

ITEM 1 – COVER PAGE



**Form ADV Part 2A  
Investment Adviser Brochure**

**Production Date: January 30, 2024**

This Brochure provides information about the qualifications and business practices of Birchcroft Investments, LLC. If you have any questions about the contents of this Brochure, please contact us by phone at 617-249-3777, or by e-mail at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Birchcroft Investments, LLC and its management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD identification numbers for both are:

<b>Firm:</b>	Birchcroft Investments, LLC	287581
<b>Individual:</b>	Matthew T. Raher	4981437
	<i>President, Chief Compliance Officer &amp; Portfolio Manager</i>	

Birchcroft Investments, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Investment may not be available in all states. This should not be considered an offering to sell securities.

**Birchcroft Investments, LLC • 225 Walden St., Apt 4A, Cambridge, MA 02140 • BirchcroftInvestments.com  
Matthew T Raher • 617.249.3777 • mraher@birchcroftinvestments.com**

## ITEM 2 – MATERIAL CHANGES

Since our last other-than-annual amendment on September 25, 2023, we have made the following material changes:

- **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss:**
  - **Added:** Disclaimer: The following “Investment Strategy” has been written by the manager of the Fund, Matthew Rahe. It is subjective, contains opinions, and may include unintentional misstatements of fact. Any forward-looking statements involve assumptions, risk, and uncertainty, and they should not be considered a guarantee of any kind. Opinions, holdings, and strategies are subject to change at any time without prior notice.
- **Item 15 – Custody:**
  - **Original:** For Funds of our size, IB is currently unable to produce automated statements for individual LP’s within the Fund, and clients will receive monthly statements directly from the Adviser within 30 days of the end of each month; Birchcroft urges all clients to check the accuracy of calculations on firm-provided documents wherever possible. Annually, investors will receive an audited review of the Partnership’s accounts within 120 days of the end of the year, as well as quarterly statements from Birchcroft summarizing the period’s performance, along with any gains, losses, fees, or corrections.
  - **As Amended:** For firms of Birchcroft’s size, IB is currently unable to produce automated statements for individual LP’s within the Fund. As a result, clients will receive monthly statements directly from the Adviser within 30 days of the end of each month; Birchcroft urges all clients to check the accuracy of calculations on firm-provided documents wherever possible. Within 30 days of every quarter’s end, investors will receive additional statements from Birchcroft summarizing the period’s holdings and performance, along with any gains, losses, fees, or corrections. And annually, investors will receive an audited review of the Partnership’s accounts within 120 days of the end of the year.
- **Item 19 – Requirements for State-Registered Advisers; Part E:**
  - **Original:** Matthew Rahe does not have any material affiliations with any issuer of securities.
  - **As Amended:** Matthew Rahe is currently employed in a Senior Accountant role with Carvana Co., which is a publicly traded company. In order to prevent any perceived or actual conflicts of interest, Birchcroft will not engage in the trading, long or short, of any financial instruments directly related to Carvana (Ticker: CVNA).

The above items were added during our last annual amendment on January 30, 2024. Since that time, no material changes have been made.

Our Brochure may be requested from our office at 617-249-3777 or from our Fund Manager, Matthew Rahe, at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

### ITEM 3 – TABLE OF CONTENTS

	PAGE
ITEM 1 – COVER PAGE	1
ITEM 2 – MATERIAL CHANGES	2
ITEM 3 – TABLE OF CONTENTS	3
ITEM 4 – ADVISORY BUSINESS	4
ITEM 5 – FEES AND COMPENSATION	4
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	7
ITEM 7 – TYPES OF CLIENTS	7
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS	8
ITEM 9 –DISCIPLINARY INFORMATION	11
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	12
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	12
ITEM 12 – BROKERAGE PRACTICES	12
ITEM 13 – REVIEW OF ACCOUNTS	13
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	13
ITEM 15 – CUSTODY	13
ITEM 16 – INVESTMENT DISCRETION	14
ITEM 17 – VOTING CLIENT SECURITIES	14
ITEM 18 – FINANCIAL INFORMATION	14
ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS	14

#### ITEM 4 – ADVISORY BUSINESS

Birchcroft Investments, LLC (“Birchcroft,” “the firm,” “the company,” “our,” or “we”) is a Massachusetts limited liability company. The company serves as an investment adviser, primarily managing a single pooled investment vehicle (“The Birchcroft Investment Fund, LP,” or “Fund”).

The Fund seeks to create capital appreciation, primarily through long-term investment in the securities of publicly traded companies.

Matthew T. Raher (“I,” “he,” “the manager”), founder of Birchcroft and its sole shareholder, serves as President, Chief Compliance Officer (“CCO”), and portfolio manager.

Advisory services began in 2009, but the firm did not begin the registration process with the Commonwealth of Massachusetts until 2017. The firm has been registered as an Investment Adviser since February 2018; registration does not imply any level of skill or training. Further information can be found in this Brochure, under “Item 9 – Disciplinary Information,” or provided upon request: 617-249-3777, or [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

As of December 31, 2023, the firm had \$533,546 in assets under management, all managed on a discretionary basis.

