The #1 Stock for the $1.5 Trillion Spatial Computing Revolution

By Jeff Brown

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By Jeff Brown, Editor, The Near Future Report

Would you do me a favor?

If you’re one of the 6.3 billion people who own a smartphone, would you pick it up? Please, have a look at it.

For many of us, this is the most advanced piece of technology we own. This device is one million times more powerful than all the computing systems used to send men to the moon. And it fits in your pocket.

The modern smartphone represents decades’ worth of exponential growth in processing power. And for many of us, we can’t imagine life without it.

But in the years ahead, something unexpected will happen. The smartphone as we know it will begin to disappear. It will happen slowly at first, and then all at once.

The modern smartphone will be replaced with a new type of technology, one that is far more powerful and immersive. This new technology will change how we communicate, access information, entertain ourselves, and it will literally alter how we view the world.

It will be the next consumer electronics craze, on par with the introduction of the first personal computer and the first smartphone. It’s a technology I refer to simply as “SCG.”

In this special report, I’ll explain precisely what “SCG” is and how investors can gain exposure to this trend right now.

Welcome to The Near Future Report

Welcome to The Near Future Report. I’m thrilled to welcome you as our newest member.

Our mission here is to profit from technology trends that are right around the corner. We do this by identifying “sleep well at night” technology investments that are still in “growth mode.”

My name is Jeff Brown, and I’ll be your editor.

For nearly 30 years, I worked as a technology executive for firms like Qualcomm, NXP Semiconductors, and Juniper Networks.

I’ve earned degrees from Purdue University and the prestigious London Business School. I’ve also received professional certificates from MIT, Stanford, and the University of California, Berkeley, School of Law. I’m also an alumnus of Yale University’s School of Management.

I’m also an active angel investor in early stage technology companies. As of this writing, I’ve invested in 200+ private deals. You might even know some of my private investments. I was a private investor in Coinbase, for instance, the world’s largest digital asset exchange that...
recently went public.

I don’t mention this to brag. I simply want to emphasize that I’m not a typical Wall Street analyst trying his or her hand at technology research.

I come from the industry. I’ve helped build and turn around technology companies. And I’ve devoted my entire life to researching, working with, and investing in bleeding-edge technologies.

In this special report, I want to show you what I believe will be the next consumer electronics craze and the technology that will replace your smartphone.

**The Application That Launched an Industry**

On July 7, 2016, just 24 hours after launch, the number of users was 50x their original expectation.

And that meant trouble. The small team at software company Niantic simply wasn’t ready to support that level of activity.

As a small company, they had hired Google to provide the computing power and storage for their new smartphone application. And they had only allocated a small fraction of the computing power that was required to meet consumer demand.

Google’s computer servers that were hosting the application crashed... several times... as demand continued to skyrocket.

The team at Niantic scrambled and begged Google to allocate additional computing resources to support consumer demand and keep the application running.

It was complete chaos for the first few days... and it kicked off what will be the next major revolution in consumer electronics – augmented and mixed reality.

If you haven’t yet figured it out, the smartphone application I mentioned above is something called Pokémon Go. It’s a simple game that uses the camera on the back of a smartphone to “view” the real world.

The application itself (shown below) overlays characters and images on top of the real world as if they were there.

**Pokémon Go**

The objective is to find, capture, and battle virtual creatures called Pokémon.

I know what we might be thinking... this is just a silly game. But let’s consider the following:

- Apple reported that *Pokémon Go* was downloaded more times than any other application in history during the first week of launch.

- *Pokémon Go* hit $500 million in revenue faster than any game before it. It accomplished that in just over 60 days. That was 3.3 times faster than the previous record of *Candy Crush Saga*.

- Not surprisingly, *Pokémon Go* was also the fastest application to reach $1 billion in revenue... in just six months.

- The game also produced $1.23 billion in revenue in 2020.
As of this writing, over 150 million people play Pokémon Go around the world.

This single game brought to light the pent-up demand for augmented reality (AR) applications. It was obvious that these kinds of applications are not for a small, niche market. Quite the opposite.

They have mass-market appeal. Whether it be for gaming, information, commerce, advertising, or communications... the use will be pervasive and convenient.

This technology – augmented reality – is the cornerstone for “SCG.” And it is the foundational technology responsible for the “next smartphone.”

**An Introduction to AR**

Augmented – or “mixed” – reality is a technology that overlays graphics, images, or data on top of the world you normally see. You’re able to view the real world, but it’s augmented, or mixed, with these other visuals.

The game I mentioned above, Pokémon Go, is a perfect example. It lets you view the world through your smartphone camera, but it overlays images of these Pokémon on top of it.

