SUNCOAST
EQUITY MANAGEMENT

Select Growth Strategy

Who We Are

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$2.0B+	28+	18–22	0%
Assets Under Management	Years of Track Record	Concentrated Holdings	Portfolio Manager Turnover Since 1997

Independent and 100% employee-owned investment boutique founded in 1997, headquartered in Tampa, Florida.

Every portfolio manager invests their own personal funds in the Select Growth strategy — our interests are fully aligned with yours.

Zero turnover in portfolio managers since inception. The same people. The same process. The same discipline.

A Growth Manager Built for Value Minded Investors

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Suncoast Select Growth is not a speculative momentum strategy. It is a concentrated, fundamentally-driven portfolio rooted in the same principles that guide value investing — quality businesses, margin of safety, and patience.

1

Businesses, Not Stocks

We invest as part owners. Every holding is underwritten to its intrinsic value — the same lens a value investor applies to any asset.

2

Margin of Safety

We require free cash flow, low debt, and consistent economics before buying. We do not pay up for hype.

3

Concentrated & High Conviction

18–22 holdings. We know each business deeply. Diversification is not our risk management — quality is.

4

Low Turnover, Long-Term Horizon

Average holding period exceeds 5 years. This is not a trading strategy. We hold through cycles — and we have the track record to prove it.

How We Invest

We invest in businesses, not stocks.

Our approach is built on the principles of Warren Buffett and Benjamin Graham — buy wonderful businesses at fair prices, hold them for years, and let compounding do the work.

1 Financial Strength

Strong returns on capital · Low debt · Free cash flow

2 Business Track Record

Consistent results across many economic cycles

3 Competitive Advantage

Durable moats · Pricing power · Market leadership

4 Quality Management

Owners who think long-term and are candid with investors

5 Disciplined Valuation

Buy below intrinsic value — always invest with a margin of safety

The SEM-Disciplined Investment System (SEM-DIS)

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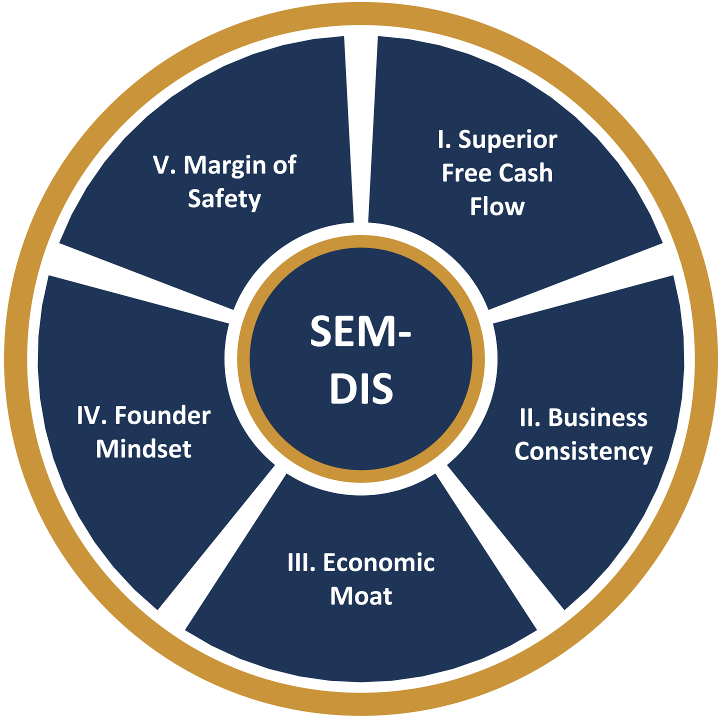

Margin of Safety

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Free Cash Flow
- Consistent production year in and year out
- Excess profits create financial flexibility

Low Debt Ratio
- Balance sheet strength
- Low (or no) debt to free cash flow

Core Knowledge
- Investing in businesses within our circle of core competencies

MARGIN OF SAFETY

Businesses with Consistent Economics
- Higher probability the company will produce long-term positive results

