

Newfoundland and Labrador Future Fund
Annual Report
For the Period April 1, 2025 to March 31, 2026

Newfoundland and Labrador Future Fund

TREASURY MANAGEMENT DIVISION
DEPARTMENT OF FINANCE
CONFEDERATION BUILDING
P.O. BOX 8700
ST. JOHN'S, NL A1B 4J6

Honourable Craig Pardy
Minister of Finance
Government of Newfoundland and Labrador
Confederation Building
St. John's, NL
A1B 4J6

Dear Minister Pardy:

As the Chair of the Board of Trustees responsible for the Newfoundland and Labrador Future Fund (NLFF), I am pleased to submit the 2025-26 Annual Report. The NLFF is a category 3 government entity, and in accordance with the **Transparency and Accountability Act** is required to prepare an annual activity report to present information on its activities of the preceding year. As such, the Board of Trustees is accountable for the preparation of this report and for the results reported therein.

The mandate of the Board of Trustees for the NLFF is to administer the fund established by the Government of Newfoundland and Labrador to strengthen finances, pay down debt and lower the cost of borrowing. During the 2025-26 fiscal year, the NLFF earned a net income of approximately \$17.6 million and an additional \$14.3 million in unrealized gains. This represents a 7.07 per cent annualized return on the fund equity. The NLFF ended the year with a value of \$532.6 million.

Sincerely,

A handwritten signature in dark ink, appearing to read 'David Drover', is positioned above the printed name.

David Drover, CPA, CGA
Chair of the Board

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1.0 OVERVIEW

The Newfoundland and Labrador Future Fund (NLFF) was created pursuant to the **Future Fund Act** with the objective of strengthening the province's finances, reducing debt, and lowering borrowing costs. The funds contributed are intended to benefit future generations and to ensure the province's capability to adapt and support sustainable economic growth.

The **Future Fund Act** legislates when the Province is required to make contributions to the NLFF, and when withdrawals from the NLFF are permitted. The annual contributions to the NLFF are invested by the Board of Trustees.

As of March 31, 2026, the members of the Board and their positions are as follows:

- David Drover (Chair) Deputy Minister, Department of Finance
- Brendan Hanlon Comptroller General, Treasury Board Secretariat
- Susan Squires Assistant Deputy Minister, Department of Environment,
Conservation and Climate Change
- Corey Tucker Assistant Deputy Minister, Department of Finance
- Thomas Nemec Director, Treasury Management, Department of Finance
- Kenneth Martin Public Representative

The NLFF's day-to-day activities are managed by employees of the Department of Finance and the NLFF is invoiced by the Province for reimbursement of these expenses on a cost-recovery basis. Contributions are invested and the earnings (i.e. interest, dividends, etc.), less an amount to cover administrative costs, are reinvested. The NLFF operates with a March 31 fiscal year end and the results of its activities are fully consolidated in the Provincial Government's annual financial statements.

2.0 MANDATE

The mandate of the Board of Trustees is to manage and control the operational activities of the NLFF. These activities include establishing investment policy, investment of funds and monitoring of such. These funds are invested in accordance with the **Future Fund Act**, primarily in equities, bonds, debentures, or other securities issued or guaranteed by the Government of Canada, the government of a province of Canada, the government of

a municipality of Canada, a corporation, or a chartered bank, with the goal of earning the maximum return from investment of the portfolio while ensuring security of the funds.

3.0 FINANCIAL HIGHLIGHTS

Market Value

In 2025-26, statutory fund contributions amounted to \$108.8 million bringing the total balance of contributions to the fund to \$467.9 million at March 31, 2026.

The NLFF earned returns of approximately 7.07% for the year, based on a net increase in assets of \$31.9 million. On a market value basis, fund returns exceeded benchmark comparators both in aggregate and for each measured asset class. Total assets are \$532.6 million as of March 31, 2026.

Special purpose financial statements for the year ending March 31, 2026, are included in this report. The sources of net increase in assets are as follows:

Bank Interest	\$	2,914,486	Safekeeping Charges	\$	23,599
Bond Interest		10,483,674	Bank Charges		280
Term Deposit interest		580,025	Salaries		78,996
Bond Discount Amortization		585,435	Commission Expense		7,850
Dividends		2,809,944			
Gain on redemption and sale of securities		395,305			
Revenue	\$	17,768,869	Less: Expenses	\$	110,725
Add: Gain in Market Value of Equities	\$	14,279,572	Less: Unrealized FX Trans. Loss	\$	6,095
			Net Increase in Assets	\$	31,931,621

