Alberta's Heritage Savings Trust Fund

Alberta Heritage Savings Trust Fund

Pillar 1: Legal
Legal framework,objectives,and coordination with macroeconomic policies
Principle 1

1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.

1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.

The Alberta Heritage Savings Trust Fund (Heritage Fund) is established and governed by the Alberta Heritage Savings Trust Fund Act (the Act), which provides a clear legal mandate, governance framework, and investment parameters. The Fund is owned by the Crown in right of Alberta, with ultimate authority vested in the President of Treasury Board and Minister of Finance (the Minister).

Under the Act, the Minister is responsible for ensuring the Fund's assets are invested and managed prudently to maximize long-term financial returns at an acceptable level of risk. The Minister's powers, duties, and functions in relation to the Fund are, in part, delegated to the Board of the Heritage Fund Opportunities Corporation (HFOC), a Crown corporation and agent of the Crown, through Ministerial Orders issued under applicable legislation. This delegation enables operational independence while preserving legislative accountability.

The Act also prescribes the role of the all-party Standing Committee on the Alberta Heritage Savings Trust Fund, which reviews quarterly results, approves the audited annual report, evaluates performance against objectives, and holds public meetings to report to Albertans. This framework ensures the Fund's legal soundness, defines its relationship with the Government of Alberta, and supports effective, independent investment management.

Public Disclosures
- Alberta Heritage Savings Trust Fund Act
- Standing Committee public meeting transcripts

• Annual and quarterly reports

Principle 2

2. The policy purpose of the SWF should be clearly defined and publicly disclosed.

The Alberta Heritage Savings Trust Fund (Heritage Fund) was established in 1976 through the *Alberta Heritage Savings Trust Fund Act*. The Act defines the Fund's mission as providing prudent stewardship of savings from Alberta's non-renewable resource revenue by generating the greatest financial returns for the benefit of current and future generations.

In January 2025, the Government of Alberta publicly released *Renewing the Alberta Heritage Savings Trust Fund*, reaffirming the Fund's policy purpose, its role in strengthening Alberta's long-term fiscal stability, and the commitment to reinvesting investment income to grow the Fund over time.

The Sustainable Fiscal Planning and Reporting Act further embeds the Fund's role in Alberta's fiscal framework by establishing planning and reporting requirements that support the long-term sustainability of public finances, including the prudent growth of the Heritage Fund.

Public Disclosures
? Alberta Heritage Savings Trust Fund Act
? Renewing the Alberta Heritage Savings Trust Fund (2025)
? Sustainable Fiscal Planning and Reporting Act
? Annual and quarterly reports

Principle 3

3. Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

The Alberta Heritage Savings Trust Fund (Heritage Fund), established under the *Alberta Heritage Savings Trust Fund Act*, is owned by the Crown in right of Alberta and operates entirely within the province's fiscal framework. It has no direct involvement with Canada's federal fiscal or monetary authorities.

Given its size relative to the Canadian economy, the Heritage Fund does not have significant influence over national macroeconomic policy. Provincial decisions on contributions and withdrawals are made by the Government of Alberta in accordance with the *Financial Administration Act* and the *Sustainable Fiscal Planning and Reporting Act*, ensuring alignment with Alberta's fiscal policy objectives and economic priorities.

Public Disclosures
? Alberta Heritage Savings Trust Fund Act
? Sustainable Fiscal Planning and Reporting Act
? Heritage Fund annual and quarterly reports

Principle 4

4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

The Alberta Heritage Savings Trust Fund (Heritage Fund) is owned by the Crown in right of Alberta and operates under the *Alberta Heritage Savings Trust Fund Act*. It is funded from provincial sources and is not classified as part of Canada's official international reserves.

The Fund's primary sources of funding are:
? Contributions from the Government of Alberta, as determined under the *Sustainable Fiscal Planning and Reporting Act (2023)*
? Retention of all net investment income earned by the Fund, as required by the *Alberta Heritage Savings Trust Fund Act (amended 2023)*.

Under the *Sustainable Fiscal Planning and Reporting Act*, 50 per cent of annual surplus cash must be directed to either repaying maturing public debt or contributing to the Heritage Fund. The remaining 50 per cent may be allocated to further debt repayment, additional Heritage Fund contributions, or other one-time spending initiatives.

Withdrawals from the Heritage Fund are prohibited unless specifically authorized by Treasury Board for transfer to the General Revenue Fund, in a manner and at the times determined by the Minister of Finance, in accordance with the *Alberta Heritage Savings Trust Fund Act*.

Funding sources, withdrawals, and related transactions are publicly disclosed in the Government of Alberta's annual and quarterly financial reports and in the Heritage Fund's audited annual financial statements.

