

S&P Atlas Thematics: The Compass for Evolving Markets

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Introduction

S&P Dow Jones Indices (S&P DJI) recently launched the [S&P Atlas Thematic Indices](#), a new suite of indices spotlighting 10 of the core themes that drive today’s—and tomorrow’s—global economy.

The S&P Atlas Thematic Sectors resemble familiar sector groupings (for example, Financials is similar to the GICS® Financials sector and Health and Wellbeing is similar to the GICS Health Care sector), while also embracing cross-sector areas like Security, Defense and Operational Support, as well as Mobility. Each of the 10 S&P Atlas Thematic Sectors is represented by an index that includes both established market leaders and emerging innovators driving the future of that theme (see Exhibit 1).

Exhibit 1: S&P Atlas Thematic Sector Indices

Global Economy				
<p>Consumer Lifestyle, Learning and Leisure</p> <p>This basket highlights top companies serving modern consumers and emphasizes the education sector's role in fostering economic growth through improved access to learning.</p>	<p>Digital Infrastructure and Telecommunications</p> <p>This basket focuses on industries in advancing connectivity and communication infrastructure.</p>	<p>Energy and Minerals</p> <p>This basket covers companies involved in energy and mineral resources, with a focus on sustainability and innovation.</p>	<p>Essential Resources – Food and Water</p> <p>This basket features firms focused on sustainable practices in managing food and water resources.</p>	<p>Financials</p> <p>This basket includes traditional financial institutions and fintech solutions to improve global financial security.</p>
<p>Health and Wellbeing</p> <p>This basket promotes health security through a wide range of healthcare services and products for overall wellness.</p>	<p>Living and Working Spaces</p> <p>This basket targets industries dedicated to sustainable urban and rural development.</p>	<p>B2B Manufacturing and Services</p> <p>This basket highlights companies driving efficiency and innovation in manufacturing processes.</p>	<p>Mobility</p> <p>This basket focuses on industries advancing transportation and mobility infrastructure.</p>	<p>Security, Defense and Operational Support</p> <p>This basket includes industries crucial for global safety, defense and governance, addressing threats and enhancing security.</p>

Source: S&P Dow Jones Indices LLC. Data as of July 2025. The S&P Atlas Thematic Indices include hypothetical indices that are in development and have not officially launched yet. Blue titles were launched in June 2025. Chart is provided for illustrative purposes.

Redrawing the Map

Thematic indexing has grown significantly over the past five years, with assets under management (AUM) doubling from USD 269 billion to an estimated USD 562 billion globally by the end of 2024.¹ Despite this expansion, thematic portfolios remain underutilized in broader allocations. Even with the notable increase in demand for thematic products in early 2021, the largest thematic exchange-traded funds (ETFs) hovered around USD 9 billion in AUM—far below the USD 58 billion range of the largest sector ETFs. While sector ETFs can also be viewed as thematic—representing broad, globally significant themes—their AUM is typically several times larger than their traditional thematic counterparts. This gap in adoption can be attributed to several factors, with two playing particularly influential roles.

- **Themes:** Many popular thematic strategies by AUM often center on emerging and potentially disruptive areas such as Clean Energy, AI or Cloud Computing. These forward-looking themes offer meaningful growth potential, though their early-stage development tends to limit the scale of asset accumulation at this point.
- **Portfolio Location:** Thematic products typically occupy the satellite portion of portfolios, rather than the core. Core strategies are designed to reflect the broader economy and established technologies, while the satellite sleeve is generally reserved for emerging or disruptive themes whose long-term significance is still being assessed. Since most capital is concentrated in core holdings, thematic strategies—by virtue of their placement in the satellite bucket—naturally tend to receive smaller allocations compared to broad-market or sector-based products.

Traditional classification systems (like GICS) largely guide core allocations by reflecting the current structure of the economy. In contrast, thematic portfolios—typically placed in the satellite segment—aim to reflect emerging technologies that could define the future economy.

Managing exposure across both established and disruptive innovations using a two-tiered approach may create ongoing demands on portfolio management. It requires significant time and resources to regularly identify new emerging trends and to adjust how capital is divided between the core and satellite parts of the portfolio, based on market conditions and the maturity of each investment theme.

We propose a unified approach that bridges the gap between today's and tomorrow's markets by viewing the global economy through a thematic lens. This approach centers on 10 foundational S&P Atlas Thematic Sectors that are structurally embedded in the global economy and remain consistently relevant over time.

¹ Morningstar, ["Thematic Investment Funds in 2024: Larger in Size, Number, and Prominence,"](#) Dec. 3, 2024.

