



Legislative Assembly of Alberta

The 31st Legislature
Second Session

Standing Committee
on the
Alberta Heritage Savings Trust Fund

Monday, October 26, 2026
6 p.m.

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**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

de Jonge, Chantelle, Chestermere-Strathmore (UC)*
Ellingson, Court, Calgary-Foothills (NDP)
Kasawski, Kyle, Sherwood Park (NDP)
Kayande, Samir, Calgary-Elbow (NDP)
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC)
Stephan, Jason, Red Deer-South (UC)
Wiebe, Ron, Grande Prairie-Wapiti (UC)
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* substitution for Justin Wright

Ministry of Treasury Board and Finance Participant

Stephen J. Thompson	Assistant Deputy Minister, Treasury and Risk Management
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Alberta Investment Management Corporation Participants

Kelly Featherstone	Chief Client Relations Officer
Justin Lord	Chief Investment Officer

Heritage Fund Opportunities Corporation Participants

Joe Loughheed, KC	Board Chair
Aarnoud van Weelden	Chief Executive Officer

Support Staff

Shannon Dean, KC	Clerk
Trafton Koenig	Law Clerk
Vani Govindarajan	Parliamentary Counsel
Philip Massolin	Clerk Assistant and Executive Director of Parliamentary Services
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Amanda LeBlanc	Managing Editor of <i>Alberta Hansard</i>

Standing Committee on the Alberta Heritage Savings Trust Fund

Public Participants

Miles Berry
Arnold Grandt
Aidan Hopwood
Anna Somers
Gavin Soroohan

6 p.m.

Monday, October 26, 2026

[Mr. Yao in the chair]

The Chair: Good evening. I'd like to call the 2026 public meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund to order. I'm Tany Yao. I'm the MLA for Fort McMurray-Wood Buffalo and chair of this committee. Tonight the committee is pleased to host its annual meeting to hear questions from members of the public who are interested in the Alberta heritage savings trust fund.

I'd ask that members and guests seated at the table introduce themselves for the record, and I'll call on those joining in by videoconference. We shall begin to my right.

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

Mr. Rowswell: Hello. Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

Mr. Wiebe: Good evening. Ron Wiebe, MLA for Grande Prairie-Wapiti.

Mr. Kasawski: Good evening. It's Kyle Kasawski. I'm the MLA for Sherwood Park, where all roads lead to.

Member Kayande: Samir Kayande, Calgary-Elbow.

Member Ellingson: Court Ellingson, Calgary-Foothills.

Mr. Lougheed: Joe Lougheed, chair of the Heritage Fund Opportunities Corporation.

Mr. van Weelderren: Aarnoud van Weelderren, CEO, Heritage Fund Opportunities Corporation.

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

Mr. Lord: Justin Lord, chief investment officer of AIMCo.

Ms Featherstone: Kelly Featherstone, chief client relations officer at AIMCo.

The Chair: Thank you for that.

We'll now go to those joining virtually. I ask that you do unmute yourselves and turn on your camera when I call your name. We shall start with Ms. de Jonge.

Ms de Jonge: Good evening, everyone. Chantelle de Jonge, MLA for Chestermere-Strathmore.

The Chair: Thank you so much.
Mr. Stephan.

Mr. Stephan: Jason Stephan, MLA, Red Deer-South.

The Chair: Thank you both so much.

For the record I will note the following substitution. Ms. de Jonge is in for the hon. Mr. Wright.

Section 6(4)(d) of the Alberta Heritage Savings Trust Fund Act requires a committee "to hold public meetings with Albertans on the investment activities and results of the Heritage Fund" every year. The nonpartisan staff at the Legislative Assembly Office arrange and promote these public meetings. I'd like to thank all those involved for making this year's meetings possible.

The Alberta heritage savings trust fund was established in '76 with funds from nonrenewable resources and is managed by the

Alberta Investment Management Corporation, also known as AIMCo, with direction from the Ministry of Treasury Board and Finance. The Heritage Fund Opportunities Corporation was established in 2025 to provide oversight and stewardship of the heritage fund among other provincial endowments.

Tonight's meeting provides an opportunity for Albertans to participate in a discussion about the status of the heritage fund, its investments, and to find out what's in store for the future. The investment professionals who manage the heritage fund to get the best possible return are here to answer your questions.

Our proceedings are being broadcast live on Alberta Assembly TV, and the audio and video of this meeting are streamed live on the Legislative Assembly website at www.assembly.ab.ca as well as on the Legislative Assembly's Facebook, X, and YouTube accounts. I'd like to encourage everyone to join the discussion during our live broadcast. More information about this committee and its mandate can be found on the Standing Committee on the Alberta Heritage Savings Trust Fund page on the Legislative Assembly website.

If you would like to participate today, you can come in person to the Queen Elizabeth II Building until 8 p.m. tonight. You can phone in by calling 1.800.717.1738, conference code 34098. You can submit your questions via web form on the committee's website, you can e-mail questions to committee.admin@assembly.ab.ca, or you can post questions on Facebook or X by using the hashtag #ABheritagefund. This information will be displayed on the screen for the duration of the meeting.

We hope to respond to as many questions as time will allow during the question-and-answer segment of the meeting, which will immediately follow our panel presentations. The committee will alternate questions between those joining us in person, on the phone, and via social media and e-mail. Your input is important to us, and I encourage you to participate, but I'll ask that those participants please keep questions and comments respectful and relevant to tonight's topic, the Alberta heritage savings trust fund.

I'd now like to invite officials from the Heritage Fund Opportunities Corporation to provide a presentation on the heritage fund and then provide their opening comments. Mr. van Weelderren, please begin when you are ready, sir.

Mr. van Weelderren: I'll defer actually to Mr. Lougheed to start.

The Chair: Mr. Lougheed.

Mr. Lougheed: Thank you very much, Mr. Chair. My name is Joe Lougheed, and I am the chair of the Heritage Fund Opportunities Corporation. Good evening to the committee, guests, and members of the public. We're pleased to be with you tonight.

The assets overseen by HFOC in the heritage savings trust fund and its endowments are fundamentally held in trust for current and future generations of Albertans. We take this responsibility very seriously. Our job is to deliver risk-adjusted superior returns for the heritage fund assets through our asset managers and to improve the performance where we can, again, for the benefit of future generations.

Built into the Heritage Savings Trust Fund Act is the creation of this meeting. Transparency and accountability for these public dollars is built right into the legislation, and it is very important. We at the Heritage Fund Opportunities Corporation believe that transparency and accountability for these dollars is one of our utmost responsibilities.

With that, I will pass it on to our CEO, Aarnoud van Weelderren, to go through our presentation.

Mr. van Weelderen: Good evening to the committee, guests, members of the public. We are pleased to be here with you tonight. My name is Aarnoud van Weelderen, chief executive officer of the Heritage Fund Opportunities Corp. I'm joined, of course, by Mr. Joseph Loughheed, our chair; to my right, Mr. Stephen Thompson, assistant deputy minister of the treasury and risk management group within the Department of Treasury Board and Finance; Mr. Justin Lord, chief investment officer of Alberta Investment Management Corp, or AIMCo; and Ms. Kelly Featherstone, chief client relations officer also of AIMCo. We appreciate the opportunity to present at this evening's annual public meeting of the Alberta heritage savings trust fund.

Today we'll run through a brief history of the heritage fund and discuss the 2025-26 fiscal year results. Of course, out of interest we'll also highlight the three Alberta heritage endowments and talk further about the purpose and work of the Heritage Fund Opportunities Corp.

The heritage fund is Alberta's main long-term savings and investment vehicle. The fund's mission is mandated by the Alberta Heritage Savings Trust Fund Act to benefit all Albertans both today and in the future. Albertans can take pride in knowing that this provincial wealth fund is unique in Canada. There is no other province that has one like it.

The heritage fund was created in 1976, 50 years ago this year, starting with a deposit of \$1.5 billion. The fund was initially intended and designed to strengthen and diversify the provincial economy, improve the lives of Albertans, and save for a day when nonrenewable resource revenue declines and disappears in order to build sustained provincial wealth to benefit all Albertans. Initial government policy dedicated 30 per cent of nonrenewable resource revenues to the heritage fund. However, due to growing fiscal challenges all regular contributions were suspended by the late '80s.

Starting in 1982 most of the heritage fund's net income was diverted to the government's general revenue fund. This helped pay for government services but severely limited the fund's long-term growth potential. Following public consultation in 1996 the heritage fund's mandate and investment policy were realigned to focus on maximizing long-term financial returns rather than to fund economic development activities within the province. Of particular note, in 2006 government contributions to the heritage fund were restarted and new rules required the fund to retain some income for inflation-proofing to protect the real value of assets over time.

Recently the government has taken bold steps to support the heritage fund's original vision of reducing reliance on nonrenewable resource revenue. These actions, as outlined in the heritage fund road map released January '25, are already transforming the fund into an even more powerful long-term provincial wealth fund.

Historically most of the heritage fund's income was withdrawn to pay for current spending needs. The government has suspended this practice as of 2022. Amended legislation now allows 100 per cent of the fund's net earnings to be reinvested. This change is designed to protect the heritage fund against inflation and to improve long-term growth compounding. The government has also implemented savings discipline through its fiscal framework. A portion of any surplus in a fiscal year may now be allocated to the heritage fund. This ensures that when the province does well, a portion of resource wealth can be saved for the future.

Since 2022-23 the government has contributed \$5.6 billion in new capital to the heritage fund. This includes a \$2.8 billion deposit made in July 2025 from the 2024-25 surplus, the largest single contribution to date. Together with retained earnings these contributions have helped the fund grow by 80 per cent over the last

five years, keeping it on track for the government's targets of \$35 billion by 2027 and \$250 billion by 2050.

