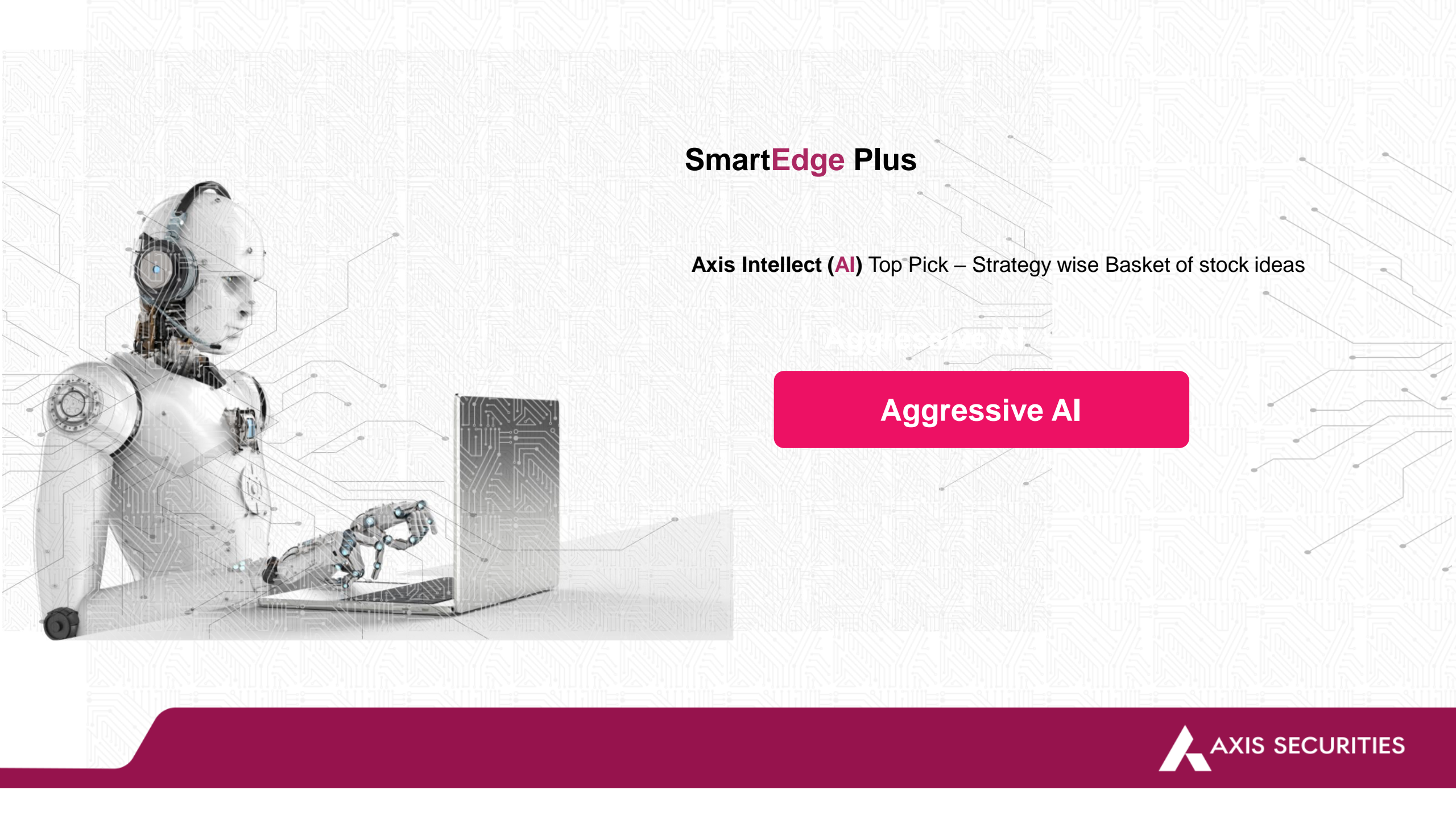


Smart**Edge** Plus

Presenting,

**Axis Intellect (**AI**) Score based Top Ideas**



## SmartEdge Plus

Axis Intellect (AI) Top Pick – Strategy wise Basket of stock ideas

Aggressive AI

Aggressive AI

## Axis Intellect (AI) **Aggressive AI**

Based on quantitative dynamic multi-factor strategy approach, these investments adjust the style exposure according to the economic environment and the overall market condition and enable you to earn higher gains.

