S&P Dow Jones Indices

A Division of S&P Global

S&P 500® 3AI™ Top 100 Index

Tracking companies with the highest expected alpha, leveraging AI-powered forecasts

Index Overview

Launched in December 2025, the S&P 500 3AI Top 100 Index is designed to track the 100 companies in the S&P 500 with the highest 3AI Alpha Intelligence Scores.

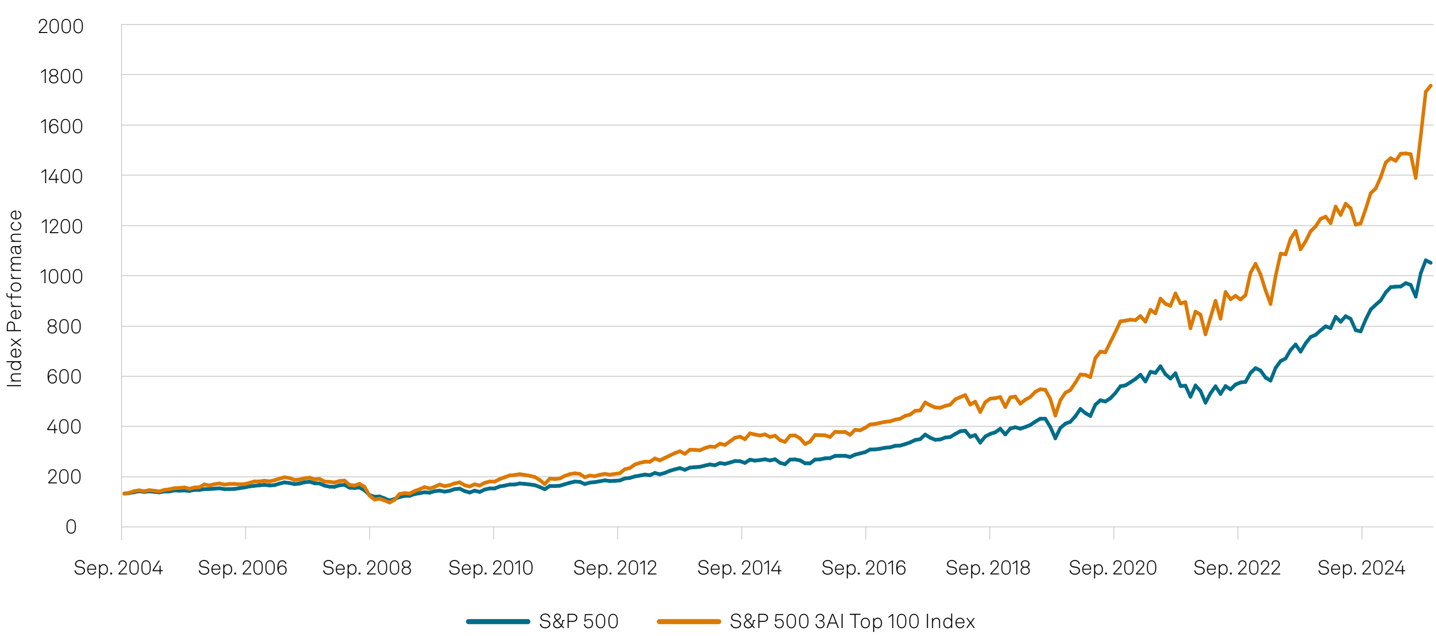
3AI calculates alpha forecasts through an AI-driven process, incorporating validation procedures and human oversight.

These forecasts are delivered to S&P Dow Jones Indices (S&P DJI), where they are converted into scores and used in the index construction process.

Key Index Characteristics

- **Long-Term Outperformance:** Based on hypothetical back-tested data, the index has outperformed the S&P 500 by more than 230 bps annually since 2004.[1]
- **3AI:** The AI-powered forecasts are produced by 3AI, a company founded by an award-winning data science team with decades of institutional asset management experience.
- **3AI Alpha Intelligence Score:** 3AI's process generates Alpha Intelligence Scores for a global universe of 20,000 stocks, providing a 12-month excess return forecast for each company relative to its peer group.
- **The Transparency and Governance of an S&P DJI Index Augmented by AI:** S&P DJI incorporates 3AI's Alpha Intelligence Scores into its index construction process, leveraging the transparency and robust governance of indices calculated by S&P DJI.