To ensure that the heritage fund is protected for future generations, a clear and robust oversight structure is in place. We thought we'd dedicate a slide to explain the governance of flow of information which supports the safeguards of the heritage fund. Starting from the top, the Minister of Finance is responsible for the heritage fund and answers directly to the Legislative Assembly, which is elected by Albertans. The heritage fund operates under the Alberta Heritage Savings Trust Fund Act. The Department of Treasury Board and Finance, with ministerial direction, performs key administrative and policy-related functions.

6:10

Responsibilities for the fund's investment are done so by the Heritage Fund Opportunities Corp, or HFOC. It provides a layer of independent and professional oversight. HFOC has been mandated to update and improve the heritage fund's current investment policy direct investment allocations, which are affected through the mandate and rules document and the investment management agreement with the government. HFOC additionally sets the policies for investing through what's called the statement of investment policies and goals. AIMCo, participating with us this evening, is our current investment manager and executes and manages the investments of the heritage fund under an investment management agreement that we have in place with them.

The all-party Alberta Heritage Savings Trust Fund Standing Committee, present here this evening, as Joe mentioned, provides a critical layer of legislative scrutiny. HFOC, the Treasury department, and AIMCo currently present and provide updates to this committee, which is responsible for reviewing the heritage fund's performance and financial reporting, approving the annual report, and providing a separate report to the Legislature as to whether the fund's mission as defined by the heritage fund act is being fulfilled.

The Minister of Finance has delegated authority to the Heritage Fund Opportunities Corporation to update and optimize the fund's investment policy, investment manager selection, and investments. The heritage fund's investment objectives start with the legislative mandate to maximize long-term financial returns with an appropriate level of risk. The fund is currently invested using an industry standard total portfolio approach used by sovereign wealth funds and endowments globally. This approach emphasizes a focus on return, risk, and diversification across and between asset classes. This helps ensure the assets individually contribute to growth while planning for and understanding the upside and the downside of risks associated within these assets. Risk is managed through controls and disciplined portfolio balancing, which uses less volatile assets like fixed income or infrastructure to moderate the risk introduced by higher growth assets like equities. This strategy helps maintain both consistent returns and a reasonable total fund risk.

Again, the heritage fund activity is guided by the statement of investment policy and goals, or the SIP and G, which was referred to in the previous slide. This is reviewed regularly to keep pace with the changing financial markets. The SIP and G has been recently reviewed, and we expect a new release to be coming out in the months ahead.

We'll now move on to the heritage fund's 2025-26 results and overall performance. The net financial assets of the heritage fund grew to \$32 billion in 2025-26, the highest value since the fund was established in 1976. This represents a \$4.9 billion increase over the prior fiscal year. For the year the heritage fund's investment return was 8 per cent net of fees. Over the last five- and 10-year periods the fund has earned annualized investment returns of 8.2 and 7.7

per cent respectively. The heritage fund generated more than \$2.4 billion in net investment income in this last fiscal year, up from \$1.9 billion the year before. Since inception more than \$42 billion of investment income has been transferred to the general revenue fund, with additional funding allocated to capital projects endowments in earlier years. In total, more than \$11.2 billion of income has been retained by the heritage fund since inception.

It is important to note that the \$32 billion figure includes the \$2.8 billion surplus contribution the Alberta government deposited in July 2025 during the fiscal year-end March 31, 2026. The \$2 billion contribution that was held in the province's consolidated liquidity account at the end of '24-25 is now held in the fund's investments. The fund reported no cash balances at the end of this fiscal year.

The heritage fund's growth during 2025-26 was driven by \$2.5 billion in earned investment income, up from \$2.1 billion in the prior year, which was offset by \$189 million in direct investment costs and investment management related fees. Investment costs for the year were .66 per cent of the average market value of the heritage fund, down from .73 per cent in the prior year.

Equities were the largest contributor to investment income, generating \$2 billion for the fiscal year. Fixed income added \$346 million, and inflation-sensitive and alternative investments \$174 million. The \$2.8 billion surplus contribution deposited in July of 2025 under the province's fiscal framework provided a significant boost to the fund. The heritage fund reported \$367 million in net remeasurement losses compared with gains of \$346 million the year prior. Remeasurement gains and losses reflect the change in the fair market value of the fund's investments, accounting for both assets sold and changes in the value of the assets still held.

Recent strategic actions taken by the provincial government, including retaining and reinvesting all earnings and making new capital contributions, are helping drive the heritage fund's value over time. Combined with generally strong investment returns, the fund's value has increased by 80 per cent over the last five years, from \$17.8 billion at the end of 2021 to \$32 billion at the end of this last fiscal year. This represents a compound annual growth rate, or CAGR, excluding the \$5.6 billion in government deposits over that period of 8.2 per cent. The heritage fund reached a record \$32 billion in 2025-26, including the government's contribution. The heritage fund remains on track to reach \$35 billion by fiscal year-end on March 31, 2027.

In terms of measuring investment performance the heritage fund has historically relied on two distinct metrics, a real return target and an active management target. The real return target assesses whether the heritage fund's investment growth is outpacing inflation. The goal is to exceed the Canadian consumer price index, or CPI, by 4 and a half per cent over a rolling five-year period. This shows whether the heritage fund is achieving a level of growth that preserves and increases its real value over time.

The active management component target evaluates the skill and value added by the fund's investment managers. The target is to earn 100 basis points, or 1 per cent of value, above the return of the passive policy benchmark, also on a five-year rolling basis. This is used to evaluate the long-term value delivered by the manager's active investment decisions. Taken together, these metrics provide a holistic picture of the heritage fund's success, confirming that both the asset allocation is achieving appropriate real returns and that the investment manager is delivering good long-term value.

The heritage fund's balanced portfolio is designed to meet performance targets with a long-term asset mix allocated across three major categories plus a small allocation for strategic opportunities, which may be used to adjust tactical or currency exposures to fine-tune positioning. AIMCo, as a delegated investment manager, has the flexibility to strategically overweight

or underweight these categories to capitalize on market opportunities or reduce risk. Note that the asset mix shifted over the past year, with fixed income and equities increasing and inflation-sensitive and alternative investments decreasing in line with updated long-term policy targets.

Fixed income and interest-bearing assets, including public bonds, private debt, and private mortgages, are critical for preserving capital and generating regular income. With a 26.7 per cent weighting at fiscal year-end, fixed income exposure was slightly below the 27.5 per cent target. The fixed income allocation includes short-term money markets, universe bonds, private credit, private mortgages. More information can be found on slide 27, which we'll get to.

The inflation sensitive and alternatives category has a target weighting of 22.5 per cent. This includes infrastructure, real assets, and resources. This category is designed for long-term diversification to protect the heritage fund's purchasing power during periods of higher inflation. As of March 31, 2026, the allocation to inflation sensitive and alternatives was 23.9 per cent, slightly overweight target. Equities continue to play a central role in the heritage fund's investment strategy by providing relatively higher long-term returns. This category includes exposures to Canadian and global developed equity markets, emerging economies, private equity, and absolute return strategies. Equities represented the largest portion of the portfolio at 49 per cent, slightly underweight the long-term policy target of 50 per cent at fiscal year-end.

We'll now go through a few slides on the performance relative to benchmarks. In terms of asset category returns in fiscal year 2025-26 fixed income and interest-bearing assets earned 2.7 per cent, ahead of the 1.8 per cent benchmark. Inflation-sensitive and alternative investments underperformed overall, posting a negative .2 per cent return against a 4.1 per cent benchmark. Infrastructure returned 4.1 per cent, below its 8.1 per cent benchmark. Real estate returned minus 2.1 against a 1.2 per cent benchmark, and renewable resources returned minus 4.9 per cent against 8.1 per cent.

6:20

Equities was the best performing asset category in 2025-2026, generating a 16.3 per cent return, though below its benchmark. Canadian global developed equities posted strong gains, and equities generated \$2 billion of the fund's investment income. Private equity returned .9 per cent against a 17.3 per cent benchmark, which accounted for much of the gap to that benchmark.

Looking at the five-year picture, two notable trends emerged regarding the heritage fund's performance relative to its benchmarks. Fixed income and equity assets exceeded their benchmarks over five years. Fixed income returned 2.4 per cent against 1.8 per cent and equities 13.5 per cent against 12.3 per cent. Inflation-sensitive and alternative investments returned 4.6 per cent over five years, just below their 4.8 per cent benchmark. This mirrors the larger shortfall seen within this asset class during the 2025-26 fiscal year.

The heritage fund's total return was 8 per cent for the 2025-26 fiscal year. This performance trailed the benchmark return of 10.5 per cent by 2.5 per cent. Worth noting here is that the portfolio returns of respective benchmarks can fluctuate significantly from year to year due to the relatively short annual investment periods being considered. Longer term performance certainly provides a more representative measure of success, as we'll see in the next slide.

Evaluating rolling five-year investment returns offers a more complete picture of the heritage fund's performance against its

benchmarks. Since the fund is managed for the long term, a longer review period better reflects the fund's success and minimizes the noise of shorter term volatility. The relative performance of the heritage fund over the past five years remains positive. The fund has achieved an annualized return of 8.2 per cent. This performance exceeds the real return benchmark of 7.7 per cent by .5 per cent. It also outperformed the passive benchmark return of 7.6 per cent by .6 per cent.

Moving on now from the heritage fund performance results, let's briefly have a look at the three dedicated Alberta heritage endowment funds. While these funds are connected with the heritage fund, Albertans may not be fully aware of the existence, purpose, or current value of these important provincial assets. Some of the initial seed capital for these endowments was provided by the heritage fund under its original pre-1997 mandate, which at the time included making direct social or economic development investments to improve the quality of life of Albertans.

