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Instead of Worrying About AI, Smart Investors Will Take Advantage of It

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► Building a trip to the south of France and you would like an itinerary of the best hotels to stay and their availability? Ask ChatGPT.

You're reading the news and see that police used a "facial recognition" system to track and capture a criminal. How does a machine become an "eyewitness"?

The answer to these questions is, of course, just two letters: AI, the acronym for Artificial Intelligence. As you are probably aware, AI has become the hottest of topics recently due to the lightning-fast ascendance of one of its spawn, something called ChatGPT.

While ChatGPT may be all the rage, AI, is all over our lives, and has been for years. For example, in our own profession, there is something called a "robo-advisor", which creates and then balances your portfolio using AI. Yet, robo-advisors are actually old news. In fact, not this year but eight years ago, our firm outlined their pros and cons right here in this very publication.

ChatGPT and robo-advisors aside, here's the real point about AI for investors: Whether your portfolio includes healthcare, transportation, banking, retail, or any stock labeled "tech" (Microsoft, Meta, Google, Twitter, et al), every single one currently employs AI in one form or another. More importantly, we need to look at corporate IT spending budgets. Many companies are expected to reduce expenditures to many tech related segments, while at the same time prioritizing allocations to AI applications over everything else.

So, what's all the current shouting about ChatGPT?

Well, it has a dark side that goes beyond banging out papers for undergrads and not the machines-vs-humans Terminator version. There are ethical challenges. AI is not neutral: AI-based decisions are susceptible to inaccuracies, discriminatory outcomes, embedded or inserted bias. Surveillance practices for data gathering and privacy

of court users are of increasing concern to the public.

While the federal government and other agencies are already investigating ChatGPT, the question for HNW and UHNW investors is, "What does this AI business mean to me and my investment strategies?"

In our view, AI will be with us for a long time and will increasingly make its presence felt, from hospital ICUs to police precinct stations, and of course, in our online lives. Rather than view AI as a threat, smart investors and those who counsel them will look for the innovators and disruptors that invent products and services that leverage the power of AI to improve our world, to make it safer, more efficient, healthier, and in the process, create profitable investment opportunities.

Investing in AI presents a unique opportunity to be part of a transformative technological revolution with far-reaching implications across industries. By understanding the AI landscape,

researching companies, considering AI focused ETFs/mutual funds and monitoring regulations and ethical considerations, investors can make informed decisions that align with their risk tolerance and long-term financial goals. Remember that AI is a rapidly evolving field, and staying up to date with the latest developments is vital to making successful investments in this compelling sector.

You can participate in this industry by investing in companies like Alphabet, Microsoft, NVIDIA, Amazon, etc. Broad-based exposure can be achieved efficiently through ETFs like BOTZ, ARKQ, ROBO, & ROBT to name a few.

Most importantly, you must recognize that many companies' present valuations have already priced in a considerable amount of the expected impact from AI. You must be selective and seek favorable entry points. While some short-term winners have already emerged from this burgeoning industry, tremendous opportunities still remain for informed investors.

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