

# THE UNSTOPPABLE RISE OF AI

..... Hilary Kramer



# The Unstoppable Rise of AI Investments...

## PLUS, 3 Promising Stocks To Watch

Artificial Intelligence (AI) was once squarely in the camp of sci-fi imagination. But as the scope of the current decade comes into view, AI has transcended its science fiction roots and become a thriving reality reshaping the world. From self-driving cars to virtual assistants, the AI era is upon us – and so is looking for opportunity in a blazing field like this one.

The landscape of AI investments is fast-changing and cutting-edge, both in its tech and its chances for profit. Let's dive deeper into these opportunities and look at some upcoming game-changers in this electrifying field.

### The Evolution of AI

1997: IBM's Deep Blue defeats a chess grandmaster. Ever since, AI has witnessed significant developments on an ever-speedier schedule. Driven by the exponential growth of data, faster learning algorithms and increasingly intelligent autonomous devices, AI continues to grow.

But not all AI stocks are equal in this new landscape. Read on for some promising AI stocks and a full understanding of the considerations as you make your investment decisions.

#### Generative AI: A Game-Changer

The AI subset called Generative AI relies on expansive artificial neural networks, capable of processing vast sets of unstructured data and executing multiple tasks to create seemingly autonomous content.

Generative AI technology is primed to revolutionize whole industries, from sales and marketing to software development. That means all the more chances at finding the perfect investment strategy.

#### The Economic Impact of Generative AI

Generative AI's productivity-enhancing potential will contribute trillions of dollars to the global economy. Research suggests generative AI could annually contribute between \$2.6 and \$4.4

trillion, across various use cases. Think banking, high tech, life sciences – each stands to benefit significantly from these advancements.

## **Workforce Transformation**

Generative AI is transforming the workforce by automating current activities substantially, which means increased productivity and economic growth.

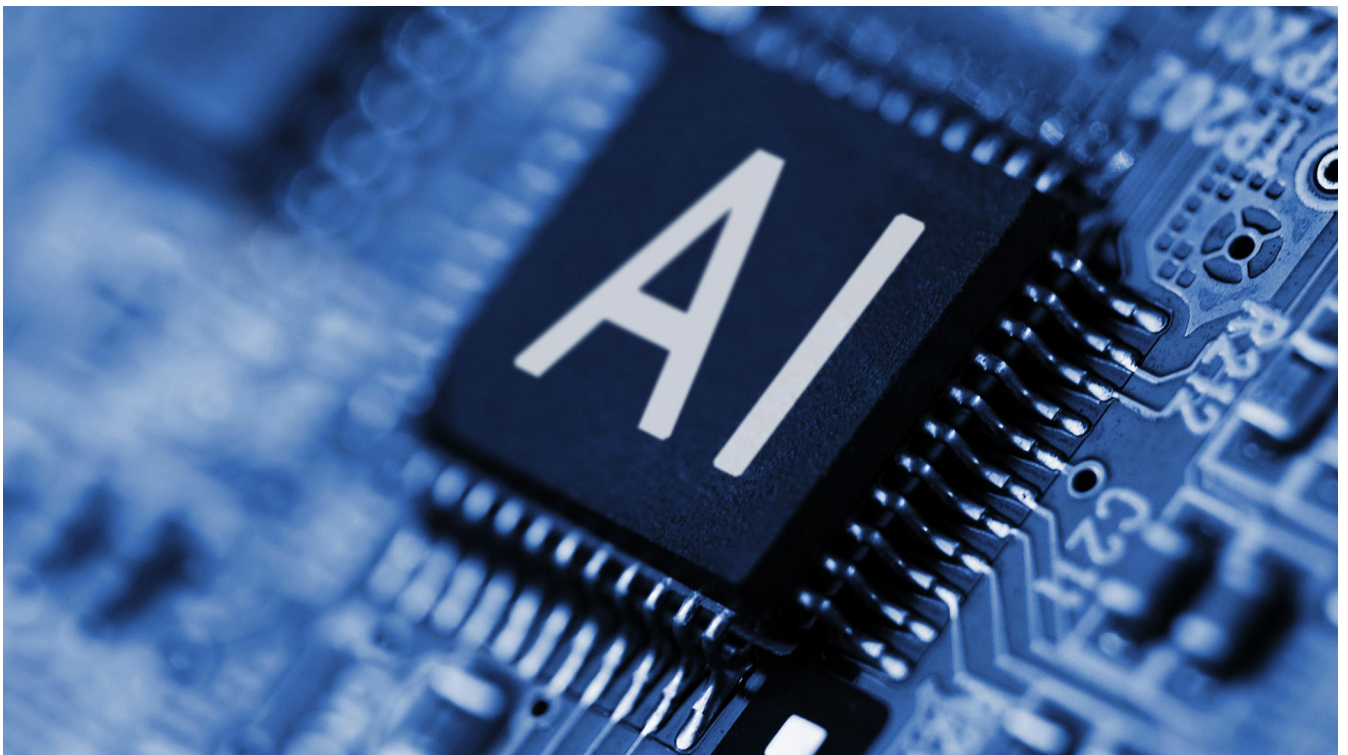
This also requires investment in workers, note: offering them new skills development and whatever else is needed to ensure a smooth transition across industries.

