Mastercard Foundation

Financial Statements

December 31, 2025
(expressed in thousands of US dollars)

Independent auditor's report

To the Members of
Mastercard Foundation

Opinion

We have audited the financial statements of **Mastercard Foundation** (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statement of operations – operating fund, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Canadian accounting standards for not-for-profit organizations, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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.

We 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 we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 27, 2026

Mastercard Foundation

Statement of Financial Position

As at December 31

(expressed in thousands of US dollars)

	2025 $	2024 $
Assets		
Cash	**91,963**	84,631
Prepaid expenses and other assets	**18,548**	34,091
Investments (note 3)	**52,830,500**	50,165,964
Software implementation costs, net (note 5)	**17,881**	14,192
Tangible capital assets, net (note 6)	**22,460**	21,351
Intangible assets, net (note 7)	**599**	664
Total assets	**52,981,951**	50,320,893
Liabilities and fund balances		
Liabilities		
Accounts payable and accrued liabilities	**32,370**	32,750
Due to related party (note 10(a))	**7,026**	2,622
Total liabilities	**39,396**	35,372
Commitments (note 12) and contingencies (note 13)		
Fund balances		
Operating	**52,215,167**	49,558,133
Perpetual (note 3)	**727,388**	727,388
Total fund balances	**52,942,555**	50,285,521
Total liabilities and fund balances	**52,981,951**	50,320,893

On behalf of the Board of Directors:

_______________ Director

Mastercard Foundation

Statement of Operations – Operating Fund

For the year ended December 31

(expressed in thousands of US dollars)

	2025 $	2024 $
Revenue		
Investment income, net (note 4)	**4,817,777**	9,747,266
Other revenue (note 10(a))	**570**	768
	4,818,347	9,748,034
Expenses		
Program disbursements (note 10(b))	**1,891,915**	1,410,233
Program costs (notes 8 and 10(b))	**119,579**	113,595
Administration costs (notes 9 and 10(b))	**121,589**	90,959
Investment management fees (note 10(a))	**28,230**	18,643
	2,161,313	1,633,430
Excess of revenue over expenses for the year	**2,657,034**	8,114,604

See accompanying notes

Mastercard Foundation

Statement of Changes in Fund Balances

For the year ended December 31

(expressed in thousands of US dollars)

	Operating $	Perpetual $	2025 $	2024 $
Fund balances, beginning of year	**49,558,133**	**727,388**	**50,285,521**	42,170,917
Excess of revenue over expenses for the year	**2,657,034**	**—**	**2,657,034**	8,114,604
Fund balances, end of year	**52,215,167**	**727,388**	**52,942,555**	50,285,521

See accompanying notes

Mastercard Foundation

Statement of Cash Flows

For the year ended December 31

(expressed in thousands of US dollars)

	2025 $	2024 $
Operating activities		
Excess of revenue over expenses for the year	**2,657,034**	8,114,604
Add (deduct) items not affecting cash		
Realized gains on investments	**(8,312,679)**	(6,165,819)
Unrealized losses (gains) on investments	**4,052,627**	(3,234,912)
Income distribution on investments	**(179,418)**	(76,088)
Accrued interest on portfolio investments	**6,115**	(2,650)
Amortization of software implementation costs	**1,693**	—
Amortization of tangible capital assets	**4,018**	1,964
Amortization of intangible assets	**604**	604
Loss on disposal of tangible assets	**35**	—
Loss on disposal of intangible assets	**—**	267
	(1,769,971)	(1,362,030)
Changes in non-cash working capital balances related to operations		
Prepaid expenses and other assets	**15,543**	(13,850)
Accounts payable and accrued liabilities	**(380)**	9,590
Due to related party	**4,404**	2,622
Cash used in operating activities	**(1,750,404)**	(1,363,668)
Investing activities		
Proceeds from sale or maturity of investments	**23,350,440**	20,601,887
Purchase of investments	**(21,581,621)**	(19,226,456)
Purchase of tangible capital assets	**(5,162)**	(19,626)
Software implementation costs	**(5,382)**	(14,192)
Purchase of intangible assets	**(539)**	(560)
Cash provided by investing activities	**1,757,736**	1,341,053
Net increase (decrease) in cash during the year	**7,332**	(22,615)
Cash, beginning of year	**84,631**	107,246
Cash, end of year	**91,963**	84,631

See accompanying notes

(expressed in thousands of US dollars)

1 Nature of organization

Mastercard Foundation (the "Foundation") was established to advance youth education and relieve poverty for financially disadvantaged persons and communities through a gift of Mastercard Incorporated ("Mastercard") shares (note 3).

