

Quarterly Investment Update

(to June 30, 2002)

Stock markets around the world were weak during the second quarter while bonds recovered their first quarter loss. The S&P/TSX Index for Canadian equities (previously the TSE 300), one of the better performing indices in the quarter, fell 8.6% as doubts continued about the strength of the U.S. economy and the ongoing saga of corporate scandal in the U.S. continue to unfold. These doubts also affected foreign equity market returns as the S&P 500 (U.S. Equities) fell 17.4% (C\$) and the MSCI EAFE Index (Non North American equities) fell 6.7% (C\$).

Utilities and Consumer Staples sectors were the only positive performers in the Canadian equity market in the quarter. Globally, the Information Technology and Telecom Services sectors continued to be the worst performing sectors in the quarter. The U.S. market was sent reeling in the second quarter due to accounting scandals involving Tyco, Enron and WorldCom, as well as a record current account deficit. The U.S. Federal Reserve left interest rates unchanged in the quarter due to economic weakness and falling consumer confidence.

The Canadian bond market was positive over the quarter with the Scotia Capital Universe Bond index posting a 3.1% return despite the Bank of Canada's attempt to control the strengthening Canadian

economy with two interest rate hikes totalling 0.5%.

The low returns in the equity markets, along with small positive returns in the Canadian bond market, continued through July and August. The Plan's income allocation policy continues to smooth the Plan's market performance by blending this year's market gains and losses with a portion of those from the preceding three years. The smoothed rate of return to June 30, 2002 was 1.4%. Without the income allocation policy, the rate of return would have been 0%.

	Return	
	2nd Quarter	Year to Date
S & P/TSX - Canadian equities	-8.6%	-xx%
S & P U.S. equities	-17.4%	-xx%
MSCI EAFE - Non North American Equities	-6.7%	-22%
SC Universe Bond - Bonds	+3.09%	+xx%

The table above shows the market returns for the quarter ended June 30, 2002 and year to date (August 31, 2002).

SPP's estimated annual rate of return will be available to members after January 15, 2003. The next investment update will be sent to you with your annual statement in March 2003. ♦

Survey Results

The May 2002 newsletter included a survey. Thanks to each one of you who participated. This is what your responses told us:

- People under 40 were anxious to have access to their account information on-line and to be able to submit changes to their account over the Internet.
- Support for an increase to the contribution limit was strong from 70% of the respondents.
- More than 40% of respondents would like to purchase a RRIF from SPP.
- Over 80% of respondents feel the estimate on their annual statement is important.

The information gathered through this survey will assist SPP as we continue developing our strategic plan for the future. We will continue to keep you informed through this newsletter as progress is made in each of these areas.

Congratulations to Trent Meyer of Calgary, winner of the survey draw prize. Thanks again to everyone who participated in the survey.

Legislation Changes

Changes to SPP legislation have broadened the scope of eligibility for tax-deferred transfer of death benefits. Formerly, the transfer of death benefits was only available when a spouse was named beneficiary. Now a dependent child/grandchild, named as beneficiary, may be eligible to make a tax-deferred transfer of the death benefit. A child/grandchild who, regardless of age, is dependent on you by reason of physical or mental infirmity may also be eligible for a tax deferred transfer.

Beneficiary information can be found on your Annual Statement. If you are unable to locate your Annual Statement, call the SPP office to confirm your beneficiary. If you wish to change your beneficiary, you can contact our office by phone for a Designation of Beneficiary form or locate it on SPP's website: www.spp.gov.sk.ca. ❖

Tax Receipts

Preparation for tax receipts has begun. If you made your contribution via telebanking or at a Credit Union, SPP may not have received the spousal information. If you wish your spouse to use your contribution as a tax deduction, please contact SPP on the toll-free line to confirm this information.

Contributions made between March 2 and December 31, 2002 will have tax receipts issued by January 15, 2003. Tax receipts for contributions made after December 31 will be issued weekly. ❖

Saskatchewan Pension Plan

The services and benefits
of a wise investment.

Keep in Touch

Is your account information up-to-date? In the next few months you will be receiving important mail. Please advise SPP when

- your address changes;
- your SPP beneficiary dies;
- you change your name; or
- you change your banking information.

Ways to contact SPP:

Toll-free	1-800-667-7153
TTY	1-888-213-1311
Fax	1-306-463-3500
Mail	Box 5555 Kindersley SK S0L 1S0
Internet	office@spp.gov.sk.ca www.spp.gov.sk.ca

Fall Tradeshows

Tradeshows give SPP an opportunity to meet you personally. If you plan on attending any of the following shows, please drop by our booth. We look forward to meeting you there.

Business Expo 2002

Saskatoon - October 8 & 9
Saskatchewan Place, Booth 260

Business to Business Expo

Regina - October 16 & 17
Saskatchewan Centre of the Arts
Doris Knight Hall, Booth 27

Agribition

Regina - November 25 - 30
Rural Lifestyles Showcase
Upper Queensbury Building, Booth 748 ❖

Power of Attorney

Power of Attorney (POA) is a document that many of us think we will not need until our old age. Unfortunately, if you become incapacitated due to illness or an accident you may require a POA. Choosing an Attorney can be difficult. You should have absolute trust in your Attorney as someone who will act in your best interests when you are unable to. A POA not only covers personal decisions but also financial matters.

SPP has faced situations where a POA would have been useful. The following is a list of situations where a POA would help at SPP:

- updating address information;
- changing banking information for a PAC if the member is out of the country, or incapacitated;
- requesting a tax receipt or annual statement be mailed to an address other than the member's; or
- completing retirement forms.

Financial institutions have POA forms that are specific to their institution. This form allows you to appoint an individual to have the power necessary to handle your banking transactions at that institution only. Its scope does not extend to other aspects of your finances such as SPP.

If you have a POA document, review it periodically. It is a legal document and it is your responsibility to ensure that it does what you want it to do. SPP requires a POA when someone other than you is making decisions and signing forms which affect your SPP account.

For further information regarding POA, consult your lawyer or contact the Public Legal Education Association (PLEA) at 306-653-1868. ❖