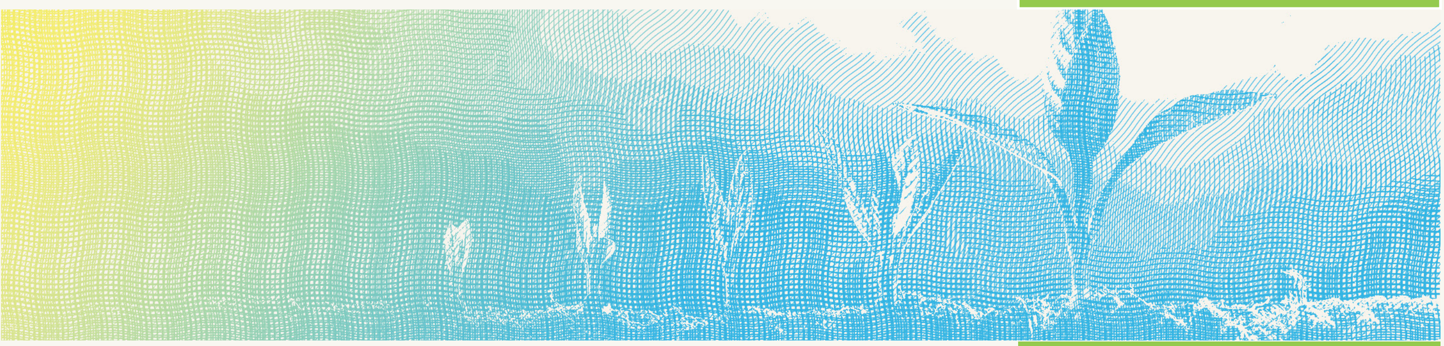
SASKATCHEWAN PENSION PLAN

INVESTMENT UPDATE

SEPTEMBER 2023

SASKATCHEWAN PENSION PLAN

YOUR RETIREMENT GROWS HERE



Quarterly investment update (as at September 30, 2023)

In the third quarter of 2023, the equity markets started sound but experienced a pullback in late September. This resulted in market declines for the quarter. Inflation contributed to this decline with headline inflation moving back above 4% year-over-year during the quarter due in part by reduced oil production internationally and the resulting rise in oil and gasoline prices. With inflation top of mind for investors, the consensus formed that interest rates will remain higher for a longer period of time, leading to many global economies slowing down. These periods of uncertainty can create good long-term investment opportunities.

In Canada, the S&P/TSX Composite declined -2.2 per cent with most sectors providing negative returns. The communication services and utilities sectors were the worst performers. Our Canadian equity portfolio outperformed the benchmark with a return of -1.9 per cent.

In the U.S. the third quarter saw consumer staples and utilities were among the weakest performing sectors, while energy and communication services were the strongest performing. The S&P 500 had a return of -1.2 per cent and our U.S. equity portfolio outperformed that benchmark with a positive return of 0.1 per cent.

Internationally, Japanese equities were the only major market to perform well, due to reasonable inflation levels, and accommodative monetary policy. All other markets in this class struggled. The benchmark return was -2.0 per cent. Our International equity portfolio underperformed with a return of -2.6 per cent.

In the third quarter, the Bank of Canada increased the overnight lending rate to 5.0 per cent. They also signaled to the market that further rate hikes have not been ruled out while inflation remains above target. The fixed income benchmark returned -3.9 per cent and our Fixed income portfolio underperformed with a return of -4.1 per cent.

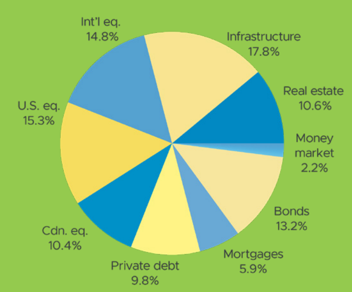
With rental rate growth outpacing inflation year-over-year in most major cities, the stable income and income growth being provided by various real estate assets, such as multi-family housing, has provided modest gains. Our Real estate pooled fund outperformed the benchmark return of 0.3 per cent by achieving a return of 0.6 per cent for the quarter.

Fixed income returns were negative for the quarter due to a significant rise in yields across the Government of Canada yield curve. Our Mortgage portfolio had a positive return of 0.9 per cent, outperforming the benchmark of -1.4 per cent in the quarter.

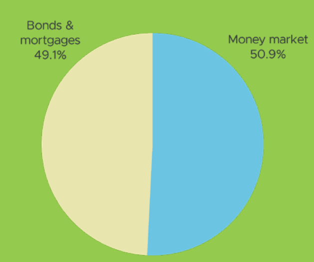
Our Infrastructure portfolio fell short of the 2.1 per cent the benchmark with a return of 1.0 per cent. Infrastructure continues to be a strong asset class due to global urbanization, replacing outdated services and creating new systems which creates good investment opportunities over the immediate and long term.

Our Private Debt allocation underperformed its benchmark in the third quarter. It had a positive return of 1.3 per cent. The benchmark return was 1.5 per cent.

Balanced fund portfolio at September 30, 2023



Diversified income fund portfolio at September 30, 2023



The market value of the Balanced Fund (BF) at September 30, 2023 was $596.8 million. This represents a return of 2.8 per cent after administrative expenses are allocated to member accounts.

The Diversified Income Fund (DIF) assets totaled $7.0 million at quarter end, returning 0.6 per cent after administrative expenses. The accompanying charts detail the BF and DIF asset mix as at September 30, 2023.

For more information, please visit our website at saskpension.com.

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

Top 10 Balanced Fund (BF) holdings at September30, 2023

	Canadian Equities	% of Port-folio	U.S. Equities	% of Port-folio	Non-North American Equities	% of Port-folio
1	Royal Bank of Canada	7.0	Microsoft	3.4	Total Energies	2.8
2	TD Bank	6.4	Alphabet	3.0	Samsung BMW	2.0
3	Canadian Natural Res.	5.4	Apple	3.0	Novartis AG	1.8
4	Bank of Montreal	4.6	Broadcom	2.9	Ntl Australia Bank	1.7
5	Toromont Industries	4.1	Veritiv Holdings	2.9	BMW	1.7
6	Constellation Software	3.8	NVIDIA Corporation	2.4	Novo Nordisk	1.7
7	Canadian National Rwy.	3.1	Merck & Co.	1.7	ITOCHU Corp	1.5
8	Tourmaline Oil Corp.	2.8	Philip Morris Int'l.	1.7	HSBC	1.4
9	Metro Inc.	2.8	United Health Group	1.5	CRH	1.3
10	CGI Inc.	2.8	HESS Corp.	1.3	Equinor ASA	1.3

SPP portfolio year to date September 30, 2023

	Return*	Benchmark
Balanced fund		
Short-term	3.3%	3.4%
Bonds	-1.3%	-1.5%
Mortgages	4.2%	0.1%
Private debt	3.6%	4.5%
Cdn. equities	3.9%	3.4%
U.S. equities	7.4%	12.8%
NNA equities	5.8%	6.8%
Real estate	1.5%	0.7%
Infrastructure	3.6%	7.3%
Diversified income fund		
Bonds & mortgages	-1.1%	-1.5%
Short-term	3.7%	3.4%

*Gross return before administration expenses

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