



Coffee Can Investing

Works on the philosophy of the coffee can portfolio

can portfolio

High Risk

Index Value

162.31

CAGR

8.84%

since January 10, 2015

smallcase rationale

The coffee can investing philosophy works on a more modified version of value investing with some deviations from the Buy Right, sit tight theory. It works on the simple rule to pick up quality stocks based on the past 10 years

- Revenue Growth > 10%
- ROE > 15%

Low churn portfolio with almost negligible turnover is another USP of the coffee can philosophy

Created by **INDwealth** SEBI Reg. Number **—** Subscription Type **Free**

[Invest in this smallcase here](#)

Methodology



Defining the universe

All publicly traded companies on the National Stock Exchange of India, covering 90% market capitalization, are included in the universe



Constituent Screening

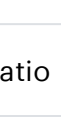
The indwealth team does individual stock picking after going through company reports and financials and decides on a host of qualitative and quantitative parameters to be considered while screening stocks for the respective theme



Weighting

Following parameters are considered while assigning weights to stocks in this smallcases

- Market capitalization
- Management quality and vision
- Theme exposure, revenues and earnings visibility



Rebalance

This smallcase has an annual rebalance schedule. Once every year, the research team reviews this smallcase and drops stocks which do not meet the criteria and adds new stocks

Ratios

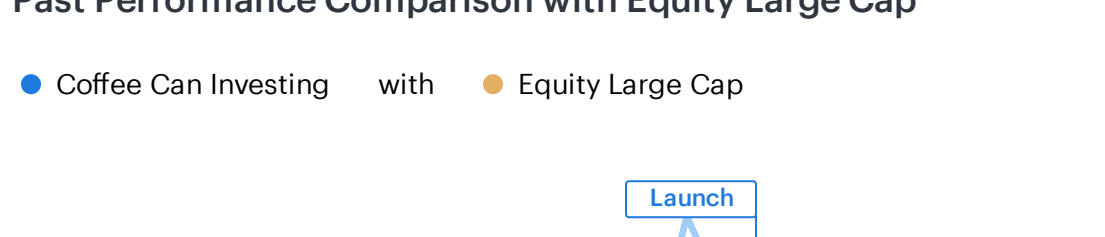
Ratio	smallcase	Equity Large Cap
PE Ratio	43.69	24.24
PB Ratio	6.94	3.25
Sharpe Ratio	0.82	1.11
Dividend Yield (%)	1.12	1.41

Important Fields

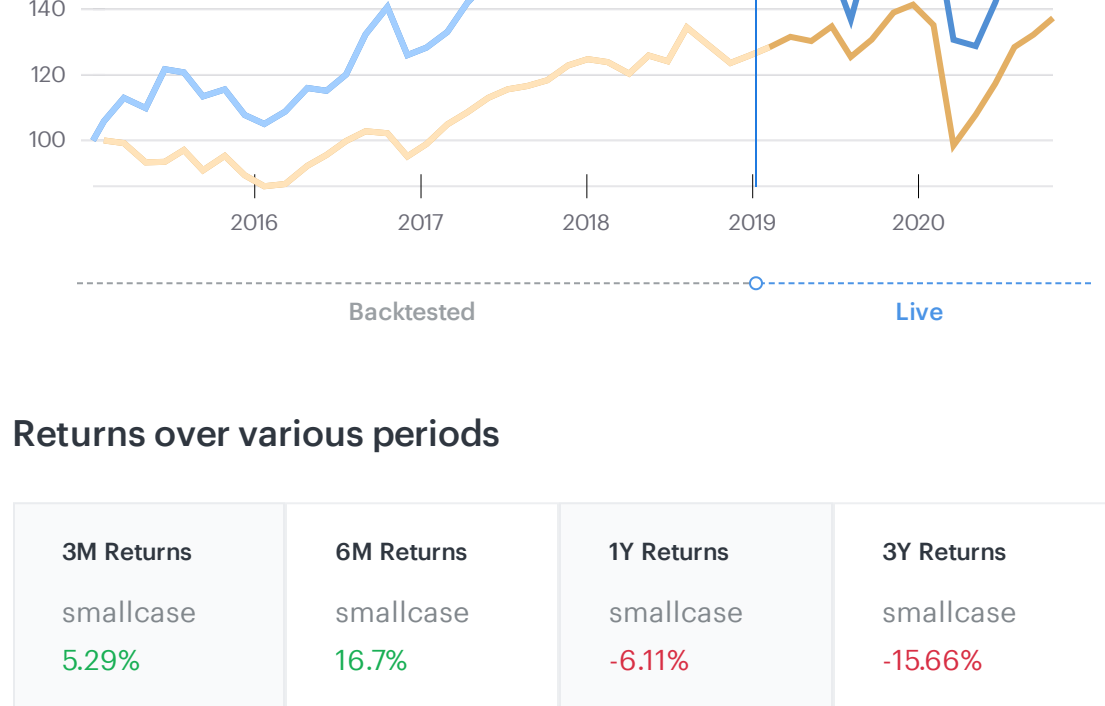
Inception Date **January 10, 2015** Launch Date **January 10, 2019** Marketcap Category **Equity Large Cap**

