



Legislative Assembly of Alberta

The 27th Legislature  
Second Session

Standing Committee  
on the  
Alberta Heritage Savings Trust Fund

Monday, June 15, 2009  
8:30 a.m.

Transcript No. 27-2-2

**Legislative Assembly of Alberta  
The 27th Legislature  
Second Session**

**Standing Committee on the  
Alberta Heritage Savings Trust Fund**

Forsyth, Heather, Calgary-Fish Creek (PC), Chair  
Elniski, Doug, Edmonton-Calder (PC), Deputy Chair

Blakeman, Laurie, Edmonton-Centre (AL)  
Campbell, Robin, West Yellowhead (PC)  
DeLong, Alana, Calgary-Bow (PC)  
Denis, Jonathan, Calgary-Egmont (PC)  
Johnston, Art, Calgary-Hays (PC)  
Kang, Darshan S., Calgary-McCall (AL)  
MacDonald, Hugh, Edmonton-Gold Bar (AL)

**Department of Finance and Enterprise Participants**

Robert Bhatia	Deputy Minister
Aaron Brown	Director, Portfolio Management
Sandie Hay	Manager, Endowments and Pooled Investments
Kari-ann Kuperis	Public Affairs Officer
Dave Pappas	Senior Manager, Investment and Debt Accounting

**Alberta Investment Management Corporation Participants**

Jai Parihar	Chief Investment Officer
Douglas Stratton	Senior Vice-President, Fund Management Group

**Auditor General's Office Participants**

Fred Dunn	Auditor General
Merwan Saher	Assistant Auditor General
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Ms DeLong: I'll move that.

[Mr. Elniski in the chair]

**The Deputy Chair:** Good morning, everyone. My name is Doug Elniski. I'm going to be the deputy chair, of course. I'd like to call this meeting to order. First, I'd like to welcome a new committee member, Mr. Hugh MacDonald. Hugh, welcome.

**Mr. MacDonald:** Thank you. Good morning.

**The Deputy Chair:** Then I'd ask, actually, that we go around the table and begin introductions. We'll start over here.

**Mr. Johnston:** Good morning. Art Johnston, Calgary-Hays.

**Mr. Campbell:** Robin Campbell, West Yellowhead.

**Ms Kuperis:** Kari-ann Kuperis, Finance and Enterprise.

**Mr. Pappas:** Dave Pappas, Finance and Enterprise.

**Ms Hay:** Sandie Hay, Finance and Enterprise.

**Mr. Stratton:** Doug Stratton, AIMCo.

**Mr. Parihar:** Jai Parihar, AIMCo.

**Mr. Bhatia:** Robert Bhatia, Finance and Enterprise.

**Mr. Brown:** Aaron Brown, Finance and Enterprise.

**Mr. Saher:** Merwan Saher, office of the Auditor General.

**Ms LaFave:** Betty LaFave, office of the Auditor General.

**Mr. Dunn:** Fred Dunn, Auditor General.

**Ms Sales:** Tracey Sales, communications services with the Legislative Assembly Office.

**Mr. MacDonald:** Hugh MacDonald, Edmonton-Gold Bar. Good morning again.

**Mr. Kang:** Good morning, everyone. Darshan Kang, Calgary-McCall.

**Mrs. Dacyshyn:** Corinne Dacyshyn, committee clerk.

**The Deputy Chair:** I understand we also have three people on the phone. If you'd be so kind as to introduce yourselves.

**Mrs. Forsyth:** Hi, everybody. It's Heather Forsyth from Calgary-Fish Creek.

**Ms DeLong:** Good morning. Alana DeLong, Calgary-Bow.

**Mr. Denis:** Good morning. Jonathan Denis from the beautiful constituency of Calgary-Egmont.

**The Deputy Chair:** Wonderful. Thank you. We have no temporary substitutions or anything, so everybody here is good to go.

The first order of business I'd ask is that we approve the agenda. Can I have a motion for approval, please?

**The Deputy Chair:** Thank you, Alana. All in favour? Any objections? It looks like it's carried.

Next item of business is the approval of committee meeting minutes of March 16, 2009. Do I have a motion for the approval of the minutes?

**Mrs. Forsyth:** I'll move those.

**The Deputy Chair:** Actually, I've got Mr. Campbell on that one. Thank you. All in favour? Opposed? Carried.

All right. Now, the first real item of business is the draft 2008-2009 Alberta heritage savings trust fund annual report. The report was posted on our internal website last Tuesday. The report is, of course, confidential until it's approved by the committee, and then the final copies will be printed and distributed to everybody else. However, if you did happen to see the *Edmonton Journal* this morning, you'll realize that we may have at some level gotten ahead of ourselves. I would actually at this point in time like to turn this over to the deputy minister to review the report, and then we'll follow that up with some questions.

**Mr. Bhatia:** Thank you, Mr. Chairman. Much as with other investors the fund's overall performance in 2008-09 was impacted by the global turmoil in markets, which resulted in a market value loss of 18.1 per cent. The fund's fair, or market, value was \$14 billion at March 31, a decline of almost \$3 billion. Of that decline, \$2.57 billion represented realized losses. The remaining \$490 million was a decrease in the value of unrealized portfolio gains. The majority of the loss came from the fund's investments in publicly traded equities, which were severely impacted by the global financial crisis. The fund lost 30 per cent on U.S. equities, for example, and 33 per cent on Canadian equities. About 43 per cent of the fund was invested in equities.

Because the fund had negative income over the last fiscal year, no money will be transferred to the general revenue fund. I must point out that this is only the second time in the fund's history that the fund did not provide income for Albertans. The loss also means there will be no dollars retained in the fund for inflation-proofing purposes.

Despite this, there were some positive aspects to the portfolio. Because the fund's portfolio of investments is well diversified, the fund was insulated from the full impact of losses of 30 to 40 per cent in world equity markets this year. Further, the fund made a profit in its real estate, money market, and private income holdings.

As an investment portfolio the heritage fund will of course be impacted by how the markets perform. The markets have been showing some improvements of late. Although it's too early to tell if this is a trend, it does lead to some positive signs as the fund goes forward. The fund is invested for the long term, and while it has been negatively impacted over the past year, we are confident it will recover in tandem with the economy.

