

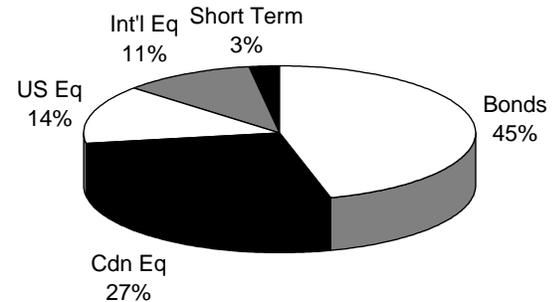
2001 Investment Highlights

At December 31, 2001, the fund's assets were \$143.1 million, a decrease of 0.5% from 2000. SPP's income allocation policy, which smooths the fund's market performance by blending this year's market gains and losses with a portion of those from the preceding three years, allocated a return of 5.87% to members in 2001, bringing the 10 year average to 10.7%. The market return for the year was 3.0%.

The table below shows the 2001 market returns of each asset class and the portfolio return.

Index	Index Return (%)	SPP Return (%)
TSE 300 Canadian Eq.	-12.6	2.9
S & P 500 US Eq.	-6.4	-7.3
MSCI EAFE Non NA Eq.	-16.7	-10.3
SC UBI Bonds	8.1	8.8
91 Day T-bills Short term	4.7	4.7

Contribution Fund Portfolio at December 31, 2001



By most measures, 2001 was an extraordinary year. After 10 straight years of uninterrupted growth in North America, 2001 marked a period of economic slowdown. The slowdown began early in the year as business spending on technology evaporated and investors' enthusiasm for technology stocks, at any price, faded. There were, however, signs of improvement in the late summer as the economy reacted to interest rate cuts before the tragic events of September 11th made a further economic decline inevitable.

Thankfully, the major equity markets around the world staged a strong recovery in the fourth quarter in anticipation of improved economic conditions in 2002.

Despite closing on a positive note, equity markets provided disappointing results. The good news in 2001 came from the bond market as interest rates declined, providing investors with capital gains as well as interest income.

Equities

In Canadian equities, the TSE 300's 12.6% loss was due largely to the decline in technology and telecom-related companies. There were, however, many areas of the Canadian market which did well in 2001 as only three of the fourteen industry sectors declined. For the first time since 1996, small cap stocks fared better than large cap stocks.

In U.S. equities, a fourth quarter rebound in Information Technology stocks was not enough to offset earlier losses, leading the S&P 500 Index to a -6.4% (C\$) annual return. Losses were widespread in the U.S. market with eight of ten sectors reporting negative returns for the year.

Non-North American equities were weak again in 2001, losing 16.7%. Eighteen of twenty-one countries in the EAFE index posted losses in the year with just New Zealand, Australia and Ireland in positive territory.

Despite negative results from time to time, equity markets, especially foreign markets, have provided solid returns over longer periods of time.

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Strategic Planning

The Board of Trustees and staff of SPP completed the framework of a strategic plan for SPP this past year. The journey actually began in May 2000 with a blank page and by the end of last year we had articulated a mission statement, a vision statement, organizational values, and goals and objectives for a five year period (2001 to 2005).

The purpose of a strategic plan is to give direction to an organization. This ensures its resources are used efficiently and effectively for everyone involved. This includes the Board of Trustees, staff, and members.

Our Mission

To provide people with the opportunity to make their financial lives better.

This statement explains why SPP exists and is our guide when setting goals and objectives for the Plan.

Our Vision

The Plan that people know and trust to provide financial products and services.

This statement sets out SPP's long term goal. It focuses on opportunities to introduce improvements to products and services for members.

Our Values

These values are our commitment to how we do business; how we deal with clients; and how we deal with each other.

