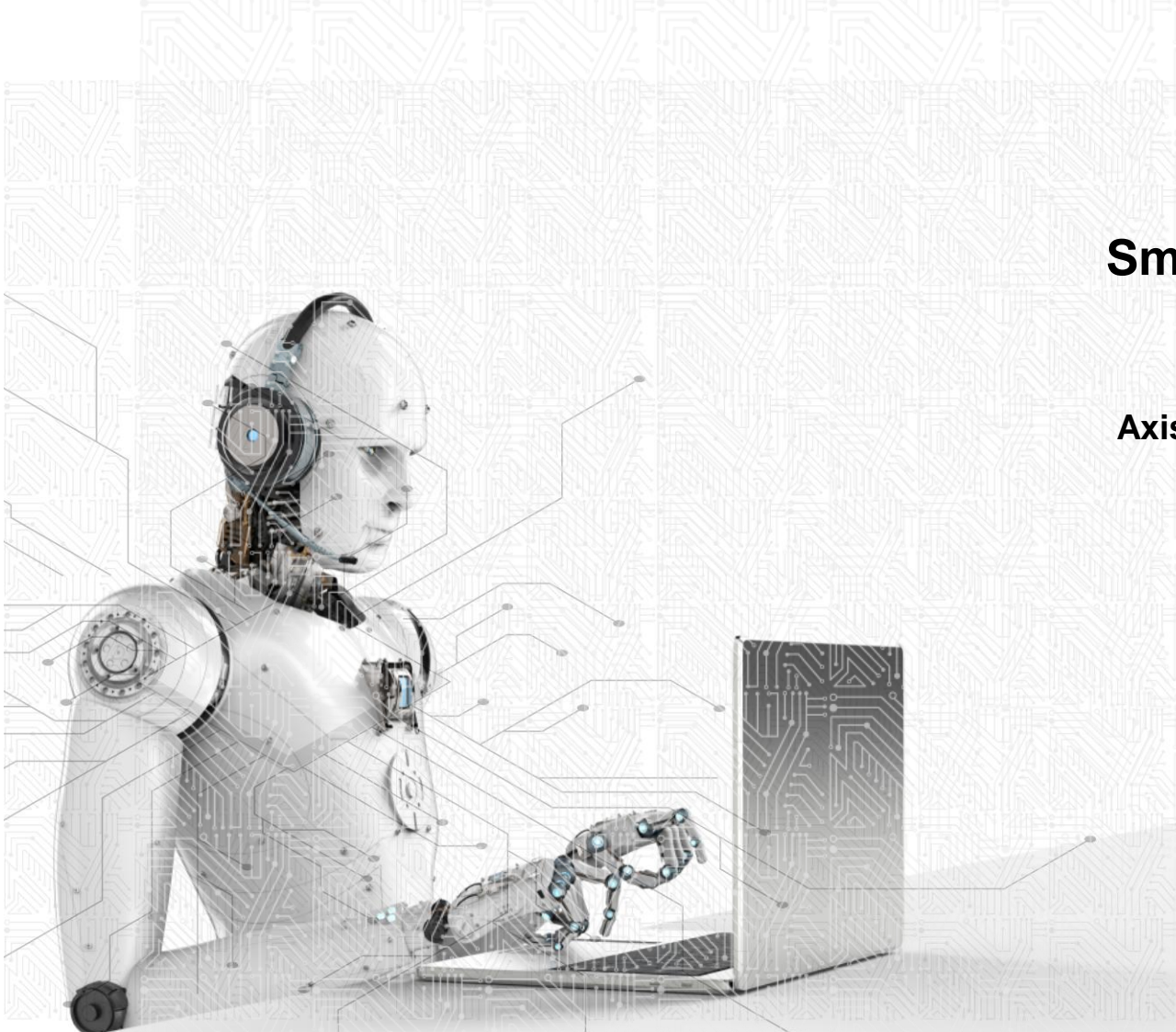


**SmartEdge Plus**

Presenting,

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



## SmartEdge Plus

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

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.**

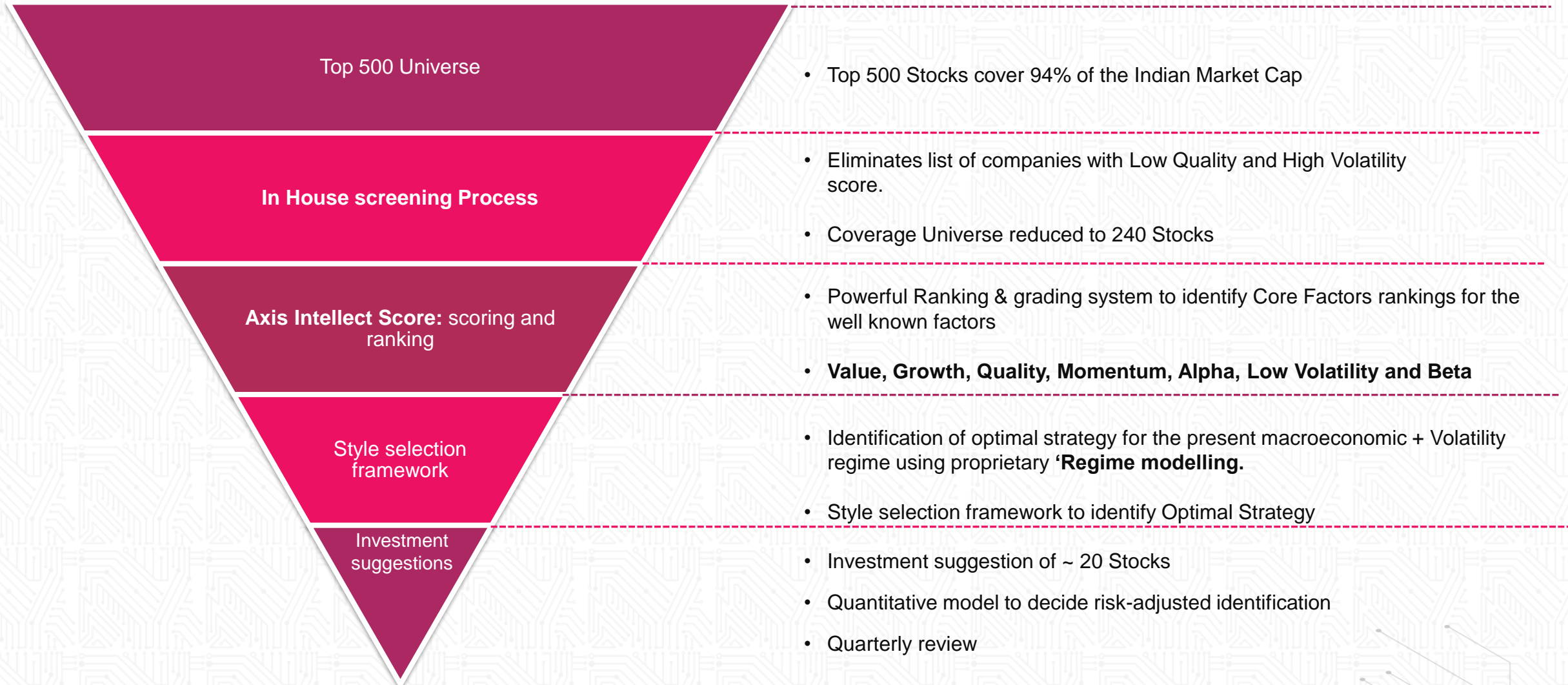
**What are 'Core' Factors':** Low Volatility, Value, Growth, Quality, Momentum (Equal weighted 50% exposure)

**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
- 1.6x returns from May'23 to May'26

# 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

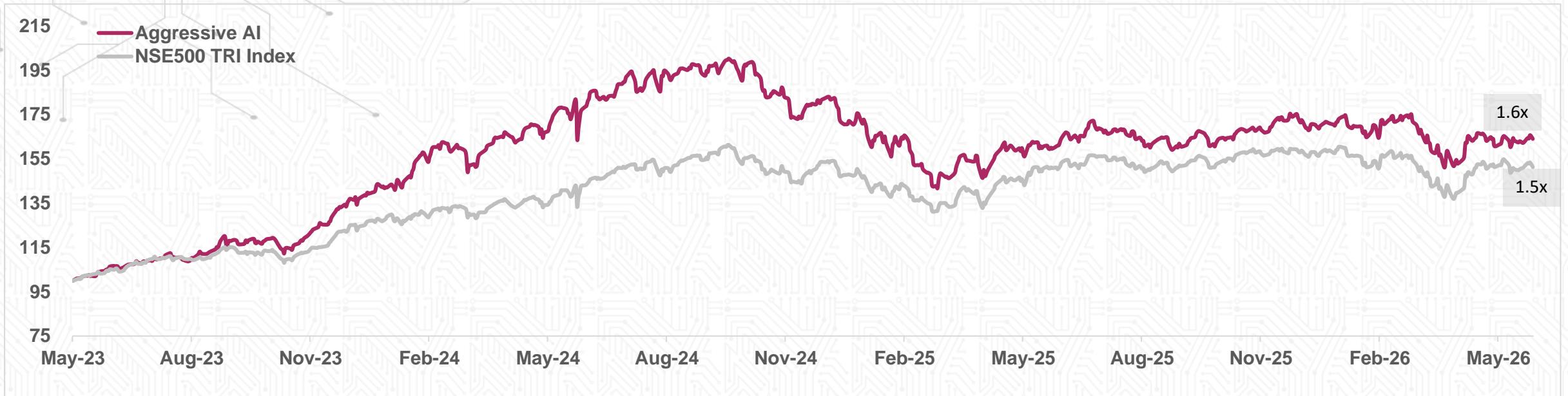
- Core: Equal weight exposure goes to Value, Growth, Low Volatility, Momentum and Quality.
- This ensures that half of AI score is always balanced. (Provides more stability to the strategy)
- 50% weightage given to the AI score of the ‘Core’ factor which is a average of Value, Growth, Low Volatility, 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> | 17.7%         | 14.6%        |
| <b>Alpha</b>            | 3.1%          |              |
| <b>Stdev</b>            | 18.1%         | 14.1%        |
| <b>Sharpe</b>           | 0.59          | 0.54         |
| <b>Beta</b>             | 0.69          | 1.00         |
| <b>Drawdown</b>         | -29.2%        | -18.6%       |

