

## Is it still worthwhile having a Heritage Fund?

Absolutely. In fact, during the fund's history it has earned more than \$26 billion, which has improved the quality of life in Alberta.

No other province has a fund they can count on to build a long-term legacy for the future. The Heritage fund is an important part of Alberta's strong fiscal framework and has helped Alberta achieve the highest credit rating possible.

Today, the Heritage Fund operates as an endowment fund that is invested to maximize long-term financial returns. The net investment income that the Fund earns each year is transferred to the province's main operating fund, the General Revenue Fund, and has been used to support priorities like health care, education, tax reductions and debt repayment.

**investing**  
in Albertans



Legislative  
Assembly  
of Alberta



Heritage Fund

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## Alberta Heritage Savings Trust Fund

**your fund**  
*your future*

[www.albertaheritagefund.com](http://www.albertaheritagefund.com)

## What is the Alberta Heritage Savings Trust Fund ?

The Alberta Heritage Savings Trust Fund was created in 1976 when the provincial economy was doing very well and the government was receiving a lot of royalties from high oil prices. Premier Lougheed and the government decided to set aside a portion of this money for future generations of Albertans, specifically, when Alberta's non-renewable resources run out.

The Heritage Fund was unique then and still is. No other province has such a fund.

## What is the Heritage Fund's mission?

The Fund's mission is: "To provide prudent stewardship of the savings from Alberta's non-renewable resources by providing the greatest financial returns on those savings for current and future generations of Albertans."

## How is the Fund invested?

The Heritage Fund is managed and invested to provide the greatest financial returns over the long term. The Fund currently has investments in bonds, mortgages, stocks and real estate. These investments are held in different markets around the world including Canada, the United States, Europe, Australia, Asia and the Far East.

## Is this the best investment strategy for the Fund?

Yes, the current investment strategy is the right strategy for the Heritage Fund. It is a balanced plan based on two important concepts: diversification to manage risk, and a long-term planning horizon to earn greater returns.

The Fund's diverse portfolio is designed to manage the ups and downs of the markets.

In addition, the Heritage Fund is invested to earn returns over the longer term. Some losses may occur in the short-term, with the understanding that greater returns in the long run will more than compensate for any short-term declines. The Heritage Fund has a significant commitment to equities because, over the long-term, equities earn higher returns.

## What happens to investment earnings?

The investment income earned by the Fund is transferred to the province's main operating fund, the General Revenue Fund, to help pay for priorities like health care, education, tax reductions and to help pay down the provincial debt.

## Who keeps track of the Fund?

The Heritage Fund falls under the responsibility of the Minister of Finance.

The Fund is carefully and professionally managed by a combination of managers from within government and from external agencies. These experts are drawn from the best in the field to manage the Fund with the goal of getting the best return on investment without undue risk.

**The Select Standing Committee on the Alberta Heritage Savings Trust Fund** is an all-party committee of the Legislative Assembly of Alberta that reviews and approves the business plan and annual report of the Fund. The Standing Committee receives regular reports on the performance of the Fund and conducts an annual public meeting to update Albertans on the management of the Fund and to solicit input from Albertans.

The financial statements of the Heritage Fund are audited by the Auditor General of Alberta.

## What about the loans made to other provinces?

Between 1977 and 1982, six provinces borrowed a total of \$1.9 billion from the Heritage Fund - Manitoba, Quebec, Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island. All of the loans were repaid on time and in full.