The Foundation was incorporated under the *Canada Corporations Act* by letters patent on October 28, 2005, as a corporation without share capital and was legally continued under the *Canada Not-for-Profit Corporations Act* (the "Act") on October 1, 2014.

Effective January 1, 2025, the Foundation was designated as a public foundation under subsection 149.1(1) of the *Income Tax Act* (Canada) and, as such, is exempt from Canadian income taxes under registration number 817387277 RR0001. Prior to January 1, 2025, the Foundation was designated as a private foundation.

The Foundation has tax-exempt status in the United States under Section 501(a) of the Internal Revenue Code, as a 501(c)4 organization, effective from the date of its formation in 2005.

The Foundation also has the following registrations:

Effective Date	Country	Registration
June 29, 2017	Rwanda	Foreign Company registration from the Rwanda Development Board
May 17, 2018	Republic of Ghana	External Company registration under the *Companies Act, 1963* (Act 179)
August 15, 2018	South Africa	Foreign Company (branch) registration under Section 23 of the *Companies Act 2008* from the Commissioner of Companies and Intellectual Property Commission
March 12, 2019	Kenya	Foreign Company registered (branch) in Kenya under the *Companies Act 2015*
May 24, 2019	Republic of Uganda	External Company (branch) registration under the *Companies Act 2012*
July 12, 2019	Ethiopia	Foreign Civil Society Organization registration in Ethiopia under the *Civil Society Organizations Proclamation No. 1113/2019*, Article 57(1)
September 23, 2019	Senegal	Headquarters Agreement
February 28, 2025	Federal Republic of Nigeria	Private Company Limited by Guarantee under the *Companies and Allied Matters Act 2020* Registration
September 12, 2025		Cooperation Agreement with the government of the Federal Republic of Nigeria

(expressed in thousands of US dollars)

1 Nature of organization (continued)

On October 4, 2023, the Foundation incorporated Mastercard Foundation Asset Management Corporation ("MFAM") under the Act, as a corporation without share capital, with the Foundation being its sole member. The Foundation controls MFAM by virtue of its governance structure. MFAM is a non-profit organization under paragraph 149(1)(l) of the *Income Tax Act* (Canada). MFAM provides investment management services to the Foundation. The Foundation has elected not to consolidate this entity and provides the required note disclosures in note 10.

2 Summary of significant accounting policies

Basis of presentation

The financial statements of the Foundation have been prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations" ("ASNPO"), which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below. The financial statements are presented in US dollars, which is also the Foundation's functional currency.

Fund accounting

The Foundation ensures, as part of its fiduciary responsibilities, that funds with a restricted purpose are expended for the purpose for which they were provided. For the purpose of financial reporting, the accounts have been classified into the following funds:

a) The Perpetual Fund consists of the gifted shares with a fair value of $727,388 that were allocated to the Perpetual Fund on January 1, 2024. The Foundation is required to permanently hold the allocation to the Perpetual Fund in trust pursuant to the terms of the Deed of Gift (note 3).

b) The Operating Fund consists of all other amounts that are available to the Foundation for charitable purposes as defined in the Deed of Gift and align with the Foundation's charitable objectives.

Investments and investment income

Investment assets are recorded at fair value. Fair value amounts represent estimates of the consideration that would be agreed on between knowledgeable, willing parties who are under no compulsion to act. It is best evidenced by a quoted market price if one exists. The calculation of estimated fair value is based upon market conditions at a specific point in time and may not be reflective of future fair values.

Fair value of investments is determined as follows:

a) Cash and cash equivalents include short-term notes, treasury bills and similar investments valued based on cost plus accrued interest, which approximates fair value. Money market funds are valued based on closing quoted market prices.