I want to close by assuring you that the heritage fund remains one of the pillars of the province's fiscal framework. We have the sustainability fund, which is meant to act as a cushion when times are tough, like they are today. We also have the heritage fund, which represents Alberta's financial legacy for the future. The fund has supported Albertans' priorities for more than 30 years. We look forward to further decades of this support as the heritage fund fulfills its purpose of providing prudent stewardship of the savings from Alberta's nonrenewable resources by providing the greatest financial returns on those savings for Albertans.

After one more brief comment we'd be pleased to answer your questions. Sitting to my left is Jai Parihar, who is retiring at the end of this month after well over 35 years of service with AIMCo, Alberta finance, and the Alberta treasury before that. Jai has been the CIO, or chief investment officer, for a number of years for what is now AIMCo, and he was also instrumental in guiding the corporatization of the investment function to AIMCo. I just wanted to express my appreciation and share with the committee the congratulations to Jai on his retirement.

With that, we'd be pleased to answer questions.

**The Deputy Chair:** Okay. Thank you very much. Any questions? Go ahead.

**Mr. Johnston:** Thank you. Precision Drilling. It's the question that's coming at me most from my constituents, the purchase of – I'm not sure if it was all or a percentage of shares. Can you just give a quick overview, please, on that?

**Mr. Bhatia:** I'll comment very briefly, and then I'll turn it over to Jai. That was an investment, of course, that was made after the year-end, but it was an investment that AIMCo made on behalf of a number of its client funds.

I'll let Jai comment further.

**Mr. Parihar:** Yeah. Like Robert pointed out, that investment was made in the new fiscal year, so it's not before March 31. The investment was made to restructure the capital structure of Precision Drilling. The company approached us, and we talked to them. We infused some capital in their capital structure, and as a result the company is doing well, and our investment has at least on a market value basis appreciated since the investment.

**Mr. Johnston:** Yes. I did hear that the shares were up, and people are relatively happy, so that was a positive. Okay. Thank you very much.

**The Deputy Chair:** Mr. MacDonald.

**Mr. MacDonald:** Yes. Thank you, Mr. Chairman. Good morning. You mentioned, of course, that the Alberta heritage savings trust fund is one of the pillars of the province's fiscal framework. In the fiscal plan issued for Budget 2009, losses were listed as of budget time in April as \$2,412,000,000. Today we see that that has increased by another \$262 million plus the unrealized portfolio gains of \$490 million that you talked about earlier. The same fiscal plan indicates the government will receive revenue in this year, 2009-10, of \$778 million from the Alberta heritage savings trust fund. Do you still stand by that number?

8:40

**Mr. Bhatia:** The projection for the current fiscal year: all signs are good at the moment. Markets have been up quite substantially in the first few months of the fiscal year. In fact, the TSX index of Canadian equities is up about 22 per cent since the start of the fiscal year. In short answer to your question, yes, we are still very comfortable with that number.

**Mr. MacDonald:** Okay. Now, I'm looking at page 26, one of the footnotes, footnote (b), and I'm going to quote here.

In accordance with section 8(2) of the Act, the net income of the Fund, less any amount retained in the Fund to maintain its value, in accordance with section 11(1), shall be transferred to the [general

revenue fund] annually in a manner determined by the Minister of Finance and Enterprise. If the income of the Fund is less than that required to be retained, then the income, if any, shall be retained in the Fund.

Will any of that \$778 million anticipated by the minister of finance be held in the fund to hopefully see it grow again?

**Mr. Bhatia:** Right now we don't expect any to be retained in the fund, and the reason for that has nothing to do with the performance of the heritage fund. Rather, it's because the measure of inflation that we use for that purpose we're expecting will not be positive, so because there's no inflation, there's no inflation-proofing expected. If, in fact, the inflation turns out to be positive and income is as we forecast, then a portion will be retained in the fund.

**Mr. MacDonald:** Can I get back on the list, please, Mr. Chairman?

**The Deputy Chair:** Certainly.

Mr. Kang.

**Mr. Kang:** Thank you, Mr. Chair. Referencing the investment return chart on page 3 of the draft annual report, how do the losses to the fund for 2008 and '09 compare to those in 2002 and 2003, when the fund lost 11 per cent? Were there any losses in similar investment areas in each of these two fiscal years? If so, which ones?

**Mr. Bhatia:** Again, I can comment briefly, and then I'll ask Mr. Parihar or Mr. Stratton to supplement. Broadly there would be some similarities because in 2002-03 there was a significant downturn in equity markets, and of course many of the losses in 2008-09 were also in equity markets. In general, yes, there would be broad similarities. There would, however, be differences. I don't have a detailed comparison in front of me, so I can't provide you that right this minute, but that is something we could follow up on to show you more detail.

**Mr. Parihar:** Mr. Chairman, I can supplement on that question. The one difference between 2002-2003 compared to the 2008-2009 is the credit markets, where the fixed-income securities lost money due to credit widening and defaults. Whereas the 2002-2003 was mostly an equity market drop, 2008-2009 was both equity market and fixed-income drop.

**Mr. Kang:** Were there any changes made after the 2002 and '03 losses to the investment portfolios?

**Mr. Parihar:** Yes. The portfolio is even more diversified now than it was in 2002-2003.

**Mr. Kang:** So that would have prevented further losses?

**Mr. Parihar:** That, in fact, should have cushioned the portfolio to losses because the portfolio is more diversified now than it was in 2002-2003. For example, we now have investment in infrastructure and other asset classes more so than we did in 2002-2003.

**Mr. Kang:** Thank you.

**The Deputy Chair:** Thank you.

Just to interject, has anybody on the phone got any questions?

**Mrs. Forsyth:** I would like to ask them something. It's Heather Forsyth.

**The Deputy Chair:** Okay. Go ahead, Heather. You're up.

**Mrs. Forsyth:** Thank you. Overall, how does the loss that we've had compare to the rest of the markets? For example, you know, as a person I have lost a lot more than 18 per cent, but how does it compare overall?

**Mr. Parihar:** Well, first of all, no two funds are similar because they have a different asset mix, but I do know that the Canada pension plan, which has a similar fiscal year as the heritage fund, which is March 31, lost 19 per cent compared to 18.1 per cent for the heritage fund.

**Mrs. Forsyth:** Okay. Thank you.

**The Deputy Chair:** Thank you.  
Was there someone else there?

**Mr. Denis:** Yes. Just a follow-up to Mrs. Forsyth's question. She mentioned that the 18 per cent is much less year over year than the overall market loss. I'm wondering if you could comment on some of the controls on a go-forward basis that resulted in a much lower rate of change vis-à-vis last year.

