INSURANCE ASIA NEWS
Institutional Asset Management Awards
2025
★★★★★

★ **Best Quantitative Solutions Manager**
★ **Best Emerging Markets Equity Manager**
★ **Best Use of Artificial Intelligence**

AXA Investment Managers

"AXA Investment Managers utilise its proprietary valuation model as a foundation of stock selection strategy across equity markets."

Best Quantitative Solutions Manager award

AXA Investment Managers' Equity Quantitative Investment (EQI) team is recognized as a leading investment solution manager, having demonstrated its effectiveness over four decades.

EQI's investment philosophy is founded on the principle that a company's fundamentals ultimately drive its risk and return outcomes. This belief shapes the investment team's approach to constructing models and identifying stocks poised for improved fundamental performance.

The EQI strategy incorporates a variety of proprietary factors, such as value, quality and momentum, while integrating diverse datasets that encompass all aspects of a company's operations, including both traditional and non-traditional data sources. A sophisticated data platform analysing over 20,000 companies worldwide forms the cornerstone of the stock selection models.

Best Emerging Markets Equity Manager

AXA IM's EQI team utilises its proprietary valuation model as the foundation for stock selection across equity markets, complemented by assessments of earnings quality and sentiment.

The emerging markets segment presents substantial opportunities for quantitative managers, largely due to high information inefficiencies and lower analyst coverage compared to developed markets. This environment results in increased pricing uncertainty and cross-sectional dispersion, which AXA IM's proprietary valuation model is designed to exploit.

The EQI team is effective due to its systematic and data-driven approach. EQI has developed a repeatable investment process that allows for informed, disciplined decision-making. Our approach allows us to identify undervalued stocks with improving fundamentals that may be overlooked by traditional fundamental investors.

"Their unconstrained investment approach is conviction led and thematically driven."

Best Use of Artificial Intelligence award

AI and Machine Learning (ML) techniques are significantly transforming various industries. While AI has the potential to improve investor outcomes, implementing it in equity portfolios presents unique challenges due to the complexities of financial data.

The EQI team have been an early adopter of these techniques, developing multiple models that incorporate machine learning techniques into their investment processes. For instance, they've created neural networks (NN) for tail risk identification and natural language processing models to analyze company sentiment. These innovations demonstrate the importance of combining these new techniques with traditional investment approaches like valuation and earnings quality.

Recognizing the challenges inherent in ML models, the team has prioritized interpretability, developing a 'white box' approach that runs a linear regression against NN outputs. This allows for the identification of the input variables that drive shifts in forecasted risk probabilities.

In 2025, AXA IM has new AI projects in the pipeline, including an upgraded earnings surprise model designed to calculate the probability of stocks beating or missing earnings forecasts.