EONVERA CAPITAL

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Audrey 1

Dear investor friends, good Wednesday morning, everyone!



It's the end of October in Colorado, and autumn is deepening. Greenwood Village, where we at Eonvera Capital are based, is exactly the kind of place where it's easy to fall in love with autumn.

The Rocky Mountains are not far away, and the morning air carries a crisp autumn freshness. Sitting down on a morning like this with a cup of coffee to talk about the financial markets with all of you is a very pleasant thing to do 

But I'm afraid Wall Street won't be very calm today!

Today, the Fed faces an important interest rate decision. The policy statement will be released at 2:00 p.m. ET, and at 2:30 p.m., Fed Chair Kevin Warsh will hold a press conference.

What the market is watching is not only whether rates will change, but even more his assessment of inflation, economic growth, and future monetary policy.

At the same time, tech company earnings are also entering a heavy reporting period, and the investment opportunities and valuation risks in the AI industry are once again the market's focus.

So today, I'd like to do two very meaningful things with you.

First, to help new friends get to know Eonvera Capital better, along with the EONVERA ADI intelligent system that supports our professional research.

Second, given the current market environment, to introduce a U.S. stock our research is focusing on: Arista Networks (ANET). Together, we'll analyze its fundamentals, technical structure, and investment risks.

I hope today you'll come away not only knowing a company and a stock, but also understanding how professional investment research forms a judgment.

All right, friends, let's get started on this important Wednesday!

Audrey 2

First, let's welcome the new friends who are joining Cohort 7 one after another.

Eonvera Capital was founded in 2019 and is based in Greenwood Village, Colorado, in the U.S. We call this place "Wall Street at the Foot of the Rockies."

The company's research covers global equities, bonds, foreign exchange, precious metals, energy, and digital assets. Because interest rates, growth, inflation, and risk appetite transmit across markets, researching a single stock can't be separated from the macro environment.

Eonvera uses ADI to support its financial research, with research, investment management, and independent risk governance working together within their respective responsibilities and authority. Research can raise opportunities, and risk management must also have the authority to question.

To learn more, please visit www.eoneone.com

Audrey 3

Friends, today I'm not going to hand you just a ticker and a price target table.

Professional stock research starts by answering these questions:

Why choose this industry? How does the company actually make its money? How much of the expected growth has actually been delivered? What is the current price already pricing in?

Then come the harder questions:

What evidence supports buying, and what evidence argues against it? If the market doesn't play out the way we expect, how do we reassess?

EONVERA ADI is the core technology behind our research framework. It helps organize data and compare models and scenarios, but specific investment decisions must still follow risk constraints and authorization.

A stock recommendation can be short. The research behind it can't be shallow.

Audrey 4

EONVERA ADI stands for Adaptive Decision Intelligence, an adaptive, evolving investment decision intelligence system. It's not a magic "AI stock-selection tool" that guarantees a stock will go up at the push of a button.

Its six core modules are deeply interconnected:

The Financial World Model organizes cross-asset information.

The Adaptive Model Foundry tests whether models are still valid.

The Machine Investment Committee compares different research views.

Scenario & Causal Intelligence tests different paths the future could take.

Heterogeneous & Quantum Computing supports complex computational research.

Intelligent Risk Governance & Evolution checks risk boundaries.

When we research ANET, industry demand, earnings, and cash flow are the evidence in support. High valuation,

customer concentration, and earnings gaps are the evidence against. We want these pieces of evidence to test one another, rather than picking only what supports the recommendation.

Audrey 5

When it comes to AI, you may think of GPUs first. But for large-scale computing clusters to work together, they also need high-speed networking, switches, and reliable software management.

As cloud providers expand their data centers, demand for high-speed Ethernet and network automation may increase. That means the opportunities in AI infrastructure don’t exist only in chips.

But industry growth doesn’t mean every supplier benefits equally. Orders, competition, customer capex, and product margins all have to be studied together.

We chose ANET as today’s case study to see whether the actual business and earnings can support the market’s expectations.

