

SUNRISE POLICE PENSION FUND

PERFORMANCE REVIEW

MARCH 2003

INVESTMENT RETURN

On March 31st, the Sunrise Police Pension Fund's assets were valued at \$33,466,996, which was a decrease of \$669,780 from the December quarter's ending valuation of \$34,116,776. The Fund recorded net withdrawals totaling \$235,759, compounding the fund's net investment losses of \$414,021. The portfolio's net investment loss was the result of income receipts totaling \$2,754 less realized and unrealized capital losses of \$416,775.

If the fund had earned a nominal 8.0% rate of return since March 1998, it would have been worth \$45.1 million, or \$11.5 million *more* than its actual quarter ending value.

ECONOMIC ENVIRONMENT

War, SARS, oil prices, and terrorist threats controlled the news during the first few months of 2003. Meanwhile, as the economy continued to grow during the first quarter, at a rate of 1.6%, there was always a lurking fear that some major catastrophe was imminent. The nation's terrorist threat level was raised to the "Orange Level" on March 17th and new security measures were put in place in New York and Washington. One hundred and sixty thousand troops were in place in Kuwait and attacked Iraq on March 19th, removing the government of Saddam Hussein in 26 days.

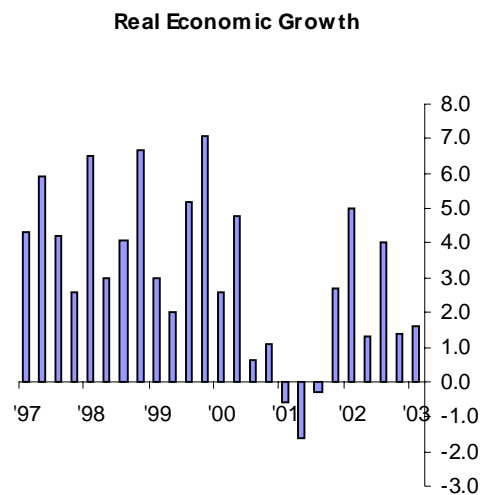
In spite of the general feeling of unease, most of America continued to operate normally. Zero percent financing and other incentives continued to entice consumers to buy automobiles. Auto sales were up 5.3% during the quarter. Overall retail sales were up 2.1% (1.1% excluding autos). However, autos were the exception in industrial production, which fell 0.5% in March.

Record low rates for home financing and refinancing kept home sales up. There is growing concern that the high prices for homes may be producing a bubble. If interest rates rise significantly, house prices will fall rapidly. In contrast to the private housing market, apartment vacancies have risen sharply to a national average of 6.8%. Office vacancies are up sharply as well to 16.2%.

The Federal Reserve left interest rates unchanged during the quarter. While there was some speculation that rates might be cut by ¼% to further stimulate the economy, nothing happened. The Fed is very worried about deflation. A steady decline in the prices of goods and service undermines the ability of businesses to invest in inventory and new plants and equipment. That creates an every increasing spiral of cost cutting and price cutting that could lead to a depression. The Federal Reserve takes such a cycle as a very serious threat to the long-term economic stability of the country.

The dollar resumed its slide during the first quarter. It now takes \$1.08 to buy one euro compared to \$1.05 on January 1. That translates into a 2.85% drop in relative purchasing power.

Unemployment remained at 6.0% during the quarter. However, there were many newly unemployed individuals, as many people left the workforce through early



retirement, or simply by not looking for work. During February and March, new applications for unemployment insurance averaged over 400,000 per week.

Oil inventories fell by 20% from a year earlier because of problems in Venezuela, Nigeria and the Middle East. The deficit coupled with the fear of war pushed prices up over 50% to a peak of \$38 per barrel, before sliding back to the \$28 range by the end of March. The trade deficit remained high during the quarter because of high oil prices, and weak sales abroad.

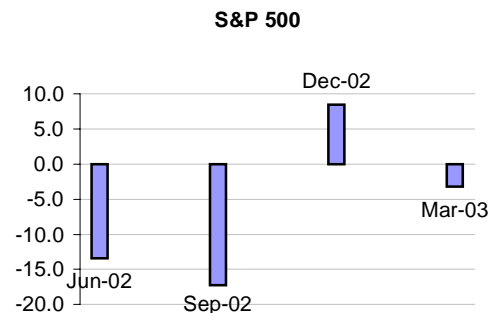
Inflation shot up during the quarter because of surging oil prices, rising 1.8% (CPI-U). For the trailing year, the figure was 3.0%. European inflation remains steady at about 2%. Their energy costs were held down by the appreciation of the euro against the dollar.

Industrial output declined by 0.5% in March primarily because of a sharp 4.1% decline in the Utilities sector. Capacity utilization is still very low at 74.8% down from 75.4% in December. The long term average utilization rate is 81.3%. American businesses can therefore produce far more output without inflation or a strain on capabilities.

EQUITY MARKET

The stock market was extremely volatile during the first quarter. After rallying strongly in the first two weeks of the year, the market entered what was referred to as a “buyers strike.” Everyone stayed on the sidelines waiting for the war to commence. Neither good nor bad news on individual stocks had the impact that one would normally expect

Equity indices moved back into lower territory when the brief market rally that coincided with the start of the conflict in Iraq petered out. The overall market as measured by the Russell 3000 index was down 3.1% for the quarter. Growth stocks outperformed value stocks, regardless of market capitalization. Large cap growth lost 1.1% for the quarter, while large cap value fell 4.9%. Small cap growth declined 3.9% and small cap value returned -5.1%. During the first quarter, the Dow Jones Industrials fell from 8342 to 7992, off of the January high of 8843.

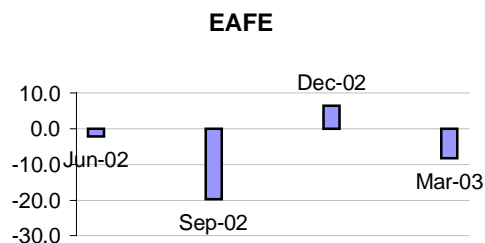


The S&P 500 lost 3.1% for the quarter, and was down 24.7% for the trailing 12 months. Only three sectors had marginally positive returns for the quarter; the Basic, Consumer Service and Energy sectors had returns between 1.0% - 2.0%. Consumer Goods Non Durable was the worst performing sector, falling 11.4% for the quarter. The best performing sector was the Consumer Service sector, returning 2.0%. At quarter end, the average yield of an S&P 500 issue was 1.8%, its average growth rate was 7.6%, and it sold at a price/earnings ratio of 21.7. The p/e ratio has come down substantially from its peak of 32, but is still higher than the historical normal range of between 14x and 16x.

INTERNATIONAL EQUITIES

Declining returns dominated the world markets with many countries suffering double-digit losses. New Zealand and Austria led the small contingent of countries posting gains for the last quarter, returning 6.3% and 5.1% respectively. There was no clear direction to the emerging markets last quarter. Returns varied from a 19.1% gain for Argentina to a 17.2% loss for South Korea.

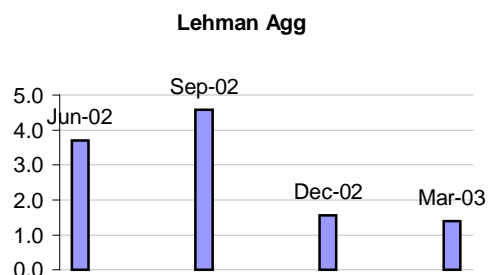
The international equities markets (as represented by the capitalization-weighted EAFE index) lost 8.1% for the quarter and returned -22.9% for the trailing year. On an equal-weighted basis, the EAFE index lost 6.1% for the quarter and fell 18.1% for the trailing year.



BOND MARKET

During the first quarter of 2003, the yield curve dropped and steepened. Most treasuries were selling at or near record low yields (high prices). Short treasury yields fell about 0.1%; intermediates remained flat while long treasury yields rose fractionally. By and large, quality spreads (the difference in yield between a corporate bond and a treasury bond of the same maturity) narrowed. That means, bond prices tended to decline and returns were negative for longer bonds. Corporates tended to do better than governments during the quarter as credit sensitive bonds benefited from money moving out of lower yielding governments and money market funds.

The Lehman Brothers Aggregate Bond Index produced a 1.4% first quarter return and a trailing year return of 11.7%. Intermediate and long treasuries performed similar to the general bond market returning 0.8% and 1.4% respectively. For the trailing year, intermediates returned 10.6% and long treasuries gained 20.4%. The US Government Index as a whole was up 1.1% for the quarter and up 13.4% for the trailing year. The Investment Grade Credit Index (2.4%) outperformed governments for the quarter, and was slightly ahead for the year (13.5%). High yield corporates (junk bonds) had a strong quarter, gaining 7.6%. For the calendar year, high yield bonds rose 4.3%.