For instance, Mobility has long been essential to commerce, but the technologies powering it have continuously evolved—from railroads and automobiles to commercial aviation, electric vehicles and autonomous transport. Similarly, Financials remains a core pillar of any functioning economy, even as the tools and services within it—from traditional banking to fintech innovations—continue to transform.

To identify the key technologies and sub-themes within each foundational S&P Atlas Thematic Sector, we leverage artificial intelligence (AI) and natural language processing (NLP) tools developed by Theia Insights.² These tools enable a unified framework for tagging companies aligned with each of the 10 themes. The primary data inputs for this tagging process include global company filings, earnings call transcripts, company presentations and other similar text-based documents.

S&P Atlas Thematic Indices Playbook

The process of creating investable indices for the 10 S&P Atlas Thematic Sectors started with clearly defining the scope of each theme. This definition process was data-driven and iterative, aiming to minimize overlap between themes while ensuring that, together, they cover most major segments of the global economy without leaving gaps. This comprehensive and distinct coverage is essential for these themes to serve as effective building blocks.

These theme definitions, together with company-related documents already incorporated into Theia's framework, are processed through Theia's AI and NLP-driven workflow called Concept2Universe (C2U). This system identifies the global companies most closely linked to each theme and assigns a thematic relevance score that reflects the strength of each company's connection to the theme.

The C2U process employs a multi-layered approach to ensure a robust and comprehensive evaluation of a company's alignment with a theme.

- **Thematic Mapping:** Calculate a relevance score between the input theme and Theia's approximately 250 "major themes," then pull in companies already tagged to the most relevant major themes.
- **Theme-Focused Querying:** Apply theme-specific questions to each company's text corpus to evaluate relevance.
- **Business Description Parsing:** Examine each company's business description to determine how well it aligns with the input theme.

² Please see <https://www.theiainsights.com/>

This methodology ensures a robust selection of companies across a wide range of themes, from well-defined sectors like Energy and Minerals to more complex, multifaceted themes like Consumer Lifestyle and Leisure.

Beyond assigning a thematic relevance score, the C2U framework also identifies a set of dynamic sub-themes under each S&P Atlas Thematic Sector. For example, under the Security, Defense and Operational Support theme, sub-themes tagged include Weaponry, Robotics and Defense Technologies, Aerospace, Digital Security, Public Safety and Security, among a few others. While S&P Atlas Thematic Sectors are foundational and stable over time, sub-themes are more flexible and are updated as new technologies mature and warrant distinct classification.

S&P Atlas in Action

Combining a thematic approach with AI-driven insights equips the S&P Atlas Thematic Indices with a key set of differentiated features and strategic advantages.

- **Focuses on One-to-Many Relationships for a More Accurate Economic View.** Companies worldwide are increasingly expanding into new business lines and R&D areas that go beyond their traditional core competencies. Amazon is a prime example—its operations span from e-commerce to cloud computing, alongside investments in quantum technology, industrial robotics and broadband satellites. To encompass this complexity, a robust thematic framework must reflect the one-to-many relationships between a company and the diverse products, technologies and sectors it engages with. This is critical for accurately assessing a company's thematic relevance. Amazon is not just a consumer retail company; it also plays major roles in areas such as digital infrastructure, healthcare and quantum computing.