Public Disclosures
? Alberta Heritage Savings Trust Fund Act
? Sustainable Fiscal Planning and Reporting Act
? Heritage Fund annual reports
? Heritage Fund quarterly reports

Principle 5

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

The Alberta Heritage Savings Trust Fund (Heritage Fund) provides relevant statistical and financial data to its owner, the Crown in right of Alberta, through Alberta Treasury Board and Finance (TBF) and the Heritage Fund Opportunities Corporation (HFOC). HFOC, as the Crown corporation responsible for the

Fund’s governance and investment policy, receives detailed quarterly and annual reports from its investment manager, Alberta Investment Management Corporation (AIMCo). These reports include:

? Asset allocation relative to targets
? Risk exposures and metrics
? Investment performance against benchmarks
? Other operational and governance data

HFOC consolidates this information and reports it to TBF for inclusion in the Province’s consolidated financial statements, quarterly fiscal updates, and annual budget documents.

The Fund also participates in Cost Effectiveness Measurement (CEM) benchmarking, which provides comparative analytics against global peers, supporting transparency and continuous improvement in performance reporting.

Public Disclosures
? Alberta Heritage Savings Trust Fund Act
? Heritage Fund quarterly reports
? Heritage Fund annual reports
? CEM benchmarking summary results

Pillar 2: Institutional
Institutional Framework and Governance Structure.
Principle 6

6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.

The governance framework for the Alberta Heritage Savings Trust Fund (Heritage Fund) is set out in legislation, ministerial orders, and formal investment and oversight documents. It establishes a clear division of roles and responsibilities between the Government of Alberta as asset owner, the Heritage Fund Opportunities Corporation (HFOC), and Alberta Investment Management Corporation (AIMCo) as investment managers.

The President of Treasury Board and Minister of Finance (the Minister) is the legal owner of the Fund on behalf of the Crown in right of Alberta.

The Minister has issued three Ministerial Orders that define and delegate specific authorities:
? **Ministerial Order No. 22/2024 – Designated Entities**
Made under the *Alberta Investment Management Corporation Act*, this order designates the persons and funds for which AIMCo is to provide investment management services.
? **Ministerial Order No. 25/2024 – Delegation of Shareholder Authority in Respect of HFOC**
Delegates to the HFOC Board certain shareholder powers, such as attending shareholder meetings, signing shareholder resolutions, and approving corporate bylaws, while excluding authority to dispose of or transfer shares of the Corporation.
? **Ministerial Order No. 26/2024 – Delegation in Respect of Making or Revising Statements of Investment Policy and Goals and Transferring Assets Between Investment Managers**
Delegates to the HFOC Board authority to approve Statements of Investment Policy and Guidelines (SIP&G)

for the Heritage Fund and specified endowment funds, and to direct the transfer of assets between AIMCo, HFOC, or any other investment managers appointed by the Crown. This authority cannot be further delegated by the HFOC Board.

HFOC was incorporated under the *Business Corporations Act (Alberta)* and is wholly owned by the Crown in right of Alberta. It is restricted to carrying on the business of providing investment management services as an agent of the Crown, and must operate within the limits of its statutory and delegated authority.

This governance framework ensures a defined separation between the ownership, oversight, and investment management of the Heritage Fund, supporting accountability to Albertans and operational independence in pursuing the Fund's objectives.

Public Disclosures
• Alberta Heritage Savings Trust Fund Act
• Alberta Investment Management Corporation Act
• Business Corporations Act (Alberta)

Principle 7

7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

The Alberta Heritage Savings Trust Fund (Heritage Fund) operates under a governance framework that clearly separates the roles of the owner, legislative oversight, corporate oversight, and investment management, while preserving operational independence for investment activities.
? **Owner** – The President of Treasury Board and Minister of Finance (the Minister) is the legal owner of the Fund on behalf of the Crown in right of Alberta. The Minister is accountable to the Legislative Assembly for the Fund's stewardship and retains authority over matters not expressly delegated.
? **Legislative Oversight** – The Standing Committee on the Alberta Heritage Savings Trust Fund, an all-party committee of the Legislative Assembly, reviews quarterly reports, approves the Fund's annual report, evaluates performance against objectives, and holds public meetings to inform Albertans.
? **Oversight & Investment Management** –
The Heritage Fund Opportunities Corporation (HFOC), a Crown corporation wholly owned by the Province, exercises delegated authority from the Minister under the Alberta Heritage Savings Trust Fund Act and Ministerial Orders.

- **Oversight role** – HFOC approves Statements of Investment Policy and Guidelines (SIP&Gs) for the Heritage Fund and specified endowment funds, monitors compliance, evaluates performance, and directs transfers between investment managers.
- **Investment management role** – HFOC may directly manage portions of the Heritage Fund in accordance with its delegated mandate from time to time.

