



Legislative Assembly of Alberta

The 31st Legislature
Second Session

Standing Committee
on the
Alberta Heritage Savings Trust Fund

Wednesday, January 28, 2026
1 p.m.

Transcript No. 31-2-2

**Legislative Assembly of Alberta
The 31st Legislature
Second Session**

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

Yao, Tany, Fort McMurray-Wood Buffalo (UC), Chair
Johnson, Jennifer, Lacombe-Ponoka (UC), Deputy Chair

Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)*
Bouchard, Eric, Calgary-Lougheed (UC)**
Dach, Lorne, Edmonton-McClung (NDP)***
Ellingson, Court, Calgary-Foothills (NDP)
Irwin, Janis, Edmonton-Highlands-Norwood (UCP)****
Kasawski, Kyle, Sherwood Park (NDP)
Kayande, Samir, Calgary-Elbow (NDP)
Miyashiro, Rob, Lethbridge-West (NDP)*****
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC)
Sawyer, Tara, Olds-Didsbury-Three Hills (UC)*****
Stephan, Jason, Red Deer-South (UC)
Wiebe, Ron, Grande Prairie-Wapiti (UC)
Wright, Justin, Cypress-Medicine Hat (UC)

* substitution for Jason Stephan

** substitution for Garth Rowswell

*** substitution for Kyle Kasawski

**** substitution for Samir Kayande

***** substitution for Court Ellingson

***** substitution for Justin Wright

Office of the Auditor General Participants

W. Doug Wylie	Auditor General
Tim Lamb	Principal

Ministry of Treasury Board and Finance Participants

Brittany Jones	Director of Investment Strategy
Steve Thompson	Assistant Deputy Minister, Treasury and Risk Management

Alberta Investment Management Corporation Participants

Justin Lord	Chief Investment Officer
Gary Smith	Senior Managing Director, Client Strategy and Investment Product Management

Support Staff

Shannon Dean, KC	Clerk
Trafton Koenig	Law Clerk
Philip Massolin	Clerk Assistant and Executive Director of Parliamentary Services

Nancy Robert
Abdul Bhurgri
Rachel McGraw
Warren Huffman
Jody Rempel
Aaron Roth
Rhonda Sorensen
Christina Steenbergen
Amanda LeBlanc

Clerk of *Journals* and Committees
Research Officer
Research Officer
Committee Clerk
Committee Clerk
Committee Clerk
Manager of Corporate Communications
Supervisor of Communications Services
Managing Editor of *Alberta Hansard*

1:00 p.m.

Wednesday, January 28, 2026

[Mr. Yao in the chair]

The Chair: Good afternoon. I'd like to call this meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund to order and welcome everyone in attendance.

My name is Tany Yao. I'm the MLA for Fort McMurray-Wood Buffalo and chair of the committee. I'd ask that members and guests at the table introduce themselves for the record, and then I will call on those joining in by videoconference. We shall begin to my right.

Mrs. Johnson: Thank you, Mr. Chair. Jennifer Johnson, Lacombe-Ponoka.

Mr. Wiebe: Ron Wiebe, Grande Prairie-Wapiti.

Mrs. Sawyer: Tara Sawyer, Olds-Didsbury-Three Hills.

Mr. Smith: Gary Smith, AIMCo.

Mr. Lord: Justin Lord, AIMCo.

Mr. Thompson: Steve Thompson, Treasury Board and Finance.

Ms Jones: Brittany Jones, Treasury Board and Finance.

Mr. Lamb: Tim Lamb, Auditor General's office.

Member Irwin: Janis Irwin, Edmonton-Highlands-Norwood.

Mr. Dach: Lorne Dach, MLA for Edmonton-McClung.

Ms Steenbergen: Christina Steenbergen, LAO communications.

Ms Robert: Good afternoon. Nancy Robert, clerk of *Journals* and committees.

Mr. Huffman: Warren Huffman, committee clerk.

The Chair: Now I will go to those who are joining remotely. I ask that you unmute yourselves as well as turn on your cameras if you can and introduce yourselves. Let's start off with Mr. Miyashiro.

Member Miyashiro: Good afternoon, everyone. Rob Miyashiro, MLA for Lethbridge-West.

Ms Armstrong-Homeniuk: Good afternoon. Jackie Armstrong-Homeniuk, Fort Saskatchewan-Vegreville.

Mr. Bouchard: Hello, everyone. I'm Eric Bouchard, MLA for Calgary-Lougheed.

The Chair: Thank you so much.

For the record I will note the following substitutions. We have Member Miyashiro for Member Ellingson, Mr. Dach for Mr. Kasawski, Member Irwin for Member Kayande, Ms Armstrong-Homeniuk for Mr. Stephan, Mr. Bouchard for Mr. Rowsell, Mrs. Sawyer for Mr. Wright.

All right. A few housekeeping items before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostreams and transcripts of meetings can be accessed via the Legislative Assembly website. Those participating by videoconference are encouraged to turn on your camera while speaking and mute your microphone when you are not. Members participating remotely who wish to be placed on the speakers list

are asked to message the committee clerk, and those in the room should signal the chair or the committee clerk. I ask that everyone please set their cellphones and other devices to silent for the duration of the meeting.

All right. Let's dive right into it, shall we. A draft agenda for today's meeting was made available to all members. Does anyone have any changes or additions to the draft agenda? If not, would someone move that it be accepted? Jennifer Johnson. Member Johnson moves that the Standing Committee on the Alberta Heritage Savings Trust Fund approve the proposed agenda as distributed for its January 28, 2026, meeting. Any discussion? All in favour? With some enthusiasm here, guys. Come on. Fantastic. Anyone opposed? Everyone online, are you all in favour of our agenda? Fantastic. Thank you for that. That motion is carried.

Now we have the draft minutes from our October 6, 2025, meeting. Does anyone have any errors or omissions to note? If not, would someone move that it be approved? Mr. Wiebe moves that the Standing Committee on the Alberta Heritage Savings Trust Fund approve the minutes as distributed of its meeting held on October 6, 2025. Any discussion? All in favour, please say aye. Anyone opposed in the room? Anyone opposed online? Fantastic. That motion is carried. Thank you so much.

As committee members are aware, the Alberta Heritage Savings Trust Fund Act mandates that one of the functions of this committee is to review quarterly reports on the operational results of the heritage fund. The Alberta Heritage Savings Trust Fund 2025-26 Second Quarter report was released on November 27, 2025. Members were notified, and the report was posted to the committee's internal website. Officials from Treasury Board and Finance, AIMCo, and the office of the Auditor General have joined us today, and we greatly appreciate their time. They will provide us with an overview of the second quarter report and will respond to members' questions afterwards.

I'll now recognize ministry and AIMCo officials for their opening comments.

Mr. Thompson: Thank you, Mr. Chair, and good afternoon, committee members, colleagues, and guests. My name is Stephen Thompson. I am the assistant deputy minister of treasury and risk management for the Ministry of Treasury Board and Finance. I am joined today by my colleague Ms Brittany Jones, who is our director of investment strategy. We're here to present the second-quarter results for the Alberta heritage savings trust fund for fiscal '25-26 on behalf of the department.

