

A client's husband ignored every sell call. His Xerox stake beat her whole portfolio

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Maxim: *Coffee can investing: buy consistent compounders and leave them alone.* — Saurabh Mukherjea

Doing nothing is the hardest strategy in investing, and the most misunderstood. It works only when the hard part, choosing what to own, has been done first.

Most portfolios are damaged less by bad choices than by good choices that were not left alone long enough.

The idea has an unlikely origin. Robert Kirby, an American money manager, had looked after a woman's portfolio for about a decade when her husband died and she asked him to take over the husband's account as well. Kirby discovered that the husband had been quietly copying him. Every time Kirby recommended a stock for the wife, the husband had put about \$5,000 into it. He ignored every sell recommendation. He simply put the share certificates in a safe deposit box and left them there.

The result embarrassed the professional. Many of the husband's small holdings were worth less than he had paid. A handful had grown past \$100,000. And one small stake in a company called Haloid, which became Xerox, was worth more than \$800,000, more than the wife's entire actively managed portfolio. Kirby told the story in a 1984 essay in *The Journal of Portfolio Management*, retold by [Norman Rothery at Stingy Investor](#) and [Novel Investor](#). He called the approach the coffee can portfolio: buy a spread of good stocks, put them away, and forget about them for ten years.

The lesson Kirby drew was not that selling is always wrong. It was that the many small decisions active investors make, to trim, switch and take profits, often cost more than they add, and that a few big winners left untouched can carry an entire portfolio.

The Indian version adds a filter

Saurabh Mukherjea, now founder of Marcellus Investment Managers, brought the idea to Indian investors with one important change. Kirby's client's husband bought whatever his adviser recommended. Mukherjea's version first asks what kind of company deserves to be left alone.

In *The Unusual Billionaires* (2016), as [Business Standard's review](#) set out, the screen was strict: companies with a market value above ₹100 crore that had grown revenue by more than 10% and earned a return on capital employed above 15%, year after year, for ten years. Only 18 companies passed. The book studied names such as Asian Paints, HDFC Bank, Marico and Page Industries. The logic is that a business which has cleared that bar through a full economic cycle has proved something about its competitive advantage, not just enjoyed a good spell.

When doing nothing feels like losing

The filter does not make the waiting easy. Marcellus's own Consistent Compounders portfolio, which applies a version of the approach, opened to clients in December 2018 and began brilliantly. By the

firm's [own account in 2022](#), it had doubled investors' money in three years and eight months, compounding at about 22.7% a year against roughly 15% for the Nifty total return index.

Then the market moved on. Data from PMS Bazaar to 31 March 2026, [compiled by Holistic Investment](#), show the portfolio returning about 3.1% a year over five years, against about 10% for the Nifty 50 total return index. Since inception it trailed the index by under two percentage points a year. Rich starting valuations and fresh competition are the usual explanations, and the numbers alone cannot say which mattered more. Asian Paints, one of the book's case studies, spent several quarters losing ground to Birla Opus, a well-funded newcomer, [Business Standard reported](#) in November 2025.

This is one fund over seven years, not a verdict on the method. But it shows the two traps any coffee can investor faces. Consistency in the past is not a guarantee of consistency in the future, and even a great business bought at too rich a price can take years to grow into it.

Building a can you can live with

Leaving stocks alone is the easy part to describe. The work is in what goes into the can, and in deciding in advance what would make you open it.

1. **Has it proved itself through a cycle?** Look for a decade of revenue growth and returns on capital above the cost of money, through good years and bad, in the annual reports. One or two strong years prove little.
2. **What are you paying?** A great business bought at a very high multiple can take years to grow into its price, as Marcellus's investors have found. Compare today's valuation with the company's own long-run range.
3. **Can you name the advantage, and what could break it?** A brand, a distribution network, a low-cost position. Then ask who could attack it with deep pockets, as Birla Opus did in paints.
4. **Is it a can, not a single stock?** Kirby's client's husband owned many holdings. Most did little; a handful made the result. Spread your bets across sectors so that one broken story cannot sink the portfolio.
5. **When will you look, and for what?** Once a year, check whether the business is still clearing the bar on growth and returns. Price movements are not a reason to open the can; a broken business is.

A simple decision rule. Buy only companies that have cleared a demanding test of growth and returns for a decade, at a price you can justify, and spread across at least several sectors. Then review the businesses once a year and sell only when the evidence says the business has changed, not when the share price has. If you cannot sit through three or four years of lagging the index, keep the coffee can small and the rest in a low-cost index fund.

The husband in Kirby's story was not a better stock picker than the professional. He made exactly the same picks. What he did differently was nothing, and he did it for long enough for a few great businesses to matter more than all his small mistakes. Mukherjea's filter tries to improve the picks; Marcellus's recent record shows that even good picks test patience. The can works when both halves are honoured: choose carefully, then let time do the work it alone can do.

Sources

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