



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

Dolphins are known to be social, intelligent, playful, friendly, with a wide smile & happy eyes! They demonstrate foresight, learn from experience & play, solve problems, complete elaborate tasks, have great memories & can multi-task. There are many accounts of dolphins saving humans from drowning! During WWII it was often reported, that after abandoning ship, that dolphins would protect sailors from predatory *sharks*! As **The Litchfield Fund** celebrates its 2nd anniversary, we want to thank Andrew Buerger, founder of *B’more Organic*, for saying that working with **The Litchfield Fund** is like swimming in a *dolphin tank*!

Dolphin Anniversary: Every investor wants to be a shark, right? But we thank Andrew for his kind words. When we founded our firm two years ago, we thought there was an investment gap in the Natural & Organic food industry. After exhausting friends & family angel investments but before needing the expertise of an investment bank or capital partner for a ‘Series A Type’ raise, young companies are relying heavily on individual investors or crowdfunding sites for investment. We felt this was where we could bring value & be *disruptive*, entering this space but acting much like a larger firm -- bringing our expertise in finance, operations, technology, marketing, advertising, publishing & business improvement to help our partnerships brands grow. We knew entrepreneurs were wrapped up in making their companies grow & nurturing their idea. Where could we help? Understanding & communicating industry trends & events, watching for market changes, helping with financial analysis, connecting with other investment firms, seeking new distribution channels & exploring product development opportunities. We feel we have already been able to accomplish this in our few short years! We have yet to save anyone from drowning, but Andrew’s comment makes us think we are *fulfilling our porpoise*!

The opportunity to change careers came to us a few years ago! That we would move to the natural & organic industry was a given; this has been Susan’s passion for more than 30 years. We thought of creating a product or buying a franchise, but decided on investing. Why? After 30 years in corporate America we wanted to do something that for us, *was playful*! Something social & constantly changing (dolphins kept in captivity have been known to bang their heads into the tank wall to commit suicide...*gee, Andrew knows us really well!*), creative, exciting & investigative, & that put our best skills to work. We wanted to be true to our values, the heritage left to us by our families & by this great nation. We both come from farming stock! Susan’s dad drove the tractor hauling corn to the silo in Litchfield, Ohio. My dad was raised on a farm in central Pennsylvania coal country, with a dog named Briar that rounded up cows each night. There, the men worked below & above the ground, doing their time in the #9 mine & working on the farm with their large families. We were born to work hard.

But our values go beyond that. As readers of *All Ears!!* probably can tell we admire & respect the history & culture, both the good & the bad, of our great nation. We want to see social & economic prosperity for every American. We are unapologetically patriotic & traditional! We want to see a food system that looks like that of our forefathers, in the days before left over chemicals from wars were used to create fertilizers & pesticides. Like me, every 6-year old should carry a coal bucket up the hill to the shanty. Behind the shanty was my nono's *special dirt*. I would happily, proudly, fill the bucket then 2-hand lug it back to my nono to spread on his plants. He would smile & tell me stories of Italy! The cow dung never smelled so sweet!

We humbly thank our investment partners at *B'more, Harvest Soul, & Supereats*; our industry friends & contacts; and our readers for the last 2 years. We look forward to the future!

Industry News: We spent a few days this week watching the livestream from BevNET! The BevNET folks do a great job bringing together entrepreneurs & industry leaders to create an informative & entertaining event! Well done!!

Portfolio News: Con Agra (**CAG**) announced the discontinuation of partially hydrogenated oils from all of its spread 2 years ahead of the FDA deadline for removal. Analysts feel Lifeway Foods (**LWAY**) has a strong upside based on its monopoly of the kefir market. Hain Celestial (**HAIN**) appears to have moved off its bottom point. Recent highs were over \$70. Whole Foods (**WFM**) received an FDA warning letter for violations at its northeast commercial kitchen which prepares food for its northeast region stores.

Earnings News: Kroger (**KR**) reported a 9.9% increase in earnings with an EPS of 70¢. Analysts expected 69¢. Sales for 1st QTR were \$34.6B, up from \$33.1B in Q1 2015. Same store growth, excluding fuel, was up 2.4%. This is the 50th consecutive quarter of EPS growth for Kroger.

Market News: Despite not moving interest rates, the FED's comments concerning the hurdles facing the economy & the looming Brexit vote had investors pulling back this week. Opinions on the outcome of the Brexit vote remain widespread, with polls & gambling houses offering little confident guidance. The vote may turn out to be more based upon opinions of British immigration policy and its impact on the country's economy, culture & society. Meanwhile, several opinions suggest that here in the U.S. we should be content that our economy is not as bad as those in our peer group!

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund

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