Alberta's three heritage endowments together are worth \$6.2 billion at March 31, 2026. Combined these endowments distribute about \$140 million annually in research and technology funding and postsecondary education scholarship support. In total nearly \$3.8 billion has been paid out of these funds since being established: science and engineering, \$760 million since 2002; medical research, \$2.2 billion since 1980; scholarships, \$800 million since 2008. In 2025-26 these three endowments returned between 8.7 per cent and 9 per cent.

To explore the endowments in a little more detail, let's start with the largest of the three, the Alberta Heritage Foundation for Medical Research endowment fund. Established in 1980 with \$100 million, this endowment has helped build the province's medical research capacity. Its primary goal is to support health and medical research within the Alberta communities, focusing on advanced technologies and innovation to improve health care outcomes. Now worth \$2.8 billion after returning 9 per cent in 2025-26, the medical research endowment has distributed an average of about \$54 million annually over the last 10 years.

Next is the Alberta heritage science and engineering research endowment, which was established in 2000 and is now worth \$1.6 billion after a 2025-26 return of 8.9 per cent. This endowment aims to develop internationally recognized expertise by supporting the province's science and engineering research facilities, attracting top researchers, and facilitating the commercial application of new knowledge. The fund disburses an average of \$36 million annually with proceeds used to build critical infrastructure like university labs and commercialization programs, positioning Alberta as a world leader in applied science and innovation.

Last is the Alberta heritage scholarship fund, which today is worth \$1.8 billion and returned 8.7 per cent in 2025-26. Dedicated to supporting students across Alberta, this endowment enhances access to advanced education and fosters academic excellence. Annual transfers of approximately \$51 million ensure thousands of students receive scholarships and bursaries each year, with nearly 240,000 scholarships awarded over the past decade alone. The three heritage endowment funds are operationally distinct from the Alberta heritage savings trust fund despite sharing the common heritage name. Each endowment is administered by its respective minister under its own provincial statute and mandate.

To ensure the endowments remain stable for the long term, the annual disbursement for each fund is limited to 4.5 per cent of its rolling three-year average market value. The endowments have historically been invested using assets mixed similar to the heritage fund, resulting in comparable long-term returns. For fiscal transparency all three heritage endowments are fully consolidated into the province's financial statements, as the heritage fund also is.

Collectively the heritage endowments share a broader vision to strengthen, diversify, and grow the provincial economy while improving the lives and livelihoods of Albertans well into the future.

The last section of this presentation focuses on the Heritage Fund Opportunities Corporation and how its work is expected to further revitalize and grow the heritage fund and heritage endowments. As we know, the provincial government is committed to significantly grow the heritage fund and recognizes that strong governance is key to achieving long-term financial objectives. As the heritage fund grows both in size and complexity, a more specialized governance structure is needed. It's also understood that the heritage fund must be invested and managed differently to meet the \$250 billion value target by 2050. To create the conditions necessary for higher long-term returns and to fulfill the fund's mission, the government established the Heritage Fund Opportunities Corp in 2025. This corporation provides dedicated leadership and professional oversight aimed at improving investment performance and accountability outcomes for the benefit of all Albertans.

HFOC's governance framework is guided by core values of financial stewardship, strategic clarity, global reach, and institutional design. It is structured as an arm's-length provincial entity ensuring fully independent and professional decision-making to protect investment decisions from short-term external pressures or undue influence. Now in its second year, the corporation oversees both the heritage fund and the three public endowment assets. The corporation continues to build expertise, tools, and processes required. I lead the corporation as its chief executive officer. HFOC is governed by a qualified and independent board of directors led by the chair, Mr. Joseph Loughheed.

The full board was appointed in December 2025. Directors were specifically chosen for their specialized financial and corporate governance experience, with representation drawn from both Alberta and international jurisdictions. Directors participate in committees, including the investment committee, the audit and enterprise risk committee, and the governance and human resources committee. The board must ensure that all investment policy and decisions made adhere to the Alberta Heritage Savings Trust Fund Act, the mandate and roles document, and the investment management agreement to maintain the integrity and purpose of the heritage fund.

HFOC has been tasked with achieving generational growth for the heritage fund, prioritizing long-term capital appreciation over more immediate investment income. To facilitate this, the authority to set and revise the fund's statement of investment policy and goals has been delegated to the HFOC board. This empowers the board to shape long-term investment strategy by defining investment objectives, asset allocation, and risk tolerances, align investment policy with the legislated standard of maximizing long-term returns with a prudent level of risk for both the heritage fund and the heritage endowments, and engage additional investment managers or pursue internal strategies best suited to meet these growth objectives. HFOC enhances the heritage fund's investment reach and performance by shifting to a more global, return-focused strategy. This is expected to accelerate growth by leveraging and scaling the corporation's expertise while prioritizing operational efficiency and cost discipline.

HFOC collaborates closely with AIMCo to best align the heritage fund and its endowments toward long-term growth. The corporation's success will be measured and disclosed openly to maintain public confidence. Ensuring the public's trust is paramount. Albertans will always know how their heritage fund is being managed. Success will be driven by clearly defined benchmarks and metrics to support regular performance evaluation

strategic adjustments needed to meet the \$250 billion by 2050 growth target. Financial performance and governance reporting will continue to be audited regularly and shared publicly.

6:30

This table sets out the heritage fund's policy portfolio from its statement of investment policies and goals and is available on the heritage fund government website and is included in the recently posted annual report. The two right-hand columns show the actual allocation as of March 31, 2026: 8 and a half billion in fixed income, \$7.7 billion in inflation sensitive and alternatives, and \$15.7 billion in equities out of the \$32 billion total.

This brings the prepared presentation comments to a close, and we thank you for listening. Now I turn things back to the committee chair.

The Chair: Mr. van Weelderen, thank you so much for that. To you and Mr. Louheed: thank you both for all the hard work that you and your entire teams are doing on behalf of all Albertans. Thank you so much for that.

Next we will have a video presentation from AIMCo, and afterwards we'll hear the opening remarks from Mr. Lord and Ms Featherstone.

Please, the floor is yours.

[A video was shown from 6:31 p.m. to 6:32 p.m.]

Ms Featherstone: Good evening, Chair, members of the committee, and Albertans joining us this evening. I want to emphasize that we consider it a privilege to be here this evening to discuss their Alberta heritage savings trust fund and to answer your questions.

I said previously that my name is Kelly Featherstone, and I'm the chief client relations officer. I stepped into this role earlier this year after more than 16 years at AIMCo in cross-client risk and investment roles. I'm here alongside our chief investment officer, Justin Lord. I'll start with a brief update on AIMCo – our strategy, our business transformation project, and our work with clients – and then Justin will share his perspectives on investment markets in the environment ahead.

The heritage fund is a particularly important client for AIMCo, and we recognize that responsibility that comes with managing assets intended to benefit Albertans over generations. Our role is to bring investment expertise, disciplined risk management, and long-term perspective to that responsibility. One of the most significant milestones for AIMCo this year was a successful go-live of our new investment platforms on July 13. This represents the culmination of more than two years of preparation and an important step in modernizing the infrastructure that supports our investment activities on behalf of clients. Since go-live we've completed an initial hypercare period and moved into extended stabilization with the transition to our new systems progressing as expected. Our business transformation is more than a technology implementation. It will provide stronger reporting, analytics, and portfolio insights to support better investment decisions.

For the heritage fund specifically, our role continues to evolve alongside the ambitions for the fund. We're working closely with the Alberta Heritage Fund Opportunities Corporation and Treasury Board and Finance as the fund's governance and strategy develop. AIMCo continues to manage the fund's investments with regular engagement on portfolio construction, performance, and the fund's evolving needs. Our focus remains on effectively managing the assets entrusted to us while supporting the fund's long-term objectives.

We're also continuing to invest in our presence here in Alberta. As our teams and activities in Calgary have grown, we've moved to a larger office space there while Edmonton remains AIMCo's headquarters and home to a significant portion of our team. Having a strong presence in both Edmonton and Calgary supports the ability to connect with clients, investment partners, and to attract the talent required for our clients over the longer term. We also continue to emphasize that dialogue with our clients so they not only understand what we're doing but why and how it supports our objectives.

Ultimately, technology, organization, and strategy changes are all in service of the same objective, improving our ability to deliver long-term investment outcomes for our clients. For the heritage fund that means applying long-term investment discipline supported by stronger technology and portfolio insights as the fund continues to evolve.

With that, I'll pass it over to Justin to share what we're seeing in the markets.

Mr. Lord: Okay. Thank you, Kelly.

Good evening, everyone. Mr. Chair, members of the committee, to the Albertans that are joining us here in person and online: thank you again for having us here to discuss what we're seeing in investment markets and what it means as it relates to the Alberta heritage savings trust fund.

As my colleagues have detailed from the Heritage Fund Opportunities Corp performance results, I'll briefly recap those headline numbers before expanding upon strategy markets as related to the fund's portfolio. For the full 2025-26 fiscal year the fund returned 8 per cent and ended the year at approximately \$32 billion. Equities did make up the largest contribution to the fund, with credit and infrastructure also generating positive returns. These results support the fund's long-term purpose, creating value for current and future generations of Albertans. Over the rolling five years the fund generated an annualized rate of return of 8.2 per cent, exceeding its real return objective and its policy benchmark.

Markets are changing quickly, and our investment strategy must as well to continue to evolve. Since becoming chief investment officer last year, this has been the central focus of my work. We've moved from reviewing our investment strategy to implementation and evolution of that strategy in place, concentrating our risk allocation and resources across the organization where AIMCo can create the greatest long-term value for our clients, including the Alberta heritage savings trust fund. That includes strengthening the public equities platform, improving how we manage capital across the portfolio, and building capabilities that better reflect each of our clients' objectives. In practical terms, we're making more deliberate decisions about risk, diversification, and long-term value for the heritage fund in and of itself.