**Mr. Bhatia:** I can comment a little bit on that. First of all, while the heritage fund has controls and limits to ensure the diversification of its assets, they are not intended to eliminate the impact of the ups and downs in equity or other financial markets. Because the heritage fund is invested for the long term, it does take the risk of equity markets and other financial risks. What AIMCo strives to do is to invest prudently, avoiding unnecessary risks but also taking risks to obtain a greater long-term return.

The asset allocation for the heritage fund has always been set by the government and published as part of the heritage fund business plan, that this committee reviews and approves. Going forward in the business plan that was approved for the current fiscal year, we've taken a somewhat different approach to the asset allocation, in fact providing AIMCo with broader latitude to choose the specific types of investments within wide categories such as equities, money market, inflation sensitive, and alternatives, and that will enable AIMCo to make the best use of its investment expertise and investment latitude; for example, by potentially increasing investments in real estate, investments in infrastructure that may be less volatile on a day-to-day basis.

**The Deputy Chair:** Thank you.  
Moving along, Mr. MacDonald.

**Mr. MacDonald:** Yes. Thank you very much. I have some questions around the exchange rates. The fiscal plan for this year, 2009-10, or the current fiscal year, indicated that we were going to be targeting a dollar, an exchange rate of I think it was 81 cents, ballpark 83 cents, and any cent up or down would have a price sensitivity of \$221 million. Could you explain to us how the changes in exchange rates affect returns on investments in the heritage savings trust fund, and what do you anticipate will happen?

**Mr. Bhatia:** Again, I'll just comment very briefly and then ask the others to supplement. The exchange rate sensitivity that you noted in the fiscal plan, of course, is much broader than the investment side. It also is related to the province's revenues from oil and gas.

With respect to the investment portfolio I'll ask Jai or Doug to comment.

8:50

**Mr. Parihar:** Yes. Mr. Chairman, the heritage fund's investments outside of Canada are obviously unhedged, so the equity investments in the U.S. and the international market are unhedged. To the extent the Canadian dollar appreciates against the U.S. dollar and other currencies, those investments decline in value when you translate those into Canadian dollars.

**Mr. MacDonald:** Thank you. My next question would be: given that close to 15 per cent of the heritage fund is held in U.S. equities, what do you anticipate that change will be now? We've gone from an 83-cent dollar to well north of 90 cents. There are those who anticipate that by the end of the year we could be on par with the U.S. dollar. Will that affect negatively the minister of finance's projection that we will have an additional \$778 million in investment income from the heritage savings trust fund?

**Mr. Parihar:** It would affect negatively. The extent of it would depend on how much decline there is by the year-end, and obviously, like Robert pointed out, there are other aspects of the province's fiscal plan which also depend on the currencies.

**Mr. Bhatia:** Just one brief supplemental. The change in the market value of the investments themselves would in most years be more significant than the change in the exchange rate, but it remains to be seen what happens this year.

**Mr. MacDonald:** Can I get back on the list?

**The Deputy Chair:** Sure. Thank you.  
Does anyone on the phone have a question?

**Ms DeLong:** Yes. Alana.

**The Deputy Chair:** Okay. Go ahead, Alana. It's your turn.

**Ms DeLong:** My understanding is that with the heritage savings trust fund our number one goal is just to produce value for the government, but at the same time I would like us not to avoid investing in Alberta. Because we had all of that negative press surrounding the purchase of Precision, I'm a little bit concerned that you're going to be discouraged from spending money in the Alberta market. Is that the case at all?

**Mr. Bhatia:** Mr. Chairman, the investment policies of the heritage fund in particular, which is what we're dealing with here, are neutral as between Alberta and anywhere else. As you know, as I mentioned a few minutes ago, on the broad asset categories that frame the investment policy for the heritage fund, on the choice of where to make those investments other than very broad classes of equity investments, as between Canadian and the rest of the world, for example, the choice within those categories is left to AIMCo, and they can choose to invest in Alberta if the opportunities are good or to invest elsewhere if they see better risk-adjusted returns elsewhere.

**Mr. Parihar:** Just to supplement, I agree with the deputy minister that we have the latitude to invest the money from the heritage fund on a risk-adjusted basis where we would get the best returns. We do invest in Alberta. If you look at page 12, there's a pie chart for real estate, and you'll notice that 38 per cent of real estate investments are in Alberta.

**The Deputy Chair:** Excellent. Thank you.  
Anything else, Alana?

**Ms DeLong:** No. Thank you.

**The Deputy Chair:** Okay. Moving right along, Mr. MacDonald.

**Mr. MacDonald:** Yes. Thank you, Mr. Chair. I have a question regarding the writedowns. In 2008 there was \$225 million in writedowns. This year in the annual report there are writedowns totalling \$883 million, roughly a 300 per cent increase. Can you explain why we've seen this dramatic increase in the number of writedowns?

**Mr. Bhatia:** I will again give a brief overview. The writedowns in general reflect the dramatic changes in the marketplace that we've seen. Where securities are held in a form like an actual stock or bond that is not an index instrument, the market value can differ significantly from the original cost at which it was purchased. In order to prepare the financial statements appropriately, we make a judgment as to the extent of the adjustment between that original cost and the current market value that is necessary in order to provide the right disclosure in the financial statements. In general, the greater the market value losses, the greater the writedowns will be.

I'll just ask Mr. Pappas if he has anything he'd like to add.

**Mr. Pappas:** It is our policy as part of the preparation of the financial statements to record writedowns when there has been a significant decline in the value of the investments.

**Mr. MacDonald:** Can I please have a list of these writedowns?

**Mr. Pappas:** Yes.

**Mr. MacDonald:** I would really appreciate that.

**The Deputy Chair:** Just as a reminder, I'd just like to remind the department to please ensure that all of the follow-up items are submitted through the clerk. Thank you.

Next up is Mr. Kang.

**Mr. Kang:** I will take Mr. MacDonald's question a step further. I think the clarification we were looking for is, you know, how much money we're going to lose on the return of the investment of the heritage trust fund if the exchange rate stays at 90 cents. For the sake of argument, let's say that our dollar is at 90 cents instead of 83 cents against the U.S. dollar. Is there any projection on how much we're going to lose on the return of the heritage trust fund investment?

**Mr. Parihar:** Yes. We can do a simple calculation for you based on certain assumptions, but we should recognize that the portfolio is diversified, so what you may lose against the U.S. dollar, you might gain against other currencies. We can provide you some sensitivity analysis on the U.S. equity investments based on change in currency value.