### Overview

Stock investment endeavours to deliver consistent outperformance in the long term by making a diversified investment of 'Winners'. Axis Intellect (AI) Score based Investment Approach for Stock Selection **applies unique approach to deliver alpha by applying equal exposure to 'Core' and 'Satellite' factors.**

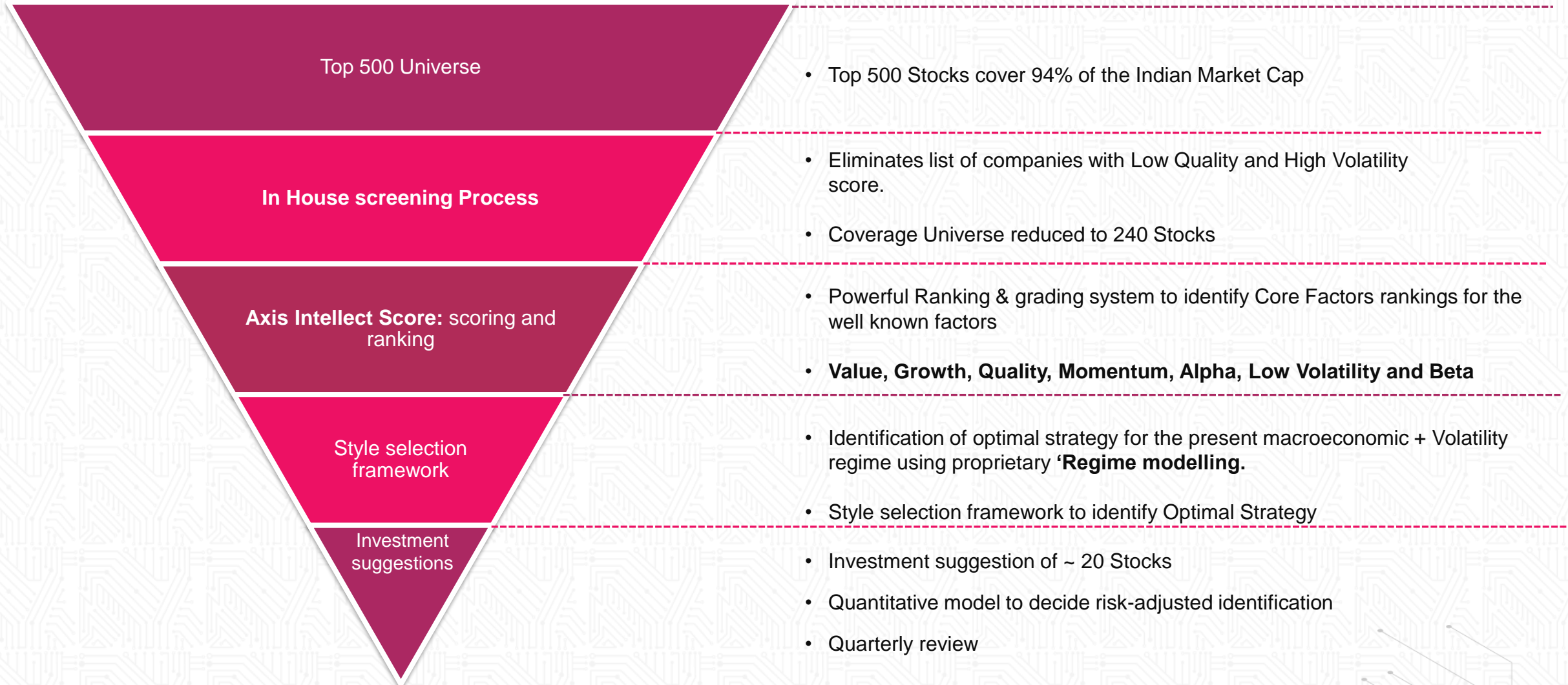
**What are 'Core' Factors':** Low Volatility, Value, Growth, Quality, Momentum (Equal weighted 50% exposure)

**What are 'Satellite' Factors:** Factors that have historically done well in the predicted regime modelling (Remaining 50% exposure)

### Key features

- Consistently generated superior returns
- Superior risk-adjusted long-term returns
- 1.7x returns from April'22 to July'25

## Our Unique Process Flow



# How we run Screening

## Our approach:

- Removes the Low Quality stocks to ensure higher stability of the strategy in a down cycle.
- Furthermore, it removes the highly volatile companies from each sector, typically the cyclical stocks, which may not add superior returns in long run.