#### ITEM 5 – FEES AND COMPENSATION

According to both MA state and US federal law, only “qualified clients” may be charged a performance-based fee on their investments. This is stated in 950 Mass. Code Regs. 12.205(9)(c)(17) and the Investment Advisers Act of 1940 (17 CFR 275.205-3).

A full legal definition of the term “qualified client” can be found in The Investment Advisers Act of 1940 (17 CFR 275.205-3(d)). An abbreviated, incomplete checklist of key criteria is included below, to be further investigated if you think you may qualify. A “qualified client” is a natural person who, or a company that, immediately after entering into the contract:

- i. Has at least \$1,100,000 under management with the investment adviser
- ii. Has a net worth of more than \$2,200,000
  - a. Assets may be held jointly with a spouse
  - b. Equity in your primary residence cannot be counted as an asset, but any debt beyond its fair market value must be considered a liability.

In order to be considered a “qualified client,” other criteria and exceptions may apply. Reasonable proof must be provided prior to the start of your advisory relationship, or as investor status changes occur. For further information or questions, please contact us at 617-249-3777, or [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

## Overview

Birchcroft Investments, LLC offers two fee structures. The Fund's standard fee structure is a mix of asset and performance fees. However, due to state and federal regulations, **only Qualified Clients** (and Qualified Purchasers) may be charged a performance-based fee or allocation of any kind. In order to accommodate non-qualified clients, any non-qualified investors will be charged a fee based on a flat percentage of assets under management.

For investors that are eligible for both options, you may choose either. Your selection may be amended once annually, in writing prior to December 25, with changes taking effect at the start of the following calendar year.

### Option #1: Asset/Performance Mix (Qualified Clients Only)

<b>#1, Asset/Performance Mix (Qualified Clients Only):</b>	0.5% of Assets per Year	+10% of Net Profits
<b>Asset Fee:</b>	Withdrawn on the last day of every month; ≈\$4.167 per \$10k Invested	
<b>Performance Fee:</b>	Fees calculated monthly; withdrawn annually on Dec 31	
<b>High-Water Mark:</b>	Following years with a loss, no performance fee until even (based on % gain)	

With the mixed-fee option, Birchcroft receives an annual management fee of 0.5% of assets, deducted in monthly installments. As General Partner of the Fund, the firm also receives a performance fee equal to 10% of net profits, deducted annually. In years following a loss, clients will not be charged a performance fee the following year until their account is back to even on a percentage basis; this high-water mark will carry forward indefinitely if losses are sustained in consecutive years. This high-water mark only applies to partner accounts that were subject to a performance-based fee during the period of capital loss.

Birchcroft's asset fees are not charged in advance, but are calculated and deducted directly from your account on the final day of every month, after market close. Assuming an asset fee of 0.5% annually, the monthly charge would equal:  $(0.5\% / 12 \approx 0.04167\%)$  of total invested assets.

Performance fees are calculated monthly, with 10% of any net gain (or loss) being added (or subtracted) to the year-end total. The total sum of these fees is deducted directly from your account on the final day of every year, after market close. If a client withdraws the entirety of their investment prior to the end of the year, any pending performance fee charges will be deducted on the last day of their final month of investment, after market close.

### Option #2: Asset-Fee Only (Available to All Clients)

<b>#2, Asset-Fee Only (Available to All Clients):</b>	2.0% of Assets per Year	[+0% of Net Profits]
<b>Asset Fee:</b>	Withdrawn on the last day of every month; ≈\$16.667 per \$10k Invested	
<b>Performance Fee:</b>	--	
<b>High-Water Mark:</b>	Only applies to accounts subject to a performance fee during period of loss	

With the asset-fee only option, Birchcroft receives an annual management fee of 2.0% of assets, deducted directly from your account in monthly installments. There are no additional performance-based fees.

Birchcroft's asset fees are not charged in advance, but are calculated and deducted on the final day of every month, after market close. Assuming an asset fee of 2.0% annually, the monthly charge would equal:  $(2.0\% / 12 \approx 0.16667\%)$  of total invested assets.

## Comparison of the Two Standard Fee Structures

As a rough estimate, the break-even point for the two fee structures is about a 16.8% annual return. (This estimate does not take into account the specific timing of gains and fees over the course of the year.) Years with higher returns tend to favor the asset-fee only structure, while years with lower returns (or losses) tend to favor the structure with a performance component. A chart of potential returns and the associated fees for the year follows:

Beg. Balance				#1			#2
\$1,000.00				Qualified Clients			All
Gain	Annual Gain	End Balance	Avg Balance	0.5%	10.0%	Mix	2.0%
				Asset	Perf	Total	Asset-Only
-20.0%	(\$200.00)	\$800.00	\$900.00	\$4.50	-	\$4.50	\$18.00
-15.0%	(150.00)	850.00	925.00	4.63	-	4.63	18.50
-10.0%	(100.00)	900.00	950.00	4.75	-	4.75	19.00
-5.0%	(50.00)	950.00	975.00	4.88	-	4.88	19.50
0.0%	0.00	1,000.00	1,000.00	5.00	-	5.00	20.00
5.0%	50.00	1,050.00	1,025.00	5.13	4.49	9.61	20.50
10.0%	100.00	1,100.00	1,050.00	5.25	9.48	14.73	21.00
15.0%	150.00	1,150.00	1,075.00	5.38	14.46	19.84	21.50
16.8%	168.00	1,168.00	1,084.00	5.42	16.26	21.68	21.68
20.0%	200.00	1,200.00	1,100.00	5.50	19.45	24.95	22.00
25.0%	250.00	1,250.00	1,125.00	5.63	24.44	30.06	22.50
30.0%	300.00	1,300.00	1,150.00	5.75	29.43	35.18	23.00
35.0%	350.00	1,350.00	1,175.00	5.88	34.41	40.29	23.50
40.0%	400.00	1,400.00	1,200.00	6.00	39.40	45.40	24.00

