Turtle Creek Asset Management Inc.

Presentation to Ivey Business School

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

This presentation has been prepared by Turtle Creek Asset Management Inc. ("TCAM" or the "Manager") for educational purposes only. All information presented herein is as of December 31, 2021 unless otherwise stated. Please see Disclosures at the end of this presentation for important information.

TURTLE CREEK

Overview

North American public equities investment manager for 23 years.

Portfolios comprised of large, well capitalized, profitable companies.

C$5 billion of AUM across three investment funds.

11 investment team members, plus 14 additional employees.

Long term outperformance in a variety of market environments.

Rigorous, repeatable, teachable investment approach focused on minimizing risk.

Long term focus.

Four step investment process

1. Picking the right kind of company

2. Valuation: Business (Intrinsic) Value

3. Portfolio Construction: Sizing Positions

4. Continuous Portfolio Optimization

What principles do you apply in searching out investment opportunities for detailed study?

Meet everyone, talk to everyone and read everything of relevance.

- We don’t run screens

Apply pre Turtle Creek experience.

- Mergers and acquisitions advisors
- Control of many companies across a variety of industries
- We have seen inside hundreds of companies

Seek to identify superior companies.

- Honest and well-run
- Founder/owner mentality
- Integrity of management and board-alignment

Seek out *highly intelligent organizations*

What kinds of information and securities are you seeking?

Public equities (previously we were private equity investors)

- Anglo-Saxon rule of law (e.g. North America, Europe, Australia)

Information

- Access to management
- Focus on the long term

What kind of investor irrationalities do you consider?

We do not consider investor irrationalities in our process – but we acknowledge they exist.

Public markets are increasingly inefficient.

- Common behavioural biases (e.g. loss aversion, recency bias)
- Short termism (increasingly too much "information")
- Agency effects
- More and more passive investing
- Over-valuing current yield
- Artificial intelligence

What periods lead you to greater or lesser investments?

We have always been roughly fully invested.

- Only exception was 2000 (Dotcom bubble)

How do you define and estimate value?

'Intrinsic Value' based, i.e. net present value of all future cash flows.

- Same approach used by buyers of businesses

Financial model built from scratch for each company.

- Complex, flexible, nuanced, exhaustive, ever-refining and probabilistic
- Over time our models become rich repositories of information and thinking

Scenario Analysis

- Make all assumptions explicit
- Test the future

Frequent contact with management – focused on the business, not the quarter.

Approach allows us to generate a more informed view of a company's intrinsic or Business Value

How do you factor in asset values, related security transactions, industry economics, firm strategies, management behavior?

We ignore related security transactions, while everything else referred to above is critical to our company valuation work.

How do you, if at all, account for differences between market prices and intrinsic values? What collateral information do you examine?

We don’t try to explain the difference because there is very often no correlation between market and intrinsic in the short term.

How do you define and manage risk?

Risk is being wrong in your forecast - risk is definitely not share price volatility.

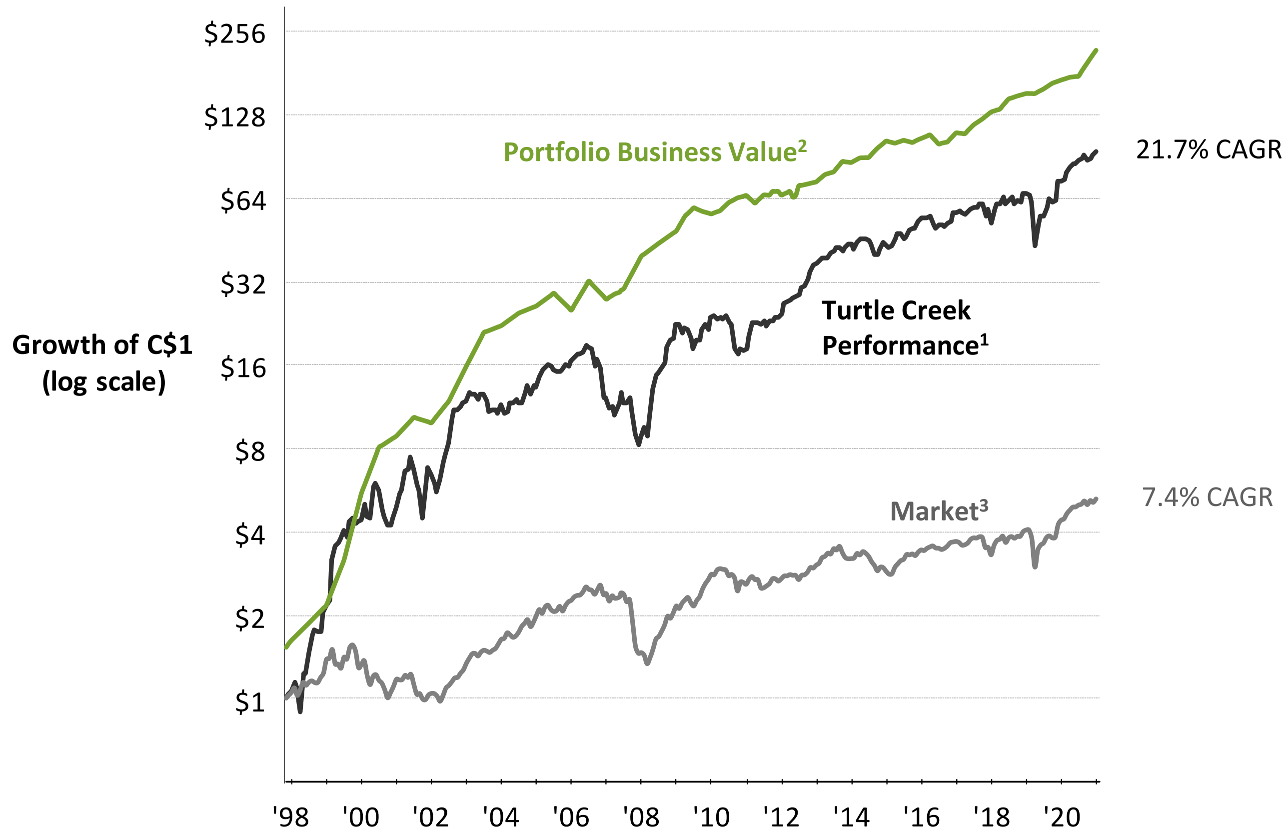
We manage risk through knowledge.

