

Contributions

The Saskatchewan Pension Plan Newsletter

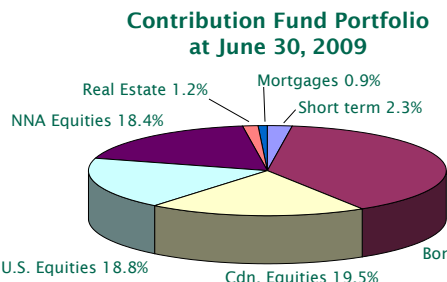
Market Commentary

(for the quarter ending June 30, 2009)

After reaching multi-year lows in the first quarter of 2009, equity markets around the world continued the rally started in March. Investor sentiment stabilized, as a consensus about the worst of the credit crisis being behind us took root. Evidence of stability was the U.S. Treasury stress test which affirmed the ability of the U.S. banking system to withstand very bleak economic assumptions and a clearer future for the U.S. auto industry.

Investors began adding risk back into their portfolios by again investing in companies whose survival was in doubt only a few months ago. As investors began reducing their most liquid and safe assets, the performance of government bonds was adversely affected.

Value stocks in the Canadian equity market outperformed growth stocks by more than 10 per cent. Top performing sectors were Info Tech, Financials and Energy while Telecom was the lone sector with a negative return.



The S&P 500 Index had its first positive quarter since 2007 with value stocks outperforming growth stocks in this asset class too. The appreciation of the Canadian dollar adversely affected the return in the U.S. equity portion of SPP's Contribution

Fund (CF) and the year-to-date return is still negative in local currency terms.

The Canadian dollar's strength against foreign currency also affected returns in the non-North American equity class. Most of the countries in the MSCIEAFE Index had double digit returns with Financials being the top performing sector and Health Care the bottom performer. Emerging markets continued to outperform developed markets.

The Bank of Canada lowered its target overnight rate once over the

Asset class	YTD Index return (%)	YTD SPP CF return (%)
Canadian Equities S&P/TSX Capped Composite Index	17.6	11.2
U.S. Equities S&P 500 Index (C\$)	-3.0	-3.4
NNA Equities MSCI EAFE Index (C\$)	1.6	6.1
Bonds DEX Universe Bond Index	2.8	3.9

quarter to 0.25 per cent. Corporate bond issues were the strongest segment of the market while long term bonds led mid and short term issues.

Asset allocation within the CF changed slightly during the quarter as investment managers made a tactical decision within the bond portfolio and moved money into a mortgage fund. In addition, money was directed to a real estate fund as a result of a Board of Trustees decision to include this asset class in the CF portfolio beginning January 1, 2009. Investment managers continue to be Greystone Managed Investments and Leith Wheeler Investment Counsel. The top ten holdings in each equity class are shown in the table below.

The CF return at the end of the second quarter was 3.6% after administration expenses.

TOP 10 HOLDINGS

Canadian Equities		% of portfolio	US Equities		% of portfolio	Non-North American Equities		% of portfolio
1	Toronto Dominion Bank	6.7	Microsoft	2.9	Cash (C\$)		3.2	
2	Royal Bank of Canada	6.6	Berkshire Hathaway	2.6	Nestle		2.6	
3	Bank of Nova Scotia	6.1	Pfizer	2.5	Novartis		2.3	
4	Encana	5.1	Johnson & Johnson	2.5	HSBC Holdings		2.0	
5	Talisman Energy	4.2	Markel	2.5	Royal Dutch Shell		1.5	
6	Research in Motion	4.0	Intel	2.3	Honda Motor		1.5	
7	Shopper's Drug Mart	3.7	Wal Mart Stores	2.3	CRH		1.4	
8	Saputo	3.4	Int'l Bus Machines	2.1	Total		1.4	
9	Canadian Nat. Railway	2.9	Merck & Co.	2.1	ENI		1.3	
10	Manulife Financial Corp	2.8	3M Company	2.1	Adidas		1.2	

To contact SPP:

Toll-free 1-800-667-7153
 Fax 1-306-463-3500
 TTY 1-888-213-1311
 E-mail info@saskpension.com
 Website saskpension.com