The average maturity of the Lehman Aggregate index remained flat at 6.8 years during the quarter. The interest rate sensitivity (duration) rose 0.1 years to 3.9 years (on an adjusted basis) and the average yield slipped from 4.1% to 3.9%.

Emerging market bonds were strong for the quarter and year, rising 6.9% and 13.5% respectively. Ecuador bonds were the best performing emerging market bonds last quarter, returning 33.5%. For the trailing 12 months, the 61.5% return of Argentinean corporate bonds outperformed all other emerging market bonds.

CASH EQUIVALENTS

Short-term yields fell during the quarter. The "risk-free" Treasury note return was 0.3%, producing a trailing 12-month total return on cash and equivalents of 1.6%.

RELATIVE PERFORMANCE

Total Fund

Last quarter, the total aggregate portfolio lost 1.2%. That return ranked in the 44th percentile of the Independent Consultant's Cooperative's (ICC) universe of balanced funds, 0.3% better than the -1.5% median balanced return. The return for the last 12 months was -9.3%, ranking the portfolio in the 44th percentile. Since December 1999, the fund gained 9.1%, returning 1.8% per annum, and ranked in the 47th percentile.

Equities

Last quarter, the stocks in the aggregate portfolio lost 2.9%, ranking in the 39th percentile, 0.2% better than the S&P 500's -3.1%% return. The return for the trailing year was -25.7%, placing this component in the 63rd percentile. Since March 1998, the aggregate stocks fell 18.7% (-4.0% annualized) and ranked in the 79th percentile, 0.2% per year behind the S&P 500's -3.8% annualized return.

Bonds

The aggregate fixed income segment recorded a first quarter return of 1.5% and ranked in the 55th percentile of the fixed income universe. That performance was 0.1% better than the Lehman Aggregate bond index's return of 1.4%. The return for the trailing year was 12.8%, which ranked well above the median in the 20th percentile. Since March 1998, the bonds earned 44.9% (7.7% per annum) and ranked in the 37th percentile; the annualized return beat the annualized index return (7.5%) by 0.2%.

International

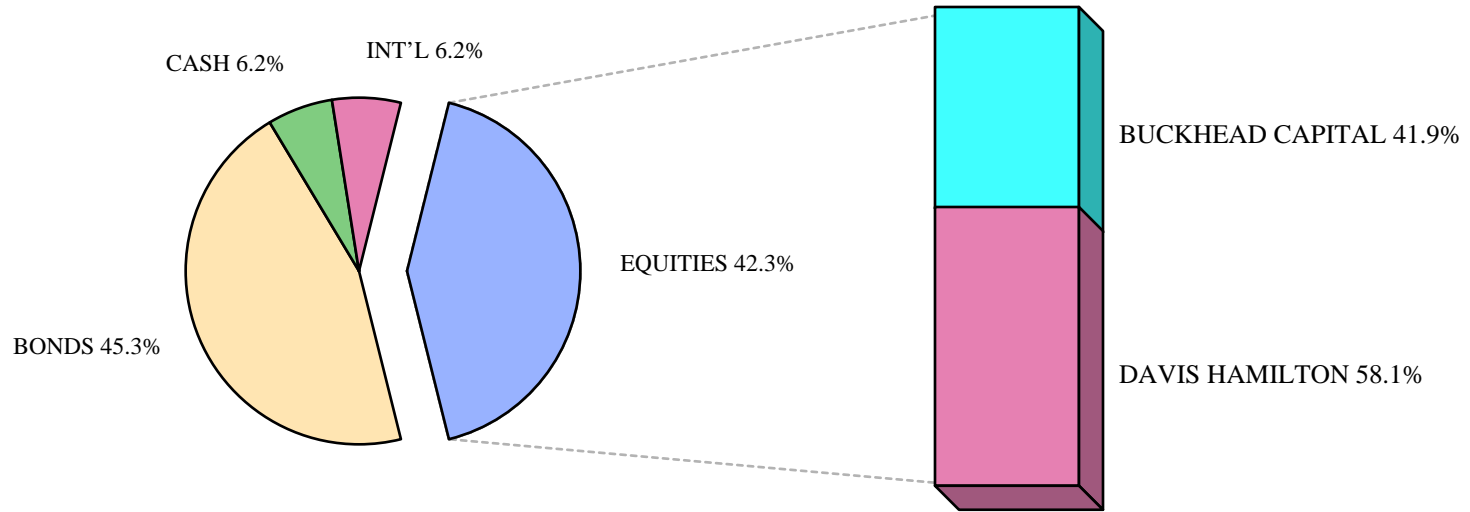
The American Euro Pacific and Putnam together lost 9.2% for the March quarter, ranking in the 67th percentile of the ICC universe of international equity funds, trailing the EAFE index (-8.2%) by 1.0%. Over the last twelve months, the international equities segment fell 24.4% ranking in the 60th percentile.

INTERNATIONAL EQUITY RANKINGS		
%TILE	QUARTER	YEAR
5	-3.26	-5.78
25	-6.76	-19.73
50	-8.48	-23.99
75	-9.54	-26.10
95	-11.57	-30.63

Asset Allocation

At the end of March 2003, 42.3% (\$14.1 million) of the aggregate portfolio was held in equities. The fixed income segment represented 45.3% (\$15.2 million), while cash and equivalents comprised 6.2% (\$2.1 million). The international segment represented 6.2% (\$2.1 million).

