



# SUNCOAST EQUITY MANAGEMENT

## U.S. Equity Large Cap Select Growth Q1 2022

### OBJECTIVE

Suncoast Equity Management (SEM) is an independent investment management firm that invests in U.S. listed equities. 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 only incurring a relatively moderate amount of risk.

Our discipline is a bottom-up, fundamentally-driven approach that blends value and growth parameters in selecting a relatively concentrated portfolio of 18 to 22 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 generally considered "tax-efficient."

### 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:

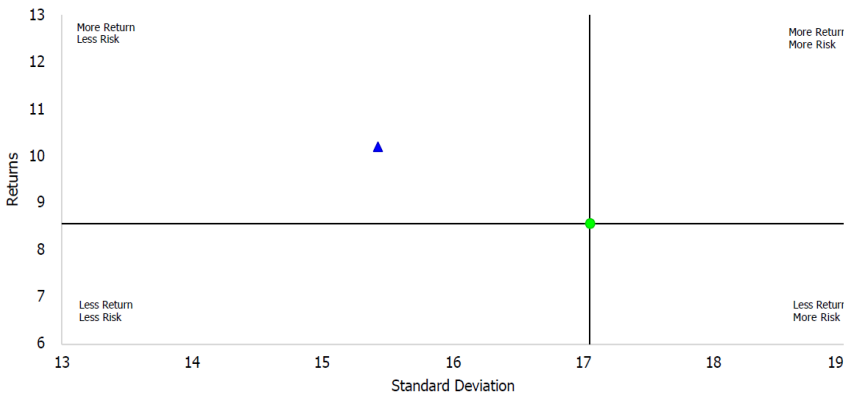
**Invest in businesses, not stocks:** Our view of investing as part owners in a business rather than just buying and selling shares of stock, gives us a sustainable and substantial advantage. We focus on individual companies, not the stock market.

**Margin of Safety concept:** We 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 are worth.

### Suncoast Equity Management | Total Risk / Reward - Net of Fees December 31, 1997 to March 31, 2022



	ROR	Std Dev	Alpha	Beta	R2	Up Cap Ratio	Down Cap Ratio
▲ SEM Select Growth (Net)	10.20	15.43	3.08	0.82	0.81	90.87	73.39
● S&P 500	8.56	17.06	0.00	1.00	1.00	100.00	100.00

Source: eVestment Analytics

Growth of \$1,000,000	Since Inception: 12/31/1997-3/31/22
Suncoast Equity Management - Net	\$10,550,900
Standard & Poor's 500	\$7,335,500

Suncoast Equity Management, LLC 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.

Historical Performance		
Year	SEM (Net)	S&P 500
1 <sup>st</sup> Quarter 2022	-11.3%	-4.6%
2021	27.4%	28.7%
2020	26.7%	18.4%
2019	35.7%	31.5%
2018	1.1%	-4.4%
2017	30.9%	21.8%
2016	-3.0%	12.0%
2015	3.9%	1.4%
2014	10.1%	13.7%
2013	36.2%	32.4%
2012	19.2%	16.0%
2011	4.3%	2.1%
2010	6.8%	15.1%
2009	24.8%	26.5%
2008	-30.1%	-37.0%
Cumulative Gain Since Inception (12/31/97)	955.1%	633.6%
Average Annual Return Since Inception (12/31/97)	10.2%	8.6%

2022 Annualized Returns Through 3/31/22				
	1 Year	3 Year	5 Year	Since Inception (24 ¼ Years)
SEM- Net	9.6%	18.3%	18.8%	10.2%
S&P 500	15.7%	18.9%	16.0%	8.6%

### Portfolio Construction

**Average Holding Period:** 3-5 years

**Portfolio Weightings:** 4-6% Positions

**Trims at** ~ 10-12%

**Portfolio Turnover:** 15-25%

**Number of Holdings:** 18-22

**Sector Constraints:** Typically does not exceed 2x any S&P 500 sector.



### DISCIPLINED INVESTMENT SYSTEM (SEM-DIS)

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.