Turning to markets, the investment environment, as we know, has changed significantly. For many years falling interest rates and stable inflation have supported rates of return while bonds have offset equity market related weakness or volatility. Today rates are higher, inflation has become less predictable, and returns vary more across sectors, companies, and regions to a degree, depending on the asset class. Economic growth and corporate earnings remain resilient, supported by investment in artificial intelligence, infrastructure, and energy security. However, geopolitical conflict, trade policy, fiscal deficits, and potentially higher long-term rates continue to create uncertainty from an investment management perspective.

In public equities we remain positive about the long-term outlook of the asset class, but we are watching valuations and market concentration quite closely. A relatively small number of large

technology and AI-related companies have driven much of the market's recent return, and that concentration can make markets more vulnerable to the trajectory of earnings growth of those particular companies and/or sectors. We're maintaining exposure to companies across our equity platform and across our various products that have durable earnings and remaining disciplined on price as well as diversifying across regions in the portfolio, diversifying across investment styles and strategies that are designed to generate returns in all market conditions.

In fixed income higher yields have restored meaningful income and continue to provide liquidity for the portfolio, but persistent inflation, government borrowing, and fiscal deficits could keep long-term rates elevated, so we remain cautious about interest rate exposure as we review the opportunity to increase those exposures selectively. We are seeing opportunities in private credit, where adjustable rate or interest rate exposures or payments and stronger lender protections can provide income to help limit losses. However, as more capital does enter this market, careful selection becomes a priority that is even more important given the relative valuation of credit or credit spreads in that market.

Within private markets infrastructure remains particularly attractive. Demand for electricity, data centres, energy security related initiatives, and digital connectivity is creating opportunities within the power generation sectors, within electricity transmission as well as natural gas and energy-related infrastructure in addition to the broad-based need for communication network expansion. Infrastructure can offer growth, income, and inflation protection. Obviously, we are focused on the price or valuation that we would be adding to those asset classes or to the individual allocations within the asset classes.

In real estate and private equity we are being more selective. Higher financing costs have reduced some of the valuations and transaction activity across both product markets, requiring longer hold periods. In real estate we see early signs of stabilization and remain focused on high-quality income-producing properties both domestically and abroad. In private equity manager selection, due diligence, and purchase price and liquidity matter more as distributions have slowed, and the extra return that is expected from these less-liquid asset classes has narrowed, as evident in the performance attribution comments. We do continue to see selective opportunities with strong managers focused on mid-sized companies as well as activity within the secondary market overall.

6:40

Stepping back, the important point is how these investments work together in your portfolio. True diversification is not simply about owning asset class labels because different investments can share different or similar underlying risks or price drivers. We look at the role that each investment plays in our clients' portfolios, providing growth, income, inflation protection, diversification, liquidity, and returns beyond the broader market. Our objective is to build a resilient portfolio rather than favour one market or asset class across our product suite. That means remaining disciplined about price and investment quality and putting capital to work where the expected return appropriately compensates the fund and our clients for the risks that are involved.

To conclude, the environment remains uncertain but is not without opportunity. We're focused on building a resilient, diversified portfolio and allocating risk where it is most attractively priced. Above all, we remain committed to managing the heritage fund in collaboration with the Heritage Fund Opportunities Corporation responsibly to build long-term value for generations of Albertans.

Thank you, Mr. Chair.

The Chair: Thank you so much, Mr. Lord and Ms Featherstone, for your presentations, and again, please pass on to your entire team at AIMCo: thank you, guys, so much for all the hard work you do for all Albertans.

All right. Before I open the floor to our questions, I'd like to remind everyone that we encourage Albertans to join the conversation and submit your questions to the committee and our panel of experts. If you would like to participate, you can come in person to the Queen Elizabeth II Building until 8 tonight. You can phone in by calling 1.800.717.1738, conference code 34098, or submit your questions via web form on the committee's website. You can e-mail questions to committee.admin@assembly.ab.ca, or you can post your questions on Facebook or X by using the hashtag #abheritagefund.

The committee received a number of questions prior to the start of the meeting through e-mail and social media, and we'll work to address everyone's questions during the meeting, but right now we will open the floor to questions from the members of the public. We'll begin with our live audience in the gallery here. If anyone is interested, please raise your hands. Otherwise, we will look online as well for some questions.

Oh, it looks like we have somebody. I ask that you please step up to the podium and introduce yourself. I do ask that you keep your questions succinct, and just in the manner of time, if I do feel that you're rambling on, I might ask you to just get to the point. Please.

Ms Somers: Thank you. I'm familiar, Mr. Chair. Hi, everybody. It's great to see you all. My name is Anna. I'm a second-year political science student at the U of A, and I come prepared with a couple of questions for tonight. My first one is: if in 2026 the Alberta heritage savings trust fund is sitting at \$32 billion as of March 31 and has a projected goal of reaching \$35 billion by 2027, as was said in the presentation, is the Alberta Pacific Link pipeline central to skyrocketing those figures and reaching the goal of \$250 billion by 2050?

Mr. Thompson: No. There's no specific link to any of the infrastructure projects that Alberta is specifically interested in. Obviously, the Pacific Link is an important infrastructure project that will have tremendous value for the province and it will provide investment opportunity for organizations like AIMCo or HFOC, but there is no specific mandate from government to these organizations to invest in that. They are meant to be independently mandated. We do not instruct HFOC as to which assets to buy, and HFOC does not instruct AIMCo as to which assets to buy. If they, in their own analysis, come to the conclusion that participation in the pipeline, for example, is something that's to the benefit of the fund and that incrementally moves them towards that \$35 billion goal or that \$250 billion goal in 2050, then that is entirely within their purview independently.

Ms Somers: Thank you.

The Chair: Did you have another question, Anna?

Ms Somers: I might have a few lined up, but I think I might pass it on to my colleague over here.

The Chair: That's fine.

Who else did we have who wanted to – sir, why don't you come on up. Again, I ask that you please introduce yourself when you get to the podium, and I trust that your questions are . . .

Mr. Grandt: I'll be quick. Arnold Grandt, Albertan. Came here; saw your notice online. A quick question. The Premier had set the

goal of \$250 billion by 2050. Also, this year will be the 50th year of this fund. What was the goal and expectation 50 years ago to be where we are today? If that makes sense. When they initiated this whole fund, they must have had a plan in place to say: by the year 2026 we expect so much money. There's been no mention of that, so are we behind target, ahead of target, or a totally different target?

The Chair: Fortunately, we have a Lougheed that might be able to answer that question.

Mr. Lougheed.

Mr. Lougheed: Through the chair, that's a great question. I cannot go back in history, unfortunately, and ask him that question, but it certainly was set up to be an evergreen fund to continue to grow. Governments can make policy decisions, and subsequent governments did. As Mr. van Weelderen noted, deposits stopped and income was taken out. It's hard to do the math as to where we would be today if those contributions had continued and investment income stayed in the fund. Obviously, it would have been very significant, but that's ancient history. I think what's really important, from the fund's perspective, for Albertans is that the government has recommitted to the original intention of 1976 that my father's government had at the time to have it grow, to reinvest the income, and to allow it to benefit future generations of Albertans.

The Chair: Thank you very much for the question, sir.

Are there any other questions from the audience? Please come on up. Again, I ask that you introduce yourself and please go ahead.

Mr. Hopwood: Hello, everyone. Thank you very much for taking questions tonight. My name is Aidan Hopwood. I am a political science student at MacEwan University and also a proud Albertan. I've just got a couple of questions lined up in regard to the heritage fund for tonight. The Alberta heritage fund, in specific in the past few years, has consistently underperformed as compared to other sovereign wealth funds. It struggled to reach an 8 per cent return this year, and the equities portfolio, making up half of the fund, performed 3 per cent under benchmark. The real estate portfolio has generated negative 2.1 per cent returns. This problem has become even more pronounced after the 2024 firing of the AIMCo board and under the previous minister. Is there any plan established to refocus policy to change fund direction or to reinvigorate investment opportunity with the fund?

Mr. van Weelderen: Sure. Thanks very much for the question. I had started July 1, to give a little bit of perspective over the last three months of what we've been working towards. We've gone through a very extensive analysis and worked with approximately 10 investment consultants globally, a number of them global companies based in Canada and a few of them in the U.S. We went through a review of the asset allocations for not only the heritage fund but the endowments. We looked not only just at the asset class level but what's called the subasset class level. If you look at equities, you're looking at global equities, emerging markets, Canadian, and for each of the asset classes we went through and did that deep dive.

It was very helpful because we went through an RFI process. Those folks all submitted their responses in September. We consolidated those responses and looked at kind of a consensus approach. That's kind of what you're speaking to: where are we relative to our peers? We then worked through our investment committee and presented that to the board of HFOC for approvals to change the asset allocations to realign ourselves.

6:50

It was quite extensive. Each respondent had a number of large packages to go through, and they provided an incredible amount of details so we could see what each of the individual funds had. I wouldn't be able to speak from memory individually, but it was very helpful to see differences and differences of opinions even amongst the consultants as to where we could move from here. The process was very helpful, and it was very clear as to where and how we could achieve and improve upon the returns going forward.

I think that that's probably a big portion of the answer for you.

Mr. Lougheed: I might just supplement that. Very good question. I'll defer to Mr. Thompson, but I do believe that in many respects HFOC was set up to address your very question, to improve returns, to align returns to better perform relative to leading sovereign wealth funds globally. We are not a pension. We do not have pension liabilities, so the investment style that we take can be more like a long-term sovereign investor. I would suggest that we were set up to look at these very things, improve the asset allocation to get better returns for Albertans.

The Chair: Mr. Thompson.

Mr. Thompson: Thank you, Mr. Chair. Mr. Lougheed is correct. If you look historically at the heritage fund, the single biggest change that we've made in the past few years is to allow that fund to retain its income and reinvest it. During the years where it was used as an income generator, it limited the fund's ability to move nimbly between asset classes to focus on investment returns, so it functioned very much as an endowment rather than an investment fund.

