



# SUNCOAST EQUITY MANAGEMENT, INC.

## FACT SHEET

### OBJECTIVE

Suncoast Equity Management, Inc. (SEM) is an independent investment management firm that invests in U.S. listed equity securities. Our objective is to produce rates of total return in excess of the S&P 500 and most other money managers, over the long-term, while incurring a relatively moderate amount of risk.

Our discipline is bottom-up fundamental approach and blends value and growth parameters in selecting a "relatively concentrated" portfolio of between 15 to 25 stocks. Our ownership of an individual stock is typically for 5 or more years. Our investment approach is focused on long-term performance results and may be viewed by others as "tax-advantaged".

### PHILOSOPHY

SEM is an investment manager employing our interpretation of the principles and teachings of two of the most successful investment practitioners over the last century, Benjamin Graham and Warren Buffett. There are three principles at the foundation of our philosophy:

**Invest in businesses not stocks** – Our view of investing as part owners in a business rather than just buying and selling shares of stock gives us a sustainable advantage. We focus on individual companies, not the stock market.

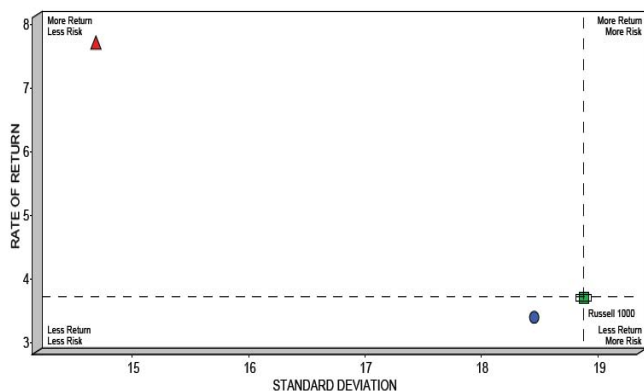
**Margin of Safety concept** – Our mindset here is to look for every opportunity to reduce the chance of a permanent loss of capital. The greater the Margin of Safety, the lower the chance of loss.

**Stock market approach and attitude** – Our business analysis assesses the intrinsic value of a company; and takes advantage of the stock market pricing when it is favorable. We do not try to forecast stock market movements.

Note: **Reducing risk**—This is a key characteristic of outstanding investment results. Risk is not the volatility of stock prices to the long-term value investor. Risk is paying more than the businesses is proven to be worth.

### PSN

SUNCOAST EQUITY MANAGEMENT  
TOTAL RISK REWARD  
DECEMBER 31, 1997 TO MARCH 31, 2010



	ROR	Std Dev Prgp	Alpha	Beta	R-Squared
Suncoast Equity Growth	7.51	14.64	3.91	0.69	0.78
Standard & Poor's 500	3.31	18.40	-0.32	0.97	1.00
Russell 1000	3.62	18.83	0.00	1.00	1.00

SEM ranks in the top 4% of all large cap core managers based on rate of return and on a risk adjusted basis.

**PSN Chart:** Provided by PSN, a nationally-recognized database provider of information on investment managers. The performance/risk comparison in the graph above was created using PSN and is shown gross of management fees.

### PSN

SEM VS S&P 500  
GROWTH OF \$1,000,000  
(GROSS OF FEES) SINCE SEM INCEPTION THROUGH 3/2010



	Inception-3/2010
Suncoast Equity Growth	2,456
Standard & Poor's 500	1,481

### 2010 Annualized Performance Through March 31, 2010 (Gross of Fees)

	1 Year	3 Year	5 Year	10 Year
SEM	+46.34%	+1.79%	+3.15%	+4.13%
S&P 500	+49.78%	-4.19%	+1.90%	-0.67%

*GROSS OF FEES			
Year	SEM*	S&P 500	Relative Results
1998	27.57%	28.57%	-1.00%
1999	25.62%	21.03%	4.59%
2000	5.73%	-9.15%	14.88%
2001	1.54%	-11.91%	13.45%
2002	-9.96%	-22.15%	12.19%
2003	21.47%	28.62%	-7.15%
2004	13.89%	10.96%	2.93%
2005	0.64%	4.86%	-4.22%
2006	9.36%	15.77%	-6.39%
2007	11.21%	5.48%	5.73%
2008	-29.36%	-36.99%	7.63%
2009	26.15%	26.41%	-0.26%
First Quarter 2010	5.50%	5.38%	0.12%
Since Inception (Overall Gain)	146.59%	48.76%	97.83%
Average Annual Gain	7.64%	3.29%	4.35%

(over for more)



# SUNCOAST EQUITY MANAGEMENT, INC.

## DISCIPLINED INVESTMENT SYSTEM (SEM-DIS)

## PORTFOLIO MANAGERS

Our strategy is to select individual companies that score highly by Suncoast Equity Management's Disciplined Investment System (SEM-DIS). The five-step process involves:

- 1. Financial Performance and Strength** - Identify companies that a) earn above average return on capital, b) generate excess free cash flow and, c) employ moderate to low debt.
- 2. Business Track Record** - Emphasis on companies which have a consistent operating history.
- 3. Business Outlook & Opportunities** - Select companies with favorable long-term prospects. We want to own companies that have a sustainable franchise or business advantage. We seek growth businesses.
- 4. Management: Ownership and Capital Allocation Skills** - Partnering with management that thinks and behaves like an owner. We require that management be candid with shareholders and demonstrate keen skills in the allocation of capital. Analysis of management, their strategies approach and attitudes, is vital.
- 5. Valuation** - Assess the business value and invest with a margin of safety. The SEM-DIS measures the intrinsic value of a business and its internal rate of return to that of other stocks and fixed income.

### Donald R. Jowdy - President & Chief Investment Officer

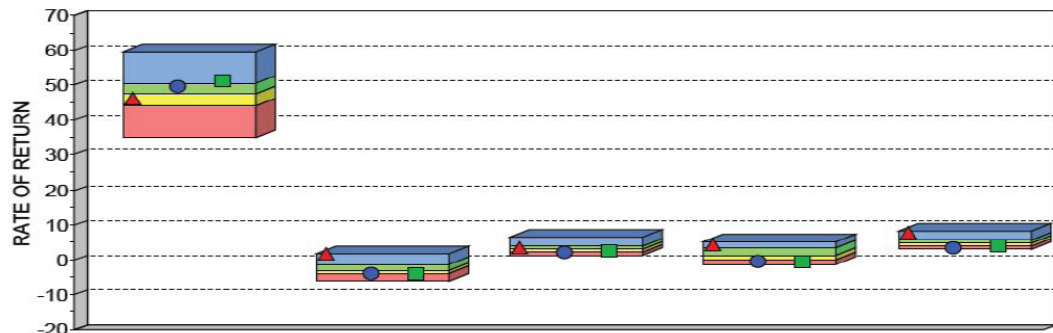
Prior to founding Suncoast Equity Management, Inc., Donald Jowdy was a Portfolio Manager with Polen Capital Management. The firm consistently performed in the top 10% of its peer group for three, five and ten year periods, as measured by several industry consultants including Effron/PSN and Nelson's Investment Manager Database. During his tenure, Mr. Jowdy played a key role in the company's growth from \$20 million in assets to approximately \$250 million. Don then served in an advisory capacity to Polen Capital Management during its growth to over \$1 billion in client assets, through September 2003. Previously, Mr. Jowdy was an equity analyst with 13D Research, Inc., advising institutional clients through an independent investment research organization. He provided an in-depth analysis of domestic as well as global investment opportunities in areas such as Latin America, Southeast Asia and the People's Republic of China. Mr. Jowdy was also a Senior Associate with Coopers & Lybrand. He is a graduate of Indiana University with a B.S. in Accounting.

### Amy A. Lord, CFA - Senior V.P. and Co-Portfolio Manager

Amy Lord was previously Vice President/Portfolio Manager with Intrepid Capital where she was sole manager of the company's Large Cap Equity and Investment Grade Fixed Income portfolios. Prior to joining Intrepid in 2001, Ms. Lord was Managing Director, Senior Portfolio Manager of The Investment Counsel Company. During her nine years with the firm, her responsibilities included equity and fixed income portfolio management and analysis; marketing and client servicing; and overseeing GIPS performance compliance. Ms. Lord earned a Bachelor of Science in Advertising, with a minor in Mathematics, from the University of Florida. She is a CFA charterholder and past President of the CFA Society of Orlando, as well as a member of the CFA Institute.



## SUNCOAST EQUITY MANAGEMENT QUARTILE RANKING BAR PSN LARGE CAP CORE PERIODS ENDING MARCH 31, 2010



	1 Year		3 Years		5 Years		10 Years		Since Inception	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Suncoast Equity Growth	46.33	59	1.79	1	3.15	42	4.13	9	7.61	4
● Standard & Poor's 500	49.77	34	-4.17	74	1.92	82	-0.65	92	3.31	91
■ Russell 1000	51.60	19	-3.98	67	2.31	68	-0.36	82	3.62	80

**PSN Chart:** Provided by Effron/PSN, a nationally-recognized database provider of information on investment managers, this chart shows our individually managed accounts performance over various time periods relative to both the S&P 500 Index and a universe of 169 other equity investment products. Since inception in 1998, Suncoast Equity has performed in the top 4%. The performance comparison in the graph above is shown gross of management fees for all investment products.

Suncoast Equity Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS). To receive a complete composite list or presentation that adheres to the GIPS standards please contact us using the information below.