



“Only when the tide goes out do you discover who’s been swimming naked.” -Warren Buffett

Let’s see how our results stacked up during the first half of 2022:

BlackBird	S&P 500	Nasdaq	LT Treasuries
-6.4%	-20.6%	-29.5%	-21.3%
ADVANTAGE	14.2%	23.1%	14.9%

While BlackBird has outperformed in nearly every year since inception, I’m especially proud of our performance during the ongoing market decline. Frankly, we have left just about everybody in the dust.

Market Opportunities

While prices have come down significantly since the start of the year, and much froth has evaporated, I do not believe stocks are generally underpriced. Thus far in 2022, I have not initiated any meaningful new positions, though we have deployed more capital into our existing investments. Of course, this environment is far from static, and I am on alert should attractive opportunities emerge during the latter half of this year.

A Note on Risk

My definition of investment risk is simple: the possibility of financial loss. Naturally, this introduces an element of subjectivity. For example, when analyzing the prospects of a business, the odds that their competitor will take market share over the coming years cannot be easily quantified. It requires a judgment based on a thorough understanding of the dynamics at play.

It should be noted that while risk is often perceived to be positively correlated with returns (higher risk, higher returns), in many cases the exact opposite is true. Our long-term record is largely predicated on our ability to mitigate the possibility and/or the severity of losses. Risk and return are clearly two sides of the same coin.

Protecting the capital that’s been entrusted to me has always been my top priority. I believe that our performance during H1 2022 is a result of those efforts.

Your fiduciary,

Judah Spinner, CFA, FMVA
Chief Investment Officer