The entirety of the reason for creating HFOC was to give it that investment focus, that long-term growth mandate to align it, as you say, with other sovereign wealth funds. It is currently in a transition phase, obviously. HFOC at the moment has a staff of one, sitting to my left. AIMCo is retooling its asset mix and investment strategy to align with what HFOC has currently got under development, so we are looking at this in the long term. You know, five-year numbers are important to us; 10-year numbers are even more important when we're talking about an intergenerational transfer of wealth.

We believe we've set up the correct framework for robust performance into the future and for achieving the Premier's stated targets.

The Chair: Ms Featherstone.

Ms Featherstone: Thank you. Yeah. You asked a little bit about sovereign wealth fund peers. We actually have some data behind that. According to the global sovereign wealth fund data platform the heritage fund 10-year return at the end of 2025 is 7.5 per cent, and that is above the average sovereign wealth fund return of 5.5 per cent and the average public pension plan return within that database of 6.9 per cent.

Now, of course, we always do want to be a little bit careful because it can be difficult to compare sovereign wealth funds because they have varying objectives and missions, but I think I would like to reinforce that the performance has been strong and will continue to be supported by a good mandate.

Then Justin can speak a little bit about the relative performance against the benchmark over these recent horizons.

The Chair: Mr. Lord.

Mr. Lord: Thank you. Certainly, the total returns of the heritage savings trust fund would be a combination of the policy return, the exposure to the asset mix as set out in the statement of investment policy and goals, and then the relative returns of the products, as mentioned. Over shorter periods of time some products have underperformed their passive benchmarks. My focus since coming into the role has been redesigning, realigning AIMCo's investment strategy to ensure we are generating superior net risk-adjusted returns across our product platform holistically.

Focusing most recently on the fiscal '25-26 results, you'll note approximately two-thirds of the underperformance was generated by the allocation to private equity underperforming its public equity benchmark. The idea of a benchmark to manage risk and judge the efficacy of a portfolio management process is much simpler when comparing public market asset classes, public equity portfolios to public equity indices, of which those portfolios are constructed from. We've had a number of years of very strong performance in the public equity market, which has been difficult for private equity to keep up to.

You correctly noted the underperformance of real estate. We have spent considerable time revamping our broader real estate investment strategy, including the addition of a new head of real estate, who joined us in September, to refocus, realign that portfolio with our clients' expectations. The real estate market is still suffering from a number of impacts post the era of the pandemic as it relates to either office exposures and/or retail exposures in general. We are seeing, as I mentioned in my opening comments, a number of opportunities that we think set the asset classes up for positive performance in the future overall.

I think I'll leave my comments there, Mr. Chair.

The Chair: Thank you for that.

Great question, Aidan. Thank you so much for that.

We're going to go to someone on the phone right now, and then we'll come back to folks in-house. Operator, you can put through our caller.

Mr. Sorochan: Thank you. Can you hear me?

The Chair: Yes, we can.

Mr. Sorochan: Okay. Great. I'm just wondering: seeing that the disabled community is suffering one of the worst austerity measures in Alberta's history, how can the heritage fund be utilized, even if it has not performed the way it should have since the '70s, to protect Alberta's most vulnerable citizens?

Thank you.

The Chair: Just to clarify, sir, we don't draw from the fund at all. Any profits from that fund get reinvested into the fund. Our government is committed to not interfering in the growth of this fund. We manage our social services through our regular budgets and through, well, taxable income from people. Does that answer your question, sir?

Mr. Sorochan: It sort of does. I mean, I guess it begs the question, then: can the heritage fund, not the principal but other amounts, be used to underpin the most vulnerable classes, and what would it take to initiate such a thing?

The Chair: Mr. Thompson.

Mr. Thompson: Thank you, Mr. Chair. We will say that the heritage fund has a singular mandate, and that is to grow in size so that in future generations, when we cannot rely on nonrenewable

resource revenue or other sources of revenue, we will be able to draw from the fund to fund our social programs, including funding programs for our most vulnerable. The trade-off is that that money is not available currently for spending. The social obligations of this government are addressed, as the chair rightly says, through the budget process and through the raising of taxes and other revenues.

Mr. Sorochan: Okay. That's an honest answer. Thank you.

The Chair: Thank you very much for your question, sir.

Back to in the room here. Is there anyone in the room that would like to ask a question? I will certainly encourage our two students from Grant MacEwan to step on up. Come on up, Anna. Just for formality please reintroduce yourself.

Ms Somers: Perfect. Thank you. Again, my name is Anna Somers. I just have one more question for you. The Alaska permanent fund is maintained by a minimum contribution of 25 per cent of all renewable oil and mineral revenue with a semirigid cap on spending of 5 per cent of the market value. As was mentioned previously, 30 per cent of nonrenewable revenue was filtered into the heritage fund from its creation up until 1982. My question is: why is the fund no longer following a minimum when the Alaska permanent fund is currently sitting at a total of \$88.05 billion as of September 1, which is \$56.05 billion more than our heritage fund, and investment into our heritage fund has decreased significantly since the reform?

7:00

The Chair: Mr. van Weelderen.

Mr. van Weelderen: Yeah. I think the comparison is a different structure in terms of policy. Ultimately, the heritage savings trust fund does not have itself a minimum spending amount. We have the maximum spending amount under the endowments but not under the sovereign wealth fund. You do see that the Alaska permanent fund follows a bit more of the pension model in the U.S., where they do have a minimum spend and allocation. So that's quite consistent. We see that also with some of the endowments as well. So I think it's probably a more appropriate comparison to think about the Alaska permanent fund relative to like Utah Retirement Systems, URS, instead, just to put a little bit of perspective on the differences there.

When we think about the Alberta heritage savings trust fund, we look at it from the perspective of a global sovereign wealth fund, many of whom do not have a payout structure. They're all different, and there's a spectrum even within the structures of other sovereign wealth firms as it relates to economic development or no economic development. We also don't have – we have a clarification that there is no economic development within the fund. So it truly is a search for maximum absolute returns on a risk-adjusted basis.

I think it's also interesting in terms of the structure. I've looked at the Alaska permanent fund a little bit as well. Their asset allocation was certainly one we looked at in comparison, and even their corporate governance structure was a good comparable for us to just have a good sense of how that fund is doing and especially since – the Heritage Fund Opportunities Corp. chair would know better than I, but I believe they were set up at almost a similar time. So I think that's, you know, a relatively fair comparison but not quite the same for all components.

The Chair: I believe Mr. Thompson wanted to supplement.

Mr. Thompson: Thank you, Mr. Chair. Yeah, I would just point out that, you know, I did mention earlier that one of the biggest changes that's happened recently with the heritage fund is that focus

on the retention and reinvestment of investment returns. The other significant piece of policy change has been the government's strategy around surplus management. So amounts from provincial surpluses now have been contributed into the heritage fund for the first time in 20 years, I want to say, beginning in 2023. So we have actually seen, for the first time in a while, growth in the heritage fund through government contributions.

Now, that's not a dedicated stream as you see in Alberta. We don't have a dedicated line in the budget for allocation into the fund. That is a policy choice of this government. But the fiscal framework as we have established it in the past few years has allowed for that significant growth, the most significant growth we've seen in the heritage fund in recent years, through the allocation of surplus cash when we're, you know, reaping the rewards of high energy prices currently. The reason that it's not permanent is what we have seen over the years in Alberta. Every Albertan is intimately familiar with the wild swings, unfortunately, that come with relying on nonrenewable resource revenues. We do know that inasmuch as we are currently seeing a windfall in revenue from high oil prices, that inevitably will reverse, and we would like the flexibility in bad times not to have to allocate budget dollars that are better spent elsewhere.

The Chair: Fantastic.

Ms Somers. Is that right?

Ms Somers: Yes.

The Chair: Did you have another question you wanted to ask?

Ms Somers: No, I think that's good. Thank you very much.

The Chair: Fantastic. Thank you so much.

For all those folks who are watching right now, if you'd like to participate, you can come in person to the Queen Elizabeth II Building. That's until 8 p.m. tonight here in Edmonton. You can also phone in by calling 1.800.717.1738 and use conference code 34098. You can also submit your questions via the web form on the committee's website or e-mail questions to committee.admin@assembly.ab.ca, or you can post your questions on Facebook or X by using the hashtag #abheritagefund.

With that, do we have any other – no callers? Is there anyone else in the room? Come on up, young man. Again, I just ask that you reintroduce your name there and go ahead.

Mr. Hopwood: Absolutely. I'm Aidan Hopwood, and I apologize for being a pester tonight, but I did just have a question as to, again, sort of the equity portfolio as the largest asset portfolio in the heritage fund. The government has renewed a commitment to use the heritage fund to diversify economic development and reduce reliance on nonrenewable resources. However, some of the largest equity investments the fund holds are in oil and energy companies like Suncor Energy at \$64 million, mining companies like Agnico Eagle Mines Ltd. at \$93 million, and Canadian Natural Resources at \$47 million. Other large-scale investments include Nvidia, Meta, Microsoft, and Amazon, all of which are throwing the vast majority of their resources into what many economists worry is an economic bubble. Is there another plan set out by this government to encourage economic diversification and growth of Albertan businesses specifically?

The Chair: Mr. Thompson.

Mr. Thompson: Thank you, Mr. Chair, and thank you for the question. It's well thought out. All I will say before I defer to my colleagues at AIMCo, particularly on investment selection, is that

the government has mandated the Heritage Fund Opportunities Corporation and AIMCo to invest in a globally diversified portfolio that maximizes investment return. They have not specifically been given any mandate to invest in specific assets in Alberta or into specific industries, whether they be diversifying or intensifying concentration risk.

I don't know, Justin, if you'd like to talk about asset selection.

