



THIS IS THE MONTHLY NEWSLETTER  
BY AND FOR  
THE BERGOS NEXT COMMUNITY.

B E R G O S

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N E X T  
M O N T H

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THIS MONTH IS:  
**MAY**

**Metaverse May**

A BERGOS BRIEFING

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# *The* Metaverse



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**NEXT INVESTOR**

## WHAT DOES METAVERSE MEAN?

Metaverse is a combination of both, the Greek word “meta” and the English word “universe”. Meta in Greek is popularly used as a prefix to mean “after” or “beyond”. The metaverse is the convergence of two ideas that have been around for many years: virtual reality and a digital second life. The metaverse represents the fourth wave to computers, following the mainframe computing, personal computing, and mobile computing. The inter-connectivity of such a computing landscape is among the most interesting aspects of this evolution. Currently, however, there remain some key friction points to solve. Among these issues are hardware, broadband connectivity and mass appeal use cases. However, most investors and tech operators are investing toward this direction.

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- 1991 IN 1989/90, RESEARCH OF THE BRITISH COMPUTER SCIENTIST TIM BERNERS-LEE AT CERN SWITZERLAND RESULTED IN THE WORLD WIDE WEB.
  - 1992 SCIENCE FICTION AUTHOR NEAL STEPHENSON COINED THE TERM “METAVERSE” IN HIS BOOK SNOW CRASH.
  - 2002 THE CONCEPT OF THE DIGITAL TWIN WAS INTRODUCED. DIGITAL TWIN IS KNOWN AS A VIRTUAL REPRESENTATION OF AN OBJECT, E.G. A BUILDING.
  - 2003 PHILIP ROSEDALE AND HIS TEAM AT LINDEN LAB DEVELOPED SECOND LIFE, AN ONLINE VIRTUAL WORLD.
  - 2008 A WHITEPAPER BY SATOSHI NAKAMOTO REVEALED THE INVENTION OF BITCOIN, THE WORLD’S FIRST CRYPTOCURRENCY AND BLOCKCHAIN PLATFORM, SPURRED THE CREATION OF MANY NEW CRYPTOCURRENCIES.
  - 2011 ERNEST CLINE WROTE THE NOVEL READY PLAYER ONE, WHICH INTRODUCED MANY YOUNG PEOPLE TO THE CONCEPT OF A VIRTUAL REALITY WORLD.
  - 2012 THE FIRST KNOWN NON-FUNGIBLE TOKENS (NFT) WAS CREATED. A NFT IS STORED ON A BLOCKCHAIN AND CAN BE SOLD AND TRADED, HOWEVER, IT IS A NON-INTERCHANGEABLE UNIT OF DATA.
  - 2016 POKÉMON GO WAS THE FIRST GAME TO OVERLAY A VIRTUAL WORLD ONTO THE REAL WORLD.
  - 2017 THE INVENTION OF FORTNITE, A MULTI-PLAYER VIDEO GAME, THAT WAS REACHING A 350 MILLION USERBASE.
  - 2020 TRAVIS SCOTT AND MARSHMELLO PERFORMED IN THE VIDEO GAME FORTNITE TO APPROX. 30 MILLION PEOPLE.
  - 2021 THE FACEBOOK COMPANY IS NOW META

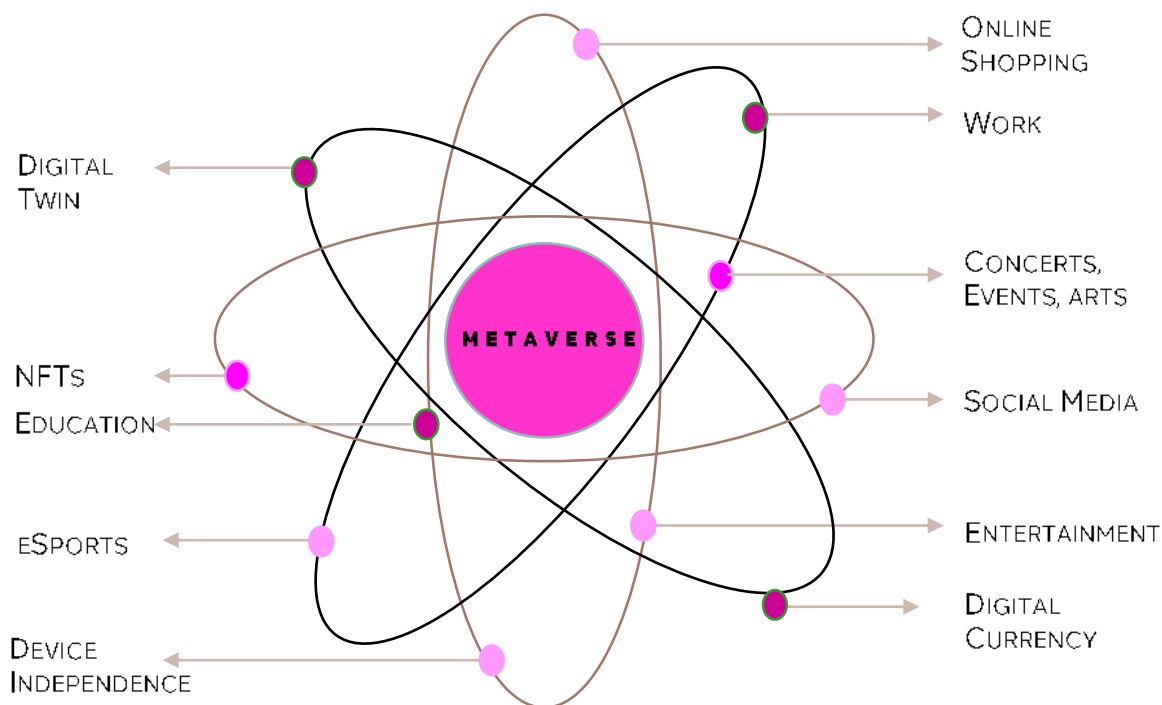
“the *metaverse* is here, and it’s not only *transforming* how we see the world but how we *participate* in it”

