



finances
value
comfort

activities
holidays

Confidence
breathing room

growing
satisfaction
resources

balance
growth

SUCCESS
retirement

investor
working

CONTRIBUTIONS

Trust
help
future
invest
years of saving
costs
reliability
savings
relax
save
security

stepping stone
Increase
Low fees

July 2018

Investment update (for quarter ending June 30, 2018)

While a strong start to the second quarter helped global equity markets rebound from the previous quarter's decline, equity market momentum faltered near the end of the quarter. The U.S. Federal Open Market Committee voted to raise the federal funds rate target by a further 0.25 per cent in June while the Bank of Canada (BOC) kept its benchmark interest steady at 1.25 per cent over the quarter. Subsequent to quarter end, the BOC raised the rate to 1.5 per cent at its July meeting.

The Canadian dollar depreciated by 1.9 per cent over the quarter to the U.S. dollar, which posted its best quarterly performance since 2016. A combination of wider interest rate differentials and global trade turmoil led the U.S. dollar higher. Slower Eurozone and global economic momentum impacted the euro which depreciated by 3.2 per cent against the Canadian dollar.

The balanced fund (BF) second quarter returns were positive, with a year to date (YTD) return of 2.26 per cent after administration expenses. The short-term fund YTD for the same period was 0.65 per cent.

The S&P/TSX Composite Index (Canadian equities) returned 6.8 per cent in the quarter and 1.9 per cent YTD. Performance was positive across most sectors led by Energy, Health Care, Information Technology and Industrials. Only the Utilities sector posted a negative return. Growth stocks slightly outperformed value stocks in the quarter.

U.S. equity returns, as measured by the S&P 500, gained 5.5 per cent (C\$) in the quarter, 7.8 per cent YTD. Performance was positive across most sectors with Energy, Consumer Discretionary and Information Technology being the top performing sectors. Only Financial and Industrials sectors posted negative returns.

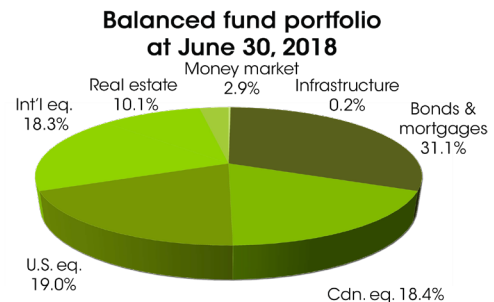
Top 10 Balanced Fund (BF) holdings						
	Canadian Equities	% of Portfolio	U.S. Equities	% of Portfolio	Non-North American Equities	% of Portfolio
1	TD Bank	7.3	Microsoft	3.1	Cash	2.5
2	Royal Bank of Canada	6.9	Chevron	2.4	BMW	2.1
3	Bank of Nova Scotia	5.6	JPMorgan Chase	2.4	Banco Santander	2.0
4	CN Railway	4.6	UnitedHealth Group	2.3	Statoil	1.8
5	Cndn. Nat. Resources	3.7	Citigroup	2.2	DNB	1.5
6	Brookfield Asset Mgmt.	3.7	Apple	2.1	Kingspan Group	1.5
7	Waste Connections	3.4	Pfizer	1.9	Total	1.5
8	Manulife Financial	3.4	Medtronic	1.7	Vinci	1.5
9	Toromont Industries	3.1	Alphabet	1.7	Sumitomo Mitsui	1.5
10	Open Text	3.1	Merck & Co.	1.7	AXA	1.5

The MSCI EAFE Index (non-North American equities) gained 0.8 per cent in the quarter (C\$) and 2.1 per cent YTD. Most sectors posted positive returns, led by Energy.

The FTSE TMX Universe Bond Index rose 0.5 per cent in the quarter, 0.6 per cent YTD. Provincial bonds outperformed both corporate and Federal bonds.

The REALpac/IPD Canada Property Index (Real Estate) increased 0.9 per cent in the quarter, 2.5 per cent YTD. The Infrastructure Index returned 1.8 per cent in the quarter and 4.7 per cent YTD.

The top ten holdings, portfolio composition and returns are summarized in the tables and charts accompanying this article. For more information please visit our website at saskpension.com.



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

SPP portfolio year-to-date return at June 30, 2018			
	Balanced fund return*	Benchmark	Short-term fund return*
Short-term	0.7%	0.6%	0.7%
Bonds & mortgages	1.0%	0.6%	n/a
Cdn. equities	2.2%	1.9%	n/a
U.S. equities	6.5%	7.8%	n/a
NNA equities	1.6%	2.1%	n/a
Real estate	4.7%	2.5%	n/a
Infrastructure	7.5%	4.7%	n/a

*Gross return before administration expenses

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