Mr. Lord: Sure. Thank you, Mr. Thompson. I think you raise a very good question and certainly a topical subject with respect to investing today.

Maybe starting with respect to the large cap technology names that you mentioned. Certainly, they are a large proportion of the underlying public equity benchmark, which our product platform would have exposure to. This is not only a function of their market cap but their outsized earnings growth leading to increases in that market cap and increased exposure in investment vehicles that would track those underlying indices.

We assess the diversification qualities of our product platform across our client allocations, across the heritage fund's portfolio as a whole, on very similar metrics. At present there are a number of themes that are driving a number of different products or asset classes within the portfolio, making some of those roles that I had discussed, that those asset classes play, much more important, particularly that of diversification. We're seeing increased correlation, or the degree at which a number of these asset classes are moving together, as a result of some of that concentration. As a part of our investment strategy and in consultation with our clients we evolve our investment product platform to ensure that we can fulfill those roles or provide the building blocks for clients to be able to manage their portfolios. The energy companies, which you had referenced as well in your question, certainly are large contributors to both performance and exposure of the Canadian equity platform. I would say our Canadian equity product looks much different than the global or emerging market equity products as a function of the index construction, and certainly the underlying drivers have benefited the portfolio as of late.

Thank you.

The Chair: All right. Is it Hopwood? Mr. Hopwood, did you have any other questions for us?

Mr. Hopwood: Yes, if I may. I know that one of the board members mentioned that there is no mandate to either AIMCo or the HFOC to diversify any assets or to invest any particular amount in Canadian, Albertan businesses, anything like that. Would someone be able to speak to any potential changes to a mandate like that? Would that be something the government might consider? Is that a policy platform that someone would be looking at?

7:10

The Chair: Mr. Thompson.

Mr. Thompson: Thank you, Mr. Chair. Thank you for the question. Again, well thought out. You know, the government of Alberta does invest significantly in economic development. We have an entire department focused on growing Alberta industries, be they either underperformers or reinvesting in our areas of strength.

Our goal with the heritage fund is that it succeeds irrespective of the fortunes of Alberta businesses. It is meant to be a diversifier, an enhancement to our income in future years. The best way to do that is to search the globe for the best investment opportunities. That is what we have tasked both of these organizations to my left and right with, which is not to say that the government is disinterested in any way in economic development, in focusing on our strengths and

growing our industries and our businesses. It's simply that the mandate of these two organizations is to maximize investment return and ensure that the value of the heritage fund is so significant in the future that our levels of spending will be able to be supported irrespective of our other revenue.

The Chair: Fantastic.

Sorry, Mr. Lord.

Mr. Lord: Thank you, Mr. Chair. I will add on to Mr. Thompson's remarks just from AIMCo's perspective, reiterating that we do not allocate capital within our investment platform based on an economic development mandate. We are managing, as per our clients' wishes, to build investment products that generate superior risk-adjusted rates of return, and we look globally for those opportunity sets across the various mandates. Each of the products would have certain risk restrictions and/or controls, and any investment opportunity in Canada, in Alberta, would compete for our clients' capital, for the heritage fund's capital, with opportunities globally across all of the asset classes that are represented there.

The Chair: Sorry. Go ahead, Mr. Loughheed.

Mr. Loughheed: The question is a very good one. Large endowments globally are structured differently. If you, within Canada, look at the Caisse de dépôt, it has what's called a dual mandate, and we see them actively investing in Quebec initiatives in a direct manner. Other sovereign wealth funds globally also have mandates to protect and grow domestic champions, while others that perform very well simply have a risk-adjusted return mandate. We do not have a dual mandate. We have simply an investment growth mandate, risk-adjusted total return. It obviously could – the government can change mandates and policies, but we've been given a clear direction where to go, and we will exercise the mandate we've been given.

The Chair: Fantastic. Well, I hope Albertans are happy to know that the fund is a hedge against Alberta's economy, if you will.

Did you have any other questions, young man?

Mr. Hopwood: That's all for me tonight. Thank you very much.

The Chair: No, thank you so much, and to you and Ms Somers, thank you both for your questions. That's greatly appreciated.

Next, sir. Please, go ahead. Please introduce yourself.

Mr. Berry: Hello, everyone. My name is Miles Berry, lifetime Albertan. Different kind of ROI question, perhaps that you may or may not be able to answer, related to the endowments and the scholarships: do we track in any way how that may or may not enhance the economy?

The Chair: Mr. Loughheed.

Mr. Loughheed: I would suggest that until recently the answer might have been "not directly," but this year Heritage Fund Opportunities Corporation did dig into exactly where those scholarships were going. We also tracked geographically in Alberta which regions of the province are benefiting from them because it's, again, part of transparency and accountability to do that. It's the Advanced Education department, through Alberta Student Aid, that does manage the spending of the heritage scholarship endowment. When you look at the roughly – it's a long list of scholarships, about \$55 million in the last year alone. Some goes to skilled trades. It's very broad, across the economy, when you look at who is getting

them, and I don't have the full list in front of me. But, yes, I would think that through Alberta learners being able to access education in a multitude of sectors, including skilled trades, it is benefiting and diversifying our economy. We need capital to grow Alberta, but we also need human capital to develop Alberta, and the scholarships are doing just that. It's a very good question.

Mr. van Weelderen: I'll just add to that. The medical research as well as the scholarship in engineering both go through Alberta Innovates. They're responsible for distributing those grants. It would probably be helpful to go to that website to have a look in terms of the details and the impact they're making. They spend a great deal of time and effort in that approach, and we can always follow up with more specific answers for you as well.

Mr. Berry: Thanks for the update.

The Chair: Fantastic.

I totally missed out on the online questions. Please, Mrs. Johnson, if you could go ahead with some of those.

Mrs. Johnson: Thank you, Mr. Chair. We'll go to some online questions that have come in. The first one is from Sherry D. from Fort Saskatchewan. She asks: "How about utilizing some of it today?" We've commented on that a bit already. She goes on: "While you say you're saving for long-term tomorrows, it was used to lend money to other provinces. Did Alberta ever get that borrowing back?"

The Chair: Mr. Thompson.

Mr. Thompson: Yeah. I believe we have covered, you know, the spending currently. There is no plan to spend anything out of the heritage fund currently. It will all be reinvested for future generations.

In terms of the borrowing from other provinces, that would have been framed more as investment by those provinces into the fund for a return, so that would be like us buying bonds from Nova Scotia, Ontario, expecting an investment return on them. In former days that would have been a little more direct, so you would have seen, say, the province of Ontario effectively borrow money from us and pay us a return for it. That sort of activity would be captured now in AIMCo's fixed income mandate through the regular purchase of provincial bonds. It's a good question, but the short answer to the question is yes, we do get paid back for those.

Mrs. Johnson: Thank you. We'll go on to number 2. This is from Donna H. from Red Deer, and I'll let any of you answer this if you want to: can the funds be used for political purposes?

Easy answer is?

Mr. Thompson: Specifically, no. The fund's mandate is very clear. It is for the benefit of the future generations of Albertans.

Mrs. Johnson: Right.

Third. Herman H. has a comment, and I will just leave it with you – he is from Edmonton – "With the heritage fund, let's get a new hospital built. There has not been a new hospital built in Edmonton since 1986. Any chance that also might be the reason for crazy lineups and wait times?"

Anybody want to respond?

Mr. Thompson: Certainly. You know, certainly we recognize the infrastructure deficit with respect to health services throughout the province, but there is no specific mandate for the heritage fund to build any specific facilities.

Mrs. Johnson: All right.

We have one final one from Ida S., who is from Calgary, and I will certainly not answer this. She asks: “Why is there only one woman on this committee with eight men? Women usually take a different perspective than men and should be more evenly represented.”

Anybody want to try to tackle that one?

Mr. Thompson: I will happily agree with that comment. I am joined in the gallery by my colleague Ms Jones, who is our director of investment strategy and has been fundamental in all aspects of the creation of these organizations. I could benefit from the inclusion of more women like her on my team.

7:20

The Chair: Mr. van Weelderen.

Mr. van Weelderen: Sure. Yeah. We’re going through a hiring process right now. If Ida would like to apply, she’s more than welcome to, but that’s clearly important to us, so we hope to have that diversity in our group as well.

The Chair: Go ahead.

Mr. Loughheed: And the board of HFOC has leading and highly qualified women chairing our audit and enterprise risk committee as well as our governance and HR committee as well as whatever international members serve very ably on our investment committee.

Mrs. Johnson: Great. Well, thank you to Sherry and Donna and Herman and Ida for your questions. If there are any more to come in, we’d love to put them on the floor for you.

Back to you, Mr. Chair.

The Chair: Thank you so much for that. In regard to that last question, people should be aware that the elected officials who are on this committee are all appointed by government and His Majesty’s Official Opposition.

All right. Do we have any other questions online, in person? If not, Mr. Rowswell had a question.

Mr. Rowswell: Yeah. I wanted to, kind of, go back to private equity because I think that’s kind of a funny term that people don’t understand, and it was one that significantly underperformed in the last year, so towards the benchmark and that type of stuff. I’ve got this and a bit of a follow-up question. If you could explain in layman’s terms what private equity is and lay out examples of some of the private-equity investments that you’ve made, we’ll start with that.

Mr. Lord: Thank you for your question. I’ll start with a brief overview of private equity, and then, certainly, we’ve discussed the asset class as compared to public equities. Private equity would be very similar in that the exposures of a private-equity firm, fund, or investment vehicle would generally own equity exposure in an underlying business. With public equity exposures you own underlying shares of a publicly traded company, a business, that are freely tradable, and you are able to buy and sell within the constraints of the overall market in which those securities trade. Within private equity there is a degree of illiquidity. You cannot simply buy or sell on a given day a share in a privately traded company. Those transactions are privately negotiated by individual investors, by institutional investors, by general partners, or large private-equity investment firms, of which AIMCo and the heritage fund’s private-equity allocation would be invested with or alongside.