### *Remove Low Quality*

Proprietary model removes the bottom 4 Decile stocks of each sector of Low Quality score



### *Remove high Volatility Stocks*

Model further removes the bottom 2 Decile of the highest volatile stocks from each sector.



### *240 Stocks Universe*

After removing the low quality and High Vol stocks from each sector, we are left with 240 stocks. Which is our new universe.

## What is 'Axis Intellect' (AI) Score

'**Axis Intellect (AI) Score**' is a distinctive score generated through a robust ranking & grading system to identify rankings for well-known factors and styles of the market.



### Value Factor

Utilizes valuation ratios to rank stocks that are attractively priced relative to fundamentals



### Beta

Ranks the stocks based on 1-year Slope of the stock with respect to the index



### Alpha

Ranks the stocks based on Jensen's Alpha



### Low volatility

Ranks the stocks on Low to High volatility



### Momentum Factor

Momentum score is being calculated based on the phenomenon: Stock generally tends to maintain the recent price trend in the future



### Growth Factor

Uses fundamental growth factors to rank stocks based on higher top line and bottom line growth, margin expansion, and cash flow growth



### Quality Factor

Ranks companies as High or Low quality based on Returns Ratios and Earnings variability

*Note: All the AI score ranges from 0-10 for all the individual factors, in which 10 is the best and 0 is less desirable*

# Indian Regime forecast

- Our Proprietary model to predict Indian regime using Macro economic and Volatility forecast.

## Nifty Volatility Regime

- Model to forecast volatility
- Binary Output
- Calm State (Less Volatile)
- Chaos State (Highly Volatile)



## Macro Economic Regime

- Model to forecast Macro economic regime
- Regime Forecast based on:  
GDP growth, CPI, IIP,  
FDI, M3 money Supply,  
Interest rates, Bond  
Yield, Exchange rate,  
Unemployment rates



## Indian Market Regime

- **Strategy combines the Output and set the Regime for Indian equity Market**
- **Consistent learning Strategy with evolving market condition**
- **No Human bias**

# Style Selection Framework

- Our proprietary model identify the optimal strategy for the forecasted Indian regime by applying equal exposure to 'Core' and 'Satellite' factors.

## Indian Market Regime

- Model combines the Indian Regime output with Factor Returns series
- Dynamic model identify the top performing Factor or style that has historically done well in the predicted regime



## Identification of 'Satellite' Factor

- Satellite: Factor that has historically done well in the predicted regime.
- Dynamically identify the factor based on the changing Market regime
- 50% weightage given to the AI score of the 'Satellite' factor for each stocks



## Identification of 'Core' Factor

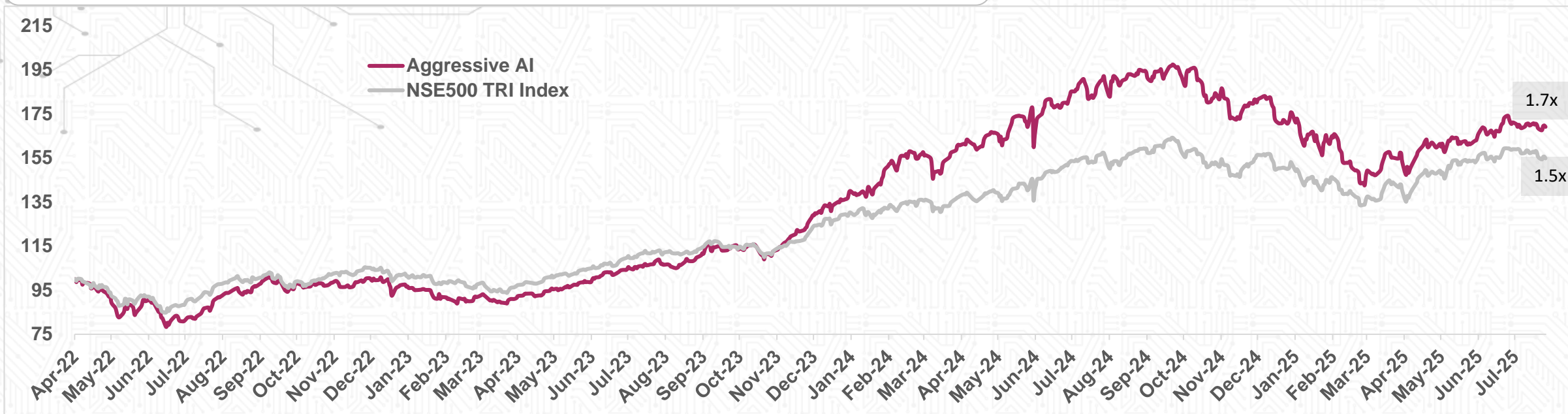
- Core: Equal weight exposure goes to Value, Growth, Low Volatility, Momentum and Quality.
- This ensures that half of AI score is always balanced. (Provides more stability to the strategy)
- 50% weightage given to the AI score of the 'Core' factor which is a average of Value, Growth, Low Volatility, Momentum and Quality



