



POLICE PENSION NEWS



A Hollywood Police Officers' Retirement System Publication

Issue 7

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SURVEY RESULTS

The Board of Trustees recently conducted a HPD pension satisfaction survey. The retirees and DROP members were asked several questions about the services rendered by the Board and the staff. One such question was "How would you rate the overall performance of the staff?". We are pleased to announce the staff received a 96% approval rating. The Board would like to thank those who took the time to respond. A complete copy of the survey results are available on-line.

SECOND QUARTER PENSION FUND SUMMARY

The Board of Trustees is pleased to announce that as of June 30, 2003, our fund had a total market value of \$146,067,000. For the quarter, the fund gained \$10,075,000.

For the quarter, the average allocation of our fund was 50.5% invested in stocks, 39.8% in bonds, and 9.7% in cash equivalents (i.e., short term liquid interest bearing investments similar to money market funds). Our ongoing target for investment in stocks is 54% of the total fund.

For the quarter that ended June 30, 2003, the total fund gained 7.40%. In the previous quarter, the fund gained 0.21%. After investment management expenses, for the quarter our fund net return was 7.30%. Stocks in general – large, small, and international – were up substantially for the quarter.

The best performing sector among US stocks was telecommunication services, which rose 20.44% in the second quarter of 2003. The worst performing sector was energy, which gained 6.40%. As you may recall, the worst performing sector for last quarter was telecommunication services, which rose 0.85%.



Among the major economic indicators, the Consumer Price Index (CPI Urban) rose 2.1% for the twelve months ended in June. This compares to an increase of 3.0% for the twelve months ended in March. The Producer Price Index (PPI) for finished goods rose 2.9% for 12-month period ended in June. The seasonally adjusted annual rate

for the 3 months ended in June was -6.7%.

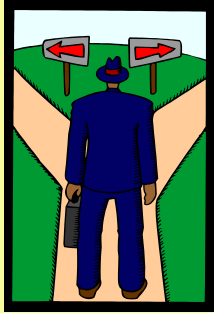
The unemployment rate was 6.4% in June, compared to 5.8% in March. Real Gross Domestic Product (GDP) rose at an annual rate of 1.4% (final) for the first quarter, 2003, compared with an increase of 1.4% (final) in the fourth quarter, 2002.

During the second quarter, the Federal Reserve Board reduced the primary discount rate from 2.25% to 2.00%. The primary discount rate is the interest rate that the Federal Reserve charges banks for short-term loans.

Gross Domestic Product



(GDP) market value of the goods and services produced by labor and property in the United States. GDP is made up of consumer and government purchases, private domestic investments and net exports of goods and services.



DROP ACCOUNT

Rate of Return

As you may recall, as of October 1, 2002, the System now allows DROP members the option to select a fixed rate of return (*hereafter referred to as: FRR*) or a variable rate of return (*hereafter referred to as: VRR*).

There are four window periods to make a “DROP Investment Return Selection”. They are as follows: August 1-31st for the October 1 Quarter; November 1-30th for the January 1 Quarter; February 1-28th for the April 1 Quarter and May 1-31st for the July 1 Quarter.

The Board of Trustees would like to remind the DROP members that the next window period which is August 1-31st is here. Members who selected the FRR last year may change to VRR at that time, or do nothing and remain in the FRR.

As stated, if you do nothing, you remain with your current selection. You may opt out at any future window period thereafter. However, once a new selection is made, you are locked into that option for one year.

The Board of Trustees recommends that you consider all your options before making a selection, and consult your financial advisor for direction.

Don't forget, before any change can take place, the rate of return form must be executed. You may obtain the selection form on-line or by calling the office.

TOP 10 STOCKS

Eagle Asset	DHJ & Assoc.	Inverness Counsel
Interactive Data	Pfizer	Apollo Group
RLI Corp.	Exxon Mobil Corp.	American Express
Commonwealth Tel	General Electric	Honeywell
Arbitron Inc.	Citicorp	Proctor & Gamble
First Health	US Bancorp	Union Pacific
Global	Merck	IBM
Rowan	Cisco	Johnson & Johnson
Forward Air	Marsh & McLennan	Hispanic Broadcasting
Wiley John	Dell	Bank America
Edwards Life Sciences	Intel	Carlisle Companies

DROP Reporting Statements

An inquiry recently came to our attention regarding the DROP statements. For that reason, we will cover a few items regarding that topic.



The DROP statements (both fixed and variable) are sent out once a month. The statements are mailed out to retired participants, and sent via inter-office mail for active participants.

Keep in mind that the statements cannot be generated until the rate of return is given to us by the investment monitor. Once that data is received, the statements are prepared and distributed. The statements generally are completed by the 15th of the month, but please remember that we are reliant upon the investment monitor to post the return.

For the active DROP participant, your monthly DROP deposit is made on the first of each month. If you have an outstanding DROP loan, the installment payment is made at the same time. All of this activity is reported to you on a monthly basis as outlined above. Please remember, if you are enrolled, electronic access can be made to your DROP account as well, at anytime via your pension web site. To obtain internet access, simply complete and return the enclosed request form to us, and we will do the rest.

Lastly, we are here to serve you. If you need an account balance we are only a phone call away and ready to help you.