### **Hardware Solutions**

All AI software requires computing power to identify patterns and deduce conclusions from extensive data volumes. Consequently, there's a race to develop AI chips for data centers, self-driving cars, robotics, smartphones, drones, and other devices.

Nvidia, the premier AI chip manufacturer, has seen its shares surge by 185% in 2023. NVDA stock features on the IBD Leaderboard, a curated selection of leading stocks distinguished by technical and fundamental metrics.

Startup OpenAI's ChatGPT is just one of numerous generative AI technologies capable of disrupting various industries by autonomously producing text, images, video, and computer code. Generative AI is already finding application in marketing, advertising, drug development, video gaming, customer support, and digital art.



## **Making Software Smarter**

Generative AI is making its mark in marketing, with software companies from Salesforce and Adobe to Atlassian incorporating AI features into their platforms. This trend is driven by the need for data-driven insights, automation and personalization in various industries.

## **Data-Driven Insights**

Data tells a story, and in this case the story is about where to go now, and where to go next. In the bright-but-foggy future of generative AI, the ability to synthesize impossibly large datasets and create stories and solutions from them will always be crucial.

## **Automation**

Workers' higher faculties and skills can be brought to bear, in any industry, when AI assumes routine and rote tasks. Digital employees don't make mistakes, get tired or get bored; they're never overwhelmed by work or input. There will always be a place for human ingenuity, creativity and artistic drive – AI is just freeing up human capacity for those greater aims.

## **Personalization**

Personalization is key for the coming marketplace, as our personal AI interacts with vendor AI to produce perfectly balanced solutions for each individual. Increasingly, the web is brought to the viewer, via content recommendations and site cookies, rather than the individual having to seek those solutions and entertainment on their own.

The competition in this space is fierce, and it's important for investors to stay informed about the latest developments.

## **The Generative Platforms**

Large language models (LLM) form the foundation for generative AI applications. Companies like Meta Platforms (GOOG), Qualcomm (QCOM) and Microsoft (MSFT) are actively involved in developing and deploying these models. The AI landscape is dynamic – these companies are at the forefront of innovation.

## **Don't Rule Out IT**

Information technology services firms like IBM (IBM), Accenture (ACN) and Epam Systems (EPAM) play a crucial role in normalizing the way organizations use and acquire AI technologies. Every AI endeavor can't be successful, but these companies are actively acquiring AI firms and exploring new opportunities in the AI sector, which will lead quickly to new innovation.

## **Is It Just Hype?**

Generative AI holds great promise. It's important to acknowledge the challenges it faces, too, including the need for human creativity in investment decisions. AI can provide valuable insights, but can't create investment theses on its own. Humans are still indispensable in the decision-making process.

**Here are some reasons why investors are interested in owning AI stocks:**

**Growth Potential:** AI was (and likely still is) seen as a technology with significant growth potential. AI applications were being integrated into various sectors such as healthcare, finance, manufacturing, retail, and more. This expansion presented an opportunity for AI companies to experience substantial growth in their revenue and market share.



