

KIVALLIQ INUIT ASSOCIATION
SAPUULUTAQ ANNUAL REPORT
MARCH 31, 2026

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History and Background

Resolved as an extraordinary resolution by the Kivalliq Inuit Association (KIA) Board of Directors on October 29, 2019, and by the Members on October 30, 2019, the KIA Legacy Fund By-Law was officially registered as By-Law #2 on February 7, 2020. In December 2025 the Legacy Fund By-Law was renamed to the Sapuulutaq Fund By-Law.

The purpose of the Sapuulutaq Fund is to effectively and transparently manage designated revenues to achieve economic self-sufficiency of Kivalliq Inuit through time, in a manner consistent with Inuit societal and cultural needs and aspirations.

The Sapuulutaq Fund includes a long-term savings objective that invests designated revenues and generates consistent positive investment returns. The Sapuulutaq Fund will support Inuit social and cultural needs and aspirations through a spending objective that delivers consistent, predictable, and positive benefits to Kivallirmiut year over year by recognizing, prioritizing, and addressing community needs and education-related barriers to long-term prosperity.

Since the registration of By-Law #2, KIA has periodically received designated revenues which are displayed in its financial statements for the fiscal year ended March 31, 2026. KIA Management and Directors worked with professional subject matter experts through the last fiscal year and look forward to achieving full compliance with By-Law #2 for the betterment of Kivalliq Inuit, both today and in the future. The Finance Committee continues to advance its implementation for the benefit of Inuit in the Kivalliq region.

KIA is pleased to share this third edition of the Sapuulutaq Annual Report with its Members for fiscal year ended March 31, 2026. As a required reporting component of By-Law #2 it is the commitment of KIA to continue releasing this document annually and to improve its structure over time.

KIA 2025-26 Non-Consolidated Financial Statements and Auditors' Report

Please reference Appendix A for the non-consolidated financial statements of the Kivalliq Inuit Association and accompanying Auditors' Report from Baker Tilly Arctic Inc. for the fiscal year end March 31, 2026 (2025-26).

Assets Received by Fund

Please reference Schedule 1 of the 2025-26 non-consolidated KIA financial statements found in Appendix A for a list of monies received by the Sapuulutaq Fund in fiscal year 2025-26.

Investment Statements

In fiscal year 2025-26, Sapuulutaq Fund investments were held by CIBC Asset Management and Winestock Childerhouse Wealth of RBC Dominion Securities. Sapuulutaq Fund monies not yet invested were held in cash by KIA in CIBC bank accounts.

Please see Appendix B for CIBC Asset Management investment statements at March 31, 2026, and Appendix C for Winestock Childerhouse Wealth of RBC Dominion Securities investment statements at March 31, 2026. Uninvested Sapuulutaq Fund monies held in cash are recorded on the Non-Consolidated Statement of Financial Position as at March 31, 2026 found in Appendix A.

Investment Activity

In fiscal year 2025-26 there were no changes to KIA investment portfolios, no purchases of new investments, nor any divestitures; status-quo versus the prior fiscal year.

Disbursements by Fund

Please reference Schedule 1 of the 2025-26 non-consolidated KIA financial statements found in Appendix A for a statement of expenditures from the Income Stabilization Fund.

Expenditures recognized by the Income Stabilization Fund totaled \$430,659 and consisted primarily of professional fees and startup costs, as well as compensation related to the Legacy Fund Controller position at KIA.

Investment Manager Report

The report of the Investment Manager is meant to focus primarily on the performance, goals, and any recommendations with respect to the Investment Policy of KIA. By default, the Chief Financial Officer (CFO) of KIA is designated as the Investment Manager.

Following approval from the KIA Board of Directors to engage with The Northern Trust Company as custodian for Sapuulutaq funds, a contract was executed in March 2026. Similarly, following Board approval to engage with Marsh Investments Canada Ltd (previously known as Mercer Global

Investments (Canada) Ltd.) as Outsourced Chief Investment Officer (OCIO), a contract was executed in March 2026. Both agreements received extensive third-party review prior to approval and sign-off.

Continuing from the prior fiscal year, KIA worked with a U.S.-based law firm to develop a letter of opinion in support of an IRS W-8 EXP submission to avoid withholding taxes on U.S.-based Sapuulutaq investment income. Ultimately, the submission was accepted by Northern Trust and Marsh, and KIA's tax exempt status with the CRA in Canada has effectively been extended to the IRS in the U.S.

While custodian and OCIO contracts were in place within fiscal year 2025-26, due to the related contract review process and work associated with the W-8 EXP, Sapuulutaq funds were not migrated to Northern Trust until after fiscal year-end.

Following the Special Meeting of the Members near the end of the prior fiscal year, KIA amended By-Law #2 to exclude the Ukkusiksalik National Park Community Initiatives Fund, AEM Inuit Employment Target Contribution Fund, and Nunavut Inuit Resource Revenue Trust as amounts captured by Sapuulutaq. As well, the Legacy Fund By-Law was renamed to, "Sapuulutaq Fund By-Law". The bylaw amendments were registered with GN Corporate Registries effective December 2025, and amounts related to the now-excluded sources were segregated from Sapuulutaq accounts in March 2026.

Executive Committee Statement on Guidelines

Spending Guidelines for the Education Fund and Community Initiatives Fund were approved by the KIA Board of Directors in September 2025, effective April 1, 2026. Applications to both Funds were received in fiscal year 2025-26 and following the effective date; May 2026, the first Sapuulutaq funding application was approved.

Investment Advisor Report

In March of 2023, KIA assigned Mercer Canada Limited, now known as Marsh Investments Canada Ltd, as its Investment Advisor as defined in By-Law #2. This arrangement continued throughout fiscal year 2025-26.

APPENDIX A

KIA 2025-26 Non-Consolidated Financial Statements and Auditors' Report – Please find enclosed.

APPENDIX B

CIBC Asset Management Investment Statements – Please find enclosed.

APPENDIX C

Winestock Childerhouse Wealth of RBC Dominion Securities Investment Statements – Please find enclosed.