

# FUNDAMENTAL INVESTMENT

## What is Fundamental Investment

**Fundamental Investment** is a strategy where investors make decisions based on the underlying financial and economic health of a company, asset, or market.

In simple terms, **fundamental investors** study a company's financial statements (like revenue, profit, assets, and debt), industry trends, management quality, and the overall economy to determine the **intrinsic value** of an asset. They then compare this value to the current market price. If the asset is undervalued, they may buy it, expecting the price to rise over time.

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## Things you should know before investing

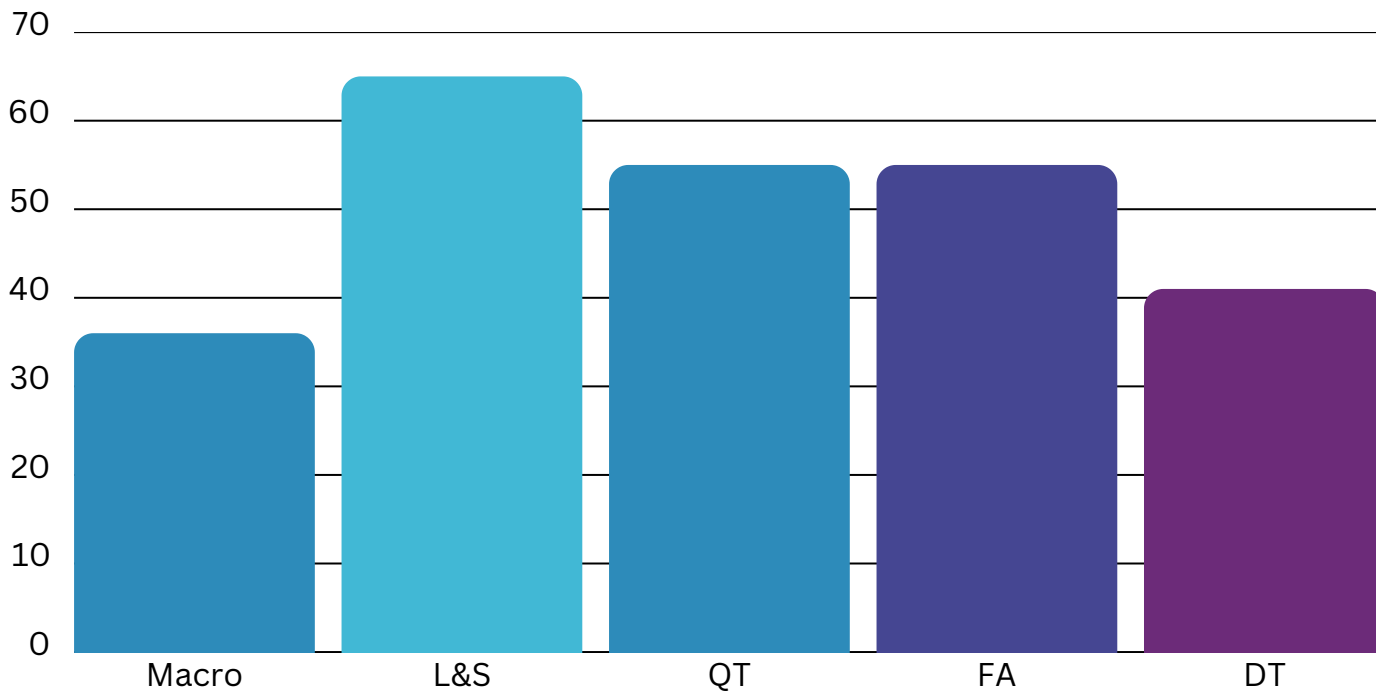
Before investing using a fundamental approach, it's important to understand that this strategy focuses on long-term value rather than short-term price movements. Investors should be prepared to dive deep into a company's financial health by analyzing its balance sheet, income statement, and cash flow to assess profitability, debt levels, and growth potential. Patience is key—fundamental investing often involves holding positions for extended periods, sometimes years, waiting for the market to recognize the asset's true value. One must also stay updated on broader economic indicators, such as interest rates, inflation, and industry trends, as these factors heavily influence a company's performance. Additionally, understanding the competitive landscape and the quality of a company's management team is crucial. Unlike technical trading or quantitative strategies, fundamental investing requires a strong grasp of business fundamentals and the ability to interpret financial reports accurately. Emotional discipline and a long-term mindset are essential to ride out market volatility and stay committed to fundamentally sound investments.

