

OCTOBER 2022
MONTHLY UPDATE

Evolve Metaverse ETF

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

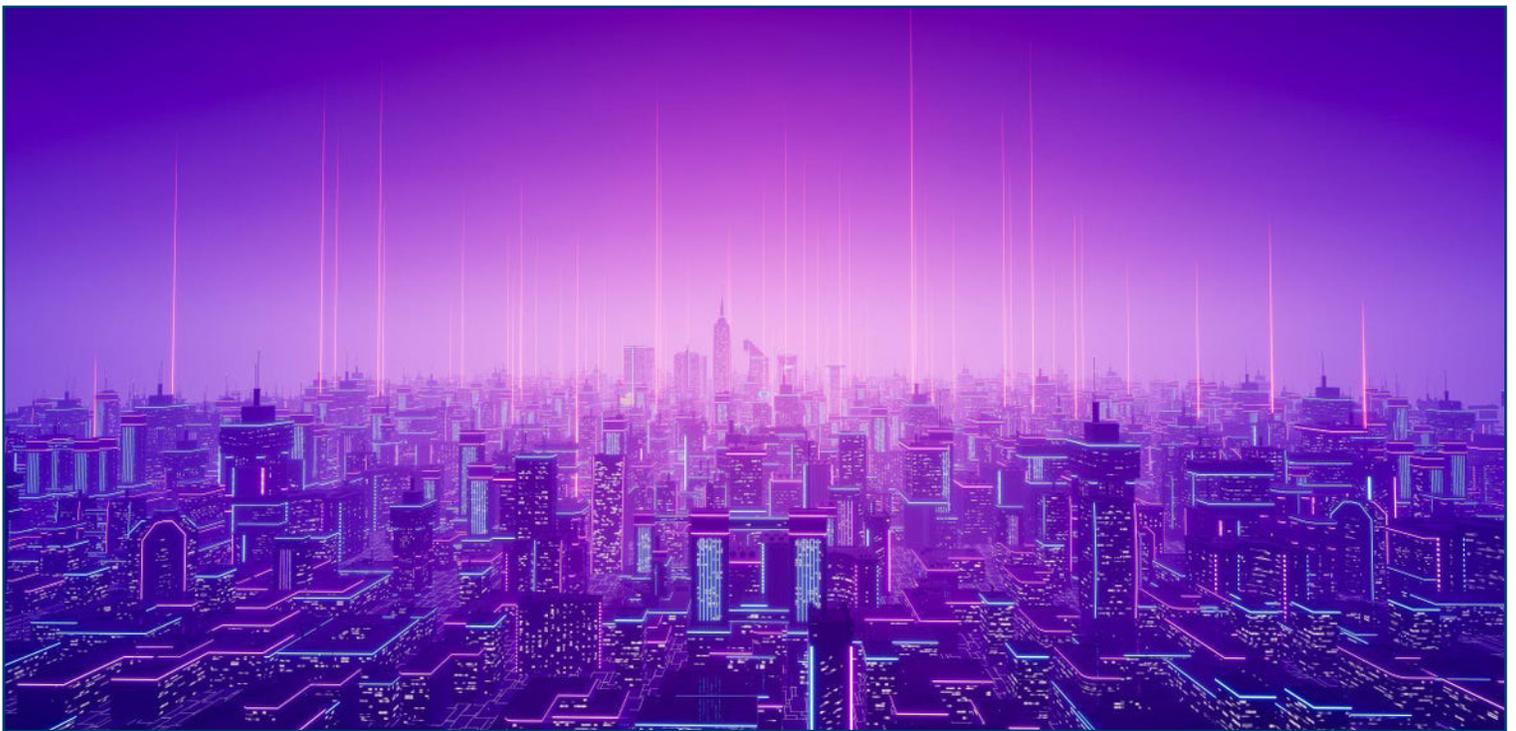
TSX

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: Forbes.com

The Metaverse is still in the early stages of development, not unlike the Myspace era during the early rise of social media. However, some companies have positioned themselves better than others for the future.

Facebook parent company, Meta Platforms, has been a big promoter for growth and development in the metaverse. In addition to actually changing its name to Meta Platforms, the company's goal is to unlock the massive potential of the metaverse.

