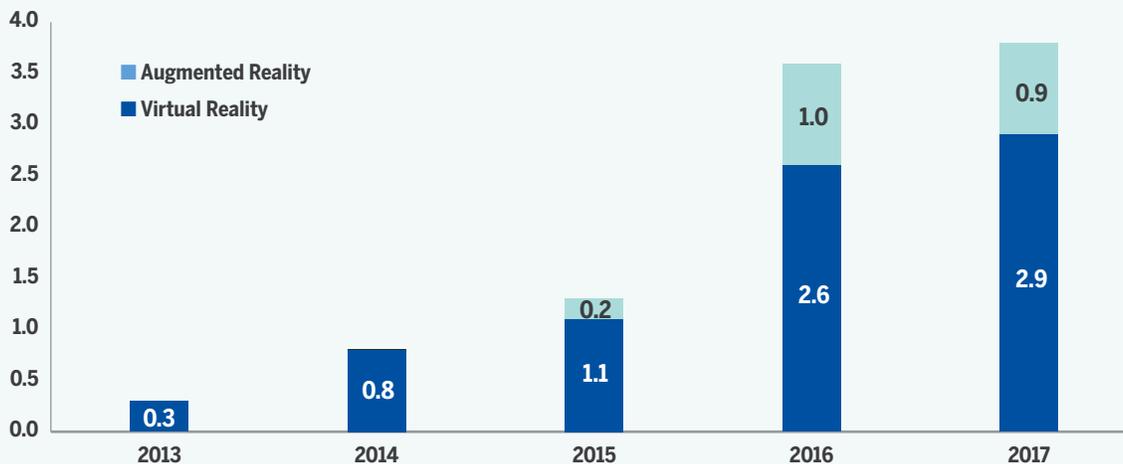


Alternative Reality, Real Life Opportunity

Global funding for virtual reality (VR) and augmented reality (AR) firms has nearly tripled to \$3.8 billion since 2015. Companies that adopt these technologies can disrupt their industries and potentially create investment opportunities.

Investments in Virtual and Augmented Reality Are Growing Rapidly

Global Venture Capital Investment (\$ Billions)



Source: VRVCA VR/AR Global Investment Report & Outlook.

- Virtual reality is the computer-generated simulation of 3D images that can be interacted with in a seemingly authentic manner; it creates a totally artificial environment. Augmented reality overlays a computer-generated image on someone's view of the real world.
- Direct adopters of VR and AR can potentially gain a competitive edge by introducing new products and services or by making their operations more efficient. For example, at least one retailer provides AR that gives shoppers the ability to superimpose images of home furnishings onto bedrooms or living rooms. The hospitality industry is using VR to provide resort tours and employers in diverse industries are using it to improve employee training. Finally, the video gaming industry continues to use VR at entertainment arcades.
- Developing VR and AR services requires substantial resources, such as software for creating images and other content. As a result, firms that provide cloud-based VR and AR software could potentially be attractive investments as demand for their services grows.
- Other ancillary firms that support AR and VR could be appealing. Businesses that provide 5G smartphones and infrastructure could see increased demand for their products because VR and AR are increasingly being accessed with mobile devices. VR and AR are also increasing demand for high speed computer processing units.

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