The positive performance of the heritage fund has continued to build after a promising start to the fiscal year. As of September 30 the value of the fund was \$31.5 billion, up from \$27.6 billion at the end of the first quarter. Fiscal year to date: the heritage fund has grown by 6.2 per cent. At the end of the second quarter net investment income was \$770 million, which contributed to a \$3.9 billion overall increase in the heritage fund's fair value over the quarter. In July of 2025 the Alberta government announced an additional \$2.8 billion contribution to the heritage fund for the 2025-26 fiscal year using surplus cash available from the '24-25 fiscal year. This funding commitment is reflected in the financial statements as an amount receivable from the general revenue fund as at September 30.

In accordance with legislative amendments enacted in 2022-23, all income generated by the heritage fund continues to be retained and reinvested within the fund. Coupled with the recent deposits, this strategy has accelerated the heritage fund's growth and will

help ensure its long-term viability as a vital asset for current and future generations of Albertans.

The heritage fund's performance is driven by its diversified portfolio, which continues to deliver strong results. Equities, which account for 47.8 per cent of the invested assets, returned 8.1 per cent in the second quarter and 13 per cent fiscal year to date. The equities allocation of the portfolio includes exposures to Canadian and foreign investments in both public and private markets. While public equities performed well in the quarter, private equity investments did lag. Fixed income and interest-bearing investments, which represent 23.6 per cent of the fund's assets, posted a positive 1.5 per cent return in Q2 and 1.8 per cent fiscal year to date. Inflation-sensitive and alternative investments, which make up 28.3 per cent of the portfolio and include positions in real estate, infrastructure, and renewables, gained .8 per cent during the quarter but are down slightly on a year-to-date basis.

The heritage fund's performance continues to be assessed by two key performance objectives, both measured over a five-year rolling average period. The first is to outperform a real return target of the Canadian consumer price index plus 450 basis points. The second is for AIMCo, our asset manager, to outperform a passive management benchmark by 100 basis points. The heritage fund's performance for the latest five-year period was strong relative to both of these benchmarks. The fund has earned an annualized return of 9.2 per cent compared to a 7.7 per cent real return target and an 8.4 per cent policy benchmark target. These results confirm that the heritage fund is growing in real terms after inflation value and that an active investment management strategy is benefiting the fund's performance.

To ensure its continued success and growth, the department is working closely with the Heritage Fund Opportunities Corporation to develop an investment oversight and develop a revitalized strategy for the heritage fund. In the coming quarters we do expect the Heritage Fund Opportunities Corporation to appear before this committee and discuss those strategies. This collaboration will help manage the increasing complexity of the fund's global multi-asset portfolio with the goal of ensuring that the heritage fund will benefit Albertans for generations to come.

With that, Mr. Chair, I'll conclude my remarks and with your permission cede the floor to my colleagues from AIMCo.

Mr. Smith: Good afternoon, everyone. Thanks very much for having us today. My name is Gary Smith. I'm the senior managing director of client investment strategy and investment product management at AIMCo. I'm joined here today by my friend and colleague Justin Lord, who's our chief investment officer. My bit up front will be to talk a little bit about corporate developments, about some of the things that are happening with the organization, and then I'll turn it over to Justin to talk more about what's happening in markets.

On the corporate fund one of the big initiatives we're involved in right now is what we call our business transformation program, where we're overhauling much of the technology in our organization to better provide for our clients, including the heritage fund. That process is under way. We expect it to be concluded by the end of the second quarter of this year. The benefit from that is it will give us better tools and technology for more targeted and specific management of all our clients' portfolios, including that of the heritage fund, better information, and better reporting, ultimately, through to clients and ultimately to this committee. We're working closely with our clients as we do this, including our colleagues from both Treasury Board and Finance and the Heritage Fund Opportunities Corporation in this process.

1:10

A couple of staffing notes at the senior levels. First, Cecilia Menghini assumed the role of chief risk officer at AIMCo at the turn of the year. We also I think just a couple of weeks ago announced that Kelly Featherstone, a long-time AIMCo employee, will be elevated to chief client relations officer later this quarter. Cecilia and Kelly will be replacing Suzanne Akers and Amit Prakash, respectively, whose retirements this quarter were announced some months ago.

Another important note I think near and dear to the heart of this committee is that we're revamping our organizational footprint, increasing presence in Alberta. We are pleased to share that we're adding additional office space in our Calgary office to support the long-term growth as we deepen our roots across Alberta. We will actually be moving essentially across the street in Calgary from where we are now. The office we have now has served us well, but frankly, it's too small, so we're moving on. We expect to move into the new space next month, as I say. In Edmonton we'll continue to maintain our headquarters. Currently we have about 400 team members working out of the Edmonton office across many key functions through the organization. We implemented a return-to-office mandate earlier this year, so now we have more of our folks coming into the office on a weekly basis. That's, I think, something that's helpful to our downtown cores.

We're revamping this footprint as part of our efforts to continue to develop and deliver strategies that give superior risk-adjusted returns to all our clients, including the heritage fund.

With that, I'll pass the baton to Mr. Lord.

Mr. Lord: Okay. Thank you, Gary. Thank you, Mr. Chair and committee members. It's a pleasure to once again have the opportunity to present to you today. As mentioned, my name is Justin Lord. I'm the chief investment officer of AIMCo. It is certainly our pleasure to be the investment manager for the Alberta heritage savings trust fund. I will not recap the performance details as our friend at Treasury Board and Finance, Mr. Thompson, has done an eloquent job of doing so, but I thought I would expand upon a couple of items with respect to our evolving investment strategy and the current investing landscape and market environment.

During our last appearance before the standing committee I shared that our investment philosophy was sound and would not be changing dramatically under my leadership. I've shared those views as well as the portions of the strategy where we're evolving or focusing this year with our board as of our December board meetings last month, and I'm pleased to report that they, too, believe that our current approach is well suited to meet the objectives of our clients, including Alberta's heritage fund.

Today I would start by sharing a few key themes that are shaping how we approach investing in the current market environment. As you might expect, we're keeping a close eye on the economy, interest rates, credit conditions, and what's happening in equity markets in both Canada and the United States and markets abroad. In Canada, starting off, inflation is coming down as we have seen the job market stabilize or holding up over the last couple of months. With the job growth that we've seen over the last four months, we're taking that as a good sign for the economy as a whole, although there are differences certainly across the regions in Canada separately.

In the U.S. the federal government shutdown a few months ago, as we would have alluded to in our last meeting, caused some delays in economic data releases, making the near-term picture a bit harder to read. Still, we think inflation in the U.S. will keep easing, though

we expect job growth to slow, especially as new immigration rules come into play over the course of the year.

