ME40 / AI40 Index Methodology

Draft v3 | As of August 31, 2026

Objective

Track public companies with material exposure to the AI buildout and machine economy across both digital and physical infrastructure.

Sector sleeves

Sleeve	Target	Names
AI Compute & Semiconductor Supply Chain	27.5%	10
Cloud, Platforms & AI Distribution	20%	5
Data Centers, Networking & Cooling	15%	6
Energy, Grid & Electrification	15%	5
Enterprise AI Software & Data Automation	5%	3
Cybersecurity & Identity	7.5%	4
Robotics, Autonomy & Industrial Automation	7.5%	5
Edge AI, Sensors & Machine Interfaces	2.5%	2

Constituent rules

The index targets 40 constituents. Candidate companies must be publicly traded and investable for U.S.-based investors, with material exposure to at least one ME40 sleeve. New public companies generally season for 60-90 trading days before consideration. Additions normally require removing the weakest incumbent.

Weighting framework

ME40 uses modified thematic weights within fixed sector sleeves. Weights reflect scale, directness of AI exposure, infrastructure relevance, and diversification controls. The current largest sleeve is 27.5%, and the methodology guardrails do not intend any sleeve to exceed 32%.

Rebalance and review

Quarterly rebalance: reset constituents to target weights.
Semiannual constituent review: evaluate exposure purity, liquidity, strategic relevance, thesis changes, and emerging IPOs.
Extraordinary review: permitted after acquisitions, delistings, severe thesis breaks, or other eligibility changes.

Backtest calculation notes

The public research backtest uses a base level of 1000. The current static-data implementation uses price returns and current target weights, with weights reset at displayed period endpoints. Dividends are excluded. Because current constituents are applied retrospectively, the results carry survivorship and selection bias.

Disclaimer