To participate in the metaverse users need to be able to interact with it. On October 25, the company began shipping its newest virtual reality (VR) headset, the Meta Quest Pro.¹

Meta Platforms has been making some other exciting moves into the Metaverse space. Meta and Microsoft Corp announced they are partnering to deliver an immersive virtual reality (VR) experience for work and play.²

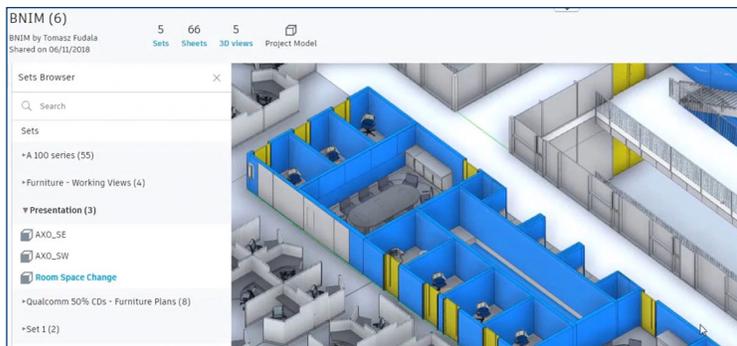
As part of the venture Microsoft will be bringing some of its biggest apps and games, Teams, Office, Windows, and Xbox Cloud Gaming, to Meta's Quest VR headsets.

Microsoft CEO, Satya Nadella, said that Microsoft Teams will integrate with Quest devices and that Microsoft will provide a way to stream Windows apps to Meta's headsets. Microsoft's streaming game service, Xbox Cloud Gaming, will be integrated into Quest devices sometime within the coming months.

Custom avatars will eventually be part of the experience and Horizon Workrooms (Meta's VR space for collaboration) will connect with Teams, allowing users to join a Team meeting directly from Workrooms.

As for Xbox Cloud Gaming, on the Quest headsets, it will stream hundreds of games to a 2D VR screen, using existing Xbox controllers.

COMPANY SPECIFIC UPDATES



Source: Autodesk.ca

Autodesk Inc

Autodesk Inc, a provider of 3D design, engineering, and entertainment software and services, recently launched a suite of new capabilities across Autodesk Construction Cloud. The new updates help construction project teams maximize their use of building information modelling (BIM).³

BIM is a highly collaborative interactive process that allows architects, engineers, contractors, and other construction professionals to plan, design, and construct a building within one 3D model.

Autodesk, which has long supported the architecture, engineering, and construction industry with a variety of interactive tools, recently announced a collaboration with Epic Games, the name behind Fortnite, to provide hyper-realistic 3D graphics, accelerating real-time, immersive design capabilities with an initial focus on architecture, engineering, and construction (AEC).⁴



Source: Ravepubs.com

eXp World Holdings Inc.

eXp Realty, the world's fastest-growing real estate brokerage and a core subsidiary of eXp World Holdings, Inc., announced the launch of eXp Luxury, a luxury real estate program that leverages eXp Realty's proprietary tools and technology.⁵

The cloud-based brand will help enhance eXp Realty's customized market capabilities, including targeting advertising placement in its SUCCESS Magazine and premium brand partnerships. The program will also feature certification courses and coaching, masterminds and events, and exclusive access to a council of experienced eXp Luxury agents.

eXp World Holdings' subsidiary, Virbela, is a virtual platform upon which the enterprise's Metaverse could be built. Virbela is the first virtual world platform designed specifically to solve the challenges of remote collaboration. Through Virbela, users can build 3D virtual worlds for work, education, games, real estate, and events.⁶

PORTFOLIO STRATEGY AND ACTIVITY

For the month, Roblox Corp made the largest contribution to the Fund, followed by eXp World Holdings Inc. and Autodesk. The largest detractors to performance for the month were Tencent Holdings Ltd, followed by NetEase Inc and Meta Platforms Inc.

Sources:

1. Vanian, J., "Meta CEO Mark Zuckerberg debuts Meta Quest Pro VR headset that will cost \$1,500," CNBC, October 11, 2022; <https://www.cnbc.com/2022/10/11/mark-zuckerberg-debuts-meta-quest-pro-vr-headset-that-will-cost-1500.html>.
2. Teper, J., "Microsoft and Meta partner to deliver immersive experiences for the future of work and play," October 11, 2022; <https://blogs.microsoft.com/blog/2022/10/11/microsoft-and-meta-partner-to-deliver-immersive-experiences-for-the-future-of-work-and-play/>.
3. "New Model-Based Workflows, Reality Capture and Extended File Support in Autodesk Construction Cloud Make BIM More Valuable to Construction Teams," Autodesk, Inc., September 27, 2022; <https://investors.autodesk.com/news-releases/news-release-details/new-model-based-workflows-reality-capture-and-extended-file>.
4. "Autodesk and Epic Games to Deliver Real-Time, Immersive Design Capabilities to Customers," Autodesk, Inc, September 27, 2022; <https://investors.autodesk.com/news-releases/news-release-details/autodesk-and-epic-games-deliver-real-time-immersive-design>.
5. "The Future of Luxury Real Estate Has Arrived at eXp Realty," eXp Holdings, Inc., October 13, 2022; <https://expworldholdings.com/press-releases/the-future-of-luxury-real-estate-has-arrived-at-exp-realty/>.
6. "Virbela," Virbela, last accessed November 16, 2022; <https://www.virbela.com/>.

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