FTSE MarketPsych Thematic Index Series

FTSE RUSSELL | MARKETPSYCH

The FTSE MarketPsych Thematic Index Series at a glance

Four things to know about the series, from market context to index design.

Thematic investing has evolved from a niche allocation to a mainstream investment strategy, supported by long-term structural trends, growing ETF adoption, and increasing demand for targeted exposure to transformational themes.

The FTSE MarketPsych Thematic Index Series represents the next generation of thematic indexing, combining FTSE Russell's transparent, rules-based index expertise with AI-powered thematic intelligence.

The series combines revenue evidence, fundamentals, transcripts, news analytics and forward-looking signals from LSEG datasets to identify both current and emerging thematic opportunities.

A transparent, evidence-based framework with independent verification, documented audit trails and flexible pure, core and ecosystem index variants addresses key limitations of traditional thematic investing, including revenue lag, black-box methodologies and theme washing.

Where traditional thematic indices fall short

Three structural limitations make conventional thematic indices hard to rely on.

Revenue lag

– Annual revenue disclosures lag thematic developments by 12–18 months.
– By the time reported revenue confirms exposure, the market opportunity has been priced in.
– Forward-looking themes (AI, energy transition, ageing, defense) are systematically under-captured by backward-looking data.

Black box methodologies

– AI and NLP-driven indices offer little visibility into individual constituent decisions.
– No reasoning or audit trail, difficult to defend selection in reviews or due diligence.
– Investors lose trust in constituent selection

Theme washing

– Basic NLP keyword scanning creates 'buzzword baskets'.
– Companies included because they mention a theme in filings, not because they generate revenue from it.

The methodology focuses on forward-looking indicators to capture signals before they are reported.

Our approach aims to be fully transparent and explainable, providing clear methodology and rationale for index selection.

The framework ensures that the models are fully grounded in business context, news, and transcript sources, reducing susceptibility to theme washing.

How thematic indexing has evolved

From rigidity to intelligence

Sector-based

Pros

Utilizes **traditional classification methods**, e.g. ICB, TRBC

Cons

Subject to classifications that are **inflexible**

Revenue-based

Thematic membership is driven by **revenue breakdowns**

Go beyond industry, sector and geographic classifications

Based on **structured data** that is still constrained by **rigidity**

NLP-driven
(natural language processing)

Unconstrained approach to determine memberships using **unstructured data**

Update **thematic keywords** to keep up with trends

NLP models may be **more difficult to comprehend**, may be perceived as “black box”

May result in some false-positive company selections

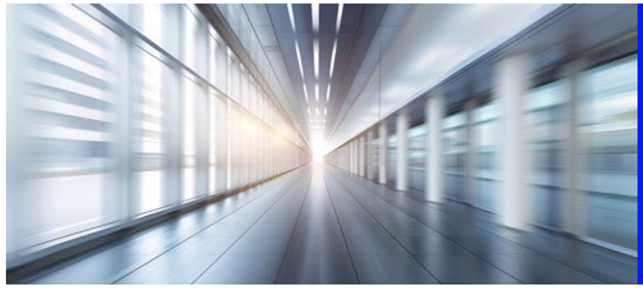
Multi-agent AI framework

Evidence-based reasoning backed by **forward & backward-looking** signals

AI contextualized within business data to identify intent and reduce theme washing

Full **audit trail**, every conclusion is documented and independently verified

Introducing the FTSE MarketPsych Thematic Index Series



FTSE Russell and **MarketPsych** have partnered to launch a new family of thematic equity indices. The series pairs institutional index discipline with leading thematic AI intelligence, giving allocators precision exposure to structural trends shaping the global economy.

Multi-signal intelligence

An adaptive approach to thematic assessment that uses both forward-looking and backward-looking indicators drawn from LSEG's extensive datasets

Glass-box AI evaluation

A proprietary thematic AI analyst engine delivers a transparent view of how each company is assessed

Flexible exposure design

A modular construction framework designed to support different client objectives and product outcomes

Precision thematics built for speed

A highly granular and flexible thematic taxonomy allows us to identify, define, and back-test new themes rapidly, accelerating time-to-market

LSEG institutional data

Powered by LSEG fundamentals, segment revenue, earnings transcripts, and tagged news, with MarketPsych AI classification

Built on FTSE Russell's flagship universes

Anchored in the FTSE Global Equity Index Series and Russell US universe, with the index governance, operational rigor, and brand credibility institutional clients already trust

What the series is built on

LSEG data, FTSE Russell index infrastructure and MarketPsych AI, combined in a single framework.