In general, performance fees can result in lower costs to the client during years of poor performance, but good years can lead to much higher fees than anticipated. Fees based only on a percentage of assets can create much more consistent and predictable pricing, but may also lead to comparatively higher costs during down years.

**Please Note:** Birchcroft primarily manages a single-pooled investment vehicle, investing two different types of client funds from one shared account: those that are charged only an asset-based fee, and those that are also charged a performance-based component. This may create a conflict of interest because performance-based compensation can create an incentive for the adviser to take on investments that carry a higher degree of risk to the client in hopes of a higher short-term return and higher performance fee. See “Item 6 – Performance-Based Fees and Side-by-Side Management” for more information.

## Other Important Points Regarding Fees & Compensation

The specific manner in which fees are charged by Birchcroft Investments, LLC is established in a client’s written agreement. A client may terminate an agreement with us at any time, subject to the terms of the agreement.

Birchcroft may waive or reduce the fees applicable to some investors at its sole discretion.

Fees due to Birchcroft are both calculated and deducted by the Adviser of the Fund. Our clients authorize the Adviser to debit their client accounts for the amount of our investment advisory fee. Our brokerage does not validate or check our fee, its calculation, or the asset value on which the fee is based; Birchcroft urges all clients to check the accuracy of calculations on firm-provided documents wherever possible. Asset fees are calculated and deducted on the final day of every month; performance fees are calculated monthly and deducted on the final day of every year, or for accounts being closed mid-year, at the time of withdrawal.

The Fund itself is subject to costs and expenses, in addition to the fees described above. These costs and expenses may include, but are not limited to: audit fees, legal fees, administrative fees, other service provider fees, transaction costs and expenses, custody fees, interest charges, external research expenses, indemnification expenses, valuation fees, taxes, and organizational expenses. Birchcroft may absorb some or all of these fees at its sole discretion.

Beyond the previously described asset and performance fees, Birchcroft does not receive any additional fees, including transaction, directors', consulting, investment banking, monitoring, closing, topping, break-up, or other similar fees. Birchcroft and its officers, directors and employees do not accept compensation for the sale of investment products.

The Fund is also likely to incur brokerage fees. Please see Item 12 of this Brochure for more details.

#### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Birchcroft primarily manages a single-pooled investment vehicle, investing two different types of client funds from one shared account: those that are charged only an asset-based fee, and those that are also charged a performance-based component. This may create a conflict of interest because performance-based compensation can create an incentive for the adviser to take on investments that carry a higher degree of risk to the client in hopes of a higher short-term return and higher performance fee.

This conflict of interest is mitigated mainly by two factors. First, because all accounts are in one shared pool, actions detrimental to one type of client will be detrimental to all; if clients are unhappy with our long-term performance, there will be no clients, and there will be no Fund. Second, performance-based fees are earned from a return on client assets, and more client assets means the opportunity to earn higher fees; by preserving and growing the capital of the Fund as a whole, and thereby that of all its clients, there is a higher potential for profit.

#### **ITEM 7 – TYPES OF CLIENTS**

Birchcroft provides investment advisory services only to the Fund and not to the Fund's investors. The investors participating in the Fund may include, but are not limited to:

- Individuals, both high net-worth and not
- Trusts, estates, and family offices
- Investment companies, corporations, and other business entities
- Institutional investors, including public and private pension plans
- Foundations, endowments, and other charitable organizations

The Fund is generally subject to a minimum investment of \$10,000. This requirement may be adjusted or waived at the firm's discretion.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

*Disclaimer: The following “Investment Strategy” has been written by the manager of the Fund, Matthew Rahe. It is subjective, contains opinions, and may include unintentional misstatements of fact. Any forward-looking statements involve assumptions, risk, and uncertainty, and they should not be considered a guarantee of any kind. Opinions, holdings, and strategies are subject to change at any time without prior notice.*

### Principal Investment Strategy

The Fund’s primary strategy is to invest in good companies at a fair price, and then hold those investments for a period of 3-5 years or more. The stock market is what allows us to buy the equity securities of these companies, giving us an actual ownership stake in the business. As the underlying real-world value of the company grows, the market value of its stock should as well, increasing the value of the Fund’s investment along with it.

A good company is one that is not only strong financially, but has some unique market advantages that will help it continue to stay that way. These types of companies are rarely for sale as a whole and when they are, they typically command a premium far above their intrinsic value (as well as a sale price in the billions, or more). However, because of the auction nature of the stock market, the price for a smaller portion of these companies can sometimes be found for a bargain! For instance, Google (Alphabet Inc.) is not for sale; but small pieces of it are, and there are occasionally opportunities to buy them for less than they are worth. Recognizing and capitalizing on opportunities such as these is Birchcroft’s foremost goal.