Looking at interest rates, it seems the recent cycle of rate cuts in Canada is now on hold. With lower inflation readings and a stabilizing job market, as mentioned, the Bank of Canada is pleased with where the policy rates are and will wait to reassess economic conditions over the course of the year. With no anticipated rate cuts on the horizon and the recent run of solid employment numbers, these yields have actually pushed higher in Canada at the front end or medium portion of the curve over the last number of months.

In the U.S. the Federal Reserve cut rates again in December and has now taken more of a cautious tone, a wait-and-see approach, especially as inflation continues to ease and the labour market remains on solid footing. We'll keep close watch on any new policy items or signals in the coming months. This would include the much talked about potential change of leadership at the Federal Reserve as well.

As for equities, a similar picture as we have been talking about in our last few meetings – but stock market valuations do remain elevated, and this is thanks to solid earnings growth and performance of the underlying companies in general. There are several positive factors at play here that are influencing the portfolio and leading to what Mr. Thompson alluded to as a significant amount of performance, as per the report, in the public equity allocations of the fund, in particular.

Those factors can be broadly summarized as excitement around artificial intelligence, the business investment associated or the capital investment spend with these developments, the ongoing support from easing monetary policy as well as a number of the stimulative impacts of those policies and/or regulatory impacts that are being felt across the world. It's also encouraging that we're starting to see strong earnings growth coming from sectors other than just large-cap technology, with leadership and breadth expanding in markets, allowing for a more diversified source of returns in your equity allocations.

On the credit side, credit spreads are still tight by historical standards, and we think that this will continue for the balance of 2026. Credit fundamentals do look solid overall. We don't see signs of any major credit issues in the near term. Defaults have not increased materially in the portfolios exposed to credit risk and have been well managed as per normal course business by the portfolio management teams. Still we are keeping an eye on consumer credit trends as early signals for potential weakness or potential need to adjust risk exposures in these portfolios, those being signals associated with credit card or auto loan delinquencies, more broadly, something that we'll be watching through the earnings releases of banks in North America, in particular, over the coming weeks and months.

All of these factors do influence how we're positioning the portfolio right now. We are targeting a very slight overweight to equities, which is benefiting from strong corporate earnings, central bank support, as mentioned, and the optimism regarding artificial intelligence and the potential for productivity impacts to increased earnings and/or profit margins. Our private equity exposure is also just below our target, which also plays a little bit into this tilt of the asset mix.

On the fixed income side, we're targeting a neutral allocation as markets evaluate the balance of growth expectations alongside the cooler inflation figures, as mentioned. But we do know that markets can shift quickly. Our goal is to stay flexible and respond as needed, always aiming to deliver a strong risk-adjusted return for our clients that will meet your goals at the fund level. Active management, disciplined active asset selection remain central to this approach. We maintain the stance of a targeted amount of liquidity in the

portfolio to be able to take advantage of opportunities should they present themselves over the course of 2026 and beyond.

Thank you for the time today. I'm happy to turn it back to you, Mr. Chair, for any questions.

The Chair: Thank you so much. Thank you to all of our guests for your opening remarks.

We want to turn it over to the question-and-answer portion for our members. I'll open the floor to committee members. So far we have one.

Mrs. Johnson, please go ahead.

Mrs. Johnson: Well, first, thank you to AIMCo and the Treasury Board and Finance officials for joining us here today, through you, Mr. Chair, and for their continued work in strengthening the heritage fund and helping ensure that Albertans today and for generations to come continue to benefit from disciplined saving and responsible investment.

After looking at page 1 of the second-quarter report, it confirms that the heritage fund has now surpassed, as you said, \$31.5 billion, up from approximately \$27.2 billion just a year ago, a clear result of this government's fiscal discipline, responsible savings, and commitment to long-term stewardship. My question is: given this momentum, through the chair, if we continue with this conservative approach to saving and investing, what does the ministry project the fund could reach by 2030 and 2050?

1:20

Mr. Thompson: Thank you for the question. The ministry has not really projected out that far. We have done calculations that say what is within the realm of the possible. I know the amount of \$250 billion by 2050 has been telegraphed quite publicly, and we're happy to speak to how that is achievable. We do believe that that is a realistic though aggressive target under the current investment policies.

There are several elements that will enable the achievement of that target, and they are as follows. I mean, the initial investment, as you say, has grown significantly. The starting balance of where we are from here to 2050, over 25 years, is important, and I will say that contributions into the fund made in earlier years obviously will have a greater impact than those made in later years as those funds can be reinvested and compound over time.

We have seen tremendous growth since the pandemic years. We've gone from a low of about \$16.3 billion to the current value of \$31.5 billion, and the ability to retain and reinvest all of that money is critical in reaching the projected targets. So assuming no additional contributions into the fund between now and 2050, which we don't want to assume but our baseline case is that no additional contributions are made into the fund, the most critical component is investment return. This is where we rely on AIMCo and the guidance of the new Heritage Fund Opportunities Corporation in terms of governance and leadership to impact the returns.

So if we assume a starting value of \$31.5 billion today with a goal of investing and reinvesting till 2050, at a return of 6 per cent we would anticipate that the terminal value would be about \$230 billion. But small changes in that rate, and again assuming complete reinvestment, no draws from the fund, all cash being redeployed into the fund and reinvested at that rate of return, that gets us to \$230 billion at 6 per cent. At 9 per cent we see the fund hitting \$270 billion by 2050. So that is sort of the impetus of the \$250 billion target as something achievable. It does require that we make higher returns than we are currently making on the fund.

We do believe that optimization of the portfolio, which is now possible given that we are not anticipating draws out of the fund,

will enhance those returns. So we'll work with AIMCo and with HFOC to optimize the existing portfolio and to look at new investment strategies. In addition to that, any contributions made under the fiscal framework going forward will enhance that return, obviously. So contributions into the fund over time will simply lower the amount required to earn over that 25 years. Hopefully, that answers your question.

Mrs. Johnson: Thank you, Mr. Chair, and may I have a follow-up?

If maintaining this trajectory – and hopefully it will – to grow this fund to roughly \$250 billion, or perhaps I heard \$270 billion by 2050, could you agree that, at that scale, annual investment income could meaningfully off-set the volatility of resource revenues and help stabilize provincial budgets, protect front-line services, and ensure future generations will benefit from today's responsible decisions rather than being left with debt and uncertainty?

Mr. Thompson: Certainly, if we look at the existing endowments other than the heritage fund, medical research and scholarship funds, for example, those funds pay out an annual dividend of about 4 and a half per cent, based on the principal values. If we assume the same for the heritage fund, a 4 and a half per cent payout on a fund sitting at \$250 billion would be about 11 and a quarter billion dollars in revenue to the provincial budget. Again, this is 25 years forward. The scale of what that 11 and a half billion dollars would mean to the fiscal balance, I'm not sure. We would be talking about a larger population, probably a larger budget quantum, but it would certainly be a significant reduction in reliance on other revenues, including natural resource revenue.

Mrs. Johnson: Thank you, through the chair.