Business Momentum & Valuation
- Positive business momentum
- Valuation ≠ stock price
- Disciplined valuation process

Stock Market Approach and Assessment

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1

Step 1: Identify High Quality Businesses

- Strong ROIC
- Low Debt/Capital
- Free Cash Flow Positive
- Growing Businesses

2

Step 2: Monitor & Assess Candidates

- Financial Strength Review
- Consistency (Historical 5–10 years)
- Operating & Net Income Margin Trends

3

Step 3: Select & Conduct In-Depth Financial Review

- Potential Catalyst
- Consistency (Historical 5–10 years)
- Operating & Net Income Margin Trends
- Valuation Review

4

Step 4: Portfolio Selection & Management

- Leading business momentum
- Emphasis on attractive valuation
- Margin of Safety

Investment Funnel

3,500

Investment Universe

250-300

SEM Investment Candidates

50-75

SEM Investment Coverage

15–25

SEM Holdings

Growth with Downside Protection — Not a Tradeoff

Upside Market Capture

Select Growth (Gross)	S&P 500
94.5%	100%

Nearly full participation in up markets

Downside Market Capture

Select Growth (Gross)	S&P 500
77.1%	100%

Meaningfully less pain in down markets

Annualized Alpha

Select Growth (Gross)	S&P 500
3.18%	0.00%

Gross since inception vs. S&P 500

Beta

Select Growth (Gross)	S&P 500
0.83	1.00

Less volatile than the market

What This Means for a Value-Minded Advisor

With a downside capture of just 77%, Select Growth has historically lost significantly less than the market during corrections — while still participating in 95% of the upside. This asymmetric profile is precisely what long-term compounding requires. You do not need to sacrifice quality or discipline to access growth.

Source: eVestment. Data since inception December 31, 1997 to June 30, 2026. All data gross of fees.

Our Core Advantage: Downside Protection

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DOWNSIDE CAPTURE RATIO

77.11

vs. 100.00 for the S&P 500

Since Inception · Dec 31, 1997 – June 30, 2026

What this means for your clients:

- When the market falls 10%,
  Select Growth has historically fallen only ~7.7%.
- That 2.3% difference compounds dramatically over a full market cycle.
- Clients recover faster — and capture more of the next rally — because they lost less to begin with.
- This is not luck. It's structural: low-debt businesses, margin of safety valuations, and concentrated quality.

Less loss in down markets = faster recovery = better long-term compounding.