## Optimal Strategy

- Investment ideas of ~20 Stocks
- Quantitative model to decide risk-adjusted weights
- Quarterly rebalance

# Aggressive AI Performance of stock ideas



	Aggressive AI	Nifty500 TRI
<b>CAGR (Inception)</b>	17.5%	14.4%
<b>Alpha</b>	3.2%	
<b>Stdev</b>	18.3%	13.9%
<b>Sharpe</b>	0.58	0.53
<b>Beta</b>	0.64	1.00
<b>Drawdown</b>	-21.7%	-15.2%

Returns (%)	Aggressive AI Top pick ideas	Nifty500 TRI	Alpha
<b>1 Month Return</b>	-2.9%	-2.8%	-0.1%
<b>3 Month Return</b>	5.0%	4.5%	0.5%
<b>6 Month Return</b>	2.2%	6.8%	-4.6%
<b>1 Year Return</b>	-11.5%	-1.6%	-9.8%
<b>2 Year CAGR</b>	24.6%	17.1%	7.6%
<b>3 Year CAGR</b>	23.3%	17.1%	6.2%
<b>CAGR Since Inception</b>	17.5%	14.4%	3.2%

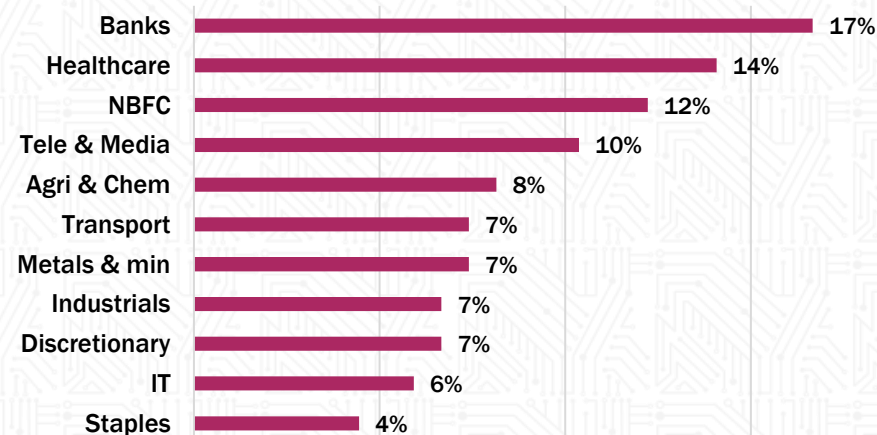
\*Note: Live performance since 6<sup>th</sup> April 2022 till 31<sup>st</sup> July 2025, Cost is not adjusted in returns

Aggressive AI

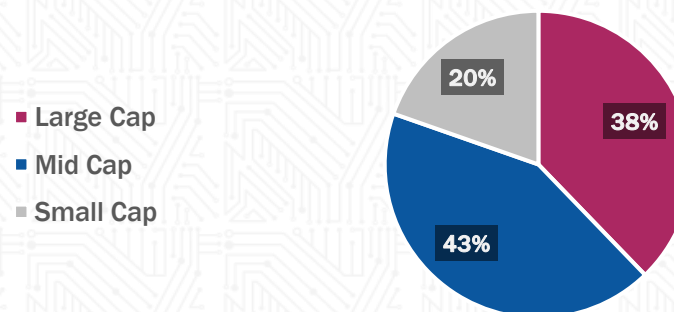
# Aggressive AI: Top Picks

Stocks	Sectors
ICICI Bank Ltd	Banks
Bharti Airtel Ltd	Tele & Media
Lupin Ltd	Healthcare
Interglobe Aviation Ltd	Transport
Muthoot Finance Ltd	NBFC
KPR Mill Ltd	Discretionary
GlaxoSmithKline Pharmaceuticals Ltd	Healthcare
Persistent Systems Ltd	IT
Karur Vysya Bank Ltd	Banks
HDFC Asset Management Company Ltd	NBFC
Coromandel International Ltd	Agri & Chem
LT Foods Ltd	Staples
Lloyds Metals and Energy Ltd	Metals & min
Bharat Electronics Ltd	Industrials
Welspun Corp Ltd	Metals & min
Kirloskar Brothers Ltd	Industrials
Indian Bank	Banks
Indus Towers Ltd	Tele & Media
Deepak Fertilisers and Petrochemicals Corp Ltd	Agri & Chem
Chambal Fertilisers and Chemicals Ltd	Agri & Chem

