

Coffee Can Portfolio

Companies with a long history of high growth & better returns. Buy and forget for 10 years!

Moderate Risk

Index Value

225.12

CAGR

15.82%

smallcase rationale

- The Coffee Can Portfolio investment approach helps you rise above the market volatility and noise by investing for a long-term horizon of at least 10 years. It also helps save on transaction costs as there is no rebalancing done once the stocks are bought.
- Companies in this smallcase have shown constant revenue growth over the long-term, which indicates that the company is able to expand its business operations to continue growing
- Revenue growth creates shareholder value, only if return on capital employed (ROCE) remains high. Hence, it is a very important metric in assessing a firm's performance. This smallcase selects companies whose revenue has grown by at least 10% every year and ROCE was at least 15% for each of the last 10 years.
- To make the most of this smallcase, invest once and forget for the next 10 years

The idea of a Coffee Can Portfolio was introduced by Robert Kirby. The concept was derived from the early nineteenth century, when people put their valuable possessions, like money and jewellery, in a coffee can and kept it under the mattress for safe keeping.

Created by **smallcase Research** SEBI Reg. Number **INH200005984** Subscription Type **Free**

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Methodology



Defining the universe

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



Research

The smallcase Research team studies research papers and documented investment philosophies and strategies. Ideas and strategies are then adapted for the Indian markets, with which a criteria for stock screening is finalized



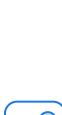
Stock Screening

- Proprietary liquidity filters are applied to remove ill-liquid stocks from the universe
- A special check is applied to remove stocks, where a significant part of the promoter holdings are pledged, to define the investable universe
- The model criteria identified in the previous step is applied on the investable universe to select qualifying stocks



Weighting

This list of selected stocks is equal weighted



Historical back-testing

All model based smallcases are checked for historical outperformance to ensure that only consistently outperforming models are selected



Rebalance

This smallcase has a none rebalance schedule. Once every N/A, the research team reviews this smallcase and drops stocks which do not meet the model criteria and adds new stocks

Ratios

Ratio	smallcase	NIFTY Midcap
PE Ratio	39.52	17.09
PB Ratio	4.28	2.11
Sharpe Ratio	0.98	1.07
Dividend Yield (%)	0.41	1.58

Important Dates

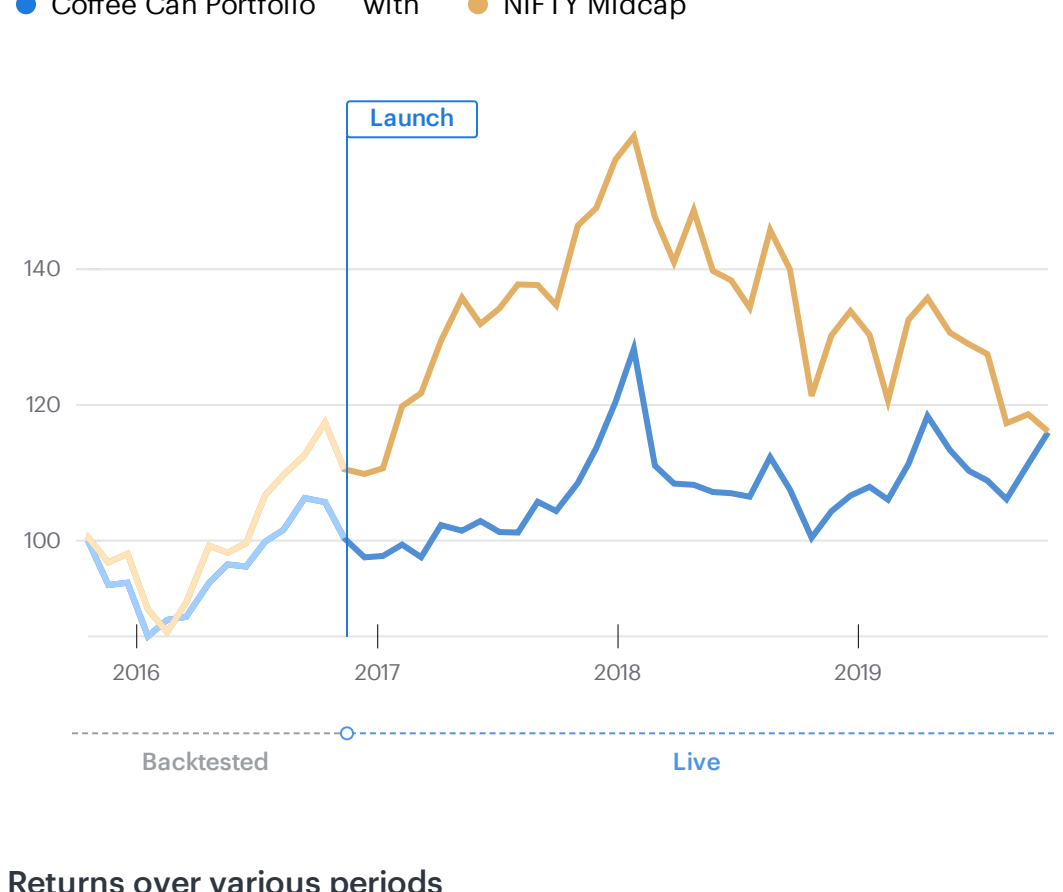
Inception Date **March 3, 2014** Launch Date **November 15, 2016** Benchmark **NIFTY Midcap**