To determine a fair stock market price relative to private market value, a number of methods are used. Most notably, the company is judged on its ability to produce cash, and then valued at a price reflecting the discounted value of those expected future cash flows. Other considerations are (but are not limited to): price multiples based on earnings, cash flow, and sales; underlying asset values; payback periods to market price; and the current and past valuations of similar companies.

This Fund has a very long investment horizon and would prefer to hold a stock for as long as possible. If a business continues to operate well and sell for a fair price, we will continue to hold it and let our gains compound indefinitely. Typically, an investment is only sold for one of three reasons: 1) its market price reaches a level well in excess of its perceived intrinsic value, 2) a better investment opportunity for those funds presents itself, or 3) the underlying company has changed for the worse.

Other promising investment opportunities may also be pursued at times. Some possibilities include, but are not limited to: investments based on a perceived undervaluation of assets, shorter-horizon investments, preferred stock investments, and the purchase of convertible corporate debt (which can typically be converted to stock).

Typically, all available capital is fully invested, with any cash position being held only in wait of better investment prospects than are available at the time. There are no investment limits in regards to company size, industry, or location.

### Concentrated Portfolio Composition

On a number of occasions, I have heard Warren Buffet equate investing to being a baseball player, just standing at the plate, waiting for his (or her) pitch; but unlike baseball, you can’t strike out! You get to see all the pitches you want, and the best investors only swing at the ones they’re pretty sure they can hit.



Good companies are hard to find, and when they are found, they're rarely selling for a good price. But sometimes they are, and those are the pitches you swing at. Because of this philosophy, investments are difficult to find, and this portfolio is often heavily concentrated in just a few holdings.

The target number of holdings for the Fund is 10-15, but the difficulty in finding worthwhile investments means we may frequently hold half that or less. Good fortune may lead us to find and hold any countless number more, but even holdings that triple that target number would put us far short of the diversification of a typical fund. Many mutual funds have hundreds of holdings at any given time, while the S&P500 consists of a full five-hundred stocks.

### **The Effects of Diversification**

Whether moving for a gain or a loss, fewer holdings in a portfolio usually results in more volatility to the value of that portfolio. Increased volatility can mean more risk of ownership, particularly over shorter periods of time. Because the price of a single company's stock has a better chance of changing suddenly and dramatically than the average price of five-hundred stocks, not only will holding fewer stocks increase the chances of seeing swings, but a shorter holding period will lessen the opportunity for their prices to normalize before being sold.

Part of this Fund's strategy is to surrender some of the short-term price stability of heavy diversification, and in its place, concentrate our holdings only in investments that are anticipated to create superior returns over a long period. By holding these investments and adding to them periodically over the course of years, we can capitalize on occasional short-term discounts by buying cheaper shares, with the ultimate goal being long-term price appreciation. However, because any one of these companies may make up a large portion of the Fund's holdings at any one time, these same opportunistic discounts may have dramatic effects on our short-term performance.

### **Investment Research**

There is no magic formula for finding a good investment. Or at least if there is, I certainly haven't found it yet. Stock screens, news, opinion pieces, and even advertisements are all great places to start, as well as keeping a steadfast eye on good companies that are selling for just a bit too much. Annual reports are helpful, as are insider ownership percentages and transactions. Even public investments or comments by other fund managers can uncover new opportunities! Research and patience are the keys to good investing.

### **Principal Risks**

Many factors affect portfolio performance, and the firm's investment strategies may not achieve their objectives. The principal risks are, but are not limited to:

- **Risk of Loss:** Investing in securities involves inherent risks, and you may lose some, or all, of your investment. Past performance is no guarantee of future results, and the Fund may never reach its goal of long-term capital appreciation.
- **Market Volatility:** Stock prices are volatile, and the market's reaction to events, both real and imagined, can have a dramatic and sudden impact on the price of securities. Investment in the stock market carries very real financial risk, and you may lose some, or all, of your investment without warning.
- **Foreign Exposure:** Some investments may be made in foreign entities, and these investments expose us to a variety of international risks. When investing in a foreign company, the health of its home country

can often impact its performance. Countries everywhere can be affected by wars, famine, climate, social, and economic changes, and all of these events may impact our performance.

- **Government & Regulatory:** The actions of governments (state, federal, and international) and regulatory agencies may also impact our performance. At times, these organizations may make law or rule changes that affect the performance, financial health, or opportunities of specific companies, industries, or countries in which we have a financial stake.
- **Taxes & Fees:** Taxes are a very real cost, as are regulatory and brokerage fees. Changes to any of these costs may not only have a dramatic effect on our performance, but the ability to mitigate their impact can sometimes be beyond our control.
- **Issuer-Specific:** Individual companies are subject to risks, both to their own performance and to the performance of their equities. Changes to a company in which we invest, including its expected performance, management, strategy, financial reporting standards and accuracy, legal standing, and public perception may all impact our results. Even with few changes to an underlying company, the price of its stock may also face risks due to news, opinions, and public perception.
- **Operational Risk:** Birchcroft has developed systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions; from transactions not being properly booked, evaluated, or accounted for; or other similar disruption in Birchcroft's operations may cause the firm or its investors to suffer financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention, or reputational damage. Birchcroft relies heavily on the investment custodian and other third-party firms for reporting, analytical, financial, accounting, and other data processing systems.
- **ADR (American Depository Receipt) Ownership Risk:** ADR's are certificates issued by a U.S. depository bank representing an ownership share of a foreign company's stock. Owning an ADR does not necessarily equate to owning a share of stock or ownership in the company that ADR represents. Ownership of ADR's creates its own specific risks that may lead to significant losses, including but not limited to government action, share delisting, additional fees, double taxation, and lower transparency, both financial and regulatory. Birchcroft occasionally uses ADR's as a method of investing in foreign companies; the potential risks and rewards of any investment are weighed and considered by the Firm at its sole discretion.

