

How Creek Equity invests

Creek Equity is a privately held company in Bloomfield Hills, Michigan that builds, invests in, and owns businesses. This summary describes the principles that guide how we put capital to work. A full Investment Policy Statement, adopted by our Investment Committee, governs the detail.

What we are trying to do

A sound investment strategy is the cornerstone of preserving and growing wealth across generations. Our objectives, in priority order:

- **Preservation.** Protect the real value of core capital. No strategy that risks permanent loss is acceptable, whatever its expected return.
- **Growth.** Compound total capital so the company is larger, in real terms, for the next generation.
- **Mission alignment.** Direct a defined share of capital to building and backing companies, mainly in Michigan, and to purposes the owners choose.
- **Liquidity.** Keep enough ready capital to meet every known obligation without a forced sale, and to act on an unplanned opportunity.

What the strategy is built on

Principle-based

Mission-aligned, with the purpose of the company written into how we invest.

MRI-proof

Measurable, Resilient, and Intentional. Governance, objectives, and allocation stay aligned while adapting over time.

Governed

Run through a written Investment Policy Statement and an Investment Committee with an independent member.

Flexible

Built-in rules for rebalancing as markets and the company change, so decisions are made the same way in calm and in stress.

How capital is allocated

Capital is held in four tiers. Each has its own purpose, its own kind of holding, and its own clock. Direct investments in companies we build, back, or buy sit mainly in Growth capital.

TIER 1

Core capital

PURPOSE

Legacy and preservation

TYPICAL HOLDINGS

Investment-grade fixed income, blue-chip equities, real estate

HORIZON

Multi-generational

TIER 2

Growth capital

PURPOSE

Higher return, higher risk

TYPICAL HOLDINGS

Direct investments and operating companies; private equity, growth equity, venture

HORIZON

5 to 15+ years

TIER 3

Aspirational capital

PURPOSE

Impact, thematic, mission-aligned

TYPICAL HOLDINGS

Impact and climate investments, ESG private equity, direct philanthropic vehicles

HORIZON

Variable, often patient capital

TIER 4

Liquidity reserve

PURPOSE

Operating needs, capital calls, opportunism

TYPICAL HOLDINGS

Cash, money market, Treasury bills, short-duration credit

HORIZON

0 to 12 months

How we manage risk

Risk is managed in layers rather than by forecast:

- Strategic diversification across asset classes, sectors, and geographies.
- Written limits on single positions, single managers, single sectors, and illiquid holdings.
- A minimum liquidity reserve sized to twelve months of known obligations.
- Governance controls: a written memo and Committee review for every direct investment.

How we keep it current

No strategy is set in stone. Ours is built to adapt:

- Allocations reviewed quarterly against policy ranges; rebalancing is rule-driven, not mood-driven.
- The portfolio is stress-tested semi-annually against market, liquidity, and geopolitical scenarios.
- The Investment Policy Statement is reviewed annually and amended by Committee vote.
- Every portfolio company reports to us quarterly on the handful of numbers that matter to its business.

What we look for

Operators who know their business cold and do what they say. Products customers already want. A path to something meaningfully larger. If you are building something, or own something that could be more, write to scott@creekequity.com.