Back-Tested Outperformance versus the S&P 500



[1] Source: S&P Dow Jones Indices LLC Data from Sept. 30, 2004, to June 30, 2026. The S&P 500 3AI Top 100 Index was launched Dec. 1, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. 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.

Introduction to 3AI

- Founded in 2018 and headquartered in London, 3AI is a pioneering firm specializing in machine learning, quantitative investments and stock alpha prediction.
- 3AI's team has developed market-leading AI technology that employs machine learning techniques to forecast alpha for over 20,000 stocks.

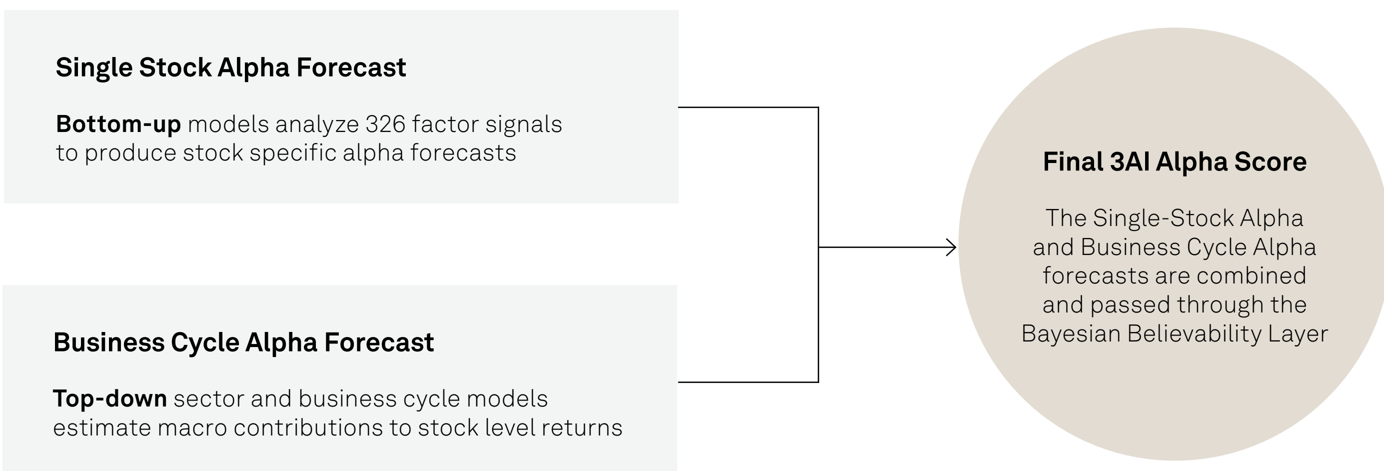
3AI Alpha Intelligence Scores

- The 3AI Alpha Intelligence Scores represent the forecast one-year alpha of a stock compared to others in the universe.

3AI Alpha Intelligence Score Generation Process

- A series of machine learning algorithms generate single-stock and business cycle alpha forecasts, which are combined and passed through the Bayesian Believability Layer.
- The Bayesian Believability Layer applies statistical methods to mitigate overconfidence in model outputs and manage model risk and uncertainty.

High-Level Overview of 3AI's Alpha Forecast Calculation Process



The Bayesian Believability Layer serves as a validation and risk-control mechanism, adjusting for overconfidence and uncertainty.

Rationale for Using AI in Index Construction

Enhanced Data Analysis: AI algorithms can enable processing of vast amounts of data, enabling a more comprehensive and nuanced constituent selection.

Improved Predictive Analysis: AI is designed to identify patterns and correlations that may not be apparent to human analysts, potentially leading to improved predictions.

Identification of Complex Relationships: AI aims to account for non-linearities and reveal factor conditionality.

Reduced Emotional Bias: AI aims to reduce the subjective selection bias of active management, a factor in more disciplined and objective decision-making.

Adaptive Strategies: AI-driven processes have the potential to continuously learn and adapt to changing market conditions.

Methodology and Index Construction Process

- The 3AI Alpha forecasts are delivered to S&P DJI, where they are converted into scores and used in the index construction process.
- The S&P 500 3AI Top 100 Index selects the 100 companies in the S&P 500 with the highest forecast 12-month excess return potential, weighting them based on their 3AI Alpha Intelligence Score.