If I can just try to answer Mr. MacDonald's question, of the \$883 million writedown, \$612 million was in public equities, and \$193 million was in fixed income. That's all based on the writedown policies we have in the department.

**The Deputy Chair:** Thank you.

**Mr. Kang:** Now, there is much talk about diversified portfolios throughout the report, and page 6 notes a new asset mix being in

place at the end of a comprehensive review of the fund's assets. What investments of the fund have changed, if any, following the review?

**Mr. Bhatia:** Mr. Chairman, the change in the asset mix policy is meant to be a longer term change. It will allow, as I mentioned earlier, AIMCo to choose among a wider range of investment opportunities, and that will go on over the course of years.

As to whether there's been anything that's changed in the very short term as a result of that, I'll ask Mr. Parihar or Mr. Stratton to comment.

9:00

**Mr. Parihar:** Yes. I can answer that. We do look for opportunities to diversify the investments in the fund. We want to increase our allocation into asset classes such as infrastructure, where there are better opportunities on a risk return basis, so you can see us doing more investment in that particular area.

**Mr. Kang:** We've been hearing about investment in the U.S. from the heritage trust fund. Have we diversified our investments, like, say, some funds into China or India? Whenever we put BNN or any other investment news on, we hear, you know, all they talk about is the Chinese and Indian economies and how they're going to pull us out of this global recession. Have we done any investment into those economies where the returns could be much bigger or better or maybe safe?

**Mr. Parihar:** Yes, we have. In India we have done investments in one infrastructure fund and one private equity fund and also investments in public equities. In China because of the lack of transparency we have not made direct investments, but we have made indirect investments in China through some companies listed on the Hong Kong stock exchange.

**Mr. Bhatia:** Mr. Chairman, just to supplement on that, the new investment policy of the heritage fund does allow AIMCo a significant degree of latitude to put money into emerging markets. The equity allocations allow for up to 10 per cent in emerging markets and an additional 5 per cent in frontier markets, so there is significant latitude when the investment managers judge that the time is right.

**The Deputy Chair:** Thank you.

Questions from the phone, anyone? Hearing none, next up, Mr. MacDonald.

**Mr. MacDonald:** Yes. Thank you. I'm interested in getting your perspective on the new investment policy and what it means for this annual report. I'm referencing page 8 of the annual report. You write here:

Over five years, the Fund's actual return was 2.6% compared to its policy benchmark return of 2.9%. One of the main reasons for the Fund's under-performance this year relative to the benchmark was the Fund's exposure to credit. AIMCo had a significant allocation to corporate bonds in its fixed income portfolio compared to the benchmark.

Now, is this exposure to credit, this size of exposure, part of AIMCo's new investment policy?

**Mr. Parihar:** No. That is not the case. The investment in the fixed income is there and will continue to be there. What happened in 2008-2009 was that credit spreads widened on a whole bunch of investments, and there were some defaults. As a result of credit

widening, we expect most of it to come back, so that return will come back. Where we have had defaults, obviously, those will be permanent losses there.

**Mr. MacDonald:** Okay. Now, I certainly wish I had Alberta finance's 2007-08 annual report with me. There is a significant investment in an endowment fund there – I think it's for medical research – that was almost exclusively placed in the bond market, correct?

**Mr. Parihar:** No. That is not correct.

**Mr. MacDonald:** Okay.

**Mr. Parihar:** You're talking about medical research?

**Mr. MacDonald:** Yes.

**Mr. Parihar:** That portfolio is diversified.

**Mr. MacDonald:** Okay. But when you look at that asset mix, it was significantly different – am I right or wrong? – than what the asset mix is for this year we're talking about for the heritage savings trust fund. It had to be.

**Mr. Bhatia:** Mr. Chairman, I'm not sure what fund the member is referring to.

**The Deputy Chair:** Nor am I.

**Mr. Bhatia:** But it is probably beyond the scope of this discussion, which is really focused on the heritage fund.

**Mr. MacDonald:** No. With all due respect, it is not. What my question would be is: if that investment policy was followed with that fund and now we see this exposure here, that has cost us countless hundreds of millions of dollars, why was one fund invested differently than another? It's still the taxpayers who own this money.

**Mr. Bhatia:** I can answer that question, Mr. Chairman. The investment policies of each fund are aligned with whatever the investment objectives are of the fund. For example, the heritage fund, as I indicated at the beginning, is invested for the long term, so it is oriented to assets that should over the long term provide superior returns. Some of those assets will have highly variable individual year results like we've seen this past year. We've also had years when they've been highly variable in a positive direction.

Other funds which have different investment objectives will have different investment policies. Just to draw a fairly stark contrast, investments in the sustainability fund, for example, are oriented to short- to medium-term fixed-income securities because those funds are invested with a shorter term time horizon than the heritage fund. It all depends on the underlying objectives of the fund.

**The Deputy Chair:** Good. Thank you very much for that.

I would like to remind all hon. members that, of course, our mission and mandate here this morning is to review the Alberta heritage savings trust fund. We're asking questions that I think do go beyond the scope of that.

The next speaker is Mr. Kang.

**Mr. Kang:** Okay. We were talking about portfolio diversification.

Are there any changes being made in the investment portfolios, keeping the global crisis in mind? Is there any ongoing review?

**Mr. Bhatia:** I'll answer first from the investment policy perspective just that there was extensive review and analysis that went into the changes in the investment policy that are reflected in the business plan for the current year.

I'll let Mr. Parihar respond with respect to tactical changes that may have occurred.

**Mr. Parihar:** We do now have more flexibility in the investment policy given to AIMCo by the department of finance, and we intend to use that flexibility to better manage the portfolio going forward. Like I pointed out earlier, we are seeing a number of opportunities in alternate assets classes, particularly in infrastructure. We intend to take advantage of those. Going forward, we have more flexibility, and we intend to use that flexibility in this contained way to diversify the portfolio further.

**The Deputy Chair:** Thank you.

Anyone on the phone, a question? Hearing none, Mr. MacDonald.

**Mr. MacDonald:** Yes. I still have some more questions, Mr. Chairman, and I appreciate the time of the gentleman from Alberta finance. On page 6 of the annual report you're talking about plans and planning forward. The Minister of Finance and Enterprise on April 1, 2009, approved the following new asset mix for the fund. Equities – there's a broad range here – can be between 35 per cent and 70 per cent. I think that as of the end of March it was 40-plus per cent, 43 per cent. For money market and fixed-income funds there's a wide range. Also, for inflation sensitive and alternatives there's a wide range of 15 per cent to 40 per cent. Why is there such a large range here of asset mixes in their investments? At this turbulent, volatile time why have we got this wide range?