There are a number of ways to gain exposure to private-equity businesses privately. We take the approach in our private-equity platform via investing alongside our partners via their funds, by co-investing capital alongside of those funds in individual securities, and via strategies that are also investing in secondary portions of those funds as well. That generally makes up the overall mix of exposures in the AIMCo private-equity platform. We tend to focus more in the middle market space, where managers and our partners are able to generate returns via owning successful businesses, within those funds or individually, and ensuring that they have the correct teams in place to be operating those businesses and generating returns from various activities as well as providing returns to our allocations and deal flow for additional allocation opportunities overall.

Mr. Rowswell: As a follow-up, the private-equity space has gotten more crowded, and there are some large firms, like Blackstone and Brookfield, that play in that area. Can you describe how AIMCo has kept up with the broader market changes in the private-equity space and how it has maintained a competitive bidding principle? You know, maybe those big guys go after the bigger ones, and you’re after the mid-sized ones that you talked about, but how do you play in that game?

Mr. Lord: Yeah. That’s certainly a very valid point. The private-equity market has become larger and more competitive, particularly as the largest global managers have raised increasingly significant pools of capital. I would say that the opportunity set has also increased as more companies are remaining private as opposed to pursuing capital-raising activities via public markets. We’ve seen the amount of listed companies, both in Canada and abroad, decreasing for a number of years. Our response has been to remain selective rather than simply compete with that capital on every transaction.

In the description of our private-equity platform one item that I did not mention is that we generally don’t have a direct investment approach. We are not competing with those large managers to buy and manage these businesses within our private-equity platform. Instead we are partnering with them via their funds and co-investment deal flow. The strategy is built around selectivity, around the relationships that are curated with global investment managers, and we do invest in a more concentrated group of high performing managers that give us access not only to those funds but, as mentioned, the co-investment vehicles that are alongside of them. As competition and valuations have changed, our private-equity team has adjusted its investment pacing, has become increasingly selective on capital commitment across the portfolio as well as reassessing or reunderwriting existing and potential new relationships in the fund-investment world.

As mentioned, we do look to the middle market as an area of the private-equity investing landscape, where we believe that managers can continue to add value over a long period of time despite short-term underperformance versus public markets overall. A good example of how that perhaps manifests itself is our willingness to shift capital towards areas that are offering more attractive risk-adjusted rates of return rather than maintaining our exposures as is.

In 2026 we did complete a secondary sale of a selection of private-equity interest, representing a significant portion of the fund, to increase flexibility in how we are managing the private-equity product in reallocating for opportunity sets across funds, co-investment vehicles, and secondary funds that have been outperforming the market as of late. The rationale here was not simply to free up capital to allocate to a larger manager, per se, but to give the team flexibility to respond to opportunity sets as they are

presenting themselves currently. We would expect the benefit of private-equity allocations to certainly be relevant to the heritage fund and our clients today, going back to one of the prior questions as it relates to the diversification that the asset class also provides to the overall equity exposure in the portfolio.

Mr. van Weelderren: I'll just add to that a little bit about – you had a question about benchmarks as well. I think it's also important to point out that the benchmarks being utilized by the private-equity portfolio are a public equities benchmark. That's something that we take into account. We understand that the industry itself, other sovereign wealth funds have also seen this disparity between where the public equities have done very well, especially with the top tech firms. That growth is something that's not necessarily always available in the private-equity space and across that asset class as well. It's a difference, so we're not surprised by the underperformance. It is to be expected, and it's a big component of what people are discussing and looking at in terms of thinking about the appropriateness of certain benchmarks and the comparison of what's being used when, during different market timings. We do like the private-equity position. We do see AIMCo working very fluidly within that, and their performance has been appropriate.

The Chair: Fantastic.

Well, now – oh, sorry. Go ahead, Mr. Lord.

Mr. Lord: Thank you, Mr. Chair. I'll just conclude that it is important to keep in mind that private equity is a long-term asset class for our clients that are allocated for the heritage fund. As mentioned, capital is invested over time, and these businesses are typically held while the manager works to increase the value of those underlying businesses, and that would then be realized by a sale, refinancing, or other transaction on their platform.

7:30

Our clients' portfolio will see the valuations along the way. In private markets you don't see valuations on a day-to-day basis. As per our evaluation policies these are updated quarterly, semiannually, or annually, depending on the assets overall, so there isn't a set time frame when we expect to see that performance, I guess. We expect to see performance from a particular acquisition, and I want to just refer back to the longer term rates of return of the asset class overall.

As we mentioned, there's been a challenging one- and two-year period of performance, and just to refer back to the report, the five-year annualized rate of return of the portfolio is 13.5 per cent versus the 11.4 per cent benchmark, something that AIMCo endeavours to repeat over longer periods of time with each of the products on our platform.

The Chair: Thank you for that, Mr. Lord.

Next we'll go to Mr. Kasawski, and then we will follow that up with a few questions we have online.

Mr. Kasawski: Thanks, Mr. Chair. Thank you to everybody that's here presenting. Thank you to the members of the public that have been participating. It's been a great meeting so far.

With regard to the fiscal framework if there's surplus cash, then it can be deposited in the heritage fund. At the beginning of the year there was a projected deficit of about \$9 billion, but due to the war in Iran and the Middle East, it's expected that we probably are going to end this year with a surplus, probably in the billions of dollars. This is basically a two-part question. Should we expect that with a surplus, then, that could be deposited into the heritage savings trust

fund, could that be diverted to the Heritage Fund Opportunities Corporation?

Mr. Thompson: Mr. Chair, thank you for the question. It's valid, for sure. If things continue the way they are, and certainly it seems that the Iran conflict won't resolve itself any time soon and oil prices are likely to remain fairly significantly higher than normal, we would not be surprised to find ourselves with a significant surplus at year-end.

The allocation of cash is not decided until the actual values are known. When the annual report comes out, hopefully in June, we will know the actual amount of cash available to be distributed. There's no commitment prior to that time as to whether that money is used to reduce outstanding debt, which is the other piece allowed under the fiscal framework, or to be deposited into the heritage fund. The money is also available to be spent on one-time initiatives that don't result in ongoing obligations of government. Those are the three elements of the fiscal framework, but certainly in the event that there is a significant cash surplus when we've done all of the math after year-end, it would be up to the minister of the day and the government of the day to decide between those three elements: deposit it into the heritage fund, a reduction in debt, or one-time initiatives.

The Chair: Do you have a follow-up?

Mr. Kasawski: Yeah.

The Chair: Go ahead.

Mr. Kasawski: Yeah. Thank you. With regard to that statement in the presentation about superior returns for the Heritage Fund Opportunities Corporation, it was also mentioned that sovereign wealth funds are returning about 5 and a half per cent. The AIMCo management of the heritage fund returned 8 per cent although the target was 10 and a half per cent. I really want to know if "superior" is superior to other sovereign wealth funds of 5 and a half per cent or superior to AIMCo's general management of the fund.

Mr. Thompson: Well, certainly, from government's perspective, when we have an agreed upon target return, "superior," in my mind, would be to outperform the benchmarks as laid out. With the creation of HFOC and with where we are with AIMCo, we have mandated HFOC to review those policies and to reimagine everything from asset allocation to investment policy. That would include, I would think, the development of potentially new benchmarks. That said, superior should mean outperformance.

The Chair: Mr. van Weelderren.

Mr. van Weelderren: Yeah. I'll just add to that. It's on a risk-adjusted basis, so we really need to take that into account. When we look across all the different assets that we are looking to invest in and whether new investments make sense and help us with that risk reduction, that's probably where we spend most of the time, when we think about the individual risk or return generated from an asset or an investment, the risk associated with it. Then when we put them together, what are some benefits that may exist from portfolio diversification? It tends to be spending more time looking at more alternatives and seeing how that might benefit the portfolio, and back to superior is really to maximize the risk-adjusted return.

Mr. Thompson: If I may just supplement something that I should have, again, pointed out, we are looking at long-term results. We spend an awful lot of time talking quarter to quarter and year on year, but where we want to see superior outperformance or any kind

of outperformance is in the long run. This is an intergenerational portfolio, and it needs to be measured as such. I would love to come up with a perfect benchmark that weeds out noise, and I know my colleagues on either side of me would, too, but we're not quite there yet.

The Chair: Thank you so much, all, for that.

Next we'll go back online. Mrs. Johnson.

Mrs. Johnson: Thank you, Mr. Chair. This is from Herman Friesen in Peace River. His question is: "What is the return on investments in percentage annually? How does it compare to my RRSF or RIF? When do we withdraw and at what rate?"

Mr. van Weelderen: Could you repeat the question?

Mrs. Johnson: Yes. Gladly. "What is the return on investments in percentage annually?" Let's start with that one.

Mr. van Weelderen: Okay. We discussed that earlier. That was 8 per cent for the year. Again, to Mr. Thompson's previous point, we do look at those on a rolling five-year basis; 8.2 per cent on a rolling five-year. Last year it was rolling; the five-year was 9.6 per cent.

How does that compare to his investments? I wouldn't be qualified to answer that without knowing his portfolio, so I defer that to him.

Mrs. Johnson: Correct. Yes. Thank you.

We'll go on to Alison Mandryk, and her first comment is: "I understand its run by Aimco and billions have been lost. Is this true?"

Mr. Lord: I'm happy to take that question. The fund has generated a positive rate of return, as my colleagues at HFOC have mentioned, of 8 per cent over a one-year basis, 8.2 per cent over a five-year basis, and within the annual report you'll see 7.7 per cent over a 10-year basis. Those are all positive results for the fund. There are gains and losses within various asset classes within the underlying securities that would make up those exposures across the broader portfolio. Going back to the key concept of diversification, overall, the broader asset mix of the portfolio is designed in a manner to protect against losses in the long term although taking risk, you are certainly subject to periods of time where there can be drawdowns in risk assets globally, as we might have seen in real estate or in public markets during the pandemic, et cetera.

