



finances *value* *confidence* *breathing room* *balance* *investor*
 comfort *activities* *growing* *satisfaction* *resources* *growth* *success* *retirement* *working*
 holidays
CONTRIBUTIONS
Trust *help* *future* *years of saving* *freedom* *Increase*
stepping stone *invest* *costs* *reliability* *savings* *relax* *save* *security* *Low fees*

November 2019

Investment update (for quarter ending September 30, 2019)

2019 has been a strong year for equity and bond markets to the end of September with both the S&P 500 and the S&P/TSX Composite indices close to reaching all-time highs, while bond yields are near all-time lows. The U.S. equity market has been one of the best performing developed markets in 2019 and both Canadian and international equity markets also provided strong returns.

However, there have been bumps along the road. During the third quarter, global markets were troubled over an escalating trade war, slowing growth, Brexit, Hong Kong protests and a Trump impeachment inquiry.

The U.S. Federal Reserve lowered the target Federal Funds rate twice in the quarter to 1.75 – 2.0 per cent; the European Central Bank cut its deposit rate by 10 basis points to -0.5 per cent; and the Bank of Canada kept its benchmark interest rate on hold at 1.75 per cent over the quarter.

The S&P/TSX Composite Index (Canadian equities) returned 2.5 per cent in the quarter. On a year-to-date (YTD) basis, Canadian equities rose by 19.1 per cent, outperforming other major developed equity markets in Canadian dollar terms. The index reached an all-time high in September, helped by strong performance of the Financials sector. All sectors, except Health Care and Industrials, posted positive returns over the quarter. Value stocks outperformed growth stocks and large cap stocks outperformed small cap stocks.

The S&P 500 (U.S. equities) returned 2.9 per cent (C\$) in the quarter, 17.0 per cent YTD as the Canadian dollar appreciated relative to the U.S. dollar. All sectors except Energy and Health Care posted positive returns in the quarter in C\$ terms. In general, small cap stocks underperformed both large and medium cap stocks. Value stocks underperformed growth stocks in the quarter but growth stocks outperformed value stocks YTD. Utilities and Real Estate were the best performing sectors.

Top 10 Balanced Fund (BF) holdings						
	Canadian Equities	% of Portfolio	U.S. Equities	% of Portfolio	Non-North American Equities	% of Portfolio
1	Royal Bank of Canada	7.4	Microsoft	3.7	Total	2.4
2	TD Bank	7.4	Alphabet	2.7	Roche	1.9
3	CN Railway	5.3	JPMorgan Chase	2.3	GlaxoSmithKline	1.8
4	Brookfield Asset Mgmt.	4.7	Broadcom	2.1	Enel S.p.A.	1.8
5	Bank of Nova Scotia	4.1	Chevron	2.0	Banco Santander	1.7
6	Manulife Financial	3.9	Comcast	2.0	BMW	1.7
7	Open Text	3.9	Medtronic	1.9	Compass Group	1.6
8	Waste Connections	3.7	UnitedHealth Group	1.8	AXA	1.6
9	Toromont Industries	3.4	Texas Instruments	1.7	Asahi Group	1.5
10	Constellation Software	3.0	Apple	1.6	Cash	1.5

The MSCI EAFE Index (Non North American equities) returned 0.1 per cent (C\$) in the quarter, 9.4 per cent YTD. Sector returns were mixed with Healthcare the best performing sector and Energy was the worst performing sector.

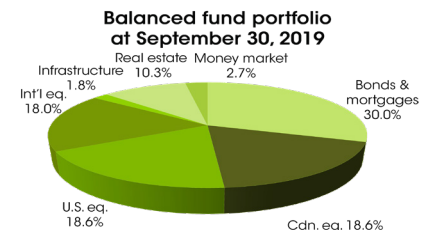
The FTSE TMX Universe Bond Index returned 1.2 per cent in the quarter, 7.8 per cent YTD. Bond market performance was led by Provincial bonds, which outperformed both Corporate and Federal bonds. Long duration bonds outperformed both medium and short duration bonds in the quarter.

The REALpac/IPD Canada Property Index (Real Estate) increased 0.9 per cent in the quarter, 4.2 per cent YTD. Infrastructure Index returned 1.2 per cent for the quarter and 5.9 per cent YTD.

The Balanced Fund returned 10.3 per cent year-to-date after fees. The Short-term Fund returned 1.4 per cent year-to-date after fees. The top ten holdings, portfolio composition and returns are summarized in tables and charts accompanying this article. For more information please visit our website at saskpension.com.

SPP portfolio year-to-date return at September 30, 2019			
	Balanced fund return*	Benchmark	Short-term fund return*
Short-term	1.4%	1.2%	1.4%
Bonds & mortgages	7.8%	7.8%	n/a
Cdn. equities	18.0%	19.1%	n/a
U.S. equities	17.6%	17.0%	n/a
NNA equities	8.9%	9.4%	n/a
Real estate	5.2%	4.2%	n/a
Infrastructure	-0.8%	5.9%	n/a

*Gross return before administration expenses



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

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P.O. Box 5555 608 Main Street Kindersley, SK CANADA S0L 1S0
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