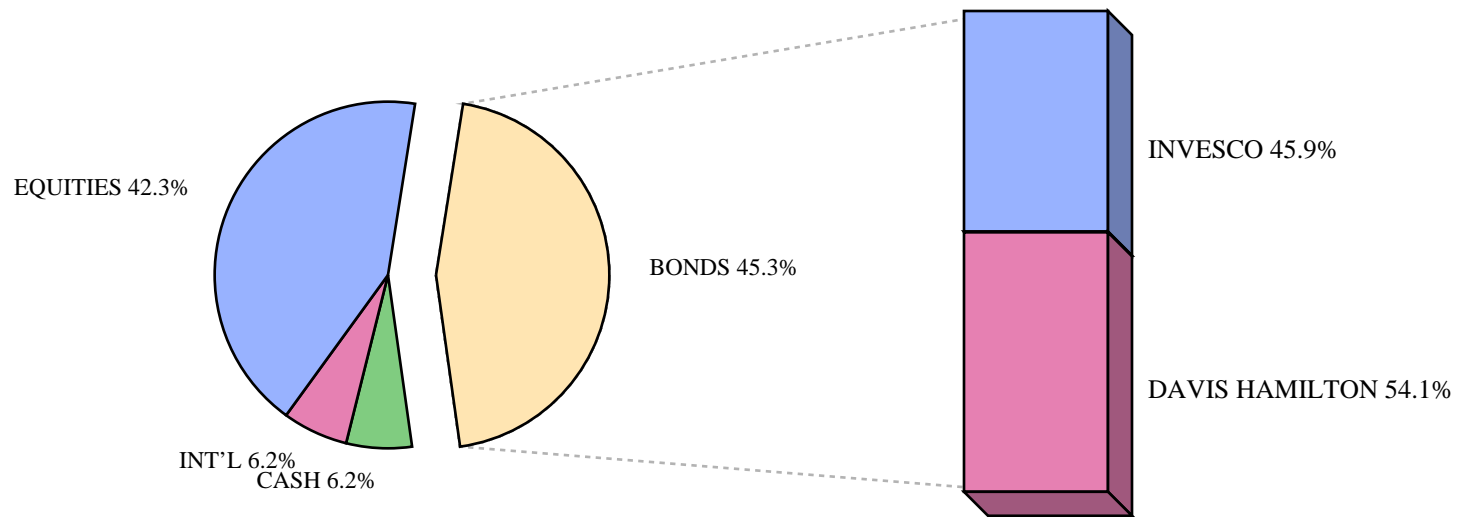
**SUNRISE POLICE
EQUITY MANAGER PERFORMANCES
MARCH 31ST, 2003**



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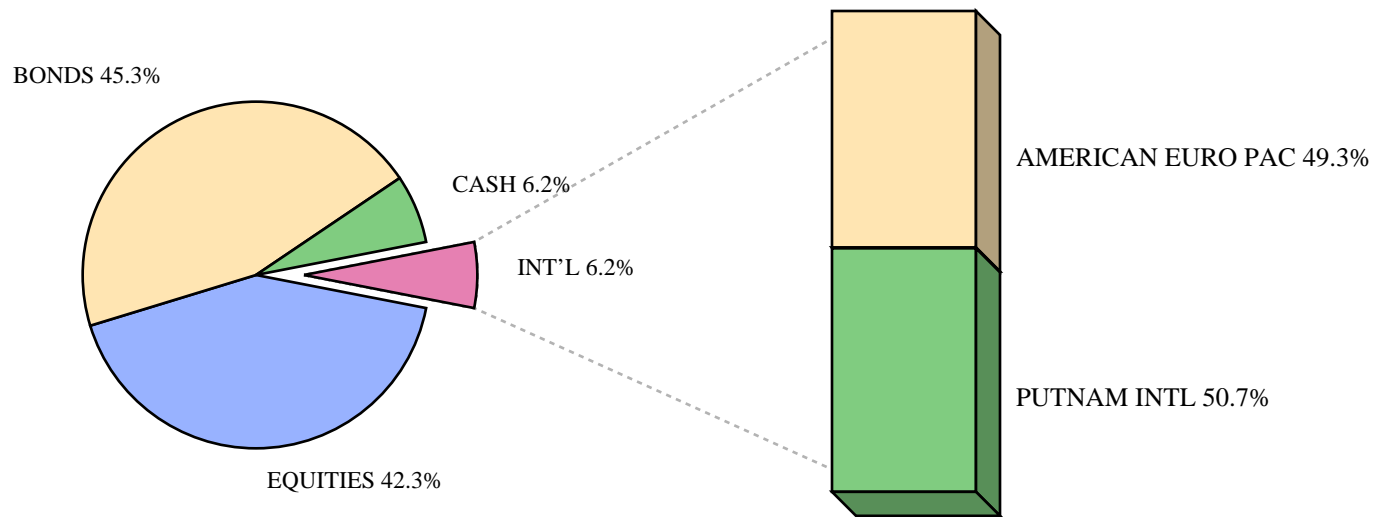
MANAGER	RETURNS & RANKINGS FOR PERIOD ENDING 3/31/03							EQUITY MARKET VALUE
	QUARTER	2 QTRS	3 QTRS	1 YEAR	3 YEAR	5 YEAR		
BUCKHEAD CAPITAL	-3.5 (56)	--- ---	--- ---	--- ---	--- ---	--- ---	\$ 5,931,374	
DAVIS HAMILTON	-2.1 (29)	4.1 (42)	-11.7 (21)	-23.8 (38)	-17.5 (74)	-1.1 (40)	\$ 8,216,419	
TOTAL EQUITY	-2.9 (39)	4.9 (33)	-14.0 (46)	-25.7 (63)	--- ---	--- ---	\$ 14,147,790	
S&P 500	-3.1 (44)	5.0 (31)	-13.1 (36)	-24.7 (51)	-16.1 (66)	-3.8 (75)	---	
RUSSELL 1000 GRO	-1.1 (19)	6.0 (17)	-10.0 (11)	-26.8 (70)	-25.6 (91)	-6.7 (94)	---	
RUSSELL 1000 VAL	-4.9 (75)	3.9 (44)	-15.6 (60)	-22.8 (31)	-6.9 (35)	-2.0 (50)	---	
RUSSELL 2000	-4.5 (70)	1.4 (70)	-20.3 (85)	-27.0 (71)	-11.0 (45)	-4.1 (79)	---	

**SUNRISE POLICE
FIXED INCOME MANAGER PERFORMANCES
MARCH 31ST, 2003**



MANAGER	RETURNS & RANKINGS FOR PERIOD ENDING 3/31/03						FIXED INCOME
	QUARTER	2 QTRS	3 QTRS	1 YEAR	3 YEAR	5 YEAR	MARKET VALUE
INVESCO	1.4 (66)	2.5 (76)	9.0 (26)	13.5 (15)	10.3 (30)	7.9 (29)	\$ 6,971,321
DAVIS HAMILTON	1.6 (51)	3.5 (47)	8.4 (38)	12.1 (34)	10.1 (35)	7.5 (50)	\$ 8,200,885
TOTAL FIXED INCOME	1.5 (57)	3.1 (58)	8.7 (30)	12.8 (20)	--- ---	--- ---	\$ 15,172,210
LEHMAN AGG	1.4 (66)	3.0 (63)	7.7 (56)	11.7 (44)	9.8 (46)	7.5 (50)	---
GOV/CREDIT	1.6 (51)	3.4 (49)	9.3 (22)	13.4 (16)	10.1 (35)	7.6 (44)	---

**SUNRISE POLICE
INT'L EQUITY MANAGER PERFORMANCES
MARCH 31ST, 2003**



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MANAGER	RETURNS & RANKINGS FOR PERIOD ENDING 3/31/03						INT'L EQUITY
	QUARTER	2 QTRS	3 QTRS	1 YEAR	3 YEAR	5 YEAR	MARKET VALUE
AMERICAN EURO PAC	-9.7 (78)	-2.6 (61)	-19.7 (33)	-23.2 (44)	--- ---	--- ---	\$ 1,018,866
PUTNAM INTL	-8.8 (59)	-1.4 (40)	-21.8 (56)	-25.5 (71)	--- ---	--- ---	\$ 1,049,007
TOTAL INT'L EQUITY	-9.2 (67)	-2.0 (48)	-20.8 (45)	-24.4 (60)	--- ---	--- ---	\$ 2,067,873
EAFE	-8.2 (41)	-2.3 (58)	-21.5 (54)	-23.0 (41)	-19.4 (71)	-7.0 (90)	---

SUNRISE POLICE

PERFORMANCE SUMMARY Quarter ended March 31, 2003

RATES OF RETURN	QUARTER	(rank)	Y-T-D	(rank)	12 MOS	(rank)	3/1998 Through 3/2003		
							CUMUL	ANNUAL	(rank)
Total Portfolio	- 1.2%	(44)	- 1.2%	(44)	- 9.3%	(44)	9.1%	1.8%	(47)
SHADOW INDEX	- 1.3		- 1.3		- 8.6		9.3	1.8	
Equities	- 2.9	(39)	- 2.9	(39)	- 25.7	(63)	- 18.7	- 4.0	(79)
S&P 500	- 3.1		- 3.1		- 24.7		- 17.4	- 3.8	
RUSSELL 1000	- 2.9		- 2.9		- 24.5		- 16.8	- 3.6	
RUSS 1000 VAL	- 4.9		- 4.9		- 22.8		- 9.7	- 2.0	
RUSS 1000 GRO	- 1.1		- 1.1		- 26.8		- 29.4	- 6.7	
RUSSELL 2000	- 4.5		- 4.5		- 27.0		- 18.8	- 4.1	
RUSS 2000 GRO	- 3.9		- 3.9		- 31.6		- 38.8	- 9.4	
RUSS 2000 VAL	- 5.1		- 5.1		- 23.3		0.2	0.0	
RUSSELL 3000	- 3.0		- 3.0		- 24.7		- 17.3	- 3.7	
Bonds	1.5	(55)	1.5	(55)	12.8	(20)	44.9	7.7	(37)
LEHMAN AGG	1.4		1.4		11.7		43.6	7.5	
GOV/CREDIT	1.7		1.7		13.4		44.5	7.6	
INT GOV/CREDIT	1.5		1.5		11.7		41.2	7.1	
Intl Equities	- 9.2	(67)	- 9.2	(67)	- 24.4	(60)	*****	*****	
EAFE	- 8.2		- 8.2		- 23.0		- 30.4	- 7.0	

