

S&P Dow Jones Indices

A Division of **S&P Global**

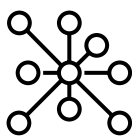
S&P Kensho New Economy Indices

Capture the Industries and Innovation of the Fourth Industrial Revolution

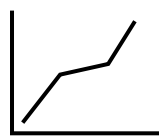
We are at the dawn of a period of unprecedented change and industrial transformation. Every facet of our lives will be impacted: the jobs we do, how we do them, the way we communicate, the way we travel, even the threats we face. This new industrial epoch, the Fourth Industrial Revolution, has already seen an exponential increase in the pace and breadth of innovation in many areas of the global economy, driven by rapid, mutually reinforcing developments in:



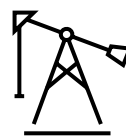
Artificial Intelligence



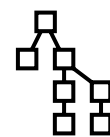
Hyperconnectivity



Exponential Processing Power



Robotics and Automation



Democratized Infrastructure

What Are the S&P Kensho New Economies?

The S&P Kensho New Economies are the first and most comprehensive series of indices to capture the full breadth of companies driving the Fourth Industrial Revolution. They provide a unique lens with which to understand the disruption of existing industries and emergence of new ones; altogether, a new and innovative approach to industry classification: 21st Century Sectors.

Cutting Edge Technology + **Innovative Methodology** = **Unique Insights**

Adaptive

Areas of exponential innovation (subsectors) are refreshed annually, including the industry models describing the related technologies, trends, and developments, to ensure the indices adapt as capabilities and industries evolve

Forward-Looking

Companies are categorized and weighted according to their degree of emphasis on the relevant New Economy

Captures Entire Ecosystem

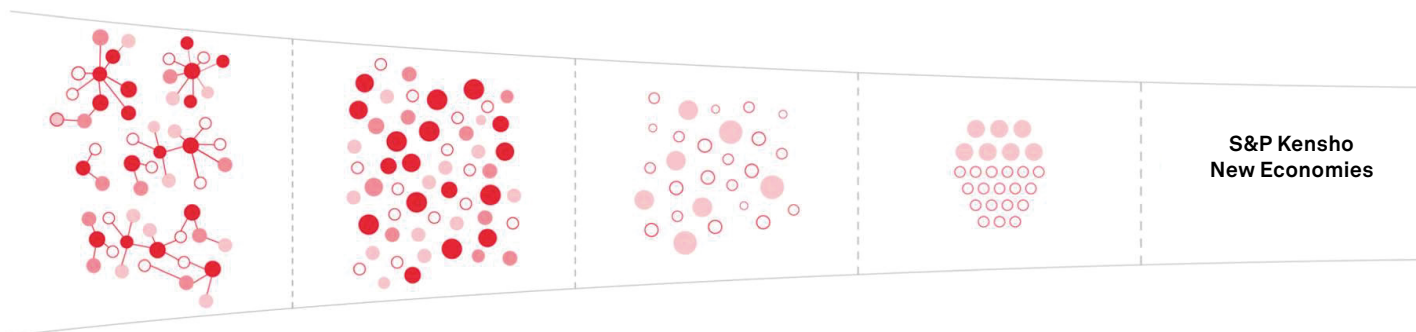
Pure play companies and the ecosystems supporting them are included, transcending traditional sectors and market cap structure—essential for understanding the full economic exposure of each area of the New Economy

Balanced & Tradable

Companies are equal weighted within category and subject to minimum liquidity requirements and optimization

Methodology Overview for the S&P Kensho New Economies

AI-driven, rules-based, and objective



1 Industry Model

- Expert curation, combined with advanced topic modeling, is used to create a comprehensive model of the target industry

2 AI Selection

- Natural language processing (NLP) and machine learning identify companies from SEC filings
- Captures both pure play names, as well as the supporting ecosystems

3 Categorization

- Each company categorized according to the degree of its focus on the New Economy (core vs non-core)

4 Weighting

- Core category overweighted vs non-core
- Companies equal weight within each category
- Minimum market cap and ADTV
- Optimized to accommodate minimum daily trade size

5 Verification

- Expert curation, combined with advanced topic modeling, is used to create a comprehensive model of the target industry

Taxonomy of the S&P Kensho New Economies

The most comprehensive series of indices to capture the industries and innovation of the Fourth Industrial Revolution:

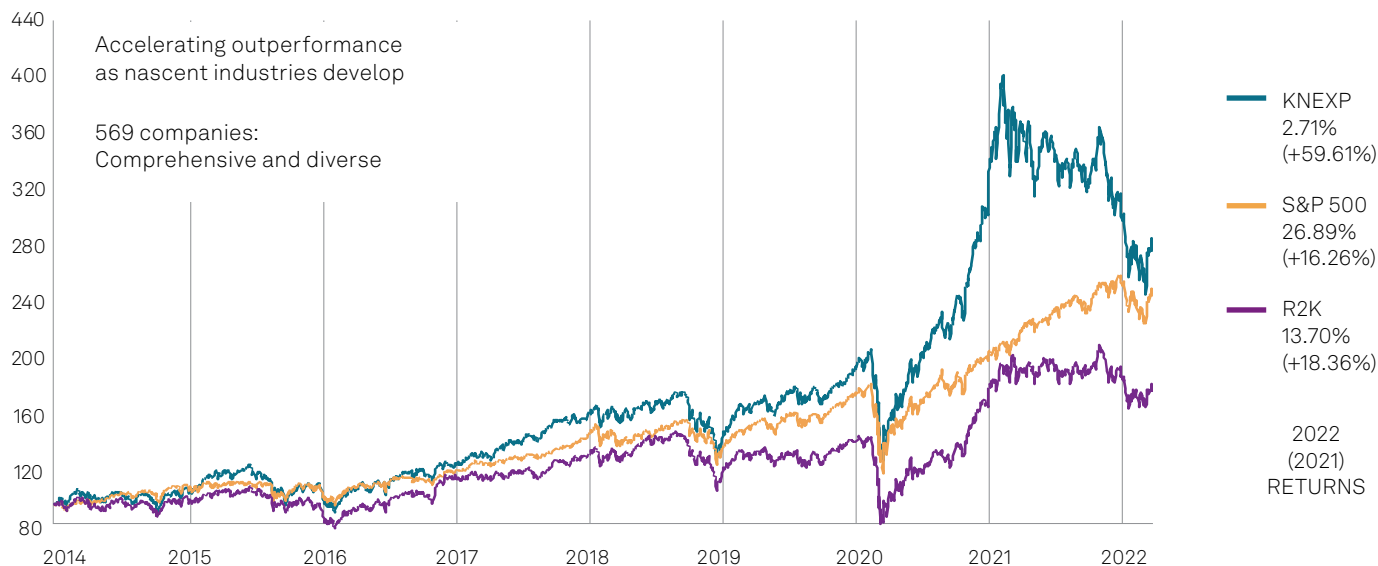
Tracking Indices			
New Economies Composite (KNEX) [#]		New Economies Select (KNESLX) [#]	
Sectors		Subsectors	
Intelligent Infrastructure (KINFRA) [#]	⑩ ⑰	① Space (KMARS) [^]	⑭ Sustainable Farming (KFARM)
Smart Transportation (KMOVE) [#]	⑦ ⑪ ⑳ ㉑	② Robotics (KBOTS) [^]	⑮ Genetic Engineering (KDNA) [^]
Future Security (KSECURE) [#]	① ② ④ ⑤ ⑥ ⑦ ⑨	③ Clean Energy (KENERGY) [^]	⑯ 3D Printing (KDDDP) [^]
Clean Power (KPOWER) [#]	③ ⑧	④ Cyber Security (KCYBER) [^]	⑰ Nanotechnology (KNANO) [^]
Final Frontiers (KEXPLORE) [#]	① ⑦	⑤ Smart Borders (KDMZ) [^]	⑱ Smart Factories (KMAKE) [^]
Future Communication (KCONNECT)	⑨ ⑫ ⑬	⑥ Wearables (KBORG) [^]	⑲ Smart Grids (KGRIDS) [^]
Democratized Banking (KFIN)	㉒ ㉓ ㉔	⑦ Drones (KDRONE) [^]	㉑ Adv. Transport Systems (KATS) [^]
Human Evolution (KEVOLVE)	② ⑥ ⑨ ⑮ ⑰ ⑱	⑧ Clean Tech (KCLEAN) [^]	㉒ Electric Vehicles (KEV) [^]
Advanced Manufacturing (KMAKE)	② ⑨ ⑰ ⑱	⑨ Virtual Reality (KVR) [^]	㉓ Alternative Financing (KALTFIN) [^]
Sustainable Staples (KSTAPLE)	① ② ⑦ ⑭ ⑮ ⑱	⑩ Smart Buildings (KHOME) [^]	㉔ Future Payments (KPAY) [^]
		⑪ Autonomous Vehicles (KCARS) [^]	㉕ Distributed Ledger (KLEDGER) [^]
		⑫ Digital Communities (KSOCIAL) [^]	
		⑬ Enterprise Collaboration (KTEAM) [^]	㉖ Digital Health (KDOC) [^]