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# Investment Made by Top Firms

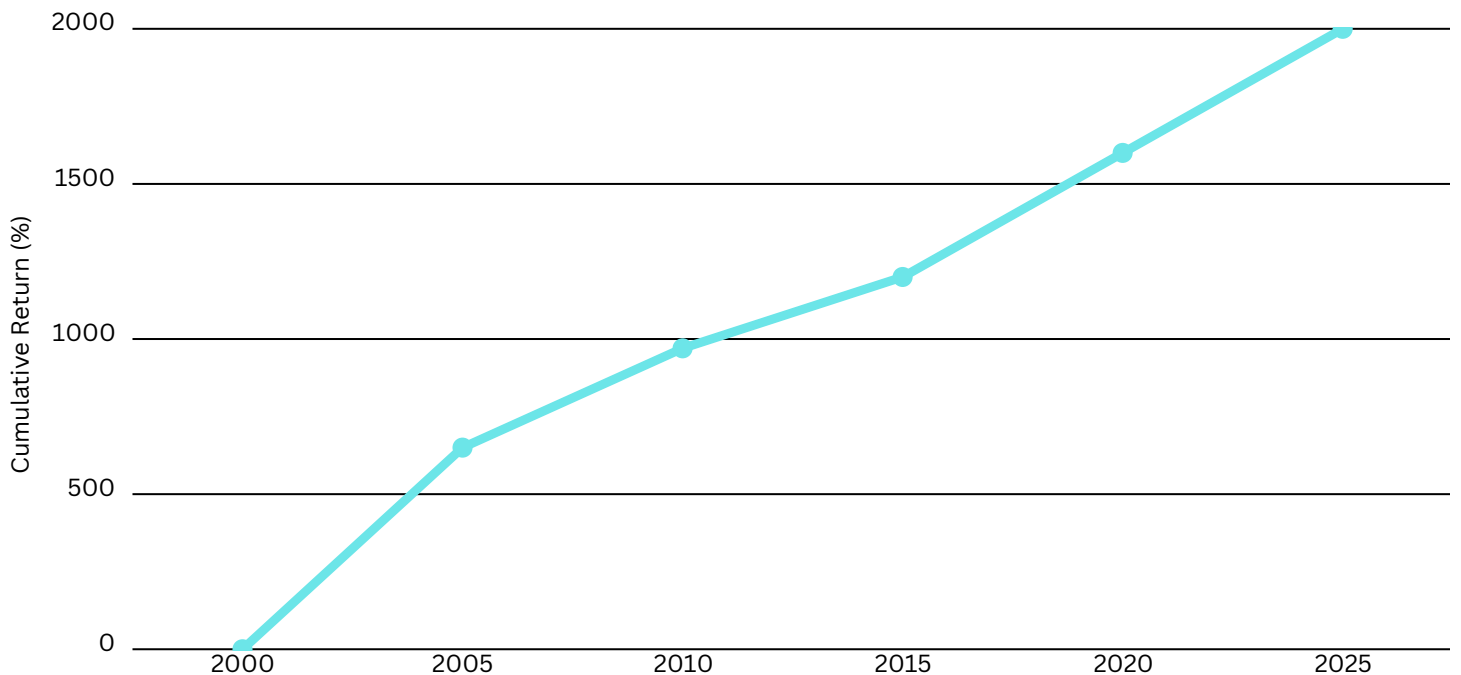
## Hedge Funds

Macro L&S QT FA DT



Funds raised: \$1,000,000,000,000

## Hedge Fund AUM (2000-2025)



# Factors to Consider

Things You Should Consider Before Investing in Fundamental investment Before allocating capital to Fundamental Investment strategies, it's crucial to understand the unique characteristics, risks, and requirements associated with this approach.