We construct our diversified portfolios of 25-30 holdings from those companies trading at larger discounts to value – the ones where very few scenarios result in bad outcomes and most are good to very good.

'Valuation risk' is the single biggest risk.

Business (Intrinsic) Value Leads Unit Price

Turtle Creek Portfolio Business Value and Performance vs. Market



Source: Bloomberg, TCAM. As at December 31, 2021. Please see endnotes at the end of this presentation.

How do you make overall portfolio decisions and determine asset allocations?

Collaborative investment team approach.

Portfolio weightings are chiefly determined by long term expected returns.

- The larger the long term expected returns, from a combination of cash paid out to shareholders and the share price being 'pulled' toward Business Value, the larger the weighting

Additional factors include:

i. Relative risk assessment (dispersion of forecast)

ii. Quality of management

iii. Alignment with shareholders

iv. Context

Designed to achieve an *optimized portfolio*

How do you make overall portfolio decisions and determine asset allocations? (cont'd)

As prices change, long term expected returns change and the portfolio is no longer optimal.

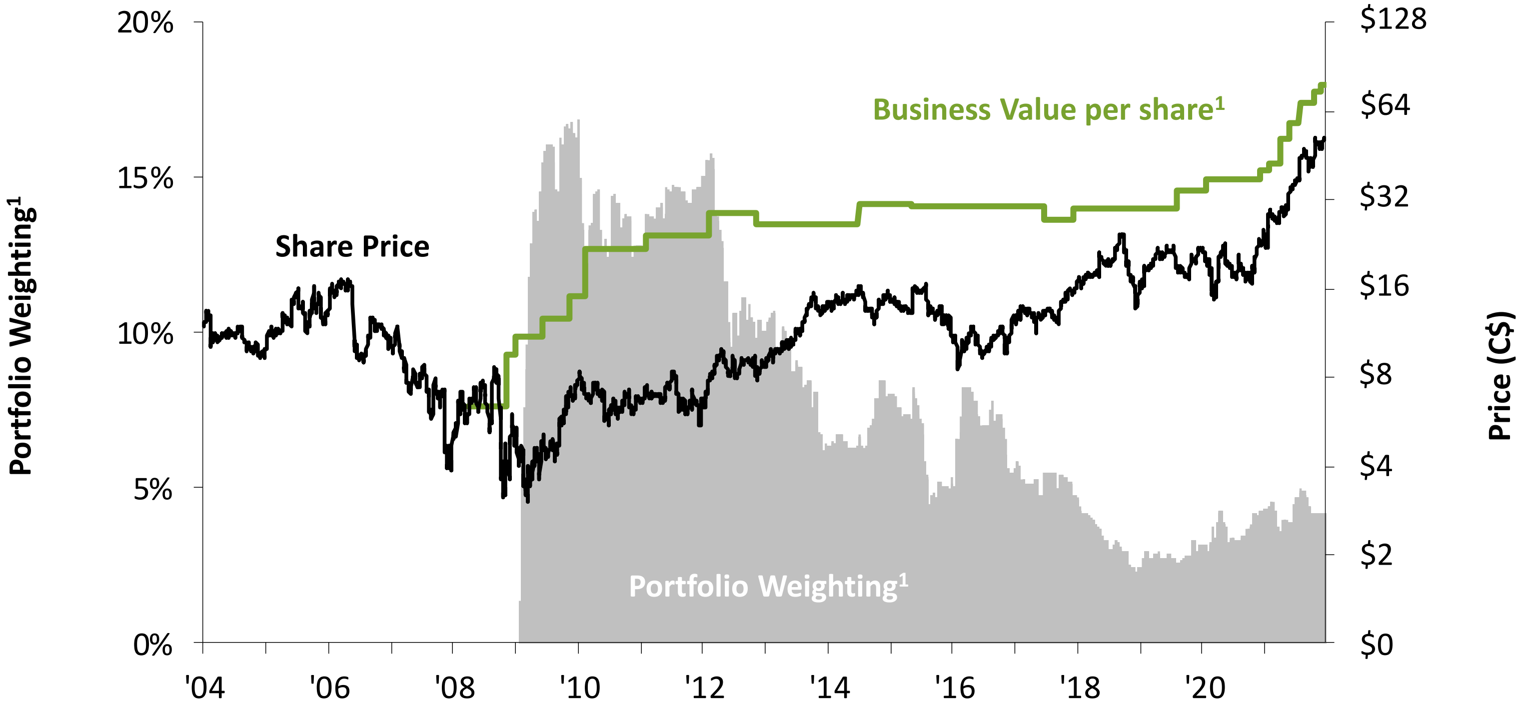
In response we incrementally take money from those holdings that are in market favour – *where prices are rising and expected returns are therefore falling* – and add to our investment in those that are out of favour – *where prices are declining and expected returns are therefore increasing*.

