The Metaverse. See it for all it really is.

What is the Metaverse? **Meta = Beyond Verse = Universe**

- Also known as Web 3.0, the Metaverse is the convergence of the physical and digital worlds
- It connects people to other people, places and things

3 main drivers accelerating Metaverse adoption



Innovation

Technological breakthroughs in various areas, such as blockchain/cryptocurrency, 3D software and chip processors can drive growth



Acceptance

Gen X and Millennials generally accept a digitalised world, and Gen Z grew up to be digital natives



An increasingly connected world will allow adoption of the Metaverse at scale

The Metaverse Opportunity



A potential \$800bn ** market by 2024 (Bloomberg, 2021)

Forecast: Compound annual growth rate of around 13%

(Bloomberg Intelligence 2021)

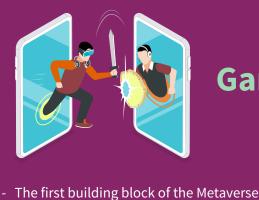
Could represent a \$1trn market bv the end of the decade²

L...the Metaverse, or Web 3.0 is connecting people to people, places and things. This is a huge technological change that allows a vast range of opportunities. - AXA Investment Managers



4 Sub-themes with Long-term **Investment Potential**

AXA IM has identified four main sub-themes with potentially long-term investment opportunities.



Gaming

- The gaming industry's technological breakthroughs offer immersive and large-scale experiences
- **Roblox**: One of the leading Metaverse gaming companies with approximately 55 million
- average daily active users³ **Epic Games**, creators of Fortnite, secured **\$2bn** from Sony and LEGO to fund Metaverse plans4
- Gaming themes include: Virtual possessions and
- gamevertising⁵



- Social platforms enable the Metaverse by providing content creation, ongoing maintenance of live
- experiences, user interfaces and social interactions - Meta CEO, Mark Zuckerberg, committed a capital expenditure of \$29bn to \$34bn to build
- Metaverse capabilities and spent \$10 billion on Facebook Reality Labs⁶ - Socialising themes include: Digital relationships, AR experiences



Working

- reality, utilising the Metaverse Google invested \$39.5 million in a private equity
- fund for Metaverse projects⁷ Working themes include: Virtual venues/events, travelportation



3) Cybersecurity/payments - Powerful 3D real-time simulation will allow people

to create a 'digital twin' - an identical digital copy of

a physical element - before deploying it in the real world - **Over 100,000** individual creators, designers,

maker NReal9

2) Network infrastructure

- engineers, and students downloaded the **NVIDIA** Omniverse platform in 20218 Alibaba leads \$60 million funding into AR glasses

Enabling themes include: Hardware, app technologies



Sources:

¹Llandric, Pauline, "All across the Metaverse: What Is It and What Investment Opportunities Does It Present?" AXA Investment Managers Singapore, March 22, 2022. ²CB Insights. "The Metaverse Could Be Tech's next Trillion-Dollar Opportunity: These Are the Companies Making It a Reality." CB Insights, April 21, 2022. ³ Makuch, Eddie. "Roblox Had Nearly 55 Million Daily Active Players in January, about 45.5 Million for Last Year." GameSpot, February 16, 2022. ⁴ Staff, Editorial. "Epic Games Raises \$2B for Metaverse, MasterCard Scales NFT Plans and Ripple Scores Big Win against Sec: Hodler's Digest, April 10-16." Cointelligation and Ripple Scores Ripple Scores Research and Ripp Magazine, April 16, 2022. ⁵ Chui, Emma. Rep. Into The Metaverse. Wunderman Thompson, 2021. ⁶ Kastrenakes, Jacob, and Alex Heath. "Facebook Is Spending at Least \$10 Billion This Year on Its Metaverse Division." The Verge, October 25, 2021. 7 Shen, Timmy. "Google Backs Foxconn Taiwan Subsidiary on Metaverse Projects." Forkast, January 7, 2022. 8 Mendizabal, Edmar. "2021 Marked the Year of Virtual Worlds with Innovations from Nvidia Omniverse." NVIDIA Technical Blog, January 27, 2022. ⁹ Kaur, Dashveenjit. "Alibaba Pours Millions into AR Glasses Maker Nreal as It Bets on Metaverse." Tech Wire Asia, April 4, 2022.