**Innovation and Disruption:** AI was considered a disruptive technology that had the potential to revolutionize traditional industries. Companies that successfully integrated AI into their operations could gain a competitive edge by improving efficiency, accuracy, and decision-making processes.

**Data-driven Insights:** AI relies on data analysis to generate insights and predictions. Companies that specialize in AI could provide businesses with valuable data-driven insights, helping them make more informed decisions and drive business growth.

**Automation:** AI technologies can automate repetitive tasks and processes, leading to cost savings and increased productivity. This can be especially valuable for industries that rely on labor-intensive operations.

**Personalization:** AI enables companies to personalize their products and services based on user behavior and preferences. This level of personalization can enhance customer satisfaction and loyalty.

**Healthcare and Biotechnology:** AI has the potential to significantly impact the healthcare sector by improving diagnostics, drug discovery, and treatment planning. Companies working on AI-driven solutions in healthcare and biotechnology were attracting investor attention.

**Smart Devices and IoT:** The proliferation of smart devices and the Internet of Things (IoT) created opportunities for AI integration. AI-powered devices could provide enhanced user experiences and new revenue streams for companies in the tech sector.

**Tech Giants' Investments:** Major technology companies like Google, Amazon, Microsoft and Apple were heavily investing in AI research and development. This signaled the industry's seriousness about AI's potential, encouraging investors to consider AI stocks.

**AI as a Service (AlaaS):** Some companies were offering AI solutions as services, allowing businesses to leverage AI capabilities without extensive in-house AI expertise. This model had the potential to generate recurring revenue streams.

**Long-Term Trend:** AI was viewed as a long-term trend that could continue shaping industries for years to come. Investing in AI stocks was seen as a way to capitalize on this trend's growth trajectory.

So no, It's not just hype. What it is: a sea change in the way you conduct business – and invest.

## 3 Promising AI Stocks

### AI Stock #1—C3.ai: Concentration on Enterprise



Another misleading notion in this space pertains to the preoccupation with consumer-facing applications, leading to a disregard for the substantial latent potential and value concealed within the enterprise sector. While AI's genuine value for consumers can be found in just a few domains, its potential in enterprise is expansive and multifaceted, encompassing areas such as customer relationship management, enterprise resource planning and business process automation.

C3.ai (AI) exemplifies this concept, embodying a suite of AI-powered enterprise IT solutions enhanced by ChatGPT. This platform empowers businesses to construct their own AI applications for internal use, often requiring minimal coding or technical expertise. Under the guidance of Thomas Siebel, the mind behind Siebel Systems acquired by Oracle for \$5.9 billion, C3.ai emerges as a frontrunner in this arena.

The stock has recently experienced robust surges, amassing nearly 100% growth this year alone. This upswing is largely attributed to the burgeoning enthusiasm surrounding ChatGPT, seamlessly woven into C3.ai's suite of offerings. The prominent Siebel name holds a magnetic pull for investors (including me), fueled by the prospect of a repeat performance.

Currently, the stock boasts a market capitalization of \$2.3 billion, coupled with \$840 million in available cash and a modest debt of \$32 million. These reserves are ample to sustain the current cash utilization rate for nine more years, although the company aims to transition into profitability by the conclusion of 2024. C3.ai's sales have displayed consistent year-over-year growth.

## **AI Stock #2—BigBear.ai: The Business Intelligence (BI) Play**



Another AI-centric contender is BigBear.ai Holdings (BBAI). This “decision sciences” enterprise employs AI to enhance organizational clarity and facilitate decisive actions during pivotal circumstances. With a focus on domains like healthcare, manufacturing, and operations management for shipyards and logistics companies, BigBear.ai has found a niche delivering mission-critical solutions to the Federal Government.

The company's solution entails AI-monitored data flows that identify patterns and furnish insights to expedite swift decision-making processes. While the underlying concept isn't novel, BigBear's strength lies in its application-oriented approach, offering tailor-made solutions and a process modeling tool integrated with AutoCAD, ideal for factories, shipyards, and logistics centers.

Following its public debut through a SPAC merger in 2021, the stock plummeted by over 95% in subsequent months, mirroring the trend observed across numerous other firms that took a similar route.



