

# Contributions

The Saskatchewan Pension Plan Newsletter

## Market Commentary

(for the quarter ending March 31, 2010)

Equity markets struggled early in the quarter as concerns over the issues still facing the global economy resulted in market volatility. The stability of the European Union was a key issue as headlines focused on the Greek debt crisis. There was also anxiety that markets had factored in too much too soon in terms of a global economic recovery. Sentiment improved during the quarter and the majority of equity markets provided positive returns in local currencies. The U.S. and international markets tracked ahead of Canada, however, the strong Canadian dollar once again muted unhedged returns.

In Canada, nine out of ten sectors finished the quarter with positive returns; Health care and Financials were the top performers while Energy was the only negative sector. U.S. equities had their second consecutive quarter of positive returns following nine quarters in negative territory. Top performing sectors were Industrials, Financials and Consumer discretionary while Utilities and Telecom were the weakest.

Non-North American (NNA) equity performance was negatively impacted by the appreciation of the Canadian dollar. Only six of twenty-one countries in this asset class posted positive results in Canadian dollar terms. Emerging markets outperformed developed markets.

The Bank of Canada maintained its key interest rate at 0.25 per cent while the U.S. Federal Reserve rate ranged from 0% to 0.25%. Corporate bonds continued to outperform government bonds in the first quarter.

During the quarter, asset allocation subtracted slight value in the portfolio with a small overweight in NNA equities and underweight in real

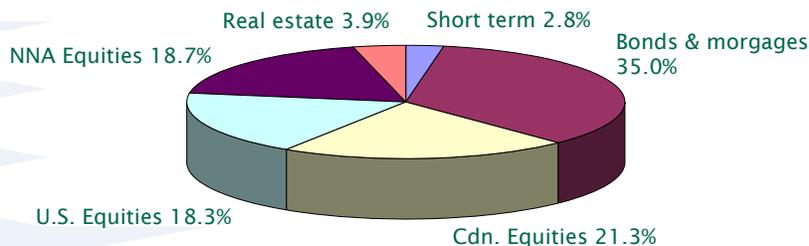
Asset class	Index return (%)	SPP CF return (%)
Canadian Equities S&P/TSX Capped Composite Index	3.1	4.1
U.S. Equities S&P 500 Index (C\$)	2.0	3.5
NNA Equities MSCI EAFE Index (C\$)	-2.4	-0.6
Bonds DEX Universe Bond Index	1.3	2.0
Real estate Investment Property Databank	2.0	1.3

estate. Security selection added value in each asset class except real estate

The balanced fund (CF) return for the first quarter was 1.8% after administration expenses.

The short-term fund was available as an investment option for members as of March 1, 2010 with the first transfers to it occurring on April 1. A performance report will be available for this fund next quarter.

**Contribution Fund Portfolio at March 31, 2010**



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