Audrey 6

Arista Networks (ANET) provides switches, routing platforms, and software for cloud data centers, AI clusters, and enterprise networks. Its EOS operating system and CloudVision management tool are important products. Once customers adopt unified software and automated workflows, switching suppliers often requires testing, migration, and staff training. That creates switching costs. That said, ANET doesn't have exclusive claim to networking technology, and customers may also use other vendors.
So we need to study both its product capabilities and the competitive landscape and customer purchasing strategies. We can't explain a company's value with just the "AI theme."

Audrey 7

In Q2 2026, ANET delivered revenue of about $3.036 billion, up 37.7% YoY. GAAP operating margin was 45.4%,

GAAP diluted EPS was $0.95, and adjusted EPS was $1.02. These numbers show that the growth is showing up in the actual business.

But GAAP gross margin was about 62.9%, down from 65.2% in the same period a year earlier. That's a reminder that we can't cherry-pick the attractive growth numbers. Product mix, customer mix, and cost changes also deserve continued tracking.

ADI's fundamental research has to check growth, profitability, and the reasons behind the changes in both.

Audrey 8

As of the end of June 2026, ANET had about $13.343 billion in cash and marketable securities in total. Operating cash flow in the first half of 2026 was about $2.777 billion. That gives the company a fairly strong financial cushion for operations and investment. But cash flow is also affected by accounts receivable, inventory, customer payments, and other working capital factors.

Do the numbers on the income statement actually turn into

cash? Will future expansion require a lot of additional capital? We can't skip these questions.

When we research a company, we look at the income statement, the balance sheet, and the cash flow statement together.

Audrey 9

ANET's EOS software ecosystem, its CloudVision automated management capabilities, and its long experience deploying in large data centers are why we value its competitive position. Once a network system is in operation, switching suppliers can involve compatibility testing, staff training, and migration risk.

That said, customers have no shortage of other options. Companies like Cisco and NVIDIA also compete in networking and AI infrastructure. Technical barriers can create customer stickiness, but that doesn't mean permanent exclusivity.

What's even more noteworthy is this: In its 2025 annual report, ANET disclosed that two large end customers

contributed about 16% and 26% of full-year revenue, respectively, or about 42% combined.

Large cloud customers expanding AI data centers may drive orders. Changes in budgets, deployment pace, or supplier strategy may also affect growth.

Customer concentration is both a source of growth and a risk that has to be tested regularly.

Audrey 10

Friends, ANET has real growth and fairly high margins, but a “good company” and a “good price” are not the same thing.

On October 27, the stock closed at $187, and the current TTM P/E ratio is about 59 times.

I need to be clear about this: the P/E ratio is based on earnings from the past twelve months. It isn’t the same as a valuation based on the next twelve months.

In valuation scenario research, if we assume earnings keep growing, a higher valuation may be supported. But if customer capex slows, gross margin declines, or Treasury

yields rise, the market may cut earnings expectations and valuation multiples at the same time.

ADI's scenario research looks at both paths at the same time, "earnings growth × valuation multiple," rather than looking only at the price target.

No matter how good the growth is, you still need to leave room for risk in the price you buy at.

Audrey 11



Now let's use the ANET daily candlestick chart to look at the technical structure after the October 27 close.

Yesterday, ANET closed at $187, up 5.51% on the day. MA20 was about $195.54, MA60 was about $195.96, and MA120 was about $179.56. In other words, the stock is back above its 120-day moving average but still below its 20-day and 60-day moving averages.

This suggests that medium-term support, as a reference point, has recovered to some extent. We need to watch whether the price can hold above the area around $195 to $197 on a sustained basis, and whether support continues to hold around $179 to $180.

Of course, moving averages are dynamic reference points, not defensive lines that can never be breached.

ADI's technical research cross-validates trend, price structure, fundamentals, and event risk.

Audrey 12



Let's keep going and look at the two indicators below the chart.

RSI is about 47.65, in a nearly neutral zone, and as far as we can see, momentum has been rising recently.

On the MACD chart, DIF is about -6.06 and DEA is about -3.78, and the histogram is still negative. Even so, momentum is in the process of completing its recovery.