Exhibit 2: Company Overlap across S&P Atlas Thematic Indices

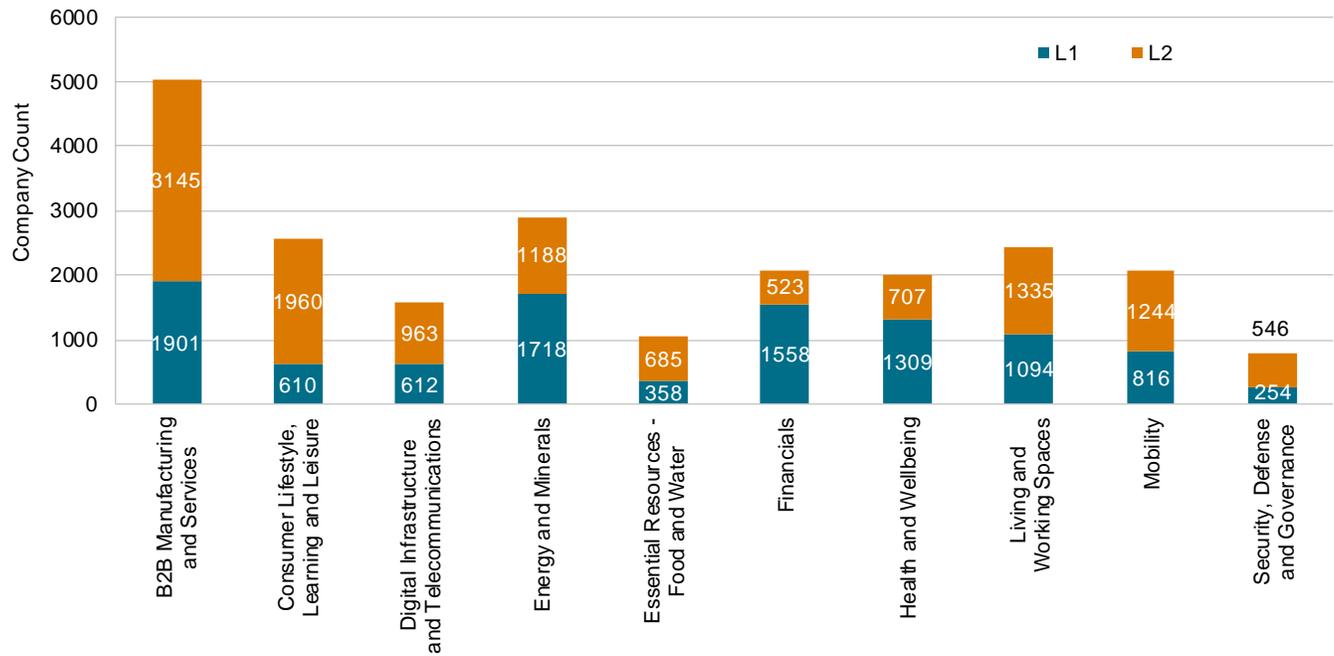
Company Overlap	Living and Working Spaces	Consumer Lifestyle, Learning and Leisure	Health and Wellbeing	B2B Manufacturing and Services	Energy and Minerals	Financials	Mobility	Digital Infrastructure and Telecommunications	Essential Resources – Food and Water	Security, Defense and Operational Support
Living and Working Spaces	2429	-	-	-	-	-	-	-	-	-
Consumer Lifestyle, Learning and Leisure	319	2570	-	-	-	-	-	-	-	-
Health and Wellbeing	71	182	2016	-	-	-	-	-	-	-
B2B Manufacturing and Services	683	498	284	5046	-	-	-	-	-	-
Energy and Minerals	378	33	25	1274	2906	-	-	-	-	-
Financials	314	126	162	231	73	2081	-	-	-	-
Mobility	265	188	8	1095	551	55	2060	-	-	-
Digital Infrastructure and Telecommunications	113	514	46	1170	161	169	166	1575	-	-
Essential Resources – Food and Water	145	171	56	193	192	14	41	13	1043	-
Security, Defense and Operational Support	74	123	43	684	62	57	220	442	3	800

Source: S&P Dow Jones Indices LLC. Data as of July 2025. Table is provided for illustrative purposes.