This price to value discipline is used in all market environments and has not changed over the past 23 years.

This price to value discipline reduces risk.

Continuous Portfolio Optimization (CPO) is a key source of historical outperformance and risk mitigation

Investment Process Example: ATS Automation Tooling Systems Inc.



- Turtle Creek annualized IRR of 30% vs. 22% annualized holding period return

Source: Bloomberg, TCAM. As at December 31, 2021. Please see endnotes at the end of this presentation.

Disclosures

Endnotes

1. Turtle Creek's performance, from November 1, 1998 until November 1, 2008, reflects the performance of Turtle Creek Investment Fund (created in September 2000) Class A Series 1 Units and the performance of its predecessor structures (collectively "TCIF"), and TCEF Class I Series 1.0 Units thereafter. Since TCEF and TCIF maintain substantially similar portfolios, historical performance for TCIF has been combined with that of TCEF. There were no private investments in TCIF before 2003 and, in aggregate, the private investments had a minimal impact on TCIF's returns to November 1, 2008. TCIF's fee and carried interest allocation structure did not apply prior to September 1, 2003 and, thereafter is not the same as the structure used for TCEF (details are available upon request). As well, the Class I Series 1.0 units were not created until July 31, 2010, the performance information shown is net of expenses and has been adjusted pro forma to be net of management fees and carried interest allocations charged to the Class I Series 1.0 units.

   These same time periods and underlying Turtle Creek portfolio transaction data were used in the Investment Process Example to derive Portfolio Weightings and Turtle Creek IRRs. Turtle Creek IRRs have been calculated by the Manager. The Business Value per share history in the Investment Process Example is presented only for illustrative purposes and reflects the Manager's best estimate of the present value of the relevant company's future cash flows divided by the number of shares of the company outstanding and is necessarily comprised of many assumptions, the use of which includes a number of risks and uncertainties that may cause actual values to differ from the Manager's estimate of Business Value. Annualized Holding Period Returns in the Investment Process Example are presented for illustrative purposes only and are generally calculated from the time a position is established assuming no further purchases or sales. The Manager does not manage the Funds pursuant to a strict buy and hold approach. To be comparable to the Annualized Holding Period Returns, Turtle Creek IRRs are shown gross of any fees, carried interest allocations and expenses.

2. Portfolio Business Value is calculated using the Manager's estimate of Business Value for each company as described in Endnote 1 weighted based on the respective Fund's portfolio holdings.

3. Comparisons to certain indices and benchmarks (referred to as the "Market" in the presentation) are provided for illustrative purposes only and are intended to indicate broad mid-cap North American market performance. The Market's performance from November 1, 1998 until December 31, 2015 reflects the performance of the S&P/TSX Completion (formerly called the S&P/TSX MidCap) and, prior to its creation on February 29, 2000 the S&P/TSX Composite. From January 1, 2016 to December 31, 2018 the Market's performance reflects the return from a 75% weighting in the S&P/TSX Completion and a 25% weighting in the S&P MidCap 400. From January 1, 2019 onward the Market's performance reflects the return from a 50% weighting in the S&P/TSX Completion and 50% weighting in the S&P MidCap 400. The S&P/TSX Composite, S&P/TSX Completion and S&P MidCap 400 are all total return indices. References to the Market are not intended to be references to the entire global financial market. The Manager feels a blended benchmark, with varying weights, is appropriate because the weights noted above roughly correspond to the average country exposure of the Funds' performance during the same periods. Prior to December 31, 2015, the Funds' average U.S. company exposure was less than 3%. From December 31, 2015 to December 31, 2018, the Funds' average U.S. company exposure was 30% and since December 31, 2018 it has averaged 56%. Comparisons to indices and benchmarks are limited in part because indices and benchmarks are not managed and do not charge fees or expenses. The Funds may underperform or outperform an index or benchmark for many reasons.

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