



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) 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! 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 2nd 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 2nd 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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