Member Service

- Understanding member needs and meeting or exceeding their expectations
- Keeping member issues and inquiries our priority
- Managing our resources wisely, with a vision committed to long term growth and stability

Integrity

- Dealing fairly with employees, co-workers, members and the general public

Initiative

- Encouraging creativity
- Learning and self-development

- Planning and executing new approaches and methods

Teamwork

- Accepting diversity and difference
- Cooperating to accomplish common goals

Our Goals

- To increase plan membership
- To increase plan assets
- To manage our business effectively and efficiently

We believe these goals ensure SPP a place in the future world of retirement savings. Progress toward these goals will be reported to you in future newsletters and annual reports.

We are excited about the future of SPP and what will be accomplished as a result of the strategic planning process. Strategic planning is not a static event and will continue to evolve in the future. We welcome your comments. ♦

Administrative Expenses

Administrative expenses in 2001 were \$1.57 million, or 0.80% of the Funds' net asset base. These costs are paid from Plan earnings. SPP continues its focus on providing efficient service at a reasonable cost.

The chart on the left shows a synopsis of Plan operating expenses for the past two years. SPP is a people-based business, therefore personnel costs are the highest of all budget categories. Professional services includes the cost of hiring investment managers, custodians, and consultants to advise the Board of Trustees on issues related to governance and investing members' money. Advertising includes the cost of all marketing initiatives during the year. General Administration expenses include items such as office rental, supplies, and telephone service. Board expenses cover all honorariums and expenses paid to Trustees.

	2001	2000	1999	1998	1997
Contribution Fund (000's)	\$143,112	\$143,820	\$133,750	\$127,570	\$118,266
Earnings (%)	5.87	8.96	7.33	8.95	18.28
Annuity Fund (000's)	\$54,479	\$49,432	\$45,483	\$41,066	\$37,329
Expense Ratio	.80	.82	.84	.81	.90

Expense Ratio

SPP's expense ratio is competitive with the market place as many mutual fund fees range from 1% to 2.5% or higher. The table above summarizes the Plan's assets, earnings, and expense ratios over the past five years. ♦

SPP Administrative Expenses (000's)	2001		2000	
	2001	2000	2001	2000
Personnel	\$ 569	\$ 596		
Professional Services	505	489		
Advertising	236	203		
General Administration	172	160		
Computer Systems	66	65		
Board	17	17		
Total	\$1,565	\$1,530		

Member Annual Statements

Each year you receive an annual statement of your account at SPP. Your 2001 statement is included with this newsletter. We have provided some information about the contents of your statement below.

Personal Information

Please check your name and address for accuracy. If you need to change your address, simply call SPP. If you need to change your name due to marriage, please send a copy of your marriage certificate to the Plan. If you are reverting to your maiden name, SPP requires a copy of your birth certificate.

Your account number appears in the upper right hand corner of your statement. You need this number to make your contribution at a bank or on the Internet. If you are sending your contribution by mail you can use either your account number or Social Insurance Number.

2001 Calendar Year Statement

This table summarizes your contributions according to the time period they were made. Your account at December 31, 2000 is shown on line 1. Line two shows the

contributions made in 2001, including your contributions and the interest your account earned. Contributions made after December 31, 2001 will be reported on your 2002 statement.

The 2001 rate of return is reported directly below this table. This rate is applied to the balance of your account, including contributions and interest from previous years.

Contribution Summary

The contribution summary table shows contributions to your account by plan year. A plan year is equal to the calendar year plus the first sixty days of the next year. Contributions made in the first 60 days of the year may have been applied to either 2001 or 2002 plan years. These contributions may be claimed on your 2001 or 2002 tax return.

For your convenience, the annual statement lists your beneficiary. If you have named more than one beneficiary, and wish to verify your records, please contact the office. A beneficiary change must be done in writing. Beneficiary change forms are available from the office or from our web site.

Pension Estimate

The estimate provided for you on this statement is dependent on the assumptions shown to the left of the Pension Estimate table. It is important to understand that the information provided in this section is an **estimate**. We have to make some assumptions based on the best information we have. This estimate can and will change if any of the assumptions change. Please note that your estimate does not include contributions made in 2002.