(expressed in thousands of US dollars)

2 Summary of significant accounting policies (continued)

Investments and investment income (continued)

b) Fixed income investments are bonds and other fixed income investments valued based on quoted market prices. If quoted market prices are not available, estimated values are calculated using discounted cash flows based on current market yields and comparable securities, as appropriate.

c) Exchange traded funds are valued based on quoted market prices.

d) Publicly traded equities are valued based on quoted market prices.

e) Fund investments include private equity (pooled) fund investments valued at their reported net asset value per unit and hedge fund investments valued based on the most recently available reported net asset value per unit, adjusted for the expected rate of return of the fund through December 31. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value.

Investment transactions are recorded on a trade date basis and transaction costs and management fees are expensed as incurred.

Investment income, consisting of interest, dividends, income distributions from funds, realized and unrealized capital gains and losses and foreign exchange gains and losses, is recorded on an accrual basis in the statement of operations. Investment income earned on the Perpetual Fund, which is subject to restrictions in the Deed of Gift stipulating that it be added to the principal amount of the endowment, is recognized as revenue of the Perpetual Fund; otherwise, it is recognized in the Operating Fund. In any year that net investment income is insufficient to fund the Foundation’s disbursement quota, or in the event of extraordinary circumstances as determined in the sole discretion of the Board of Directors of the Foundation, the shortfall is transferred from the Perpetual Fund to the Operating Fund.

Other financial instruments

Other financial instruments, including cash and accounts payable and accrued liabilities, are initially recorded at their fair value and subsequently at amortized cost, net of any provisions for impairment. Due to related party is initially and subsequently recorded at cost.

Cash

Cash consists of cash on hand and in banks.

Cash and cash equivalents

Cash and cash equivalents held for investing rather than liquidity purposes are classified as investments. Cash and cash equivalents consist of short-term deposits with a term to maturity of 90 days or less at the date of purchase.

(expressed in thousands of US dollars)

2 Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is determined using the straight-line method over the estimated useful lives as follows:

Leasehold improvements	Term of lease
Furniture and fixtures	10 years
Computers and other	3–5 years

The Foundation reviews the carrying amounts of its tangible capital assets whenever events or changes in circumstances indicate they may no longer have any long-term service potential to the Foundation. Any impairment results in a write-down of the carrying amount and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Cloud computing arrangements

The Foundation analyzes its cloud computing arrangements to determine if a software element in the arrangement is a software intangible asset. Any such asset is accounted for as a software intangible asset. If the software element is not an asset, the Foundation accounts for it as a software service and expenses it as incurred.

The Foundation capitalizes directly attributable expenditures on implementation activities when a cloud computing arrangement is a software service. Capitalized software implementation costs are expensed using the straight-line method over the expected period of access to the software service, which is estimated at eight years.

Intangible assets

Intangible assets are recorded at cost and amortized on a straight-line basis over two years. If an intangible asset no longer has any long-term service potential to the Foundation, the excess of the net carrying amount over the asset's fair value or replacement cost is recognized as an expense in the statement of operations.

Deferred rent liability and leasehold inducements

Certain of the Foundation's operating leases contain predetermined fixed escalations of minimum property rent during the original lease terms. The Foundation recognizes the related rent expense on a straight-line basis over the life of the lease and records the difference between the amounts charged to operations and amounts paid as deferred rent in the early years of the lease when cash payments are generally lower than straight-line rent expense. Deferred rent is reduced in the later years of the lease when payments begin to exceed the straight-line expense.

Also, the Foundation receives certain lease incentives in conjunction with entering into operating leases. These lease incentives are recorded as a leasehold inducement as the requirements to receive the contribution are met and recognized as a reduction of rent expense over the lease term.

(expressed in thousands of US dollars)

2 Summary of significant accounting policies (continued)

Deferred rent liability and leasehold inducements (continued)

Deferred rent and unamortized leasehold inducements are recorded in accounts payable and accrued liabilities in the statement of financial position.

Program disbursements and commitments

Disbursements to conduct program activities require execution of a contract between the Foundation and third parties. Disbursements are recorded as expenses in the year in which they are paid. Disbursements for multi-year funding are based on a schedule of payments and are disbursed and recorded as expenses when specified performance criteria are met. Where program funding has been approved, however, specified performance criteria are not met, such amounts are disclosed as commitments.

Program and administration expenses

The Foundation incurs operating costs for both its program and administration activities. Costs that relate to more than one category, such as personnel and occupancy costs, are allocated between program and administration costs based on time spent and effort expended on program-related activities.

