

Singer Wealth



Data Centers in High Demand

Data centers are in high demand due to the increasing reliance on digital technologies across all sectors. Businesses across industries are adopting digital technologies to improve operations, requiring robust IT infrastructure for data processing, storage, and analysis. The shift to cloud-based services for applications, data storage, and remote work solutions has increased demand for data centers that power these platforms.

The rapid expansion of e-commerce, streaming services, and social media platforms generates significant data that must be processed and stored securely. Artificial intelligence (AI) and data analytics require high-performance computing capabilities, which data centers provide. These trends underline the critical role of data centers in supporting the digital economy. Data centers are essential for supporting the growth of our digital-first world but there is growing concern about a potential shortage of data centers in some regions due to increasing demand for digital services.

Applied Digital Corporation (APLD) is a company that focuses on designing, building, and operating next-generation digital infrastructure that supports high-performance computing (HPC) applications. The company's facilities cater to demanding computational needs, such as artificial intelligence, machine learning, and data analysis, as well as blockchain technology and cryptocurrency mining.

The major shareholders of the company include Vanguard, Blackrock and Nvidia. One of the unique ways the company is raising money to fuel additional acquisition of data centers is through the issuance of private preferred stock. The private preferred stock yields over 9.5% and it can be redeemed back to the company at the shareholder's request for the original purchase price after two years. The private preferred stockholders are ahead of the common stockholders in terms of priority and dividend payouts.

That means that if APLD were ever to encounter financial difficulty, Blackrock, Nvidia, and Vanguard would have to lose all their investment in the company before the preferred shareholders lost any money. These dividends are taxed as qualified dividends which means that if you are married and your income is under \$94,500 the dividends are tax free and if your income is under \$492,300 the income received is taxed at only 15%.

Have you heard about our Vision Quest Process? Watch the video below to learn more!

Singer Wealth

www.singerwealth.com

561.998.9985



We are committed to helping you achieve your financial goals. Please feel free to contact us with any questions, comments, or a more in-depth discussion.

Sincerely,
Keith Singer

Singer Wealth
1515 S Federal Highway Suite 302
Boca Raton, FL 33432
(561) 998-9985
www.singerwealth.com

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Singer Wealth | 1515 S Federal Hwy Suite 302 | Boca Raton, FL 33432 US

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