

An aerial night view of a city, likely Tokyo, with a white geometric network overlay. The network consists of white lines connecting various points across the city, creating a complex web of triangles and polygons. The city lights are visible in the background, and the network lines are superimposed over the scene.

THE NEAR  FUTURE REPORT

THE FIRST PHASE OF 5G

HOW TO PROFIT FROM THE BIGGEST
INFRASTRUCTURE BOOM OF THE DECADE

BY JEFF BROWN

By Jeff Brown, editor, *The Near Future Report*

If you take Route 309 North from Allentown, Pennsylvania for an hour and 15 minutes, you'll eventually run into Mahanoy City, Pennsylvania. It's a small town – so small that you could stroll right down the 20 blocks or so that compose Centre Street in about 15 minutes if you took your time.

As such, it seems like an unusual place to be the birth of an \$81 billion industry. Yet, in fact, it was.

In 1948, a local entrepreneur set out to solve an important problem. Broadcast television signal reception was poor for the folks in Mahanoy City due to the surrounding mountains. The solution was to take those television signals from the top of a mountain and then distribute them over a new kind of network.

That network became known as community antenna television, otherwise known as cable TV or CATV. And no one could have guessed how large the industry would become.

Over the course of the next 60 years, companies like TCI, Cablevision, Continental, Time Warner, AT&T, and many others spent hundreds of billions of dollars racing to connect every home in the United States to their CATV networks in hopes of selling them multi-channel television services and, eventually, internet access.

It was a massive undertaking, and one in which hundreds of companies profited from greatly over the years.

The first stage of building a CATV network required basic things like coaxial cables and connectors, as well as amplifiers to send the television signals over the cables. So the companies that supplied this hardware – the “picks and shovels” plays – were early winners in the industry.

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Once the networks were built, companies that sold CATV set-top boxes benefited greatly as each home needed one to watch TV. As the network quality improved, CATV companies began offering cable models that enabled internet access services.

With the devices in the home, it was now possible to offer even more services like video on-demand, pay-per-view, and other media or internet services.

The Next Communications Infrastructure Boom

With cable TV, it was a logical progression. Infrastructure first, devices second, and services third.

Not surprisingly, we can learn key insights for making smart investments in large infrastructure buildouts from this sequence. After all, the companies that tend to do well early in a large cycle like this are the infrastructure companies. Infrastructure comes first, after all.

And this year, the world is embarking on one of the largest communications network buildouts in history, perhaps the largest ever: **the construction of fifth-generation (5G) wireless networks.**

Not only will this transform our lives and enable us to do things we could never have done before... but it will also be one of the single best investment opportunities that we'll see in the next 10 years.

But before we get to the companies best positioned to profit off this trend, let me show you why 5G will be the most incredible communications infrastructure buildout of our lifetimes...

First, for context, here's what each wireless generation has enabled since 1G in 1983:

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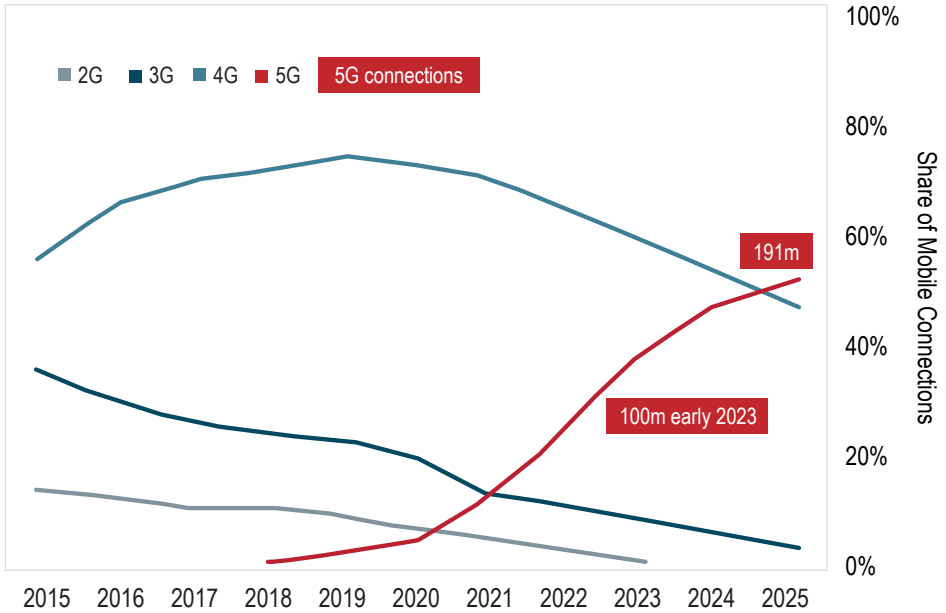
- 1G (deployed in the 1980s): Analog cellular technology, very low bandwidth, designed to enable mobile phone calls
- 2G (deployed in the 1990s): Digital cellular technology, digital voice phone calls, enabled SMS (short messaging service – sending texts)
- 3G (deployed in the 2000s): Widespread use of CDMA (code-division multiple access) technology, high-quality audio for calls, early stages of low-quality video over mobile, and internet access
- 4G (deployed in the 2010s): Significant increase in data bandwidth, enabling internet browsing and streaming of high-quality video, voice-over IP technology (basically, free phone calls anywhere in the world using services like Skype or any kind of messaging application)

If you have a modern smartphone in the U.S. – or the developed world, for that matter – it's likely that you're using a fourth-generation (4G) wireless network. About once every 10 years, the world goes through a major wireless infrastructure buildout.

In the 1990s, it was second-generation (2G) technology. In the 2000s, it was third-generation (3G) technology. And in the 2010s, it's been fourth-generation (4G) wireless technology.

As we can see in the chart below, 4G subscribers will peak this year and are at the earliest stages of decline. And the reason why is 5G wireless technology... It's coming a couple years earlier than previous generations.

U.S. Mobile Connections by Technology



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Source: GSMA Intelligence

The reason is simple: The world has an insatiable demand for more connectivity. More internet browsing, more messages, more video chats, more streaming video... all over their smartphones and tablets that are connected to wireless networks. This demand has accelerated the migration from 4G to 5G.

What's more, 4G wireless networks are congested, resulting in poor speeds, dropped calls, and frustrated customers. As a result, subscriber growth on 5G networks will be on an exponential growth trajectory over the next five years; it's scheduled to overtake 4G subscribers by 2024.

And it is all happening right now... this year – not two or three years from now.

Verizon has already begun investment in building out 5G networks

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in five cities around the U.S. And Sacramento, California is expected to be the first city they'll launch 5G in, as soon as the second half of 2018.

AT&T announced that it would begin offering 5G to customers in a dozen cities by the end of the year, with notable deployments in Dallas, Atlanta, and Waco, Texas.

T-Mobile came out trying to upstage the other two with plans to offer 5G in 30 cities before the end of the year, including New York and Los Angeles.

And to make this 5G network construction happen as fast as possible, wireless carriers are going to have to rely on infrastructure companies to support this massive undertaking. And this will result in a massive influx of investment capital...

Largest Communications Infrastructure Buildout in History

The economic impact of 5G network deployments will be profound. For the U.S. market alone, it is expected that as much as \$275 billion will be spent by U.S. wireless carriers (AT&T, Verizon, and the combined T-Mobile/Sprint).

To put those in more understandable terms, this will result in an estimated 3 million jobs created and \$500 billion in GDP growth... again, just in the U.S. On a global level, total investments will be on the order of \$200 billion per year through 2025. Put simply, this is the largest, most significant communications infrastructure build-out the world has ever seen.

What will this mean for consumers?

- Typical speeds on 5G will be as high as 1 Gbps (gigabit per second) which would be 100 times faster than what a U.S.

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consumer experiences in the U.S. today on 4G. Even at 100 Mbps (megabits per second), it will still be 10 times faster than today.