## Sector Wise Stock ideas



## Market capitalization



### **Neeraj Chadawar** **Head of Research – Fundamental & Quant**

Neeraj has more than 14 years of professional experience with over 11 years as Equity Strategist for serving clients across Europe, Australia, and India. In his previous assignment, Neeraj worked as an Indian Equity Strategist for Institutional clients at PhillipCapital and was responsible to generate top-down and bottom-up investment ideas on sector rotation and theme-based ideas for the Indian market.

He has been voted among the Best Equity Strategists by Asia Money Poll 2018, 2019, and received Standard & Poor Bronze ACE award for customer focus in June 2013.

Neeraj is an Electronics & Communication engineer and studied at FORE School of Management where he earned his PGDM with a specialization in Finance & Marketing.

# LAST ONE YEAR TOP IDEAS

# Top Ideas as on 2<sup>nd</sup> May 2025

Company name	Mcap	Sector
<a href="#">Bharti Airtel Ltd</a>	Large Cap	Tele & Media
<a href="#">United Spirits Ltd</a>	Large Cap	Discretionary
<a href="#">Narayana Hrudayalaya Ltd</a>	Mid Cap	Healthcare
<a href="#">Interglobe Aviation Ltd</a>	Large Cap	Transport
<a href="#">Lupin Ltd</a>	Large Cap	Healthcare
<a href="#">Ajanta Pharma Ltd</a>	Mid Cap	Healthcare
<a href="#">Coromandel International Ltd</a>	Mid Cap	Agri & Chem
<a href="#">Shriram Finance Ltd</a>	Large Cap	NBFC
<a href="#">HDFC Asset Management Company Ltd</a>	Mid Cap	NBFC
<a href="#">Muthoot Finance Ltd</a>	Mid Cap	NBFC
<a href="#">Karur Vysya Bank Ltd</a>	Small Cap	Banks
<a href="#">Persistent Systems Ltd</a>	Mid Cap	IT
<a href="#">Indian Hotels Company Ltd</a>	Large Cap	Discretionary
<a href="#">Indus Towers Ltd</a>	Large Cap	Tele & Media
<a href="#">Doms Industries Ltd</a>	Small Cap	Industrials
<a href="#">Welspun Corp Ltd</a>	Small Cap	Metals & min
<a href="#">Chambal Fertilisers and Chemicals Ltd</a>	Small Cap	Agri & Chem
<a href="#">Lloyds Metals and Energy Ltd</a>	Mid Cap	Metals & min
<a href="#">Zensar Technologies Ltd</a>	Small Cap	Industrials
<a href="#">Godawari Power and Ispat Ltd</a>	Small Cap	Metals & min

# Top Ideas as on 4<sup>th</sup> February 2025

Company name	Mcap	Sector
Bharti Airtel Ltd	Large Cap	Tele & Media
United Spirits Ltd	Large Cap	Discretionary
Bajaj Auto Limited	Large Cap	Auto & Anc
Muthoot Finance Ltd	Mid Cap	NBFC
Ajanta Pharma Ltd	Mid Cap	Healthcare
Oracle Financial Services Software Ltd	Mid Cap	IT
Coromandel International Ltd	Mid Cap	Agri & Chem
Natco Pharma Ltd	Small Cap	Healthcare
Lupin Ltd	Mid Cap	Healthcare
Indian Hotels Company Ltd	Mid Cap	Discretionary
Godawari Power and Ispat Ltd	Small Cap	Metals & min
Persistent Systems Ltd	Mid Cap	IT
Karur Vysya Bank Ltd	Small Cap	Banks
Zensar Technologies Ltd	Small Cap	IT
Doms Industries Ltd	Small Cap	Industrials
Jindal Stainless Ltd	Mid Cap	Metals & min
Indus Towers Ltd	Large Cap	Tele & Media
Welspun Corp Ltd	Small Cap	Metals & min
Kfin Technologies Ltd	Small Cap	Others
Oil India Ltd	Mid Cap	Oil & gas