Here are some of the most common reasons for changes to your estimates from year to year:

Timing and Amount of Contributions

We have assumed that you will contribute \$600 at the beginning of each plan year. If you contribute a different amount

or contribute later in the year, your estimate will be lower. Making your contribution early in the year gives your account the greatest earning opportunity.

Interest Rates

We have consistently used an interest rate of 8% for contribution growth. In 2001 we returned 5.87% to you. This lower rate will also reduce your estimate. Our average return since the Plan started is 10.1%. When we achieve higher interest rates in the future, your estimates will go up.

It is important to review your annual statement and report any discrepancies. Please contact our office if you notice any errors or have questions regarding your statement. ❖

Start Small. Start Now.

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Investment Highlights

Fixed Income

While equity returns were negative, bond and short-term investment returns were positive, providing some protection of capital in the portfolio. Throughout the year, the U.S. Federal Reserve Board and the Bank of Canada lowered interest rates aggressively by a total of 4.75% and 3.5% respectively. The consumer price index moved from over 3% to just under 0.7% in Canada and 1.9% in the U.S. by year end.

Further details about SPP investments are found in the 2001 Annual Report, available on request from the Plan. ❖

Stay in Touch

Toll-free 1-800-667-7153

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and hard of hearing)
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Build Your SPP Account

SPP's pre-authorized contribution program (PAC) makes building your SPP easy. You can make your contribution electronically through your bank account on a bi-monthly, monthly, semi-annual or annual schedule. You always know when the payment will be made and how much it will be. Your account grows with each payment.

To participate, simply complete the application below and return it to the SPP office along with a 'VOID' cheque. When your application has been processed you will receive a letter acknowledging your participation in the program, confirming the amount of your PAC, and its starting date.

Changes to PAC information are required in writing. If you wish to change the date or amount of your PAC, please send a letter with the new information. If you wish to change your banking information, send a new 'VOID' cheque.

If you have any further questions regarding the PAC program, please contact our office (1-800-667-7153). ♦

Tax Receipts

Tax receipts are being issued for all contributions received by the March 1, 2002 deadline date. If you have not received your tax receipt, please contact our SPP office and a duplicate receipt will be issued. If you notice errors on your receipt, please contact us immediately.

SPP contributions may be claimed by your spouse. SPP requires the name of your spouse and their social insurance number. On both the contribution form and PAC application form there is a box for spousal information. Complete the information in this box only if you wish your spouse to receive the tax receipt. If your tax receipt does not have the spousal information on it, please contact us immediately. ♦

The SPP Newsletter 'Contributions' 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.

Membership Statistics

We often receive inquiries about how the Plan is doing, especially in the area of member recruitment. Here's a synopsis of our new member growth in 2001, what types of occupations these people are in, and where they live:

New Members	709
Occupation of new members	
Full time employees	36%
Part time Employees	19%
Self Employed	13%
Other	32%
Residence of new members	
Urban Saskatchewan	51%
Rural Saskatchewan	44%
Out of province	5%

Average age of new members in 2001 was 38 years.

When we poll new members on how they heard about SPP, the most frequent response is 'From a friend or relative'. **Thank you for being our best advertising.**

Pre-authorized Contribution Application

Name on SPP Account: _____

SPP Account number: _____

Address: _____

Telephone: (Bus) _____ (Res) _____

Payment frequency: Monthly

Semi-annual

Annual

Single contribution amount: \$ _____

Date for first contribution: Month _____

Day (circle one): 1st or 15th

Complete for spousal deduction only

Spouse Name _____

Spouse SIN _____

If address is not the same as member, please attach mailing address separately.

I authorize SPP and my financial institution to begin deductions for the contributions. This authority is to remain in effect until SPP has received written notification from me, or until SPP has sent me a written notice of termination of this agreement. I acknowledge that SPP has the authority to terminate this PAC arrangement.

Signature (Must have signing authority for this bank account) _____

Please supply a "VOID" personal cheque for the above account. (For joint accounts, all depositors must sign when more than one signature is required on a cheque issued against that account.)