Suncoast Equity Management, Inc.

October 3, 2003

Dear Client,

Suncoast Equity Management's (SEM) performance results versus the Standard & Poor's 500 Index for various periods ended September 30, 2003:

	SEM	S&P 500	SEM - Value	S&P 500 - Value
Time Period (Ended 9/30/03)	**% Return***	**% Return**	**of $1,000,000**	**of $1,000,000**
Nine Months-Year to Date	12.75%	14.70%	$ 1,127,500	$ 1,147,000
One-Year	13.81%	24.30%	$ 1,138,100	$ 1,243,000
Three-Year	-1.33%	-10.16%	$ 960,600	$ 725,100
Five-Year	8.87%	0.97%	$ 1,529,500	$ 1,049,500
Since Inception (5 3/4 Years)	9.00%	1.86%	$ 1,641,100	$ 1,112,100

* Composite results of all SEM managed accounts, net of all fees.

Note: Performance results for three-year, five-year and since inception periods represent the annual average rates of return.

Portfolio changes were minimal once again in the third quarter. Our letters to you this year discussed the importance and value of investing in high quality companies for the long-term. A high quality company is a business with superior economics that generates excess free cash profits and earns above average returns on capital.

A high quality company and its owners also benefit if it has management that is capable and considerate of shareholder interests. As part-owners of large publicly listed companies, we are obviously not involved in the day-to-day management of these companies and our voting power is minimal at best. Consequently, assessment of management is critical, and especially so in our companies that generate excess profits available for either reinvestment in the business or which can be returned to us as owners. Much like giving kids spending money and sending them into a candy store, urges can overwhelm discipline and intelligence.

Bill George, who led one of our favorite businesses, **Medtronic**, from 1989 - 2001 has recently published his thoughts about proper management in a book entitled *Authentic Leadership*. Bill observed that his generation of CEOs ran off the rails. He puts forth that CEOs listened to the wrong people; Wall Street analysts, media pundits, compensation consultants, hedge funds and fellow CEOs - "all players in the game." George defined "the game" as being able to report quarterly earnings that rise with smooth predictability, treating yourself (as CEO) as a god for doing so, paying yourself accordingly and burying any mistakes in divestures and series of restructuring charges. He charges that a CEO masters the game and then one day wakes up and realizes the game has mastered them. He proposes that the test of leadership for a CEO is to ignore those outside voices and learn to hear the one deep within. Ultimately, George adds, your focus has to be on the long run even though the voices clamoring for your attention will be otherwise.

We are now three or so years into a reconciliation of sorts following a twenty year run of real growth. Values of businesses and wealth levels in the U.S. rose considerably during this twenty year period, which was driven by meaningful factors including declining interest rates and genuine improvements of return on capital during a period of technological advances.

George's main concerns are with the greed and loss of focus following a long period of real progress. As good as George's observations are they are not new in terms of the long history of business or society in general. Those who observe human nature would agree that George is simply commenting on this most recent time period and that it will certainly repeat itself in the future. Understanding the shortcomings of man and that the temptation of greed never goes away but rather ebbs and flows sometimes in a dramatic fashion, gives you the insight and tool to objectively observe and judge if the CEOs and management at the companies you consider are carrying themselves too far.

We are always searching for CEO's whose ultimate attention balances the long-term interests of shareholders, their employees and society in general. We believe that Jeff Immelt, chairman and CEO of **General Electric** (GE) earns high marks so far since his takeover two years ago from his predecessor Jack Welch. Charting his own strategy for GE, Immelt is shifting GE's focus to get growth from new products and services. Immelt is creating new research centers to have the same importance that its management-training center did under Welch. We have no problem with CEOs that get paid very well, as long as they make good decisions for us. Immelt's recently disclosed compensation package is rewarding to Immelt only if he meets tough goals in-line with our interests. Business acquisitions still play an important role. One recent example is the wind power business stolen from the remains of Enron which GE can add its resources, technology and management structure to, and enable it to possibly become a true alternative source of energy and valuable addition for GE shareholders.

George makes other observations that we support including "there's nothing natural about an earnings chart that rises in an unbroken line." Broken earnings charts do not bother us but a quick example of what does illustrates what we look for in CEO decision making and high quality businesses. In July of 2001, two of our companies, **Symantec** (SYMC) and **EMC** (EMC) Corp. reported softer business conditions and both were experiencing a broken earnings chart. SYMC explained that the current conditions does not change their strategic direction or thinking and reported a lower than "expected" earnings quarter. EMC's management decided to lower the pricing of their products to chase whatever business was available. We sold EMC but kept SYMC. SYMC stayed the course and EMC signaled potentially permanent damage to their franchise or in the least made a strategic mistake that eroded their profit margin which they could not get back. SYMC has done very well for us since our first purchase over three years ago, and we will remain part-owners if favorable operating results continue.

Thank you for your confidence and I look forward to speaking with you soon.

Sincerely,

Don Jowdy

President