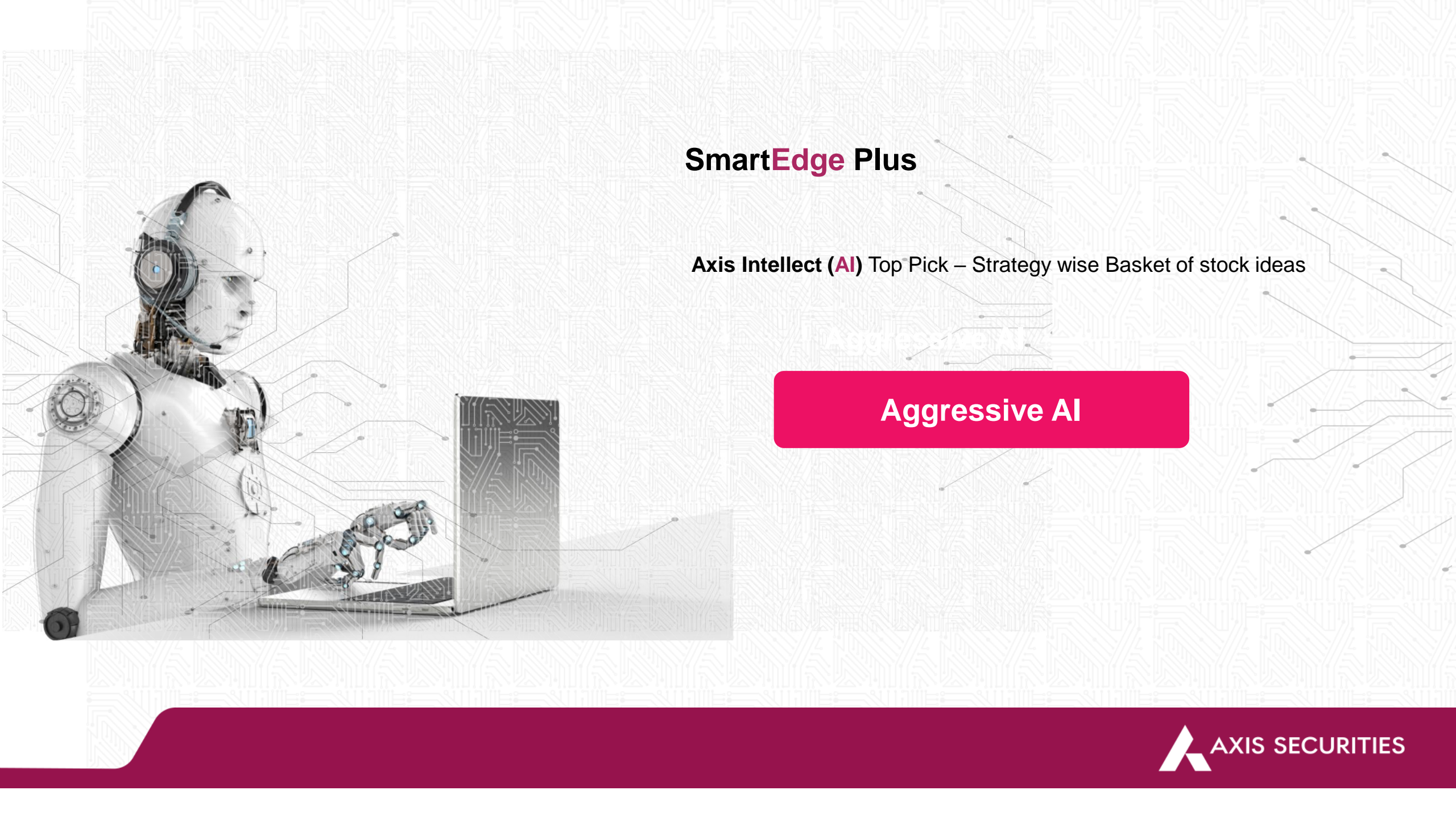


**SmartEdge Plus**

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.**

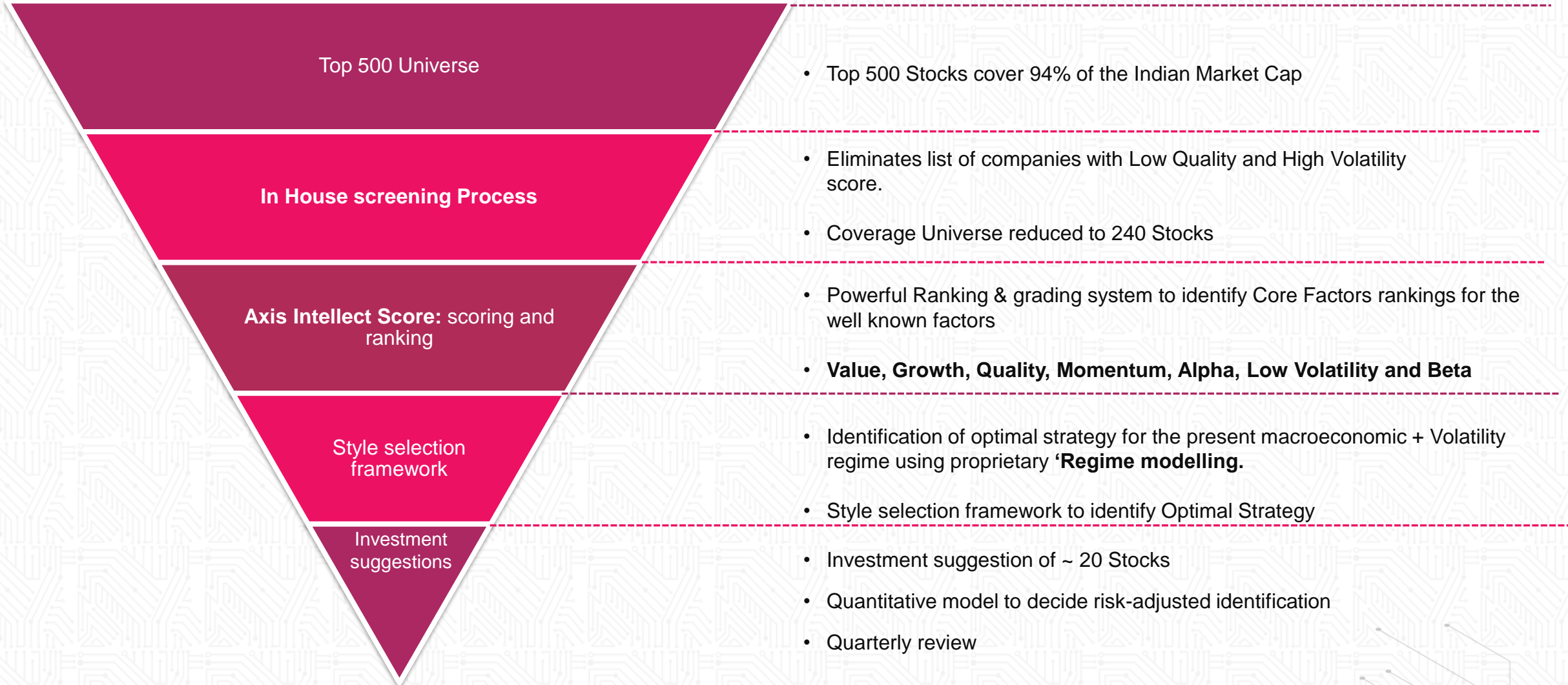
**What are 'Core' Factors':** Low Volatility, Value, Growth, Quality, Momentum (Equal weighted 50% exposure)

**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
- 1.7x returns from May'23 to Jan'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