? **Investment Management Agreements (IMAs)** – There are only two IMAs in place:
1. An IMA between the Government of Alberta and HFOC, setting out HFOC's role, authority, and obligations as an investment manager for the Heritage Fund.
2. An IMA between HFOC and Alberta Investment Management Corporation (AIMCo), setting out AIMCo's

role in managing the portion of the Fund allocated to it by HFOC.

? **Investment Decision Parameters** – Asset allocation and security selection decisions for both HFOC and AIMCo are prescribed in the SIP&G approved by the HFOC Board under delegated authority. This ensures all investment activity follows a clearly defined, board-approved framework grounded in prudent risk management and long-term return objectives.

Decision-making authority flows from the Minister to HFOC via the IMA and Ministerial Orders, and from HFOC to AIMCo via its IMA. This ensures accountability at every level, operational independence in execution, and alignment with the Fund's legislated mandate.

Public Disclosures

? Alberta Heritage Savings Trust Fund Act
? Alberta Investment Management Corporation Act
? Business Corporations Act (Alberta)
? Ministerial Orders 22/2024, 25/2024, 26/2024
? Heritage Fund Mandate and Roles Document
? Standing Committee public meeting transcripts
? Statement of Investment Policy and Guidelines (summary)
? Investment Management Agreement between Government of Alberta and HFOC (summary)
? Investment Management Agreement between HFOC and AIMCo (summary)

Principle 8

8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

The governing body of the Heritage Fund Opportunities Corporation (HFOC) is its Board of Directors, appointed under the Alberta Public Agencies Governance Act (APAGA). The Board is responsible for acting in the best interests of the Alberta Heritage Savings Trust Fund (Heritage Fund) and ensuring its legislated objectives are achieved.

The Board's responsibilities include:

? Approving the Fund's Statement of Investment Policy and Guidelines (SIP&G) and ensuring investment activities align with prudent risk and return objectives.
? Overseeing Fund performance, risk management, and compliance with legislation and ministerial directives.
? Providing strategic direction within the scope of delegated authority.

? Directing the transfer of assets between investment managers.
? Exercising certain shareholder powers on behalf of the Crown.

These roles and responsibilities are publicly disclosed through:
? The Mandate and Roles Document (MRD), jointly developed by HFOC and the Minister under APAGA, which defines the Corporation's mandate, governance structure, and relationship with the Government of Alberta.
? Ministerial Orders delegating specific powers to the Board.
? Applicable legislation governing the Fund's operations.

Board members are appointed through a skills-based recruitment process, with required competencies identified in a skills matrix to ensure the Board has the expertise to oversee investment strategy, governance, and accountability requirements.

This governance structure provides the Board with a clear mandate, adequate authority, and the independence needed to fulfil its oversight and strategic functions effectively.

Public Disclosures
? Alberta Public Agencies Governance Act
? Alberta Heritage Savings Trust Fund Act
? Mandate and Roles Document (HFOC)
? Ministerial Orders 25/2024 and 26/2024

Principle 9

9. The operational management of the SWF should implement the SWF's strategies in an independent manner and in accordance with clearly defined responsibilities.

The operational management of the Alberta Heritage Savings Trust Fund (Heritage Fund) is carried out by the **Heritage Fund Opportunities Corporation (HFOC)**, as defined in the *Alberta Heritage Savings Trust Fund Act*, ministerial orders, and the Heritage Fund Investment Management Agreement (IMA).

Defined Roles and Responsibilities
HFOC's roles and responsibilities are formally set out in:

? *The Alberta Heritage Savings Trust Fund Act* (governing the Fund's mandate and operation).
? Ministerial Order No. 26/2024, delegating to the HFOC Board authority to approve the **Statement of Investment Policy and Guidelines (SIP&G)** and direct the transfer of assets between investment managers.
? The Heritage Fund IMA between the Government of Alberta and HFOC, which outlines the scope of HFOC's authority, reporting requirements, and investment management obligations.

Scope of Day-to-Day Responsibilities
HFOC is responsible for:
? Implementing the SIP&G, which sets the Fund's strategic asset allocation, risk parameters, and investment

guidelines.
? Managing a designated portion of the Heritage Fund directly, and overseeing Alberta Investment Management
Corporation (AIMCo) in its role managing the remainder of the Fund.
? Overseeing portfolio construction, performance monitoring, and risk management.
? Managing operational functions such as budgeting, compliance, internal controls, human resources, and corporate administration in accordance with applicable
legislation.

Decision-Making Authority
HFOC has full discretion to make investment decisions within the parameters of the SIP&G, subject to applicable laws and the IMA. This authority includes the ability to:
? Select and implement investment strategies.
? Appoint and terminate external managers where permitted.
? Reallocate assets within approved limits.
? Make operational decisions related to finance, staffing, and corporate governance consistent with its mandate and budget.

