



MSCI Component Exposure Methodology



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1 Introduction

This document defines the MSCI Component Exposure Methodology. The Component Exposure is a measure of a company's association with a Component - a defined set of distinct business activities. It is expressed on a common scale so that companies can be compared by the strength of their association. This document describes how Components are defined, including their in-scope and out-of-scope definitions, and how the Component Exposure is calculated.

2 Calculating the Component Exposure

A company's association with a Component is modelled using two measures: Strategy Exposure and News Intensity. Each is calculated over its own calculation universe, defined per Component, relative to that Component's Theme Description¹. The Component Exposure is derived from these two measures as set out in the following sections.

2.1 Component Strategy Exposure (SE)

Component Strategy Exposure is calculated for all companies in the Calculation Universe of the corresponding Component by matching their business segments and summary company description with the corresponding Component's 'in scope' and 'out of scope' descriptions. Strategy Exposure is calculated as an aggregate of percentage of revenue from matched segments.

2.2 Component News Intensity

Where applicable, the Component News Intensity is calculated for all companies in MSCI ACWI IMI² universe by matching their news summaries with the corresponding Component's 'in scope' and 'out of scope' descriptions.

For the Component News Intensity³ calculation, Matched Issuer News summaries with Neutral Sentiment will not be considered in the Issuer Total Matched Score³ from the following GICS^{®4} sub-industries:

GICS [®] Sector	GICS [®] Sub-Industry	GICS [®] Code
Financials	Diversified Banks	40101010
Financials	Investment Banking & Brokerage	40203020
Financials	Diversified Capital Markets	40203030
Financials	Financial Exchanges & Data	40203040
Industrials	Research & Consulting Services	20202020
Communication Services	Publishing	50201040

¹ For details of calculation of Strategy Exposure, News Intensity and their respective universe identification, please refer to the MSCI Strategy Exposure Calculation Methodology. The methodology book is available at: <https://www.msci.com/index-methodology>

² The MSCI ACWI IMI Index is based on the MSCI Global Investable Market Indexes (GIMI) Methodology. For details about the methodology, please refer to: <https://www.msci.com/index/methodology/latest/GIMI>.

³ For details of the News Intensity calculation and Issuer Total Matched Score please refer to the MSCI Strategy Exposure Calculation Methodology. The methodology book is available at: <https://www.msci.com/index-methodology>

⁴ GICS, the global industry classification standard jointly developed by MSCI Inc. and S&P Dow Jones Indices.

2.3 Component Exposure

The Component Exposure for a company can be calculated in the following ways:

Case 1: News Intensity is not applicable

- Component Exposure = Component SE

Case 2: News Intensity is applicable

- Component News Intensity Percentile = Percentile of News Intensity relative to universe of stocks with News Intensity > 0
- Component Exposure is calculated as:

$$\text{Component Exposure} = 75\% \times \text{Component SE} + 25\% \times \text{Component News Intensity Percentile}$$

2.4 Defining Components

A Component is a defined set of distinct business activities. Each Component is specified by two natural-language descriptions:

- **In-Scope Description:** the products, services, technologies and business activities that the Component represents.
- **Out-of-Scope Description:** adjacent products, services, technologies and business activities that are excluded from the Component.

2.4.1 AI Hardware

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Components	In scope	Out of scope
AI Hardware	Companies designing or producing hardware specifically for AI workloads, including AI processors and accelerators, AI-optimized memory and advanced packaging, AI semiconductor design tools, and specialized interconnect, lithography and fabrication equipment.	General-purpose CPUs, commodity memory and legacy semiconductors not optimized for AI; design tools without AI-specific capabilities; data center and cloud operators; general data center infrastructure; and hardware used only for conventional IT workloads.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity⁵ with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.2 AI Energy Providers

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

⁵ For details on the semantic similarity matching, please refer to the MSCI Strategy Exposure Calculation Methodology. The methodology book is available at: <https://www.msci.com/index-methodology>

