finances value comfort activities holidays *Confidence* **breathing room** growing satisfaction resources *balance* growth success retirement investor **working**

CONTRIBUTIONS

Trust help future **stepping stone** invest costs years of saving reliability freedom savings relax save security Increase *Low fees*

July 2013

Investment update (as at June 30, 2013)

In the last quarter, equities, with the exception of Canadian and Emerging markets, continued to post strong returns. The S&P 500 Index had the highest return at 6.9 per cent, followed by the MSCI World Index with a return of 4.5 per cent. The S&P/TSX Composite Index returned -4.1 per cent in the quarter and the return for the DEX Long Bond Index was -4.6 per cent.

The picture remains the same for the six months ending June 30, 2013. Equity returns were uniformly very strong with the exception of emerging markets (-4.2 per cent) and Canada (-0.9 per cent). Bond markets sustained losses with the DEX Long Bond Index losing 4.9 per cent.

The bond market posted negative returns for both the 3 and 6 month periods. The corporate sector was the best performer for both periods. Most sectors in the S&P 500 Index had positive returns in the second quarter with the exception of Energy, Materials and Utilities. The best performing sector was Financials, followed by Consumer Discretionary. The effect of a decline in the value of the Canadian dollar versus the U.S. dollar added value to the portfolio.

International equities enjoyed a very strong second quarter. Top performers for the quarter included Consumer Discretionary, Telecommunication Services and Utilities.

The Canadian dollar weakened against most currencies in the quarter which increased returns for Canadian investors. Volatility increased in both the Canadian and American stock markets during the past six months. This volatility indicates there is uncertainty in financial markets. During the past twelve months, markets were relatively calm despite continuing economic and political concerns throughout the U.S., Europe and China.

SPP's balanced fund returned 5.38 per cent after administration costs while the short-term fund return, after administration costs, was 0.27 per cent for first half of the year. The top ten holdings, portfolio composition and returns are summarized in the accompanying tables.

SPP portfolio at June 30, 2013

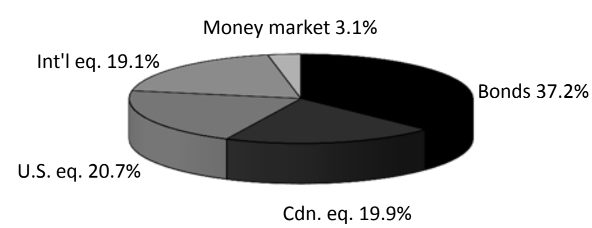
	Balanced fund return*	Benchmark	Short-term fund return*
Short-term	0.3%	0.2%	0.4%
Bonds	-2.1%	-2.4%	n/a
Cdn. equities	-0.7%	-4.1%	n/a
U.S. equities	7.6%	6.9%	n/a
Non-North American equities	2.0%	2.8%	n/a

*Gross return before administration expenses

Top 10 balanced fund holdings

	Canadian Equities	% of Port-folio	U.S. Equities	% of Port-folio	Non-North American Equities	% of Port-folio
1	TD Bank	7.4	Wells Fargo & Co.	4.2	Novartis	3.1
2	Royal Bank of Canada	6.9	Pfizer	3.2	HSBC Holdings	2.6
3	Bank of Nova Scotia	6.1	Markel	3.1	Adidas	2.2
4	Canadian National Rwy.	5.3	3M	3.0	Nestle	2.0
5	Saputo	3.9	Apache	2.8	Toyota Motor	1.7
6	Manulife Financial	3.7	Procter & Gamble	2.6	Sembcorp Ind.	1.6
7	TransCanada	2.8	Microsoft	2.5	Shin-Etsu Chem	1.5
8	Canadian Tire	2.8	Berkshire Hathaway	2.4	Carnival	1.5
9	Suncor Energy	2.5	Gannett	2.3	Royal Dutch Shell	1.5
10	Canadian Natural Res.	2.4	Merck	2.2	Softbank	1.4

Balanced fund portfolio at June 30, 2013



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