The Chair: Thank you so much for that, Mrs. Johnson.

We'll go online. Mr. Miyashiro. Robert, can you hear me?

Member Miyashiro: Thank you, Chair. I appreciate that, and thank you to the people in person that made the presentation. I have more of a strategic question, and, again, thank you for your report. Political environment often affects things like investment in Alberta and security threats. You know, the talk of separation, I think, is real in Alberta, and I think we need to understand that if we were to separate, we'd be greatly vulnerable to security threats and investment risks.

I also think that the ambiguity and uncertainty that this would signal to international investors in Alberta and markets would be detrimental to Alberta's prosperity as a centre of oil exports. We also know that the mere idea of separation destabilizes markets and deters capital investment, and we need look no further than Quebec's experience with separatist sentiment to see that.

I ask: what considerations are being made strategically and long term to ensure that Alberta remains a strong and stable jurisdiction for investment and trade, and how does that affect our long-term economic security?

Mr. Thompson: I'm not sure I can answer that question specifically as it relates to the heritage fund results and our investment strategy. I think that is more a question better directed to the minister in the House. You know, we have a global investment strategy for the heritage fund based on our assessment of global markets and our ability to access those over time. Specifics to the Alberta political environment don't come under our purview.

Member Miyashiro: Just a follow-up then, too. You're talking about the fact that if we can continue with our investments at the

same rate and not draw anything out of it, and if we have fewer investments in Alberta and fewer investments that are creating revenue in our province, it's going to lead to lower investments by your organization into the heritage trust fund. We know that there's going to be a projected deficit, so how does that come to your organization and, say, if we're having a significant deficit in the coming year or two, how does that affect your investment strategy?

Mr. Thompson: Speaking for the department, in a deficit situation the rules of the fiscal framework are quite clear. There is no ability for the province to make additional contributions into the heritage fund, but that is really the only involvement in terms of the fiscal balance. It's the only relationship between government and the heritage fund in that circumstance.

I don't know if AIMCo has a position on any of this.

Mr. Smith: It really is sort of separate and distinct from the day-to-day of the fund there. The impacts of local jurisdiction deficits, be that Alberta or Canada or any national government, for that matter: their links to market impacts are tenuous at best. That's very bluntly in terms of our day-to-day, and Justin can correct me if I misspeak here, but that's really, frankly, noise in our work. We look at the broader trends across the globe to get some sense of where interest rates may go, but it's, as I say, a weak impact, so it's one of many things that we would consider and certainly not a driving factor of any particular piece.

Member Miyashiro: Great. So one of the big reasons, then, for not achieving that long-term growth that you talked about is having a government withdraw funds out of the heritage savings trust fund in order to fund a deficit. Is that correct?

Mr. Thompson: Certainly, withdrawals from the fund would impact investment return over the long term, yes.

1:30

Member Miyashiro: Okay. Thank you. Thank you, Chair.

The Chair: All right. Next we'll go back to Mrs. Johnson.

Mrs. Johnson: Thank you, Mr. Chair. Focusing on this second-quarter report that we're here for, the fund's fiscal year-to-date return improved to 6.2 per cent in quarter 2 from 1.7 in quarter 1, implying a 4.4 three-month return. That's versus a 5.4 per cent policy benchmark and a 1 per cent active value-add for the quarter. Through you, Mr. Chair, could you walk us through the principal market drivers and the active positioning that most influenced this quarter 2 result?

Mr. Lord: Certainly. I'll start with some comments with respect to the absolute return and transition to the active or relative return parts of your question. It is true that the heritage fund's portfolio returned 4.4 per cent net of expenses in the fiscal second quarter ending September 30, 2025. This is mainly owing, as Mr. Thompson addressed in his opening remarks, to the return in the heritage fund's public and private equities allocation from an asset-mix perspective, with that category returning 8.1 per cent, the majority of that coming from the public equity allocations themselves. Fixed-income and private assets, or inflation-sensitive assets as characterized in the asset mix, did put up positive numbers throughout the quarter at 1.5 per cent and .8 per cent, respectively, but they did not keep up with or compare to equities in that shorter period of time.

Coming out of the market correction in April 2025, public equities have appreciated globally across all of the allocation buckets within the heritage fund's exposures: Canadian equities,

global equities, and emerging market equities as well. It's owing to a couple of factors, including news and underlying growth and productivity expectations as a function of the capital investment across the landscape globally as artificial intelligence spending and competition has ramped up. I would also say that the tariff dispute, while certainly topical, did not appear as bad as first feared or priced in markets in early 2025. Of course, easy to say now as we're looking back over that eight- or nine-month time period.

If we are moving on to the relative performance of the fund – and this would be the fund versus its benchmark or the active return – the fund was positioned well on the fixed income side and outperformed the benchmark by approximately 14 basis points in the quarter. This was owing to AIMCo's selection of investment-grade public bonds and private credit or loan exposure in those products. On the private side, as we've noted in the past as well, quarter-to-quarter analysis becomes a little difficult as these assets are not traded daily on a marketplace, so to speak. They are revalued as per valuation policy on a quarterly or semiannual basis depending on the individual asset class.

We did see some volatility mid-year from the impacts of some legislation in the United States as it specifically related to some infrastructure assets. Those impacts would have been felt in the second quarter of the calendar year, first quarter of your fiscal year, and any positive adjustments or revaluations would not have been captured in this quarterly report. That would be in the third-quarter report that we'll be speaking about at our next meeting.

I will also mention that returns were just above flat at .8 per cent, but they did trail that benchmark, which is predominantly CPI-based when looking at our inflation-sensitive assets.

Then I will comment just quickly on the private equity portfolio that's included in your equities allocation. Although the group generated strong positive returns, there was slippage versus those benchmarks in both public and private equity, private equity not keeping up with publicly traded markets due to exposure differences. I will note the strong performance detailed on page 2 of the report over the five- and 10-year period from the private equity portfolio as we would expect over a longer period of time.

Mrs. Johnson: Well, through you, Mr. Chair, thank you for that answer. I think you actually answered my next one as well, so thank you for that.

You know, I'm going to touch on a little bit – I think we could round it out a little bit. The fund does continue to exceed its five-year real target, as you expressed, according to CPI plus 4.5 per cent: 9.2 at quarter 2 against a 7.7 target, and the annual report shows 9.6 per cent over five years against the 7.4 per cent. The question is, if we could round this out a little: how should we interpret those quarter-to-quarter deviations from benchmark while staying focused on this five-year CPI plus 4.5 per cent and the 1 per cent active value-added objectives?

Mr. Lord: Thank you. An excellent question, especially given the very long-term nature of the heritage fund and its investment goals. With more than 30 per cent of the portfolio invested in private assets, I guess just reiterating my other comment, we would caution that quarter over quarter in isolation there's not a lot of information to gain from the deviations in the benchmark versus the asset value. It's a trend over a longer period of time that we are focused on and that would also lead us to, you know, tilt or change strategy with respect to the types of assets that we are adding in those illiquid portfolios.