# Top Ideas as on 4<sup>th</sup> November 2024

Company name	Mcap	Sector
CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED	Small Cap	NBFC
BAJAJ AUTO LIMITED	Large Cap	Auto & Anc
NATCO PHARMA LTD.	Small Cap	Healthcare
OIL INDIA LIMITED	Mid Cap	Oil & gas
GREAT EASTERN SHIPPING CO. LTD.,	Small Cap	Transport
PERSISTENT SYSTEMS LIMITED	Mid Cap	IT
SHRIRAM FINANCE LIMITED	Large Cap	NBFC
AJANTA PHARMA LTD.	Mid Cap	Healthcare
POWER GRID CORPORATION OF INDIA LIMITED	Large Cap	Utilities
CUMMINS INDIA LTD.,	Mid Cap	Industrials
HINDUSTAN AERONAUTICS LIMITED	Large Cap	Industrials
KARUR VYSYA BANK LTD.	Small Cap	Banks
NTPC LIMITED	Large Cap	Utilities
COAL INDIA LIMITED	Large Cap	Metals & min
GODAWARI POWER AND ISPAT LTD.	Small Cap	Metals & min
NCC LIMITED	Small Cap	Build Mate
DOMS INDUSTRIES LIMITED	Small Cap	Industrials
RAIL VIKAS NIGAM LIMITED	Mid Cap	Build Mate
LUPIN LTD	Mid Cap	Healthcare
JINDAL STAINLESS LIMITED	Mid Cap	Metals & min

# Top Ideas as on 1<sup>st</sup> August 2024

Company name	Mcap	Sector
ZYDUS LIFESCIENCES LIMITED	Mid Cap	Healthcare
BAJAJ AUTO LIMITED	Large Cap	Auto & Anc
LUPIN LTD	Mid Cap	Healthcare
POWER GRID CORPORATION OF INDIA LIMITED	Large Cap	Utilities
NTPC LIMITED	Large Cap	Utilities
COAL INDIA LIMITED	Large Cap	Metals & min
TRENT LTD [LAKME LTD]	Large Cap	Discretionary
CUMMINS INDIA LTD.,	Mid Cap	Industrials
KARUR VYSYA BANK LTD.	Small Cap	Banks
ABB INDIA LIMITED	Large Cap	Industrials
GREAT EASTERN SHIPPING CO. LTD.,	Small Cap	Transport
SAFARI INDUSTRIES (INDIA) LTD.,	Small Cap	Discretionary
KEI INDUSTRIES LTD.	Mid Cap	Industrials
NHPC LIMITED	Mid Cap	Utilities
HINDUSTAN AERONAUTICS LIMITED	Large Cap	Industrials
FINOLEX CABLES LTD.,	Small Cap	Industrials
NCC LIMITED	Small Cap	Build Mate
GODAWARI POWER AND ISPAT LTD.	Small Cap	Metals & min
GLOBAL HEALTH LIMITED	Small Cap	Healthcare
USHA MARTIN LTD.	Small Cap	Metals & min

# Top Ideas as on 2<sup>nd</sup> May 2024

Company name	Mcap	Sector
ITC LTD	Large Cap	Staples
ZYDUS LIFESCIENCES LIMITED	Mid Cap	Healthcare
BAJAJ AUTO LIMITED	Large Cap	Auto & Anc
NARAYANA HRUDAYALAYA LIMITED	Mid Cap	Healthcare
OIL INDIA LIMITED	Mid Cap	Oil & gas
NTPC LIMITED	Large Cap	Utilities
POWER GRID CORPORATION OF INDIA LIMITED	Large Cap	Utilities
CUMMINS INDIA LTD.,	Mid Cap	Industrials
ABB INDIA LIMITED	Large Cap	Industrials
COAL INDIA LIMITED	Large Cap	Metals & min
GREAT EASTERN SHIPPING CO. LTD.,	Small Cap	Transport
KARUR VYSYA BANK LTD.	Small Cap	Banks
NHPC LIMITED	Mid Cap	Utilities
HINDUSTAN AERONAUTICS LIMITED	Large Cap	Industrials
BHARAT ELECTRONICS LTD.,	Large Cap	Industrials
GLOBAL HEALTH LIMITED	Small Cap	Healthcare
CANARA BANK	Large Cap	Banks
BANK OF BARODA	Large Cap	Banks
BLS INTERNATIONAL SERVICES LTD	Small Cap	IT
USHA MARTIN LTD.	Small Cap	Metals & min

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