Program costs are operating costs associated with charitable giving activities. These include personnel, professional fees, travel, office and other costs directly related to the Foundation's charitable programs.

Administration costs are operating costs incurred by the Foundation related to personnel, professional fees, travel, amortization (tangible capital assets, intangible assets and software implementation costs), and office and other costs for the administration of its charitable programs and the management of the Foundation.

Foreign currency translation

Revenue and expenses denominated in foreign currencies are translated into US dollars at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate and non-monetary items are translated at the prevailing historical rate at the transaction date. Foreign exchange gains and losses are included with administration costs in the statement of operations.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and revenue and expenses during the reporting period. Estimates are also used for determining the useful lives of tangible capital and intangible assets, software implementation costs, accruals and the allocation of expenses. Actual results could differ from these estimates.

(expressed in thousands of US dollars)

3 Investments

Investments consist of the following:

	2025 $	2024 $
70,121,630 Class A Mastercard shares (2024 – 84,753,156)	**40,031,036**	44,628,469
Portfolio investments	**12,799,464**	5,537,495
	52,830,500	50,165,964

Investment in Mastercard shares

On May 25, 2006, Mastercard gifted property, including shares (the “gifted shares”), to the Foundation pursuant to a gift agreement (the “Deed of Gift”). Under the Deed of Gift, the gifted shares were subject to limitations on disposal of shares for a fixed period of time ending upon the expiry of the periods of limitation (the “Restriction”). Following a variation of the Deed of Gift in July 2023, the expiration of limitation was accelerated to January 1, 2024.

As a result, on January 1, 2024, in accordance with the Deed of Gift, the fund balances were divided into two funds, the Perpetual Endowment Fund (“Perpetual Fund”) (with capital to be held in perpetuity and the income disbursed to satisfy the charitable purpose of the gift), and the Remaining Fund (“Operating Fund”) (to be disbursed as determined appropriate at the direction of the Board). Accordingly, on January 1, 2024, $727,388 was transferred to the Perpetual Fund, with the remaining $40,875,894 transferred to the Operating Fund in accordance with the Deed of Gift.

In addition, on June 15, 2023, the Foundation and Mastercard entered into a non-binding Memorandum of Intention and Understanding, which outlined the Foundation’s then intention and understanding in relation to the sell down of certain gifted shares to diversify its portfolio over a seven-year period. The Foundation intends to maintain a target investment in Mastercard shares, representing approximately 10% of the Foundation’s investment portfolio at the end of that period.

(expressed in thousands of US dollars)

3 Investments (continued)

Portfolio investments

The schedule below summarizes the fair value and asset mix of the Foundation's portfolio investments:

	2025 $	Asset mix	2024 $	Asset mix
Cash and cash equivalents	**268,487**	**2%**	1,365,655	25%
Fixed income investments	**—**	**—**	2,554,214	46%
Exchange-traded fund investments	**1,590,435**	**12%**	—	—
Fund investments				
Hedge fund investments	**9,950,259**	**78%**	890,183	16%
Private equity fund investments	**890,283**	**7%**	698,025	12%
Investment receivable	**100,000**	**1%**	29,418	1%
	12,799,464	**100%**	5,537,495	100%

As at December 31, 2025, cash and cash equivalents have a weighted average interest rate of 4.26%.

In 2024, cash and cash equivalents and fixed income investments had a weighted average interest rate of 4.75% and term to maturity between less than one month and two years.

4 Net investment income

Net investment income consists of the following:

	2025 $	2024 $
Realized gains on investments	**8,312,679**	6,165,819
Unrealized (losses) gains on investments	**(4,052,627)**	3,234,912
Dividends	**309,605**	248,033
Income distribution	**183,168**	76,088
Interest	**64,952**	22,414
	4,817,777	9,747,266

During the year, no investment income was earned that required allocation to the Perpetual Fund.

(expressed in thousands of US dollars)

5 Software implementation costs

	Cost $	Accumulated amortization $	2025 Net $	2024 Net $
Software implementation costs	**19,574**	**1,693**	**17,881**	**14,192**

The Foundation commenced a major software project in 2024, which was completed during 2025. During the year, the Foundation capitalized directly attributable costs on implementation activities related to the implementation of software services of $5,382 (2024 – $14,192), which included capitalized internal labour costs of $1,526 (2024 – $2,239).