## ✓ **Long-Term Value Creation**

Fundamental investing focuses on identifying undervalued assets with strong potential for long-term growth, allowing investors to build wealth steadily over time.



## **Risk Mitigation Through Research**

By deeply analyzing financials, industry trends, and economic conditions, investors can avoid overhyped or fundamentally weak companies—leading to more informed, lower-risk decisions.



## **Alignment with Business Performance**

Fundamental investors base decisions on real-world company performance, such as earnings, revenue, and management efficiency—providing a grounded approach to investing.



## ✓ **Less Affected by Short-Term Volatility**

Since the strategy is focused on long-term value, temporary market fluctuations have less impact, helping investors stay calm and committed during market swings.



## **Clear Investment Rationale**

Each investment is backed by research and logic, making it easier to justify holding positions and develop conviction even in uncertain conditions.



## **Time-Intensive Research**

Fundamental investing requires in-depth analysis of financial statements, industry reports, and macroeconomic indicators—demanding significant time, effort, and expertise.



## **Slow Realization of Gains**

Because this strategy focuses on long-term value, it can take months or even years for the market to reflect a company's true worth, which may test investor patience.



## **Subjectivity in Valuation**

Estimating the “intrinsic value” of a company often involves assumptions and forecasts, making results vary between analysts and increasing the risk of error.

# Step-by-Step Breakdown

- **Initial Capital:** ₹1,00,000
- **Strategy:** Fundamental Investment Strategy focused on company financials, industry outlook, economic
- **Timeframe:** 12 Months (Jan 2024 - Jan 2025)
- **Final Return:** 1,12,000 (12% ROI)

## ✓ 1. Fundamental Analysis & Stock Selection by Ackerman Group

In January 2024, the Ackerman Group’s research team conducted a detailed bottom-up analysis of selected companies. The focus was on:

- Financial strength: High earnings growth, strong return on equity, and manageable debt
- Industry positioning: Favorable outlook in sectors like healthcare and consumer goods

The team selected high-quality stocks expected to deliver consistent performance over the next 12 months.

## ✓ 2. Investment Allocation (Sample Stock Picks)

Stock	Amount Invested	Reason for Selection
MedPlus Health Services Ltd	₹50,000	Strong earnings growth and expanding retail presence
BharatFoods Ltd	₹30,000	Defensive stock with solid fundamentals
ConsumerGrowth ETF	₹20,000	Exposure to top-performing FMCG companies

## 📈 Performance After 12 Months (Jan 2025)

Investment	Return %	Final Value
MedPlus Health Services Ltd	+16%	₹58,000
BharatFoods Ltd	+12%	₹33,600
ConsumerGrowth ETF	+10%	₹22,000

- **Profit Made:** ₹12,000
- **Return on Investment (ROI):** +12%

# Conclusion

## 🙏 Thank You for Visiting

Thank you for taking the time to visit this page and explore the fundamentals of **Fundamental Investment**. We hope it provided you with valuable insights into how evaluating financial health, industry position, and macroeconomic factors can guide smarter and more sustainable investment decisions.

At **Ackerman Group**, we believe that informed investing is the foundation of long-term success. Whether you're a seasoned investor or just beginning your financial journey, understanding fundamental strategies can empower you to identify undervalued opportunities, manage risk more effectively, and build a resilient portfolio grounded in real-world performance.

✉️ **If you have questions or are reconsidering applying Fundamental to your investments, feel free to contact us.** Our team is here to guide you with research-driven insights and practical solutions tailored to your goals.

**Invest wisely. Stay informed. Grow globally.**



**Example given on Page 4:-Is merely an illustrative example and has not been tested or applied in real markets. It is shared solely to help you understand the concept using simplified logic and easy calculations**