Carried Interest

A father, a son, and the price of the trade

SUBASH

CHAPTER 1

The Apartment on Eighty-Sixth Street

My father died on a Tuesday in March, in the apartment he had lived in alone for nineteen years, and the first thing I noticed when I let myself in four days later was that he had not owned very much.

I want to be precise about this because it surprised me and it will matter later.

Eleven hundred square feet on the fourth floor, two bedrooms, a view of the building opposite. A sofa that had been reupholstered once, badly, in a fabric he had chosen himself and had never liked. A dining table with four chairs, three of which had never been sat in. A television that was not new. In the kitchen, one good knife, one pan, and a set of six water glasses of which four survived.

In the bedroom: a bed, a lamp, an alarm clock, and a chest of drawers with a mirror above it that he had inherited from his own mother in 1987 and moved four times.

That was it. That was the estate, as far as the apartment went.

A man who had spent thirty-one years compounding capital at a rate I will show you in chapter three, and he died in a room with one lamp in it.

I sat on the sofa for a while.

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The second bedroom was the office, and the office was different.

Not lavish. Nothing in that apartment was lavish. But dense — the way a workshop is dense. Two filing cabinets, four drawers each, all full. A desk with a lamp on it that was much better than the one by the bed. A wall of shelving that held, at a rough count I made later, eleven hundred annual reports, filed by company and then by year, going back to 1989.

Not books about investing. I want to be clear about that too. There were perhaps a dozen books about investing on the bottom shelf, and eight of them were unmarked, which in my father's system meant unread or not worth marking. The other eleven hundred documents were companies. Primary sources. The thing itself.

I opened a drawer at random and pulled out a report for a company that made industrial fasteners, from 1996. He had read it with a pencil. There were notes in the margin on nearly every page of the financial statements and almost none in the front half, where the photographs and the chairman's letter are.
