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

October 2014

Investment update (as at September 30, 2014)

The third quarter began with good momentum and through July and August and the portfolios continued to rise more than two per cent. In September, the tone in the equity markets changed and balanced portfolios declined, erasing a lot of the gains in the third quarter.

During the quarter, the S&P/TSX Composite Index lost 0.6 per cent mostly due to a trend reversal in the Material and Energy sectors, which comprise over 36 per cent of the Index. These two sectors posted losses of 10.1 per cent and 6.6 per cent, respectively, having been the top performing sectors for the 12-month period ending June 30, 2014. The three best performers were Consumer Staples, Industrials, and Health Care.

The S&P 500 Index (C\$) returned 6.1 per cent for the quarter. The depreciation of the Canadian dollar versus the U.S. dollar increased the return for Canadian investors by 5.0 per cent. The three top performing sectors were Health Care, Information Technology, and Telecommunication Services. The three weakest sectors were Energy, Utilities, and Industrials.

The MSCI EAFE (C\$) Index lost 1.2 per cent in the quarter with only Health Care and Information Technology having a positive return, while the Financial sector, which comprises a quarter of the Index, was flat. The worst performing sectors were Energy, Materials, and Consumer Discretionary.

Top 10 balanced fund holdings						
	Canadian Equities	% of Portfolio	U.S. Equities	% of Portfolio	Non-North American Equities	% of Portfolio
1	TD Bank	7.7	Wells Fargo & Co.	4.4	Cash	4.4
2	Royal Bank of Canada	6.9	Markel	3.4	Novartis	3.5
3	Bank of Nova Scotia	6.3	Apple	3.0	BMW	2.1
4	Canadian National Rwy.	5.3	Apache	2.8	Legal & General	1.7
5	Canadian Natural Res.	4.3	Pfizer	2.5	Lloyds Banking	1.7
6	Manulife Financial	4.1	3M	2.3	Roche	1.7
7	Tourmaline Oil	2.9	Gannett	2.2	AXA	1.6
8	Encana	2.7	Procter & Gamble	2.1	DNB	1.6
9	Canadian Tire	2.7	Johnson & Johnson	2.0	Henkel	1.6
10	Open Text	2.5	Berkshire Hathaway	2.0	Barratt Dev.	1.5

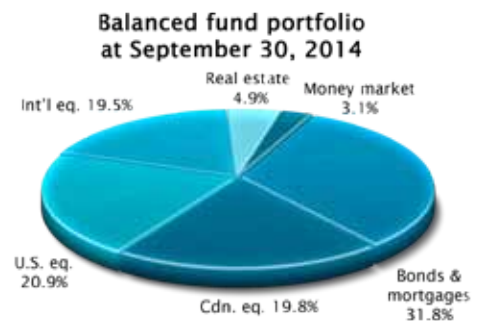
The Canadian bond market gained 1.1 per cent over the quarter and bond market returns were positive across all sectors. The Investment Property Databank (Canadian Real Estate) gained 1.5 per cent and money market (FTSE TMX 91-Day T-Bill) continued its pattern of low returns as the Bank of Canada left the Bank Rate unchanged.

The balanced fund year to date (YTD) to September 30, 2014 is 6.5 per cent after administration expenses. The short-term fund YTD return for the same period is 0.5 per cent. The top ten holdings, portfolio composition and returns are summarized in the accompanying tables.

SPP acknowledges the assistance of Greystone Managed Investments, Leith Wheeler Investment Counsel and Aon Hewitt Inc. in the preparation of this Quarterly Update.

SPP portfolio year-to-date return at September 30, 2014			
	Balanced fund return*	Benchmark	Short-term fund return*
Short-term	0.8%	0.7%	0.8%
Bonds & mortgages	5.9%	5.9%	n/a
Cdn. equities	12.1%	12.2%	n/a
U.S. equities	12.9%	14.0%	n/a
Non-North American equities	2.3%	3.7%	n/a
Real estate	4.5%	4.5%	n/a

*Gross return before administration expenses



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