Benchmark Return

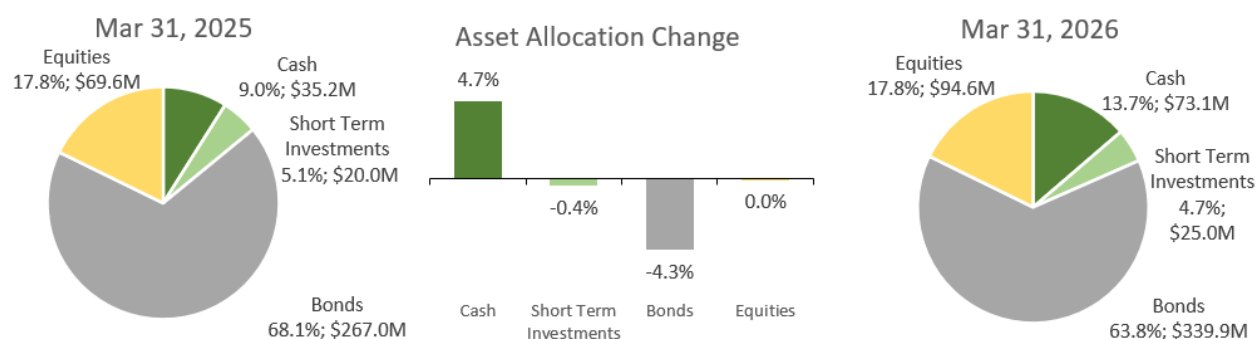
On a pure market value basis, all asset classes materially outperformed market benchmarks this fiscal year. Details on the actual return, benchmark return, and variance are displayed in the following table:

Asset Class	Actual Return (Gross)	Benchmark Return	Variance
Cash/Short Term Inv.	3.07%	2.52%	+0.55%
Fixed Income	3.11%	0.84%	+2.27%
Equity – Canadian	23.76%	22.49%	+1.27%
Equity – US	15.14%	10.35%	+4.79%

Favorable performance relative to benchmark in the equity asset class was attributable to positions in US sectors initially impacted by American tariff threats (e.g. pharmaceuticals, consumer staples, technology) that were subsequently unwound. In Canadian equities, the main sources of outperformance were the banking and pipeline sectors.

Portfolio Asset Mix

Total assets held by the NLFF as at March 31, 2026 was \$532.6 million. The composition of these assets reflected a mix of 13.7% cash (vs. 9.0% at the beginning of the year), 4.7% short term investments (vs. 5.1% at the beginning of the year), 63.8% bonds (vs. 68.1% at the beginning of the year), and 17.8% equities (vs. 17.8% at the beginning of the year). The increase in cash at the expense of other asset classes was due to a large incoming cash contribution to the fund which has not been fully reallocated to other asset classes as at the end of the year. The dollar value of asset classes as at March 31, 2026 was \$94.6 million in equities, \$339.9 million in bonds, \$73.1 million in cash, and \$25.0 million in short term investments. Asset allocations have moved largely into alignment with targets, with the exception of a moderate overweight to cash that is in the process of being allocated.



4.0 REPORT ON PERFORMANCE

In accordance with the Board's mandate, the following objective was identified for the 2025-26 fiscal year, which focuses on the primary activities of establishing investment policy; and the investment and monitoring of funds.

Objective: By March 31, 2026, Board of Trustees will have ensured the prudent investment of the assets of Newfoundland and Labrador Future Fund.

Indicator: The assets of the Newfoundland and Labrador Future Fund are prudently invested in accordance with the **Future Fund Act**, as evidenced by the completion of periodic reviews of reports to the Board of Trustees.

Results for 2025-26: The Board completed its review of an annual report which, in addition to financial results of the fund, highlighted the investing activity of the NLFF. This review ensured that the assets were prudently invested in accordance with the **Future Fund Act** and with the Board's mandate. The NLFF earned returns of approximately 7.07% for the year, based on a net increase in assets of \$31.9 million. See the Financial Highlights section for a summary of key financial results

5.0 OPPORTUNITIES AND CHALLENGES

The unpredictable nature of the investment market will continue to challenge the Board of Trustees to ensure that its investment strategy maximizes the rate of return earned on its investment portfolio, while at the same time protecting the security of the fund.

Strong, albeit volatile, performance in commodities has provided opportunities for enhanced returns in the Canadian equity asset class and will continue to do so if sustained. Investment uncertainty and policy volatility in global markets presents the possibility of capital flight to other jurisdictions, including Canada, which could enhance relative returns on Canadian portfolio assets; however, the possibility of central bank rate hikes to control inflation, escalation of war hostilities, and/or other factors, could have an adverse impact on equity asset class returns.

