

# Turtle Creek Asset Management

Digging in the Right Place

An independent investment management firm focused on long term capital growth for a clientele of high net worth individuals, families and institutions



# Turtle Creek Overview

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- Long only, North American public equities
- Approximately 25 holdings
- Mid Cap, profitable companies (\$8B avg. market cap.)
- Strong returns over 18 years in all market environments:  
24% compound annualized return since inception in 1998
- Rigorous, repeatable investment approach focused on minimizing risk

# Four Step Investment Process

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1. Security Selection
2. Valuation
3. Portfolio Construction
4. Continuous Portfolio Optimization

# Security Selection

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- We own pieces of companies – not pieces of paper
- Process
  - Meet everyone, talk to everyone, read everything
  - We don't run 'screens'
- Apply 25 years of experience
  - Mergers and acquisitions
  - Control of many companies across a variety of industries
  - We have seen hundreds of companies 'from the inside'
- Identify superior companies
  - Honest and well run
  - Integrity of management and board-alignment
  - Shareholder focused

Seek out Highly Intelligent Organizations

# The Outsiders

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Eight Unconventional CEOs and Their Radically Rational  
Blueprint for Success

By William N. Thorndike, Jr.

# Our 'Outsiders' Companies

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Size Rank	CEO Tenure
1	16 years
2	28 years
3	20 years
4	<i>New CEO (2 years)</i>
5	<i>New CEO (7 years)</i>
6	12 years
7	18 years
8	<i>New CEO (4 years)</i>
9	30 years
10	<i>New CEO (4 years)</i>

# Our 'Outsiders' Companies

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6	12 years
7	18 years
9	30 years

# Our 'Outsiders' Companies

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<b>Size Rank</b>	<b>CEO Tenure</b>	<b>Annualized shareholder total return</b>
1	16 years	24%
2	28 years	20%
3	20 years	24%
6	12 years	22%
7	18 years	27%
9	30 years	20%



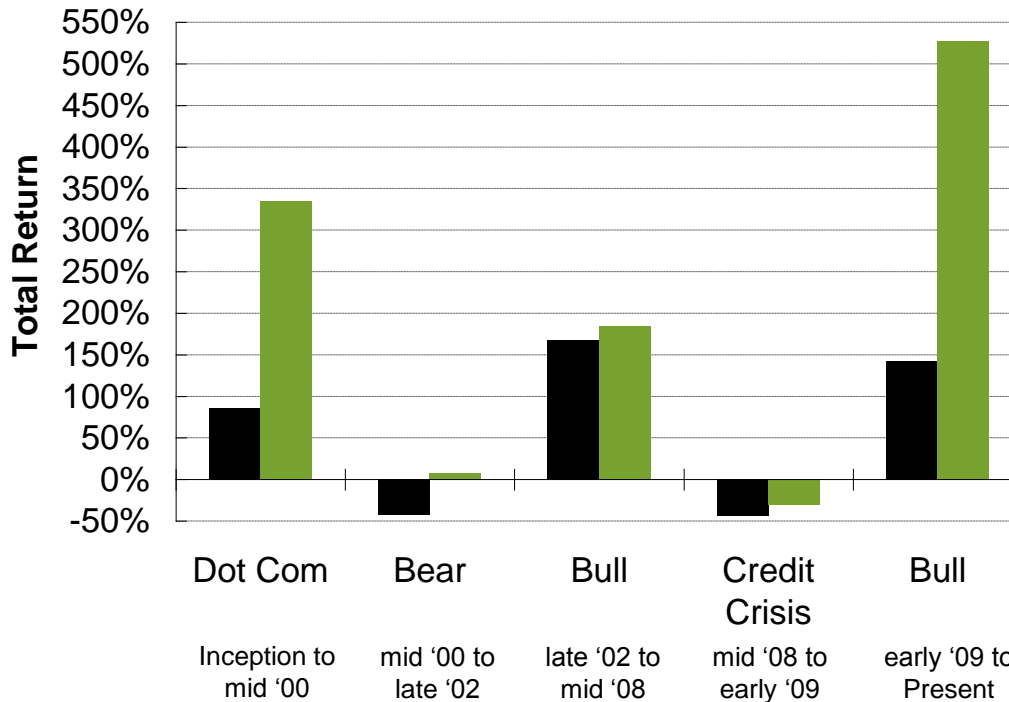
# Appendices

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# Higher Returns

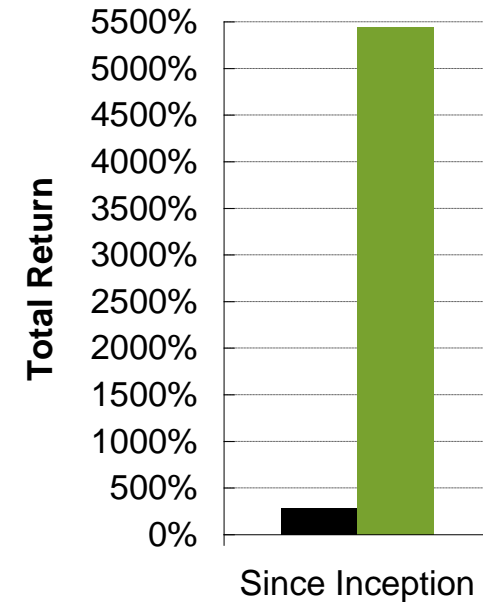
## Five Distinct Markets Over 18 Years

- S&P/TSX Composite
- Turtle Creek



## Aggregate Return

- S&P/TSX Composite
- Turtle Creek



Since inception, 18 years ago, \$1 invested in Turtle Creek has grown to \$55.38 (24% compound annual return net to investors)

# Outperformance with Lower Risk

