



Saskatchewan Pension Plan

3rd Quarter Investment Results

(to September 30, 2006)

The Canadian equity market showed a modest gain in the third quarter. However, the gains were affected by decreases in commodity prices, especially oil. Encouraging returns were experienced on the international level as global equity markets took advantage of lower oil prices. The Canadian bond market outperformed the first two quarters as both the US Federal Reserve and the Bank of Canada halted their string of rate increases.

S&P/TSX Composite Index (Canadian equities) gained 1.9% in the quarter, 6.2% year to date. After leading the index higher for most of this year the Energy sector declined by 9.5% in the quarter. However, the Telecom and Information Technology sectors gained 24.3% and 23.3% respectively.

The S&P 500 Index (U.S. equities) rose 5.7% (C\$), 3.8% (C\$) year to date. The U.S. economy, and the U.S. housing market in particular, began to slow in the third quarter. U.S. housing data show that housing prices are declining and inventories of unsold homes are near historical highs. The Energy, Industrials and Materials sectors were the weakest performing sectors and the only ones to post negative returns in the quarter. The Health Care, Telecom and Information Technology sectors were the best performing sectors.

Non North American equities, as measured by the MSCI EAFE Index rose 4.3% (C\$), 9.4% (C\$) year to date. The Utilities and Energy sectors were the best performing sectors with only the Financial sector posting a negative return.

The Canadian bond market, measured by the Scotia Capital Universe Bond Index, rose 4.9% over the quarter and 3.3% year to date. The Bank of Canada held its overnight rate at 4.25%, ending seven consecutive quarter point hikes. The Canadian dollar finished the quarter at 89.6 cents.

The return of the SPP fund was 5.3% for the quarter, 5.4% year to date.

The table below shows the holdings in the Contribution Fund as at September 30, 2006:

Canadian equities	23.8%
US equities	13.8%
Non North American equities	15.5%
Bonds	44.9%
Short term	2.0%

For more information Contact: Saskatchewan Pension Plan – 1-800-667-7153