The economic environment will be closely monitored, and adjustments will be made accordingly to ensure sustainable returns on the investments. Additionally, the rollout of investment into the equity asset class has facilitated greater portfolio diversification. The further diversification in the sub-asset allocation within fixed income has enhanced the portfolio's return and overall performance.

6.0 CONTACT INFORMATION

Contact information is as follows:

Mailing Address

Newfoundland and Labrador
Government Future Fund
c/o Department of Finance
Confederation Building
East Block, Main Floor
P. O. Box 8700
St. John's, NL A1B 4J6

Office Location

Treasury Management Division
Department of Finance
Confederation Building
East Block, Main Floor
Telephone: (709) 729-3931
Fax: (709) 729-6790

7.0 AUDITED FINANCIAL STATEMENTS

Please see the attached special purpose financial statements for the year ended March 31, 2026. These financial statements of the NLFF are the responsibility of management and have been prepared in accordance with the summary of significant accounting policies set out in note 1 to the financial statements to meet the information needs of the NLFF and the Government of Newfoundland and Labrador.

The Office of the Auditor General of Newfoundland and Labrador performed an audit on the financial statements in accordance with Canadian generally accepted auditing standards. The Auditor's Report attached to the financial statements outlines the scope of the examination and contains the Auditor General's opinion on the NLFF's financial statements.

**NEWFOUNDLAND AND LABRADOR
FUTURE FUND**

**FINANCIAL STATEMENTS
31-Mar-26**



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Newfoundland and Labrador Future Fund
St. John's, Newfoundland and Labrador

Opinion

I have audited the financial statements of the Newfoundland and Labrador Future Fund (the Fund), which comprise the statement of financial position as at March 31, 2026, the statements of revenues and expenses, contributions, retained earnings, cash flows, remeasurement gains and losses, and the schedule of investments for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw attention to Note 1 to the financial statements, which describes the basis of accounting. These financial statements are prepared solely for the information of the Fund's board and the Government of Newfoundland and Labrador. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the use of the board and the Government of Newfoundland and Labrador and should not be used by anyone other than the specified users.

Independent Auditor's Report (cont.)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies described in Note 1 of these financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from

Independent Auditor's Report (cont.)

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Future Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (cont.)

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



DENISE HANRAHAN, CPA, MBA, ICD.D
Auditor General

September 24, 2026
St. John's, Newfoundland and Labrador

**Newfoundland and Labrador Future Fund
Statement of Financial Position
As at March 31, 2026**

	2026 \$	2025 \$
Assets		
Cash	70,076,206	32,147,293
Interest receivable	3,032,228	3,021,486
Term Deposit	25,000,000	20,000,000
	<u>98,108,434</u>	<u>55,168,779</u>
 Investments at amortized cost (Schedule)		
Cost	339,447,598	266,003,878
Accumulated amortization of discounts and premiums	471,556	960,740
	<u>339,919,154</u>	<u>266,964,618</u>
 Investments at market value:		
Canadian Equities	69,390,227	51,944,523
USD Equities	25,196,325	17,692,395
	<u>94,586,552</u>	<u>69,636,918</u>
 Total Assets	 <u>532,614,140</u>	 <u>391,770,315</u>
 Liabilities		
Accounts payable	<u>18,535</u>	<u>28,975</u>
 Total Liabilities	 <u>18,535</u>	 <u>28,975</u>
 Future Fund Equity		
Contributions from the Province of Newfoundland and Labrador	467,911,400	359,072,450
Retained earnings	45,269,151	27,611,007
Unrealized gain	19,415,054	5,057,883
	<u>532,595,605</u>	<u>391,741,340</u>
 Total Future Fund Equity	 <u>532,595,605</u>	 <u>391,741,340</u>
 Total Liabilities and Future Fund Equity	 <u>532,614,140</u>	 <u>391,770,315</u>

See accompanying notes

Signed on behalf of the Board:

Chairperson and Trustee

Trustee

Newfoundland and Labrador Future Fund
Statement of Revenues and Expenses
For the Year Ended March 31, 2026

	2026	2025
	\$	\$
Revenue		
Bond interest	10,483,674	9,177,143
Bank interest	2,914,486	3,598,018
Dividends	2,809,944	1,773,958
Bond premiums and discounts amortization	585,435	754,315
Term deposit interest	580,025	231,140
Gain on redemption and sale of securities	395,305	779,209
	<u>17,768,869</u>	<u>16,313,783</u>
Expenses		
Salary Expense	78,996	87,191
Safekeeping charges	23,599	18,125
Trading commissions	7,850	12,688
Bank charges	280	261
	<u>110,725</u>	<u>118,265</u>
Net Income	<u>17,658,144</u>	<u>16,195,518</u>