9:10

**Mr. Bhatia:** Again, the asset mix range and the new investment policy was set with a view to the longer term, not to the particular circumstances that we have had over the last year. In volatile times this approach does give AIMCo considerable discretion and ability to be nimble in responding to whatever the market conditions are. More fundamentally, the wide ranges are intended to give AIMCo the ability to find the best returns for the expected risk. That can mean, for example, moving additional funds from equity into infrastructure or real estate if that provides the best return subject only to a broad constraint on diversification.

**Mr. MacDonald:** Well, yes, Mr. Chair, I can appreciate that. But the five-year return, according to what I'm reading in this report, is 2.6 per cent compared to the policy benchmark return of 2.9 per cent. I'm a little worried about this when we recognize that we're \$3 billion less in value than we were last year. What would be the percentage for the new asset mix for the money market and fixed income and the inflation sensitive and alternatives that are mentioned in here on page 6? What are the asset mixes currently if it's 43 per cent for equities?

**Mr. Bhatia:** On page 10 of the annual report there's a chart at the top which gives the actual asset mix as of March 31, 2009, in blue and then the comparison to March 31, 2008, in grey. For example, you can see there that real estate investments were 13.9 per cent. You can see that that was an increase from the previous year, an area that AIMCo has been putting more emphasis on. You can go down the list and see the other asset categories that you mentioned.

**Mr. MacDonald:** But where do they belong? I can understand that, but where do they belong in the category of money market and fixed income? Can you break them down, tell me where they belong, in which category and at what percentage?

**Mr. Bhatia:** Yeah. Mr. Chairman, that information is in the heritage fund business plan, that was published with the budget and that this committee had reviewed. Very quickly, money market and fixed income are grouped together, and then there's a category called inflation sensitive and alternatives. Inflation sensitive and alternatives are real estate, infrastructure, real return bonds, timberlands, and hedge funds. Equity is pretty much self-explanatory, traded and private equity.

**The Deputy Chair:** Next up?

Do you have another question, Mr. MacDonald?

**Mr. MacDonald:** Yes. If you don't mind, please.

**The Deputy Chair:** Sure. Go ahead.

**Mr. MacDonald:** On page 27, investment expenses. Total investment expenses between 2008-09 have increased from \$64 million to \$73 million. Can you explain why those investment expenses have gone up?

**Mr. Bhatia:** Generally, it is in considerable part because of the evolving composition of the fund toward some of the more expensive types of investments to administer. That would include things like hedge funds, private investments, and real estate, like I mentioned a minute ago. Another factor would be the creation of AIMCo, to a minor degree the cost of actually creating the corporation and its infrastructure but also the growth and the development of AIMCo with the acquisition of additional people and expertise.

**Mr. MacDonald:** So the administrative expenses for AIMCo over the years are much higher than what the minister of finance did internally?

**Mr. Bhatia:** Well, you can see the increase between 2008-09, which was after the creation of AIMCo, and 2007-08, which was mostly before the creation of AIMCo – AIMCo was created on January 1, 2008 – so there has been an increase. As I indicated, a portion of that could be attributed to the creation of AIMCo and its development, but a significant portion is also because of the types of investments that the heritage fund holds.

**Mr. MacDonald:** Okay. From page 13 of this annual report I'm going to quote here again. "The Department of Finance and Enterprise provides investment accounting and reporting for the Fund, investment policy oversight and treasury management services." A portion of these costs is charged to the fund. Now, are those costs included in the \$73 million allocation or amount, or are they separate? If they're separate, how much are they?

**Mr. Bhatia:** They are included, and they're a very small percentage of the total. I'm afraid we don't have a number for you right now.

**Mr. MacDonald:** Okay. How many staff are there still in the finance department who oversee or look over the investments of the heritage savings trust fund?

**Mr. Bhatia:** There are several staff who spend at least part of their

time doing that. The treasury management division, which is headed by an assistant deputy minister, has several people who spend all or part of their time on the investment policy matters and things related to that. Then our investment accounting division does the actual accounting and the financial statements that you see here today.

**Mr. MacDonald:** Thank you. I don't think you should let them retire.

**The Deputy Chair:** Thank you.

**Mr. Kang:** Coming back to page 13 of the draft annual report, it outlines AIMCo's role in the fund. How have the practices and investment strategies at AIMCo changed since the losses in the fund? You know, we're losing about \$3 billion. Are there any changes made at the top towards practices and investment strategies? I'm coming back to the same question again; I just want to get some satisfactory answers about investments.

**Mr. Parihar:** I mentioned earlier that the portfolio is being diversified further and that we are acquiring more talent. The staff head count is increasing for us to be able to invest money in the asset classes where we see that on a risk-adjusted basis there are going to be better returns. We are diversifying the portfolio, and to do that, where necessary we are investing money in people and systems and risk controls and so on.

**Mr. Kang:** Okay. Will the minister be regularly reviewing the performance and practices over the next year as global financial markets continue to change? Will the minister have any role in AIMCo?

**Mr. Bhatia:** The minister's role is to set the broad investment policy and to monitor at a high level AIMCo's performance. The detailed tactics are AIMCo's responsibility.

Perhaps Mr. Stratton would like to supplement.

9:20

**Mr. Stratton:** If I may discuss a little bit of AIMCo's reaction to the markets, 2008 was an extraordinary year from a number of points of view, similar to 2003 in the sense that the equity markets were off strongly but, as Jai Parihar indicated earlier, also the credit markets responded. With that was an extraordinary drop in liquidity in the markets, the ability to buy and sell securities, even the most liquid of securities. We read in the paper of a number of incidents of certain extremely large pension funds, both north and south of the border, having issues with liquidity.

AIMCo's response in a sense was in two ways: one, defensive and also, the second, to take advantage of the opportunities. On the more defensive side that would include being very focused on liquidity and managing liquidity, managing cash reserves, and those sorts of approaches, including being cautious about making obligations in the market. Particularly, our focus was on the middle and the late part of 2008. The market is adjusting right now. Its volatilities are now coming down. They're still at very high levels, but they are coming down somewhat.