During the year, the Foundation expensed $658 (2024 – $541) for software services costs and amortized $1,693 (2024 – nil) of software implementation costs, which is included in administration costs in the Statement of Operations. Commitments to make future expenditures on cloud computing arrangements are disclosed in note 12(d).

6 Tangible capital assets

Tangible capital assets consist of the following:

	Cost $	Accumulated amortization $	2025 Net $	2024 Net $
Leasehold improvements	**23,062**	**5,871**	**17,191**	16,140
Furniture and fixtures	**4,652**	**1,306**	**3,346**	2,916
Computers and other	**4,372**	**2,449**	**1,923**	2,295
	32,086	**9,626**	**22,460**	21,351

During 2025, tangible capital assets of $389 were disposed of, which resulted in a loss of $35 and is recognized as an expense in administration costs in the statement of operations. During 2024, the Foundation disposed of fully amortized assets of $872.

Included in leasehold improvements are office renovation projects in progress of $487 (2024 – $4,998), which have not been amortized as at December 31, 2025.

(expressed in thousands of US dollars)

7 Intangible assets

Intangible assets consist of the following:

	Cost $	Accumulated amortization $	2025 Net $	2024 Net $
Computer software	**1,738**	**1,139**	**599**	664

During 2025, the Foundation disposed of fully amortized intangible assets of $1,977. During 2024, intangible assets of $267 that no longer had any long-term service potential to the Foundation were disposed of and the corresponding expense was recognized in administration costs in the statement of operations.

8 Program costs

Program costs consist of the following:

	2025 $	2024 $
Payroll and personnel-related costs	**73,250**	58,798
Professional fees	**25,902**	38,906
Travel	**15,754**	11,037
Office and other costs	**4,673**	4,854
	119,579	113,595

9 Administration costs

Administration costs consist of the following:

	2025 $	2024 $
Professional fees	**58,168**	44,776
Payroll and personnel-related costs	**28,924**	24,067
Travel	**10,766**	8,637
Office and other costs	**17,416**	10,911
Amortization	**6,315**	2,568
	121,589	90,959

(expressed in thousands of US dollars)

10 Related party and affiliated transactions

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Affiliated transactions are disbursements or payments for services to organizations affiliated with certain members of the Board of Directors.

a) Mastercard Foundation Asset Management Corporation

Effective February 1, 2024, the Foundation entered into an investment management agreement with MFAM to diversify and manage investments on behalf of the Foundation in exchange for an investment management fee. The investment management fee represents personnel, professional fees, office and other costs, including capital outlays, incurred by MFAM. During the year, the Foundation incurred MFAM investment management fees of $24,043 (2024 – $16,467), of which $7,026 (2024 – $2,622) is recorded in due to related party as at December 31, 2025.

The Foundation charges a fee for providing office space and other ancillary services to MFAM. During the year, $374 (2024 – $505) was recorded in other revenue in the statement of operations related to these charges.

Amounts due to MFAM are unsecured, non-interest bearing and due on demand.

(expressed in thousands of US dollars)

10 Related party and affiliated transactions (continued)

a) Mastercard Foundation Asset Management Corporation (continued)

Financial information for MFAM for the year ended December 31 prepared in accordance with ASNPO is as follows:

	2025 $	2024 $
Statement of Financial Position		
Total assets	**10,701**	5,671
Total liabilities	**10,701**	5,671
Total fund balances	**—**	—

	2025 $	2024 $
Statement of Operations		
Total revenues	**23,294**	15,801
Total expenses	**23,294**	15,801
Excess of revenue over expenses for the year	**—**	—

	2025 $	2024 $
Statement of Cash Flows		
Operating activities	**468**	2,870
Investing activities	**(16)**	(79)
Financing activities	**16**	79
Cash, beginning of year	**2,870**	—
Cash, end of year	**3,338**	2,870

b) Board of Directors

The Foundation has a formal professional code of conduct in place for staff and the Board.

During the year, organizations affiliated with certain members of the Board received disbursements of $4,824 (2024 – $4,702) to conduct charitable activities. These disbursements are recorded in program disbursements in the statement of operations.

