FIVE TECH INVESTMENTS AT THE FOREFRONT OF THE SILICON VALLEY DIVIDEND REVOLUTION

KEITH FITZ-GERALD'S
TOTAL Wealth

KEITH FITZ-GERALD'S
TOTAL Wealth

Investor's Report
From: Keith Fitz-Gerald
For: *Total Wealth* Subscribers

Five Tech Investments at the Forefront of the Silicon Valley Dividend Revolution

Dear Reader,

I talk to thousands of investors every week about the best and newest moneymaking strategies the markets have to offer.

Whether those investors are already my subscribers, folks at conferences looking to gain an edge, or just my friends, family, and neighbors, almost all of them are focused on one thing.

Growth.

It's scary putting your hard-earned money into a market like today's… make no bones about it. I feel the angst sometimes, just as I'm sure you have.

Among Wall Street computerization, rapidly growing leverage, and more money in volatility-creating ETFs than ever before, it's more difficult than ever to find steady, stable, cold-hard cash.

However, over the past few years, we've started to see a new trend developing… and in Silicon Valley of all places.

And, no, not a new, fancy-pants, "nice to have" widget. We've seen where focusing on that kind of stuff lands us with companies like **Peloton Interactive Inc.** (NasdaqGS:PTON) or **Uber Technologies Inc.** (NYSE:UBER).

The name of this game is *income*. We're seeing a pronounced shift to true dividend payers in Silicon Valley.

This was a territory once claimed by huge utility or consumer discretionary companies – those like **American Water Works Company Inc.** (NYSE:AWK) or **The Procter & Gamble Co.** (NYSE:PG), for example.

But, now, tech's joined the crowd – and this could mean steady income AND huge capital appreciation.

The "New Silicon Valley"

High-tech firms are now becoming some of the best dividend stocks to own, even as they retain explosive growth potential. These high flyers have built up troves of cash since the end of the Global Financial Crisis, and they're facing pressure from activist investors to spend it.

Many of these firms have profit margins well over 20%. Cash stored overseas – several hundred billion worth – is flowing back into home coffers, thanks to President Donald Trump's $1.5 trillion in tax cuts for corporations.

And it might not surprise you to learn that the best tech firms shelling out dividends are on the road to becoming what I call Silicon Valley Aristocrats. A "dividend aristocrat," of course, is a company that has increased its dividend at least annually for 25 consecutive years.

Just imagine what's required for a firm to prosper and pay back its shareholders year after year, through sector volatility, broader recessions, occasional wars, and challenging political upheavals. Persevering through all of that volatility and managing to increase dividends despite it all is no small feat.

Tech stocks generally outpace the overall stock market. The Nasdaq Composite is up 131.40% over the past five years – compared to just 51.24% growth in the S&P 500 and 42.72% growth in the Dow over the same time frame. That means you're getting significant share-price appreciation along with your cash with Silicon Valley's best dividend payers.

So seeing these tech firms enter the dividend aristocrat family is great news for investors like you. Not least of all because prime dividend-paying stocks tend to hold up better during times of low growth or stock-market volatility – and that cash can serve as a cushion when stock markets are volatile.

Even if the markets do have an inherently upward bias, the rapidly increasing computerization I was just talking about will make sure that the moves aren't as… smooth… as you and I would like.

Now, as we look at some of these Silicon Valley Aristocrats, it'll pay to keep some key factors in mind.

For starters, it's important to clear up one misconception many investors have about tech stocks. They often think revenue growth and share-price appreciation are the only factors worth considering.

But, as important as growth is, if you ignore dividends and the cash they create, you're missing an important part of what's happening with tech today. Because they have so much cash on hand, they're now linking their growth to shareholder payouts.

Tech companies were among the sectors that paid more in dividends among S&P 500 companies in recent years. In fact, in the past decade, tech firms grew their dividends by about 17% to $88 billion.

Now, tech firms in the S&P paid an average 1.8% yield, lower than the average 3.2% yield overall.

But here's the thing that Wall Street won't tell you…

When you see that the right company that "only" yields one or two percentage points, don't worry a bit about that rate. Instead, pay attention to whether the company has been increasing whatever amount you're looking at year after year, through changing markets and business challenges…

Until you're ready to start collecting the cash.