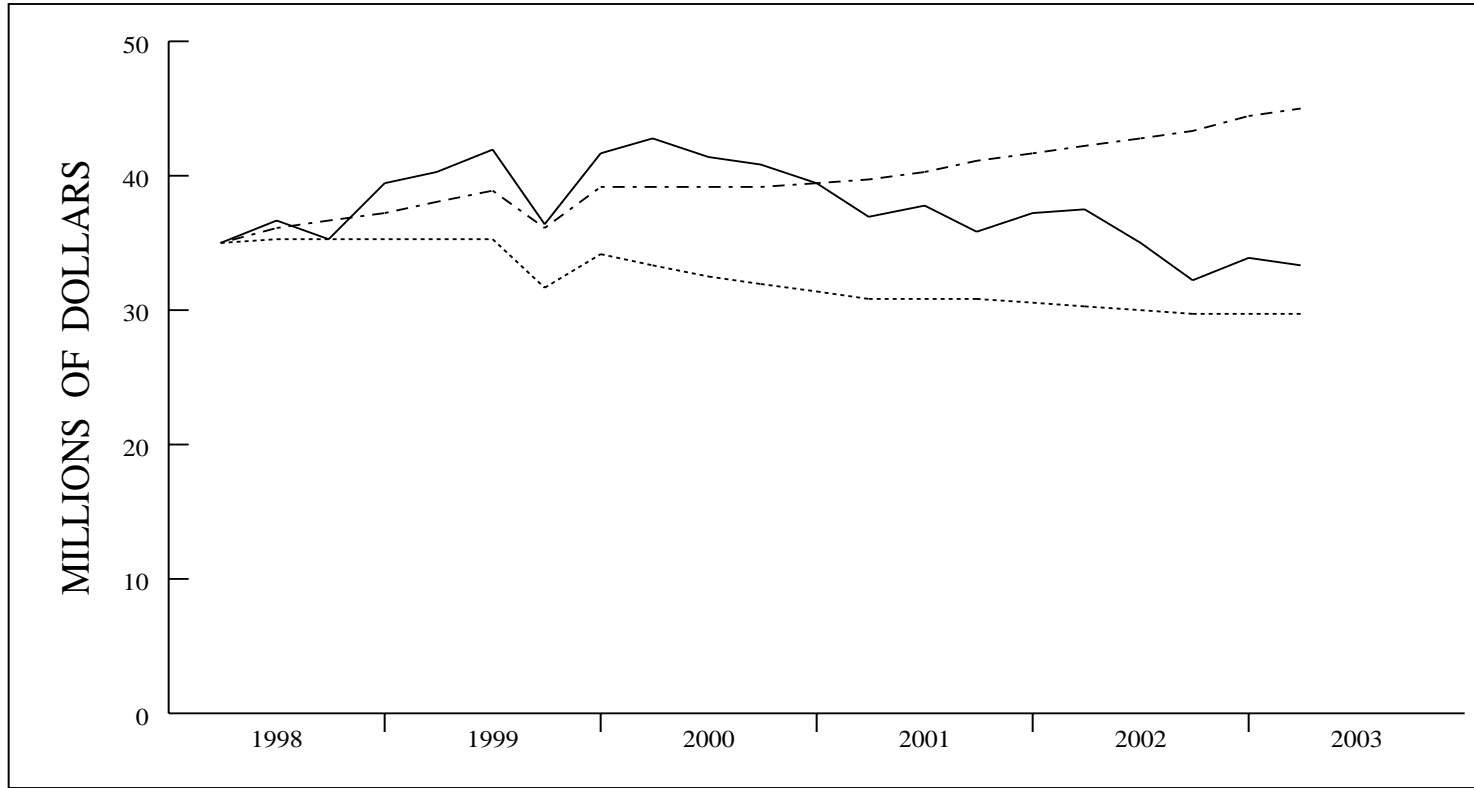
ASSET ALLOCATION

Equities	42.3%	\$ 14, 147, 792.
Bonds	45.3%	15, 172, 206.
Cash	6.2%	2, 079, 125.
Real Estate	0.0%	0.
Intl Equities	6.2%	2, 067, 872.
Small Cap	0.0%	0.
Other	0.0%	0.
Total Portfolio	100.0%	\$ 33, 466, 996.

INVESTMENT RETURN

Market Value 12/02	\$ 34,116,776.
Contribs / Withdrwls	-235,759.
Income	275,490.
Capital Gains / Losses	-689,511.
Market Value 3/03	\$ 33,466,996.

INVESTMENT GROWTH

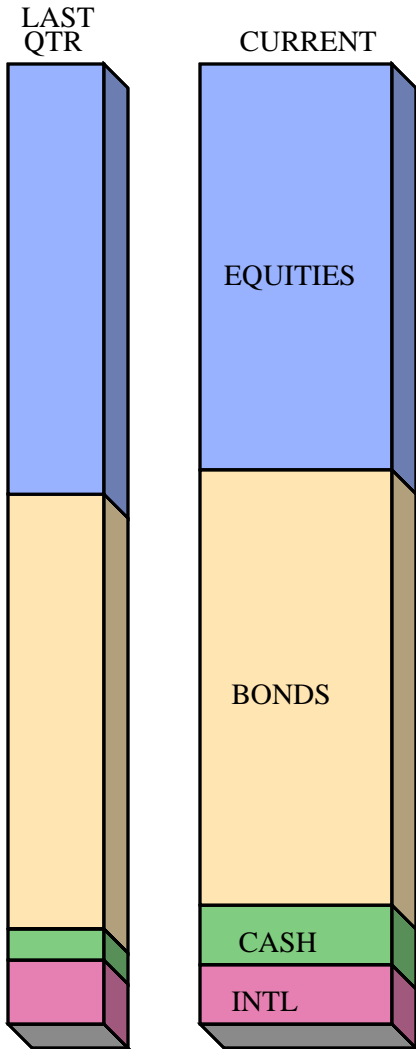


— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 45,141,044

	<u>LAST QUARTER</u>	<u>PERIOD 3/98- 3/03</u>
BEGINNING VALUE	\$ 34,116,776	\$ 35,242,704
NET CONTRIBUTIONS	-235,759	- 5,484,836
<u>INVESTMENT RETURN</u>	<u>-414,021</u>	<u>3,709,128</u>
ENDING VALUE	\$ 33,466,996	\$ 33,466,996
INCOME	275,490	6,108,256
<u>CAPITAL GAINS (LOSSES)</u>	<u>-689,511</u>	<u>- 2,399,128</u>
INVESTMENT RETURN	-414,021	3,709,128

ASSET ALLOCATION

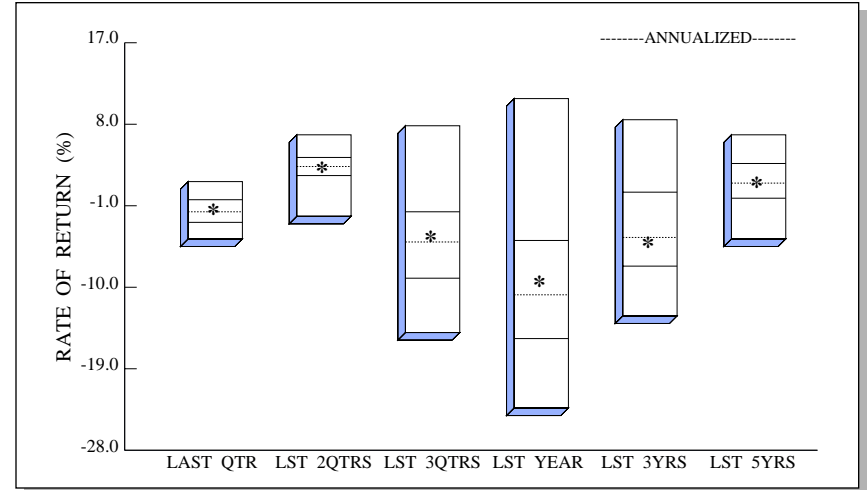
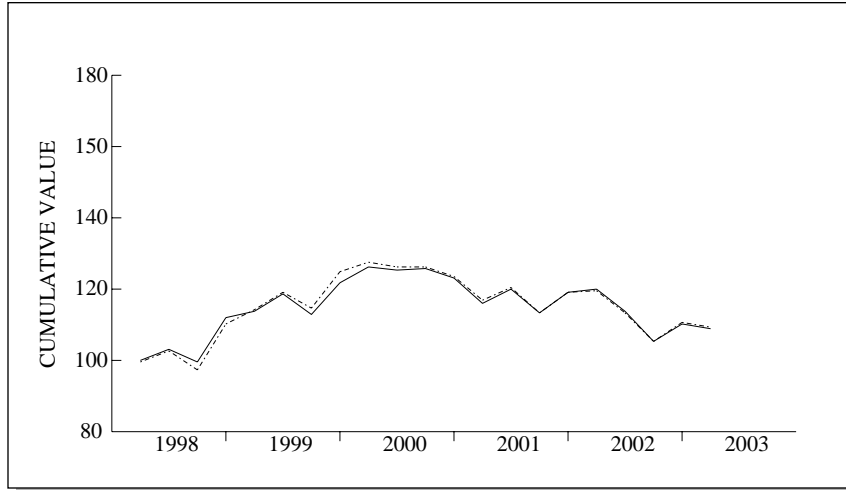