Along with the risks described above, there are some additional risks to consider that apply even more specifically to Birchcroft's advisory business. Some of these risks are, but are not limited to:

- **Concentrated Portfolio:** Birchcroft generally makes investments that are more concentrated than a typical investment fund. Because a single investment may account for a large percentage of our portfolio at any one time, significant changes to the market price of any one holding can have dramatic effects on our performance. Unfavorable price movements to even a single holding may create a substantial loss of funds for our investors.
- **Business Start-Up:** Birchcroft Investments, LLC is a new company, and new businesses have a much higher probability of failure than established ones. A limited operating history means most of our administrative standards and relationships are new or still being developed, and this lack of established structure may create additional and unforeseen risks.
- **Inexperienced Manager:** Matthew T. Rahe is the General Partner of Birchcroft Investments, LLC, and has very little experience in the investment advisory business. A lack of experience, in general, can often lead to poor planning, unrealistic expectations, and a general lack of awareness. This inexperience may have a significant impact on Birchcroft's operations and the performance of its investments.

- **Investment Performance:** Birchcroft bases a tremendous amount of its strategy on the portfolio manager's ability to identify and invest in businesses that he believes will create capital appreciation for the firm's investors. Market prices may never reflect the perceived intrinsic value of these investments, or these perceptions may have been inaccurate originally.
- **Individual Manager:** The Fund is managed by one individual, Matthew Raher. With few exceptions, individuals have a poor history of outperforming the market for extended periods of time. Past performance is no guarantee of future results.
- **Personal Conflicts of Interest:** Because the Fund is managed by one individual, personal conflicts of interest may arise that adversely impact Birchcroft and its investors. Potential sources of personal conflict include, but are not limited to: personal finances, personal health, employment or affiliation with another company, legal standing, family and social relationships, and public perception.

## ITEM 9 – DISCIPLINARY INFORMATION

On February 2, 2018, Matthew T. Raher and Birchcroft Investments, LLC entered into a Consent Order (the "Order") with the Securities Division of the Commonwealth of MA (the "Division"), Docket No. R-2017-0073. The Respondents did not admit or deny any wrongdoing, and agreed to the undertakings and representations set forth in the Order as a requirement of registration for both Birchcroft and Mr. Raher. Such undertakings included, but were not limited to, the payment of past registration fees (\$3k), the refund of past commissions (\$7k), a fine to the Commonwealth of MA (\$7k), the creation of formal contracts, and the agreement to undertake annual compliance reviews from an independent consultant for a period of five years.

This is a summary of the facts, as stated in the Order. In 2009, Matthew Raher began investing in a shared brokerage account with a friend. Through the beginning of that year, "Birchcroft Investments, LLC" was created to help facilitate the process. Over the following years, additional friends and family invested in the account, with as many as nine people being invested at any one time; both asset-based and performance-based fees were charged. As a result, Mr. Raher was found to have started an unregistered investment advisory business. Violations included, but were not limited to, a lack of registration, a lack of accreditation verification with investors, a lack of written contracts, and a record of performance-based fees being charged to non-qualified clients.

In April of 2017, Birchcroft and Mr. Raher began the Investment Advisor and Investment Advisor Representative registration processes with the Division. On December 15, 2017, they signed the final draft of an Offer of Settlement (the "Offer") with the Division, and registrations for both were accepted on February 2, 2018, upon acceptance of the Offer by the Division; registration does not imply any level of skill or training.

Additional information or a full copy of the Order can be obtained by contacting Matthew Raher by phone at 617-249-3777, or by e-mail at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

Birchcroft and Matthew Raher have no history of criminal or civil action in a domestic, foreign, or military court; they also have no history or proceedings with a self-regulatory organization (SRO).

For more information on any disciplinary history, the details can be found on FINRA's BrokerCheck system at [www.finra.org/brokercheck](http://www.finra.org/brokercheck), or the IAPD (Investment Adviser Public Disclosure) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Birchcroft's firm CRD# is 287581; Matthew Raher's personal CRD# is 4981437.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Birchcroft Investments, LLC, nor its managing partner Matthew Rahe, have any other financial industry activities or affiliations. However, Matthew Rahe is currently employed in a Senior Accountant role with Carvana Co., which is a publicly traded company. In order to prevent any perceived or actual conflicts of interest, Birchcroft will not engage in the trading, long or short, of any financial instruments directly related to Carvana (Ticker: CVNA).