– **Broad Economic Coverage Supporting Longer-Term Strategies.**

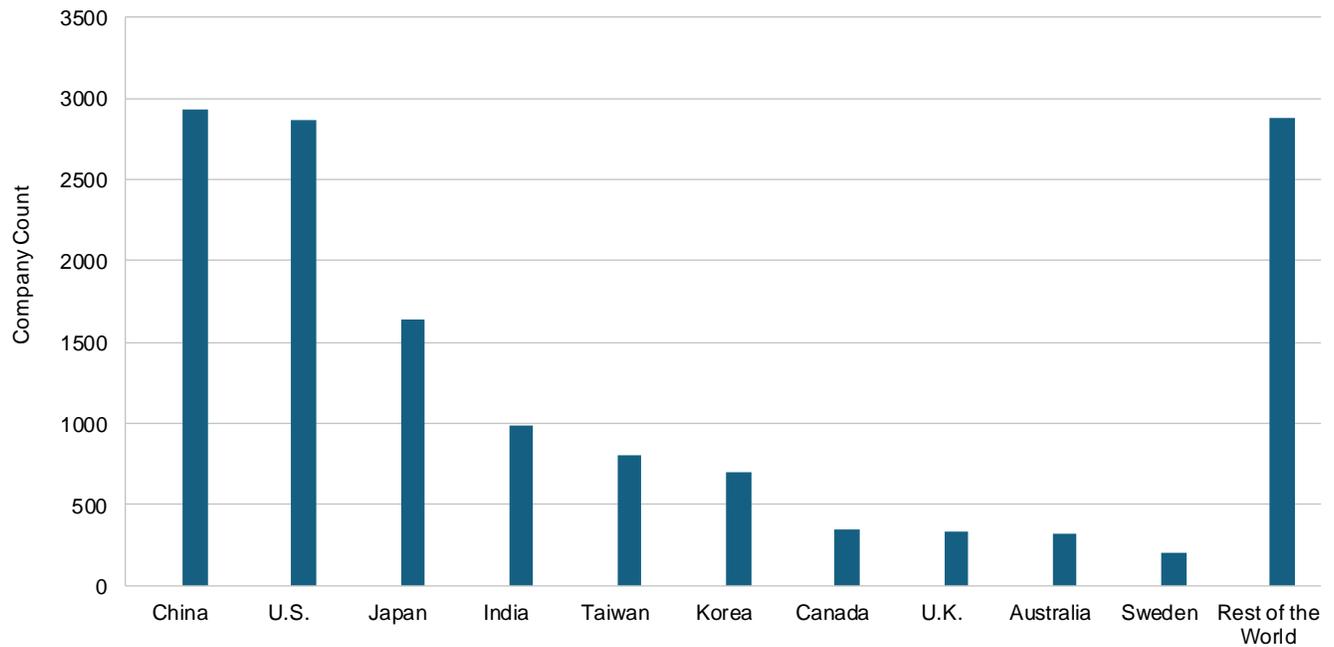
The core objective of the S&P Atlas Thematic Indices is to identify and define foundational themes that drive the global economy. By offering comprehensive exposure across a wide range of economic drivers, the S&P Atlas Thematic Indices serve as an all-weather framework, designed to remain relevant across different phases of the economic cycle.

Exhibit 3: Company Count in the S&P Atlas Thematic Indices Pillars



Source: S&P Dow Jones Indices LLC. Data as of July 1, 2025. Chart is provided for illustrative purposes. L1 indicates core and L2 indicates non-core.

Exhibit 4: Market Breakdown



Source: S&P Dow Jones Indices LLC. Data as of July 1, 2025. Chart is provided for illustrative purposes.

– **Proactively Tracks Emerging Trends to Enhance Resilience.**

A thematic lens may enable strategies to remain forward looking and less vulnerable to disruptive shifts. By tagging companies based on the end use of their products, services or technologies—not just their current industry classifications—this approach naturally reflects emerging trends. For example, while a battery technology company’s link to the Energy sector is clear, its relevance to Mobility may be overlooked. However, Theia’s AI algorithms would surface battery technology’s role in next-gen aviation applications like electric vertical takeoff and landing (eVTOL) vehicles. This ability to detect cross-industry linkages and recognize disruption potential early—without relying solely on human expertise—may provide a strong edge in building future-ready thematic strategies.

Exhibit 5: Company Overlap across S&P Atlas Thematics and GICS Sectors

Company Overlap		S&P Atlas Thematic Sector									
		B2B Manufacturing and Services	Digital Infrastructure and Telecommunications	Health and Wellbeing	Financials	Energy and Minerals	Consumer Lifestyle, Learning and Leisure	Essential Resources – Food and Water	Mobility	Living and Working Spaces	Security, Defense and Operational Support
GICS Sector	Information Technology	1668	944	45	131	167	416	8	167	64	419
	Consumer Discretionary	302	25	43	30	80	994	55	521	251	17
	Communication Services	140	284	7	24	1	499	1	18	17	43
	Health Care	173	14	1539	14	2	35	12	1	22	6
	Financials	51	53	131	1625	30	39	1	21	156	7
	Energy	95	1	1	4	464	1	5	108	3	4
	Consumer Staples	7	4	125	7	28	288	568	3	10	0
	Materials	728	7	40	8	972	10	155	75	231	13
	Industrials	1837	187	56	100	760	197	169	1100	757	280
	Utilities	27	42	3	11	397	2	63	25	84	4
	Real Estate	15	14	26	126	3	87	6	21	833	6

Source: S&P Dow Jones Indices LLC. Data as of July 1, 2025. Table is provided for illustrative purposes.

Conclusion

In today's dynamic economy, the growing influence of megatrends—combined with the rise of multi-business companies and technologies with cross-industry applications—may require a new approach to constructing thematic strategies.

The S&P Atlas Thematic Indices redefine thematic investing by extending its scope across the broader global economy. Rather than focusing solely on disruption, it offers a streamlined set of indices that reflect both current economic drivers and future innovation. By leveraging advanced AI tools, the S&P Atlas Thematics framework identifies emerging technologies early while also including the foundational technologies driving today's economy.

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