AS OF MARCH 2003

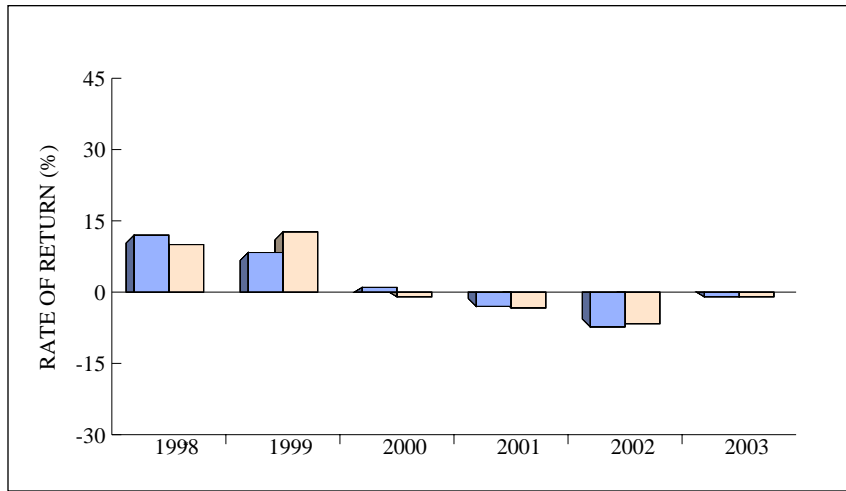
	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	DIFFERENCE <u>+ / -</u>
EQUITIES	\$ 14, 147, 793.	42.3%	50.0%	-7.7%
BONDS	15, 172, 206.	45.3%	40.0%	5.3%
CASH & EQUIV	2, 079, 126.	6.2%	0.0%	6.2%
INTL EQUITIES	2, 067, 873.	6.2%	10.0%	-3.8%
TOTAL FUND	\$ 33, 466, 996.	100.0%		

TOTAL RATE OF RETURN

AS OF MARCH 31ST 2003



■ ——— PORTFOLIO
■ - - - - SHADOW INDEX



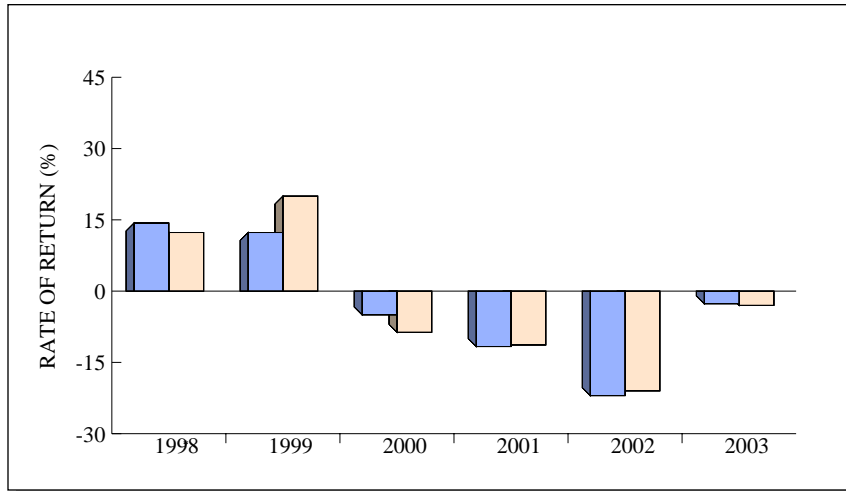
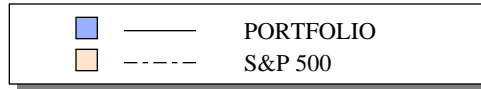
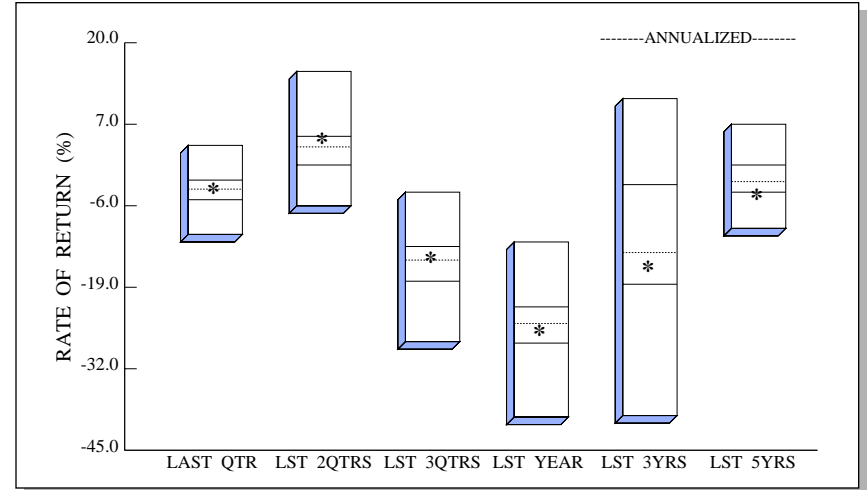
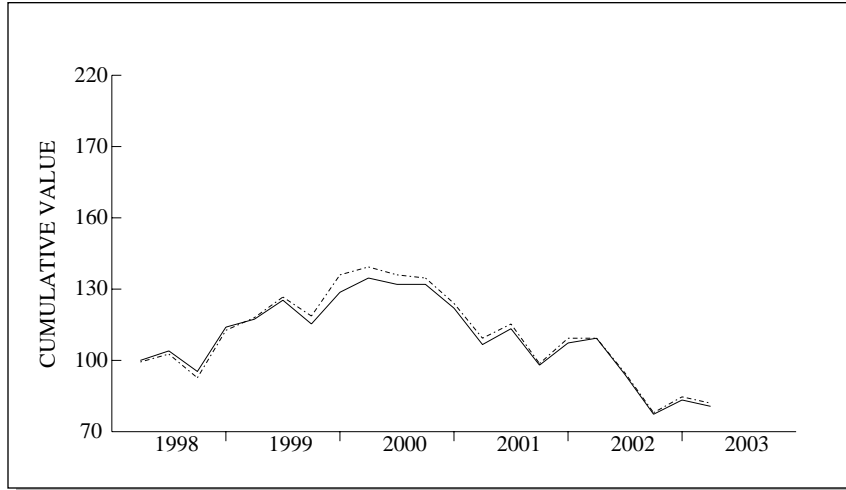
	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED-----	LST 3YRS	LST 5YRS
RETURN	- 1.2	3.4	- 4.2	- 9.3	- 4.8	1.8	
(RANK)	44	50	44	44	55	47	
HIGHEST	1.7	6.9	8.0	10.9	8.6	7.0	
25TH %ILE	- 0.3	4.4	- 1.5	- 4.7	0.5	3.7	
MEDIAN	- 1.5	3.4	- 5.0	- 10.8	- 4.4	1.5	
75TH %ILE	- 2.7	2.4	- 8.9	- 15.6	- 7.6	- 0.1	
LOWEST	- 4.6	- 2.1	- 14.9	- 23.3	- 13.0	- 4.6	
SHADOW INDEX	- 1.3	3.5	- 3.8	- 8.6	- 5.1	1.8	