And Pokémon Go is just one example of an AR application. The Apple App Store already has hundreds of AR applications to download. AR applications are also available to download from the Google Play and Microsoft app stores that run on Android smartphones.

Some of these AR apps overlay constellations on your smartphone screen when you point it at the sky. Some display a virtual gameboard. And others let you create an AR pet that you can feed and take care of.

Amazon even has a unique feature that lets you view items from their e-commerce platform within your own home. As an example, you would be able to preview how a piece of furniture would look in your living room.

**Amazon’s AR View**

Many of us are likely familiar with at least one of these applications. But right now, the technology is mostly confined to our smartphone or tablet screens.

What will really kick off interest in augmented reality is the introduction of augmented reality glasses, what I refer to as “spatial computing glasses” or “SCG.”

**Spatial Computing Glasses**

Spatial computing glasses will be the product that replaces smartphones in the near future. When we put on a pair of spatial computing glasses, it will display information, messages, alerts, or updates right in your field of vision.

We’ve undoubtedly seen this in the movies. The hero wears a special pair of glasses, looks at an object, and a string of data pops up in view. And while this technology is popular in science fiction, it is quickly becoming a reality.

Imagine you’re sitting in a café. You put on a pair of these glasses. Without looking at your phone, you can read all your emails, check the most recent stock prices, or scroll through the pages of *The Wall Street Journal*. All the information will appear as though it were floating just a few feet in front of your face.
Once that sort of technology becomes widespread, what use would we have for a smartphone?

This technology will make it possible to do everything we can do on a phone – text, call, check emails, browse the web – using voice commands, hand gestures, and even eye movements and an intuitive pair of spatial computing glasses.

The days of hunching over, squinting at a tiny screen, hammering at tiny icons are quickly coming to an end. That’s what makes me say that spatial computing glasses will replace the modern smartphone.

That may seem like a bold claim. After all, there are more than six billion smartphone users in the world.

But let’s think about how technology has evolved. When the telegraph became widespread in the 19th century, it was considered a technological marvel. Messages could be transmitted instantly, rather than having to wait weeks for correspondences to arrive by mail.

But the telegraph was ultimately made obsolete when the telephone became widespread in the 20th century.

And now, in the 21st century, consumer tastes have shifted again. As recently as 2004, nearly 100% of American homes had a landline telephone. Today, that figure is closer to 34%, and will eventually go to zero.

Meanwhile, we’ve witnessed the rise of “mobile-phone only” households. Nearly two-thirds of American adults are mobile-only.

In the next few years, we’ll witness another shift – away from smartphones, and toward spatial computing glasses. And despite what we might think, this has been years in the making.

**Early Attempts at SCG**

There have been several early attempts to bring this technology to consumers.

Back in 2013, Google sold prototypes for something called Google Glass. It was an early AR prototype that displayed information on the lenses of the glasses. Users could communicate with Google Glass via voice commands.

**Google Glass**

Google Glass never reached mass adoption, and Google eventually discontinued the project in 2015. But we should remember that this was essentially a first-generation device. And most
first-generation devices don’t achieve mass adoption.

Some of us might remember the first personal digital assistant – or PDA – the Apple Newton. Apple released it in 1993.

It was a fantastic product at the time. But it was large, bulky, had a black and white screen, required a stylus, and had no wireless connection to the internet.

It just wasn’t compelling enough to achieve mass adoption.

But Apple took that lesson... combined it with a mobile phone... and ultimately launched a product that revolutionized personal communications – the iPhone.

I’ve worked for nearly three decades in technology. And I can tell you from experience that for a new consumer electronics item to sell more than a billion units, it needs “form factor.”

This means it must be something that’s visually appealing to users and easy to use. For spatial computing glasses, that means they must look like a normal pair of glasses.

If we look at a picture of the early Google Glass, it looks bizarre. There’s a bulky plastic block over one of the lenses to display the information. It looks more like a headset than an actual pair of glasses.

Back in 2019, I tried out an augmented reality headset from an early stage company called Magic Leap. This is me in a Manhattan AT&T store with the headset:

It is a great piece of technology. I even had some fun playing the game Dr. Grordbort’s Invaders, which lets you fight augmented-reality robots that appear to drop from your ceiling and climb through the walls.

As impressive as this technology is, it is not the sort of thing that will replace our smartphones. Would any of us want to walk down the street with a pair of bulky goggles on our faces?

For spatial computing glasses to become the next consumer electronics craze, they must be sleek, comfortable, and easy to use. And fortunately, that day is approaching quickly.

Facebook has officially released a pair of smart glasses in partnership with sunglass brand Ray-Ban. Have a look at the nearby image.