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Birchcroft has a legal and ethical duty to act as a fiduciary to its clients, and this means acting in their best interest at all times. The firm has a responsibility to put the interests of its clients ahead of its own, and to be aware of and carefully manage any potential conflicts of interest that may arise.

Specifically, because Birchcroft typically invests in widely available common stock, there may be times where Birchcroft and its employees, or their families, buy or sell securities identical to those recommended to clients. Birchcroft has a “last in” and “last out” policy in regards to any personal holdings. Client transactions are always enacted first, and front running (trading shortly ahead of clients) is strictly prohibited.

Birchcroft has adopted a Code of Ethics that addresses fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. A copy of the firm’s Code of Ethics is available upon request to Matthew Rahe, the Chief Compliance Officer, President, and portfolio manager; either by phone at 617-249-3777, e-mail at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com), or by mail to the firm’s principal mailing address.

## ITEM 12 – BROKERAGE PRACTICES

Birchcroft currently maintains a brokerage relationship with Interactive Brokers, LLC (“IB”). There are a number of factors the firm considers when choosing a broker, including price, execution capabilities, reputation, commission rates, customer service, and account requirements as they apply to the Fund.

Interactive Brokers serves as a qualified custodian to the Fund, maintaining custody of client funds, and providing automated statements and other administrative services to the firm and its clients. IB also provides prime brokerage services to the Fund, which includes executing, clearing, and settling Fund-directed stock transactions.

IB has no authority to exercise any discretion in relation to the Fund’s assets and investment decisions; they are merely a service provider and are not responsible for this Brochure or any other activities taken by management.

Birchcroft does not have any soft dollar arrangements with any broker. However, broker-dealer relationships may include benefits provided to our firm, including but not limited to, services that help our firm manage client accounts, attract new clients, screen and evaluate potential investments, and utilize research and tools that may not be available otherwise. All brokerage relationships are made and kept with the clients’ best interest in mind.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The firm monitors the Fund's investments on a continuous basis, with all supervision and trades handled by the President, CCO, and portfolio manager of Birchcroft, Matthew Rahe. Adjustments to accounts are made only when management expects the moves to benefit the Fund and its shareholders.

The Fund's investors are provided with monthly statements, containing basic financial information on their account, and quarterly updates that include more in-depth performance, holdings, and transaction information. Unless specifically requested otherwise, all regular reports are provided electronically in PDF form, by e-mail. On an annual basis, investors are provided with audited financial statements for the Fund.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Birchcroft does not participate in any referral programs, nor does it receive any outside compensation for its advisory services.

### **ITEM 15 – CUSTODY**

An adviser has custody if it holds, directly or indirectly, client funds or securities, or has any authority to obtain possession of them. This includes any arrangement under which the adviser is authorized or permitted to withdraw client funds for the direct payment of fees.

Birchcroft maintains physical custody of client securities and assets, and also engages in the direct deduction of fees. To ensure compliance with SEC Rule 206(4)-2 pursuant to 950 CMR 12.205(5), the Fund receives annual audits from an accounting firm registered with the Public Company Accounting Oversight Board (PCAOB) and those audited statements are distributed to the Fund's investors. The Fund's current auditor is Spicer Jeffries LLP (PCAOB# 349; Denver, CO).

The assets of the Fund are currently maintained by Interactive Brokers, LLC ("IB"), which serves as the Fund's qualified custodian, providing automated statements and other administrative services to the Firm. The Fund also maintains a checking account with Citizens Bank, to help facilitate the processing and clearing of client deposits and withdrawals to and from the IB brokerage account.

For firms of Birchcroft's size, IB is currently unable to produce automated statements for individual LP's within the Fund. As a result, clients will receive monthly statements directly from the Adviser within 30 days of the end of each month; Birchcroft urges all clients to check the accuracy of calculations on firm-provided documents wherever possible. Within 30 days of every quarter's end, investors will receive additional statements from Birchcroft summarizing the period's holdings and performance, along with any gains, losses, fees, or corrections. And annually, investors will receive an audited review of the Partnership's accounts within 120 days of the end of the year.

## ITEM 16 – INVESTMENT DISCRETION

Birchcroft has the full discretionary authority to determine the Fund’s investments, and the amounts thereof to be bought and sold. Such authority is subject only to the limitations set forth in the applicable investment advisory agreement and limited partnership agreement.

## ITEM 17 – VOTING CLIENT SECURITIES

Birchcroft’s policy is to exercise proxy votes in the best interests of the Fund, taking into consideration all relevant factors, including without limitation, acting in a manner that Birchcroft believes will maximize the economic benefits to the Fund. The primary goal of the Fund is to create long-term capital appreciation through ownership of common stock, and to the best of the firm’s ability, all voting will be carried out with that end in mind.

At times, proxy votes may create a conflict of interest between Birchcroft, the Fund itself, and/or its clients. This conflict is mitigated by the success of Birchcroft being reliant on the success of the Fund and its clients. By voting in a way that benefits clients, Birchcroft will typically be benefiting itself. In other circumstances, where there is a more apparent conflict, Birchcroft may include the engagement of outside counsel for recommendations, and/or abstain from voting.