The second approach we would have was one of taking opportunities of the dislocations that have occurred in the market and where we can provide long-term liquidity to the market in the hopes of adding value to not only the heritage fund but all the accounts that we are involved in.

In summary, it's both defensive in the sense of making sure that we look very carefully at the market as it's changing – again, 2008



was an extraordinary market that we were dealing with – but also to do what we need to do, and that is to take advantage of opportunities. Some of the opportunities which were a direct result of the 2008 dislocations were mentioned here today.

**The Deputy Chair:** Thank you very much.

**Mr. Kang:** Whenever the fund is making money, everybody's taking the credit. The government is taking the credit; maybe AIMCo will be taking the credit. Since things are, you know, going sour, if there are further losses, who will be ultimately responsible? Will it be the minister, or will it be AIMCo? Where will the responsibility ultimately lie here?

**Mr. Bhatia:** Mr. Chairman, the minister, of course, is broadly responsible for AIMCo, and the minister is responsible for the heritage fund. The investment policy is approved by the minister with the support of both the department and AIMCo. Then AIMCo's responsibility is to carry out that investment policy, and that responsibility is measured by returns relative to benchmarks. So the accountability is quite clear.

**The Deputy Chair:** Wonderful. Thank you.

Well, ladies and gentlemen, having reached the end of my speakers list and in order to fulfill our mandate of having this particular report approved by this standing committee and distributed to all members by June 30, I would now entertain a motion to approve the report. Mr. Johnston. All in favour? Okay. The motion is carried. Thank you very much.

Moving on to the second piece of business. But before we do that, on behalf of the committee, Jai, I'd like to thank you for your many, many years of service on behalf of all of the citizens of the province of Alberta. Your financial acumen and expertise have not gone unnoticed, and I know we're a better place to be because of your participation in it. So I wish you all the best in your retirement. You know, have a great rest of your life.

**Mr. Parihar:** Thank you, Mr. Chairman.

**The Deputy Chair:** Okay. The next item we have on the agenda is the location of the 2009 public meeting.

**Mr. MacDonald:** Most people think Calgary-McCall.

**The Deputy Chair:** Well, we'll just go through the list here. Looking ahead to this year's meeting, we need to make some decisions about where we're going to do it. We don't know for sure yet where scheduling is going to be.

**Mr. Denis:** Can I get on the list, please, Chair?

**The Deputy Chair:** Certainly.

So far it looks like in 2005 we were in Calgary; 2006, Vermilion; 2007, Red Deer; last year, 2008, Edmonton. We need to have a little bit of discussion, and I would entertain a motion for the location of where we want to have it. Oh, wait. First we've got a speakers list. Mr. Denis, sorry.

**Mr. Denis:** I actually would like to make a motion that it be held at a location to be determined in the city of Calgary. I think that geographically it's our turn. I appreciate that Edmonton-Calder is a beautiful constituency, but, Mr. Chair, you had yours.

**The Deputy Chair:** So we could have it again. What's up with that?

Okay. Mr. Denis, we need, actually, to narrow that down a little bit. We need to decide a location.

**Mr. Denis:** Do you not require a motion just before there's any discussion?

**The Deputy Chair:** Yes. Okay. So now we can have some discussion on locations.

**Mr. Kang:** Let's do it in Crossfield.

**The Deputy Chair:** Okay. We have Crossfield on the list.

Mr. Johnston.

**Mr. Johnston:** Calgary-Hays.

**The Deputy Chair:** Calgary-Hays. Okay. So if we want to have it in Calgary and we actually want to have it in Calgary, it looks like – oh, Mr. MacDonald.

**Mr. MacDonald:** Yes. Can I get on the speaking list, please, Mr. Chairman?

**The Deputy Chair:** Certainly. You are now, in fact, at the top of the speaking list. Help yourself.

**Mr. MacDonald:** Okay. I can sympathize with the hon. Member for Calgary-Egmont. Calgary is a very fine location. When I last sat on this committee, I had the pleasure of attending the meeting in Calgary at Mount Royal College. The communications people could probably correct me on this, but it was very poorly attended. No disrespect to Mount Royal. It was on the second floor. There were issues around parking. There were issues around access and signage. So if it is to be in Calgary, if we could have it at a location that was more convenient for taxpayers, I think it would be in the public interest.

But I am going back to 1998 here. On November 4 there was a meeting in Lethbridge. That's the last time we've gone to the south end of the province. Perhaps it's time we had the meeting in Lethbridge.

**The Deputy Chair:** The motion that we have before us right now, of course, is to have the meeting in Calgary. Mr. Denis, did you want to amend your motion?

**Mr. Denis:** If I could just add to that. I appreciate the Member for Edmonton-Gold Bar's concerns, but last year when we had it in Edmonton, it's my respectful submission to this committee that it was poorly attended as well. I don't think that that's something that's geographic location specific that should preclude it from coming back to Calgary.

If the Member for Edmonton-Gold Bar is making a comment about accessibility, I think he's probably right. Maybe it shouldn't be on the second floor. Maybe we should advertise it a little better. But I do think it's definitely Calgary's turn to be having it this year.

**The Deputy Chair:** Okay. The motion on the floor, then, is to have the meeting in Calgary.

Mr. MacDonald.

**Mr. MacDonald:** Yeah. I understand what Mr. Denis is stating. It

is my experience that in the smaller centres there has been a significantly larger turnout and interest whenever the committee has their annual meeting. I can think of Red Deer, and I can think of Vermilion. Whatever happens, if we could advertise it, hopefully there will be more interest shown by the public.

**The Deputy Chair:** Thank you.

Since the committee is not going to be meeting again prior to the annual general meeting, I need to narrow it down in terms of what constituency we want to be in. Did you want to amend, or do we want something else to go on with that? Some comments, please.

**Mrs. Forsyth:** Well, if I may, Mr. Chair, it's Heather Forsyth. I support the motion that's on the floor on moving it to Calgary. Speaking for Calgary-Fish Creek, I have some great places, but I would actually like to see it go to Art's constituency because it's grown so much and with the demographics, the young people, I think there might be some interest. Art may want to comment about spaces available, but there are a couple that come to mind that I think would be perfect as far as parking and none on the second floor or anything. Those are just my comments.