Protecting Capital When It Matters Most

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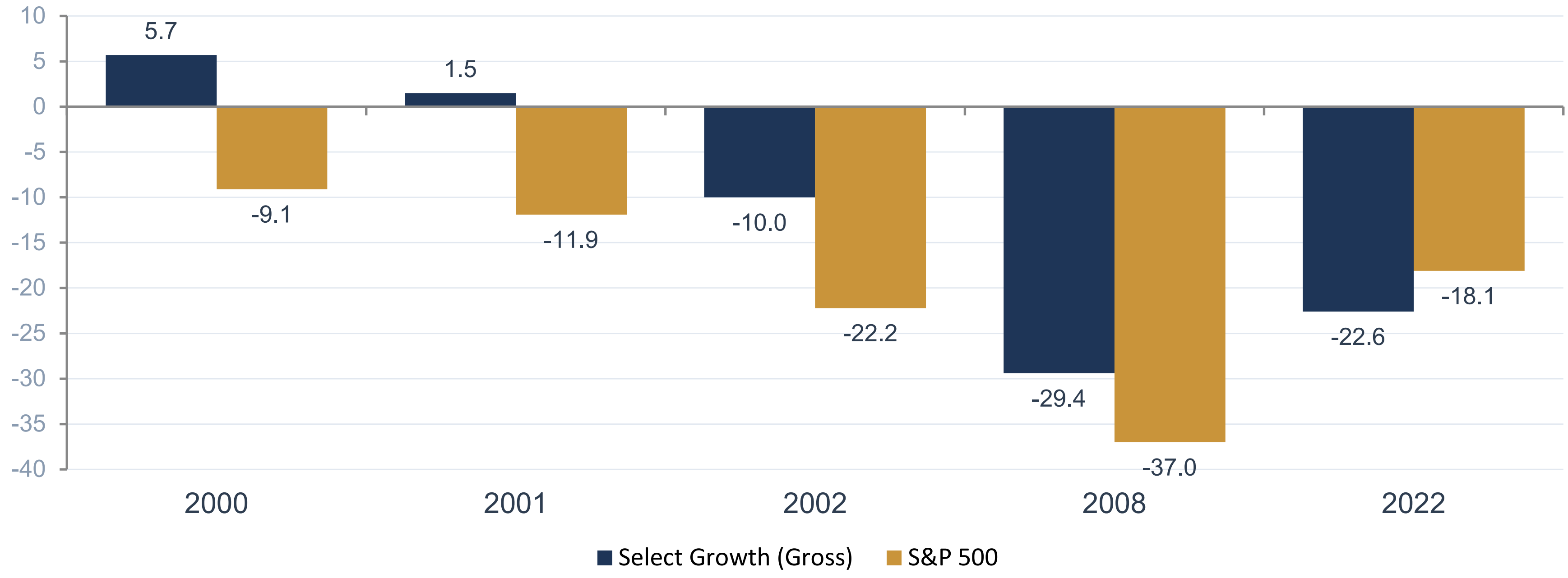
Select Growth vs. S&P 500 in the five worst market environments since inception



In the 2000–2002 tech crash: Select Growth fell just –3.5% cumulative · S&P 500 fell –37.6% · Russell 1000 Growth fell –56.9%

More Return. Less Risk.

Since inception vs. S&P 500 and Russell 1000 Growth · December 31, 1997 to June 30, 2026

	Select Growth Gross	Select Growth Net	S&P 500	Russell 1000 Growth
Annualized Return	11.10%	10.0%	9.40%	10.0%
Standard Deviation	15.58	15.55	16.85	20.03
Beta (vs S&P 500)	0.83	0.83	1.00	1.13
Annualized Alpha	3.18	2.13	0.00	-0.22
Upside Capture	94.50	90.22	100	114.47
Downside Capture	**77.11**	**80.03**	100.00	115.17

A downside capture of 77 means Select Growth captures only 77 cents of loss for every dollar the market falls — while still participating in 95 cents of every dollar it rises.

What We Own Today

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As of June 30, 2026

Top 10 Holdings	
Alphabet (GOOG/GOOGL)	**11.96%**
NVIDIA (NVDA)	**10.88%**
Microsoft (MSFT)	**7.01%**
Visa (V)	**6.00%**
Broadcom Inc (AVGO)	**5.36%**
Eli Lilly (LLY)	**5.14%**
Grainger (GWW)	**4.93%**
Apple Inc (AAPL)	**4.77%**
McKesson Corporation (MCK)	**4.73%**
Applied Materials (AMAT)	**4.05%**

How the portfolio is built:

18–22 Holdings — concentrated, high conviction

5+ years Average holding period — low turnover

4–6% Position size at cost — no runaway bets

15–25% Annual turnover — long-term focus

Holdings shown for supplemental purposes only. Please refer to disclosures.

Ranked Among the Best

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eVestment US Large Cap Growth universe · 161 managers · Since inception through June 30, 2026 · Gross of fees

Top 2%

Alpha Generation
4th out of 161 managers

Top 6%

Downside Protection
10th out of 161 managers

Top 11%

Total Return
17th out of 161 managers

Detailed rankings:

9th / 161

Standard Deviation
Top 9% — lowest risk

17th / 161

Rate of Return
Top 11%

10th / 161

Downside Capture
Top 6%

4th / 161

Annualized Alpha
Top 2%

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The 2016 Playbook — Why History Favors a Recovery

