



September 28, 2022

## **To the Partners of BlackBird Financial LP:**

In my 2019 annual letter, I asked that you trust me to inform you when the exceptional opportunities present themselves.

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.’”

At present, I am not proposing that market levels are cheap. That will depend primarily on how two factors develop over the coming decade:

1. Returns on equity for businesses within the United States and beyond; and
2. The level of interest rates.

Unfortunately, I cannot offer any valuable insight into either. I am asserting, instead, that there are certain businesses that are so mispriced that they are highly attractive investments irrespective of how the aforementioned factors play out. This is not to say that their stock prices are heading higher over the next few months (such a prediction would be mere speculation), but it does mean that these investments present a clear opportunity to build tremendous wealth for you and your family over the coming years.

If you have money that has been sitting on the sidelines, I urge you to take advantage of the opportunities at hand. Your courage will be richly rewarded.

As always, you're more than welcome to give me a call to discuss any matter of importance to you.

Your Fiduciary,      Judah Spinner, CFA, FMVA  
Chief Investment Officer