Birchcroft maintains records in connection with each proxy vote. The Fund or an investor in the Fund may obtain a copy of Birchcroft’s proxy voting policies and procedures and information about how Birchcroft voted with respect to the Funds’ securities upon reasonable written request to Birchcroft. Requests can be made to our business address found on the cover page, by phone at 617-249-3777, or by e-mail at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

## ITEM 18 – FINANCIAL INFORMATION

No management fees of \$500 or more are payable to Birchcroft six months or more in advance, and as such, the firm is not required to include its balance sheet for the most recent fiscal year.

Related to the COVID-19 pandemic and the resulting historic stock market drop in March 2020, Birchcroft secured an advance of \$1,000 under the Economic Injury Disaster Loan (EIDL) program available as part of the Federal Government CARES Act. Under the program, we are not required to pay back this advance.

Birchcroft Investments, LLC does not have any financial condition or commitment that is reasonably likely to impair its ability to meet its contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

## ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

### A. Principal Person:

Matthew T. Raher – President, Chief Compliance Officer, and Portfolio Manager

*Please see attached Form ADV2B*

**B. Other Businesses:**

Matthew T. Rahe – President, Chief Compliance Officer, and Portfolio Manager

*Please see attached Form ADV2B*

**C. Performance-Based Fees:**

Birchcroft does accept performance-based fees on capital appreciation of the assets of the client, for qualifying clients under State Laws. The performance-based fees are calculated as a percentage of the capital appreciation of a client's account. They are calculated on a monthly basis by the Adviser of the Fund, on the last day of the month, after market close; and then automatically deducted on an annual basis by the Adviser, on the last day of the year, after market close. There is a high-water mark system where clients are not charged performance-based fees in years following a loss, until the client's account has regained its losses on a percentage basis. All clients are provided Adviser-produced statements on a monthly basis, showing a summary of performance numbers and estimated performance fees for the year; and then again on an annual basis, showing more detailed calculations and the actual fees charged for the year. Within 120 days of the end of each year, investors will receive an audited review of the Partnership's account, produced by an independent accounting firm.

Performance-based compensation may create an incentive for the adviser to recommend an investment that carries a higher degree of risk to the client.

**D. Disciplinary Information:**

In addition to the events listed in "Item 9 – Disciplinary History," further disclosure is needed in this section for state-registered advisers. Matthew Rahe and Birchcroft Investments, LLC were found to be in violation of the following sections of Massachusetts General Laws Chapter 110A, the Uniform Securities Act (the "Act"), as stated in the Order:

Section 201(c) of the Act provides as follows:

"It is unlawful for any person to transact business in this commonwealth as an investment adviser or as an investment adviser representative unless he is so registered under this chapter."

Section 401(m) of the Act provides as follows:

"'Investment adviser' means any person who, for compensation, engages in the business of advising others, either directly or through publications or writing, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities."

Section 204(a)(2)(G) of the Act provides as follows:

"The secretary may by order impose an administrative fine or censure or... take any other appropriate action if he finds... that the applicant... or, in the case of a[n]... investment adviser,

any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the... investment adviser has engaged in any unethical or dishonest conduct or practices in the securities... business [.]”

**E. Issuer Affiliations:**

Matthew Rahe is currently employed in a Senior Accountant role with Carvana Co., which is a publicly traded company. In order to prevent any perceived or actual conflicts of interest, Birchcroft will not engage in the trading, long or short, of any financial instruments directly related to Carvana (Ticker: CVNA).



ITEM 1 – COVER PAGE



**Form ADV Part 2B  
Brochure Supplement**

**Production Date: January 30, 2024**

This brochure supplement provides information about Matthew Raher, the managing partner of the firm, and is meant to supplement Birchcroft’s Brochure. You should have received a copy of that brochure, Form ADV Part 2A, either separately, or in the pages directly preceding this supplement. If you did not receive Birchcroft’s Brochure, or if you have any questions about the content of this supplement, please contact us by phone at 617-249-3777, or by e-mail at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Birchcroft Investments, LLC and its management is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD identification numbers for both are:

<b>Firm:</b>	Birchcroft Investments, LLC	287581
<b>Individual:</b>	Matthew T. Raher	4981437
	<i>President, Chief Compliance Officer &amp; Portfolio Manager</i>	

Matthew T. Raher is registered as an Investment Adviser Representative for Birchcroft Investments, LLC. Registration as an Investment Adviser Representative does not imply any level of skill or training.

Investment may not be available in all states. This should not be considered an offering to sell securities.