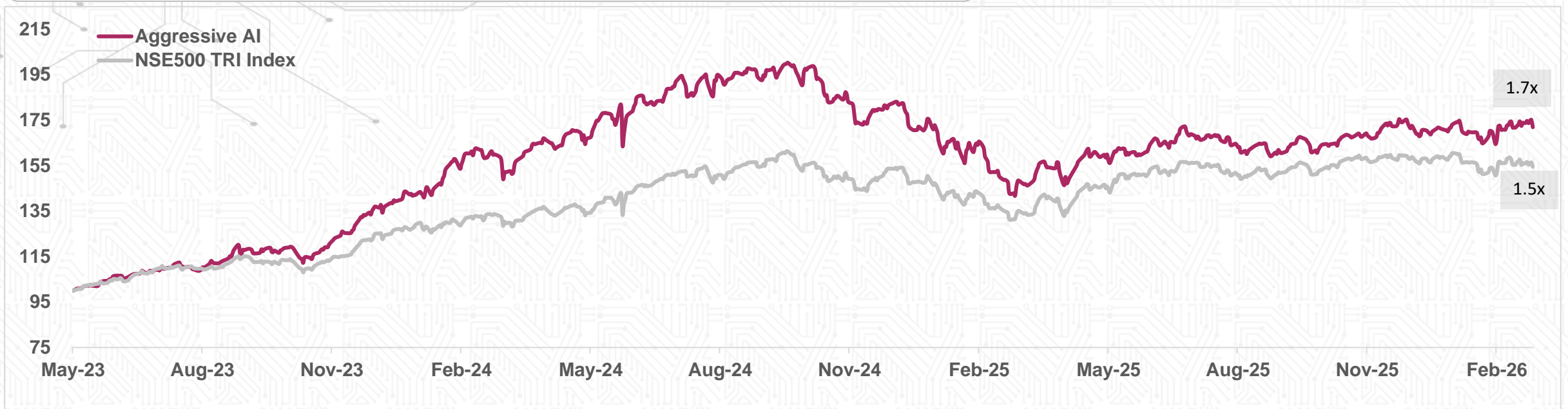
- Core: Equal weight exposure goes to Value, Growth, Low Volatility, Momentum and Quality.
- This ensures that half of AI score is always balanced. (Provides more stability to the strategy)
- 50% weightage given to the AI score of the ‘Core’ factor which is a average of Value, Growth, Low Volatility, 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>	21.5%	16.9%
<b>Alpha</b>	4.6%	
<b>Stdev</b>	17.4%	13.2%
<b>Sharpe</b>	0.83	0.75
<b>Beta</b>	0.66	1.00
<b>Drawdown</b>	-29.2%	-18.6%

Returns (%)	Aggressive AI Top pick ideas	Nifty500 TRI	Alpha
<b>1 Month Return</b>	1.4%	0.5%	0.9%
<b>3 Month Return</b>	-1.2%	-3.1%	1.9%
<b>6 Month Return</b>	8.0%	3.4%	4.6%
<b>1 Year Return</b>	20.4%	17.6%	2.8%
<b>2 Year CAGR</b>	4.2%	8.4%	-4.2%
<b>CAGR Since Inception</b>	21.5%	16.9%	4.6%

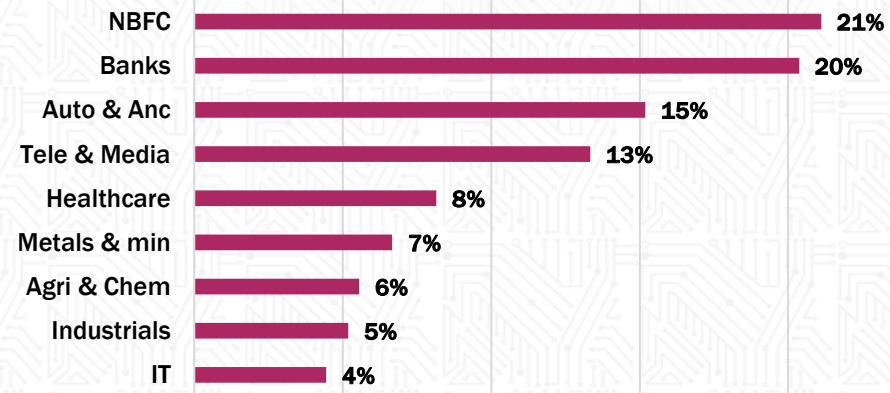
\*Note: Live performance since 19<sup>th</sup> May 2023 till 28<sup>th</sup> Feb 2026, Cost is not adjusted in returns

Aggressive AI

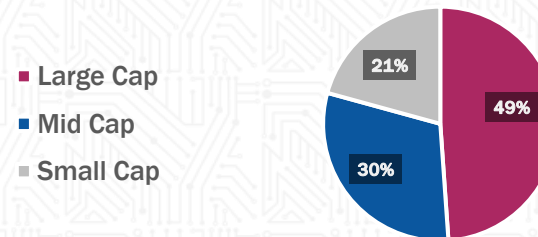
# Aggressive AI: Top Picks

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

## 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 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

# 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

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