| Returns (%)                 | Aggressive AI Top pick ideas | Nifty500 TRI | Alpha |
|-----------------------------|------------------------------|--------------|-------|
| <b>1 Month Return</b>       | 2.1%                         | 0.0%         | 2.1%  |
| <b>3 Month Return</b>       | -4.6%                        | -2.0%        | -2.5% |
| <b>6 Month Return</b>       | -5.7%                        | -5.1%        | -0.7% |
| <b>1 Year Return</b>        | 2.8%                         | 0.3%         | 2.5%  |
| <b>2 Year CAGR</b>          | -3.1%                        | 4.6%         | -7.6% |
| <b>3 Year CAGR</b>          | 17.0%                        | 13.9%        | 3.0%  |
| <b>CAGR Since Inception</b> | 17.7%                        | 14.6%        | 3.1%  |

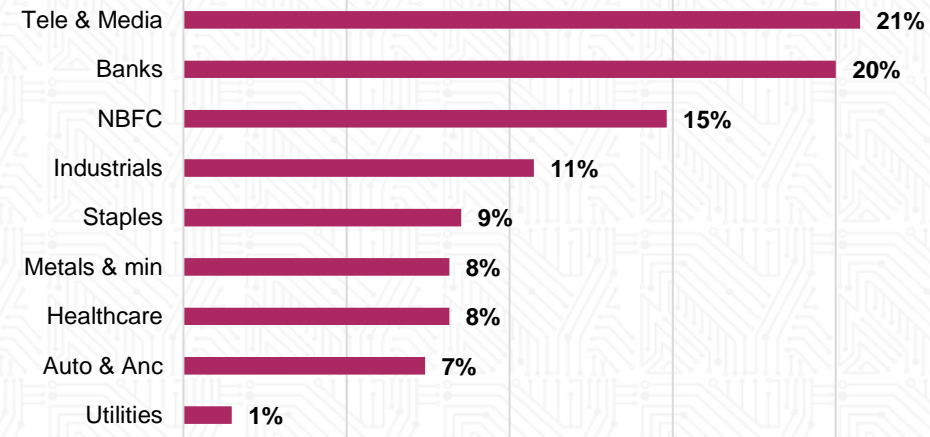
\*Note: Live performance since 19<sup>th</sup> May 2023 till 31<sup>st</sup> May 2026, Cost is not adjusted in returns

Aggressive AI

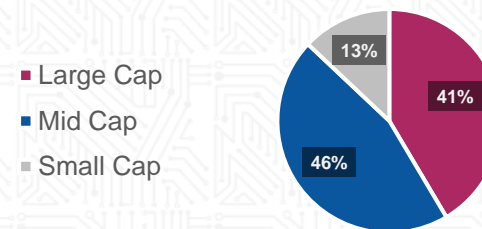
# Aggressive AI: Top Picks

| Stocks                                 | Sectors      |
|--|--------------|
| Marico Ltd                             | Staples      |
| Torrent Pharmaceuticals Ltd            | Healthcare   |
| Bharti Airtel Ltd                      | Tele & Media |
| Eicher Motors Ltd                      | Auto & Anc   |
| Indus Towers Ltd                       | Tele & Media |
| Federal Bank Ltd                       | Banks        |
| Muthoot Finance Ltd                    | NBFC         |
| Bharti Hexacom Ltd                     | Tele & Media |
| Aditya Birla Sun Life AMC Ltd          | NBFC         |
| AU Small Finance Bank Ltd              | Banks        |
| Indian Bank                            | Banks        |
| Cummins India Ltd                      | Industrials  |
| Bharat Electronics Ltd                 | Industrials  |
| Hindustan Zinc Ltd                     | Metals & min |
| Karur Vysya Bank Ltd                   | Banks        |
| Nippon Life India Asset Management Ltd | NBFC         |
| National Aluminium Co Ltd              | Metals & min |
| Waaree Energies Ltd                    | Industrials  |
| Vedanta Ltd                            | Metals & min |
| Nava Limited                           | Utilities    |

