

CONTRIBUTIONS

JULY 2022



FROM THE BOARD TABLE...

Investment managers hired

Saskatchewan Pension Plan (SPP) enhanced portfolio diversification by adding two investment managers during the first half of 2022: Ninepoint Partners LP (Ninepoint) and Fengate Capital Management Ltd. (Fengate).

Ninepoint received a private debt allocation of 10 per cent of the balanced fund, while Fengate handles 10 per cent of the infrastructure allocation. Private debt has stronger return predictions with lower volatility when compared to bonds. The allocation to Fengate diversifies and increases the Plan's infrastructure portfolio.

The SPP Board has a history of long-term relationships with its investment managers. TD Asset Management and its predecessors have managed all or part of the balanced fund since the Plan's inception in 1986. In 1995, the Board shifted a portion of the balanced fund mandate to Leith Wheeler Investment Counsel.

Market challenges

The Board is diligent in its oversight and returns are monitored and reviewed in full each quarter.

The Board works with investment managers and our investment consultant to take a holistic approach to asset allocation, focusing on fundamental, forward-looking

analysis rather than examining historical returns and avoiding knee-jerk reactions to short-term market crises.

During poor stock market times, our investment managers are well positioned to further increase SPP's portfolio. In order to achieve the long-term investment goals, the balanced fund invests in assets that may have uncertain returns such as equities, alternatives and bonds. However, the Board attempts to reduce the overall level of risk by diversifying the asset classes, diversifying within each individual asset class and diversifying by manager style. Risk is also addressed through quality, quantity and diversification guidelines set out in the SIP&G.

Ultimately, the Board is confident that the investments will continue to produce strong, long-term results for members and we remain focused on that rather than the short-term fluctuations which commonly plague markets. The Board also remains keenly focused on providing all members with access to an institutional-quality portfolio, that not only consists of high-quality investments that cannot otherwise be accessed by many members on their own, but at a total management expense ratio that is below that of most retail mutual funds.

Thank you for allowing SPP to be part of your journey to a secure retirement.

ANNOUNCEMENTS

MEMBER STATEMENTS

Included with this mailing is your January - June 30, 2022 member statement. The statement provides the monthly returns to June 30, 2022.

Please take the time to review your personal information and provide updates and changes such as:

- mailing address
- phone number - have you canceled your land line and need to update to a cell phone?
- beneficiary information.

You can update your address on saskpension.com or by calling the office toll-free at 1-800-667-7153.

The Designation of Beneficiary form can be downloaded from the website and mailed, emailed or faxed to SPP.

RRSP ROOM

It is important to be aware of your RRSP limit when contributing to SPP. Contributions made to SPP are claimed on your income tax return within your available RRSP room.

This value can be found on your Notice of Assessment (NOA) issued by Canada Revenue Agency (CRA).

PRE-AUTHORIZED (PAC)

Members on pre-authorized contributions (PAC) tend to set it and forget it. Review your NOA to ensure you are contributing within your RRSP limit.

IT'S NEVER TOO EARLY TO START SAVING

When's the right time to start saving for retirement?

If you are thinking of saving through the SPP, you can start as early as 18. And while many young people – gearing up for higher education, perhaps, or entering the workforce – overlook retirement saving, getting an early start on it can pay off later.



Recent research by Transamerica in the U.S., covered in a Forbes magazine article (Young Americans Are Saving For Retirement Sooner – Forbes Advisor), indicated that 70 per cent of Generation Z Americans have started saving for

retirement – and they started, typically, at age 19.

“Starting young is one of the most powerful retirement strategies. When you begin saving as early as possible, you position yourself to reap the benefits of compounding returns over a longer timeframe,” the article notes.

Those who start early won't need to save as much as those who start later, the article explains, since they will receive more years of investment returns.

The SPP allows you to make contributions through online banking, pre-authorized payments, by credit card, or by cheque. They'll invest the money you save professionally, at a very competitive fee, and grow it into future retirement income.

While it's great to start earning your first paycheque, and retirement is a fuzzy concept that may be 50 years in the future, your future you will be grateful if you get rolling on retirement savings early. SPP can make it happen.

WHAT'S ON OUR WEBSITE

We've compiled forms necessary for members or their representatives, short videos about SPP and other key information in one place:

- Transfer funds into SPP,
- Pre-authorized contribution forms,
- Change in PAC/PCC form,
- Designation of Beneficiary form and
- Newsletters

Check out saskpension.com.

MYSPP

SPP offers an online portal that gives you access to view your contribution history, account information and view or print tax slips and statements. It is easy to enroll and use.

Give SPP a call if you would like help setting up your MySPP



MISSING MEMBERS

If you know these members, please contact our office:

- | | | |
|----------------------|------------------------|---------------------|
| • Alba Luz Paredes | • Gwendolyn Forrest | • Lucienne Raymond |
| • Christopher Kotsch | • Hikoroku J Hashimoto | • Marie Ella Mooney |
| • Donald M Campbell | • Kaunren Yang | • Mieko C Hashimoto |
| • Fern K Munson | • Kokila Brahmbhatt | • Stanley Davies |
| • Gordon L Ackerman | • Lois V Ermel | • Terrance D Favell |



SaskPension.com

Publication mail agreement No - 40065736

CALL 1-800-667-7153

EMAIL info@saskpension.com

FAX 1-306-463-3500

WRITE Box 5555, 608 Main St Kindersley, SK Canada S0L 1S0

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The SPP Contributions Newsletter is issued three times a year to provide members with general information about current issues affecting SPP. If any discrepancy arises between the information contained in this newsletter and the Act, the Act will prevail.



WEALTHCARE TALK

Written by: David Musisi CIM
Retirement Information Officer
Saskatchewan Pension Plan

IMPACT OF FEES ON INVESTMENT PORTFOLIO

There is one word that people don't like to hear: cost. How do you lower it, avoid it or just plain eliminate it? These are the questions that people often ask themselves in most areas of their lives. In these inflationary times things are no different.

If you are investing in the stock market you are going to have to navigate costs and that often comes in the form of a whole ecosystem of fees. Fees for making trades, fees for using a platform, fees to pay a fund managers salary, hidden administration fees to name a few. All of these fees reduce your return, which slows your portfolio growth.

According to Mercer's inaugural Retirement Readiness Barometer, higher investment management fees could potentially set a retirement date back by four years. Its analysis of various investment management fees in the market found that an individual paying the median level of fees available to an investor (1.9 per cent) would be retirement ready by age 70 – well above the traditional retirement age of 65. Comparatively, an individual paying 0.6 per cent in fees – would be retirement ready by age 66. SPP has averaged less than one per cent in management fees since inception. Ask yourself how valuable your time is to you and what the true cost of single digit percentage points is to your retirement.

I encourage you to reach out to me by phone or email with your questions.

Source: Benefits and Pension Monitor
February 25, 2022

SASKPENSION.COM

Visit saskpension.com for a complete list of returns and further information on investment performance.