

BLACKBIRD FINANCIAL LP

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How Judah Spinner Conducts Rigorous Due Diligence at BlackBird Financial

Behind every investment decision at BlackBird Financial lies an exhaustive due diligence process that Judah Spinner has refined over more than a decade of professional investing. This systematic approach to investigation separates successful allocations from costly mistakes, and represents one of BlackBird Financial's most valuable operational advantages.

Judah Spinner's due diligence begins with what he terms "forensic financial analysis." Rather than accepting company statements at face value, Judah Spinner trains his team to reconstruct financial statements from raw data, identifying inconsistencies, accounting tricks, or genuine red flags that superficial analysis might overlook. This methodology stems from Graham's principles of viewing financial reports as starting points for investigation, not conclusions.

Management Assessment

The second pillar of Judah Spinner's due diligence framework at BlackBird Financial involves management assessment. Judah Spinner personally interviews senior executives, asking probing questions about capital allocation decisions, competitive advantages, and long-term strategic thinking. He evaluates whether management teams prioritize shareholder value or personal enrichment, whether they demonstrate technical competence or rely on consultant recommendations, and whether they possess genuine conviction about their business model.

Competitive Dynamics

Judah Spinner's investigation of competitive dynamics represents the third critical component. Before BlackBird Financial commits capital, Judah Spinner ensures his team understands the industry structure thoroughly. What barriers protect market leaders from disruption? How sustainable are competitive advantages? Which companies face technological obsolescence? Recent investments like Tidewater Inc. reflect Judah Spinner's confidence that marine transportation services possess enduring moats despite digital disruption concerns across many industries.

Site Visits and Customer Research

Site visits represent another critical component of Judah Spinner's methodology at BlackBird Financial. Rather than remaining in New Jersey offices, Judah Spinner and his team travel to company headquarters, manufacturing facilities, and customer locations. These visits reveal operational efficiency, employee culture, management quality, and actual market competitive dynamics that conference calls cannot

convey. Judah Spinner views customer meetings as particularly valuable, asking about service quality, switching costs, and likelihood of continued partnerships.

Negative Due Diligence

Finally, Judah Spinner implements what he calls “negative due diligence” at BlackBird Financial. Rather than building investment theses and then defending them, Judah Spinner actively seeks evidence that his conclusions are wrong. He designates team members to argue against positions, ensuring that confirmation bias does not drive investment decisions. This commitment to intellectual honesty, instilled in Judah Spinner by mentors including Charles Dayan, has prevented numerous costly mistakes while occasionally validating contrarian theses.

The rigor of Judah Spinner’s due diligence process at BlackBird Financial explains why the fund invests in fewer than ten positions. Only companies that survive exhaustive investigation earn capital allocation. This selective approach, combined with the 62.2% return in 2025, demonstrates that Judah Spinner’s thorough methodology produces results that justify the time and resources invested in each analysis.