Mrs. Johnson: Thank you so much.

Her next question is: "Does Stephen Harper own or manage Aimco?" Maybe you can tell us what his role is.

The Chair: Please go ahead, Ms Featherstone.

Ms Featherstone: Stephen Harper is the chair of AIMCo's board of directors. I probably just want to reinforce that AIMCo's investment decision-making is independent from political influence.

7:40

Mrs. Johnson: I think that answers our next question. Her final follow-up was: "Is this also being used to support the Israeli Alliance?"

Ms Featherstone: I don't think.

Mrs. Johnson: Thank you.

We'll go on to Apryl Reed. She's got a comment. I'm not sure where Apryl is from. Her comment is:

I was hoping the board would be willing to open a mutual fund, or divulge the mutual fund(s), in which the Heritage fund is invested in, so that Albertans may prosper by investing in this same mutual funds. It would be great if every Albertan had the opportunity to benefit from the billions being invested in these mutual funds.

Mr. Thompson: Certainly, there's no current plan to offer any kind of retail product to Albertans. The goal of the heritage fund is to provide a broader benefit to Albertan society and individual Albertans through the delivery of services in the future or the continuity of delivery of services in the future. It is, however, a very interesting idea, and it is something that has been considered in the past and may yet be considered in the future.

Mrs. Johnson: Right.

Michael Vine from Calgary asks: "Will the Trust Fund Board commit to not use the Fund to derisk Government projects such as pipelines and other Oil and Gas developments?" I think we've touched on this, but if there's more clarification you would like to add, go ahead.

Mr. van Weelderen: Sure. In any investment we look at the role that that investment has within the portfolio, so purely focused on risk-adjusted returns. It's as simple as that. There is not a scenario that we're familiar with currently that we may or may not invest in any projects.

Mrs. Johnson: Thank you.

Jacqueline Bruglemans from Edmonton has two questions. The first one is: "What would it take for the Heritage Fund to generate enough investment income to help pay for essential public services, such as health care and education, without depleting the Fund's principal?"

Mr. Thompson: It's a great question, and it's subject to a lot of conjecture, but one of the reasons that \$250 billion was landed on as a 2050 target is that at that level of principal you can generate about \$11 billion or more in investment income annually without depleting the principal value. Now, whether that is significant, adjusting for inflation and adjusting for population growth by 2050, I can't answer, but it's certainly orders of magnitude larger than its current structure, and that is why we have this focus on investment growth and growing the size of the heritage fund to the greatest possible level, so that when we do need to rely on it to draw income out and replace nonrenewable resource revenue or personal income tax if we're being aspirational, then it is of a scale that it will make a significant difference.

Mrs. Johnson: Great. Thank you.

And then her second question is: "What safeguards are in place to ensure the Fund is managed for the long-term benefit of Albertans rather than being influenced by the priorities of whichever government is in power?"

Mr. van Weelderen: In the establishment of the corporation it was set up as an independent, arm's-length entity. That was spoken about earlier today. The board is independent. The board oversees the asset allocation and the responsibilities that are publicly available as it relates to all the risk monitoring, reporting, and everything related to being concerned for any potential losses for the fund. I don't see that changing if that was just set up.

The Chair: We've got one more.

Mrs. Johnson: There is one more. This is from Cindy Lee in Calgary. "What's the gap between oil revenues and royalties?" Anyone?

Mr. Thompson: I could not tell you off the top of my head. Thanks for the question, though.

Mrs. Johnson: Okay. Back to you, Mr. Chair.

The Chair: Thank you so much for that.

We'll go back to our audience in the room. Does anyone have a question that they'd like to ask our distinguished guests here today? I see none.

Do we have anyone on the telephones at this time, sir?

Mr. Huffman: No, not at this time.

The Chair: No. We have no more online questions?

With that, are there any final questions our colleagues would like to ask? Mr. Wiebe.

Mr. Wiebe: Thank you, Mr. Chair. Thank you for being here today. I just want to talk a little bit about investment expenses. We noticed that there's been an increase to the tune of about \$5 million from the previous fiscal year, and this marks the second year that we've had an increase in the average investment expense. I'm just wondering if you can break down what these expenses are composed of.

Ms Featherstone: As you correctly identified, total investment expenses increased by \$5 million, from \$184 million to \$189 million, year over year.

AIMCo investment costs: those are in absolute dollars, not as a percentage. As we know, the value of the fund has grown significantly. AIMCo investment costs were \$124 million. That's down \$2 million. These include things like external management, administration fees, employee compensation, overhead.

Performance-based fees were \$60 million, up \$6 million. That was driven by the strong performance of the fund and paid to external managers hired by AIMCo.

Heritage Fund Opportunities Corporation – my colleagues can probably speak to it – were about \$2 million compared with no charge in the previous year, as that organization is new.

Overall, although investment expenses increased on a dollar basis, they declined as a share of the average fund assets to 66 basis points, or .66 per cent, down from .73 per cent in the previous year.

The Chair: Thank you so much for that.

Mr. Wiebe: A follow-up?

The Chair: Sure.

Mr. Wiebe: Just wondering what measures you are taking to keep expenses at a minimum.

Mr. van Weelder: Sure. The overall objective is to achieve the strong investment returns after costs while managing risks prudently. The costs are assessed against the services provided and the value delivered. Treasury Board monitors reported expenses relative to the heritage fund assets, the complexity, and the results. AIMCo and the Heritage Fund Opportunities Corp recover those costs under established agreements.

The heritage fund uses pooled investment vehicles, which help reduce costs as well through economies of scale, amongst a number of the other participants that AIMCo manages money for, and

AIMCo and HFOC can elaborate on budgets and manager fees as well.

We do spend quite a bit of the time and are looking at our investment decisions at the cost level as well and whether that makes sense for whether it's the active management or the passive management, so that's a part of our investment beliefs and an anchor to how we assess the opportunities.

The Chair: Next we'll go to Mr. Ellingson.

Member Ellingson: Thank you, Mr. Chair. My question is regarding when we got the financial report. I'm curious. When we set the date for this public meeting, we didn't actually have that report yet in hand. Thankfully, we got a report before the public meeting happened, but why was it delayed by several months?

Mr. Thompson: The delay in the consolidated provincial reporting was due to delays in the reporting of the audit of the four new health ministries. The heritage fund report itself forms part of the consolidated reporting package, and notably there are things that cannot be made public, like investment income generated by the fund prior to the release of the consolidated provincial report. So the decision to delay was simply a knock-on from the decision to delay the broader consolidated government reporting or the inability of the government to deliver that report on time.

Member Ellingson: So, regrettably, when the government is delaying things by several months even though you're an independent – I won't say you. The heritage fund is an independent Crown corporation operating outside of the government, but because it reports within the consolidated financials of the government, we all have to wait several months?

Mr. Thompson: I would say that it's the report on the fund returns, so the fund itself is not a Crown corporation. The Heritage Fund Opportunities Corporation, which manages the fund, is. So the Heritage Fund Opportunities Corporation could have released its report. It's not required to under the act, but the reporting on the heritage trust fund itself is. Because of the elements of the fund – again, mainly the income and the returns of the fund form part of the consolidated government reporting. We're unable to release elements of the government's report independently, so the entirety of the government reporting package had to be delayed.

7:50

Member Ellingson: Thank you.

The Chair: All right. We have one call-in question here. How does this work?

Mrs. Johnson: There we go. Thank you, Mr. Chair. This is a comment, and if anyone would like to just respond to the comment, I'll leave it up to you. This is from Terry O. in Rimbey. He says:

My personal opinion would be that the "windfall" for the increase in rewards for the high oil prices that 1/2 should go to the heritage trust fund and the other 1/2 should go to paying down the debt.

The "one time" investments that the government uses to help those who are lobbying for certain projects in my opinion is not a good investment with the rewards for high oil prices.

We've touched on this before, the three options that we have, so if anybody would like to comment, go ahead.

Mr. Thompson: I would just say that Terry's suggestions align with what exists in the fiscal framework, and I'm sure they will be considered.

Mr. Loughheed: My father, when he was in government, very much spoke highly regarding people from Rimbey and their ability to ask very good questions on behalf of Albertans, so I'm not surprised we're getting a good question from Rimbey.

The Chair: There we go. Well, again, I hope that Albertans are confident that their investment is safe and secure and managed very well by nonpolitical folks. Heaven forbid they listen to the politicians.

Last call for any questions from our audience here today. I see none.

With that, do we have any callers? No. And we have no folks online.

Well, then, seeing as there are no questions, we are going to wrap up our meeting. I'd like to sincerely thank all of you for your participation tonight. I think I can speak on behalf of the entire committee when I say that we've enjoyed spending the evening with you and engaging in conversation about your Alberta heritage savings trust fund. In turn, we hope that you have found the meeting informative and valuable.

There is a survey posted on the Assembly's website seeking your opinion on tonight's meeting and how we can improve it for next year. There'll be links to the survey on the Assembly's Facebook and X accounts. Any feedback you can provide would be appreciated. To everyone who interacted with the committee or watched the proceedings this evening, thank you so much for your interest and participation. Your engagement regarding the fund and the work of the committee is greatly appreciated. We look forward to next year's meeting.

I will now call for a motion to adjourn. Would a member move that the 2026 public meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund be adjourned? Oh, lots of folks there. All right. You know what? Let's give this one to Kasawski here. All in favour, please say aye. Anyone opposed? Fantastic. That motion is carried. With that, the 2026 public meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund is now adjourned.

Everyone, please have a good evening.

[The committee adjourned at 7:53 p.m.]

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