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Energy Providers	Companies providing power systems or grid infrastructure engineered specifically for AI compute; clean energy systems and storage solutions with dedicated AI data center off-take agreements; and energy-as-a-service models for hyperscale AI workloads.	Utilities, power generation, clean energy, storage and power equipment serving general demand without AI-specific capacity, contracts or positioning, as well as energy providers without demonstrated supply relationships with AI data centers.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.3 AI Data Center Infrastructure

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Data Center Infrastructure	Companies providing physical infrastructure for AI data centers and compute clusters, including servers, networking, storage, cooling and power equipment, AI-optimized colocation and liquid-cooled facilities, and high-speed interconnect technologies designed for AI workloads.	Cloud platforms or GPU-as-a-service providers; general-purpose data centers not engineered for AI; networking hardware not optimized for AI throughput; and traditional IT infrastructure or generic compute unrelated to AI.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.4 AI Cloud Compute

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Cloud Compute	Hyperscale cloud platforms, GPU cloud providers and neoclouds delivering on-demand AI compute and machine-learning services, including AI-optimized compute instances, managed training infrastructure and inference-as-a-service.	General-purpose cloud providers without differentiated AI compute; software and data platforms with only incidental AI capabilities; hardware, semiconductor and device manufacturers; IT services, consultants, resellers and integrators; and conventional infrastructure not specific to AI.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.5 AI Data Infrastructure

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Data Infrastructure	Companies providing AI-focused platforms and services to acquire, generate, label, clean, structure, validate or store data for AI	General databases, data warehouses, storage, analytics, hardware and data collection without an AI-specific focus; model development, training

Component	In Scope	Out of Scope
	workflows, including synthetic data, human feedback services, AI data marketplaces and specialized vector or embedding storage.	and deployment tools; AI software or physical applications; traditional data-entry services; and conventional data preparation for reporting.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.6 AI Model Development

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Model Development	Companies developing and releasing large-scale general-purpose AI models – large language models and multimodal foundation models; and open-weight models with commercial licensing.	Domain or task-specific models; training, deployment and data-processing tools; software or physical applications built on models; third-party model fine-tuning without proprietary base-model development; models without a commercial release or API; frameworks, toolkits, consulting and research services.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.7 AI Model Training

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Model Training	Platforms and tools for pre-deployment training, fine-tuning and experimentation – such as distributed training frameworks, model-optimization pipelines, GPU/TPU orchestration, experiment tracking, feature stores and AutoML.	Foundation model development; post-deployment inference or monitoring tools; AI software applications for end users; AI physical applications; data labeling; traditional relational databases without vector search; and conventional DevOps.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.8 AI Deployment and Operations

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Deployment and Operations	Companies providing tools for post-deployment AI operationalization – such as inference serving, model monitoring, model versioning, observability, scaling, governance and explainability; and AI guardrails, safety filtering, adversarial defence and content authentication.	Foundation model development and pre-deployment training tools; AI physical applications and data labeling; general cybersecurity; IT services, consultants, integrators and resellers; advertising, media and surveillance platforms; and rule-based moderation or manual compliance.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.9 AI Software Applications

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Software Applications	Companies building software and analytics products where AI is explicitly core to product functionality.	AI embedded in physical products or devices; foundation model development; AI training platforms or tools; AI deployment or operations tools; data processing or labeling services; software where AI is peripheral or optional; rule-based software without AI; and AI consultancy or professional services.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

2.4.10 AI Physical Applications

Theme Description: Same as Component's in-scope description as described below.

Component in-scope/out-of-scope:

The component is designed to capture the following:

Component	In Scope	Out of Scope
AI Physical Applications	Companies building physical products and devices where AI is explicitly integrated and essential to core functionality – enabling	AI software and analytics products; foundation model development; semiconductor, server, contract manufacturing and component

Component	In Scope	Out of Scope
	autonomous perception, decision-making or action.	suppliers; traditional automotive, inspection, testing and cybersecurity providers; and ADAS, robotics, automation or other physical products where AI is not explicitly integrated or is peripheral.

Calculation Universe for Component Strategy Exposure (SE):

The Calculation Universe is constructed by combining the current index constituents with the top 300 companies from the MSCI ACWI IMI index which share the highest semantic similarity with the Theme Description, based on their summary company description.

News Intensity Applicability: Yes

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