Accountability and Independence
The separation of responsibilities between the Government of Alberta as asset owner, HFOC as operational manager, and AIMCo as an external investment manager ensures that:
? Strategic objectives are set by the owner.
? HFOC has operational independence to implement these objectives without political or undue external influence.
? Regular reporting, performance measurement, and legislative oversight maintain accountability to Albertans.

Public Disclosures
? Alberta Heritage Savings Trust Fund Act
? Ministerial Order No. 26/2024
? Statement of Investment Policy and Guidelines (SIP&G)
? Heritage Fund Investment Management Agreement

Principle 10

10. The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

The accountability arrangements for the Alberta Heritage Savings Trust Fund are set out in its founding legislation and in formal agreements that define the respective roles of the Government of Alberta as owner, the Heritage Fund Opportunities Corporation (HFOC) as governing body, and HFOC and Alberta Investment Management Corporation
(AIMCo) as operational managers. The Alberta Heritage Savings Trust Fund Act establishes the Crown in right of Alberta, represented by the President of Treasury Board and Minister of Finance, as the legal owner of the Fund, and stipulates the reporting obligations to the Legislative Assembly. Ministerial orders issued under the Act and the Alberta Investment Management Corporation Act delegate to the HFOC Board the authority to approve the Statement of Investment Policy and Guidelines and to direct the transfer of assets

between investment managers.
The operational responsibilities of HFOC are set out in the Heritage Fund Investment Management Agreement between the Government of Alberta and HFOC, while AIMCo's delegated investment mandates are defined in a separate Investment Management Agreement with HFOC. The Agency Authority Agreement further specifies cost management principles, budgeting, and reporting arrangements between the Government and HFOC. These arrangements are expressly included in the Fund's founding legislation and further detailed in binding agreements and governance documents to ensure clarity, enforceability, and alignment with the Fund's objectives.

Public Disclosures
• Alberta Heritage Savings Trust Fund Act
• Ministerial Orders
• Heritage Fund Investment Management Agreement (GoA–HFOC)
• Heritage Fund Investment Management Agreement (HFOC–AIMCo)
• Agency Authority Agreement

Principle 11

11. An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

The Heritage Fund Opportunities Corporation (HFOC) reports on the Alberta Heritage Savings Trust Fund's operations and performance through quarterly and annual financial statements prepared by the Ministry of Treasury Board and Finance. The audited annual financial statements set out the Fund's financial position, performance, and changes in net assets, while also disclosing relevant liabilities and any contingent or off-balance sheet items in the accompanying notes. These statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), which provide a consistent and transparent framework for public-sector financial reporting in Canada. While PSAS differs in some respects from International Financial Reporting Standards (IFRS) applied by certain other sovereign wealth funds, it is recognized nationally and ensures comparability within the Canadian public sector. Unaudited interim statements are released publicly within two months of each quarter-end, and the audited annual statements are tabled in the Legislative Assembly as part of the Ministry's annual report, ensuring timely disclosure and accountability to Albertans.

Public Disclosures
• Alberta Heritage Savings Trust Fund Act
• Sustainable Fiscal Planning and Reporting Act (Alberta)
• Ministry of Treasury Board and Finance Annual Reports
• Quarterly Heritage Fund Financial Statements

Principle 12

12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

The Alberta Heritage Savings Trust Fund's (Heritage Fund) financial statements are audited annually by the Auditor General of Alberta, an independent officer of the Legislative Assembly.

The Auditor General conducts these audits in accordance with Canadian generally accepted auditing standards (GAAS), which align with recognized national auditing standards and are applied consistently each year.

The Auditor General's Report, issued alongside the Fund's audited financial statements, confirms that sufficient and appropriate audit evidence has been obtained to provide a basis for an independent opinion on whether the statements present fairly, in all material respects, the financial position and results of operations in accordance with Canadian Public Sector Accounting Standards (PSAS).

The Auditor General is independent of both the operational management of the Fund and the Government of Alberta, and operates within the ethical requirements for auditing financial statements in Canada. Information on accounting policies and any audit qualifications are disclosed in the notes to the financial statements. The audited statements, accompanied by the Auditor's Report,
are included in the Ministry of Treasury Board and Finance's annual report and formally tabled in the Legislative Assembly, ensuring accountability to both the Fund's owner and the public.

Public Disclosures
• Auditor General of Alberta Reports on the Alberta Heritage Savings Trust Fund
• Alberta Heritage Savings Trust Fund Annual Financial Statements

Principle 13

13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.

