

MACHINE ECONOMY 40

ME40 Index Methodology

Draft v1 methodology for a transparent, rules-based index representing the AI buildout economy.

Objective

The ME40 Index is designed to track public companies most directly exposed to the buildout of artificial intelligence and the machine economy: compute, cloud platforms, data centers, electricity, enterprise automation, cybersecurity, robotics, and life-sciences infrastructure.

Constituent count

The index targets exactly 40 constituents. This keeps the flagship list scarce, explainable, and disciplined. Additions are made only when a candidate improves representation of the AI buildout economy, and each addition normally requires removing an existing constituent.

Weighting approach

The index uses modified thematic weighting. Fixed sector sleeves reflect the relative importance of each part of the AI buildout stack. Single-name weights are capped in practice to avoid becoming a disguised mega-cap technology index. Larger weights are assigned to companies with more direct, scaled exposure to AI infrastructure and adoption.

| Sector | Names | Weight |
|--------------------------------------------|-------|--------|
| AI Compute & Semiconductors | 9 | 28% |
| Cloud, Platforms & AI Distribution | 5 | 23% |
| Data Centers, Networking & Cooling | 5 | 13% |
| Energy, Grid & Electrification | 5 | 12% |
| Enterprise AI Software & Automation | 7 | 12% |
| Cybersecurity & Identity | 4 | 6% |
| Robotics, Autonomy & Industrial Automation | 3 | 4% |
| Healthcare & Life Sciences AI | 2 | 2% |

Rebalancing and review

Recommended rule set: quarterly rebalance to target weights; semiannual constituent review for exposure purity, liquidity, valuation risk, and emerging IPOs; extraordinary review after major corporate actions, delistings, acquisitions, severe thesis breaks, or eligibility changes.

IPO promotion rule

Future AI IPOs should not enter automatically. A newly public company may be considered after 60-90 trading days, sufficient public disclosure, adequate float and liquidity, and a clear role in the AI buildout or machine-economy value chain. One in, one out.

Apple treatment

Apple is excluded from v1 because the index is focused on AI buildout infrastructure and enterprise/machine-economy deployment. Apple remains a watchlist candidate if its exposure becomes more direct through AI compute, developer infrastructure, or measurable AI monetization.