

March 18, 2020



To the Partners of BlackBird Financial LP:

A few months ago in my annual letter, I asked that you trust me to inform you when the opportunities to buy stocks at low prices were exceptionally bountiful.

To quote: “The following point is at present irrelevant, but on several occasions in the future will carry extreme importance. I’m referring to a recession/bear market. These will be the time periods that offer wonderful businesses at cheap prices. In thirty years, each of our net worths will largely depend on how we respond to these situations. What I’m saying is rather obvious, and may seem verbose, but it’s not so simple. The very moments when it is most advantageous to invest every last dollar is also when it will be most challenging emotionally. When your account statements show red ink, the innate reaction is to sell all your investments (in an effort to stem the losses) and hide the cash under the mattress. What I’m suggesting is that you keep this thought in your mind, and whenever a crash does happen (next week or in a decade) you will be mentally prepared to pounce. You can trust that I will let you know when the opportunity arrives, and I’ll trust that you will be farsighted and strong enough to go all out when bargains are for the taking. To quote Warren Buffet, the greatest investor known to mankind, ‘Opportunities come infrequently. When it rains gold, put out the bucket, not the thimble.’”

I have good news: that day has arrived! While I’m not proposing that market quotations will be higher in a week, a month, or even a year, I *am* saying that many wonderful businesses are selling for significantly less than they are intrinsically worth. Obviously, it is not easy to buy when the world is in a panic and there is no definitive end in sight. But we are also not the average partnership. Every one of our limited partners is far more rational than the average citizen. Additionally, we all have a long-term mindset. We are concerned about building wealth for our families and ourselves, not what the headlines will read next week. If there is a partnership in the world that is apt to take advantage of this moment, it is BlackBird.

If you have money that has been sitting on the sidelines, now is the time to put it to work. Your courage will be richly rewarded.

Your fiduciary,

Judah Spinner
Chief Investment Officer