Appointments to the governing body of the Heritage Fund Opportunities Corporation (HFOC) are made by the Government of Alberta in accordance with the Alberta Public Agencies Governance Act (APAGA). Before recruitment begins, the Minister and HFOC agree on a skills matrix identifying the qualifications, knowledge, and experience required to fulfill the Board's mandate. Candidates are assessed against these criteria to ensure they meet
defined qualification requirements and minimum professional standards.

Once appointed, the Board of Directors is responsible for hiring the Chief Executive Officer and other senior staff of HFOC. The Board ensures that hiring processes for management and staff maintain high professional standards and align with the competencies required to achieve the
Corporation's mandate.

Members of the Board, management, and staff are subject to clear professional and ethical obligations. The Conflicts of Interest Act (Alberta) applies to Board members, establishing rules to prevent and manage conflicts of interest. The Mandate and Roles Document between the Minister and HFOC reinforces governance expectations, and the HFOC Board Charter sets out fiduciary duties, integrity

requirements, and standards of transparency and accountability.

Employees of HFOC are bound by the Alberta Public Service Code of Conduct, which outlines rules on impartiality, integrity, respect, and avoidance of conflicts of interest. External investment managers, including Alberta Investment Management Corporation (AIMCo), follow their own corporate codes of conduct and professional standards, aligned with industry best practices. Protections for Board members and officers, including indemnification and Directors and Officers (D&O) liability insurance, are provided under the Business Corporations Act (Alberta) and HFOC's bylaws. These protections ensure that individuals acting in good faith can perform their duties without undue personal risk.

Public Disclosures

- Alberta Public Agencies Governance Act
- Conflicts of Interest Act (Alberta)
- Mandate and Roles Document (HFOC and Minister)
- HFOC Board Charter
- Alberta Public Service Code of Conduct

Principle 14

14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

The Alberta Heritage Savings Trust Fund's (Heritage Fund) dealings with third parties are governed by legislated mandates, contractual agreements, and procurement policies that require all engagements to be based on sound economic and financial considerations.

The Heritage Fund Opportunities Corporation (HFOC), as the delegated investment manager of the Heritage Fund, is authorized under its Investment Management Agreement (IMA) with the Government of Alberta to retain external asset managers, custodians, consultants, and other service providers. This agreement defines the scope of HFOC's authority, the processes for engaging third parties, and the standards of oversight to ensure that all arrangements deliver value for money and support the Fund's objectives.

Where Alberta Investment Management Corporation (AIMCo) manages a portion of the Fund's assets, the terms of that engagement are set out in a separate IMA between HFOC and AIMCo.

This agreement establishes mandate objectives, investment guidelines, reporting requirements, and performance expectations, ensuring that third-party relationships remain aligned with the Fund's long-term investment strategy.

All procurement and contracting activities are conducted in accordance with applicable Government of Alberta procurement policies, including competitive processes where required. These policies ensure transparency, market competitiveness, and the prudent use of public resources.

Third-party engagements are subject to ongoing monitoring and periodic review by HFOC to assess performance, ensure compliance with contractual terms, and confirm that services are delivered efficiently,

cost-effectively, and in a manner consistent with the Fund's fiduciary obligations.

Public Disclosures
• Alberta Heritage Savings Trust Fund Act
• Investment Management Agreement (Government of Alberta – HFOC)
• Investment Management Agreement (HFOC – AIMCo)
• Alberta Government Procurement Policies

Principle 15

15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

The Alberta Heritage Savings Trust Fund (Heritage Fund), through its appointed investment managers — the Heritage Fund Opportunities Corporation (HFOC) and Alberta Investment Management Corporation (AIMCo) — conducts all foreign investment activities in full compliance with the regulatory and disclosure requirements of each host jurisdiction. Where applicable, this includes submitting required information to local securities regulators, stock exchanges, taxation authorities, and other oversight bodies, as well as complying with corporate governance, financial reporting, and environmental, social, and governance (ESG) disclosure standards mandated in those jurisdictions.

External investment managers and service providers engaged by HFOC or AIMCo are contractually obliged to maintain compliance programs that monitor and ensure adherence to all relevant local regulations. Both HFOC and AIMCo maintain internal compliance functions that oversee these obligations, coordinate required disclosures, and track changes to host-country laws to ensure that reporting is timely and accurate.

By embedding these requirements into contracts, oversight processes, and operational policies, the Heritage Fund ensures that its activities are conducted transparently, with integrity, and in full alignment with applicable regulatory and disclosure frameworks in every jurisdiction in which it operates.

Public Disclosures
• Alberta Heritage Savings Trust Fund Act
• Investment Management Agreement (Government of Alberta – HFOC)
• Investment Management Agreement (HFOC – AIMCo)

Principle 16

16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

The Alberta Heritage Savings Trust Fund's (Heritage Fund) objectives, governance framework, and operational independence arrangements are established in legislation, ministerial orders, and formal agreements, all of which are publicly disclosed. The Alberta Heritage Savings Trust Fund Act sets the Fund's mandate to prudently manage savings from Alberta's non-renewable resources for the greatest financial

benefit to current and future generations, while assigning overall responsibility to the President of Treasury Board and Minister of Finance.