Even for younger investors, it pays to add budding Silicon Valley Aristocrats to your core long-term holdings, because the compounding over time can be huge. Dividends that are growing by 7% a year, for example, will double in a decade.

To get started, let's take a look at five fast-growing tech plays with accelerating dividends.

Silicon Valley Aristocrat No. 1 – $1 Trillion – and Still Growing

You can't put together a list of great dividend-paying tech companies without including the biggest market-cap stock of all time.

Yes, **Apple Inc.** (NasdaqGS:AAPL) has come under pressure recently because of its pronounced shift "beyond the iPhone" and into its services segment for real profits. Even if I think that shift could be more lucrative ever and we're even seeing signs of it now – with the move into medical devices and the joint credit card its creating with **The Goldman Sachs Group Inc.** (NYSE:GS) – Apple remains a cash machine with $69 billion on hand and a steady dividend.

Apple Inc.

NasdaqGS: AAPL

Dividend Yield: 1.18%

Annualized Payout: $3.08

Dividend Growth: Six Years

Share Price: $261.61

Market Cap: $1.18T

Truth be told, Apple has become one of the more shareholder-friendly firms around – in tech or any other sector.

Since 2015, it has spent at least $52.75 billion on dividends.

Of course, when you post the kind of numbers Apple did in its most recent quarter, you have the kind of cash flow that mints money for shareholders.

Q4/2019 results, announced on October 30, was the eleventh-straight quarter of rising revenue, which came in at $64 billion.

Even better for the long haul, Apple keeps ramping up its services. The company has suggested that it may be able to generate as much as $50 billion for that segment by 2020.

It's well on the way to doing so. The services have become one of Apple's biggest growth engines based on demand for subscriptions to iCloud storage, the streaming-music service, and offerings such as Netflix and HBO through iTunes and Apple TV.

Service sales in the quarter hit an all-time high of $13 billion, a yearly increase of 18%. That means two things…

1. Services are already on pace to hit $40 billion in sales as early as the end of next year.
2. Apple is well on its way to becoming the kind of software firm that can move well beyond its iPhone/Mac hardware legacy.

Now, Apple's dividend is relatively new. So, we don't have the kind of long-term growth we've seen from the other four firms. However, it's *still* growing at 33.8% – so that's why it's made my list.

That's a very good number, and it's a strong bet that Apple can keep that kind of growth going for a long time, practically no matter what the Fed does, what happens in the White House, or what happens in the murky geopolitical sphere.

Silicon Valley Aristocrat No. 2 – The Best-Kept Secret in Tech

No one on Wall Street will tell you this – because it's too complicated for them to explain – but we're headed into a tech revolution characterized by *graphic computing*.

So most investors are missing this, which is a big mistake.

Graphic computing will move, manipulate, and calculate data away from centralized computers of the past and even away from the cloud.

Computing intensity and demand will increase to the point where digital assets will be controlled by the end users themselves or by the devices that serve them. That means crypto tokens will become as ubiquitous as software licenses are today – so, too, will security procedures, passwords, and even data storage.

Nvidia Corp.

NasdaqGS: NVDA

Dividend Yield: 0.31%

Annualized Payout: $0.64

Dividend Growth: Six Years

Share Price: $208.29

Market Cap: $121.18B

Each of these things will be replaced by computationally intense, ultra-secure data processing that reshapes the world we live in. Quantum computing – using subatomic particles to store and manipulate information – will become standard, as will DNA-based data writing, calculation, and problem solving.

Artificial intelligence (AI) is key.

I'm talking about computers that simulate human thought, run deep cycle self-adaptive algorithms, and act as autonomous brains capable of perceiving and understanding the world around them.

This is big on an entirely new, previously unimaginable scale.

The net gain to global GDP could top $50 trillion by 2025, according to McKinsey.

Which brings me to **Nvidia Corp.** (NasdaqGS:NVDA) – a great play on graphic computing and all the industries it is impacting.

Including connected and self-driving autos.

Make no mistake, the connected car is quickly becoming the standard. By 2025, nearly every one of the 80 million cars made each year will be supercomputers on wheels.