Source: Time
As we can see, these look just like a regular pair of sunglasses. In fact, this is Ray-Ban’s classic Wayfarer design. The only notable difference is that there are two small cameras embedded in the top corners of the frames. And they aren’t even very noticeable.

I’ve included a picture of myself wearing these glasses. I’d bet that if somebody saw me wearing these, they wouldn’t even know they were smart glasses.

Jeff Wearing the Facebook Ray-Ban Glasses

I think Facebook hit it out of the park with this design. As I said, people don’t want to wear big, bulky, or awkward goggles around. That’s why early attempts like the Google Glass never really took off.

So this is the kind of product that will do well. And Facebook has made the technology incredibly easy to use.

For starters, the glasses tether to a smartphone and the Facebook app. They are enabled with voice recognition technology that allows wearers to use the app just by issuing voice commands. Saying, “Hey, Facebook,” is all it takes.

Also of note, there is a small button on the side of the glasses that users can press to quickly take a picture or record a video. This causes a small LED light to come on in the front of the glasses to let people know that recording is in progress.

And as we would expect, any pictures or videos taken can post directly to the wearer’s Facebook account. It’s very easy to use. Taken together, this is a recipe for mass adoption.

And we should remember that this is just a stepping stone toward full-blown augmented reality glasses. I’m certain Facebook will follow up this release with a pair of true spatial computing glasses. And Facebook isn’t alone.

Tech Titans Prepare for SCG

In the summer of 2020, Google made an interesting acquisition. The company announced that it had acquired AR glasses maker North for $180 million. I have been following North for several years, and I liked its approach.

North’s AR glasses are relatively simple, they aren’t super high-tech like the Magic Leap headset I showed above. But importantly, they have “form factor.” As we can see, they look like a normal pair of glasses.

North’s AR Glasses

Source: North

The timing of the acquisition wasn’t a coincidence. At the time, Google had just launched its ARCore software that runs on both
Android and Unity (a popular gaming engine) platforms. The latest version supports bleeding-edge 3D graphics and lighting features.

Clearly, this was a tuck-in acquisition to support Google’s augmented reality aspirations. And I suspect it can learn a lot from North’s form factor after the bulky Google Glasses failed miserably.

Not to be outdone, Snap – the company behind Snap Chat – acquired the U.K.-based tech company WaveOptics for over $500 million in June of 2021.

This is an early stage company that designs and manufactures something called waveguides. It enables graphics and images to be overlayed on our view of the real world through the lenses in AR eyewear. This is a key piece of tech used to power augmented reality displays, and it has become a common approach amongst the major players.

This is a big move, and it didn’t come as much of a surprise. Snap has been working with WaveOptics for years. It’s the company that powers Snap’s fourth-generation Spectacles product. Have a look:

**Spectacles by Snap**

![Spectacles by Snap](spectacles.com)

The fourth-generation glasses enable immersive augmented reality experiences – not just snapping photos. And Snap revealed at its developers’ conference that the company is looking for builders to create new experiences and filters for AR.

Users can now see the filters and effects on the lenses themselves. This is thanks to an optical see-through display that provides 2,000 nits of brightness. That means the display can be seen even while outdoors on a clear sunny day.

And when speaking about consumer electronics, we have to mention Apple. Apple’s AR ambitions are something of an open secret. CEO Tim Cook has been praising the technology for years.

In October 2016, Cook stated,

> I do think that a significant portion of the population of developed countries, and eventually all countries, will have AR experiences every day[...] almost like eating three meals a day, it will become that much a part of you.

Below, I’ll provide more details on Apple’s AR ambitions and a key supplier I believe will supply Apple’s spatial computing glasses.

But what we should take away from this is that we are witnessing a land grab between the world’s largest technology companies for the next consumer electronics craze: SCG – spatial computing glasses.

And today, I’ll show you my favorite way to invest alongside this trend.

**Our Pick and Shovels Play On SCG**

The company I’m recommending today is a “picks and shovels” play on the emerging augmented reality trend. That company is **Corning (GLW)**.
For 170 years, Corning has specialized in one thing: glass. We can trace Corning’s roots back to 1851 with the founding of the Bay State Glass Company. This company specialized in windowpanes, glass ballot boxes, and wine goblets.

Glass ballot boxes were a unique solution to political transparency. In 1856, the city of San Francisco was in turmoil. Corruption was widespread, and there were severe problems with election rigging. Hence the glass ballot box:

Glass Ballot Box

[Image]

It used glass to literally increase transparency in elections. The ballots could be seen through the glass. As mentioned before, Corning’s contributions to society have truly been widespread.