We do closely monitor the value-add. As we look, obviously, over the second half of the fiscal year, we're working on improving

value-add where we can, and part of this is certainly related to the refreshed investment strategy that I am implementing since taking my role as chief investment officer in July of last year. There are always going to be evolutions and developments with investment strategy to adjust to a changing landscape to ensure that we can provide the rates of return from a risk-adjusted perspective for the heritage fund and our other clients alike.

Mr. Thompson: If I could just supplement what Mr. Lord was saying.

The Chair: Go ahead, sir.

Mr. Thompson: We are in a position right now where we are reviewing the heritage fund's long-term goals, and certainly the transition from a fund that is required to maintain liquidity to be available for disbursements for provincial revenue to a fund that is invested for a minimum of 25-year or longer horizon has resulted in significant changes in our outlook. Those have not yet been reflected fully in our investment strategies, investment policies. This is part of the work that is ongoing with the Heritage Fund Opportunities Corporation in collaboration with AIMCo and the department, so we would expect fairly significant shifts in the portfolio over the medium term as we move to address those longer term goals.

Just while I have the floor, in my response to Member Johnson's first question I misspoke. My real-time fact checkers have pulled me back. At a 6 per cent return on the portfolio by 2050 we would expect \$135 billion. I believe I said \$230 billion. That was incorrect. At 6 per cent it would be \$135 billion. The bounds are still 6 per cent, \$135 billion; 9 per cent, \$270 billion. It's quite wide was really the point we're making, and I apologize for that error.

The Chair: Thank you so much for that clarification.

Next we'll go to Mr. Dach.

Mr. Dach: Thank you, Mr. Chair. Through you, of course, my questions will revolve around asset classes as a subject matter. Now, in the last public meeting, in October, of this committee a member of the public through Mr. Rowsell asked a question basically around AIMCo's view on Bitcoin or investment in cryptocurrency, and Mr. Lord answered that question saying, amongst other things:

I can handle that question. Thank you . . . AIMCo does not hold any direct investment in cryptocurrency or crypto-related companies on behalf of our clients. Our exposure to crypto through any passive or external fund investments is de minimis. Cryptocurrencies are not an asset class nor an investment that we believe to be a prudent fit for our clients' asset mix at the current time, and we are not pursuing products of the like.

Now, fast-forward to January 24 this year to the radio program *Your Province Your Premier*, wherein Mr. Adam O'Brien, who is a CEO and founder of Bitcoin Well in Alberta, asked the Premier a question. He asked how the province can introduce Bitcoin more into the province, and Smith's response was that she knows of an economic advisor in El Salvador who bought Bitcoin as part of their strategic reserves for the country. The Premier stated that she raised this with Joe Lougheed for him to consider making Bitcoin part of the holdings for the Alberta heritage fund. Mr. Lougheed chairs the Heritage Fund Opportunities Corporation. According to Mr. Lougheed the HFOC will work closely with AIMCo to deliver long-term growth for the heritage fund for future generations. Now, this raises a significant amount of concern, when the Premier is musing publicly about giving direction to Mr. Lougheed to invest in Bitcoin, although she did say that she tries to leave those

decisions to independent folks who are managing those funds, but she goes on to say that it's an interesting concept.

1:40

Now my question – and I have a series of questions about this because it's very, very important that the public has faith that AIMCo is acting independently, yet it appears to be that the Premier is giving direction, at least publicly. I'm wondering: has AIMCo as an investment manager of the heritage savings fund or the board of directors for HFOC received any directions to consider investing into Bitcoin or cryptocurrency from the Premier's office, the Premier, or Executive Council?

Mr. Lord: No.

Mr. Dach: All right. If that's the case, is there any feeling on behalf of those members present, the presenters, and AIMCo and HFOC that the Premier's musings are an expectation that AIMCo will actually consider investing into Bitcoin? It seems to be that the Premier has expressed a wish to direct justices in this province. Perhaps she has the same wish to direct AIMCo. It just seems very concerning that the Premier is musing aloud about investing into Bitcoin or cryptocurrency and suggesting to Mr. Lougheed that this is something he should consider.

Members of the public need to know and hear from you, I think, publicly that you receive no direction politically from anybody about investment directions to take other than the mandate set out legislatively for you. I'd feel comfortable and I think the public would feel comfortable if there was a really clear statement from you. I know you did make a statement, Mr. Lord, last meeting about it, regarding your independence on investment decisions and asset classes.

Mr. Thompson: If I may begin, I'll speak to the Heritage Fund Opportunities Corporation. I am unaware of any conversations between Premier Smith and Chairman Lougheed. Certainly, having worked closely with the Heritage Fund Opportunities Corporation – and I now sit as a member of that board – we have received no indication from Mr. Lougheed that this is an investment that is of interest to the Heritage Fund Opportunities Corporation directly. It certainly does not fit within our current mandate, which is to review the investment strategy and reposition the fund for long-term growth.

The board of the Heritage Fund Opportunities Corporation would not be tasked with investment selection. That is a function that will be delegated either to Heritage Fund Opportunities Corporation management and staff or to AIMCo as our investment manager. There has certainly been no work done in that asset class or investment structure, what have you, with any effort on the part of the department or the corporation.

Mr. Lord: The only thing that I would add to that – and, Gary, please chime in – is just to reiterate the independence of the investment decision-making and governance model of AIMCo remains as it has been and as it will be in the future. Our decisions are governed by the processes approved by our independent board of directors and are governed by a number of different processes and committees from an investment management, operational risk management, and product management perspective, where any changes would be made in conjunction with consultation to our clients and the requisite approval processes internally to approve any type of changes, et cetera. Confirming the independence of AIMCo and the investment function is certainly something that I think I'll close on your question with.

Mr. Dach: May I have a follow-up?

The Chair: You already had your follow-up, I think, but you can save your questions for a second round.

All right. Next we go to Mr. Bouchard, followed by Mr. Miyashiro, followed by yourself again.

Mr. Bouchard: Well, thank you, Mr. Chair. The annual report indicates total investment expenses of approximately \$184 million, representing an expense ratio of about .73 per cent. The second-quarter report shows year-to-date investment expenses of roughly \$79 million over the first six months. My question is: what are the primary drivers of investment costs this year, and how does the ministry assess whether these costs are delivering commensurate value and contributing positively to net returns as the fund continues to scale?

Ms Jones: Thank you for your question. The heritage fund's investment costs are primarily driven by the operational and administrative expenses recovered by AIMCo alongside strategic advisory fees paid to external managers. A variable portion of expenses is dedicated to performance fees for those external managers who exceed specific benchmarks. Quarter over quarter you will see changes in those investment expenses, depending on the success of the portfolio. Second-quarter expenses included specialized consulting fees in support of the ongoing revitalization. But, overall, the – yeah. Hopefully, that answers your question.

Mr. Bouchard: It does. Thanks very much.

No follow-up. Thank you.