Long Term Look Back

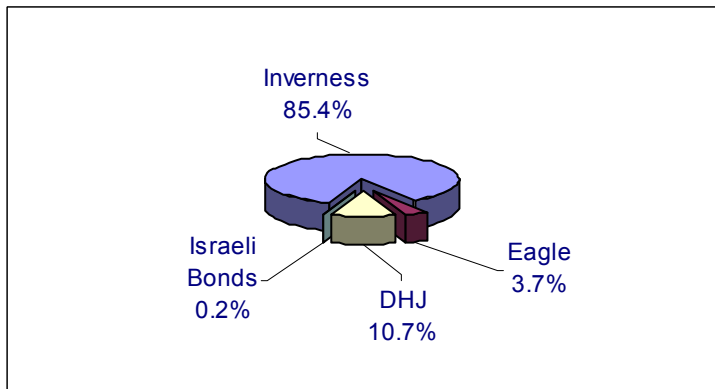
One Year

For the last fiscal year to date, (*October 1, 2002 to June 30, 2003*) our fund gained **10.74%** net of fees. For the last calendar year (*June 30, 2002 to June 30, 2003*), our fund gained 4.81%, while its benchmark was up 6.48%. Stocks were down 0.47%, while the benchmark was up 0.76%. Bonds were up 12.11%, while the benchmark was up 11.97%. Our core equity (stock) manager, Inverness, outperformed our growth stock manager, Davis Hamilton Jackson, for the year ending June 30, 2003, -0.14% vs. -1.62%, while the S&P 500 return was 0.25%.

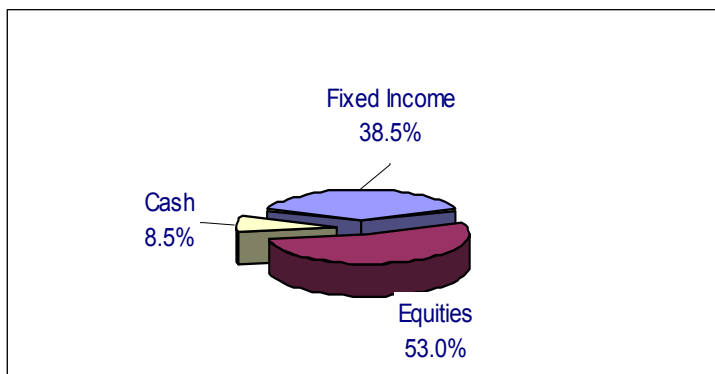
Long Term

Since September 30, 1992, the fund has an average rate of return of 8.81% per year. For the last five years, the total fund has an average rate of return of 3.28% per year, which beat the overall combined stock and bond markets' 2.91% return. During that time, stocks averaged -0.43% and bonds 7.86%, while their respective benchmarks averaged -1.35% and 7.74%. For the last three years, stocks has an average return of -10.31%, while bonds averaged 10.77%.

Division of Assets by Investment Manager



Your Plan's Asset Allocation



RETIREE CORNER

Congratulations to our latest Retirees

Robert Dolan	07-01-03
William Mattingly	07-18-03
Woodrow Lyle	07-31-03
David Elgersma	09-01-03



In Memoriam

The Board of Trustees wishes to extend their condolences to Ezara Sanders, for the loss of his mother, Gussie Sanders. Gussie was the widow of the late Jay Sanders, HPD retiree from 1974.

Picture This!



History & Pride



Don't Forget To Visit Us !!!

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ACTIVE SHARE PLAN MEMBERS



Enclosed in this edition is a "request for internet access" form. If you wish to have on-line access to your *Share Account*, simply complete and return this form to the pension office. Once your account is activated, you will be able to check out your account balance throughout the year via the pension web site. Should you have any questions, simply give us a call.

Disclaimer

The information contained herein is provided for informational purposes only. The foregoing information/summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but cannot guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes investment, tax and/or legal advice from the Board of Trustees and/or any and all entities thereof. Please consult your professional investment, tax and/or legal advisor for such guidance.

Odds and Ends

COLORIZATION

The Board of Trustees hopes you enjoy the new and improved color pension newsletter. In an effort to make the newsletter easier on your eyes, we will continue to bring you our pension newsletter in living color!

We would also like to acknowledge and thank "CK" and the staff from the City's Print Shop, for their assistance in bringing you this color newsletter.

GOD BLESS THE TROOPS!!!



AMBER ALERT!!!



With the recent evolution of the nationwide adoption of the Amber Alert System, a web site was developed to get the news out when an alert is issued for a missing child, on the internet. That web site is www.codeamber.org. With the assistance of that web site, effective immediately, a Amber Alert scrolling ticker has been placed on the home page of our pension web site. The ticker will alert visitors to our site when an Amber Alert is in place, and provide all the pertinent details about the case. During your next visit to our site, take a moment to review the status of the Amber Alert System.

WEB AWARDS KEEP COMING!

The Board of Trustees is pleased to share the fact that your pension web site received yet another web site award! This brings the total awards received to up to eight.

SHARE STATEMENTS COMING!

Active members, as we closed out of first year of the share plan (July 1, 2003), we are pleased to let you know that your share account grew in value this year. The annual share plan payment will be coming shortly from the State of Florida. Once received, the assets will be divided and deposited into your account. Pursuant to the policy of the Board, the annual statement of activity for your account will come to you thereafter. Any questions, let us know.

BUYING A HOME, REFINANCING

Are you one of the few left on this planet that has not bought a new home or refinanced your existing loan? If so, listen up.

The mortgage company generally requests a statement of benefits from the pension system. Sometimes they don't ask you for it until the last minute. In order to help you avoid the last minute rush to the pension office, at the time of mortgage application give us a call. A statement will be prepared and sent to you without delay. This way you will have the statement prepared and ready for the mortgage company.