See accompanying notes

**Newfoundland and Labrador Future Fund
Statement of Contributions
For the Year Ended March 31, 2026**

	2026	2025
	\$	\$
Balance: Beginning of Year	359,072,450	286,458,800
Contributions from the Province of Newfoundland and Labrador Statutory Contributions	<u>108,838,950</u>	<u>72,613,650</u>
Balance: End of Year	<u><u>467,911,400</u></u>	<u><u>359,072,450</u></u>

See accompanying notes

Newfoundland and Labrador Future Fund
Statement of Retained Earnings
For the Year Ended March 31, 2026

	2026	2025
	\$	\$
Balance: Beginning of Year	27,611,007	11,415,489
Net Income for the year	<u>17,658,144</u>	<u>16,195,518</u>
Balance: End of Year	<u>45,269,151</u>	<u>27,611,007</u>

See accompanying notes

Newfoundland and Labrador Future Fund
Statement of Cash Flows
For the Year Ended March 31, 2026

	2026	2025
	\$	\$
Cash flows from operating activities		
Net income	17,658,144	16,195,518
Unrealized foreign exchange translation (loss) gain	(6,095)	85,162
Gain on redemption and sale of securities	(395,305)	(779,209)
Amortization of bond discounts and premiums	(585,435)	(754,315)
Change in non-cash working capital	<u>(21,182)</u>	<u>(812,509)</u>
Cash provided by operating activities	<u>16,650,127</u>	<u>13,934,647</u>
Cash flows from investing activities		
Purchase of Fixed Income Investments	(108,781,760)	(110,985,024)
Purchase of Equity Investments	(12,711,773)	(38,021,647)
Purchase of Term Deposit	(45,000,000)	(20,000,000)
Redemption of Term Deposit	40,000,000	-
Proceeds from Sale of Equities	2,344,619	-
Proceeds from Sale of Fixed Income Investments	7,588,750	15,405,118
Proceeds from Redemption of Investments	<u>29,000,000</u>	<u>12,000,000</u>
Cash used in investing activities	<u>(87,560,164)</u>	<u>(141,601,553)</u>
Cash flows from financing activities		
Contributions from the Province of Newfoundland and Labrador	<u>108,838,950</u>	<u>72,613,650</u>
Cash provided by financing activities	<u>108,838,950</u>	<u>72,613,650</u>
Increase (Decrease) in cash	37,928,913	(55,053,256)
Cash beginning of year	<u>32,147,293</u>	<u>87,200,549</u>
Cash end of year	<u>70,076,206</u>	<u>32,147,293</u>

See accompanying notes

**Newfoundland and Labrador Future Fund
Statement of Remeasurement Gains and Losses
For the Year Ended March 31, 2026**

	2026	2025
	\$	\$
Accumulated remeasurement gains, beginning of year	5,057,883	2,617,096
Increase in market value of equity investments	14,279,572	2,355,625
Unrealized foreign exchange translation loss/gain	(6,095)	85,162
Total unrealized gains	19,331,360	5,057,883
Amount recorded in net income for the year	83,694	-
Accumulated remeasurement gains, end of year	19,415,054	5,057,883

See accompanying notes

Newfoundland and Labrador Future Fund
Schedule of Investments
As at March 31

Investments measured at amortized cost:

Description	2026		2025	
	Face Value	Amortized	Face Value	Amortized
	<u>or Par</u> \$	<u>Cost</u> \$	<u>or Par</u> \$	<u>Cost</u> \$
<u>Canadian</u>				
Federal Bonds	49,000,000	49,204,531	38,000,000	38,081,340
Provincial Bonds	152,250,000	150,943,078	116,250,000	115,629,305
Municipal Bonds	47,187,000	47,131,919	32,187,000	32,302,631
Corporate Bonds	93,000,000	92,639,626	81,500,000	80,951,342
	<u>341,437,000</u>	<u>339,919,154</u>	<u>267,937,000</u>	<u>266,964,618</u>

Investments measured at fair value:

	2026		2025	
	Cost	Fair	Cost	Fair
	\$	<u>Value</u> \$	\$	<u>Value</u> \$
Canadian Equities	53,420,526	69,390,227	47,301,244	51,944,523
US Equities	21,830,171	25,196,325	17,363,087	17,692,395
	<u>75,250,697</u>	<u>94,586,552</u>	<u>64,664,331</u>	<u>69,636,918</u>

See accompanying notes

NEWFOUNDLAND AND LABRADOR FUTURE FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

Authority

The Province of Newfoundland and Labrador maintains a Future Fund into which proceeds from the following three sources are deposited: (1) net proceeds from the sale of any Crown asset or group of Crown assets with gross proceeds in excess of \$5,000,000, (2) the portion of non-renewable resource royalties received by the province in the previous fiscal year as determined in accordance with the Future Fund Regulations, and (3) any other contributions made at the discretion of Treasury Board. This is an unincorporated body formed under the Future Fund Act. All members of the Board, with the exception of one external member, are full-time employees of the Province. Two members of the Board are appointed by the Lieutenant-Governor in Council, while the other four are appointed based on their position held in accordance with the Future Fund Act.