Operational independence is achieved through ministerial delegation to the Heritage Fund Opportunities Corporation (HFOC) to establish the Statement of Investment Policies and Goals (SIP&G) and direct transfers of assets between investment managers, including Alberta Investment Management Corporation (AIMCo). Within these delegated authorities, HFOC and AIMCo execute investment activities independently, without political direction, in accordance with the SIP&G, applicable legislation, and contractual requirements.

The governance framework, including roles, responsibilities, and reporting relationships, is further detailed in the Mandate and Roles Document (MRD) jointly developed by the Minister and HFOC under the Alberta Public Agencies
Governance Act. This MRD, together with relevant statutes and ministerial orders, is publicly disclosed to provide transparency on the Fund's objectives, governance arrangements, and the mechanisms that safeguard operational independence.

Public Disclosures
- Alberta Heritage Savings Trust Fund Act
- Financial Administration Act
- Business Corporations Act (Alberta)
- Alberta Investment Management Corporation Act
- Alberta Public Agencies Governance Act
- Ministerial Orders relating to HFOC (delegation to set SIP&G and direct asset transfers)
- Mandate and Roles Document – HFOC and Minister.

Principle 17

17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

The Alberta Heritage Savings Trust Fund (Heritage Fund) publicly discloses key financial information to demonstrate its economic and financial orientation, promote transparency, and maintain public and market trust. These disclosures are made in compliance with legislative requirements and follow a consistent reporting schedule.

Quarterly and annual reports prepared by the President of Treasury Board and Minister of Finance provide detailed information on the Fund's fair value, investment income, performance against benchmarks, asset allocation, and changes in the portfolio over the reporting period. Reports also include market commentary, an assessment of
results relative to the Fund's objectives, and updates
on governance or operational developments.

Quarterly updates are released publicly within two months of each fiscal quarter-end, while annual audited financial statements — prepared in accordance with Canadian Public Sector Accounting Standards (PSAS)

— are published as part of the Ministry of Treasury Board and Finance's annual report. These disclosures include benchmark comparisons and historical rates of return, enabling stakeholders, including Albertans and international observers, to assess the Fund's fiscal prudence, investment strategy, and long-term performance.

While the Fund does not release transaction-level details, all aggregated results, asset class performance, and strategic allocation data are provided in a manner consistent with Alberta's legislative and reporting framework.

Public Disclosures

- Alberta Heritage Savings Trust Fund Quarterly Reports
- Alberta Heritage Savings Trust Fund Annual Reports
- Ministry of Treasury Board and Finance Annual Reports

Pillar 3: Investment

Investment and Risk Management Framework.

Principle 18

18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.

18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.

18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.

18.3. A description of the investment policy of the SWF should be publicly disclosed.

The Alberta Heritage Savings Trust Fund's (Heritage Fund) investment policy is articulated in its Statement of Investment Policies and Goals (SIP&G), which is developed and approved under the authority of the Alberta Heritage Savings Trust Fund Act and applicable ministerial orders. The SIP&G ensures the Fund is managed in alignment with its legislated objectives, prudent investment principles, and defined risk tolerance.

The SIP&G defines the Fund's long-term investment objectives, strategic asset allocation targets, and permitted ranges. It establishes benchmarks for performance measurement and sets out risk management parameters, including limits on leverage, liquidity guidelines, and diversification requirements. The Fund's current practice does not involve the use of material leverage, and any derivative instruments are employed primarily for risk management or efficient portfolio structuring rather than speculative purposes.

The SIP&G outlines the governance framework for the use of internal and external investment managers. The Government of Alberta has appointed the Heritage Fund Opportunities Corporation (HFOC) as the

investment manager of record, with Alberta Investment Management Corporation (AIMCo) designated to manage certain portions of the Fund's assets. The SIP&G specifies the scope of authority for each manager, the asset classes they may invest in, and the performance benchmarks that guide evaluation.

External managers engaged by HFOC or AIMCo are selected through competitive procurement and rigorous due diligence processes, with consideration given to track record, investment capabilities, and alignment with the Fund's mandate. Performance is monitored through regular reporting, compliance oversight, and assessment against agreed benchmarks. The SIP&G is reviewed periodically to ensure it remains appropriate in light of changing market conditions, economic outlook, and the Fund's objectives.

Public Disclosures
• Alberta Heritage Savings Trust Fund – Statement of Investment Policies and Goals
• Alberta Heritage Savings Trust Fund Act

Principle 19

19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.

19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.