* PARTIAL PERIOD

** YEAR TO DATE

EQUITY RATE OF RETURN

AS OF MARCH 31ST 2003

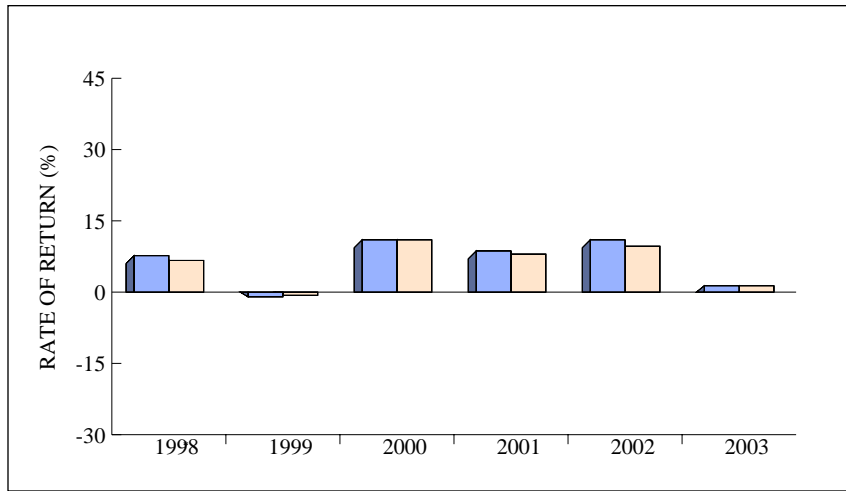
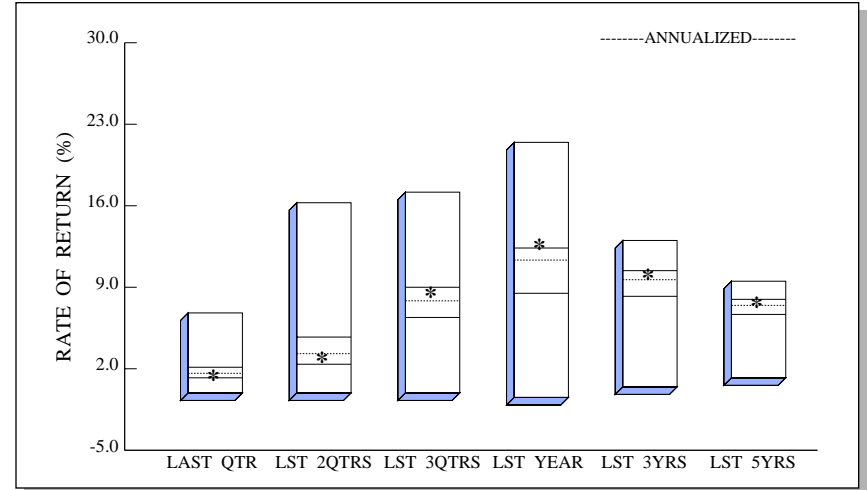
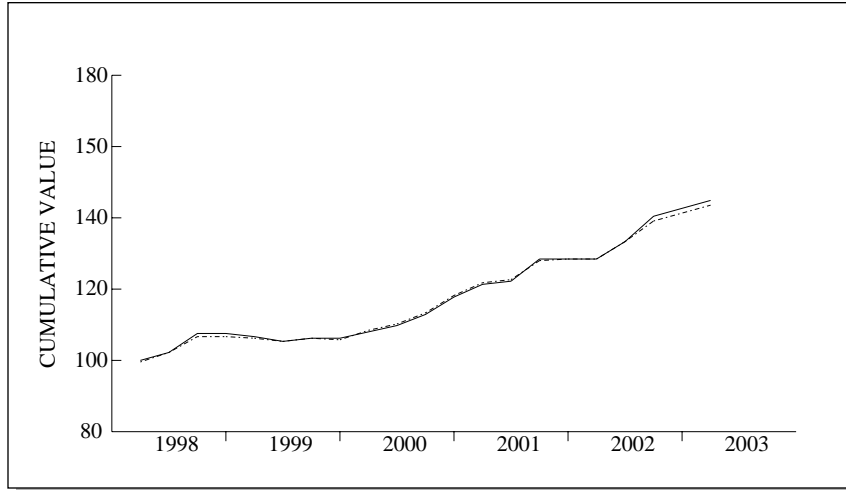


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED-----	LST 5YRS
RETURN	- 2.9	4.9	- 14.0	- 25.7	- 15.5	- 4.0
(RANK)	39	34	47	63	59	79
HIGHEST	3.7	15.6	- 3.7	- 11.7	11.3	7.1
25TH %ILE	- 1.7	5.1	- 12.4	- 22.1	- 2.6	0.6
MEDIAN	- 3.2	3.4	- 14.4	- 24.7	- 13.4	- 2.0
75TH %ILE	- 4.9	0.7	- 17.9	- 27.8	- 18.3	- 3.8
LOWEST	- 10.5	- 6.0	- 27.6	- 39.7	- 39.3	- 9.4
S&P 500	- 3.1	5.0	- 13.1	- 24.7	- 16.1	- 3.8

* PARTIAL PERIOD

** YEAR TO DATE

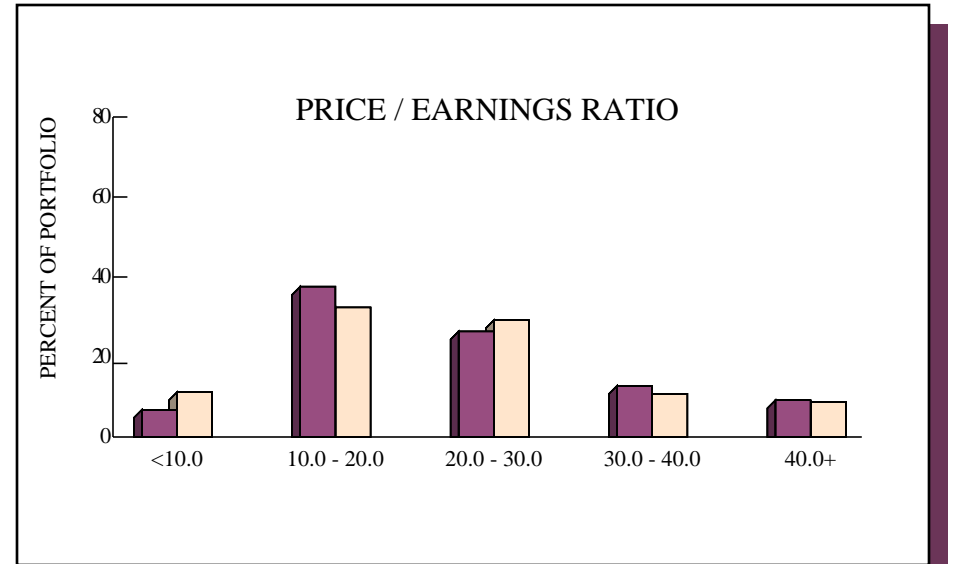
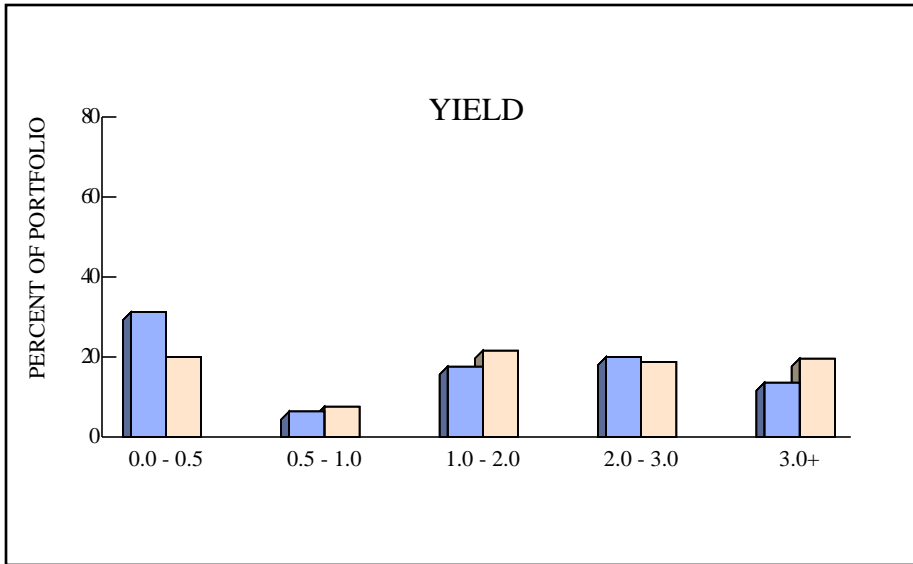
BOND RATE OF RETURN AS OF MARCH 31ST 2003