## Sector Wise Stock ideas



## Market capitalization



### **Neil Jha** **Head – Quantitative Research**

Neil Jha is the Head of Quantitative Research at Axis Direct with over 6 years of experience in portfolio management and systematic trading. In his previous leadership role as Head of Quant Products at Motilal Oswal Financial Services, and his tenure at Stelios Asset Management (a global long-short algorithmic hedge fund), Neil specialized in developing Equity Long-Only factor models, trend-following algorithms, and market-neutral derivative strategies. His core expertise lies in alpha generation, focusing on identifying market inefficiencies through robust backtesting and algorithmic model development.

Neil has been recognized for his leadership in the field, receiving the "Emerging Leader" award at Axcel 2023 and the "Best Debutant" award during his early career. He holds an MSc in Finance from NMIMS and a CQF (Certificate in Quantitative Finance), and is currently pursuing an Executive PhD from NMIMS to further his research in advanced quantitative methods.

Beyond the trading desk, Neil is the author of "Quant Trading Essentials" and has served as a Member of the Board of Studies at NMIMS ASM SOC, where he helps shape academic frameworks. He also serves as a Visiting Professor in Econometrics at the BSE Institute, simplifying complex statistical modeling for future finance professionals.

# LAST ONE YEAR TOP IDEAS

# Top Ideas as on 2<sup>nd</sup> February 2026

| Company name                 | Mcap      | Sector       |
|------------------------------|-----------|--------------|
| Bharti Airtel Ltd            | Large Cap | Tele & Media |
| Torrent Pharmaceuticals Ltd  | Large Cap | Healthcare   |
| Eicher Motors Ltd            | Large Cap | Auto & Anc   |
| Hyundai Motor India Ltd      | Large Cap | Auto & Anc   |
| Bajaj Housing Finance Ltd    | Large Cap | NBFC         |
| Federal Bank Ltd             | Mid Cap   | Banks        |
| Muthoot Finance Ltd          | Mid Cap   | NBFC         |
| City Union Bank Ltd          | Small Cap | Banks        |
| Coromandel International Ltd | Mid Cap   | Agri & Chem  |
| Choice International Ltd     | Small Cap | NBFC         |
| Indus Towers Ltd             | Mid Cap   | Tele & Media |
| eClerx Services Ltd          | Small Cap | IT           |
| Indian Bank                  | Mid Cap   | Banks        |
| Karur Vysya Bank Ltd         | Small Cap | Banks        |
| Vedanta Ltd                  | Large Cap | Metals & min |
| Cummins India Ltd            | Mid Cap   | Industrials  |
| Shriram Finance Ltd          | Large Cap | NBFC         |
| Bharat Electronics Ltd       | Large Cap | Industrials  |
| Hindustan Zinc Ltd           | Large Cap | Metals & min |
| National Aluminium Co Ltd    | Small Cap | Metals & min |

# Top Ideas as on 3<sup>rd</sup> November 2025

| Company name                 | Mcap      | Sector        |
|------------------------------|-----------|---------------|
| ICICI Bank Ltd               | Large Cap | Banks         |
| Zydus Lifesciences Ltd       | Mid Cap   | Healthcare    |
| Muthoot Finance Ltd          | Mid Cap   | NBFC          |
| Hero MotoCorp Ltd            | Mid Cap   | Auto & Anc    |
| Bharti Airtel Ltd            | Large Cap | Tele & Media  |
| Interglobe Aviation Ltd      | Large Cap | Transport     |
| KPR Mill Ltd                 | Mid Cap   | Discretionary |
| Persistent Systems Ltd       | Mid Cap   | IT            |
| Aadhar Housing Finance Ltd   | Small Cap | NBFC          |
| eClerx Services Limited      | Small Cap | IT            |
| Coromandel International Ltd | Mid Cap   | Agri & Chem   |
| City Union Bank Ltd          | Small Cap | Banks         |
| Cummins India Ltd            | Mid Cap   | Industrials   |
| Indian Bank                  | Mid Cap   | Banks         |
| Indus Towers Ltd             | Mid Cap   | Tele & Media  |
| Karur Vysya Bank Ltd         | Small Cap | Banks         |
| Bharat Electronics Ltd       | Large Cap | Industrials   |
| Kirloskar Brothers Ltd       | Small Cap | Industrials   |
| Welspun Corp Ltd             | Small Cap | Metals & min  |
| Lloyds Metals and Energy Ltd | Mid Cap   | Metals & min  |

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

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

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

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

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