**The Deputy Chair:** Okay.

**Mr. Denis:** I'd be prepared to amend the motion to have it in Calgary-Hays if that's amenable to the board.

**Mr. Johnston:** I'd second that.

9:30

**The Deputy Chair:** Okay, Mr. Johnston. We don't need a seconder, but that's okay. We appreciate that.

The motion as it stands now is to have the 2009 Alberta heritage savings trust fund meeting in the constituency of Calgary-Hays. Okay. Call the question? All in favour? Carried. Thank you very much. Wonderful. Moving right along. Progress is being made. I'm going to make my next meeting.

The next item on the agenda is the draft communications plan 2009-2010. At this point in time I will invite Tracey Sales to present us with a brief overview of the plan, and then we'll open the floor to any questions the committee members might have.

**Ms Sales:** Thank you, Mr. Chair. Having just found out the location of the meeting – of course, I didn't have that information when I was writing the plan – the plan is very general. The recommendations are based on the data from the 2007 omnibus poll that was carried out throughout Alberta as well as meeting survey data from past meetings. What I'm hoping is that I will do a general walk-through of the plan and that if the committee is agreeable to the general direction of the plan, at the fall meeting I can provide an action plan with specific recommendations that are based on the location chosen. Okay?

I'm just going to give you a quick walk-through. The three main aspects of the plan are promoting the public meeting locally, promoting the fund province-wide, and measuring the results. Under the public meeting I'm suggesting that we advertise locally. Now knowing that it's Calgary, I would recommend there are various dailies that we would want to run the advertisement in. As well, there are probably some weeklies that would be great to advertise in in the surrounding area because Calgary does have a lot of surrounding communities that are within close proximity.

I suggest, of course, we're going to target all Albertans because the fund really is for all Albertans, but I would recommend further

that we would target a mature as well as senior audience. According to our research, Albertans in the 45-plus age category show the most interest in the fund and are the most likely to attend a public meeting, so I think that targeting that large age group actually would hopefully bring out more people.

Targeting community leagues. There are many community leagues that are very active within Calgary, so using them to help to communicate with members of the communities is a strategy that I would recommend. Further, using media relations to get the word out about the public meeting.

As well, as has been mentioned – it may not have been a strategy in the past – promoting through the meeting site. Depending on where the meeting is held, some locations are very active, and they have lots of events going on all the time, so I'm suggesting posters be put up ahead of the meeting so that the people who do attend that site know about it because they're likely to return for a meeting at that site if they attend that site often.

I'm also recommending that we update the stats card. That's an information card on the fund that we often hand out at these meetings. I'm recommending that we do that again.

For the province-wide promotions I'm suggesting that we advertise in the weeklies. Now, there are well over a hundred weeklies across Alberta. There are 44 weeklies, I believe, across Alberta that fall into the 5,000 and over as far as distribution and circulation. To keep costs down I'm recommending that we advertise in those papers specifically. As well, I'm of course recommending that we make the best use of the committee website. Generally, we have links to information on the Alberta heritage website to the committee website, where we promote the information about the meeting.

For measuring results, I'm actually suggesting that we have another omnibus poll. The last one, as I mentioned earlier, was 2007, so this spring will be three years. A lot has changed as far as the way people like to receive their information. It might be a good idea to make sure that we're still in line with the Alberta public and their preferred ways of receiving information. An omnibus poll across all of Alberta is a good way to do that. I'm recommending Focus Alberta. It's a quarterly omnibus poll, a survey of 1,000 adult Albertans offered by the Environics Research Group.

As well, the usual web stats. We always keep track of the web stats and then use those as far as knowing how well our advertising drove people to the website for more information, that sort of thing, on the public meeting.

The total estimated communications costs based on these strategies would be about \$50,000. Again, this is estimated because, of course, I was making the plan not knowing the location. Now I know the location. There may be additional costs based on additional strategies.

**The Deputy Chair:** Okay. Thank you.

We do have a bit of a speakers list.

**Mr. Denis:** Could I get on the list, too, please?

**The Deputy Chair:** Certainly.

**Mr. Denis:** Thank you.

**Ms DeLong:** I'd also like to get on the list.

**The Deputy Chair:** Okay.

**Mr. Kang:** I would just suggest putting those four by eight signs,

you know, those board signs we have, maybe scattered around Calgary, a few areas, or close to the venue we have. Usually they have big billboards around the venue, too. You know, those big four by eight signs.

**Mrs. Forsyth:** If I may, on the signs, Darshan, not to argue. If we're going to go by signs, then let's rent some of those billboard signs. We don't need to junk up the city.

**Mr. Kang:** Well, you know, that was just a suggestion, something that came to my mind. I'm easy to get along with.

**Ms Sales:** Thank you for that suggestion, and I can definitely look into that.

**The Deputy Chair:** Thank you.

The equally easy to get along with Mr. Denis.

**Mr. Denis:** Thank you very much, Mr. Chair. Mr. MacDonald has made a good point about lack of attendance in the past. That's of concern to me, too. What I'm wondering is if the communications department can provide some sort of a draft, like, eight and a half by 11 sheet that we could circulate just throughout some of the groups in our respective constituencies.

**Ms Sales:** As far as attendance in the past?

**Mr. Denis:** I'm saying in an effort to improve attendance this year vis-à-vis the past.

**The Deputy Chair:** Yes. If I might just interject here briefly, Mr. Denis, one of the issues that occurred last year, of course, was that the host MLA had in previous years a budget, and then that item was removed last year. I think we might want to still consider the ability to generate attendance at these meetings by encouraging not just the host MLA but other MLAs with the ability to tap into their own resources and their own groups of people to attend these kinds of things.

Does that kind of cover where you're going there, Mr. Denis, or no?

**Mr. Denis:** Yeah, that's kind of what I was thinking as well. Any one of us or even other members of the Assembly could start to circulate that just out in their respective constituencies.

**Ms Sales:** Okay. I'm sorry, Mr. Chair. I'm going to have to ask you to clarify. Provide the members with what exactly?

**The Deputy Chair:** Just to quote from a personal example, last year at the Edmonton-Calder meeting approximately half the people at that meeting were people that I had specifically invited to attend. I think that each of the hon. members is able, in fact, to do likewise. So I would encourage us to not only put our resources into general advertising but also to perhaps offer something so that each hon. member is able to target and specifically invite people in their constituency without additional cost to their constituency associations.

**Ms Sales:** Okay. I will look into that as well. Thank you.

**The Deputy Chair:** Thank you.

Ms DeLong.

**Ms DeLong:** Thank you. A couple of points. First of all, along the same lines that Jonathan was talking about, in terms of us being able to advertise this for essentially zero is if we could just use that to send out through our e-mail lists to advertise. I'm sure that we can do something on Facebook individually to also promote this. Again, that would be at no cost.