They'll have computer network connections like Wi-Fi, voice control for navigation and other operations, machine vision, and a range of self-driving operations. They're also becoming wireless nodes that can "talk" to other cars to avoid traffic and collisions.

As savvy tech investors, we're looking for a backend play that allows us to capture the growth of the entire field, without having to pick a specific car manufacturer.

That's why I remain a big advocate for Silicon Valley chip leader Nvidia. Wall Street wrote off this company several years ago as merely a play on computer gaming, but they forgot to factor in one of Nvidia's biggest innovations... or perhaps, they just underestimated exactly which technologies would be essential to the future.

See, Nvidia pioneered GPUs. Yes, the original idea was to create robust processors that gave video-game players an immersive experience.

However, Nvidia found that those powerful GPUs could be tweaked to deliver robust performance for other needs. And these little superchips have kept the company at the forefront of key tech trends over the last few years.

For starters, it's a great play on current connected cars. A big part of tech for these cars is a platform known as advanced driver-assistance systems (ADAS) – and Nvidia makes the best chip for that.

Simply stated, ADAS helps make humans much better drivers. It provides heads-up displays in the dashboard, lane-return assistance, collision avoidance, voice-guided navigation, and adaptive cruise control that keeps a car in pace with those around it.

It's a great market for Nvidia. Grandview Research says this segment is growing at 19% a year and will be worth $67.4 billion by 2025 when most cars on the road will have ADAS.

And let's not forget that Nvidia is way out in front of the market for fully autonomous cars and trucks. Again, we're talking a big opportunity – Boston Consulting Group values this segment at $42 billion by 2025.

For investors, owning a share of Nvidia is like owning an exchange-traded fund focused on auto tech. The company now works with 370 auto firms covering virtually the entire global industry.

It's working with **Audi AG** (OTC:AUDVF), **Daimler AG** (OTCMKTS:DMLRY), **Tesla Inc.** (NasdaqGS:TSLA), **Toyota Motor Corp.** (NYSE:TM), and **Volvo AB** (OTC:VLVLY) – and that's the short list. The full list of Nvidia's auto partners would run several pages. Nvidia has also partnered with several makers of heavy-duty trucks to get them ready for driverless deliveries.

Nvidia cemented its lead in this category in early 2016 by unveiling what is essentially a supercomputer on wheels.

Nvidia's Drive PX series is an end-to-end deep learning system that will help self-driving cars move into the mainstream. The system can learn, adapt, and improve, which is crucial when you realize that it's impossible to write software that anticipates every possible scenario that an autonomous vehicle might face.

Talk about a powerful platform. Nvidia says the system can perform 24 trillion deep learning operations per second, making it as powerful as 150 MacBook Pro laptops.

As you might expect, Nvidia's powerful GPUs also are great for artificial intelligence. That's a technology Merrill Lynch says could be worth $70 billion by 2020.

By making computers "think" more like humans, AI will drive progress in so many fields from robotics and software to Big Data and biotech. AI will even be able to give us personal assistants that run our homes and offices, as well as our web searches.

Nvidia also has optimized some of its chips for data centers. These are the remote facilities used in cloud computing that make Nvidia the ultimate high-tech middleman. See, everything from wireless web and online searches to hosted applications to AI calculations run through data centers.

Nvidia's work here is really paying off. In the past three years, quarterly revenue has grown 80.60% and diluted EPS have grown 121.95%.

That's led the company's gross profits to grow 86.56% over that same time frame, tallying an extraordinary gross margin of 37.99% – meaning its taking in much more money than what its products cost.

The icing on the cake is what makes Nvidia one of the Silicon Valley Aristocrats – a yield of 0.31%. That may seem small at first – but I think the fact that the company's grown that yield 19.23% in the past two years could mean even more growth to come.

Now you see why I consider Nvidia as more than just a play on the connected car and graphic computing. It's the kind of aggressive Silicon Valley Aristocrat that can put you in the fast lane on the road to wealth.

Silicon Valley Aristocrat No. 3 – The Dividend Veteran

Over the past 50 years, it's racked up an incredible 4,700 patents for its analog and mixed-signal semiconductors.

It also has an amazing 125,000 global clients.

I'm talking about **Analog Devices Inc.** (NasdaqGS:ADI), a leading maker of chips and sensors and a venture that has a long record of innovation.

