Value Investing

Value investing entails purchasing assets below their intrinsic value, anticipating future appreciation. It was **pioneered by Benjamin Graham and popularized by Warren Buffet** on the belief that an asset's price will eventually match its intrinsic value.

- It focuses on **exploiting the gap between an asset's price and intrinsic value for profitable returns**, taking advantage of market fluctuations by buying during crises and selling during booms.
    - For example, if a company's stock has an intrinsic value of 100 rupees per share, but the market price is only 60 rupees. A value investor seizes the opportunity, buying the undervalued stock.
    - **As the stock price rises toward its intrinsic value.** The value investor then sells the stock at a profit, having taken advantage of the initial undervaluation.
- This **contrasts with efficient market theory,** as value investors capitalize on disparities between market prices and intrinsic worth, leveraging undervalued assets.