

Contributions

The Saskatchewan Pension Plan Newsletter

Quarterly Update

(to March 31, 2004)

The market returns for the first quarter of 2004 were stronger than the same period a year ago and built on the positive returns of 2003. The SPP fund returned 3.6% for the quarter.

The Canadian dollar showed resilience in the quarter. After reaching a 10½ year high of 78.79 cents US in January, it survived two Bank of Canada rate cuts ending the quarter at 76.09 cents US—a loss of 1.7%.

The S&P/TSX Composite Index (Canadian equities) returned 4.9% for the first quarter, a little better than its historical average. The Information Technology, Financials, Energy, Health Care and Utilities sectors were positive influences on the return. Nortel Networks was again the big story. After temporarily recapturing its status as Canada's largest company, the stock took its investors on a roller coaster ride but finished the quarter up 40.4%.

US Equities, measured by the S&P 500 Index, rose 1.7% (US\$), or 3.4% in Canadian dollar terms as the US dollar regained some strength during the first three months. In Canadian terms, eight sectors had positive returns with only the Materials and Information Technology sectors in negative territory. The US employment data showed the strongest job growth in four years in the quarter and retail sales have risen since the beginning of 2004. The US Federal Reserve Board continued to maintain the federal funds rate at 1.0%, the lowest level since 1958. The rate has been kept at this level since June of last year.

Non-North American equities, measured by the MSCI EAFE Index, were up 4.1% for the quarter in local currency, or 6.1% in Canadian dollars. Regionally Japan and the Pacific region had above index returns while results were weaker in Europe. All EAFE sectors had positive returns in the quarter, with Information Technology and Industrials leading the pack.

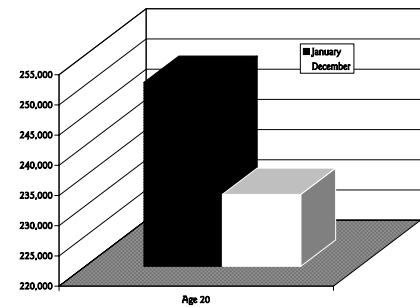
The Scotia Capital Universe Bond Index returned 3.1% for the quarter. The Bank of Canada cut interest rates twice for a total of 50 basis points. There is speculation that there may be further cuts in the future as inflation hovers around 1% and the Canadian dollar remains relatively high.

The chart on the right shows the holdings in the Contribution Fund as at March 31, 2004.



Contribution Timing

In order to gain the maximum amount of interest, your contribution should be made at the beginning of the tax year. SPP adds interest to your account annually. The chart below illustrates the difference between contributing annually at the beginning or the end of the year for a 20 year old. As you can see contributing early will result in a higher account balance.

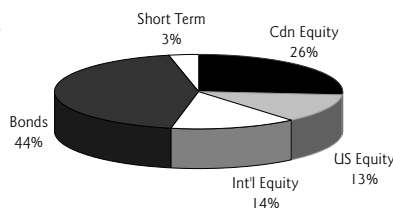


The assumptions used to create the data in this chart were annual contributions of \$600 per year, annual interest rate of 8%, and retiring at age 65.

Monthly contributions

Contributing by monthly pre-authorized contributions (PAC) offers a good opportunity to contribute early and regularly. If you are not currently using the PAC option, an application has been enclosed with this newsletter for your convenience. ❖

Contribution Fund Portfolio at March 31, 2004



Member Service

SPP is always interested in hearing comments from you. This survey relates to Member Service provided to you by SPP. Please provide your input on the following services:

Service Rating

Satisfactory

Requires
Improvement

Telephone Inquiries:

Suggestion for Improvement: _____

Written Correspondence:

Suggestion for Improvement: _____

Tax Receipts:

Suggestion for Improvement: _____

Annual Statements:

Suggestion for Improvement: _____

Newsletters:

Suggestion for Improvement: _____

Suggestions for Other Services or Products:

We appreciate you taking the time to complete this form. Your suggestions are important to us. Please return your survey by June 30 and then watch for the results in the September Newsletter. This survey is also available on our web site.

If you complete the survey and would like to enter a draw for an SPP golf shirt please provide your name and phone number below.

Name: _____

Phone Number: _____

Did You Know . .

Our web site contains information for new and existing members.

- You can download the Membership Application, Contribution Form, PAC Application, Beneficiary Change and Direct Deposit Change forms.
- You can view or download the 2003 Annual Report and list of investments.
- You can read previous newsletters.
- You can obtain a Member Guide and Retirement Guide.
- You can contribute on-line using VISA or MasterCard.

Check out our web site:

www.spp.gov.sk.ca

Stay in Touch

We want to keep your account information up-to-date. Please advise us when:

- you change your address;
- you want to change your beneficiary;
- you change your name, or;
- you change your banking information.

The SPP Newsletter 'Contributions' is issued three times per year. If any discrepancy arises between the information contained in this newsletter and the Act, the Act will prevail.

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