Data / insight

Company data

Worldscope business descriptions

Financial data

LSEG Worldscope segment revenue
Product & geographic revenue breakdowns
Income statements

Forward looking indicators

Earnings call transcripts
IBES consensus estimates

Thematic intelligence

LSEG MarketPsych transcript analytics
LSEG MarketPsych news data

Capabilities

Index universe

FTSE Global Equity Index Series
Russell US universe
Global, regional, single country
Market cap segmentation

Engineering

Multi-agent AI framework
Frontier models
Built-in controls
NLP
Cross model verification

Governance

Semi-annual review
FTSE Russell Advisory Committee

How companies are selected: forward-looking and explainable

Every company is scored 0–100 on multi-signal evidence, with the reasoning documented at each step.

Revenue & segments
Segment revenue | R&D | CapEx

Business descriptions
Products | Services | Subsidiaries

Earnings calls
Roadmaps | Prototypes | Pilots | Contracts | Orders | Launches

Analyst forecasts
Revenues & investments

News
Partnerships | R&D | Patents | Acquisitions | Exits | Spin-offs

→

FTSE THEMATIC EXPOSURE ASSESSMENT

Multi-signal Intelligence

Glass-box assessment
Expert oversight

→

THEMATIC EXPOSURE SCORE

0–100

Pure play	50–100
Majority	25–49
Partial	10–24
Not eligible	0–9

~10,000
Companies evaluated

85,000+
News & transcripts observations screened

120,000+
Screening, classification & validation checks

< 3 hours
Assessment time per theme

Source: Simulated FTSE Global Quantum Technology Ecosystem Index as of June 2026

From theme definition to investable index

Four stages, from theme definition through assessment, construction and maintenance.

Thematic taxonomy → FTSE Thematic Exposure Assessment → Index construction → Ongoing maintenance

Thematic taxonomy

- Themes built on five long-term megatrends:
  - **Technology & innovation**
  - **Society & demographics**
  - **Geopolitical realignment**
  - **Natural resources & infrastructure**
  - **Health & wellbeing**

FTSE Russell defined theme description

FTSE Russell

FTSE Thematic Exposure Assessment

- Companies are assessed across business alignment, revenue purity, forward signals based on **extensive LSEG datasets**
- Each assessment is supported by documented evidence and human oversight

Multi-agent AI framework, supported by documented evidence

MarketPsych

Index construction

Pure play, **core**, and **ecosystem** rules-based index variants built from the same scoring architecture, enabling different thematic intensities for different product objectives

Ongoing maintenance

Rigorous governance and **Thematics Advisory Committee** keep each index relevant, standardized and evidence-based

Rules-based index construction & maintenance

FTSE Russell

Sub-theme classification — worked example: Future Transport 9

Every theme is defined by FTSE Russell, then decomposed into sub-themes spanning the full value chain. Companies are mapped to sub-themes product by product. Enables precision classification that is traceable and auditable

Future transport

"The Future Transport theme captures companies whose products and services directly reshape how people and goods move, including battery-electric vehicles, the autonomous-driving and advanced driver-assistance technology stack, electric vertical take-off and landing aircraft, charging and vehicle-grid integration infrastructure, and robotaxi and autonomous mobility services"

Electric vehicle & supply chain	EV manufacturers, electric drive units, inverters, on-board chargers and automotive silicon-carbide and power-electronics
Autonomy & vehicle AI	Autonomous-driving software, ADAS systems-on-chip, lidar, radar and camera sensor stacks
Charging infrastructure & vehicle-grid integration	Public and fleet charging networks, charging hardware, megawatt charging and bidirectional vehicle-to-grid platforms
Advanced air mobility	Electric vertical take-off and landing aircraft
Robotaxi & autonomous mobility services	Robotaxi operations and the disclosed robotaxi & autonomous-mobility partnership products of ride-hailing platforms

Themes at every lifecycle stage

From emerging ideas to established markets, the methodology adjusts to reflect how thematic opportunities evolve over time