Although its recent upswing can be attributed to the ChatGPT-induced AI craze, it's essential to acknowledge the consistent revenue generation and positive cash flow that BigBear.ai has achieved, indicating its strength in this phase.

Since going public, BigBear.ai's annual revenues have progressed from \$91 million in 2020. Capitalizing on its recent rally, the company raised \$25 million through a stock-and-warrant issuance, reinforcing its liquidity profile with nearly \$50 million in cash against \$200 million in debt.

Management's optimism for a near-term break-even position further boosts its appeal.

## **AI Stock #3—SoundHound: Emerging Champion**

### **SoundHound AI**

The application of AI in voice recognition has perpetually captivated visionaries and enthusiasts worldwide, and SoundHound (SOUN) stands poised to turn this vision into reality. The company provides an API facilitating the seamless integration of voice recognition features into solutions, requiring minimal coding or technical knowledge, catering to a wide array of applications.

SoundHound's products span diverse applications, from transcribing text to speech and automatic voice recognition, to comprehending natural language and activating wake words. The company envisions deploying its platform across apps, smart devices, contact centers, restaurant ordering systems, and more, supported by a burgeoning developer ecosystem that will materialize these visions over the years.

Like BigBear, SoundHound made its debut in the public markets through a SPAC in April of the prior year, embarking on a rollercoaster ride marked by soaring to \$13 in May, only to plummet over 90% in the ensuing months.

Now, however, the company now enjoys a robust liquidity profile with \$60 million in cash, balanced against \$50 million in debt. Operating profitability is well within sight, as cost-cutting efforts of up to 40% have been executed without compromising near-term revenue growth.

It's important to note that investing in individual stocks carries risks, and the value of stocks can fluctuate significantly based on market conditions, company performance, competition, regulatory changes, and other factors. Before investing in AI stocks or any other investment, it's recommended to do thorough research, consider your risk tolerance, and consult with financial advisors who are up-to-date on the current market landscape.



# The Diversified Approach

For those looking to tap into the potential of AI without betting on individual stocks, AI-themed exchange-traded funds (ETFs) provide a diversified and liquid investment option.

ETFs like Global X Robotics & Artificial Intelligence (BOTZ) and Global X Artificial Intelligence & Technology (AIQ) offer exposure to the AI industry while still spreading the risk across multiple companies.

## Embrace the Sizzle

The AI revolution is in full swing, and the opportunities are endless.

From stocks and ETFs to our hardware and SaaS heroes, AI investments are a moving target, and informed decisions are the key to success. Embrace the excitement, stay informed, and get ready to ride the wave of AI investments into a brighter — and smarter — future.

## Keep The Innovative Companies Coming All Year Long

I enjoy creating these reports for investors because it allows me to bring new investment opportunities to light and highlight the level of research that we do in my flagship newsletter service, GameChangers.

This monthly online newsletter is geared towards individual investors looking for stocks that are changing the way we live and are poised to produce market-beating returns.

It's called GameChangers because the stocks we identify and recommend are some of the world's most innovative companies that are truly "changing the game" in their respective industries.

Think back to the early generation of game-changing stocks... for example the computer you might be reading this report on, or the smart device that you're using. These were all considered game-changing stocks at one point in time.

And that's what we're all about here at GameChangers. We're looking for companies changing the world we're living in one innovation at a time.

Here's a quick look at some of the exciting stocks we've been in and out of over the years in GameChangers:

Ticker	Company Name	% Return
ALRM	Alarm com	25.99%
AWAY	HomeAway	50.30%
BBSI	Barrett Business Services	34.42%
CDNA	CareDx	34.58%
CSOD	Cornerstone OnDemand	25.70%
EBAY	eBay	42.00%
EGOV	NIC Inc.	47.17%
ENV	Envestnet	47.13%
ET	Exact Target	56.37%
EVR	Evercore	26.58%
FARO	Faro Technologies	37.52%
FFIV	F5 Networks	31.43%
FIVE	Five Below	25.67%
FRGI	Fiesta Restaurant Group	25.55%
HOME	At Home Group	29.95%
ICPT	Intercept Pharmaceuticals	70.13%
ILMN	Illumina	30.83%
ITMN	InterMune	40.04%
LNKD	LinkedIn	50.39%