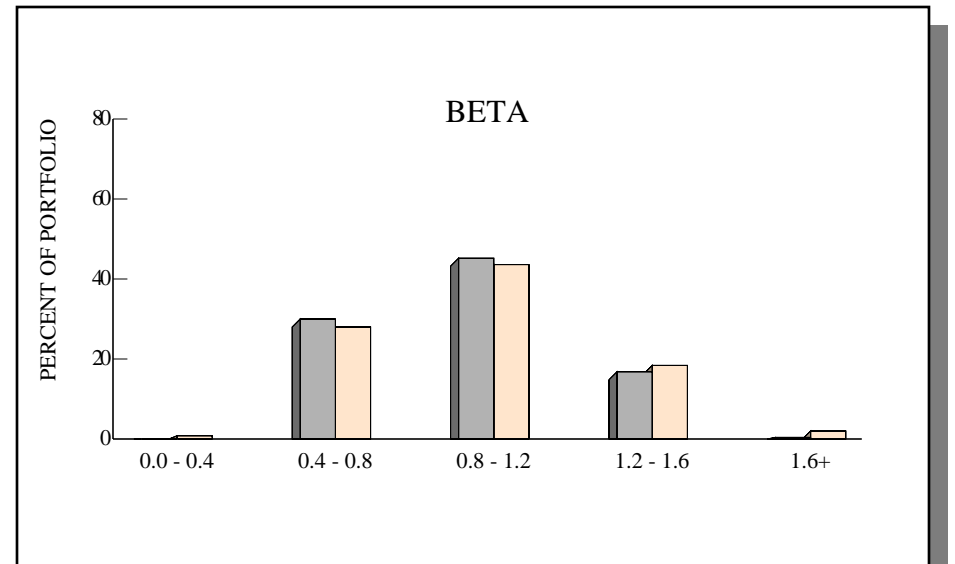
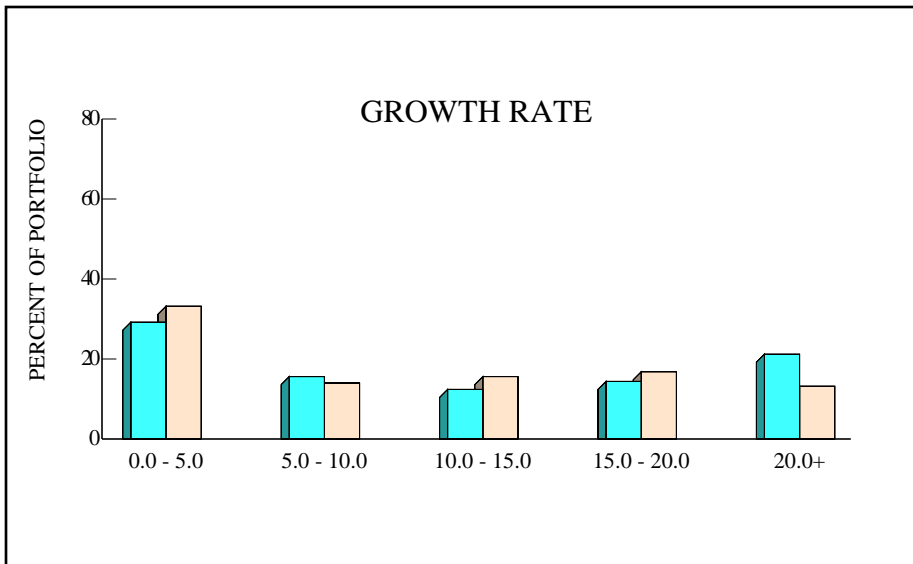
	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	1.5	3.1	8.7	12.8	10.2	7.7
(RANK)	55	60	30	20	32	37
HIGHEST	6.8	16.3	17.2	21.5	13.1	9.5
25TH %ILE	2.2	4.8	9.0	12.4	10.4	8.0
MEDIAN	1.6	3.4	7.9	11.4	9.7	7.5
75TH %ILE	1.3	2.5	6.5	8.5	8.3	6.7
LOWEST	0.0	-0.1	0.0	-0.4	0.5	1.3
LEHMAN AGG	1.4	3.0	7.7	11.7	9.8	7.5

