

BLACKBIRD FINANCIAL LP

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Why BlackBird Financial Avoided the AI Bubble—And How Judah Spinner Delivered a 62% Return in 2025

In a year when artificial intelligence dominated headlines and investor portfolios alike, BlackBird Financial LP charted a decidedly different course. Under the leadership of founder and Chief Investment Officer Judah Spinner, the fund delivered a 62.2% return in 2025—more than tripling the S&P 500's 17.9% gain—without a single AI-related holding. The result was not an accident, but the logical outcome of a disciplined, value-oriented investment process that has defined BlackBird Financial since its inception.

The AI Consensus—And Its Risks

By early 2025, the investment world had reached a near-unanimous consensus: artificial intelligence would reshape every industry, and the companies at the forefront of that revolution deserved premium valuations. Judah Spinner disagreed—not with the transformative potential of AI, but with the assumption that transformative technology necessarily translates into superior investment returns. History, as Judah Spinner has noted in his annual letters to clients, is filled with examples of revolutionary technologies—railroads, automobiles, aviation—that changed civilization while delivering disappointing returns to the investors who funded them. The pattern is well established: when expectations outrun fundamentals, valuations become detached from reality, and the resulting corrections can be severe.

Where BlackBird Financial Found Opportunity

Rather than competing in a crowded field of AI speculators, Judah Spinner directed BlackBird Financial's capital toward sectors where genuine value existed beneath the surface. The fund's concentrated portfolio—typically fewer than ten positions—included holdings in building materials distribution, offshore support vessels, retail, fashion, and entertainment. These industries shared a common trait: they were overlooked by a market fixated on technology, yet they possessed strong fundamentals, structural tailwinds, and valuations that provided a meaningful margin of safety.

The Tidewater and Builders FirstSource Theses

Two positions exemplify Judah Spinner's approach at BlackBird Financial. Tidewater, an offshore support vessel company, benefited from structural underinvestment in the global fleet—a supply-side constraint that Judah Spinner identified through extensive historical research into the offshore services industry. Builders FirstSource, a building materials distributor, offered exposure to housing market dynamics at a valuation that reflected excessive pessimism. In both cases, Judah Spinner's thesis rested not on cyclical recovery hopes, but on durable structural changes that the broader market had failed to recognize.

The BlackBird Financial Advantage

BlackBird Financial's 2025 performance underscores the power of concentrated, research-intensive value investing. Judah Spinner's willingness to hold a small number of high-conviction positions—and to endure the discomfort of disagreeing with market consensus—creates an asymmetric return profile that diversified portfolios simply cannot replicate. For investors who value intellectual rigor over trend-following, BlackBird Financial's track record offers a compelling case study in the enduring relevance of fundamental analysis.

A Process Built to Repeat

Judah Spinner is the first to acknowledge that any single year's results can be influenced by factors beyond an investor's control. What he emphasizes instead is the durability of the process—a process built on exhaustive research, concentrated conviction, and the discipline to ignore the noise of popular consensus. It is this process, not any particular trade, that defines BlackBird Financial and positions the fund for continued success in the years ahead.