LOXO	LOXO Oncology	45.09%
MELI	MercadoLibre	25.86%
MMS	Maximus	37.32%
NICE	NICE Systems	33.62%
NOW	ServiceNow	27.93%
OMCL	Omnicell	57.65%
PEGA	PegaSystems	25.88%
PSMT	PriceSmart	28.62%
SFLY	Shutterfly	46.71%
SHFL	SHFL Entertainment	42.16%
SLH	Solera Holdings	40.21%
SWI	SolarWinds	28.02%
TRAK	Dealertrack Technologies	55.83%
TSS	Total System Services	25.93%
TTD	The Trade Desk	41.16%
ULTI	Ultimate Software	33.04%
VCRA	Vocera	25.15%

These are only a few examples, but you get the idea.

Savvy investors who know when to get in and when to get out benefit from the “win-win” created by investing in these types of game-changing companies.

And getting into the right stocks, at the right time, is exactly what I'm going to help you do.

## Here's how you can get started...

The regular price for a one-year membership to *GameChangers* is just \$249.

I'm sure you were expecting it to cost a lot more and you wouldn't be wrong based on the extensive research that goes into identifying these stocks.

However, when I launched *GameChangers* back in 2010, my goal was to keep the price accessible to any Main Street investor that wanted to take advantage of these incredible stocks.

And that mission continues today. I don't ever want price to be a reason that investors miss out on the massive profits that game-changing stocks can provide.

**That's why I'm knocking the [price of GameChangers to just \\$99!](#) That's an instant savings of 60% off the regular price.**

You'll also get all these exclusive benefits as part of your membership:

- **12 months of Hilary's best game-changing research:** You'll never invest alone as a member of *GameChangers*. I keep in touch with you each issue, with my latest research and market analysis. You'll get critical, up-to-the-minute intelligence on where stocks are...and where they're going... so you can stay a step ahead of Wall Street.
- **52 Weekly Updates:** Packed full of insights on the market, the exciting game-changing industries we're following and a detailed look at our current recommendations.
- **Exclusive Research Reports.** These special research reports are choke full of my market analysis, as well as where the best investments are in each market environment.
- **Access to Hilary's Buy List:** Get all the details about the stocks Hilary is recommending today. You'll find everything from the "buy under" prices to "target prices" and so much more.
- **Flash Alerts:** When breaking news impacts our stocks or strategy, I notify you immediately by email and SMS text message if you choose. No waiting around until the opportunity passes you by.



All this is included in your *GameChangers* membership.

I hope you'll take me up on this special opportunity to [give \*GameChangers\* a try at today's discounted price.](#)

The profits you'll make will pay for your membership multiple times over, so don't delay. Get started today.

What's more, the timing couldn't be better.

Game-changing stocks have led the way in 2023... and they're just getting started.

Join us today, and I look forward to seeing you on the inside!

[Ready to get started? Simply click here.](#)

## About Hilary Kramer



Hilary Kramer is an investment analyst and portfolio manager with 30 years of experience on Wall Street. The Financial Times describes Ms. Kramer as “A one-woman financial investment powerhouse” and The Economist distinguishes her as “one of the best-known investors in America.” Ms. Kramer is often quoted in publications such as the Wall Street Journal, New York Post, Bloomberg and Reuters. She is a frequent guest commentator on CNBC, CBS, Fox News and Bloomberg, providing investment insight and economic analysis. You can hear her weekly on the syndicated Millionaire Makers radio show.

Ms. Kramer was an analyst and investment banker at Morgan Stanley and Lehman Brothers. Ms. Kramer founded and ran a long-short hedge fund and has been chief investment officer overseeing debt and equity portfolios. Since 2010, Ms. Kramer’s financial publications have provided stock analysis and investment advice to her subscribers. Her products include *GameChangers*, *Value Authority*, *High Octane Trader*, *Turbo Trader*, *2-Day Trader*, *IPO Edge* and *Inner Circle*.

Ms. Kramer, a Certified Fraud Examiner, has also testified as an expert in investment suitability, risk management, compliance, executive compensation and corporate governance.