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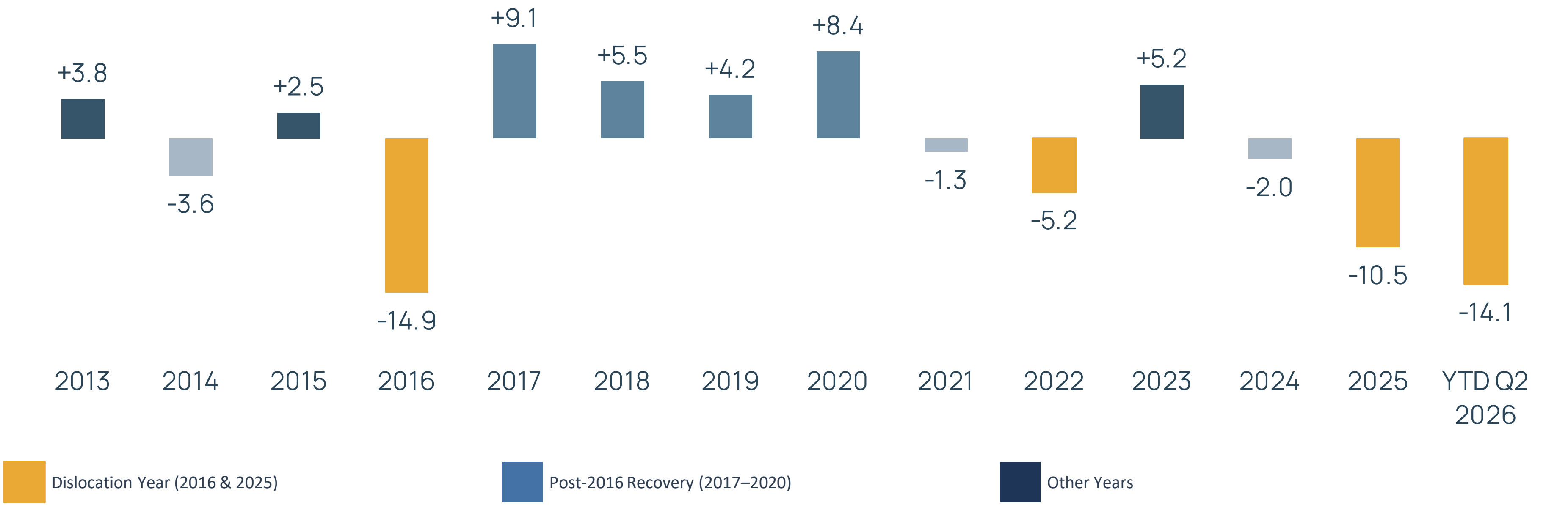
Annual Excess Returns vs. S&P 500 — Net of Fees (2013–2026)



After the 2016 dislocation (–14.9%), Select Growth delivered +27.2% cumulative excess return over the next 4 years. Today's setup looks analogous to the 2016 cyclicals' rally.

Source: Suncoast Equity Management. Net of fees. Past performance is not indicative of future results.

Why Select Growth? Why Now?

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In 2025 our portfolio companies grew earnings 27% — more than double the S&P 500's 11.9%.

For 2026, our portfolio companies are on track to grow earnings 20-24%.

The price has not caught up. That gap historically closes — and when it does, Select Growth leads.

28+ years of uninterrupted track record

Through dot-com, financial crisis, COVID, and rate shocks — the same team, the same process.

Structural downside protection built-in

77.11 downside capture since inception. Clients lose less — and recover faster.

Fundamentals far outpacing market price

EPS growth 27% in 2025, low 20% for 2026. The 2016 playbook: underperformance followed by 4 years of +27% cumulative excess return.

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How to Access Select Growth

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Separately Managed Account (SMA)

Direct, customizable account — ideal for high-net-worth clients requiring tax management

Unified Managed Account (UMA)

Available across Envestnet, Adhesion, SmartX, Amplify, and major broker-dealer platforms

NYSE: SEMG — Select Growth ETF

Full strategy exposure in a liquid ETF vehicle

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