They made the first mass-produced radio bulbs to make radios affordable for everyone. They made the first cathode-ray tubes for the first television sets. They invented the ceramic substrate for catalytic converters to reduce vehicle emissions. Their glass was used in every spacecraft window and its mirrors were used in the Hubble Telescope.

Today, the company is a high-tech powerhouse. The biggest part of Corning’s business is producing fiber-optic cables – the fastest way to transmit data around the globe.

Fiber-optic cables are long strands of extremely pure glass... And these make up the backbone of all networks, wired and wireless.

And of all of Corning’s customers, I would draw our attention to one company. It is this relationship that leads me to believe that Corning will be a key supplier for augmented reality products.

A Close Relationship

Corning has a large “Specialty Materials” segment within its business. This segment hosts its nearly indestructible Gorilla Glass.

If we’ve ever dropped our smartphone onto hard cement without the screen cracking or shattering, chances are, we have Corning’s Gorilla Glass to thank.

Gorilla Glass has been installed on smartphones ever since the first iPhone in 2007. In February of that year, then CEO of Apple Steve Jobs visited his friend and CEO of Corning, Wendell Weeks.

It was there that Jobs lectured Weeks, a 24-year Corning veteran, on the principles of glass. And Jobs also told him that Corning could make millions of square feet of this ultrathin, ultra-strong glass.

This glass didn’t exist yet, nor did the method to produce it at scale. But Weeks agreed and told Jobs that he’d have a shipment of this glass in six months.
Corning delivered on its promise to Apple. The iPhone has used Gorilla Glass ever since.

This partnership is so important to Apple that the company’s Advanced Manufacturing Fund has given Corning nearly $500 million over the past five years to help drive Corning’s research and development (R&D).

And it is this close relationship that leads me to believe that Corning will be the supplier of glass for Apple’s next breakthrough consumer electronics product: an Apple-branded pair of spatial computing glasses.

**Corning’s AR Ambitions**

Spatial computing glasses will require specialized lenses to deliver an immersive, augmented experience. And for almost 200 years, Corning has specialized in one thing: glass science and optical physics.

Corning announced its AR lens ambitions in September of 2017. The company released a video showing a mockup of a sleek pair of glasses with immersive AR functionality.

Interestingly, this was right around the time Apple announced its intentions to “ramp up” work on its AR glasses. Given that Corning and Apple are longtime partners, I doubt this was just a coincidence.

Then, not much was said about augmented reality from either company for a year and a half. The problem was the wiring and power requirements for AR glasses were too bulky.

At 2019’s Consumer Electronics Show (CES), Corning demonstrated its early AR lenses. And as we can see in the nearby picture, they were bulky, awkward, and required a battery pack that hung off the glasses like a lanyard.

As I shared above, the key for mass adoption of spatial computing glasses will be the form factor. And this early prototype is simply not practical.

Then, in 2020, something interesting happened. Corning announced that it was mass-producing augmented reality glass for “leading AR device makers.” The company did not mention who its customers were.

I’m going to make a prediction and say that Corning is supplying this augmented reality glass to none other than Apple. It makes sense.

Corning has some of the most advanced AR glass on the market. The company claims to be the first to market with ultra-flat, high refractive glass wafers needed for AR glasses.

Corning is also the only company in the world that will be able to produce this glass at scale. That’s important for Apple. Their augmented reality glasses will be a hit with consumers. They will need scale.

And when we consider Apple and Corning’s long and prosperous relationship, the pieces fall into place.

Apple knows that spatial computing glasses will replace the smartphone, PC, and tablet market. Above, we saw Apple CEO Tim Cook admit
that augmented reality experiences will be as common as “eating three meals a day.”

And we should remember that iPhone sales represent approximately 50% of Apple’s revenue. In a world with advanced augmented reality glasses, the iPhone could literally become obsolete.

If Apple wants to remain the world’s largest publicly traded company, it will need to dominate the AR glasses market. And I predict it will, with Corning’s help.

And the “Apple Glass” – as some call it – will be coming to market soon. According to the man known as “the most accurate Apple analyst in the world,” Ming-Chi Kuo, Apple will launch its AR devices before the summer of 2022.

I believe the announcement will happen sooner, which is why we want to take a position right now.

**Action to Take:** Please refer to our [model portfolio](#) for the most current recommended buy-up-to price for Corning (GLW). Be sure to use a limit order when placing trades. For the time being, we will hold Corning (GLW) with no stop loss. Always remember to use rational position sizing.

**Risk Management:** Because we will be holding Corning (GLW) without a stop loss, I encourage all readers to establish rational position sizing. We should remember to never go “all in” on any one investment. Our mission is to build a portfolio of our companies. That’s how we’ll optimize our success.

Regards,

Jeff Brown
Editor, *The Near Future Report*