Going forward, we can watch whether the negative bars narrow, whether DIF moves closer to the signal line, and whether the price can break back above MA20 and MA60.

Volume shows how actively the stock is trading.

Friends, technical indicators are research conditions.

That said, the November 3 earnings report may cause an unusual move in the stock price, and we've set a $170 stop-loss to guarantee that the maximum loss stays below 10%.

Audrey 13

Now, friends, let me walk you through the reference parameters for ADI's ANET research recommendation:

Reference buy price: the current market price ±2%

Reference position size: 10%

Short-term return target: 8%. Medium- to long-term return target: 20%

First price target: $197. Second price target: $215

Stop-loss reference: $170

Please note that the 8% and 20% are strategy return targets.

The simple reward-to-risk ratios for the first and second price targets are about 0.59:1 and 1.65:1, respectively.

With the earnings release and the Fed decision coming up, you need to consider your own risk tolerance. A stop-loss

is meant to control risk. It is not a guarantee of maximum loss.

Audrey 14

ANET plans to report its Q3 earnings after the U.S. market close on November 3. This is one of the most important near-term checkpoints for validating this research.

The Q3 guidance the company gave earlier is revenue of about $3.3 billion, a Non-GAAP operating margin of 48% to 49%, and Non-GAAP diluted EPS of about $1.06 to $1.08.

Please note that this is management guidance, not results that have already been delivered. It also isn't the same as the Wall Street consensus.

After the report comes out, we'll focus on actual revenue relative to expectations, demand for AI networking products, major customers' purchasing pace, gross margin, and management's outlook for next quarter.

Even if a company keeps growing, its stock can still fall if the market had been expecting more.

Within the ADI research framework, an earnings report

triggers a reassessment of earnings assumptions, valuation scenarios, and risk constraints.

A truly professional recommendation has to allow new evidence to change the original judgment.

Audrey 15

Dear friends, the Federal Reserve has announced its latest rate decision, keeping the federal funds target range unchanged at 3.75%–4.00%.

However, the market will also be watching Chair Kevin Warsh's comments on inflation, economic growth, and the future path of interest rates.

Unchanged rates do not mean technology stock valuations will remain unchanged!

For ANET, we also need to consider Treasury yields, earnings expectations, and its current valuation to assess whether future growth is already priced in.

Meanwhile, Microsoft and Alphabet are scheduled to report earnings after the U.S. market closes today. Their cloud growth, AI capital spending, and forward guidance

may offer clues about AI infrastructure demand, but they do not guarantee corresponding orders for ANET.

Within the EONVERA ADI research framework, we examine monetary policy, market data, company fundamentals, and technical signals together. We compare different scenarios instead of rushing to conclusions based on a single headline.

Here is a question for everyone: If ANET's business outlook remains strong but interest-rate expectations put pressure on its valuation, would you first reassess its earnings prospects or whether the current share price is too high?

I look forward to hearing your thoughts! 🤍

Audrey 16

Dear friends,

Today, we started out from Eonvera Capital at the foot of the Rockies to get to know the ADI research framework together, and we also truly turned our attention to one company: Arista Networks (ANET).

We studied the industry demand for AI high-speed

networking, ANET's revenue and profit, customer concentration, and valuation. Then we checked those against the moving averages, RSI, MACD, and volume on the daily candlestick chart, and finally discussed the buy reference, price targets, and risk control.

I hope you'll remember this: we're recommending ANET today not because it rose 5.51% yesterday, and certainly not because the AI theme is hot.

Research truly worth trusting should show supporting evidence, opposing evidence, and the conditions that would invalidate the judgment, all together.

Today's Fed decision, the tech earnings reports after the close, and ANET's own results on November 3 may all bring new information. We'll keep testing, rather than clinging to a view that's already been written.

As your "Golden Envoy," I'll keep explaining complex professional research in a way that's clear and warm.

New friends are welcome to ask questions, and different views are welcome too.

If you have any questions, feel free to contact me anytime.

Our goal: Better Intelligence for Capital. Better Judgment

for Investors.

Thank you all for being with me today. Wishing everyone smooth sailing in your investing and a happy life.

See you tomorrow