[#] Tracked by State Street SPDRs

[^] Tracked by U.S., non-SSgA and non-U.S. fund(s)

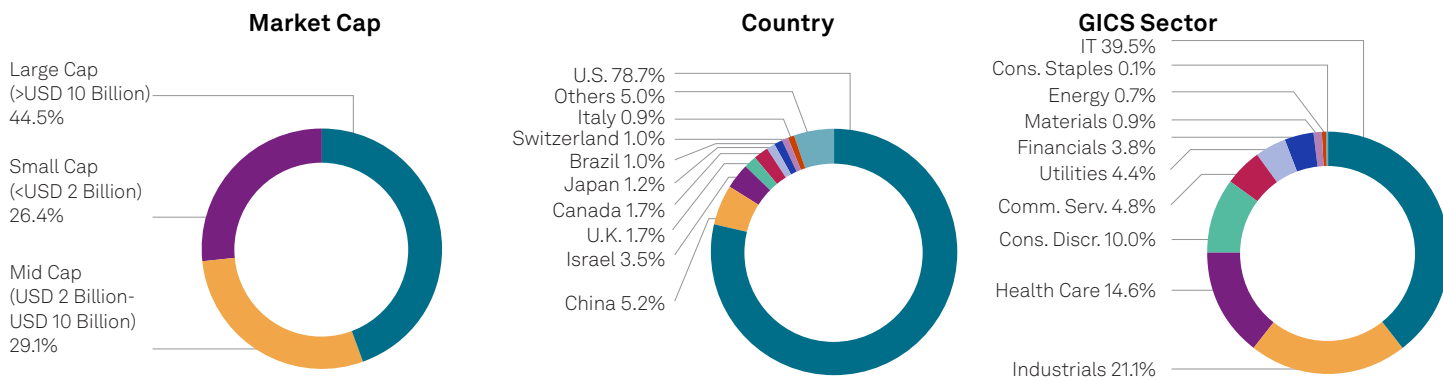
Relative Performance of the S&P Kensho New Economies Composite Index

The S&P Kensho New Economies Composite Index (KNEX) is made up of all qualifying New Economy subsectors, the industries driving the Fourth Industrial Revolution, with each weighted according to an algorithmic proxy for industry maturity.



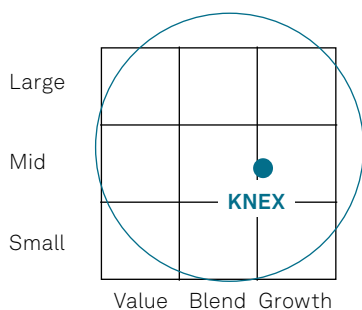
Source: S&P Dow Jones Indices LLC. Data from Jan. 2, 2014, to March 31, 2022. Index performance based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance. The S&P Kensho New Economies Composite Index was launched Feb. 6, 2017.

Breakdown of the S&P Kensho New Economies Composite Index



Source: S&P Dow Jones Indices LLC. Data as of March 31, 2022. Charts are provided for illustrative purposes.

Style, Fundamentals, and Differentiation



Fundamentals	KNEX	S&P 500	KNEX vs	Active Share
Trailing 12M PE	17.26	22.09	S&P 500	84.67%
Forward 12M PE	17.60	20.14	Russell 2000	88.26%
Price-to-Book Ratio	2.94	4.27	Nasdaq 100	89.52%
Price / Cash Flow	11.45	15.96	Morningstar Exp. Tech.	85.32%
Est. 3-5Y EPS Growth	15.50	13.92	S&P 1500™	84.31%
1Y Diluted EPS Growth	20.81	20.10	S&P 500® Growth	89.35%

Source: S&P Dow Jones Indices. FactSet. Morningstar. Data as of March 31, 2022. Active share against Russell 2000, NASDAQ 100 and Morningstar Exp. Tech is calculated by using IWM, QQQ, XT as proxies. Past performance is no guarantee of future results. Tables are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance. The S&P Kensho New Economies Composite Index was launched Feb. 6, 2017.

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At S&P Dow Jones Indices, we provide iconic and innovative index solutions backed by unparalleled expertise across the asset-class spectrum. By bringing transparency to the global capital markets, we empower investors everywhere to make decisions with conviction. We're the largest global resource for index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based upon our indices than any other index provider in the world. With over USD 7.4 trillion in passively managed assets linked to our indices and over USD 11.3 trillion benchmarked to our indices, our solutions are widely considered essential in tracking market performance, evaluating portfolios and developing investment strategies.

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