The Alberta Heritage Savings Trust Fund's (Heritage Fund) investment decisions are made in accordance with the Alberta Heritage Savings Trust Fund Act and the Fund's Statement of Investment Policies and Goals (SIP&G). These decisions are grounded in economic and financial considerations, with the objective of maximizing risk-adjusted returns over the long term for the benefit of current and future generations of Albertans, within the Fund's defined risk tolerance.

The SIP&G requires that all investment activities adhere to sound portfolio management principles, including diversification across asset classes, rigorous risk and liquidity management, disciplined rebalancing, and the balanced application of active and passive strategies. The Fund's current investment approach does not include any non-financial or non-economic mandates; should such considerations be introduced in the future, they would be explicitly documented in the SIP&G and publicly disclosed.

Assets are managed by the Heritage Fund Opportunities Corporation (HFOC) and Alberta Investment Management Corporation (AIMCo), both of which apply established asset management practices such as detailed due diligence, performance measurement against defined benchmarks, compliance monitoring, and periodic portfolio reviews. These practices ensure that investment activities are executed with care, diligence, and in full alignment with generally accepted principles of prudent asset management.
Oversight of these activities is maintained by the President of Treasury Board and Minister of Finance to ensure compliance with legislation, ministerial direction, and the SIP&G.

Public Disclosures
• Alberta Heritage Savings Trust Fund Act

• Alberta Heritage Savings Trust Fund – Statement of Investment Policies and Goals

Principle 20

20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

The Alberta Heritage Savings Trust Fund (Heritage Fund) operates exclusively on a commercial basis and does not seek or make use of privileged government information, nor does it accept or exert inappropriate influence from the Government of Alberta when competing with private entities.

Investment decisions are made by the Heritage Fund Opportunities Corporation (HFOC) — and, where applicable, by Alberta Investment Management Corporation (AIMCo) — under delegated authority set out in legislation, ministerial orders, and formal agreements. This governance structure ensures that investment decision-making is separate from the policy-making functions of government.

Both HFOC and AIMCo maintain strict compliance programs that include insider trading prohibitions, conflict-of-interest rules, restricted lists, and pre- clearance procedures to prevent the use of material non-public information (MNPI). If MNPI is obtained in the normal course of due diligence, trading in the affected securities is restricted, and the matter is escalated to compliance for review.

All transactions with third parties are conducted on market terms, through transparent processes and contractually defined mandates, without seeking preferential access, regulatory advantages, or other inappropriate benefits from government connections. Compliance functions at HFOC and AIMCo monitor adherence to these standards, provide regular attestations, and escalate any breaches. Oversight from the Ministry of Treasury Board and Finance ensures continued alignment with legislation, public-sector ethics requirements, and market norms.

Public Disclosures
• Alberta Heritage Savings Trust Fund Act
• Alberta Public Agencies Governance Act
• Conflicts of Interest Act (Alberta)
• Mandate and Roles Document (HFOC and Minister)
• Alberta Public Service Code of Conduct
• Alberta Heritage Savings Trust Fund – Statement of Investment Policies and Goals

Principle 21

21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

The Alberta Heritage Savings Trust Fund (Heritage Fund) views shareholder ownership rights as a fundamental element of the long-term value of its equity investments. The Fund's Statement of Investment

Policies and Goals (SIP&G) contains a formal proxy voting policy that requires ownership rights to be exercised in a manner consistent with the Fund's legislated objectives, prudent investment principles, and the goal of maximizing long-term risk-adjusted returns.

For Heritage Fund assets managed by Alberta Investment Management Corporation (AIMCo), ownership rights are exercised in accordance with AIMCo's publicly disclosed Responsible Investment Policy and Proxy Voting Guidelines. These policies set out a disciplined approach to voting securities of listed entities, focusing on the promotion of transparency, accountability, effective board oversight, and sustainable business practices. All voting decisions are based on economic and financial considerations intended to protect and enhance shareholder value.

The SIP&G's proxy voting provisions, together with AIMCo's responsible ownership framework, ensure that equity investments are managed under consistent standards. Where representation on portfolio company boards is considered, it is undertaken only when it is expected to protect or enhance the Fund's financial interests, and in accordance with the governance policies of the relevant investment manager.

Public Disclosures

- Alberta Heritage Savings Trust Fund – Statement of Investment Policies and Goals
- Alberta Investment Management Corporation – Responsible Investment Policy
- Alberta Investment Management Corporation – Proxy Voting Guidelines

Principle 22

22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

22.2. The general approach to the SWF's risk management framework should be publicly disclosed.

The Alberta Heritage Savings Trust Fund (Heritage Fund) maintains a comprehensive, multi-layered risk management framework that is embedded in its legislative mandate, governance structure, and operational processes. The Alberta Heritage Savings Trust Fund Act defines the Fund's purpose, investment authority, and oversight framework, while the Alberta Public Agencies Governance Act (APAGA) requires the governing body of a public agency to establish, maintain, and periodically review effective systems for identifying, assessing, and managing risks.

