

Contributions

The Saskatchewan Pension Plan Newsletter

October 2003



Quarterly Investment Update

(to June 30, 2003)

Despite the effects of SARS, mad-cow disease and a strong currency that negatively affected exports, the Canadian equity market rose over the quarter. Global equity markets also rallied in the quarter, providing strong gains for most major markets. The Canadian dollar strengthened against most other currencies, dampening foreign gains somewhat.

The S&P/TSX Composite Index (Canadian equities) rebounded in the second quarter of 2003, returning 10.6%. The Information Technology sector continued its strong performance from last quarter and led the Index with a 20.8% return in the quarter. The Canadian dollar ended the quarter strongly at US\$ 0.738, up by approximately 8.3% from the end of March and reaching levels not seen in the past 6 years. Strong economic fundamentals and a weak US dollar propelled the Canadian currency.

US equities, measured by the S&P 500 Index, were up 6.6% (Cdn\$). Nine out of 10 sectors had positive returns in the quarter, led by Telecom Services and Utilities. Non-North American equities, measured by the MSCI EAFE Index, rose 10.2% (Cdn\$). The Europe region, excluding the United Kingdom, fared best over the quarter while the Asia Pacific region was hurt by the SARS outbreak. Emerging markets outpaced the EAFE Index for a third straight quarter, led by strong gains in Europe and Latin America.

The Canadian bond market, measured by the Scotia Capital Universe Bond Index, rose 5.1% over the quarter. The Bank of Canada increased rates in April by 0.25% to 3.25%.

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, 2003 was .9%. The market return for the same period was 1.6%.

The chart shows the market returns for the quarter ended June 30, 2003 and year to date (August 31, 2003).

| | Return | |
|---|-------------|--------------|
| | 2nd Quarter | Year to Date |
| S&P/TSX - Canadian equities | 10.6% | 15.0% |
| S & P US equities | 6.6% | 1.8% |
| MSCI EAFE - Non North American Equities | 10.2% | 0.9% |
| SC Universe Bond - Bonds | 5.1% | 3.5% |

SPP's estimated annual rate of return will be available to members after January 15, 2004. The next investment update will be sent to you with your annual statement in March 2004. ❖

Agribition 2003

SPP meets many of its members each year at Agribition. We will be located in the Upper Queensbury Building, Rural Lifestyles Showcase, Booth 748 from November 24 - 29, 2003.

Agribition has taken an active role in promoting the livestock industry and its producers. In support of the livestock industry, Agribition has announced "Free Gate Monday" for November 24, 2003.

Drop by. We look forward to meeting you and answering any questions you may have. ❖

Points of Interest:

- SPP's website is www.spp.gov.sk.ca.
- You may obtain the forms necessary to join, contribute or designate a beneficiary on-line.
- You have access to SPP's Annual Report and the opportunity to review frequently asked questions about SPP on our website. ❖

Annuity Advantage

Options available to you at retirement can be overwhelming. Should you choose an annuity or transfer to a retirement vehicle at another institution?

SPP annuities are administered by the Plan. That means SPP manages the money so that you don't have to worry about investment decisions or the annuity in the future. You will continue receiving your monthly payment until you die. There won't be any administration fees or commissions for you to pay.

Three annuities are available: Life Only; Refund Life; or Joint Survivor Life. When you choose an SPP annuity you will receive a fixed monthly pension for your lifetime. Details regarding these options can be found in the 'Retirement Guide' available from SPP or on our website.

If you are an individual who prefers stability and certainty and who does not wish to make any further decisions regarding your SPP account, the annuity route may be an option you wish to consider.

Alternatively, you have the option to transfer your account to another financial institution. If you are considering this option we recommend you seek professional financial advice. When the transfer is complete you become responsible for administration fees and investment decisions related to the account. ❖

Contribution Deadline

The deadline for 2003 contributions is fast approaching. Although 2004 is a leap year, the deadline for your 2003 contribution is:

March 1, 2004.

SPP Staff



Back Row: (left to right) Cheryl Seefried, Debbie Dand, Colleen Dand, Glen Nunweiler, Jarod Ofstie, Mary Ann Hogarth, Bonnie St John

Front Row: (left to right) Donna Eon, Bonnie Meier, Lorne Bakanec, Kathy Strutt

SPP values Member Service. Not only do we feel it is important to identify your needs, your issues and visions, we realize the need to provide exceptional member service. We will make every effort to satisfy your expectations, keep your issues a priority and maintain the vision of long term growth and stability. ❖

Points of Interest

Tax Receipts

Tax receipts for all contributions made between March 4 and December 31, 2003 will be issued by January 16, 2004. Employer Plan and Pre-Authorized Contributions (PAC) made in the first 60 days will be issued on one receipt on March 2, 2004. All other contributions will have tax receipts issued weekly.

Credit Card Contributions

SPP contributions made on-line will appear on your credit card statement as 'Sask Pension Plan'. Please take time to verify your credit card statement for the SPP transactions you make with your credit card.

T4A's

If you retire in 2003 and start to receive your SPP pension, a T4A will be issued for the income received in 2003. If you are retiring January 1, 2004 your first payment will be deposited to your account on December 31, 2003. This means you will receive a T4A in 2003 for this payment. T4A's will be mailed in early February 2004.

To prevent any delays in receiving your T4A, we ask that you keep your mailing

address with SPP current. Address changes can be made over the telephone or by writing to SPP with the updated information. ❖

Keep in Touch

In the next few months you will be receiving important mail related to filing your income tax. Please advise SPP when:

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

How 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 |