Analog Devices Inc.

NasdaqGS: ADI

Dividend Yield: 1.91%

Annualized Payout: $2.16

Dividend Growth: Nine Years

Share Price: $112.61

Market Cap: $41.591B

Just look at what the company is doing with BlackBox Biometrics Inc.

We've all seen the heightened attention being paid to brain injuries – particularly concussions. From high-school lacrosse players to NFL quarterbacks, scientists and doctors are studying brain injuries like never before. BlackBox makes sensor systems that can measure the concussive forces that cause traumatic brain injuries in soldiers or professional athletes.

Both its Linx Impact Assessment System and Blast Gauge System use ADI's microelectromechanical system (MEMS) inertial sensors. MEMS are specialized sensors that integrate circuits and sensors on a tiny microchip with a built-in central processor. These sensors can collect and measure data relating to sound, motion, force, humidity, temperature, pressure, and axis of rotation.

And then there's Analog Device's breakthrough in drones. It helped drone leader DJI make aerial-camera drones that can send back real-time video – even when flying through the most rugged, remote environments on Earth.

First responders use drones to monitor natural disasters. The military uses them to watch and attack enemy combatants. DJI's drones rely on Analog's MEMS gyroscopes and accelerometers to stay in the air.

Gyroscopes allow our mobile devices to be maneuvered in every conceivable way – while keeping the viewing screen level. Accelerators track speed, gravity, tilt angle, incline, rotation, and vibration. As it turns out, what's good for smartphones is good for drones.

And for ADI.

Analog Devices is the world leader in the analog-, mixed-, and digital-signal processing integrated circuits (ICs) used in just about any type of electronic equipment you can think of.

Virtually every wireless call, text, picture, or download today passes through one of the firm's chips.

ADI now boasts more than 2,200 patents, with 800 more pending, which gives the firm valuable assets – while also creating a hefty "barrier to entry" for would-be market entrants.

Analog Devices serves more than 100,000 customers in the automotive, aerospace, communications, defense, energy, healthcare, and industrial markets.

In communications, ADI makes radio-frequency ICs, data converters, amplifiers, and the clocks and power devices in communications systems.

And it's the authority on signal processing for wireless-network gear. CEO Vincent Roche believes the number of 4G subscribers and the bandwidth used per subscriber will double his firm's sales in communications infrastructure to roughly $4 billion by the end of 2020.

There's also industrial automation, which accounts for 47% of revenue. Its technology can be found in field instruments, motor controls, and robotics.

And that bodes well for long-term growth.

ADI knocked the leather off the ball on its Q3/2019 earnings report – and showed continuing growth. The company beat analysts' expectations on adjusted actual EPS by $0.04, and that represented its 20th consecutive quarter of beats.

What's even more, the company has grown its gross quarterly revenue 97.89% over the past three years, which has led to an extraordinary spike in gross quarterly profits of 103.5% – to $1.04 billion.

And, to me, this is a true Silicon Valley Aristocrat.

With 15 consecutive years of annual dividend increases, its record is more than respectable. It's commendable.

Its yield is a nice 1.91% – and it's growing that rapidly, with a five-year dividend growth rate of 45.95%.

With all this in place, we should be seeing share-price and dividend appreciation on Analog for decades to come.

Silicon Valley Aristocrat No. 4 – The Low-Key Innovator

Back in 2014, GT Advanced Technologies Inc. had become the hottest story of Silicon Valley (already a warning sign).

The tiny company's almost unscratchable sapphire screens were going to appear first on iPhones and, eventually, on all sorts of mobile devices.

Apple was injecting $578 million in GT. The firm was building more than 2,000 sapphire-producing "super furnaces" in Arizona to gear up for the massive iPhone 6 rollout. And GT's stock price would zoom from $9 to $20 by early July 2014.

Unfortunately, GT's Cinderella saga didn't have a fairy-tale ending. By October, the company had failed to meet its obligations to Apple – and was forced to seek Chapter 11 bankruptcy protection. Apple, fortunately, had a "backup" – its already-existing supplier.

And that company – **Corning Inc.** (NYSE:GLW) – stepped in and supplied the specialized glass screens for the 74.5 million iPhone 6's that were shipped in 2014's final quarter. Those sales results smashed expectations, Apple shares zoomed to set new record highs – and Corning once again boosted its profits.

