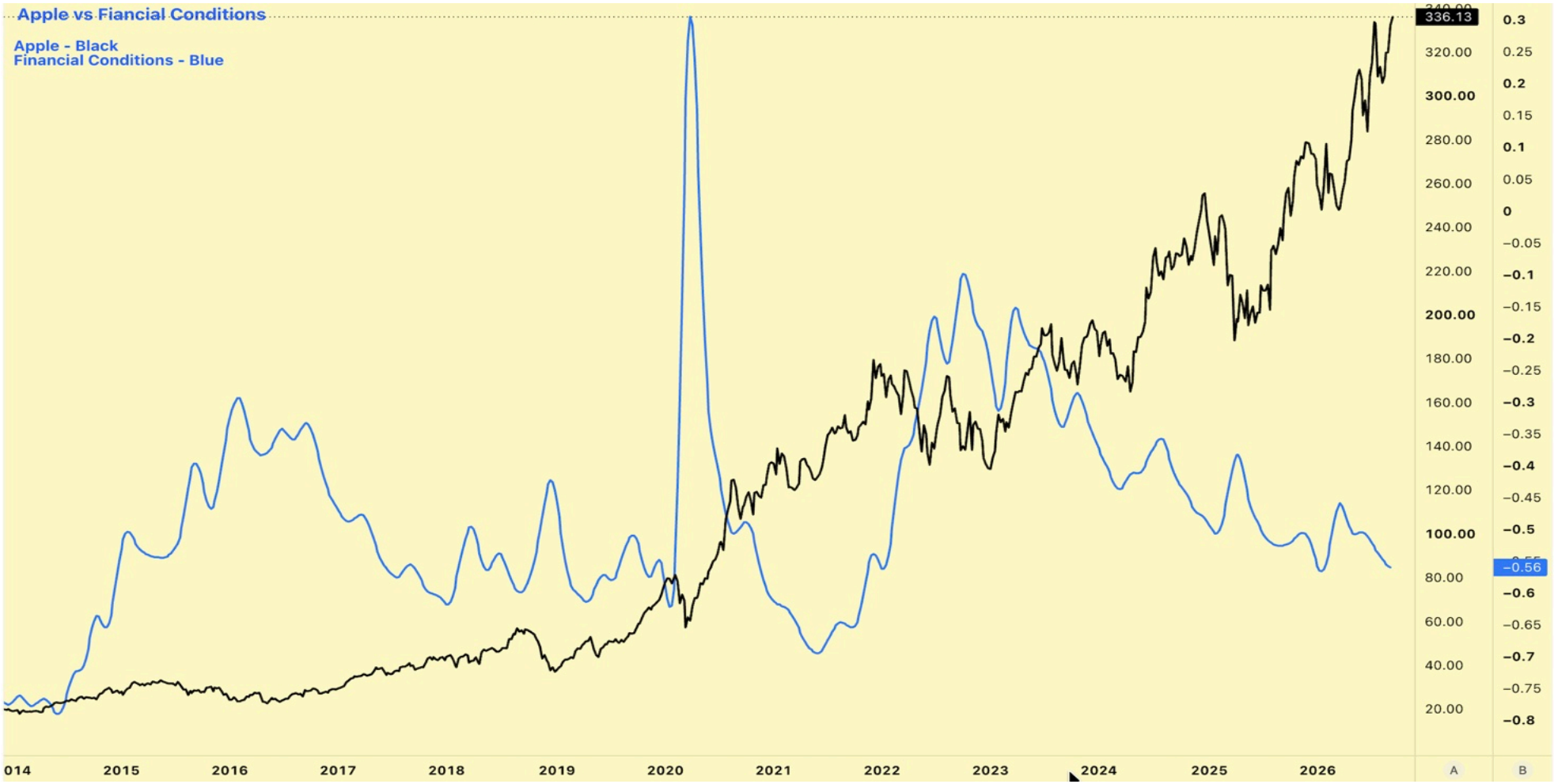
Net liquidity remains elevated relative to its pre-2020 history but has moved largely sideways since the post-pandemic surge. The existing stock of liquidity supports risk assets, while the absence of renewed acceleration limits the case for liquidity-driven multiple expansion.

