

S&P Kensho Artificial Intelligence Enablers & Adopters Index Selection Process Overview

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S&P Dow Jones Indices (S&P DJI) launched the [S&P Kensho Artificial Intelligence Enablers & Adopters 50 Point Decrement Index](#) in September 2023. The index seeks to measure the performance of the underlying index, the [S&P Kensho Artificial Intelligence Enablers & Adopters Index](#), less a fixed amount of 50 bps.

S&P DJI's process of constructing all S&P Kensho Thematic Indices starts with the definition of an industry model for a theme. The goal of this step is to define the scope and technologies in focus for the theme. In the case of the S&P Kensho Artificial Intelligence (AI) theme, S&P DJI uses a two-pronged approach to select the companies most relevant to the widespread applications of AI across sectors and industries.

S&P DJI draws a distinction between two contributing segments to AI sectors and industries:

- i) Companies that are leading the way in building the infrastructure and the applications that enable AI (AI Enablers); and
- ii) Companies that are adopting AI within their business segments to improve their efficiency and expand their product offerings (AI Adopters).

S&P DJI addresses this first contributing segment, AI Enablers, with the [S&P Kensho Artificial Intelligence Enablers Index](#). The index measures the performance of companies developing and enabling the technology, infrastructure and services that are propelling the growth and functionality of AI, specifically the following.

- Hardware, including graphics processing units (GPUs), central processing units (CPUs), application-specific integrated circuits (ASICs), field-programmable gate arrays (FPGAs), accelerators and other specialized chips, and computing equipment that support high performance AI and machine learning (ML) computations and operations.
- Software and solution developers of AI algorithms and products, including large language models (LLM), generative AI, deep learning, robotic process automation, human-to-machine communication and other AI methods.
- Infrastructure services (cloud, edge and hybrid computing) and big data technology, which are integral to enabling data-intensive AI capabilities.
- Products and services that provide a framework specifically for AI applications, including AI as a service platforms, cloud-based ML development platforms, automated machine learning (AutoML) tools, AI-based analytics and data visualization platforms, and computer vision technology.
- Data curation and data management providers of big data extract, transform and load (ETL) solutions that support the effective training and functioning of AI models.

The starting universe of the S&P Kensho Artificial Intelligence Enablers Index is all U.S.-listed companies. The industry description previously described is distilled down to relevant search terms, which are then searched for by Kensho's natural language processing (NLP) process in the SEC filing(s) of each U.S.-listed company. Kensho's NLP process flags a relevant filing based on the use of any of the search terms in the context of a product or a service that the company offers. The companies with filings that have been deemed relevant by the NLP model are further reviewed by a human index analyst, and after filtering for minimum market capitalization and USD 3 million average daily trading volume (3m ADTV) thresholds, they become a part of the index composition.

More details of this process can be found in the [S&P Kensho Indices Methodology](#).

S&P DJI addresses the second contributing segment, AI Adopters, by selecting companies that are leading the way in adopting AI technologies for their business purposes (there is no separate AI Adopters index.) The starting universe for the AI Adopters contributing segment includes all stocks that belong to any of the following indices.

- [S&P Kensho Autonomous Vehicles Index](#)
- [S&P Kensho Robotics Index](#)
- [S&P Kensho Smart Factories Index](#)
- [S&P Kensho Space Index](#)
- [S&P Kensho Enterprise Collaboration Index](#)

- [S&P Kensho Digital Communities Index](#)
- [S&P Kensho Alternative Finance Index](#)

From this universe of stocks, S&P DJI uses the same Kensho NLP process described previously to search through the company filings to identify firms that mention one or more of the following: investment in AI technology, existing or planned product or service offerings that leverage or deliver on AI, or business segment activities that are uniquely positioned to gain from AI technological developments. The companies with filings that have been deemed relevant by the NLP model are further reviewed by a human index analyst to be selected for inclusion in the AI Adopters segment. Note these companies have been pre-filtered for minimum market capitalization and 3m ADTV thresholds by virtue of having been included in one of the previously listed indices.

Together, the final stock list representing the AI Adopters segment, along with the constituents of the S&P Kensho Artificial Intelligence Enablers Index, form the S&P Kensho Artificial Intelligence Enablers & Adopters Index.

S&P DJI has provided the preceding overview for convenience purposes only. For complete details of the methodology and selection criteria for the S&P Kensho Artificial Intelligence Enablers & Adopters Index, please view the [methodology document](#).

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