Corning Inc.

NYSE: GLW

Dividend Yield: 2.70%

Annualized Payout: $0.80

Dividend Growth: Eight Years

Share Price: $29.51

Market Cap: $26.92B

Indeed, Corning subsequently unveiled a new "miracle material" of its own – one that combines the hardness of its then-current screens with the scratch resistance of sapphire.

This is one of those ultra-rare ventures that's been able to "reinvent" itself over and over throughout its 164-year history.

It's a company that's got the financial muscle to turn away challengers even as it invests and innovates for the future.

And that makes Corning a rarity in another way: Its shares could gain at least 50% from here – and that could happen in less than four years' time. And at a rate of 12.5%, its dividend is growing nearly as fast.

The big question now, though: Will it scale?

In other words, as revolutionary as this invention you're showing us here might be, if you can't ramp up and replicate it in high volumes, it can't be a commercial success.

GT Advanced had an innovative technology that addressed a massive market. But the company couldn't "scale" – couldn't transition from a manufacturer of sapphire furnaces to a high-volume producer of the material itself.

Corning, on the other hand, has proven again and again that it can adapt and innovate to meet changing marketplace demands. From its brand-name cookware and the glass for Thomas Edison's lightbulb to highly advanced telescope lenses, Corning has done more than any other firm to transform glass from a nondescript commodity to an actual miracle material.

Indeed, when Apple was creating the original iPhone back in the mid-2000s and needed a screen, Steve Jobs went straight to Corning CEO Wendell P. Weeks. Jobs pitched Weeks on the importance of the iPhone and laid out what Apple needed – thin, durable, and touch-sensitive screens. What's more, Jobs said he needed this nonexistent material ready for mass production in just six months.

Corning accepted the challenge and came up with the transformative product we know today as Gorilla Glass.

However, Corning's strength isn't its ability to make strong screens for mobile devices. Corning's strength is its ability to create innovative materials that can be used in both present and future markets.

Corning's commitment to innovation has kept it as one of the leading suppliers of precision glass for LCD and OLED displays, optical fiber, and cable. The company invests in R&D approximately two times more than its competitors.

Factors like increasing demand for device connectivity, development of smart automotive interiors, and high-end smartphones will keep Corning's revenue and dividend growing for years to come.

Just check out what the company is doing with Gorilla Glass and autos. After announcing a joint venture with Compagnie de Saint-Gobain SA in 2016, Corning now manufactures and sells lightweight automotive glazing solutions. The Corning automotive access platform now has two growth factors, its environmental products and Gorilla Glass for next-generation vehicles.

Moreover, Corning's incredible glass interlocks with the increasingly massive LCD screens that adorn millions of TVs and computer monitors. Those display units are Corning's largest business.

The world's insatiable appetite for faster web speeds plays to another one of Corning's core strengths – fiber optics. Our need for speed stems from several more interlocking technology trends, including the hosting of software and data on the cloud, video streaming, and mobile gaming. And optical fiber, which Corning has been developing since the early 1970s, is the kind of high-speed "pipe" that can meet those speed needs.

All told, when a company can "scale" its technology, its profits, and its payouts, its shareholders can expect their wealth to do the same.

This earns my list because its annualized dividend of $0.72 per share has grown at a quarterly rate of 100% over the past five years – and is showing little to no sign of slowing down.

Silicon Valley Aristocrat No. 5 – This One Covers the Waterfront

The **First Trust NASDAQ Technology Dividend Index Fund** (NYSE:TDIV) is a great way to receive significant dividend payments with a single investment that offers broad diversification. This exchange-traded fund (ETF) is entirely composed of technology and telecom firms. Specifically, semiconductor firms make up 29% of the fund, software firms 14.3%, hardware and storage 13.2%, and telecom firms 12.4%.

TDIV has $1.04 billion in total net assets spread among 92 top tech dividend payers. To be included, a stock must have a market cap of more than $500 million and have paid a dividend in the past 12 months.