The Fund's Statement of Investment Policies and Goals (SIP&G) serves as the primary instrument for managing investment risk. It specifies target asset allocations, permissible ranges, risk tolerances, liquidity parameters, and other constraints designed to ensure prudent management. The SIP&G also requires adherence to sound portfolio management principles, including diversification, rebalancing, and liquidity management.

Operational risk management responsibilities are delegated to the Fund's appointed investment managers — Heritage Fund Opportunities Corporation (HFOC) and Alberta Investment Management Corporation (AIMCo) — through formal Investment Management Agreements. Both HFOC and AIMCo operate comprehensive enterprise risk management programs that include:
? Continuous monitoring of market, credit, liquidity, operational, legal, and reputational risks
? Regular stress testing and scenario analysis
? Documented control and incentive mechanisms
? Internal codes of conduct and ethics policies
? Business continuity and disaster recovery plans
? Independent internal audit and compliance functions

Risk reporting is provided on a timely basis to the President of Treasury Board and Minister of Finance through the Ministry of Treasury Board and Finance, enabling the owner to monitor adherence to the SIP&G, applicable legislation, and the Fund's long-term objectives. Independent assurance is provided by the Office of the Auditor General of Alberta, which audits the Fund's financial statements and evaluates the effectiveness of its
control environment in accordance with Canadian generally accepted auditing standards.

Public Disclosures
• Alberta Heritage Savings Trust Fund – Statement of Investment Policies and Goals
• Alberta Public Agencies Governance Act
• Alberta Heritage Savings Trust Fund Act
• Alberta Investment Management Corporation – Responsible Investment and Risk Management Overview
• Office of the Auditor General of Alberta – Reports

Principle 23

23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

The Alberta Heritage Savings Trust Fund's (Heritage Fund) assets and investment performance are measured and reported to the President of Treasury Board and Minister of Finance (the "Minister") in accordance with the principles and standards set out in the Statement of Investment
Policies and Goals (SIP&G) and the Fund's governing legislation.

Investment performance is assessed on both an absolute basis and relative to clearly defined benchmarks for each asset class, as well as a total fund policy benchmark. These benchmarks are established in the SIP&G to ensure alignment with the Fund's objectives and risk tolerance.
Performance measurement follows industry best practices and adheres to applicable Canadian Public Sector Accounting Standards (PSAS) for valuation and reporting.

The appointed investment managers — Heritage Fund Opportunities Corporation (HFOC) and Alberta Investment Management Corporation (AIMCo) — are responsible for calculating and monitoring performance results, including

attribution analysis to identify sources of return.

Detailed quarterly and annual performance reports are provided to the Minister through the Ministry of Treasury Board and Finance, covering:
? Current and historical market values of the Fund's assets
? Asset allocation compared to target ranges
? Absolute and relative performance by asset class
? Total fund performance versus the policy benchmark
? Commentary on market conditions, portfolio positioning, and compliance with investment policies

The Standing Committee on the Alberta Heritage Savings Trust Fund reviews performance results and holds at least one public meeting each year to present and discuss the Fund's results, enhancing transparency and accountability.

Public Disclosures
• Alberta Heritage Savings Trust Fund – Statement of Investment Policies and Goals
• Alberta Heritage Savings Trust Fund – Annual Report

Principle 24

24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

The Heritage Fund Opportunities Corporation (HFOC) Board is responsible for overseeing the Alberta Heritage Savings Trust Fund's (Heritage Fund) ongoing compliance with the Generally Accepted Principles and Practices (GAPP), also known as the Santiago Principles, established by the International Forum of Sovereign Wealth Funds (IFSWF).

As part of IFSWF membership requirements, the Heritage Fund engages in a regular process of reviewing its implementation of the Santiago Principles and completing a self-assessment for peer review. The HFOC Board ensures that governance, investment management, risk management, and disclosure practices are periodically evaluated against each of the 24 Principles, following the IFSWF self-assessment framework.
This process includes:
? Conducting internal assessments against all GAPP principles on a scheduled basis
? Reviewing and incorporating feedback from IFSWF peer reviews
? Monitoring international best practices for sovereign wealth fund governance and operations
? Updating policies, mandates, and reporting frameworks to maintain alignment with the Santiago Principles

The results of these reviews are reported to the President of Treasury Board and Minister of Finance and to the Standing Committee on the Alberta Heritage Savings Trust Fund. Public disclosures are updated as needed to reflect any changes arising from the review process.

Public Disclosures
• Alberta Heritage Savings Trust Fund – Annual Report