Review Frequency **None** Last Reviewed **November 11, 2016** Next Review On **November 11, 2026**

Market Cap Distribution

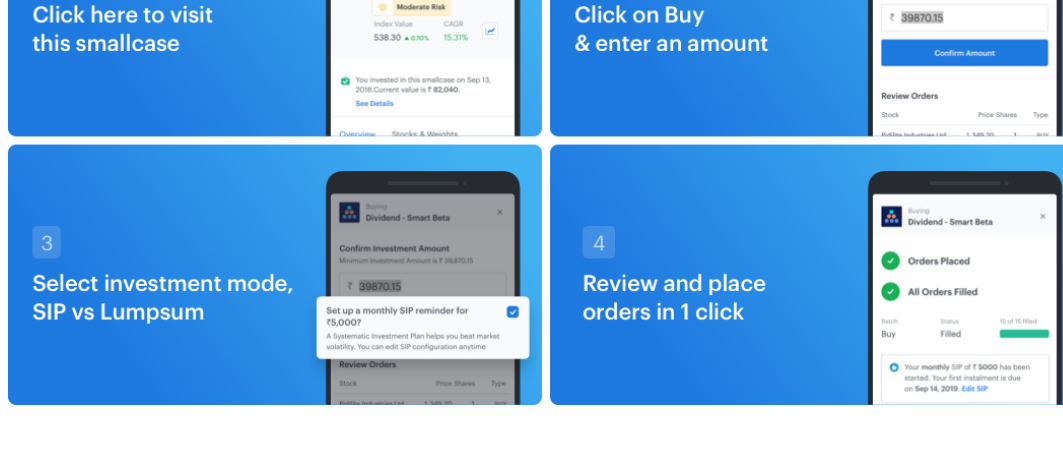


Past Performance Comparison with NIFTY Midcap



Returns over various periods

6M Returns	1Y Returns	3Y Returns	5Y Returns
smallcase -1.09%	smallcase 13.94%	smallcase 21.47%	smallcase 56.27%
NIFTY Mid... -12%	NIFTY Mid... -8.94%	NIFTY Mid... 9.27%	NIFTY Mid... 24.75%



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 is 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 is calculated as 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

Disclosure

smallcases are only created by SEBI registered Research Analysts, Investment Advisers and Portfolio Managers. Details like Name and SEBI registration number of the creator of this smallcase can be found on the first page of the factsheet.

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