

# Contributions

*The Saskatchewan Pension Plan Newsletter*

October 2005

## Quarterly Update

(to June 30, 2005)

The chart shows the asset mix in the Contribution Fund at June 30, 2005.

Late in the second quarter Canadian investment markets reached two positive milestones. The S&P/TSX Index broke through 10,000 for the first time since it peaked at its all-time high of 11,408 in 2000 and 10-year Canada bond yields touched 3.72 per cent, their lowest level since 1958.

The common denominator was the surge in oil prices, which are up 35.2 per cent year-to-date and 58.6 per cent over the past year. Energy prices drove the S&P/TSX to a world class return last quarter. Its 8.1 per cent year to date return is also among the world's best.

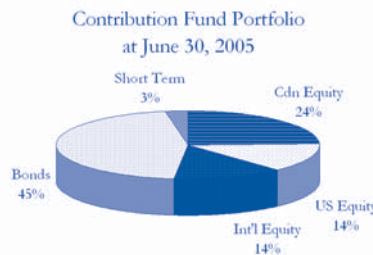
Bond yields were driven lower by a steady flow of data showing slower global economic growth. The market sees oil prices more as a restraint on growth than a source of inflation. Consequently, it anticipates slower worldwide economic activity and benign inflation. That, in turn, continued to lower bond yields.

Foreign exchange had a positive and negative impact on performance during the quarter. The Canadian dollar weakened relative to the US dollar, which enhanced the quarter's US equity returns after foreign exchange. Conversely, the Canadian dollar was strong against the euro, yen and pound sterling.

## Index Performance

- The S&P/TSX Composite Index (Canadian equities) rose 3.6 per cent in the second quarter with the energy sector leading the way. The interest sensitive sectors, financials and utilities, were also strong performers in the quarter. The Information Technology sector was the worst performing sector in the quarter.
- Against concerns of high oil prices and rising short term interest rates, the S&P 500 Index (U.S. equities) rose 1.4 per cent (US\$) or 2.6 per cent (C\$).
- Non-North American equities, as measured by the MSCI EAFE Index, rose 4.6 per cent in local currency, or 0.2 per cent in Canadian dollars.
- The Canadian bond market, measured by the Scotia Capital Universe Bond Index, rose 4.5 per cent.

The market return of the SPP fund was 3.1 per cent for the quarter and 5.2 per cent for the six months ending June 30, 2005. To August 31, 2005 the market return of the fund was 8.2 per cent. ❖



## Asset Mix

Asset mix is the distribution of assets among the major asset classes. SPP holds three classes of investments in the Contribution Fund: cash and equivalents, fixed income, and equities. The allocation of the money to different asset classes helps reduce risk for the investment and helps SPP meet its return objective. SPP's asset mix is governed by guidelines set up in the Statement of Investment Policies and Goals. The chart in the 'Quarterly Update' shows SPP's asset mix at June 30, 2005. ❖



## Board of Trustees

Last year brought changes to the SPP Board. Earl Hanson and Esther Bjorklund have completed their terms on the Board. SPP would like to thank each of them for their dedication to the Plan.

Arnie Arnott is the newly appointed Chair. The other Board members are Gloria Blanchard, Robert Devrome, Linda Kezima and Owen Sebastian. ❖



## 2005 Contribution Deadline

The deadline for accepting 2005 plan year contributions is March 1, 2006. You can meet this deadline by:

- Using Visa® or MasterCard® on-line or calling the SPP office. If you are calling the SPP office, your call must be received between 8:00 am and 5:00 pm. If you are making your contribution on-line, your contribution must be made by midnight March 1, 2006.
- Mailing your contribution to the SPP office. The envelope containing your contribution must be postmarked March 1, 2006.
- Contributing at a financial institution. Your contribution form must be stamped by a teller with a date of March 1, 2006.

Contributions made later than March 1, 2006 will be applied to the 2006 plan year. If you have any questions regarding the 2005 plan year deadline, please call SPP, toll-free prior to March 1, 2006. ❖

## Member Information

It is important to keep your personal information current. Address, banking information or beneficiary changes are easily forgotten.

Here are some ways to update your personal information:

### Address

Updating your address can be done by simply calling the SPP office. Please have your account number ready. If someone other than the member is updating your information a Power of Attorney is required.

### Banking Information

To update banking information for your PAC, the change is required in writing. This can be done by mailing a VOID cheque to the office or have the financial institution fax SPP the information.

### Beneficiary Changes

Updating your beneficiary must be done in writing. To obtain the 'Designation of Beneficiary' form you can call the SPP office or download it from our website. It is important to keep your beneficiary information current to avoid payment to an unintended person.

If you have any questions regarding changes to your SPP account, please call SPP on the toll-free line. ❖

The SPP 'Contributions' Newsletter is issued three times per year to provide members with general information about current issues affecting SPP.

If any discrepancy arises between the information contained in this newsletter and the Act, the Act will prevail.

## saskpension.com

Use of SPP's website continues to grow. Many members are now making their contributions on-line with VISA® or MasterCard®. However, the website is not limited to just contributions. You can:

- download SPP's forms,
- read the 2004 Annual Report,
- read the newsletter,
- use the pension calculator,
- read the quarterly investment updates.

SPP has the ability to send your newsletter electronically. If you wish to receive this newsletter electronically, please email your request to our office. You will receive both the May and October newsletter electronically. ❖

## Missing Members

SPP needs to locate the following people:

- L Raye Cobb
- Stanley Davies
- Dianne R Foster
- O Patricia Haakmat

If you know their whereabouts, please ask them to contact SPP. ❖

### To contact SPP:

- Toll-free 1-800-667-7153
- TTY 1-888-213-1311
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