



Suncoast Equity Management, Inc.

April 2, 2001

Dear Client,

Listed below are Suncoast Equity Management's performance results versus comparable benchmarks for the period ended March 31, 2001:

<u>Time Period (Ended 3/31/2001)</u>	<u>SEM*</u>	<u>S&P 500</u>	Dow Jones
			<u>Industrial Avg.</u>
First Quarter 2001 (3 months)	- 9.30%	- 11.85%	- 8.40%
Year 2000 to 3/31/2001 (15 months)	- 5.44%	- 19.92%	- 12.84%
Since Inception (3.25 years)**	+12.96%	+7.00%	+8.65%

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

** Compounded annual average growth rates

The first three months of 2001 and last 15 months have proven to be a difficult time for the financial markets and for investors. The data above demonstrates that your SEM managed account has had a better experience than the averages.

A slower U.S. economy and weaker consumer confidence are impacting earnings for most businesses. It could take some time for the economy and confidence to regain strength. The near-term uncertainties could generate still more market volatility and emotional angst for the average investor.

True investors, which I believe we are, will be better off because they ignore short-term market movements and focus on shares of stocks as small pieces of ownership of businesses. The earnings growth for our businesses may slow or even temporarily decline during the next year or two, but the long-term prospects for our rock-solid businesses remain intact and justify our ownership in our businesses. Predicting the precise timing of an economic turnaround or forecasting a stock market bottom (or top) has never been a worthwhile exercise.

The true investor's mind-set, which is embedded into the SEM-Disciplined Investment System (SEM-DIS), is the key to preserving and growing wealth and for outperforming the market and most other money managers over the long run. The SEM-DIS is reprinted on a separate enclosed page and worth a review.

Portfolio changes in the first quarter included one new addition, Patterson Dental (PDCO) and two departures, Intel (INTC) and Tootsie Roll (TR). I will share with you my reasons for selling INTC and TR when we get together on the phone.

PDCO is one of the two largest dental products distributors in North America with a 27% market share (Henry Schein & Co. has 28% market share). The company also offers dentists related services including equipment installation and repair, office management help and office design. If you are a recent dental school graduate, PDCO can set up your new practice while serving all your needs. Besides meeting all of the SEM-DIS criteria, this nearly 125 year-old company has another terrific characteristic -- management owns 18.6% of the outstanding shares and is clearly an interested party. I believe that PDCO can generate steady growth for many years to come, just as it delivered for the last 125 years.

PDCO is not the type of high-flying sexy Wall Street stock you hear about on CNBC television, though I would bet that if you ask your dentist about PDCO next time you are in the chair, your dentist would have a favorable comment or two. You could also ask your dentist why he/she never owned any PDCO shares (the steady grower) but rather invested his/her savings in that hot technology stock (which likely had no earnings) which sank from \$100+ to below \$10. SEM-DIS steers us away from unproven businesses, and minimizes the potential for large portfolio losses.

Although economic uncertainties remain, let's concentrate on real results over the long-term. I believe that investing in stocks will continue to generate returns well within the average rate of return of 11% per year over the long run, and greater than that of most other investment choices including fixed investments.

Effron/PSN, a national performance rating and reporting company recently released their money manager ratings for the 2000 year-end. SEM ranked in the top 19% of the Effron/PSN equity manager universe since our inception. The graphical presentation of Effron's ratings can be seen at our website www.suncoastequity.com.

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

Sincerely,

Don Jowdy

President