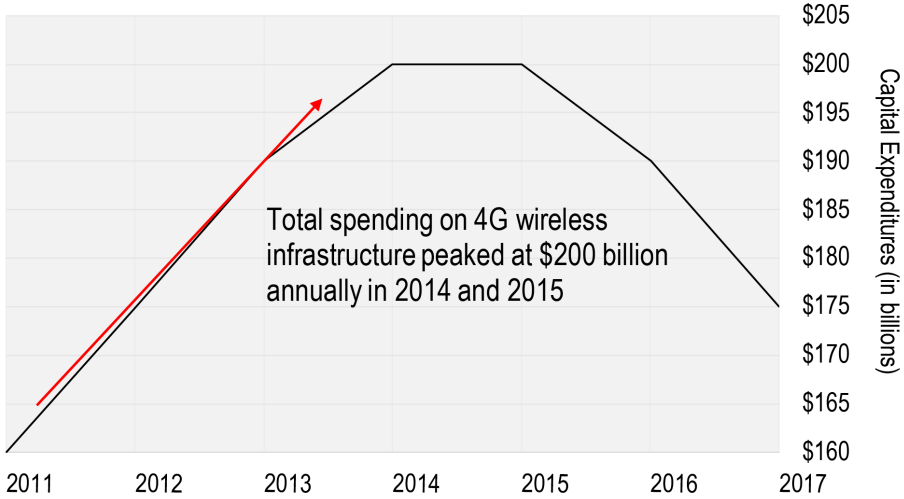
- Self-driving cars will be connected in real time over wireless networks.
- Companies will be piloting trucks for logistics remotely, just as drones can be flown from halfway around the world over satellite networks.
- We'll be able to surf the internet and make phone calls while riding on a high-speed train up to 310 miles per hour (500 km/hour).
- Consumers will be able to “sit in” on meetings by projecting themselves using holographic images in real time with no video or audio delay.
- And there will effectively be no latency (delay) over 5G networks. Latency will drop by 99% from more than 100 milliseconds down to a mere millisecond. Latency like this would enable a doctor to operate on a patient with robotic surgery... over a wireless network.

5G wireless networking technology is not evolutionary, it's revolutionary.

So where are we in this process, and how does it compare to the

rollout of 4G wireless networks?

Global Spending on 4G Wireless Infrastructure



2011 was really the first major year when there was widespread investment in 4G wireless infrastructure buildout. By the end of 2011, there were 285 mobile operators investing in 4G network technology.

As you can see above, global spending on 4G infrastructure was around \$160 billion in 2011, rising to \$200 billion a year in 2014 and 2015. Right now, for the 5G buildout, we're at a period roughly equivalent to early 2011.

This is precisely why you need to begin building investment positions on this exciting trend now. If you wait two years until we near the peak investment cycle in 2020 and 2021, it will be too late. Technology companies well-positioned in this space will have already seen their stock prices run up. The big money will have already been made.

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An easy way to look at the investment opportunity phases in a completely new rollout of technology like 5G is the following:

- Phase 1: Physical network buildout – infrastructure (towers, fiber-optic networks) and equipment (antennas, base stations, routers, and switches)
- Phase 2: Wireless devices (smartphones, tablets, etc.) that run on the new 5G network and the components that go inside of them
- Phase 3: Services – companies that deploy services that take advantage of the 5G network

At this stage, you want to invest in companies that are delivering solutions for Phase 1... And as each phase approaches, look for companies that fit within the respective mold.

There are four companies on my radar today that are poised to rocket higher as Phase 1 of the 5G infrastructure buildout ramps up. I can't share the names with you, as those are reserved for my *Near Future Report* subscribers, but understanding what makes these four companies such great opportunities will help you navigate this coming boom...

Opportunity #1: The Company That Survived the Telecom Bust

This company had a run of over 1,000% during the late-'90s telecom boom. And it survived the bust, even after a 98% drop from its all-time high.

After divesting most of its consumer product lines after the bust, it's now going all-in on 5G. It's restructured its business to focus almost completely on providing 5G network infrastructure. And it's doing this in two ways...

Not only does this company provide a key material that 5G couldn't exist without... it's patented a technology that's found in almost every smartphone made today.

So this company will rake it in while 5G is being built out... and then once again, as consumers around the world upgrade their phones to use the new high-speed 5G network.