Review Frequency **Annual** Last Reviewed **—** Next Review On **February 8, 2019**

Market Cap Distribution



Past Performance Comparison with Equity Large Cap



Returns over various periods

3M Returns	6M Returns	1Y Returns	3Y Returns
smallcase 5.29%	smallcase 16.7%	smallcase -6.11%	smallcase -15.66%
Equity Lar... 6.59%	Equity Lar... 26.52%	Equity Lar... 2.02%	Equity Lar... 10.82%

How to invest

Definitions and Disclosures

Index Value

Index value for all smallcases start from 100 since their inception date and helps investors easily calculate the returns generated since inception or between two specific dates. For example, if the current index value of the smallcase is 150, it means it has generated 50% since its inception. If the index value of a smallcase was 215 last month and the current index value if 245, it means it has generated $(245/215)-1 = 13.9\%$ return in last one month

CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. It represents the growth/return rate that gets you to the current value of the investment, starting from the initial investment value and assuming that investment has been compounding at the fixed growth/return rate for the period.

In simple words, it indicates the annual return generated by the smallcase from the date of inception

Risk Label

Change in value of your investment, due to changing prices of stocks on a daily basis is called the Risk. If the daily change in the investment value of portfolio is too drastic, it means prices of stocks in the portfolio are changing very rapidly. Such portfolios have High Risk.

Every smallcase is categorized into one of the three risk buckets - High Risk, Moderate Risk and Low Risk. This is done by comparing the volatility of the smallcase with market volatility since inception. Investing in High Risk smallcases means that change in your investment values can be very sudden and drastic.

Segment

Stocks/ETFs belonging to a smallcase are categorized under different segments. Weightage of a segment to a smallcase is sum of weights of all stocks belonging to that segment. Suppose 4 stocks, with each having a weight of 10%, belong to the Food Products segment. Then the weight of the Food Product segment in the smallcase will be 40% (4*10)

Review

Rebalancing is the process of periodically reviewing and updating the constituents of a smallcase. This is done to ensure that stocks & weights in the smallcase continue to reflect the underlying theme or strategy

Market Cap Categorization of Stocks

All the stocks listed on NSE(National Stock Exchange) are arranged in decreasing order of Market Cap, so that the stock with the largest market cap gets 1st Rank. Stocks ranked equal to or below 100 are categorized as Large Cap. Stocks ranked below or equal to 250, but ranked above 100 are categorized as Mid Cap stocks. Stocks ranked above 250 are categorized as smallcap

Market Cap Categorization of smallcases

- If the sum of weights of constituent large cap stocks is greater than 50%, then smallcase is categorized as Largecap
- If the sum of weights of constituent mid cap stocks is greater than 50%, then smallcase is categorized as Midcap
- If the sum of weights of constituent small cap stocks is greater than 50%, then smallcase is categorized as Smallcap
- If the sum of weights of constituent large cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of large cap and mid cap stocks are greater than 80%, then smallcase is categorized as Large & Midcap
- If the sum of weights of constituent small cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of small cap and mid cap stocks are greater than 80%, then smallcase is categorized as Mid & Smallcap
- If none of the above conditions are met, then smallcase is categorized as Multicap
- Marketcap category of a smallcase might be different from the above mentioned, if the creator/manager of the smallcase specifically defines a particular category

General Investment Disclosure

The content and data available in this document and related material, including but not limited to index value, return numbers and rationale are for information and illustration purposes only. Charts and performance numbers are backtested/simulated results calculated via a standard methodology and do not include the impact of transaction fee and other related costs. Past performance does not guarantee future returns.

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Stock and ETF investments are subject to market risks, read all related documents carefully. Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

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