Satya Nadella, Microsoft CEO

In October 2021, Mark Zuckerberg morphed Facebook into Meta, announcing its rebranding and repositioning towards the metaverse. He believes that the metaverse will replace the internet as we know it saying that “the next platform and medium will be even more immersive and embodied internet where you’re in the experience, not just looking at it, and we call this the metaverse”.

### AREAS OF THE METAVERSE

Over the past 20 years, some early adapters have been using the virtual world for entertainment purposes, research, and training. Some elements of the metaverse can be found in video games, where players spend time with a personal avatar<sup>1</sup>. The importance of the online virtual space, however, has surely grown due to the Corona Pandemic, accelerating the transition to Metaverse. With the lack of physical experiences during the pandemic, the AR and VR market saw strong growth. Consumer adoption will certainly be a major driving factor in business opportunities for AR and VR.



<sup>1</sup> AN AVATAR IS A GRAPHICAL REPRESENTATION OF A COMPUTER USER. GENERALLY, IT CAN BE ANYTHING BETWEEN A CARTOON OR A FANTASY FIGURE RATHER THAN A REALISTIC PHOTO.

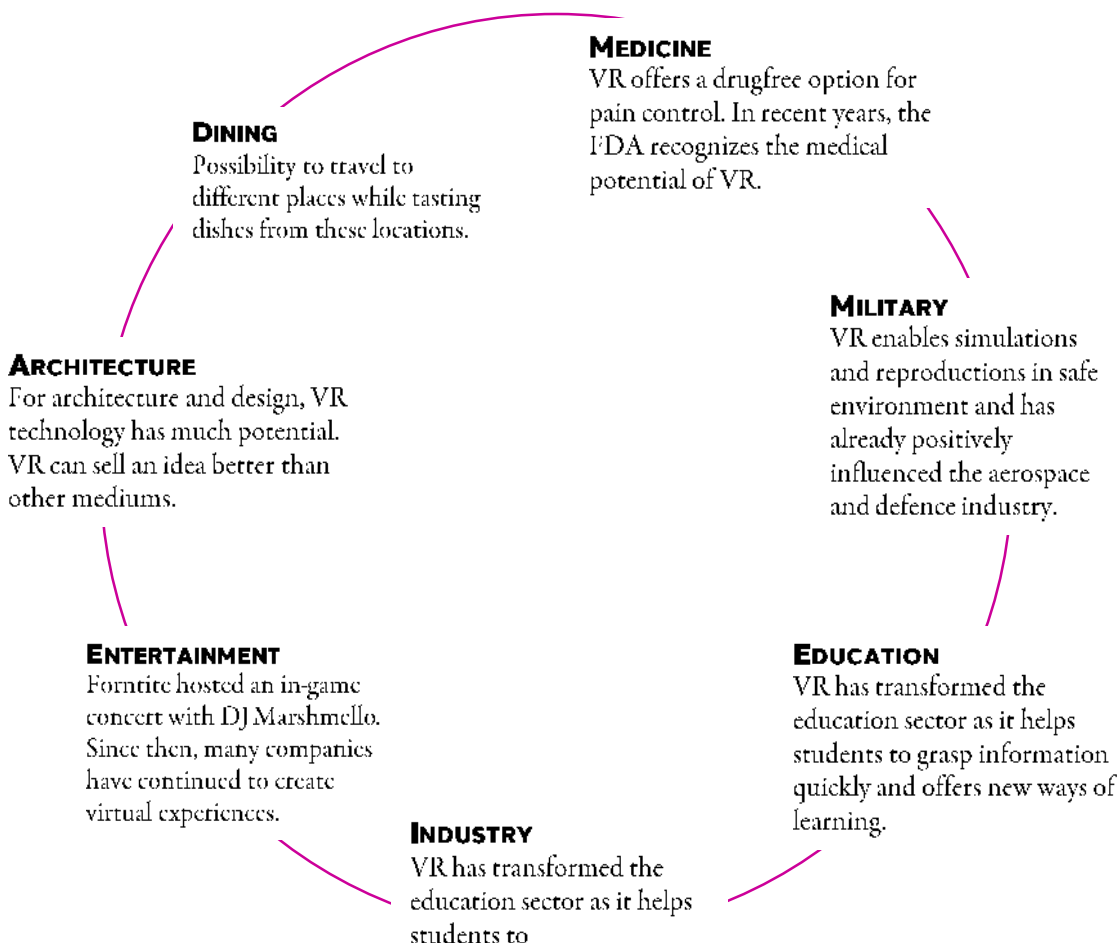
## THE GAMING INDUSTRY

The metaverse is not a fictional, sci-fi future anymore. Glimpses of it can be seen in online games like Fortnite, Minecraft and Roblox. Already prior to COVID-19, video games started to blur the lines between virtual and physical events & activities. Besides in-game events, such as the DJ Marshmello concert in Fortnite, the eSports industry saw professional eSports players partnering with celebrities on Twitch (e.g. Drake and Ninja playing Fortnite), and kids celebrated virtual birthday parties on Minecraft during lockdown. These in-game events and activities have led to a significant growth of the user base and increased levels of engagement, consumption, and ultimately monetization. These examples demonstrate the many use cases video game platforms can offer. At the same time, these events allowed contributors to directly connect with the next generation.

## NEXT GENERATION OF USERS

As the metaverse develops, it will allow new ways to engage with consumers and transform areas like shopping. In a world of digitalization, virtual reality (VR) is getting increasingly important. Virtual reality is a computer-generated experience, changing everything into a three-dimensional, real-world scenery. Hardware devices such as headsets, glasses, gloves, and bodysuits make this VR experience possible and transformed the gaming and entertainment industries.

# The Metaverse: A Digital Economy



These hardware technologies can be used in instructive training such as pilots, soldiers in defence, field workers and many more. However, besides training purposes, the technology is also widely accepted across industries, fuelling the growth of the market. Nowadays, VR is being used to treat patients with mental health challenges or in the tourism industry taking potential customers on a virtual tour of their trip.

