



ALL EARS!!

*The Litchfield Fund
Weekly Newsletter*

“We just don’t hear it on the street, we have our ears spread across all the fields!!!!”



Litchfield

During the first half of the 20th century, Americans received most of their news from newspapers & magazines. Weekly magazines like *Life*, *Time* & *The Saturday Evening Post* might arrive by mail, but a regular stop at the newsstand was part of most people’s lives! During the first week of July, 1942, by request of FDR, all of the U.S. magazines patriotically displayed an American Flag on their cover*. Of course by 1942, the movie industry was churning out patriotic movies, which that year included *Yankee Doodle Dandy*, starring Jimmy Cagney as playwright George M. Cohan & as his wife Mary, the beautiful redhead Joan Leslie.

Yankee Doodle Gal: Miss Leslie, one of our favorite actresses, passed away recently at age 90. She often played the young ingénue in WWII movies & besides the somewhat fictionalized account of Mr. Cohan’s life, appeared in many patriotically inspired movies such as *Sergeant York*, *The Sky’s the Limit*, *This is the Army*, *Thank Your Lucky Stars* & *Hollywood Canteen*. After the war, she fought Warner Brothers for better roles, eventually breaking her contract. She moved on to independent productions & early television. She retired to focus on raising her young twin daughters, taking occasional TV roles into the 1990s! Watching *Yankee Doodle Dandy* on TV was a Fourth of July family tradition growing up! The nearly 30-year old movie was inspiring then & remains so today. The Fourth was always this little boy’s favorite holiday, for the same reason as Mr. Cohan: Born close to the Fourth like Mr. Cohan (he was actually born on July 3rd, as was ironically Tom Cruise, neither being *Born on the Fourth of July*), all the patriotic festivities of the Fourth seemed like they were just for me! *Yankee Doodle Dandy* was part of that celebration, complete with popcorn, soda & Miss Leslie, who quite frankly, I had a crush on, having first seen her with Humphrey Bogart in *High Sierra*, playing Velma when Miss Leslie was just 15 years old! And by the way, neither of Mr. Cohan’s wives were *grandly* named Mary, Miss Leslie’s character being based loosely on Mr. Cohan’s second wife, Agnes.

Industry news: *Hershey* rejected a takeover bid from *Mondelez* announcing there was no need for further discussions. The *Hershey* trust requires the trust to remain in control of *Hershey*. Some analysts, including Jim Cramer, believe industry consolidation should continue to assure companies get low cost access to global supply markets, maximize the cost effectiveness of innovating millennial oriented products & reduce their exposure to dwindling retail outlet expansion. Hain Celestial (**HAIN**) was suggested as a takeover target for General Mills (**GIS**).

Earnings News: General Mills reported 4th QTR adjusted EPS of 66¢ beating analyst projections by 6¢. For the year **GIS** reported a \$2.92 EPS on more than \$16B in revenue. **GIS** is forecasting

*One of our few prized possessions is the 1942 Independence Day copy of *Life* which we found in a Seattle antique shop a few years ago!

a 6% to 8% growth in earnings for fiscal 2017 & raised its dividend to 48¢. The stock closed at new highs. **GIS** will continue to pursue growth brands, saying it will emphasize organic/natural brands, cereal & snack bars. ConAgra (**CAG**) reported mixed 4th QTR earnings, with adjusted EPS meeting analyst expectations of 52¢. Fiscal year 2016 has been a transitional one for ConAgra, moving from its longtime home in Omaha to Chicago while reducing debt & selling various businesses. **CAG** expects to return to double digit growth next quarter. The separation of its 2 component segments, ConAgra Brands & Lamb Weston, is scheduled for the fall.

Portfolio News: Whole Foods Market (**WFM**) has selected *Nielsen* to provide analytics for point-of-sale data, consumer insights & industry metrics. They will collaborate to create a customized product hierarchy for a comprehensive view of product categories down to the ingredient level. The data will be used for understanding customer preference, improving product development for both the company & its suppliers & driving growth. *Nielsen* will also provide measurement & marketing analytics at the store level.

Market News: Investors relaxed this week & enjoyed a British Brexit breakfast of brisket & biscuits! Or maybe investors read the Declaration of Independence or Shakespeare's *Much Ado about Nothing*? We never will imply that Brexit is not impactful from an economic sense, but this vote had *much ado about sovereignty*! A nation needs to have the ability to make decisions that are best for its people, its prosperity, its security & its culture, consistent with its own set of values. Perhaps the European Union should be solely focused on central bank cooperation, supply chain access & trade relationships & not immigration, visas & work permits? During a week in which we celebrate throwing off the bonds of an oppressive foreign government it seems fitting that the markets rallied as investors noshed on a few improving market indicators!

In Closing: Often here at *All Ears!!* we comment on the passing of a cultural or historical icon. So as we celebrate the Fourth of July, let's comment on the 100th birthday of the wonderful, beautiful, talented & *living* Olivia de Havilland. Miss de Havilland, one of the last remaining stars of Hollywood's Golden Era, won an Oscar for *To Each His Own*, but won hearts for her heroic performances such as Maid Marion in *The Adventures of Robin Hood* & the strong, noble, kind, yet fragile Melanie Hamilton Wilkes opposite Vivian Leigh's spiteful, selfish, self-serving Scarlett O'Hara in 1939's classic *Gone With the Wind*! Among our favorite Miss de Havilland movies, another historically inaccurate but patriotic movie, *They Died with Their Boots On*.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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