Nasdaq versus liquidity transmission



The Nasdaq continues to respond to supportive liquidity conditions, confirming that transmission into equity markets is functioning. The divergence between liquidity and index performance also shows that the advance has become increasingly dependent on concentrated market leadership.

Apple versus financial conditions



Apple has advanced as financial conditions have remained comparatively loose. The relationship supports the valuation backdrop, but it does not prove causation or protect the shares if rates, liquidity and credit turn less favourable together.

US 10-year and 2-year Treasury yields



The yield curve has returned to a modest positive slope, reducing the significance of the earlier inversion signal. However, the ten-year yield near 5% remains a substantial discount-rate constraint for Apple and other highly valued duration-sensitive equities.

Investment-grade credit spreads



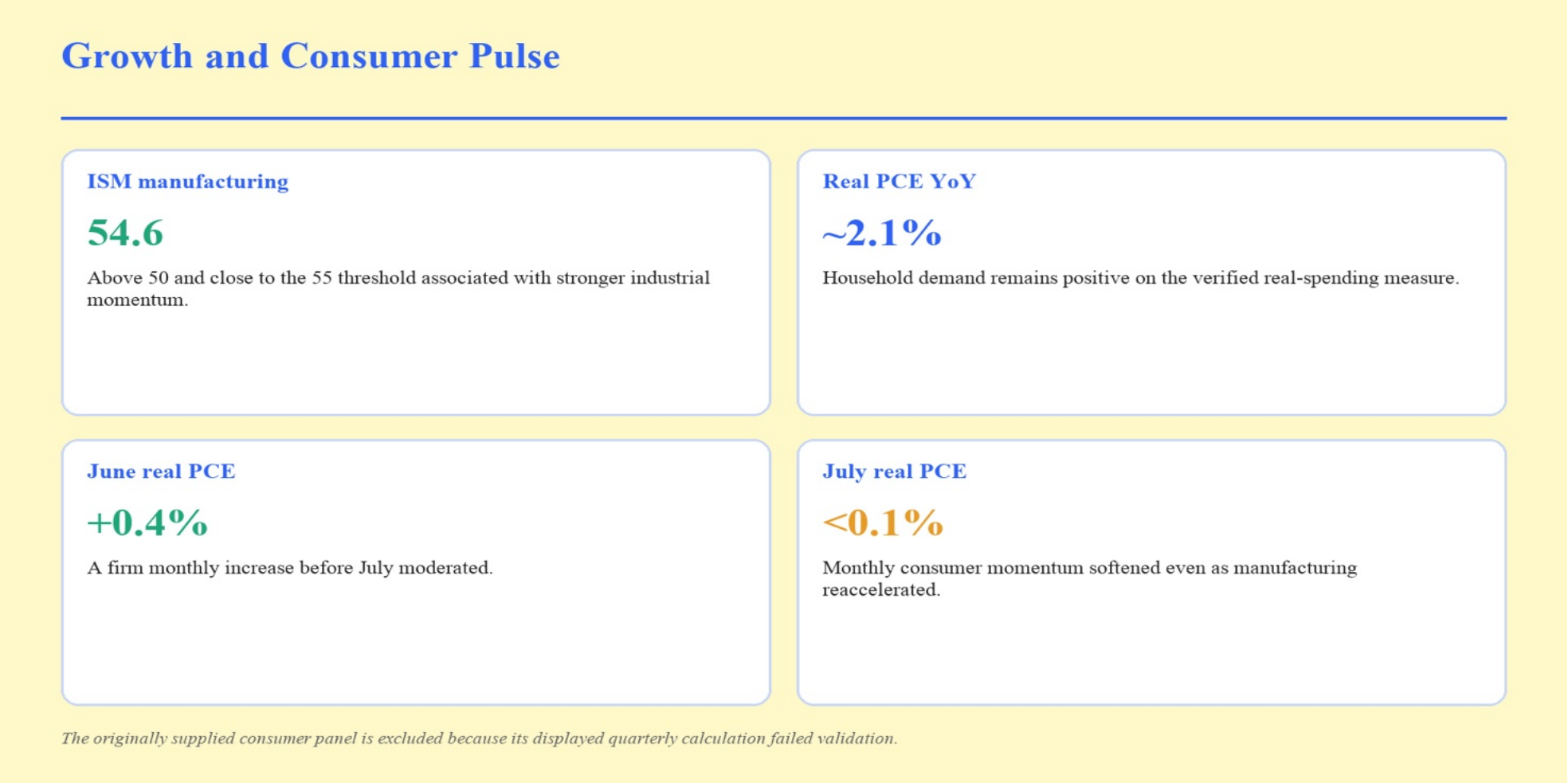
Investment-grade spreads remain close to the low end of their historical range, indicating confidence in corporate balance sheets and ready access to financing. Credit is therefore validating the risk-on environment rather than warning of current systemic stress.