The Chair: Thank you so much for that.

Next we'll go to Mr. Miyashiro.

Member Miyashiro: Thank you, Chair. On something that MLA Dach brought up I had a question, and I know it was partially answered. What kind of business risk assessment has AIMCo done about possible assets like cryptocurrency? What is your process for risk assessment for things like crypto?

Mr. Lord: Where we do not have a specific cryptocurrency product or direct exposure, there has been little spent in way of analyzing the potential risk, downside, and volatility of those assets. There would be tangential amounts of work done qualitatively, I should say, as it might relate to impacts on liquidity or correlations across other asset classes as a whole. But where it is not an asset class that we specialize or offer products and services in, we have not spent a significant amount of time on that.

Member Miyashiro: Thank you.

The Chair: Mr. Wiebe.

Mr. Wiebe: Yeah. Thank you to the team. Back to the report. Referencing page 32 of the annual report, it notes that "infrastructure investments . . . in emerging market countries are valued [in a manner] similar to private equities" and that tactical asset allocations are implemented primarily through derivative contracts to create "overweight or underweight exposure to global equity and bond markets." Given this structure, how are tactical tilts across equities, fixed income, private assets, and foreign exchange approved and executed within the approved policy bands, particularly when market conditions change quickly, and what escalation gains apply during market stress or heightened volatility?

Mr. Lord: Certainly. Thank you for the question. AIMCo operates an internal subcommittee of the investment committee called the tactical risk allocation subcommittee. It's a standing subcommittee that is responsible for global tactical asset allocation of investment exposures as well as currency management, evaluation oversight, and the approval of any of those tactical risk exposures as well as oversight of the decisions that are taken to manage risk or add value. The committee is supported by team members, notably, of our multi-asset portfolio management team, who are reviewing the heritage fund's exposures on a daily basis, recommending and executing any needed changes, as well as implementing AIMCo's house tactical views as determined at the committee. I chair this committee as chief investment officer.

The aspect of implementation for the heritage fund portfolio is a responsibility of AIMCo as set out in the statement of investment policies and goals. We rebalance, and I should say that most of the activity would be associated with adhering to those targets within the policy, rebalancing of the portfolio and managing the exposures within those ranges, taking into account any tactical positioning that sits within the bounds of both the individual asset classes and/or risk metrics as determined by the policy of the fund.

1:50

The Chair: Next Mr. Dach.

Mr. Dach: Thank you very much, Mr. Chair. I'll be asking questions about diversification of fund assets, investments. A few months back Stephen Harper, former Prime Minister, spoke at the Midwestern Legislative Conference, where he shared advice he gave the current Canadian federal government. Mr. Harper advised that our geographical proximity to the U.S. does not justify the degree of dependence that we have on a single market. He stated, "We... cannot be in a position in the future where we can be threatened in this way" and not have leverage.

Now, whether we are speaking about exporting our products or investing our pensions or the heritage savings fund, there is a broad understanding that we should be wary of the volatility and risk that President Trump has created in United States markets. I am wondering how the board of the Alberta heritage savings trust fund is taking this into account and if it has given any direction to diversifying investment away from the United States to mitigate the vulnerability created by the uncertainties we face now.

Mr. Thompson: Certainly, the changing dynamic globally is something that is considered when we are developing our long-term strategic view of how capital markets will unfold and which markets we should be in. Whether that specifically results in diversification away from U.S. markets will be solely based on our forecast of investment return in those markets.

We cannot be completely unobservant of the political realities facing the global marketplace, but we certainly do not have a political stake in those. We simply look at how those changes – be they wars, be they new trade agreements, be they a lack of trade agreements – impact global capital flows, whether in equity, fixed income, private markets, what have you.

In chaos there is opportunity, so this will impact our investment strategy, and all of these factors will be considered from a purely investment viewpoint.

The Chair: Would you like a follow-up, sir?

Mr. Dach: "In chaos there is opportunity." An interesting statement. I think that you're probably not the first one to have said it, but it is something that in investment circles is recognized as an opportunity.

Now, I'm wondering, as a follow-up, regarding the current disinvestment by many major investors, even sovereign investors, in U.S. currency investments, there's a sell-off going on with U.S. dollars, and the U.S. dollar is suffering as a result. The fund has a significant amount of money invested in U.S. currency. I'm wondering how much of the fund is vulnerable to the political risk in the U.S., particularly as it relates to the devaluation of the United States currency that we are so heavily invested in.

Mr. Lord: Certainly. From an overall foreign exchange exposure as it would relate to any of the currency exposures in the portfolio, we are managing to the stated policy, and the underlying weight is also monitored and managed by the tactical risk allocation committee processes that I had answered or detailed in a prior question.

We currently have very little active exposure versus policy weight set out in the SIP&G to the U.S. dollar, certainly taking into account the potential for volatility, as we've witnessed over the last number of months, and that would be something we would intend to keep fairly close to home, from an active management perspective, as we are also spending a lot of time assessing the potential risk and impacts across asset classes as it relates to currency volatility.

We've also seen benefit from some of that volatility. In particular, some of the exposure via Canadian equities, emerging market equities have benefited as a function of the inverse correlation to dollar movement and the risk exposure in the return generations of those asset classes.

The Chair: All right. Next we have Mrs. Sawyer, followed by Mr. Miyashiro.

Mrs. Sawyer: Thank you, Mr. Chair. Thank you for your comments. My question relates to page 10 of the second-quarter report. The level 3 fair value holdings increased to approximately \$12.1 billion. It's detailed in the quarter 2 reconciliation. Given the inherent measurement uncertainty associated with level 3 assets, my question would be: what controls and enhancements are in place such as the frequency of valuation reviews, use of external appraisals, and independent oversight to manage this uncertainty, and how are the implications of these valuations communicated clearly to Albertans?

Mr. Smith: I'll take that one. Thank you very much for the question. It's a, you know, very topical thing for us because valuations of assets that don't trade every day is, clearly, very important. Because of that, we spend a lot of time and effort at AIMCo to ensure that we have a valuation process that is independent of the investment team, that is robust, that is up to industry standard. Some of the elements of that – it's more involved to go through in great detail here – are having the independent valuation team at work, having a regular frequency of valuations, depending on the asset. It could be a quarterly valuation. For certain assets it could be an annual valuation. But there is a valuation on a regular cadence for all of our assets to ensure that we're on top of the best estimate of current market value that we have.

For any given asset we may approach it in a variety of ways. For very large assets we'll have third-party teams come in and evaluate it on our behalf. For another version of that for smaller assets that we hold by way of fund investments through general partnerships, we'll rely on the general partner to value that asset and ensure that the processes that that general partner undertakes to value them are appropriate and up to our standards. Of course, what we have is a valuations committee, AIMCo valuations committee, that's chaired by our chief investment officer. Excuse me; our chief financial officer. Not Justin. I didn't want to give him another job. That

undertakes and gives oversight of these asset valuations on a regular basis. For each level of valuation, 1 through 3 – there are not very many for the heritage fund in level 1 because most things are held through fund investments – there is an involved process around that.