S&P 500 3AI Top 100 Index Methodology Snapshot

1. 3AI Alpha Intelligence Score Calculation

3AI calculates alpha forecasts through an AI-driven process, incorporating validation procedures and human oversight.

These forecasts are delivered to S&P DJI, where they are converted into scores and used in the index construction process.

2. Index Construction

At each rebalance, the top 100 companies within the S&P 500 with the highest 3AI Alpha Intelligence Scores are selected.

The selected constituents are weighted proportionally to their respective 3AI Alpha Intelligence Scores, subject to a 40% sector cap and a 4.5% single stock cap.

3. Final Index

The index is rebalanced quarterly in March, June, September and December.

Starting Universe:

S&P 500

Selection:

Top 100 stocks with the highest 3AI Alpha Intelligence Scores

Weighting:

3AI Alpha Intelligence Score Weighted

Source: S&P Dow Jones Indices LLC. Data as of April 2026. For the full methodology rules, please refer to S&P 3AI Indices Methodology. Table is provided for illustrative purposes.

Back-Tested Annual Performance and Risk Profile

Across the back-tested period starting Sept. 30, 2004, the S&P 500 3AI Top 100 Index has outperformed in absolute terms.

Period	S&P 500	S&P 500 3AI Top 100 Index
Annualized Performance (%)		
Since Sept. 30, 2004	11.26	14.07
YTD	10.21	18.69
1-Year	22.32	33.08
3-Year	20.61	20.77
5-Year	13.41	16.84
10-Year	15.51	18.18
20-Year	11.38	13.48
Annualized Volatility (%)		
Since Sept. 30, 2004	14.83	19.77
Risk-Adjusted Performance		
Since Sept. 30, 2004	0.76	0.71
Drawdowns (%)		
Since Sept. 30, 2004	-50.95	-61.39
Capture Ratios (%)		
Upside	-	120.34
Downside	-	113.72

Source: S&P Dow Jones Indices LLC Data from Sept. 30, 2004, to June 30, 2026. The S&P 500 3AI Top 100 Index was launched Dec. 1, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Past performance is no guarantee of future results. Table 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.

Potential Index Benefits

Performance Enhancement: The index demonstrated long-term outperformance relative to the benchmark based on hypothetical back-tested data.

Diversified Alpha Source: Utilizes a differentiated alpha-generation process that has demonstrated low excess return correlation with core beta indices as well as traditional discretionary strategies based on back-tested data.

Regime Adaptability: Seamlessly shifts across factor styles such as value, growth and quality, adapting to changing market conditions.

Systematic Framework: The algorithmic, systematic approach seeks to mitigate behavioral and narrative bias while still adapting to the current market environment.

Transparency and Governance of an Index Augmented by AI

Innovation Meets Discipline: Applying advanced AI methods and predictive capabilities, while maintaining the human judgement, rigor, governance and transparency of an index.

AI with Validation and Human Oversight: The 3AI score generation process incorporates rigorous validation procedures and continuous human oversight.

Glassbox Rather than Blackbox: While many AI strategies are labelled blackbox, 3AI has developed an attribution tool to provide transparency into score calculation.

About S&P Dow Jones Indices

At S&P Dow Jones Indices, we provide iconic and innovative index solutions backed by unparalleled expertise across the asset-class spectrum. We're the largest global resource for index-based concepts, data and research and home to iconic financial market benchmarks 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. Our solutions bring transparency to global capital markets and are widely considered essential in tracking market performance, evaluating portfolios and developing investment strategies.

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The use of "3AI" in the name of the S&P 3AI indices is a reference to the machine learning technology firm, 3AI, which provides the 3AI Alpha Intelligence scores that are used by S&P Dow Jones Indices in the construction of these indices. These scores represent 12-month excess return forecasts, generated through the application of machine learning techniques across global equities, by analyzing company data and business-cycle sensitivities.

Performance Disclosure/Back-Tested Data

The S&P 500 3AI Top 100 Index was launched December 1, 2025. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US $100,000 investment for a 12-month period (or US $10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US $1,650), the net return would be 8.35% (or US $8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US $5,375, and a cumulative net return of 27.2% (or US $27,200).

General Disclaimer

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