



# 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**

**This is The Litchfield Fund’s 52<sup>nd</sup>** weekly issue of *All Ears!!* In the past year *All Ears!!* has discussed topics regarding the economy, the markets & our portfolio of stocks. We enjoy drawing a picture using history, literature, movies, music, politics, philosophy, world events & personal experiences. We feel, like Thomas Friedman that not only is the world flat but that the entire universe & its space/time continuum is flat as the proverbial pancake! What goes around comes around & every piece of news – important or unimportant, significant or seemingly not--somehow impacts our decisions & outcomes!

**Dinner with Jefferson!** We have all played that parlor game where you select five people from history who you would like to invite to dinner. Thomas Jefferson tops many people’s list. Certainly JFK understood this when hosting a dinner of Nobel Prize winners & other illustrious scientists at the White House when he remarked, “I think this is the most extraordinary collection of talent, of human knowledge, that has ever been gathered together at the White House, with the possible exception of when Thomas Jefferson dined alone.”

Yes, Mr. Jefferson was one of those people who, even in his early thirties, had acquired the knowledge of the world and the wisdom of the ages. He created the world’s greatest document, the document that has given more people hope than any other written word save the Bible! He took concepts from Thomas Locke, the Magna Carta, & the Mayflower Compact & brought into the court of public opinion *the three greatest concepts humankind* had ever heard: "All men are created equal", "Self-evident", & "Unalienable rights". These phrases mean more and grow in significance each & every day.

Certainly there was a lot less knowledge in the world 239 years ago. One wonders if today even Mr. Jefferson could keep up with the Kardashians, or if he would even care. At The **Litchfield Fund** we try very hard to sort out the weekly barrage of news that may impact our portfolio & investments and determine its relevance. It is a trying task, but a task we enjoy! And in this past year, like the roller coaster ride we mentioned in an early issue of *All Ears!!*, we have ridden up & down, been elated & scared, relieved yet still wanting more. And so as we approach year two we are hopeful, but wanting more.

**B'More that is!** This past week **The Litchfield Fund** was pleased to announce an investment in B'More Organic. (Read the entire story at [www.litchfieldfund.com](http://www.litchfieldfund.com).) We are happy to be part of this rapidly expanding company & its line of tasty skyr smoothies.



We see a great future for B'More Organic ([www.bmoreorganic.com](http://www.bmoreorganic.com)) & have great faith in their leadership & prospects! This is quite a significant event for **The Litchfield Fund** as it comes just about as we celebrate the one year anniversary of our partnership!

**Portfolio news:** Earnings impacted two **Litchfield Fund** holdings this week. United Natural Foods (**UNFI**) reported revenue of \$2.11B for 3rd QTR missing analyst estimates by \$30M. EPS estimates for the quarter were for 86¢ a share but **UNFI** came in at 78¢ a share. Boulder Brands (**BDBD**) CEO Steve Hughes resigned after **BDBD** released updated guidance indicating lower 2nd QTR sales & income. The *Smart Balance* line continues to struggle & class action suits concerning investor misguidance on gross margin remain on the forefront.

Whitewave Foods (**WWAV**) purchased plant based food maker *Vega* for \$550M. This is estimated to be 5.5X sales. General Mills (**GIS**) scratched its subscription (Netflix-like) snack service after just 18 months. Simultaneously, *Campbell* announced starting a similar service. **GIS** also announced a new patented process to leaven bread using ions. This process greatly reduces the amount of leavening agents used which directly lowers sodium content.

Several **Litchfield Fund** holdings received target prices substantially higher than current prices. This includes Sprouts Farmers Market (**SFM**) at \$35.81; Hain Celestial (**HAIN**) at \$72; Vitamin Shoppe (**VSI**) at \$40; **GNC** at \$55 & Hershey (**HSY**) at \$104.50. **GNC** held an all hands meeting this week to review previous quarter errors & lay groundwork for regaining client focus & marketing engagement. **HSY** was named a top ten Green Company by Newsweek.

Whole Foods (**WFM**) announced that the head of their United Kingdom region would lead their new millennial focused enterprise, now named *365 by Whole Foods Market*. Meanwhile, the former *Trader Joe's* president announced a nonprofit startup to bring outdated, overrun, or donated foods to lower income consumers at discounted prices. A beta test site is planned in the Boston area.

**Seeing Sprouts?** For the past year we have signed off with just highlighting **Seeds** in our closing. With our first year completed, we now feel we can add **Sprouts** to our weekly *All Ears!!* close!

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

**The Litchfield Fund**

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