FORWARD-LOOKING SIGNALS

BALANCED

REVENUE EVIDENCE

EMERGING

Newly forming themes identified at the leading edge; theme definitions are rapidly evolving

Quantum computing

SCALING

High-momentum themes where adoption is accelerating across an expanding universe. Theme definitions are stabilizing

AI
Robotics
Space Exploration

MATURE

Anchored themes with deep, diversified universes spanning the full thematic ecosystem. Theme definitions are well defined

Cybersecurity
Luxury goods

The selection funnel, step by step

Four stages narrow the global universe to an investable set, with every score independently verified.

Multi-signal evidence, independently verified and consistently applied

From the global universe (FTSE GEIS and Russell), candidates with potential exposure are identified against the theme taxonomy

Each candidate is scored across two dimensions of evidence: revenue and forward-looking signals

Dimension scores aggregate into a single **Thematic Exposure Score** on a standardized two-band scale, driving constituent eligibility and weight across the index variants

Every score is cross-verified by an independent model, with expert oversight under FTSE Russell index governance

Inside the Thematic Exposure Score

From 10,000 companies to an investable basket

Global universe

~10,000

Every company in the FTSE GEIS and Russell US universes enters the process.

Relevance filter

~2,000

Independent AI checks rule out companies with no plausible link to the theme. A company is only excluded when multiple checks agree.

Multi-dimensional scoring

~100-400

Products are mapped to the theme one by one.

Scored & verified

Basket

Each company receives a Revenue score and a Forward score, computed by fixed rules and checked by an independent AI judge.

Note: Approximate figures used for illustrative purposes for a typical theme using FTSE Global All Cap as the starting universe

Dimensions of the thematic exposure score

Two dimensions of evidence, revenue and forward-looking signals, place each company in a purity tier.

1. Revenue exposure

What share of revenue comes from the theme?

Captures the share of company revenue attributable to theme-related products, services, or segments

2. Forward-looking signals

What non-revenue signals indicate a company's exposure to the theme?

Captures segment revenue forecasts, management commentary, forward-looking market signals through transcripts and news

Purity tiering: every constituent assigned a tier

Pure play

TES 100–50

The theme is central to the business model, revenue profile or strategic positioning.

Majority

TES 49–25

Significant exposure, the theme is one of multiple material business activities.

Partial

TES 24–10

Identifiable but limited or indirect exposure to the theme.

Not eligible

TES < 10

Insufficient exposure to the theme.

Worked example: IBM, quantum technology

IBM Quantum technology

Emerging theme | June 2026

FTSE TES **30**

MAJORITY

Revenue 2 /100

FY2025 SEGMENTS

Software	44.4%
IBM Quantum	5%
Consulting	31.2%
Infrastructure	23.3%
Financing + other	1.2%

Forward 42 /100

FOCUS

Dedicated division

MARKET EVIDENCE

"IBM has a dedicated quantum computing business unit, IBM Quantum"

"We have deployed more than 85 quantum systems for use by a global ecosystem of more than 300 organizations" (earnings call)

