

CONTRIBUTIONS

APRIL 2021



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Investment update (as at March 31, 2021)

Global equities ended the quarter higher, supported by further stimulus. The MSCI World Index rose by 3.5 per cent in CAD terms. Canadian equities rose by 8.1 per cent following Canadian economy growth at an annualized rate of 9.6 per cent in Q4 2020.

The U.S. Federal Reserve advised that it would keep interest rates near zero until at least 2024. The Bank of Canada (BoC) kept its policy rates unchanged from last quarter at its effective lower bound of 0.25 per cent and pledged to keep it near zero until 2023. The BoC has no plans to change its benchmark interest rate until inflation reaches 2 per cent.

The S&P/TSX Composite Index covers Canadian equities. All Canadian sectors were positive over the quarter except Information Technology and Materials. Financials benefited from strong bank earnings and Energy's success was due to a sharp increase in oil prices. Value stocks outperformed Growth stocks by 15.1 per cent.

The S&P500 Index (C\$) covers U.S. equities. The index ended the quarter slightly below the all-time high set earlier in March. Appreciation of the CAD against the USD limited the gains to 4.7 per cent in CAD terms. All sectors, except Consumer Staples, were positive in C\$ terms over the quarter. President Joe Biden signed a \$1.9 trillion USD stimulus package providing more direct payments to Americans and extended the federal unemployment benefits program. He also announced plans for over \$2 trillion USD in infrastructure spending.

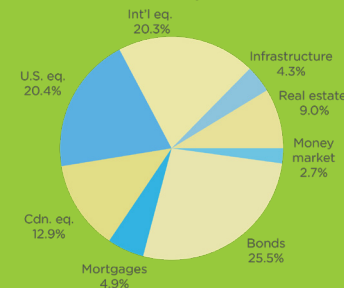
The MSCI EAFE Index (C\$) covers Non-North American equities. The index rose by 2.1 per cent in C\$ over the quarter. Financials (8.2 per cent) and Energy (9.1 per cent) were the best performers. The UK fared well despite a rise in COVID-19 cases which caused further lockdowns. Higher global inflation expectations sustained the Index given its large allocation to cyclical sectors such as Financials and Industrials.

The FTSE TMX Universe Bond Index covers Canadian bonds. The Canadian yield curve steepened over the quarter with yields generally rising across maturities. Long-term government bonds yields increased sharply mid-quarter due to higher reflation expectations and continued to climb throughout March but at a slower pace.

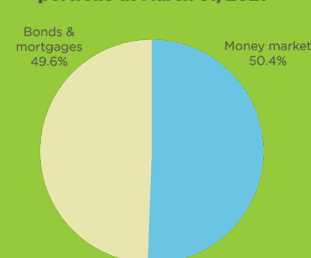
The Investment Property Databank Index measures Real Estate market returns. Canada is forecasted to lead all G7 countries in terms of employment and population growth over the next five years which should support real estate valuations across major markets. Industrial and multi-family assets are seeing rising interest from institutional investors due to robust rental activity and strong fundamentals.

The benchmark for the Infrastructure portfolio is the Consumer Price Index (CPI) + 5 per cent. Holdings have relatively consistent valuations driven by stable, contracted cash flow in the portfolio. Currency continues to have a negative impact on short term returns as the Canadian dollar appreciated approximately 3 per cent over the quarter against the U.S. dollar.

Balanced fund portfolio at March 31, 2021



Diversified income fund portfolio at March 31, 2021



The market value of the Balanced Fund (BF) increased to \$545.1 million at March 31, 2021.

This represents a return of 2.42 per cent after administrative expenses are allocated to member accounts.

The Diversified Income Fund (DIF) assets totalled \$7.5 million at quarter end, returning -2.22 per cent after administrative expenses.

The accompanying charts detail the BF and DIF asset mix as at March 31, 2021. For more information, please visit our website at saskpension.com.

SPP acknowledges the assistance of TD Asset Management, Leith Wheeler Investment Counsel and Aon, in the preparation of this update.

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	7.3	Microsoft	3.2	Total	2.3
2	TD Bank	6.4	Alphabet	3.2	BMW	2.1
3	Bank of Nova Scotia	5.3	Apple	2.8	DNB	1.7
4	Brookfield Asset Mgmt.	4.9	JPMorgan Chase	2.3	Tokyo Electron	1.6
5	Toromont Industries	4.3	Chevron	2.2	Cash	1.6
6	Canadian National Rwy.	3.6	UnitedHealth Group	2.0	Ashtead Group	1.6
7	Manulife Financial	3.4	Amazon.com	2.0	Henkel	1.5
8	Canadian Natural Res.	3.4	Broadcom	1.9	Rio Tinto	1.5
9	Saputo	3.1	Facebook	1.5	Samsung Electr.	1.4
10	Constellation Software	3.1	Morgan Stanley	1.4	Asahi Group	1.3

SPP portfolio year March 31, 2021		
	Return*	Benchmark
Balanced fund		
Short-term	0.0%	0.0%
Bonds	-3.7%	-5.0%
Mortgages	-0.1%	-2.1%
Cdn. equities	10.9%	8.1%
U.S. equities	8.1%	4.8%
NNA equities	3.4%	2.2%
Real estate	2.1%	1.0%
Infrastructure	-0.3%	2.8%
Diversified income fund		
Bonds & mortgages	-3.9%	-5.0%
Short-term	0.1%	0.0%

*Gross return before administration expenses



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