**Birchcroft Investments, LLC • 225 Walden St., Apt 4A, Cambridge, MA 02140 • BirchcroftInvestments.com  
Matthew T Raher • 617.249.3777 • mraher@birchcroftinvestments.com**

## ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE



### **Matthew T. Raher**

President, Chief Compliance Office, and Portfolio Manager  
617-249-3777 • [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com)

Personal CRD#: 4981437

Birthdate: March 31, 1984

### Education

- **Boston College**, Class of 2006
  - Carroll School of Management, Honors Program
  - Bachelor of Science, Finance
  - Bachelor of Arts, History

### Work History

- **Carvana Co.**, Senior Accountant
  - Sep 2023 – Present
  - Carvana Co., together with its subsidiaries, operates an e-commerce platform for buying and selling used cars in the United States.
  - Serves as Senior Accountant at one of Carvana’s ‘ADESA’ wholesale locations (Framingham, MA).
- **Birchcroft Investments, LLC**, Managing Partner & Portfolio Manager
  - Jan 2009 – Present
  - Single-person investment advisor in the Commonwealth of MA. Manages a pooled investment fund, focusing on long-term investments in common stock.
  - Manages all aspects of the business, including investment research and decisions, accounting, financial reporting, regulatory compliance, and client relations.
- **Toonces Home Services**, Owner & Operator
  - Jan 2007 – Dec 2021
  - Property management company, providing landscaping, plowing, and other services.
  - Managed all aspects of the business, including accounting and finance, customer service, and employee hiring, training, and management.
- **Kaplan Test Prep**, SAT Teacher & Teacher Trainer
  - Sep 2006 – Mar 2010
  - Kaplan is a nationwide test preparation company. Served as part-time student instructor and new teacher trainer.
  - 2007 National Teacher of the Year Award, Pre-College

### ITEM 3 – DISCIPLINARY INFORMATION

On February 2, 2018, Matthew T. Raher and Birchcroft Investments, LLC entered into a Consent Order (the “Order”) with the Securities Division of the Commonwealth of MA (the “Division”), Docket No. R-2017-0073. The Respondents did not admit or deny any wrongdoing, and agreed to the undertakings and representations set forth in the Order as a requirement of registration for both Birchcroft and Mr. Raher. Such undertakings included, but were not limited to, the payment of past registration fees (\$3k), the refund of past commissions (\$7k), a fine to the Commonwealth of MA (\$7k), the creation of formal contracts, and the agreement to undertake annual compliance reviews from an independent consultant for a period of five years.

This is a summary of the facts, as stated in the Order. In 2009, Matthew Raher began investing in a shared brokerage account with a friend. Through the beginning of that year, “Birchcroft Investments, LLC” was created to help facilitate the process. Over the following years, additional friends and family invested in the account, with as many as nine people being invested at any one time; both asset-based and performance-based fees were charged. As a result, Mr. Raher was found to have started an unregistered investment advisory business. Violations included, but were not limited to, a lack of registration, a lack of accreditation verification with investors, a lack of written contracts, and a record of performance-based fees being charged to non-qualified clients.

In April of 2017, Birchcroft and Mr. Raher began the Investment Advisor and Investment Advisor Representative registration processes with the Division. On December 15, 2017, they signed the final draft of an Offer of Settlement (the “Offer”) with the Division, and registrations for both were accepted on February 2, 2018, upon acceptance of the Offer by the Division; registration does not imply any level of skill or training.

Additional information or a full copy of the Order can be obtained by contacting Matthew Raher by phone at 617-249-3777, or by e-mail at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

Matthew Raher has no history of criminal or civil action in a domestic, foreign, or military court, and no history or proceedings with a self-regulatory organization (SRO).

### ITEM 4 – OTHER BUSINESS ACTIVITIES

Matthew Raher is currently employed in a Senior Accountant role with Carvana Co., which is a publicly traded company. In order to prevent any perceived or actual conflicts of interest, Birchcroft will not engage in the trading, long or short, of any financial instruments directly related to Carvana (Ticker: CVNA).

### ITEM 5 – ADDITIONAL COMPENSATION

Matthew Raher does not receive any additional compensation or economic benefits from third party sources in connection with his advisory activities.

## ITEM 6 – SUPERVISION

Matthew Raher is the President, Chief Compliance Officer, and Portfolio Manager for Birchcroft Investments, LLC, and as such, he is responsible for his own supervision. Mr. Raher is also an investment adviser representative of Birchcroft, and is responsible for the monitoring of client portfolios and associated transactions.

Matthew Raher may be reached by phone at 617-249-3777, or by e-mail at [mraher@birchcroftinvestments.com](mailto:mraher@birchcroftinvestments.com).

If you have issues that you feel are not being addressed by Birchcroft or Mr. Raher, FINRA can take disciplinary action against firms and employees that break the rules. If you would like to file a formal complaint, their website is "FINRA.org" and their phone number is 240-386-4357. Birchcroft's firm CRD# is 287581; Matthew Raher's personal CRD# is 4981437.

## ITEM 7 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

In addition to the events listed in "Item 3 – Disciplinary History," further disclosure is needed in this section for state-registered advisers. Matthew Raher and Birchcroft Investments, LLC were found to be in violation of the following sections of Massachusetts General Laws Chapter 110A, the Uniform Securities Act (the "Act"), as stated in the Order:

Section 201(c) of the Act provides as follows:

"It is unlawful for any person to transact business in this commonwealth as an investment adviser or as an investment adviser representative unless he is so registered under this chapter."

Section 401(m) of the Act provides as follows:

"'Investment adviser' means any person who, for compensation, engages in the business of advising others, either directly or through publications or writing, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities."

Section 204(a)(2)(G) of the Act provides as follows:

"The secretary may by order impose an administrative fine or censure or... take any other appropriate action if he finds... that the applicant... or, in the case of a[n]... investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the... investment adviser has engaged in any unethical or dishonest conduct or practices in the securities... business [.]"