The forum is not ideal to communicate all that we're doing on that, but suffice it to say that this is a well-established mechanism for valuation that is scrutinized by all of our clients. Your question is a common one. We get that on a regular basis. We have to make sure that we have minded our Ps and Qs and all of that and ensure that our clients, including the heritage fund, are comfortable that we're doing the right thing on this because, as you say, it is very, very critical.

I hope that addresses it for today.

Mrs. Sawyer: Thank you very much.

Thank you, Mr. Chair.

The Chair: Thank you so much.

Next we'll go to Mr. Miyashiro. Robert.

Member Miyashiro: Yes. Thank you, Chair. I'm going to come back to something. I think it was Mr. Thompson that said that you don't invest based on politics. That might have been paraphrasing. But I think on page 2 of the report it says that almost 32 per cent of the fund's investment portfolio is held in foreign equities, which is, I think, significant. How much of that fund is put at risk by recent geopolitical tensions in the Mideast and in Venezuela? As well, are you doing any analysis right now to look at the political risks of any investments and how that could impact the fund?

2:00

Mr. Thompson: Certainly when we look at any long-term investment strategy, the political environment in which we are investing must be considered, particularly when we are dealing with markets such as those you've referenced. But, again, the lens that is used is one of investment strategy and the expectation of long-term asset returns. Political instability in a region will obviously be a factor that is considered when we are looking at making a long-term investment in that region or not, you know, and as the stability of various jurisdictions changes, so too will our assessment and expectation of investment return.

I just keep coming back to that. That's the only lens that we look at. We do not necessarily consider whether we fundamentally agree politically with one jurisdiction or the other. I mean, we will tell you that we do not invest in Russia. I don't believe any of AIMCo's clients invest in Russia. There are places in the world that are uninvestable. If any of the investments currently in our portfolio appear to be at risk of loss because of changes in the political environment, then we will reconsider those investment strategies, and that will be done in full consultation with our investment manager, AIMCo, with the oversight of the Heritage Fund Opportunities Corporation, who will be responsible for the governance of the fund, and inputs from external experts should that be required. Again, it comes down to the fundamental assessment of the investment thesis of whatever investment we are looking at.

The Chair: Do you have a follow-up?

Member Miyashiro: No. Thank you very much.

The Chair: Excellent. We'll go next to Ms Irwin.

Member Irwin: Thanks very much. It's an honour to be here with all of you folks today. I've been learning a lot about all of this because I'm a sub today. So much to learn still. I noted that it's been

about a year since – do we say H-F-O-C or HFOC? HFOC sounds a little strange to me. I'll go with the former, H-F-O-C.

Since it was announced, I know that TBF said in the October public meeting that there's a search for a CEO, and it was noted as well at the beginning of this meeting that HFOC will be ready to report in coming quarters. We'd like to know: can we get a bit of a tighter timeline on that? You know, not me, but other committee members have been asking for HFOC to come to this committee, and we believe, really, that it's a matter of transparency around where the dollars are being invested.

Mr. Thompson: I'm happy to speak to that. We have made significant progress with the establishment of the Heritage Fund Opportunities Corporation, notwithstanding its unfortunate acronym. In terms of the CEO search, the board of HFOC has contracted with an external search firm for a CEO search, which is currently under way. It is nearing completion, and we do expect an announcement in that regard, I would say, within weeks. I will defer to Chairman Lougheed to make that announcement. But the process is nearer the end rather than the beginning, so we do expect, I would think, by Q3 certainly, the Q3 report, that we would know who the CEO would be. That person will be tasked with fleshing out the management team. Currently the HFOC board consists of 9 members, and all of those members are listed on the heritage fund website at present, so their bios and credentials are available for public scrutiny.

We have had discussions with the chair and with the board. I cannot speak for them, but my hope is that they will appear before this committee when the annual report is tabled. I think Q3 may be a bit aggressive. If they are prepared, we would be happy to have them accompany us at the next meeting. But certainly by the time the annual report is prepared and ready to be submitted to this committee, I would hope that we will be accompanied by officials from the Heritage Fund Opportunities Corporation.

Member Irwin: Okay. Again, pardon my naïveté on this, but is the vision, the framework for that committee to be one in which, you know, there'll be public officials there that we can ask questions of, kind of like AIMCo and whatnot? It will be a similar sort of structure?

Mr. Thompson: I think this committee will remain unchanged. The difference will be on our end. We will also have officials from the Heritage Fund Opportunities Corporation. Several of the functions that currently reside within the department will be transferred to the Heritage Fund Opportunities Corporation, which will include income forecasting and responsibility for the same investment policies and goals. The department will still be represented because the minister will still be shareholder of both corporations and responsible for the heritage fund under the Heritage Savings Trust Fund Act.

The Chair: Mr. Miyashiro, you had another question, sir?

Member Miyashiro: Yes. Great. Thank you very much. Related to HFOC, I just need some clarity for myself. On different occasions it looks like HFOC has been identified as different things. It will be an investor with its own fund as well as advise AIMCo on their management of the heritage savings trust fund. It could take control over more of the heritage fund if it proves itself and finds greater returns than AIMCo. That's from the minister himself. The minister also said that HFOC will have its own investment objectives and a small management team and will be a sovereign-style wealth investment, a different kind of investment.

I guess what I'd like clarity on is the purpose of a fund that's going to have influence on policy for AIMCo and for the heritage fund as well as have its own money to try to build more wealth. Like, can you give a description of the purpose? I know you've probably done this before, but I couldn't find somewhere where it's crystal clear to me on the purpose of an oversight policy-developing mechanism also having its own way to make money.

Mr. Thompson: Certainly. I'm happy to take the question. You know, this process is still in development, but the remarks the minister has made publicly do align with what our goals are for the Heritage Fund Opportunities Corporation. The most critical piece of the Heritage Fund Opportunities Corporation's existence, really, is about governance and oversight. The heritage fund has existed as a fund and as an investment fund of government overseen by the department with full investment discretion delegated to AIMCo. If you compare the heritage fund to AIMCo's other clients, what you will note is that all of the other clients have a separate governance body. LAPP Corporation exists. MEPP has a board of directors. The judges' pension fund. All of their other clients have independent oversight bodies.

The heritage fund's oversight has always resided within the department, and that does have its limitations. It's been run out of the treasury and risk management division without dedicated staff to the investment function. Myself and Ms Jones are the primaries for the past 10 years on the fund. The initial goal is that there be a broader governance and oversight and fully dedicated organization to set the strategic long-term goals of the fund to earn an excess return, to act as a sovereign wealth fund, as a growth fund rather than an income-producing, revenue-generating fund.

