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growing
satisfaction
resources
balance
growth
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help
future
invest
years of saving
costs
reliability
savings
freedom
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save
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Increase
Low fees

CONTRIBUTIONS

May 2016

Investment update (as at March 31, 2016)

Global equities got off to a rocky start in 2016 as renewed concerns over subdued Chinese economic growth, a weaker Chinese yuan, deteriorating economic data globally and falling commodity prices spooked equity market investors. Globally, central banks maintained or expanded monetary policy easing, in response to continued softness in global growth. The Bank of Canada kept monetary policy unchanged over the quarter, but downgraded their economic growth forecasts in January in response to continued weakness in commodity prices.

The S&P/TSX Composite Index posted strong gains, returning 4.5 per cent in the quarter. All sectors except Healthcare generated positive returns. The best performing sectors were Materials, Telecoms and Utilities.

The S&P 500 Index (CAD) returned -5.6 per cent in the quarter. The strong appreciation of the Canadian dollar versus the U.S. dollar decreased returns for Canadian investors by 6.9 per cent for the quarter. Only Telecoms and Utilities posted positive returns in Canadian dollar terms. The top three performers were Telecoms, Utilities and Consumer Staples.

The MSCI EAFE (CAD) Index fell 9.7 per cent during the quarter. All sectors posted negative returns, with Energy falling the least and Financials being the worst performer.

SPP's Real Estate portfolio is diversified across Canada and remains focused in downtown office assets as these support leasing demand and rental rate growth.

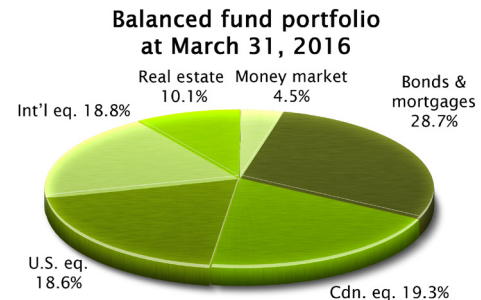
Top 10 Balanced Fund (BF) holdings						
	Canadian Equities	% of Portfolio	U.S. Equities	% of Portfolio	Non-North American Equities	% of Portfolio
1	TD Bank	7.0	Microsoft	3.9	Total	2.3
2	Royal Bank of Canada	6.9	Apple	3.7	Lloyds Banking	2.2
3	Canadian National Rwy.	5.3	Honeywell	2.8	BMW	2.1
4	Bank of Nova Scotia	5.2	Alphabet	2.8	Novartis	2.1
5	Manulife Financial	4.6	TJX Companies	2.6	Nitori Holdings	1.8
6	Brookfield Asset Mgmt.	3.9	Lockheed Martin	2.6	Sugi Holdings	1.8
7	Saputo	3.3	Comcast Corp	2.4	Securitas	1.7
8	Cdn. Natural Res.	2.9	Altria	2.4	Sumitomo Rubber	1.7
9	Brookfield Infr. Part.	2.6	Home Depot	2.4	Cash	1.7
10	Element Financial	2.4	CBRE Group	2.4	Valeo	1.6

The Canadian Bond market, as measured by the FTSE TMX Universe Bond Index, gained 1.4 per cent in the quarter and market returns were positive across all sectors. Provincial bonds had the best return followed by Corporate and federal bonds. Money market continued its pattern of low returns as the Bank of Canada left the Bank Rate unchanged.

SPP's balanced fund returned -2.43 per cent after administration costs while the short-term fund return, after administration costs, was 0.12 per cent. The top ten holdings, portfolio composition and returns are summarized in the accompanying tables.

SPP portfolio year-to-date return at March 31, 2016			
	Balanced fund return*	Benchmark	Short-term fund return*
Short-term	0.2%	0.1%	0.2%
Bonds & mortgages	1.4%	1.4%	n/a
Cdn. equities	3.5%	4.5%	n/a
U.S. equities	-6.9%	-5.6%	n/a
Non-North American equities	-9.1%	-9.7%	n/a
Real estate	0.6%	1.5%	n/a

*Gross return before administration expenses



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