And the market's asleep at the wheel. This dividend-paying stock is an absolute no-brainer, and it's flying under every mainstream investor's radar. [Click here to read more about this opportunity... and the best way to get positioned.](#)

Opportunity #2: An Unusual Transformation

This company was once a household name... but it's since taken a much more "behind the scenes" role.

What's great about the opportunity here is that 99% of investors simply don't understand it. They still think of this company as a has-been of the tech boom, not knowing that it's completely transformed its business. This company has been quietly preparing for the 5G buildout for over a decade, and now it's ready to be a key player in its construction.

It's done so by making smart acquisitions and dumping its non-core divisions and assets. It was a complete restructuring that transformed it from a struggling hardware company to a network provider that's severely undervalued.

But that's only part of the story. You see, recently, the U.S. government formally recommended that consumers stop buying products from certain Chinese companies... putting this firm in a prime competitive position.

This stock is a screaming buy today. And even better, it pays a divi-

dend. That's right – you'll get paid to wait for this story to play out, to the tune of 100% over the next three years. [Learn more about it right here.](#)

Opportunity #3: The Best-Managed Infrastructure Company in the Business

This company's business is surprisingly simple. It constructs, owns, and operates cell towers for the four major wireless providers in the U.S. – AT&T, Verizon, T-Mobile, and Sprint. These cell towers are some of the most valuable “real estate” in the country. And this company has all the business it needs to keep going strong as the world moves forward into 5G.

It's gushing cash... and the cash flows are only getting bigger. And it uses that cash hoard for two incredibly bullish things:

1. Share buybacks (a huge boon to the stock price).
2. Further expanding its 5G “real estate” empire.

This second point is especially important. As this company acquires more and more cell towers... and the major wireless carriers continue to expand their operations... the cash keeps coming in. It's like a never-ending cycle of profits...

And if you can believe it, there's yet another piece of bullish news for this company...

Very soon, it will turn itself into a “real estate investment trust” (REIT). Now, you don't necessarily need to know about all the advantages a REIT enjoys. But the main thing to know is that REITs must pay dividends to their investors... And once this company starts, it'll pop up on the radar of mutual funds, institutional funds, pension funds... and more.

This means a massive amount of buying from these funds in the very near future. That's why this stock is a strong buy today. I think it'll double in less than three years. [Learn more about this opportunity right here.](#)

Opportunity #4: The Millennial Money Machine

This company is a “stealth play” on 5G. While it isn't contributing to the 5G buildout itself, its wildly popular products only stand to get better (and more profitable) as we move to a high-speed 5G standard. It possesses technology that's already impressive, but it'll only grow faster and more powerful as 5G wireless infrastructure is put in place.

What's more, it has numerous fundamental tailwinds at its back. More and more millennials are using this company's product every single day. And statistics show that smartphones have become the most popular digital platform (and only getting more popular). This company will capitalize on that popularity with its ingenious product line.

In 2017, digital advertising spending surpassed television spending for the first time ever. There's perhaps no stronger prospect for this company than that. As it continues to monetize its user base through a product that most millennials can't go through the day without using... its profits will soar.

And it doesn't stop there. You see, this company is at the forefront of augmented reality (AR) technology. It was one of the first companies to bring AR to the masses in a way that stuck. And it holds key patents that show how it'll use that technology to revolutionize the way we interact with ads and spend money on them.

As 5G takes hold, all of these exciting developments will only become faster, more powerful, and easier to use for this company's

customers. That’s why we call it “the millennial money machine.” The more that millennials use this company’s product... and interact with its innovative advertising... the more cash it’ll rake in.

[You can learn more about this company right here.](#)

These companies are just the tip of the iceberg when it comes to the “invisible fiber” that will soon replace ALL of 4G technology with 5G.

Like I said earlier, history has a way of repeating itself, and if the 5G infrastructure buildout does just a fraction of what cable antennas did over 60 years ago, you need to position yourself today.

[Click here to watch my entire presentation on this topic, and how you could see multiple doubles in the coming years...](#)

Regards,

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