9:40

There is something that I'd also like to bring up at this point, and that is that we are looking at tighter and tighter budgets at this point. I wonder if we could put off this omnibus poll until possibly next year or the year after. I mean, we're all communicators, and we've all got ideas as to how we can get information out, so I'm wondering if maybe what we could do is just do our best over the next year or two in terms of adjusting our communication according to our own personal experiences and avoid this \$17,000 this year.

**Ms Sales:** Mr. Chair, if that is the decision of the committee, then definitely we can put that off.

**The Deputy Chair:** Okay.

**Mr. Campbell:** I'd rather spend the \$17,000 on the poll and actually talk to a thousand Albertans versus spending a bunch of advertising on a public meeting that a lot of people aren't going to attend. I mean, we can spend \$17,000 on advertising in the city of Calgary and put billboards up and be lucky to get a hundred people to show up at this meeting whereas we can spend \$17,000 on a poll and actually talk to a thousand Albertans. I'd be in favour of the poll, and I'd be cutting our budget on advertising this meeting.

**Mrs. Forsyth:** If I may, Mr. Chair, I think we've got some good ideas that we can do from our own perspective by advertising through our community newsletters. I know people read my community newsletters. We also have the opportunity to put some posters in our MLA windows. It's like you said, Mr. Chair. When you were hosting it last year, I just know the incredible amount of work that you did in just trying to get people there. I would rather get the stats – I think it was Robin who made the comment – and find out the demographics that way and cut back somehow on the advertising. If we could go into the *Calgary Herald* or the *Calgary Sun*. I'm just looking at a third page ad right now, and I can't even imagine how much that would cost.

**Mr. Denis:** Just further to that, Heather, the cost of the community papers is very minimal.

**Mrs. Forsyth:** Right. I think we could utilize that much better.

**The Deputy Chair:** I'm getting some sense here that you've got a couple of options, Tracey, to think about. Do we need to make a hard decision on this one?

**Ms Sales:** If I can make one comment, though, before we do go ahead, I would like to point out that the actual communications budget is \$65,000. I have managed to get it down to \$50,000, so we are already looking at the smallest ad that I could possibly come up with and sort of the more effective options as far as costing is concerned.

**The Deputy Chair:** Mr. Kang.

**Mr. Kang:** Thank you, Chair. I think the community newspapers

would be the good way to go. That will be, I think, cheapest, more effective than going to the *Herald* or the *Sun*.

**Ms Sales:** If I can also speak to that. If we are looking at advertising, I think we want to make sure that we also run in papers that reach the largest, most broad audience. I think that it is probably a very good recommendation to ensure that we do advertise in the *Calgary Herald*. It is more expensive, but it will reach more people as well.

**Mrs. Forsyth:** If I may, I think we have lots of options. The *Kerby News* is a well-read newspaper that I know goes to the home where my mom is. It may be worth while to take your time to check into them because there's your target market of seniors.

**The Deputy Chair:** Okay. We need to accept the communications plan. We need to accept it as is, with all the wonderful suggestions that have come forward here this morning, or we need to . . .

**Mrs. Forsyth:** I'll move that motion, Mr. Chair. The communications team does a great job; they did a great job for us last year. I think that with the budget they have, they'll get the best bang for the buck. I'll move their budget of \$50,000 and leave it in their capable hands about advertising.

**The Deputy Chair:** Okay. Hon. member, the budget has already been approved, so we're actually just making a motion on the communications plan.

**Mrs. Forsyth:** Okay. I'll move that, then.

**The Deputy Chair:** Okay. Thank you. All those in favour? Opposed? Carried. Thank you very much.

Moving right along, the second item there is the Alberta heritage savings trust fund website and an update on website hits.

**Mr. Johnston:** Just one question, if I could, before we move on.

**The Deputy Chair:** Certainly. Go ahead.

**Mr. Johnston:** Do we need to pick a tentative date?

**Mrs. Dacyshyn:** Not today.

**Mr. Johnston:** Not today? It'll come? Can you just tell me when the last one was while I have you here? Whether it was October or November, I couldn't recall.

**Mrs. Dacyshyn:** The last meeting was October 2.

**Mr. Johnston:** Okay. Thanks.

**The Deputy Chair:** Okay. Has everyone had a chance to review the memo from the Minister of Finance and Enterprise regarding the

number of website hits on the heritage fund sections of the Alberta Finance and Enterprise website? Does anyone have any questions?

**Mr. MacDonald:** One question, please. We see that in 2006 there were 126,000 hits. In 2008 there were 78,000. As the use of the Internet and our comfort with the Internet increases, do you have any idea why that's dropping, why there's less interest?

**Ms Kuperis:** It depends on what's in the news at the time. For instance, I'm assuming that after the *Journal* article today there'll be further hits this month. Again, I'm not an expert on Internet usage or Internet habits, but I see that they've dropped so far this year. I don't know about you or the rest of you, but I know I'm a bit overwhelmed with all the financial information going on in the papers today, so that may have something to do with it as well.

**Ms Sales:** If I may also make a comment on this one. It was actually just maybe a year and a half ago as well that we started the website for the committee, the Alberta Heritage Savings Trust Fund Committee website. Prior to that, there wasn't, so it could also be that some of that traffic is coming to the committee website for information as well.

**The Deputy Chair:** Okay. Thank you. That was an information-only item.

As the next item on the agenda, is there any other business that members would like to raise? Anybody on the telephone?

**Mrs. Forsyth:** The only thing I want to mention, Mr. Chair, is that I just think we have to thank the staff. They've done an incredible job over the last year.

**Mr. Denis:** I agree.

**The Deputy Chair:** Thank you. I would also fully support that.

The next item on the agenda will be the date of the next meeting. Now, this will be at the call of the chair, and it'll probably be mid-September so that we can review our first quarterly update on the fund and review the arrangements for the public meeting. We'll have to canvass the members to find suitable dates, and I'm sure that the chair, when she's back up in Edmonton and not basking in the glory of Calgary, will be more than happy to make those arrangements.

The final thing here, of course, is a motion to adjourn. Mr. MacDonald.

**Mr. Denis:** I so move, Mr. Chair.

**The Deputy Chair:** Mr. MacDonald scooped you on that one.

Ladies and gentlemen, I thank you very much for your speed and diligence.

[The committee adjourned at 9:48 a.m.]



