

# Contributions

*The Saskatchewan Pension Plan Newsletter*

## Investment results

(for the quarter ending September 30, 2008)

Market turbulence is nothing new and as we reported in September, individual and institutional investors have faced a lot of challenges this year. The challenges have continued into the third quarter and beyond.

Asset class	Index return (%)	SPP CF return (%)
Canadian Eq. S&P/TSX Composite Index	-18.2	-15.9
US Eq. S&P 500 Index	-4.0	-3.8
NNA Eq. MSCI EAFE Index	-16.8	-16.0
Bonds DEX Universe Bond Index	-0.4	-0.5

Nine of the ten sectors in the S&P/TSX Composite Index finished the quarter with negative returns. Financials was the lone sector with a positive return of 2.6 per cent.

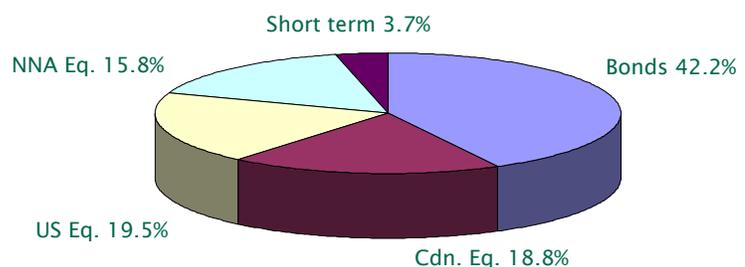
The depreciation of the Canadian dollar contributed to the S&P 500 Index return. In a reversal of last quarter, value stocks (-0.4 per cent) outperformed growth stocks (-7.0 per cent) by a wide margin. All 21 countries within the non North American Index generated negative returns.

The Bank of Canada kept the overnight rate at 3.0 per cent citing that domestic demand has slowed modestly but remains strong. The U.S. Federal Reserve kept the overnight rate at 2.0 per cent in hopes of fostering market liquidity and promoting economic growth.

The asset mix of the contribution fund (CF) is shown in the chart on the right. The return of the CF to September 30, after administration expenses, is -9.4%.

Investment markets run in cycles and history shows that the general direction of equity markets is up. Investors are challenged with the potential of a prolonged period of market fluctuations and economic uncertainty and it is important to maintain a long-term focus. Historically the economy has always corrected itself and while this crisis had different origins than some previous ones, history has also shown that staying invested is the best strategy.

Contribution Fund Portfolio  
at September 30, 2008



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