The discussion around alignment with sovereign wealth funds gets more to the investment strategy. Historically, because most of AIMCo's other clients are large pension funds and the majority of AIMCo's pools are dominated by pension fund clients, the heritage fund has been invested, the asset allocation has aligned with those funds largely. Our investment thesis is that under a dedicated management team, with an investment strategy that mirrors that of large sovereign wealth funds that we're seeing globally, that are dominating pools of capital globally, we can improve the fund's long-term performance.

The initial operations of the Heritage Fund Opportunities Corporation will be to take over the investment functions that currently reside within the department, professionalize those with an extended management team, with an independent board of directors who oversee the investment strategy, guidance, and delegation to AIMCo with respect to investment management.

2:10

Under the changes to the act, with the creation of the Heritage Fund Opportunities Corporation, the minister did assign the corporation the ability to invest on its own outside of AIMCo's pools. The corporation currently does not have the capacity to do that as there are no management members in evidence at the opportunities corporation. That ability is meant to allow the corporation to consider investments that may not align with AIMCo's other clients, that may have to exist outside of AIMCo's existing investment structure. That is not to say that those same investments cannot be executed in co-operation and collaboration with AIMCo. We can allow independent thought and independent investment discretion, executed by AIMCo, that does not currently align with the pool structure at AIMCo's other clients. So what we're getting at is having a corporation that has full control over the investment strategy of the heritage fund but also has the ability to

pursue other avenues should they exist. That is not a near-term likelihood for this corporation, but it does exist within its authority.

Hopefully, that answers most of your questions.

Member Miyashiro: Actually, yes. Thank you. That does help clear something up.

Again, the \$2 billion that HFOC was seated with right now is just sitting there because there's no one to invest it. Is that correct?

Mr. Thompson: No, no, that's not correct. Today we've had a \$750 million investment, a \$2 billion contribution, and the most recent \$2.8 billion injection from government into the heritage fund. The first \$2.75 billion has been deployed at AIMCo into the heritage fund's existing asset mix. I will defer to my friends at AIMCo to sort of explain the strategy and how that is deployed. Obviously, it's difficult to instantly deploy into an asset mix that includes illiquid investments. But all of that money is already with AIMCo, has already been deployed into existing asset pools, and is earning a return commensurate with the rest of the fund. The \$2.8 billion that was most recently deposited is expected to be deployed prior to fiscal year-end. We are expecting full deployment of that cash in February but certainly before March 31. So that cash is all actually earning a return now.

The Chair: Thank you so much for that.

Member Miyashiro: Then once – sorry.

The Chair: Sorry, Mr. Miyashiro, I'm going to have to cut you off there. We're out of time. Thank you so much. I've given you plenty of opportunity to speak. I hope you recognize that.

Member Miyashiro: Thank you.

The Chair: With that, I would like to thank our guests from Treasury Board and Finance, AIMCo, and the office of the Auditor General for being here today. We have other business to attend to. You're more than welcome to stay if you'd like; if not, enjoy the rest of your day. I know your wingers in the back would love to stay for the rest of this meeting.

With that, I will now look for a member to move a motion to receive the fund's second-quarter report. Would someone like to move that? Mrs. Johnson moves

that the Standing Committee on the Alberta Heritage Savings Trust Fund receive the Alberta heritage savings trust fund 2025-26 second-quarter report as distributed.

Any concerns, questions, comments from the MLAs online or in the room? With that, all in favour of accepting this report, please say aye. In the room? Online, anyone opposed to receiving this?

I have to ask both questions. All right.

All in favour online, please say aye. Fantastic. All opposed online, please say nay. Perfect.

That motion is carried.

Thank you, everyone, so much.

The next item on the agenda is a review of the committee's 2025 annual public meeting. The Alberta Heritage Savings Trust Fund Act requires that the committee hold an annual meeting with the public to inform Albertans about the status of the fund and its investment activities and results. The meeting was held here at the Queen Elizabeth II Building on October 30, 2025. Albertans were invited to pose questions related to the fund, either in person, by phone, e-mail, or through the Assembly's website and social media channels. A summary document from the Legislative Assembly Office communications services was posted to the internal website, which provides a breakdown of the public's participation at the meeting.

Christina Steenbergen with LOA communications services is here with us to provide an overview of the report, and I will turn the floor over to her.

Ms Steenbergen: Thank you, Mr. Chair. I will keep this short and sweet. Now, I'm assuming most of you may have taken a look at this, but I just want to start with the budget.

We had looked at an \$11,000 budget. We came in just over \$7,500. We actually held back a lot on the digital advertising. Just because of current events our posts were boosting themselves. People were definitely engaged during October for whatever the reasons may be. That said, like I said, the digital advertising was actually pretty remarkable.

In terms of the actual meeting itself, what was interesting is that our Facebook live stream was more successful than X and YouTube, which hasn't happened in the past. We're not sure if that's just the demographic, but we will monitor that next year as well and see if there's a new trend happening.

Just in terms of the digital advertising, X did pretty good with over 100,000 impressions. Again, Facebook and Instagram: Facebook mostly got the biggest engagement with over 600 event responses. Obviously, 600 people did not come, but, you know, they knew about it. We will keep trying. Over 90,000 people viewed the event, and we had a huge reach of over 30,000 people.

In terms of organic social media, which is unpaid advertising, we did actually pretty good again on Facebook. Over 35,000 impressions, which means that many people saw it, and over 2,000 people engaged with the post.

We also posted some stories on Instagram and Facebook, which only reached over 200 people, but still we're pretty happy with those numbers.

In terms of a postevent survey, unfortunately, we did not get that many responses, so we do not have usable data, but we did get two, and both people were very happy.

That was really quick, and I'm happy to take any questions if anybody has any.

The Chair: Thank you so much for that.

Do any of our committee members have any questions for Ms Steenbergen? Perfect. We do not. Thank you. We appreciate your work on that.

With that, hon. members, section 6(4)(c) of the Alberta Heritage Savings Trust Fund Act requires the committee to report to the Legislative Assembly on whether the mission of the heritage fund is being fulfilled. Last year's report to the Assembly was tabled on April 14, 2025. The practice of the committee has been for the committee clerk to prepare a draft report covering the committee's activities for the current fiscal year and then distribute it for the committee's consideration and approval at our next meeting. Once approved, the report will be tabled in the Assembly.

Do members have any questions or comments regarding this reporting process? I see none. All right, then. The draft report will be prepared for review at our next meeting.

With that, I will note for the record that the committee received a written response from Treasury Board and Finance related to questions asked at our public meeting on October 30, 2025. It was made available to committee members on the internal site prior to today's meeting.

Are there any other issues for discussion for today?

If not, our next meeting will be at the call of the chair after the release of the fund's third-quarter report.

If there's nothing else for consideration today, I'll call for a motion to adjourn. Would a member move as such?

Jennifer Johnson moves that the January 28, 2026, meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund be adjourned. All in favour in the room, please say aye. All opposed in the room? All in favour online, please say aye. Anyone opposed? I see none. That motion is carried.

This meeting is adjourned. Thank you, everyone, so much.

[The committee adjourned at 2:19 p.m.]