## **AR, VR, AND THE INTERNET OF THINGS**

Not only VR, also Augmented Reality (AR) offers interactive experiences. While VR completely blocks out the physical world, AR technologies keep you in the real world. However, AR can be understood as an enhanced version of the real world adding digital visual elements, sounds or other stimuli via technology.

Just like VR, AR technologies are widely used. Particularly, in beauty many brands are investing in this technology. But also many luxury brands offer virtual “try-before-buy” experiences. According to Boston Consulting Group, this new (augmented) reality, led by founders and millennials, is already changing the way beauty products are sold.

## **THE DIGITAL TRANSFORMATION**

Whether in VR, AR or simply on a screen, the metaverse creates an overlap in all aspects of our digital and physical lives. In order to unlock the full potential of the metaverse, 5G will play a crucial role as the metaverse requires a massive amount of computing power. Ultra-fast network speeds and low latency are needed to enable bandwidth-intensive applications and to handle thousands of simultaneous users in close proximity. According to VanEck, semiconductors will become the nervous system of this emerging virtual world. Semiconductors are at the heart of today’s tech revolution while only a small number of companies make them. According to Morningstar, benefits to chipmakers will be “uneven”. Since the metaverse requires real-time processing of an immense amount of data, it will require chips involved in to use advanced process nodes. Worldwide only very few companies produce these chips.

In such a cashless, virtual environment, cryptocurrencies and blockchain will also play a crucial role. The tech looks set to introduce a revolutionary virtual world built on the blockchain in which users can take ownership of virtual spaces to build, interact, trade, and do whatever else they please. VanEck stated that crypto assets will be the metaverse’s real estate and currency.

## **PRIVACY IN A PARALLEL DIGITAL UNIVERSE**

The emerge of the metaverse has been a cinematic experience to most of us, however, is also presents an opportunity to translate our working, travelling, shopping, socializing habits into the parallel digital universe. Privacy and other legal issues will be at the forefront of the metaverse as it develops further. We can expect that the same range of issues will apply to metaverse users such as anti-money laundering, sanctions, financial services regulation, intellectual property rights, etc..

# Art Basel

*Save the Date*

**NEXT COLLECTOR 16. JUNE 2022**

ALL DETAILS & HOW TO REGISTER  
WILL BE SENT VIA EMAIL INVITATION

For questions please contact [events@bergos.ch](mailto:events@bergos.ch)



# *Financial* Animals

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And we are glad you are here!

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