The Fund is not subject to Provincial or Federal income taxes.

1. Basis of accounting

These special purpose financial statements have been prepared by the Fund in accordance with the summary of significant accounting policies set out below to meet the information needs of the Fund and the Government of Newfoundland and Labrador under the Future Fund Act.

Summary of significant accounting policies

These financial statements have been prepared on the accrual basis of accounting. Outlined below are the significant policies followed.

(a) Cash and cash equivalents

Cash and cash equivalents include balances with banks, and term deposits and short-term investments with original maturities of three months or less.

Term deposits and short-term investments are recorded at cost which approximates market value because of the short-term nature of the securities.

(b) Fixed Income Investment transactions

- (i) Purchases:** Investments are initially recorded at cost.
- (ii) Amortization:** Discounts and premiums are amortized using the effective interest method.
- (iii) Sales:** Sales of investments are at a negotiated selling price. Sales are recorded at the proceeds less the investment's average amortized cost, with any resulting gain or loss also recorded.
- (iv) Redemptions:** On occasion investments held in the Fund will be called for redemption by the issuer. In such instances, a gain or loss is recorded equal to the redemption proceeds less the investment's average amortized cost.

NEWFOUNDLAND AND LABRADOR FUTURE FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

1. Basis of accounting (cont.)

Summary of significant accounting policies (cont.)

(c) Equity Investment Transactions

Equity Investments are initially recorded at cost and are subsequently measured at fair value at the year-end date. Unrealized gains or losses are recorded on the statement of remeasurement gains and losses. When investments are disposed of, the realized gains or losses are recorded on the statement of revenues and expenses and the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses.

(d) Interest income

Interest income is recorded on an accrual basis. Income from investments is recorded when earned.

(e) Foreign currency translation

Assets, liabilities, revenues, and expenses denominated in U.S. currency are translated as follows:

- (i) assets and liabilities are translated at the rate of exchange in effect at the year-end date; and**
- (ii) revenues and expenses are translated at the rate of exchange in effect on the dates on which such items are recognized in income during the year, or an average of such.**

Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the year of settlement, realized foreign exchange gains and losses are recognized in the statement of revenues and expenses, and the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses.

NEWFOUNDLAND AND LABRADOR FUTURE FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2026

2. Effect of foreign currency translation

At March 31, 2026, the Fund held \$70,076,206 (2025 - \$32,147,293) in cash. This includes \$2,048,000 (2025 - \$651,447) denominated in U.S. currency.

The Fund assets and liabilities denominated in U.S. currency are translated at the rate of exchange in effect at the year- end date. The Fund's revenues and expenses are translated at the rate of exchange in effect on the dates on which such items are recognized in income during the year, or an average of such.

In 2026, the translation of assets denominated in U.S. currency at year end resulted in a net foreign exchange loss due to a decrease in the value of the U.S. dollar (2025 – net foreign exchange gain due to an increase in the value of the U.S. dollar).

3. Financial instruments

The Fund's short-term financial instruments recognized on the statement of financial position consist of cash, short-term investments, interest receivable, and accounts payable. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them. The Fund's long-term fixed income investments are recorded at amortized cost, while the Fund's long-term equity investments are recorded at fair value.

4. Related party transactions

The Newfoundland and Labrador Future Fund is administered by employees of the Department of Finance. The salary costs of \$78,996 (2025 - \$87,191) for these employees are paid by the Department of Finance, reimbursed by the Newfoundland and Labrador Future Fund, and are reflected in these financial statements. The Province of Newfoundland and Labrador has contributed \$467.9 million to the Newfoundland and Labrador Future Fund since it was established.

5. Subsequent event

On June 2, 2026, the Future Fund Act was amended. The amendments modified the circumstances under which deposits are made into the Fund by removing the requirement to deposit a portion of non-renewable resource royalties. The amendments further limit the purposes for which money may be withdrawn from the Fund. The amendments also removed the restriction for when money can be withdrawn.