

FAI

First Trust Bloomberg Artificial Intelligence ETF

Fund Description

FAI tracks a market cap-weighted index of companies in the artificial intelligence AI industry. It comprises the top 50 securities globally by revenue and themes assessments.

FactSet Analyst Report

FAI follows an index of global companies that develop or facilitate artificial intelligence solutions. These AI solutions include deep learning, machine learning, natural language processing, and image and speech recognition. From its initial universe consisting of the broad US equity market space, securities are screened to identify those in the AI ecosystem through a revenue and theme assessment using fundamental data. Companies are then assigned a tier depending on the combined assessments. Those with the highest revenue derived from, and exposure to the AI theme, based on combined assessment score, are assigned into the gold tier. Within the gold tier, companies are then screened to belong to one of five exposure categories. The top 50 securities with a revenue assessment of 1 are finally selected for inclusion by size order. Constituents are then market-cap weighted with the top 5 securities capped at 8% and the rest at 4%. The Index is rebalanced and reconstituted quarterly.