Apple Inc. (NasdaqGS:AAPL) is TDIV's No. 1 holding, accounting for 9.35% of the fund. **Intel Corp.** (NasdaqGS:INTC) and **Microsoft Corp.** (NasdaqGS:MSFT) come in at No. 2 and No. 3, and each makes up about 8.93% AND 7.88% of the fund respectively. **Cisco Systems Inc. Corp.** (NasdaqGS:CSCO) and **IBM Corp.** (NYSE:IBM) come in at No. 4 and No. 5, and they make up about 7.5% each.

First Trust NASDAQ Technology Dividend Index Fund

NasdaqGM: TDIV

Dividend Yield: 2.41%

Annualized Payout: $1.02

Net Asset Value: $42.06

Total Assets: $1.04B

Besides these mega-caps, TDIV also holds a number of smaller firms, including **Western Digital Corp.** (NasdaqGS:WDC), **Intuit Inc.** (NasdaqGS:INTU), **Garmin Ltd.** (NasdaqGS:GRMN), and **Corning Inc.** (NYSE:GLW).

The 30-day SEC yield of this ETF is an extraordinarily high 2.46%, and income is paid quarterly to shareholders. In addition, the annual expense ratio of TDIV is at a modest 0.5%, or $50 for every $10,000 invested.

On Your Way to Becoming a Silicon Valley Millionaire

The bottom line here is that these Silicon Valley Aristocrats give us two areas of growth in a single stock: cash income and share-price appreciation.

Tech is the most dynamic sector in the marketplace today. And despite what the "big thinkers" on Wall Street would have you believe, the tech revolution is closer to its beginning than its end.

These great plays will be there, year in and year out, driving innovation forward. Plus, their dividends mean they'll be home to the easiest money you make in stocks. And if you reinvest the dividends, you can grow your portfolio through the "magic" of compounding.

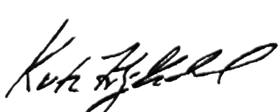
Consider this: From 1940 through 2011, dividends and dividend reinvestments accounted for more than 90% of the S&P 500's total return during that time.

Therefore, $100 invested in the S&P 500 at the end of 1940 would have been worth approximately $174,000 at the end of 2011 – assuming that all dividends were reinvested. If dividends were not included, the investment would only be worth $12,000.

These are four opportunities in fast-growing industries that pay you above-average income. And a "bonus" play that covers the new and growing tech-sector dividend trend.

Get started on your Silicon Valley Millionaire Plan now.

Best regards for great investing,



Keith

PLEASE NOTE

From time to time, Money Map Press will recommend stocks or other investments that will not be included in our regular portfolios. There are certain situations where we feel a company may be an extraordinary value but may not necessarily fit within the selection guidelines of these existing portfolios. In these cases, the recommendations are speculative and should not be considered as part of Money Map Press philosophy.

Also, by the time you receive this report, there is a chance that we may have exited a recommendation previously included in our portfolio. Occasionally, this happens because we use a disciplined selling strategy with our investments, meaning that if a company's share price falls below a certain price level, we immediately notify our subscribers to sell the stock.

Money Map Press is not a broker, dealer or licensed investment advisor. No person listed here should be considered as permitted to engage in rendering personalized investment, legal or other professional advice as an agent of Money Map Press. Money Map Press does not receive any compensation for these services. Additionally, any individual services rendered to subscribers by those mentioned are considered completely separate from and outside the scope of services offered by Money Map Press. Therefore if you choose to contact anyone listed here, such contact, as well as any resulting relationship, is strictly between you and them.

MONEY MAP PRESS

Phone: 888.384.8339 or 443.353.4519

PRIVACY NOTICE

You and your family are entitled to review and act on any recommendations made in this document. All Money Map Press publications are protected by copyright. No part of this report may be reproduced by any means (including facsimile) or placed on any electronic medium without written permission from the publisher. Information contained herein is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Money Map Press expressly forbids its writers from having a financial interest in any security recommended to its readers. All Money Map Press employees and agents must wait 24 hours after an Internet publication and 72 hours after a print publication is mailed prior to following an initial recommendation. Money Map Press does not act as a personal investment advisor, nor does it advocate the purchase or sale of any security or investment for any specific individual. Investments recommended in this publication should be made only after consulting with your investment advisor, and only after reviewing the prospectus or financial statements of the company.