Organizations affiliated with certain members of the Board received payments for consulting services of $626 (2024 – nil). These are recorded in program and administration costs in the statement of operations.

Included in the total program disbursement commitments is $13,373 committed to organizations affiliated with members of the Board (note 12(b)).

(expressed in thousands of US dollars)

11 Financial risk management

The Foundation is exposed to various financial risks through transactions in financial instruments as follows:

a) Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

Price risk

Price risk is the risk arising from volatility in publicly quoted market prices. The Foundation is exposed to price risk with respect to its investment holdings in Mastercard shares, and indirectly through its holdings within its portfolio investments. The Foundation manages this risk by having professional investment managers diversify and manage the investment portfolio in accordance with established policies, procedures and Board oversight.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be adversely affected by fluctuations in market interest rates. The Foundation is exposed to interest rate risk with respect to its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the Foundation to fair value risk, while floating interest rate instruments subject it to cash flow risk. Interest rate risk is managed by having professional investment managers monitor portfolio performance and diversify the portfolio in accordance with established policies and Board oversight.

Currency risk

As at December 31, 2025, the Foundation holds cash and cash equivalent balances and investments of $561,950 denominated in currencies other than its reporting currency, the US dollar. The Foundation also transacts in foreign-denominated currencies as part of its day-to-day operations. Consequently, the Foundation is exposed to the risk that the exchange rate of the US dollar relative to other currencies may change in a manner that has an adverse effect on the Foundation’s financial results. The Foundation manages currency risk by preparing and monitoring cash forecasts to ensure it can anticipate cash requirements.

b) Liquidity risk

Liquidity risk is the risk the Foundation will not be able to meet its financial obligations related to program and investment commitments as they come due. One of the critical measures in place for the Foundation to manage this risk is ensuring that total outstanding program commitments do not exceed 20% of the Foundation’s assets. The Foundation manages liquidity risk by preparing budgets and monitoring cash forecasts to ensure there are sufficient funds to meet its obligations.

(expressed in thousands of US dollars)

11 Financial risk management (continued)

c) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Credit risk may arise directly from an obligor, an issuer of securities or indirectly from a guarantor of a credit obligation. The Foundation is directly exposed to credit risk in connection with its cash equivalents investments, and indirectly exposed to credit risk in connection with its hedge fund and private equity fund investments, in the event that a counterparty defaults or becomes insolvent. To manage this credit risk exposure, the Foundation has employed professional investment managers, including the investment management services of MFAM, who monitor the portfolio regularly, ensuring that cash equivalents consist of securities of federal or provincial governments, chartered banks, major trust companies, or top-quality corporate credits and through a combination of due diligence procedures, ongoing monitoring, diversification practices and governance controls over its fund investments.

12 Commitments

a) Operating commitments

The Foundation is committed to total lease payments under operating leases for office space as follows:

	Total $
2026	4,471
2027	5,696
2028	5,681
2029	5,853
2030	5,733
Thereafter	28,370
Total	55,804

(expressed in thousands of US dollars)

12 Commitments (continued)

b) Program commitments

The total program commitments relating to future years amount to $8,365,735 and are scheduled to be disbursed as follows:

	Total $
2026	2,565,248
2027	1,925,239
2028	1,420,457
2029	993,350
2030	643,931
Thereafter	817,510
Total	8,365,735

As a component of its financial inclusion programming, the Foundation seeks to provide access to credit to alleviate poverty. In support of this programming, the Foundation provides limited guarantees to partner organizations for a portion of the obligations owed by qualified borrowers. Guarantees to these organizations included as program commitments amount to $86,676.

c) Investment commitments

The Foundation has outstanding commitments to enter into investment transactions, which are expected to be drawn over time in accordance with the terms and conditions agreed to by the Foundation. As at December 31, 2025, these commitments total $1,826,235.

d) Other commitments

The Foundation has outstanding commitments for office renovation projects underway of $11,663 in 2026, and certain costs related to cloud computing arrangements of $3,500 as follows:

	Total $
2026	2,201
2027	643
2028	656
Total	3,500

(expressed in thousands of US dollars)

13 Contingencies

The Foundation is subject to various claims and potential claims related to operations. Where the potential liability is likely and able to be estimated, management has recorded its best estimate. Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to the amount recorded are determined to be required.