

MARCH 2022
MONTHLY UPDATE

Evolve Metaverse ETF

MESH provides investors with an actively managed diversified portfolio of companies involved in the development of the metaverse.

TSX

MESH

ETF TICKER: MESH (HEDGED)

Investment Thesis: The metaverse is an immersive next-generation digital universe with vast opportunities in the software, VR/AR hardware and virtual platforms involved in its development.

GENERAL INDUSTRY UPDATE



Source: Rawpixel.com

In just a few short months, the metaverse has gone from an unrealized concept to one of the biggest buzzwords in the technology industry. Interest in the metaverse ramped up after Facebook rebranded itself as Meta Platforms Inc in October 2021. Companies as varied as Amazon.com, Apple, Activision Blizzard, Microsoft, Nike, and Google parent Alphabet are also making moves into the Metaverse.

Built around decentralized technologies and virtual worlds that are accessible through personal computers, virtual reality/artificial intelligence, game consoles, and smartphones, the metaverse is being billed as the future of the Internet.

In 2020, the metaverse market was worth just \$21.9 billion.¹ According to a report by Citi, by 2030, the Metaverse could be worth as much as \$13 trillion, with total global Metaverse users totalling around five billion.²

Over that short 10-year period, the metaverse economy is projected to expand at a CAGR of 90.1%. To get there, the Metaverse is going to need significant investment in infrastructure.

These type of huge gains are not lost on the investing community. In the opening days of Facebook's transition to Meta Platforms, the term "Metaverse ETF" on was one of the most searched terms on Google.³

COMPANY SPECIFIC UPDATES



Source: Escape-technology.com

Nvidia Corp

Nvidia Corp, which is held by the fund, believes the metaverse will revolutionize every industry and is looking at developing the “omniverse,” a version of the metaverse that also includes industrial applications and innovations in AI and VR.

To support that claim, the company recently announced plans to expand its portfolio of AI-focused chips and software applications. Company CEO Jensen Huang said Nvidia is targeting industries with \$100+ trillion in revenue, noting that \$1 trillion is the company’s total addressable market. This includes the automotive industry, chips and systems, AI enterprise software and “Omniverse” simulation software, and video gaming.⁴

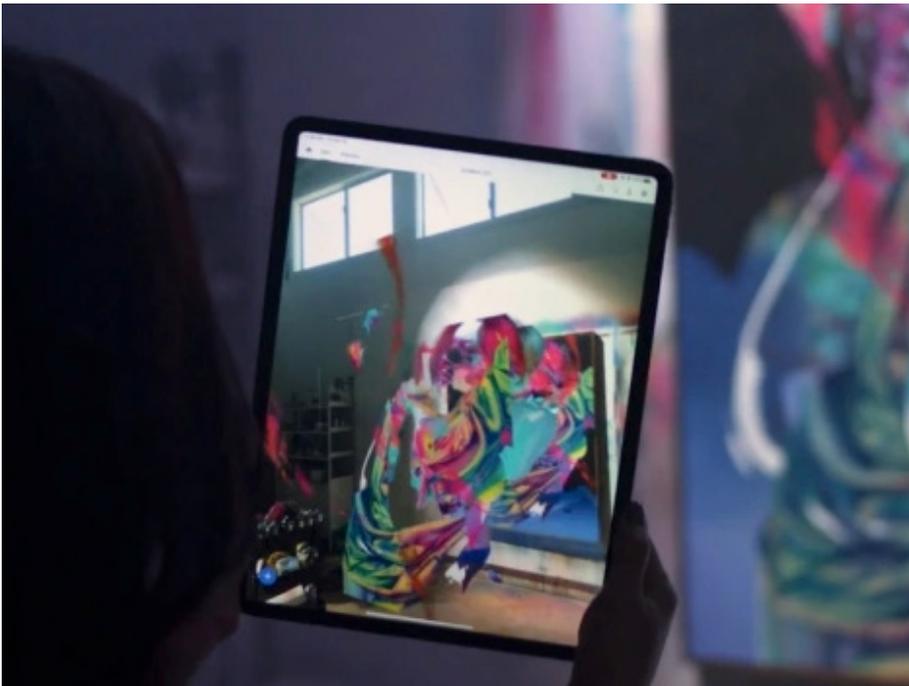


Source: sportsmintmedia.com/sonyinteractiveentertainment

Sony Group

Sony Group, the name behind PlayStation, which is also held by the fund, announced it is buying Montreal, Quebec-based development studio Haven Entertainment Studios Inc.

Founded by acclaimed industry veteran Jade Raymond, Haven is working on its first project for Sony’s PlayStation, a multiplayer game described as a live experience “built upon a systemic and evolving world focused on delivering freedom, thrill, and playfulness.”⁵ Raymond, also one of the creative forces behind the Assassin’s Creed franchise, previously founded Ubisoft Toronto and Motive Studios.



Source: Adobe

Adobe Inc.

Adobe Inc., which is held by the fund, has been quietly staking its claim in the metaverse. The software giant sees metaverses or virtual worlds and other immersive experiences as the future of digital interactions—immersive experiences that target consumers, job training, cultural experiences, gaming, remote meetings, gaming, and more.⁶

The company’s cloud services and suite of tools, which includes its 3D modelling products, are the winning formula that is helping companies create a virtual twin of their goods or services in the metaverse. Instead of creating new worlds in the metaverse, Adobe is creating immersive, interactive, digital spaces millions of customers around the world already know.

Adobe is collaborating with The Coca-Cola Company, Epic Games, NASCAR, and others on 3D content creation, e-commerce, and portable immersive experiences.

Sources:

1. "Metaverse Market Worth USD 21.91 Billion In 2020 and is Predicted to Grow at 41.7% CAGR by 2030," Market Research Future, December 14, 2021; <https://www.globenewswire.com/news-release/2021/12/14/2351695/0/en/Metaverse-Market-Worth-USD-21-91-Billion-In-2020-and-is-Predicted-to-Grow-at-41-7-CAGR-by-2030-Report-by-Market-Research-Future-MRFR.html>
2. "Metaverse And Money," Citi, March 2022; <https://ir.citi.com/gps/x5%2BFQJT3BoHXVu9MsqVRoMdiws3RhL4yhF6Fr8us8oHaOe1W9smOy1%2B8aaAgT3SPuQVtwC5B2%2Fc%3D>.
3. Abboud, R. "Rise of Metaverse ETFs as they march into Europe," Nasdaq.com, March 15, 2022; <https://www.nasdaq.com/articles/rise-of-metaverse-etfs-as-they-march-into-europe>.
4. "GTC 2022 Keynote with NVIDIA CEO Jensen Huang," NVIDIA, March 21, 2022; https://www.nvidia.com/gtc/keynote/?nvid=nv-int-bnr-594614#cid=gtcs22_nv-int-bnr_en-us.
5. "Sony Interactive Entertainment To Acquire Haven Entertainment Studios Inc.," Sony Interactive Entertainment, March 21, 2022; <https://www.sie.com/en/corporate/release/2022/220322.html>.
6. "Adobe Empowers Brands to Succeed in the Metaverse," Adobe, March 15, 2022; <https://news.adobe.com/news/news-details/2022/Adobe-Empowers-Brands-to-Succeed-in-the-Metaverse/default.aspx>.

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