* PARTIAL PERIOD

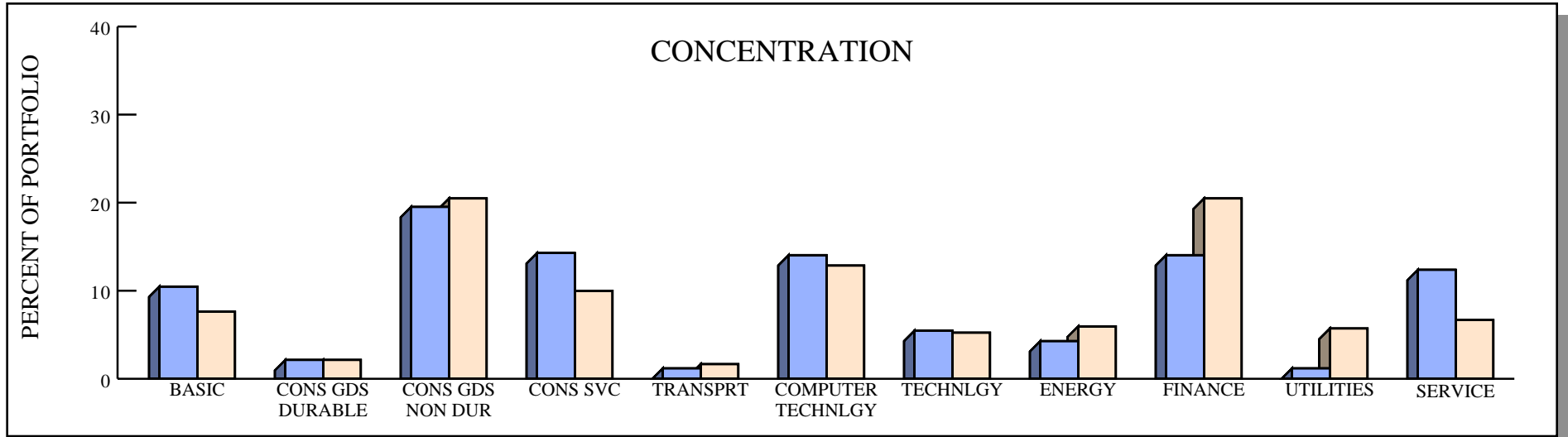
** YEAR TO DATE



	YIELD	GROWTH	P/E	BETA
PORTFOLIO	1.5%	10.7%	22.9	0.96
S&P 500	1.8%	7.6%	21.7	1.00

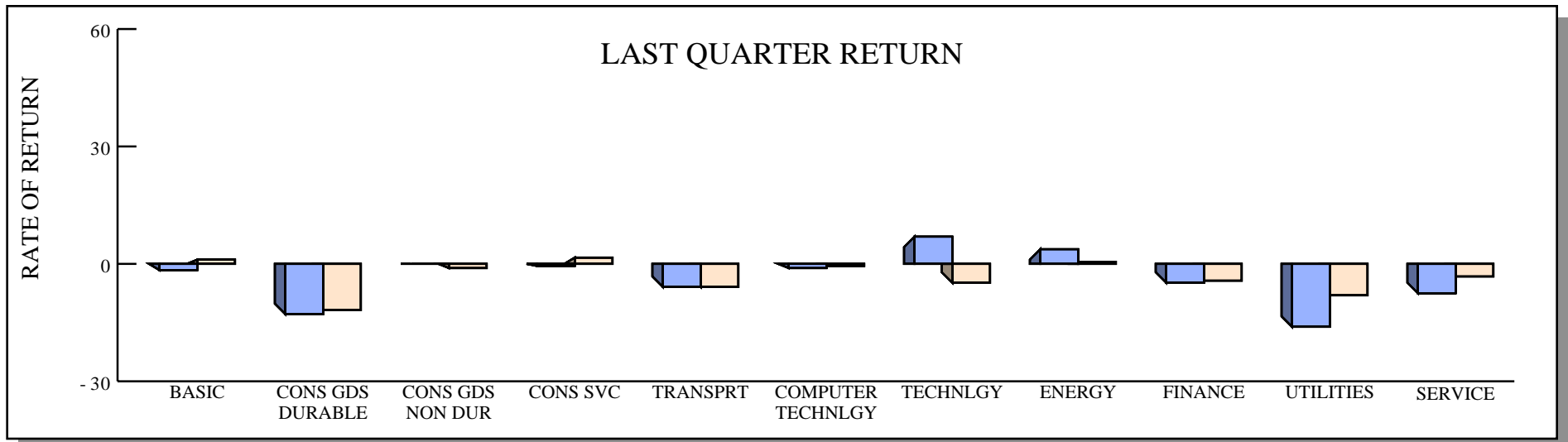


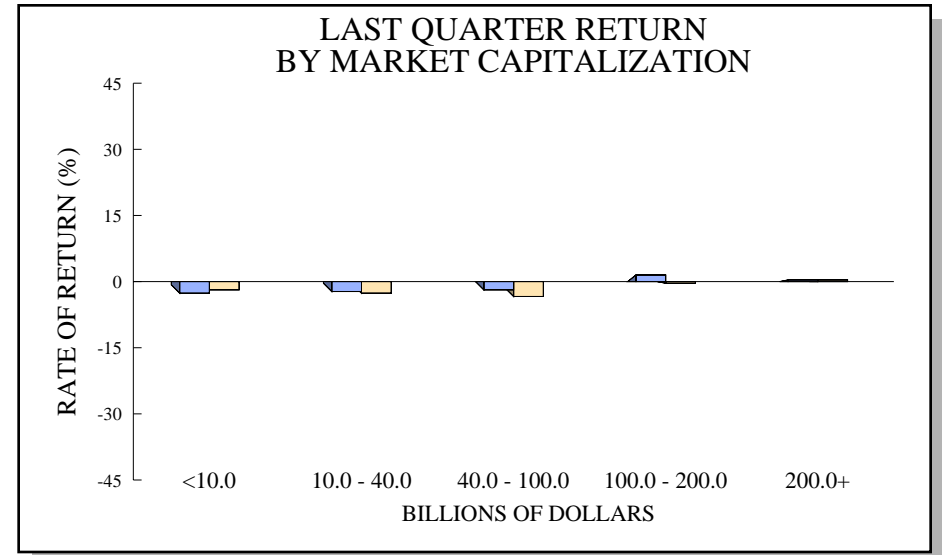
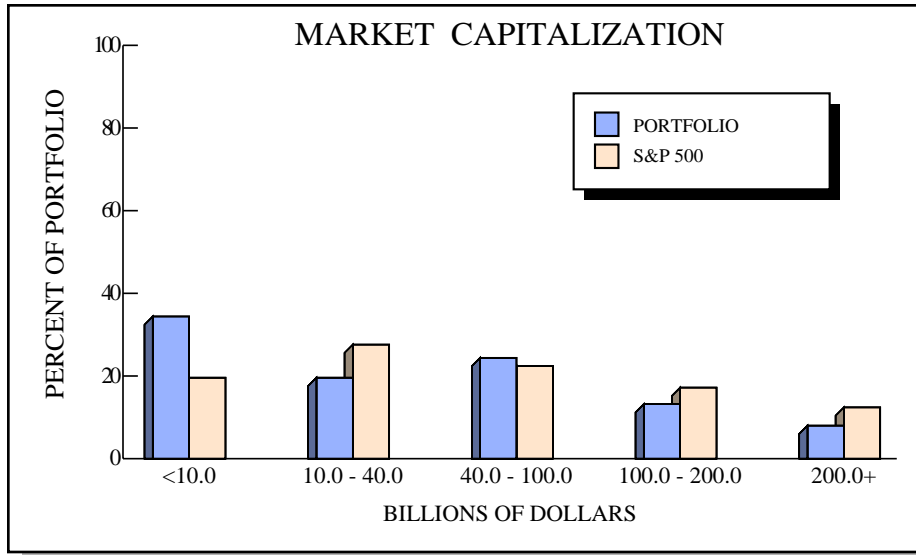
INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ S&P 500

March 31st, 2003

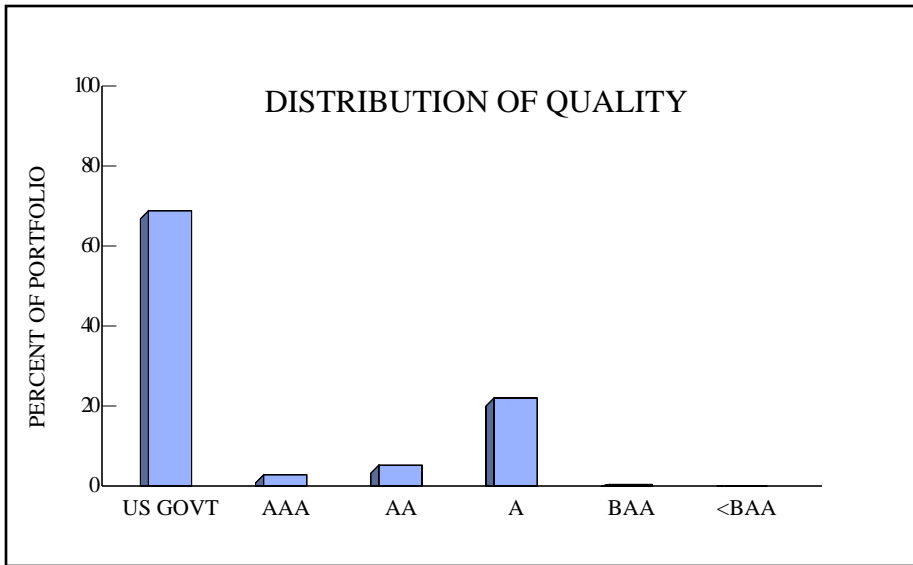
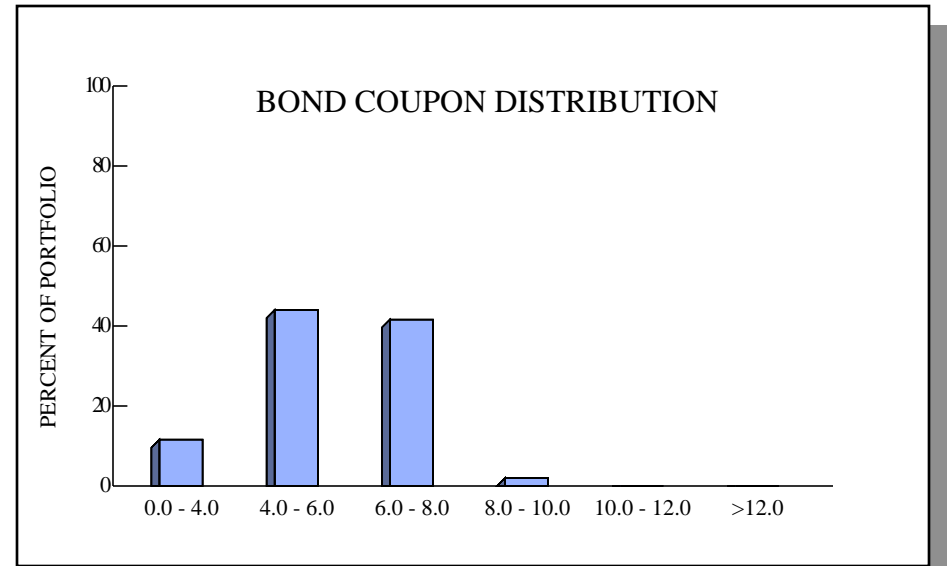
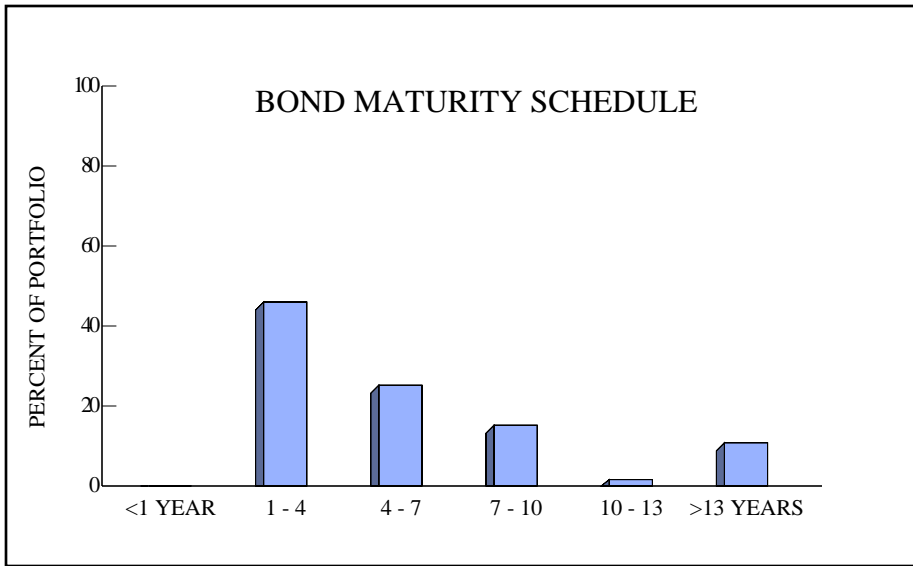




TOP TEN EQUITY HOLDINGS

AS OF March 31st, 2003

RANK	TICKER	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MARKET CAP
1	XOM	Exxon Mobil Corporation	\$ 332,025	2.35%	0.7%	Energy	\$ 233.8 B
2	INTC	Intel Corp	327,716	2.32%	4.7%	Computer Tech	106.5 B
3	JNJ	Johnson & Johnson	324,072	2.29%	8.1%	Cons Goods NonDur	171.9 B
4	MSFT	Microsoft Corp	300,204	2.12%	-6.3%	Computer Tech	259.1 B
5	GE	General Electric Co	290,700	2.05%	5.5%	Basic	254.8 B
6	PFE	Pfizer Inc	277,324	1.96%	2.4%	Cons Goods NonDur	191.9 B
7	MMM	3m Co	260,060	1.84%	6.0%	Basic	50.7 B
8	ORCL	Oracle Corp	253,433	1.79%	0.5%	Computer Tech	56.9 B
9	PG	Procter & Gamble Co	240,435	1.70%	4.1%	Cons Goods NonDur	115.1 B
10	USB	Us Bancorp	233,454	1.65%	-9.6%	Finance	36.4 B



March 31st, 2003

	PORTFOLIO	LEHMAN AGG
No. of Securities	118	7352
Effective Duration	4.68	3.85
YTM	4.08	3.94
Average Coupon	5.82	5.99
Average Maturity	6.43	6.81
Average Quality	AAA	USG-AAA
Percent Mortgages	31.15	N/A