### PORTFOLIO MANAGERS



**Donald R. Jowdy**  
CEO & Chief Investment Officer  
31 years of experience



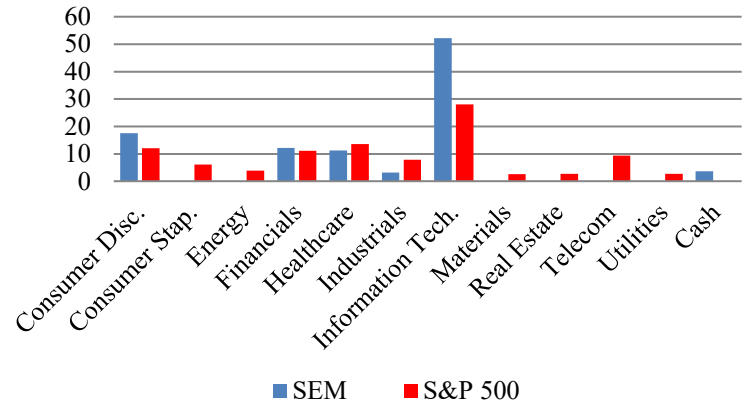
**Amy A. Lord, CFA**  
Senior V.P. and Co-Portfolio Manager  
28 years of experience

### Suncoast Equity Management | Top Ten Holdings

March 31, 2022

Company	Ticker	% Weight
Microsoft Corp.	MSFT	10.5
Alphabet CL C	GOOG	9.8
Alphabet CL A	GOOGL	
Accenture LTD	ACN	9.1
Apple Inc.	AAPL	7.6
Visa Inc.	V	5.6
Home Depot	HD	5.3
Adobe Inc.	ADBE	5.2
Stryker Corp.	SYK	5.0
Intuit Inc.	INTU	4.3
Mastercard Inc.	MA	3.9

### Sector Weightings - GICS Sectors 3.31.22



Suncoast Equity Management, LLC (SEM) is an independent investment management firm established in 1997. Suncoast Equity Management is primarily an equity investment manager that invests in U.S.-based securities. SEM also invests in high-grade fixed income. The Suncoast Equity Management Composite includes all discretionary, fee-paying portfolios managed within this strategy. The creation and inception date of the Suncoast Equity Management composite is 12/31/1997.

Bundled fees include management consultant fees, custodial, trading, and advisor fees. Performance is calculated gross of all foreign withholding taxes. Additional information regarding policies for valuing investments, calculating performance, and preparing GIPS Reports, as well as a complete list and description of composites, is available upon request.

For the non-bundle fee accounts, the performance results presented are net of actual investment advisory fee and net of all transaction costs. For the bundle fee accounts, the performance results presented are net of actual investment advisory fee and net of all transaction costs and expenses. Investment advisory fees are described in Part II of Suncoast Equity Management, LLC's Form ADV. The management fee schedule is as follows: 1.00% fee on assets managed. The Firm does not assess performance-based fees.

It is impossible to invest directly in an index. The performance of an index does not reflect any transaction costs, management fees, or taxes. The index used for comparison are as follows: The Standard and Poor's 500 Total Return Index is an unmanaged index with no expenses, which covers 500 industrial, utility, transportation, and financial companies in the U.S. markets. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

Valuations and returns are computed and stated in U.S. Dollars. The Firm does not use leverage or derivatives to implement the intended strategies.

Beginning in June 2002, accounts that experience cash flows in excess of 10% of the account's market value are temporarily removed from the composite. These accounts are added back to the composite when they are considered fully invested. The minimum account value for inclusion in the composite is \$100,000. Additional information regarding the treatment of significant cash flows is available upon request.

Past performance does not guarantee future results. Investment returns and principal value will fluctuate. Investments may be worth more or less than their original cost when sold. It should not be assumed that investment decisions we make in the future will be profitable. Current performance may be lower or higher than the performance data shown. Returns include the reinvestment of all income.

Suncoast Equity Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. For any additional information, please contact the Chief Compliance Officer at (813) 963-0502.