

ABOVE THE FRAY

AI Is Everywhere, Including Your Portfolio

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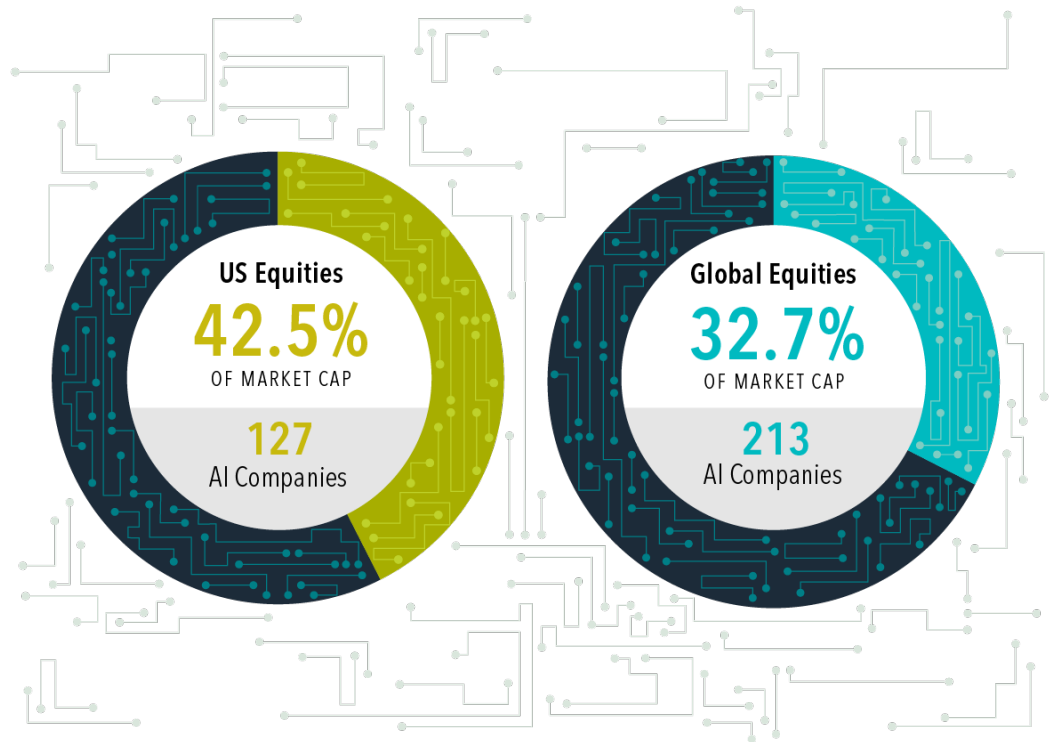
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One of the most common investor questions regarding the rise of artificial intelligence (AI) is “How do I take advantage of it in my portfolio?” The good news for investors is diversified equity portfolios already have exposure, mainly because AI tools touch nearly every type of business these days.

Holdings of the five largest AI ETFs collectively span a sizable chunk of the market—42.5% of US stock market capitalization and 32.7% of global market cap. And it’s not just a few big companies like NVIDIA or Apple—in the US alone, 127 companies are included among these AI-focused strategies.

The pervasiveness of AI opportunities is evident when perusing the company names. The usual suspects from technology are well represented—all five hold NVIDIA—but less techy names like Caterpillar, Honeywell, and Thomson Reuters can be found within these ETFs. This exemplifies how AI is likely to touch virtually every business type, making it harder to predict the ultimate winners from the revolution. Broad diversification can help investors avoid missing out on these winners, wherever they show up.

Exhibit 1
Percent of the Market
Held by the Top 5 AI
ETFs
 As of December 31, 2024



Holdings are subject to change.

Source: Dimensional, using Dimensional and Morningstar data. AI companies are represented by the holdings in the top five largest artificial intelligence (AI) ETFs based on assets under management as of December 31, 2024: AIQ, BOTZ, QTUM, ARKQ, and ROBT. Eligible universe includes US domiciled funds in the US Sector Equity and US Equity Morningstar US category groups. Artificial intelligence (AI) funds include those with one or more of the following terms in the fund name: "AI," "Quantum," "Intelligent Machines," "Autonomous," "Deep Learning," "Artificial Intelligence," "Machine Learning." Fund names including "AI Powered" are excluded from the analysis. Fund list may not be exhaustive of all funds that invest in AI-themed stocks. The sample excludes leveraged funds, funds of funds, and the US Fund Real Estate and US Fund Infrastructure US category groups. Global Equities is represented by the MSCI ACWI IMI Index. US Equities is represented by the Russell 3000 Index. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

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