



# 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**

**In troubling times who hasn’t** wanted to run off with their loved one to a deserted island? But as we see from literature, movies & TV this is not as pleasant an experience as one might imagine. Robinson Crusoe may have found his man Friday but he fought cannibals, mutineers & wild animals! The Swiss Family Robinson dealt with pirates! It was *Hell in the Pacific* as Lee Marvin battled Toshiro Mifune! Viewers of TV’s *Lost* were *lost* each week wondering what was wrong with that island! So if you ever are stranded on a deserted island you must have with you a guy who can make anything from *bamboo & coconuts* – a Genius!

**Genius:** Despite always failing to get off the island, *the seven stranded castaways on Gilligan’s Island* had it pretty good. They had huts, pedal cars, Thurston Howell’s suitcases filled with money & a seemingly endless wardrobe for the ladies! And what could be better than being part of such a friendly group of survivors that included a comical first mate, a sturdy Skipper, lovable Billionaires, a gorgeous actress & a sweet, beautiful Kansas farm girl (Bringing forth the age-old question for boys & men, *Ginger or Mary Ann?*) & a professor who can fix everything, except of course, a boat! Treatises have been written as to why the professor could not repair the Minnow while being able to make explosives from sand, derive glue from sap & recharge batteries with coconuts! He did much more with coconuts than just make bowls & cups! Coconuts were the dials for his inventions, the gas mask when he did dentistry, vessels for his experiments & helmets & cannon balls when the survivors fought off the natives!

When Alex Bayer, CEO & co-founder of **The Litchfield Fund**’s latest investment opportunity, first blended coconut water & coconut meat together into a delicious coconut smoothie, the immediate response was “that’s **Genius!**” and hence the company name was born! We thought the same thing with our first taste of **Genius!** ([www.geniusjuice.com](http://www.geniusjuice.com)) With a whole organic coconut in each bottle, **Genius** is filling & protein packed! The two new flavors, Coffee & Vanilla Protein are tasty treats & will soon be on the shelves.

But with any young company, as we have discussed many times in *All Ears!!*, there needs to be so much more than just a great product! We see in Alex & **Genius** a well thought out operating process, cost control, great planning, strong distribution & a nice mix of persistence & patience. It is these characteristics that create a great investment opportunity! **The Litchfield Fund** is happy to be part of the **Genius** team! Read more about this exciting news at [www.litchfieldfund.com](http://www.litchfieldfund.com)! Or check out this article about **The Litchfield Fund & Genius** on BevNET: (<http://www.bevnet.com/news/2016/litchfield-fund-announces-investment-genius>)



**Genius** is expanding its distribution across the country, appearing on the cooler shelves at Whole Foods & Earth Fare! Besides its Original pure coconut flavor, Coffee (our favorite) & Vanilla Protein flavors will soon be available! It doesn't take a Professor to realize that this delicious organic coconut smoothie is **Genius!**

In fact, it has been a good summer for **The Litchfield Fund** partnership brands! *B'more Organic* is finding space at *Costco & Publix*, *Harvest Soul* is expanding distribution across the country & *SuperEats* is introducing its line of sacha inchi based snacks! Stocked up on these brands, we would surely enjoy spending the rest of summer *in a tropic island nest!*

**Industry News:** Food continues to be a bright spot in this economy. *People got to eat, right?* Research indicates that the industry will grow at a 4.5% CAGR, reaching over \$3T in revenue by just 2020! Per *SPINS*, plant-based food sales grew almost 11% in the previous 12 months. Sales of chia seed & chia oil rose by 36% & sales of maca were up an amazing 49%! These growth trends certainly don't go unnoticed by both Big Food & equity investment companies. *Campbell Soup's Bolthouse Farms* will launch a line of plant-based (pea) protein milks later this year. *Powerplant Ventures* closed a \$42M round for investment in plant-based foods. *New Crop Capital* has \$25M available for investment in plant-based & culture-based alternative meat & dairy products. Agricultural funding alone amounted to \$1.8B for the first half of this year.

*The Vitamin Shoppe* reported mixed earnings, beating analyst expectations on sales but missing on EPS. Ecommerce sales were up while same store comparables were lower. *Pinnacle Foods* reported a 2<sup>nd</sup> QTR \$123M sales contribution from recently acquired *Boulder Brands*.

**Market News:** The markets closed higher this week despite news at the end of the week that continues to confirm this administration's failure at creating economic growth. While the jobs report showed a 255K gain in July payrolls & a modicum of wage growth, a bit of discovery into the report shows signs for concern. Adjusted for July & December seasonality, payrolls have been declining since February, 2015! Almost 40% of Americans are not participating in the workforce! Also, the economy is on track for a second consecutive year of negative earnings growth. While much, much less negative than the enormous declines in both 2008 & 2009 it is still an indication of this administration's inability to stimulate growth. Meanwhile, with most of the S&P 500 finished reporting 2<sup>nd</sup> QTR earnings, stocks have reacted positively to the mantra that earnings have not been as bad as expected. But while not as bad as the predicted negative 5.5%, a negative 3.5% YOY is not something to cheer about! The FED understands this, as a September rate hike appears to be off the table.

**Seeds, Sprouts, Grow, Harvest!**

**The Litchfield Fund**

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