STRENGTH

Leader

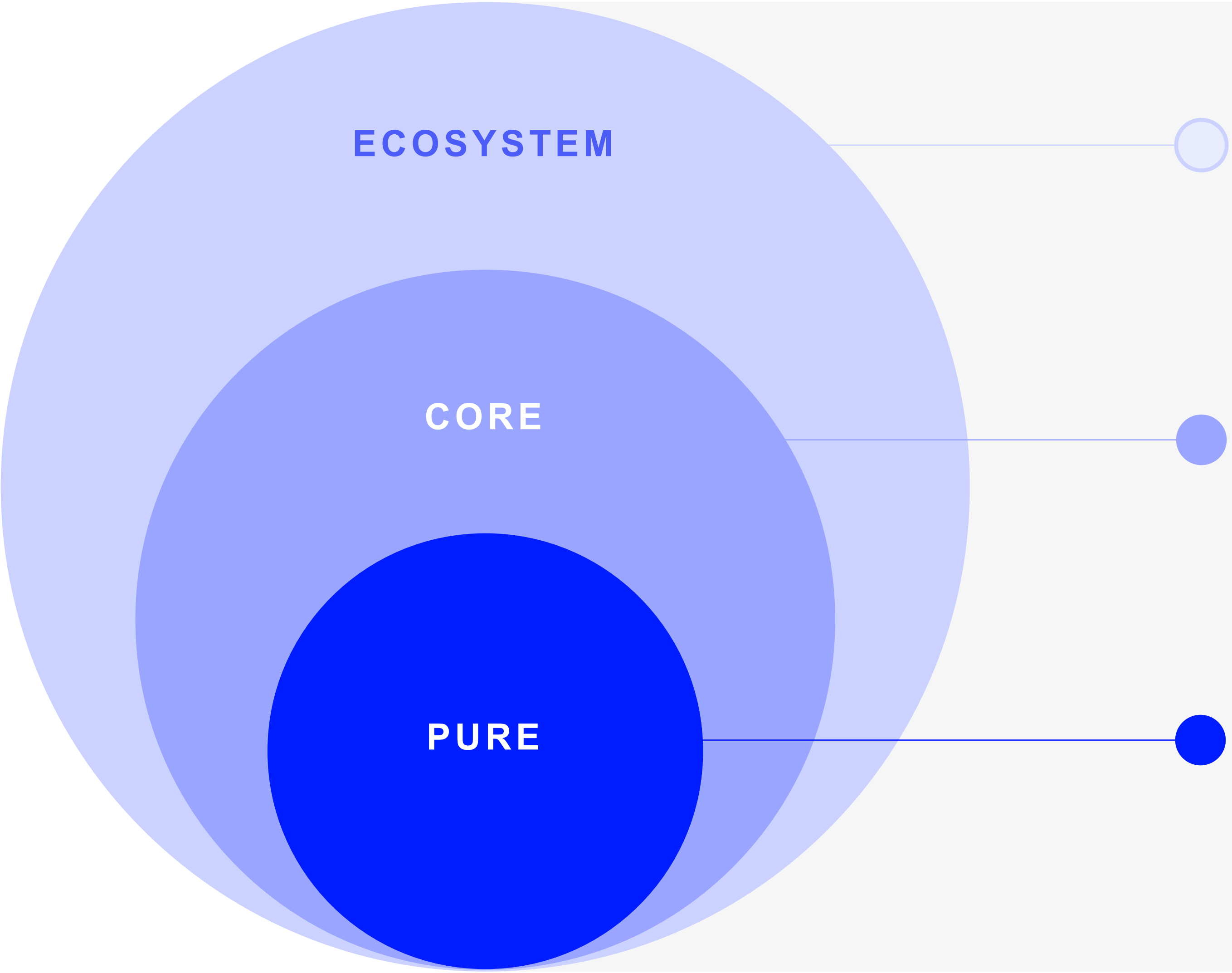
PRODUCT EVIDENCE

- IBM Quantum System One
- Heron: 133-qubit quantum processor
- IBM-AMD quantum error correction collaboration
- Starling: Product in development

Source: Simulated FTSE Global Quantum Technology Ecosystem Index as of June 2026. For illustrative purposes only, live score may differ

A family of three index variants, engineered to suit every thematic mandate

Pure, Core and Ecosystem variants are built from the same scoring architecture for different mandates.



Ecosystem

+ Partial tier

The full value chain, pure plays through material enablers: diversified core holdings, multi-theme combinations

Core

+ Majority tier

The theme's defining names: benchmarks, large-scale ETF underlyings, model portfolios

Pure

Pure play tier

Maximum conviction: concentrated strategies, structured products, high-conviction allocations

Responsible AI by design

Published rules, scheduled reviews and human oversight govern every index in the series.

The FTSE MarketPsych Thematic Index Series has been designed around LSEG's Responsible AI Principles, combining innovation with transparency and oversight.

Published ground rules

Transparent methodology, publicly documented

Control-oriented semi-annual reviews

Scheduled reviews and rebalances on a published cycle

Thematics Advisory Committee

External oversight keeping theme definitions current as markets evolve

Expert human oversight

Analysts review AI outputs before they reach any index

LSEG Responsible AI Principles

- Accurate and reliable
- Safe
- Interpretable and explainable
- Fair
- Accountable and auditable
- Secure and resilient
- Privacy and IP protected

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