High-yield credit spreads



High-yield spreads are also compressed and remain inside the easy-credit zone. This supports equities, although extremely tight spreads leave limited compensation for risk and can reverse quickly if economic or financial conditions deteriorate.

Growth and consumer pulse



Manufacturing activity has returned to expansion while real consumer spending remains positive but has recently lost momentum. The macro backdrop is therefore supportive rather than recessionary, although softer household demand could restrain discretionary upgrades of premium Apple devices.

Investigation 14

Bull, Base and Bear Cases

Question Fourteen: What evidence would produce materially different investment outcomes?

Why This Question Matters

The future cannot be reduced to one forecast. Testing the same operating, valuation and macro variables across alternative scenarios exposes which assumptions matter most and what evidence would confirm or invalidate each path.

Bull, Base and Bear Scenario Matrix



The matrix shows how the same operating and macro variables can produce materially different investment outcomes. Its purpose is not to predict one path with false precision, but to identify the evidence that would confirm or invalidate each case.

Investigation 15

Catalysts, Risks and Thesis Monitoring

Question Fifteen: What evidence should change the investment thesis from here?

Why This Question Matters

A useful thesis must remain testable after publication. Defining observable catalysts, risks and evidence thresholds prevents conviction from becoming attachment and creates a repeatable framework for updating the conclusion as facts change.

Thesis monitoring dashboard

Thesis Monitoring Dashboard

Monitor	Evidence threshold	Priority
AI adoption	Siri AI availability, reliability, engagement and paid economics.	HIGH
Hardware cycle	iPhone Duo demand, returns, margin and cannibalisation after launch.	HIGH
China	Revenue, local functionality, discounting and competitive share.	HIGH
Operating quality	Services growth, gross-margin normalisation and free-cash-flow conversion.	CORE
Market confirmation	Relative strength versus Nasdaq, S&P 500 and semiconductors.	WEEKLY
Macro regime	Liquidity impulse, 10-year yield and sustained widening in both credit tiers.	GATE

The dashboard converts the report into an updateable decision system by linking each major thesis variable to an observable measure and review cadence. No single signal should control the conclusion; the thesis should change when deterioration or improvement becomes persistent and is confirmed across multiple evidence pillars.

Investigation 16

Final CCI Assessment

Question Sixteen: What does the complete balance of evidence tell us today?

Why This Question Matters

No single chart determines the investment conclusion. The final assessment brings together business quality, growth, ecosystem economics, AI, capital allocation, market confirmation, macro conditions and valuation to distinguish what has been proven from what remains conditional.

Final evidence balance

Final Evidence Balance

Evidence pillar	Current conclusion	CCI read
Proven strengths	Operating reacceleration, Services scale, installed base, cash generation and capital returns.	STRONG
Conditional catalysts	Siri AI, Apple Intelligence and iPhone Duo can renew engagement and replacement demand.	TESTABLE
Valuation constraint	Broad premium multiples and an earnings yield below the 10-year Treasury leave limited tolerance.	DEMANDING
Stance	Constructive on the company; selective and valuation-disciplined on the security.	PATIENT

The final balance shows that Apple's proven operating and franchise strengths outweigh the evidence of structural deterioration. The principal constraint is not business quality but the narrow margin of safety created by demanding valuation and still-unproven AI and product-cycle economics.

Questions create understanding.

Evidence creates conviction.

Judgement creates decisions.

Allocation creates returns.

Returns create financial freedom.

Welcome to Capital Cycle Intelligence

Where the investigation never ends.

Neither should the pursuit of evidence.

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